


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">PENSIONS BOARD</p> <p style="text-align: center;">5th June 2019</p>	
<p>LOCAL GOVERNMENT PENSION SCHEME (LGPS) ADMINISTRATION PERFORMANCE UPDATE REPORT.</p>	
<p>Report of the Mark Grimley – Director of Corporate Services</p>	
<p>Open Report</p>	
<p>Classification: For Information</p>	
<p>Key Decision: No</p>	
<p>Consultation Please state which other services have been consulted when drafting this report.</p>	
<p>Wards Affected: N/A</p>	
<p>Accountable Director: Mark Grimley – Director of Corporate Services</p>	
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1. EXECUTIVE SUMMARY

- 1.1. The day to day administration of the LBHF LGPS is delegated to Surrey County Council (SCC) under a Section 101 agreement effective from 1st September 2015.
- 1.2. The Section 101 agreement includes Key Performance Indicators (KPIs) which are generally consistent with national standards, these are monitored by the Bi-Borough Pensions and LBHF Human Resources teams.
- 1.3. This report provides an update of performance against the agreed KPIs and highlights the data cleansing deliverables.

2. RECOMMENDATIONS

- 2.1 That the Pensions Board notes the contents of this report.

3. SURREY COUNTY COUNCIL'S PERFORMANCE AGAINST THE KPIs

- 3.1. SCC's performance against the agreed KPIs is shown in Appendix 1 it covers the monthly performance from September 2018 to April 2019.
- 3.2. In addition to the KPIs, an agreed priority of the pensions administration service is that SCC would focus resources on the resolution of queries at the first point of contact carried via a dedicated help desk.
- 3.3. The aim is to resolve matters and enhance the user experience by providing a speedy reply to routine queries.
- 3.4. As a result, in April 2019 of the 509 personal contacts made by employees in the LBHF LGPS to the SCC help desk 90% (452) were resolved at the first point of contact.
- 3.5. Typically, those not resolved at the first point of contact are the more complex queries that are sent on to the specialist teams to resolve and then become subject to the agreed KPIs.
- 3.6. Challenges to the overall resolution of cases such as pension fund transfers tend to result from when SCC are required to collect information from other organisations such as previous employers. In this instance it is only the SCC performance that is recorded within the KPI and not the delays that were caused by other organisations.
- 3.7. Conversations are on going with SCC regarding the point to escalate pension fund transfer cases to the Retained HR Pensions team when the lack of response from other organisations delay resolutions to a point where it impacts upon the perception of the LBHF pension service. The conversations are reviewing the end to end processes to decide what improvements can be made.
- 3.8. Overall thirteen (13) of the seventeen (17) KPIs stand at 100%.
- 3.9. Within those KPIs that do not stand at 100% the SCC performance shows an improvement from March 2019 and it's only a small number of cases (6) that fell short of the target overall in April 2019.
- 3.10. The SCC performance against the Transfers out KPI is the lowest of all the KPIs (63%) and this has been brought to the attention of SCC at the HR Pension team/SCC Liaison meetings for immediate improvement.
- 3.11. Closer monitoring of Transfers Out and the other KPIs not standing at 100% is being carried out by the HR Retained Pensions Team.

4. DATA CLEANSING FOR TRIENNIAL VALUATION 2019

- 4.1. The data for the next triennial valuation will be cut from SCC's Pension Administration System (Altair) as at the 1st April 2019.

- 4.2. The data is sent by SCC to the Pension Fund Actuary Barnett Waddingham (BW), whose role is to perform a valuation of the whole Pension fund income against its current and projected liabilities, using a series of sophisticated industry recognised algorithms.
- 4.3. The output from this exercise is an actuarially assessed LGPS employer rate for each employer for the next three years starting from 1st April 2020, which may in some rare cases include an additional lump sum to cover historic liabilities.
- 4.4. In preparation for the data output, SCC have carried out a data error identification exercise in conjunction with BW. This is to ascertain what historical data inaccuracies and inconsistencies that were inherited from Capita remain and what others have been subsequently created by BT and other payroll providers all of which need to be addressed. This is to ensure that the subsequent Employers' rates are calculated as accurately as possible.
- 4.5. The identification process found a total of 1152 data inaccuracies and inconsistencies and these are currently being worked through by SCC and the Retained HR Pensions team. To complete the exercise within the required timeframe it has been agreed that SCC have engaged additional support from the outsource provider JLT.
- 4.6. SCC have carried the required diligence and verifications checks and carry the responsibility for the quality assurance and management of JLT.
- 4.7. The agreed process requires the Retained HR Pensions Team to check and verify payroll and other data before sending to JLT for resolution. Currently 488 cases are with JLT for resolution and the remaining 664 are ongoing.
- 4.8. Fresh validation data extracts will be taken periodically during the process and checked by BW to ensure that the number of data inaccuracies and inconsistencies is reducing in line with expectations.
- 4.9. In addition to the above, the mid-year change of LBHF payroll provider has resulted in the need to merge the end of year employer 2018/19 returns that need to be supplied to SCC.
- 4.10. For 2018-19 we have year-end data from 4 sources for the borough as the employer that need to be merged into a single return. The sources are: (a) BT; (b) Hampshire; (c) schools that used BT part of the year; (d) schools that used external providers for the whole year but where the borough is still the employer. It is anticipated that the files will be merged by the end of May 2019

