

CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

1 July 2022

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:	Jo Kent, Governance and Regulations Manager joanne.kent@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 demonstrates a number of key areas of administration performance for consideration by the Pension Fund Board.

2. Administration Performance

- 2.1 During the period 1 March to 31 May 2022, one complaint was managed informally by the Operations Manager. Four compliments were also recorded during this period.
- 2.2 To put this into context, over the same period, 5,512 calculation tasks were completed in connection with the Cambridgeshire Fund.
- 2.3 The Fund issues member surveys to scheme members where a check task has been completed on the workflow system. During the period 1 March to 31 May 2022, 331 surveys have been issued to Cambridgeshire members with response rates in the range 12.60% to 15.71% over the period. Scheme members have given the Fund's administration an average rating of between 3.58/5.00 and 4.24/5.00 over the 3-month period. Note this rating is for Cambridgeshire and Northamptonshire Fund administration combined. This rating is pleasing as there is inevitably an element of self-selection in those members who decide to respond, but any feedback is analysed and changes implemented where necessary.

3. Key Performance Indicators – Pensions Service

- 3.1 The Pension Fund Committee has previously agreed a set of key performance indicators (KPIs) to assess the performance of the Pensions Service.
- 3.2 Full KPI details for the period 1 April to 31 May 2022 can be found in Appendix 1.

3.3 Over the two-month period, service performance has been consistently good with all targets being met with the exception of two.

3.4 In April and May, the 'payment of transfer out' targets were missed due to performance issues within the team. Individuals within the team have been reminded to ensure that any recalculations are set to the appropriate priority to be rechecked. There will be closer monitoring of outstanding casework within the team going forward.

4. Receipt of Employee and Employer Contributions

4.1 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. An associated monthly statement/schedule must be provided in a format acceptable to the Administering Authority.

4.2 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 May 2021 to 30 April 2022.

4.3 For March 2022 99.3% of contributions were paid on time. For April this was 100%. The current yearly average for payments made on time is 99.5% and schedules received on time is 99.6%.

5. Breaches of the Law

5.1 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 therefore are not reported to the Pensions Regulator.

5.2 For the period 1 April to 31 May 2022, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non-Material Breaches	Three refund of contribution payments were paid outside of the statutory five year period.	No further action at this stage, it is likely that the legislation surrounding this will be amended to remove the five year requirement.
	Two Internal Dispute Resolution Procedure cases were issued determinations outside of the extended deadline.	No further action, determinations were sent shortly after the extended deadline. Please see section 6.3 for further details.

6. Internal Dispute Resolution Procedure

6.1 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.

6.2 Disputes that are upheld at Stage 1 may still progress to Stage 2 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.

6.3 The following table details that activity undertaken during the period 1 April to 31 May 2022 with regards to administering authority disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Issues with membership records, providing inconsistent details and delays in response.	Upheld (2 July 2021)	Received 13 October 2021. Deadline for response extended to 12 April 2022. Further extension issued to 10 May 2022. Outcome - upheld (19 May 2022).
Seeking reinstatement/compensation for deferred pension being transferred to an overseas pension scheme in 2015.	Not upheld (2 March 2021)	Received 28 August 2021. Deadline for response extended to 12 April 2022. Further extension issued to 10 May 2022. Outcome - not upheld (12 May 2022).
Delay in provision of deferred benefit details that may inhibit opportunity to transfer out.	Response due by 20 March 2022. Extended to 5 May 2022. Outcome - partially upheld (3 May 2022)	
The value of the pension credit resulting from a pension sharing on divorce order is less than was previously estimated.	Response due by 16 April 2022. Extended to 5 May 2022. Outcome - partially upheld (4 May 2022)	

6.4 In the period 1 April to 31 May 2022 no employing authority disputes were either raised or responded to by the administering authority at Stage 2.

7. Significant overpayment of pension

- 7.1 In January 2022, officers were notified of a death of a pensioner that occurred in March 2021. The pensioner was overseas at the time of death and the Fund's mortality screening exercises do not cover deaths that occur overseas. Proof of existence exercises are undertaken every year for pensioners who reside overseas, however in this case the member's resident address was in the UK. In these cases, officers rely on the next of kin/executor to notify the service to be able to suspend the pension at the earliest opportunity to avoid significant overpayments occurring.
- 7.2 The overpayment only related to ten months but amounted to a net overpayment of £14,103.69 due to the delay in notification. An invoice was raised on 10 May 2022 and a payment for the full amount was received on 27 May 2022.

8. Employers Admissions and Cessations

- 8.1 The following admitted bodies were admitted to the Cambridgeshire Pension Fund:
- Everyone Health Limited
 - GPC Skills Limited
 - Goshen Multiservices Limited
- 8.2 The following bodies have ceased to be an employer within the Cambridgeshire Pension Fund:
- Caterlink Ltd

9. 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>

10. Risk Management

- 10.1 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.
- 10.2 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

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

11. 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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12. Finance & Resources Implications

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

13. Legal Implications

- 13.1 There are no legal implications associated with this report.

14. Consultation with Key Advisers

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

15. Alternative Options Considered

- 15.1 Not applicable

16. Background Papers

16.1 Not applicable

17. Appendices

17.1 Appendix 1 Key Performance Indicators – Pensions Service

17.2 Appendix 2 Receipt of Employee and Employer Contributions

17.3 Appendix 3 Late payment of employer contributions (**exempt**)

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 8 June 2022