

# London Pension Fund Authority

Meeting of the Local Pensions Board (LPB)

## MINUTES

**Meeting:** Minutes of the meeting of the LPB of the London Pension Fund Authority

**Date:** Tuesday 08 September 2025

**Time:** 10:00 – 12:30

**Location:** MS Teams

### In Attendance

#### LPB Members:

Mike Allen	Member Representative
Stephen Boon	Employer Representative
Andy Cunningham	Chair
Luke Rigg	Employer Representative
Tadija Popovic	Employer Representative
Amy Sweeting	Member Representative
Surendra Wanza	Member Representative

#### LPFA Attendees

Jo Donnelly	Chief Executive Officer
Adam Bush	Head of EMS
Ashley Durkan	Governance Manager
Alistair Peck	Head of Comms & Engagement
Mala Visram	Pensions Technical Manager
Lana Watson	Funding & Investment Director

#### LPPA Attendees (Item 3 Only):

Chris Batts	Senior CRM
-------------	------------

#### Apologies:

James Cherry	Member Representative
Natalie Watt	Member Representative

## 1. LPB2450 - Introductory Matters

### Chair's welcome, apologies, and declarations

- 1.1 The Chair welcomed all present to the meeting and confirmed that it was quorate. Apologies were received from James Cherry and Natalie Watt. The Governance Manager notified the Board that Natalie Watt, Member Representative, had tendered her resignation with immediate effect and would not attend the meeting. The Governance Manager confirmed that the vacancy and next steps for appointment would be managed in line with the approved LPFA process.

### Minutes of the meeting held on 5 June 2025

- 1.2 The Board **REVIEWED** the minutes of the previous meeting. The Chair noted that he had not provided comments in advance but had identified some areas for adjustment. In particular, wording within the section on complaints should reflect that the point raised was anecdotal and based on comparative experience rather than industry-wide data. The Board discussed the difficulty of making robust comparisons with other funds given inconsistencies in reporting and definition of complaints. It was agreed the minutes should note that complaint levels were considered high relative to Board members' knowledge and experience, rather than definitively higher than industry norms.

### Action points

- 1.3 The Committee noted the actions as either complete or in progress. It was confirmed that a number of the actions were scheduled to be addressed within the meeting.

## **2. LPB2451 – LPFA Administration Performance Oversight Q1 2025-26**

- 2.1 The Head of Employer Management Services presented the Q1 administration performance report. The paper had been circulated and was taken as read, with key points highlighted for the Board.
- 2.2 Casework performance remained strong at 98.9 percent, exceeding the 95 percent SLA target and consistent with previous quarters despite high case volumes. Outstanding casework ended the quarter at approximately 7,800 cases, driven mainly by death cases, transfers, and deferred benefits. It was noted that a proportion of these cases remained “in flight” due to dependencies on third parties, which was outside of LPPA’s direct control. While LPPA advised this was consistent with other LGPS clients, the Board observed that scrutiny remained difficult in the absence of an industry benchmark.
- 2.3 Contact centre performance remained within SLA targets, with an average call wait time of three minutes and forty-five seconds, despite seasonal pressures from ABS and pension increase communications. Customer satisfaction scores were mixed: active to retirement member satisfaction improved to 64 percent, deferred member satisfaction fell slightly to 74.5 percent, while individual agent interactions scored significantly higher at 95 percent. Data quality scores also remained above target.
- 2.4 The Board discussed the challenges encountered in the valuation year. Data submission from LPPA to the Fund actuary was delayed by two weeks, placing additional strain on the timetable. Although the final submission was accepted by Barnett Waddingham, the delay was regarded as unhelpful and the need for earlier engagement by LPPA was stressed. The Board noted that LPPA had accepted this as a lessons-learned point.
- 2.5 Monthly returns were reported to be in a strong position, with only one employer outstanding as at June 2025. The Board noted that the table in the pack had included ceased employers with active members not yet processed, which created the impression of weaker compliance than was actually the case.
- 2.6 Statutory deadlines were largely met. Pension increases were reported as 99.9 percent complete, with only 91 complex cases outstanding, which had been escalated for resolution. Annual Benefit Statements exceeded the 95 percent target, with 98.2 percent issued to active members. The Board requested clarity on the total percentage of ABS issued across all eligible members, regardless of cause of delay, in order to understand overall compliance.
- 2.7 The Board discussed the active to retirement process. A new automated leaver form, designed to improve employer notifications through pre-populated data and real-time tolerance checks, had been expected to go live in August but was now delayed until October due to the scale of testing required. Members expressed concern about the repeated slippage in timelines, noting that the project had been under discussion for almost a year. The Board supported robust testing but asked for greater clarity from LPPA on realistic implementation dates. Members highlighted the importance of clear process guidance and targeted communications for employers and members approaching retirement.
- 2.8 The Board also noted employer concerns about the use of temporary pay when completing leaver forms, recognising the potential for duplication of calculations. It was observed that most employers could anticipate pay patterns, reducing the risk of significant differences, but further clarity was required.
- 2.9 In discussion, members emphasised the value of contextual data, including a breakdown of outstanding casework between those within LPPA and those awaiting third-party responses. Members also requested clearer dating of tables included in Board packs.