5. EQUALITY IMPLICATIONS

- 5.1. None

6. LEGAL IMPLICATIONS

6.1. None

7. FINANCIAL IMPLICATIONS

7.1. None

8. IMPLICATIONS FOR LOCAL BUSINESS

8.1. None

9. COMMERCIAL IMPLICATIONS

11.1 None

10. IT IMPLICATIONS

10.1. None

11. RISK MANAGEMENT

13.1 N/A

12. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

14.1 None

LIST OF APPENDICES:

Appendix 1 KPI Report – Hammersmith & Fulham Fund

LBHF PENSION ADMINISTRATION KPIS

(figures in brackets represent cases processed out of target as part of the total number given before it)

Description	Target Time	This mth -v- last mth	Apr 19 score	Apr 19 cases	Mar 19 Score	Mar 19 Cases	Feb 19 Score	Feb 19 Cases	Jan 19 Score	Jan 19 Cases	Dec 18 Score	Dec 18 Cases	Nov 18 Score	Nov 18 Cases	Oct 18 Score	Oct 18 Cases	Sep 18 Score	Sep 18 Cases
Pension Administration																		
Death Benefits																		
Write to dependant and provide relevant claim form	5 days	n/c	100%	9	100%	3	100%	1	100%	3	100%	4	100%	6	100%	4	100%	16
Set up any dependants benefits and confirm payments due	10 days	n/c	100%	11	100%	3	100%	1	100%	4	67%	3	100%	3	100%	1	94%	19
Retirements																		
New retirement benefits processed for payment following receipt of claim forms	7 days	n/c	100%	5	100%	11	100%	2	100%	0	100%	4	100%	3	100%	0	89%	10
Deferred retirement benefits processed for payment following receipt of claim forms	7 days	12% up	92%	12 (1)	80%	20 (6)	100%	11	92%	13	80%	20	100%	19	64%	15	95%	40
Refunds of Contributions																		
Refund paid following receipt of claim form	10 days	n/c	100%	2	100%	1	100%	3	100%	3	100%	6	100%	3	100%	1	42%	30
Deferred Benefits																		
Statements sent to member following receipt of leaver notification	20 days	2% up	96%	27 (1)	94%	17 (1)	100%	20	100%	22	85%	13	93%	15	100%	7	58%	91
Estimates																		
Early Retirement requests from employer	10 days	n/c	100%	3	100%	7	100%	3	67%	3	100%	4	50%	6	100%	0	90%	11
Projections																		
Requests from employees	10 days	14% up	97%	37 (1)	83%	6 (1)	86%	7 (1)	100%	4	100%	1	25%	7	100%	1	89%	21
New Joiners																		
New starters processed	30 days	n/c	100%	13	TBC	TBC	100%	9	100%	122	100%	0	100%	11	100%	39	100%	23
Transfers In																		
Quote estimate to scheme member (includes interfunds)	20 days	n/c	100%	11	100%	4	100%	7	100%	3	83%	6	100%	7	100%	0	36%	36
Transfers-in payments processed	20 days	n/c	100%	3	100%	0	100%	3	100%	1	100%	2	100%	1	100%	0	100%	1
Transfers Out																		
transfers-out quotations processed (includes interfunds)	20 days	6% up	63%	8 (3)	57%	7 (3)	100%	10	100%	11	83%	6	86%	8	75%	5	71%	40
Transfers out payments processed	20 days	29% up	100%	6	71%	7 (2)	100%	11	100%	10	100%	0	100%	0	100%	2	100%	2
Helpdesk Queries First Point Fix																		
	No set target	-	90%	509	89%	447	88%	354	88%	497	89%	348	73%	457	88%	545	93%	508
Monthly Pensioner Payroll																		
Full reconciliation of payroll and ledger report provided to Borough	Last day of month	n/c	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-
Issue of monthly payslips	3 days before pay day	n/c	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-
RTI file submitted to HMRC	3 days before pay day	n/c	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-
BACS File submitted for payment	3 days before pay day	n/c	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-	100%	-

 Green = target met
 Red = target not met