

	<p>Local Pension Board</p> <p>25 June 2020</p>
<p>Title</p>	<p>Pensions Administration Transition (PAT) Project 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 – Project Board Update – Period 2 Appendix 2 – High Level Project Plan Appendix 3 – PAT Risk Register</p>
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<p>Summary</p>	
<p>Further to the decision taken by the Council on 3 March 2020 to transfer the administration of the Barnet Pension Fund from Capita to the West Yorkshire Pension Fund (WYPF). This paper updates the Board on progress against the transition plan.</p>	
<p>Recommendations</p>	
<p>The Local Pension Board is asked to note progress against the plan.</p>	

1. WHY THIS REPORT IS NEEDED

1.1 Further to the decision by the Council on 3 March 2020 to transfer the administration of the Barnet Pension Fund from Capita to the West Yorkshire

Pension fund (under a Section 101 delegation to Bradford City Council (CBMDC)). This report updates the Board on progress with the transition.

1.2 The Pension Administration Transition project will transfer the administration of the LGPS for the London Borough of Barnet Pension Fund membership and pensioner payroll service from Capita to WYPF. The project follows the identification of WYPF as the preferred provider to take on the service from Capita, as reported to the Policy and Resources Committee in February, and communicated to the Board on 13 February.

1.3 The project covers all strands of the pensions administration services currently provided by Capita. The majority of those service strands will be transferred to WYPF, with contributions collection, reconciliation and monitoring reverting back to the Council. These changes will take effect by 31 October 2020.

1.4 The project is overseen by a Project Board, chaired by the Director of Finance and composing senior personnel from the Council, Capita and WYPF, alongside the Project Director. The project board last met on 4 June, and the highlight report presented to the board is attached at Appendix 1. The high level project plan is attached at Appendix 2 and the latest version of the risk register is at Appendix 3.

1.5 As the highlight report notes, good progress is being made across all workstreams, with the first major milestone (the first member data transfer and associated reports) being successfully achieved, with the process completed on 2 June 2020.

1.6 Project managers from the Council, WYPF and Capita will continue to meet weekly with the Project Director to ensure that the tasks identified across the five project workstreams are actioned in a timely manner, with a view to successful service transition on 1 November 2020.

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 Officers will continue to monitor the progress of the transition and report back to the Board. Representatives will be invited to meet the Board at a future meeting.

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 The costs of transition will be met by the Barnet Pension Fund. These are limited to a small contribution to costs incurred by WYPF – all other costs are being met from existing resources by the relevant parties.

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.

5.4.2 The scope of the role of the Pensions Board is set out in full in the Board's Terms of Reference. In summary the role is to assist:

- o securing compliance with LGPS Government regulations and any other legislation relating to the governance and administration of the LGPS
- o securing compliance with the requirements imposed in relation to the PGPS by the Pensions Regulator.
- o such other matters as the LGPS regulations may specify
- ensure the effective and efficient governance and administration of the LGPS for the LBB Pension Fund.
- ensure the Pension Fund's strategy and policy documents are in place and have been maintained in accordance with the LGPS Regulations. These documents are: the communications policy statement; funding strategy statement; governance compliance statement; statement of investment principles; and the Pension Fund annual report and accounts.

- ensure the Pension Fund's internal Risk Register is in place and reviewed at least annually.
- review the Pension Fund's performance in complying with the requirements of the LGPS Regulations and any other legislation relating to the governance and administration of the LGPS.
- review the Pension Fund's performance in complying with the requirements of the Pension Regulator.
- annually submit a proposed work plan for the forthcoming financial year to the Pension Fund Committee.
- carry out any other activities relating to the efficient governance and administration of the Pension Fund.
- submit an annual budget to the Barnet Pension Fund Committee for approval.

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. This project forms part of that good governance.

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 <https://barnet.moderngov.co.uk/documents/s57962/Pension%20Fund%20Administration.pdf>