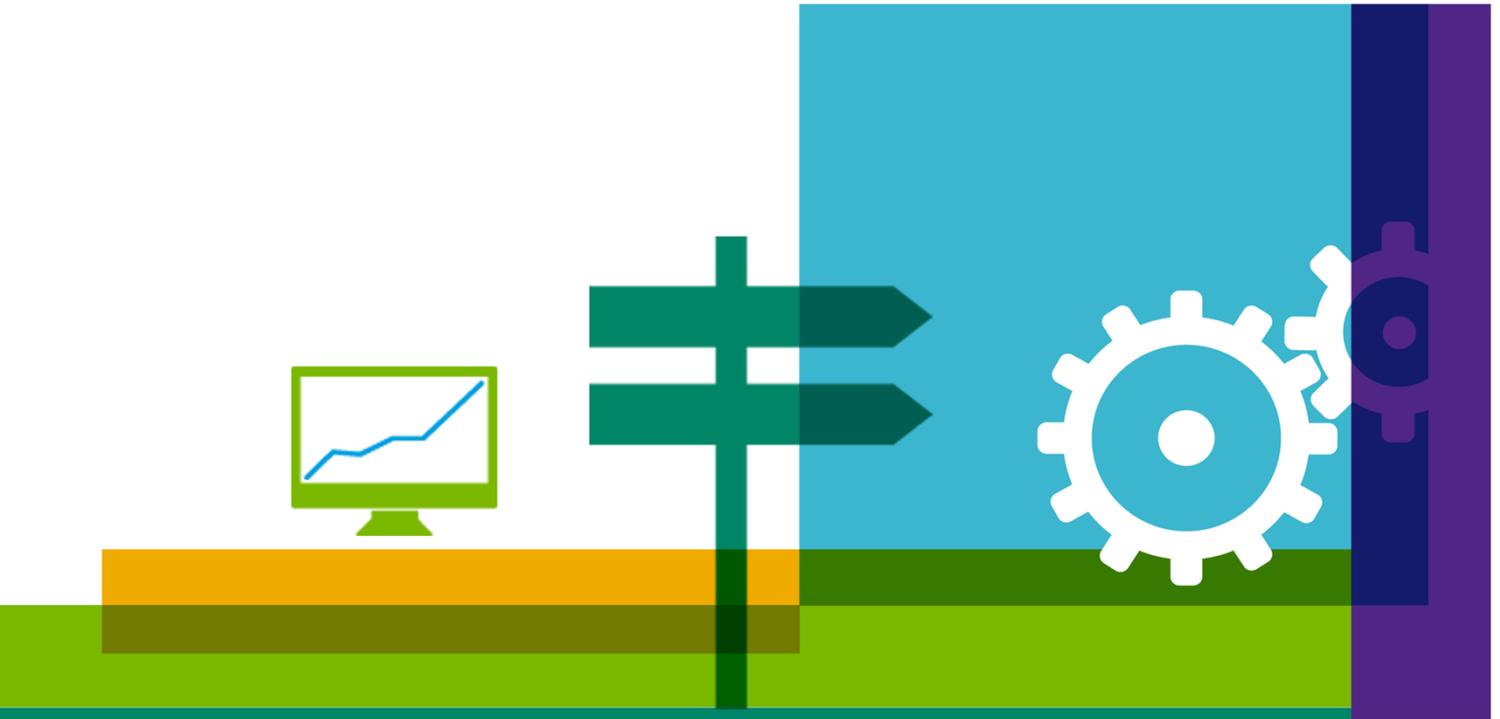


CAPITA



Report to the Local Pension Board

1st November 2017 – 31st December 2017

London Borough of Barnet Pension Fund

22nd January 2018

Executive Summary

Capita Employee Benefits is pleased to report to the Local Pension Board of the London Borough of Barnet Pension Fund for the period November to December 2017 inclusive.

Encouragingly, as well as progressing many of the items included in the Service Rectification Plan (SRP), we have been able to maintain and improve upon the performance level achieved in the last period, reporting performance of 96.29% against the newly adopted performance targets for this period.

The Pension team has continued to make strong progress in delivering planned actions on the SRP and are engaged with the HR SRO to sign off and progress the remaining items.

Valuable feedback from the HR SRO has been received regarding improvements to the reporting of the administration of the Fund and these will be reflected in future reports.

The key focus in Q1 is around delivering the Employer Forum to proactively raise employer awareness regarding their role and responsibilities in relation to the administration of the Fund, particularly in relation to the provision of accurate and timely employee data as part of the year end process.

