

# Pensions Board Minutes



Wednesday 8 June 2022

## **PRESENT**

**Committee members:** Councillors Nikos Souslous (Chair) and Rory Vaughan

**Co-opted members:** Neil Newton and William O'Connell

### **Officers:**

David Hughes (Director of Audit, Fraud, Risk and Insurance)  
Eleanor Dennis (Head of Pensions)  
Mat Dawson (Strategic Finance Manager)  
Patrick Rowe (Pension Fund Manager)  
David Abbott (Head of Governance)

## **1. APPOINTMENT OF CHAIR AND VICE CHAIR**

### **RESOLVED**

It was unanimously agreed that Councillor Nikos Souslous be appointed Chair of Pensions Board and Councillor Rory Vaughan be appointed Vice Chair for the 2022/23 Municipal Year.

## **2. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

Khadija Sekhon was not in attendance.

## **3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **4. MINUTES OF THE PREVIOUS PENSIONS BOARD MEETING**

### **RESOLVED**

The minutes of the previous meeting held on 9 February 2022 were agreed as an accurate record.

## **5. MINUTES OF THE PREVIOUS PENSION FUND COMMITTEE MEETING**

### **RESOLVED**

The Board noted the minutes of the previous Pension Fund Sub-Committee meeting held on 28 February 2022.

## **6. PENSION ADMINISTRATION UPDATE**

Eleanor Dennis (Head of Pensions) presented the report which provided an update on the Hammersmith & Fulham Pension Fund's new partnership with the Local Pension Partnership Administration (LPPA) on 26 January 2022. She noted that the commencement of the service with LPPA had been challenging due to them implementing new software and processes. She added that LPPA had been responsive to the issues raised and there was a plan in place to resolve them.

The Board discussed the backlog of cases referenced in paragraph 5 of the report. William O'Connell asked what constituted a case. Eleanor Dennis said it meant an enquiry from a member about any aspect of their pension. William O'Connell asked how Board could be kept up to date in on these issues in between meetings. David Hughes (Director of Audit, Fraud, Risk and Insurance) said officers could provide the Pension Fund Committee update reports to the Board members between meetings.

### **ACTION: Eleanor Dennis / David Hughes**

Neil Newton noted that he'd seen 5 different administrations over 25 years and none of them had managed the transfer of data properly. He asked how LPPA were appointed without proof of working software and said the Pension Fund Committee should be made aware that the procurement process seemed to have been lacking.

Eleanor Dennis advised the Board that the data set was very complex, with over 17,000 people's information in the system. The software was not unproven, but it was new to the operator. It was chosen because it was significantly more efficient than the previous system and would result in cases being processed three times faster. It would also give members a better online experience. LPPA were working closely with the Council to resolve the problems. Eleanor said she was confident they will get to where they need to be.

David Hughes added that the relationship with LPPA was very different to the previous provider. They had engaged and recognised the quality was not where it needed to be. They were putting additional resource in and challenging the software provider to improve the situation.

Neil Newton said it didn't seem as though the lessons from previous transfers had been taken on board. He was disappointed with the start of the new service. David Hughes noted that there was a thorough data cleansing effort prior to the transfer this time and the migration was far better and happened on schedule. The change to their software systems caused the issues.

Councillor Rory Vaughan asked if it was the change of software that had caused the unexpected increase in enquiries. Eleanor Dennis said a large number of the calls were to do with getting onto the portal. In response to this LPPA created videos to help users and simplified the process. She added that because the new system showed more information to members online it prompted members to challenge incorrect information such as a change of address.

David Hughes advised members that it was considered urgent to move away from the previous provider. The service had been performing badly and the provider had no plan in place to improve. They were also increasing fee by nearly double while more and more data quality issues were coming to light.

Members discussed revisiting this issue in the Autumn for an update on the improvement plan and outstanding issues. Eleanor Dennis agreed with the approach to compare performance in the Autumn.

**ACTION: Eleanor Dennis**

The Chair asked if officers had seen an improvement between January and March. Eleanor Dennis said performance had improved. The average wait time was down to 12 minutes, with the longest wait being 30 mins down from 1.5 hours.

## **RESOLVED**

1. The Pensions Board noted the report.
2. The Pensions Board requested an update on the new administration service's performance in the Autumn.

## **7. UPDATE ON THE LGPS PENSIONS ADMINISTRATION SERVICE**

David Hughes (Director of Audit, Fraud, Risk and Insurance) presented the report which provided follow-up on previous reports to the Board on the actions agreed by the Pension Fund Sub-committee on 3 February 2021 to appoint Local Pension Partnerships Administration (LPPA) to provide the Pension Administration service from 1 February 2022. The new service subsequently went live on 26 January 2022.

Councillor Rory Vaughan asked if the new portal was more user friendly and if members could update their own information. David Hughes said the portal was better than the previous system and LPPA were more proactive about updating data and checking it against other sources. Officers noted that some pieces of key data user can't be changed by the users themselves – for example, dates of birth need verifying. But they can update their address. And there were also more features coming, like requesting benefits estimates and tracking queries.

