



meeting	PENSIONS ADMINISTRATION SUB COMMITTEE	
date	24th OCTOBER 2005	agenda item number

REPORT OF THE DIRECTOR OF RESOURCES

COMMUNICATIONS STRATEGY

1. Purpose

- 1.1 To inform the Pensions Administration Sub-Committee of the Communications Strategy, which is being developed by the Pensions Manager of the Nottinghamshire Pensions Office.

2. Background

- 2.1 The Local Government Pension Scheme is one of the most important benefits that the Employer offers, and the giving of information and its feedback can only enhance the Pension Scheme. An effective communications strategy is therefore vital for an organisation like ours which strives to provide a high quality and consistent service to its customers.
- 2.2 The Pension Manager gave a presentation on the Communications Strategy at the Pensions Annual Meeting on Friday 7 October, in which he outlined various proposals.
- 2.3 There are six distinct groups with whom the Pensions Office needs to communicate with:
- a) Trustees
 - b) Scheme Members
 - c) Prospective Scheme Members
 - d) Scheme Employers
 - e) Administration Staff
 - f) Other Bodies

3. Strategy

- 3.1 This report intends to consult the Committee about the potential and the scope of communications. The report sets out the mechanisms which are to be used to meet those communication needs. The Pensions Office would use the most appropriate communication medium for the

audiences receiving the information. This may involve using more than one method of communication.

Trustees

3.2 The Pensions Office would aim to develop a micro site on the County Council Intranet to contain relevant information for Trustees with regard to training and the roles of the trustees. The development of knowledge and training can be provided by Officers under investment and administration matters, and supplemented by attendance at relevant external training sessions, conferences, and seminars. The role of the Trustees can be supplemented through the Pensions Committee, Investment Committee, and the Pensions Administration Sub Committee, at which specific advice can be provided by Officers. All the respective Committees will be provided with information and reports on all relevant pension matters, and where approval and leadership on issues is required.

3.3 It is worth noting the ten investment principles as set out in the Myner's report in relation to the role of Trustees and Fund Management. The principles are as set out below:

- a) Effective Decision Making
- b) Clear Objectives
- c) Focus On Asset Allocation
- d) Expert Advice
- e) Explicit Manager Mandates
- f) Activism
- g) Appropriate Benchmarks
- h) Performance Measurement
- i) Transparency
- j) Regular Reporting

The Pension Fund already complies with most parts of the principles, and the extent of compliance is disclosed in the Statement of Investment Principles. There is currently a Government Treasury Working Party which is looking to assess the extent of compliance by Pension Funds generally, and it is already apparent that Public Sector Schemes are doing better than Private Sector Schemes. Nevertheless, the Working Party is likely to re-emphasise the importance of Trustees having 'familiarity' with investment matters.

Scheme Members

3.4 The Pensions Office would aim to develop an extensive internet website containing scheme details, scheme leaflets, etc. There would be links to other organisations relevant to scheme members, e.g. Employers, AVC Providers, Employers' Organisations, etc.

3.5 There would be more specific and frequent publications. There would be separate publications of the Nest Egg for Active Members and Pensioners, which would target specific issues related to their needs. The communications with Pensioners needs to be developed in the context of

informing on pertinent issues, such as Health, Finances, etc. We would consider upon request attending various Pensioner forums or meetings to inform on issues or answer questions relating to the LGPS. At the Pensions Annual Meeting on 7 October a request was received to hold a meeting for Pensioners. It would be useful if the Committee could comment on this prior to any arrangements being set up as there would be cost implications.

- 3.6 The Pensions Office intends to send Benefit Illustrations in November/December 2005 to all members contributing to the Scheme at the previous financial year end (2004/05). There is development work underway to improve upon the timing of the despatch of such illustrations, so that members receive the statements soon after the end of the previous year end.
- 3.6 An extensive range of scheme literature is produced by the Pensions Office and is supplied to employing bodies and Scheme Members directly. Copies of the scheme literature will form part of the website.
- 3.7 The Pensions Office continues to issue periodic pay advices to scheme pensioners. This can be utilised as a communication mechanism, as messages can be included on the advice, e.g. to reinforce the needs for pensioners to ensure that in the event of their demise or change of address that service is notified promptly.
- 3.8 The Pensions Office utilises both surface and e-mail to receive and send correspondence.
- 3.9 A dedicated telephone help line has been established and is widely publicised in scheme literature.
- 3.10 The Pensions Office would aim to provide more frequently Pensions Roadshows around the County, whilst satellite Roadshows and surgeries have taken place at special events, i.e. National Customer Week at County Hall on 3 and 5 October 2005.
- 3.11 There would be other miscellaneous actions taken for Scheme Members, such as Customer Satisfaction Surveys, Specific Customer Complaints and Commendations, and the tracking and contacting of Deferred Beneficiaries.