The Pension team has continued to meet regularly with LBB in order to bring increased transparency to the service. We fully support the meetings that have been set up with the Union to discuss any issues in the administration. The next meeting is scheduled for 21st February 2018.

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

Performance Summary

Performance for period 1st November to 31st December 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.

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

Table 1

Table 1: Overall Summary	
Case Group / Category	Volumes
<i>All work outstanding at the beginning of the period</i>	2647
<i>Cases received in the period</i>	2251
<i>Cases completed in the period</i>	2022
<i>Cases re-categorised during the period</i>	265
<i>All work outstanding at the end of the period</i>	2611
<i>Number of outstanding cases awaiting 3rd party information</i>	1771
<i>Number of workable items</i>	840
<i>Total</i>	2611
<i>Cases completed within standard LGPS targets</i>	1947

Capita is pleased to report that of the **2022** cases completed in the period, **1947** were completed within target which represents overall SLA compliance of **96.29%**.

This represents a slight improvement compared to the previous reporting period (94.29%), which is encouraging considering the focus and effort that has gone into progressing the deliverables on the Service Rectification Plan (SRP).

During November and December, we handled 1211 calls to the Pension Helpline. 72% of these calls were answered within 5 rings. Only 1.3% of calls are received after 5pm but this can lead to longer waiting time which we are seeking to address through extra cover on the lines.

Performance Breakdown

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

Table 2

Table 2: Summary Breakdown by Case Group								
Case Group	Start	Received	Completed	Terminated	Carried F/Ward	Completed Within Target	SLA %	RAG
Change of details	31	84	92	10	13	92	100.00%	GREEN
Enquiries	157	426	409	41	133	399	97.56%	GREEN
Request for Estimate of Benefits	114	119	103	20	110	94	91.26%	GREEN
Leavers	600	153	102	29	622	85	83.33%	AMBER
New Starters	215	102	75	5	237	69	92.00%	GREEN
Retirements	124	75	51	27	121	38	74.51%	RED
Transfers In	46	6	3	3	46	3	100.00%	GREEN
Transfers Out	25	6	9	0	22	9	100.00%	GREEN
Bereavements	113	44	28	1	128	26	92.86%	GREEN
Other	1222	1236	1150	129	1179	1132	98.43%	GREEN
Total	2647	2251	2022	265	2611	1947	96.29%	GREEN

Whilst overall compliance is pleasing, we will focus our attention on those categories that are below 90% with a view to achieving this as a minimum standard in future.

For the purposes of SLA reporting, we have introduced a RAG rating based on the following levels of compliance:

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

Ultimately, our aim is to improve overall SLA compliance to be over 95% at all times, hence we are pleased to be able to show this as **GREEN** for the first time in this report to illustrate the progress being made in the administration.

A schedule of the SLA targets that form the basis of this compliance analysis is shown at **Appendix A**.

Focus during the next quarter will be to work with employers and their payroll providers to improve the quality and timeliness of data received for employees who have left employment and, in many cases, have decided to retire. During the period, we have been made aware of several cases where the member has contacted the Pension team to request details of final pension options or confirmation of pension payment dates, when final pensionable earnings details have not been received from the employer. This can be frustrating and disconcerting for the member, particularly at a time when they are going through a major life change. At times, this can lead to unwarranted complaints against the pension service which is totally dependent on receiving relevant salary details from the employer before we are in a position to calculate and make payment of final pension benefits.

It is hoped that through our plans for a greater focus on Employer Engagement and the plans to hold regular Employer forums, 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 the last report, we stated our intention to include details of the quality of the administration service as well as the quantitative analysis that underpin the recently agreed SLA measures shown as Appendix A to this report.

In order to do this, we are required to make some changes to our pension administration system to be able to report performance against quality standards at scheme level. This work has progressed to a point but there is more development work required and further testing needed before this reporting can be signed off.

The Pension team is currently working with our IT team to progress this work. This was delayed slightly during the latter part of December due to the fact that there is a self-imposed code freeze within CES to allow for cyclical “housekeeping” activities to be performed on our IT systems. This is due to be raised in early January when the outstanding development work will be picked up again.

