



# **Strategic Policy Statement 2019 – 22**

## **Introduction from the Chairman Sir Merrick Cockell**

Having served on the LPFA Board since 2010, I am delighted to have been asked by the Mayor of London to extend my chairmanship through to the end of 2019.

Over that period, major changes have taken place within the Local Government Pensions Scheme "LGPS" and the pensions world more generally. The LPFA took the lead in pooling and is now doing so in the areas of climate change, responsible investment and investing in new asset classes. It is also taking a lead in engaging with the 'value for member' in terms of transparency around costs and governance.

During the last year we saw the retirement of Mike Allen as our Managing Director and the arrival of Robert Branagh as his successor. We have also seen the retirement of several long-term LPFA Board members: Mike O'Donnell who latterly chaired the Audit and Risk Committee, Tony Dalwood Chair of the Investment Panel and Stephen Alambritis who was key to the formation of the Local Pensions Partnership (LPP). We thank them all for their service since 2010 and look forward to welcoming their successors.

With such significant change of personnel, the organisation has had the opportunity to catch its breath and review how we are operating, how LPP is progressing (from the perspectives of co-owner and service-receiver) and our readiness for the demands of the triennial review, the move to 4 yearly valuations and the multiple challenges arising from refocussed priorities in an uncertain national and international context.

Whilst our statutory responsibilities as a Fund within the Local Government Pension Scheme remain unchanged, our decision to partner with Lancashire County Council (LCC) and create LPP to carry out most functions on our behalf has changed what the LPFA does directly. We work ever closer with Lancashire in providing the appropriate oversight of LPP and have welcomed the Royal County of Berkshire Pension Fund joining the LPP pool as clients. We have also seen the expansion of GLIL, the £1.8bn infrastructure investment platform that we started with Greater Manchester Pension Fund and now includes other Northern Pool members, all LPP members and is operated by LPPI.

Our pioneering work on climate change has moved from being LPFA policy to being implemented by LPPI (the investment subsidiary of LPP) and active divestment from the most polluting companies has already taken place. We look forward to working actively with Lancashire and Berkshire on considering common policies as we develop further in the areas of Environmental, Social and Governance (ESG) and responsible investment (RI).

With LPP operational for over two years, we have been reviewing the experience and skills needed within LPFA and will be strengthening the strategic team to carry out our responsibilities as a free-standing Fund, oversee LPP and be equipped to implement new ambitions and priorities. In the last year we have increased our asset allocation in infrastructure and are keen to move beyond our nearing completion housing investment at Pontoon Dock into further large rental housing opportunities.

Despite all this, we remain at heart a pension fund committed to ensuring that our assets are invested prudently to meet our long-term responsibilities to both members and employers to pay their pensions and to do this as efficiently and cost effectively as possible.

---

## **Introduction from the Managing Director Robert Branagh**

The past twelve months have continued to demonstrate rapid development as the partnership we established with Lancashire County Council has bedded in and we have started to see some of the expected benefits coming through. On the investments side we have maintained strong outperformance with returns in excess of our targeted 5.7% per annum (over the long term) bringing the total assets currently under management for LPFA to £5.8bn and a funding level in excess of 100%.

We have worked to reduce the overall costs of managing all aspects of the pension fund including investment management, liability management and pension administration costs. In the period beginning prior to LPP's inception and ending with the latest year for which audited financial results are available, investment management costs have reduced by 22 basis points from 105 bps to 83 bps. This is forecasted to fall further to 76 basis points by the end of this financial year.

Such reductions are reflected in the published financial statements of LPFA. On the back of greater transparency of asset management fees generally and guidance from the new CIPFA code, work to produce a more granular analysis of direct and indirect invoiced costs has allowed us to capture this reduction in fund manager costs more accurately.

Having undertaken the Managing Director role part way through this year, I have been impressed with the achievements of both the Fund and LPP since 2016. Looking ahead to the next three years, a purpose driven culture to pay our members' pensions securely, affordably and sustainably will lie at the heart of everything we do. I am personally committed to:

- ensuring that the Pension Fund is effectively managed, and its services are delivered by highly motivated people who have the appropriate knowledge and expertise, and with access to appropriate systems;
- being open and accountable to our stakeholders for our decisions, ensuring they are robust and evidence based; and
- delivering value for money, high quality customer service and compliance with regulatory requirements and industry standards as appropriate.

Indeed, the themes for the next strategic period will be ones of sustainability and collaboration, both internally and externally.

