

Teesside Pension Fund

Communication Strategy

Administering the Local Government Pension Scheme

2017

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INTRODUCTION AND BACKGROUND

This is the Statement outlining our Pension Communication Strategy for the Teesside Pension Fund (“the Fund”) and has been developed following consultation with employers in the Fund, scheme member representatives, Pension Board members and other interested stakeholders.

The aim of this Communication Strategy is to ensure that scheme members appreciate the benefits of the scheme and all stakeholders are kept informed of developments within the Pension Fund, and effective communications will also help to maintain the efficient running of the Scheme.

Middlesbrough Council (the “administering authority”) is responsible for the local administration of the Fund, which is part of the Local Government Pension Scheme (“the LGPS”). Operationally, the administration of the Fund is partly outsourced to a third party administrator (currently Kier), and partly carried out by Council staff. The third party administrator's staff and Council staff work together to provide a seamless service to scheme employers and members, and as such effective communication between the two organisations is vitally important.

It is for that reason that references to responsibilities of the Administering Authority in this document are generally not separated out between the Council and administrator.

REGULATORY BASIS

The LGPS is a statutory scheme, established by an Act of Parliament. Regulation 61 of the Local Government Pension Scheme Regulations 2013, reproduced below, provides the conditions and regulatory guidance surrounding the production and implementation of Communications Strategies:

Statements of policy concerning communications with members and Scheme employers

61. (1) *An administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with —*

- a) members;*
- b) representatives of members;*
- c) prospective members; and*
- d) Scheme employers.*

(2) *In particular the statement must set out its policy on —*

- a) the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;*
- b) the format, frequency and method of distributing such information or publicity; and*
- c) the promotion of the Scheme to prospective members and their employers.*

(3) *The statement must be revised and published by the administering authority following a material change in their policy on any of the matters referred to in paragraph (2).*

This statement has been developed to include the information required by those provisions and to describe our approach in relation to meeting these requirements in the delivery of communications.

WHO WE COMMUNICATE WITH

Middlesbrough Council recognises that there are several distinct stakeholder groups, such as;

- Scheme Members (active, deferred, pensioner and dependant members) and prospective Scheme Members
- Scheme Employers and prospective Scheme Employers
- Pension Fund Committee and Pension Board members
- Pension Fund Staff
- Other interested organisations including Government Departments, Scheme Advisory Board and Advisors to the Pension Fund.

THE KEY OBJECTIVES

This Communications Strategy has a number of specific objectives relating to how we communicate with our stakeholders, as follows;

- Promote the Scheme as a valuable benefit and provide sufficient information to educate members to help them to make informed decisions about their benefits.
- Communicate in a clear, concise manner.
- Ensure we use the most appropriate means of communication, taking into account the different needs of different stakeholders.
- Look for efficiencies in delivering communications, including through greater use of technology and partnership working, with the view that digital communications is the preferred long term communications solution.
- Regularly evaluate the effectiveness of communications and shape future communications appropriately.

Effective communication methods are essential if the Fund wishes to ensure that correct information reaches as many people as possible and remains at the forefront of industry best practice.

METHODS OF COMMUNICATION

Effective communication reminds, or alerts, employees to the value of the LGPS which negates misleading media information and aids recruitment, retention and the motivation of the workforce.

COMMUNICATING WITH SCHEME MEMBERS

It is essential that scheme members (which includes their representatives and prospective members) are provided with detailed information regarding the scheme and their own benefits held within. This is so that the member can make an informed choice in respect of their own pension benefits.

We will provide:

SCHEME LITERATURE

The Scheme booklets are the main reference points for most scheme members. The Pensions Unit offers members both a short guide to the Pension Fund and more detailed guide. These guides are available on the member's website, from the member's employer or direct from the Pensions Unit.

As a complement to the scheme guide, the Pensions Unit offers 'A Guide to ...'. These guides give members greater detail on a series of individual pension topics. e.g. 'A Guide to Divorce' an 'A Guide to the Local Government Internal Dispute Procedure'. These are available via the members' website (described below).

