



## ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of last meeting	5 - 10
2.	Disclosable Pecuniary interests and Non Pecuniary interests	
3.	Absence of Members	
4.	Public Question and Comments (if any)	
5.	Report of the Monitoring Officer (if any)	
6.	Members' Items (if any)	N/A
7.	Local Pension Board Performance Overview	11 - 46
8.	Committee Work programme	47 - 52
9.	Motion to Exclude the Press and Public	
10.	Exempt Verbal Update	Verbal
11.	Any other exempt item(s) the Chairman decides are urgent	

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## Decisions of the Local Pension Board

14 February 2018

Members Present:-

AGENDA ITEM 1

Professor Geoffrey Alderman (Chairman)

Hem Savla (Vice-Chairman)

David Woodcock  
Stephen Ross

Salar Rida

Also in attendance:

Alice Leech

### 1. ABSENCE OF MEMBERS

Apologies for absence had been received from Councillor Daniel Thomas.

It was reported that the Vice-Chairman, Tom Evans, the employer representative from an admitted or scheduled body, had resigned his position as a Board Member on 10 February 2018. The Chairman sought nominations for the position of Vice-Chairman. Hem Savla was proposed as Vice-Chairman and this was duly seconded by Stephen Ross. The Board then **RESOLVED that Hem Savla be appointed as Vice-Chairman of the Barnet Local Pension Board.**

The Board were advised that there was now a vacancy for an employer representative from an admitted or scheduled body. Officers would commence recruitment to the vacancy shortly.

### 2. MINUTES OF LAST MEETING

**RESOLVED that the minutes of the meeting held on 29 November 2017 be approved as a correct record.**

#### **Matters Arising**

In relation to minute item 10 (Interaction with Pension Regulator) it was noted that training for Board Members had taken place on 10 January 2018. The Head of Governance reported that the training session had been focussed on the initial four elements of the CIPFA Local Pension Boards Technical Knowledge and Skills Framework – pensions legislation, pensions governance, pensions administration, and pensions accounting and auditing standards). A further session would be commissioned to cover the remaining four elements – pension services procurement and relationship management, investment performance and risk management, financial markets and product knowledge, and actuarial methods, standards and practices. In addition, Board Members had been sent details of the Competency Self-Assessment Matrix set out in the CIPFA Framework and it was noted that the Head of Treasury would contact Board Members during March to complete this matrix. Findings would then be used to identify skills gaps and inform individual training plans for Board Members.

**3. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS**

None.

**4. PUBLIC QUESTION AND COMMENTS (IF ANY)**

None.

**5. REPORT OF THE MONITORING OFFICER (IF ANY)**

None.

**6. MEMBERS' ITEMS (IF ANY)**

Stephen Ross presented his Members Item which requested that the Board receive a report on how the situation with Capita is being monitored and what contingency plan is in place. In addition, he requested that Capita's pension services be appropriately rated on the Council's risk register and managed accordingly. It was requested that this should include the management of reputational risk (e.g. via an effective communications strategy with beneficiaries).

The Assistant Chief Executive advised the Board that it was acknowledged that there were issues with pensions administration. A Service Improvement Plan in place and details of that Plan would continue to be reported to the Board regularly for scrutiny. In respect of having contingency plans in place should there be an issue with an external provider, the Board were advised that the Council already has plans in place and details of those arrangements would be reported to the Performance and Contract Management Committee on 27 February 2018. This would include details of contingency plans in place in respect of all the Council's contracted providers.

In response to a question, the Assistant Chief Executive advised the Board that the recently reported issues with Capita had changed the status of the risk associated with the services that they provided. Details of the updated risk would be included on the Council's Strategic Risk Register details and be reported to the Performance and Contract Management Committee.

In response to questions about the viability of external providers, the Assistant Chief Executive report that trigger points were continually monitored by the Commercial Team. Some of the triggers points include levels debt ratios and banking covenants. Triggers were usually monitored twice yearly, but had recently been reviewed in response in relation to the recent news about Capita. The Board were advised that the triggers which would require the Council to act had not been breached. A Board Member questioned whether income and dividend cover were triggers that were considered. The Assistant Chief Executive undertook to request that the Commercial Director include this in the report to the Performance and Contract Management Committee.

**RESOLVED that the Board be kept regularly advised of the situation relating to Capita and the potential impact on the Barnet Superannuation Scheme.**

## **7. LOCAL PENSION BOARD PERFORMANCE OVERVIEW**

The Assistant Chief Executive and HR Strategic Lead presented a report which provided an overview of the performance of Capita in respect of the administration of the London Borough of Barnet Superannuation Scheme. It was reported that there had been a deterioration of performance in six of the 10 case groups areas during the reporting period. Officers reported that there were issues with legacy data, communications and a lack of reporting of breaches to the Pensions Regulator all of which required redress via the Service Improvement Plan (Appendix C). In addition, the Board were requested to note the concerns highlighted in the Internal Audit Report (Appendix B) and the risks detailed in the Pensions Administration Risk Register (Appendix D).

Board Members recommended that Capita Employee Benefits (CEB) should:

- Produce a monthly employer compliance report;
- Articulate to employers the risks, potential penalties and consequences (including referrals to the Pensions Regulator) for failing to submit accurate information to CEB on time; and
- Encourage employer participation in the Employer Forum;

The Board noted that data cleansing was on-going and it was questioned whether this would be completed in time for the issuance of the 2018 Annual Benefits Statements. Officers reported that a plan was in place for the data cleanse and progress would be reported to the Board at the next meeting.

### **RESOLVED that:**

- 1. The Local Pension Board note the performance concerns in relation to Capita's administration of the Barnet Pension Fund as set out in the Local Pension Board Performance report and associated appendices.**
- 2. The Local Pension Board are requested to note the progress made against the Service Improvement Plan.**
- 3. The Local Pension Board receive a copy of the draft Communications Plan by the end of February.**
- 4. The Local Pension Board requests to receive a detailed project plan from Capita by the end of February in relation to the process that leads to the issuing of benefit statements to satisfy itself that sufficient resources and planning are in place to ensure the mistakes of 2016 are avoided**
- 5. The Local Pension Board note the risks identified on the Pensions Administration Risk Register.**
- 6. The Local Pension Board refer the Local Pension Board Performance and issues detailed in the preamble above to the next meeting of the Pension Fund Committee and request that the Board Chairman be given an opportunity to address the Committee on the issues raised.**

## **8. REVIEW OF FUNDING AND CONTRIBUTION SETTING PROCESSES**

The Head of Treasury introduced the report which set out details of the Barnet Pension Fund and the review of funding and contribution setting process.

Gemma Sefton, from Hymans Robertson, delivered a presentation on the 2016 triennial valuation which covered:

- Stakeholders
- Scrutiny of the Scheme
- Valuation Regulations
- Role of the Administering Authority
- Valuation Process and Requirements
- Funding Strategy Approach
- Results of the 2016 Valuation
- Setting Contribution Rates

The Board noted that the next valuation would be taking place in 2019.

A Board Member commented that the Investment Advisor would be reliant on the accuracy of the data from the Administering Authority in making whole fund valuations.

### **RESOLVED that:**

- 1. The funding and contribution setting process as set out in the report and the presentation from Hymans Robertson be noted.**
- 2. Capita Employee Benefits be requested to develop a data quality plan to ensure that accurate data is being used for the next valuation and for details of the plan to be reported to a future meeting of the Board.**

## **9. REVIEW OF PENSION SCHEME FUNDING RISKS**

The Head of Treasury presented a report which outlined the risk register relating to scheme funding and procedures in place to manage these risks.

The Board questioned whether the Council had assessed the potential liability if an admitted body failed and the admitted body had a funding deficit. The Head of Treasury reported that in addition to any bond or guarantor, that the previous employer, normally the Council, guarantees deficits in the event of a default and that information relating to these scenarios were made available at the valuation to the Actuary.

