

# CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

5 November 2021

Report by: Head of Pensions

Subject	Administration Performance Report
Purpose of the Report	To present the Administration Performance Report to the Pension Fund Board
Recommendations	The Pension Fund Board are asked to note the Administration Performance Report
Enquiries to:	Jo Kent, Governance and Regulations Manager <a href="mailto:joanne.kent@westnorthants.gov.uk">joanne.kent@westnorthants.gov.uk</a>

## 1. Background

- 1.1 One of the core functions of the Pension Fund Board is to ensure the effective and efficient governance and administration of the scheme. This report demonstrates a number of key areas of administration performance for consideration by the Pension Fund Board.

## 2. Key Performance Indicators – Pensions Service

- 2.1 The Pension Fund Committee has previously agreed a set of key performance indicators (KPIs) to assess the performance of the Pensions Service.
- 2.2 Full KPI details for the period 1 June to 30 September 2021 can be found in appendix 1.
- 2.3 Over the 4-month period there been a number of resource and system issues that have impacted performance, particularly relating to the payment of retirement benefits.
- 2.4 The corporate network was unavailable for a couple of days in mid-August and following that changes to the WNC firewall caused intermittent responsiveness issues with our hosted pensions server until mid to late October. This impacted all casework teams to varying degrees.
- 2.5 In addition, the retirements team has managed two vacancies over the period June to October, with associated training implications following successful recruitment, and contended with Covid sickness absences and seasonal leave. This has meant that at various points during the review period only half of the team have been available.
- 2.6 Performance delays are most noticeable in our newest indicator, retirement from deferred status; there are not ordinarily the same continuity of income issues as with retirements from active status nor the same statutory performance requirement. We still believe the performance target is achievable and will be looking to improve performance in this area over the coming months.

### 3. Receipt of Employee and Employer Contributions

- 3.1 Employers in the Fund have a statutory obligation to arrange for the correct deduction of employee and employer contributions and to ensure payment reaches the Pension Fund by the 19th of the month following the month of deduction. Providing an associated monthly statement/schedule in a format acceptable to the Administering Authority.
- 3.2 The table in appendix 2 shows the percentage of employers in the Cambridgeshire Pension Fund who paid their employee and employer contributions and/or submitted their schedules on time or late for the period 1 September 2020 to 31 August 2021.
- 3.3 There were no late payments of contributions in August, one late payment in June and seven in July.

### 4. Breaches of the Law

- 4.1 There are various laws relating to the Local Government Pension Scheme, with various individuals, including the Pension Fund Board, having a statutory duty to report material breaches of the law to the Regulator. The Cambridgeshire Pension Fund maintains a record of both material breaches that are reported to the Pensions Regulator as well breaches that are deemed not to be of material significance and so are not reported to the Pensions Regulator.
- 4.2 For the period 1 June to 30 September 2021, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	Two employers in the Fund failed to submit information in order for Pension Saving Statements to be issued by the statutory deadline of 6 October 2021. This has affected 4 members.	All affected members have been written to advising that there will be a delay in receiving this information and the matter has been escalated with each employing authority.
	0.9% of Annual Benefit Statements were not issued by the statutory deadline of 31 <sup>st</sup> August due to a delay in information from the respective employers.	All Annual Benefit Statements have now been issued and employers reminded of their statutory obligations.

### 5. Internal Dispute Resolution Procedure

- 5.1 Members, prospective members, and beneficiaries may not always agree with pension decisions that are made, or may be unhappy that decisions have not been made, by either an administering authority or a scheme employer. The Internal Dispute Resolution Procedure (IDRP) is the route by which they may raise their concerns and challenge such decisions.

