

Pension Fund Committee

Agenda

Tuesday 24 October 2023 at 7.00 pm
Room 9 (1st Floor)- 3 Shortlands, Hammersmith, W6 8DA

MEMBERSHIP

Administration	Opposition
Councillor Ross Melton (Chair) Councillor Florian Chevoppe-Verdier Councillor Laura Janes Councillor Adam Peter Lang	Councillor Adrian Pascu-Talbure
Co-optees	
Michael Adam Iain Cassidy	

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www.lbhf.gov.uk/committees

Members of the public are welcome to attend and the building has disabled access.

Date Issued: 16 October 2023

Pension Fund Committee Agenda

<u>Item</u>		<u>Pages</u>
1.	APOLOGIES FOR ABSENCE	
2.	DECLARATIONS OF INTEREST	
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.</p>	
3.	KEY PERFORMANCE INDICATORS	4 - 18
	<p>This paper resets out a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Fund which will be presented to the Committee by the Managing Director of LPPA.</p>	
4.	PENSION ADMINISTRATION UPDATE	19 - 21
	<p>This item provides an update on the pension administration service.</p>	
5.	FUND EMPLOYER CESSATIONS	22 - 23
	<p>This paper sets out cessation activity for the Fund. There is also a recommendation of a decision to be made by the Committee with reference to a Fund employer that have ceased in the Fund but have a surplus at the time that they are ceasing to be a participating employer</p>	

in the Fund. The recommendation is that the surplus is processed as detailed in Exempt Appendix 1.

This item includes appendices that contain exempt information. Discussion of the appendices will require passing the proposed resolution at the end of the agenda to exclude members of the public and press.

6. DATE OF THE NEXT MEETING

The next meeting will take place on 15 November 2023.

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

The Committee is invited to resolve, 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.

Agenda Item 3

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 24/10/2023

Subject: Key Performance indicators

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

This paper sets out a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Fund which will be presented to the Committee by the Managing Director of LPPA. The Key Performance Indicators (KPIs) for the period April 2023 – June 2023, i.e., Quarter 1 (Q1) for the scheme year 2023/24, which was previously presented at the Pension Fund meeting on 19/09/2023.

RECOMMENDATIONS

The Pension Fund Committee is asked to consider and note the contents of this report.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council tax payer.

Finance Impact

There are no direct financial implications as a result of this report. The costs of the pensions administration service, including costs of additional commissioned work provided by LPPA are met from the Pension Fund.

Sukvinder Kalsi, Director of Finance, 4th October 2023

Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund “is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations”. Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26th January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date. The Service Levels are set out in the Addendum to Schedule 1 of the contract with Lancashire County Council. This report asks that the Pension Fund Committee notes the performance against those Service levels.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 4th October 2023

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Analysis of Performance

1. The KPIs have been set out in the discharge agreement between the LPPA (Local Pension Partnership Administration) and the London Borough of Hammersmith & Fulham (LBHF). The Head of Pensions ensures performance measures are discussed and reviewed between both parties on a monthly basis in accordance with Code 14 of the Pension Regulator’s Code of Practice that states that the scheme manager should hold regular meetings with their service providers to monitor performance.
2. This report covers the performance of our administration partner LPPA Q1 of the pension fund scheme year 2023/24. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 April 2023 to 30 June 2023 inclusive.
3. During the period April 2023 to June 2023, LPPA processed 1478 SLA cases, an increase of 54 cases from Q4 for the Hammersmith & Fulham Pension Fund. The KPI performance target of 95% was met for 8 case types in Q1, compared to the 4 met in Q4. Which showed that the overall quarterly KPI performance improved to 96.5% from 91.9% in Q4.
4. There is no KPI measure for the telephone Helpdesk, but the service provision continues has improved, in Q1 this fell to around 3.16 minutes compared to 6 minutes in quarter 4.

