

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 25/11/2025

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 6th November 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.

Joginder Singh Bola, Senior Solicitor (Contracts and Procurement) 6 November 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. Employer will be asked for their views on the funding strategy statement which will be considered prior to the publishing of the final draft presented to Committee.
3. Member – Member satisfaction survey responses remain low and dissatisfaction has increased. Surveys from deferred retirements in Q2 saw 11 members satisfied and 5 dissatisfied compared with Q1 which saw 10 satisfied members 0 dissatisfied. Active retirements in Q2 saw 2 satisfied responses with 5 dissatisfied and 60.7% not responding, Q1 saw 9 satisfied with 1 response dissatisfied with 65.6% not responding.
4. Complaints – LPPA dealt with 9 complaints in Q2 for the Hammersmith & Fulham compared with 12 in Q1. These were mainly around lack of communication in transfers and AVC's. In addition, there were 2 formal complaints dealt with by LPPA regarding delays and communication in processing transfers. LPPA continue to review complaint trends and implement training courses where appropriate i.e. to the helpdesk.
5. Helpdesk – The number of calls to the LPPA Helpdesk continued to fall as Q2 saw 1096 calls received compared 1035 in Q1. The average call waiting time also fell in Q2 to 3 minutes 11 secs from 3 mins 40 secs in Q1. The call abandonment rate increased to 2.8% at the end of Q2 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 year's 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 Administrator" at this year's UK Pensions Awards and Hackney has joined as LPPA's 19th client.
7. Member engagement – The end of Q2 saw 6,604 increasing number of members engaging with pension portal up from 6333 at the end of Q1. There were 124 opt outs during Q2.
8. Pension savings statements – LPPA have issued pension saving statements to just 5 members of the LBHF pension fund who breached the £60,000 annual allowance limit.

9. Auto Enrolment – Re-enrolment for the fund took place in August 2025 where 2935 employees were assessed, from this exercise 130 opted out and 47 rejoined the 50/50. A declaration on our duties will be made to The Pension Regulator ahead of the December 2025 deadline.
10. Valuation – All fund employers have been sent their reports with their draft contribution rates, which have all fallen. We await any feedback on these. In the past the response rate has been low. In the future we may wish to present these more formally to our fund employers to increase engagement and understanding.
11. Regulatory – There are a number of regulatory issues impacting the Hammersmith & Fulham pension fund the key ones are below ;

McCloud - LPPA have confirmed that they have started to make their first underpin payments to members who are due a McCloud remedy. Members will have the option to receive payment in respect of the McCloud underpin as a lump sum on request.

Pensions Dashboard – The connection deadline date for the Fund is 31 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. It was disappointing to hear that LPPA advised that their software provider Civica did not meet the October 2025 deadline and instead will work towards completion by mid December 2025. The pension regulator has been advised. Our AVC provider Scottish Widows has confirmed they are still working through aspects of compliance and connectivity of AVC provider is proving problematic across the board.

Pension Consultation – Open pension consultations relevant to the LGPS include Local Government Pension Scheme (LGPS) in England and Wales: Access and Fairness this closes on 22 December 2025. This focuses on allowing for a protected minimum retirement age for those who joined the LGPS prior to November 2021, opening access to the LGPS to councillors and mayors. Consolidation of Multi-academy trusts employers in the fund and members working for fair deal employer protecting their LGPS pension rights and less costs for the employer as a bond may no longer be a mandatory required to be in place for the fair deal employer.

The Pension Regulator – Closed it's enforcement strategy consultation in November 2025. Recognising the need to align with the changing pensions landscape sought views on how they will regulate and it's revised enforcement approach.

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 ensuring that the budget setting of the

Fund is separate to that of the administering authority. LBHF will create this new role next year.

12. Audit – All enquiries of the 2024/25 audit are complete, however there was an additional charge made to LPPA of £1,943 (excluding VAT) for the time spent with auditors. Grant Thornton are reviewing if the independent audit report on LPPA is sufficient assurance for future audits.
13. The LBHF inhouse team saw 3 new permanent team members join and continue to work through a backlog over 114 outstanding queries. The Head of Pensions continues with ongoing recruitment to increase the teams resilience and improve service delivery. Facing the challenges of colleagues in other LGPS funds of scarce experienced resource and an increasing fast paced legislative change.
14. 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. £2,391 in Q2 due to overpaid pensions from deceased members.
15. Scheme management planning – The next schedule meeting is a full pension committee on 24th March 2026, which will include full valuation results and the funding strategy statement.

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