

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to: Pension Fund Committee**

**Date:** 09/09/2025

**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 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 2024/25 is estimated at £620,000.

Sukvinder Kalsi, Director of Finance 21st August 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) 22<sup>nd</sup> August 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 but most of those responding were satisfied. Surveys from deferred retirements in Q1 saw 10 members satisfied and 0 dissatisfied compared with Q4 which saw 15 responses with 64% satisfied members 23% dissatisfied. Active retirements in Q1 saw 9 satisfied responses with 1 dissatisfied and 65% not responding, Q4 saw 8 responses with 1 response dissatisfied but 73% did not respond.
4. Complaints – LPPA dealt with 12 complaints for the Hammersmith & Fulham pension fund in Q1, there are currently 4 complaints outstanding and are around the service received from LPPA. Across all LGPS clients, 76% of complaints are resolved with 30 days and all are acknowledged within 2 days. The most common reason for complaining is those retiring with AVC pots and transfers out. LPPA continue to review complaint trends and implement training courses where appropriate.
5. Helpdesk – The number of calls to the LPPA Helpdesk fell slightly in Q1 to 1035 compared 1062 in Q4. The average call waiting time also fell in Q1 to 3 minuses 40 from 3 mins 25 secs in Q4. The call abandonment rate also fell to 2.5% at the end of Q1 across all calls. with most people satisfied with their engagement with the helpdesk.
6. Communications – LPPA have issued a newsletter to active and deferred members. This years newsletter highlights understanding your pension and tax, planning for retirement and explaining the impact of the McCloud remedy. The Head of Pensions continues to receive positive feedback for those attending the pre retirement sessions run by Affinity Connect and attendance numbers have increased. LPPA won “Best Pension Scheme Communications Strategy” at this year’s UK Pensions Awards.
7. Member engagement – The end of Q1 saw 6,333 members engaging compared with 6176 at the end of Q4 engaging with the online portal and up 860 over the last 12 months. There were 4 opt outs during Q1 which is the same level as last year There were 11 opt outs in Q3 and Q2 compared with 4 in Q1. However, this level is likely to increase as auto enrolment took place for the fund on 1<sup>st</sup> August 2025.
8. Annual benefit statements – LPPA have issued annual benefit statements to 89.1% of members of the LBHF pension fund were issued to members with the

exceptions of those members with a pension sharing agreement, transfer ins, as and when staff and aggregation. The Fund have considered the legislation and decided to utilise the discretion awarded by MHLCG to ensure McCloud is implemented by 31<sup>st</sup> August 2026, as system limitations mean that McCloud underpin implication will not be detailed in the 2025 benefit statements for some members.

9. 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 issued most of the affected members with information on their McCloud implications in their 2024/24 annual benefit statement. There are some members for whom this has not been possible.

**Pensions Dashboard** – The go live date for the Fund is October 2025, there is no date yet set for public access, 2027 is a possible go live date. The Pension Regulator is expected to reach out to funds via a survey to check in on readiness.

**Pension Consultation outcome** – The technical consultation on inheritance tax on pensions, reporting, payment and liability closed in January 2025. The outcome was published in July 2025 which confirmed that from April 2027, only death in service pension benefits including spouses benefits from registered pension schemes will be exempt for inheritance tax. This will involve considerable more work for administrators.

**The Pensions Bill** – Aside from focus on the mandatory introduction of investment pooling and the asset management for LGPS funds. The Bill also highlights the needs for regular independent governance reviews with particularly focus on administration performance and effectiveness, the ability to mandate on compulsory merger of funds and the requirement of a single senior LGPS officer responsible for the management, business planning, strategy, training and administration of the Fund. As well as that the budget setting of the Fund is separate to that of the administering authority.

**Scheme Advisory Board** - Launched a survey in August on diversity representation on Pension Boards and Pension Fund Committees. This is in line with the pension Regulators guidance on more effective decision making being implemented by diverse boards.

10. Audit – All enquiries of the 2024/25 audit are being effectively managed with LPPA co operating with sample walk throughs.
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. The Fund has had to write off approx. £3,000 in Q1 due to overpaid pensions from deceased members.
12. Scheme management planning – The next meeting is a full pension committee on 25<sup>th</sup> November 2025.

## **Conclusion**

The pension administration service delivered by LPPA shows signs of continuous improvement. LPPA do however to take onboard constructive feedback and are keen to improve.

## **Equality Implications**

12. None

## **Consultation**

15. None

## **Appendices**

**None**