Performance in key areas

5. Retirements – Performance on this task area has seen a much needed improvement. Despite still not meeting the target of 95%, active retirements saw an improved KPI of 84.1% in Q1, an improvement on both Q3 and Q4 performance. The processing of deferred retirements in Q1 saw a KPI of 89.7% a fall in performance from KPI of 96.1% in Q4. Retirement satisfaction scores were 58% in Q1 down from the 69% achieved in Q4. Updates in respect of August 2023 show that 87.5% of active retirements were processed on time and 91.1% of deferred.
6. Deaths – The processing of death cases has seen a continued upward trend with performance in Q1 of 85.7% of cases being completed on time, this has improved from the 73% processed within the 5 day SLA in Q4. The Head of Pensions continues to work with the LPPA team to improve this performance. Updates on performance for August 2023 show 93.3% of bereavements were processed on time.
7. Transfers – There were a decrease in the number of cases processed, of the 175 transfer cases (a decrease of 35 cases from Q4), received by LPPA in Q1. Most of cases were processed within the SLA with 96.8% of transfer ins processed on time and 96.3% of transfer outs.
8. Refunds – Performance on this case type continues to improve with 99.2% of cases processed on time in Q1 versus 91% of cases in Q4.
9. The Head of Pensions is continuing to challenge LPPA to meet their SLA targets in Q1 and Q2 and to provide accurate reporting metrics to enable LPPA's progress to be monitored effectively.

Summary

10. We have seen a more significant improvement in the performance of the pension administration service provided in Quarter 1 by LPPA. The Head of Pensions hopes that by Q2 LPPA delivers on its promise to meet SLA targets on all task areas and that the targets can be met consistently. As well as further progress towards improving the quality and ensuring that cases are processed accurately and efficiently.
11. None

Risk Management Implications

12. None

Climate and Ecological Emergency Implications

13. None

Consultation

14. None

LIST OF APPENDICES

Appendix 1 – LPPA Pension Administration report (Q1) April – June 2023

LPP

Local Pensions Partnership
Administration

Hammersmith & Fulham Pension Fund

Quarterly Administration Report

1st April – 30th June 2023

lppapensions.co.uk

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DEFINITIONS

Page 6

Casework Performance - all cases

Performance is measured once all information is made available to LPPA to enable them to complete the Process. Relevant processes are assigned a target timescale for completion, and the performance is measured as the percentage of processes that have been completed within that timescale.

Page 7

Casework Performance - standard

The category of 'Other' on this page covers processes including, but not limited to:

- APC/AVC Queries
- Additional Conts Cessation
- Change of Hours
- Change of Personal Details
- Under Three Month Opt-Out
- Main to 50:50 Scheme Changes
- Divorce Quotes
- Divorce Settlement
- Ill Health Reviews

Page 9 & 10

Helpdesk Performance

Average wait time measures the time taken from the caller being placed into the queue, to them speaking with a Helpdesk adviser.

OUR CORE VALUES

This administration report is produced in accordance with the Service Level Agreement (SLA) for the provision of pension administration services.

The report describes the performance of Local Pensions Partnership Administration (LPPA) against the standards set out in the SLA.

Within LPPA, our values play a fundamental role in guiding our behaviour as we grow our pensions services business and share the benefits with our Clients.



Casework Performance

In this section...

- Performance - all cases
- Performance - standard

CASEWORK PERFORMANCE

Please note:

Agreed with clients that LPPA's monthly operational targets would be relaxed from Nov 22 to Jan 23, in line with UPM migration timings (22/23).