Sustainable investment will require additional focus going forward as we seek to build on the progress we have made on our climate change policy during 2018. LPFA has a long-standing commitment to responsible investment (RI). Our proactive approach to addressing environmental, social and governance (ESG) issues in our investment policies has been developed over a number of years and continues to evolve.

Our overall approach to RI is described within our [Investment Strategy Statement](#) which we have supplemented with a separate and complementary [Policy on Climate Change](#). Our RI policy and priorities reflect conviction about the importance of evaluating risks and opportunities with potential to materially impact the value of our investment portfolio. This belief is embedded within the stewardship arrangements we have agreed with LPPI as our provider of advisory and investment management services.

---

The Pension Fund is committed to being a long-term responsible investor and requires its Investment Manager to comply with the principles of both the UK Stewardship Code and the UN-backed Principles of Responsible Investment (UNPRI) in the investment procedures they operate on our behalf. The Board undertook a RI workshop in the summer of 2018 with UNPRI and identified a number of areas to explore further including local funds and housing. We are joining Lancashire colleagues to form a joint Working Party on RI to help us develop our thinking and ultimately a more nuanced RI strategy in 2019.

Sustainability also applies to the long-term health of the Fund and although we are healthily funded at the time of writing, we cannot be complacent with the upcoming challenges facing the UK economy, local authorities and the pensions system. Much preparatory work has been undertaken by the LPFA Investment Panel on our Risk Appetite and we will be completing our revised Risk Framework early in 2019 to precede work commencing in earnest on the 2019 Valuation. Early indications are that primary and secondary or deficit contributions may see some movement from 2016 rates but we will be working with our employers to assist the smoothing of any such changes and improving our communication with them about their covenant rating and how they can positively manage these.

As mentioned by the Chairman in his introduction, 2019 will be his final year chairing the LPFA Board and we will have the objective of securing and successfully inducting a new Chair. Additionally, this last year has seen the retirement of several experienced Board and Officers from LPFA and these changes inevitably allow for an opportunity to view our operation with a fresh lens. Whilst we welcome four new members to the Board, we will need to build on our previous board effectiveness work to help ensure we continue to operate as a high performing governance group for both Fund and LPP oversight. We have already begun to undertake more workshops, discussions and interactions together across RI, board effectiveness, funding strategy and investment beliefs. These will be supplemented in coming months and years by more Board training and development particularly on pension scheme knowledge and legislation, investments and valuation. Additionally, we will aim to undertake more strategic focus to Board business going forward rather than excessive compliance related activity and monitoring.

## Collaboration

We will continue to work in a collaborative manner across all of our relationships sharing our learnings and experiences and learning from others. LPFA has a proud history of collaboration, something that comes naturally to an organisation that is in partnership with Lancashire County Council as co owners of LPP, other Funds as clients, members of the GLIL infrastructure vehicle and of course with the GLA, particularly via the GIS treasury management collaboration.

Additionally, the Board and particularly the Chair, Officers and non-executives are committed to supporting the C40 best practice sharing work. LPFA have already shared platforms in New York and engaged with a variety of other C40 members about sharing our progress and learning from them. This activity will continue to evolve with appropriate support from LPP colleagues and resources alongside the other collaborative examples set out here.

We are also members of a number of professional bodies sharing knowledge and expertise such as the Local Authority committee of the PLSA and the CIPFA Pensions Panel. Across the investment, ESG, pensions or governance communities, LPFA will actively position itself as positive advocate for LGPS, pooling and the sharing of knowledge and good practice for the benefits of members and employers alike.

---

## Legislative background

LPFA finds itself operating in an increasingly regulated and managed environment. In addition to the existing Local Authority and LGPS rules and regulations, we are increasingly receiving scrutiny, oversight and engagement with organisations such as the Government Actuaries Department, (GAD), and The Pensions Regulator, (TPR). TPR in particular are increasing their regulation and management of the governance and administration of LGPS and all public service pension schemes with new and separate TPR functions being recruited to carry out such activity. This not only has a knock-on effect for Board knowledge and understanding but for increased interaction by our Officers on legislation, regulation and external scrutiny. Additionally, the LGPS Scheme Advisory Board is also setting out more demands of Funds and new requirements for 2019 benefit administration and cost cap activities continue to put pressure on Fund resources.

The Strategic Policy Statement reflects our aims and objectives and sets out our strategic priorities from 2019 to 2022.

