

**CAMBRIDGESHIRE  
PENSION FUND**



**Pension Fund Committee**

**Date:** 24 May 2018

**Report by:** Head of Pensions

<b>Subject:</b>	LGSS Pensions Administration Performance Report
<b>Purpose of the Report</b>	To present the Administration Performance Report to the Pension Fund Committee
<b>Recommendations</b>	The Pension Fund Committee are asked to note the Administration Performance Report
<b>Enquiries to:</b>	Michelle Oakensen – LGSS Pensions Governance Officer <a href="mailto:moakensen@northamptonshire.gov.uk">moakensen@northamptonshire.gov.uk</a>

**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. Administration Reporting**

**2.1 Receipt of Employee and Employer Contributions**

2.1.1 The following table 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 (after the 19<sup>th</sup> of the month following deduction) for the period 1 March 2017 to 28 February 2018.

Month/Year	% of Employers Paid on Time	% of Employers Paid Late	% of Employers that Submitted Schedule on Time	% of Employers that Submitted Schedule Late
March 2017	98.0	2.0	94.4	5.6
April 2017	96.4	3.6	97.8	2.2
May 2017	97.7	2.3	91.7	8.3

Month/Year	% of Employers Paid on Time	% of Employers Paid Late	% of Employers that Submitted Schedule on Time	% of Employers that Submitted Schedule Late
June 2017	98.0	2.0	96.0	4.0
July 2017	95.3	4.7	94.3	5.7
August 2017	97.6	2.4	97.3	2.7
September 2017	98.0	2.0	97.7	2.3
October 2017	97.2	2.8	95.8	4.2
November 2017	98.8	1.2	98.4	1.6
December 2017	99.1	0.9	99.1	0.9
January 2018	98.6	1.4	98.6	1.4
February 2018	99.3	0.7	99.3	0.7
<b>Average for period</b>	<b>97.8</b>	<b>2.2</b>	<b>96.7</b>	<b>3.3</b>

2.1.2 An analysis of late payments for the quarter can be found in **Appendix 1** of the report (Confidential). Late payments to the Fund consist of any contribution payment that has not cleared in the Fund account by the 19<sup>th</sup> of the month following the month of deduction. However, due to overriding Pension Regulator rules on receipt of payment by BACS we need to allow a further 2 working days for these payments to clear before they can be regarded as late. As such we are only able to report to the Pensions Regulator after the 21<sup>st</sup>. The 0.7% of employers that paid late for February fell into this category.

2.1.3 Persistent late payments and submission of accompanying payment schedules are monitored closely and officers work in close liaison with scheme employers and third party payroll providers to resolve issues.

## 2.2 Overpayments of Pension

2.2.1 The table below shows all the overpayments of pension that have occurred in the Cambridgeshire Pension Fund, split by categories of explanation, during the period 1 February 2018 to 31 March 2018.

Overpayment Type	Action	Amount	Total
<b>Death of a Pensioner/Dependant</b>	Written off	£4,461.41 (41 cases)	£14,942.84 (50 cases)
	Recovery	£10,481.43 (9 cases)	
<b>Retirement</b>	Written off	£0	£0
	Recovery	£0	

2.2.2 During the period 1 February 2018 to 31 March 2018, 50 scheme members passed away and the date of notification to the Fund resulted in an overpayment of the late member's pension. Of the overpayments, 41 were automatically written off as the value of the overpayment was less than £250. The remaining 9 cases are currently being pursued for recovery of the overpayments.

2.2.3 Due to the migration of the Authority’s Enterprise Resource Planning (ERP) platform from Oracle to Agresso, information on any overpayments recovered in this period was not available and will be reported within the Annual Report and Statement of Accounts.

**2.3 Key Performance Indicators – LGSS Pensions Service**

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

2.3.2 The performance for LGSS Pensions against the 6 key performance indicators for February and March 2018 can be found in **appendix 2**.

**2.4 Key Performance Indicators – Scheme Employer Performance**

2.4.1 The following key performance indicators, as agreed by the Pension Committee, are based on the performance of the scheme’s employers for the period 1 January 2018 to 28 February 2018 are detailed in the table below.

<b>KPI</b>	<b>Target</b>	<b>Jan</b>	<b>Feb</b>
Arrange for the correct deduction of employee and employer contributions and to ensure payment reaches the Pension Fund by the 19 <sup>th</sup> of the month following the month of deduction. Providing an associated monthly statement/schedule in a format acceptable to the Administering Authority.	<b>100%</b>	98.6	99.3

2.4.2 Employer performance continues to be managed by officers and progress continues to be made. Close liaison with employers in regards to the timely submission of both payments and schedules in order for them to meet statutory compliance.

