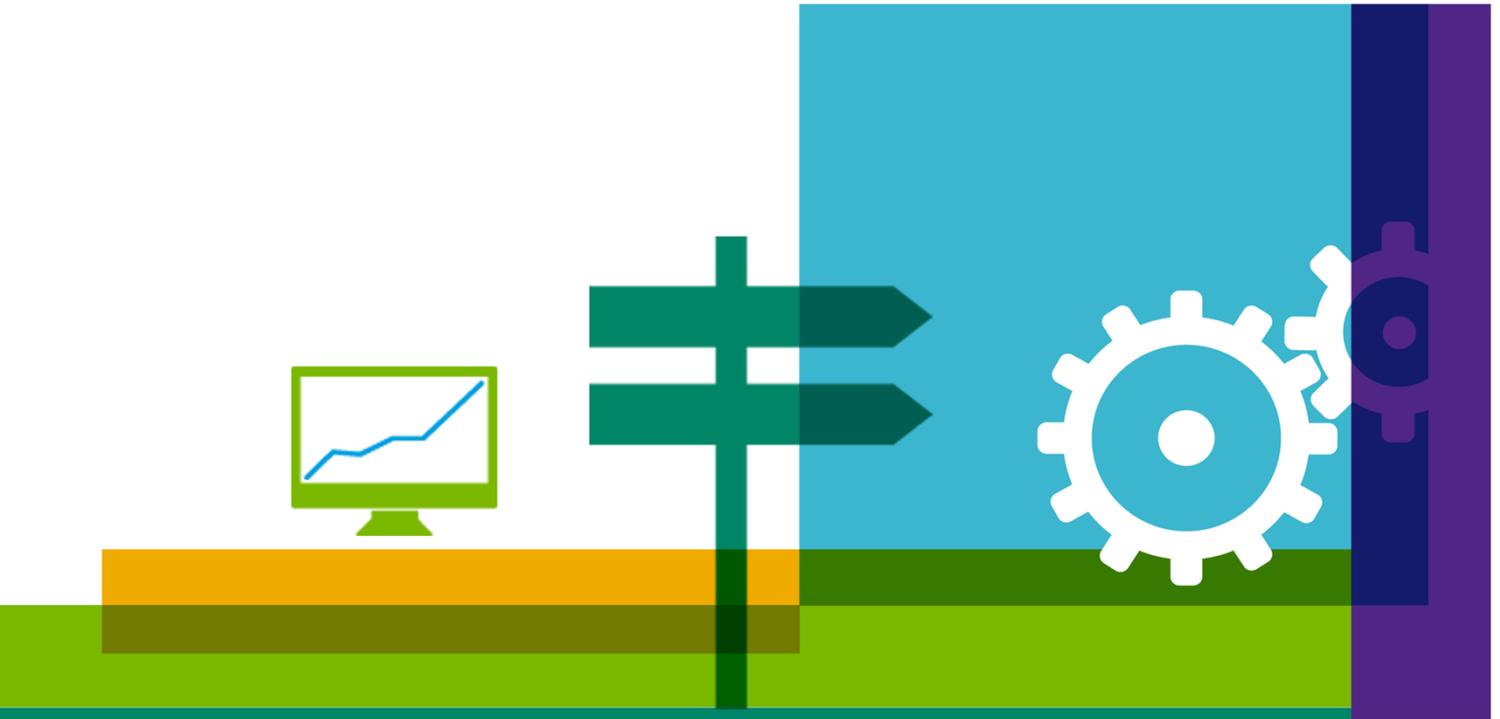


CAPITA



Report to the Pension Board

1 January 2017 to 28th February 2017

London Borough of Barnet Pension Fund

6th April 2017

Prepared by:

Paul James
Head of Public Sector Pensions

Tel. number 07801 136639

Email Paul.James@capita.co.uk

11b Lingfield Point
Darlington
DL19FS

www.capita.co.uk



Executive Summary

The Local Pension Board of the London Borough of Barnet Pension Fund is requested to note the performance of Capita in regard to the provision of administration services to the Fund for the period 1st January 2017 to 28th February 2017.