Work in Progress Position

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

Table 3

Table 3: Case Age Summary

<3 Months		3-6 Months		6-12 Months		12-18 Months		18-24 Months		>24 Months	
Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party	Capita	3rd Party
236	346	144	214	419	529	25	395	5	282	11	5

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

Actions Required:

- Capita has commenced a review of all outstanding casework over 12 months old. Working closely with the HR SRO, we have proposed a number of ways that the outstanding casework can be reduced, based on a lack of engagement from the member or an interested third party for an extended period. We recognise, however, that from a member experience perspective, LBB may wish to take an alternative approach to that proposed even though there is been a period of inactivity in the case. It has been agreed, therefore, that a further discussion will be held with the HR SRO to agree an acceptable approach to cease activity on a case due to lack of contact that will stand up to audit scrutiny and therefore reduce outstanding work levels.
- Further discussions have been held regarding the Scheme Record Keeping Plan and the proposals put forward regarding the Common and Conditional Data test results. Agreement has been reached on the activities associated with the each proposal and this agreement has been captured in formal contract documentation and the work commissioned. Details of the agreed actions and progress made is reported and recorded at regular meetings to discuss the Service Rectification Plan. The proposal to address the outstanding leaver cases that represent a large proportion of the outstanding casework will be considered as part these discussions and progress will be reported at these meetings

Administration Update

NFI Screening:

The Pension team is taking all appropriate action on bereavement cases notified via the NFI portal. This process is now fully embedded into the administration operation with scheme data loaded into the NFI portal on a monthly basis to identify registered deaths. Matched records that are identified via this process are compared the pension administration database to highlight any un-notified deaths. In many cases, the next of kin or representatives may have already notified us of the death and appropriate action will have already been taken. In those cases where we have not been notified, we take action to suspend pension payments, if required, and contact the last known address and/or nominated beneficiaries to seek the appropriate documentation.

Additional Current Projects:

Service Improvement Plan

Working closely with LBB, Capita has continued to deliver against the requirements of the detailed Service Rectification Plan with monthly meetings scheduled in the diary to track progress and address specific concerns raised by the Council emphasising the need to bring:

- Increased transparency to the service
- Improved quality to members and employers
- Improved confidence in the service

The Pension team has made continued strong progress in delivery against planned activities

- Work to progress the data rectification requirements has been agreed and the relevant tasks captured in formal documentation.
- Work on the development of a formal Communication Strategy and Engagement Plan has been completed and will be further refined in Q1 as we consider the use of a range of communication channels.
- Initial draft of Employer Compliance policy has been circulated and further feedback on the draft is expected to allow a revised version can be drafted.
- Enhanced operational printing controls have been implemented to eliminate the risk of LBB correspondence being printed and issued on incorrect letterhead.

Focus in Q1 2018 is the further development of the Engagement Plan and, in particular, the date and content for the Employer Forum to raise awareness regarding the employers' role and responsibility in relation to the Fund's administration and, specifically, the process around the provision of timely and accurate End of Year data.

Union Meeting

We are committed to working with LBB and meet regularly with the Union to address any concerns and emerging issues. Our next meeting is scheduled for 21st February 2018.

One emerging theme that they have highlighted, as referenced earlier in this report, is the delays that certain members have experienced with regard to the provision of final pension details and confirmation of pension payment dates due to the fact that details of final pensionable earnings figures are not being provided by the employers or the payroll providers on a timely basis.

We are currently exploring ways we can raise member and employer awareness regarding their roles and responsibilities in the retirement process. This will be through the Employer Engagement process and the better use of the web and the information that is held there. In the meantime, all delays are

addressed directly with the employer so that they are addressed immediately to avoid any member distress.

GMP Reconciliation

The Stage 1 GMP reconciliation report has now been received with recommended actions and associated fees for the work that is required over 2018 to fully reconcile the scheme contracted-out data to HMRC records.

The scope of the exercise and the extent of the investigations into non-matching elements needs to be agreed with the Council as this will ultimately determine the overall cost.

This exercise will be managed by a separate team in Capita who specialise in this activity. Progress towards the final reconciled position will be included in future reports.

