London Pension Fund Authority

Meeting of the LPFA Board – Corporate and Strategic Session

MINUTES

Meeting: Minutes of the meeting of the LPFA Board
Date: Tuesday 16 December 2025
Time: 12:25 – 16:30
Location: Room 1.05, 10 Union Street, London, SE1 1SZ & via MS Teams

Present:		
	Irshaad Ahmad	LPFA Board Member
	Audrey Allen-Chitwa	LPFA Head of Finance and Deputy S151 Officer
	Mark Anderson	LPFA Director of Compliance and Risk
	Ruth Dombey	LPFA Board Member
	Jo Donnelly	LPFA Chief Executive Officer
	Conrad Hall	LPFA Board Member
	Belinda Howell	LPFA Board Member
	Ashley Durkan	LPFA Governance Manager
	Mandy Kaur-Sadler	LPFA Board Member
	Anastasia Klemenko	LPFA Chief of Staff
	Jason McKenzie	LPFA Compliance and Risk Officer (item 7 only)
	John Preston	LPFA Chair
	Christina Thompson	LPFA Director of Finance and S151 Officer
	Clare Scott	LPFA Board Member
	Lana Watson	LPFA Funding and Investment Director
	Luke Webster	LPFA Board Member
Apologies:	Richard Olszewski	LPFA Board Member

PART A – Private Session

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

PART B – Public Session

6. Introductory Matters

6.1 The Chair welcomed attendees to the public session of the meeting.

6.2 The Board noted that Board papers were now available online for the first time. Members welcomed this development as a positive step in improving transparency and public accessibility, while acknowledging that this was a new approach for the organisation.

6.3 The Board also noted that the publication of papers would allow the organisation to begin monitoring public engagement with Board materials, including the extent to which documents were being accessed online.

6.4 The board **NOTED** the updates provided.

7. Walkthrough of the LPFA's Risk Platform Protecht

7.1 The Board received a high-level demonstration of the Protecht system from the Governance, Risk and Compliance Officer.

7.2 The Board noted that the system provided an integrated platform for managing risk, controls, obligations and actions across the organisation. It was explained that the system supported the maintenance of the risk register, enabled tracking of actions and controls, and provided audit trails and reporting functionality to support oversight by management and the Board.

7.3 The Board noted that the system allowed risk owners to update and manage their respective areas, with oversight provided through regular review processes. It was also noted that the system supported enhanced reporting and analytics, including dashboards and tailored reports for Board and Committee use.

7.4 During the discussion, the Board considered how the system was being used in practice, including the extent of cross-organisational review of risks. It was noted that further development was planned to strengthen collective review at senior management level.

7.5 The Board welcomed the demonstration and noted that the system represented a positive step forward in the organisation's approach to risk management, governance and reporting.

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

8. LPFA Chief Executive Officers Report

8.1 The Board received the Chief Executive's Update report and the report was taken as read.

8.2 The Board noted that the business consultancy services contract had now been signed and that work was beginning to mobilise the associated action plan.

8.3 The Board received an update on the completion of the IT tenancy separation from LPPI. It was noted that this had taken place over a weekend in November and represented a major milestone in LPFA's transition to greater operational independence. The Board was advised that the process had gone smoothly and that the support provided by LPPI's IT team had been strong throughout the transition and in the period immediately following it. The Board noted that this was an important step in responding to earlier internal audit findings and would support a clearer path towards greater IT maturity and oversight.

8.4 The Board also noted that the Security Working Group had now been established and had held its first meeting. It was reported that this had been implemented in response to the PwC internal audit recommendations and was now moving into a business-as-usual oversight model.

8.5 The Board received an update on recent LPFA events, including the Employer Forum and the Fund Member Forum. It was noted that both events had been successful and had required significant input from across the organisation. The Board noted that the Employer Forum had been well attended, reflecting the particular interest from employers in a valuation year.

8.6 In relation to the Fund Member Forum, the Board noted the attendance figures and the costs associated with holding the event in person. It was explained that, unlike many local authority funds, LPFA did not have access to its own civic venue and therefore needed to hire an external central London venue in order to host the event. As a result, the event was relatively expensive, particularly when compared with fully online alternatives.

8.7 The Board discussed whether the current in person format continued to represent value for money. It was noted that, although attendees who participated in the event appeared to value it, the overall cost was significant and there were changing patterns across the sector, with many funds moving towards online formats, recorded content or more targeted engagement. Members also noted that LPFA's communication focus increasingly needed to be on active members and employers, and that this was already being supported through other channels such as lunch and learn sessions.

