



Local Pension Board

25 June 2020

Title	Performance Report
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Capita Performance Report for May 2020 Appendix B – Weekly Backlog Report – 8 June 2020 Appendix C – Employer Update Note – June 2020
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Summary

This paper provides the Local Pension Board with the pensions administration performance report for May 2020.

Officers Recommendations

The Local Pension Board are requested to note the current performance levels, how Capita are maintaining administration levels during the Covid-19 pandemic and plans for reducing non actionable caseload backlogs.

1. WHY THIS REPORT IS NEEDED

- 1.1 The efficient delivery of benefits is reliant upon effective administrative procedures being in place. It is important that this information is reviewed by the Board.
- 1.2 The report at Appendix A provides an overview of performance of the operational pensions administration service delivered by Capita.
- 1.3 The risk register is reported on separately.
- 1.4 Capita also provide weekly reports on the reduction of the actionable caseload backlog. The latest report as at 8 June 2020 is attached at Appendix B.
- 1.5 All the administration team at Capita have all been working from home since the Covid-19 lockdown began. There remains a small number of staff at Capita working at their office in Darlington, who are responsible for scanning incoming post and printing and posting letters.
- 1.6 In addition, Capita have developed a system that allows calls to be taken remotely using mobile phones. As a result, the administration team can take calls whilst working at home. There has been no major reduction in the number of calls answered within 30 seconds.
- 1.7 The May report shows SLA attainment compared to the previous report from December 2019 (from 90% up to 94.5%). Officers continue to monitor the SLA performance on a weekly basis and have recently raised concerns that when there is an absence on the team (illness or annual leave), performance levels have dropped. Capita have confirmed that additional resource has been added to the team to ensure that performance levels are maintained at a satisfactory level. Officers will continue to monitor this matter.
- 1.8 Case types that Capita need to improve their performance on are Leavers (84%), (Retirements (85%), Transfers Out (78%) and Transfers-in (90%). Officers in the weekly telephone calls with Capita continue to emphasise the importance of improvement on these three case types. If Officers become aware of individual cases where the service from Capita is not at a satisfactory level, they will intervene and request that this is processed urgently.
- 1.9 Officers have agreed with Capita an improved process for chasing overpayments, usually made on death of a member. The intention of obtaining the return of more overpayments.
- 1.10 There has been improvement in the collection of outstanding strain costs, but a number remain outstanding. The fining employers for non-payment remains an option and will be used for strain costs that are not paid in a reasonable period.

- 1.11 The Capita administration team are also focusing on receiving the year end returns received from all employers, which includes reviewing these for undisclosed leavers and joiners and updating administration records with salary details. Once the year end returns are processed, this enables both annual benefit statements and pension savings statements to be issued.
- 1.12 The number of non-actionable work cases outstanding has grown to c3,700. This is mainly attributed to awaiting third party information (including Capita Payroll). A common factor in these cases is the failure to follow up on information requests. It has been agreed that Capita and LBB will jointly share the costs of four additional staff (up to 31 October) to tackle the backlog of third-party cases involving both obtaining the missing information and updating members records. This is to ensure that when the administration is transferred to the new administrators, there is no significant backlog of unprocessed cases. A Capita team based in Belfast are currently working on the less complex tasks (such as reviewing the status of cases and issuing chasing letters) which total around 1,800. To date 25% of these cases have been reviewed. Any cases where Capita are unable to resolve will be passed to Officers to determine the next course of action to be taken.
- 1.13 The decision to transfer the administration of the Fund from Capita to the West Yorkshire Pension Fund (from 1 November 2020) was communicated to pensioners in their April payslips. For active and deferred members, a note will be included when the 2020 annual benefit statements are issued.
- 1.14 An update note to be sent to employers is attached in Appendix C.

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 eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and 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, marriage and civil partnership.

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.

5.6.3

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 Appendix A