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London Pensions Fund Authority Strategic Policy Statement 2021-2024

April 2021

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London Pensions Fund Authority

Strategic Policy Statement 2021-24

About the Strategic Policy Statement

The Strategic Policy Statement (SPS) outlines the LPFA's vision, aims and behaviours. It summarises our objectives and sets out our strategic priorities from April 2021 to March 2024.

Since 8 April 2016, many of LPFA's functions have been carried out by the Local Pensions Partnership Ltd (LPP Group) under a Service Level Agreement (SLA) and this SPS includes oversight of those activities.

This statement is prepared in accordance with section 402 of the Greater London Authority Act 1999. The Act requires the LPFA to prepare two documents covering the next three financial years. Both documents must be submitted to the Mayor for comment by the 31st December preceding the start of each financial year.

The documents are:

- **The Strategic Policy Statement (SPS):** details our strategic aims for the financial years 2021-2024. Our programmes flow from this main strategy.
- **The Medium-Term Financial Plan (MTFP):** this draft budget details the financials for the financial years 2021-2024, specifies the amount of any levy which the LPFA proposes to make (in keeping with levying bodies regulations) for that financial year and sets out the resources required to deliver the outcomes for LPFA and any charges for associated services provided by LPP Group.

LPFA's vision

"As a pension fund, we are stewards of the future. Primarily stewards of our members' financial future, ensuring robust pension provision. Furthermore, how our members' funds are invested also impacts the future of our economy, our environment, our society and therefore our members' future.

We take this broader responsibility seriously, as a commitment to future generations and to the shape of today's world. Consequently, we regularly look at the urgent major environmental and social issues facing the world and work to ensure we are positively influencing them.

Our ongoing major focus is on the climate emergency and how we can invest member funds to mitigate the financial risk from climate change, influencing the broader economy via our engagement opportunities and clearly communicating both our approach and our progress. As a responsible investor, it is important that the LPFA plays its part in tackling these ethical, financial and moral issues."

Introduction from John Preston, LPFA's Chair

I joined the LPFA at a time of significant change and am pleased to say that despite the challenges presented by the Coronavirus pandemic (COVID19), the LPFA's strong strategic foundations have meant that the Fund's financial performance remains in robust health. I am particularly looking forward to overseeing our themes of collaboration and sustainability over the coming months and years and working with a committed and effective Board and Executive team.

The Board and I will continue to consider the LPFA's future strategic approach and how to have effective governance, particularly following the restructure of LPP into a group structure with two business subsidiaries: Local Pensions Partnership Investments (LPPI) and Local Pensions Partnership Administration (LPPA).

There are a significant number of priorities ahead for the LPFA Board and, mindful that the LPFA management team is small, care needs to be given to the order in which they are undertaken. At the most recent Board Away Day areas of future focus included the opportunity to refine the LPFA position on RI and climate change; LPP service provision; and continuing to collaborate or enhance relationships with other Local Government Pension Funds.

I also look forward to welcoming new members to the LPFA Board over the next year, as we future proof the Board with further diversity and additional specialist expertise including on investment and Responsible Investing. Along with the LPFA Board, I will continue to review our current Governance structures and committees with the aim to ensure that the governance arrangements in place remain robust, effective and efficient. This will ensure that the LPFA is well positioned to deliver on the many and varied current and proposed compliance and governance developments over the next three years.

Together with our CEO, Robert Branagh, I will also work to facilitate greater investment in London's infrastructure. This will include a continued close working relationship with Greater London Authority (GLA) and others to identify suitable opportunities for future investment opportunities, building on the experience of the Millers Wharf (formerly known as Pontoon Dock). I am particularly pleased to see the collaboration initially facilitated by LPFA between Local Pensions Partnership Investment (LPPI) and LCIV in establishing the London Fund. With an initial £100 million investment made by the LPFA in December 2020, I look forward to additional material commitments from other organisations seeking both attractive returns and to contribute to society over the next 12 months.

The London Fund will focus investments primarily in Greater London, contribute to generating social benefit, help build a 'just and fair' recovery' whilst preserving risk and return objectives consistent with the Fund's overall objectives. I value the opportunity to develop and build closer working relationships with other London organisations, not only for growing the London Fund but also to identify other opportunities.

