

# 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 19 February 2025  
**Time:** 10.00-12.30  
**Location:** MS Teams (Virtual)

**Present:**

Andy Cunningham	LPB Chair ( <b>Chair</b> )
Mike Allen	Member Representative
Stephen Boon	Employer Representative
James Cherry	Member Representative
Luke Rigg	Employer Representative
Surendra Wanza	Member Representative
Natalie Watt	Member Representative
Amy Sweeting	Member Representative

**In Attendance:**

David Parker	LPPA Head of Operations
Chris Dawson	LPPA Head of Engagement and Communications
Chris Batts	LPPA Client Relationship Manager
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
Ashley Durkan	LPFA Governance Manager

**Apologies:**

Tadija Popovic	Employer Representative
Jason McKenzie	LPFA Governance, Risk & Compliance Officer (Minutes)

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### 1. LPB232 – 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 Tadija Popovic and Jason McKenzie.

#### Minutes of the Meeting held on 23 November 2024

- 1.2 The LPB **REVIEWED** and **APPROVED** the minutes of the last meeting.

#### Action Points

- 1.3 The LPB noted all actions from the November meeting were updated or completed, including the additional actions raised after the last meeting regarding complaints and digitised communication.
- 1.4 Regarding action (**Nov-24 LPB227 4.3**) relating to the 9,000 address not affecting the TPR percentage, the Chair made a clarifying point that this measure is of the information being both correct and being correctly delivered. Therefore, the true percentage of accuracy may be lower than it appears.
- 1.5 Regarding action (**Nov-24 LPB225 2.7**) relating to ongoing death cases, the Chair queried whether some cases have been double counted given the way the information is displayed.

### 2. LPB233 – LPFA Management Report

- 2.1 The Director of Compliance and Risk took the paper as read and presented key updates. The Government consultation response submission, which was approved by LPFA Board, was provided for information. The Strategic Policy Statement (SPS) and the Medium-Term Financial Plan (MTFP) had been submitted to the Mayor of London's office for comment and were also attached for information.
- 2.2 The LPB discussed the approach to Government consultations and whether there is an opportunity for more engagement in future responses. Luke Rigg enquired about standard practice for involving the LPB in consultation responses. LPFA explained the challenges of the short notice period and the difficulty of collating the views of multiple stakeholders. The Governance Manager clarified that LPB engagement depended on the type of consultation and that the tight timeline made involvement impractical in this instance. Surendra Wanza supported Luke's point, suggesting that, even if full engagement is not possible, the LPB should at least be notified of relevant consultations via email. The LPB acknowledged these constraints but welcomed continued transparency and updates on the consultation process and future timescales.
- 2.3 The LPB raised a question about whether LPFA is adequately resourced to implement potential changes resulting in the Government proposals. The Governance Manager confirmed that adjustments in workloads and priorities will be required once the Government provides direction. However, as the implementation timeline remains unclear, LPFA will have to adapt as more details emerge. The Governance Manager also noted that LPFA is well-positioned compared to other pools, given that the LPP model is currently aligned with the Government's preferred approach.
- 2.4 The LPB noted the progress of the LPFA Board recruitment, with two positions being filled due to current members not entering a second term. The LPB also welcomed the appointment of Jo Donnelly as CEO, who will take up the role on 1 April 2025
- 2.5 The LPB engaged in a broader discussion about the evolving LGPS landscape and potential reforms. The Chair provided insights into different LGPS governance models and the challenges posed by Government expectations. He noted that some LGPS pools, particularly those that are not FCA-regulated, must submit regulatory plans by the end of March 2025. Mike Allen commented on the potential impact of reducing the number of administering authorities, highlighting the possible reaction from London boroughs. The LPB recognised that while the direction of Government policy appears clear, the implementation timeline may be extended to accommodate the complexities involved.
- 2.6 The LPB **NOTED** the report.

### 3. LPB234 LPFA Compliance Oversight and Regulation

- 3.1 The Director of Compliance and Risk took the paper as read and highlighted that there were no concerns regarding contributions up to November. The Head of Employer Management Services provided an update of the employer submissions and monthly returns, noting the strong position compared to the previous year. As of 28 December 2024, only two employers had not provided timely submissions, though LPFA had been working closely with LPPA to resolve this.
- 3.2 The LPB noted that LPPA SLA performance had remained above 95%, though workflow spikes had posed challenges, particularly due to a 48% increase in death notifications in January. Efforts to enhance data cleansing had been ongoing alongside preparations for the Pensions Dashboard Project.
- 3.3 Improvements in breach reporting had been noted, with LPPA developing more automated and transparent reporting mechanisms to strengthen oversight through dashboards.
- 3.4 A reduction in the volume of complaints had been recognised, though upheld rates had remained high. LPFA had collaborated with LPPA to improve clarity in reporting, particularly in cases involving

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overpayments and IDRPs escalations.

