



DRAFT



part of the pension fund annual report documentation

Chief Executive's Review of the Year:

This section will include extracts from PF 1329 - Chief Executive's Year End Report and will focus on reporting against elements contained in the Strategic Policy Statement 2008-09.

Key Performance Indicators

Key

Performance on or exceeding annual target = the target is highlighted **green**

Performance below annual target = the target is highlighted **red**

Missing data

↔ Indicates an unchanged position on the last year



Indicates a worsened position on the last year



Indicates an improved position on the last year

NB: Given the above it should therefore be noted that performance is judged on two platforms - against an annual target, and against the trend from the previous figure.

This enables LPFA to spot trends during the year and to take corrective action if necessary to ensure achievement of the annual target.

In addition if performance is below target, officers are able to assess whether any corrective measures are having the desired effect.

Summary of results:

Corporate Indicators:

LPFA has previously been accredited with reaching level 3 of the Equality Standard for Local Government and during 2008-09 Waltham Forest assisted with an audit of LPFA's position and suggested certain improvements. These have been incorporated into equality action plans covering Race, Gender and Disability, for both internal and external customers.

Days lost to sickness absence continued to reduce and represents a marginal decrease of 0.18 days per employee against the sickness levels recorded in 2007-08.

There was a marked reduction in voluntary leavers over the year which may be due to additional opportunities being created internally, via Reward Project, as well as the general economic downturn.

The percentage of invoices processed on time rose during the year and despite still missing the annual target the performance in the 3rd and 4th quarters was greatly improved. Since 1st October invoices processed on time are measured from the date of receipt, rather than date of invoice. There are a number of suppliers who have internal processes which significantly delayed LPFA's receipt of the invoice but the new measurement has been a better reflection of LPFA's performance.

Following discussion at Audit Committee in June new indicators have been added to monitor LPFA's debtor and unallocated item position. A target of 10% quarter on quarter reduction has been set but this will be revised at Audit Committee in June 2009. The decrease in the number of debtors outstanding was mainly attributable to the recovery of payroll invoices and Team 1 invoices with the help of the work undertaken by the interim credit controller (started at the end of January), and other staff. However this is offset by the increase in value of contributions outstanding from £200k at the end Q3 to £600k in Q4. As at the end of April the interim credit controller has managed to allocate and recover £700k of the £1,016k debts outstanding.

The number of unallocated items remains the same as last month, however, the value has reduced by more than £200k. The use of a holding account for all unallocated contributions income has enabled a more focused approach in allocating contributions income.

The online forms (the task required to take LPFA to 100% for electronic delivery) are live but as yet the programme to inform all employers and enable login has not happened. It will be done during May 2009.



Costs Per Member: (Information was provided to Performance and Administration Committee members, but is commercially sensitive and will not be included in the final report. All Board members were sent a copy of the full version with their Performance and Administration Committee papers in May 2009).

Environmental Indicators:

Figures are reported to Performance and Administration Committee at the mid year and year end points. Previously waste amounts were based on an estimation for paper only, however LPFA now receives a detailed breakdown on a quarterly basis of all waste removed from the office. This has resulted in a large increase in waste amounts recorded, but this is a more accurate measurement. As a result of this information the annual targets have been revised, and met, although given the change in calculation an annual trend in waste levels cannot be identified.

Discussions with the Landlord will continue into 2009-10 in an attempt to accurately measure LPFA's energy usage.

Investment Indicators:

Please see the Investment Report of the Annual Report and Accounts for a detailed breakdown of investment performance.

Administration Indicators:

Customer satisfaction is down on previous years by a significant margin. This is coupled with an increase in complaints received. This is partly explained by an increase in the number of Fund Members surveyed. However, Corporate Management Team felt it timely to conduct a thorough review of customer service and this has resulted in the Customer Care Programme being developed as one of the 5 strategic programmes for 2009-10.

There was also an increase in the number of Internal Dispute Resolution Procedure (IDRP) cases which will be considered by the Customer Care Programme.

Despite not quite achieving the number of cases processed on time target, the teams did maintain the same level as 2007-08 which is a very positive result given that there was an increased workload of around 3000 top ten case types compared with the previous year.

The specific case types which are reducing the on time levels have been identified and some of these relate to dealings with the employer which, whilst will have an impact on the customer, suggested that there are delays in receiving the information to complete the case. There are also vacancies in these areas which are being addressed.

Elapsed time indicates the number of days it takes to process a case from the date of notification by the employer of a particular event, to final notification/payment to the member. This reflects the time it takes LPFA to carry out the process, including externally caused delays. For the majority of transactions the elapsed time is increasing, and therefore the position is worsening, however workload has increased as above. A programme of efficiency initiatives has been running with employers to reduce externally caused delays.

