

LOCAL PENSION BOARD (LPB)

Minutes of the Meeting

Date: Tuesday, 25 May 2021
Time: 10:00– 12:20
Location: MS Teams video conference

Present:	William Bourne Stephen Boon Sean Brosnan Jenny Lo Peter Scales Frank Smith Omolayo Sokoya	LPB Chair (“ Chair ”) Employer representative Employer representative Member representative Member representative Employer representative Member representative
In attendance:	Helen Astle Peter Ballard Robert Branagh John Crowhurst Chris Dawson Alistair Peck Gillian Workman	LPFA Chief Legal and Compliance Officer LPFA Funding and Risk Director LPFA Chief Executive Officer (“ CEO ”) LPPA Commercial Director (Training and item 4 only) LPPA Head of Engagement and Communications (item 4 only) LPFA Head of Communications and Engagement LPPI Senior Company Secretarial Assistant
Observer:	Anastasia Klimenko Mike Allen Jasbir Sandhu	LPFA Business Manager New Member representative from 5 June 2021 New Employer representative from 5 June 2021
Apologies:	Amy Selmon Prashant Solanky	Employer representative Member representative

TRAINING: LPPA Update and Key Developments

John Crowhurst shared that the preliminary slides (1 to 6) had been included in the presentation to provide a summary overview of Local Pensions Partnership Administration Ltd (“**LPPA**”) for the benefit of the newer LPB members. John advised that the LPPA management have been focused on their employees over the last year, and as a result employee engagement had improved from 6.8 to 7.9 out of 10.

The decision to consolidate 5 core administration systems had resulted in the: contract award to Civica in early 2021; and launch of Project PACE to manage both the system migration/implementation, as well as business readiness. John highlighted that the second part of Project PACE would be more challenging and involve change and people management, to ensure that the system users would be suitably equipped to get the most out of the new system.

The benefits of the new system were shared including the ability for LPPA to be able to provide an online self-service portal that allowed both members to track their case and for employers to access details. While an offline retirement process would still be provided, an online retirement system would be able to offer a more cost-efficient business model, as well as improve productivity.

LPB then discussed the complexity of Project PACE. Assurance was provided on both the technical expertise and system experience of the project implementation team which included a dedicated test manager and full-time seconded members from the pensions administration business. Civica would be releasing aspects of the system in batches to allow each to be tested by LPPA before progressing to the next stage. LPPA was cognisant of the importance of a successful project implementation, while also meeting client requirements for the triennial

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valuation in 2022 and ensure that pension payments were processed on time. Some Employers had already been engaged to work with LPPA to test the system, as well as preliminary plans for the phased transition towards go-live, planned for the end of January 2022. A phased transition was being planned to minimise downtime.

The Chair thanked John for the presentation and LPB members were encouraged to contact him, should they have any further concerns or questions.

1. LPB122 – INTRODUCTORY MATTERS

Submission

The report was provided on several matters arising relating to minutes from the meeting held on 2 March 2021 and previous meetings action points.

Discussion

The Chair noted that due to government guidance on social distancing related to the Coronavirus (“Covid-19”) pandemic, the meeting was being conducted via video conference. It was confirmed that the LPFA constitution permitted electronic participation and decision making (Section C: Standing Orders, (9) (e) and (j)) and that the standing orders applied to the LPB. The Chair reminded members of the meeting etiquette and encouraged the use of certain MS Teams functionality to allow members to be called upon in turn.

The Chair welcomed the new attendees to their first LPB meeting: Stephen Boon; Mike Allen; and Jasbir Sandhu. The Chair declared that a quorum was present, and the meeting was opened.

Apologies

The Chair advised that Amy Selmon had received his prior approval to be excused from this and the next two LPB meetings. It was anticipated that Amy would join the LPB meeting on 24 February 2022. In addition, Prashant Solanky had notified the Chair of his apologies prior to the meeting. No other apologies had been received in advance of the meeting.

