



Pensions Board

24 July 2018

Report from the Chief Finance Officer

Update on the Pensions Administration Contract

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt:	Open
No. of Appendices:	1
Background Papers:	N/A
Contact Officer(s):	Conrad Hall, Chief Finance Officer Folake Olufeko, Senior Finance Analyst

1.0 Purpose of the Report

- 1.1 This report provides an update to the Pensions Board on the transition of the Pension Administration contract from the current supplier, Capita, to the new supplier, Local Pensions Partnership (LPP).
- 1.2 The report provides a summary of the significant stages of the transition plan and actions required in the run up to the contract handover to LPP.

2.0 Recommendation(s)

- 2.1 That the Board notes the content of this report.
- 2.2 That the board notes the appendix accompanying this report.

3.0 Detail

- 3.1 In November 2017, following officers' recommendation, Cabinet granted approval to enter into a shared service agreement with LPP for the provision of the pension fund administration.
- 3.2 The current contract with Capita is due to end in September 2018 and the implementation phase is still ongoing with LPP to ensure a successful transition for hand over in October 2018.
- 3.3 A number of legal documents have been received from LPP, including a Service Level Agreement, a Non-Disclosure Agreement and a Liability Agreement.
- 3.4 The initial expectation was for these documents to be approved by 31 January 2018. However, as the documents will serve as the binding contracts between the London Borough of Brent (LBB) and LPP, reviews are still being carried out, by

Brent's Legal and Finance teams, to ensure that the contents meet the full requirements of the Fund and that there are no undue oversights.

- 3.5 These reviews include on-going discussions between Brent and LPP to determine a reasonable level of financial liability which is the maximum LPP would bear in the case of a performance breach (for example, an overpayment of benefit to a member). The documents are now expected to be approved by 31 August 2018.
- 3.6 Following on from the update at the last Board meeting in February 2018, weekly follow up meetings with Brent and both LPP and Capita have continued. The meetings serve as an avenue for the Project Managers involved in the transition process to discuss and agree on action points derived from the implementation plan. This is in addition to the on-going monthly performance meetings being held between LBB and Capita as this remains a significant aspect in the management of the current contract.
- 3.7 A second cut of data is due to be transferred over to LPP from Capita during week commencing 9 July 2018. Capita have not been forthcoming in the rectification of errors which were identified from the first cut of data. The expectation is that there will be less errors from the second data cut, following significant progress with the work carried out by Target, a company which was commissioned by LBB, to trace members in order to update missing records on Capita's administration system, Hartlink. Capita have also suggested additional charges for requests which they have classed as over and above standard requirements. Officers are mindful not to commission any further work to Capita given their poor performance to date and failure to provide information within agreed deadlines. The final data cut is scheduled for week commencing 17 September 2018.
- 3.8 Appendix A of this report details the Implementation Plan to ensure a smooth implementation and transition to LPP. Progress with the plan is overall on track with regards to key milestones, which officers will continue to closely monitor.
- 3.9 Further reports will be brought to the Pensions Board to provide updates on key milestones within the plan.

4.0 Financial Implications

- 4.1 There are no specific financial implications associated with noting this report.

5.0 Legal Implications

- 5.1 None arising directly from this report

6.0 Equality Implications

- 6.1 None arising directly from this report

7.0 Consultation with Ward Members and Stakeholders

- 7.1 None necessary for this report.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 None arising directly from this report.

Report sign off:

Conrad Hall, Chief Finance Officer

