

Title of Report	Quarterly Administration and Projects Update
For Consideration By	Pensions Committee
Meeting Date	30 March 2026
Classification	Public
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Naeem Ahmed, Group Director, Finance & Corporate Resources
Report Author	Miriam Adams, Assistant Director Pension Investments and Administration miriam.adams@hackney.gov.uk

1. **Introduction**

1.1. This report is an update on pensions administration performance across the following key areas since the last meeting:

- Pension administration service
- LGPS regulatory update
- Pension Projects, including the data improvement plan

It provides the Committee with information on the position of the Fund's benefit administration between October and December 2025.

2. **Recommendations**

The Pensions Committee is recommended to:

- 2.1. **Approve the Death Grant Policy (Appendix 1)**
- 2.2. **Note the Administration Performance Monitoring for the quarter ending December 2025 (Appendix 2)**
- 2.3. **Agree LPPA's 2026/27 Shared Service Budget Proposal for Hackney Pension Fund (Appendix 3)**
- 2.4. **Note the LGPS Regulatory Updates**
- 2.5. **Note the Data Improvement Plan (Appendix 4)**
- 2.6. **Note Update on other Pension Administration areas**

2.7. Approve the draft Pension Communication for Councillors (Appendix 5)

3. Related Decisions

3.1. Various previous policies and strategies agreed at Pensions Committees.

4. Pensions Administration and Communications Update

4.1 Policy reviews

Death Grant Policy (Appendix 1)

LGPS regulations give Administering Authorities discretion over who receives a death grant and how it is split and paid. The policy, included at appendix 1 is a new policy, although it is referred to in the Administering Authorities discretion policy under the relevant discretion.

Having a robust process in place, which clarifies the decision makers roles and documents the decision making process may help members understand how decisions are made and reduces misunderstanding and complaints at a distressing time.

The Fund has worked with LPPA to dovetail the process with their operational working practices.

4.2 Hackney Pension Fund administration

4.2.1 LPPA performance (Appendix 2)

The Quarter 3 administration reporting from LPPA is attached at Appendix 2. The LPPA performance report covers the period from 24 October when the administration service switched from Equiniti to LPPA up to 31 December 2025.

In summary:

- LPPA's reported performance remained above its 95% SLA; the average over all case types is 99.9% for the quarter.
- Contact Centre: The average call wait time in Q3 was 3 minutes 03 seconds, under the 4 minute target.
- As at the end of Q3, the number of registered Hackney pension fund members for the online portal was 4,575. This has seen a month on month steady increase and a further written communication targeting pensioner members is being planned for April 2026, ahead of P60's being produced.

4.2.2 Hackney Pension Internal Team Update

The Hackney Pension Fund has four members of staff who make up the in-house administration team. The team supports the Council's HR team with redundancy requests. To the end of the reporting quarter 380 redundancy estimates were completed for Council and schools.

General work volumes of the Hackney In-House Administration team for the quarter ending December 2025 is reported in the table below. Tasks reported on include email enquiries, telephone calls from scheme members and member facing meetings.

	Email enquiries	Telephone calls	Member Facing Meetings
Q1 25/26	1,074	519	60
Q2 25/26	1,275	385	55
Q3 25/26	840	374	15

4.2.3 LPPA Shared Service 2026/27 Budget (Appendix 3)

The table below shows the 2026/27 budget estimate for LPPA shared service. The budget of £946k is based on membership at 24 October 2025 when the service was transferred over with assumed membership growth of 3% per annum. This budget excludes the cost of any data improvement plan, other services such as member tracing, communications or any additional work. The Committee is asked to approve the budget.

Hackney	FY 2026/27	FY 2027/28	FY 2028/29
Budget	£946.0k		
Forecast*		£971.0k	£999.0k
Absolute Budgeted Cost Per Member	£33.59	£33.47	£33.43
Real Budgeted Cost Per Member	£32.44	£32.32	£32.28
Membership (estimated for 27/28 & 28/29)	28,166	29,011	29,881

4.3 Communications

Since the last update the following communications have been issued:

4.3.1 Employer Valuation Forum and Results

An Employer valuation forum was held on 4th February where Hymans Robertson LLP, the Fund's actuaries, discussed the valuation and were able to speak to the Employers in attendance regarding their draft valuation results and their new contribution rates. The final individual valuation results have since been sent out to all Employers, which confirms their contribution rates from April 2026- March 2029.