Declarations of interest

The Chair confirmed that he had not received any advance declarations of interest since the previous meeting and no new declarations were advised at the meeting. The standing declaration by the LPFA CEO with any matters under discussion regarding pensions administration and the potential for conflict of interest with his role as the LPFA shareholder appointed statutory director representative on the LPPA Board was noted.

Minutes and actions points arising

The minutes from the last LPB meeting held on 2 March 2021 were approved, with minor amendments, and that the Chair's e-signature could be used to sign the document. The LPB was also satisfied with the status of the completed or not due action points from previous meetings and the updates to the LPB Chair 2020 Appraisal Report recommendations. Alistair Peck confirmed that LPFA LPB specific content would be included in an upcoming LPFA active members newsletter issued in June 2021 by LPPA.

Training and Training Records

The Chair noted the request to the LPB to keep the LPFA updated with their related training activities and to send the latest versions of The Pensions Regulator (“TPR”) Public Sector Toolkit with confirmation of completion of the recently launched Pensions Scams module by the next LPB meeting in September 2021. **Action: LPB**

The LPB:

1. **Approved** the minutes of the meeting held on 2 March 2021 as a true and accurate record of that meeting, with minor amendments, and the use of the Chair's e-signature to confirm the minutes.
2. **Noted** the matters arising - action list including all the items which had been completed or closed.
3. **Noted** the LPB Chair 2020 Appraisal recommendations updates.
4. **Noted** the update on training and request for LPB members to provide development records from the TPR public sector toolkit by the next LPB meeting including completion of the recent pensions scams module.

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2. LPB123 CHAIR ANNUAL REPORT

Submission

The LPB annual report to be included within the LPFA Pension Fund Annual Report (“PFAR”) for 2020/21.

Discussion

William presented his annual LPB report for 2020/21 and it was agreed to include some detail on the selection of the new LPB members. **Action: W Bourne / R Branagh**

The LPB:

1. **considered** and **approved** the draft LPB Annual Report for 2020/21, with minor amendments, and to recommend that the LPFA Board meeting on 16 June 2021 approve the report for inclusion in the PFAR for 2020/21.
2. **Consented** for minor amendments to be made to the LPFA annual report when it was included within the PFAR for editorial consistency.

3. LPB124 – CEO REPORT

Submission

The report provided an update on general Fund related activities since the last meeting in March 2021 and for the Quarter 4 (“Q4”) 2020/21 period. Specific items provided for this meeting included an update on: continuing working practices related to Covid-19; financial monitoring details; investment performance; pooling updates; risk monitoring and recent activity updates; and LPFA organisational updates including new LPFA Board appointments; as well as minor amendments to the 2021 to 2024 Strategic Policy Statement and Medium Term Financial Plan budget documents.

Discussion

The CEO presented his report to the LPB and noted that the LPFA hoped to welcome employees back to the Union Street office on a more regular basis from July 2021. Regarding the update on Oliver Watson joining the Ministry of Housing, Communities and Local Government (“MHCLG”), it was advised that Oliver would be focused on a Task Force on Climate-related Financial Disclosures (“TCFD”) consultation. The CEO highlighted the LPFA Board plans on Net Zero (“NZ”), detailed in the LPFA Corporate and Strategic (“C&S”) draft minutes from the meeting held on 9 March 2021, and it was agreed that a more detailed update on NZ would be shared at the next LPB meeting in September 2021. **Action: P Ballard / G Workman**

The CEO provided an overview of recent new LPFA Board member and Section 151 Officer recruitment. The LPB discussed the report and a member shared feedback on IAS19 related employer increases. It was agreed to share the LPFA risk register report from March 2021 for context on the LPFA Risk Dashboard update and to provide information on the IAS19 valuation increase. **Action: P Ballard**

The LPB **noted** the updates contained in the report and advised during the meeting on the LPFA organisation and LPFA Board.

[John Crowhurst and Chris Dawson joined the meeting.]

