Havering
LONDON BOROUGH

LOCAL PENSIONS BOARD

Subject Heading:	Pensions Administration Update Q1 2025-26
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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 April to June 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 Overall performance against SLA for Q1 is reported at 99.1%. 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.

1.4 Fund officers are monitoring and working with LPPA on cases identified as being outstanding for more than 6 months. The main delays identified include trying to trace next of kin or obtaining probate for deceased members, employers not responding to queries, LPPA not chasing regularly. Examples have been provided to LPPA and these will form part of the discussions at the monthly client meetings. We will also discuss how we can use the Pensions Administration Strategy to encourage a better response from scheme employers.

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	131	323	263	191	99.3%
Retirement (Deferred)	5 working days	74	132	139	67	100%
Deaths	5 working days	225	241	246	220	97.3%

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 Q1 responses:

	Surveys Issued	Surveys Taken	Satisfied	Neutral	Dissatisfied
Ret from Active	52	12	7	1	4
Ret from Deferred	42	9	2	2	5

1.7 Calls into the LPPA's contact centre are recorded at a client level with 896 calls being answered during the quarter. The average wait time for callers across the quarter was 3 minutes 57 seconds with 26 people having to wait more than 15 minutes. Although the number of calls for Havering was lower than previous quarters, pensions increase and P60 queries for payroll client's members generate an increase in calls which may have had an effect on the wait times for Havering members.

1.8 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	59	40	14	5
Contact Centre Agent	64	63	1	0

1.9 Appendix B and C provide the complaint data for Q1.

1.10 LPPA received 7 complaints during Q1 and carried forward 7 complaints from Q4. 11 cases completed in the quarter where all were upheld. 3 cases will carry forward to Q2.

1.11 Across all LPPA clients 0.35% of SLA processes have resulted in a complaint in the past 12 rolling months and of those received 76% were resolved within 30 days.

1.12 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 98.0%) and the scheme specific data score was 92.5% (previously 91.0%).

2. Fund Valuation

2.1 Fund Valuation data was submitted to the Fund actuary by the deadline of 1 August 2025. Initial feedback from the actuary is that the data is of very good quality although some additional work is required for the members that have left the scheme but are still showing as an active status. Fund officers will be working with LPPA and scheme employers to identify any backlog cases and ensure these are resolved as soon as possible.

2.2 Officers met with the actuary and were pleased to note good progress is being made and the actuary is confident of meeting the statutory deadlines.

2.3 Early results suggest the funding level is around 100 – 102% vs 80% in 2022. The actuary is now working on individual employer results and we expect these to be delivered to Pensions Committee on 9 December 2025.

2.4 Board members are asked to note the following:

- Whilst improvements in funding level can be expected for most employers, each employer is different and results can differ
- The next stage in the valuation process is to calculate the funding position, associated funding metrics and set a contribution rate for each employer within the fund
- When setting contribution rates, the Fund is seeking to ensure there will be enough money to pay benefits in the long term (solvency) and contribution rates are stable and affordable

2.5 Whilst improvements in the funding position may result in contribution relief for some employers any reductions may be gradual to support the finding objectives of contribution rate stability and affordability.

3. McCloud Remedy Update

3.1 Havering Pension Fund has exercised its discretion to delay the implementation of McCloud remediable service in Annual Benefit Statements, for all categories of member, as required, until 31 August 26 as per the report emailed to Board Members

3.2 See 4 below for the detail regarding ABS production, which confirms the majority of statements were able to be issued and only a small number have been advised McCloud data has not been included this year but will be available on the 2026 statement.

3.3 LPPA continue to work on the review of members with crystallised benefits as part of business as usual with over 73% of Havering member records identified as being McCloud eligible, having been assessed by 31 August 25. Outstanding reviews are to be completed ‘without undue delay’ and LPPA are providing officers regular updates on progress.

4. **Annual Benefit Statements**

4.1 The statutory deadline for producing Annual Benefit Statements is 31 August. This year has been challenging due to the requirement to assess members for McCloud eligibility and provide the appropriate calculations (and wording) in those statements. The table below confirms the breakdown of statements produced:

	Active	Deferred	Other*	Total
Members (total)	7,778	6,683	7	14,468
ABS eligible members**	6,848	6,414	5	13,267
ABS produced (number)	67,21	6,382	4	13,107
ABS completed (%)	98.1%	99.5%	80.0%	98.8%

*includes pension credit members or deferred pensioners
**members are ineligible for a numbers of reasons including those that have died, left or retired.

4.2 The outstanding cases, including those awaiting statutory guidance or information from scheme employers or previous pension schemes, will continue to be reviewed on an ongoing basis as part of BAU activity with a view to applying an underpin, if required, to the 2026 ABS.

4.3 All Annual Benefit Statements have been uploaded to the Pension Point self service facility except where a member has opted out of e-comms when the statement has been posted.

4.4 Communications to members have been sent by both LPPA and the Fund to inform members the ABS is ready to view and to encourage sign up to pension point.

5. **Pensions Dashboards**

5.1 The Pension Dashboard connection date for Public Service Pension Schemes is 31 October 2025.

5.2 LPPA have recently been informed by Civica, who provide the administration software and will be the ISP, that connectivity to the Pensions Dashboard ecosystem is at risk. Civica has advised there has been an issue during the IT health check stage, which is part of the connection process. The issue highlighted was not a specific security failure but the test carried out did not have the ‘correct scope’. Civica are arranging a re-test.

5.3 Civica have informed the The Pensions Regulator who has advised this is not a breach but Funds should let tPR know of the potential delay.

5.4 Havering Pension Fund advised tPR of the risk of delay on 26 September 2025