4.3.2 Employee Contribution rates 2026-27

The Pensions Team have provided all Employers and known payroll providers with the new Employee Contribution Bandings for 2026-27 so that they can implement them from the April 2026 payroll onwards. These bandings are subject to change each year to reflect inflation.

The updated employee contribution rates are below:

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £18,400	5.50%	2.75%
2	£18,401 to £29,000	5.80%	2.90%
3	£29,001 to £47,300	6.50%	3.25%
4	£47,301 to £59,800	6.80%	3.40%
5	£59,801 to £84,000	8.50%	4.25%
6	£84,001 to £119,100	9.90%	4.95%
7	£119,101 to £140,400	10.50%	5.25%
8	£140,401 to £210,700	11.40%	5.70%
9	£210,701 or more	12.50%	6.25%

4.3.3 Website

The Fund's website is currently under review given the change in administration function. Officers are working with Gallagher, the current website hosts, to update the website. Currently "under construction" notices have been added to the website as an interim measure and the key contact details and links to the LPPA member portal have been updated.

The website also hosts Fund consultation notices such as the still recently concluded draft Funding Strategy Statement (FSS) consultation with stakeholders.

4.3.4 Pre Retirement Seminars and Employer Support

The In-House Pensions Team arranges 'Pre-retirement workshops' with a company called Affinity Connect, aimed at members who are thinking of retiring within the next 2 to 5 years. These workshops are held remotely with Affinity providing the facilitator, learning material and bookings free of charge. These are currently being held on a bimonthly basis and feedback received has been positive.

4.3.5 Employer Support - School visits

The In-House Pensions Team have attended pension surgeries/presentations at three different schools and children's centres, with these sessions being well received by staff. The team were able to explain the basis of the LGPS scheme and ask any member specific queries that members had, and offered assistance in helping members register for the LPPA Pension Point portal. .

4.4 Complaints & Internal Disputes Resolution Procedure (IDRP)

Complaints

LPPA received the following complaint this reporting quarter:

EMPLOYER	STATUS	REASON
HACKNEY HOMES	COMPLETE	Delay in putting pension into payment- EQ had done original quote, lack of clarity around retirement date/forms. Now in payment
LONDON BOROUGH OF HACKNEY	COMPLETE	Lump sum payment not picked up as EQ had set up the payment but had not paid it due to operational blackout. Now paid
BRIDGE ACADEMY	COMPLETE	Scheme Member unclear regarding the right to a refund and found the letters unclear.
LONDON BOROUGH OF HACKNEY	COMPLETE	Data complaint - member unable to view historic pension details
LONDON BOROUGH OF HACKNEY	COMPLETE	Delay in paying pension
LONDON BOROUGH OF HACKNEY	ONGOING	Member dissatisfied that they cannot view data regarding their pension on Pension Point.

Internal Disputes Resolution Procedure (IDRP)

This is the procedure used by the Fund for dealing with appeals from members both active and deferred. The majority of the appeals are in regard to either disputes around scheme membership or the non-release of ill health benefits. The process is in two stages:-

- Stage 1 IDRP's for the reporting period are reviewed and determinations made for those against the administering authority by the technical manager of the resolutions team in LPPA. All Employers should have a policy to appoint an adjudicator for those made against them as an Employer; those made against the council as an Employer are done by the the Fund's Pensions Manager
- Stage 2 IDRP's are determined by the Group Director, Finance & Resources taking external specialist technical advice from the Fund's benefits consultants.

Stage 1 – One application was received during this reporting period in relation to a data and record dispute from the employer, the Council. The complaint was partially upheld as payroll had not submitted the data correctly

through to EQ. The member records have now been corrected by LPPA and an apology issued.

Stage 2 – No applications were received during this reporting period.

4.5 Pension Dashboard

On 9th August the Pensions Dashboards (Amendment) Regulations 2023 came into effect. The main result of these regulations is to confirm the removal of the phased staging dates for schemes, replacing it with a final deadline of 31st October 2026. However, the regulations do allow for DWP to issue guidance which dictates when individual schemes must connect to the dashboard, and this guidance must be complied with. All public sector pension schemes must be connected by 31 October 2025.

The Fund had an agreed extension to 28 February 2026 due to the service transfer. Civica successfully connected Hackney to the Pensions Dashboard on 23rd February. LPPA continues to work through data reconciliation activities with Civica. It is worth noting that the Dashboard will not be available to members at this point; it is estimated they will be able to access it in the summer of 2027.

4.6 Administration Service Migration

4.6.1 Employer onboarding

At the time of reporting 70% of Employers were up to date with their monthly electronic payroll submissions.

A total of 3 employers are yet to successfully submit a monthly return since LPPA service commenced. As part of the escalation process, employers have been contacted by Fund officers and reminded of their responsibilities.

The Fund team will continue to work with LPPA in escalating matters with these employers. Ongoing engagement will focus on supporting employers to resolve any issues that may be preventing submission.

The Fund and LPPA are working closely with the Council's payroll team to ensure that all monthly return backlogs are cleared and monthly employee payroll submissions are brought up to date to avoid year end processes such as Council's IAS 19 report, Annual Benefit Statements being impacted.

4.6.2 Data Improvement Update

As previously reported the available pension data was imported from Compendia (Equiniti's pensions administration platform), to UPM (LPPA's pension administration platform). During data migration for the service onboarding, it was identified that Compendia did not store all the information that UPM requires to process pension member benefits on an ongoing basis. Additionally, the data migration was made more complex by the amount of work which was being processed by Equiniti 'off system' (i.e. changes not stored in the main Compendia database, but on offline documentation).

As a result, a data issues 'flag' has been added on UPM to c17,000 Hackney member records (active and deferred status) to signify that the record cannot be processed until the data has been rectified. For UPM functionality to work and be fully utilised, all data must be present and correct within the database. Missing or incorrect data will result in calculations, bulk processes, automation and self-service tools all failing and/or exception handling.

This does not fit with LPPA's standard operating model and therefore currently requires additional resources to service the work until all data issues are resolved. The project work to tackle these data gaps/issues have now been agreed upon by LPPA and the Fund and a data improvement plan (Appendix 4) has been formally agreed. This is expected to improve the Hackney member experience, reduce regulatory risks and support the Fund's longer term data strategy. The estimated cost of the data improvement plan over 3 months is £134k.

The high-level milestone plan is set out below:

Data Improvement Phases	Description	Estimated Timeline (2025-2026)
Phase 1 24 Oct 2025 - 15 Jan 2026	Bulk Data Import	24/10 – 10/01
	Intellica Set Up	24/10 - 20/11
	Intellica Data Analysis (for Data Rebuild)	21/11 - 24/12
	Data Rebuild (CARE, etc.)	28/11 - 15/01
	Casework Automation (Active & Deferred)	19/12 - 15/01
	Phase 2 Planning	29/12 - 15/01
Phase 2 15 Jan - 31 March 2026	Bulk Data Import (for complex Active & Deferred)	16/01 - 02/03
	Data Rebuild (CARE, etc.) for complex Active & Deferred	16/01 - 02/03
	Casework Automation (complex Active & Deferred)	16/01 - 02/03
	Intellica Driven Priority Fixes (for Data Rebuild)	16/01 - 27/03
	Annual Pension Increase (for Data Rebuild)	05/01 - 31/03
	Phase 3 Planning	11/03 - 31/03

LPPA's latest update has confirmed that focus continues on resolving the issues that impact the 2026/27 application of annual pension increase to scheme members' records. LPPA reports that good progress has so far been made.

The plan excludes assessment of the McCloud eligibility. Additional work to be completed in respect of the remedy will fall outside the scope of this plan. LPPA indicated that the number of McCloud in scope records identified by the previous administrator seemed a lot lower than their experience with other LGPS funds.

There are other interdependencies with ongoing Business As Usual (BAU) projects, such as the Pensions Dashboard, Annual Benefit Statement and Annual Pensions Savings Statement.

4.7 Other administration and communications related developments and news

4.7.1 MHCLG responds to Access and Fairness consultation

The Ministry of Housing, Communities and Local Government (MHCLG) responded to the Access and Fairness Consultation in February.

The Government has confirmed that it will introduce the changes proposed in the consultation in two stages. The first phase of changes will come into force on 1 April 2026. These are:

- Death grants and survivor benefits
- Qualifying additional pension arrangements (QAPAs) covering the buying back of pension 'lost'.
- Gender pensions gap – other provisions covering compulsory pension contributions during authorised unpaid absences of 14 or less days.
- Abolition of lifetimes allowance
- Amendments related to McCloud protection

The Secretary of State also issued actuarial guidance on reporting the gender pensions gap (GPG) on 3 February 2026. The guidance sets out how the GPG should be reported for the 2025 actuarial valuations.