5.2 The following table details that activity undertaken during the period 1 July 2021 to 31 October 2021.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Dispute over benefits payable where AVCs were included in estimate of lump sum (received 13 August 2021).	Partially upheld (4 October 2021).	N/A
Dispute over transfer out of pension benefits not being allowed due to the transfer containing GMP and the member being above age 60 (received 6 September 2021).	In progress - deadline for response 6 November 2021.	N/A
Issues with membership records, providing inconsistent details and delays in response.	Upheld (2 July 2021)	N/A
Lack of communication and another member's Lump Sum being paid into member's account	Partially upheld (8 July 2021)	N/A
Deferred member who was traced after having attained normal retirement age in 2012 was refused a transfer out of the LGPS	Partially upheld, in relation to the timing of the tracing exercise (21 July 2021)	N/A
Length of time to finalise early payment of benefits on ill health grounds for a terminally ill deferred member and other issues regarding payment of benefits	Partially upheld (17 August 2021).	N/A
Seeking reinstatement / compensation for LGPS benefits that were transferred to an overseas pension scheme in 2015 (received 5 December 2019)	Not upheld (2 March 2021)	In progress. Appeal received 29 June 2021. Deadline for response is 18 November 2021.

- 5.3 Initial contact from The Pensions Ombudsman about a case involving recovery of an overpayment of pension that had been through both stages of the Internal Dispute Resolution Procedure during 2019/20 was received on 11 June 2021. A response was provided on 8 July 2021 which has been acknowledged by The Pensions Ombudsman in which it was indicated that due to their workload nothing further is likely to be heard in relation to this case for a period of 9 months.

## 6. Employers Admissions and Cessations

- 6.1 The following admitted bodies were admitted to the Cambridgeshire Pension Fund:

- Compass Contract Services (Holme CofE Primary)
- Elior Holdings UK Ltd (Jack Hunt School)
- Milestone Infrastructure Limited – M Group Services
- Multi-Active Holiday Courses Limited (Houghton Primary School)
- VHS Cleaning Services Limited (Linton Village College)

- 6.2 The following scheduled body was admitted to the Cambridgeshire Pension Fund:

- Eastern Learning Alliance

- 6.3 The following bodies have ceased to be an employer within the Cambridgeshire Pension Fund:

- ABM Catering Limited (Middleton Primary School)
- CleanTec Services Ltd (Cromwell Academy)
- Easy Clean Limited (Greater Peterborough UTC)
- Edwards and Blake Limited (Cottenham Primary School)
- TBAP Multi Academy Trust
- William Law CofE Primary

## 7. Customer Service Excellence Standard

- 7.1 The Pensions Service recently undertook the annual assessment required to maintain the accreditation for the Customer Service Excellence Standard. The assessment confirmed that the service has retained the 7 compliance pluses from last year and gained an additional one compliance plus from the assessment this year.

## 8. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. <i>Objective 1</i>
Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. <i>Objective 2</i>
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. <i>Objective 3</i>
Continually monitor and measure clearly articulated objectives through business planning <i>Objective 4</i>

Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>
Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. <i>Objective 8</i>
Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. <i>Objective 10</i>

## 9. Risk Management

9.1 The Fund's Administration Strategy sets out the performance standards of both the scheme employer and the administering authority. The Pension Fund Committee and Pension Fund Board are expected to monitor performance standards through information contained within the Administration Report which is presented at each meeting.

9.2 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk	Residual risk rating
Information may not be provided to stakeholders as required.	Green
Those charged with governance are unable to fulfil their responsibilities effectively	Green
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green

9.3 The Fund's risk register can be found on the Pensions website at the following link: [Cambridgeshire Pension Fund Risk Register.](#)

## 10. Communication Implications

<a href="#">Direct communications</a>	<p>The Fund publishes performance against the key performance indicators in the regular reports to the Pension Fund Committee and Pension Fund Board and in the Fund's Annual Report. Employers of the Fund are guided through the admission process and directly kept up to date with requirements and progress.</p> <p>Members who enter the Internal Dispute Resolution Procedure are kept informed of progress within the statutory timescales.</p>
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## 11. Finance & Resources Implications

11.1 There are no financial and resource implications associated with this report.

## 12. Legal Implications

12.1 Legal advice was sought from the Fund's advisors in relation to the Internal Dispute Resolution Procedure as referenced in section 5.2.

### 13. Consultation with Key Advisers

13.1 Consultation with the Fund's advisers was not required for this report.

### 14. Alternative Options Considered

14.1 Not applicable

### 15. Background Papers

15.1 Not applicable

### 16. Appendices

16.1 Appendix 1 Key Performance Indicators – Pensions Service

16.2 Appendix 2 Receipt of Employee and Employer Contributions

16.3 Appendix 3 Late payment of employer contributions (**exempt**)

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 25/10/2021