Councillor Vaughan asked how officers were checking LPPA's work. He also asked for more information on the 40% of employers who had not engaged with the new portal. Eleanor Dennis said 40% of employers had not completed their membership details. To address this both the Council's pensions team and LPPA's engagement team will speak with them one-on-one to support them through the process and

understand any issues that prevent them from complying. She noted that engaging certain employers was always a challenge for pensions administration.

The Chair asked if the employers that hadn't engaged were mostly schools. Eleanor Dennis said they included schools and catering companies. They often relied on third party providers to give them data which added more complexity.

## **RESOLVED**

1. The Pensions Board noted the report.

## **8. KEY PERFORMANCE INDICATORS**

Eleanor Dennis (Head of Pensions) presented the report which gave an overview of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Fund. She noted that this was the first reporting quarter for new provider.

In response to a member's question, Eleanor Dennis said one of main challenges had been system errors preventing retirement cases from being finished within the service level agreement timeframe. Those errors had been resolved. The systems team co-located with the call team during that period so they could provide real-time support. Since then, most cases have been resolved during calls.

Neil Newton asked if there was any better data to share since the report had been published. Eleanor Dennis said they had quarterly reporting from the LPPA, showing movement in a positive direction, that could be shared outside of the meeting.

### **ACTION: Eleanor Dennis**

William O'Connell asked if the system issues had been due to data quality or software. Eleanor Dennis said the new software was the problem, not data quality. The team needed to familiarise themselves with the requirements of the new system.

Councillor Rory Vaughan asked how far beyond the SLA timeframe the majority of the issues were. Eleanor Dennis said most were only a few days. The system errors had been resolved by software provider Civica. There were still some cases in the backlog with IT issues, but those weren't retirement cases.

## **RESOLVED**

1. The Pensions Board noted the report.

## **9. PENSION FUND QUARTERLY UPDATE PACK**

Patrick Rowe (Pension Fund Manager) presented the report which provided a summary of the Pension Fund's overall performance for the quarter ended 31 March 2022. He asked members to fill out the knowledge and skills self-assessment in Appendix 5.

## **ACTION: Board members**

The Chair asked why, in Appendix 4, some of the risks had increased but the number remained the same (e.g., risk 6). Patrick Rowe said the intention was to show the trend of risk, even if the actual risk score hadn't changed yet.

Councillor Rory Vaughan asked when the triennial valuation would take place and if the Board would receive a presentation and training on it. Patrick Rowe encouraged members to make a note of that in the training survey. He added that the valuation was based on figures at the end of March this year, but the process took several months.

### **RESOLVED**

1. The Pensions Board noted the report.

## **10. PENSION FUND BUSINESS PLAN OUTTURN**

Patrick Rowe (Pension Fund Manager) introduced the report which provided the outturn for the 2021/22 Business Plan. He highlighted the actions in the plan and noted that the majority had been achieved. Some of the actions not achieved related to administration where the team were focused on issues with the service. There were also some staffing issues with the audit provider, which was a wider problem.

The Chair said it wasn't clear if the annual report and accounts had been published online. He also asked how many Freedom of Information (FOI) requests had been received. Patrick Rowe said the documents had been published online. And around 10 FOI requests had been received.

### **RESOLVED**

1. The Pensions Board noted the 2021/22 business plan outturn.

## **11. GOVERNANCE LOG OF RECOMMENDATIONS**

Patrick Rowe (Pension Fund Manager) presented the report that tracked progress implementing the 32 recommendations from the report of an independent consultant commissioned by officers to carry out an independent review of the governance arrangements for the Pension Fund. He noted 27 of the 32 recommendations had been implemented.

Neil Newton noted that recommendation 23 wouldn't matter for the vast majority of admitted bodies if an effective bond scheme was in place. He also questioned the ability of pension fund administrators to comment on the efficacy of compliance and monitoring arrangements. He asked if there was effective monitoring in place of the less robust schemes as they posed a risk to others. Mat Dawson (Strategic Finance Manager) said well worded admission agreements were important when dealing with outsourced providers. He said he would raise the concerns about admitted bodies with the Director of Treasury and Pensions.

Neil Newton said any employers not cooperating in the valuation exercise should be flagged as a potential risk. He asked for a written response about the bond scheme or admission agreement that safeguarded the rest of the fund members.

**ACTION: Patrick Rowe / Mat Dawson**

Councillor Rory Vaughan suggested holding a meeting in September to receive updates on pensions administration performance and the triennial valuation. The Chair said a meeting could be arranged in the Autumn if required.

**RESOLVED**

1. The Pensions Board noted the report.

**12. DATE OF THE NEXT MEETING**

Members noted the date of the next scheduled meeting on 8 February 2023.

**13. EXEMPT DISCUSSION (IF REQUIRED)**

Not required.

Meeting started: 7.00 pm  
Meeting ended: 8.28 pm

**Chair** .....

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