

Cambridgeshire Pension Fund

Pension Fund Committee

30 September 2021

Report by: Head of Pensions

Subject: Administration Performance Report

Purpose of the Report: To present the Administration Performance Report to the Pension Fund Committee

Recommendations: The Pension Fund Committee are asked to note the Administration Performance Report

Enquiries to: Joanne Walton, Governance and Regulations Manager
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1. Background

- 1.1 One of the core functions of the Pension Fund Committee 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 Committee.

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 1st February to 31st July 2021 can be found in appendix 1.
- 2.3 The appendix provides details of any Red or material Amber performance breaches.

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 July 2020 to 30 June 2021.
- 3.3 Details of late paying employers for December 2020 to June 2021 can be found in the private and confidential appendix (appendix 3) of the report.

4. Breaches of the Law

4.1 There are many and 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 February to 31 July 2021, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	During February, March and April 2021, 16 transfer in quotes were not issued within 10 working days of receipt of all information and therefore breached the statutory deadline.	Recorded on internal breaches log. Further details can be found in Appendix 1.
	One employer in the Fund failed to submit their year-end submission by the statutory deadline.	The employer was reminded of their statutory obligations and the breach has been recorded on the internal breaches log.
	98 new starter notifications were not issued by the statutory deadline due to the Fund receiving new starter information from the employer late.	The issue has been escalated with the employer to ensure information is sent in a timely manner going forward.

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 As at 31 July 2021 the following cases were in progress:

Nature of dispute	Stage 1 (The Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Issues with membership records, providing inconsistent details and delays in response.	Upheld and £1,000 awarded to member for distress and inconvenience (2 July 2021)	N/A

Nature of dispute	Stage 1 (The Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Lack of communication and another member's Lump Sum being paid into member's account	Partially upheld and an additional £150 awarded on top of the £100 already paid for distress and inconvenience. (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 and a payment of £500 was awarded for distress and inconvenience (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. 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*

7. Risk Management

7.1 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.

7.2 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

7.3 Full details of the risks can be found in the [Cambridgeshire Pension Fund Risk Register](#).

8. 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.

9. Finance & Resources Implications

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

10. Legal Implications

10.1 Not applicable

11. Consultation with Key Advisers

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

12. Alternative Options Considered

12.1 Not applicable

13. Background Papers

13.1 Not applicable

14. Appendices

14.1 Appendix 1 Key Performance Indicators – Pensions Service

14.2 Appendix 2 Receipt of Employee and Employer Contributions

14.3 Appendix 3 Late payments of employee and employer contributions

Checklist of Key Approvals

Is this decision included in the Business Plan? No

Has this report been cleared by Section 151 Officer? Sarah Heywood – 17/9/2021

Has this report been cleared by Head of Pensions? Mark Whitby – 3/9/2021

Has the Chair of the Pension Committee been consulted? Councillor Whelan – 17/9/2021

Has this report been cleared by Legal Services? Amy Brown on behalf of Fiona McMillan – 10/9/2021