8.8 The Board discussed whether the Member Forum should in future be delivered entirely online. While it was recognised that some members would be disappointed if the in-person event were discontinued, there was general support for considering a different model. It was suggested that an online event could still provide presentations, questions and answers and member engagement at lower cost. The Board also reflected on whether member views should be sought, while noting the risk that this may produce a skewed response. The Board agreed that the matter should be reviewed further outside the meeting.

8.9 The Board then received an update on current pensions and regulatory developments. It was noted that the Pensions Bill had moved to the House of Lords and that a number of amendments had been proposed during the Commons report stage. The Board noted in particular the discussion around fiduciary duty and that the Government had committed to producing guidance

for trustees in this area. It was also noted that, although the Government's response did not explicitly refer to the LGPS, any wider discussion of fiduciary duty was likely to have relevance for the Scheme.

8.10 The Board noted that three consultations were currently live, with deadlines falling across late December and early January. These included the Access and Fairness consultation, the Fit for the Future technical consultation, and a consultation on guidance. It was reported that the organisation was coordinating responses across relevant subject areas.

8.11 In relation to the Access and Fairness consultation, the Board noted that the proposals covered non-normal pension age access, councillor and mayoral access to the LGPS, academy consolidation, and New Fair Deal. It was noted that, while some of these proposals might initially appear less relevant to LPFA, they did have implications for the Fund, including for mayoral members and academy-related issues. The Board also noted that LPFA would contribute to the wider LPPA response while also making fund specific points where appropriate.

8.12 In relation to the Fit for the Future consultation, the Board noted that one statutory instrument related to investment regulations and the other to governance. It was reported that some of the proposed timescales, particularly around transitions and membership of pools, appeared too short and could create unintended consequences. The Board also noted that certain governance proposals did not appear to fit LPFA's model, including the proposed approach to the Senior LGPS Officer role and the requirement for an independent person for the pensions committee, both of which appeared to assume a conventional local authority committee structure rather than LPFA's governance model.

8.13 The Board noted that the proposed requirement for an independent governance review by 31 March 2028 would apply to LPFA. Members discussed whether there may be merit in considering such a review earlier, in order to demonstrate the strength of LPFA's governance model and support broader discussions about single purpose authority models elsewhere in the LGPS.

8.14 The Board also received an update on developments in Surrey, where proposals had now been approved to move towards a single purpose authority style model as part of local government reorganisation. It was noted that this would be closer to the SYPA model than the LPFA model, although it still represented further movement in the direction of greater structural separation for LGPS funds.

8.15 Finally, the Chair referred back to the earlier discussion on Bring Your Own Device and confirmed that work was continuing on the development of an appropriate policy. It was noted that this would need to take account of the organisation's data holdings, cyber security considerations and the role of the Security Working Group, and that a policy would be brought back to the Board in due course.

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

9. Feedback from the Audit and Risk Committee

9.1 The Board received a summary report from the Audit and Risk Committee Chair on the recent work of the Committee.

9.2 The Board noted that a number of matters considered by the Audit and Risk Committee had

already been covered elsewhere on the agenda and were therefore not repeated in detail. It was noted, however, that the increasing use of public reporting in this area represented a positive step in transparency, while recognising that there remained clear limits in relation to sensitive matters such as IT security.

9.3 The Board noted that, while good progress had been made, some longstanding internal audit recommendations remained open and would need to be closed out early in the new year in order to provide a clearer position going into the year end cycle.

9.4 The Chair of the Audit and Risk Committee highlighted the importance of maintaining focus on risk, control and assurance during the current period of organisational change and staff turnover. The Board noted that, while no specific issues had been identified, periods of transition inevitably required continued vigilance.

9.5 In discussion, the Board considered where oversight should sit in relation to reputational and operational issues arising from investments managed by LPPI. It was noted that the primary responsibility for oversight of LPPI's management of such investments sat with the Investment Committee, given its role in overseeing LPPI as investment manager. It was further noted that, where issues had wider reputational implications for LPFA, these could be escalated to the Board as appropriate.

9.6 The Board also noted that the vacancy created by the departure of a Board member had reduced the membership of the Audit and Risk Committee. It was reported that consideration would be given to the future composition of the Committee, including whether this should be addressed through recruitment or wider Board and committee planning.

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

Clare Scott left the meeting

10. Feedback from the Local Pensions Board

10.1 The Board received an update from the Local Pension Board Chair on the recent activity of the Board.

10.2 The Board noted that administration performance remained broadly strong, with service levels meeting agreed standards, high levels of member satisfaction and a reduction in case volumes. The Local Pension Board had, however, continued to seek greater transparency over the breakdown of outstanding cases to better understand where delays were occurring.

