

**DERBYSHIRE COUNTY COUNCIL
PENSIONS AND INVESTMENT COMMITTEE**

24 January 2018

**Report of the Director of Finance and ICT
Derbyshire Pension Fund Communications Strategy**

1 Purpose of the Report

To request the Committee's approval for the Derbyshire Pension Fund Communications Strategy 2018-2020

2 Background

Derbyshire Pension Fund is committed to providing comprehensive information to all of its stakeholders through the most appropriate communications media. This is important not only to increase Fund employers' and members' knowledge and understanding, but also for the efficient provision of the pensions administration service.

The Communications Strategy 2015-16 was considered and approved by the Committee at its meeting of 29th April 2015. A number of significant changes have taken place in pension fund administration since then both nationally, for example the increasing level of scrutiny, and locally, such as the change in systems strategy.

A review of the communications strategy has, therefore, been undertaken and the revised Derbyshire Pension Fund Communications Strategy (Appendix 1) describes the direction in which the Pension Fund proposes to go in order to ensure that the employing authorities and Pension Fund members in Derbyshire receive the best possible pensions administration service.

3. Financial Considerations

Communication can be costly but it is intended to keep costs to a minimum by the effective use of technology and collaborative working with the Local Government Association and with Derbyshire Pension Fund employing

authorities, as described in the document. All costs incurred will be met from the existing Pension Fund budget.

4. Other Considerations

In preparing this report the relevance of the following factors has been considered – equality and diversity, health, environmental, transport, property and prevention of crime and disorder considerations.

5. Officer's Recommendation

That the Committee:-

Approves the Derbyshire Pension Fund Communication Strategy 2018-20.

Peter Handford
Director of Finance and ICT

Derbyshire Pension Fund

Appendix A

Pensions Administration Communications Strategy 2018 - 2020

1. Introduction

1.1 As the Local Government Pension Scheme Regulations and related legislation continue to become more complex, and the scrutiny of compliance more thorough, the need for Derbyshire Pension Fund's Communications Strategy to be effective becomes increasingly important. With the support of the Derbyshire Pension Board, therefore, a review of the strategy approved in 2015 has been undertaken.

1.2 The review has incorporated an assessment of progress against the aims of the previous strategy document, consideration of wider factors such as the change to systems strategy agreed in 2016, and inputs from a range of sources including a survey of employing authorities.

1.3 The result has been to identify a revised vision and implementation timeline. It is anticipated that this strategy will benefit from further review in 2020.

2. Review of activity since 2015

2.1 A dedicated team has been established specifically to focus on the interpretation of relevant legislation and governance requirements, and to communicate this information to the various stakeholders of the Derbyshire Pension Fund. This team has been charged with encouraging a more outward-looking culture to support the development of a distinct identity for the Pension Fund.

2.2 It was originally intended to have achieved integrated 'Member Self Service' (MSS) functionality by the end of 2016. However, the decision to procure a replacement pensions administration system has deferred this development back until 2019. Nevertheless, MSS continues to form the central part of the vision as described in Part 4.

2.3 Communications with employers and prospective employers have improved since 2015 in the following ways;

- Policies, processes, letters, guidance and monitoring facilities have been successfully developed and implemented to support academies and other organisations with taking on the responsibilities and costs of becoming an LGPS employer, and to ensure that ceding authorities are fully informed at an early stage
- Support for employers with the prompt and accurate submission of year-end returns, in order to enable the prompt issuing of Annual Benefit Statements to Fund members, has been escalated to a high standard with the majority of employers now meeting an early deadline each year

- An exercise to update the employer contact details as part of improvement work to the Employer Database has been completed, and processes have been implemented to keep the information up to date
- The Employer Newsletter has been redesigned and is now issued via 'Govdelivery'. This enables the Fund to identify which recipients are opening the Newsletter and, subsequently, to chase up those employer representatives who are missing important messages
- Regular liaison meetings have been established with some of the larger employers, and on-site employer training sessions are delivered when requested

2.4 A number of developments have also taken place in terms of communications with Fund members;

- Sessions / roadshows, delivered by Fund partners The Prudential, have been held twice each year at various venues around the County in 2016 and 2017 for the benefit of Fund members within 10 years of retirement. The sessions have been well attended and attracted positive feedback.
- Significant resource has been put into ensuring that Fund members receive Membership Certificates, Annual Benefit Statements and Pension Savings Statements within statutory deadlines.
- A work programme to update the Fund's web pages has been undertaken, and clear improvement has been achieved over the past two years.
- A presentation on the HMRC's Annual and Lifetime Allowance limits has been developed and been delivered to numerous management teams across a number of employing authorities.
- Councillor members of the LGPS have been supported through the withdrawal of their access to the scheme with presentations, guidance notes and explanatory letters.

2.5 There has been an increased emphasis on Derbyshire Pension Fund communications and a more open and outward-facing approach established. This is demonstrated by;

- Increased attendance of Pension Fund officers at regional and national meetings of LGPS practitioners, including East Midlands Pensions Officers Group (EMPOG), the LGA's GDPR Group and Joint Communications Group, and at appropriate conferences and seminars
- The establishment of performance monitoring and reporting, which is shared with the Pensions and Investment Committee, the Derbyshire Pension Board and employing authorities to foster a culture of openness, improvement and cooperation
- Increased collaborative activity, formally with Leicestershire Pension Fund and informally with other LG Funds such as Hampshire, Nottinghamshire, South Yorkshire and West Yorkshire

3. The identification of improvement areas

3.1 There are a number of areas where progress against the 2015 aspirations has yet to be fully achieved, which has largely been due to resource being limited and priority having to be given to other areas of work. These areas include;

- The development of a standalone website and distinct livery, relevant to Fund members who do not work for Derbyshire County Council as well as those that do.
- The delivery of events / workshops at which employers can learn more about delivering the LGPS and share experiences and solutions with each other
- The establishment of a 'partnership' with employers to deliver Fund information and messages via the employers' networks
- Taking over the lead from the Prudential on the sessions for Fund members within 10 years of retirement, in order to improve Fund member and employer confidence in the information presented
- Formalising and scheduling a proactive programme of on-site employer training sessions, aimed at helping payroll and HR staff to complete and return LGPS starter, leaver and change details promptly and accurately – these sessions have to date occurred 'on demand'.