This statement is prepared in accordance with section 402 of the Greater London Authority Act 1999. The Act requires the LPFA to prepare a statement containing a draft budget, including any levy requirement for each financial year, and a statement of strategic plans and objectives for the next three financial years.

Both statements must be submitted to the Mayor by 31st December preceding the start of each financial year.

Part 1            The Strategic Policy Statement details our strategic aim for 2019-2022. Our programmes stem from the main strategy.

Since 8 April 2016, the majority of the LPFA's functions are now carried out by the Local Pensions Partnership (LPP) under a Service Level Agreement and this Statement reflects those changes.

Part 2            The budget details the financials for the year 2019-2022 and sets out the anticipated resources required to deliver the outcomes during 2019-2022 for LPFA and our share of the costs in respect of LPP.

---

## LPFA's Mission Statement

To provide a high-quality cost-effective pensions service that meet the needs of our different employers and members whilst playing a collaborative role in the wider pensions world.

## LPFA's Vision

LPFA aims to deliver LGPS pension services to a high quality and in the most effective and efficient way in terms of cost. In doing so, it is our intention that we continue to use LPP to deliver most of these services for us. Assets held within the LPFA fund will continue to be managed by LPP, alongside our employer risk and liability, and our member administration. LPFA will continue to use its position as an active shareholder of LPP to drive its effective development as a Pension Services business.

LPFA also seeks to contribute to the wider London LGPS and Local Authority community and particularly assist, where possible, any facilitation of growth in LGPS collaborations. There may be instances where the LPFA is the natural home for new employers and the LPFA Board will encourage the Government to view LPFA as such a possibility. More widely we will be much more collaborative on shared experiences and learnings and best practice with LGPS Funds and Pools and the wider UK pensions industry to help achieve our vision and deliver for our stakeholders.

## LPFA's Values and Behaviours

At the LPFA Board away day in September 2018, a discussion on our values and behaviours produced a refinement to our previous published outputs. This was based on an acknowledgement that the team supporting the Fund had significantly reduced in number but also that the Board itself had undergone some changes in terms of personnel and maturity as an effective governance body. Consequently, the following will be the foundation of our behaviours over the coming three years:

- **Be the Best:** Striving to deliver the best for all our stakeholders;
- **Deliver Results:** Focused on performance; be it from the Board, Officers, or wider LPFA suppliers and stakeholders;
- **Our People matter:** we will set clear expectations and encourage people to deliver against these;
- **Accentuate Collaboration:** Adopt a collaborative approach both internally and externally;
- **Act with Integrity:** Build trust and promote openness.

## Objectives

Our overall wider objectives have been refined and are detailed in the chart below although future planning will recognise the changing role LPFA will play in ensuring delivery of these key targets through LPP.

| <b>Objective</b>                       | <b>Outcomes</b>  | <b>Actions</b>  | <b>Timeframe</b>                    | <b>Progress</b> |
|--|--|---|-------------------------------------|-----------------|
| <b>Organisational Excellence</b>       | Have best in class levels of core asset and liability management and administrative competency   | Assist and challenge LPP in resourcing, delivering and developing such services   | 2019/20                             |                 |
| <b>Investment Returns</b>              | To manage investments to meet our liabilities over the long term through the monitoring of delegated investment performance and risk           | Investment beliefs retested, and Risk Appetite set and monitored pre Valuation commencing   | 2019/20                             |                 |
| <b>Governance and Oversight</b>        | To enhance the Shareholder relationship and ensure LPP are operating effectively and meeting their obligations under the Shareholder Agreement | Enhance the relationship with LCC/LCPF and demonstrate strategic and tactical oversight of LPP  | Throughout period of Strategic Plan |                 |
| <b>Corporate Social Responsibility</b> | To manage LPFA's investment and business processes to produce an overall positive impact on stakeholders and society                           | Regularly test and review LPFA policies and continue to develop monitoring on climate change. Develop new RI strategy and ensure LPP operations and policies conform to our CSR standards | 2019/20                             |                 |
| <b>Market focussed</b>                 | To effectively communicate with the marketplace to ensure the delivery of value to members and maintain a sustainable pension fund             | Increase pension fund interaction with other funds/entities. Increase engagement with members and employers via appropriate channels including face to face meetings                      | 2019/20                             |                 |

---

## High Level Strategic Success Factors -

Our collaboration with Lancashire County Pension Fund (LCPF) has achieved a pool of assets in LPP now worth nearly £17bn with the majority of these assets now brought in to the pooled arrangements and benefiting from the lower costs, increased scale and direct investment opportunities associated with such an approach. 2018 saw the assets of the Royal County of Berkshire Pension Fund being pooled with LPP and these, including c£1.8bn in GLIL, are included in the further growth in the Assets under Management (AUM) for LPP.