Capita welcomes the opportunity to present details of their performance in the form of this report. Since this is the first time that this report has been presented to the Board, we would welcome any comments or additional requirements that the Board may have with regard to the content and format of future.

Performance Summary

Performance Statistics for period 1st January 2017 to 28th February 2017

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.

This new format is designed to bring greater transparency to the standard of the service provided by comparison to performance standards comparable with industry best practice. Capita would welcome feedback on the content of the report to ensure that it meets the Fund's governance requirements at all times.

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

Table 1

Work Category	Volumes
All work outstanding at the beginning of the period	1,530
Cases received in the period	2,048
Cases completed in the period	(1,961)
Cases re-categorised during the period	(195)
All work outstanding at the end of the period	1,422
Number of outstanding cases awaiting third party information	1,128
Number of workable items	294
	1,422
Cases completed within standard LGPS targets	1,947

Capita is pleased to report that of the **1,961** cases completed in the period, **1,947** were completed within target which represents overall SLA compliance of **99.29%**.

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 selected key transactions showing the starting and finishing position and the performance level achieved against each Case Type in the period:

Table 2

Case Type	Start	Received	Completed	Terminated	Carried forward	Completed in target	SLA %age
Change of details	11	122	109	8	16	108	99.08%
Enquiries	63	161	124	14	86	123	99.19%
Request for Estimate of Benefits	54	148	113	16	73	111	98.23%
Leavers	475	218	145	26	522	140	96.55%
New Starters	33	151	145	3	36	145	100.00%
Retirements	80	66	64	13	69	63	98.44%
Transfers In	46	4	1	2	47	0	0.00%
Transfers Out	2	22	6	5	13	6	100.00%
Bereavements	73	55	31	5	92	31	100.00%
Other	659	1,030	1,170	95	424	1,167	100.00%

It should be noted that the breakdown provided above is a sub-set of the overall volumes quoted in **Table 1**.

Work in Progress Position

The following table provides a snapshot of the work outstanding at the end of the period. This provides a clear 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**.

Capita is currently working to analyse those aged cases that still require third party details to assess whether further action is required based on the nature of the enquiry and the time that has elapsed since the enquiry was opened. Recommendations will be shared with the client to ensure there is a clear audit trail to support any action to reduce the number of outstanding cases.

Table 3

< 3 months		3 to 6 months		6 to 12 months		12 to 18 months		>18 months	
Capita	3 rd Party	Capita	3 rd Party	Capita	3 rd Party	Capita	3 rd Party	Capita	3 rd Party
270	229	12	138	5	493	5	205	2	63

- It is common to experience a high number of cases requiring third party action in those less than 3 months old, particularly when a decision or documentation is required from the member or their beneficiaries.
- Capita is conducting a separate analysis of those third party cases that are older than 6 months to establish whether in the absence of further contact from the member or their beneficiaries cases can be closed down.
- Capita is focusing their analysis of these cases on those leavers who have yet to make a decision to take a refund of contributions or leave their benefits deferred in the Fund.
- Capita will focus efforts in the next quarter to reduce the number of outstanding third party cases

