

## West Northamptonshire Council

### Pension Committee

15/06/2021

### Mark Whitby – Head of Pensions

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

West MO	John Murphy on behalf of Catherine Whitehead	23 May 2021
West S151	James Smith on behalf of Martin Henry	19 May 2021
Head of Pensions	Mark Whitby	14 May 2021

#### 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**

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- 1.1. To present to the Pension Committee 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 on the following areas of administration:
- 2.1.1 The achievement against the Key Performance Indicators for the period 1 February 2021 to 30 April 2021 (appendix A)
- 2.1.2 Timeliness of receipt of employee and employer pension contributions for the payroll periods of April 2020 to March 2021 (appendix B and exempt appendix C)
- 2.1.3 Occurrences of breaches of the law for the period 1 February 2021 to 30 April 2021 (section 5.3).
- 2.1.4 Details of any Internal Dispute Resolution Procedure cases during the period 1 February 2021 to 30 April 2021 (section 5.4).

### 3. Recommendations

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3.1 The Pension Committee 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 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

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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 February 2021 to 30 April 2021 can be found in appendix A along with the explanations for any underperformance.
- 5.1.2 Two-thirds of the targets have been met and/or exceeded with consistent above target performance in the areas of notifying leavers of their entitlement to a deferred benefit and the provision of estimates of benefits upon an individual's request.

#### 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 April 2020 to 31 March 2021.
- 5.2.3 In May 2020 and March 2021 all scheme employers paid over their contributions on time. Over the course of 2020/21, a total of 99.4% of employers completed the pay-over by the due date. An average of 98.6% 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 February 2021 to 30 April 2021 the following breaches of the law occurred.

Type of breach	Detail of breach	Course of action
Material	None	n/a
Non-material	18 refund of pension contribution payments were claimed by and paid to members 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 In the period 1 February 2021 to 30 April 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)	In progress. Information gathering has been undertaken with the claims management company during the course of 2020. Legal advice has been sought. Not upheld (2 March 2021)	Appeal received 26 March 2021. Deadline for response was 26 May 2021 and has been extended to 6 July 2021.
Retirement grant paid was less than incorrectly quoted (received 17 September 2020)	Partially upheld (25 November 2020)	Appeal received 16 April 2021. Deadline for response is 16 June 2021.
Dispute over not being able to transfer out on employment ending at age 55+ with immediate entitlement to payment of benefits.(27 April 2020)	Not upheld (24 June 2020)	Appeal received 23 December 2020. Not upheld (15 March 2021).

## 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 No.	Risk	Residual risk rating
6	Information may not be provided to stakeholders as required.	Green
8	Those charged with governance are unable to fulfil their responsibilities effectively	Green
17	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:  
<https://pensions.northamptonshire.gov.uk/governance/key-documents/northamptonshire/>

### 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.