Strategic decision making remains with LPFA in a number of areas and we will ensure appropriate guidance and control is provided to LPP as to how these requirements should be met and monitored. In particular, there will be a focus on our future strategic investment strategy with discussions already underway with LPP around our Risk Framework and Appetite, Investment beliefs and Funding assumptions to ensure that the policy portfolio is able to meet the long-term funding, income and liquidity needs of the Fund. As we approach the 2019 Actuarial Valuation, increased time and energy will be invested in funding and contribution considerations, employer covenant ratings and engagement with employers on future Fund costs.

An efficient and effective Valuation process is essential to the long-term viability of the Fund and substantial amounts of engagement with employers will be required during this strategic period. An indicative timetable follows:

| <b>Event</b>  | <b>Delivery Date</b> |
|---|----------------------|
| Actuary to provide LPFA with details of initial 2019 valuation assumptions for discussion by LPFA | 28/02/2019           |
| LPFA to Finalise employer covenant categorisation for valuation                                   | 31/03/2019           |
| Communicate categorisation to employers (Based on 2016 Funding Strategy Statement)                | 30/04/2019           |
| LPFA valuation submission date  | 30/06/2019           |
| LPFA Board agree final 2019 valuation assumptions and results                                     | 04/10/2019           |
| Funding strategy agreed by LPFA board   | 04/10/2019           |
| Actuary to supply individual employer results to LPFA   | 31/10/2019           |
| Draft Valuation report on Final Basis   | 31/12/2019           |
| Board to sign off Final Valuation Report  | 28/02/2020           |
| Meetings held with employers to finalise LPFA valuation results                                   | 28/02/2020           |
| Final LPFA rates and adjustment certificates issued   | 31/03/2020           |
| Valuation report issued to MHCLG  | 31/03/2020           |
| New LPFA contribution rates commence  | 01/04/2020           |
| Implement any additional Employer security required   | 31/03/2021           |

## Strategic Management

LPFA's role during the period covered by this Statement will be as an active shareholder, overseeing LPP. As such, significant time and resource will be given to oversight of respective business areas within LPP particularly Investment, Administration and Employer Risk but also of LPP itself including its long term financial and structural sustainability.

The Chairman, assisted by the Managing Director, will be continuing his lead role to help facilitate greater investment in London's infrastructure including working with the GLA and

---

others to identify suitable opportunities for future pension fund investments building on the experience of the Pontoon Dock project. The Board will work with LPPI to consider the merits and practicality of a London Fund to focus investments in the local region whilst preserving risk and return objectives consistent with the Fund's overall objectives. Next year will also see the implementation of a more collaborative set of communication messages for the wider LGPS community and whilst Board members will be encouraged to support this, most of the external facing activity will rest with the Chairman and Managing Director.

Next year will also be an important one for the way in which the administration services are provided to LPFA and other LPP clients. The new Target Operating model (ToM) for the administration business has had a difficult start in 2018 and requires more resilience building into it for the next 3 – 5-year period. Work to build appropriate resilience and control into the operation is required alongside strategic planning on the future of Administration across LGPS. Allied to this is a strengthening of the use of technology, automation, process and internal controls alongside a culture of high-quality member experience and outputs.

A full review of the Service Level Agreements and monitoring arrangements with LPP will take place as the new ToM takes shape and cost and value for money expectations will also be monitored as part of the evolution of the Administration service.

A formal review of the governance structure will also be completed and implemented as required during the next year. The aim of the review will be to ensure that the Governance arrangements in place are sufficiently robust and appropriate to meet the various compliance challenges and that they are able to operate in the most effective and efficient way. LPFA will also continue to work closely with LPP to help ensure that the necessary resources are made available to LPP and that the key skills and personnel can be retained to ensure future success.

LPFA had to prepare for the introduction of the Markets in Financial Instruments Derivative (MiFID II) in 2018. This process is now complete and LPFA opted up to attain elective professional client status following the implementation of MiFID II on 3 January 2018. This means that LPFA has been deemed suitable to continue to invest in a broad range of asset classes. LPPI selects and implements the investments with LPFA responsible for monitoring the long term performance of those investments and setting the investment strategy.