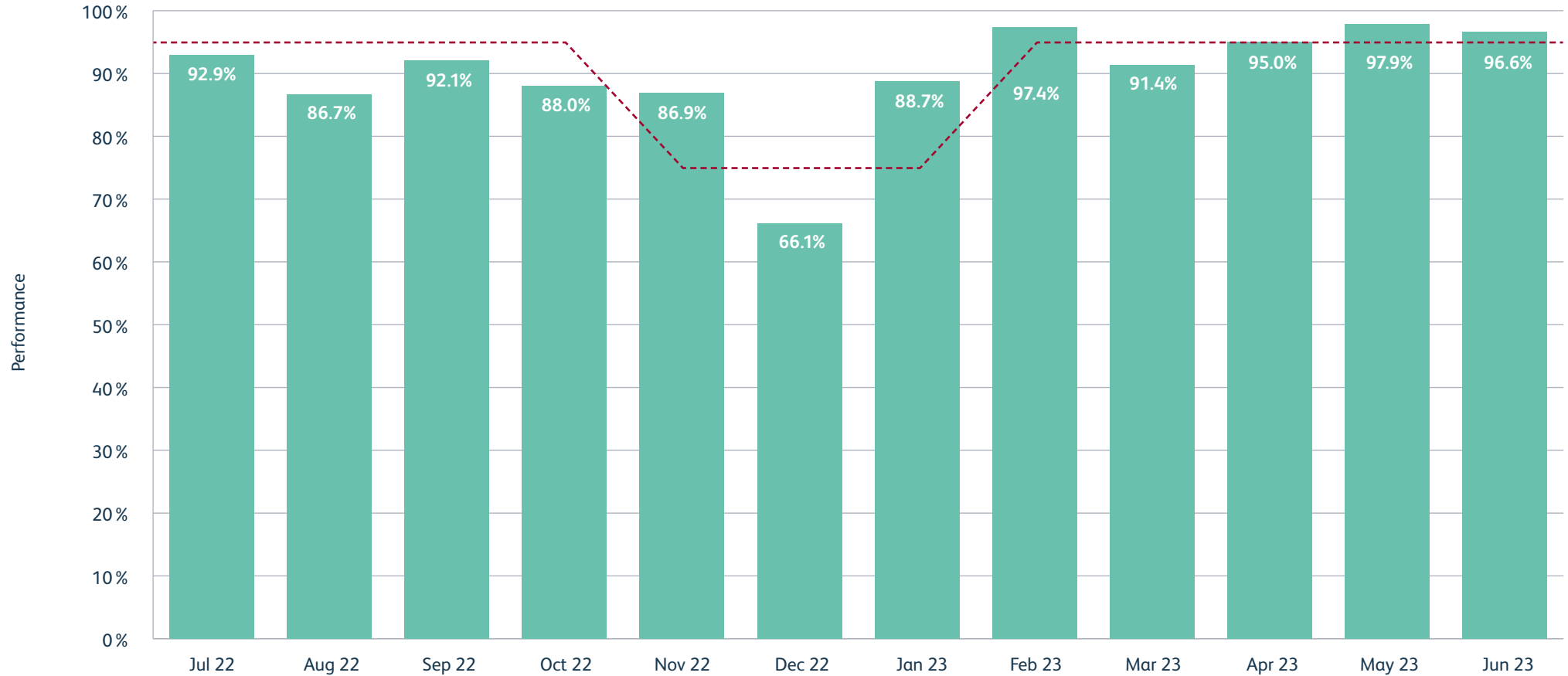


PERFORMANCE – ALL CASES

CLIENT SPECIFIC

--- Target

The quarterly SLA performance was 96.5%



CASEWORK PERFORMANCE



PERFORMANCE STANDARD

CLIENT SPECIFIC

----- Target (95%)



Helpdesk Calls Performance

The Helpdesk deals with all online enquiries and calls from Members for all funds that LPPA provide administration services for.

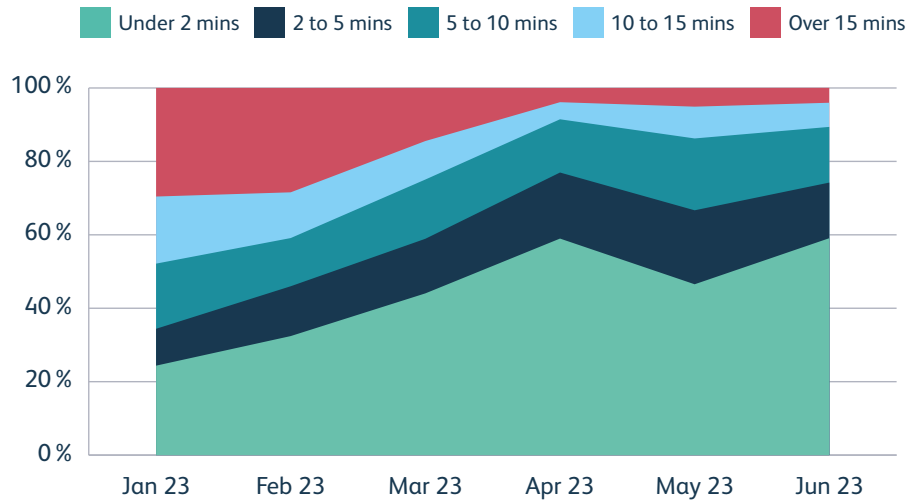
In this section...

