

Cambridgeshire Pension Fund

Pension Fund Committee

13 December 2021

Report by: Head of Pensions

Subject: Administration Performance Report

Purpose of the Report: To present the Administration Performance Report to the Pension Fund Committee

Recommendations: The Pension Fund Committee are asked to note the Administration Performance Report

Enquiries to: Jo Kent, Governance and Regulations Manager
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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. 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 1 June to 30 September 2021 can be found in appendix 1.

2.3 Over the 4-month period there been a number of resource and system issues that have impacted performance, particularly relating to the payment of retirement benefits.

2.4 The corporate network was unavailable for a couple of days in mid-August and following that changes to the WNC firewall caused intermittent responsiveness issues with our hosted pensions server until mid to late October. This impacted all casework teams to varying degrees.

2.5 In addition, the retirements team has managed two vacancies over the period June to October, with associated training implications following successful recruitment, and contended with Covid sickness absences and seasonal leave. This has meant that at various points during the review period only half of the team have been available.

2.6 Performance delays are most noticeable in our newest indicator, retirement from deferred status; there are not ordinarily the same continuity of income issues as with retirements from active status nor the same statutory performance requirement. We still believe the performance target is achievable and will be looking to improve performance in this area over the coming months.

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 1 September 2020 to 31 August 2021.

3.3 There were no late payments of contributions in August, seven in July and one late payment in June.

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 Committee, 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 1 June to 30 September 2021, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	Two employers in the Fund failed to submit information in order for Pension Saving Statements to be issued by the statutory deadline of 6 October 2021. This has affected 4 members.	All affected members have been written to advising that there will be a delay in receiving this information and the matter has been escalated with each employing authority.
	0.9% of Annual Benefit Statements were not issued by the statutory deadline of 31 st August due to a delay in information from the respective employers.	All Annual Benefit Statements have now been issued and employers reminded of their statutory obligations.

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 The following table details that activity undertaken during the period 1 August 2021 to 30 November 2021 in respect of administering authority disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Dispute over benefits payable where AVCs were included in estimate of lump sum (received 13 August 2021).	Partially upheld (4 October 2021).	N/A
Dispute over transfer out of pension benefits not being allowed due to the transfer containing GMP and the member being above age 60 (received 6 September 2021).	Partially upheld - (16 November 2021)	N/A
Length of time to finalise early payment of benefits on ill health grounds for a terminally ill deferred member and other issues regarding payment of benefits (received 3 June 2021)	Partially upheld (17 August 2021).	N/A
Dispute over value of benefits paid and delays following issues with membership details (received 23 April 2021)	Upheld (2 July 2021)	Pending response due by 12 December 2021
Seeking reinstatement / compensation for LGPS benefits that were transferred to an overseas pension scheme in 2015 (received 5 December 2019)	Not upheld (2 March 2021)	In progress. Appeal received 29 June 2021. Deadline for response is 18 November 2021 but extended to 10 December 2021 by the Monitoring Officer.

6. Customer Service Excellence Standard

- 6.1 The Pensions Service recently undertook the annual assessment required to maintain the accreditation for the Customer Service Excellence Standard. The assessment confirmed that the service has retained the 7 compliance pluses from last year and gained an additional one compliance plus from the assessment this year.

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. *Objective 1*

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. *Objective 2*

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. *Objective 3*

Continually monitor and measure clearly articulated objectives through business planning *Objective 4*

Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*

Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. *Objective 8*

Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. *Objective 10*

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	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

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

9. 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.

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

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

Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 01/12/2021

Has this report been cleared by Head of Pensions? Mark Whitby – 19/11/2021

Has the Chair of the Pension Committee been consulted? Councillor Whelan – 01/12/2021

Has this report been cleared by Legal Services? Fiona McMillan – 19/11/2021