WEBSITE

The Pensions Unit has a website for its members (www.teespen.org.uk). The site holds details of the scheme for all types of member. The site is reviewed on a regular basis and updated with all new legislation. The site is a portal to other pension related sites and also to each member's individual record (available via password).

More detailed information on the scheme can also be obtained at <http://www.lgpsregs.org/>

MEMBER SUPPORT

The Pensions Unit has a dedicated telephone number for general pension enquiries – 01642 727777. The number is staffed from 8.30 to 17.00, Monday to Thursday and 8.30 to 16.30 Friday.

The Pensions Unit can also be contacted via a dedicated email address – pensionsunit@kier.co.uk.

We also offer member presentations, giving an overview to the Local Government Pension Scheme. These sessions can be booked by employers and used as part of staff induction programs or general information sessions.

As employers recognise pensions as a high profile area, a number of them have begun to work with the Pensions Unit in order to include pension information in their own pre-retirement seminars. The information provided to attendees includes details on the retirement process (from the Pensions Unit's perspective) and gives members the opportunity to ask any questions relating to their final benefit package.

MEMBER SELF-SERVICE

Members are able to access their own details on the pension administration system; check details, produce estimates, access annual benefit statements and inform the Pensions Unit of their change of address.

Pensioner members are able to access payslip and P60 details.

Members request access to the site via the Pensions Unit, where they will be provided with logon details.

BENEFIT STATEMENTS

Each year all our current (i.e. active members) and deferred members are sent an annual benefit statement. The statements are sent directly to their home address, where known. Issuance of benefit statements for active members is reliant upon receipt of relevant, accurate, year-end data from the member's employer.

PAY ADVICE SLIPS / P60'S

Pay advice slips are provided to members where there is a change of more than £1 in their monthly pension payment.

P60's are generally issued as part of the April payroll process, but will be provided by any statutory deadline.

NEWSLETTERS

The Pensions Unit produces newsletters to both active members and pensioner members twice a year; "Outlook" is distributed to all active members of the Teesside Pension Fund and "AtEase" to our pensioner members.

The newsletters are produced in partnership with publishing company 'Evolve' and other local authorities. They contain articles which are relevant to the majority of readers. Due to the newsletter being posted to each individual, it gives an opportunity to include additional inserts, new regulations for example, and keep down the cost of postage. Regular features of the newsletter include legal, financial and health issues as well as pension articles.

NOTICE BOARDS

Staff Notice Boards are located throughout most offices. They can be utilised to display matters relating to pensions as and when required.

PENSION MEETINGS

Currently there are no meetings specifically for scheme members however presentations are available via employer request.

PENSIONS TAXATION CORRESPONDENCE

Where appropriate, letters are distributed to all higher earning members, explaining changes to taxation rules and how this may affect their pension savings. This allows members to plan any action they may wish to take to void or minimise having pension savings in excess of the Annual and Lifetime Allowances.

Where a member exceeds the Annual Allowance a Pensions Savings Statement is issued advising them of the breach and what they now need to consider.

REPORT AND ACCOUNTS

The Report and Accounts are produced each year in compliance with 'Financial Reports of Pension Schemes – A Statement of Recommended Practice (Revised November 2002)'. A copy of the Report and Accounts is available on

the member's website and a popular report is published in 'Outlook' and 'AtEase'.

INDUCTION PROGRAMS

The Pensions Unit offers member presentations, giving an overview of the Local Government Pension Scheme. These sessions can be booked by employers and used as part of staff induction programs or general staff information sessions.

COMMUNICATING WITH EMPLOYING AUTHORITIES

Effective communication between an administering authority and its Fund employers reduces errors, improves efficiency and leads to good working relationships.

