

CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

23rd April 2021

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:	Joanne Walton, Governance and Regulations Manager jwalton@northamptonshire.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. Key Performance Indicators – Pensions Service

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

2.2 Full KPI details for the period 1st February to 28th February 2021 can be found in appendix 1.

3. Receipt of Employee and Employer Contributions

3.1 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.

3.2 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 1st February 2020 to 31st January 2021.

3.3 There were no late payments of contributions for the period 1st December 2020 to 31 January 2021.

4. Breaches of the Law

4.1 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.

4.2 For the period 1st February to 28th February 2021, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non-Material Breaches	15 refund of pension contribution payments were claimed by and paid to members 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.

5. Internal Dispute Resolution Procedure

5.1 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.

5.2 In the period 1st February to 31st March 2021 the following activity occurred:

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Seeking reinstatement / compensation for LGPS benefits that were transferred to an overseas pension scheme in 2015 (received 5 December 2019)	Information gathering has been undertaken with the claims management company during the course of 2020. There have been issues with the claims company not receiving postal communications during the pandemic. Legal advice was sought in drafting the response to the appeal. Not upheld (2 March 2021).	N/A

6. Employers Admissions and Cessations

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

- YTKO Limited (Cambridge and Peterborough Combined Authority Growth Service)

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

- Lunchtime Company Limited (Fulbourn Primary School)

7. 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>
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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>
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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>
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8. Risk Management

8.1 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.

8.2 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk No.	Risk	Residual risk rating
6	Information may not be provided to stakeholders as required.	Green
8	Those charged with governance are unable to fulfil their responsibilities effectively	Green
17	Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green

8.3 The Fund's risk register can be found on the Pensions [here](#).

9. Communication Implications

Direct communications	<p>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.</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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10. Finance & Resources Implications

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

11. Legal Implications

11.1 Legal advice was sought from the Fund's advisors in relation to the Internal Dispute Resolution Procedure as referenced in section 5.2.

12. Consultation with Key Advisers

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

13. Alternative Options Considered

13.1 Not applicable

14. Background Papers

14.1 Not applicable

15. Appendices

15.1 Appendix 1 Key Performance Indicators – Pensions Service

15.2 Appendix 2 Receipt of Employee and Employer Contributions

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 29 th March 2021

Appendix 1 - Key Performance Indicators – Pensions Service February 2021

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%	February:123	117	6	95	Green	SLA target met
Payment of retirement benefits from active employment	Notify employees retiring from active membership of benefits award, from date payable or date of receiving all necessary information if later within 5 working days.	95%	February:47	47	0	100	Green	SLA target met
Payment of pension benefits from deferred membership status	Notify members retiring from deferred membership status of benefits award, from date payable or date of receiving all necessary information if later within 10 working days.	90%	February:54	54	0	100	Green	SLA target met
Award dependant benefits – Statutory	Issue award within 5 working days of receiving all necessary information.	95%	February:29	29	0	100	Green	SLA target met
Provide a maximum of one estimate of benefits to employees per year on request – Statutory	Estimate in agreed format provided within 10 working days from receipt of all information.	90%	February:61	58	3	95	Green	SLA target met
Provide transfer-in quote to scheme member – Statutory	Letter issued within 10 working days of receipt of all appropriate information.	95%	February:30	25	5	83	Red	SLA target not met*
Payment of transfer out – Statutory	Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment.	90%	February:6	6	0	100	Green	SLA target met

*Provide transfer-in quote to scheme member – target was missed during this period due to a performance issue within the team which has now been addressed.

Green: Equal to or above Service Level Agreement (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

Appendix 2 - Receipt of Employee and Employer Contributions

Month/Year	% of Employers Paid on Time	% of Employers Paid Late	% of Employers that Submitted Schedule on Time	% of Employers that Submitted Schedule Late
February 2020	96.6	3.4	96.7	3.3
March 2020	99.8	0.2	100	0
April 2020	99.6	0.4	99.3	0.7
May 2020	100	0	100	0
June 2020	99.5	0.5	99.3	0.7
July 2020	99.3	0.7	100	0
August 2020	99.6	0.4	99.6	0.4
September 2020	99.8	0.2	99.8	0.2
October 2020	100	0	100	0
November 2020	100	0	100	0
December 2020	100	0	100	0
January 2021	100	0	100	0
Average for period	99.5	0.5	99.5	0.5

Appendix 3 – Late payment of employer contributions for December 2020 and January 2021

Employer	Payroll Month	Days Late	Amount	Members affected	Previous late payments during 2019/2020	Reported to the Pensions Regulator?	Reason/Action
No late payments for December 2020							
No late payments for January 2021							

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. The Payment of Employee and Employer Contributions Policy came into force on 1 April 2016 to ensure scheme employers are aware of the consequences of not meeting their statutory obligations and are aware in advance of the ramifications of persistent non-compliance.

For employers who persistently pay late contributions, the Fund has the right to charge an administration fee and interest.