

London Pension Fund Authority

Meeting of the Local Pension Board



MINUTES

APPROVED

Meeting: Local Pension Board (LPB) of the London Pension Fund Authority
Date: Thursday 28 November 2024
Time: 10.00-12.30
Location: LPFA Offices, G.04, 169 Union Street, London SE1 0LL

Present:

Andy Cunningham	LPB Chair (Chair)
Mike Allen	Member Representative
Stephen Boon	Employer Representative
James Cherry	Member Representative
Tadija Popovic	Employer Representative
Luke Rigg	Employer Representative
Surendra Wanza	Member Representative
Natalie Watt	Member Representative

In Attendance:

David Parker	LPPA Head of Operations
Chris Dawson*	LPPA Head of Engagement and Communications
Anastasia Klimenko	LPFA Chief of Staff
Mark Anderson	LPFA Director of Compliance & Risk
Alistair Peck	LPFA Head of Comms and Engagement
Adam Bush	LPFA Head of Employer Management Services
Jason McKenzie	LPFA Governance, Risk & Compliance Officer (Minutes)

Apologies:

Amy Sweeting	Member Representative
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**via MS Teams*

0. Pensions Dashboard Training Session

- 0.1 Janet Morville-Smith provided the training, the slide deck is uploaded to the Diligent reading room.
- 0.2 The Board noted the deadline to connect the dashboard is 31 October 2025 and the mandated date to be available to members is at least six months from that date.
- 0.3 It was confirmed the data held on the dashboard is not real-time, rather based on the information provided in the latest ABS. This will provide members an indication of what to expect from their pension and will be directed to request an actual projection.

Janet Morville-Smith left the meeting.

1. LPB224 – Introductory Matters

Chair's welcome, apologies, and declarations

- 1.1 The Chair welcomed those present and confirmed quorate. No new declarations of interest had been made ahead of the meeting and apologies had been received from Amy Sweeting.

Future meeting format

- 1.2 The Board discussed how they would like to meet in future meetings and discussed the pros and cons of hybrid meetings, virtual meetings and in-person meeting formats. The IT issues of the current

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venue were considered as were the benefits of meeting in-person.

- 1.3 The Board **AGREED** to meet virtually two meetings a year alternating with two meetings in-person. Luke Rigg offered to arrange the meetings at the GLA meeting rooms at 169 Union Street.

Minutes of the Meeting held on 26 September 2024

- 1.4 The Board **REVIEWED** and **APPROVED** the minutes of the last meeting.

Action Points

- 1.5 The Board noted all actions from the September meeting were completed.

2. LPB225 – LPPA Quarterly Report (Q2)

- 2.1 David Parker advised he will be attending the LPB meetings permanently taking over from John Crowhurst as LPPA representative and Chris Dawson will also remain. David presented the LPPA Q2 report and highlighted the SLA target was met despite the challenge of fluctuating workloads.
- 2.2 The Board discussed the employer monthly returns noting some employers, usually small, do not meet the deadlines and fall behind for a couple of months before catching up, resulting in a significant spike in the data tables.
- 2.3 The Chair asked for a report on employers who are significantly behind, to identify opportunities for direct engagement and offer training as required. The Board noted smaller employers have manual processes resulting in bottle necks and those with outsourced payroll providers are often late in submitting their monthly returns. **ACTION: D Parker.**
- 2.4 The Board questioned at which point LPPA would escalate a case of an employer continually providing late returns despite engagement, noting that LPPA are more vigilant during April-August whilst valuations are being calculated and data accuracy is crucial.
- 2.5 It was clarified that members receiving pay increases which are backdated are accrued on the next monthly return as this triggers a system recalculation which may result in a delayed back payment which will include interest where applicable.,
- 2.6 The Board reviewed the 'Ongoing Casework at the end of the reporting quarter' data (Page 15 of the report) and discussed the Death cases. It was noted 43% of the Death cases are awaiting a response to requests – such as chasing a claim form for over/under payments, and/or a third-party response. The remaining 57% (approximately just under 1000 cases) are at a variety of differing stages, and it was agreed a further breakdown of this category will be provided in the report going forward. **ACTION: D Parker.**
- 2.7 The Board also requested a further breakdown of the data on retirement cases, showing whether the first monthly payment was made within 30 days of the retirement date. The Board proposed that the analysis should consider whether the delay in payment was caused by the member not responding in a timely manner, therefore providing a more accurate picture of the collective performance of the employer and LPPA in serving the member. **ACTION: D Parker.**
- 2.8 The Board also noted if the final monthly payroll payment is not completed during the 30-day notice period, variable pay is difficult to recalculate; and a possible requote may be required if a substantial change discovered on the next monthly return.
- 2.9 The Board discussed the effect the timing of the member notification has on the first payment within 30 days and noted the delays an AVC agreement has. The Board noted LPPA provide communications on 'getting ready for retirement' which defines the roles of LPPA, the employer, the

