

LOCAL PENSION BOARD (LPB)

Minutes of the Meeting

Date: Tuesday 23 November 2021

Time: 10.00-12.15

Location: Meeting room G.04, Ground Floor, 169 Union Street, London, SE1 0LL and via Teams MS Office

Present:	William Bourne Stephen Boon James Cherry Mike Allen Omolayo Sokoya Surendra Wanza	LPB Chair (“ Chair ”) Employer representative Member representative Member representative Member representative (Via teams) New Member Representative from 23 November 21
In attendance:	Helen Astle Robert Branagh Jo Darbyshire Chris Dawson Alistair Peck Rebecca Williams Tannaz Rastegar Peter Ballard	LPFA Chief Legal and Compliance Officer LPFA Chief Executive Officer (“ CEO ”) LPPA Managing 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 LPFA Funding & Risk Director (Training, item 1 & 2)
Observer:	Anastasia Klimenko	LPFA Business Manager

Due to IT complications, the Chair suggested to re-order the agenda and revisit the training presentation once the technology issues had been resolved.

[The formal meeting commenced at 10.00]

1. LPB136 – INTRODUCTORY MATTERS

Submission

- 1.1 To present an update on several matters arising in relation to minutes and action points from the previous meeting held on 8 September 2021 and the LPB Chair appraisal report 2021.

Discussion

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

1.3 Apologies

Standing apologies from Amy Sweeting until 24 February 2022. In addition, Sean Brosnan and Jasbir Sandhu had notified the Chair of their apologies prior to the meeting. No other apologies had been received.

1.4 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 regarding any administration matters under discussion relating to his role as the LPFA shareholder appointed statutory director representative on the LPPA Board.

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1.5 Minutes, actions points and LPB Appraisal report 2020

The minutes from the last LPB meeting held on 08 September 2021 were approved and that the Chair's electronic-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. The Chair stated that he had agreed the wording on the LPB's Terms of Reference ("ToR") with Helen Astle following the feedback received at the last meeting and that a new copy would be shared with Members in due course. It was noted that the LPFA Board approved the Terms of Reference at their meeting held on 19 October 2021.

1.6 LPB Chair appraisal report

The Chair introduced the appraisal report which detailed recommendations for consideration.

- Training and Knowledge (1 & 2) – LPFA Officers and the LPB were content for the induction programme to be organised by LPFA staff rather than LPPI and to be signed off by the Chair. This should include the offer of a placement on Barnett Waddingham or CIPFA's introductory training sessions. It was noted that LPB training records was also required to be established, updated, and reviewed.
- Improved effectiveness (3, 4 & 5) – It was noted that face to face meetings were the LPB's preference, and if attendance was virtual, fully functioning technology was required. A fuller discussion also resulted in LPFA officers being asked to consider utilising paragraph numbering in future reporting.
 - Consideration was also considered to allocating individual board members responsibility in particular areas of coverage, however, Robert Branagh suggested to defer this, (as part of recommendation 5) until a suitable time when all the LPB Members knowledge and understanding was fully up to speed and a level of common skills and experience was established. It was noted that a reading room to hold detailed reports would be helpful to assist with the proliferation of papers. In response, Rebecca Williams stated that the Board portal was an option to hold detailed reports subject to LPFA approving the cost of the additional licenses. It was noted that it would be difficult to alert and share papers as and when they are availability due to the appropriate sign off process in place. Further incremental improvements would be considered by LPFA especially with the imminent arrival of the new LPFA Governance Manager.
- Activities for 2022 (6 & 7) – It was noted that the LPB would like a dedicated agenda item on communications strategy particularly around what should be done by LPPA/LPFA. . Robert Branagh stated that he was disappointed with the Members feedback on engagement and communications given the positive comments received in the previous meetings and recent feedback form Members and Employers on improving communications and engagement over the last 12 months. LPB Members were asked to provide more specific feedback on what they are looking for in future meetings. LPFA Officers were supportive for the LPB to play a part in encouraging employers to embrace the new administration system (PACE).
- In connection with the first paragraph under the heading 'Board efficiency', Robert Branagh queried the wording of the consequences on the previous meeting technology issues and, after a discussion amongst the Board, agreed to work with the Chair to reconsider the wording outside the meeting. **Action: W Bourne / CEO**

The LPB:

1. **Approved** the minutes of the meeting held on 8 September 2021 as a true and accurate record of that meeting, and the use of the Chairs electronic signature to confirm the minutes.
2. **Noted** the matters arising - action list including all the items which had been completed or closed.
3. **Agreed** to implement recommendations 1, 2, 3, 6 & 7 detailed in the LPB Chair 2021 Appraisal report. Further consideration was required for items 4 and 5. **Action: R Williams / Governance Manager**

[The Chair paused the formal meeting to commence with the Training session at 10.30am]

TRAINING: Mechanics of the Risk Register

Peter Ballard provided an overview of the LPFA's Risk Management Principles, process, risk Classifications, risk assessment, reporting, risk dashboard, funding risk management framework, employer risk management framework, and future actions.

