

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pension Fund Committee

**Date:** 15/10/2024

**Subject:** Key Performance indicators

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**Responsible Director:** Sukvinder Kalsi, Director of Finance

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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 Pension Fund. The Key Performance Indicators (KPIs) for the period April – June 2024 i.e., Quarter 1 (Q1), inclusive are shown in Appendix 1. Quarter 1 KPI's are to be presented by LPPA and were previously discussed in meeting of 10<sup>th</sup> September 2024.

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## RECOMMENDATIONS

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

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**Wards Affected:** None

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
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, 3rd October 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 26<sup>th</sup> 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) 3<sup>rd</sup> October 2024

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## **Background Papers Used in Preparing This Report**

None

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## **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 General 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. Appendix 1 was previously discussed and presented to the Committee in the 10<sup>th</sup> September 2024 meeting. However, this will be presented again by LPPA highlighting indicators on Q2 performance. Q2 performance will be presented fully in reports to the Committee by the Head of Pensions in the November 2024 meeting.
3. This report covers the performance of our administration partner LPPA over Q1 for the pension fund scheme year 2024/25. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 April 2024 to 30 June 2024 inclusive and was previously discussed and presented to the Committee in the 10<sup>th</sup> September 2024 meeting.

4. During the period April to June 2024, quarter 1 (Q1), LPPA processed 1462 (101 less than Q4) SLA cases, Hammersmith & Fulham Pension Fund. The overall quarterly KPI performance was 97.5% a small increase from Q4's 97.2% and from 96.9% in Q3. However, although performance was achieved in most cases it fell short of the 95% KPI target in 2 areas (aggregations and refunds). Indicators are that this has improved in quarter 2(Q2).

## **Performance in key areas**

5. Retirements – Performance in this task area is at the highest level since LPPA has started to provide services to the Fund. has seen a much needed improvement. Active retirements are at their highest level at 97.4% and have been continually improving over the last 12 months. Deferred retirements saw 98.3% of cases processed on time. We would like to see this sustained, and the quality of processing and member experience improve.
6. Deaths – The processing of death cases in Q1 saw a slight fall in KPI performance at 95.8% compared to 98.2% in Q4 of cases processed on time. The Head of Pensions continues to work with the LPPA team to improve and sustain this performance.
7. Transfers – Performance in this area remained good with 97% for transfer in and 99.1% of cases being processed within the agreed SLA's. It is encouraging to see good performance being sustained.
8. Refunds – Performance on this case type continues to be below target at 93.3% but is a slight improvement on the 93% achieved in Q4. Indications show this has improved going into Q2.
9. 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**

10. Overall, the scheme year has seen some real strides forward in the level of service received by members of the HFPPF. Having seen an improvement in the pension administration service provided by LPPA in the 2023/24 scheme year. We hope that this will remain consistent, and the quality of the service experienced by LBHF pension team will also improve in 2024/25. 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.
11. None

## **Risk Management Implications**

12. None

## **Climate and Ecological Emergency Implications**

13. None

## **Consultation**

14. None

## **LIST OF APPENDICES**

**Appendix 1 – LPPA Q1 24/25 KPI report for Hammersmith & Fulham Pension Fund**

**Appendix 2 – LPPA Q2 24/25 Indicative KPI information**