



West Northamptonshire Council

Local Pension Board

4/11/2021

Mark Whitby – Head of Pensions

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

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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 – Exempt – Late payment 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 on the following areas of administration:
- 2.1.1 The achievement against the Key Performance Indicators for the period 1 June 2021 to 30 September 2021 (appendix A)
- 2.1.2 Timeliness of receipt of employee and employer pension contributions for the payroll periods of September 2020 to August 2021 (appendix B and exempt appendix C)
- 2.1.3 Occurrences of breaches of the law for the period 1 June 2021 to 30 September 2021 (section 5.3).
- 2.1.4 Details of any Internal Dispute Resolution Procedure cases during the period 1 June 2021 to 30 September 2021 (section 5.4).
- 2.1.5 Details of new employers admitted to the Northamptonshire Pension Fund and those that have ceased (section 5.5).
- 2.2 This report also provides an update on the Pensions Service reaccreditation of the Customer Excellence Standard certification (section 5.6).

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 June 2021 to 30 September 2021 can be found in appendix A along with the explanations for any underperformance.
- 5.1.2 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.
- 5.1.3 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.
- 5.1.4 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.
- 5.1.5 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.

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 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 September 2020 to 31 August 2021.
- 5.2.3 In June and August 2021 all scheme employers paid over their contributions on time, with only one late payment in July. A total of 99.6% of employers completed the pay-over by the due date. An average of 99.2% of employers submitted their payment schedules on time in the same time period.
- 5.2.4 Details of any employers that paid their employee and employer contributions later than the statutory deadline are detailed in the exempt appendix C.

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 2021 to 30 September 2021 the following breaches of the law occurred.

Type of breach	Detail of breach	Course of action
Material	None	n/a
Non-material	One employer in the Fund failed to submit information in order for Pension Saving Statements to be issued by the statutory deadline of 6 October 2021 affecting one member.	The affected member has been written to advising that there will be a delay in receiving this information and the matter has been escalated with each employing authority.
	1.4% 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.

5.4 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 In the period 1 June 2021 to 30 September 2021 the following administering authority disputes were either raised an/or responded to.

Nature of dispute	Stage 1 (adjudicated by the Head of Pensions)	Stage 2 (adjudicated by the Monitoring Officer)
Seeking reinstatement / compensation for two LGPS deferred benefits being transferred to a recognised overseas pension scheme in 2014 (received 26 June 2020)	Not upheld (2 March 2021)	Appeal received 26 March 2021. Deadline for response was 26 May 2021 and was extended to 6 July 2021 when the complaint was not upheld.
Delay in confirming benefits payable due to no electronic records being present suggesting the Fund has no liability (received 1 June 2021)	Ongoing. Deadline extended from 3 August 2021 to 3 November 2021 due to inability to access WNC's archive storage facility due to covid and enquiries being undertaken with the individual's other pension scheme administrators.	

5.5 Employers Admissions and Cessations

5.5.1 The following admitted bodies were admitted to the Northamptonshire Pension Fund:

- Caterlink Limited
- Cucina Restaurants Limited

5.5.2 The following designated body was admitted to the Northamptonshire Pension Fund:

- Wellingborough Town Council

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

- Compass Contract Services Limited
- Collaborative Academies Trust
- Weldon Parish Council

5.6 The Customer Service Excellence Standard

5.6.1 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.

6 Implications (including financial implications)

6.5 Resources and Financial

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

6.6 Legal

6.6.1 There are no legal implications arising from the proposals, as it is the view of Officers that the breaches reported in section 5.3.2 are not of material significance to the Pension Regulator.

6.7 Risk

6.7.1 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

The Fund's full risk register can be found on the Fund's website at the following link:

[Northamptonshire Risk Register](#)

6.8 Relevant Pension Fund Objectives

6.8.1 The following objectives 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 employees and ensure these are monitored and developed as necessary.
- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.

6.9 Consultation

6.9.1 Not applicable.