[The formal meeting reconvened at 11.02am]

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2. LPB137 - CEO REPORT

Submission

- 2.1 To present an update on related Fund activities from the CEO since the last meeting held on 8 September 2021.

Discussion

- 2.2 The paper was taken as read. The LPB noted the new working pattern for LPFA employees, the overview of the CEO's activities and the update on LPFA recruitment. Given that this was Rebecca Williams's last LPB Meeting, the Chair thanked her for her support and services in various ways since the Board's inception, and wished her the best for the future. It was noted that a detailed handover would be provided before the end of the calendar year.
- 2.3 Robert Branagh drew attention to the AVC update which detailed the arrangements that were considered by the Audit & Risk committee ("**ARC**") on 11 November 2021. He explained that given the market interest and risks associated in changing provider, it was recommended to remain with Prudential and apply pressure to improve their service performance. Following a query from the LPB, Robert Branagh confirmed that the relationship with Prudential was a commercial contract and that there was an increasing trend in pension fund members being disinterested in AVCs which would make it difficult to collaborate with other pension funds to build an interest in this area. LPFA would of course, keep the Prudential relationship and service under review and would regularly review them as a provider.
- 2.4 An overview was provided on Risk Management, with two risks being graded as severe. It was noted both risks were being monitored regularly by the Senior Leadership Team ("**SLT**") and that an update would be provided at the next meeting. The LPB recognised that there was no further update on future pooling and that the SLT were in the process of addressing a standardised approach to TCFD disclosures to capture information on climate change.

The LPB **NOTED** the updates contained in the CEO report related to the LPFA organisation and the LPFA Board.

[Peter Ballard left the meeting 11.16]

[Jo Darbyshire and Chris Dawson joined the meeting.at 11.16]

3. LPB138 - LPPA QUARTERLY CLIENT PERFORMANCE AND MEMBER ENGAGEMENT REPORT

Submission

- 3.1 To present the LPFA with the Q2 2021/22 and advise details on the member engagement communications delivered, as well as planned future activity.

Discussion

- 3.2 Jo Darbyshire introduced the report and updated the LPB on the helpdesk performance for the Quarter 2 period. It was noted that the average wait time was below four minutes and the number of calls answered before being abandoned was >95%. In connection with the timeliness of LPPA being notified of members' retirement, it was noted that there were several factors impacting timely payments, including information from AVC providers to disinvest funds. Jo Darbyshire stated that business service levels during the reporting period were maintained, and all deadlines were met. It was noted that late notification from employers was a common issue and that the engagement team were exploring ways of improving engagement to hold employers accountable.
- 3.3 Chris Dawson drew attention to LPPA's engagement activity and summarised the most recent employer training sessions, email campaigns relating to the McCloud data collection and Project PACE. It was noted that the Annual Benefit Statements were issued on time and the engagement team had produced a new Members newsletter in a magazine style which had been signed off by the LPFA. Chris Dawson stated that project PACE required attention in Quarter 3, and that members would be encouraged to

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attend bitesize training sessions. The communications plan would be discussed with Alistair Peck and Tannaz Rastegar.

The LPB:

1. **Noted** the LPFA Quarterly Client Report and update for Q2 (2021/22) including the KPI performance detailed within the report; and
2. **Noted** the Engagement and Communications activities over the reporting period (this document)

[Jo Darbyshire and Chris Dawson left the meeting at 11.32]

