

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 24/10/2023

Subject: Key Performance indicators

Report author: Eleanor Dennis, Head of Pensions

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 which will be presented to the Committee by the Managing Director of LPPA. The Key Performance Indicators (KPIs) for the period April 2023 – June 2023, i.e., Quarter 1 (Q1) for the scheme year 2023/24, which was previously presented at the Pension Fund meeting on 19/09/2023.

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. The 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, 4th October 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) 4th October 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 covers the performance of our administration partner LPPA Q1 of the pension fund scheme year 2023/24. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 April 2023 to 30 June 2023 inclusive.
3. During the period April 2023 to June 2023, LPPA processed 1478 SLA cases, an increase of 54 cases from Q4 for the Hammersmith & Fulham Pension Fund. The KPI performance target of 95% was met for 8 case types in Q1, compared to the 4 met in Q4. Which showed that the overall quarterly KPI performance improved to 96.5% from 91.9% in Q4.
4. There is no KPI measure for the telephone Helpdesk, but the service provision continues has improved, in Q1 this fell to around 3.16 minutes compared to 6 minutes in quarter 4.

Performance in key areas

5. Retirements – Performance on this task area has seen a much needed improvement. Despite still not meeting the target of 95%, active retirements saw an improved KPI of 84.1% in Q1, an improvement on both Q3 and Q4 performance. The processing of deferred retirements in Q1 saw a KPI of 89.7% a fall in performance from KPI of 96.1% in Q4. Retirement satisfaction scores were 58% in Q1 down from the 69% achieved in Q4. Updates in respect of August 2023 show that 87.5% of active retirements were processed on time and 91.1% of deferred.
6. Deaths – The processing of death cases has seen a continued upward trend with performance in Q1 of 85.7% of cases being completed on time, this has improved from the 73% processed within the 5 day SLA in Q4. The Head of Pensions continues to work with the LPPA team to improve this performance. Updates on performance for August 2023 show 93.3% of bereavements were processed on time.
7. Transfers – There were a decrease in the number of cases processed, of the 175 transfer cases (a decrease of 35 cases from Q4), received by LPPA in Q1. Most of cases were processed within the SLA with 96.8% of transfer ins processed on time and 96.3% of transfer outs.
8. Refunds – Performance on this case type continues to improve with 99.2% of cases processed on time in Q1 versus 91% of cases in Q4.
9. The Head of Pensions is continuing to challenge LPPA to meet their SLA targets in Q1 and Q2 and to provide accurate reporting metrics to enable LPPA's progress to be monitored effectively.

Summary

10. We have seen a more significant improvement in the performance of the pension administration service provided in Quarter 1 by LPPA. The Head of Pensions hopes that by Q2 LPPA delivers on its promise to meet SLA targets on all task areas and that the targets can be met consistently. As well as further progress towards improving the quality and ensuring that cases are processed accurately and efficiently.
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 (Q1) April – June 2023