The category of retirements needs to be highlighted because often LPFA receives advanced notification of the event and measurement starts from this notification, rather than the event itself. If the number of days from the "event" was considered, elapsed time would reduce for retirements.

The results from cases on hold for over 6 months tend to show that the situation is improving in many of the case types. Half of the case types are on target although the backlog still needs to be cleared. These are a small number of cases and are only 1.6% of total top 10 cases received over the last 6 months.



	achieved 2005-06	achieved 2006-07	achieved 2007-08	achieved 2008-09	benchmark	target 2008-9	annual trend
Corporate							
The level of the Equality Standard for Local Government	3	3	3	3	LB average	3/4	↔
Proportion of working days lost to sickness absence per employee	8.89	6.19	7.68	7.5	LB average	<9	😊
Voluntary leavers as a percentage of staff.	15.8%	15.25%	14.78%	10.96%	CIPD and GLA	<15%	😊
% of invoices which were paid on time	91%	95%	82%	89%	local target	95%	😊
Total debtor items over 60 days *	-	-	-	184	local target	10% quarterly reduction	n/a
Total debtor amount over 60 days *	-	-	-	£1,016k	local target	10% quarterly reduction	n/a
Unallocated income items over 60 days *	-	-	-	72	local target	10% quarterly reduction	n/a
Unallocated income amount over 60 days *	-	-	-	£625k	local target	10% quarterly reduction	n/a
% of interactions enabled for electronic delivery	75%	75%	75%	75%	e-gov target	100%	↔

Delivering service through electronic means, i.e. telephone and fax, the internet (whether accessed through a PC, digital TV, phone or other device). Electronic access may be direct, or mediated through call centres or front offices in which the operator has access to information electronically and can seek information or complete transactions on behalf of members of the public who prefer to conduct business face to face or by telephone.

Costs Per Member

Total cost per Fund Member

Administration cost per Fund Member

Commercially sensitive information for Board Members only.

*Please note:

These are new indicators for 2008-9 and more specific targets will be set during 2009-10.

Total/admin costs, on-time invoices, debtor items and unallocated items are based on provisional figures and may change slightly once the final outturn is known.





Environmental Indicators

	2005-06	2006-07	2007-08	2008-09	benchmark	target 2008-09	annual trend
% of paper purchased from fully chlorine free sustainable sources	100%	100%	100%	100%	local target	100%	↔
Year on year reduction of energy use ⁽¹⁾	-	-	-	-	local target	-	
Total annual waste disposal	2,276 kg	2,354 kg	2,420kg	27,982	local target	⁽²⁾ <38,000kg	n/a
Waste per member of staff	16.64 kg	18.25 kg	18.76kg	235kg	local target	⁽²⁾ <320kg	n/a
Recycle rate of waste	95.6%	95.75%	95.87%	99%	local target	98.7%	😊

(1) New indicator which will be monitored post implementation of the environmental audit 2010-11.

(2) The full year results for 2008-09 show a significant increase in total annual waste disposal and waste per member of staff which reflects the revised basis for calculating the KPI - This is also reflected in the revised higher targets for 2009-10.

Exact information can now be extracted from the waste management company whereas previously the figures were based on average weights. The target for 2008-09 has therefore been altered in line with the revised method of calculation





	achieved 2005-06	achieved 2006-07	achieved 2007-08	achieved 2008-09	benchmark	target 2008-09	annual trend
Administration							
% of members satisfied with the overall service	92%	96%	97%	87%	Average of last 5 years	93%	😞
Number of complaints	29	27	17	35	"	<45	😞
No. of complaints as a percentage of the workload	0.07%	0.07%	0.04%	0.08%	"	0.11%	😞
Number of complaints classified as:							
~ Pensions Ombudsman.	1	0	0	0	"	0	↔
~ IDRP	6	6	6	8	"	5	😞
Overall % of LPFA cases completed on time.	99.2%	98.9%	97%	97%	"	98%	↔
LPFA Fund							
Contributors	21,037	20,782	20,477	19,920			
Deferred beneficiaries	20,853	21,254	22,137	23,216			
Pensioners / Dependants	32,235	32,690	33,018	33,474			
Total membership	74,125	74,726	75,632	76,610			

'Top ten' case types	achieved 2005-06		achieved 2006-07		achieved 2007-08		achieved 2008-09		target 2008-09 -	
	No. of cases	% on time	No. of cases	% on time	No. of cases	% on time	No. of cases	% on time	% on time	
Total top 10	20,770	99.5%	19,147	99.4%	20,977	98%	24,024	97.5%	98.3%	😞
Other case types	19,676	98.9%	21,182	98.4%	20,827	96%	20,362	96.8%	97.2%	😊
Total case types	40,446	99.2%	40,329	98.9%	41,804	97%	44,386	96.8%	98%	😞

(Top 10 case types include: admissions, transfers in, transfers out, estimates employee, estimates employer, retirement benefits, deferred benefits, refunds, deaths, correspondence.)



