

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 23/07/2024

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 Pension Fund. The Key Performance Indicators (KPIs) for the period January – March 2024 i.e., Quarter 4 (Q4), inclusive are shown in 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.

Sukvinder Kalsi, Director of Finance, 8th May 2024

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) 21st May 2024

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 the Pension Regulator’s Code of Practice that states that pension administration should be included as an agenda item for governing body meetings and that measures should be in place to ensure the scheme is being properly administered. The code outlines that that governing bodies should receive appropriate information and reports to enable challenge where appropriate.
2. This report covers the performance of our administration partner LPPA over Q4 for the pension fund scheme year 2023/24. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 January 2024 to 31 March 2024 inclusive.
3. During the period January to March 2024, quarter 4 (Q4), LPPA processed 1563 SLA cases, which was an increase of 154 cases from Q3 for the Hammersmith & Fulham Pension Fund. The overall quarterly KPI performance was 97.2% a small increase from 96.9% in Q3. However, although performance was achieved in 97% of cases it fell short of the 95% KPI target in 2 areas (active retirements and refunds).

Performance in key areas

4. Retirements – Performance in this task area has seen a much needed improvement. Although performance was below the 95% target, active retirements have seen an improved KPI of 92.1% compared to 90.1% in Q3, 85.7% in Q2 and 84.1% in Q1. The processing of deferred retirements saw a small decrease from Q3 at 95.8% with a KPI of 95.4% in Q4 compared to a KPI of 95% in Q2 and 87.9% in Q1.
5. Deaths – The processing of death cases in Q4 saw 98.2% of cases processed on time. A great improvement and the highest performance in the 23/24 scheme year, when compared to 92% in Q3, 93.85% in Q2 and the 85.7% delivered in Q1. The Head of Pensions continues to work with the LPPA team to improve and sustain this performance.
6. Transfers – Good performance was sustained, as despite a continued increase in the number of transfer cases processed, 208 in Q4 (an increase of 39 from Q3), there was continued above target KPI performance in this area. Most of cases were processed within the SLA in Q1 and Q2 which rose to 100% for transfer ins cases in Q3 and Q4.
7. Refunds – Performance on this case type fell to 93% in Q4 from 94.1% in Q3 but previously was being held at a higher level with 99.2% achieved in Q1 and 98.6% in Q2.
8. The Head of Pensions is continuing to collaborate with LPPA to try to ensure they are able to sustain their improved SLA performance as well as to increase the quality in terms of the delivery of this service.

Summary

9. Overall the scheme year has seen some real strides forward in the level of service received by members of the LBHF. We have seen an improvement in the pension administration service provided by LPPA in the 2023/24 scheme year. We remain hopeful that this will remain consistent and quality in service experienced by LBHF pension team will also improve. The Head of Pensions has had assurances from LPPA senior management team that quality will improve and that service delivery will be maintained at a target hitting level.
10. None

Risk Management Implications

11. None

Climate and Ecological Emergency Implications

12. None

Consultation

13. None

LIST OF APPENDICES

Appendix 1 – LPPA Q4 KPI report for Hammersmith & Fulham Pension Fund