

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 25/06/2025

Subject: Pension Administration Update

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Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

One of the key priorities for the Hammersmith & Fulham 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 increasing complex legislation, managing data, 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 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 and provided by LPPA are met from the Pension Fund. The expenditure for this service in 2025/26 is estimated at £622,200 (excluding VAT).

Sukvinder Kalsi, Director of Finance 13th June 2025

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) 13th June 2025

Background Papers Used in Preparing This Report

None

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 has improved but remains closely monitored by the LBHF Head of Pensions to ensure the best interests of the members and beneficiaries are met. LPPA are committed to continually improving the service going forward with more automation, higher staff retention, regular training for their staff and better engagement via an annual client and employer forum.

Update on key areas

2. Employers – Engagement from employers on monthly files being submitted remain very good. The LBHF pension team has collaborated with LPPA to increase the engagement with employers, to ensure that this does not lead to a backlog of unsubmitted monthly files and is enforcing fines in line with the pension administration strategy to maximise compliance from employers. However, there does seem to be a number of errors that require LPPA to support employers. The HFPF currently has the highest level of compliance from employers, compared to other LPPA clients.
3. Member – Member satisfaction survey responses remain low. Feedback from deferred retirements cases saw in Q4 saw 15 responses with only 11% satisfied members 7% dissatisfied, compared with 16 responses received in Q3 and 21 responses received in Q2. With 50% satisfied and 12.5% dissatisfied compared with 76.2% of members satisfied in Q2 and 19% dissatisfied.
Active retirements in Q4 saw 8 responses with 1 response dissatisfied but 73% did not respond, Q3 saw an increase in the number of surveys completed rising to 12 from 9 surveys in Q2, with 75% of members satisfied and 25% dissatisfied compared to 66.7% satisfied in Q2 and 11.1% dissatisfied. However, the number of responses has remained at a similar level as 23/24 saw a total of 36 responses received compared to 38 in 24/25.
4. Complaints – Over the last 12 months the number of complaints has continued to fall with the work that LPPA are doing to track and try to increase member satisfaction. At the end of Q4 in 2023/24 complaints were at 13. The number of complaints received in Q4 of 2024/25 was 2 in line with the decrease to 1 at the end of Q3 compared to 12 at the end of Q1 and 10 in Q2 in 2024/25. These were mainly concerning delayed retirements and general service. LPPA are confident that the current system of triaging complaints is more effective than a dedicated complaints team.
5. Helpdesk – Although the number of calls to the LPPA Helpdesk rose slightly in Q4 to 1062 from 1008 in Q3 compared to 1173 in Q2 and 1,316 in Q1. The total number of calls received has reduced with 4,559 calls received in 24/25 compared with 4852 received in 23/24.
The service provision continues to improve, with average call waiting times up at the end of Q4 with average wait time of 3 mins 25 secs, compared with Q3 at 2mins 3 secs, from 2 minutes 22 secs in Q2. This is up from 1 minute 49 seconds in Q1.
There has been an improvement in the call abandonment rate of 2.8% in Q4 1.8% in Q3 compared to 2.6% in Q2, 1.8% in Q1 across all calls, with most people satisfied with their engagement with the helpdesk.
6. Communications – LPPA have issued all P60's to pensioners and continue to improve how information on their website is presented and the format of letters to members. The Head of Pensions continues to receive positive feedback for those attending the pre retirement sessions run by Affinity Connect and there is an increased demand from LBHF employees on the in house pension team for

one to one sessions, pension overview session at departmental team meetings and the corporate induction.

7. Engagement – There continues to be a positive trend from all membership groups engaging with the online portal. There were 6,176 members registered at the end of Q4 compared with 5,942 in Q3, 5,766 members registered at the end of Q2, and 5,473 in Q1. There were 12 opt outs in Q4, 11 opt outs in Q3 and Q2 compared with 4 in Q1.
8. Regulatory – There are a number of regulatory issues impacting the Hammersmith & Fulham pension fund the key ones are;

McCloud - LPPA systems have now been updated with the McCloud software and LPPA have identified all the affected members for our Fund.

Pensions Dashboard – The go live date for the Fund is October 2025, there is no date set for public access. LPPA are working with AVC providers to ensure that members have full visibility of all their pension benefits.

The Pension Regulator's General Code – Is a set of 5 key areas on codes of practice for pension schemes. The code was revised in March 2024 and requires that a pension fund scheme regularly reviews their scheme and puts greater emphasis on areas such as cyber security, risk management as well as the need to complete and review an Effective System of Governance record (ESOG) via Own risk assessment (ORA). The Fund has completed its initial assessment of compliance and is implementing a cyber security policy for the Fund.

Pension Schemes Bill - Fit for the Future consultation – outcomes on the consultation include the introduction of the Pension Schemes Bill to introduce reform to all pension schemes including the LGPS. The LGPS amendments mainly concern fund consolidation via pooling and governance of the LGPS TO take effect from 2026. With the objective on better outcomes for savers and investment in the UK economy to promote growth.

LGPS Consultation- There is a consultation opened by MHCLG on proposed changes to the member benefits in the LGPS. It touches on equalising survivor's benefits and steps to close gender pensions gap by making all of maternity leave automatically pensionable.

9. Cyber security – There has been no new cyber security issues the Head of Pensions is collaborating with LPPA and other stakeholders to finalise the pension fund's policy.
10. Legacy payroll systems – In order for LBHF to remain compliant with maintaining key data for past employee's records whilst in the pension we are required to maintain access to legacy payroll systems. Plans continue to look at a long term solution whether in house or via a third party.

11. Audit – All enquiries of the pension fund's 2024/25 audit are being effectively managed. LPPA were recently independently audited on their pension administration service for the period April 2024 – March 2025.
12. Valuation – The Fund is liaising with the fund actuaries and LPPA to manage the 2025 valuation in line with the defined timelines.
13. Overpayments – The LBHF pensions team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds. Overpayments totalling £39,647.59 have been written off in Q4 in respect of overpaid pensions to deceased members.
14. Future meetings – September 2025 to discuss annual report and accounts, quarterly business plan, Q1 pension administration performance and pension operations update.

Conclusion

The pension administration service delivered by LPPA shows signs of continuous improvement, though disappointed to see continued issues with quality including the recent breach. LPPA do however take onboard constructive feedback and are committed to improve the service delivered to the Hammersmith and Fulham pension Fund.

Equality Implications

12. None

Consultation

15. None

Appendices

None