

Pension Fund Committee Minutes



Tuesday 24 January 2023

PRESENT

Committee members: Councillors Ross Melton (Chair), Florian Chevoppe-Verdier, Laura Janes, Adam Peter Lang and Adrian Pascu-Tulbure

Co-opted members: Michael Adam (attended remotely) and Iain Cassidy

Officers: Eleanor Dennis (Head of Pensions)
Paul Moore (Pensions Specialist, attended remotely)

Clerk: Debbie Yau

Guest: Greg Smith (Director of Strategy, LPPA)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED

The minutes of the meeting held on 15 November 2022 were approved as accurate records of meeting.

4. PENSION ADMINISTRATION KEY PERFORMANCE INDICATORS

Eleanor Dennis (Head of Pensions) introduced the report which set out a summary of performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the LBHF Pension Fund for Quarter 2 (Q2), i.e. for the period of July 2022 – September 2022.

Greg Smith (Director of Strategy, LPPA) outlined the casework performance against the Service Level Agreement (SLA) for all cases (page 23) and the performance standard (page 24). He also briefed members on the changes made to the processing of cases in order to improve the members' experience, including a thorough assessment of cases on the first day of

receipt and a check in the last two days of the SLA period. Greg confirmed that although there was a low SLA for “Deaths”, payments to beneficiaries were given priority. Greg agreed to review if the Chair’s request for “payment to beneficiaries” and “other administrative processes” be listed separately under the performance standard of SLA for “Deaths”. He noted that similarly, that he would review if a payment category would be listed separately for cases of “Retirements”.

ACTION: Eleanor Dennis / Greg Smith

In this connection, Councillor Florian Chevoppe-Verdier highlighted the importance for the LPPA to provide the granular data with greater details of explanation to enhance the understanding of Committee members as well as members of the public. To enable members to see a bigger picture, Eleanor Dennis noted that more detailed information on the number of cases missing the SLA deadlines and the extent of delay, e.g. a day or a week, should be provided. Councillor Laura Janes considered it more comprehensive to set out the targets on the tables and indicate the number of cases or percentages that fell outside the limit. The Chair suggested including the explanations provided at the meeting for each category.

ACTION: Eleanor Dennis / Greg Smith

Eleanor Dennis pointed out that death cases had been incorrectly recorded in Q2 reporting. Greg Smith assured the Committee that he would look into this and it would be corrected going forward.

Iain Cassidy expressed concern about the 135 cases under “Other”, with 96.3% of them meeting the unspecified targets. Greg Smith undertook to clarify and provide the relevant information. He believed “Other” might be divorce claims and child benefits etc.

ACTION: Eleanor Dennis / Greg Smith

Noting that the LPPA reduced its SLA target from 95% to 90% of high priority cases (death and retirement cases) and to 70% for all other cases because of the migration to the UPM platform in Q3 of 2022/2023, Councillor Adrian Pascu-Tulbure asked how long this would last. Greg Smith explained that LPPA knew that migrating clients to a new platform would have an impact on the Fund’s Key Performance Indicators as LPPA’s resources were stretched and there would be periods of system outage. As it took time for the clients to go live, Greg estimated that the reduction of SLA target would last for about one or two quarters.

Councillor Florian Chevoppe-Verdier referred to the Helpdesk Calls Performance (pages 26 & 27) and asked about the possibility of setting up a call-back system. Greg Smith advised that call-back system was one of the options that LPAA might look into to enrich the members’ journey. LPPA also aimed to increase communications on its website to provide the support to members in advance of cyclical events such as with annual allowance information with a view to minimising the surging call demands. Greg

highlighted the length of time required for staff to go through the training and induction to provide customer services over the phone.

Councillor Chevoppe-Verdier asked about the details of employers submitting monthly returns rather than members' data on an annual basis, noting this would allow members to see up to date information when logging on. Greg Smith noted that about half of the employers of other clients were uploading monthly returns after they had undergone the required 1 -2 months' training with the new system. The other half of the employers including those under LBHF would be engaged in a gradual process over several months to receive the training and get ready before switching to issuing monthly returns. Greg advised that the LBHF employers would be engaging the last year end process in April 2023 and individual employers would go through a gradual process to switching to monthly returns. At the request of the Chair, Greg agreed to provide a breakdown on the number of LBHF employers who had engaged with the monthly returns process.

ACTION: Eleanor Dennis / Greg Smith

RESOLVED

The Committee noted the contents of the report.

5. PENSION ADMINISTRATION UPDATE

Eleanor Dennis (Head of Pensions) gave a Pension Administration Update and outlined the log of recommendations.

Councillor Adam Peter Lang appreciated that 97% of annual benefit statements due for eligible members had been sent and hoped the good practice could be maintained.

Responding to the concerns of Councillors Adrian Pascu-Tulbure and Laura Janes about calls to the Helpdesk, Greg Smith (Director of Strategy, LPPA) noted that although the current average wait time of 5 to 6 minutes was not as low as 3 minutes in Q1 and Q2, it was significantly lower than the peaks in the past. Due to the need for members to re-register online and for some clients to go live pursuant to system migration, this had put significant strain on the Helpdesk. To ensure immediate assistance would be provided to those in need, priorities had been assigned for death and retirement cases. In reply to Councillor Florian Chevoppe-Verdier's enquiry about LPPA generating income through call waiting, Greg believed that the monies might be received by the phone companies rather than LPPA. He undertook to look into the matter and revert.

ACTION: Eleanor Dennis / Greg Smith

RESOLVED

The Committee noted the contents of the report.

6. EXCLUSION OF THE PUBLIC AND PRESS (IF REQUIRED)

RESOLVED

The Committee resolved, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

7. FUND EMPLOYER CESSATIONS

Eleanor Dennis (Head of Pensions) introduced the report which outlined the recommendations of the Actuary and Legal Advisor to pay exit credits or write off the deficits as detailed in the Exempt Appendix 1.

RESOLVED

1. The Committee resolved, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.
2. The Committee agreed to pay exit credits and write off the deficits as detailed in the exempt Appendix 1.

8. DATE OF THE NEXT MEETING

The date of the next meeting was noted:

- 28 February 2023

Meeting started: 7.20 pm
Meeting ended: 8.25 pm

Chair

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