

Administration & Communications risks

December 2025

Risk no.	Risk Overview (this will happen)	Risk Description (if this happens)	Strategic objectives at risk	Current Impact	Current Likelihood	Internal controls in place	Target Impact	Target Likelihood	Date Not Met Target From	Expected Back on Target	Further Action and Owner	Risk Manager	Next review date	Last Update
1	Poor delivery of administration service/third party administrator not delivered in accordance with contract requirements	Poor member experience and/or breaches of legislation including inaccurate payments and failing to meet Service Level Agreements	A1-A6	Major	Almost certain	<ul style="list-style-type: none"> 1 - Strict service standards and SLAs in place 2 - Appointment through robust procurement exercise 3 - Expert contract management team in place 4 - Regular service review meetings 5 - Pensions Administration Strategy sets out expected service levels 6 - LPPA Data Improvement Plan in draft 	Major	Unlikely	1/12/2018	Mar-24	<ul style="list-style-type: none"> 1 - Ensure a process is in place for early identification and escalation of issues 2 - Ensure LPPA's proposals to improve quality/service delivery are delivered 3. Knowledge of LPPA escalation route 	Lucy Patchell / Miriam Adams	30/9/2025	11/1/2026
2	Poor Membership Data	Poor financial and reputational risks, actuary unable to set accurate contribution rates, higher contribution rates, member dissatisfaction, inaccurate benefit statements produced, overpayment of benefits etc. Incorrect data submitted for valuation. Inaccurate McCloud reconciliation. Data provided late also impacts on Fund's ability to pay correct benefits and set accurate contribution rates.	A1, A2, A4	Moderate	Likely	<ul style="list-style-type: none"> 1 - Annual monitoring of membership records, valuation checks, external data validations (done by third party administrator) 2 - Monthly monitoring of contributions to ensure that employers paying across correct contributions along with membership data being supplied (done by third party administrator) 3 - Service Level Agreement with external administrator and monthly monitoring of contract. Monitoring of employers and Pensions Administration Strategy which enables Fund to recoup additional administration costs for sub-standard performance. 4 - Provision of employer support to ensure employers have the knowledge and understanding necessary to provide correct information 5 - Increased use of Employer Self Service to drive through data quality 6 - Regular monitoring of payroll interface to assist with data accuracy 	Moderate	Possible	1/12/2018	Mar-24	<ul style="list-style-type: none"> 1 - Roll out employer portal to all employers - 2 - Develop and roll out data improvement plan LPPA 3 - Speak to LPPA to understand monitoring carried out (see internal controls) 4. Internal admin team to support LPPA with member portal roll out 5. Weekly update of employer data submission 6. Support LPPA with employers submitting monthly returns late 	Lucy Patchell	31/3/2026	11/1/2026
3	Poor Employer Engagement	Financial and reputational risks. Incorrect or late data (see above) and/or member dissatisfaction.	A2, A3, A4	Moderate	Likely	<ul style="list-style-type: none"> 1 - Provision of employer support from Pensions Team/Third Party Administrator 2 - Annual Employer Forum 3 - Employer section of website containing guidance 4 - Pensions Administration Strategy setting out expected service standards and allowing for additional employer changes where appropriate 5 - Increased use of Employer Self Service to support employer engagement and accurate provision of data 6 - Ensuring all employers have a published and approved employer discretions policy and ensuring that they are aware of the additional costs that could arise from the exercise of their discretions or lack of policy. 	Moderate	Possible	1/12/2018	Mar-24	<ul style="list-style-type: none"> 1 - Roll out employer portal - on hold awaiting software system developments(LP) 2 - Carry out employer satisfaction surveys (LP) 3 - Continue with roll out of employer section of website (LP) 4 - Develop Data Improvement Plan after onboarding 	Lucy Patchell / Miriam Adams	31/3/2025	27/5/2025
4	Poor Member Engagement	Poor member engagement can lead to members not fully understanding and/or appreciating the benefits available to them, which could lead them to make poor decisions about their benefits. Potential for the current cost of living crisis to have an impact on decisions members may make (i.e. opting out). Reputational risk	A1, A4, C1-C3	Moderate	Possible	<ul style="list-style-type: none"> 1 - Provision of annual benefit statements and newsletters 2 - Member website with information about benefits and the Fund 3 - Monitoring and reporting on opt out rates 	Moderate	Possible			<ul style="list-style-type: none"> 1 - Continue roll out of Member Self Service (LP) 2 - Carry out regular member surveys (LP) 3 - Report on opt out rates (LP) 4 - Member Self Service is on hold pending system developments 5. Upload member data on actuary's portal annual and formulate remediation plan for correcting data errors 	Lucy Patchell	30/6/2026	11/1/2026
5	Incorrect payments (either overpayments or underpayments)	Financial and reputational consequences. Increased costs through failure to cease pension payments arising as a result of non-notification of death, re-employment, or ceasing education	A2	Minor	Rare	<ul style="list-style-type: none"> 1 - Management of NFI matches and follow up. NFI exercises to identify checks 2 - Write to pensioners each year over age 80 and overseas seeking confirmation of ongoing pension entitlement 3 - Administration review of third party administrators processes and benefit calculations 	Minor	likely			<ul style="list-style-type: none"> 1. - Monthly Overpayment reconciliation 2. Prompt raising of debtor invoices 3. Monitoring of repayment arrangements 4. Update Overpayment policy 5. Engage support of Hackney Debt Management team to assist with collection of arrears 	Lucy Patchell / Morgan Williams	31/1/2026	11/1/2026
6	Unknown external factors including regulatory changes impact the administration of the Fund	Major changes to the administration of the Fund are required (e.g. changes required as a result of the public sector exit payments cap)	A1-A6, C1-C5	Moderate	Possible	<ul style="list-style-type: none"> 1 - Advice and guidance from professional advisors 2 - Attendance at regular LGPS national events/groups 	Moderate	Possible			<ul style="list-style-type: none"> 1. Continue to keep abreast of proposed changes and their implications 2. Conduct TPR Code of Practice Review 3. Governance review every 3 years 	Lucy Patchell / Miriam Adams	31/3/2026	4/6/2025
7	Known regulatory changes resulting from the McCloud case and pension dashboards	McCloud: May impact the quality/timeliness of administration of the Fund (both BAU and McCloud specific) Large amount of additional administrative work for EQ/Hackney which may result in backlogs etc Data back to 2014 being requested from employers which may be missing/not provided Dashboards: Requirement to match data within set timescales - potential for breaches (in particular where there are administrative backlogs)	A1-A6	Major	Possible	<ul style="list-style-type: none"> 1 - Programme management - Programme planning for McCloud has already started and will continue until end of project 2 - Employers engaged with and data collection commenced 3 - engaging with Equiniti re dashboard reporting 	Minor	Almost certain	1/3/2021	Mar-24	<ul style="list-style-type: none"> 1 - Ensure project management for McCloud continues (LP) 2 - Ensure Equiniti have the resources required to undertake review of historic calculations/carry out data processing 3 - Ensure Equiniti have made required software changes to Compendia and have adequately trained administrators to correctly apply regulatory changes when made 	Lucy Patchell	1/6/2024	14/3/2024

