

LOCAL PENSIONS BOARD

Subject Heading:

Pensions Administration Update Q4
2024-25

OMT Lead:

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Policy context:

Local Government Pension Scheme
Regulations 2013.

SUMMARY

This report reviews the performance of the Local Pensions Partnership Administration (LPPA) against the agreed service levels for the period January to March 2025.

It also provides an update on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment.

RECOMMENDATIONS

It is recommended that members note the report.

REPORT DETAIL

1. Administration Update

- 1.1 From 1 November 2017, the London Borough of Havering delegated the pension administration service to Lancashire County Council who have engaged the Local Pensions Partnership Administration (LPPA) to undertake their pension portfolio. The Local Pensions Partnership was formed in 2016 through a collaboration between Lancashire County Council and the London Pensions Fund Authority and provides pension services to the Local Government Pension Scheme, Police and Firefighter Schemes
- 1.2 LPPA provide a quarterly performance report attached as Appendix A.
- 1.3 LPPA's Efficiency and Service Improvement Plan continues to deliver new fully automated case processing, including active and deferred retirement quotes, deferred benefits and refunds where the members have no pre 2014 service. In January the number of fully automated cases processed surpassed 3,000 across the LPPA client base. Online retirement forms were trialled by Havering Fund members and are now being rolled out to LPPAs other clients. Work to improve the monthly returns process and the member and employer portals is ongoing.
- 1.4 Overall performance against SLA for Q4 is reported at 99.0%. The reported service is achieving results in excess of the required 95% target in all areas. Additional reports have been provided to enable independent monitoring of completed retirement cases by the Havering Pensions Team. These show a general improvement in the elapsed times, from the initial notification to LPPA to the completion of the case.

1.5 Looking at the 3 highest priority cases, Board members should note the following:

Case Type	SLA Target	Brought Forward	Received in Period	Completed	Carried Forward	Completed on time
Retirement (Active)	5 working days	93	289	252	130	98.7%
Retirement (Deferred)	5 working days	61	149	138	72	100%
Deaths	5 working days	235	255	266	224	96.8%

1.6 When looking at retirement satisfaction surveys, the results remain disappointing with a limited number of members responding. The table below provides the breakdown of the Q4 responses:

	Surveys Issued	Surveys Taken	Satisfied	Neutral	Dissatisfied
Ret from Active	36	11	7	0	4
Ret from Deferred	47	7	3	1	3

1.7 LPPA received 7 complaints during Q4 and carried forward 4 complaints from Q3. Of the 4 cases completed in the quarter, 3 were upheld and 1 was not upheld. 7 cases will carry forward to Q1.

1.8 Calls into the LPPA's contact centre are recorded at a client level with 1056 calls being answered during the quarter. The average wait time for callers across the quarter was 3 minutes 6 seconds with 17 people having to wait more than 15 minutes.

1.9 Members are directed to the contact centre survey on the completion of their call. Satisfaction levels are shown below:

	Surveys Taken	Satisfied	Neutral	Dissatisfied
Contact Centre Overall	52	37	11	4
Contact Centre Agent	58	54	2	2

1.10 The report details the data quality and the Pension Regulator data scores for common and scheme specific data. At the end of Q4 our common data score was 98.0% (previously 97.5%) and the scheme specific data score was 91.0% (previously 90.6%).

2. Fund Valuation

- 2.1 Targeted communications have been sent to scheme employers that are yet to submit the full 2024/25 data and to advise of the risks of not supplying good quality timely information ahead of the full Fund Valuation.
- 2.2 The deadline for the submission of the full Valuation data cut to the Fund Actuary, Hymans Robertson, is 1 August 2025. LPPA will provide the file to the Havering Pensions Team ahead of this date for review and approval.
- 2.3 LPPA will provide a full update on the current position of Havering's valuation preparation.

3. McCloud Remedy Update

- 3.1 The Pensions Regulator has confirmed that the 2025 Annual Benefit Statements, due to be issued by 31/08/25, will need to include remediable service information where a member is affected by the McCloud Remedy.
- 3.2 The McCloud project continues to be a priority project for LPPA and they have key resources focussed meeting the statutory deadline.
- 3.3 LPPA will provide a full update of the current position of the McCloud project work

4. Regulations Consultation

- 4.1 The Ministry for Housing, Communities and Local Government has launched an 'Access and Fairness' consultation, which includes proposals on a range of LGPS issues, including survivor benefits, the gender pay gap and opt outs. The main points are:
 - 4.1.1 Survivor Benefits –
 - proposal to equalise survivor benefits following the Goodwin Case, which identified unlawful discrimination in the treatment of survivors of female members in the Teachers Pension Scheme
 - proposal to remove of the age 75 limit for death grant eligibility
 - with the changes expected to be retrospective, the administrative burden is likely to be significant
 - 4.1.2 Gender Pensions Gap
 - the consultations acknowledges there is a gender pensions gap in the LGPS. GAD analysis suggests the difference is approximately 35% for benefits in the Care Scheme and 46% for benefits in the Final Salary Scheme
 - proposal to make the first 30 days of authorised unpaid leave pensionable with both employer and employee contributions payable automatically. This is a return to the Pre April 2014 approach
 - proposal to rebalance the cost of buying back periods of unpaid leave in excess of 30 days, which is currently generally more expensive for older members and female members of the scheme
 - proposal to make all periods of unpaid maternity leave pensionable with the employer picking up the full cost

- proposal to mandate gender pay gap reporting in the LGPS to gather data and encourage focus on factors which may contribute to such gaps

4.1.3 Opt Outs

- the Government is seeking to address the lack of knowledge regarding why eligible members of the LGPS choose to opt out
- proposal for SAB to provide a new template opt out form and the Government will develop a Gov.UK form for members to complete voluntarily to improve the information available on why members re opting out and the type of member that is opting out

4.1.4 Forfeiture

- forfeiture is rarely used however current provisions are not well aligned with the policy intent
- proposal to remove the requirement for a member to have left employment because of the offence
- proposal to remove the time limit to make a forfeiture application
- proposal to ensure new forfeiture rules apply equally to pre and post April 2014 benefits
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4.2 There are a number of other smaller regulatory changes being proposed, some of which are clarifying amendments

4.3 The consultation closes on 7 August 2025. Havering will consider their response, if appropriate, once we have sight of both the LPPA formal response and that of Hymans Robertson.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Administering Authority must ensure the Shared Service Agreement is working efficiently, providing value for money and meeting the statutory requirements of the Fund via the monitoring of the work of LPPA.

Legal implications and risks:

Havering as the Administering Authority must ensure the Local Government Pension Scheme Regulations are adhered to however there are no specific legal implications within the report.

Human Resources implications and risks:

There appear to be no HR implications or risks arising directly as a result of this report.

Equalities implications and risks:

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.