**RESOLVED that the Board note the Pension Fund Risks as set out in the report.**

## **10. CONSULTATION ON GOVERNANCE POLICY AND COMPLIANCE STATEMENT**

The Head of Treasury presented a report which detailed the London Borough of Barnet Pension Fund Governance and Compliance Statement.

The Board noted that guidance recommended that the Pension Fund Committee should have representation from participating Local Government Pension Scheme employers, admitted bodies and scheme members (including pensioner and deferred members). It was reported that, Barnet were currently non-compliant with the guidance. The Board

agreed that the Head of Governance should refer this issue to the Pension Fund Committee and, with their agreement, to the Constitution, Ethics and Probity Committee. Members would therefore be able to consider whether they wished to amend the membership of the Pension Fund Committee to include members to represent those stakeholder groups.

**RESOLVED that:**

- 1. The draft Governance Policy and Compliance Statement be agreed.**
- 2. The Local Pension Board refer the issue of the membership of the Pension Fund Committee, as detailed in the preamble above, to the Pension Fund Committee.**

The meeting finished at 8.52 pm

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	<p>AGENDA ITEM 7</p> <p style="text-align: center;"><b>Local Pension Board</b></p> <p style="text-align: center;"><b>19 June 2018</b></p>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Local Pension Board Performance Overview</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Interim Assistant Chief Executive</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>No</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A - The CEB performance report for the period January – April</p> <p>Appendix B - Consolidated Plan</p> <p>Appendix C - Pensions Administration Risk Register</p> <p>Appendix D - Communications Strategy</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Natasha Edmunds Strategic HR Lead <a href="mailto:Natasha.edmunds@barnet.gov.uk">Natasha.edmunds@barnet.gov.uk</a></p>

<h2>Summary</h2>
<p>This report provides an overview of the performance of Capita in administering the London Borough of Barnet Superannuation Scheme and invites the board to scrutinise particular aspects of performance, actions taken to improve the service through the improvement plan, as well as an update on progress to address the findings of the recent audit of Scheme administration.</p> <p>The report makes a number of recommendations including adoption of the Scheme Communications Strategy.</p>

## Officers Recommendations

1.	That the board note the performance of Capita in relation to the administration of the fund and provide any comments as necessary
2.	That the Local Pension Board note the submission of Capita's performance for the period January – April 2018 as illustrated at Appendix A
3.	The Board are requested to note the revised approach to addressing service improvement through a consolidated plan
4.	That the board note the Communications Strategy for engagement with Scheme employers, Scheme members and other stakeholders
5.	The Board are requested to note the risks identified on the Pensions Administration Risk Register
6.	The Board are requested to advise the Committee of the importance of training for Board and Committee members and recommend that new members of the Committee who have not completed the Pensions Regulator's Toolkit do so as soon as possible.
7.	That the Local Pensions Board note/approve the risk register as highlighted in appendix C

### 1. WHY THIS REPORT IS NEEDED

- 1.1 Administration of the London Borough of Barnet Pension Fund is undertaken by Capita Employee Benefits (CEB). The Local Pension Board has a role in ensuring the effective and efficient governance and administration of the Pension Fund. This report is a covering report by officers providing an overview of the performance of CEB in undertaking pensions administration for the London Borough of Barnet Superannuation Scheme on behalf of the Scheme Manager.
- 1.2 Concerns with the performance of CEB in delivering an effective and efficient administration service have been identified by council officers, by the recent internal audit, and by The Pensions Regulator. The Board will be aware that The Pensions Regulator has been monitoring the performance of the London Borough of Barnet Superannuation Scheme since summer 2017 when it took enforcement action against the Scheme Manager for failing to submit the annual return in 2016 and the subsequent late issuing of annual benefit statements by the statutory due date. The Regulator remains concerned about the quality of scheme data and ability of the Scheme to issue accurate Annual Benefit Statements to scheme members by the statutory due date of 31 August. Council officers are, therefore, seeking the assistance of the Board in securing compliance of CEB with the regulatory framework and delivering improved performance of the service.

- 1.3 The CEB performance report for the period January to April 2018 is attached at Appendix A

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 Following the Board meeting of 14<sup>th</sup> February 2018, where the Board expressed concern at the deterioration of performance in cases related to retirements and bereavements in particular, greater focus has been applied by CEB to these case groups. Whilst improvements are noted in both case groups, CEB recognise that further effort is required to improve performance in relation to retirements.
- 2.2 Root cause analysis has been undertaken in relation to retirements and this has identified a need for further engagement and education with employers where there is a lack of understanding about early notification of retirement to the Pensions Administration team of impending retirees, and in particular, those arising as a result of organisational change (i.e. redundancy which triggers early entitlement to pensions)
- 2.3 In order to address the challenge of employer understanding of their responsibilities, a number of actions have been undertaken and are planned throughout the course of the year. Notably, an employer forum took place on 15<sup>th</sup> March with the aim of educating and increasing understanding among employers of their responsibilities for the provision of data to the pensions administration team. Feedback from the event was positive although attendance by employers was low with only 7 employers out of 79 attending.
- 2.4 The information presented at the employer forum and the procedure manual were also emailed to all employers in the scheme following the employer forum in March.
- 2.5 A further employer forum is planned for late September 2018 and further effort will be made to increase attendance by employers at that event.
- 2.6 In addition, a procedure manual has been uploaded to the Council's website that employers and Scheme members can access and which outlines the data requirements and their associated timescales and has been issued to all scheme employers.
- 2.7 A number of other communication and engagement activities are outlined in the Communications Strategy which is on the agenda for discussion at this meeting. At its last meeting the Board identified the critical importance of communication and engagement with all Scheme stakeholders and it should be noted that the Regulator places a high degree of importance on engagement with Scheme stakeholders and employers in particular to aid

employer understanding of their responsibilities for the provision of accurate and timely scheme member data.

- 2.8 In the period since the last board, further work has been undertaken between LB Barnet officers and CEB on the various aspects of the improvement plan, most notably, the creation of a consolidated project plan that details all of the activities involved in pension administration throughout the scheme calendar year, including the detailed activities for year-end data collection and the issuing of annual benefits statements. In addition, the plan incorporates those areas of work that are specific projects outside of business as usual activity, namely data cleanse. The consolidated plan is attached at Appendix C.
- 2.9 The purpose behind the creation of the consolidated plan is to ensure increased clarity of activity for both officers and CEB and to enable tracking of dependencies and items on the critical path, with two key events being imminent which are outlined below. This means issues and risks can be more easily identified and addressed and mitigated where appropriate. The plan also contains a set of performance measures to track progress of specific improvement areas.
- 2.10 The consolidated plan is used in monthly performance monitoring meetings between LBB officers and CEB to ensure progress remains on track for key activities in the current and forthcoming periods.
- 2.11 Two key areas of activity are currently underway, namely, year-end data collection and the common data cleanse project.
- 2.11.1 Year-end data collection is on track and employer compliance with the provision of year end data has shown an improvement on previous years. The deadline for submission of data was 30<sup>th</sup> April and, of 79 employers, 14 did not meet the deadline. The 14 employers represent 181 scheme members (out of a total of circa 27,000). Those employers have been referred to LBB so that officers can chase the employers on behalf of the scheme manager, whilst also outlining the actions available to the scheme manager in accordance with Administration Strategy. A verbal update on progress with the outstanding employers' data will be provided to the Board at the meeting. In addition, at its meeting of 26<sup>th</sup> February 2018, the Pensions Committee requested an update on employer compliance and it is recommended that the Board provide a copy of this report and the verbal update on employer compliance to the committee at its next meeting.
- 2.11.2 The board will be aware that a key area of activity is the common data cleanse project. To recap, the pensions regulator has set a target for data quality of 95% for legacy data (records created pre June 2010) and 100% for all other records (records created from June 2010 onwards). When analysed in September 2017 it was identified that LBB scheme data falls well below the regulator's thresholds and, as a result, a common data cleanse project was initiated in January 2018. The project is on track to improve LBB scheme data quality by August 2018 to the regulator's targets.