Statement from Robert Branagh, LPFA's CEO

The past year has been one of substantial change and COVID19 has fundamentally altered the way that we live and work. Despite all that has occurred, the LPFA and LPP Group have achieved a great deal. We remain committed to investing prudently and for the long-term benefit of our members and employers.

As a joint equal shareholder of LPP Group, we will continue to realise the benefits of the 'pooled' arrangement through lower costs, increased economies of scale and direct investment opportunities associated with this approach. LPP has completed the pooling of both Shareholder assets and published significant savings against both the running costs of both Funds and recouped the £17m of set up costs both Lancashire County Council (LCC) and LPFA spent in setting up LPP.

Specifically, for LPFA, having benefited from economies of scale and the bargaining power of LPPI with underlying investment managers, fee savings of £14m have been achieved in 2019-20 alone.

With the successful allocation by LCC and LPFA of £25m of additional capital (£12.5m each) into LPP Group and the evolution of LPPI and LPPA, the organisation is on a strong and resilient financial footing. The next year will see them move into the next phase of LPP Group's wider five-year plan. The transition of some corporate services historically provided by LPP Group back to the LPFA will result in further operational savings in the hundreds of thousands of pounds with no impact on quality of service.

The LPFA's 2019 Triennial Valuation also completed in March 2020 and we are pleased with the progress that was made during a challenging economic environment. I hope we are judged to have balanced meeting both support to our individual employers and protecting the long-term health of the whole Fund into the future. Our Employer Management Services team, which has recently been brought back in-house, will enhance their focus on maintaining active engagement with employers and to assist with providing them with any support they might require as the economy emerges from the pandemic.

I am also delighted that we continue to build upon so many elements of what has made LPFA successful in the past, namely collaboration, sustainability and a commitment to both Environmental, Social and Governance (ESG) and responsible investment. We plan to continue to embrace these strategic elements of SPS and our future thinking on these three areas are outlined below.

A continued commitment to collaboration

Collaboration with Local Government Pension Schemes (LGPS) and others in the pensions industry is important to our Fund's future, the financial health of our members and employers, and the wider UK's pensions system. All LPFA team members are encouraged to develop their networks and contacts outside the LPFA. The crux of our collaboration - our partnership with LCC as equal joint shareholders of the Local Pensions Partnership continues to work well and bear fruit. We will collaborate closely with LCC to develop strong operational efficiencies within LPP Group and its two business subsidiaries, LPPI and LPPA. We have also maintained good working relationships with the Royal County of Berkshire Pension Fund (RCBPF), LPP Group themselves, GLIL Infrastructure LLP (GLIL) and the GLA.

Externally, too, we are broadening our network to seek other opportunities to collaborate with like-minded organisations. We support the C40 Cities Invest/Divest programme and we regularly meet with other members to share learning and discuss progress. We also actively engage with the Pensions and Lifetime Savings Authority's (PLSA) Local Authority Committee and the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel.

We have developed strong relationships with several organisations in the pensions sector including many of the pensions media, Accounting for Sustainability and the Pensions Archive Trust. We are also seeking to develop consistent and productive dialogues with lobby groups like Share Action and Make My Money Matter. In all forums and in our professional lives, we will continue to advocate for effective LGPS governance, pooling, responsible investment and collaboration while seeking opportunities to share our knowledge to benefit members, employers and the sector.

In 2021 we will continue to seek opportunities to collaborate with the wider LGPS community even more and raise our profile further where it would benefit our employers, members, LPP, Lancashire colleagues or wider stakeholders. Whilst Board members will be encouraged to support this, much of the activity will initially rest with the CEO and Chair.

Ensuring the Fund's financial sustainability

A LGPS pension is a well-recognised and valued employee attraction and retention tool for so many employees and employers and maintaining the Fund's financial health is essential. However, we are aware of the financial pressure that LGPS membership can place on some employers. Delivering value for money remains important to the LPFA and we will continue to provide solid financial oversight ensuring that the overall costs of running the Fund – particularly costs from investment management, liability management and pensions administration – are robustly managed.

