

To: Pension Fund Committee

Meeting date: 2 October 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 April to 31 July 2024.

Recommendations: The Pension Fund Committee is asked to:

- 1) note the Administration Performance Report
- 2) note the Data Improvement Plan located in appendix 5.

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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. Executive summary

- 2.1 This report sets out the performance of the Cambridgeshire Pension Fund on the following areas of administration:
- 2.2 The achievement against the Key Performance Indicators for the period 1 April to 31 July 2024. For the period 16 of the 28 KPI targets were achieved, with 4 red and 8 amber (sections 3.1-3.6 & appendix 1).
- 2.3 Progress on the development of the Customer Journey Key Performance Indicators (sections 3.7-3.9 & appendix 2).
- 2.4 Timeliness of receipt of employee and employer pension contributions for the period 1 July 2023 to 30 June 2024, 99.8% of payments were received on time (sections 3.10- 3.13 & appendix 3). Details of any late payments are detailed in Exempt Appendix 4.
- 2.5 Occurrences of breaches of the law for the period 1 April to 31 July 2024. There were no material breaches in the period (sections 3.14 – 3.15).
- 2.6 Details of any Internal Dispute Resolution Procedure cases during the period 1 April to 31 July 2024. There were three stage 1 administering authority disputes raised and one stage 2 determination made (sections 3.16 – 3.19).
- 2.7 Occurrences of material data breaches for the period of 1 April to 31 July 2024. There were no material data breaches for the period (section 3.20).
- 2.8 Details of any significant overpayment of pension for the period 1 April to 31 July 2024. There were no significant overpayments for the period (section 3.21).
- 2.9 Details of the 2024/25 Data Improvement Plan (section 3.22-3.23 & appendix 5)

3. Key Performance Indicators

Pension Service performance against Key Performance Indicators

- 3.1 The Pension Committee 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 April to 31 July 2024 can be found in appendix 1 along with the explanations for any underperformance.
- 3.2 Over the 4-month period, 16 of the 28 KPI targets have been met.
- 3.3 Several factors over previous months have contributed to missed KPI targets including inexperience within the team, vacancies, additional workloads due to McCloud and more recently heightened sickness levels. Measures to address these issues have been put in place as previously reported.
- 3.4 There were eight amber KPIs for the period, three on awarding dependent benefits (April, May, July), two in relation to the payment of pension benefits from deferred membership status (April and June), two in relation to providing transfer in quotes to members (May and June) and one in relation to the payment of transfers outs (April). In addition to ongoing issues, some cases were missed due to incorrect allocation and prioritisation of cases which

was picked up within the team and for July all KPIs in those areas reverted back to green except for one.

3.5 During the period the KPI for providing an estimate of benefits to employees was red. The team continues to prioritise benefit payment casework, but clears all estimates as quickly as possible, prioritising the most urgent cases.

3.6 The approved additional posts within the Business Plan have now all been recruited to with the exception of one Officer vacancy, although there may be a period of short-term additional pressure whilst skills and knowledge are obtained the long-term benefits are expected to help alleviate pressures.

Development of the Customer Journey Performance

3.7 The table has been updated from May onwards to display the total number of completed cases inside and outside of target for each reporting month to give additional context to the % within target.

3.8 The new supplementary KPI information can be found in Appendix 2.

3.9 Once the reporting has been developed further, the intention is to analyse any lower than desired performance and target communications and interventions appropriately.

Receipt of Employee and Employer Contributions

3.10 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. They must also provide an associated monthly statement/schedule in a format acceptable to the Administering Authority.

3.11 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 July 2023 to 30 June 2024.

3.12 For March 99.8% of contribution payments were received on time with 99.1% received on time for April, 99.8% for May and 100% for June. The current yearly average for payments made on time is 99.8% and schedules being received on time is 99.8%.

3.13 Details of late contribution payments can be found in Exempt Appendix 4.

Breaches of the Law

3.14 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.