A record keeping plan is now included in the consolidated plan (Appendix C) so that, having improved the quality of the data, the standards can be maintained throughout each scheme calendar year. The quality of scheme data is of critical importance in ensuring scheme members receive the correct benefits on retirement, but also to ensure that the scheme valuation is as accurate as it can be at each triennial valuation (next valuation due in 2019). It should also be noted that the better the scheme data, the better the customer experience for scheme members in relation all areas of work (e.g. pensions transfers in/out, retirements, bereavements, benefit estimate requests etc.).

- 2.12 The Board will note that the CEB report now includes information on breaches of law and these are now a regular feature of performance reporting. During the reporting period, six disclosure breaches have been logged but have been reviewed and classified as non-reportable as, when considered in the round, they are not of material significance. However, all breaches will be kept under review to ensure no materiality emerges through a cumulative impact of a recurring issue.
- 2.13 The Board have previously expressed concern about the number of cases in the backlog, and, in particular, those in excess of 12 months. A significant number of cases are reliant on information from third parties and are outside of the control of CEB to progress. Whilst some improvement is being seen in progressing cases in the backlog, further effort is required by CEB to focus on clearing those within their control. At the time of writing this report, officers are awaiting proposals from CEB on treating aged third party cases. It is anticipated that by the time of the Board meeting, proposals will have been reviewed and agreed between CEB and officers and therefore, a verbal update will be provided to Board members on actions being taken and the impact on the backlog.
- 2.14 At the last meeting of the Board on 14<sup>th</sup> February 2018, the Board were advised of an internal audit commissioned by officers on administration of the LBB scheme that gave limited assurance. Of the 24 findings, 14 have been fully implemented, 6 have been partially implemented, 2 are on track against their delivery timescales, and the final 2 have been superseded. Progress on implementing the agreed actions continues to be monitored at the monthly pensions performance meetings between CEB and officers and a further review by internal audit is planned in the next few months.
- 2.15 The Scheme Manager remains under scrutiny by the Pensions Regulator and regular meetings are taking place with officers and the regulator's case manager. At the time of writing, a meeting is scheduled with the regulator and a verbal update on the outcome of that meeting will provided to the Board at its meeting of 19 June.
- 2.16 The current performance levels of the pension administration service remain below the expectations of the Scheme Manager and of the Pensions Regulator. A significant amount of work is now underway to address the key issues previously highlighted to the Board and close monitoring of

service improvement continues. Specific risks have been identified and recorded in relation to data quality. The Board are requested to note the risks and mitigating actions in the risk register at Appendix D.

- 2.17 A key area of concern for the Regulator is ensuring that both Board and Committee members have an appropriate level of skill and knowledge of all aspects of the regulatory framework governing Local Government Pensions Schemes including the specific roles and responsibilities in relation to governance exercised by the Board and the Committee. At its meeting in February 2018 the Board confirmed completion of the Regulator's Public Service Toolkit and attended training in January 2018. In view of recent elections and changes to the membership of the Committee the Board are asked to remind the Committee of the importance of attendance at training events and completion of the Public Service Toolkit.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The Local Pension Board have, to date, regularly received performance data for consideration from CEB. LB Barnet Officers do not think that it is appropriate, in the current circumstances that the Board receives a submission presented by CEB, and therefore that approach is not recommended at this time.

### **4. POST DECISION IMPLEMENTATION**

none

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

The Local Pension Board supports delivery of Council's strategic objectives and priorities as expressed through the Corporate Plan 2015-2020 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)**

None

#### **5.3 Social Value**

None

#### **5.5 Legal and Constitutional References**

5.5.1 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 Local Government Pension Scheme Regulations Regulations 2015 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.

## **5.6 Risk Management**

5.6.1 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.

## **5.7 Equalities and Diversity**

5.7.1 Pursuant to the Equalities 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.

## **5.8 Consultation and Engagement**

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

## **6. BACKGROUND PAPERS**

### 6.1 The Pension Regulators Code of Practice

<http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx>

### 6.2 Local Pension Board, Terms of Reference:

[Appendix A – Terms of Reference for Local Pension Board – Amended , item 8. PDF 121 KB](#)

### 6.3 Local Pension Board Meeting – 29 November 2018 meeting:

6.4 <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=753&MId=9339&Ver=4>





May 2018

## **Report to the Local Pension Board 1<sup>st</sup> January 2018 – 30<sup>th</sup> April 2018**

London Borough of Barnet Pension Fund

Prepared by:

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# Performance Summary

## Performance for period 1<sup>st</sup> January to 30<sup>th</sup> April 2018

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:

<b>Table 1: Overall Summary</b>	
<b>Case Group / Category</b>	<b>Volumes</b>
<i>All work outstanding at the beginning of the period</i>	<b>2536</b>
<i>Cases received in the period</i>	<b>4810</b>
<i>Cases completed in the period</i>	<b>3941</b>
<i>Cases re-categorised during the period</i>	<b>583</b>
<b><i>All work outstanding at the end of the period</i></b>	<b>2822</b>
<i>Number of outstanding cases awaiting 3rd party information</i>	<b>1880</b>
<i>Number of workable items</i>	<b>942</b>
<b>Total</b>	<b>2822</b>
<i>Cases completed within standard LGPS targets</i>	<b>3748</b>

• Please note that “re-categorisation” of cases relates to the scenario where the categorisation of casework on our workflow system is not fully accurate. 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 **3941** cases were completed in the period, and **3748** were completed within target which represents an overall aggregated SLA compliance figure of **95.10%**.

## 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 during the period and the performance level achieved against each Case Type in the period:

<b>Table 2: Summary Breakdown by Case Group</b>								
<b>Case Group</b>	<b>Start</b>	<b>Received</b>	<b>Completed</b>	<b>Terminated</b>	<b>Carried F/Ward</b>	<b>Completed Within Target</b>	<b>SLA %</b>	<b>RAG</b>
<i>Change of details</i>	13	217	193	21	16	171	88.60%	
<i>Enquiries</i>	131	917	802	51	195	785	97.88%	
<i>Request for Estimate of Benefits</i>	110	377	286	54	147	270	94.41%	
<i>Leavers</i>	617	288	190	79	636	177	93.16%	
<i>New Starters</i>	184	438	382	11	229	345	90.31%	
<i>Retirements</i>	121	146	96	41	130	80	83.33%	
<i>Transfers In</i>	46	43	11	9	69	8	72.73%	
<i>Transfers Out</i>	22	23	27	3	15	24	88.89%	
<i>Bereavements</i>	128	98	87	3	136	80	91.95%	
<i>Other</i>	1164	2263	1867	311	1249	1808	96.84%	
<b>Total</b>	<b>2536</b>	<b>4810</b>	<b>3941</b>	<b>583</b>	<b>2822</b>	<b>3748</b>	<b>95.10%</b>	

In addition, to provide greater clarity and visibility of monthly performance within the period, a further breakdown is provided below:

Case Group	Jan SLA %	RAG	Feb SLA %	RAG	Mar SLA %	RAG	Apr SLA %	RAG
<i>Change of details</i>	80.39%	AMBER	95.74%	GREEN	90.48%	GREEN	88.68%	AMBER
<i>Enquiries</i>	99.11%	GREEN	96.20%	GREEN	96.76%	GREEN	98.73%	GREEN
<i>Request for Estimate of Benefits</i>	89.13%	AMBER	96.97%	GREEN	97.18%	GREEN	96.49%	GREEN
<i>Leavers</i>	87.50%	AMBER	95.74%	GREEN	90.70%	GREEN	98.08%	GREEN
<i>New Starters</i>	77.94%	RED	93.06%	GREEN	92.72%	GREEN	92.31%	GREEN
<i>Retirements</i>	84.85%	AMBER	76.00%	RED	85.71%	AMBER	88.24%	AMBER
<i>Transfers In</i>	66.67%	RED	-	GREEN	100.00%	GREEN	50.00%	RED
<i>Transfers Out</i>	75.00%	RED	100.00%	GREEN	83.33%	AMBER	100.00%	GREEN
<i>Bereavements</i>	82.35%	AMBER	92.31%	GREEN	91.67%	GREEN	100.00%	GREEN
<i>Other</i>	96.20%	GREEN	96.61%	GREEN	99.13%	GREEN	95.66%	GREEN
<b>Total</b>	<b>92.84%</b>	<b>AMBER</b>	<b>95.50%</b>	<b>GREEN</b>	<b>96.13%</b>	<b>GREEN</b>	<b>95.87%</b>	<b>GREEN</b>

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

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

Ultimately, our aim is to achieve overall SLA compliance to be over 95% at all times. A schedule of the SLA targets that form the basis of this compliance analysis is shown at **Appendix 1**.