We will also continue to reap the benefits of 'pooled' investment arrangements provided by LPPI and in addition to our oversight of their reporting performance to each LPFA Board meeting, we have independent assessment of LPPI performance via the Cost Transparency Initiative framework and the CEM Investment Management Benchmarking annual reporting.

The Fund's 10-year annualised performance remains positive on both an absolute and relative basis, with total portfolio returns of 6.2% p.a. outperforming the actuarial benchmark of 5.9% p.a. As of September 2020, our assets under management were £6.5 billion.

As a long-term investor, one of our 2019 objectives was to improve our identification and management of risk. Delivery against this objective has been accelerated with the appointment of a Funding and Risk Director, Peter Ballard, who has embedded more certainty around risk at the LPFA. While he has successfully worked with our employers through the Triennial Valuation and the pandemic, there remains much more to do. Peter will continue to ensure that risk is effectively managed at the LPFA, our relationships with employers are positively enhanced and we invest more time into both strategic as well as oversight of operational management of our investment strategy.

Investing Responsibly

The LPFA Board believe (see page 1) that as the Fund has a long-term horizon, we must consider the impact of our actions on future generations alongside the emergence of new risks in the future. This view of the LPFA as a responsible investor is one welcomed by many of our members and stakeholders.

Our approach to Responsible Investment (RI) is guided by some fundamental beliefs and guiding principles. As examples we will:

- apply long-term thinking to deliver long-term sustainable returns;
- invest into well-governed assets to obtain such sustainable returns; and
- use an evidence-based, long-term investment appraisal to inform decision-making in the implementation of RI principles.

These beliefs are implemented through the stewardship arrangements by LPPI as our provider of advisory and investment management services. LPPI provides regular reporting on their responsible investment progress. In the coming year, we will work with LPPI to further develop this reporting, to develop our priority RI themes and where possible, collaborate with Lancashire County Pension Fund (LCPF) and RCBPF on any issues of mutual interest. We also support our ongoing RI activity by engaging with and supporting initiatives from the UN's Principles for Responsible Investment (PRI), Climate Action 100+, alongside the Institutional Investors Group on Climate Change (IIGCC). We are also active members of the Local Authority Pension Funds Forum and fully support the ambitions and transparency of the Financial Stability Board's Taskforce on Climate Related Financial Disclosure (TCFD). With our support, LPP has now voluntarily reported against TCFD for two years sharing progress from LPFA as well as LCPF and RCBPF climate related disclosures. In the spirit of collaboration, we will also seek to engage with more member and consumer-focused organisations to support initiatives that promote responsible investing.

We will continue to develop our Responsible Investment (RI) approach, particularly in relation to implementing our climate change policy. In 2021, we will investigate the practicalities and implications of net zero commitments and support for COP26 amongst other RI initiatives. We will also seek reaccreditation from the Planet Mark Certification reflecting our internal teams' commitment to reducing the carbon footprint of our day-to-day operations and as part of our efforts to build a socially responsible working culture.

Legislative background

LPFA continues to operate in an increasingly regulated and managed environment. As well as the existing Local Authority and LGPS regulations, there is significant scrutiny, oversight and engagement from the Ministry of Housing Communities and Local Government (MCHLG), the LGPS Scheme Advisory Board (SAB), Government Actuaries Department (GAD) and The Pensions Regulator (TPR). TPR has increased its regulation, and management of the governance and administration of LGPS (alongside all public service pension schemes) and the current Pensions Schemes Bill going through Parliament is looking to enhance and increase their powers and support their expansion into the wider public service pensions landscape.

The SAB is also seeking to refine best practice for funds around governance, transparency, RI, and member experience. In response, our Board members and our Executive Officers are encouraged to constantly update their knowledge and anticipate responding to new regulation, legislation and additional scrutiny. The LPFA has fully adopted the CIPFA Knowledge and Skills framework and actively supports ongoing learning and development.

Pensions-related legal developments, most recently seen with the likes of the McCloud case, and HMT impact (via the cost cap mechanism) are also on the horizon. Having oversight of such matters and ensuring our compliance and governance remains fit-for-purpose will remain a key focus area for Helen Astle, our Chief Legal and Compliance Officer alongside detailed reviews of many of the existing pension administration compliance areas such as complaints, errors, benefit settlement and helping members avoid scams. As ever, we never forget that we are here on behalf of our members and employers.