To assist employers participating in the Local Government Pension Scheme (LGPS) either as a scheduled body, designated body, or an admitted body the Pensions Unit have built up a range of communication materials that are aimed at increasing their understanding of pensions and helping them to fulfil their responsibilities as scheme employers. By providing this support, we are able to provide a better service to the member.

We will continue to provide:

EMPLOYER WEBSITE

The Pension Fund has developed and maintained an employer website (www.employers.teespen.org.uk).

This is used to distribute detailed information on procedures to employers and holds several resources such as the employer's handbook, blank pension forms and links to Circulars and Bulletins. Employers have been asked to download pension forms on an 'as and when required' basis so that they use up-to-date documentation.

E-MAIL

Information which needs to be relayed to employers is sent via email and also posted on the employer's website. We will send to employers (on an as and when basis) an electronic newsletter, [eFundamentals](#); which gives details of legislative changes, policy updates, process changes and any other information which we think will be of use to employers and aid them in working with us to provide effective administration services to the Teesside pension Fund and members.

SCHEME LITERATURE

Specific documentation will be provided to each employer, explaining precisely the statutory requirements required from both employer and scheme administrator which allow the Pension Unit to process work correctly and on time. Each employer will be expected to agree to the requirements that this document places on them.

An electronic version of the employer's handbook is issued to all scheme employers on admission into the scheme and an updated version is always available on the employer's website. The handbook is a key resource for employers as it gives details into the background of the Fund, all procedures that must be followed together with examples of policies etc.

EMPLOYER TRAINING

The Pensions Unit provides a wide range of training to all scheme employers. Training ranges from initial support on joining the scheme (policies, employer discretions, contributions) to pension forms, training, and payroll training.

EMPLOYER MEETINGS

Employing Authorities are given access to a dedicated 'Client Liaison Team', this team provides essential support on all pensions' issues. These meetings are an integral part of the communication strategy as they are often the first opportunity that employers have to voice any concerns they have and receive updates on changes to legislation or policy.

REPORT AND ACCOUNTS

The Report and Accounts are produced each year in compliance with 'Financial Reports of Pension Schemes – A Statement of Recommended Practice (Revised November 2002)'. A copy of the Report and Accounts is sent to all employing authorities and is also available on the employers website

VALUATION REPORT

Every three years our actuary assesses the solvency of the scheme and measures the level of assets compared to liabilities. The results of this valuation are reported to all employing authorities and are available to any interested party upon request.

COMMUNICATING WITH PENSION FUND COMMITTEE AND PENSION BOARD

Effective communication ensures that Pension Fund Committee and Pension Board members are appropriately knowledgeable and able to act in the best interests of the Fund and its members.

MEETINGS WITH PENSION FUND COMMITTEE

The Pension Fund Committee Panel meets quarterly and decides on policy matters relating to the Pension Fund. Senior managers from the Pensions Unit attend all panel meetings.

Members are provided with regular reporting on all areas relevant to pensions, including investment, funding, audit, governance, administration and risk. This is communicated in a variety of formats including via the external website, the intranet, the annual report and accounts, through committee meetings and through regular training in line with the Fund's training policy. The majority of reports provided to Pension Fund Committee, together with the meeting minutes, are available on the Council's website

(<http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/users/public/admin/kab71.pl?cmte=TPF>).

MEETINGS WITH PENSION BOARD

The Pension Board meets quarterly and assists the Scheme Manager to ensure that they are fulfilling their statutory duties. Senior managers from the Pensions Unit attend all Pension Board meetings.

The majority of reports provided to Pension Board members, together with the meeting minutes, are available on the Council's website (<http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/users/public/admin/kab71.pl?cmte=TPB>).

COMMUNICATING WITH PENSIONS UNIT STAFF

As the pensions industry is ever changing, it is vital that the Pensions Unit staff are informed of all changes. By providing the necessary resources and information, the Pensions Unit staff are able to offer a high level of service to members and their employers.