Focus during the next quarter will be to continue further educate employers and payroll providers to improve the quality and timeliness of data received. As part of the Employer Forum held during March, it was apparent there is a genuine need to improve the understanding of the retirements process in order to eliminate delays that are ultimately impacting the members in these circumstances. During the period, the Pensions Technical Team produced an employer procedure manual which has been fully circulated, and loaded onto the Council website. This will provide a valuable resource and reference point for employers to check their understanding of when to notify the Pension team of member retirements and the information required to allow pension calculations to be finalised.

We continue to focus on Retirements as a priority. Whilst performance has not yet reached desired levels there has been an improvement during the period. The Pensions Team will continue to monitor employer compliance in this area, and target further training (where required). Unfortunately, SLA performance continues to be slightly distorted by the completion of older cases that have previously exceeded SLA target. The same applies in the case of the Transfers In category where one older case completed in April (from a population of 2) resulted in the 'Red' RAG rating assigned.

It is hoped that via planned initiatives within the Scheme Communications Strategy, we will be able to impress a greater degree of awareness of the role of the employer and the consequence of not complying with their responsibilities as set out in the Fund Administration Strategy. Ultimately, this should help eliminate any possibility of a member facing potential delays in receiving their pension payments, thereby improving the member experience and customer satisfaction rates.

## Quality

In February, the Pensions Team implemented a new Accuracy Monitoring functionality within the Workflow system as a means of monitoring quality. Initial results are encouraging with monthly performance scores of **97.4%** (February), **98.2%** (March), and **96.1%** (April). There are no underlying trends / root cause evident in the quality results. We will continue to analyse data to ensure that individual

errors are being attributed to the relevant Administrators to support their personal and professional development.

## 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: 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
309	530	116	199	354	456	135	217	10	331	18	147

A complete breakdown of all outstanding casework, split between workable items and non-workable items is shown as **Appendix 2**.

Actions Required:

- We are currently in the process of drafting a formal policy on the future handling of historic / legacy third party casework. The aim is to agree an acceptable approach to cease activity due to lack of contact, and ensure this stands up to audit scrutiny and also reduce outstanding work levels. This will be shared with the HR SRO by end of May for review and it will be presented to the next Local Pensions Board.

## Administration Update

### Service Rectification Plan / Consolidated Project Plan

Working closely with LBB, Capita has continued to deliver activities contained within the Service Rectification Plan (SRP) with monthly meetings being held with the HR SRO to review progress. Activities contained within the SRP are now complete, and we have developed a Consolidated Project Plan in conjunction with HR SRO to capture planned activities during 2018, these include:

- Record Keeping (Data) – Common Data Cleanse activities & Conditional Data Analysis
- End of Year Data & Annual Benefit Statements
- Communications & Engagement (Member & Employers)
- Statutory & Regulatory Requirements
- Pension Fund Annual Accounts
- Scheme Valuation
- Admitted Bodies & Bonds Renewals
- Local Pensions Board Reporting
- Internal Audit Findings / Assurance

### End of Year Data Collection – Employer Compliance

The End of Year Data Collection plan remains on schedule for delivery to support the issue of Annual Benefit Statements by 31<sup>st</sup> August 2018. The deadline for receipt of employer data was 30<sup>th</sup> April 2018, and there remains 14 / 79 participating employers where data is outstanding. This has been escalated to LBB for a further reminder to be issued. It should be noted that outstanding information correlates to only 181 members within the scheme, with remaining data being fully provided by employers. The data is currently being validated by the Pensions Team.

## Communication Strategy

A formal Communications Strategy has been produced for the Scheme and this is presented to the Board for approval. This incorporate key activities planned to support members and employers of the Scheme, and a refresh of information contained on the Council's website.

During March an employer Forum was held at Hendon Town Hall, and further information has been circulated to all employers to further educate the requirements of the Fund Administration Strategy. The next Forum is scheduled for the end of September.

The Pensions Team have continued to actively meeting with Unison during the period and respond to any member queries raised.

# Scheme Calendar Overview

The scheme calendar has been updated for 2018. The events scheduled for the current quarter and the next quarter are set out below:

Quarter 1 2018						
Month	Category	Activity	Req'd by	Status	Achieved	Comment
January	Event	Submit Annual Event Report to HMRC	31/01/2018	Complete		
January	Event	Submit quarterly Accounting for Tax report to HMRC	31/01/2018	Complete		
January	SIP	Commence Common Data rectification tasks	31/03/2018	Ongoing		Work scheduled to be completed in March 2018
February	Planning	Establish any additional data requirements for Annual Benefit Statements following receipt of guidance from LGA	28/02/2018	Complete		Year End data request submitted with appropriate instructions
February	SIP	Run data quality checks against Hyman's data portal - The Brain	28/02/2018	Complete		Data validation to be performed twice per year
February	Planning	Establish any requirements for corresponding with pensioners regarding pensions increase	28/02/2018	Ongoing		Content for New sletter agreed with Technical and will be shared with LBB
February	SIP	Continuation of Common Data rectification tasks	31/03/2018	Ongoing		
February	Planning	Agree message to be displayed on pensioner payslips advising of rate of the annual pension increase for 2018	28/02/2018	Complete		
February	Planning	Issue 2018 ABS Project Milestone timetable	28/02/2018	Complete		Also communicated at initial Employer Forum
February	Finance	Contact Scheme Employers on behalf of Actuary seeking confirmation if they require an FRS17 report	31/03/2018	Complete		Work has commenced on compiling data for those employers requesting a valuation
March	Data	Run all Pre PI reports in advance of April PI date	31/03/2018	Ongoing		On track
March	Planning	Agree content and format of Annual Benefit Statement for Deferred members	31/03/2018	Complete		Content and format agreed and issued to Design team for sign off
March	Compliance	Contact Employers to seek confirmation that they have reviewed their Discretions Policy and that it is reflective of current regulations	31/03/2018	Outstanding		Exercise deferred until April/May to allow employers to focus on End of Year data
March	SIP	Conditional Data test results to be presented to LBB	31/03/2018	Outstanding		Awaiting date to be agreed to discuss fundings with LBB
March	SIP	Commence Conditional Data rectification work	30/09/2018	Outstanding		To be completed in period March to Sept 2018 inclusive
March	Planning	Issue End of Year data template, supporting guidance and associated deadlines to all Scheme Employers and / or their payroll provider	05/03/2018	Complete		Issued to all employer contacts
March	Compliance	Full Data Plan to be in place in line with tPR requirements	31/03/2018	Complete		Detailed plan in place which will be subject to development as data rectification activities progress

