

London Borough of Hammersmith & Fulham

Report to: Pension Fund Committee

Date: 21 July 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 Indicators (KPI's) for the period January 2021 – May 2021 inclusive are shown in the Appendix 1.

Recommendations

1. The Pension Fund 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. This is 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 Pension Fund Committee should note that at the beginning of 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. These areas will continue to be the focus of the team during the exit period.
- 1.3. Unfortunately, the number of deaths increased during the first three months of the year, but this has fallen significantly in April and May 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, April and May.
- 1.4. As the team have improved processes, we can also see that their ability to process the number of new retirements in line with the agreed SLA's has also increased. It reached 100% for the first time in 4 months demonstrated in April's levels albeit that there was a slight dip in May.
- 1.5. The performance on the processing of transfer estimates and payments continues to lag behind other task areas however, performance levels have increased to levels not demonstrated for over a year, with 74% of transfers-in being completed on time and 100% of transfer-outs, which is a real tangible improvement for the Fund's members.

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 -12 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.

Over the first 4 months of the year, the volume of calls to the dedicated telephone helpdesk had increased but a higher percentage are being resolved on the call rather than being passed to the backoffice admin team. However, in May 2021, we have seen the volume of calls fall to their lowest level this year, which unfortunately has not translated to an increase in cases dealt with at the first point of the query.

3.0 Summary

The KPI's for the last period (January to May 2021) are still below the desired level that we require from our administrators but we have seen significant 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.

Despite the understanding that the Fund is choosing to exit from SCC in January 2022, in addition to other Fund exiting their services, they remain committed where possible to continue to process efficiently as many cases as possible and are still recruiting to help maintain delivery.

Both the SCC exit team and the business as usual administration team continue to work collaboratively with us for the best interests of the Pension Fund, it's members and beneficiaries.