

CAMBRIDGESHIRE PENSION FUND

Agenda Item No: 4

To: Pension Fund Committee

Meeting date: 19 December 2024

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Subject: Administration Performance Report

Purpose of the report: To present the Administration Performance Report to the Pension Fund Committee for the period 1 August to 30 September 2024.

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

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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 covers key areas of administration performance for consideration by the Pension Fund Committee.

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 August to 30 September 2024 is detailed in section 3.
- 2.3 The achievement against the Key Performance Indicators for the period 1 August to 30 September 2024 are detailed in section 3 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 4 and appendix 2.
- 2.5 Timeliness of receipt of employee and employer pension contributions for the payroll periods of October 2023 to September 2024 are detailed in section 5 and appendix 3. Over 99.7% of employer contributions were received on time in respect of the period October 2023 to September 2024. Details of contribution payments received late are detailed in Exempt Appendix 4.
- 2.6 Occurrences of breaches of the law for the period 1 August to 30 September 2024 detailed in section 6. There were no material breaches in the period.
- 2.7 Details of any Internal Dispute Resolution Procedure cases for the period 1 August to 30 September 2024 are detailed in section 7. For the period 1 August to 30 September there was one new stage 1 disputes and no stage 2 disputes.
- 2.8 Occurrences of material data breaches for the period 1 August to 30 September 2024 are detailed in section 8. There were no data breaches that occurred during the period.
- 2.9 Details of any significant overpayment of pension for the period 1 August to 30 September 2024 are detailed in section 9. There were no significant overpayments for the period.

3. Key Performance Indicators – Pensions Service

- 3.1 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 August to 30 September 2024 can be found in appendix 1 along with the explanations for any underperformance.
- 3.2 Over the 2-month period, 4 of the 14 KPI targets have not been met.
- 3.3 There were two amber KPIs for the period, one regarding notifying leavers of deferred benefit entitlement (September) and one in relation to the payment of pension benefits from deferred membership status (September). Both amber KPIs were within a few % of the SLA target.
- 3.4 During the period there were two red KPIs on providing a maximum of one estimate of benefits to employees per year on request, with the team currently focusing on working through the backlog that has been created. At the time of drafting, this backlog was expected to be cleared by the end of November. To limit the potential impact caused by the delays in this area, estimates are prioritised for members approaching retirement age. The member self-service website also provides members with the ability to run estimates based on the preferred retirement date.

3.5 The Pensions Service is expecting a higher than normal volume of employer estimate requests over the coming months due to redundancy exercises at local authority employers within each Fund.

3.6 The wording in appendices A and B has been changed from 'target' to 'minimum service level' based on a comment on the new administration strategy.

4. Development of the Customer Journey Key Performance Indicators

4.1 Once the reporting has been developed further, the intention is to analyse any lower than desired performance and target communications and interventions appropriately. Provide basic scheme information to new joiners and inform members who leave the scheme before retirement age of their rights and options are the first areas to be analysed.

4.2 The customer journey KPIs can be found in appendix 2.

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 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 October 2023 to September 2024.

5.3 For August 2024, 99.3% of contribution payments were received on time and 100% of contributions were received on time for September 2024. The current yearly average for payments made on time is 99.7% and schedules being received on time is 98.9%.

5.4 Details of late contribution payments can be found in Exempt Appendix 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 August to 30 September 2024, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	2 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.
	Missed statutory targets against Key Performance Indicators.	Issues will be addressed within the Service and with employers as appropriate. Further details can be

6.3 In October 2024 we reported that 0.03% of the active annual benefit statements had not been issued on time. Following a review of these cases it has transpired that no annual benefit statements were required to be issued and therefore the Fund issued 100% of the statements on time.

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 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.

7.3 The following details that activity undertaken during the period 1 August to 30 September 2024 with regards to administering authority disputes.

7.3.1 Stage 1 disputes:

Nature of Stage 1 Dispute (Head of Pensions)	Date Received	Date Decision Due	Decision: Upheld/not upheld/partially upheld	Date of Decision
Failure to implement a divorce Pension Sharing Order within prescribed time limits; failure to keep both parties informed of progress	25/06/2024	24/09/2024 (extended from 24/8/2024)	Partially Upheld	24/09/2024
Maladministration relating to the way member's AVCs were "left behind" following historic transfer.	10/07/2024	09/09/2024	Partially upheld	05/09/2024
Complaint of maladministration relating to delays in providing flexible retirement estimates to member's employer, and the quality of information that was provided.	08/10/2024	07/12/2024		In progress

7.3.2 Stage 2 disputes: None.

7.3.3 Employer disputes: None.

8. Material Data Breaches

8.1 No material data breaches occurred during the period.

9. Significant overpayment of pension

9.1 No significant overpayments were made during the period.

10. 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>

11. Risk Management

11.1 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.

11.2 The mitigated risks associated with this report have 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

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

12. Communication Implications

Direct communications	The Fund publishes performance against the key performance indicators in the regular reports to the
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	<p>Pension Fund Committee and Pension Fund Board and in the Fund's Annual Report.</p> <p>Employers of the Fund are guided through the admission process and directly kept up to date with requirements and progress.</p> <p>Members who enter the Internal Dispute Resolution Procedure are kept informed of progress within the statutory timescales.</p>
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13. Finance & Resources Implications

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

14. Legal Implications

14.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.

15. Consultation with Key Advisers

15.1 Squire Patton Boggs conducted a review of the paper for legal implications.

16. Alternative Options Considered

16.1 Not applicable

17. Background Papers

17.1 Not applicable

18. Appendices

18.1	Appendix 1	Key Performance Indicators – Pensions Service
18.2	Appendix 2	Development of Key Performance Indicators during 2024/2025
18.3	Appendix 3	Receipt of Employee and Employer Contributions
18.4	Exempt Appendix 4	Details of late contribution payments

19. Accessibility

19.1 An accessible version of the information contained in this report is available on request from the report author.