

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pension Fund Committee

**Date:** 24/10/2023

**Subject:** Pension Administration Update

**Report author:** Eleanor Dennis, Head of Pensions

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

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## SUMMARY

One of the key priorities for this LGPS Fund is to pay and administer the pensions of its members and their beneficiaries. The Hammersmith & Fulham Pension Fund (HFPPF) delegates its administration duties to Local Pension Partnership Administration (LPPA). The Fund continues to strive to deliver an efficient and effective service to its stakeholders against a growing trend of an increasing numbers of tasks and challenges. Challenges include increasing complex legislation, data challenges, limited resources and difficulty in engaging with employers, which mean some issues will take months or years to resolve fully. This paper provides a summary of activity in key areas of pension administration for the HFPPF.

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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 pension fund members, the Council and the council tax payer.

## **Finance Impact**

The costs of the contract for the pensions administration service, including costs of additional work commissioned, provided by LPPA are met from the Pension Fund.

*Sukvinder Kalsi, Director of Finance 4th October 2023*

## **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.

*Angela Hogan, Chief Solicitor (Contracts and Procurement) 6<sup>th</sup> October 2023*

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

None.

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## **DETAILED ANALYSIS**

### **Analysis of Pension Administration**

The Hammersmith & Fulham Pension Fund began its new partnership with the Local Pension Partnership Administration (LPPA) on 28 January 2022.

1. The service delivered by LPPA continues have challenges that are monitored closely by the LBHF Head of Pensions. LPPA have acknowledged their unsatisfactory service and are committed to improving the service going forward with initiatives such as a client relationship manager, more robust training, more recruitment, a centralised mailbox and client forums.

### **Update on key areas**

2. Employers – The LBHF in house team are working with Fund employers to ensure they have a discretions policy in place and provide a copy to the Fund. We have received 84.5% of these and the pensions team continue to work with employers to obtain and have in place the remaining policies. LPPA continue to offer online training sessions for employers regarding the monthly submission process and to date 56% have been submitted.

3. Communications – The number of calls to the LPPA Helpdesk fell slightly in Q1 but also saw a welcome reduction in the average wait time of 3 minutes 45 seconds. Update for August 2023 show the average wait time had increased to 4 minutes 17 seconds with an 4.1% abandonment rate. LPPA will be reintroducing Fund specific Helpdesk stats going forward.
4. Engagement –There continues to be a positive trend from all membership groups engaging with the online portal. Q1 saw 59% of the membership now being registered with the online portal. This is up 89% from the number registered 12 months ago. The Head of Pensions attended a client forum at LPPA offices in Preston which was a useful exercise in building relationships and insight into understanding further LPPA focus for the future.
5. Regulatory – McCloud, the pension regulator over the next 2 years will require pension schemes to start issuing McCloud information alongside members annual benefits statements. LPPA will be working with the Fund and our employers to ensure they have the data to comply with this requirement. HMRC and LGA will be providing tools and resources for members affected by the remedy.
6. Audit – LPPA are supporting with the auditors request for data on membership but needed to chase, in order to receive the information in a timely manner.
7. Cyber Security – Recent media articles have highlighted breaches on pension data security. LPPA who continue to work with their partners to mitigate exposure to this risk and have increased security.
8. Overpayments – The pensions team are working with LPPA to look at legacy pension bereavement overpayments. Overpayments totalling over £17,490.77 has been written off however the team have been able to recover £810.69. The pension team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds.
9. Complaints – Unfortunately the number of complaints received has increased.

## **Conclusion**

The pension administration service delivered by LPPA continues to show some signs of improvement, although the Fund are keen for this to be achieved in a faster timeframe and be maintained for consecutive periods. LPPA continue to work collaboratively with the Head of Pensions. It is not possible to quantify the time internal team spend on additional support and intervention provided in cases dealt with by LPPA, but we continue to record issues and feed these back to LPPA to resolve and improve. The Head of Pensions continues to work with LPPA to improve the service and quality experienced by our stakeholders including members and beneficiaries.

## **LIST OF APPENDICES**

None.