



**West Northamptonshire Council**

**Local Pension Board**

**24/1/2023**

**Mark Whitby – Head of Pensions**

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| <b>Report Title</b>  | <b>Northamptonshire Pension Fund – Administration Performance Report</b>  |
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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**

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- 1.1. To present to the Pension Board 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 October to 31 December 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 December 2021 to November 2022 (section 5.2 & appendix B). 100% was achieved for September, October and November 2022.
- 2.1.3 Occurrences of breaches of the law for the period 1 October to 31 December 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 October to 31 December 2022 (section 5.4). There were three new administering authority disputes raised during the period and three determinations (stage 1 & 2). There were no employer disputes raised during the period.

### 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 October to 31 December 2022 can be found in appendix A along with the explanations for any underperformance.

5.1.1 Over the 3-month period, service performance has been consistently good with all targets being met with the exception of 3.

5.1.2 In October the target was missed for the payment of retirement benefits from active employment due to a combination of training issues, system issues and resourcing within the team. As a result, additional training has been delivered and two additional staff members have been recruited to support the team following a period of training.

5.1.3 In November the target was missed for providing a transfer quote in for a scheme member and in December the target was missed for transfer out payments. Both targets were missed due to recalculations not being allocated and prioritised accordingly. The team which covers both areas has been reminded to highlight any additional checking required to ensure targets are met.

#### 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 December 2021 to 30 November 2022.

5.2.3 In September, October and November 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 99.9%.

#### 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 to 31 December 2022 the following breaches of the law occurred.

| Type of breach | Detail of breach | Course of action |
|----------------|------------------|------------------|
| Material       |                  |                  |

| Type of breach | Detail of breach  | Course of action  |
|----------------|---|---|
| Non-material   | 4 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 The following table details that activity undertaken during the period 1 October to 31 December 2022 with regards to administering authority disputes.

| Nature of dispute   | Stage 1<br>(Head of Pensions)  | Stage 2 (Cambridgeshire<br>County Council<br>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 sent 23 December 2022; complaint not upheld.        |
| Non-payment of survivor's pension to co-habiting partner due to ineligibility.  | Adjudication sent 14 December 2022, not upheld as Regulations do not allow a survivor's payment to be made to a cohabitee where member left Scheme before 1998 |  |
| Dispute regarding the recipients of a death grant.  | Adjudication due 22/01/2023  |  |
| Claim of maladministration in paying pension and AVCs.  | Adjudication due 15/02/2023  |  |
| Non-payment of ill health pension from deferred member status.  | Adjudication due 17/01/2023  |  |

5.4.4 In the period 1 October to 31 December 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 None.

## 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.