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AVC provider, and provides timescales and all necessary forms and links. Employers are provided with similar toolkits to signpost information to members approaching retirement.

- 2.10 The Board noted the contact centre SLA target was achieved; and noted the increase of returned survey forms as LPPA are trialling an incentive to complete the survey and a recontact response.
- 2.11 The Board noted the leaver form project remains ongoing. This includes creating an automated contribution validation check to ensure a quicker process; and using existing employer information to minimise the data ask. This project is expected to be completed by Q4 for CARE scheme only members.
- 2.12 The Board noted LPPA plans in 2025-26 to automate back-end processes, such as online forms to increase accuracy and efficiency.
- 2.13 The Board discussed the member online portal and noted LPPA and LPFA are working on providing communications to members regarding their preferred method of engagement. The Board noted the goal to digitise member communications to reduce the 11,000 in hardcopy. **ACTION A Peck** to provide update on progress at next meeting.
- 2.14 The Board discussed the customer satisfaction scores noting that all comments are analysed and feed into the development plan. The Board suggested using AI to aid the analysis to produce word clouds or trend data.
- 2.15 The Board asked for copy of the annual summary of complaint trends. **ACTION D Parker.**
- 2.16 The Board **NOTED** the Q2 report and thanked David and Chris.

David Parker and Chris Dawson left the meeting.

3. LPB226 – LPFA Operations Report

- 3.1 Mark Anderson took the report as read and presented an overview of the headline information.
- 3.2 The Board noted work on the Target Operating Model is on hold pending the CEO recruitment. The recruitment returned a good number of responses, and the second-round interviews are underway with a decision expected in mid-December.
- 3.3 The Board welcomed Adam Bush, LPFA Head of Employer Management Service and noted he will now manage the relationship with LPPA including overseeing the administration of employer data.
- 3.4 The Protecht business management system project is progressing with initial training being rolled out to LPFA staff. Risk owners have updated their risks directly using the system and the Board noted the change in the report with more information to be shared at future meetings as the project continues.
- 3.5 The Board discussed the Mansion House statement noting many of the functions are already in operation; and industry feedback agrees the sensible approach for the 8 pools. Work is underway to preparing the response to align with the deadline.
- 3.6 The Board discussed the various risks associated with investment pooling models including timeframes and noted the government is still in consultation phase and it was agreed LPFA to provide updates to the Board out of session as they occur. **ACTION M Anderson**

