



Local Pension Board 2 September 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 June 2020 Appendix B – Weekly Backlog Report – 10 August 2020
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Summary

This paper provides the Local Pension Board with the pensions administration performance report for June 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 10 August 2020 is attached at Appendix B.
- 1.5 The administration team at Capita continue to work from home with a small number of staff also continuing to go into the Darlington office, to scan incoming post and send out letters. There has been an improvement in the number of calls answered within 30 seconds.
- 1.6 However, the June report shows a reduction in the SLA attainment compared to the previous report from May 2020 (down from 94.5% to 81%). Officers have raised this disappointing downturn in performance with Capita at their weekly meetings. Capita have provided reasons for this figure as mainly due to unexpected absence within the team and occasional system issues, whilst the team have been working from home. Capita advised that they had bought in staff from within other administration teams to assist when there is absence on the team. Officers will continue to monitor Capita's "business as usual" performance on a weekly basis and will take this up with senior Capita management, if the performance does not improve.
- 1.7 An update on the performance in July 2020 will be provided at the Board meeting.
- 1.8 Capita performance in completing the non-actionable work cases has been slower than anticipated. A plan was agreed with Officers in May 2020 to clear these cases before the transition to West Yorkshire Pension Fund (WYPF). Initially, there were c3,700 cases that required action. As at 31 July 2020, there were still c2,250 cases that require to be completed.

Officers have raised this with Capita at the weekly meetings.

- 1.9 To assist Capita to complete the outstanding non-actionable work cases, Officers agreed that for "business as usual" work, as long as the administration team maintain required service levels for retirement and death cases, Officers will accept a slight reduction in the SLA timescales for other types of cases within current workloads, so the team can focus on those cases previously classified as non-actionable.

- 1.10 The Board should note that some non-actionable work cases may already have exceeded their SLA when they were put in “pending” by Capita. When Capita action these cases, they will remain so and this may have an effect of SLA attainment figures. Officers have requested that Capita provide a separate breakdown between “business as usual” cases and non-actionable work cases so an accurate review of Capita’s performance can be made.
- 1.11 A Capita team based in Belfast continue to review and action the less complex cases to allow the Capita administration team from Darlington to progress the more complex cases.
- 1.12 Officers continue to monitor these cases on a weekly basis and will raise with Capita if there are any issues
- 1.13 Most of the deferred Annual Benefit Statements (ABS) were sent in early August. The deferred statements that have not been sent are where no address is currently held or where information is required before Capita can calculate the members deferred benefits.
- 1.14 All the end of year returns have now been returned and will now be loaded onto the Hartlink system.

Capita are completing data and calculation testing before sending the ABS templates to the printers. Officers were intending to spot check the data to ensure that the issues encountered last year are not repeated. There is unlikely to be sufficient time to undertake this work before ABS’s are issued therefore any corrections required will mean a new ABS has to be issued. The statutory date for issuing ABS is 31 August.

- 1.15 Once the ABS have been issued, Capita will commence work on calculating the annual allowance for 2019/20 for all members and where appropriate issue Pension Savings Statements. These must be received by members by 6 October.
- 1.16 A meeting will be set up for all employers in September to provide an update on various pension issues, including asking representatives of the West Yorkshire Pension Fund to attend, so they can update the employers on changes that will be required once the transition completes on 1 November.

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.

5.4.2 The requirement to issue Annual Benefit Statements to each of its active, deferred, deferred pension and pension credit members is set out in Regulation 89 of the Local Government Pension Scheme Regulations 2013. Statements must be issued no later than 5 months after the end of the scheme year to which it relates.

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.

5.7 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