Quarter 2 2018						
Month	Category	Activity	Req'd by	Status	Achieved	Comment
April	Event	Submit quarterly Accounting for Tax report to HMRC	30/04/2018	Complete		
April	Event	Run annual pension increase and apply results against pensioner payroll records	06/04/2018	Complete		Increases applicable from the 6th of April and paid on April pay dates
April	Planning	Agree wording of communication to employers that do not submit accurate annual EOY Return data by 30 April	30/04/2018	Outstanding		List confirmed in May. Awaiting confirmation that chaser correspondence has been issued
April	Finance	Submit updated HEFCE data to Finance	30/04/2018	Complete		Middlesex University query also resolved
April	Finance	Submit FRS17 data to Scheme Actuary for those employers requesting a report	30/04/2018	Complete		
May	Compliance	Run reports to obtain relevant data for the Annual Report and Accounts	Aim for within 10 days of date of request	Outstanding		
May	Planning	Issue agreed communication to delinquent employees that have not submitted accurate annual EOY Return data by the agreed deadline	1st week in May	Outstanding		
May	Event	Calculate, print and issue Annual Benefit Statements to Deferred members	31/05/2018	Outstanding		
June	Planning	Identify all delinquent employers who fail to submit accurate and complete EOY data by 31 May and advise LBB. Agree next steps, including any early notification to tPR and any possible consequence for the employer.	15/06/2018	Outstanding		
June	Data	Upload all validated EOY data to HartLink and deal with any emerging queries	30/06/2018	Outstanding		
June	Compliance	Respond to any Audit and / or Finance queries relating to the data provided for the Annual Report and Accounts	30/06/2018	Outstanding		



# Complaints:

Details of all outstanding complaint cases in the period are shown in the table below. It has been agreed that, in future, further narrative will be provided regarding the outcome of the complaint and the conclusion of the issue for the member.

Member Ref.	Date Rec'd	Details	Justified	Resolution	Status
Member P	13/11/17	Member is querying whether pension in payment has been increased correctly.	Tbc	A review of the pension in payment is required to establish if all elements have been increased correctly over the years	The pension increase history on this case is not clear. A further analysis of the case taking into account recent changes in legislation regarding the increases applicable to GMP and state pensions in advance of the 2018 increase is underway to ensure that the correct increase is applied moving forward. It would appear that an anomaly dating back to 2016 means that the increase history is flawed. This will be corrected in 2018 but may result in an overpayment.
Member Y	19/1/18	Although this member is active in the scheme she has requested a transfer estimate. To produce this we require salary information from her payroll provider which has not yet been provided. Member has now complained about the delay. A case has been created to chase the payroll provider.	N	Further example of receiving accurate and timely details from employer. A number of chasers have been issued to the employer for salary information. This is still outstanding	
Member AB	16/2/18	Member has requested an updated pension statement but we are unable to provide this until we receive revised salary and service data from her payroll provider. Her IFA is advising her to refer matter to Pension Ombudsman if this is not resolved soon.	N	We have continued to chase payroll provider for salary details. These were eventually received on 15/3/18 and the updated statement is in the process of being calculated.	Case now complete – all information provided
Member AC	26/2/18	Member has contacted CES to advise that she left service in September 2017. We have requested leaver details from her employer but these have not been received	N	Leaver details have not been received from employer/payroll provider. A chaser was issued on 12/3/18 but information is still outstanding	

Member AD	2/3/18	Member is shown as a Deferred member but is claiming to be in Active service. We are waiting for confirmation from employer	N	Awaiting confirmation of employment status from employer	
Member AE	12/3/18	Member complaining at lack of communication between Payroll and Pensions. Opting out notification not provided to Pensions. Change of address not notified to Pensions. Opting in wef December 2017 not notified to Pensions in timely fashion	N	Investigation into communication channel underway	
Member AF	13/3/17	Employer requested pension quote for specific individual but received a quote for another individual who shared the same name	Y	Case investigated by manager who was satisfied that this was a human error and not due to a systematic problem. A revised quote was issued immediately to the employer and the error has been raised with the administrator	No further action required
Member AG	14/3/18	Proof of continued eligibility sent to wrong member following notification of bereavement. Member sent response to incorrect address and has had to submit evidence again. Member complaining about inconvenience	Y	Pension to be reinstated on receipt of proof of existence. Member incorrectly identified as deceased on receipt of death notification	
Member AH	15/3/18	Delay in paying flexible retirement options. Timescale suggested by contact centre not met by back office	Y	All benefits now paid and apology offered	
Member AI	19/3/18	Member complained due to email encryption	N	Apology offered with explanation that IT security measures need to be adhered to. All correspondence re-issued to ensure receipt	
Member AJ	20/3/18	IFA complained regarding delay in receiving CETV information requested in December 2017. Details reliant on information from HMRC which is still outstanding	N	Further chaser sent to HMRC but unable to progress until GMP information received	
Member AK	24/4/18	Member is querying FTE salary used in the initial calculation of pension entitlement and is dissatisfied at the delay taken to provide a breakdown of calculation	Tbc	The case is currently being investigated with the relevant employer	

# 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 are captured on the formal breaches log (see below).

There have been 6 disclosure breaches in the reporting period, all of which are classified as 'Green'.

## 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.

## Breaches Log

Date	Category (e.g. administration, contributions, funding, investments, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reporting / Not Reported (with justification if not reported and dates)	Outcomes of report and / or investigations	Outstanding Actions
26/02/18	Administration	Death in Retirement case that is in breach of Regulation 21 of Disclosure Regulations 2013.  Solicitors sent confirmation of spouse information on 20/11/2017 and further information not requested until 06/02/18.	Delay in relation to spouse benefits going into payment, which has now been fully completed.  Trawl of all other cases completed and confirmed this is an isolated instance.	Pensions Administration Team have reviewed internal controls and the approach to allocation of work to minimise the risk of re-occurrence.	<i>Case logged on Breach Register and recommended this is classified as 'Green' and deemed 'Not Reportable' following assessment of the cause, effect, reaction and wider implications of a breach.</i>	The spouse's benefits are in payment and no outstanding actions are required.  Corrective actions have been taken to support the allocation of work / training to minimise the risk of re-occurrence.	None
26/02/18	Administration	Member request for CETV that is in breach of the Provision of Information Regulations 2000.  Request for CETV received on 24/08/2017. Salary information to complete the associated calculation was not requested from the employer payroll Team until 06/02/18.	Delay in the provision of information to the member.  Trawl of all other cases completed and confirmed this is the only case type and is therefore an isolated instance.	Pensions Administration Team have reviewed internal controls and the approach to allocation of work to minimise the risk of re-occurrence.	<i>Case logged on Breach Register and recommended this is classified as 'Green' and deemed 'Not Reportable' following assessment of the cause, effect, reaction and wider implications of a breach.</i>	Salary information has been requested from the employer and the case is subject to 'Third Party' pending awaiting this information to conclude the member request.	Pensions Administration Team are awaiting salary information to conclude the case.
26/02/18	Administration	Member TVIN quotation that is in breach of Regulation 14 of the Disclosure Regulations 2013.  Member completed associated forms but information completed outside of two month period.	Delay in the provision of information to the member, which is now complete.  Trawl of all other cases completed and confirmed this is an isolated instance.	Pensions Administration Team have reviewed internal controls and the approach to allocation of work to minimise the risk of re-occurrence.	<i>Case logged on Breach Register and recommended this is classified as 'Green' and deemed 'Not Reportable' following assessment of the cause, effect, reaction and wider implications of a breach.</i>	The request is now complete and information provided to the member. TVIN to be completed as awaiting payment of transfer from the previous scheme.  Corrective actions have been taken to support the allocation of work / training to minimise the risk of re-occurrence.	None
26/02/18	Administration	Member TVIN quotation that is in breach of Regulation 14 of the Disclosure Regulations 2013.	Delay in the provision of information to the member, which is now complete.  Trawl of all other cases	Pensions Administration Team have reviewed internal controls and the approach to allocation of work to minimise the risk	<i>Case logged on Breach Register and recommended this is classified as 'Green' and deemed 'Not Reportable' following assessment of the</i>	The request is now complete and information provided to the member, and TVIN complete.	None

