

Local Pension Board (“LPB”)

Minutes of the meeting
held on 5 March 2020, at 10.00am

Room: Meeting Room 1, Second Floor, 169 Union Street, London, SE1 0LL

LPB Members	William Bourne Adrian Bloomfield Jenny Lo Peter Scales Frank Smith Amy Selmon Omolayo Sokoya	LPB Chair (“ Chair ”) Employer representative Member representative Member representative Employer representative Employer representative Member representative
In attendance:	Robert Branagh Taryn Mutter Alistair Peck Gillian Workman	LPFA Managing Director (“ MD ”) LPP Head of Membership Engagement and Customer Liaison (Item 4 only (“ TM ”)) LPFA Communications and Project Manager (“ AP ”) LPP Senior Company Secretarial Assistant (“ GW ”)
Apologies:	Sean Brosnan Prashant Solanky	Employer representative Member representative
Training by:	James Ahlberg	LPP Information Governance Manager (“ JA ”)
Observer:	Peter Ballard	LPFA Funding and Risk Director (“ PB ”)

JA advised the LPB that he had been the lead on cyber security at LPP for the past 6-9 months reporting into the LPP Chief Technology Officer (“**CTO**”) and was also responsible for the ISO27001 accreditation. JA’s presentation outlined the importance of Cyber Security (“**CS**”) including common threats and how the LPP provided both basic as well as advanced protection measures to -mitigate such threats.

JA highlighted the increasing complexity of cyber-attacks, sharing recent high profile examples, and the importance of individuals protecting their own data on personal devices. LPP had adopted a number of approaches including technical solutions, best practice procedures and regular staff training. Details of advanced protection measures being implemented were highlighted which included the multifactor authentication (already implemented in London and was being rolled out to other LPP offices). The Security Operations Centre would improve LPP CS capabilities and a preferred supplier was in the process of being shortlisted. LPP would also be seeking the Cyber Essentials Plus accreditation which was a recognised benchmark for Pension Funds. The ISO27001 accreditation had been renewed in Autumn 2019 with the lowest level of flags since certification. The plans for Covid-19 would be shared with the LPB. **Action: JA**

The LPP CTO, was implementing a three-year IT strategy, funded by additional budget from the LPP Executive Committee, which was improving the organisations CS. The strategy included the

migration of servers from the Union Street basement to multiple offsite locations, along with parallel back-ups, and more use of cloud technology. Following queries, details related to cyber-attack insurance, fraud control steps taken by LPP Finance to prevent 'man in the middle' attacks and the gauging of the risk appetite to mitigate cyber-attacks would be provided.

Action: J Ahlberg

The LPB thanked JA for his presentation and advised the information shared provided assurance that LPP were proactively addressing concerns. Going forward, in addition to the quarterly CS report, an annual assurance statement on CS was requested to be added to the LPB forward planner. **Action: G Workman**

[James Ahlberg left the meeting.]

1. LPB093- INTRODUCTORY MATTERS

Submission

The report LPB093, which included the minutes, actions of the meeting held on 26 November 2019, amendments to LPB Terms of Reference (ToR) and updates on the LPB Chairman 2019 appraisal recommendations, was submitted to the LPB.

Discussion

The Chair welcomed the LPB members to the meeting. AP was returning to the meeting as a regular attendee and PB, who joined the LPFA at the end of January 2020, was observing the meeting. The MD informed the LPB that, at a high level, PB was focusing on employer related matters and AP's focus was on member communication. The Chair declared that the meeting was quorate, and the meeting attendees confirmed that there were no new declarations of interests received since the previous meeting.

The LPB reviewed the minutes of the meeting held on 26 November 2019 and agreed that they provided an accurate representation of the discussions at the meeting. The MD clarified the LPB would have the opportunity to review the three-year internal audit plan, once a new internal auditor had been appointed after April 2020. **Action: R Branagh**

Matters arising – the action list and progress against the LPB Chairman 2019 Appraisal recommendations was reviewed, with the LPB satisfied on the status of the updates including those which had been completed with a couple of minor comments:

