

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 15/11/2023

Subject: Pension Administration Update

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

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 (HFPF) 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 increasingly complex and changing legislation, data challenges, limited resources and difficulty in engaging with employers. Therefore implementation of solutions and improvements often take months or years to be fully adopted and the full benefits to be realised. This paper provides a summary of activity in key areas of pension administration for the HFPF.

RECOMMENDATIONS

The Pension Fund Committee 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 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 2nd November 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) 6th November 2023

Background Papers Used in Preparing This Report

None

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 – An online employer forum will be held by LPPA in November 2023. LPPA continue to roll out better portal functionality. However the LPPA have been slow to engage with employers in house team and the engagement of the monthly submissions are currently stagnant at around 55%.

3. Communications – The number of calls to the LPPA Helpdesk rose slightly in Q2 with 1187 calls received on HFPPF compared to 1110 received from the Fund members in Q1. The average wait time fell again to 4 minutes 4 seconds with an 4% abandonment rate.
4. Engagement – There continues to be a positive trend from all membership groups engaging with the online portal. The end of Q2 saw 4748 members registered with the online portal. This is up by 238 from the end of Q1.
5. Regulatory – The department for levelling up has issued a draft priority policy for use by Funds and administrators that they hope to finalise before the end of the year. The intention is for this policy to help Fund stagger the processing of McCloud cases.
6. Audit – LPPA recognise that there have been challenges in this years scheme audit due to LPPA providing incorrect data, no data and delays. LPPA have apologised for the poor service the Fund has experienced and plan to review the exercise across all their Funds. There are no outstanding requests for data from the auditor.
7. Overpayments – The pensions team are working with LPPA to look at legacy pension bereavement overpayments. Overpayments totalling over £143,020(spread over 10 cases. The largest of which was a legacy case for over £127,000.), has been written off. However the LBHF pension team have been able to recover £11,210.21. The pension team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds.
8. Complaints – Unfortunately the number of complaints received has increased, as 25 were received in Q2 so there is a backlog in this area. LPPA are currently unable to confirm when they will be in a position to clear the backlog.

Conclusion

The pension administration service delivered by LPPA continues to show some signs of improvement, although the Fund is disappointed to see poor delivery in key areas of active retirements and deaths and continued inconsistent quality. LPPA do however to take onboard constructive feedback on areas in which they need to improve.

The Head of Pensions continues to work with LPPA to improve the service and quality experienced by our stakeholders including members and beneficiaries.

Equality Implications

9. None

Risk Management Implications

10. None

Climate and Ecological Emergency Implications

11. None

Consultation

12. None

Appendices

None