

	<p>Local Pensions Board</p> <p>19 November 2019</p>
<p>Title</p>	<p>The Pensions Regulator Update</p>
<p>Report of</p>	<p>Director of Finance</p>
<p>Wards</p>	<p>N/A</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>No</p>
<p>Enclosures</p>	<p>Appendix 1 – TPR letter to LB Barnet Appendix 2 – LB Barnet update letter to TPR</p>
<p>Officer Contact Details</p>	<p>Nigel Keogh, Strategic Pensions Consultant Nigel.Keogh@barnet.gov.uk 07505074979</p>
<p>Summary</p>	
<p>Further to the Improvement Notice issued by The Pensions Regulator (TPR) on 25 July 2019 to London Borough of Barnet to address weaknesses in the processes and controls within the administration of the Barnet Pension Fund, this paper updates the Board on the on-going communications with TPR.</p>	
<p>Recommendations</p>	
<p>The Board is asked to note the most recent correspondence with the Regulator and the further actions being taken to address the new issues arising.</p>	

1. WHY THIS REPORT IS NEEDED

- 1.1 On 25 July 2019, TPR issued LBB with an Improvement Notice, which stipulated improvements in three main areas by the 31 August 2019.
- 1.2 On 29 August, a response was sent to TPR, detailing how the Council had responded to the Notice (<https://barnet.moderngov.co.uk/mgAi.aspx?ID=29161#mgDocuments>).
- 1.3 On 4 October, TPR responded to the Council's submission.
- 1.4 Our response to The Pensions Regulator was generally well-received, with the Regulator making particular reference to the improvements in data quality and internal controls in several areas (notably in relation to contributions monitoring).
- 1.5 Based on the extent of the improvement and the limited amount of time available to complete the work required to comply with the Improvement Notice, TPR does not intend to take any further action against the pension fund in relation to the Improvement Notice.
- 1.6 The Regulator did note that the failure to issue 930 ABS's to deferred members on time did constitute a breach of the law. However TPR did acknowledge the circumstances that gave rise to this (i.e. the member cases were still on-going at the time of the ABS exercise) and will therefore not be taking further action on this point at this moment in time (whilst reserving its rights to revisit this should we fail to meet our planned timetable for rectifying the situation). The Regulator was however keen to stress the need for the pension fund to continue to monitor and report material breaches. A copy of the letter from TPR is at Appendix 1.
- 1.7 As noted in TPR's letter, the Regulator has now published its Regulatory Intervention Report which can be found at <https://www.thepensionsregulator.gov.uk/en/document-library/enforcement-activity/regulatory-intervention-reports/london-borough-of-barnet-superannuation-fund-regulatory-intervention-report>
- 1.8 Since this was published, the Council has subsequently sent an update letter to TPR (Appendix 2).
- 1.9 In this letter, updates on the following were provided:
 - Annual Benefit Statements
 - Triennial Valuation
 - Backlog reduction
 - Contributions monitoring
 - NPA 1880 cases
- 1.10 As the letter states, progress against several of the above issues has been limited, and in the case of the Annual Benefit Statements, new

issues have emerged as members have reviewed the information they have received.

1.11 Where new issues have emerged, they are each subject to their own action plans and monitoring via our fortnightly performance monitoring meetings with Capita.

1.12 Further reports to TPR regarding the above will follow in due course.

2. REASONS FOR RECOMMENDATIONS

2.1 Not applicable in the context of this report.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

4.1 Not applicable in the context of this report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

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

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

5.2.1 Not applicable in the context of this report.

5.3 Social Value

5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

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

practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.5 Risk Management

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

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to 1) eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; 2) advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and 3) 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. The Council also has regard to the additional protected characteristic of marriage and civil partnership even though this does not apply to parts 2) and 3) (above) of the public-sector equality duty.

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

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

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

5.9 Insight

5.9.1 Not applicable in the context of this report.

6. BACKGROUND PAPERS

6.1 None