

Cambridgeshire Pension Fund

Pension Fund Board

27 January 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
Recommendations	The Pension Fund Board are asked to note the Administration Performance Report
Enquiries to:	Michelle Oakensen, Governance and Regulations Manager Email: michelle.oakensen@westnorthants.gov.uk

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 on the following areas of administration:
 - 2.1.1 The administration performance for the period 1 October to 31 December 2022 (section 3).
 - 2.1.2 The achievement against the Key Performance Indicators for the period 1 October to 31 December 2022 (section 4 & appendix 1). The majority of KPIs were met over the period.
 - 2.1.3 Timeliness of receipt of employee and employer pension contributions for the payroll periods of December 2021 to November 2022 (section 5 & appendix 2). Over 99% was achieved for September and October, with 98.5% achieved for November 2022.
 - 2.1.4 Occurrences of breaches of the law for the period 1 October to 31 December 2022 (section 6). There were no material breaches in the period.
 - 2.1.5 Details of any Internal Dispute Resolution Procedure cases for the period 1 October to 31 December 2022 (section 7). There was one administering authority dispute determined and one employer dispute raised during the period.
 - 2.1.6 Occurrences of material data breaches for the period 1 October to 31 December 2022 (section 8). There were no material breaches in the period.

2.1.7 Details of any significant overpayment of pension for the period 1 October to 31 December 2022 (section 9). There were no significant overpayments in the period.

2.1.8 Details of new employers admitted to the Cambridgeshire Pension Fund and those that have ceased (section 10). One scheme employer was reported as being admitted to the Fund during the period and eleven scheme employers were reported as ceasing.

3. Administration Performance

3.1 During the period 1 October to 31 December 2022, 5 complaints were managed informally by the Operations Manager. 2 compliments were also recorded during this period.

3.2 To put this into context, over the same period 7,943 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. Due to the introduction of a new reporting system, too few member responses were sought and received for October and November 2022 to provide meaningful analysis.

3.4 During December 2022 172 surveys were issued to Cambridgeshire members with response rate of 15%. Scheme members have given the Fund's administration an average rating of 3.93/5.00. Note this rating is for Cambridgeshire and Northamptonshire Fund administration combined.

4. Key Performance Indicators – Pensions Service

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

4.2 Full KPI details for the period 1 October to 31 December 2022 can be found in appendix 1.

4.3 Over the 3-month period service performance has been consistently good with all targets being met with the exception of 2.

4.4 In October and November targets were missed for the payment of retirement benefits from active employment due to a combination of training issues, system issues and resourcing within the team. As a result, additional training has been delivered and two additional staff members have been recruited to support the team following a period of training.

5. Receipt of Employee and Employer Contributions

5.1 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.

5.2 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 December 2021 to 30 November 2022.

- 5.3 For September 99.2% of contributions were received on time ,99.8% for October and 98.5% for November. The current yearly average for payments made on time is 99.5% and schedules being received on time is 99.4%.

6. Breaches of the Law

- 6.1 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.
- 6.2 For the period 1 October to 31 December 2022, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	7 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.

7. Internal Dispute Resolution Procedure

- 7.1 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.
- 7.2 Disputes that are upheld at stage 1 may still progress to stage two if the scheme member or their representative remains 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.
- 7.3 The following table details that activity undertaken during the period 1 October to 31 December 2022 with regards to administering authority disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Delay in paying additional lump sum from AVC fund resulting in a lower AVC value.	Adjudication sent 17 November 2022, upheld.	N/A

- 7.4 The following table details that activity undertaken during the period 1 October to 31 December 2022 with regards to employer disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Tier 3 entitlement award challenge.	N/A	Adjudication due 12 February 2023.

8. Material Data Breaches

8.1 None

9. Significant overpayment of pension

9.1 None.

10. Employers Admissions and Cessations

10.1 The following admitted bodies were admitted to the Cambridgeshire Pension Fund:

- Aspens Services Ltd (Park Street CofE primary School)

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

- Caldecote Parish Council
- Cambridge Primary Education Trust
- Hertfordshire Catering Limited (Meldreth Primary School)
- Compass Contract Services Limited (The Netherhall School)
- Caterlink UK Limited (Anglian Learning Trust)
- TNS Catering Limited (Wasp Cluster 2)
- Hertfordshire Catering Limited (The CAM Academy Trust)
- Easy Clean Contractors (Milton Primary School)
- Aspens Services Limited (Fulbourn Primary School)
- Alliance in Partnership Limited
- Cambridge Community Service NHS Trust

11. 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>

12. Risk Management

12.1 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.

12.2 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

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

13. 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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14. Finance & Resources Implications

14.1 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 Receipt of Employee and Employer Contributions

19.3 Appendix 3 Late payment of employer contributions (**Exempt**)

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 12/1/2023