

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Board

Date: 12/11/2024

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 Pension Fund. The Key Performance Indicators (KPIs) for the period January – June 2024, i.e., quarter 4 (Q4), quarter 1 (Q1) are available in the Pension Fund Committee minutes and Papers. Performance for quarter 2 (Q2) covering the period July to September 2024 inclusive are shown in Appendix 1. This is in line with The Pension Regulator guidance in the general code for governing bodies to regularly assess performance.

RECOMMENDATIONS

The Pension Board 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, 31st 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 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) 31st October 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 both a monthly basis as well as in Pension Board and Pension Fund Committee meetings in accordance with the Pension Regulator’s General Code of Practice that states that governing bodies should consider reports regularly and challenge when required to monitor performance.
2. This report covers the performance of our administration partner LPPA over Q2 for the pension fund scheme year 2024/25. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 July 2024 to 30 September 2024 inclusive.
3. During the period July to September 2024, Q2, LPPA processed 1582 SLA cases, which was an increase of 117 cases from Q1 for the Hammersmith & Fulham Pension Fund. The overall quarterly KPI performance in Q2 97.7%, 97.5% in Q1, improvements from 97.2% in Q4 a small increase from 96.9% in Q3. Performance above target was achieved in 100% of all case types in Q2.

Performance in key areas

4. Retirements – Performance on this task area has seen a much needed improvement. Active retirements saw a KPI in Q2 of 95.5% and Q1 97.4%. Much improved from the 92.1% Q4 (2023/24), 90.1% in Q3, 85.7% in Q2 and 84.1% in Q1. The processing of deferred retirements in Q2 saw 95.4% and Q1 2024/25) compared to 98.3% in the previous year's performance of Q3 (2023/24) 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 performance in Q2 in 96.5% in Q1 95.8% (2024/25), Q4 (2023/24) saw 98.2% of cases processed on time. A great improvement and the highest performance this year when compared to 92% in Q3 93.85% in Q2, 92% in Q3, and the 85.7% delivered in Q1. The Head of Pensions continues to work with the LPPA team to sustain this performance.
6. Transfers – All Q2 transfer cases were processed within the SLA both for Q1 and Q2 processing of transfers in cases has remained consistently above target of 100%. With 95.8% of transfer out processed on time.
7. Refunds – Performance on this case type was Q2 97.5%, compared with Q1's 93.3%. In 2023/24 KPI of 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% of cases processed on time in Q2 and Q3.
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. We have seen an improvement in the KPI pension administration service delivery provided by LPPA in the 2024/25 scheme year. We remain hopeful that this will remain consistent, and that the quality of service experienced by members, beneficiaries and the 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 Q2 KPI report for Hammersmith & Fulham Pension Fund