

Pensions Board Minutes



Wednesday 8 February 2023

PRESENT

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

Co-opted members: Neil Newton

Officers: Eleanor Dennis (Head of Pensions, joined remotely), Phil Triggs (Director of Treasury and Pensions) and Sian Cogley (Pension Fund Manager)

Clerk: Debbie Yau

1. APOLOGIES FOR ABSENCE

An apology for absence was received from William O'Connell, a co-opted member.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS PENSIONS BOARD MEETING

RESOLVED

The minutes of the meeting held on 8 June 2022 were agreed as an accurate record.

4. MINUTES OF PREVIOUS PENSION FUND COMMITTEE MEETINGS

RESOLVED

The minutes and exempt minutes of the Pension Fund Committee meetings held on 20 June, 7 September, 6 October and 15 November 2022 were noted.

5. KEY PERFORMANCE INDICATORS

Eleanor Dennis (Head of Pensions) gave a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Pension Fund (HFPF) in respect of the Key Performance Indicators (KPIs) for the period April 2022 – September 2022, i.e., Quarter 1 (Q1) and Quarter 2 (Q2) inclusive.

Councillor Rory Vaughan said he was pleased to see an improvement in LPPA's service between Q1 and Q2. Noting that the Pension Fund Committee (PFC) had scrutinised the performance of LPPA a few times and that some issues could be due to teething problem, he asked about the expected timing for LPPA's quarterly Service Level Agreement (SLA) performance to meet the target of 95% having regard that it was on board for one year already.

Eleanor Dennis considered that the poor performance of LPPA in Q2 was mainly due to the lack of resources and priority to its planning and preparation of migrating to a new software platform for all LPPA clients. In fact, the KPIs for Q3 and Q4 were relaxed to take into account the transition to the new system. In terms of a recovery plan to meet the target, she noted that the LPPA would have presented their business plan to PFC and all clients by the end of the month. Councillor Vaughan believed that the PFC would keep LPPA "on-track" and asked Eleanor to convey this Board's concerns to the LPPA.

ACTION: Eleanor Dennis

In response to Neil Newton's enquiry, Eleanor Dennis confirmed that the internal migration had completed as planned in December 2022. The outgoing platform service provider had exited earlier than anticipated and this was why the migration had caused a bigger impact on the services that had been anticipated for all LPPA's clients.

On the question of complaints received from scheme members raised by Neil Newton, Eleanor Dennis noted that there was not anything in the portal advising people on the quality of services. The LPPA did ask callers to feedback on customers' level of satisfaction which was 66% for Q2. However, the statistics were not fund specific and hence did not represent scheme members of HFPPF. As regard how could a caller who had abandoned a call after waiting for 9 minutes express dissatisfaction, Eleanor noted that a formal complaint process was highlighted on the Fund's external website through which individuals might lodge complaints with the LPPA or HFPPF as well as via the in-house pensions team. The LPPA were reporting the helpdesk statistics on a fortnightly basis to the Head of Pensions. In fact, her team had received a higher number of complaints at the beginning of the migration. To minimise the negative experience of the scheme members during the migration, staff in her team did take on queries to resolve directly with LPPA on the members' or employers' behalf to help those members who wanted to get in touch or with issues to resolve during the poor performance period.

Neil Newton remarked that the helpdesk call statistics had noted the wait time range when the calls were received which however did not cover the number of people who had abandoned their calls after waiting for certain minutes. Eleanor Dennis noted that abandoned rate was shared with her, but she would ask if this could be made available. She understood that the Managing Director had sat on the helpdesk, trying to understand the issues involved and work out measures that could help alleviate the number of the calls and minimise the wait time. The Chair noted that in January 2022, 90% of calls were answered. He asked whether the 10% unanswered calls were abandoned calls. Eleanor advised that the calls referred to those answered within 4 minutes. Councillor Vaughan considered that the "Calls Answered" statistics would have a higher reference value if it also counted unanswered calls abandoned,

say, after 5 mins. Eleanor undertook to ask LPPA for more information on abandonment rate.

ACTION: Eleanor Dennis

Councillor Vaughan considered a call-back service would be helpful in saving people hanging up. Eleanor Dennis said this had been raised by the PFC also and that call-back service was among the options the LPPA would look at in the future.