Date	Category (e.g. administration, contributions, funding, investments, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reporting / Not Reported (with justification if not reported and dates)	Outcomes of report and / or investigations	Outstanding Actions
		Member completed associated forms but information completed outside of two month period.	completed and confirmed this is an isolated instance.	of re-occurrence.	<i>cause, effect, reaction and wider implications of a breach.</i>	Corrective actions have been taken to support the allocation of work / training to minimise the risk of re-occurrence.	
26/02/18	Administration	Member TVIN quotation that is in breach of Regulation 14 of the Disclosure Regulations 2013.  Previous scheme provided required information and the calculation of member options completed outside of two months.	Delay in the provision of information to the member, which is now complete.  Trawl of all other cases completed and confirmed this is an isolated instance.	Pensions Administration Team have reviewed internal controls and the approach to allocation of work to minimise the risk of re-occurrence.	<i>Case logged on Breach Register and recommended this is classified as 'Green' and deemed 'Not Reportable' following assessment of the cause, effect, reaction and wider implications of a breach.</i>	The request is now complete and information provided to the member, and TVIN complete.  Corrective actions have been taken to support the allocation of work / training to minimise the risk of re-occurrence.	None
26/02/18	Administration	Member TVOUT quotation that is in breach of Regulation 14 of the Disclosure Regulation 2013.  Member requested a TVOUT quotation and further GMP information was requested from HMRC. The case was incorrectly left on 'Third Party' pend on 05/08/2016 and this information was not requested until 28/11/2017.	Delay in the provision of information to the member, which is now complete.  Trawl of all other cases completed and confirmed this is an isolated instance.	Pensions Administration Team have reviewed internal controls and the approach to allocation of work to minimise the risk of re-occurrence.	<i>Case logged on Breach Register and recommended this is classified as 'Green' and deemed 'Not Reportable' following assessment of the cause, effect, reaction and wider implications of a breach.</i>	The request is now complete and information provided to the member.  Corrective actions have been taken to support the allocation of work / training to minimise the risk of re-occurrence.	None

# Appendix 1

## Standard LGPS SLA Measures

<b>Case Type</b>	<b>Measurement</b>
<b>Change of Personal Details</b>	Process change to member details within 10 days of receipt of request
<b>General Enquiries</b>	Provide response to member or beneficiary within 10 days of receipt of correspondence
<b>Request for Estimate of Benefits</b>	Issue benefit quotation within 10 days of receipt of request
<b>Leavers on Termination / Opting Out</b>	Provide statement of Preserved Benefits within 20 days of notification of exit
	Process payment of refund of contributions within 10 days of receipt of notification
	Process payment of transfer value within 10 days of receipt of all relevant documentation
<b>New Starters</b>	Creation of system record within 4 days of receipt of notification
<b>Retirements</b>	Issue retirement quote to members 7 months prior to their normal retirement date
	Issue retirement quote within 10 days of receipt of request
	Process payment of pension lump sum on normal retirement date of within 10 days of receipt of preferred options where appropriate
<b>Transfers In</b>	Issue request for transfer details to previous scheme within 5 days of receipt of new starter details
	Issue request for payment of transfer value within 10 days of receipt of member's confirmation to

	proceed
	Update member record with details of transfer in within 7 days of receipt of transfer value payment
<b>Transfers out</b>	Provide details of deferred pension and transfer value within 20 days of receipt of request from new scheme
	Process payment of transfer value within 10 days of receipt of member's confirmation to proceed
<b>Bereavements</b>	Issue initial correspondence to beneficiary following notification of death within 5 days
	Issue details of benefits payable on death within 5 days of receipt of completed documentation
	Process payment of death lump sum within 5 days of receipt of documentation
<b>Miscellaneous (or Other)</b>	Issue appropriate documentation / response to requests for information within 10 days of receipt of request

- Any reference to “day” (or “days”) should be interpreted as Working Day which means a day Monday to Friday excluding English Bank and public holidays.

# Appendix 2

## Aged Breakdown of Outstanding Cases

**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>	13	0	0	0	0	0	0	0	0	0	0	3
<i>Enquiries</i>	72	31	9	20	1	25	0	7	0	12	0	18
<i>Request for Estimate of Benefits</i>	45	35	7	15	3	19	0	14	0	7	0	2
<i>Leavers</i>	31	170	10	51	6	43	3	61	5	197	11	48
<i>New Starters</i>	6	54	0	1	1	143	0	4	0	17	0	3
<i>Retirements</i>	11	53	5	15	2	15	0	10	0	11	0	8
<i>Transfers In</i>	3	32	0	11	2	4	1	5	0	3	0	8
<i>Transfers Out</i>	2	6	0	1	2	2	0	2	0	0	0	0
<i>Bereavements</i>	11	46	0	9	0	37	0	19	0	8	0	6
<i>Other</i>	115	103	85	76	337	168	131	95	5	76	7	51
<b>Total</b>	<b>309</b>	<b>530</b>	<b>116</b>	<b>199</b>	<b>354</b>	<b>456</b>	<b>135</b>	<b>217</b>	<b>10</b>	<b>331</b>	<b>18</b>	<b>147</b>



# Appendix 3

## Glossary of Terms

Term	Description
Case	Any enquiry, request or transaction that requires action from Capita that is logged onto Capita's workflow system and measured against specific performance targets, as set out in Appendix 1.
Complaint	Any expression of dissatisfaction with any service provided by Capita or a member of its staff or any third party whether made in writing or verbally
Fund Administration Strategy	A formal statement from the Scheme Manager setting out the roles and responsibilities of all stakeholders in relation to the administration of the Pension Fund and the standard of performance that all stakeholders should expect.
GAD	Government Actuary's Department – responsible for providing actuarial advice to public sector clients
Operational Governance	A record of the procedural and systematic controls operated in the administration of the Fund to ensure compliance with all regulatory and client specific requirements
Pension Fund Risk Register	A formal register of all known and emerging risks and mitigating actions that the Scheme Manager will monitor and review on an ongoing basis to evidence effective governance
Scheme Calendar	A record of all cyclical activities that occur over a scheme year, some of which that relate to regulatory compliance that are managed outside of member services.
Service Level Agreement	An agreed schedule of performance measures that sets out the targets for completing specific transactions within defined timescales that are built into and reported through Capita's operational MI
Third Party	Any individual, organisation or representative which Capita may rely on to provide information or documentation to complete an administrative process.

# Appendix 4

## “Other” Category

Appendix 2 above provides a breakdown of the categories of outstanding work. The nature of enquiries handled by the pension administration team can be varied and, consequently, the number of categories of work can be extensive.

Appendix 2 includes the case type “Other” which represents a number of miscellaneous categories of work that are undertaken in the administration of the Fund. Typical examples of the types of work that are captured under this category are:

