

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to: Pension Fund Committee**

**Date:** 15/10/2024

**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 the Hammersmith & Fulham LGPS Fund is to accurately 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 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, 3rd October 2024

## **Legal Implications**

This report is for noting only regarding the current standards of administration provided by LPPA. There are no direct legal implications arising.

Angela Hogan, Chief Solicitor (Contracts and Procurement), 3<sup>rd</sup> October 2024

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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 partnership with the Local Pension Partnership Administration (LPPA) on 28 January 2022.

1. The service delivered by LPPA continues to have challenges that are monitored closely by the LBHF Head of Pensions. LPPA are committed to improving the service going forward with initiatives such as the introduction of a client relationship team, a centralised mailbox, training academy for their staff and client and employer forums, whilst seeking independent feedback.

### **Update on key areas**

2. Employers – Engagement from employers on monthly files being submitted has increased to 90% however 10% are not up to date. The LBHF pension team has collaborated with LPPA to increase the engagement with employers, and it is hoped this does not lead to a backlog of unsubmitted monthly files. The HFPF currently has the highest number of compliance from employers of all LPPA clients.

3. Complaints – The number of complaints fell at the end of September 2024 to 6 complaints which were varied across the case types. LPPA are confident that the current system of triaging complaints is more effective than a dedicated complaints team.
4. Helpdesk – The number of calls to the LPPA Helpdesk fell in Q1 to 1316, compared to 1357 received in Q4. The service provision continues to improve, at the end of Q1 the average call wait times were 1 minute 49. August 2024 saw average wait times of 1 minute 50. With an 1.5 % average abandonment rate.
5. Communications – LPPA continue to work on improving their letters to members and provide monthly session for those joining and retiring. The head of pensions continues to receive positive feedback for those attending the pre retirement session run by Affinity Connect.
6. Engagement – There continues to be a positive trend from all membership groups engaging with the online portal. The end of Q1 saw 5473 members registered, compared with 5189 members in Q4, registered with the online portal. A continued upward trend.
7. Fund Members - For the HFPP there were 13 opt outs in Q4. LPPA have also commenced the annual life existence exercise for members and beneficiaries residing overseas. There has been a 67% positive response from members with 15% further cases being investigated and tracing exercise commenced and 18% with their pensions suspended.
8. Regulatory – There are a number of regulatory initiatives impacting the Hammersmith & Fulham pension fund, the key ones are and detailed further in Appendix 1;

**McCloud** - LPPA systems have now been updated with the McCloud software and LPPA have identified HFPP has 3590 affected members across all case types. The LBHF records were reviewed in May 2024. The UPM functionality to revise eligible retired members is due to be delivered for LPPA testing on 5<sup>th</sup> September, and pending LPPA approval will be enabled in their live UPM systems on 16<sup>th</sup> October. This functionality will enable their teams to start applying the McCloud underpin for these members before October 24<sup>th</sup> in line with the national guidelines.

**Pensions Dashboard** – Pensions dashboards will allow individuals to access all their multiple pensions securely online including the state pension. The go live date for the Fund is October 2025.

**The Pension Regulator General Code** – Is a set of governance codes of practice for governing bodies of pension schemes. Recently revised in March 2024 it requires that schemes regularly review their practice and governance against these guidelines. The new code puts a greater emphasis on areas such as cyber security, and administration as well as the need to complete and review an Effective System of Governance record (ESOG). The Head of Pensions is collating information to demonstrate the Fund's level of compliance.

9. Cyber security – LPPA understands the importance of keeping our members data safe and has implemented a number of procedures and technologies to maintain this data securely.
10. Audit – Work is continuing on the 23/24 audits, with regular meetings and prompt sharing of data by all stakeholders.
11. Overpayments – The LBHF pensions team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds.

### **Conclusion**

The pension administration service delivered by LPPA continues to show some sustained improvement of service delivery, although the Fund would like to see faster improvements in quality and member experience. LPPA do however to take onboard constructive feedback and are committed to improving.

### **Equality Implications**

12. None

### **Risk Management Implications**

13. None

### **Climate and Ecological Emergency Implications**

14. None

### **Consultation**

15. None

### **Appendices**

Appendix 1 – Efficiency & Service Improvement Programme (update)