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| Report Title | Customer Engagement Update | |
| Originating service | Pension Services | |
| Accountable employee | Simon Taylor | Assistant Director (Pensions) |
| | Tel | 01902 55 4276 |
| | Email | Simon.taylor2@wolverhampton.gov.uk |
| Report to be/has been considered by | Rachel Brothwood | Director of Pensions |
| | Tel | 01902 55 1715 |
| | Email | Rachel.brothwood@wolverhampton.gov.uk |

Recommendations for noting:

The Pensions Board is asked to note:

1. The engagement activity and informed service development.
2. Publication of the Funding Strategy Statement effective 1 June 2021.
3. Draft Pensions Administration Strategy and Employer Engagement Roadmap for 2021.

1.0 Purpose

- 1.1 To provide Board with an update of the Fund's customer engagement activity from 1 January 2021 to 31 March 2021 and to cover future planned customer engagement activity in the context of the Fund's Customer Engagement Strategy.
- 1.2 To also cover more specific elements of employer and member engagement including consultation on the Funding Strategy Statement, Pensions Administration Strategy and Employer Engagement Roadmap.

2.0 Background

- 2.1 One of the Fund's key objectives is to engage to improve outcomes for our customers. In line with this objective, the Fund has published, and keeps under review, a Customer Engagement Strategy, to review satisfaction and help inform improvements to its pension services.

3.0 Member Engagement and Communication

- 3.1 The Member Services team continues to deliver member support via digital channels including member webinars and follow up individual telephone consultations as required. The webinars mirror our normal suite of member presentations and during this reporting period **74** webinars/workshops were delivered to **1,563** attendees. These were followed by **299** individual member telephone consultations. Webinars have been scheduled to enable "real-time" interaction with Fund Officers, at various times throughout the day to accommodate attendance around member work commitments. This delivery and the associated feedback is summarised in appendix A.
- 3.2 During this reporting period the team provided **15** satellite support events to **82** hard to reach members who may not normally be able to access our services due to the nature of their work and location, which might include access to web-based delivery (i.e. computer facilities), working hours or 'satellite' locations.
- 3.3 On the 9th February the Fund presented at the Birmingham Association of School Business Managers group. The Fund is normally asked to attend their annual conference, however this year we have assisted the group via a virtual meeting and provided important updates on topic issues in the pensions industry. Following the success, we then were given the opportunity to present at the West Midlands Bursars Group.
- 3.4 Through the "Be Pension Smart & Take Control of your benefits" campaign the Fund continues to encourage members to view and manage their pension record online using the pensions portal. During this reporting period registrations increased by **3,232** bringing the total pension portal registrations to **108,133**.

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- 3.5 The Fund continues to promote aspects of our work via the social media platform LinkedIn. Since the last reporting period a further **5,692** people have interacted with our articles, which bring the total interactions to **14,219** since launch. The Fund has received an increase in followers since its launch by **18%**.
- 3.6 During this reporting period the Fund's member video suite, providing on-demand support and guidance, has been expanded to include three new videos designed to raise awareness of pension scams, encourage members to think about retirement planning and assist members to understand their deferred benefits statements.
- 3.7 Following the Fund's commitment to raise member awareness on the importance of Retirement Planning, in February 2021 we launched our new pre-retirement planning campaign, reaching out to members on their 55th birthday in order to provide them with a toolkit they can use to plan for their retirement. The toolkit includes a bespoke retirement planning video designed by the Fund, a pre-retirement guide and budget planners together with links to access further information and support. **362** members attained the age of 55 during the two months of this reporting period and they received our bulk email. **74%** of these members opened our email and viewed our support.
- 3.8 To raise member awareness of pension scams, the Fund produced a bulk mailing and designed a member video to highlight how to spot the signs of a pension scams. This bulk mailing was sent to **54,046** active scheme members for whom we hold a valid email address. **54%** of these members opened and read our mailing and several new slides have been also developed which are now included in all member webinars.
- 3.9 The Fund produced its annual newsletter for our pensioner members (appendix B) which was sent in print to over **100,000** members along with their annual P60s. To complement the newsletter, we also produced a "*Your pension is safe, we hope you are too*" bulk email which was sent to **35,626** of our pensioner members who we hold valid email addresses for, **70%** of these members read the bulk email and used the signposting that it provided.
- 3.10 As the Fund is committed to providing members with assistance, guidance and support with retirement planning, the Fund has linked-in with the Pension Lifetime Savings Association (PLSA) on their Retirement Living Standards initiative. This means that we are assisting with the research and development of new material and support to help pension scheme members plan for their retirement across a range of occupational pension schemes.
- 3.11 Customer feedback is key to understanding our customer's journey, highlighting our strengths and any gaps in the service we deliver so that we can continually improve the services we offer. Some service enhancements made over the period include:
- Introducing 'important notes' to advertise key information on the website
 - Making improvements to our 'contact us' form