LPFA's behaviours

Our aims and objectives outlined below are guided by a range of expected behaviours set out by the LPFA Board in the 2019 SPS but which remain appropriate today. These are to:

- strive to deliver the best for all our stakeholders,
- deliver results for our members, employers and stakeholders,
- create a supportive and high performing working culture,
- seek to collaborate internally and externally and
- act with integrity whilst building trust and promoting openness.

LPFA's corporate objectives and future strategic direction

LPFA aims to deliver LGPS services to a high quality and in a cost-effective and efficient way. In doing so, it is our intention that we continue to use LPP Group for some of these services on our behalf. Assets held by the LPFA Fund will continue to be managed by LPPI and member pensions administration will continue to be delivered by LPPA. Our wider communications and employer management service functions are now directly managed by the LPFA team and work is underway to establish the best provision for aspects of the Funds' financial management services. As outlined by the CEO, this reallocation of selected services has resulted in several hundred thousand pounds of savings from last year and provides an opportunity for greater control over defining the quality of services needed for the future. LPFA will continue to use its position as an active shareholder of LPP Group to assist its effective development as an Administration and an Investment business.

Our overriding priority, of course, remains the delivery of pensions for our members in a secure, sustainable and cost-effective way. In a challenging economic, regulatory and political landscape, this requires constant attention. As well as responding to any legislative and regulatory changes, our efforts will be focused on three core pillars below. These are explored in more depth on pages 8 and 9 but are essentially:

- Evolving our investment and liability management,
- Working in partnership and improving collaboration; and
- Building stronger operational efficiency and robust shareholder activity.

As mentioned earlier, LPFA seeks to contribute and collaborate with LGPS Funds and Pools, Local Authority and wider pensions community and particularly assist, where possible, any facilitation of growth in LGPS collaborations. As well as Oasis Community Learning Trust deciding to join our Fund this year, there may be other instances where the LPFA is the natural home for new employers and where appropriate, the LPFA Board will encourage the Government to view LPFA as such a possibility.

Strategic management of LPP Group

The strategic management of LPP Group covers all three pillars and, as one of our principal activities our thoughts on its success factors, its continued progress and plans are summarised below.

This collaboration with LCPF/LCC has achieved a pool of assets in LPP Group now worth almost £18bn and unlike many other pools, all assets are now transferred into the pooled arrangements. As a shareholder in LPP, LPFA will continue to be active, overseeing and supporting both LPPI and LPPA and will ensure that LPP as a group is supported in its long-term financial and structural sustainability. As such, significant oversight will be given to LPP Group services particularly Investment, Pensions Administration, Engagement and Governance.

As a client, we will continue to monitor costs and value for money for the services that we receive from LPP Group. We will also continue to fulfil our statutory role, ensuring compliance with the monitoring and reporting arrangements which have been put in place.

Oversight of, and support to LPPI

In 2020, and particularly following the 2019 Actuarial Valuation, there has been significant focus on our strategic asset allocation and risk review to ensure we can meet our funding assumptions and manage the attendant risk this presents. We will evolve both the strategy and the oversight of our investment management throughout 2021. Discussions continue with LPPI around the balance between our investment Risk Framework and Appetite, Investment Beliefs and Funding Assumptions to ensure that the policy portfolio (also known as our Strategic Asset Allocation (SAA)) can meet the long-term funding, income and liquidity needs of the Fund. Alongside this funding and investment activity we will continue to work with LPPI to enhance their Responsible Investment approach.

Oversight of, and support to LPPA

2021 will remain important for the way in which pensions administration services are provided to LPFA and other LPPA clients. The LPPA service delivery has remained resilient and has consistently performed in excess of SLA, despite the challenges of COVID. Further resilience and control will be built into the operation for the next 3 – 5-year period while we continue to plan for the future of Pensions Administration across LGPS. We will continue to support LPPA as they strengthen their use of technology, automation, process and internal controls and develop a culture of high-quality, digital member-focused work..

The future focus of the LPFA's Senior Management Team

The next few years will require significant additional Fund activity alongside more LPP development oversight as LPPI and LPPA continue their journey.