3.2 Derbyshire Local Pension Board have cited communications as a key area of their workplan and identified some improvement ideas for consideration as follows;

- Updating the Pensions Administration Strategy to include a framework for charging employers for underperformance
- Holding meetings of employers to share information, provide guidance etc.
- The greater use of technology in communication activity
- The employment of a Welfare Officer to assist in serious ill-health cases

3.3 The Employer Survey carried out in September 2017 supports many of the areas already identified, and generated other issues to be addressed including;

- A lack of confidence amongst employers around the accurate completion and timely submission of leaver information to the Pension Fund
- A desire to provide leaver information in bulk, or in an automated form, rather than via individual documents
- A lack of awareness around determining and publishing policies for LGPS Employer Discretions
- Underuse of many of the methods by which the Fund supports employers, including the Helpline, the LGPS Employer Guides, and the Employer Newsletter service
- Acceptance of the idea of the Pension Fund charging employers where underperformance is an issue
- Acceptance of the idea of a partnership between employers and the Fund in ensuring Fund members receive key LGPS related messages.

4. Implementation of the Communications Strategy 2018-2020

Objectives

1. Interpret and fully understand the relevant Regulations and overriding guidance
2. Communicate this information in an effective and timely manner to the different groups of customers and stakeholders to enable them to make fully informed pensions decisions.
3. Keep customers and stakeholders informed about the management and administration of the Fund
4. Consult major stakeholders on changes to regulations, policies and procedures that affect the Fund and its stakeholders
5. Promote the LGPS as an attractive benefit to scheme members and an important tool in recruitment to employers
6. Work with employers to enable them to fulfil their responsibility to communicate and share information with members in relation to the Scheme.
7. Deliver the communication policy in a cost effective manner, utilising technology to its fullest potential
8. Develop our commitment to regional and national initiatives, taking advantage of partnership working and innovative communication methods developed and tested elsewhere, and sharing our own experience in return
9. Enable equality of access to Pension Fund communications
10. Manage information securely to the standards required by the General Data Protection Regulations 2018.

Actions

1. The Pension Fund's systems strategy supports the implementation of 'Member Self Service' functionality before the end of 2019. This will form the centrepiece of the Fund's relationship with its members and stakeholders, and its implementation will be accompanied by a drive to register as many Fund members as users as possible. Benefits will include;
 - a. Central bank of up to date forms and guidance for use by employers and Fund members
 - b. Interactive services enabling members to update their own records with address and personal details changes
 - c. Annual Benefit Statements provided on-line, cutting costs and production time as well as holding the information securely for members
 - d. The ability for Fund members to generate projections of their potential retirement benefits based on up to date pay data
2. Derbyshire Pension Fund, administered by Derbyshire County Council, will have its own distinct livery to enable all its members and stakeholders to

identify fully with it and to better understand the complementary roles of employing authorities and the administering authority.

3. Derbyshire Pension Fund will have its own website, separate from the Derbyshire County Council platform, which will further improve members' and stakeholders' understanding of their LGPS entitlements. This will also be the gateway to the 'Member Self Service' functions.
4. Newsletters for Fund members will be written in collaboration with the LGA Joint Communications Working Group and circulated via employers' networks and on the Fund website.
5. The Fund will lead on member presentations at employer sites across the county. The sessions will promote the LGPS, provide information and assistance on how the LGPS works, and highlight how further and regular information can be accessed from the Fund website and the 'Member Self Service' functionality.
6. The effectiveness of the Pension Helpline will be reviewed and improvements made as necessary.
7. The Pensions Administration Strategy (PAS), which is a document describing the relationship between the Fund and its employing authorities, will be reviewed. The PAS is centred on the performance standards that each party can expect from the other and will include detail regarding the recharging of administration costs incurred due to employer underperformance. Employer performance will be measured and shared in order to assist all in improving the overall service being delivered to Fund members.
8. Data will increasingly be transmitted automatically and in bulk between the employing authorities and the Fund.
9. The Fund will hold regular events for the HR / Pay representatives of employing authorities to attend where legislative developments, performance and other relevant items will be presented and discussed.
10. The Fund will also provide targeted training sessions for practitioners at employing authorities to assist them in providing LGPS data accurately and promptly.
11. The improved relationships that the Fund will enjoy as a result of these initiatives will assist in enabling employers meet requirements in terms of publishing employer discretion policies, early notification of terminal illness cases, and in all other areas of their LGPS responsibilities.

12. Employing authorities were surveyed in October 2017 and significant areas for improvement were identified. The survey will be undertaken annually to enable the Fund's progress in these areas to be measured and significant improvement is expected to be recorded by 2020.

13. All communications activity will be monitored and feedback sought from employers, Fund members and other stakeholders to support continual improvement. All communication activity, and its effectiveness, will be reported to Pensions and Investments Committee and the Derbyshire Pensions Board via the quarterly Pensions Administration Performance Report.

14. The Fund's Communication Policy Statement will be reviewed in the light of the change in approach that will be required when 'Member Self Service' is launched.

15. The proposed Implementation Timeline is as follows;