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We are currently collating customer feedback to improve the Pensions Portal user experience. The feedback collated to date has been shared with our software developer, who will identify any developments that can be made.

During the quarter, a number of surveys were issued to members and employers to assess overall satisfaction levels on a wide range of processes. Over the period, our satisfaction levels were measured as 90%.

4.0 Employer Engagement

4.1 Employer Peer Group

4.1.1 During this reporting period the Fund held a virtual Employer Peer Group meeting in March (a further meeting was also held on 30 June 2021, which will be covered in a future report). The meeting was positive with 11 employer representatives present. The content for the meeting included:

- Age 55+ campaign – promotional section delivered in conjunction with member services
- Employer Flexibilities and proposed changes to FSS
- What the future holds from an employer perspective (including Covid-19 resilience) and how the Fund may be able to support where possible
- Keeping Informed: Employer Hub and Web trays, ABS 2021 and Year End requirements
- Annual Peer Group review and feedback

4.1.2 Once again, the meeting was followed by the regular technical group session where attendees are able to raise queries for discussion with each other with support from Fund officers.

4.2 Employer Webinars

4.2.1 The Employer Services team has continued to deliver its new programme of employer education over the quarter with a further 10 virtual sessions delivered to over 190 attendees from 65 organisations, some of whom provide payroll services for many other employers within the Fund. The sessions are free to attend and provide a useful refresher for existing staff or as an introduction to processes for those who are new to Fund administration.

4.2.2 Sessions delivered over the quarter are set out below and will continue to be rolled out over the course of the year. An increased suite of webinars is now available each month and employers are able to easily sign up for via the Fund's website.

- LGPS Basics for Employers
- Pay and service
- Monthly Data Collection
- Refunds
- Deferments

- Retirements
- Early retirement estimates and associated strain costs
- Ill health processing for employers
- TUPE and outsourcing

4.3 Employer Performance

4.3.1 Utilising the virtual working arrangements currently in place, the Employer Services team have continued to hold performance meetings with various employers throughout the period. Employer performance is assessed in line with the Fund's Pension Administration Strategy (PAS).

4.3.2 During the period the Fund held 10 feedback and performance meetings with 5 major and 2 smaller employers. Across these employers alone these discussions have resulted in the targeted clearance of over 600 possible leavers since the previous quarter (i.e. member records where no data is being received on a monthly basis but where no leaver notification has been made the employer either), plus significant reductions in error rates across many other areas.

4.4 Employer System Developments: Hub and Webtrays

4.4.1 Since the first batch of 60 employers successfully migrated to the new Employer hub on 13 December 2020 the project has now successfully migrated a further 550 employers with over 440 web users ahead of the planned roll out programme which was scheduled to extend until October. It is anticipated that roll out across all employers will be completed well ahead of schedule by August.

4.4.2 Considerable engagement is taking place with employers and payroll providers prior to and during go-live in order to clarify user access, including the granting of super user access to enable self-service with respect to the setting up and unlocking of user accounts by employers or their payroll providers.

4.4.3 A number of demonstrations are being delivered prior to each go live date to provide initial training. During the quarter 3 demonstrations were delivered to over 50 users. A number of guidance videos and documents are now available on the Fund's website to supplement this training.

4.5 McCloud: Employer Special Briefing Note

4.5.1 A Special Briefing Note was issued on 9 April 2021 to all employers providing important information and detailing the specific Fund requirements with respect to the McCloud ruling. The note provided a background to the McCloud remedy, detailed employer requirements and provided information on potential funding implications.

4.5.2 A number of supporting documents were issued alongside the note (and posted to the Fund's website) to provide additional support to employers.

4.5.3 The Briefing Note also directed employers towards an online survey for the submission of queries and comments. The responses will be reviewed, and the online FAQs updated periodically to reflect any changes. Following a number of enquiries regarding completion of the data template, the Employer Services team is planning to deliver a McCloud requirements and guidance webinar which will be advertised on the Fund's website and as part of a planned follow up communication to all employers to capture all feedback received.