We will continue to provide:

INTERNET ACCESS

All staff have internet access, allowing access to a wider range of Pension information including the Local Government Pensions Committee, Department of Communities and Local Government, and Government Actuary's Department websites.

E-MAIL

All unit staff hold an email account through which inter-office memos and notifications are distributed. Emails are also used to communicate directly to members and employing authorities.

EMPLOYER DATABASE

The Pensions Unit has developed a database which holds details of key contacts within all Employing Authorities.

ELECTRONIC DOCUMENT MANAGEMENT

The Pensions Unit uses an Electronic Data Management System. This has proved an effective time saving device, as now all documentation can be accessed via the computer screen. All post received into the unit is now scanned directly to the members record and linked to a Data Management System which allows post to be tracked throughout the system.

MEETINGS

Each specific area within the Pensions Unit, as highlighted in the organizational structure, hold regular meetings (both formal and informal). The meetings are used to determine any problematic areas and to update staff with important information. All meetings are structured. Formal meetings have an agenda, onto which items for discussion can be added by any member of staff

and are minuted. The minutes are held electronically within team specific folders within the Pension Units computer drives. Informal meetings do not necessarily have an agenda or minutes taken however general notes are taken, action points progressed, and feedback given to staff.

AVAILABILITY OF MINUTES / NOTES OF MEETINGS

The approved minutes from all formal meetings are available to view by the Pensions Unit.

INDUCTION AND TRAINING

All new members of staff undergo an induction procedure to acquaint them with the operational running of the Pension Fund.

Subsequently, all pension staff also receive both in-house and, where necessary, external training to enable them to administer the scheme effectively, answer member queries, offer a good customer service and also to assist in their personal development.

APPRAISAL AND ASSESSMENT

Staff at all levels in the Pension Team have annual assessments, with a mid-year review, during which there are open discussions of work issues and areas for development. This dialogue is supplemented by regular one-to-one meetings within team structures.

STAFF SATISFACTION SURVEY

Kier undertakes an annual satisfaction survey, which allows all staff to comment on any issues that they feel need investigating.

COMMUNICATING WITH PENSION FUND INVESTMENT MANAGERS, ADVISERS AND ACTUARIES

ADVISERS

Throughout the year, the management team attends a number of meetings with pension advisers (actuaries, investment managers, solicitors, etc.) in order to obtain updates relating to the Fund.

COMMUNICATING WITH OTHER BODIES

There are a number of other interested parties with whom we communicate as required, including:

THE DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT (DCLG)

We have regular contact with DCLG as Responsible Authority of the LGPS, participating and responding to consultations as required.

SCHEME ADVISORY BOARD

The national Scheme Advisory Board was established following the Public Services Pensions Act 2013 to provide advice to administering authorities and local pension boards in relation to the effective and efficient administration

and management of the Scheme and their funds. We therefore liaise with the Scheme Advisory Board as appropriate.

THE PENSIONS REGULATOR

The Pensions Regulator's remit has been extended to the Public Sector as a result of the Public Services Pensions Act 2013. We therefore liaise with the Regulator as required, and ensure that the Middlesbrough Council Fund is compliant with the Pensions Regulator's Code of Practice.

TRADE UNIONS

We work with relevant trade unions to ensure the Scheme is understood by all interested parties. Efforts are made to ensure all pension related issues are communicated effectively with the trade unions. The trade unions are currently represented on the Pension Fund Committee and Pension Board.

EMPLOYER REPRESENTATIVES

We work with relevant employer representative bodies to ensure that the Fund's views are represented to employer groups. Employers are represented on the Pension Fund Committee and Pension Board.

BORDERS TO COAST PENSION PARTNERSHIP LTD

Further details to follow once Border to Coast Pension Partnership Ltd is operational and a working relationship is agreed.

PENSION FUND CUSTODIAN

The Fund's Custodian ensures the safekeeping of the Funds investment transactions and all related share certificates.

