

# LOCAL PENSION BOARD (LPB)

## Minutes of the Meeting

**Date:** Wednesday 8 September 2021

**Time:** 14.00-16.15

**Location:** Meeting room G.04, Ground Floor, 169 Union Street, London, SE1 0LL and Conference phone

<b>Present:</b>	William Bourne Stephen Boon James Cherry Mike Allen Jasbir Sandhu Omolayo Sokoya	LPB Chair (“ <b>Chair</b> ”) Employer representative New Member representative from 1 September 2021 Member representative Employer representative Member representative
<b>In attendance:</b>	Helen Astle Robert Branagh John Crowhurst Chris Dawson  Alistair Peck Rebecca Williams Tannaz Rastegar	LPFA Chief Legal and Compliance Officer LPFA Chief Executive Officer (“ <b>CEO</b> ”) LPPA Commercial Director (item 3 only) LPPA Head of Engagement and Communications (item 3 only) LPFA Head of Communications and Engagement LPPI Assistant Company Secretary LPFA Interim Marketing and PR Manager
<b>Observer:</b>	Anastasia Klimenko	LPFA Business Manager

### TRAINING: MEMBER SURVEY ENGAGEMENT

The Chair welcomed Tannaz Rastegar to the LPB and explained that she would provide a presentation of the results from the Fund Member survey on screen. Four key themes were shared with the LPB: 1 Engagement, 2 Responsible Investment, 3 Personalised communication, and 4 Governance although a strong message on confusion between the LGPS, LPFA and LPPA organisations. An overview was also provided of the survey objectives, Members’ perception of the Fund, communications by LPPA, common member queries, members’ request on communication subjects and Responsible Investment/Climate Change. A list of recommendations and potential next steps were highlighted, including the positive feedback received by Members.

*[The formal meeting commenced at 14:30.]*

### 1. LPB130 – INTRODUCTORY MATTERS

#### Submission

To present an update on several matters arising in relation to minutes and action points from the previous meeting held on 25 May 2021, annual review of the LPB Terms of Reference (“**ToR**”) and Board Member appraisal process.

#### Discussion

The Chair welcomed all attendees to the meeting, including James Cherry, new LPB Member Representative. Around the table introductions were provided. The Chair declared that a quorum was present, and the meeting was opened.

#### Apologies

Standing apologies from Amy Selmon until 24 February 2022 as agreed at the last meeting. In addition, Sean Brosnan and Jenny Lo had notified the Chair of their apologies prior to the meeting. No other apologies had been received.

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### Declarations of interest

No new declarations were advised in advance of the meeting or at the meeting. The LPB noted 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.

### Minutes, actions points and LPB Appraisal report 2020

The minutes from the last LPB meeting held on 25 May 2021 were approved 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 the previous meeting. It was noted that recommendation 6 of the LPB Chair 2020 Appraisal Report was still work in progress and not yet completed.

### Annual Review of LPB ToR

The Chief Legal and Compliance Officer provided an overview of the key changes being recommended to the ToR. In response to a query from the Chair, the Chief Legal and Compliance Officer clarified that the additional measure of matters being rejected must receive a 50% vote for escalation to the Board. It was noted that only matters approved were shared with the Board. In connection with section 2.4, the LPB suggested to separate the LPB's quorum from the absence of the Chair to avoid confusion on voting. It was noted that point 2.5 should be reviewed in tangent. **Action: H Astle**

### Training Records

The Chair reminded the LPB of the request to complete and 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 end of September 2021. It was noted that LPB training records should be sent to the LPPI Assistant Company Secretary.

The LPB:

1. **Approved** the minutes of the meeting held on 25 May 2021 as a true and accurate record of that meeting, 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 30 September 2021.
5. **Approved** the LPB Terms of Reference for onward submission to the Board **SUBJECT to** clarifying and amending points 2.4 and 2.5 following the comments received.

## 2. LPB131 - CEO REPORT

### **Submission**

To present an update on related Fund activities from the CEO since the last meeting held on 25 May 2021.

### **Discussion**

The CEO took the paper as read. The LPB noted that a phased return to LPFA's offices was anticipated from September 2021 with the suggestion being three days working in the office and two days at home. An overview of the CEO's activities with LCC and the GLA was provided; Responsible Investment, ESG and partnership matters were key areas of discussion.

The CEO informed the LPB of the new LPFA Finance Director, Michelle King. It was noted that the Board had recently approved the appointment of Michelle King as the LPFA's s.151 Officer with effect from 1 August 2021. In relation to LPFA's Company Secretary, it was noted that a replacement had been secured and that the candidates start date was late November 2021. An appropriate handover would be provided by the LPPI Assistant Company Secretary. An offer had also been made to a suitably qualified individual and recruitment for a Compliance and Regulation Manager. The CEO reported that LPPI's Finance Team had successfully transferred to LPFA on 1 September 2021.

