

CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

4 November 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:	Michelle Oakensen, Governance and Regulations Manager michelle.oakensen@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. Executive Summary

- 2.1 This report sets out the performance of the Cambridgeshire Pension Fund on the following areas of administration:
 - 2.1.1 The administration performance for the period 1 June to 30 September 2022 (section 3).
 - 2.1.2 The achievement against the Key Performance Indicators for the period 1 June to 30 September 2022 (Section 4 & Appendix 1). The majority of KPIs were met over the period.
 - 2.1.3 Timeliness of receipt of employee and employer pension contributions for the payroll periods of September 2021 to August 2022 (Section 5 & Appendix 2). Over 99% was achieved for May, June, July and August 2022.
 - 2.1.4 Occurrences of breaches of the law for the period June to September 2022 (section 6). There were no material breaches in the period.
 - 2.1.5 Details of any Internal Dispute Resolution Procedure cases for the period June to September 2022 (Section 7). There was one administering authority dispute and one employer dispute raised during the period.
 - 2.1.6 Occurrences of material data breaches for the period June to September 2022 (Section 8). There were no material breaches in the period.

2.1.7 Details of any significant overpayment of pension for the period June to September 2022 (Section 9). There were no significant overpayments in the period.

2.1.8 Details of new employers admitted to the Cambridgeshire Pension Fund and those that have ceased (Section 10).

3. Administration Performance

3.1 During the period 1 June to 30 September 2022, two complaints were managed informally by the Operations Manager. Six compliments were also recorded during this period.

3.2 To put this into context, over the same period 7,943 calculation tasks were completed in connection with the Cambridgeshire Fund.

3.3 The Pension Fund issues member surveys to scheme members where a check task has been completed on the workflow system. During the period 1 July to 30 September 2022 484 surveys have been issued to Cambridgeshire members with response rates in the range 11.54% to 15.84% over the period. Scheme members have given the fund's administration an average rating of between 3.95/5.00 and 4.33/5.00 over the three-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.

4. Key Performance Indicators – Pensions Service

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

4.2 Full KPI details for the period 1 June to 30 September 2022 can be found in Appendix 1.

4.3 Over the four month period service performance has been consistently good with all targets being met with the exception of five.

4.4 In June, the targets were missed due to performance issues within the team that issue transfer in and transfer out quotes that have since been addressed.

4.5 In June and August, there were resourcing issues within the team that deals with the payment of retirement benefits from active employment with which resulted in the targets being missed. There were three vacancies for the period, two of the vacancies have now been filled with one new team member in position for July and the other for September, the remaining vacancy is currently being advertised.

4.6 In July, there was a training issue within the team who deal with the awards of dependent benefits which led to the target marginally being missing, the issue has been addressed.

5. Receipt of Employee and Employer Contributions

- 5.1 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.
- 5.2 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 September 2021 to 31 August 2022.
- 5.3 For May 99.2% of contributions were paid on time, June 99.6%, July 99.8% and for August 100%. The current yearly average for payments made on time is 99.5% and schedules being received on time is 99.6%.

6. Breaches of the Law

- 6.1 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.
- 6.2 For the period 1 June to 30 September 2022, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	Seven 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.
	Eleven Annual Allowance Pension Saving Statements were not issued by the statutory deadline (6 October).	The statements were sent by 25 October.

7. Internal Dispute Resolution Procedure

- 7.1 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.
- 7.2 Disputes that are upheld at stage 1 may still progress to stage two 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.

- 7.3 The following table details that activity undertaken during the period 1 June to 30 September 2022 with regards to administering authority disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Delay in paying additional lump sum from AVC fund resulting in a lower AVC value.	Adjudication to be made by 19 November 2022.	

- 7.4 The following table details that activity undertaken during the period 1 June to 30 September 2022 with regards to employer disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Refusal of request for early payment of benefits on ill health grounds from active service.	N/A	Appeal against scheme employer decision received 29 June 2022. Decision not to uphold the complaint was issued 14 September 2022 (original deadline of 28 August had previously been extended to 18 September 2022).

8. Material Data Breaches

- 8.1 None

9. Significant overpayment of pension

- 9.1 None.

10. Employers Admissions and Cessations

- 10.1 The following admitted bodies were admitted to the Cambridgeshire Pension Fund:

- Aspens Services Ltd (2 admissions)
- Clean Tec Services Ltd
- Coombs Catering Partnership Ltd
- Easy Clean Contractors Ltd
- Miquill South Ltd
- Servicemaster Clean

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

- ABM Catering Limited (2 admissions)
- Caterlink Ltd (2 admissions)
- City Culture Peterborough Ltd

- Easy Clean Ltd (2 admissions)
- Elixir UK Ltd
- Excellerate Services UK Ltd (formerly known as LCC Support Service Ltd)
- Greater Peterborough UTC
- Miquill South Ltd
- Peterborough Investment Partnership
- Vero HR Limited

11. 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>

12. Risk Management

- 12.1 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.
- 12.2 The mitigated risks associated with this report has been captured in the Pension 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

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

13. Communication Implications

Direct communications	<p>The Pension 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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14. Finance & Resources Implications

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

15. Legal Implications

15.1 There are no legal implications associated with this report.

16. Consultation with Key Advisers

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

17. Alternative Options Considered

17.1 Not applicable

18. Background Papers

18.1 Not applicable

19. Appendices

19.1 Appendix 1 Key Performance Indicators – Pensions Service

19.2 Appendix 2 Receipt of Employee and Employer Contributions

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

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 11/10/2022