The LPFA Management team will assist with managing the Funds' increasing regulatory and pension related activities and provide oversight of LPP Group. Team members will continue to identify any areas that might be processed more efficiently. A summary of the focus areas of the senior management team members are listed below.

Finance

Michelle King as Finance Director has responsibility for the financial oversight of the LPFA, ensuring that robust financial control and governance is in place. Areas of focus in the coming years relating to financial management include:

1. The development of a financial strategy to support the effective and efficient running of LPFA.
2. Monitoring the financial benefits of the LPP Group and understanding the financial risks and liabilities that may impact on the Pension Fund.
3. Leading relationship management with external auditors, ensuring arrangements meet the needs of LPFA and deliver value for money.
4. Leading relationship management with the internal auditors ensuring the function is effective and supports the role of the Audit and Risk Committee (ARC).
5. Overseeing financial responsibilities set out in the Shareholders Agreement relating to the financial position of LPP Group.
6. Leading on the development and execution of the MTFP for the Pension Funds and be responsible for the production of the LPFA accounts and Annual Report.
7. Considering and helping implement a revised LPFA finance function to deliver cost and process efficiencies by streamlining processes.

Michelle also acts as the LPFA's s151 Officer. Key objectives in 2021 will include:

1. Continue to support the Board and CEO on financial and investment matters related to their duties and play an active role in all relevant committees.
2. Continue to develop the monitoring of LPFA's future expenditure and ensure that any unlawful expenditure or fraud is reported to the Board.
3. Lead on the preparation of the LPFA's Statement of Accounts in line with relevant codes and practices and support efforts to make the LPFA's Annual Report more accessible to members.
4. Ensure LPFA continues to maintain proper financial records and an effective system of financial control.
5. Support LPFA's commitment to remaining a well-run fund by focusing on continuous professional development and good practice.

Funding and Risk

Peter Ballard as LPFA Funding and Risk Director has responsibility for underpinning risk management across the LPFA. Areas of focus in the coming years will include:

1. The development of a covenant policy for employers as part of the Funds commitment to transparency and robust management of employer risk.
2. Improve engagement with the Fund's employers ensuring a best-in-class employer management function responsive to the needs of our employers.
3. Following the completion of the SAA review in 2020, a wider investment review will be undertaken. This will cover improvements to reporting, a refinement of the investment strategy statement, the risk appetite statement, the Funding Strategy Statement. These steps will be taken to improve the quality of information received by the Board and to lay the groundwork for the 2023 Triennial valuation.
4. With the completion of the Risk Register in 2020, the Risk Appetite Statement and the Risk Framework will be reviewed.
5. Develop the Fund's stance on Climate Change and RI. With Climate Change identified as a major financial risk to the fund, a focus will be on investigating how LPFA might do more in these areas.

Compliance and Governance

Helen Astle, as the LPFA Chief Legal and Compliance Officer will continue to develop the LPFA's approach to governance and compliance in 2021. Resourcing requirements will be reviewed during 2021 to ensure the LPFA can respond to changing legislation as outlined in the CEO's statement and support the activities below. Focus areas for the coming year include:

1. The development of a Compliance Policy Framework which will set out LPFA's approach to compliance and regulation including roles and responsibilities, methodology, horizon scanning, escalation, and reporting lines.
2. The creation of an Assurance Map to ensure the Fund, LPPI and LPPA continues to meet requirements set out by The Pensions Regulator, our Constitutional document and other bodies.
3. Work with the LPFA Chair and CEO to ensure that key governance processes and documentation, such as the Scheme of Delegations, are current and fit-for-purpose given the expansion of the LPFA team.
4. Broaden the LPFA's policy coverage with particular attention given to the development of data protection policies.
5. Renegotiation of the LPP Group SLA has also resulted in some processes, such as procurement and contract management, being taken back by LPFA from LPP Group. Consequently, 2021 will see the LPFA develop processes and policies in these areas as part of our risk management approach.
6. Maintain positive relationships with LPPI and LPPA and further develop reporting that will provide evidence of assurance. While the creation of the two business subsidiaries has not increased the risk of non-compliance for the LPFA, it does require additional LPFA management time to ensure compliance across both companies.

