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Mr Michael Burton
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*By recorded delivery and email to
Michael.burton@thepensionsregulator.gov.uk*

21 November 2017

Dear Mr Burton

Re: Local Government Pension Scheme – London Borough of Barnet Superannuation Scheme

Thank you for your letter of 31 October 2017, the Council welcomes the regulators consideration of London Borough of Barnet Superannuation Scheme (“the Scheme”) administration arrangements as it seeks improve the governance and administration of the scheme. The Council recognizes the importance of sound governance and administration of its Scheme and has taken numerous steps to address known shortcomings, including a focus on data quality, communication and engagement with stakeholders and scheme members and overall quality of service provided to members.

The Council is pleased to respond to the Regulators queries which are outlined in the table below and over the following pages.

The initial position

tPR Query	Scheme Manager Response
Confirm when the last assessment of the governance and administration risks to the Scheme was carried out prior to August 2017 and specify when and where this was published	Officers have reviewed published Local Pension Board governance papers and have been unable to identify when, or indeed if, a review was carried out. The document review was undertaken for all published documents, including Local Pension Board work programmes from July 2015 to July 2017.
Provide a copy of the Risk Register which covered administration and governance	A risk register for pension administration is now in place however, as above, officers have carried out a review and have been unable to identify a risk register for

tPR Query	Scheme Manager Response
risks prior to August 2017	administration and governance risks prior to August 2017.
<p>Inform the Regulator what administration and governance information was provided to the Pension Board in the year immediately prior to April 2017, providing copies of the same, and explain who was responsible for sharing the information with the Pension Board</p>	<p>There were three meetings of the Pension Board in the year immediately prior to to April 2017 taking place on: 25 January 2016, 7 November 2016 and 27 July 2016.</p> <p>Links to the published agendas and documents for each of those meetings are listed below:</p> <p>http://barnet.moderngov.co.uk/ieListDocuments.aspx?Clid=753&MId=8850&Ver=4</p> <p>http://barnet.moderngov.co.uk/ieListDocuments.aspx?Clid=753&MId=8849&Ver=4</p> <p>http://barnet.moderngov.co.uk/ieListDocuments.aspx?Clid=753&MId=8848&Ver=4</p> <p>The officer responsible for collating the information and providing it to the Board was the Head of Governance. The officer(s) responsible for each information item is detailed on each report (including where the officer is an employee of a commissioned service provider).</p>
<p>Provide details behind the “administrative oversight” which led to a breach of law report for the failure to provide members with Annual Benefit Statement by 31 August 2016 not being provided to the Regulator until February 2017. Please also detail the reporting process, including details of t Scheme Manager’s oversight, and the reasons the process was not followed</p>	<p>The administrative oversight relates to the time taken by the pensions operations manager identifying the breach and raising it with the scheme manager in order for the breach to be reported to the Regulator. It would be expected that the pensions operations manager would immediately flag any pensions administration performance issue to the Scheme Manager who would then determine if a breach had occurred, whether breach was materially significant and take the decision to report it to the regulator. In this instance it is difficult to understand the root cause for the delay as the pensions operations manager is no longer employed by Capita. As soon as the Scheme Manager was made aware of the issue it was reported.</p>
Detail the arrangements in place with	The provision of data from employers is predominantly

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<p>Capita and/or Scheme Employers prior to July 2017 to ensure good quality data was received and recorded. Please provide a copy of the contract(s) or similar which refers</p>	<p>based on the receipt of End of Year returns. This is a long-established process which is initiated by the Pensions team each year in late February / Early March. In 2017, the Pension team emailed each employer/payroll provider on 24 February with an instruction to complete the end of year return and an End of Year Return template with clear guidance on the data and format that is required. Employers are advised of the deadlines for the provision of this data and are regularly chased for progress reports. Any non-compliant employers are reported to the Scheme Manager who chases returns on Capita's behalf.</p> <p>There were various other emails issued to employers during the period to chase the data from employers. Capita Pensions Administration Team also held a workshop with the Capita payroll teams where data issues had previously been identified.</p>
<p>Confirm the precise date in 2016 when the Data Portal was first introduced and used</p>	<p>The Data Portal was first introduced and used on 7th September 2016</p>
<p>Provide the Regulator with a copy of the Fund Administration Strategy which was in place prior to the one approved by the Pension Board on 11 September 2017</p>	<p>A Pension Fund Administration Strategy is now in place. Officers have reviewed published Local Pension Board governance papers and have been unable to identify a Fund Administration Strategy prior to September 2017. Pension Board papers were reviewed for the period July 2015 to July 2017.</p>
<p>Provide the Regulator with a copy of the 'Work Programme' referred to in the Pension Board minutes of 7 November 2016 and 25 January 2017, if not the one dated August 2017 – August 2018</p>	<p>A link the 7 November 2016 Work Programme is provided here: http://barnet.moderngov.co.uk/documents/g8849/Public%20reports%20pack%2007th-Nov-2016%2019.00%20Local%20Pension%20Board.pdf?T=10</p> <p>A link to the 25 January 2017 Work Programme is provided here: http://barnet.moderngov.co.uk/documents/g8850/Public%20reports%20pack%2025th-Jan-2017%2019.00%20Local%20Pension%20Board.pdf?T=10</p>