- Wait time range
- Calls answered (%)
- Total calls

HELPDESK CALLS PERFORMANCE

WAIT TIME RANGE

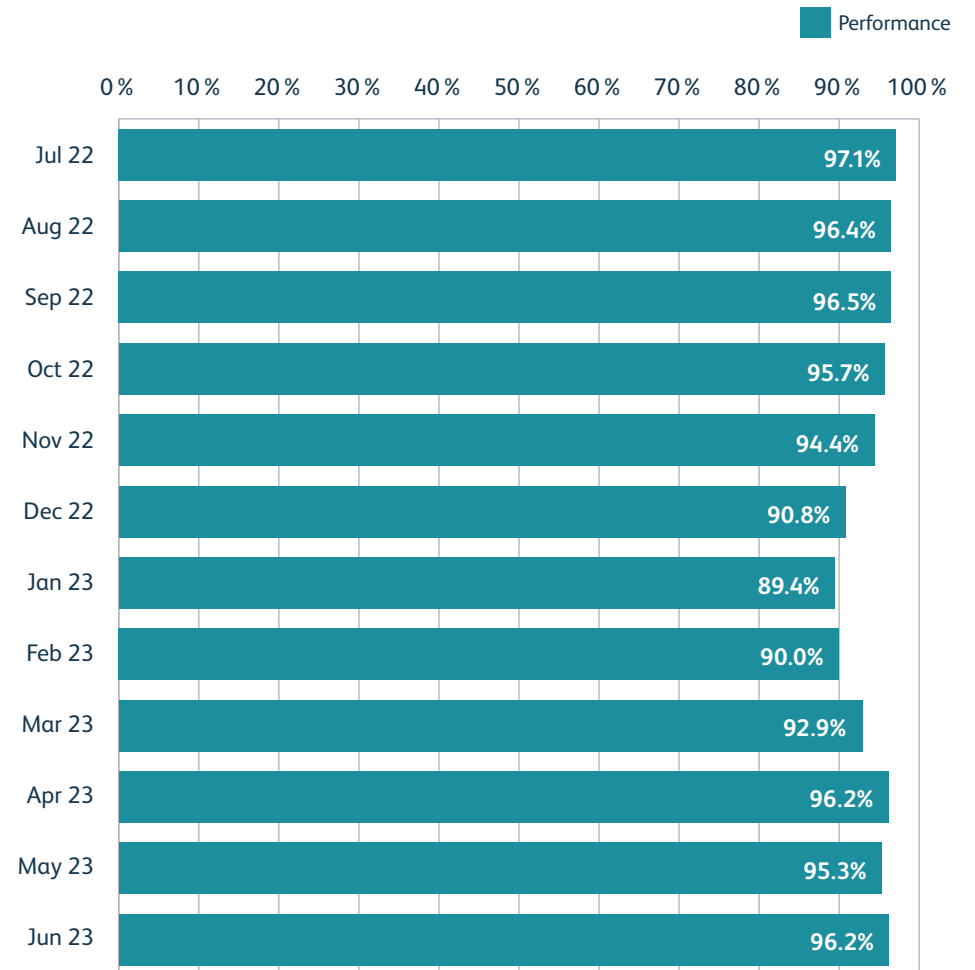
ALL LPPA



	Under 2 mins	2 to 5 mins	5 to 10 mins	10 to 15 mins	Over 15 mins
Jan 23	24.4%	10.0%	17.8%	18.3%	29.6%
Feb 23	32.4%	13.6%	13.1%	12.5%	28.4%
Mar 23	44.1%	14.9%	16.1%	10.5%	14.5%
Apr 23	59.0%	18.0%	14.5%	4.7%	3.9%
May 23	46.5%	20.2%	19.6%	8.7%	5.1%
Jun 23	59.1%	15.2%	15.2%	6.6%	4.1%

CALLS ANSWERED (%)