Scheme Calendar Overview

	Category	Activity	Req'd by	Status	Achieved	Comment
1	Event	Child Review Report for 2017	31/08/2017	Ongoing		Review of children's pensions in payment ongoing. 29 cases identified for review. Requests for confirmation of continued eligibility have been issued and are being processed as part of the administration process
2	Event	Issue active member annual benefit statements	31/08/2017	Complete		All annual benefit statements issued by the due date, where possible. Individual query cases are being investigated and revised statements are issued at the point of query resolution
3	Event	Issue overseas pensioners life declarations	31/08/2017	Ongoing		Review of overseas pensioner payments ongoing. Requests for confirmation of continued eligibility have been issued and are being processed on receipt of response from the pensioner
4	Request	Summer Accounts data to Hymans	31/08/2017	Complete		All data was submitted to the Actuary by the due date and any subsequent queries were resolved in a timely manner
5	Request	Submit GAD Cost Cap Valuation data	31/08/2017	Pending	n/a	No data request received from GAD
6	Request	Liaise with GAD on Cost Cap Valuation outputs	30/09/2017	Pending	n/a	As 5 above
7	SIP	Common Data Analysis	30/09/2017	Complete		Common data analysis results have been shared with the client based on tPR's definition of new and legacy data. Further analysis supplied showing the results based on the data created prior to and after Capita's appointment as administrator. Formal documentation submitted to confirm agreement to cleanse activity
8	Event	Issue Pension Saving Statements to those who exceed Annual Allowance	06/10/2017	Complete		Pension Savings Statements issued to all members subject to a tax charge by 6th October
9	Event	Issue remaining Pension Saving Statements	31/10/2017	Complete		All remaining Pension Savings Statements issued by 31st October
10	SIP	Devise Conditional Data tests to LBOB	31/10/2017	Complete		Proposal for Conditional Data tests submitted by Capita and criteria for the tests agreed with LBB. Formal documentation drawn up to agree to programme of work to complete cleanse activity
11	Event	Issue Annual Scheme Return to tPR	31/10/2017	Complete		Annual Scheme Return completed and returned to tPR within agreed deadline. tPR has acknowledged receipt of return to Capita Finance
12	SIP	Analyse results of data loaded to Hymans Portal (the Brain)	31/10/2017	Complete		Full data extract loaded to Hymans portal and the data validation results analysed and compared to proposed Conditional Data tests. Results were consistent and covered by the proposed data tests. No additional data tests were necessary

This shows the position up to 31 December 2017. An updated Scheme Calendar is currently being prepared for 2018 to include the relevant elements from the SRP. Progress against the key dates will be included in future reports.

Complaints

The current status of the number of complaints received in the period is shown in the table below:

Member Ref.	Date Received	Details	Justified	Resolution	Status
Member E	7/8/17	Member claims to have not received answers to queries although there is no evidence of any queries being sent or received that have not been answered. A response issued on 09/05/17 contained an opting out form which has not been returned.	Y	The member's initial enquiry was made on 03/05/2017. Emails were sent to the member on 6 & 8 May requesting further information on each occasion. A full response was then provided on the 9 th , six days after the member's initial email. There is no record of any further correspondence until 20 July when the member accused us of ignoring her enquiries. It is possible that she did not get our email of 9 May or that she sent us a further enquiry which we did not receive. In any case, we did not reply to her email of 20 July until 9 August. Letter of apology issued with offer of gesture of goodwill for D&I.	Closed
Member F	24/8/17	Member complained as she has not received the response she was awaiting	Y	Full response provided with letter of apology for delay in responding and an offer for D&I	Closed
Member G	24/8/17	Member unhappy with delay in receiving CETV for divorce case. He has been made redundant and wishes to claim his pension. The PSO needs completing before we can calculate a CEV based on his pension.	Y	Case has taken over two years. Member has paid costs and is entitled to information	Closed
Member H	6/9/17	Member unhappy with length of time taken to pay retirement benefits. A retirement case has now been set up to issue retirement options.	Y	Member left 31/12/16 and has not claimed benefits. Option forms reissued with an apology and an offer for any D&I	Closed
Member I	20/9/17	Member requested information which we couldn't answer without obtaining details from her payroll provider. There has been a delay in obtaining the information we required because the contact we had no longer works at the payroll provider and we hadn't been informed. We now have a new contact and the relevant information has been requested again and the	N		Closed