4. LPB125 – LPPA QUARTERLY CLIENT PERFORMANCE AND MEMBER ENGAGEMENT REPORT

Submission

For LPPA to present the LPFA with the Q4 2020/21 and 2020/21 annual administration report. In addition, to advise details on the member engagement communications delivered, as well as planned future activity.

Discussion

John Crowhurst highlighted the quarterly performance standards and continued focus on timescale of pension payment (retirement) by LPPA. Information was shared on the proactive steps being taken by LPPA to expedite queries with the Additional Voluntary Contribution (“AVC”) provider and process improvements had been implemented by LPPA to reconcile AVC membership with their records. An update would be provided at the next meeting on whether any delayed payments could be subject to interest payments. **Action: J Crowhurst**

John shared details of changes to the LPPA helpdesk call prioritisation process, focusing on bereavements, to meet an increase in related calls. As a result, helpdesk performance was now averaging

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call wait times down to 5 minutes or less. The LPB discussed the report and the collaborative approach needed to support the LPPA timely 30-day retirement target, which would be further supported by the incoming fund administration IT system.

Chris Dawson provided an overview of the engagement activity delivered by the LPPA Engagement, Marketing and Communications Team during Q4 2021/22, highlighting the overseas pension members and LPFA member email campaigns. Planned activity for Q1 2021/22 would continue to encourage members to engage with the My pensions online system via newsletters and engagement with employers on how they can support LPPA by providing timely data.

The LPB:

1. **Noted** the LPFA Quarterly Client Report and update for Q4 2020/21 and Full Year 2020/21 including the KPI performance detailed within the report.
2. **Noted** the engagement and communications activities for Q4 2020/21, as well as future Q1 2021/22 period.

[John Crowhurst and Chris Dawson left the meeting.]

5. LPB126 – LPFA COMMUNICATIONS

Submission

To provide an update on LPFA corporate communication plan including the progress of the new LPFA.org.uk website; latest status and plans for the Fund Member Forum (“**FMF**”) including possible LPB contribution to the FMF.

Discussion

Alistair Peck shared an update on the status of the development of the new LPFA Corporate website, with user testing planned for June 2021 and launch targeted for later in July 2021. The new website would offer accessibility functionality to support text to voice and other features, with an AA accessibility standard being planned.

The LPFA was currently planning a hybrid format for the FMF in September 2021 and the LPB recommended that an LPB member representative would best be suited to represent them at the event.

The LPB:

1. **Noted** progress on the LPFA.org.uk corporate website.
2. **Noted** the status and plans for the FMF
3. **Discussed** possible contribution from the LPB to the FMF.

6. LPB127 – LPFA EMPLOYER RELATED POLICIES

Submission

To seek comment from the LPB on proposed new and/or amended employer related policies, as well as provide an update on recent engagement activity of LPFA Employer Management Services Team (“**EMS**”).

Discussion

Peter Ballard presented the proposed employer policies: Employer risk management framework; admission and cessation policy; contribution flexibility policy and updates to the LPFA Funding Strategy Statement for LPB feedback, before onward LPFA Board consideration and employer consultation. The new policies: reflected recent regulatory contribution flexibility; would support the 2022 triennial valuation process; and provide transparency for LPFA employers. LPB discussed the policies and shared comments. The LPB had until the 31 May 2021 to provide any further feedback or comments by email. **Action: LPB**

The LPB:

1. **Commented** on the proposed new and/or amended employer related draft policies: Employer risk management framework; Admission and cessation policy; contribution flexibility policy and FSS.
2. **Noted** the recent activity of LPFA’s Employer Management Services team.

7. LPB128 – COMPLIANCE OVERSIGHT AND REGULATION REPORT

Submission

To provide LPB with an update on regulatory and compliance matters related to the Fund including: Code

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of Practice 14 (“**COP14**”); compliance oversight of the outsourced services delivered by LPP Group; the LPFA Compliance framework and update on the assurance map; National Fraud Initiative Reporting (“**NFI**”); LPPI biannual statement on monitoring LPFA investment costs; interim analysis on the Good Governance Project; and a regulatory horizon scanning report.