The LPB noted the update on pooling and the Board's approval of the proposal to make the IIGCC net zero asset owner commitment. The CEO stated that the IIGCC's expectation was for LPFA's commitment to net zero by 2050 and for significant progress to be made by 2030 would occur in mid-September. He added that the LPFA was due to prepare some commentary in two to three weeks' time to explain the steps of achieving the framework. He emphasised that all financial services organisations were on the

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same journey and that not all metrics or methodologies were yet available in the industry. Following Stephen Boon's contribution in the earlier Training session, he suggested to make the Climate Change and Responsible Investment content more visible on the website investment page. **Action: A Peck**

Following further discussion on his paper, the CEO explained the reasons for the IAS19 increase which had been provided in the report and supplemented by the Barnett Waddingham ("**BW**") appendices. Stephen Boon shared his recent experience with the revaluation of calculating liabilities at an Audit Committee and asked if there was scope to educate employers of the Fund. The CEO confirmed that the drive of the employer forum was for this purpose. Jasbir Sandhu confirmed that she had received the BW reports and attended their seminar on audit committees. It was noted that she found both sources helpful. The CEO expressed the importance of training for the LPB and asked Members to inform the Chair of any training events for consideration, which would then be processed by the LPFA team.

The LPB:

1. **Noted** the updates contained in the CEO report related to the LPFA organisation and the LPFA Board.

*[John Crowhurst and Chris Dawson joined the meeting.]*

### **3. LPB132 - LPPA QUARTERLY CLIENT PERFORMANCE AND MEMBER ENGAGEMENT REPORT**

#### **Submission**

To present the LPFA with the Q1 2021/22 and advise details on the member engagement communications delivered, as well as planned future activity.

#### **Discussion**

John Crowhurst highlighted the positive administration performance for Q1 2021/22 and explained that the bereavement process was prioritised so that dependent pensions payable was setup prior to the less urgent bereavement cases. He reported a reduction in call wait time, and abandon calls due to additional resources. Jasbir Sandhu made reference to page 108 of the full meeting pack; early notification of first pension payment. She queried whether LPPA redeployed internal resources to manage the increase in bereavement notifications. John explained that bereavement cases were complex, and that LPPA recommended that prioritising cases where there was a beneficiary was the best approach to deal with this spike in bereavement cases. He added that late notifications from employers, impacted the payment of retirement benefits within 30-days of retirement date, which was being managed via targeted campaigns with the LPPA engagement team to improve information flow. Following a suggestion from Stephen Boon, John undertook to provide the average elapsed time of pension payments not meeting the 30-day timeframe of retirement date. **Action: J Crowhurst** In response to a query from Omolayo Sokoya, John stated that a 30-day timeframe was an aspirational target and that the data would be reviewed post delivery of Universal Pensions Management ("**UPM**") to see whether or not this target should be revised.

On behalf of Sean Brosnan, the Chair asked whether LPPA had given consideration on other AVC providers. The CEO confirmed that the AVC provider remained a responsibility of the Fund, rather than LPPA. He stated that there were a small number of other providers and he had commissioned some research on what the market might provide, an update following this review would be shared with LPB in due course. **Action: Peter Ballard**

Chris Dawson drew attention to the LPPA employer engagement activities during Q1 2021/22. He informed the LPB of the progress made on project PACE and the introduction of a new online portal. It was noted that the transition of the new pension system was progressing well. Chris reported the successful delivery of P60's to LPFA retired members between April and May and Annual Benefit Statements in August 2021. It was noted that the statutory deadlines were met.

Chris provided an overview on the active newsletter to increase member engagement. It was noted that LPPA were also utilising videos, guides and website development to improve member experience. Following a query from Jasbir Sandhu, Chris confirmed that Heywoods, provide LPPA's current administration system platform, and the online member portal is included as part of this. The new Civica UPM platform will replace the Heywood system in 2022.

The LPB:

1. **Noted** the LPFA Quarterly Client Report and update for Q1 (2021/22) including the KPI performance detailed within the report.

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2. **Noted** the Engagement and Communications activities over the reporting period (this document)

*[John Crowhurst and Chris Dawson left the meeting.]*

*[The Chair advised a short 5-minute break, the meeting reconvened at 15.40]*

## 4. LPB133 – LPFA CORPORATE COMMUNICATIONS UPDATE

### Submission

To present an update on LPFA Corporate Communications since the last meeting.

### Discussion

The Head of Communications & Engagement introduced the report and provided an overview of the launch of LPFA's new website, Fund Member Forum, Employer Forum, Member Survey and planned communications for 2022. It was noted that 300 Members were planning to attend the Fund Member Forum in person with a further 250 joining the event virtually. The Head of Communications & Engagement stated that the Employer Forum was scheduled on 4 November 2021 and that the interest so far was disappointing. He asked LPB Employer representatives to encourage employers to attend the event.

Following further discussion, LPB Members queried whether there should be further web development and more utilisation of animation videos to engage Members and Employers of the Fund. It was noted that the LPFA was already progressing down this road to improve communications but further activity would be considered. Omolayo Sokoya confirmed that the recommendations made by the working party had been implemented. The Chair commended the work made on LPFA's website and that the outcome of the project was successful.

### The LPB:

1. **Noted** the corporate website update
2. **Noted** the update on the Fund Member Forum and specifically the questions from members
3. **Noted** the agenda for the Employer forum
4. **Noted** the plans for the development of the communications strategy for 2022

## 5. LPB134 – COMPLIANCE OVERSIGHT AND REGULATION REPORT

### Submission

To provide LPB with an update on regulatory and compliance matters related to the Fund.

### Discussion

In connection with the Code of Practice 14 ("**COP14**"), the Chief Legal & Compliance Officer confirmed that no material breaches that were deemed significant had been reported to the Pensions Regulator ("**TpR**") during the Q1 2021/22 (April to June 2021) period. It was noted that the LPFA Employer Management Services ("**EMS**") and the finance team monitor employer contribution payments closely and produce a monthly report. An overview was provided on the compliance certificate for the SLA Q1 2021/22, oversight of pensions administration performance, specifically the bereavements process due to the pandemic and data quality scores.

With regards to LPPA's risk and compliance monitoring, the Chief Legal & Compliance Officer reported three breaches during the Q1 2021/22 reporting period. One of the breaches related to the COP14 due to a transfer taking longer than six months to complete due to delays by the receiving scheme. The LPB was reassured that measures and controls were being implemented with the Head of Risk at LPPA to prevent breaches from reoccurring in the future. Stephen Boon suggested to state whether any of the breaches were reportable to the Information Commissioner Officer in future reporting. **Action: H Astle**

Following further discussion, the LPB noted the update on complaints, IDRPs, and overpayments. The Chief Legal & Compliance Officer emphasised that the overpayments listed in the report related to the timeliness of receiving death notifications. She added that the LPFA was in a better position to reclaim back on overpayments which was being monitored by the s.151 Officer and LPPA. In response to a query from Jasbir Sandhu, the Chief Legal & Compliance Officer confirmed that the next of kin would be contacted to arrange an appropriate repayment plan and that a company called Target was assisting the business to detect fraudulent activity. It was noted that LPPA would take part in the bi-annual National Fraud Initiative exercise to identify the relevant data as part of the authority's internal controls. Fraudulent activity

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information would be reported separately to LPFA. Following a query from the Chair, the Chief Legal & Compliance Officer confirmed that an appropriate write-offs policy was in place, and that some large sums would be written-off, if the Member was living abroad at the time of death or uncontactable to retrieve the monies. It was noted that all avenues would be processed prior to an overpayment being written off.

The LPB noted the Cyber Security bi-annual statement and whistleblowing assurance statement which remained fit for purpose. The Chief Legal & Compliance Officer drew attention to the Compliance Framework and Assurance Map. She added that this was a live document for the purpose of providing significant assurance on systems and processes at LPFA. The Chair emphasised that the development of this document was key for LPB's remit and expected to receive this document in future meetings.

LPB Members acknowledged that the TpR had not firmed a publication date for the new single code of practice and that general support for the principle of setting common expectations for all schemes was received. It was noted that there was a concern in particular from those representing public service pension schemes, regarding the degree to which modules applied to a given audience.

The Chief Legal and Compliance Officer informed the LPB of LPFA's membership of the Pension Scams Industry Forum in July 2021 and her attendance as the Fund's principal representative. The forums' purpose was to share intelligence and gain industry key themes. It was noted that two meetings had been held to date which were positive for the above themes.

The LPB:

1. **Noted** the compliance updates.
2. **Noted** the Bi-annual Assurance Statement on Cyber Security, the Assurance Map and Whistleblowing Policy Assurance Statement.

## 6. LPB135 – GOVERNANCE, PUBLIC POLICY STATEMENT AND LPB FORWARD PLANNER

### Submission

Presented the LPFA C&S Board session minutes from 16 June 2021, draft Annual Governance Statement ("AGS"), draft Governance & Compliance Statement, and forward planner.

### Discussion

In connection with the Governance & Compliance Statement, the Chair requested page 5, section 5b) to be updated to reflect the appropriate decision-making forum and LPB's role as a support function. **Action: H Astle** No other comments were received by the LPB. The Chair asked for Members to send any detailed comments on the governance documents and forward planner to the Chief Legal & Compliance Officer and LPPI Assistant Company Secretary as soon as possible. **Action: LPB**

The LPB:

1. **Noted** the draft LPFA Corporate and Strategic minutes from the 16 June 2021.
2. **Noted** and would advise any feedback on the 2020/21 LPFA Governing the Fund section for inclusion to LPFA's ARA by email.
3. **Noted** and would advise feedback on the Governance Compliance Statement and Annual Governance Statement (AGS) by email
4. **Noted** the forward planner and would advise any areas for prioritisation by email.

## 7. ANY OTHER BUSINESS

The Chair asked the LPB Members their preference of the day in the week and timings for future meetings. It was noted that the format of each meeting (i.e., face to face, hybrid or virtual) would be clearer going forward. Members were content with LPB Meetings being held on Tuesday and acknowledged that the Chair would follow up by email.

The date of the next meeting was scheduled on 23 November 2021 in G0.4 at the LPFA Union Street Office and closed the meeting at 16.15.

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**Signed in draft form for submission to Board**

W Bourne

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**William Bourne, LPB Chair**

26<sup>th</sup> November 2021

**Date:**