

LOCAL PENSION BOARD

MINUTES

Date: Tuesday 19 September 2023
Time: 10.00-12.30
Location: Room G.04, 169 Union Street, London, SE1 0LL; and Teams

Present:	Andy Cunningham Mike Allen Stephen Boon James Cherry Luke Rigg Amy Sweeting* Surendra Wanza Natalie Watt	LPB Chair (Chair) Member Representative Employer Representative Member Representative Employer Representative Employer Representative Member Representative Member Representative
In attendance:	Mark Anderson* Robert Branagh John Crowhurst Chris Dawson* Anastasia Klimenko Jason McKenzie Alistair Peck Clare Scott Lana Watson	LPFA Head of Compliance, Risk and Pensions LPFA Chief Executive Officer LPPA Commercial Director (items 1 to 3 only) LPPA Head of Engagement and Communications (item 3) LPFA Chief of Staff LPFA Interim Governance Manager (Minutes) LPFA Head of Communications and Engagement LPFA Board Member (Observer) LPFA Funding and Investment Director
Apologies:	Jasbir Sandhu	Employer Representative

*via MS Teams

1. LPB186 – INTRODUCTORY MATTERS

Submission

To present an update on several matters arising in relation to minutes and action points from the previous meeting held on 20 June 2023.

Discussion

- 1.1 The Chair welcomed all attendees to the meeting and introduced the two newly appointed members, Luke Rigg and Natalie Watt who introduced themselves.
- 1.2 Apologies
Apologies received from Jasbir Sandu.
- 1.3 Declarations of interest
No new interests were declared in advance of the meeting. The LPB noted the standing declaration by the LPFA CEO regarding any administration matters under discussion relating to his role as the LPFA shareholder appointed statutory director representative on the Local Pension Partnership Administration Board (LPPA), and the Local Pensions Partnership (LPP) Board.
- 1.4 Surendra Wanza advised the Board his declarations require updating. **ACTION:** J McKenzie to follow up.

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- 1.5 Robert Branagh declared an interest regarding his NED role on the Pensions Ombudsman Board. The Board noted this declaration and agreed it was not a conflict of interest for this meeting.

Minutes, and actions points

- 1.4 The minutes from the last LPB meeting held on 20 June 2023 were approved and it was agreed that the Chair's electronic signature could be used to sign the document.

The LPB **RESOLVED** to:

1. **Approve** the minutes of the meeting held on 20 June 2023 as a true and accurate record of that meeting, and the use of the Chair's electronic signature to confirm the minutes; and
2. **Note** the matters arising and the progress made on the action points, including items which had been completed or closed.

2 LPB187 – CEO REPORT

- 2.1 The CEO took the paper as read and highlighted the key points to the Board. The LPP Board recruitment process is complete, and the formal appointment commences in January.
- 2.2 The CEO introduced Lana Watson who was appointed as Funding & Investment Director in August; and advised the Board of the appointment of Mala Visram to the new position of Pensions Technical manager. Mala will hold responsibility for upskilling staff; and will produce a specific training programme for LPB. The Board noted that a permanent Governance Manager is expected to commence in November.
- 2.3 The recruitment for LPFA Board members is progressing with applications closing at the end of September with a view to appointing by December.
- 2.4 The CEO advised the reasonings of the degradation of LPPA's service of retirements and bereavements as outlined in 3.2 (page 18 of the main pack) will be discussed later in the meeting.
- 2.5 The Board was thanked for their comments on the Pension Administration Strategy. Preparations to publish the pooling consultation have commenced. Any late comments or submissions are to be sent to Alistair Peck directly. The Board noted the narrative will include a members' perspective and a communications piece is planned to outline further work following the PAS activity.

Discussion

- 2.6 It was clarified the outsourced fiduciary in the pooling consultation we refer to refers to us as a Fund fully delegating to the investment manager (LPPI) to execute the strategy which LPFA sets. It was noted this model is unique in the LGPS with a perception of governance boundaries being challenging however LPFA and LCC closely manage this.
- 2.7 The Board noted a positive number of employers responded to the PAS consultation, noting that LPFA's Employer Team are tasked with conducting one on one meetings with employers to increase engagement. The Board also noted employers are not required to sign the consultation.
- 2.8 The LPB **NOTED** the updates contained in the CEO report related to the LPFA and the LPFA Board.