AVC PROVIDER

Additional Voluntary Contributions (AVC) are a way for members to top up their pension benefits, and in some instances provide tax free lump sum depending on the policy, and are held and invested separately from the LGPS. The Fund's preferred AVC provider is Prudential Assurance Co Ltd, though this is regularly reviewed.

PENSIONS AND LIFETIME SAVINGS ASSOCIATION (PLSA)

The Fund is a member of PLSA (formerly NAPF), which provides an opportunity for administering authorities to discuss issues of common interest and share best practice.

LOCAL AUTHORITY PENSION FUND FORUM (LAPFF)

The Fund is a member of LAPFF which was established to help local authority funds share information and ideas about socially responsible investing.

REGIONAL/NATIONAL FORUMS

The Local Pension Officers Group takes place quarterly. It is an opportunity for the Pensions Managers and other Pension Officers from administering

authorities in the region to share information and ensure uniform interpretation of the Local Government Pension Scheme, and other prevailing regulations.

Kier, as administrators for scheme, regularly attend the North of England Pension Officers Forum (NEPOF), the Local Government Technical Group, and the Prudential User Group. These forums all meet quarterly.

REQUESTS FOR INFORMATION (FOI)

Requests for information either under the Freedom of Information Act or otherwise, will be dealt with as openly and swiftly as allowed providing that such information does not breach confidentiality.

CONSULTATIONS

There are occasions when the administering authority will consult with interested parties either as a result of potential changes to the regulations governing the LGPS or specific policy changes relating to the Fund. In these instances, the most effective way of communicating with interested parties is to hold a period of consultation, during which, they are given the opportunity to respond to specific changes. Interested parties and representative groups will be approached to provide feedback to the policy changes before amendments are enacted.

PROSPECTIVE EMPLOYING AUTHORITIES

The Pensions Unit is committed to giving a high level of support to all Employing Authorities from the date that we are informed of a potential application for scheme membership. Kier provides detailed information relating to admission of the scheme. This information can be used by potential applicants so that they have a clear understanding of the application process. The unit also offers support to prospective Employing Authorities by acting as liaison between actuaries and solicitors throughout the application process.

MONITORING AND REPORTING

We will monitor success against our communication objectives in the following ways:

| Objectives | Measurement |
|---|--|
| Promote the Scheme as a valuable benefit and provide sufficient information to educate members so that they can make informed decisions about their benefits. | Annual satisfaction surveys with scheme members achieving 90% of scores in positive responses in these areas. |
| Communicate in a clear, concise manner. | Annual satisfaction surveys with employers and scheme members achieving 90% of scores in positive responses in these areas |

| Objectives | Measurement |
|--|---|
| Ensure we use the most appropriate means of communication, taking into account the different needs of different stakeholders. | Annual satisfaction surveys with employers and scheme members achieving 90% of scores in positive responses in these areas |
| Look for efficiencies in delivering communications, including through greater use of technology and partnership working, with the view that digital communications is the preferred long term communications solution. | Evidence of technology solutions available and them being considered Evidence of utilising partnership opportunities relating to communications with other LGPS Funds with similar values and approaches |
| Regularly evaluate the effectiveness of communications and shape future communications appropriately. | Satisfaction survey is undertaken annually (as a minimum) Results from satisfaction survey are thoroughly analysed and investigated, and trends monitored from previous years Detailed analysis of survey results is used to identify areas to improve communications in future |

An overview of our performance against these objectives will be reported within the Fund's annual report and accounts and also reported on an ongoing basis to the Pension Fund Committee and Pension Board.

Where performance is substantially below standard (whether by a large margin for a short period of time or a small margin for a longer period of time) the administering authority will formulate an improvement plan. This will be reported to the Pension Fund Committee and Pension Board together with an ongoing update on achievement against the improvement plan.

