

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 15/11/2023

Subject: 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 July 2023 – September 2023, i.e., Quarter 1 (Q2) for the scheme year 2023/24.

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, 3rd November 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) 6th November 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 Q2 of the pension fund scheme year 2023/24. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 July 2023 to 30 September 2023 inclusive.
3. During the period July 2023 to September 2023, LPPA processed 1155 SLA cases, which was a decrease of 323 cases from Q1 for the Hammersmith & Fulham Pension Fund. The overall quarterly KPI performance stayed the same however performance fell short in case types, estimates, deaths and active retirements.
4. There is no KPI measure for the telephone Helpdesk, in Q2 the average wait time rose slightly to 4 minutes 12 compared to 3 minutes 16 in Q1.

Performance in key areas

5. Retirements – Performance on this task area has seen a much needed improvement. Although not meeting the target of 95%, active retirements saw an improved KPI of 85.7%. The processing of deferred retirements also improved in Q2 with a KPI of 95% compared to a KPI of 89.7% in Q1.
6. Deaths – The processing of death cases has seen a continued upward trend with performance in Q2 seeing 93.8% of cases being completed on time. An improvement from 85.7% of cases in Q1 that were processed within the 5 day SLA. The Head of Pensions continues to work with the LPPA team to improve this performance.
7. Transfers – There were a small decrease in the number of cases processed, of the 171 transfer cases (a decrease of 4 cases from Q1), and a good KPI performance in this area. Most of cases were processed within the SLA with 96.1% of transfer ins processed on time and improvement of transfer outs as 98.9% were processed on time.
8. Refunds – Performance on this case type continues to be good with 98.6% of cases processed on time.
9. The Head of Pensions is continuing to challenge LPPA to meet their SLA targets as well as to increase the quality in terms of the delivery of this service.

Summary

10. Pensions administration has so many moving facets, so it is encouraging to see consistency of KPI performance from Q1 to Q2. However, is disappointing to see LPPA promise of a return to targets being met in all areas not being met. LPPA admit that there is improvement to be made and have acknowledge that this will take longer than hoped to achieve, which will continue to be closely managed.
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 (Q2) July – September 2023

Appendix 2 – LPPA Supplementary Q2 KPI data