4.6 Funding Strategy Statement and Employer Flexibilities: Consultation 2021

4.6.1 In the March 2021 Funding Strategy Statement (FSS) review, proposed amendments to the FSS were summarised aligning to changes made to the LGPS Regulations 2013 to enable Administering Authorities to implement flexibilities for employers.

4.6.2 The revised draft FSS was issued to employers for comment as part of the consultation commencing 12 April 2021 and closing 21 May 2021. As part of the consultation process the Fund engaged with Employer Peer Group and carried out two dedicated briefing sessions, to which all employers were invited. Over 150 employers (representing 20% of the total employer base) were actively engaged in this process with a diverse range of sectors represented. Six formal responses to the consultation were received.

4.6.3 In summary, the responses were overwhelmingly positive, noting that the Fund was proposing to implement universally welcome additions to the FSS. Feedback received from employers has been taken on board and to clarify wording within the FSS, with individual responses being issued to each employer, with a revised FSS now in place following completion of the consultation exercise and Pension Committee approval.

5.0 Internal Engagement

5.1 Recognising the importance of ensuring internal stakeholders are kept up to date on the Fund's progress and associated developments during the Covid-19 outbreak, particularly with increased remote working, the Fund continues to promote more signposting for Fund staff to wellbeing support which is available to staff across the City via our monthly employee catch up.

5.2 To increase internal communication across the Fund and provide insight on the wider pensions industry, the Spring edition of the "[Pensions Post](#)" was issued to staff in April to raise awareness to topical issues in the wider pensions industry and to highlight key projects and achievement across the Fund.

5.3 In April the Fund launched its new Intranet site called Pensions People, this has been designed based on feedback from all Fund staff. The Intranet site brings all key guidance and documents together in one simple to access site, the support is split into several areas which include, IT, HR, Governance, Technical and Communications.

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5.4 The Fund continues to develop an E-learning platform for scheme members to use, this software will be used to design learning modules for scheme members so they can engage and enhance education around their pension benefits. We will also use this platform to enhance internal communication and staff development by delivering E-learning modules to internal teams on bespoke subjects. We hope to complete the design of our first E-learning module by the end of the next reporting period.

6.0 Future Engagement

6.1 **98,168** Deferred Benefit Statements have been produced which were distributed to members from via bulk email from the 7 June. The Fund has also produced **937** paper statements via print for members who have expressed that their preferred communication method is paper.

6.2 The Fund is part of the LGA project group along with several other Funds to assist them to revamp their website which will go live towards the end of the year.

6.3 Work has commenced on preparation for the 2021 Annual Employer Health check which commenced in June with a staggered roll-out across the employer-base. As in previous years the check asks employers to review and clarify a number of key areas as listed below:

- Active member lists
- Web user access accounts
- Employer contact details

6.4 An Employer Financial Health survey has been issued to all employers to help the Fund in assessing the current financial and operational position of the employer, including the ongoing impact of Covid-19 and climate change. Once collated, a summary of the outcomes will be covered in a future report.

7.0 Pensions Administration Strategy Review

7.1 Under the LGPS Regulations, the Fund may produce and publish a Pensions Administration Strategy (PAS) and should ensure it is regularly reviewed and revised as appropriate. The PAS sets out a framework for assessing Fund and employer performance standards developed to ensure delivery of a cost-effective and quality pensions administration service.

7.2 The Fund published the most recent iteration of the PAS in 2019. The strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies.

7.3 Through the PAS the Fund aims to:

- Enable provision of a high-quality pension service to all Fund members
- Set out the quality and performance standards expected of the Fund and its scheme employers

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- Promote good working relationships and improve efficiency of the exchange of information between the Fund and its scheme employers

7.4 The PAS is a critical document in outlining responsibilities and setting expectations for both Fund and employer administration performance to ensure delivery of statutory functions and a quality service to members. The strategy enables the Fund to manage and, if necessary, re-charge costs where performance falls below the standards required. The PAS is increasingly significant in the context of greater employer numbers and diversity, the involvement of more payroll providers and greater scrutiny from the Pensions Regulator (tPR). It is also key to efficient record keeping and outlining the support available to employers from the Fund to help achieve the required level of performance.

