

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pension Fund Committee

**Date:** 20/06/2022

**Subject:** Key Performance indicators

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**Responsible Director:** Emily Hill, Director of Finance

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## 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 Hammersmith & Fulham Fund. The Key Performance Indicators (KPIs) for the period January 2022 – March 2022 inclusive are shown in the Appendix 1 and Appendix 2.

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## RECOMMENDATIONS

The Pension Fund Committee is asked to consider and note the contents of this report.

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**Wards Affected:** None

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
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 the contract for the pensions administration service provided by LPPA are met from the Pension Fund.

Emily Hill, Director of Finance 8<sup>th</sup> June 2022

## Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund “is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations”. Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26<sup>th</sup> January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date. The Service Levels are set out in the Addendum to Schedule 1 of the contract with Lancashire County Council. This report asks that the Pension Fund Committee notes the performance against those Service Levels.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 6<sup>th</sup> June 2022

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## Background Papers Used in Preparing This Report

None

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## DETAILED ANALYSIS

### Analysis of Performance

1. The KPIs have been set out in the discharge agreement between the 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 KPI’s 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 451 SLA cases and 2164 work items in total for the Hammersmith & Fulham Fund. The KPI performance was only met in one task area. However, in 4 areas 90% of KPI’s 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. However the LPPA team have confirmed that there are less system issues which mean we should see better KPI performance

in the area for the next quarter. Processing of deferred retirement fared better as 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.

### **Equality Implications**

9. None

### **Risk Management Implications**

10. None

### **Climate and Ecological Emergency Implications**

11. None

### **Consultation**

12. None

### **LIST OF APPENDICES**

**Appendix 1 – KPIs for January – March 2022**

**Appendix 2 – KPI Percentages for January – March 2022**