LPFA will continue to fulfil its statutory role and ensure compliance with the monitoring and reporting arrangements which have been put in place and to look for increasing co-operation and engagement with our partners and other stakeholders to enable a consistent and clear approach to be provided.

---

**Supporting our themes of collaboration and sustainability we will have the following three Strategic Targets and outputs to achieve between 2019 - 2022:**

1. *Target - To successfully evolve our investment and liability management:*  
Output - Deliver stable contributions and funding requirements from the 2019 Valuation
  - Deliver the payment of pensions based on effective investment strategies that demonstrate responsibility as well as performance
2. *Target - To extend our Partnership working and wider Collaboration:*  
Output - Demonstrate the continuing benefit partnership working with LCC as a model owner of a highly effective Pool.
  - Achieve collaboration with other LGPS Funds and/or London pension entities either in a support, servicing or sharing of best practice capacity.
3. *Target - Operational Efficiency and robust Shareholder activity:*  
Output - Move LPP from a benefits of pooling strategy to one of benefiting shareholders and demonstrating progress towards financial self sufficiency
  - Demonstrate an effective LPFA management team operating in balance with the Board, shareholders, LPP, GLA and other stakeholders.

Following LPP becoming fully operational, LPFA retained a small Executive resource to act in a client role and to ensure the functions carried out by LPP meet the Service Level Agreements put in place and that sufficient support, guidance and advice is provided to enable its statutory functions to be met. After 2 years of operations a review was begun in 2018 into both the existing relationship with LPP as Shareholder and as a client and what resources LPFA needs to successfully manage its responsibilities. The next few years will require significant additional oversight of LPP development. Apart from monitoring the planned structural review of LPP as a corporate entity, LPP have advised that further improvements will need to be made to their ICT, Finance and Investment performance management controls and systems.

Consequently, LPFA will seek to employ a small number of professionals to assist with managing the Funds increasing regulatory and pension related activities, but also in the increasing oversight of LPP from an owner and recipient of services perspective. This will take the form of governance and compliance expertise, funding and investment skills, financial management and ideally development of that resource to be our own s151 Officer, (currently the s151 is a part time resource on secondment from Lancashire County Council), and a communication/engagement specialist to aid the collaboration theme set out here. The individuals joining LPFA will also be tasked with identifying any areas of saving or work that might be processed more efficiently in their areas of expertise e.g. the finance or governance functions within LPP.

One of the areas previously identified by the Mayor of London and by the new LPFA MD concerns improving communications at LPFA, particularly with members. Indeed, there is a need for more engagement with employers both practically on their working relationship with LPP on administration and benefits but also strategically on affordability and long-term Fund sustainability. To aid this, we have this year instigated some changes to our more formal interactions and have delivered or organised:

- Annual Member Fund Forum for c 300+ members
- Employers Forum, c50 senior level contacts
- Practitioners Forum, employer staff carrying out pensions work
- Charity employers' workshop to aid understanding and share best practice.