**3. Relevant Pension Fund Objective**

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>

#### 4. Finance & Resources Implications

4.1 The financial and resource implications are set out in the Business Plan.

#### 5. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with managing the administration performance of the scheme.	Key areas of control to be reported to the Pension Committee and Pension Fund Board are highlighted in the Fund's Business Plan.	Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
If the Fund does not monitor and report administration standards the Fund will not demonstrate that it has appropriate control over the management of its core functions.	Amber

#### 6. Communication Implications

<b>Direct Communications</b>	The Fund publishes its performance against the key performance indicators in the regular reports to the Pension Committee and Pension Fund Board and in the Fund's Annual Report.
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#### 7. Legal Implications

7.1 Not applicable

#### 8. Consultation with Key Advisers

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

#### 9. Alternative Options Considered

9.1 Not applicable

#### 10. Background Papers

10.1 Not applicable

## 11. Appendices

- 11.1 Appendix 1 Late payments of employee and employer contributions (Confidential)
- 11.2 Appendix 2 Key performance indicators – LGSS Pensions Service

<b>Checklist of Key Approvals</b>	
Is this decision included in the Business Plan?	No
Will further decisions be required? If so, please outline the timetable here	No
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Section 151 Officer?	Sarah Heywood –9 May 2018
Has this report been cleared by Head of Pensions?	Mark Whitby – 19 April 2018
Has the Chairman of the Pension Committee been consulted?	Councillor Rogers – 9 May 2018
Has this report been cleared by Legal Services?	Sent to Quentin Baker/Fiona McMillan – 1 May 2018

Appendix 2 – KPI Analysis for February 2018								
Function/Task	Indicator	Target	Completed	Within Target	Over Target	% Within Target	RAG	Comments
Notify leavers of deferred benefit entitlement.	Notify leavers of deferred benefit entitlements or concurrent amalgamation within 15 working days of receiving all relevant information.	90%	297	297	0	100%	G	SLA target met.
Payment of retirement benefits from active employment.	Payment of lump sum within 5 working days of payable date or date of receiving all necessary information if later. First pension paid in the month of leaving or in month of receiving all necessary information if later.	95%	20	19	1	95%	G	SLA target met.
Award dependant benefits – <b>Statutory</b>	Issue award within 5 working days of receiving all necessary information.	95%	21	21	0	100%	G	SLA target met.
Provide a maximum of one estimate of benefits to employees per year on request– <b>Statutory</b>	Estimate in agreed format provided within 10 working days from receipt of all information.	90%	67	62	5	92%	G	SLA target met.
Provide transfer-in quote to scheme member – <b>Statutory</b>	Letter issued within 10 working days of receipt of all appropriate information.	95%	10	10	0	100%	G	SLA target met.
Payment of transfer out – <b>Statutory</b>	Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment.	90%	10	10	0	100%	G	SLA target met.

**Appendix 2 – KPI Analysis for March 2018**

Function/Task	Indicator	Target	Completed	Within Target	Over Target	% Within Target	RAG	Comments
Notify leavers of deferred benefit entitlement.	Notify leavers of deferred benefit entitlements or concurrent amalgamation within 15 working days of receiving all relevant information.	90%	302	300	2	99%	G	SLA target met
Payment of retirement benefits from active employment.	Payment of lump sum within 5 working days of payable date or date of receiving all necessary information if later. First pension paid in the month of leaving or in month of receiving all necessary information if later.	95%	38	37	1	97%	G	SLA target met
Award dependant benefits – <b>Statutory</b>	Issue award within 5 working days of receiving all necessary information.	95%	35	35	0	100%	G	SLA target met
Provide a maximum of one estimate of benefits to employees per year on request - <b>Statutory</b>	Estimate in agreed format provided within 10 working days from receipt of all information.	90%	79	74	5	94%	G	SLA target met
Provide transfer-in quote to scheme member – <b>Statutory</b>	Letter issued within 10 working days of receipt of all appropriate information.	95%	23	22	1	96%	G	SLA target met
Payment of transfer out – <b>Statutory</b>	Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment.	90%	6	6	0	100%	G	SLA target met

**Green:**

- **Equal to or above SLA target.**

**Amber:**

- **If there is a statutory target - below SLA target, but all within statutory target.**
- **If there is no statutory target - below SLA target, but number completed within target is within 10% of the SLA target.**

**Red:**

- **If there is a statutory target - below SLA target and not within statutory target.**
- **If there is no statutory target - below SLA target and number completed within target is not within 10% of the SLA target.**