KEY RISKS

The key risks to the delivery of this Strategy and its objectives are outlined below. The Middlesbrough Council Head of Investments and Treasury Management, Kier Pension Manager and other officers will work with the Pension Fund Committee and the Pension Board in monitoring these and other key risks and considering how to respond to them.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and also staff absence due to sickness
- Significant increase in the number of employing bodies
- Significant external factors, such as national change

- Issues in production of annual benefits statements, e.g. wrong address and printing errors due to external supplier
- Issuing incorrect or inaccurate communications
- Failure to maintain employer database leading to information not being sent to correct person
- Lack of clear communication to employers, scheme members and pensioners

APPROVAL AND REVIEW

This Strategy Statement was approved on xxxxxx by the Teesside Pensions Fund Committee. It is effective from xxxxx.

It will be formally reviewed and updated at least every three years or sooner if the communication management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

In preparing this Strategy we have consulted with the relevant employers, the scheme member and employer representatives on the Teesside Pension Board and other persons considered appropriate.

This Strategy Statement will be included within the Fund's Annual Report and Accounts and available on our website at <http://www.teespen.org.uk>

FURTHER INFORMATION

Any enquiries in relation to the day to day communications with scheme members and employers of the Fund should be sent to:

Mr Mike Hopwood
Pensions Manager
Kier
Kier Pensions Unit
PO Box 340
Middlesbrough
TS1 2XP

E-Mail: pensionsunit@kier.co.uk
Telephone: 01642 727777

Any other enquiries in relation the Fund's communications or the principles or content of this Strategy should be sent to:

Paul Campbell,
Middlesbrough Council,
Head of Investments & Treasury Management
Middlesbrough Town Hall,
Albert Road,
Middlesbrough,
TS1 2QJ

E-mail: Paul_Campbell@middlesbrough.gov.uk
Telephone: 01642 7290244

OVERVIEW OF COMMUNICATIONS

| Communication Document | When Published | Available to | Format | Compliant with Disclosure of Information Regulations | When reviewed |
|---|---|---|---------------------------------------|--|-----------------------|
| Teesside Pension Fund Guide | Upon commencing employment / when requested | Perspective / Active / Deferred members | Member's Website / Paper if requested | Yes | As regulations change |
| A Short Guide to the LGPS | Upon commencing employment / when requested | Perspective / Active / Deferred members | Paper / Member's Website | Yes | As regulations change |
| A Guide to Reemployment After Retirement | When requested | Active / Pensioner members | Paper / Member's Website | Yes | As regulations change |
| A Guide to Pensions and Divorce | When requested | Active / Deferred / Pensioner members | Paper / Member's Website | Yes | As regulations change |
| A Guide to Changing Your Working Arrangements | When requested | Active Members | Paper / Member's Website | Yes | As regulations change |
| A Guide to Protecting Your Benefits | When requested | Active Members | Paper / Member's Website | Yes | As regulations change |
| Benefit Statements | Annually | Active / Deferred members | Paper | Yes | Annually |

| Communication Document | When Published | Available to | Format | Compliant with Disclosure of Information Regulations | When reviewed |
|------------------------|--|----------------------------|---|--|---------------|
| Pay Advice Slips | Monthly 'on-line' Full payroll run at PI date if there is a £1 change in pension | Pensioner Members | Paper / Member Self Service | Yes | Annually |
| P60's | Annually | Pensioner Members | Paper / Member Self Service | Yes | Annually |
| Newsletters | Biannually | Active / Pensioner Members | Paper / Member's Website / Employer's Website | N/A | Biannually |
| Employer First | On becoming an employing authority | Employing Authorities | Paper | N/A | Annually |
| eFundamentals | When Required | Employing Authorities | Paper / Employer's Website | N/A | When Required |
| Report and Accounts | Annually | All | Paper / Employer's Website / Member's Website | Yes | Annually |

| Communication Document | When Published | Available to | Format | Compliant with Disclosure of Information Regulations | When reviewed |
|------------------------|----------------|-----------------------|---------------------------|--|---------------|
| Valuation Report | Tri-annually | Employing Authorities | Paper / Employers Website | Yes | Tri-annually |