Administration Update

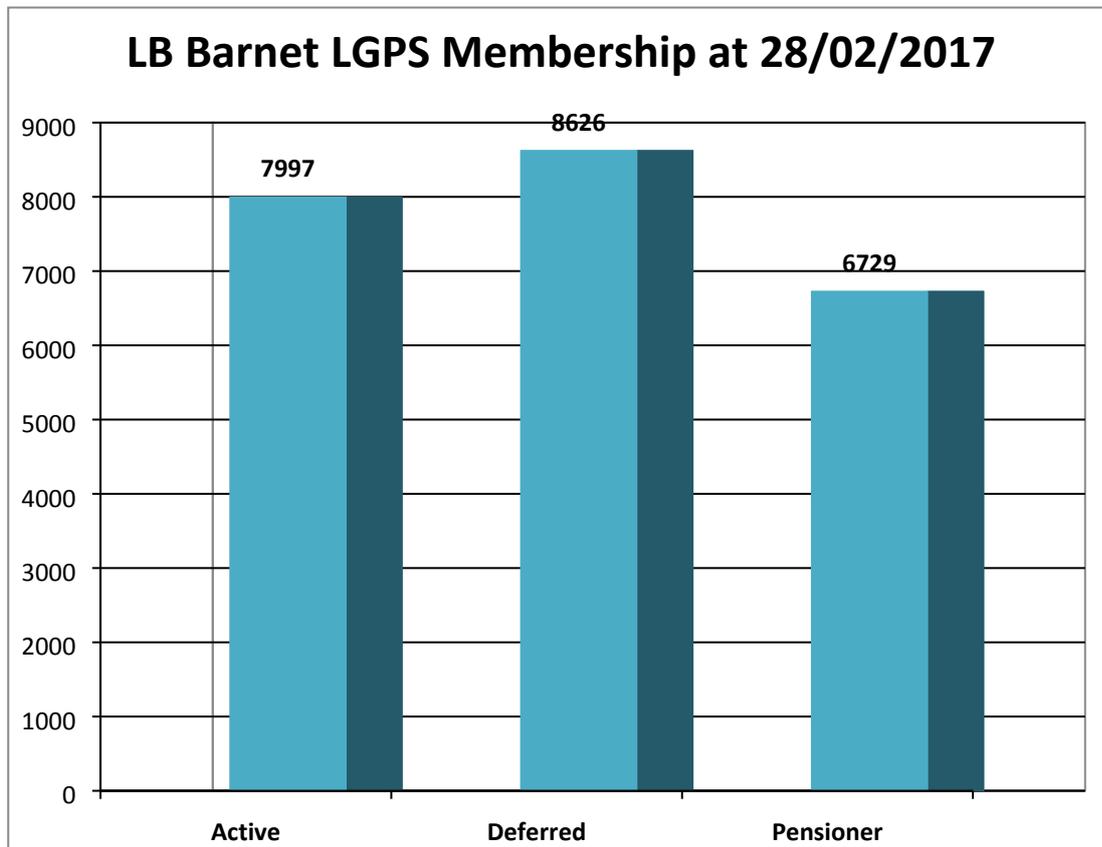
Mortality Screening

Mortality screening is undertaken on a monthly basis and life certificates are being issued where applicable to check continued eligibility.

Membership Statistics

The membership breakdown as at 28th February 2017 is shown below:

Active	7,997
Deferred	8,626
Pensioner	6,729



Admitted Bodies

There are a number of procurements and conversions to Academies that create additional work for the Pensions team. A summary of the current activity is provided below.

The process for a procurement/Academy conversion is:

- Notification of process to Pensions

- Collation of pension benefits for all members involved by Pensions
- Data sent to actuary to calculate employer contributions and any Bond requirement
- Actuarial report issued for to be included in any procurement

Ideally, the Pension team should be notified of these exercises at the beginning but are often not told until after the event which causes an issue in terms of timescales. The current projects underway are:

St James Catholic School	Awaiting Bond Details
Henrietta Barnet School	Awaiting Finalised Bond Documents
Education and Skills procurement	Awarded ISS and Cambridge Education
Domestic violence service procurement	Awaiting Bond Document
Street Scene procurement	Data collated by Pensions and with Actuary
Leisure contract procurement	Bond agreement and admission agreement provided
Bishop Douglas Conversion to Academy	Data capture received and queries raised
Home Care procurement 2	Awaiting membership data from provider
Oak Lodge School conversion to Academy	Data collated and queries raised
Oak Hill Campus conversion to Academy	Data received from provider
JCOSS conversion to Academy	Awaiting further information from provider
Queenswell catering contract	Awaiting details of procurement from provider

Once any contract is awarded or conversion happens the Pensions team then have to create a new employer in the scheme, confirm the final membership and update the member records to the new employer. This in turn means each procurement/Academy conversion is an additional employer in the Fund for Pensions to deal with, which increases the workload (additional monthly contributions and returns to reconcile, additional annual returns and additional contact).

