

Cambridgeshire Pension Fund

Pension Fund Board

3 November 2023

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 June to 30 September 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 June to 30 September 2023 is detailed in section 3.
- 2.3 The achievement against the Key Performance Indicators for the period 1 June to 30 September 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 September 2022 to August 2023 are detailed in section 6 and appendix 3. Over 99% of employer contributions were received on time in respect of the period September 2022 to August 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 June to 30 September 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 June to 30 September 2023 are detailed in section 8. There are two concluded stage 2 administering authority disputes detailed.
- 2.8 Occurrences of material data breaches for the period 1 June to 30 September 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 June to 30 September 2023 are detailed in section 10. There were no 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. Five transferee admission bodies were admitted to the Fund during the period and six scheme employers were reported as ceasing.

3. Administration Performance

- 3.1 During the period 1 June to 30 September 2023, 3 complaints were managed informally by the Operations Manager and 3 compliments were also recorded.
- 3.2 To put this into context, over the same period in excess of 10,048 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 June to 30 September 2023, 648 surveys have been issued to Cambridgeshire members with response rates in the range of 7.28% to 19.79% over the period. Scheme members have given the Fund's administration an average rating of between 3.51/5.00 and 3.98/5.00 over the 4-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 June to 30 September 2023 can be found in appendix 1 along with the explanations for any underperformance.
- 4.1.2 Over the 4-month period, 19 of the 28 KPI targets have been met.
- 4.1.3 The team that processes retirement benefits and estimates had several contributing factors that led to KPIs being missed over the reporting period. The team contended with periods of annual leave and sickness and two inexperienced team leaders were receiving training in preparation to replace a leaver and a maternity cover in August. The team itself is inexperienced with ongoing training continuing to be delivered at different levels.
- 4.1.4 Maternity leave across the wider Operations Team has impacted the ability to divert resources as required due to the back filing of those positions. In addition, following the release of the GAD factors, resource was allocated to clearing a divorce backlog.

- 4.1.6 Performance is expected to improve once the training requirements reduce at both officer and team leader level and skills and experience are embedded within the team, although this will not impact instantly, the results are expected to be seen by the end of the calendar year. The medium to long term plan is to increase multi-skilling to help with service resilience across teams.

5. Development of the Pension Service Key Performance Indicators

- 5.1 New and supplementary KPIs are being developed during 2023-24 to measure the overall customer journey as approved by the Committee in March and presented to the Board in April.
- 5.2 Initial test data has been produced in the following areas for July:
 - 1) inform members who leave the scheme before retirement age of their right and options.
 - 2) provide transfer details for transfer in.
 - 3) provide transfer details of transfer value for transfer out.
- 5.3 Officers are analysing this information and identifying high level reasons for the customer journey outcomes. The Committee will be presented with the first customer journey KPIs in December and to the Board in January 2024. In the meantime, the full suite of KPIs being developed can be seen at 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 September 2022 to 30 September 2023.
- 6.3 For May, June and August 100% of contributions were received on time, with 98.8% of contributions being received on time for July. The current yearly average for payments made on time is 99.7% and schedules being received on time is 99.5%.
- 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 June to 30 September 2023, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	21 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.

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 June to 30 September 2023 with regards to administering authority disputes.

Stage 1 disputes: None

Stage 2 disputes:

Nature of Stage 2 Dispute (CCC Monitoring Officer)	Date received	Date Decision Due	Stage 1 Decision: Upheld/not upheld/partially upheld	Date of Decision
Refusal to pay 50% widow's pension following death of a pensioner (relating to the Stage 1 decision made on 24 April 2023)	2 May 2023	1 July 2023	Upheld	14 July 2023
Challenging the process followed, in allowing a transfer to an overseas scheme to take place in 2015.	23 June 2023	16 October 2023 (extended from 22 August 2023)	Upheld	16 October 2023

- 8.4 There were no employer disputes raised/in progress during the period.

9. Material Data Breaches

- 9.1 Please refer to the separate Cyber Resilience and Data Protection report (exempt).

10. Significant overpayment of pension

10.1 None.

11. Employers Admissions and Cessations

11.1 The following transferee admission bodies were admitted to the Cambridgeshire Pension Fund:

- ABM Catering Limited
- Avocet Cleaning Services Limited
- Caterlink UK Limited
- Easy Clean Contractors Limited
- Innovate Services Limited
- Pabulum Catering Limited

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

- Aspens Services Limited
- Excellerate Services UK Ltd
- Nightingale Cleaning Limited
- Nourish Catering Limited
- Pabulum Catering Limited
- Sanctuary Housing Association

11.3 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.

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

- ABM Catering Limited
- Chorus Homes Group Limited
- Friends Therapeutic Community Trust
- Serco Limited

11.5 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. *Objective 1*

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. *Objective 2*

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. *Objective 3*

Continually monitor and measure clearly articulated objectives through business planning *Objective 4*

Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*

Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. *Objective 8*

Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. *Objective 10*

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.

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 – 16/10/23