Communications and Engagement

Alistair Peck is Head of Communications and Engagement. 2020 has seen the development of new branding, refreshing of our social media channels, more press activity and direct-to-member email communications. 2021 will see a focus on the following areas:

1. The delivery of a new corporate website to better position LPFA to external stakeholders.
2. The implementation of a comprehensive member survey to improve member engagement.
3. Improved data and insight on the effectiveness of LPFA and LPP communications to ensure value for money.
4. A wider effort to raise the public profile of the LPFA and the work that the Fund is doing around responsible investment and climate change.
5. The development of LPFA's Corporate Social Responsibility Plan and LPFA's reaccreditation by the Planet Mark.
6. Making progress with LPP on the adoption of digital communications with stakeholders and members to help reduce costs and broaden understanding of the Fund's activities.

Business Management

Anastasia Klimenko is the LPFA Business Manager and is focused on ensuring the team's operational requirements are met in the coming years. With the LPFA team now operational and in offices that are physically distinct from LPPI and LPPA, LPFA's controls, systems and processes need to develop. As well as providing support to the Office of the LPFA CEO and Chair, Anastasia will play a crucial role in ensuring the LPFA is an efficient, high quality and cost-effective organisation

Tracking our progress against LPFA's corporate objectives

At the 8 September 2020 Board Awayday, LPFA's priorities and strategic direction were agreed, and they were subsequently ratified at the Board meeting held on 13 October 2020. These continue to be an evolution of last year's strategy and objectives

and set out below is a progress update against those. Supporting the themes of collaboration and sustainability as outlined in the CEO's Statement, the main outputs and objectives to be achieved between 2021/2024 are outlined in the table below.

Evolution of investment and liability management	Partnership working and wider collaboration	Operational efficiency and robust shareholder activity
Green: Completed (or ongoing as now part of BAU)		
<ul style="list-style-type: none"> To focus on investment risk, including ESG issues and increased engagement with other stakeholders. To implement a new RI strategy and enhance transparency and return from our Climate Change Policy. Develop concept of a collaborative London Fund with potential investors. Whilst continuing our commitment to the collaborative infrastructure vehicle, GLIL, work with LPPI to identify suitable opportunities for increased investment in London's infrastructure and housing across the LGPS. Ensure all eight investment pooled vehicles are in operation. To manage investments to meet our liabilities over the long term through the monitoring of delegated investment performance and risk. Deliver stable contributions and funding requirements from the 2019 Valuation. Deliver the payment of pensions based on effective investment strategies that demonstrate responsibility as well as performance. 	<ul style="list-style-type: none"> Develop and implement extensive internal and external comms plans around sustainability and collaboration. Continued engagement and co-operation with other national Funds and particularly, London based funds such as London CIV and others. Demonstrate the continuing benefit of partnership working with LCC as a model owner of a highly effective Pool. Achieve collaboration with other LGPS Funds and/or London pension entities either in a support, servicing or sharing of best practice capacity. Promote LPFA's approach within the sector seeking greater engagement and collaboration as part of a wider refresh of LPFA's messages and comms strategy. Develop relationships with a wider range of organisations who can help LPFA improve such as Share Action, ClimateAction100+, C40, LAPFF and SAB. Continue to work with LCC and RCBPF for wider business benefit, shared learnings and contribution to LGPS and wider pension system. Play a leading role in protecting LPFA interests, but also ensuring good client experiences as a recipient (alongside LCPF and RCBPF) of LPP Group's service offerings. Improve communications to better communicate with the marketplace ensuring the delivery of value to members and recognition of a sustainable pension fund. 	<ul style="list-style-type: none"> Using LPFA's position as shareholder with LCC, ensure efficient and quality pensions administration, investment and employer risk services. Ensure enough resources and resilience are available within LPFA and LPP Group to implement future strategy. Enhance the shareholder relationship and ensure LPP Group are operating effectively and meeting their obligations under the Shareholder Agreement. Ensure compliance with key partnership documentation. Review and monitor financial management of LPP Group. Monitor key performance indicators and SLA delivery to ensure key targets are met. Work with LCC in the oversight and development of LPP Group, principally in the consideration of a new 5-year strategy for LPP Group. Consider any structural changes or governance reorganisation of LPP Group as part of the strategy refresh. Review and implement next steps for LPP Group operational efficiency by 2020 in line with the shareholder agreement. Examples include refreshment of IT, risk capability and the development of a new portfolio management system to add more robustness and resilience into investment operations. Oversee the development of a new Pensions Administration service that retains the benefits of the old system particularly around service quality but is cost effective and robust going forward. To ensure consistently high levels of service delivery.
Amber – Started/Progressing		
<ul style="list-style-type: none"> Effective implementation of revised SAA to ensure long term funding needs are met. Ensure LPFA's investment beliefs and SAA continue to be fit for purpose. Achieve investment returns in line with the new 2019 valuation recovery plan. Continue to deliver the increased security and contributions identified as part of the valuation. Implement sophisticated risk monitoring via LPP Group with a focus on key issues including ESG factors and Liability Driven Investment (LDI). Work with industry peers to improve quality and frequency of data in areas such as ESG to facilitate this monitoring. 	<ul style="list-style-type: none"> Increase participation in national or specialist areas of ESG/RI/Good Governance initiatives and pensions management. Identify and implement partnering opportunities to enable growth in assets under management of the LPP Group and that a detailed business case demonstrating potential risks and benefits is undertaken as part of that process. Continue to identify specific functions and responsibilities where insourcing or closer co-operation with other stakeholders might result in improved efficiencies or benefit. 	<ul style="list-style-type: none"> Move LPP Group from a 'benefit of pooling strategy' to one of benefiting shareholders and demonstrating progress towards LPP Group financial self-sufficiency. Demonstrate an effective LPFA management team operating in balance with the Board, shareholders, LPP Group, GLA and other stakeholders. Ensure compliance with TPR Code of Practice 14 requirements, aspects of the wider LG or corporate governance standards for the benefit of LPFA and any other regulatory requirements; consider a further governance review.