4. LPB227 – LPFA Compliance, Oversight and Regulation

- 4.1 Mark Anderson took the paper as read and presented an overview of the paper.
- 4.2 The Board noted that LPFA have queried LPPA regarding why the 9000 addresses do not affect the TPR percentage and is expecting the answer at the next fortnightly client relationship meeting. **ACTION J McKenzie** to update the Board out of session.
- 4.3 The Board noted that of the 9000 members, 5500 are not registered on Pension Point. A mailout is scheduled for December which includes a data validation received request to verify the data upon registration.
- 4.4 The Board noted the improvement in the reduced number of received complaints, and LPFA continues to monitor LPPA performance on their complaint management processes. The uphold rate remains high; the Chair commented that if a known issue was a root cause for complaints, LPPA should proactively communicate with members to manage expectations and avoid further complaints.
- 4.5 Discussion took place on industry complaints numbers, and IDRPCs upheld rates and the ease of access to complaining; noting member expectations are higher than in the past especially for quicker responses rather than weeks of delay. It was noted this challenge is not easy to automate.
- 4.6 The Board asked for further data on complaint management and the turnaround response rate to members. **ACTION M Anderson.**
- 4.7 The Board **NOTED** the report.

5. LPB228 – Risk Management

- 5.1 Mark Anderson took the paper as read and presented an overview of the paper.
- 5.2 The Board noted the revised risk reporting style which has been downloaded from Protecht. The Risk and Compliance team are working in consultation with the Audit and Risk Committee to define the report parameters and style, which is expected to be presented at the next meeting along with a further breakdown of all risks. Further, all actions arising from Board and Committee meetings will be captured and managed using Protecht going forward and development has commenced on configuring an Employers register and dashboard for reporting purposes.
- 5.3 The Board discussed ideas to further identify and embedded risk awareness within the business and noted plans to transition to a full three lines of defence model with each staff member having access to their risks enabling full ownership at the first line, and oversight at the second by the Risk and Compliance team.
- 5.4 The challenge of overlapping risks and linkage with LPPA was discussed, as some risks are captured in a traditional register, though the controls and assurance inspections are monitored through Protecht. The Board noted the transition remains in early phases and good risk practices are beginning to be embedded into business as usual.
- 5.5 The Board discussed the Cyber Security risk noting the pending review of the British Library cyber-attack case study will be considered when updating the Medium-Term Financial Plan, and Strategic Policy Statement as well as the IT tenancy activity. The Board also recommended reviewing the TfL cyber-attack given the direct correlation with pension management but noted that the attack effects were still being managed and no official outcome reporting had been issued; the Board also recommended obtaining a copy of the presentation made by Gloucester City Council on councils experiencing cyber-attacks. **ACTION M Anderson.**
- 5.6 The Board queried point 4.7 of the ARC minutes of 20 September 2024 and asked if this was in

connection with the changes to Public Services Exit Cap.

- 5.7 The Board noted the audit report of how LPFA have implemented the TPR General Code of Practice is anticipated to be received in March.
- 5.8 The Board **NOTED** the report.

6. LPB229 – Corporate Communications Update

- 6.1 Alistair Peck took the paper as read and provided a summary.
- 6.2 The Board noted the Fund Member Forum event of 4 December has 550 registered delegates and a good number of questions submitted in advance. The annual report executive summary will be shared at the Forum.
- 6.3 The Board **NOTED** the Communications update.

7. LPB230 – LPB Appraisal Update

- 7.1 The Chair provided an update after meeting with Board members.
- 7.2 The Board noted the different presentation of meeting items and the breakdown of main and supplementary packs. Feedback from the meeting style is noted as case-by-case depending on the item and the amount of context needed from LPFA officers before Board discussions and questions.
- 7.3 It is agreed LPFA will provide key information to LPB out of sessions going forward, such as sharing monthly updates and any and key updates in bullets for information only, though responding for questions is encouraged. This will allow for further context between meetings and will not affect the meeting pack.
- 7.4 The Board agreed they are operating effectively, though the Chair invited further comments.
- 7.5 The Board asked for the link to sign-up for the LGPS Bulletin and noted the availability of online Pensions Regulator toolkit training and LGA training events. **ACTION J McKenzie** to circulate these details out of session.
- 7.6 The Board **REVIEWED** and **NOTED** the forward plan of business and the updates provided.

8. Any Other Business

- 8.1 The Board **NOTED** the next meeting is scheduled on 19 February 2025 online.
- 8.2 There being no further business, the Chair declared the meeting closed.