Prospective Scheme Members

- 3.12 As part of the Government's aim to encourage the public to save for the future, the Pensions Office would aim to target prospective members. This will be done by ensuring that all new appointees receive the scheme booklet. There would be specific information on the website for non-joiners and with data from Employers would focus on specific groups to market the scheme, e.g. by messages on payslips.
- 3.13 Staff from the Pensions Office would attend induction courses for new recruits to inform of the scheme and the benefits the LGPS offers. We would utilise the Pension Roadshows to, and in partnership with the

Department of Works & Pensions and AVC Providers, target specific non-members to provide a more informed choice.

- 3.14 The Pensions Office would work with the Trade Unions to ensure that the scheme is understood, and that all related pension issues are communicated effectively through the Unions.

Scheme Employers

- 3.15 The Pensions Office aims to work in partnership with Scheme Employers to assist them in the application of the scheme. It is intended to establish a frequent 'dialogue meeting' with District Councils and other group Employers to pass information, and identify and resolve cases. A 'Technical Newsletter' would be developed to communicate issues under current debate and any changes on Employer functions.
- 3.16 We currently have an Employer's Guide through which they are informed of administration responsibilities. An Internet site would be developed for manuals and scheme literature to be available for Employers.
- 3.17 It is intended that Employer Forums would be established to facilitate discussion with small employers and subsequently improve communication. Staff from the Pensions Office attend Pre-Retirement Courses at District Councils to inform retiring members of specific retirement issues.
- 3.18 The Pensions Office uses the 'Axis' database to hold member records. It is intended to achieve greater web compatibility and the transmission of data electronically. Furthermore, we intend to develop systems so that major Employers have access through the internet to pension records of employees together with a calculation suite, for the provision of estimates direct to employees.

Administration Staff

- 3.19 In order to facilitate the strategy, we are undertaking a review of the Pension Office's organisational structure, so that in future we would have staff dedicated to undertake the requirements outlined. The Pensions Office currently ensures that all new staff receive robust induction and training, so that they are able to undertake their duties and responsibilities effectively. The Pensions Office has respective Team Meetings and Management Team Meetings to discuss all issues ranging from planning to communications. It is intended to establish an Issues Meeting which will require a cross section of staff from the Pensions Office to discuss issues and concerns.
- 3.20 There is currently an Intranet site for the administration staff called 'Documents on Line', which needs to be further developed. A Review Group would also be established to review on a periodic basis the Pensions Office's work practices and process, including communications.

Other Bodies

- 3.21 The Trade Unions are a valuable organisation for the Pensions Office to ensure that the details of the LGPS's availability are brought to their members' attention. The management of the Pensions Office regularly attend various national and regional forums to share issues of common interest and develop and establish best practice, i.e. the National Information Forum, and the East Midlands Pensions Officer Group. The Pension Manager attends the annual Pension Managers conference in Torquay to discuss various common and pertinent issues. The meeting of the Additional Voluntary Contribution Providers are also attended on a regular basis to discuss various issues, and to, as required, circulate information to scheme members.
- 3.22 The Pensions Office is a member of the Pensions Benchmarking Club which is run by the Institute of Public Finance. We provide information on membership numbers and administration costs and subsequently benchmark our costs and service with all members and specified members of the Club.
- 3.23 Staff from the Pensions Office undertakes visits to Comparator Administering Authorities to learn and share new practices and systems, and to facilitate new ideas and solutions which have a common goal.

4. Recommendation

- 4.1 That the Public Administration Sub-Committee notes the contents of the strategy and provides feedback and comment. Upon finalisation of the strategy and a review of the organisational structure of the Pensions Office, fully costed proposals will be developed and brought for the Committee's consideration.

A DEAKIN Director of Resources

Personnel Implications

None.

Equal Opportunities Implications

None.

Crime and Disorder Implications

None.