

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 06/10/2022

Subject: Pension Administration Key Performance Indicators

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Responsible Director: Sukvinder Kalsi, 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 Hammersmith & Fulham Fund. The Key Performance Indicators (KPIs) for the period April 2022 – June 2022 inclusive are shown in the Appendix 1.

RECOMMENDATIONS

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

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

There are no direct financial implications as a result of this report. Costs of the pensions administration service, including costs of additional commissioned work provided by LPPA are met from the Pension Fund.

Andre Mark, Head of Finance, 27 September 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 26th 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), 27 September 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 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 report is on the performance of our administration partner LPPA. However, it covers the first full quarter of the scheme year. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 April 2022 to 30 June 2022 inclusive.
3. During the period April to June 2022, LPPA processed 1006 SLA cases (this is more than double the number of cases processed in quarter 4 (Q4) for the Hammersmith & Fulham Fund. Whilst the KPI in quarter 1 (Q1) has improved since Q4. The KPI performance target of 95% was only met for 2 case types namely new joiners and refunds area. However, in 5 areas 90% of KPI’s were achieved an improvement on the 4 met in Q4.
4. There is no KPI measure for the Helpdesk but the service provision has improved with average call times now reduce to 3 minutes.

Performance in key areas

5. Retirements – Performance on this task area for actives has improved to 80% due to less challenges with the new system. Processing of deferred retirement continued to fare better as 90.4% were processed on time compared to only 77.8% in Q4.
6. Deaths – The processing of death cases saw a dramatic decline in the number of cases processed on time, due to reduced resources with only 48.8% processed within the 5 day SLA. The Head of Pensions is working with the team led to improve.
7. Transfers – 71 cases in total were received by LPPA. 30 transfers in were processed within the 6 working days SLA and 32 transfers out.
8. Refunds – The number of refund cases more than tripled to 41 and 97.6 % of cases were processed within the 5 day SLA.
9. LPPA are entering the final phase of migrating 9 clients (300,000 members) to their new pension administration platform between October to December 2022. This may have an impact on the Fund's KPI's as LPPA resources are stretched. It is however hoped that the lessons learnt with our own migration mean that the impact is minimal. However as such with all clients they are reducing their SLA's from 95% of high priority cases (which are death and retirement cases) being processed on target to 90%. As well as all other cases including transfers, refunds and estimates from 95% to 70%

Summary

10. The first full quarter of LPPA providing administration service has seen an improvement in most areas, however there remains room for improvement from LPPA and the services it provides to the Fund. The Head of Pensions hopes to see continued improvement in the next quarter despite LPPA internal projects.

LIST OF APPENDICES

Appendix 1 – LPPA Pension Administration report April – June 2022