



West Northamptonshire Council

Local Pension Board

3/11/2023

Mark Whitby – Head of Pensions

Report Title	Northamptonshire Pension Fund – Administration Performance Report for the period 1 June to 30 September 2023
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List of Appendices

Appendix A – Performance against key performance indicators

Appendix B – Development of Key Performance Indicators during 2023/2024

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

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 June to 30 September 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 and appendix B.

2.4 Timeliness of receipt of employee and employer pension contributions for the payroll periods of September 2022 to August 2023 is detailed in section 5.2 and appendix C. 99.9% of contribution payments were on time for the period September 2022 to August 2023.

2.5 Occurrences of breaches of the law for the period 1 June to 30 September 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 June to 30 September 2023 are detailed in section 5.4. There were four administering authority disputes across stage one and stage two and no employer disputes 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 Pension Service performance against Key Performance Indicators

- 5.1.1.1 The Fund has in place 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 June to 30 September 2023 can be found in appendix A along with the explanations for any underperformance.
- 5.1.1.2 Over the 4-month period, 21 of the 28 KPI targets have been met.
- 5.1.1.3 The team that processes retirement benefits had several contributing factors that led to KPIs being missed over the reporting period. The team contended with periods of annual leave and sickness and two inexperienced team leaders were receiving training in preparation to replace a leaver and a maternity cover in August. The team itself is inexperienced with ongoing training continuing to be delivered at different levels.
- 5.1.1.3 Maternity leave across the wider Operations Team has impacted the ability to divert resources as required due to the back filing of those positions. In addition, following the release of the GAD factors, resource was allocated to clearing a divorce backlog.
- 5.1.1.4 Performance is expected to improve once the training requirements reduce at both officer and team leader level and skills and experience are embedded within the team, although this will not impact instantly, the results are expected to be seen by the end of the calendar year. The medium to long term plan is to increase multi-skilling to help with service resilience across teams.
- 5.1.1.5 There was one isolated case of a missed target for September for providing a transfer in quote to scheme members and this was due to the volume of work within the team during a period a team leader was on leave. This is not expected to be an ongoing concern.

5.1.2 Development of the Pension Service Key Performance Indicators

- 5.1.2.1 New and supplementary KPIs are being developed during 2023-24 to measure the overall customer journey as approved by the Committee in March.
- 5.1.2.2 Initial test data has been produced in the following areas for July:
- 1) inform members who leave the scheme before retirement age of their right and options.
 - 2) provide transfer details for transfer in.
 - 3) provide transfer details of transfer value for transfer out.
- 5.1.2.3 Officers are analysing this information and identifying high level reasons for the customer journey outcomes. The Committee will be presented with the first customer journey KPIs in December 2023 and the Board in January 2024. In the meantime, the full suite of KPIs being developed can be seen at appendix B.

5.2 Receipt of employee and employer contributions

- 5.2.1 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.
- 5.2.2 The table in appendix C 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 September 2022 to 31 August 2023.
- 5.2.3 For May, June, July & August 2023 100% of payments were received on time. The current yearly average for payments made on time is 99.9% and schedules being received on time is 99.6%.

5.3 Breaches of the Law

- 5.3.1 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.
- 5.3.2 For the period 1 June 2023 to 30 September 2023 the following breaches of the law occurred.

Type of breach	Detail of breach	Course of action
Material	None	None
Non-material	20 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.

5.4 Internal Dispute Resolution Procedure cases

- 5.4.1 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.
- 5.4.2 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.
- 5.4.3 The following tables details that activity undertaken during the period 1 June 2023 to 30 September 2023 with regards to administering authority disputes.

5.4.4 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)	Partially upheld	13 June 2023
Refusal to allow a retrospective change to the structure of the member's pension entitlement (pension/lump sum commutation)	21 July 2023*	5 October 2023 (extended from 22 September 2023)	Not upheld	4 October 2023

*outside of 6 month time limit of initial decision, Head of Service exercised discretion to extend time limit.

Stage 2 disputes:

Nature of Stage 2 Dispute (WNC Monitoring Officer)	Date received	Date Decision Due	Stage 1 Decision: Upheld/not upheld/partially upheld	Date of Decision
Disputing recipients of death grants paid.	16/03/2023	13 September 2023 (extended from 14 July and 15 May 2023)	Upheld	13 September 2023
Challenging refusal to pay Deferred Benefit early on ill health grounds	10/3/2023	28 July 2023 (extended from 23 June and 9 May 2023)	Upheld	28 July 2023

5.4.5 In the period 1 June to 30 September 2023 no new employing authority disputes were raised and/or responded.

5.5 Material Data Breaches

5.5.1 None.

5.6 Significant overpayment of pension

5.6.1 A death was identified as part of the National Fraud Initiative exercise dating back to June 2021. The overpayment period is from 29 June 2021 to 31 March 2023 and amounts to a net overpayment amount of £7,728.01. A death certificate is currently awaited to be able to progress this case further.

5.7 Employers Admissions and Cessations

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

- Grange Transport Services
- Dolce Limited (Little Harrowden Community Primary School)
- Fresh Start Catering Limited (Innovate Multi Academy Trust)

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

- Compass Contract Services Limited (Innovate Multi Academy Trust)
- Alliance in Partnership Limited (Magdalen College School)
- Caterlink UK Limited (Grange Primary Academy)
- Compass Contract Services Limited (Fairfields School)
- Champion School & Language College (Single Academy Trust)
- Catch22 Multi Academy Trust

5.7.3 There are no previously reported cessations to consider.

6 Implications (including financial implications)

6.1 Resources and Financial

6.1.1 Aon conducted the Key Performance Indicator review.

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.