Noting that the number of calls had fallen during summer 2022 but it took longer for the calls to be answered, the Chair asked for the reasons. Eleanor Dennis said that less calls might be due to summer holiday and more people engaged online with the portal. For calls taking longer to answer, Eleanor highlighted that resources were stretched in planning for system migration during the summer months, taking away resources from the core service however noting that bereavement calls were triaged so that they went straight through to the bereavement team and did not sit on a queue. She said that there had been an improvement in service between Q1 and Q2 of LPPA providing an administration service to the Fund, however, there remained room for improvement from LPPA in terms of both the KPIs and on the Helpdesk calls.

RESOLVED

That the Board noted the report, in particular the complaint handling mechanism.

6. PENSION ADMINISTRATION UPDATE

Eleanor Dennis (Head of Pensions) introduced the key areas of the Pension Administration Update report.

In reply to the concerns of Councillor Vaughan and Neil Newton on log recommendation #24 which was yet to start, Eleanor Dennis advised that the Communication Policy was a statement which detailed how information on the Fund would be made available ie via the LPPA portal and external website for reference of members and other stakeholders. She said that the Policy would be updated in line with the LPPA and Fund communication methods in the scheme year 2023/24. She confirmed once the policy was drafted it would be presented to the Pension Fund Committee and the log would be updated. Neil recalled that such information used to be included in the Fund's newsletter which was, in his opinion, a good channel to communicate with scheme members. Eleanor agreed that there should be a pensioners' newsletter issued by the LPPA and said she would find out the timeline of its issue with the LPPA.

ACTION: Eleanor Dennis

Neil Newton referred to log recommendation #5 which sought to actively seek to co-opt a non-voting Employee representative. As he understood, the Pensions Board had been set up by legislation to hold the PFC to account in terms of compliance, and to ensure effective and efficient administration of the HFPPF. He noted from the minutes of previous PFC meetings that the agenda of the Board meeting duplicated

what the PFC had already considered. As the recommendation was to co-opt a non-voting member onto the PFC, he questioned the need for the two bodies to co-exist and duplicate work.

Councillor Vaughan noted that the Pensions Board was set up by statute. He understood that it was not possible to co-opt voting scheme members onto the PFC.

Phil Triggs (Director of Treasury and Pensions) noted that according to the Council's Constitution, the PFC could co-opt non-voting independent members. Currently, the two co-opted members of PFC were ex-councillors who could share their knowledge and experience with other members. He suggested it was possible to amend the Constitution and give co-opted members voting rights.

Members exchanged views on the way forward and considered it necessary to seek the views of the Governance and Legal in this regard.

ACTION: Governance

RESOLVED

That the Board noted the content of the report and looked forward to the issuing of the pensioners' newsletter.

7. PENSION FUND QUARTERLY UPDATE PACK

Phil Triggs (Director of Treasury and Pensions) provided a summary of the Pension Fund's overall performance for the quarter ended 30 September 2022, its cashflow update and forecast, and assessment of risks and actions taken to mitigate these.

Members noted that the valuation of HFPF and the best funded scheme of Kensington & Chelsea stood at 105% and 154% respectively, based on the prevailing assumptions of valuation. Phil Triggs added that there would be an exercise by the Government's Actuary Department whereby all the client-based assumptions would be placed on a level-playing field to enable a meaningful comparison, probably from this April onward once all the processes being finalised. He said that the full report for the third quarter ending 31 December 2022 would be presented to the PFC at its meeting on 28 February 2023.

The Chair asked about the purpose of the ESG dashboard. Phil Triggs noted that it was a product developed by the LBHF to provide further accountability and allow members of the Fund to explore the impact of its investments. Being well received at the LGC Conference in Leeds in September 2022, the dashboard was anticipated to become a marketable item to generate some income for the Fund.

RESOLVED

That the Board noted the update.

8. DATE OF THE FUTURE MEETINGS

Members noted the dates of future meetings:

- 7 June 2023
- 6 February 2024

Meeting started: 7.00 pm
Meeting ended: 7.50 pm

Chair

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