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3 LPB188 - LPPA QUARTERLY CLIENT PERFORMANCE AND MEMBER ENGAGEMENT REPORT

- 3.1 John Crowhurst provided a brief historic update for the benefit of the new board members. This included the UPM system and member portal creation, noting the SLA measurement.
- 3.2 The recent poor member experience was acknowledged by LPPA. To improve this the Board noted LPPA plans to discuss in further detail at the Member Forum event and to develop a revised SLA for rollout in April 2024. Additionally, a member satisfaction survey function is planned to draw an improvement plan to ensure quicker lump sum payments are made.
- 3.3 The Board noted the inexperienced LPPA workforce is due in most part to a high attrition rate. LPPA have revised their recruitment approach and have developed quicker training models with a focus on upskilling existing staff and improvements are also planned to increase system automation capacity. Automatic record integrity checks will also reduce administrator's time. The new system will be process driven with notifications and prompts to trigger the administrator to ensure the correct process is followed and/or completed.
- 3.4 LPPA are investigating options to manage member dissatisfaction on being informed of the progress of their lump sum payment, which will need to balance the time and cost on emails rather than posted letters and the potential of enabling an outbound call system. However, this would require detailed training and processed to ensure the call handler is equipped with sufficient knowledge to address all member's concerns and therefore not resulting in escalating the call and causing further delays or member dissatisfaction. The Board noted that an interactive status feature on the portal is planned for rollout in six months.

Discussion

- 3.5 The Board noted that some elements of the delays in processing member information lies with some employers and payroll providers which regularly delaying information on retiring staff. Whilst this functionality will ultimately be provided in the employer portal, the Board commented on the usefulness of informing members when the HR process (i.e. the employer) is complete, and when the LPPA process commences to illustrate where the issue lies to avoid the perception that delay is with the Fund.
- 3.6 The Board also discussed that it would be useful to see employer performance measures, as covered by the Pensions Administration Strategy, within the quarterly pack provided. Further the board wished to see a metric showing the number (or percentage) of employers fully onboarded onto the Monthly returns facility. The Chair noted that increased employer take up of monthly returns should help speed up future end of year processes, enable annual benefit statements to go out earlier and for a higher percentage of statements to be produced before the statutory deadline. **ACTION:** J Crowhurst.
- 3.7 The Board questioned the staff appetite for training and upskilling, noting that whilst a few agency staff are contracted for specific purposes, most of the workforce are permanent staff. The recent survey showed the younger staff members leave due to limited career paths and higher salaries at larger corporations in other sectors (such as retail). LPPA's HR team are tackling this through training awareness, multiskilling roles to generate increased salaries and clearer career progression. Generally, staff are receptive and have demonstrated engagement with this trajectory.
- 3.8 The Board queried the 61 cases missed are greater than 11 days, raising concerns that some of these cases are potentially very old and would have a significant impact on the member and it was agreed that improvements are needed. The Board requested the table includes an additional column for the number of cases which passed or a percentage pass rate as it is difficult to determine materiality from the absolute numbers and for further data be provided as the 11+ category is too wide. This will allow the Board to review the case backlog with more contextual real-time data. **ACTION:** J Crowhurst.
- 3.9 The Chair expressed concern that the number of outstanding benefit administration cases had increased and that for a number of categories, the outstanding volumes are similar or higher than the number of cases completed within the previous quarter for that same category of work. This implied that backlogs still

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existed and there was still work to do to be fully on top of current work. However, it was noted that it is difficult to establish this from the data provided. Therefore, the Board requested that for future versions of the table entitled: 'Outstanding Case Work at the end of Reporting Quarter', the data in column 4 was split out to provide an age analysis of uncompleted cases relative to the KPI for each (perhaps shown in a new table). In particular, to express how many outstanding cases are still within the KPI or over the KPI if completed the same day, ideally on some type of sliding scale. See P39 of the pack **ACTION:** J Crowhurst.

- 3.10 The Board suggested to analyse the data of members aged 51- 60 for pinch points in line with the data strategy for expected retirements/deferred members to form forward resource planning.
- 3.11 The Board discussed the member portal benefits, noting based on member have requested to see employer history included with their data. Online member panel is used frequently for feedback on items like the website functionality, and currently 27,000 members have registered to the portal.
- 3.12 The Board asked for an overview of the McCloud project, noting LPPA are communicating with employers, via a survey and have commenced a data cleaning and validation exercise to ensure the system is ready for October release. Once complete the cohorts will be launched in blue light scheme order, and rigorous functionality testing is planned.

John Crowhurst and Chris Dawson left the meeting.

- 3.13 The LPB **NOTED** the LPFA Q1 Quarterly Client Report.

4 LPB189 – LPFA CORPORATE COMMUNICATIONS UPDATE

- 4.1 Alistair Peck took the paper as read and provided the highlights of the report, noting the hardcopy project delivered 530 hardcopies at a price of £5 per member; and the communications registration will take place in 2024 to attempt to reduce the impact on LPPA helpdesk.
- 4.2 The current projects are focussing on active registrations to all employers, though low take-up; and will review linkages in the PAS; and the forthcoming Employer and Member forums will focus on an online presence. (LPB involvement is welcomed for the Employer forum).

Discussion

- 4.3 The Board noted the LPB will be profiled in the video engagement project.
- 4.4 The Board discussed how member engagement is generally difficult, and historically members engage at the right time for them; though the Fund has a responsibility to engage with younger and new as soon as possible for care membership as decisions made now have impact on their final pensions.
- 4.5 The LPB **NOTED** LPFA's communications activity over the period.

5 LPB190 – LPFA RISK MANAGEMENT

- 5.1 Mark Anderson took the paper as read and provided three highlights in the risk management report.
- 5.2 Challenges with the CAMMS system reporting remain and we are working with LPPA on a resolution (as discussed previously) to replace the system entirely by March. Currently alternative providers are being reviewed.
- 5.3 Lana Watson now holds responsibility for managing funding risks.
- 5.4 A new risk is added to the register relating to EISP, with a focus on quarterly improvements on an 18mth basis. Further information is provided in the pack.

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Discussion

- 5.5 The Board noted the issues with CAMMS mean the overview and status of various risks cannot currently be downloaded from the system and it is impossible to update the data manually due to spreadsheet connectivity issues. The data is contained within the system and cannot be accessed. The bi-annual deep dive on risks is due at next meeting; and a note on the substantial changes will be provided at next meeting.
- 5.6 The Board requested the EISP data at LPPA is investigated further to meet guarantee rates for dashboard criteria. The communications and engagement team are working to drive towards employer self-service via PensionPoint.
- 5.7 The LPB **NOTED** the risk dashboard and the risk register.

6 LPB191 – COMPLIANCE OVERSIGHT AND REGULATION REPORT

- 6.1 Mark Anderson introduced the report which were taken as read and highlighted that due to the CAMMS data issues, the monitoring on employer payments/late payments and will be updated at the next meeting.

Discussion

- 6.2 The Board noted the LPPA ESIP will not be included on the risk register or internal audit plan as this is the delivery element of the project and will be included with the standard compliance monitoring, using data robustness, data achievement, and automated payments reconciliation.
- 6.3 The Board queried the process to assess the level of assessment and follow on actions, noting an investigation process has commenced by consulting with employers to understand the issues, and revert to employers on regulatory requirements (this process is in parallel with the PAS consultation).

The LPB **RESOLVED** to:

1. **Note** the compliance with TPR Code of Practice 14;
2. **Note** the compliance oversight of LPP Group;
3. **Note** the LPFA compliance update;
4. **Note** the Monitoring Investment Cost including Custodian and Transaction Costs;
5. **Note** the T1 Bi-annual Cyber Security assurance statement;
6. **Note** the LPFA Complaints update; and
7. **Note** the GRC platform.

7 LPB192 - GOVERNANCE, PUBLIC POLICY STATEMENTS AND LPB FORWARD PLANNER

- 7.1 The LPB noted the LPFA Corporate and Strategic Board session minutes from the meeting held on 30 March 2023 will be made available once they are approved.
- 7.2 The LPB to **NOTED** the LPB Forward Planner.

8 ANY OTHER BUSINESS

- 8.1 The Board discussed the use of the new portal Diligent and agreed to continue.
- 8.2 The date of the next meeting is scheduled on 21 November 2023 at the LPFA Union Street Office.

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8.3 There being no further business, the Chair closed the meeting at 11:55.

Andy Cunningham, LPB Chair

Date: 21/11/2023