The [LGPS \(Miscellaneous Amendments\) \(Member Benefits\) Regulations 2026](#) [SI2026/226] have been laid. These regulations amend multiple LGPS Regulations to bring about the above changes.

Further guidance will now be issued from the LGA setting out detailed information about the changes, including any transitional arrangements and the implications of backdating some of the regulation changes.

The Fund and LPPA are currently considering what processes and communications need updating in response to these changes.

4.7.2 MHCLG responds to Access for Elected Members consultation

MHCLG has published a partial response to the Access and Protections consultation. This response covers only one of the four policy areas in the consultation - pensions for elected members. The Government will issue a separate response later this year covering the remaining policy areas.

Following consultation, the Government has confirmed that it will proceed with plans to extend the LGPS to councillors and mayors in England. This change will give access to the LGPS to:

- all mayors and deputy mayors in England
- all councillors at principal authorities in England, and
- all London Assembly members.

The regulations are expected to come into force on 11 May 2026, the first Monday after the local elections. Elected members who wish to join will be required to opt in to the Scheme under regulation 3(6) of the Local Government Pension Scheme Regulations 2013. LGA are continuing to work with MHCLG to consider and resolve any technical queries on the regulations. An update is expected in April, that will set out the key differences between elected and non-elected member participation in the LGPS and outline in more detail the actions all administering authorities will need to take.

The Fund and LPPA are considering what processes and communications need updating in response to these changes. A holding draft member communication to be issued to elected Members after the 11th of May is attached at Appendix 5.

4.7.3 LGPS England & Wales Scheme Advisory Board (SAB)

Board statement on Government's response to Access and Fairness

On 4 February 2026, the Board published a [statement](#) on the [Government response](#) to the Access and Fairness consultation.

4.7.4 Confirmation of annual revaluation, earnings and pensions increase

On 26 February 2026, HM Treasury (HMT) published a written ministerial statement confirming the rates of annual revaluation, earnings and pensions increase due to apply from April 2026. The statement confirms:

- public service pensions will increase on 6 April 2026 by 3.8%, in line with the Consumer Prices Index for the year up to September 2025
- revaluation of 3.8% plus any local addition will be used in April 2026 to revalue CARE accounts in public service pension schemes that use prices as the measure of revaluation
- revaluation of 4.8% will be used in April 2026 to revalue CARE accounts in public service pension schemes that use earnings as the measure of revaluation.

LPPA are already planning the annual pension increase activities mentioned in paragraph 4.6.2 to implement the above increase.

5. Financial implications

- 5.1. The Pensions Committee has delegated responsibility for management of the Pension Fund. Whilst there are no direct financial impacts from the information contained in this report, quarterly monitoring of key aspects of the Pension Fund helps to provide assurance to the Committee of the overall financial performance of the Fund and enables the Committee to make informed decisions about the management of the Fund.
- 5.2. Monitoring of key administration, communication and project targets ensures that the Fund monies are being used appropriately including ensuring that the Fund is achieving value for money.

Financial Implications prepared on behalf of the Group Director Finance & Corporate Resources by: Deidre Worrel, Director Financial Management
Email: deidre.worrell@hackney.gov.uk
Date: 19 March 2026

6. Legal Implications

- 6.1. The Council's Constitution gives the Pensions Committee responsibility for various specified functions relating to management of the Council's Pension Fund, as reflected in the Committee's Terms of Reference. The Committee has delegated responsibility:
 - To act as quasi Trustees of the Council's Pension Fund, consider pension matters and meet the obligations and duties of the Council under the Superannuation Act 1972, the Public Service Pensions Act 2013, and the various pension legislation.
 - To act as Scheme Manager for the Pension Fund.
 - To set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and to develop a medium term plan to deliver the objectives.
- 6.2. Given these responsibilities, it is appropriate for the Committee to consider a regular quarterly update covering scheme administration, communication and pension projects.

Legal implications prepared on behalf of the Director of Legal, Democratic & Electoral Services by: Georgia Lazari , Team Leader-Places
Email: georgia.lazari@hackney.gov.uk
Date: 16 March 2026

Appendices

Appendix 1- Death Grant Policy

Appendix 2 - LPPA Q3 Administration Performance Update

Appendix 3 - 2026/27 LPPA Budget Proposal for Hackney Pensions
Administration Service

Appendix 4 - Post Migration Data Cleanse Report

Appendix 5 - Pensions Communication for Councillors

Background documents

None