



West Northamptonshire Council

Local Pension Board

29/6/2023

Mark Whitby – Head of Pensions

Report Title	Northamptonshire Pension Fund – Administration Performance Report
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Contributors/Checkers/Approvers

Head of Pensions	Mark Whitby	12/6/2023
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List of Appendices

Appendix A – Performance against key performance indicators

Appendix B – Timeliness of receipt of employee and employer pension contributions

Appendix C - Late payment of employer contributions (exempt)

1. Purpose of Report

1.1. To present to the Pension Board a report on the administrative performance of the Northamptonshire Pension Fund.

2. Executive Summary

- 2.1 This report sets out the performance of the Northamptonshire Pension Fund.
- 2.2 The achievement against the Key Performance Indicators for the period 1 April to 31 May 2023 is detailed in section 5.1 and appendix A. The majority of KPIs were met over the period.
- 2.3 The development of key performance indicators is detailed in section 5.2.
- 2.4 Timeliness of receipt of employee and employer pension contributions for the payroll periods of May 2022 to April 2023 is detailed in section 5.2 and appendix B. 99.9% of contribution payments were on time for the period May 2022 to April 2023. Details of employers who paid over their contributions late are detailed in appendix C (exempt).
- 2.5 Occurrences of breaches of the law for the period 1 April to 31 May 2023 are detailed in section 5.3. There were no material breaches in the period.
- 2.6 Details of any Internal Dispute Resolution Procedure cases during the period 1 April to 31 May 2023 are detailed in section 5.4. There were three administering authority disputes across stage one and stage two and one employer dispute during the period.
- 2.7 Details of new cessations of the Northamptonshire Pension Fund and updates on previous cessations is detailed in section 12.

3. Recommendations

- 3.1 The Pension Board is asked to note the contents of the report.

4. Report Background

- 4.1 One of the core functions of the Pension Board is to ensure the effective and efficient governance and administration of the Northamptonshire Pension Fund. This report demonstrates a number of key areas of administration performance for consideration by the Pension Board.

5. Issues and Choices

5.1 Key Performance Indicators

- 5.1.1 The Pension Committee has previously agreed a set of key performance indicators (KPIs) to assess the performance of the Pensions Service in the delivery of key items of casework. The actual performance against these KPIs for the period 1 April to 31 May 2023 can be found in appendix A along with the explanations for any underperformance.
- 5.1.2 Over the 2-month period, service performance has been consistently good with all targets being met with the exception of 4.
- 5.1.3 In April and May targets were missed for the payment of retirement benefits from active employment and the payment of pension benefits from deferred membership status due to inexperience within the team following successful recruitment and the associated additional training required. As the newer members become more skilled and experienced, the performance in this area should increase.
- 5.1.4 The target was missed for April for awarding dependent benefits due to training issues within the team and reduced checking capacity due to sickness and annual leave.
- 5.1.5 In May the target was missed for providing a transfer in quote to a scheme member due to training issues within the team and reduced checking capacity due to sickness and annual leave.

5.2 Development of the Pension Service Key Performance Indicators

- 5.2.1 New and supplementary KPIs are being developed during 2023-24 to measure the overall customer journey as approved by the Committee in March and presented to the Board in April.
- 5.2.2 Development of the new and supplementary KPIs is underway and from June have entered into a period of testing before being reported to the Committee and Board.

5.3 Receipt of employee and employer contributions

- 5.3.1 Scheme employers 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 an acceptable format.
- 5.3.2 The table in appendix B shows the percentage of employers in the Northamptonshire Pension Fund who paid their employee and employer contributions and/or submitted their schedules on time or late for the payroll periods 1 May 2022 to 30 April 2023.
- 5.3.3 For March 2023 99.4% of payments were received on time and 100% for April 2023. The current yearly average for payments made on time is 99.9% and schedules being received on time is 99.7%.
- 5.3.4 Details of employers who paid contributions to the Fund late are detailed in appendix C (exempt).

5.4 Breaches of the Law

5.4.1 There are many laws relating to the Local Government Pension Scheme, with various individuals, including the Pension Committee and Local Pension both (collectively and as individuals) having a statutory duty to report material breaches of those laws to the Regulator. The Northamptonshire 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.

5.4.2 For the period 1 April 2023 to 31 May 2023 the following breaches of the law occurred.

Type of breach	Detail of breach	Course of action
Material	None	None
Non-material	6 refund of contribution payments were paid 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.

5.5 Internal Dispute Resolution Procedure cases

5.5.1 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.

5.5.2 Disputes that are upheld at stage 1 may still progress to stage 2 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.

5.5.3 The following tables details that activity undertaken during the period 1 April 2023 to 31 May 2023 with regards to administering authority disputes.

5.5.4 Stage 1 disputes:

Nature of Stage 1 Dispute (Head of Pensions)	Date received	Date Decision Due	Decision: Upheld/not upheld/partially upheld	Date of Decision
Refusal to allow a transfer of AVC fund to an alternative provider	31 March 2023	14/06/2023 (extended from 30/05/2023)		

Stage 2 disputes:

Nature of Stage 2 Dispute (WNC Monitoring Officer)	Date received	Date Decision Due	Decision: Upheld/not upheld/partially upheld	Date of Decision
Disputing recipients of death grants paid.	16/03/2023	Adjudication due 14/07/2023, (extended from 15/05/2023)		

Claim of maladministration in paying pension and AVCs.	20/03/2023	20/05/2023	Upheld Stage 1 appeal and subsequent remedy	18/05/2023
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5.5.5 The following table details that activity undertaken during the period 1 April to 31 May 2023 with regards to employer disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Challenging refusal to pay NCC DB early on ill health grounds	N/A	Adjudication due 23/6/2023 (extended from 9/5/2023).

5.6 Material Data Breaches

5.6.1 None.

5.7 Significant overpayment of pension

5.7.1 None.

5.8 Employers Admissions and Cessations

5.8.1 The following employers have entered the Northamptonshire Pension Fund as an admitted body:

- Compass Group (Innovate Multi Academy Trust)
- Kier (West Northants)
- Kier (North Northants)

5.8.2 The following bodies have ceased to be an employer within the Northamptonshire Pension Fund:

- Birkin Cleaning Services (Elizabeth Woodville Academy – TOVE Learning Trust)
- Kier Limited (Fleet and Passenger Services)
- Kier Limited (May Gurney)
- Kingswood Catering Ltd (Little Harrowden Primary Academy)
- NSL Limited
- Voices for Victims and Witnesses Ltd
- Wellingborough Norse
- Huxlow Single Academy Trust

5.8.3 There are no previously reported cessations to consider.

6 **Implications (including financial implications)**

6.1 **Resources and Financial**

6.1.1 There are no resources or financial implications arising from the proposals.

6.2 **Legal**

6.2.1 There are no legal implications arising from the proposals.

6.3 **Risk**

6.3.1 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

6.3.2 The executive summary can be found on the Fund's website at the following link:

[Northamptonshire Risk Register](#)

6.4 Relevant Pension Fund Objectives

6.4.1 The following objectives as per the Business Plan have been considered in this report -

- To 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.
- To 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.
- To 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.
- To continually monitor and measure clearly articulated objectives through business planning.
- To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
- To put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary.
- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.

6.5 Consultation

6.5.1 Not applicable.