7.5 Changes to the Strategy and the Employer Consultation

7.5.1 The Fund has undertaken an internal review of the PAS, primarily to assess the appropriateness of the strategy following the completion of the first annual cycle of monthly data collection. A key aspect of the review included a comparison of the strategy against the employer and Fund responsibilities set down by the LGPS regulations and to also incorporate the comments of internal audit following their last review. As a result, the revised strategy incorporates changes to policy and working practices which are to be made effective from July 2021, subject to employer feedback as part of the consultation.

7.5.2 The updated strategy includes and reflects:

- **Employer Hub:** new requirements regarding self-service aligned to the migration to the new Employer Hub and webtray functionality, including the expectation to regularly undertake a review of web users and active member lists
- **Annual Employer Health Check:** these have been included as a mandatory responsibility for all participating employers and will incorporate a review of (though not limited to) employer web user access levels, membership profiles and employer contacts held.
- **Academy Pooling:** requirements and expectations on scheme employers following the change introduced during the 2019 Actuarial Valuation consultation process.
- **Employer/Payroll Provider education:** an increased focus on the requirement to attend Fund training sessions, particularly for new or underperforming employers.
- **Employer Charging:** the current structure for poor performance to be reviewed to include associated escalations within the Employer Engagement Roadmap. In particular, consideration to be given to the inclusion of further charges for work carried out by the Fund as the result of employer error or organisational change.

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- **Financials:** clear expectations regarding the receipt of timely information to enable efficient allocation and reconciliation of employer contributions.
- **Regulatory Changes:** expectations have been incorporated to reflect the McCloud ruling and associated Fund requirements regarding the submission of data and also the need to report notifiable events to the Fund immediately as a result of the Employer Flexibility legislation.
- **Impacts of Poor Performance:** this section has been expanded significantly to provide increased visibility of the potential impacts failure to comply with both Regulatory and Fund requirements may have.

- 7.5.3 A key suggestion from the 2019 PAS audit report was for greater clarity of employer performance measurements against the roles and responsibilities. As such this iteration of the PAS has established a stronger link between the two areas by combining the two sections together to show the measurement by which each role and responsibility will be assessed where appropriate.
- 7.5.4 In conjunction with the PAS, the Fund will also publish a revised Employer Engagement Roadmap, again subject to consultation with employers. The purpose of the Engagement Roadmap is to outline the framework available to support performance improvement and the steps the Fund will take (including escalation) where any issues with performance are not being addressed and where the engagement and further support is unsuccessful.
- 7.5.5 The draft PAS (Appendix C) and Employer Roadmap (Appendix D) have been issued to participating employers for a four-week consultation period. The Fund will consider the feedback once received from employers and make any amendments as considered appropriate before finalising the document.
- 7.5.6 The Fund opened consultation with all participating employers on 21 June 2021 for a period of 4 weeks closing 16 July 2021.
- 7.5.7 As part of the consultation, the Fund held a briefing session at the Employer Mid-Year Review to further explain the changes and provide employers the opportunities to discuss and raise any queries.
- 7.5.8 As part of the meeting on 23 June 2021, Pensions Committee approved delegation for the PAS and Employer Engagement Roadmap to be finalised by the Director of Pensions in consultation with the Chair and/or Vice Chair of Pensions Committee, following consideration of any feedback received during the consultation.

8.0 Financial Implications

- 8.1 There are financial implications associated with this report in that the PAS includes the Fund's approach to the application of charges and re-charges in the event of non-compliance with key performance standards set out for participating employers.

9.0 Legal implications

- 9.1 The Fund has a legal duty to meet with legislation and statutory best practice, failure to do so may open the fund to challenge from the Pensions Regulator or the Scheme Advisory Board.
- 9.2 The Fund is able to impose penalties on employers (to cover any fines or costs incurred) through its adopted pension administration strategy.

10.0 Equalities implications

- 10.1 The report contains no direct equalities implications.

11.0 All other implications

- 11.1 This report contains no other direct implications.

12.0 Schedule of background papers

- 12.1 None.

13.0 Schedule of appendices

- 13.1 Appendix A: Events attended and associated feedback Jan – March 2021
- 13.2 Appendix B: 2021 Pensioner Newsletter
- 13.3 Appendix C: 2021 Pensions Administration Strategy
- 13.4 Appendix D: 2021 Employer Engagement Roadmap