



## West Northamptonshire Council

### Local Pension Board

3/11/2022

### Mark Whitby – Head of Pensions

<b>Report Title</b>	<b>Northamptonshire Pension Fund – Administration Performance Report</b>
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#### Contributors/Checkers/Approvers

<b>Head of Pensions</b>	Mark Whitby	11 October 2022
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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**

#### **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 to 30 September 2022 (section 5.1 & appendix A). The majority of KPIs were met over the period.
- 2.1.2 Timeliness of receipt of employee and employer pension contributions for the payroll periods of September 2021 to August 2022 (section 5.2 & appendix B). 100% was achieved for May, June, July and August 2022.
- 2.1.3 Occurrences of breaches of the law for the period 1 June to 30 September 2022 (section 5.3). There were no material breaches in the period.
- 2.1.4 Details of any Internal Dispute Resolution Procedure cases during the period 1 June to 30 September 2022 (section 5.4). There was one administering authority dispute and no employer disputes raised during the period.
- 2.1.5 Occurrences of material data breaches for the period June to September 2022 (section 5.5). There were no material breaches in the period.

- 2.1.6 Details of any significant overpayment of pension for the period June to September 2022 (section 5.6). There were no significant overpayments in the period.
- 2.1.7 Details of new employers admitted to the Northamptonshire Pension Fund and those that have ceased (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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#### **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 2022 can be found in appendix A along with the explanations for any underperformance.
- 5.1.1 Over the 4-month period, service performance has been consistently good with all targets being met with the exception of 6.
- 5.1.2 In June, the target was missed due to performance issues within the team that issue transfer in quotes that have since been addressed.
- 5.1.3 During the period there were resourcing issues within the team that deals with the payment of retirement benefits from active employment and payment of benefits from deferred membership status which resulted in targets being missed. There were three vacancies during this time and a period of sickness, two of the vacancies have now been filled with one new team member in place for July and the other for September, the remaining vacancy is currently being advertised.

#### **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 2021 to 31 August 2022.
- 5.2.3 In May, June, July and August 100% of payments were received on time. The current yearly average for payments made on time is 100% and schedules being received on time is 99.8%.

#### **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 to 30 September 2022 the following breaches of the law occurred.

Type of breach	Detail of breach	Course of action
Material		
Non-material	3 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.
	23 Annual Allowance Pension Saving Statements were not issued by the statutory deadline (6 October).	The statements were sent by 24 October.

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 table details that activity undertaken during the period 1 June to 30 September 2022 with regards to administering authority disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Incorrect conversion options were provided to a pension credit member on Member Self Service which allowed increased lump sum option.	Adjudication sent 5 October 2022, partially upheld for the incorrect information provided.	

5.4.4 In the period 1 June to 30 September 2022 no employing authority disputes were raised and/or responded to.

5.5 Material Data Breaches

5.5.1 None

5.6 Significant overpayment of pension

5.6.1 None

5.7 Employers Admissions and Cessations

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

- Kettering Town Council

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

- Barby & Onley Parish Council
- Lion Education Trust

## 6 Implications (including financial implications)

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### 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.