



Local Pension Board

25 June 2020

Title	Pensions Administration Risk Register
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Risk Register (June 2020)
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Summary

The Pensions Administration Risk Register is a standing agenda item for the Local Pension Board.

Recommendations

The Local Pension Board are requested to note the most recent risk register

1. WHY THIS REPORT IS NEEDED

- 1.1 It is important that the Council maintain the Pensions Administration Risk Register to help protect members of the LGPS.
- 1.2 The most recent Pensions Administration Risk Register can be found in Appendix A.
- 1.3 The risk register has been updated for the following risks and new risks have been identified and added:
 - 1.3.1 **PB002** – Officers continue to review and request that administration records are updated by Capita to capture all the data provided by employers in their March 2019 annual returns. In addition, Officers will be reviewing that data received from employers in the March 2020 end of year returns and ensuring that Capita make the necessary and correct updates to the member records.
 - 1.3.2 **PB003** – to avoid the issues that arose with the production of the 2019 benefit statements, Officers are assisting Capita with chasing late end of year returns from employers and are also checking that the data included on the returns appears correct and that Capita are updating their Hartlink system. In addition, Officers are reviewing the Capita project plan for benefits statement production to ensure that appropriate checks on the data are adhered to, so that the benefit statements for 2020 will not have the same issues as last year. This risk assessment score for this risk has reduced.
 - 1.3.3 **PB005** – the new process for improving the collection of strain costs agreed with Capita in December 2019 has resulted in an increase in the strain costs paid. This is an ongoing process with the threat of fines to employers and interest on the strain amounts as potential last resorts. This risk assessment score for this risk has reduced.
 - 1.3.4 **PB010** – following completion of the 2019 valuation, progress is being made on the processing of admission agreements and bonds. The aim is to have these completed during the summer of 2020.
 - 1.3.5 **PB014** - this risk has been updated following the approval of the Council to move the administration of the fund from Capita to the West Yorkshire Pension Fund (WYPF). The transition risk register is monitored regularly to ensure that the risks identified do not develop into issues that would have a significant affect to the fund and its members.
 - 1.3.6 **PB015** – this is a new risk relating to the Covid-19 pandemic and ensuring that administration processes and procedures are maintained during this period. This risk is also linked to PB001 in terms of Business Continuity.
 - 1.3.7 **PB016** – this is a new risk on cyber security, which is aimed at managing both internal (ie staff) and external (ie hackers) risks to the systems holding member information.

2. REASONS FOR RECOMMENDATIONS

2.1 Management of risk is critical to avoiding unfavourable outcomes.

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 delivery of Council's strategic objectives and priorities as expressed through the Corporate Plan (Barnet 2024) 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 Risks that are not mitigated or managed can have a financial penalty to the Scheme.

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 LB Barnet. The Local Government Pension Scheme (Amendment) (Governance) 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 Risk Register is a tool that assists the Board in ensuring that the Scheme has a mechanism in place to identify and review at least annually, the pension scheme administration risks

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 Equalities 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.

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 Not applicable.

5.9 Insight

5.9.1 Not applicable

6. BACKGROUND PAPERS

6.1 None