The Position Moving Forward

tPR Query	Scheme Manager Response
<p>Confirm who – both name and role – is present for the quarterly governance meetings referred to in the current risk register as part of risk PB003. Please also provide the terms of reference for this body and details as to how it interacts with the Pension Board and/or Pension Fund Committee</p>	<p>The Council have had a recent change in personnel responsible for officer oversight of the pensions service provided by Capita. The data related to this query is currently being sought by the new incumbent and will follow shortly</p>
<p>Provide minutes from the quarterly governance meetings for the past 12 months, or since the meetings began if less than 12 months</p>	<p>The Council have had a recent change in personnel responsible for officer oversight of the pensions service provided by Capita. The data related to this query is currently being sought by the new incumbent and will follow shortly</p>
<p>Confirm who is responsible for providing reports from the quarterly governance meetings to the Pension Fund Committee and/or the Pension Board, and whether that is detailed in a terms of reference for the meetings. If so, please provide a copy of the same</p>	<p>Discussions are currently underway with Capita to determine the responsible officer(s) within the partnership for the provision of reports arising from the quarterly governance meetings to the Pension Fund Committee and/or the Pension Board. Once a decision has been made the information will be forwarded to the Regulator</p>
<p>Detail when the monthly performance reports were first created, who is responsible for creating them and what action has been taken as a result of the findings of the report</p>	<p>The monthly performance reports were first created in May 2017. As a result of the reports a Service Improvement Plan has been established and is monitored on a monthly basis. The Pension Board is also providing oversight and scrutiny of performance against the service improvement plan. The person responsible for creating the report is the Capita, Employee Solutions business Head of Public Sector Pensions</p>
<p>Provide a copy of the monthly performance reports for the last 12 months, or since they were first created if less than 12 months ago.</p>	<p>Please see attachments for copies of all reports from May 2017 to October 2017</p>
<p>Confirm how the Quarterly Service Pension Service Meeting's review of the interaction between the Pension Board and Pension Fund Committee came into being; when the review commenced; the progress made to date; and the timeline for implementing any recommended</p>	<p>The Council have had a recent change in personnel responsible for officer oversight of the pensions service provided by Capita. The data related to this query is currently being sought by the new incumbent and will follow shortly</p>

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actions, providing copies of relevant documentation	
Clarify when the new generic mailbox will be established and, aside from the Regulator, who will be informed of its existence and, if not clear, what other purpose it will be used for	The generic mail box is being created to enable prompt identification of issues raised by the Regulator. As part of the Service Improvement Plan there is a requirement to develop and implement a comprehensive communications strategy. The communications strategy is in the process of being developed and it is envisaged that part of the strategy will include use of various channels (including the mailbox) for relevant stakeholders to assist with communications, engagement, notifications etc.
Provide a specific timeline of when changes in the Scheme Return were implemented and by whom	Changes to the Scheme Return were introduced in February 2017. The Changes were implemented by the Capita Pensions Administration Team, led by Paul James, Head of Public Sector Pensions in Capita
Explain who is responsible for informing the Pensions Board that the Scheme Return has been completed and how this will be done	The Assistant Director of Finance is responsible for informing the Pension Board that the Scheme Return has been completed. The Pensions Board Chairman is informed by email and details are now also included in Board reports
Detail, in relation to the “administrative oversight” which led to the delay in informing the Regulator about the failure to issue Annual Benefit Statements on time in 2016, what changes have been made to the pre-existing process (if there was one) to prevent a re-occurrence of this issue	New processes have been put in place that, to date, are showing an improvement demonstrated by the early submission of the annual return in 2017 and the issue of the 2017 Annual Benefits Statements on time. The pension administration service improvement plan has resulted in changes to the structure of the administration team and its working practices to ensure that resource can be allocated appropriately for known peaks of activity (for example lead up to the issue of Annual Benefits Statement and the period immediately following the issue of the Annual Benefit Statements where there is typically a rise in queries from members). Additional checks have been put in place to ensure that data is accurate and further training of pension administration staff is being implemented. In addition the performance of the administration service is now subject to monthly monitoring by the Scheme Manager’s delegated responsible officer and the monitoring follows activity in the scheme event calendar so that upcoming activity can be planned for and the Scheme Manager notified of any issues arising. A risk register is now in place for pension administration and is a ‘live’ document that is iterated on a monthly basis.

