

London Borough of Hammersmith & Fulham

Report to: Pension Fund Sub-Committee

Date: 3 March 2021

Subject: Pension Administration Performance Update

Report of: Eleanor Dennis, Pensions Manager

Executive Summary

1.1 This paper sets out a summary of the performance of Surrey County Council (SCC) in providing a pension administration service to the Fund. The Key Performance Indicator (KPI) for the period November 2020 – January 2021 inclusive as shown in the Appendix 1.

Recommendations

1. The Pension Fund Sub-Committee is asked to consider and note the contents of this report.
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Wards Affected: None

H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
<ul style="list-style-type: none">• 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.

Financial Impact

- None

Legal Implications

- None
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Background Papers Used in Preparing This Report

KPI Report

1.0 KPI Performance

- 1.1. The KPI's have been set out in the delegation agreement between SCC and the London Borough of Hammersmith & Fulham (LBHF). The Pensions Manager 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.
- 1.2. The Committee should note that during the Covid-19 pandemic The Pension Regulator asked Fund's to work with their administrators to ensure that there was a minimum focus on the delivery of pay impacting tasks i.e. retirements, refunds, deaths and understands as a consequence delivery on other tasks such as transfers will be impacted, which is demonstrated in the Funds KPI's on transfer tasks.
- 1.3. Unfortunately, the number of deaths has increased recently, with numbers a third higher than January 2020. However, you will note that SCC's ability to respond promptly to these cases has improved as they have recently introduced a new process that we are seeing reflected in the improved KPI's. Although it is still disappointing to see that 2 cases fell outside of the agreed 10 day SLA in January 2021, albeit by less than 5 working days.
- 1.4. The number of retirements in January 2021 more than doubled which alongside the increase in deaths seems to have an impact on SCC's ability to meet the KPI as 2 cases fell outside of the 10 day SLA.
- 1.5. The number of refunds processed in January 2021 was high and has increased significantly over the last 3 months, with 1 case falling outside the agreed 10 day SLA.

2. Telephone Helpdesk

- 2.1 The Pension Regulator in response to the Covid-19 pandemic has stressed the importance of pension administrators remaining accessible for members whether that be by email, telephone or post.
- 2.2 There are no defined KPI's for the SCC helpdesk in the delegation agreement other than the requirement for a telephone service that operates Monday to Friday 8.30am – 5pm. This service has been operating on a reduced basis of 10-12 and 2 - 4pm since March 2020 until further notice. However, there is a customer promise to respond to "quick win" emails within 3 days.
- 2.3 Over the last 3 months the volume of calls to the dedicated telephone helpdesk has fallen slightly from the high levels in November of 461 to 436 in January 2021.

3.0 Summary

The KPI's for the last quarter (November 2020 to January 2021) are below the level we require from our administrators but have improved in key areas such as deaths and we continue to work with them to understand the activity trends and challenge poor performance.

Both the SCC exit team and the BAU team continue to work collaboratively with us in the best interests of the Pension Fund, it's members and beneficiaries.