



West Northamptonshire Council

Pension Committee

30/3/2022

Mark Whitby – Head of Pensions

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

MO	John Murphy on behalf of Catherine Whitehead	7 March 2022
S151	James Smith on behalf of Martin Henry	2 March 2022
Head of Pensions	Mark Whitby	21 February 2022

List of Appendices

Appendix A – Performance against key performance indicators

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

1. Purpose of Report

- 1.1. To present to the Pension Committee 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 October 2021 to 31 January 2022 (appendix A)
- 2.1.2 Timeliness of receipt of employee and employer pension contributions for the payroll periods of January to December 2021 (appendix B)
- 2.1.3 Occurrences of breaches of the law for the period 1 October 2021 to 31 January 2022 (section 5.3).
- 2.1.4 Details of any Internal Dispute Resolution Procedure cases during the period 1 October 2021 to 31 January 2021 (section 5.4).

3. Recommendations

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

4. Report Background

4.1 One of the core functions of the Pension Committee 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 Committee.

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 October 2021 to 31 January 2022 can be found in appendix A.

5.1.2 Over the 4-month period all targets have been met.

5.1 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 January 2021 to 31 December 2021.

5.2.3 In October, November, and December 2021 all scheme employers paid over their contributions on time. A total of 99.9% of employers completed the pay-over by the due dates between January and December 2021. An average of 99.6% of employers submitted their payment schedules on time in the same period.

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 October 2021 to 31 January 2022 the following breaches of the law occurred.

Type of breach	Detail of breach	Course of action
Material	None	n/a
Non-material	10 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 In the period 1 November 2021 to 31 January 2022 no administering authority disputes were either raised an/or responded to.
- 5.4.4 In the period 1 November to 31 January 2022 the following employing authority dispute was raised and responded to.

Nature of dispute	Stage 1 (adjudicated by the scheme employer)	Stage 2 (adjudicated by the Monitoring Officer)
Final pay provided for estimate of retirement benefits incorrectly included non-contractual overtime, resulting in a higher estimate of benefits than could be lawfully paid when using the correct final pay figure.	Not upheld (13 December 2021)	Not upheld (18 February 2022)

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, 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.

6.3 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

The Fund's full risk register 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 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.