HMRC tax code changes

HMRC enquiries

GMP notifications

GMP enquiries

Child pension reviews

Continued eligibility queries

New entrants

Pension abatement

DWP enquiries

Change in working hours

Maternity leave

Nomination enquiries

Change in nomination details

Processing original certificates

BACS rejects

Payment reissues

NFI processing

Pensionable service updates

Power of Attorney / Court order deductions





A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
	P8001	Operational - Disaster (Fire / Flood etc)	An event occurs that would impact the ability to deliver the pension service or aspects of the pension service	Business Continuity	Business continuity procedures in place for administrator  DR plans in place and subject to testing by the Administrator i.e. in the event of power failure / data centre outage  Business continuity procedures in place for scheme managers Contracts with all advisers and suppliers in place and stored on a central database	5	1	5	5	1	Tolerate	Formal BCP plan in place and details of latest test to be shared with Pension Board with issue resolution deadlines, as appropriate  Formal DR plans in place and subject to annual testing. Details of latest test shared with Pension Board with issue resolution deadlines, as appropriate  Formal BCP plan in place and details of latest test to be shared with Pension Board with issue resolution deadlines, as appropriate  All contracts to be held centrally and all contractual obligations to be evidenced and reviewed	04 2017  04 2017  04 2017  04 2017	Aug-17					
	P8002	Member data incomplete or inaccurate	The pension service is dependent on the correct and effective maintenance of member data. Incomplete and/or inaccurate data could lead to incorrect benefits and calculation results. The Pension Regulator requires all pension schemes to maintain accurate data	Information Governance	Annual report from administrator used as basis for rectification plan  "Not known in this address" returns accurately identified and proactively followed up through tracing agency  Communication and engagement strategy deployed to educate and inform employees of data requirements.  Scheme data regularly tested against actuarial data portal to check data quality with results feeding into record keeping plan	4	3	12	3	3	Treat	Initial Common data analysis to undertake Q1 2017. Conditional data tests to be completed in Q2 2018. Regular data validations against actuarial portal to be undertaken twice yearly with results fed into data rectification plan. <b>May 2018 Update:</b> Common data analysis completed and data cleanse project underway due to complete to IFR data standards 95% for legacy data, 100% current data by August 2018. Conditional data analysis completed, conditional data cleanse proposals under review. Record keeping plan embedded into monthly performance monitoring. Communications Strategy submitted to Local Pension Board for approval 19 June 2018.	01 2018  Ongoing  02 2018  Ongoing	Aug-17					
	P8003	Administration process failure / misadministration	The pension scheme is not administered in accordance with scheme rules and overriding legislation and performance is not monitored to ensure delivery against these requirements	Statutory Duty	Formal agreement in place with administrator, including agreed SLA's  Authority level clearly agreed and kept up to date, including clear definition of delegated authorities and individual approval authorities  Scheme Event calendar in place to ensure legislative / regulatory deadlines are achieved i.e. ABS, Scheme Return, etc  Staff training and formal plans in place to ensure processes in accordance with LGPS requirements  Review independent audit reports of administrator's processes, including review of the administrator's internal systems and process controls  Ongoing dialogue and meetings with administrator  Written reports and quarterly presentations by administrator to scheme managers	3	1	6	3	1	Treat	SLA to be agreed in Q3 2017 and formalised in contract change by end of 2017. Formal review in Q1 each year. Scheme Events are captured and presented to quarterly governance meetings to ensure core oversight of activities. Captured in Service Improvement Plan. AAFOG to be provided annually. Monthly reports submitted to LROB and quarterly meetings scheduled ahead of Pension Board meetings with agreed actions. Administration reports produced and presented to quarterly Pension Board meetings. <b>May 2018 Update:</b> Performance review meetings stopped as too monthly with agreed terms of reference and minutes. All scheme event activity and projects captured in one consolidated plan, including audit actions. Additional improvement metrics agreed for monthly reporting, revised performance reports now include snapshots of law reporting, employer compliance reporting. Additional resource being secured to provide oversight of administration performance improvement on behalf of scheme manager and to ensure no single point of failure within current arrangements.	Ongoing	Aug-17					
	P8004	Excessive charges by suppliers	The cost of running the Pension Fund exceeds agreed budget	Finance	Annual review of scheme budget, quarterly review of costs incurred against budget  Periodic review of suppliers, with industry / sector benchmarking as supporting evidence	2	1	2	2	1	Treat	Budget to be agreed annually	Annually Q3	Aug-17					
	P8005	Fraud / Fraudulent behaviour	The systematic and procedural controls operated in the management of the Fund are inadequate	Finance	Conduct a monthly fraud monitoring process of incoming contribution payments against the formal schedule of contributions  Check that the administrator operates robust anti fraud controls through effective segregation of duties and logical access controls that are aligned to agreed authority levels  Check incoming and outgoing scheme funds against scheme forecast - reconciling all funds	2	1	2	2	1	Treat	Administration reports produced and pRAI contributions to be accounted for and paid in line with schedule of contributions sent to quarterly Pension  AAFOG to be provided annually and internal audit plan reviews by LROB. Board meetings  Accounts forecast against actuals checked and balanced	03 2017  01 2018  03 2018	Aug-17					
	P8006	Employer failure to pay contributions to the Fund	The Fund does not receive the correct amount of contributions from Employers to fund employee pension liabilities, leading to a deficit	Finance	Monthly reconciliation of contribution payments received by Finance and administration teams  Ongoing dialogue with employer over willingness and ability to pay  Annual audit	2	1	3	2	1	Treat	All contributions received checked against schedule of contributions  Finance to evidence efforts to recover unpaid contributions  Scheme accounts as at 31 March Y1 to be signed off by auditors without qualification. Planning for next audit will start 03/04	03 2017  04 2017  02 2018	Aug-17					
	P8007	Failure of non-public sector employers	The Fund is left with additional pension liabilities, without guarantee of funding from employers	Finance	Scheme manager monitoring of employer covenant and business strength  Work with actuaries to assess the suitability of the use of bonds and guarantees	2	2	4	2	1	Treat	Statement from Scheme Finance on financial strength of major employers and the levels of guarantees that are in place  Guarantees are in place and still effective	04 2018  04 2018	Aug-17					
	P8008	Failure to interpret Rules or legislation correctly	The Board does not have the level of knowledge and relevant guidance to perform effectively	Compliance	Up to date and documented training log, showing completion of scheme specific and the Pension Regulator's educational material  Technical advice and updates formally noted and actions recorded as required	4	2	8	4	1	Treat	All relevant people have completed all educational training or are in the process of completing within agreed timeframes  Updates received from all appropriate bodies have been acted upon. Q4 each year.	04 2017  02 2018	Aug-17					
	P8009	Appropriate personnel in place to perform designated roles	The Board does not comply with all statutory obligations and is unable to evidence appropriate governance	Compliance	Ensure that the personnel in key roles in relation to the administration of the Fund are suitably experienced and qualified to perform in their roles and have the appropriate authorities to ensure the administration is executed effectively at all times	4	2	8	4	1	Treat	Review of roles and responsibilities of relevant individuals to ensure individuals hold appropriate authorities and are clear escalation of issues requiring decisions. In particular, role of Pensions Manager.	03 2017	Aug-17					
	P8010	Conflicts of interest	Decisions made may be influenced by other factors and may be subject to challenge	Compliance	Pension Board awareness of legal responsibility  All Pension Board members to declare any conflicts and potential conflicts	3	1	3	3	1	Treat	All pension board members have completed relevant educational material  All conflict of interest documentation signed by all board members and recorded in conflict of interest register  Any changes to be minuted at each meeting	Ongoing	Aug-17					

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# London Borough of Barnet Pension Fund

## Communication Strategy (2018)

### **Background**

This document sets out the communication strategy for the London Borough of Barnet Pension Fund.

The London Borough of Barnet has outsourced the LGPS pension administration service to Capita.

This communication strategy is designed to ensure that all key stakeholders are kept informed of developments within the Pension Fund and in the appropriate medium. The aim being to ensure an effective communication process is in place to help maintain the efficient and effective running of the Scheme and better stakeholder and customer outcomes.

This document should be read in conjunction with the Fund Administration Strategy, and is subject to review and annual approval by the Local Pensions Board.

*This strategy is presented to the June 2018 Local Pensions Board for approval.*

### **Regulatory Framework**

This statement has been produced in accordance with Regulation 61 of the Local Government Pension Scheme Regulations 2013. The Regulation requires Administering Authorities to:

- Prepare, maintain and publish a written Statement setting out their policy concerning communications with:
  - o Scheme members (active, deferred, retired and dependant)
  - o representatives of scheme members

- o prospective scheme members
- o scheme employers

Set out their policy on:

- o the provision of information and publicity about the Scheme
- o the format, frequency and method of distributing such information or publicity
- o the promotion of the Scheme to prospective scheme members and their employers.

Keep the Statement under review and make such revisions as are appropriate following a material change in the policy on any of the matters included. If revisions are made, a revised statement must be published.

## **Branding**

Communication across all media are to be branded in line with the London Borough of Barnet standard.

## **Active, deferred and pensioner members and prospective members**

All members of the Scheme (active, deferred and pensioner members) will be kept informed about their benefits, developments in the Scheme and any changes to the Scheme of a regulatory or operational nature. This will be achieved through the following:

**Scheme Guides** – There are scheme guides available for members setting out the conditions of membership and main scheme benefits that apply under the Local Government Pension Scheme (LGPS). A copy of these will be provided to new employees of the scheme and at other times on request.

