

West Northamptonshire Council

Pension Fund Committee

12/12/2022

Mark Whitby – Head of Pensions

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

MO	Jeanette McGarry on behalf of Catherine Whitehead	17/11/2022
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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 Fund 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 August to 31 October 2022 (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 October 2021 to September 2022 (appendix B). 100% of payments were received on time.

- 2.1.3 Occurrences of breaches of the law for the period 1 August to 31 October 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 August to 31 October 2022 (section 5.4). There were two new IDRPs in the period.
- 2.1.5 Occurrences of material data breaches for the period of 1 August to 31 October 2022 (section 5.5). There were no material data breaches in the period.
- 2.1.6 Details of any significant overpayment of pension for the period 1 August to 31 October 2022 (section 5.6). There were no significant overpayments in the period.

3. Recommendations

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

4. Report Background

- 4.1 Pursuant to s 101 of the Local Government Act 1972 and the Council's Constitution section 4.8 Para 1.1 the Pension Fund Committee's remit includes responsibility for dealing with all matters relating to the Northamptonshire Pension Fund Local Government Pension Scheme.
- 4.2 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 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 August to 31 October 2022 can be found in appendix A along with the explanations for any underperformance.
- 5.1.2 Over the 3-month period, service performance has been consistently good with all targets being met with the exception of four.
- 5.1.3 Over the three month period there were resourcing issues within the team that deal with the payment of retirement benefits from active and deferred membership status which resulted in targets being missed, there were vacancies and a period of sickness during the period. The resourcing issues have since been addressed and the desired level of experience within the team will be gained over time.
- 5.1.4 Additionally in October, there was a system issue that resulted in a backlog of checking which also impacted performance for this month.
- 5.1.5 **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 October 2022.
- 5.2.3 In July, August and September 2022 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 August to 31 October 2022 having regard to the above, the following breaches of the law occurred.

Type of breach	Detail of breach	Course of action
Material	None	None
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.

5.4.1 The following table details that activity undertaken during the period 1 August to 31 October 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.	Adjudication for stage 2 to be made by 26/12/2022.
Non-payment of survivor's pension to co-habiting partner due to ineligibility.	Adjudication to be made by 25/12/2022.	

5.4.2 In the period 1 August to 31 October 2022 no employing authority dispute were either raised and/or responded to.

5.5 Material Data Breaches

5.5.1 None.

5.6 Significant overpayments of pension

5.6.1 None.

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 having taken into account all relevant legislation/regulation that the breaches reported in section 5.3.2 would not constitute a material breach and for the purpose of reporting 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 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.