- (a) LPB092b – Engagement Team Report: To include Jenny Lo into the Website project - It was noted that Jenny Lo had not been invited to the potential supplier meeting which took place on 17 February 2020 and it was requested for AP to follow up (copying in the Chair when completed). **Action: A Peck**
- (b) LPB088 – Introductory Matters: Arrange for a session by The Pension Regulator ("TPR") - The LPB requested for a measured response to be drafted expressing the LPB's disappointment on TPR's lack of availability to attend a future LPFA Board or LPB meeting. **Action: G Workman**

LPB Terms of Reference ("ToR")

The LPB discussed the revised ToR and subject to the following additions, approved the document:

- (a) Amend the first sentence of the ToR to reflect the appropriate LGPS regulation(s) governing how the LPB operated;
- (b) Amend the number of times the LPB needed to meet annually from two to four, to

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- reflect the number of meetings arranged every year; and
- (c) Remove the reference to the LPFA before Monitoring Officer.

The MD informed the LPB that Tony Williams, the preferred candidate to be the LPFA Compliance and Governance Director, had withdrawn due to health reasons and would be leaving the LPP. Therefore, the MD would recommence recruitment for the role. The LPB asked for the record to show their appreciation to Tony for his support during his many years of service and wished him well on his future endeavours. **Action: G Workman**

The MD confirmed an appraisal meeting had taken place with the LPB Chair at the end of February 2020 and in addition, the LPB Chair met with the newly appointed LPFA Chairman, at which the LPFA Chairman indicated he was keen to have a closer relationship with the LPB. The LPB was advised that details regarding LPFA Board training would be communicated approximately a month before the event.

Decision

The LPB:

- [1] **Approved** the minutes of the meeting held on 26 November 2019 as a true and accurate record of that meeting.
- [2] **Noted** the matters arising - action list schedule and the LPB Chairman 2019 Appraisal recommendation updates including all the items which had been completed with exceptions advised.
- [3] **Approved** the proposed changes to the LPB ToR with the amendments advised by the LPB.

2. LPB094 – GENERAL ADMINISTRATION UPDATE

Submission

The MD presented his regular report, which provided an update on the general administration and regulatory activities since the last meeting in November 2019. A specific item for the meeting was the annual review of Data Protection Regulation Assurance Work Statement.

Discussion

The MD provided an overview of his report which advised the compliance on the internal and external KPI's for Q3 2019/20 (up to December 2019). The Code of Practice 14 ("COP14") contribution monitoring exceptions for receipt of late payment was noted as not presenting any cause for concern and the LPP Employer Risk were working to educate new employers on ensuring future payments were within permitted timelines.

Complaints remain high but a dedicated manager at LPP was working to identify root causes and trends. A number of complaints were attributed to causes beyond LPP control but data protection breaches remained higher than the MD would like. Further details related to the unannounced access to Union Street incident was requested. **Action: G Workman**

An annual statement regarding LPP compliance to data protection regulation was reviewed along with the assurance statement relating to CS. A progress update on the status of collaboration discussions on the London Fund was shared. The details of a change in the Greater London Authority ("GLA") authorised representative to the LPFA was advised, with the role transitioning from David Gallie to Luke Webster.

The LPB discussed the role of the Scheme Advisory Board ("**SAB**") in providing guidance and the LPB remit to considering non-financial factors related to investment strategy. LPB was advised the LPFA Funding and Risk Director would be overseeing a review of the LPFA Investment strategy framework and ensuring corresponding alignment with the LPFA risk appetite. The output of the risk register, and separate risk appetite review would be shared later in the year. **Action: P Ballard**

The Communication and Project Manager shared details of discussions on improving the LPFA internal KPI report with more comparative information to show trends, clearer KPI's and differentiation between aspirational timelines vs targets with supporting explanations. Further details would be shared at the next meeting. **Action: A Peck**

Decision

The LPB noted the contents of the General Administration Update report including: the Q3 2019/20 Key Performance indicators; LPFA/LPP recruitment update, LPFA SAB consultation response to RI Guidance; technical updates, annual review of data protection regulations and Cyber Security assurance statement.

3. LPB095 - GOVERNANCE UPDATE

Submission

The report presented the final Funding Strategy Statement ("**FSS**"), as well as updates on the 2019 Valuation, LPP adoption of the Wates Principles, the LPFA response to TPR Governance Survey and the Private LPFA Board minutes held on 24 October 2019.