**Annual Benefit Statements** – Active and deferred scheme members are entitled to an annual benefit statement detailing the benefits that they might expect at retirement. These are issued annually and would normally be issued within 5 months of the financial year end (31st



March). These contain vital information for scheme members and enable individuals to make informed choices about their retirement options.

In 2018, we will review the content of the Annual Benefit Statement and develop a FAQ document that answers common member queries about the format of the document and the benefits quoted.

□ **Newsletters** – In 2018, we will produce an annual Pensions Newsletter that can be adapted for specific members and their status in the Fund. For example, information relevant to active members is not necessarily relevant to those already in receipt of their pension. These will be sent to scheme members to communicate changes in regulations, developments in the Fund and to inform members of changes in policy.

□ **Pensioner Payslips** – All pensioners receive a payslip at stated intervals along with their P60 at the end of the year.

□ **Pension Increase Notifications** – The notification of the annual increase to pensioner benefits is sent out to every member in receipt of a pension each April.

□ **Customer Satisfaction Surveys** – Designated surveys will be issued every 6 months to obtain customer satisfaction results from members interacting with the Scheme.

□ **Council Website** – Communication in the form of the Pension Fund website that contains a wide range of information for not only scheme members but also scheme employers and other interested parties. During 2018, we will undertake a review of the content held on the Council's website relating to LBB and the Pension Fund. We will ensure that information has been brought up to date with changes to the regulations and there is appropriate information contained to help support members with relevant contact information. In addition, the Scheme will consider how an enhanced self-service website could help drive the digital strategy and enhance the service provided to members.

□ **Pension Fund Report and Accounts Summary** – This provides a summary of the Pension Fund during the financial year and will be published via the Council website and reporting into the Pension Fund Committee.

## **Scheme Employers**

We will keep employers in the Pension Fund informed about developments in the Scheme and consult on changes to the Scheme as required. Potential scheme employers will also have access to information about the Pension Fund to ensure that they are fully informed in their relationship with the Fund and requirements.

In 2018, it is proposed that we will develop further information on the website on key processes and further guidance to support employers regarding their role and responsibilities in relation to the administration of the Fund.

We will also work to improve the guidance and instructions provided to employers with regard to the provision of End of Year data that ultimately determines the accuracy of the benefits quoted in the Annual Benefit Statements.

□ **Fund Administration Strategy**– The administration strategy sets out the roles and responsibilities of the Administering Authority (the London Borough of Barnet), the third party administrator (Capita) and employers in the Pension Fund. It sets out the service level agreement and targets which all are expected to meet. This has been circulated to all employers during February 2018.

□ **Employer Forums** – Designated employer forums will be held at agreed intervals during 2018 to update employers of relevant current issues, policy changes and investment updates. The focus of activity during 2018 being around End of Year Submissions requirements and Annual Benefit Statements to ensure employers are fully supported and aware of their obligations to the Scheme. Individual meetings with separate employers will be held annually or as required. Employers will also be notified in writing of any changes which affect them or the way that the scheme is administered.

□ **Employer Manual** – An employer manual will be developed to encompass key LGPS processes / forms that require completion for key

processes. This will be circulated to all employers and made available on the Council's website.

□ **Technical Updates** – Periodic updates are sent to keep scheme employers up to date with topical pension matters, and payroll issues that may have an effect on pensions, including articles from LGA Circulars and Bulletins, and any relevant external training courses they may wish to attend.

□ **Employer Training** – The Fund offers all Scheme Employers training on the LGPS and their role in the administration of the scheme. This covers the full range of administrative and regulatory duties under the scheme regulations.

### **Other**

The Scheme will actively meet with Trade Union representatives via ad hoc meetings to discuss any member related queries raised by individual members (as required).

### **Communication and Engagement Plan with Stakeholders**

Appendix 1 of this statement provides a timeline of planned engagement activities for 2018.

### **Further Information**

If you require any further information or general administrative queries they should be addressed to:

London Borough of Barnet Pension Fund  
PO Box 319  
Darlington  
DL98 1A

**Telephone:** 0333 222 0050

**Email:** [barnetpensions@capita.co.uk](mailto:barnetpensions@capita.co.uk)



**London Borough of Barnet**  
**Local Pensions Board - Work Programme**  
**June 2018 – May 2019**

Title of Report	Overview of decision	Report Of	Officer contributions
<b>19 June 2018</b>			
<b>Local Pension Administration Quarterly Report</b>	<p>That that Board consider:</p> <ul style="list-style-type: none"> <li>- Administration performance report</li> <li>- Employer year end compliance</li> <li>- Consolidated work plan</li> <li>- Data quality plan (Following the meeting on 14 February it was resolved that: <i>Capita Employee Benefits be requested to develop a data quality plan to ensure that accurate data is being used for the next valuation and for details of the plan to be reported to a future meeting of the Board.</i>)</li> </ul>	Interim Assistant Chief Executive	HR Strategic Lead, LBB Assistant Chief Executive CEB Client Relationship Director
<b>Communication strategy</b>	To approve the communication strategy for engagement with pensions stakeholders	Interim Assistant Chief Executive	HR Strategic Lead, LBB CEB Client Relationship Director
<b>Review pensions administration risk register</b>	To note the current risks and mitigating actions	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director

Subject	Decision requested	Report Of	Contributing Officer(s)
<b>5 September 2018</b>			
<b>Local Pension Administration Quarterly Report</b>	That the Board consider: <ul style="list-style-type: none"> <li>- Administration performance report</li> <li>- Consolidated work plan</li> <li>- Data quality plan</li> <li>- Common data cleanse project outcome</li> <li>- Annual Benefit Statement compliance</li> <li>- Breaches of law</li> </ul>	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>Review pensions administration risk register</b>	To note the current risks and mitigating actions	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>Independent Dispute Resolution Procedure</b>	To note cases that have been through the IDR process and their outcome	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>Annual report</b>	That the Board note the annual work programme	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>Local Pension Board Member Training</b>	Training review/event	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director

Subject	Decision requested	Report Of	Contributing Officer(s)
<b>27 November 2018</b>			
<b>Local Pension Administration Quarterly Report</b>	That the Board consider: <ul style="list-style-type: none"> <li>- Administration performance report</li> <li>- Consolidated work plan</li> <li>- Data quality plan and <u>annual data quality score</u></li> <li>- Breaches of law</li> </ul>	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>Employer Compliance Policy</b>	To review the Employer Compliance Policy	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>Review pensions administration risk register</b>	To note the current risks and mitigating actions	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>Triennial Valuation</b>	To review and note plans and preparedness for triennial valuation in 2019	Director of Finance	Strategic HR Lead, LBB CEB Client Relationship Director Head of Treasury and Pensions, CSG
<b>11 February 2019</b>			
<b>Local Pension Administration Quarterly Report</b>	That the Board consider: <ul style="list-style-type: none"> <li>- Administration performance report</li> <li>- Consolidated work plan</li> <li>- Data quality plan</li> <li>- Breaches of law</li> <li>- Preparation and project plan for year end returns</li> <li>-</li> </ul>	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director



<b>Subject</b>	<b>Decision requested</b>	<b>Report Of</b>	<b>Contributing Officer(s)</b>
<b>Administration Strategy</b>	To review the Administration Strategy		
<b>Review pensions administration risk register</b>	To note the current risks and mitigating actions	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>Local Pension Board Member Training</b>	To review training/event	Interim Assistant Chief Executive	Strategic HR Lead, LBB CEB Client Relationship Director
<b>09 April 219</b>			
<b>Local Pension Administration Quarterly Report</b>	That the Board receive and consider quarterly performance information	Interim Assistant Chief Executive	Head of Pension, Capita Head of Treasury, CSG Finance HR Consultant

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