4. LPB139 – LPFA CORPORATE COMMUNICATIONS UPDATE

Submission

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

Discussion

- 4.2 Alistair Peck introduced the report and provided an overview of the corporate website, Fund Member Forum (“**FMF**”), employer forum, the discontinued email address relating to member queries, communication and engagement audit and the reaccreditation by the Planet Mark.
- 4.3 Tannaz Rastegar drew attention to the FMF and reported that over 100 Members opted to join via the virtual platform and 185 people attended in person. The overall feedback on the event was positive. It was noted that some of the LPB Members had attended the forum and agreed that the organisation of the event was very good, however it was felt like the investment presentation was too detailed and the Q&A session could have been longer. LPB Members also pointed out that some of the feedback provided in Appendix 1 appeared to be duplicates and that personal information should be removed from future reporting. Tannaz Rastegar thanked Members for their feedback which would be considered for the FMF 2022 and would check the feedback against the unique ID numbers **Action: T Rastegar**
- 4.4 In connection with the Employer Forum, Tannaz Rastegar provided further detail on the organisation of the event. It was noted that there were low levels of interest from employers leading up to the event and that a decision to run the forum virtually was taken by management. Interest had increased from 15 to 55 employers. Given the relatively late change in format, the LPFA choose to utilise the live stream facility on Teams MS. This, however, resulted in low levels of engagement and interaction between the fund and employers on the day. The Employer Forum was recorded and shared with all employers. The Chair thanked Tannaz for the update and together with the CEO, took the opportunity to thank Jasbir on behalf of the LPB and LPFA for presenting at the Employer Forum.
- 4.5 Following further discussion, the Committee noted that the Climate Change section on LPFA’s website was a lot clearer than previously positioned and that more visibility on LinkedIn was noticeable in the last few weeks. Robert Branagh stated that the LPFA was planning to produce and publish an action plan on climate change in the coming months which would assist employers to supplement the work they need to produce.

The LPB:

1. **Noted** the corporate website update;
2. **Noted** the Fund Member Forum Summary;
3. **Noted** the Employer Forum summary;
4. **Noted** member queries section;
5. **Noted** progress on the Communications and engagement audit; and
6. **Noted** LPFA’s Planet Mark reaccreditation

5. LPB140 – COMPLIANCE OVERSIGHT AND REGULATION REPORT

Submission

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

Discussion

- 5.2 Helen Astle introduced the report and provided an overview of the Service Level Agreement compliance during Quarter 2. The LPB noted that the annual disaster recovery test had not occurred due to LPPI’s IT

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migration, a formal training plan for the LPFA Board was not completed by 31 January 2021 which had now been discussed with the Board and two out of three Freedom of Information (“FOI”) requests were responded outside of the statutory timescale of 20 days. Helen reassured the LPB that LPPI were carrying out an investigation on the delay and that the LPFA would be handling FOIs itself, (rather than LPP) going forward with the support of LPPI providing the information.

- 5.3 An overview was provided on data breaches, complaints and IDRPs cases. It was noted that majority of complaints had related to general customer service and that one of the ill health cases was upheld due to the CLCO educating the employer. Noting that the IDRPs process was on LPFA’s website, it was suggested the communication team explore further options on educating employers on their responsibility within the process.
- 5.4 Following further discussion, LPB Members noted the incident relating to a pension transfer, and the overpayments during the quarter. Helen Astle confirmed that an overpayment of £20k was a reasonable amount to seek legal court proceedings and that Target was continuing to work with LPPA to notify the pension fund of death notifications.
- 5.5 In connection with the Pension Transfer Regulations and The Pensions Regulator (“TPR”) guidance, it was noted that the Government had responded to the ‘Pension Scams’; empowering trustees and protecting members’ consultation. With effect from 30 November 2021, the regulations had introduced legal restrictions to the members statutory rights to transfer. It was noted that LPPA had previously signed up to the TPR pledge and had the appropriate due diligence process in a good place.
- 5.6 The LPB noted the subject access requests and the biannual statement on Investment Costs provided at Appendix 1. Following a query from the Chair, Robert Branagh stated that the investment performance fees on asset classes, as part of a wider ongoing review of investment costs continue to be reviewed by the LPFA Investment Panel, soon to be Investment Committee.

The LPB:

1. **Noted** the compliance updates;
2. **Noted** the update on IDRPs cases;
3. **Noted** the regulatory update and horizon scanning; and
4. **Noted** the monitoring investment costs including custodian and transactions costs.

6. LPB150 – GOVERNANCE, PUBLIC POLICY STATEMENT AND LPB FORWARD PLANNER

Submission

- 6.1 Presented the LPFA C&S Board session minutes from 21 July 2021, Fraud Control Framework (“FCF”), and forward planner.

Discussion

- 6.2 The LPB noted that the FCF had been updated with minor recommendations, which were approved by the Audit & Risk Committee on 11 November 2021. The Chair asked for Members to send any detailed comments to Helen Astle by the first week in December 2021 prior to onward submission to the Board.

Action: LPB Members

- 6.3 Rebecca Williams reported that all 2022/23 Meeting dates were in the calendar except for the September 2022 meeting. The Chair encouraged members to provide a response as soon as possible.

The LPB:

1. **Noted** the draft LPFA Corporate and Strategic minutes from the 21 July 2021;
2. **Noted** and would advise any feedback on the FCF by email; and
3. **Noted** the forward planner and would advise any areas for prioritisation by email.

7. ANY OTHER BUSINESS

The date of the next meeting was scheduled on 22 February 2022 at the LPFA Union Street Office.

There being no further business, the Chair closed the meeting at 12.15.

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W Bourne

23rd February 2022

William Bourne, LPB Chair

Date: