

CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

26 January 2024

Report by: Head of Pensions

Subject	Administration Performance Report
Purpose of the Report	To present the Administration Performance Report to the Pension Fund Board for the period 1 October to 31 December 2023
Recommendations	The Pension Fund Board are asked to note the Administration Performance Report
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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 covers key areas of administration performance for consideration by the Pension Fund Board.

2. Executive Summary

- 2.1 This report sets out the performance of the Cambridgeshire Pension Fund.
- 2.2 The administration performance for the period 1 October to 31 December 2023 is detailed in section 3.
- 2.3 The achievement against the Key Performance Indicators for the period 1 October to 31 December 2023 are detailed in section 4 and appendix 1. The majority of KPIs were met over the period.
- 2.4 The progress of supplementary key performance indicators is detailed in section 5 and appendix 2.
- 2.5 Timeliness of receipt of employee and employer pension contributions for the payroll periods of December 2022 to November 2023 are detailed in section 6 and appendices 3 & 4. Over 99% of employer contributions were received on time in respect of the period November 2022 to October 2023. Details of contribution payments received late are detailed in appendix 4 (**exempt**).
- 2.6 Occurrences of breaches of the law for the period 1 October to 31 December 2023 are detailed in section 7. There were no material breaches in the period.

- 2.7 Details of any Internal Dispute Resolution Procedure cases for the period 1 October to 31 December 2023 are detailed in section 8. There are two stage 1 administering authority disputes detailed.
- 2.8 Occurrences of material data breaches for the period 1 October to 31 December 2023 are detailed in section 9. There were no data breaches that occurred during the period.
- 2.9 Details of any significant overpayment of pension for the period 1 October to 31 December 2023 are detailed in section 10. There was one significant overpayments for the period.
- 2.10 Details of new employers admitted to the Cambridgeshire Pension Fund and those that have ceased are detailed in section 11 and appendix 5. One transferee admission body and two designated bodies were admitted to the Fund during the period and three scheme employers were reported as ceasing.

3. Administration Performance

- 3.1 During the period 1 October to 31 December 2023, 6 complaints were managed informally by the Operations Manager and 4 compliments were also recorded.
- 3.2 To put this into context, over the same period in excess of 6,576 calculation tasks were completed in connection with the Cambridgeshire Fund.
- 3.3 The Fund issues member surveys to scheme members where a check task has been completed on the workflow system. During the period 1 October to 31 December 2023, 611 surveys have been issued to Cambridgeshire members with response rates in the range of 8.56% to 12.74% over the period. Scheme members have given the Fund's administration an average rating of between 3.77/5.00 and 4.13/5.00 over the 3-month period. Note this rating is for Cambridgeshire and Northamptonshire Fund administration combined. All feedback is analysed, and changes implemented where necessary.

4. Key Performance Indicators – Pensions Service

- 4.1 The Fund has in place a set of key performance indicators (KPIs) to assess the performance of the Pensions Service in the delivery of key items of casework. The actual performance against these KPIs for the period 1 October to 31 December 2023 can be found in appendix 1 along with the explanations for any underperformance.
 - 4.1.2 Over the 3-month period, 10 of the 21 KPI targets have not been met.
 - 4.1.3 Targets were missed for the payment of pension benefits from deferred membership, providing an estimate of benefits and for the payment of retirement benefits from active employment for October, November and December due to ongoing training at team leader level and the impact of the McCloud remedy creating additional workloads. In addition, in December there was also a high level of sickness within the team.
 - 4.1.4 Performance is expected to improve once the training requirements reduce at team leader level as skills and experience are embedded within the team. The medium to long term plan is to increase multi skilling to help with service resilience across teams.

- 4.1.5 In addition, from January 2024 the payment of retirement benefits from active employment target has increased to 10 working days (from 5 working days) as agreed by the Pension Fund Committee, this will also alleviate pressure in this area going forwards.
- 4.1.6 In November a target was missed on providing a transfer in quote to scheme members in 2 cases, one was delayed at the checking stage and the other at the recalculation stage. These issues have been picked up within the team to prevent recurrence.

5. Development of the Pension Service Key Performance Indicators

- 5.1 New and supplementary KPIs continue to be developed to measure the overall customer journey as approved by the Committee in March 2023 and presented to the Board in April 2023.
- 5.2 The majority of areas are now being reported with ongoing development for the calculation and notification of dependent benefits and the notification following a pension sharing order.
- 5.3 The analysis of the reporting is continuing to be developed to ensure the Service can take a proactive approach where possible in resolving any employer data issues.
- 5.4 The development of the KPIs to date can be found in appendix 2.

6. Receipt of Employee and Employer Contributions

- 6.1 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.
- 6.2 The table in appendix 3 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 November 2022 to 31 October 2023.
- 6.3 For September 99.6% of contribution payments were received on time and 100% for October and November. The current yearly average for payments made on time is 99.8% and schedules being received on time is 99.6%.
- 6.4 Details of late contribution payments can be found in appendix 4 (**exempt**).

7. Breaches of the Law

- 7.1 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.
- 7.2 For the period 1 October to 31 December 2023, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	18 refund of contribution payments were paid outside of the statutory 5-year period.	No further action at this stage, it is likely that the legislation surrounding this will be amended to remove the 5-year requirement.
	1 refund of contribution payment paid to a member over the age of 75.	Unauthorised payment made with the member electing to self- declare to the HMRC.
	Missed statutory targets against Key Performance Indicators.	Issues will be addressed within the Service and with employers as appropriate. Further details can be found in Appendix 3.

8. Internal Dispute Resolution Procedure

- 8.1 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.
- 8.2 Disputes that are upheld at stage 1 may still progress to stage two if the scheme member or their representative remain unsatisfied with the overall outcome. The outcome may not fully meet the complainant's expectations – particularly if their perception is that their financial loss was greater than any compensation awarded, or the level of non-financial injustice award was not consistent with their expectation.
- 8.3 The following details that activity undertaken during the period 1 October to 31 December 2023 with regards to administering authority disputes.

Stage 1 disputes: None

Nature of Stage 2 Dispute (CCC Monitoring Officer)	Date received	Date Decision Due	Stage 1 Decision: Upheld/not upheld/partially upheld	Date of Decision
Maladministration by CPF in allowing an overseas transfer in 2015 without due diligence.	Application outside time limit, discretion exercised and allowed to stand on 09/11/2023	08/01/2024	Not upheld	06/12/2023
Exited employer disputing the Admin Authorities decision not to pay them the full exit credit, also disputing the need to carry out, and charge for, an actuarial assessment at exit.	27/10/2023	26/12/2023 extended to 26/01/2024 as further actuarial advice required		On-going

8.4 Stage 2 disputes: None

8.5 Employer disputes: None

9. Material Data Breaches

9.1 None.

10. Significant overpayment of pension

- 10.1 An overpayment of £12,500.03 occurred due to a pension lump sum payment being received twice by a member. An instruction was sent to remove an initial payment from the payments run due to an error with the members name, unfortunately this was not actioned by the accounts payable team. A second payment was then raised.
- 10.2 An invoice has been raised for the duplicate amount and the accounts payable have been informed of the break down in process to ensure there is no recurrence.

11. Employers Admissions and Cessations

11.1 The following admission body was admitted to the Cambridgeshire Pension Fund:

- Aspens Services Limited (Over Primary School)

11.2 The following designated bodies were admitted to the Cambridgeshire Pension Fund:

- Orton Longueville Parish Council
- Ramsey Town Council

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

- Cross Keys Homes
- Kimbolton School
- ABM Catering Limited (St Johns CE Primary School)

11.4 When an employer ceases to participate in the Fund, the Regulations require the administering authority to obtain a valuation of the assets and liabilities attributed to that employer to determine if there is a funding surplus or deficit. If a deficit exists, the employer must pay an exit payment to the Fund equal to the value of the deficit. If a surplus exists, the administering authority must make a determination of the amount of exit credit (which could be zero) should be paid to the exiting employer.

11.5 The Pension Fund Board is asked to note the update on the following previously reported cessations.

- NPS Peterborough Limited
- Taylor Shaw Limited (Elliott Foundation Trust)
- Cater Link Limited (Diamond Learning Partnership Trust)
- Aspens Services Limited (Staploe Education Trust)

11.6 Further details of each previously reported cessation can be located in Appendix 5.

12. 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>

13. Risk Management

13.1 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.

13.2 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

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

14. Communication Implications

Direct communications	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. Members who enter the Internal Dispute Resolution Procedure are kept informed of progress within the statutory timescales.
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15. Finance & Resources Implications

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

15. Legal Implications

15.1 There are no legal implications associated with this report.

16. Consultation with Key Advisers

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

17. Alternative Options Considered

17.1 Not applicable

18. Background Papers

18.1 Not applicable

19. Appendices

- 19.1 Appendix 1 Key Performance Indicators – Pensions Service
- 19.2 Appendix 2 Development of Key Performance Indicators during 2023/2024
- 19.3 Appendix 3 Receipt of Employee and Employer Contributions
- 19.4 Appendix 4 Details of late contribution payments (**exempt**)
- 19.5 Appendix 5 Update on previously reported cessations

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 13/1/24