

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 24/01/2023

Subject: Key Performance indicators

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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 as reported in the November meeting for further discussion. The Key Performance Indicators (KPIs) for the period July 2022 – September 2022, Quarter 2 (Q2), inclusive are shown in the Appendix 1, quarter 3 results were not available at the time this report was written.

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.

Sukvinder Kalsi, Director of Finance, 13th January 2023

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) 13th January 2023

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 it covers Q2 of the pension fund scheme year. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 July 2022 to 30 September 2022 inclusive.
3. During the period July to September 2022, LPPA processed 1047 SLA cases, an increase of 41 cases for the Hammersmith & Fulham Fund. The KPI performance target of 95% was met for 5 case types (an improvement on the 2 met last quarter), which consisted of new joiners, aggregations, deferred benefits and retirements for both active and deferred’s. However, in the task areas that have KPI measures 5 were achieved, an improvement on the 2 met in Q1.
4. There is no KPI measure for the telephone Helpdesk but the service provision continues to improve, with average call wait times held consistently around 3 minutes.

Performance in key areas

5. Retirements – Performance on this task area has seen a much needed improvement. For active retirements a KPI of 100% was achieved for the first time from LPPA. The processing of deferred retirements also improved, as 97.2% were processed on time compared to 90.4% in Q1.
6. Deaths – The processing of death cases has improved slightly from the 48.8% of cases completed on time in Q1, to 80% processed within the 5 day SLA in Q2. The Head of Pensions continues to work with the LPPA team to improve this performance.
7. Transfers – 135 cases in total (an increase of 8 cases from Q1) were received by LPPA. 81 transfer in's were processed within the 6 working days SLA and 66 transfer out's.
8. Refunds – There were 44 received in Q2 however there was a fall in performance for this area as only 75% of cases received were processed within the 6 day turnaround compared to 97.6 % of cases in Q1.
9. LPPA are entering the final phase of migrating 9 clients (300,000 members) to their new pension administration platform UPM in Q3, between October 2022 to January 2023 inclusive. This may have an impact on the Fund's KPI's as LPPA resources are stretched and there will be periods of system outage. However because of this they are reducing their SLA's from 95% of high priority cases (which are death and retirement cases), being processed on target to 90%. With all other cases including transfers, refunds and estimates falling from 95% to 70%.

Summary

10. Quarter 2 of LPPA providing an administration service to the Fund has seen an improvement in most areas, however there remains room for improvement from LPPA in particular in processing of death cases. The Head of Pensions hopes to see continued improvement in the next quarter despite LPPA's internal migration project.
11. None

Risk Management Implications

12. None

Climate and Ecological Emergency Implications

13. None

Consultation

14. None

LIST OF APPENDICES

Appendix 1 – LPPA Pension Administration report July – September 2022