ALL LPPA

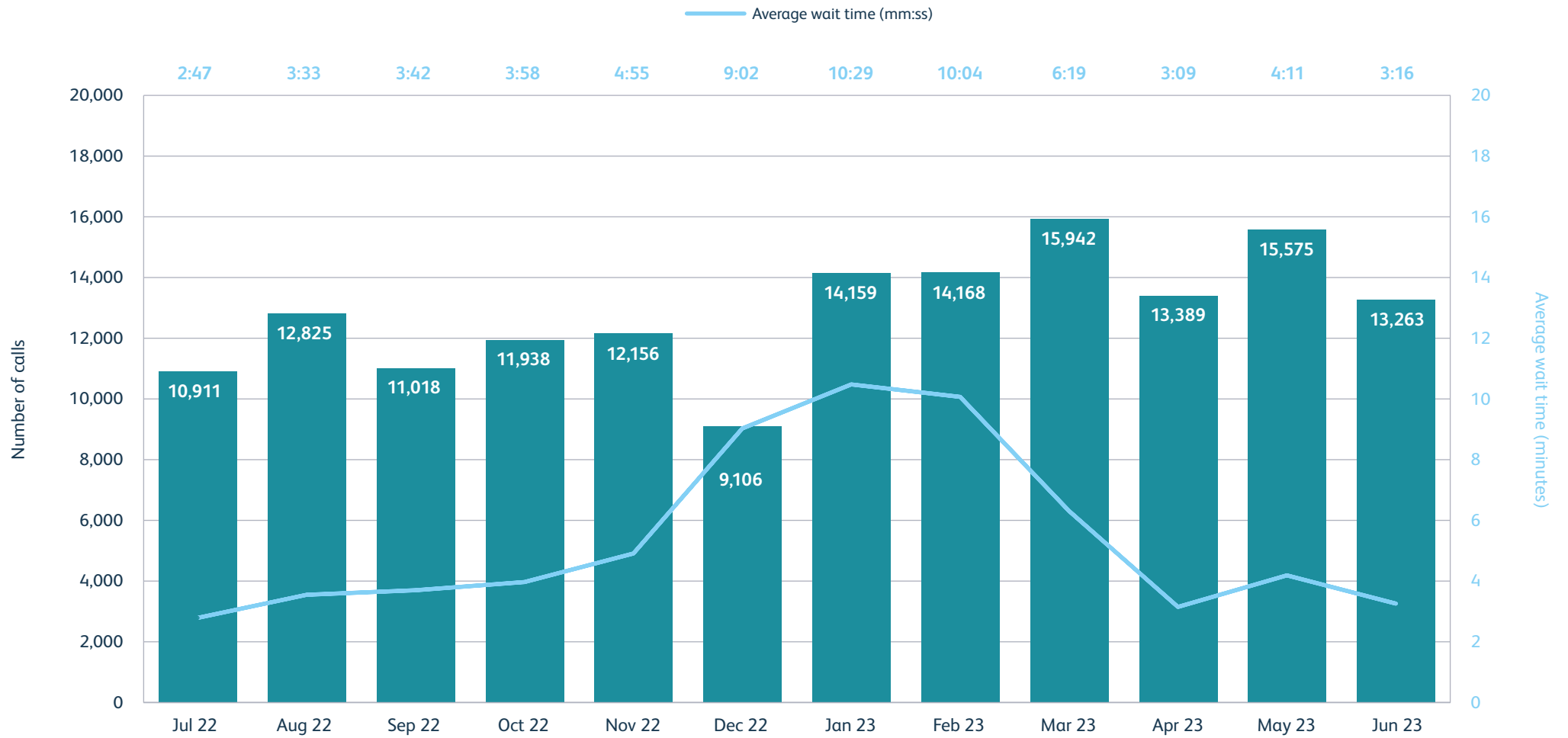


HELPDESK CALLS PERFORMANCE



TOTAL CALLS

ALL LPPA



LPP

Local Pensions Partnership
Administration

Report to: Pension Fund Committee

Date: 24/10/2023

Subject: Pension Administration Update

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

One of the key priorities for this LGPS Fund is to pay and administer the pensions of its members and their beneficiaries. The Hammersmith & Fulham Pension Fund (HFPPF) delegates its administration duties to Local Pension Partnership Administration (LPPA). The Fund continues to strive to deliver an efficient and effective service to its stakeholders against a growing trend of an increasing numbers of tasks and challenges. Challenges include increasing complex legislation, data challenges, limited resources and difficulty in engaging with employers, which mean some issues will take months or years to resolve fully. This paper provides a summary of activity in key areas of pension administration for the HFPPF.

RECOMMENDATIONS

The Pension Fund Committee is asked to consider and note the contents of this report.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for pension fund members, the Council and the council tax payer.

Finance Impact

The costs of the contract for the pensions administration service, including costs of additional work commissioned, provided by LPPA are met from the Pension Fund.

Sukvinder Kalsi, Director of Finance 4th October 2023

Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund “is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations”. Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26th January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 6th October 2023

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Analysis of Pension Administration

The Hammersmith & Fulham Pension Fund began its new partnership with the Local Pension Partnership Administration (LPPA) on 28 January 2022.