8	Poor member communications and resources (including website, standard letters and online services) and communications not sent in a timely manner and/or not considering Diversity & Inclusion effectively	Disengaged members with the potential to make poor decisions Potential breaches of disclosure legislation	C1-C5	Moderate	Possible	1- Standard communications covered under contract requirements 2- SLAs reported on monthly to identify any patterns/trends relating to timeliness of communications linked to processes 3- External administration review underway	Moderate	Unlikely	1/11/2022	Mar-24	1- Ensure outcomes of external administration review are actioned 2- All letter/factsheets/website updates to be signed off by LBH 3- Regular sample checking of standard letters used by third party administrator	Lucy Patchell	1/6/2026	17/12/2025
9	Service interruption due to the change in administrator from Equiniti to LPPA	Poor administration and/or servicedelivery to members. Risk of delays in service provision initially. Risk of inaccurate calculations, processes and communications	A1, A2, A4	Major	Almost certain	1- Provisions in contract to manage transfer and onboarding processes 2- Project team within LPPA to manage the deliverables including implementation timeframes 3 - there will be a period of time where both administration systems are run concurrently, to minimise any disruption to members	Major	Possible	TBC	Mar-24	1- Ensure a inhouse administration team effectively manages on going BAU service and data improvement implementation	Lucy Patchell / Miriam Adams	31/3/2026	17/12/2025
Post Migration Risks														
PMR 001	The risk that Hackneys data quality is poor, increasing the number of manual intervention needed	Additional data cleansing is required before LPPA can administer Hackney members. Delay in members receiving full portal functionality to facilitate online pension estimates		Major	Possible	LPPA enlisted the services of Intellica to review and advise on the data quality / gaps / areas of focus which Hackney are considering			27/11/2025		1.) monitoring progress of LPPA data improvemen plan 2.) Annual upload of data on Hymans portal to get up todat analysis of data errors £. Ensure plan in place for annual TPR reports for data (scheme specific as well as common data)	Miriam Adams/Lucy Patchell	31/3/2026	17/12/2025
PMR 002	LPPA do not fully identify all anticipated costs for the onboard	Additional costs passed on to a new Client - reputational damage		Moderate	Possible	Services will be provided through a shared service agreement priced on a cost recovery basis. Finance will support the project team in producing a detailed project budget for onboarding with contingency. There could be some additional non BAU work (e.g. data cleansing) that might be identified during the project, any of these costs will be agreed with Hackney in advance			27/11/2025			John Doyle	31/3/2026	17/12/2025
PMR 003	Employers do not implement MR spec ahead of the onboard	Our data quality would be negatively impacted		Moderate	Likely	LPPA and Hackney will work together on this engaging with employers and their payroll providers wef May 25			28/1/2025			John Doyle	31/3/2026	17/12/2025
PMR 004	During the data extract and test migration / mapping exercise, exceptions might be identified where there are differences or gaps	Some data might not be mapped into UPM correctly or may require intervention		Moderate	Possible	Civica have produced an options paper outlining mitigating action that can be taken should any admin tables be missing from the mapping activity			24/10/2025			John Doyle	31/3/2026	17/12/2025