Discussion

The MD presented his paper and advised details of the LPP Board decision to adopt the Wates Principles over the 2019 Corporate Governance Code. TPR Public Service Governance and Administration survey had been submitted by the MD at the end of 2019 and he would share details the overall results from TPR at a future meeting. **Action: R Branagh**

The Funding and Risk Director provided an update on the 2019 Valuation, with LPP waiting on a few employers to respond. A small number were involved in ongoing discussions related to difficulty to meet their contributions and the LPFA Actuary was preparing the certification for most to commence payments from April 2020. The MD advised that the LPFA would be seeking feedback from employers on their experience of the management and engagement of the recent Valuation process.

The MD confirmed Pension Administration ("**PA**") performance was regularly reported as part of the Partnership and Oversight item at the private Corporate & Strategic ("**C&S**") Session of the LPFA Board meeting. Consideration would be given as to how to demonstrate PA discussions were taking place as part of future C&S meetings. **Action: G Workman & R Branagh**

Decision

The LPB:

[1] **Noted** the final FSS and update on the 2019 Valuation.

[2] **Noted** the LPP adoption of the Wates Principles.

[3] **Noted** the LPFA C&S Board minutes from 24 October 2019.

[TM joined the meeting.]

4. LPB096 – ENGAGEMENT TEAM REPORT

Submission

The report provided an update on the activities undertaken by the LPP Engagement Team over the reporting period and was submitted to the LPB to address feedback received from the previous meeting.

Discussion

The LPB noted the action updates for items raised at the previous meeting. TM shared LPP plans for updating the member websites with a target completion date of September 2020. An example of the GovMetrics feedback survey had been provided and the responses from members would inform the current project to update the websites. The LPB reminded TM of their request to be involved at an early stage of the website project when the defining of the website specification requirements and parameters for selecting a potential provider would be of most benefit. **Action: A Peck & T Mutter**

TM advised the LPB that the LPP Engagement team was in the process of being restructured, with a resulting outcome to be shared at a future meeting. LPP was selecting a provider to undertake an independent review of the recent Annual Allowance letter (“AAL”). The LPB enquired if: members had been impacted by the revised AAL letters not signposting Scheme Pays (“SP”); if the number of SP requested had fallen compared to previous years; and if there had been any complaints related to the redesigned AAL. To assist the members who might need to complete personal tax returns, the LPB asked for the engagement team to consider sending out a reminder on SP. **Action: T Mutter**

The LPB asked for clarification on LPFA External KPI Report for Q3 2019/20 report, prepared by the LPP Group Performance Analyst, which showed that some elapsed time targets were not being met. The discussion indicated that these were not KPI’s but rather aspirational targets and therefore were not necessarily enforced by any contractual or statutory requirement. The MD advised that a wider review of PA KPI’s would be possible as part of a LPFA PA strategy review planned for later in the year. It was agreed that future reports would clarify the different types of targets being reported on, in both the External and Engagement KPI reports. In addition, the LPB requested for the Engagement KPI report to include the latest information on the My Pension online membership chart and more substantive narrative. **Action: T Mutter**

Omolayo Sokoya provided a brief update on the recent working group meetings. A communication was planned to advise members that service response times might be impacted due to Corvid-19 and the engagement team thanked Peter Scales for writing an article in a recent member newsletter. The LPB was interested to hear details of plans to produce a welcome pack for new members and recommended that employers also receive details to assist with encouraging their members. TM committed to share the Annual Benefit Statement (“ABS”) template, when they were available. **Action: T Mutter**

AP and PB agreed to share details of the LPFA approach to improve engagement with members and employers through more targeted communication at a future meeting. **Action: A Peck and P Ballard**

[Taryn Mutter left the meeting.]

Decision

The LPB:

- [1] Noted** the Engagement activities over the reporting period.
- [2] Noted** the Engagement work plan for 2019/20.
- [3] Reviewed** the KPIs.
- [4] Noted** the planned activities for Q3 2019/20.

5. ANY OTHER BUSINESS

It was shared that the TPR had selected London Fire Brigade to undertake a high level review, similar to the TPR engagement with 10 Local Government Funds reported in September 2019, and the MD agreed to share any supporting information if it would be helpful. **Action: R Branagh**

The MD advised high level details of a planned LPP restructure, with further information being provided at the next meeting.

With no further business, the Chair declared the meeting closed at 12.32.

William Bourne
Local Pension Board Chair

Date: 8 June 2020