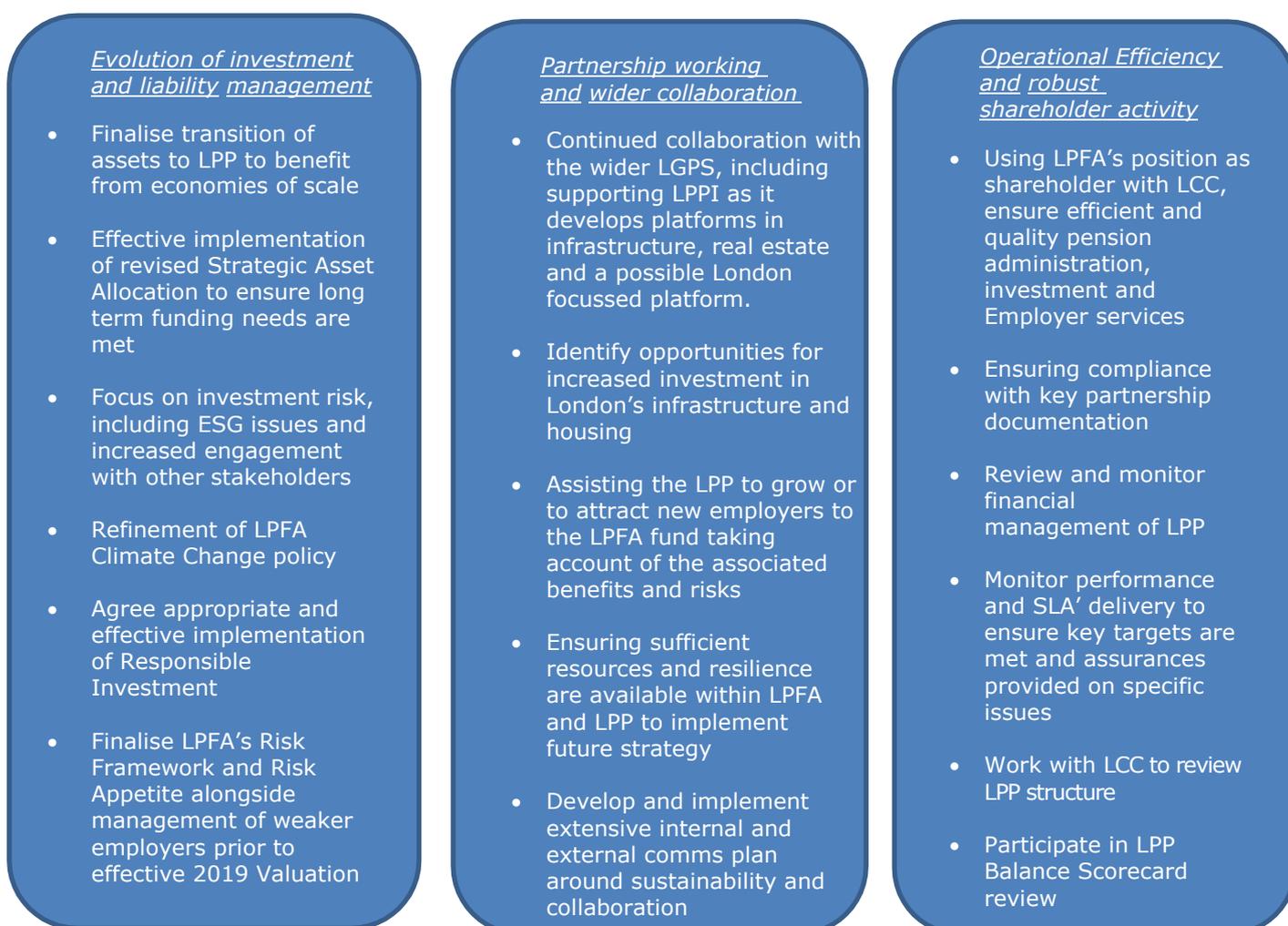
---

In challenging times for pension schemes in the UK generally, the LPFA is working hard to connect, inform and benefit our members and employers. We also still believe we have a role in not just providing good clear pensions information, but that we should be promoting pensions in the workplace and actively promoting the Scheme to members and their employers.

In addition, we will also be delivering against plans to provide:

- More member self service
- Better employer portal functionality
- Better website messaging
- Improved social media presence
- Improved quality and content of Employer and pensioner newsletters
- Fund Presentations to Employer staff such as the 2 delivered to GLA in 2018

Example high level success outputs are summarised in the following chart:



---

## **Supporting activity to the Strategic Targets and Measurements:**

The following measurements link to the three main pillars of LPFA's strategy above:

### **To successfully evolve our investment and liability management**

- The sixth of 7 vehicles, the Diversified Strategies Fund went live on 28<sup>th</sup> September 2018 with the final Real Estate pool planned for 2019.
- Ensure LPFA's investment beliefs and Strategic Asset Allocation (SAA) continue to be fit for purpose.
- Ensure the agreed SAA meets the long term aims of the fund and that sufficient funds are available to meet future pensions payments at the appropriate time.
- Achieve investment returns in line with the new 2019 valuation recovery plan and continue to deliver the increased security and contributions identified in the 2016 valuation.
- Implement sophisticated risk monitoring via LPP with a focus on key issues including ESG factors and LDI – working with industry peers to improve quality and frequency of data in areas such as ESG to facilitate this monitoring. Develop a new overall RI strategy building on, with further enhancement of, transparency and return from our Climate Change Policy.
- Continued engagement and co-operation with other national Funds and particularly, London based funds such as London CIV and Transport for London (TfL).

### **To extend our Partnership working and wider Collaboration:**

- Identifying and implementing partnering opportunities to enable growth in assets under management of the LPP and that a detailed business case demonstrating potential risks and benefits is undertaken as part of that process.
- Whilst continuing our commitment to the collaborative infrastructure vehicle, GLIL, work with LPPI to identify suitable opportunities for increased investment in London's infrastructure and housing across the LGPS as a whole.
- Promoting LPFA's approach within the sector seeking greater engagement and collaboration as part of a wider refresh of LPFA's messages and comms strategy.
- Enabling LPP to continue to develop value added business offerings to existing and new clients across all areas of pension fund management based on an appropriate business case.
- Continue to work with Lancashire County Council in the oversight and development of LPP.
- Play a leading role in protecting LPFA interests, but also ensuring good client experiences as a recipient (alongside LCPF and Berkshire) of LPP's service offerings.

---

**To deliver Operational Efficiency and robust Shareholder activity:**

- Full transition of third-party pension administration contracts to LPP in 2019 as contracts currently sub-contracted are due for renewal or where alternative arrangements are agreed with LPP.
- Reviewing and implementing next steps for LPP operational efficiency by 2019 in line with the shareholder agreement. Examples include the development of a new portfolio management system to add more robustness and resilience into investment operations.
- Oversee the development of a new Administration services that retains the benefits of the old system particularly around service quality but is cost effective and robust going forward.
- Provide support and challenge to any new Administration Transition Plan and ensure continued high levels of service delivery and support in line with agreed KPI's and Service Level Agreements.
- Continue to work with GLA to identify specific functions and responsibilities where closer co-operation might result in improved efficiencies.
- Ensure compliance with The Pensions Regulator Code of Practice 14 requirements and seek to raise overall standards in line with FCA, The Pensions Regulator and UK Corporate Governance Code standards for the benefit of LPFA.

---

## Key Performance Indicators:

LPFA's range of Key Performance Indicators is based on locally and nationally set performance measures which mirror the strategic direction of the organisation.

Our aim is to measure, as far as practicable, the outcomes of our strategic deliverables, and of our administration, both in terms of what we have achieved and how effectively we deliver these outcomes.

LPFA publishes a quarterly financial monitoring report and an internal equity performance report on our website [www.lpfa.org.uk](http://www.lpfa.org.uk)

## Corporate Indicators (reported annually year on year)

The results of the following indicators for 2017/18 can be found in more detail in our Pension Fund Annual Report 2017/18 which is available on the website [www.lpfa.org.uk](http://www.lpfa.org.uk)

### Costs:

- Per member
- Gross/net

Cessation value - total at risk debt vs amount recovered

Asset and Liabilities Management (reported quarterly and annually year on year)  
Surplus/(Deficit):

- Absolute
- Percent of total liabilities

Change in liabilities

Source of changes

- Member changes
- Payments
- Interest rates
- Inflation
- Longevity

Change in Assets

Source of changes:

- Member changes
- Contributions
- Income
- Capital Values

---

Risk:

- Portfolio VaR (Value at Risk). A statistical technique used to measure and quantify the level of financial risk within an investment portfolio over a specific time frame to a level of confidence, usually 95%. Value at risk is used to measure and control the level of risk which the Fund undertakes.
- Interest Rates (IR) Sensitivities to changes in the Interest rates expressed as the change in the present value of the liabilities for each 1 basis point (0.01%) change in interest rates.
- CPI Consumer Price Index. Sensitivities to changes in UK Inflation expressed as the change in the present value of the liabilities for each 1 basis point (0.01%) change in the inflation rate.
- Equity market (Sensitivities to changes in the equity market)
  - Implementation and monitoring of LPFA policy statement on ESG issues

### **LPFA Pension Administration Performance Indicators**

#### LPFA Queries Completed on Time:

- Top 10 case types completed on time once LPFA is in receipt of all the information – target 95%
- Employer Services end of year queries

#### Top Ten Case Types:

Top 10 case types and all other case types - time to complete as customer experience

#### Total Membership:

Member and employer online Interactions:

Number of active employers signed up to LPFA's pensions administration strategy

Number of members under administration

Number of year-end error rates

Amounts due from employers at the year end

Percentage of available information submitted online

Number in active members signing up to member self-service

Percentage of active members where LPFA holds an email address

#### Complaints:

Complaints received

Complaints upheld

Number of complaints taken further - IDRP and Ombudsman

Per cent complaints as a percentage of workload

Per cent of members satisfied with overall service