

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Board

Date: 23 February 2018

Report by: Head of Pensions

Subject:	LGSS Pensions Service 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:	Name – Michelle Oakensen – LGSS Pensions Governance Officer E-mail – moakensen@northamptonshire.gov.uk

1. Background

- 1.1 One of the core functions of the Pension Fund Board (the Local Pension 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. Administration Reporting

2.1 Receipt of Employee and Employer Contributions

- 2.1.1 The following table 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 (after the 19th of the month following deduction) for the period 1 January 2017 to 31 December 2017.

Month/Year	% of Employers Paid on Time	% of Employers Paid Late	% of Employers that Submitted Schedule on Time	% of Employers that Submitted Schedule Late
January 2017	98.0	2.0	95.0	5.0
February 2017	97.7	2.3	94.7	5.3
March 2017	98.0	2.0	94.4	5.6
April 2017	96.4	3.6	97.8	2.2
May 2017	97.7	2.3	91.7	8.3
June 2017	98.0	2.0	96.0	4.0
July 2017	95.3	4.7	94.3	5.7
August 2017	97.6	2.4	97.3	2.7
September 2017	98.0	2.0	97.7	2.3

Month/Year	% of Employers Paid on Time	% of Employers Paid Late	% of Employers that Submitted Schedule on Time	% of Employers that Submitted Schedule Late
October 2017	97.2	2.8	95.8	4.2
November 2017	98.8	1.2	98.4	1.6
December 2017	99.1	0.9	99.1	0.9
Average for period	97.6	2.4	96.0	4.0

2.1.2 An analysis of late payments for the previous quarter can be found in **Appendix 1** of the report (**Private**).

2.1.3 Persistent late payments and submission of accompanying payment schedules are monitored closely and officers work in close liaison with scheme employers and third party payroll providers to resolve issues.

2.2 Overpayments of Pension

2.2.1 The table below shows all the overpayments of pension that have occurred in the Cambridgeshire Pension Fund, split by categories of explanation, during the period 1 September 2017 to 31 January 2018.

Overpayment Type	Action	Amount	Total
Death of a Pensioner/Dependant	Written off	£5,054.67	£21,886.52
	Recovery	£16,831.85	
Retirement	Written off	£0	£0
	Recovery	£0	

*Total Pensioner Payroll for the 16/17 financial year was £63,156,723.11

2.2.2 During the period 1 September 2017 to 31 January 2018, 73 scheme members passed away and the date of notification to the Fund resulted in an overpayment of the late member's pension. Of the overpayments, 58 were automatically written off as the value of the overpayment was less than £250. The remaining 15 cases are currently being pursued for recovery of the overpayments.

2.2.3 In this period £26,550.68 has been recovered to date for the current financial year and £323.43 for the previous financial year across all overpayment types.

2.3 Key Performance Indicators – LGSS Pensions Service

2.3.1 The Pension Committee has previously agreed a set of key performance indicators (KPIs) to assess the performance of LGSS Pensions Service.

2.3.2 The performance against the key performance indicators for the period 1 September 2017 to 31 January 2018 are detailed in the table below.

KPI	Target	Sept	Oct	Nov	Dec	Jan
Notify leavers of deferred benefit entitlement. (Notify leavers of deferred benefit entitlements or concurrent amalgamation within 15 working days of receiving all relevant information)	90%	100	99	99	96	100
Payment of retirement benefits from active employment. (Payment of lump sum within 5 working days of payable date or date of receiving all necessary information if later. First pension paid in the month of leaving or in month of receiving all necessary information if later).	95%	99	99	96	100	97
Award dependant benefits. (Issue award within 5 working days of receiving all necessary information).	95%	100	100	100	100	95
Provide a maximum of one estimate of benefits to employees per year on request. (Estimate in agreed format provided within 10 working days from receipt of all information).	90%	99	97	91	94	94
Provide transfer-in quote to scheme member. (Letter issued within 10 working days of receipt of all appropriate information).	95%	80	93	97	100	100
Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment.	95%	96	95	100	100	100
Notify the employer and scheme members of changes to the scheme rules. (Within one month of the LGSS Pensions Service being informed of the change).	95%	100	100	100	100	100
Issue annual benefit statements to active members as at 31 March each year. (By the following 31 August - pending timely receipt of satisfactory year end data from the scheme employer).	100%	N/A	N/A	N/A	N/A	N/A

2.3.3 The full analysis of data for the September, October, November, December and January statistics along with explanations on the lower than expected performance can be found in **Appendix 2** of this report.

2.4 Key Performance Indicators – Scheme Employer Performance

2.4.1 The following key performance indicators, as agreed by the Pension Committee, are based on the performance of the scheme's employers for the period 1 August 2017 to 31 December 2017 are detailed in the table below.

KPI	Target	Aug	Sept	Oct	Nov	Dec
Arrange for the correct deduction of employee and employer contributions to Pension Fund in a timely manner, providing an associated monthly statement/schedule in a format acceptable to the Administering Authority.	100%	97.6	98.0	97.2	98.8	99.1
Provide LGSS Pensions Service with accurate year end information in the prescribed format.	100%	N/A	N/A	N/A	N/A	N/A

2.4.2 Employer performance continues to be managed by officers and progress continues to be made. Close liaison with employers in regards to the timely submission of both payments and schedules in order for them to meet statutory compliance.

3. Employer Admissions and Cessations

3.1 Admissions

3.1.1 Regulation 3 (1) of the Regulations provides for a person employed by a body listed in Schedule 2 to be an active member of the Local Government Pension Scheme. Part 1 of Schedule 2 includes "a proprietor of an Academy" as being a class of Schedule 2 employer and therefore a Scheduled Body. There is no discretion on the administering authority or the employer as to whether or not employers in Schedule 2 are provided with access to the Fund; it is a requirement.

3.1.2 The LGPS Regulations recognise the proprietor of an Academy Trust as a scheme employer. Where academies are part of a Multi Academy Trust (MAT), the Trust is the scheme employer and not each individual Academy. Academies joining an existing MAT are not reported as they are therefore not recognised as new scheme employers.

Date of admission	New Academy/Trust	Name of Academies transferring
01/01/2018	Soke Education Trust	John Clare Primary Gunthorpe Primary Werrington Primary Wittering Primary
01/01/2018	Aces Multi Academy Trust	Hinchingbrooke School Cromwell Academy

3.1.3 The Local Government Pension Scheme Regulations 2013 (as amended) [the Regulations] provide for the admission of a number of different types of body to the Local Government Pension Scheme; scheduled bodies, designating bodies, and admission bodies.

3.1.4 Paragraph 1 of Part 3 of Schedule 2 to the Regulations provides for an Administering Authority making an admission agreement with an admission body, enabling employees of the admission body to be active members of the Local Government Pension Scheme.

Date	New Admission Body	Background information
01/09/2016	Pabulum Catering (City of Ely College)	Cambridgeshire Meridian Academy Trust outsourced their catering service for the City of Ely College and transferred 8 members of catering staff to Pabulum Catering, under TUPE regulations on 1 September 2016. City of Ely College will act as guarantor for this full closed admission following an actuarial assessment.
01/09/2016	VHS Cleaning Services	Netherhall School outsourced their cleaning service and transferred their cleaning staff to VHS Cleaning Services, under TUPE regulations. Netherhall School, a scheme employer in their own right, agreed to a Pass Through admission and will retain responsibility for the pension liabilities.
01/06/2017	Pabulum Catering (Sawtry College)	Cambridgeshire Meridian Academy Trust outsourced the catering services for Sawtry College to Pabulum Catering and transferred 7 members of catering staff to Pabulum Catering, under TUPE regulations. This body has been admitted under a pass through agreement with Cambridgeshire Meridian Academy Trust remaining responsible for the pension liabilities.
01/07/2017	Easy Clean Contractors Ltd	Hemingford Grey Primary School outsourced their cleaning service and transferred their cleaning staff to Easy Clean Contractors Ltd, under TUPE regulations. As the recognised scheme employer, Cambridgeshire County Council agreed to a Pass Through admission and will retain responsibility for the pension liabilities.
01/01/2018	ABM Catering	Abbots Ripton Church of England Primary School outsourced their catering service and transferred their catering staff to ABM Catering Ltd, under TUPE regulations. As the recognised scheme employer, Cambridgeshire County Council agreed to a Pass Through admission and will retain responsibility for the pension liabilities.

4. Relevant Pension Fund Objective

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>

5. Finance & Resources Implications

5.1 The financial and resource implications are set out in the Business Plan.

6. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with managing the administration performance of the scheme.	Key areas of control to be reported to the Pension Committee and Pension Fund Board are highlighted in the Fund's Business Plan.	Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
If the Fund does not monitor and report administration standards the Fund will not demonstrate that it has appropriate control over the management of its core functions.	Green

7. Communication Implications

Direct Communications	The Fund publishes its performance against the key performance indicators in the regular reports to the Pension Committee and Pension Fund Board and in the Fund's Annual Report.
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8. Legal Implications

8.1 Not applicable

9. Consultation with Key Advisers

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

10. Alternative Options Considered

10.1 Not applicable

11. Background Papers

11.1 Not applicable

12. Appendices

12.1 Appendix 1 Late payments of employee and employer contributions (Private)

12.2 Appendix 2 Key performance indicators – LGSS Pensions Service

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Chief Finance Officer/Section 151 Officer?	N/A
Has this report been cleared by Head of Pensions?	Mark Whitby – 6 February 2018