

Title of Report	Quarterly Administration and Projects Update
For Consideration By	Pensions Committee
Meeting Date	24 June 2026
Classification	Open
<u>Ward(s) Affected</u>	All
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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 January and March 2026.

2. **Recommendations**

The Pensions Committee is recommended to:

- 2.1. **Approve the Administering Authorities Discretion Policy (Appendix 1)**
- 2.2. **Note the Administration Performance Monitoring for the quarter ending March 2026 (Appendix 2)**
- 2.3. **Note the LGPS Regulatory Updates**
- 2.4. **Note Update on other Pension Administration areas**

3. **Related Decisions**

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

4. Pensions Administration and Communications Update

4.1 Policy review

Administering Authority Discretions Policy (Appendix 1)

LGPS regulations contain a number of areas where administering authorities have discretion to make a decision about how the regulations apply. Examples include determining whether a co-habiting partner meets the criteria to receive a partner's pension in the event of a member's death, or whether to enter into an admission agreement with a new employer. The Regulations do not require a written policy to be published in relation to all the areas of discretion, but given it is required in relation to a small number of areas it is good practice to include all administering authority discretions in the policy, to ensure members, employers and the LPPA operational teams understand the Fund's approach.

The policy statement was last reviewed in June 2021. Therefore, it has been updated throughout to reflect the revised job titles of the officers to whom responsibility for certain discretions has been delegated. The Fund has also worked with LPPA to bring some of the discretions inline with their usual working practices, whilst ensuring that robust and equitable decisions can be made.

4.2 Hackney Pension Fund administration

4.2.1 LPPA performance (Appendix 2)

The Fund changed its third party pensions administrator service provider from Equiniti to Local Pensions Partnership Administration (LPPA) in October 2025. In addition, a small in-house team is maintained.

The Quarter 4 administration reporting from LPPA is attached at Appendix 2. The LPPA performance report covers the period from 1 January 2026 to 31 March 2026.

In summary:

- LPPA's reported performance remained above its 95% SLA; the average over all case types is 98.2% for the quarter.
- Contact Centre: The average call wait time in Q4 was 3 minutes 38 seconds, under the 4 minute target.
- As at the end of Q4, the number of registered Hackney pension fund members for the online portal was 5,882. This has seen a month on month steady increase.
- The fluctuation in membership numbers shown in page 7 of Appendix 2 is due to temporary status changes to member records to allow correction.

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 508 redundancy estimates were completed for the year for the Council and schools.

General work volumes of the Hackney In-House Administration team for the quarter ending March 2026 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
Q4 25/26	1,139	412	47

4.3 Communications

Since the last update the following communications have been issued:

4.3.1 Pensioner Communications

A letter was sent to all pensioners at the end of April to encourage registration on PensionPoint ahead of pensions increase and P60s being made available in May.

4.3.2 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 documents and policies and has been updated to include the finalised 2024-25 Report and Accounts, the recently approved Funding Strategy Statement (FSS) and the 2025 Valuation Report.

4.3.3 Pre Retirement Seminars and Employer Support

On behalf of the Council, 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 continues to be positive.

4.3.4 Employer Support - School visits

The In-House Pensions Team have attended pension surgeries/presentations at two different schools, with another five already diarised for the coming few months. 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 complaints this reporting quarter:

	Q4 2025/26								
	Carried forward from previous quarter	Complaints received (current period)	Complaints completed	Complaints closed / outcome (current quarter)					Carried forward
				Upheld	Not upheld	Partially upheld	Withdrawn	Not Recorded	
Delays	0	8	5	5	0	0	0	0	3
General Service	2	5	6	3	3	0	0	0	1
No Value Recorded	1	0	1	0	0	0	0	1	0
Payroll	0	0	0	0	0	0	0	0	0
Regulatory	0	0	0	0	0	0	0	0	0
Totals	3	13	12	8	3	0	0	1	4
				Upheld Complaint is justified and errors/ omissions occurred.	Not Upheld Complaint is not justified and no errors/ omissions occurred.	Partially Upheld Part of the complaint is justified and part is not.	Withdrawn Member has withdrawn their complaint.		

The Fund is working with LPPA to help identify any common complaint themes, in order to support in areas that require particular focus. As such, the Fund team, alongside LPPA, recently met with Prudential, the Fund's AVC (Additional Voluntary Contributions) provider to discuss issues that were being experienced with communications between LPPA and Prudential which was impacting AVC disinvestment timeframes and therefore delaying LPPA's ability to pay pension benefits for certain members. Reassurances were given to the Fund that these problems should not occur again as some necessary updates have been made to the prudential systems which should allow for smoother communications with LPPA.

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 appeals 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 LPPA.

- Stage 2 IDRPs are determined by the Group Director, Finance & Resources taking external specialist technical advice from the Fund's benefits consultants.

If the member is still not satisfied with the resolution they can escalate the complaint directly to The Pensions Ombudsman. This must be done within 3 years of the original complaint.

No IDRPs applications were received during this reporting period. However, the Fund received notification that two previous IDRPs cases have now been progressed to The Pensions Ombudsman. The Fund is cooperating with The Pensions Ombudsman on these investigations by providing information as and when requested on the background and decisions taken. Brief detail of the two cases is below:

Case A - A deceased member's partner, who lived with the member at the date of death, is appealing the decision to not grant them a cohabiting survivors pension.

Case B - A pension member is appealing the former Employers decision to grant a tier 3 ill health pension.

4.5 Pension Increase and P60s

As advised previously, the latest pension increase was confirmed as 3.8% based on the Consumer Price Index (CPI) for September 2025. The pension increase applies from 6 April 2026.

Pensions Increase was successfully applied for 98.9% of eligible pensioners. LPPA continues to work on the remaining cases to update records and make correct payments. It is anticipated that this work should be completed by the end of June. Pensions Increase is currently being applied to eligible deferred members during May.

P60s are currently being produced by the LPPA payroll team and should be live on Pension Point by the end of May.

4.6 Administration Service Migration

4.6.1 Service Level Agreements (SLA)

Since going live with LPPA in October 2025 the Fund had agreed to the following relaxed SLAs in order to assist in the data and transition challenges that LPPA faced. High priority relaxed SLA for the period between 24th October 2025 – 30th April 2026 (relaxed to 90% target SLA). Other cases relaxed SLA for the period between 24th October 2025 – 30th April 2026 (relaxed to 70% target SLA). See table below

Priority	Case Type
HIGH	Deaths
	Retirements deferred
	Retirements immediate
OTHER	Admissions
	Refunds
	Transfers In
	Transfers Out
	Divorce
	Aggregation
	Deferred Benefits
	Estimates-member
	Estimates-employer
	Correspondance

These agreed relaxed service levels ended on 30 April. The Fund has now agreed with LPPA that the contractual standard SLAs should now be implemented. It's worth noting that LPPA have been performing to these contractual targets since transition which is really positive news.

The standard target is 95% with the high level SLAs below:

Process	Standardised SLA (Working Days)
New Starters	10
Transfers In	10
Transfers Out	10
Estimates-member	10
Deferred Benefits	15
Deaths	5
Retirements immediate	5
Retirements deferred	5
Refunds	5
Estimates-employer	5
Correspondance	10
Aggregation	30

Employer onboarding

The majority of the Fund's employers are up to date with their monthly payroll data submissions.

All employers/payroll providers have engaged with LPPA but at the date of writing, one academy and a group of federation maintained schools, using an external payroll provider, are still working with LPPA to successfully submit their first return for October payroll and then will work with LPPA to bring their returns up to date. This is due to various system and payroll coding issues.

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. Fund officers continue to remind employers of their ongoing responsibilities.

The Council's payroll team have submitted up to and including the March return. Bringing the Council up to date following the transition between systems has been a big piece of work for LPPA and the payroll team given the level of membership within the Council.

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 had 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 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

The majority of the work has been completed. Officers meet with LPPA on a monthly basis to review progress of the data improvement project. LPPA's latest update in May has confirmed that focus continues on resolving the issues that impact the 2026/27 application of annual pension increase to scheme members' records and those that affect the ability to produce annual benefit statements. LPPA reports that good progress has so far been made although behind schedule. Much of the remaining data queries are now being looked at manually by the data teams.

4.7 Other administration and communications related developments and news

4.7.1 Access and Fairness consultation- phase one

On 6 March 2026 LGPS (Miscellaneous Amendments) (Member Benefits) Regulations 2026 [SI2026/226] were laid. The regulations amend multiple LGPS Regulations to bring about the changes proposed in MHCLG's 2025 Access and Fairness consultation.

Further guidance has now been issued from the Local Government Association (LGA) setting out detailed information about the changes, including transitional arrangements and the implications of backdating some of the regulation changes. The Ministry of Housing, Communities and Local Government (MHCLG) published statutory guidance covering survivor benefits and death grants. The statutory guidance sets out MHCLG's recommendations on how administering authorities should revisit cases where the member died before 1 April 2026.

The retrospective nature of some of these changes is a big administrative challenge and the Fund will continue working closely with LPPA to ensure the legislative changes are fully implemented.

4.7.2 Access and Protections consultation – elected members

On 25 March 2026, the LGPS (Amendment) (Elected Member Pensions) Regulations 2026 [SI2026/346] were laid. They come into force on 11 May 2026. They amend the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, as well as numerous combined authority and combined county authority establishment orders and the Local Authorities (Members' Allowances) (England) Regulations 2003.

The regulations extend membership of the LGPS, from 11 May 2026 to elected members of local authorities in England, including councillors and mayors of county councils, district councils, London borough councils, combined authorities, combined county authorities and the Greater London Authority. This includes unitary councils which, depending on their structure, are either district or county councils.

LPPA have created an Elected member page which contains information on the benefit structure, contributions and joining instructions <https://www.lppapensions.co.uk/members/pension-regulations/elected-member-pensions-lgps/> and the Council's payroll teams have been made aware of their duties.

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
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Date: 15th June 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
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Date: 15th June 2026

Appendices

Appendix 1- Administering Authority Discretion Policy 2026
Appendix 2 - LPPA Q4 Administration Performance Update

Background documents

None