

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 20/02/2023

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 1st February 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.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 2nd February 2024

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 – Engagement with employers has increased with 73% now having submitted a monthly file however 48% are not up to date.
3. Communications – The number of calls to the LPPA Helpdesk rose slightly in Q3 with 1198 calls received on HFPF compared to 1110 received from the Fund

members in Q2. The average wait time fell again to 2 minutes 26 seconds in December after a peak in August of 4 minutes 17 seconds with an 2.4% abandonment rate across all calls.

4. Engagement –There continues to be a positive steady upward trend from all membership groups engaging with the online portal. Q3 saw 4939 members engaged compared to 4748 in Q2 and 4510 in Q1.
5. Regulatory – LPPA systems were updated in January with the required software to identify any McCloud cases, and it is now in the testing phase. LPPA continue to chase for any outstanding legacy data from respective employers.
6. Audit – Both the 2021/2022 and 2022/23 audits are being finalised. LPPA are working on a new process to ensure that audits are planned and managed more efficiently.
7. Overpayments – The LBHF pensions team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds.
8. Complaints – The number of complaints being worked on has decreased in Q3 to 14 from 25 in Q2. LPPA are starting to provide clearer reporting in this area.
9. Cyber Security – To ensure data is kept secure LPPA has implemented a range of controls and technologies. LPPA is also ISO 27001 accredited, and its systems are externally audited.

Conclusion

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

10. None

Risk Management Implications

11. None

Climate and Ecological Emergency Implications

12. None

Consultation

13. None

Appendices

None