Communications

Capita would welcome the opportunity to discuss the Fund's Communications Strategy and, in particular, the more effective use of the Fund's website. Capita has developed extensive expertise in this area and have a high degree of experience in how establishing a Digital Strategy can help with the communications process and enable us to contact members electronically, encouraging self-service, increasing member engagement and delivering efficiencies in terms of print and postage. The newsletter distribution in April 2016 highlighted that no electronic data was held to be able to communicate with members and hard copy newsletters had to be issued.

We would emphasise that it is a statutory requirement for the Fund to have a formal Communications Strategy

Project Update

2016 Valuation

The valuation exercise has been completed and the draft actuarial rates and adjustments certificate, along with the draft actuarial valuation report for March 2016 was issued to all employers on 27 March 2017.

Annual Benefit Statements

2014/15

Following a review of pensionable salary information previously provided to Capita, it was established that End of Year data used to produce benefit statements was not accurate in all cases. Corrected salary information has been provided for all affected members. This revised information has been loaded to the pension administration system, Hartlink and also included in the values quoted on the 2015/16 annual benefit statements that have been subsequently issued.

Further comparisons are now needed between the original 2014/15 benefit statement values and the revised values presented to members in the 2015/16 statements. Where amounts differ significantly, Capita will write to the affected members explaining the changes made to ensure these changes are understood.

2015/16

During the last quarter, following receipt of revised salary information as detailed above, Capita has validated and uploaded this information to pension records and re-run Annual Benefit Statement results. Approximately 5,900 annual benefit statements were issued on 22 March and Capita is now investigating those remaining cases that need a more detailed review. Annual benefit statements for these members will be issued once the additional checking and investigation work is complete.

The issues affecting the Annual Benefit Statement process have been reported to the Pension Regulator and Capita are in contact with them to keep them updated with the actions required to clear the remaining cases.

National Fraud Initiative

Data sets for the NFI process have been submitted and we await feedback on any action required.

1. Scheme Calendar for year commencing 1 April 2017

Type of Work	Activity	By Whom	Required by	Issue date or completed
Pensions Increase	Increase pensions in payment	Capita	30/04/2017	
Annual Benefit Statements	Renewal data requested	Capita	Complete	Complete
	Renewal data provided by client	Employers	15/05/2017	
	Raise data queries with client	Capita		
	Query resolution (response from client)	Employers		
	Issue benefit statements to active members	Capita	31/08/2017	
	Issue benefit statements to deferred members	Capita	31/08/2017	
Actuarial – FRS17 / IAS19	Send data to Actuary	Capita	17/03/2017	
	Data validation/resolution of queries from Actuary	Capita	asap	
2nd Bite Calculations	Recalculate PCLS for deferred members who retired between 09/04/2016 and 08/04/2017 and make additional payments	Capita	30/04/2017	
	Issue letters to members advising them of additional payments	Capita	N/A	
Hartlink Online	Agree timetable for release to membership	Capita/LBOB	Complete	Complete
National Fraud Initiative (NFI)	A review and analysis of the data held by NFI	Capita	As required	
Annual Allowance checks	Annual allowance checks and issue Pensions Saving Statements to members exceeding their annual allowance for 2015/2016	Capita	Complete	Complete

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Type of Work	Activity	By Whom	Required by	Issue date or completed
Child reviews				
Bond reviews	Monthly review of Bond expiry dates, work with scheme Actuary and Admitted Bodies	Capita/Hymans Robertson/ Admitted Bodies	As required	Ongoing
Life declarations	Issue Life declarations to overseas pensioners	Capita	31/03/2017	