Efficiency and Quality - average elapsed time

	2006-07		2007-08		2008-09		Target+ 2008-09
	Total cases	Average elapsed time	Total cases	Average elapsed time	Total cases	Average elapsed time	Elapsed time
* Time measured in days							
Admissions	1,808	18	1,846	19	3,194	25	18
IFA in (actual)	73	35	113	38	159	45	34
IFA in (estimate)	369	108	332	113	625	128	105
IFA in (request)	16	107	3	95	1	137	92
Other TV in (actual)	161	48	116	61	188	56	46
Other TV in (estimate)	703	147	629	145	818	148	141
Other TV in (request)	50	92	10	222	2	141	89
Estimates - individual	1,356	25	1,327	26	1,357	28	24
IFA out (actual)	358	15	267	18	307	32	15
IFA out (estimate)	244	35	183	42	494	38	34
Other TV out (actual)	263	30	224	27	233	32	26
Other TV out (estimate)	185	47	148	43	421	53	42
Deferred Benefits	1,382	40	1,621	42	2,676	42	39
Death in service	41	78	53	77	28	72	75
Retirements (immediate) ⁽¹⁾	557	45	603	56	891	60	44
Refunds	49	34	39	31	109	50	30
Death on pension	1,184	48	1,331	52	1,586	51	47
Estimates - employer	819	7	1,250	5	1,488	7	4.5
Correspondence (customer)	2,204	12	3,240	12	5,102	16	11.5

* Elapsed time is the period from LPFA notification of the 'event' to final notification / payment to the Fund member. It indicates the process time of the case by LPFA and is shown in calendar days. It includes any delays in completing the case due to additional information being sought from external sources.

+ Target for 2008-09 is to achieve a 3% year on year improvement. The 3% improvement is based on the 2006-07 results where worse results were achieved in 2007-08.

(1) If measurement is taken from date of retirement, i.e. event rather than date of notification, the elapsed time figure would be reduced due to advanced notification of some retirements.

Cases on hold for over 6 months.

Cases on hold Description	2006-07		2007-08		2008-09		Targets
	Total cases	Average time on hold	Total cases	Average time on hold	Total cases	Average time on hold	2008-09
Admissions	7	317	11	308	24	252	299
IFA in (actual)	1	504	3	409	3	664	397
IFA in (estimate)	5	409	18	254	35	238	246
Other TV in (actual)	-	-	2	312	2	225	303
Other TV in (estimate)	23	244	39	274	42	241	237
Other TV in (request)	1	192	1	331	-	-	186
Estimates – individual	6	321	5	243	4	219	236
Deferred Benefits	49	276	88	310	84	311	267
Death in service	4	227	4	318	5	418	220
Retirements (immediate)	4	449	9	252	6	286	244
Refunds	4	215	3	461	5	269	209
Death on pension	32	428	48	331	68	330	321
Estimates (employer)	1	338	3	373	-	-	328
Correspondence	142	510	146	627	102	738	495

+ Target for 2008-09 is to achieve a 3% year on year improvement. The 3% improvement is based on the 2006-07 results where worse results were achieved in 2007-08.

Cases on hold ratio:

This is a new indicator for 2009-10 which will indicate the number of top 10 cases on hold for over six months as a percentage of number of top 10 cases received during that period. As an example, the percentage on hold for over six months for the period April 2008 to 31st March 2009 is 1.6% - 380 cases over 24,123 received. 😊

Delays in processing can be caused by a number of external factors beyond the LPFA's direct control, in particular the following:

Transfers in from other schemes - delays can occur for a number of reasons, in particular where the previous scheme is unable to trace the member and where further information is required or where there are significant delays in the previous scheme providing relevant transfer data. Information can also be required from the Inland Revenue and the member's current employer. Such case types are currently being reviewed. This has been a national problem and partly due to delayed GAD factors.

Death Cases - There are a number of death cases that can take a significant time to finalise given complications regarding for example, obtaining Probate, overpayment recovery and the tracing of next of kin.

Correspondence - There are a number of historic cases contained within these figures relating to longstanding and ongoing employer cases which are currently being investigated. These are of low priority and are diary notes as opposed to cases which require immediate action.

Notwithstanding the above, efforts will be made under the efficiency reviews during 2009-10 to improve the processes linked to these targets.





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