3.15 For the period 1 April to 31 July 2024, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non-Material Breaches	9 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-

Type of Breach	Detail of Breach	Course of action
		year requirement.
	1 AVC payment paid to a member over the age of 75.	Recalculation of members lump sum allowance and lump sum death benefit allowance.
	Missed statutory targets against Key Performance Indicators.	Issues will be addressed within the Service and with employers as appropriate. Further details can be found in Appendix 3.
	0.03% of active member Annual Benefit Statements were not issued prior to 31 August 2024 (7/26,818)	Complex issues prevented a small number of statements being issued by the statutory deadline. These cases will be reviewed and resolved manually.

Internal Dispute Resolution Procedure

- 3.16 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.
- 3.17 The following table details activity undertaken during the period 1 April to 31 July 2024 with regards to administering authority disputes.
- 3.18 Stage 1 disputes:

Nature of Stage 1 Dispute (Head of Pensions)	Date Received	Date Decision Due	Stage 1 Decision: Upheld/not upheld/partially upheld	Date of Decision
Survivor's pension and subsequent trivial commutation paid in error as member's entitlement previously transferred. Survivor disputing requirement for repayment.	28/03/2024	27/05/2024 – extended to 27/07/2024	Upheld	10/07/2024
Complaint of maladministration due to failure to implement Pension Sharing Order within prescribed time limits	25/06/2024	24/08/2024		In progress
Complaint of maladministration in handling member's AVCs following transfer to Teachers	10/07/2024	09/09/2024		In progress

Pension Scheme				
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3.19 Stage 2 disputes:

Nature of Admin Authority Stage 2 Dispute.	Date Received	Date Decision Due	Stage 1 decision upheld/not upheld/partially upheld	Date of Decision
Exiting employer challenging decision to reduce exit credit	02/04/2024	01/06/2024 extended to 15/06/2024	Upheld	10/06/2024

Material Data Breaches

3.20 None.

Significant overpayments of pension

3.21 None.

Cambridgeshire Pension Fund Data Improvement Plan

3.22 The Data Improvement Plan contains details of how the Fund aims to improve the quality of its data. Five areas have been identified and are included in the plan as follows:

- Improve the presence and accuracy of common data.
- Unprocessed leaver records.
- Unaggregated LGPS membership.
- Membership details of other previous Public Service Pension Schemes.
- Additional Voluntary Contributions.

3.23 The plan is located in appendix 5 and contains details on the proposed actions for the improvement to data quality.

4. Relevant Pension Fund objectives

- 4.1 Has 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.
- 4.2 Manages 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.
- 4.3 Ensures the relevant stakeholders responsible for managing, governing and administering the Fund, understands its' roles and responsibilities and has the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- 4.4 Continually monitors and measure clearly articulated objectives through business planning.
- 4.5 Continually monitors and manages risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
- 4.6 Puts in place performance standards for the Fund and its employers and ensures these are monitored and developed as necessary.
- 4.7 Administers the Fund in a professional and efficient manner, utilising technological solutions

and collaboration.

5. Implications (including financial implications)

5.1 Resources and financial

5.1.1 None.

5.2 Legal

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

5.2.2 With all Internal Dispute Resolution Procedure (IDRP) complaints there is a risk that a complaint may be raised with the Pensions Ombudsman.

5.3 Communication Implications

5.3.1 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

5.4 Alternative Options Considered

5.4.1 Not applicable.

5.5 Risk management

5.5.1 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.

5.5.2 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

5.5.3 The Fund's risk register can be found on the Pensions website at the following link: [Key documents \(CCC\) - Cambridgeshire and Northamptonshire LGPS \(westnorthants.gov.uk\)](https://www.westnorthants.gov.uk/key-documents-ccc-cambridgeshire-and-northamptonshire-lgps)

5.6 Consultation with Key Advisors

5.6.1 Squire Patton Boggs conducted a review of the paper for legal implications with no material issues raised.

6. Background papers

6.1 Not applicable.

7. Appendices

- 7.1 Appendix 1 - Key Performance Indicators.
- 7.2 Appendix 2 - Development of Key Performance Indicators continuing into 2024/2025.
- 7.3 Appendix 3 - Receipt of Employee and Employer Contributions.
- 7.4 EXEMPT Appendix 4 - Details of late contribution payments
- 7.5 Appendix 5 – Cambridgeshire Pension Fund Data Improvement Plan 24/25.

8. Accessibility

- 8.1 An accessible version of the information contained in this report and appendices is available on request from michelle.oakensen@westnorthants.gov.uk