



**West Northamptonshire Council**

**Local Pension Board**

**24/4/2024**

**Mark Whitby – Head of Pensions**

<b>Report Title</b>	<b>Northamptonshire Pension Fund – Administration Performance Report for the period 1 January to 29 February 2024</b>
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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**

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

**2. Executive Summary**

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- 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 January to 29 February 2024 is detailed in sections 5.1 to 5.5 and appendix A. The majority of KPIs were met over the period.
- 2.3 The development of key performance indicators is detailed in section 5.1.2 and appendix B.
- 2.4 Timeliness of receipt of employee and employer pension contributions for the payroll periods of February 2023 to January 2024 is detailed in section 5.2 and appendix C. 99.9% of contribution payments were on time for the period.
- 2.5 Occurrences of breaches of the law for the period 1 January to 29 February 2024 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 January to 29 February 2024 are detailed in section 5.4. There was one stage 1 administering authority dispute and no employer disputes during the period.
- 2.7 There were no material data breaches for the period as stated in section 5.5.

- 2.8 There were no significant overpayments identified for the period as stated in section 5.6.
- 2.9 Details of admissions and cessations of the Northamptonshire Pension Fund and updates on previous cessations are detailed in section 5.7.

### **3. Recommendations**

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

### **4. Report Background**

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- 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**

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#### **Pension Service Administration**

##### **Pension Service performance against Key Performance Indicators**

- 5.1 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 January to 29 February 2024 can be found in appendix A along with the explanations for any underperformance.
- 5.2 Over the 2-month period, 3 of the 14 KPI targets have not been met.
- 5.3 Targets were missed for providing an estimate of benefits in January and February as a result of high levels of sickness creating a backlog of higher priority cases.
- 5.4 A Target was missed in February for notifying employees retiring from active membership of a benefits award, one case was due to the notification sending being sent late and the other 3 cases were delayed at the checking stage. These issues have been picked up within the team to prevent recurrence.
- 5.5 Performance is expected to improve once the sickness levels have reduced and as skills and experience continue to be embedded within the team. We continue to increase multi skilling to help with service resilience across teams.

##### **Development of Customer Journey Key Performance Indicators**

- 5.6 New and supplementary KPIs continue to be developed to measure the overall customer journey as approved by the Committee in March 2023 and presented to the Board in April 2023.
- 5.7 The majority of areas are now being reported with ongoing development for the calculation and notification of dependent benefits and the notification following a pension sharing order.
- 5.8 The analysis of the reporting is continuing to be developed to ensure the Service can take a proactive approach where possible in resolving any employer data issues.
- 5.9 The development of the KPIs to date can be found in appendix B.

##### **Receipt of employee and employer contributions**

- 5.10 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.
- 5.11 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 February 2023 to January 2024.

5.12 For December 2023 and January 2024, 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 99.4%.

**Breaches of the Law**

5.13 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.

5.14 For the period 1 January to 29 February 2024 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.
	Missed statutory targets against Key Performance Indicators.	Issues will be addressed within the Service and with employers as appropriate. Further details can be found in Appendix C.

**Internal Dispute Resolution Procedure cases**

5.15 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.

5.16 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.

5.17 The following tables details that activity undertaken during the 1 January to 29 February 2024 with regards to administering authority disputes.

5.18 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
Delays in payment of benefits from AVCs at retirement	3 January 2024	2 March 2024	Partially upheld	1 March 2024

5.19 In the period 1 January to 29 February 2024 no new employing authority disputes were raised and/or responded.

#### **Material Data Breaches**

5.20 No material data breaches occurred during the period.

#### **Significant overpayment of pension**

5.21 No significant overpayments were made during the period.

#### **Employers Admissions and Cessations**

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

- KGB Cleaning South West Limited (Kettering Buccleuch Academy)
- Semilong Services Limited (Northampton Partnership Homes)
- Easy Clean Contractors Limited (Our Lady's Catholic Primary School)
- Kingswood Education Catering Limited (Hunsbury Park Primary School)
- Aspens-Services Limited (East Midlands Academy Trust)
- Renuvo Limited (Northampton Partnership Homes)

5.23 The following employers have entered the Northamptonshire Pension Fund as a resolution body:

- Bugbrooke Parish Council
- Cottingham Parish Council

5.24 The following body has ceased to be an employer within the Northamptonshire Pension Fund:

- Cleantec Limited (Grange Primary Academy)

5.25 The following cessation was previously reported, and updates are provided as follows:

- NSL Limited

5.26 The cessation of NSL Limited was originally reported at the June 2023 meeting of the Pension Fund Board.

5.27 Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to NSL was £458,000.

## **6 Implications (including financial implications)**

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### **Resources and Financial**

6.1 Aon conducted the Key Performance Indicator review.

### **Legal**

6.2 There are no legal implications arising from the proposals.

### **Risk**

6.3 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

6.4 The executive summary can be found on the Fund’s website at the following link:  
[Northamptonshire Risk Register](#)

### **Relevant Pension Fund Objectives**

- 6.5 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.

### **Consultation**

6.6 No consultation has been required arising from the proposals within this report.

## **7. Background Papers**

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7.1 None.