

## London Borough of Hammersmith & Fulham

**Report to:** Pension Fund Committee

**Date:** 23/11/2021

**Subject:** Update on the transition of the LGPS Pension Administration Service

**Report of:** David Hughes, Director of Audit, Fraud, Risk and Insurance  
Eleanor Dennis, Pensions Manager

**Responsible Director:** Rhian Davies, Director of Resources

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### Summary

This report follows up on previous update reports to the Pension Fund Subcommittee on the actions agreed by the Committee on 3 February 2021 to appoint Local Pension Partnerships Administration (LPPA) to provide the Pension Administration service from 26 January 2022.

The Pension Fund Committee and Pension Fund members need to be assured that the administration and governance of the Pension Fund is compliant with regulatory requirements, is effectively managing risk and providing a high-quality service.

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### Recommendation

1. That the contents of this report are noted.
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**Wards Affected:** None

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H&F Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Continuing to provide assurance regarding the governance of the Pension Fund thereby encouraging employees to remain members of the LGPS.
Being ruthlessly financially efficient	To review and assess governance and efficiency of the Pension Fund, recommending and making changes where necessary.
Taking pride in H&F	Ensuring a high standard of governance of the Pension Fund that continues to underpin the retention and recruitment of employees.

## Financial Considerations

All costs of Pension Fund administration are borne by the Pension Fund.

## 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.

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### Background Papers Used in Preparing This Report - none

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### Key considerations

1. This report sets out the recent progress made against the actions previously agreed by the Pension Fund Sub-committee. All of the actions requested at the Sub-Committee of 31 July 2020 have now been completed.
2. As reported at the previous meeting of the Pension Fund Committee, the Pensions Taskforce identified 4 key risks which have all been mitigated against. In recognising the key risks, the Taskforce developed a detailed Project Plan structured around nine key areas of activity, six of the key areas are now complete, progress on the outstanding three risks are detailed below:

#### Procurement - Pension administration service

3. Officers have agreed Heads of Terms with LPPA, to enable the transition project to commence and are in the process of finalising the delegation agreement which will come into force when the new service commences in January 2022.

#### Data Improvement - Caseload backlog project

4. The work carried out by ITM is complete and progress detailed in a separate report on data quality.

#### Communications

5. A key part of the project will be ensuring appropriate communications with stakeholders at key milestones during the project. Fund Employers were informed in October 2021 of the forthcoming change of administration from SCC to LPPA. The Pension Manager is working with LPPA as part of the project plan to ensure effective communications are delivered to all stakeholders in a timely manner.

#### **Implementation timetable**

6. Officers are working closely with all stakeholders including working through a detailed project plan with LPPA, to ensure a smooth transfer from SCC and implementation of the new service with LPPA on 26 January 2022. An indicative implementation timetable is set out below:

<b>Month</b>	<b>Key Activities/Milestones</b>
Mar 2021	<ul style="list-style-type: none"><li>• Project Manager assigned to project &amp; governance set up</li><li>• Definition phase begins</li><li>• System configuration stage begins</li><li>• System configuration stage complete</li><li>• Communications plan drafted for stakeholders (members &amp; employers)</li></ul>
Apr 2021	<ul style="list-style-type: none"><li>• Definition phase complete</li><li>• Data migration and UAT begins</li><li>• Business process review begins</li></ul>
May 2021	<ul style="list-style-type: none"><li>• Data cut 1 signed off</li><li>• Member web – CMS scoping begins</li></ul>
Jun 2021	<ul style="list-style-type: none"><li>• Data cut 2 begins</li><li>• Employer web (EAS) scoping begins</li><li>• Communication plan agreed including member web registration and employer web on-board</li></ul>
Jul 2021	<ul style="list-style-type: none"><li>• Business process sign off</li><li>• Training plan for employers drafted and agreed</li></ul>
Aug 2021	<ul style="list-style-type: none"><li>• Draft employer communications</li></ul>
Sep 2021	<ul style="list-style-type: none"><li>• Employer comms issued</li></ul>
Oct 2021	<ul style="list-style-type: none"><li>• Employer Pilot group set up</li></ul>
Nov 2021	<ul style="list-style-type: none"><li>• Data extracts, parallel runs for payroll begin</li><li>• Data cut 2 signed off</li><li>• Employer web sign off</li><li>• Member web sign off</li><li>• Data cut 3 begins</li></ul>
Dec 2021	<ul style="list-style-type: none"><li>• UPM and web released into operations</li><li>• Issue welcome letters to members</li></ul>
26 Jan 2022	<ul style="list-style-type: none"><li>• Go-live</li></ul>