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<p>Confirm that the Assistant Chief Executive currently has day to day oversight of the Capita contract and detail how this oversight operates in practice. Please also say when this will change, as it appears to be an interim measure, and how this requirement of the new role will be captured when it becomes a permanent solution</p>	<p>LBB can confirm that the Assistant Chief Executive has day to day oversight of the Capita contract. The Assistant Chief Executive has monthly performance meetings with the Capita leadership team. In addition, the Assistant Chief Executive has delegated responsibility for operational oversight to the Council's Strategic HR lead (recently appointed) who leads the monthly performance monitoring meetings (including risk management), monitors the progress against the Service Improvement Plan, has regular engagement with issues flagged by the unions, and tracks progress of member complaints to ensure satisfactory resolution. The role of the Assistant Chief Executive is an interim measure for the next 12 months due to maternity cover and it is anticipated that responsibilities will revert on the return of the Director of Resources from maternity leave. In the event that the requirement becomes a permanent solution it will be confirmed in writing to the Assistant Chief Executive and the relevant part of the job description for the role will be updated, clearly outlining the new responsibilities.</p>
<p>Tell the Regulator when the annual data improvement programme started and detail how it is different from the plans/procedures previously in place</p>	<p>The Council have had a recent change in personnel responsible for officer oversight of the pension service provided by Capita. The data related to this query is currently being sought by the new incumbent and will follow shortly</p>
<p>Provide details of contractual and/or personnel changes which have been introduced alongside the data improvement programme and are designed to support associated work</p>	<p>The Council has recently appointed a new Strategic HR Lead with previous experience at Director level who has run pension administration services and who previously ran a similar pensions administration service, run by Capita, for another local authority. The Strategic HR Lead is in the process of reviewing current work plans, is providing operational oversight of the pension administration service and the associated improvement programme (which includes the data improvement programme and a full Conditional Data analysis review during Q4 2017/18 following the common data results). A review of Key Performance Indicators is also underway for the Capita contract.</p>
<p>Provide a copy of the Service Improvement Plan, included agreed amendments</p>	<p>A link to the Service Improvement Plan is provided here: http://barnet.moderngov.co.uk/documents/g9339/Public%20reports%20pack%2029th-Nov-2017%2019.00%20Local%20Pension%20Board.pdf?T=10</p>
<p>Explain who is responsible for preparing the robust record keeping improvement</p>	<p>The Capita Head of Public Sector Pensions is responsible for preparing the robust record keeping</p>

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<p>plan and the timescales for its creation and introduction, which will ensure it is in place by 31 March 2018</p>	<p>improvement plans. The Council's Strategic HR Lead (on behalf of the Scheme Manager) is responsible for ensuring, through robust performance monitoring and management, that the plan is created, introduced and is in place by 31 March 2018. Discussions are currently underway between the Council and Capita on the detailed scope and next steps for data improvement and it is anticipated these will be agreed to enable the Conditional Data Analysis review to be able to be undertaken and reported by the end of January 2018. On completion of the review a formal timeline will be agreed around data rectification requirements and associated data improvement.</p>

Pension Board Training

tPR Query	Scheme Manager Response
<p>Please provide a copy of the training programme for the Barnett Waddingham seminar(s)</p>	<p>The Council have had a recent change in personnel responsible for officer oversight of the pensions service provided by Capita. The data related to this query is currently being sought by the new incumbent and will follow shortly</p>
<p>Provide a copy of the training programme provided by CSG and Capita</p>	<p>The Council have had a recent change in personnel responsible for officer oversight of the pensions service provided by Capita. The data related to this query is currently being sought by the new incumbent and will follow shortly</p>
<p>Confirm which members of the Pension Board have completed the Regulator's Public Service Toolkit; how this is being monitored by the Scheme Manager; and where the Toolkit has not been completed, detail the steps being taken to ensure Pension Board members undertake this training</p>	<p>Pension Board member completion data of the Regulator's Public Service Toolkit has not been collected to date. A request for evidence of completion of the Public Service Toolkit will be raised by the Chairman at the forthcoming Board meeting on 29th November. Once this data has been received appropriate steps will be taken to ensure any members with outstanding completion will be supported to complete the toolkit.</p>
<p>Provide details of the future training referred to in your letter of 29 September 2017; including the course materials; the dates it will be delivered; and the intended supplier</p>	<p>Two half day training sessions are being planned to be delivered by the Council's actuarial advisors, Hymans Roberston. Course materials and dates for delivery of the training are not yet available from Hymans and can be forward to the Regulator once they are received by the Scheme Manager.</p>

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<p>Clarify whether a training policy is in place to ensure the Pension Board meets the legal requirement to have sufficient knowledge and understanding on an ongoing basis (for both existing and new members) and if so, provide this document</p>	<p>At its meeting on 7 November 2016 the Pension Board adopted a Training Policy which is essentially the CIPFA knowledge and skills framework. The report is included here: http://barnet.moderngov.co.uk/documents/g8849/Public%20reports%20pack%2007th-Nov-2016%2019.00%20Local%20Pension%20Board.pdf?T=10</p> <p>As noted above, completion rates of the Regulator’s Public Service Toolkit will be collected; this will inform the compilation of a rolling annual training plan, including the training being planned to be delivered by Hymans Roberston.</p>

You will note that a small number of queries remain outstanding and I am aim to respond to these in the next couple of days and by no later than 23 November 2017. I trust the above provides the answers to your queries, and please do not hesitate to contact me or my colleague, Natasha Edmunds, Strategic HR Lead, should you have any questions on the information contained in this letter.

Yours sincerely,

Stephen Evans
Assistant Chief Executive