2.10 The Head of Employer Management Services further updated the Board on the forthcoming consultation on the Funding Strategy Statement, which would be circulated to Board members in parallel with consultation of employers and relevant guarantor bodies at the end of October.

2.11 The Board **NOTED** the update provided.

### **3. LPB2452 – LPFA Compliance Oversight Q1 2025-26 -37.19**

3.1 The Pensions Technical Manager presented the Q1 compliance oversight report. The paper had been circulated and was taken as read, with key themes highlighted for the Board.

3.2 The Board noted that complaint activity over the quarter had been varied, with cases spanning transfers, pension payments, AVCs and communication. It was explained that IDRP1 cases were generally handled by LPPA or employers, while IDRP2 cases reaching the Fund provided useful insight into how earlier stages were managed. An example relating to trivial commutation highlighted the importance of consistent interpretation of LGPS regulations. The Board was assured that such cases were being used to strengthen knowledge and practice.

3.3 A Pensions Ombudsman case was also reported. This related to a transfer request that could not proceed because the vesting period had not been met, with a refund being the correct outcome. The matter was closed and the improved notification process for Ombudsman cases was welcomed.

3.4 The Board received an update on breaches during the quarter, including some instances of correspondence sent to incorrect addresses and occasional payroll errors. LPPA had engaged a data cleansing provider to improve accuracy. Work was also underway to consider the use of account verification technology, commonly applied in the banking sector, to provide additional assurance around pension payroll payments. The Board noted this would be a positive safeguard against future errors.

3.5 The Board discussed an incident where a small number of deferred pensions had been paid before the members reached age 55. LPPA had investigated the matter, provided a detailed incident report, and confirmed that Civica, the software provider, had applied a fix. In LPFA's cases, two members had returned payments, and one was resolved through compensation. Members acknowledged the efficiency benefits of automation but emphasised that robust testing and strong controls were important to ensure accuracy. The Board noted the importance of lessons learned from this incident being applied to future system changes and was reassured that further safeguards were being introduced.

3.6 The establishment of LPPA's internal complaints board was welcomed. This forum reviews complaint themes across teams, identifies lessons, and provides staff training to support service improvement. The Board recognised the value of this initiative in strengthening overall complaint handling.

3.7 Finally, the Board discussed the £250 automatic write-off limit for small overpayments on death. It was confirmed that this level aligned with HMRC thresholds and was consistent with practice elsewhere. Members noted that this approach helped reduce administrative burden and avoid unnecessary distress in sensitive cases.

3.8 The Board **NOTED** the update provided.

#### **4. LPB2453 – LPPA Quarterly Report Q1 2025-26**

- 4.1 The LPPA Client Relationship Manager presented the quarterly report for April to June. The paper had been circulated and was taken as read, with key points and subsequent discussion captured below.
- 4.2 Casework performance was reported at 98.9 percent against a service level of 95 percent, with inflows and completions described as consistent with the previous quarter and no significant outliers by case type. Contact centre performance recorded an average wait time of three minutes and forty four seconds, which remained within the four minute target. It was noted that higher call volumes in this period were consistent with seasonal patterns, including queries on payslips and P60s.
- 4.3 Employer notifications were reported to have improved overall across the quarter, with April and June stronger than May. The Board recognised the link between early employer notifications and on time retirement payments and welcomed signs of improvement.
- 4.4 The Board received an update on member satisfaction. Overall contact centre satisfaction was 76.8 percent, while agent specific satisfaction remained high at 94.8 percent. For active to retirement interactions the proportion of satisfied or neutral responses was reported at 75 percent. The presenter noted the challenge of low response rates and confirmed that alternative timings and approaches to survey distribution would be reviewed with the communications team.
- 4.5 The Board considered progress on digital change. Online retirement forms continued to show higher completion and faster turnaround than paper, with online returns averaging six days compared with thirty three days for paper. The automated default deferred retirement quotations had been live for over a year with around half of quotations now processed automatically. The automated deferred retirement payment process had gone live and the first end to end cases had completed. The online leaver form for employers was in testing with more than one hundred tests in scope, with implementation targeted for quarter three subject to satisfactory test outcomes. The Board welcomed these developments and emphasised the importance of robust testing and a clear plan for human intervention points where automation is not appropriate.
- 4.6 The Board discussed bank account assurance. Existing checks validated sort code and account number. An enhanced verification step to confirm that the account name matches the scheme record was being introduced. The presenter confirmed that this would use a third party service and would improve payment assurance within processing.
- 4.7 The Board received an update on Annual Benefit Statements. LPPA reported that more than 98 percent of statements for active and deferred members had been issued by the statutory deadline of 31 August. It was also reported that 95.9 percent of eligible active members had received statements containing McCloud underpin information, noting that for some members the underpin value may have been zero. Members asked that future reporting provide absolute numbers alongside percentages to aid interpretation and requested clearer explanatory wording in statements so that members can understand the meaning of any McCloud amounts shown.
- 4.8 The Board discussed the status of retrospective McCloud work. The presenter confirmed that assessments were ongoing and referenced an update indicating that approximately sixty five percent of pensioners had been assessed as at 22 August. The Board asked for clearer timelines for completing assessments and for making any corrective payments and noted the indication that payments to pensioners with amounts due were expected to commence during quarter three. Members observed that earlier updates had suggested a position closer to full compliance by this stage and asked that future reports provide clearer narrative on dependencies, including software release timing.

- 4.9 The Board commented on the employer communications toolkit issued by LPPA to support ABS messaging and asked that in future years the toolkit be circulated at least one week before the statutory deadline so employers can incorporate content into planned communications.
- 4.10 The Board reviewed the data quality appendix and asked for clarification on the presentation of national insurance number issues, including the reason multiple records appeared as failures and the significance of that figure for dashboards matching. The presenter undertook to provide further explanation and to refine the presentation for clarity in future packs.
- 4.11 In discussion on service resilience and performance, members asked about the sustainability of the improvements seen in service levels. The presenter cited greater team stability, internal movements that had broadened knowledge across teams, and targeted training. The Board noted these factors and asked that trend information continue to be monitored to provide assurance that performance levels can be maintained.
- 4.12 The Board also discussed attendance at LPB by LPPA representatives. It was noted that LPPA had adopted a model in which the Client Relationship Manager attends Local Pension Board meetings and draws in senior or specialist colleagues as required. Officers confirmed that messages from the Board would continue to be escalated through the regular monthly client meetings with LPPA and that specific senior attendance could be requested for particular agenda items where appropriate.
- 4.13 The Board **NOTED** the update provided.

## **5. LPB2454 – LPFA Annual Governance Statement**

- 5.1 The Governance Manager presented the Annual Governance Statement (AGS). The paper had been circulated and was taken as read, with a high-level summary provided.
- 5.2 The AGS is a statutory requirement published alongside the Annual Report and Accounts. It sets out how effective LPFA's governance arrangements have been over the past year and highlights areas for improvement. For 2024–25 PwC, as internal auditors, issued a limited assurance opinion. The Governance Manager explained that this did not mean the governance framework was unsound but indicated that controls required strengthening in areas including cyber resilience, disaster recovery, compliance monitoring, and the timely closure of historic audit actions.
- 5.3 The Board heard that PwC's findings related specifically to LPFA's oversight of IT services provided by LPPI. LPPI held the necessary security certifications and disaster recovery testing arrangements, but LPFA had not been able to demonstrate sufficient documentation of its oversight. A targeted improvement plan had been agreed and was being monitored by the Audit and Risk Committee, with a substantive progress update due at its September meeting.
- 5.4 Members sought clarification on outstanding actions from previous audits and were advised that most had been completed, with only one item relating to benefit calculations in its final stages. Lessons learned had been undertaken and actions put in place to avoid similar delays in future.
- 5.5 In discussion, members asked about PwC's assurance scale. The Governance Manager undertook to confirm this in writing but indicated that limited assurance was not the lowest category and reflected areas where documentation and evidence of oversight needed strengthening.
- 5.6 The Board also asked how audit findings linked to the corporate risk register. The Governance Manager confirmed that risks were recorded and monitored monthly by the Compliance and Risk

team and reported quarterly to both ARC and the Board. Members noted that cyber risk would remain red given the wider threat landscape, but mitigations and actions would continue to be tracked and updated.

5.7 The Board **NOTED** the Annual Governance Statement

## **6. LPB2455 – LPFA Local Code of Corporate Governance**

6.1 The Governance Manager presented the updated Local Code of Corporate Governance. The paper had been circulated and was taken as read, with both a clean and tracked version of the document provided in the supplementary pack.

6.2 The Local Code sets out the principles and processes that underpin LPFA's governance framework. It is reviewed annually to ensure alignment with best practice. The Governance Manager confirmed that the framework remained fit for purpose, with only minor updates made to refine language and reflect updated policies and procedures. No material changes were required.

6.3 The Board noted that taken together, the Annual Governance Statement and the Local Code demonstrated that LPFA's governance arrangements remained robust. The AGS identified areas for further improvement with an action plan in place, while the Local Code provided assurance that the governance framework continued to support decision-making and accountability.

6.4 The Board **NOTED** the update

## **7. LPB2556 – LPB Annual Appraisal Process**

7.1 The Chair introduced the item and explained that two options were available for conducting the Board's annual appraisal. Members could either hold individual conversations with the Chair, as had been done previously, or take part in a group session without LPFA officers present. The Chair noted that in either case feedback would be anonymised before being reported back to officers, and members would retain the option of raising matters privately if preferred.

7.2 Members expressed a preference for a group discussion, noting that it could generate a more constructive exchange of ideas. It was agreed that an ad hoc session would be arranged via MS Teams, lasting approximately 30–45 minutes, to take place before the next scheduled Board meeting on 2 December. This would allow the outcomes to be considered and summarised in time for reporting back at that meeting.

7.3 The Board thanked the Chair for facilitating the process and **NOTED** the update provided.

## **8. LPB2557 – Triennial Valuation Update**

8.1 The Funding and Investment Director presented an update on the 2025 triennial valuation. The paper had been circulated and was taken as read.

8.2 The Board was informed that employer engagement activity had taken place, including covenant analysis and scorecards, which had led to positive discussions with employers. An initial meeting of the Valuation Working Group had been held, with Barnett Waddingham providing early results on key assumptions and sensitivities. A further meeting was scheduled later in the week to progress agreement of the assumptions for recommendation to the Board on 30 September.

8.3 It was noted that the membership data from LPPA had been received later than planned, which had condensed the timetable, but Barnett Waddingham had provided initial results within the

required timescales. Next steps included finalising assumptions, drafting the Funding Strategy Statement and associated policies for submission to ARC and the Board, and preparing for the Employer Forum, where overall results would be presented. Employer consultations on the Funding Strategy Statement, delivery of employer results and covenant scorecards were expected to run from late October into November, with discussions on contribution rate outcomes and rates and adjustment certificates scheduled for February to March 2026.

- 8.4 In discussion, members asked whether employers had been given early indications of likely contribution rates. The Funding and Investment Director advised that, while general industry commentary suggested rates could fall, LPFA had consistently managed expectations by highlighting that improvements in funding levels may be modest and that LPFA's approach was to maintain stability in contribution rates across valuation cycles. Employers would receive indicative results from the end of October or early November, providing sufficient time for budget planning.
- 8.5 The Board **NOTED** the update provided.

## **9. LPB2558 – Member and Employer Forum Update**

- 9.1 The Head of Communications and Engagement presented the proposed agendas for the forthcoming Employer and Member Forums. Invitations were scheduled to be issued around 8 October, with diary holds already in place.
- 9.2 The Employer Forum would retain the successful round table format. The Member Forum was planned as an open Q&A session, broadly similar to last year. In discussion, the Board suggested that the Member Forum agenda could include additional content on LPPA's priorities and forthcoming changes to administrative processes, given this was the main area of interaction for members. Officers undertook to raise this point with LPPA during forthcoming planning discussions.
- 9.3 The Board **NOTED** the update provided.

## **10. LPB2557 – Forward Plan & AOB**

- 10.1 The Chair and Governance Manager confirmed that the next Board meeting would take place on 2 December as an in-person meeting, continuing the alternating format. Venue details would be confirmed.
- 10.2 It was suggested that, subject to availability, a Christmas lunch or informal gathering be arranged following the meeting to allow members and officers to meet socially. The Governance Manager undertook to circulate details in due course.
- 10.3 There was no further business. The Chair thanked members for their contributions and closed the meeting.
- 10.4 The Board **NOTED** the forward plan and meeting date.

**Signed:** Andy Cunnginham, LPB Chair

**Date:** 2 December 2025