Discussion

Helen Astle provided an overview of the regular compliance matters, confirming that the LPFA had no concerns on any of the COP14 related or LPP Group outsourced services items contained with the report. The recent mandatory biennial NFI data matching exercise, facilitated by LPPA, had shown a significant improvement on the previous exercise, two years ago, benefiting from LPPA’s appointment of Target Professional Services (“**TPS**”), to undertake mortality screening. LPB discussed the report, noted the LPFA unique status amongst LGPS peers advised in the interim analysis on implementations of the Good Governance project, which would be subject to further guidance from MHCLG, CIPFA and SAB.

Helen thanked the LPB for sharing their feedback via email on the new single code of practice TPR consultation and a final LPFA response would be submitted on 26 May 2021. The CEO added that the comments shared reflected the LPFA thoughts and were reassuring.

The draft LPFA Compliance framework (“**framework**”) was presented by Helen, who advised that the document was a recommendation from an Internal audit. The framework provided a means for the LPFA to evidence how they were a well-run and accountable pension fund, adhering to regulation. The framework would be supported by a second document, currently in development, outlining the LPFA assurance map and would reflect how the LPFA validate services from by outsourced providers. LPB discussed the report and recommended for more explicit language to be considered about oversight of LPP Group subsidiary business units (LPPI and LPPA) and refer to the LPFA additional stakeholder role as Shareholder of LPP Group.

The LPB:

1. **Noted** the compliance oversight and regulation report.
2. **Commented** on the Compliance Framework.

8. LPB128 – GOVERNANCE, PUBLIC POLICY STATEMENT AND LPB FORWARD PLANNER

Submission

To provide an update on the activities of the LPFA C&S Board session minutes from 9 March 2021, advise the annual assurance statement on the LPFA whistleblowing policy and procedure, and note the forward planner. Feedback was requested from LPB on the proposed PFAR 2020/21 key messaging and early drafts of the fund administration and Responsible Investment sections of the PFAR.

Discussion

Alistair Peck shared details of his key messaging document prepared for the LPFA PFAR 2020/21 and presented the early draft sections of the fund administration and Responsible Investment. Additional sections of the PFAR 2020/21 would be shared at the next LPB meeting. LPB reviewed the report, recommended that reference to Project PACE be made in the fund administration section and strengthen item 3 in the key messaging which referred to security given to statutory benefits. The Chair noted the additional support needed to respond to the number of consultations which impacted LGPS and the balance in demonstrating value for money.

The LPB agreed a preference to meet in person as soon as it was safe to do so, with an aspiration for the September 2021 LPB meeting to take place at the LPFA Union Street office, with those based in Preston to have the option to present their standing item via video conference call.

The LPB:

1. **Noted** the draft LPFA C&S minutes from the 9 March 2021.
2. **Noted** and **advised feedback** on the 2020/21 LPFA PFAR key messaging document.
3. **Noted** and **advised feedback** on the early drafts of the Fund administration and Responsible investment text to be included in the 2020/21 LPFA PFAR.
4. **Noted** the annual assurance statement on the LPFA Whistleblowing policy and procedure.
5. **Noted** the forward planner.

9. ANY OTHER BUSINESS

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The Chair noted that this would be the last LPB meeting for Frank Smith and Peter Scales, as they would be retiring from the LPB on 4 June 2021. Both members had been on the LPB since it was launched in 2015 and had been instrumental in enabling the LPB function as an effective Board. On behalf of the LPB and the LPFA, Frank and Peter were thanked for their support and service. It was hoped that the LPB would be able to meet in the autumn over a lunch to formally acknowledge Frank and Peter's 8 years of service on the LPFA LPB.

With no further business, the Chair confirmed the date of the next meeting as 8 September 2021 in G0.4 at the LPFA Union Street Office and closed the meeting.

Signed in draft form for submission to Board

W Bourne

25 November 2021

William Bourne, LPB Chair

Date: