

**CAMBRIDGESHIRE  
PENSION FUND**



**Pension Fund Board**

**Date:** 20 April 2018

**Report by:** Head of Pensions

<b>Subject:</b>	<b>LGSS Pensions Service Administration Performance Report</b>
<b>Purpose of the Report</b>	<a href="#">To present the Administration Performance Report to the Pension Fund Board</a>
<b>Recommendations</b>	<b>The Pension Fund Board are asked to note the Administration Performance Report</b>
<b>Enquiries to:</b>	Name – Michelle Oakensen – LGSS Pensions Governance Officer E-mail – <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 Board (the Local Pension 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 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 January 2018 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 (**Private**). Late payments to the Fund are constituted any contribution payment that has not cleared in the Fund account by the 19<sup>th</sup> of the following 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 transition 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 Committee has previously agreed a set of key performance indicators (KPIs) to assess the performance of LGSS Pensions Service.

2.3.2 The performance for LGSS Pensions against the 6 key performance indicators for February 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.

KPI	Target	Jan	Feb
Arrange for the correct deduction of employee and employer contributions to Pension Fund in a timely manner, providing an associated monthly statement/schedule in a format acceptable to the Administering Authority.	100%	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

<b>Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
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

<b>Risk</b>	<b>Risk Rating</b>
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.	Green

#### 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 (Private)

11.2 Appendix 2 Key performance indicators – LGSS Pensions Service

<b>Checklist of Key Approvals</b>	
Has this report been cleared by Governance and Regulations Manager?	Joanne Walton – 4 April 2018