Key Performance Indicators

LPFA's range of Key Performance Indicators is based on locally and nationally set performance measures which mirror the strategic direction of the organisation. Our aim is to measure, as far as practicable, our data quality, the outcomes of our strategic deliverables, and of our administration, both in terms of what we have achieved and how effectively we deliver these outcomes.

Corporate Indicators (reported annually year on year)

The results of the following indicators for 2018/19 can be found in more detail in our Pension Fund Annual Report 2019/20 which is available on the website.

For further information, please email us at corporate@lpfa.org.uk

Area	Detail
Asset pooling disclosures	<ul style="list-style-type: none"> Including set up and transition costs
Costs	<ul style="list-style-type: none"> Per member Gross/net Cessation value – total at risk debt vs amount recovered
Asset and liabilities management (reported quarterly and annually year on year) surplus/(deficit)	<ul style="list-style-type: none"> Absolute Percent of total liabilities Change in liabilities
Source of changes	<ul style="list-style-type: none"> Member changes Payments Contributions Income Interest rates Inflation Longevity Capital values Change in assets
Risk	<ul style="list-style-type: none"> Interest Rates (IR) Sensitivities to changes in the Interest rates expressed as the change in the present value of the liabilities for each 1 basis point (0.01%) change in interest rates. CPI Consumer Price Index. Sensitivities to changes in UK Inflation expressed as the change in the present value of the liabilities for each 1 basis point (0.01%) change in the inflation rate. Equity market (Sensitivities to changes in the equity market) Implementation and monitoring of LPFA policy statements on ESG issues
Pension Administration performance indicators	<p>Queries completed on Time:</p> <ul style="list-style-type: none"> Top 10 case types completed on time once LPFA is in receipt of all the information – target 95% Employer Services end of year queries <p>Top 10 case types:</p> <ul style="list-style-type: none"> Top 10 case types and all other case types – time to complete as customer experience
Member and employer interactions	<p>Total membership:</p> <ul style="list-style-type: none"> Number of active employers signed up to LPFA's pensions administration strategy Number of members under administration Number of year-end error rates Amounts due from employers at the year end Percentage of available information submitted online Number of active members signing up to member self-service (MPO) Percentage of members where LPFA holds an email address
	<p>Complaints:</p> <ul style="list-style-type: none"> Complaints received Number of complaints taken further – IDRPs or Pension Ombudsman Percentage of members satisfied with overall service