10.3 The Board noted that some concerns had been raised in relation to administration controls, particularly where issues had been identified through member complaints rather than internal processes. The Local Pension Board had also highlighted that complaint volumes remained higher than expected, with a number of complaints being upheld and primarily relating to delays.

10.4 The Board received an update on progress against key administration projects, including work relating to the pensions dashboard and cloud-based systems. It was noted that while progress was being made, delivery remained behind initial expectations, reflecting wider system challenges across the industry. The Board noted that there was no immediate risk arising from these delays.

10.5 The Board noted the outcome of the Local Pension Board's annual effectiveness review. It was confirmed that no significant issues had been identified, with a number of practical improvements agreed, including enhanced regular reporting to the Local Pension Board and minor adjustments to meeting arrangements.

10.6 The Board also noted an update on current vacancies within the Local Pension Board, including challenges in attracting employer representatives.

10.7 The Board welcomed the continued level of scrutiny provided by the Local Pension Board, particularly in relation to administration performance and compliance matters.

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

11. Feedback from the Investment Committee

11.1 The Board received an update from the Investment Committee Chair on the recent activity of the Committee.

11.2 The Board noted that the Fund's overall funding position had improved and that absolute investment performance remained strong over one-, three-and five-year periods. It was noted that this had contributed positively to the Fund's funding level.

11.3 The Board also noted that performance from certain actively managed strategies had been below benchmark. It was explained that this reflected broader market conditions, including challenges faced by active managers in global equities and structural factors affecting infrastructure and private equity markets. The Board noted that these were not issues unique to LPPI.

11.4 The Board noted that asset allocation remained within agreed tolerances and that there were no breaches to report.

11.5 The Investment Committee recommended that the Board approve the retention of the current Strategic Asset Allocation, noting that a full review would be undertaken in the following year and that the current allocation remained appropriate in the interim.

11.6 The Investment Committee also recommended that the Board approve an updated Strategic Currency Allocation. The Board noted that the proposed changes were modest and consistent with the existing direction of travel.

11.7 The Board received an update on the development of formal investment beliefs. It was noted that the Investment Committee had agreed a structured approach covering a number of key themes, with work underway to develop and refine these before bringing them back to the Board for consideration.

11.8 The Board also noted an update on investment costs and fee savings across the pool.

11.9 The Board **APPROVED** the retention of the current Strategic Asset Allocation and the updated Strategic Currency Allocation, and **NOTED** the update provided.

12. Finance Report – 01/04/2025 – 31/10/2025

12.1 The Head of Finance presented an update on the Fund's financial position.

12.2 The Fund was currently reporting a year-to-date underspend of over £1 million and was forecast to remain underspent at year end. This position reflected a combination of staffing vacancies, including changes to the organisational structure, and the timing of recruitment and project delivery.

12.3 All departments were operating below budget, with regular monitoring in place through monthly budget reviews to track performance and update forecasts as required.

12.4 An update was provided on balance sheet management, including improvements to the processing of transfer-in payments. Changes had been agreed with the administrator to ensure that sufficient information is provided at the point of receipt, reducing the need for retrospective investigation and improving efficiency.

12.5 Progress had been made on the internal audit procurement, with initial market engagement completed and expressions of interest received. A full tender process would now be undertaken in line with framework requirements.

12.6 An update was also provided on system-related improvements, including the resolution of outstanding issues following the finance system migration and ongoing work to improve functionality and efficiency.

12.7 The Treasury Management Policy and Strategy would be presented to the Audit and Risk Committee at its next meeting before being brought forward to the Board in line with the governance cycle.

12.8 Work was continuing to explore improvements to cash collection processes, including the potential wider use of direct debit arrangements, subject to further review of operational risks and implementation considerations.

12.9 The Board **NOTED** the updates provided.

13. Risk Management and Compliance Report

13.1 The The Director of Compliance and Risk presented an update on governance, risk and compliance matters.

13.2 An update was provided on the response to the PwC cyber memorandum. It was confirmed that a Security Working Group had been established, with agreed Terms of Reference, to strengthen oversight of IT and cyber security. The Group would take forward key areas of work arising from the IT tenancy separation, including the procurement of a Security Operations Centre, and would support enhanced monitoring and reporting of cyber risks.

13.3 Progress was also noted in relation to business continuity planning. It was confirmed that work was moving into the next phase, with a further update on delivery timelines to be brought forward in due course.

13.4 The Board considered updates to the risk register, including the addition of new risks relating to the Fit for the Future programme, member complaints and organisational restructure.

13.5 In relation to Fit for the Future, it was recognised that while the risk had been appropriately identified, further development was required to ensure the description fully captured the range of potential implications and that associated controls were clearly articulated. It was agreed that this would be refined to support more effective oversight.

13.6 The Board was content with the addition of the remaining risks and noted that the risk register would continue to be updated and refined as part of the ongoing risk management process.

13.7 The Board **APPROVED** the addition of the new risks to the risk register, subject to further refinement of the Fit for the Future risk.

14. 2025 Actuarial Valuation Update

14.1 The Funding and Investment Director presented an update on the 2025 actuarial valuation.

14.2 It was confirmed that valuation results had been issued to the majority of employers, with only a small number outstanding due to data and reconciliation queries. These were being resolved to ensure that clear and complete explanations could be provided prior to issue.

14.3 Early feedback from employers had been broadly positive. Engagement at the employer forum had been strong and the overall response to the valuation outcomes had been as expected, with no significant concerns raised. It was noted that prior engagement and communication with employers had supported understanding of the funding position and anticipated changes.

14.4 Since issuing results, a limited number of queries had been received, primarily focused on understanding changes to contribution rates. These were generally explained by factors such as changes in workforce demographics, including an increase in average member age. A small number of employers had expressed concern regarding increases in contributions, particularly where previous contribution reductions were no longer applicable.

14.5 The Board noted that consultation on the valuation was ongoing, with a small number of formal responses expected. Key themes emerging from feedback included the impact of contribution increases and differing views on funding assumptions, including the level of prudence within the funding strategy.

14.6 It was confirmed that the Fund continued to apply a consistent and transparent approach to setting contribution rates, based on agreed funding policies, rather than engaging in individual negotiations with employers.

14.7 The Board noted that, following the close of consultation, final proposals would be brought forward for approval, with the Funding Strategy Statement expected to be finalised in early 2026. Final employer outcomes would then be issued, with completion of the valuation process expected by March.

14.8 The Board acknowledged the progress made to date and the work undertaken to support employer engagement throughout the valuation process.

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

15. Residual Liabilities – Greater and Inner London Levies

15.1 The Funding and Investment Director presented an update on the residual liabilities arrangements.

15.2 The Board received a summary of the historical context, noting that following the abolition of the Greater London Council and Inner London Education Authority, a number of legacy liabilities had been retained by LPFA. These included asbestosis-related claims and other legacy pension and compensation arrangements.

15.3 It was noted that funding arrangements had been agreed with London boroughs in recent years to provide a structured and consistent approach to meeting these liabilities. This included maintaining overall contribution levels, with a reallocation between the asbestosis fund and the residual liabilities fund to reflect the changing profile of claims.

15.4 The current proposal was to maintain contribution levels in line with the approach agreed in 2022, providing continuity and stability while the position continued to be monitored.

15.5 The Board discussed the composition of the residual liabilities, including the distinction between unfunded liabilities and underfunded pension-related elements. It was noted that while sufficient assets were currently held to cover certain elements, contributions remained necessary to address ongoing underfunding over time.

15.6 The Board highlighted the importance of clear governance and transparency in the operation of these arrangements. In particular, it was recognised that the residual liabilities framework operated under distinct statutory powers and sat outside of the main pension fund. It was therefore important to ensure clear separation in both reporting and communication.

15.7 The Board discussed the potential risk that, over time, awareness of the original agreements with London boroughs may reduce, particularly given changes in personnel. It was agreed that additional clarity should be provided in communications, including invoices, to ensure that the basis for contributions and the underlying legal powers were clearly understood.

15.8 It was further suggested that engagement with the Society of London Treasurers may be beneficial to reinforce understanding of the arrangements and maintain alignment across boroughs.

16. Forward Planner and AOB

16.1 The Governance Manager presented the Forward Plan.

16.2 The Board's attention was drawn to two additional meetings scheduled for February and March. It was noted that an ad hoc meeting would be required to consider matters relating to the proposed restructuring of LPPI and the wider group, with decisions required from the Board.

16.3 In addition, a budget workshop would be held following consideration of the LPP Group budget. It was explained that this session would provide an opportunity for detailed discussion in advance

of formal approval, recognising that the timing of the Board meeting limited the ability to make substantive changes at that stage.

16.4 The Chair noted that this would be the final meeting for two LPFA Officers of the Fund. On behalf of the Board, the Chair expressed thanks for their contribution and commitment, recognising the impact of their work and wishing them well for the future.

16.5 The Chair closed the meeting at 16:30

John Preston, Chair **Date: 26 March 2026**