

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Board

Date: 08/06/2022

Subject: Key Performance Indicators

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Responsible Director: Emily Hill, 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 Fund. The Key Performance Indicators (KPI) for the period January 2022 – March 2022 inclusive are shown in the Appendix 1 and Appendix 2.

RECOMMENDATIONS

1. The Pension Board is asked to consider and note the contents of this report.
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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 tax payer.

Finance Impact

The costs of pensions administration are borne by the Pension Fund. There are no financial implications arising from the recommendations in this report.

Emily Hill, Director of Finance, 30 May 2022

Legal Implications

The Council entered into a 'Deed of Agreement for the discharge by Lancashire County Council of the LGPS pension administration functions of the London Borough of Hammersmith and Fulham' sealed on 25th January 2022. Under the agreement, it is acknowledged that Lancashire has sub-contracted its obligations to provide the

functions set out in the Deed to Local Pensions Partnership Limited ('LPPA'). The Addendum to Schedule 1 of the agreement sets out the Service Levels expected of LPPA. LPPA has a contractual duty to provide Hammersmith & Fulham with a quarterly Performance Report.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 27th May 2022

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 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 is the first report on the performance of our new administration partner LPPA. However, it covers quarter 4 of the scheme year. The KPIs detailed in Appendix 1 of this report cover the period 26 January 2022 to 31 March 2022 inclusive.
3. During the period January to March 2022, LPPA processed 450 SLA. The KPI performance was only met in one task area. However, in 4 areas 90% of KPIs were met as detailed in Appendix 2.

Performance in key areas

4. Retirements – Performance on this task area for active was poor due to challenges with the new system. The process is being more tightly managed. Processing of deferred retirement fared better at 77.8% of these cases were processed on time.
5. Deaths – Of the 36 cases received 83.6% 30 cases were processed within the 5 day SLA.
6. Transfers – 71 cases in total were received by LPPA. 30 transfers in were processed within the 6 working days SLA and 32 transfers out.
7. Refunds – Of the 12 cases received 9 cases were processed within the 5 day SLA.

Summary

8. It has been a disappointing start in the performance of processing cases as LPPA were overwhelmed with getting to grips with their new administration software UPM. That has meant the system has been unavailable to the LPPA teams to process the tasks, and some cases are still unable to be processed due to system faults. We hope to see a marked improvement in the next quarter as the teams become more familiar with the system there is less outage and the system errors are resolved.

LIST OF APPENDICES

Appendix 1 – KPI figures for January – March 2022

Appendix 2 – KPI Percentage for January – March 2022