		member informed.			
Member J	28/9/17	Widow of member hasn't received forms that have been issued and has complained about delay. Case set up to reissue forms.	N		Closed
Member K	30/10/17	Member claims to have not received retirement options despite giving 5 month notice of planned retirement on 19 th September	N	Documentation and final salary details provided by outsourced payroll provider were incomplete and inaccurate. Pensions followed this up with payroll provider and issued pension options within 1 day of receiving the payroll details. Pensions have now established direct contact with member regarding his pension options in order to get these paid in accordance with his requirements. Further exchanges regarding the taxation of his pension payments have ensued and detailed clarification provided confirming that the tax position is correct and will be fully resolved in December payment. AVC funds have also been paid to the member	Closed
Member L	1/11/17	Member retired over 6 weeks ago. He has an ongoing dispute with Capita Payroll regarding the commencement of his AVC payments in 2014 and his subsequent request to increase his payment in 2017. This outstanding issue is preventing him from selecting his pension options and he is without income	N	The Pension team has contacted the member separately to offer an interim pension payment based on benefits excluding his AVC to provide an income until his payroll query is fully resolved. His complaint remains outstanding with payroll but has been closed for the purpose of pensions	Closed
Member M	6/11/17	Member requested to transfer in benefits from another scheme in 2011. The transfer was not completed at the time and the Council has refused his request for it to be processed retrospectively	N	This is an issue regarding delegated authority and Capita can only comply with legislative and Council policy.	Closed
Member N	7/11/17	Member is planning to retire but is unhappy that final leaver details have not been provided to the Pension team	N	The Pension team has chased the employer for leaver details but these remain outstanding. Member may refer the matter to his legal adviser	
Member O	10/11/17	Member is unhappy that she is unable to transfer her Police pension into the Barnet Pension Fund	N	Transfer regulations require a member to request a transfer in within 12 months. The Council has not given the discretion to allow to happen. The member believes she	

				was not provided with the necessary information at the beginning	
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	
Member Q	27/11/17	Member's widow is unhappy at the length of time it has taken to put spouse's pension into payment	N	Documentation received from Widow was incomplete. Full documentation not received until 30 November. Case completed the following day	Closed
Member R	30/11/17	Employer encourages member to complain regarding delays in putting pension into payment	Y	Delays in providing initial estimates caused member frustrations. Final documentation not received until 25th September which was incomplete. Salary query not resolved until 18 th October but benefits required sanctioning and this was delayed until November	
Member S	6/12/17	Member claims not to have received an annual benefit statement and has complained that she is not entitled to an automatic cash lump sum under the scheme rules	tbc	Member has referred case to the Ombudsman but has been advised that she must follow IDRP before they can consider her case. In the meantime a replacement ABS has been issued	
Member T	6/12/17	Member has received conflicting information regarding the benefits included in retirement quotes and would like confirmation of the correct amounts. Member has also complained about the delay in receiving benefits	tbc	Added years contracts incorrectly listed as 1/80ths on member's record instead of 1/60 th leading to over-stated estimates. Record corrected and final retirement benefits calculated on correct basis. Delays due to seeking clarification of added years contracts and the need to issue revised options.	
Member U	13/12/17	IFA requested retirement estimate and copy of ABS which could not be issued until receipt of salary information from payroll provider. IFA is unhappy with delays	N	Email response was issued to IFA on 19/9/17 but the IFA had difficulty opening it. IFA raised further requests for estimates on 14/11/17 but final pay data not received until 9/1/18	
Member V	22/12/17	Member unhappy with delay in receiving retirement benefits and the length of time to receive payment	N	Case was delayed by payroll provider not providing all information until 20/12/17. Final payment details issued 9/1/18 which is 1 day outside of SLA	

Appendix A

Standard LGPS SLA Measures

Case Type	Measurement
Change of Personal Details	Process change to member details within 10 days of receipt of request
General Enquiries	Provide response to member or beneficiary within 10 days of receipt of correspondence
Request for Estimate of Benefits	Issue benefit quotation within 10 days of receipt of request
Leavers on Termination / Opting Out	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
New Starters	Creation of system record within 4 days of receipt of notification
Retirements	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

Transfers In	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
Transfers out	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
Bereavements	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
Miscellaneous (or Other)	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.

CAPITA

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>	10	0	0	0	0	0	0	0	0	3	0	0
<i>Enquiries</i>	30	32	7	10	0	20	0	9	0	25	0	0
<i>Request for Estimate of Benefits</i>	15	33	8	19	3	19	0	6	0	7	0	0
<i>Leavers</i>	30	75	3	44	0	96	0	267	0	103	1	3
<i>New Starters</i>	47	1	1	0	13	150	0	2	1	22	0	0
<i>Retirements</i>	10	56	0	12	0	19	0	14	0	8	1	1
<i>Transfers In</i>	1	9	2	4	1	7	1	6	1	13	1	0
<i>Transfers Out</i>	4	1	5	3	0	9	0	0	0	0	0	0
<i>Bereavements</i>	9	38	0	19	1	28	0	10	0	21	2	0
<i>Other</i>	80	101	118	103	401	181	24	81	3	80	6	1
Total	236	346	144	214	419	529	25	395	5	282	11	5

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