- 3.5 The LPB discussed the differences between the satisfaction scores categories between service and agent noting some challenges lies within the process, often with delays from external factors such as AVCs, and not directly with the agent.
- 3.6 Discussions highlighted variances in satisfaction scores related to service delivery and customer agent interactions. While members had expressed high satisfaction with customer agent support, process inefficiencies - such as late employer notifications and AVC-related complexities - had continued to impact overall satisfaction.
- 3.7 The Chair reiterated the positive changes of the work that has occurred to improve member services.
- 3.8 The LPB **NOTED** the report.

### 4. LPB235 – LPPA Improvements to the Member Journey

*David Parker, Chris Dawson, and Chris Batts joined the meeting*

- 4.1 Chris Batts, Client Relationship Manager at LPPA, introduced himself to the LPB.
- 4.2 The LPPA Head of Operations presented the improvements in the member retirement journey, including earlier employer notifications, automated deferred and care-only active retirement quotations, online member forms, and automated payment stages. These changes aimed to simplify and speed up the process.
- 4.3 The importance of early employer notifications was emphasised, noting that receiving information at least 30 days in advance significantly increased the likelihood of timely first payments.
- 4.4 LPPA had been redesigning the leaver form questions to enhance efficiency, with a release planned for Q1 of the next financial year. Additionally, an automated data validation model was being developed to improve the member experience and reduce delays caused by back-and-forth queries between LPPA, members and employers. This system aimed to process end-to-end payments within 24 hours of notification, compared to 10 days under the previous process.
- 4.5 A new live quotation system had been launched in 2024, automating the validation of member records, calculations, payment amounts, and bank details. Once confirmed, this quotation was sent to members.
- 4.6 Plans for further automation into Business as Usual (BAU) included employer pay queries being managed through the online portal, digital identity validation, and extending automation to final salary scheme processing in the next financial year.
- 4.7 The Chair invited questions.
- 4.8 It was clarified that failed validation checks were escalated to a human for review. Queries requiring HMRC input or an AVC verification were also manually managed, as these were not yet coded into the system.
- 4.9 The automation process had freed up member services team time, enabling staff to focus on more complex cases and provide a gold class standard of service.
- 4.10 Member election forms were defaulted to digital submission, though papers forms were sent if no email address was on file.
- 4.11 LPB queried whether the automated validation process included overseas members without a UK passport or UK bank account. LPPA confirmed that Western Union was used as an intermediary for such transactions and the Head of Operations would provide further clarification at the next meeting.

**ACTION: David Parker**

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- 4.12 LPPA confirmed that they had sufficient in-house resources, supported by Civica, to manage coding, process maps, and system maintenance for automated protocols.
- 4.13 In response to concerns about monthly payroll deadlines affecting the 30-day target, LPPA confirmed that the effectiveness of this metric would be examined. Where a case assessment determines the 30-day target could not be met due to payroll deadlines, the first payment date would be clearly communicated to the member.
- 4.14 The LPB **NOTED** the report.

### 5. LPB236 – LPPA Quarterly Report Q3

- 5.1 The LPPA Head of Operations provided a summary of the report, including casework performance, the McCloud project, and the data improvement project with Civica. The overall fund membership had increased, and the casework spikes and impact of seasonal deaths on workload were highlighted.
- 5.2 The Chair invited questions.
- 5.3 The Chair queried compliance across all areas (new cases, transfers, deaths). LPPA confirmed that the revised processes following McCloud were in place for new cases and transfers. However, checks on death cases (ensuring the survivor's benefit was correct) required confirmation at the next meeting.

**ACTION David Parker**
- 5.4 The Chair requested an update on the retrospective compliance checks of the McCloud cases dating back to 2014. LPPA confirmed plans to configure these compliance checks into the Civica system. The programme would conduct reviews to verify if amounts were correct and, if not, calculate the revised benefits owed to members plus interest. This system configuration and case checking were scheduled to be completed ahead of the 31 August deadline. The Chair highlighted concerns that the deadline might not be met, given that the protocols had not yet been built within the system. LPPA assured the LPB that this deadline would be met and agreed to report clearly on progress at each meeting.

**ACTION David Parker**
- 5.5 LPPA confirmed plans to undertake a deep-dive exercise on historic case delays to determine the root causes and implement further process improvements to ensure LPPA was not responsible for future delays.
- 5.6 The Head of Engagement, Marketing and Communications presented the remainder of the report, highlighting contact centre satisfaction scores, PensionPoint uptake, employer engagement, and member communications, including training sessions, management of member expectations regarding retirement, and newsletters.
- 5.7 The LPB **NOTED** the report.

*David Parker, Chris Dawson, and Chris Batts left the meeting*

### 6. LPB237 – Employer Management Services

- 6.1 The Head of Employer Management Services presented an overview of the report, outlining the purpose of the upcoming actuarial valuation as of 31 March 2025, which would set employer contribution rates from April 2026. He noted that the funding valuation was one of four types (funding, accounting, cessation, and bulk transfer), with this exercise focusing on the funding valuation. The Director of Compliance and Risk and LPPA had been ensuring monthly returns were up to date to maintain the accuracy of membership data. The LPB noted the high-level timetable, including key milestones such as employer covenant score communications in the summer and initial results expected by October 2025.

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- 6.2 LPFA confirmed that the valuation had already been included in the risk register. However, further detail on risk mitigations, monitoring actions, and key milestones would be added.

**ACTION: Adam Bush and Jason McKenzie**

- 6.3 The LPB queried what communication had been planned to ensure that employers had cleared their backlog of historic cases (such as leavers) to ensure their return was accurate and did not over-inflate membership figures, which impacted the setting of contribution rates. LPFA confirmed that a communication plan had been in progress, with correspondence issued shortly to stress the importance of data accuracy. Additionally, LPFA planned to engage employers over the summer through targeted meetings and direct discussions to provide guidance and ensure compliance with actuarial valuation requirements.
- 6.4 The LPB **NOTED** the report.

### 7. LPB238 – LPFA Risk Management

- 7.1 The Director of Compliance and Risk presented the new risk exception report and dashboard and invited feedback on the style and content of the report.
- 7.2 The LPB commented positively on the exception report, noting the difficulties of reviewing a comprehensive risk register and welcomed the focused approach.
- 7.3 The **LPB** requested an update on the AVC design review. The Governance Manager confirmed that Prudential would be reducing their fees to members with immediate effect. Further consideration was being given to the structure of the default fund, currently a with-profits fund, and this would be discussed at the upcoming LPFA Audit and Risk Committee.
- 7.4 The LPB noted the progress on the Protecht system, which was now live and embedded into Senior Leadership Team (SLT) meetings to enhance risk oversight. It was confirmed that risk ownership had been devolved across the business, allowing subject matter experts to manage risks directly within the system while maintaining control and compliance reviews at the senior level.
- 7.5 The LPB **NOTED** the report.

### 8. LPB239 – LPFA Corporate Communications Update

- 8.1 The Head of Communications and Engagement provided an update on member engagement activities, including the Member Survey, the Fund Member Forum, and efforts to increase PensionPoint registration.
- 8.2 The Member Survey was live and had been sent to members for whom email addresses were available. It was set to close on 3 April, with approximately 550 responses received at the time of reporting, predominantly from pensioners. LPFA planned to consider strategies to increase responses from active members. The survey covered LPPA's performance, communications from both LPFA and LPPA, and Responsible Investment (RI) matters. The results were expected to be published in June 2025, and the findings would be shared with LPB before publication.
- 8.3 The Fund Member Forum took place in December 2024 and was considered a successful event, with 1,000 registrations and 500 attendees, both virtual and in-person. The forum saw high levels of engagement, particularly on investment matters, including the UK investment map, BAE Systems, and geopolitical concerns in Ukraine and Gaza.
- 8.4 LPFA continued efforts to increase PensionPoint registrations and improve overall member communications. Since March 2023, 30,000 communications had been sent to encourage member registrations. A targeted postal campaign sent 7,000 letters on 7 February, focusing on pensioners and

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the importance of updating expressions of wish. Early responses from 500 members had been received, and further updates on the effectiveness of the campaign would be provided in due course

**ACTION:** Alistair Peck

8.5 The LPB **NOTED** the report.

### 9. LPB240 – Governance and Forward Planner

9.1 The Governance Manager presented the revised LPB Terms of Reference and confirmed the changes:

- 5.2 (i) to be amended to 'specific relatable consultations' which the LPB would need to provide comment on, rather than for information.
- The meeting format, including hybrid and in person meeting options, will also be highlighted within the ToR.

9.2 The LPB **APPROVED** the proposed changes, subject to the above, and **RECOMMEND** them for approval at the next LPFA Board.

9.3 The LPB **NOTED** the forward planner.

9.4 The training plan will be presented at the next meeting. The first training session will be regarding the valuation. The LPB agreed to extend the meeting by 30 minutes to allow for this training.

### 10. Any Other Business

10.1 The Chair invited comments on the format of the meeting. The LPB agreed the effectiveness of the hybrid meetings when the technology allows.

10.2 There being no further business, the Chair declared the meeting closed.

10.3 Date of next meeting 5 June 2025 (in person).

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**Andy Cunningham, Chair**

**Date 5 June 2025**