

London Borough of Hammersmith & Fulham

Report to: Pension Board

Date: 09 June 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 January 2021 – April 2021 inclusive as shown in the Appendix 1.

Recommendations

1. The Pension Board 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 Board 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 during the first three months of the year, but this has fallen significantly in April, to levels more in line with pre Covid levels. However, you will note 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 for March and April.
- 1.4. As the team have improved processes, we can also see their ability to process the number of new retirements in line with the agreed SLA's has also increased, to 100% for the first time in 4 months.
- 1.5. The performance on the processing of transfer ins estimates and payments continue to lag but performance levels have increased by 21% and 27% respectively.

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. Although the service had been operating on a reduced basis of 10 -12am and 2 - 4pm since March 2020, the original service hours have been reinstated since May 2021. Although fund specific customer satisfaction data is not available the majority is positive.
- 2.3 Over the last 4 months the volume of calls to the dedicated telephone helpdesk has increased but a higher percentage are being resolved on the call rather than being passed to the back office admin team.

3.0 Summary

- 3.1 The KPI's for the last quarter (January to April 2021) are still below the desired level we require from our administrators, but we have seen improvements in key areas such as deaths and retirement. The pensions manager continues to work with SCC to understand the activity trends and challenge poor performance.
- 3.2 Despite the understanding that the Fund is choosing to exit from SCC in February 2022, in addition to other Funds exiting their services, they remain committed to continue to process efficiently as many cases as possible and are still recruiting to help maintain delivery.
- 3.3 Both the SCC exit team and the business as usual team continue to work collaboratively with LBHF in the best interests of the Pension Fund, it's members and beneficiaries.