1. The service delivered by LPPA continues have challenges that are monitored closely by the LBHF Head of Pensions. LPPA have acknowledged their unsatisfactory service and are committed to improving the service going forward with initiatives such as a client relationship manager, more robust training, more recruitment, a centralised mailbox and client forums.

Update on key areas

2. Employers – The LBHF in house team are working with Fund employers to ensure they have a discretions policy in place and provide a copy to the Fund. We have received 84.5% of these and the pensions team continue to work with employers to obtain and have in place the remaining policies. LPPA continue to offer online training sessions for employers regarding the monthly submission process and to date 56% have been submitted.

3. Communications – The number of calls to the LPPA Helpdesk fell slightly in Q1 but also saw a welcome reduction in the average wait time of 3 minutes 45 seconds. Update for August 2023 show the average wait time had increased to 4 minutes 17 seconds with an 4.1% abandonment rate. LPPA will be reintroducing Fund specific Helpdesk stats going forward.
4. Engagement –There continues to be a positive trend from all membership groups engaging with the online portal. Q1 saw 59% of the membership now being registered with the online portal. This is up 89% from the number registered 12 months ago. The Head of Pensions attended a client forum at LPPA offices in Preston which was a useful exercise in building relationships and insight into understanding further LPPA focus for the future.
5. Regulatory – McCloud, the pension regulator over the next 2 years will require pension schemes to start issuing McCloud information alongside members annual benefits statements. LPPA will be working with the Fund and our employers to ensure they have the data to comply with this requirement. HMRC and LGA will be providing tools and resources for members affected by the remedy.
6. Audit – LPPA are supporting with the auditors request for data on membership but needed to chase, in order to receive the information in a timely manner.
7. Cyber Security – Recent media articles have highlighted breaches on pension data security. LPPA who continue to work with their partners to mitigate exposure to this risk and have increased security.
8. Overpayments – The pensions team are working with LPPA to look at legacy pension bereavement overpayments. Overpayments totalling over £17,490.77 has been written off however the team have been able to recover £810.69. The pension team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds.
9. Complaints – Unfortunately the number of complaints received has increased.

Conclusion

The pension administration service delivered by LPPA continues to show some signs of improvement, although the Fund are keen for this to be achieved in a faster timeframe and be maintained for consecutive periods. LPPA continue to work collaboratively with the Head of Pensions. It is not possible to quantify the time internal team spend on additional support and intervention provided in cases dealt with by LPPA, but we continue to record issues and feed these back to LPPA to resolve and improve. The Head of Pensions continues to work with LPPA to improve the service and quality experienced by our stakeholders including members and beneficiaries.

LIST OF APPENDICES

None.

Agenda Item 5

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 24/10/2023

Subject: Fund Employer Cessations

Report authors: Eleanor Dennis, Head of Pensions
Paul Moore, Pensions Specialist

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

This paper sets out cessation activity for the Fund. There is also a recommendation of a decision to be made by the Committee with reference to a Fund employer that have ceased in the Fund but have a surplus at the time that they are ceasing to be a participating employer in the Fund. The recommendation is that the surplus is processed as detailed in Exempt Appendix 1.

RECOMMENDATIONS

1. To agree that Appendices 1 to 7 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
 2. That the Pension Fund Committee approve payment of an exit credit as set out in Exempt Appendix 1.
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Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

Financial Impact

The financial implications are met by the Pension Fund.

Sukvinder Kalsi, Director of Finance, 10 October 2023.

Legal Implications

The legal implications are detailed in Exempt Appendix 1.

Legal implications verified by Angela Hogan, Chief Solicitor (Contracts and Procurement), Legal Services, 6 October 2023.

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The proposals and analysis of options can be found in Exempt Appendix 1.

Reasons for Decision

2. The decisions taken are in accordance with the legal and actuarial advice provided to the pension Fund.

LIST OF APPENDICES

Exempt Appendix 1 – Exempt Information, implications and recommendations

Exempt Appendix 2 – Medequip cessation report

Exempt Appendix 3 – Serco cessation report

Exempt Appendix 4 – Caterlink Ltd cessation report

Exempt Appendix 5 – The Disabilities Trust cessation report

Exempt Appendix 6 – Caterlink Ltd cessation report

Exempt Appendix 7 – Pinnacle cessation report