

# Communication Policy Development

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## REASON FOR ITEM

LGPS Pension Funds are required under the LGPS Regulations to devise and maintain a Communication Policy. Hillingdon's Policy was last updated in 2014 and with the change of Fund Administrator it is now timely to do so. The Fund's current policy is attached for information. With the introduction of Pension Boards and their role in the governance of the fund, this initial report is designed to support an initial discussion on the content of such a policy, to enable officers to draft an updated policy for consideration at the next meeting.

## RECOMMENDATION

**That the Board considers the format and content of a Communication Policy; to agree the key objective(s) of the communication policy; and direct officers on other drafting amendments.**

## INFORMATION

Regulation 61 of the Local Government Pension Scheme Regulations 2013, states:

### ***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.*

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These regulations are relatively vague and do not provide much guidance on how to develop a communication strategy. This report is written to support a discussion by Pension Board on how the current Communications Policy could be improved and updated. As a minimum the content should include:

- Key objectives;
- Communication methodology;
- How we communicate with scheme members - active, deferred and pensioner; with prospective scheme members; with employers participating in the Fund; with Elected members; and with other bodies;
- Statement of lines of communication within the Fund;
- Link to Administration Strategy to identify how performance of communications is measured and monitored;
- Oversight of compliance and quality of communications;
- Publications;
- Data protection statement.

While some of this information is included in the current policy, the most obvious omission is the key objective, or objectives of the policy and Board are asked to agree a form of words for the objective.

The current policy has too great a focus on the possible interest of the stakeholders, with very little content on methods of communication and the communication process and what members can expect. In addition, reference to Capita needs to be removed and the lines of communication with Surrey included.

As part of the work to develop a new draft policy, Officers will review best practice across the LGPS universe and use this intelligence in updating the document.

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## Communication Policy Statement

### THE LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013

**Issued by: Pension Section, Finance Department**

**Authorised by: Pensions Committee March 2014**

Under the terms of regulation 61 of the above regulations, which came into force on 1<sup>st</sup> April 2014, the Council must publish a statement of policy concerning communications with members and Scheme employers.

This Communications Policy Statement concerns communications with scheme members, representatives of members, prospective members and Scheme employers. It details:

- a) the provision of information and publicity about the Scheme
- b) the format, frequency and method of distributing such information or publicity, and
- c) the promotion of the scheme to prospective members and their employing authority

There are a number of stakeholders that have an interest in the affairs of the Fund and these may be summarised as follows:- <b>Stakeholder</b>	<b>Primary Interests</b>
<b>London Borough of Hillingdon as Administering Authority</b>  <b>Capita Employee Benefits as Scheme Administrators</b>	<ul style="list-style-type: none"> <li>• administration of the scheme in accordance with the regulations</li> <li>• cost of scheme</li> <li>• stability of cost of scheme</li> <li>• fiduciary duty to other stakeholders whom it must treat equally</li> <li>• investment strategy</li> </ul>
<b>Scheduled Employers:</b>  Academies within the London Borough of Hillingdon Uxbridge College London Housing Consortium	<ul style="list-style-type: none"> <li>• cost of scheme</li> <li>• stability of cost of scheme</li> <li>• investment strategy</li> <li>• production of FRS17/IAS19 Reports</li> </ul>
<b>Admission Employer Bodies:</b>  Hillingdon & Ealing Citizens Advice Heathrow Travel Care MITIE FM Stag Security Genuine Dining Greenwich Leisure	<ul style="list-style-type: none"> <li>• affordability of scheme</li> <li>• stability of cost of scheme</li> <li>• investment strategy</li> <li>• production of FRS17/IAS Reports</li> </ul>

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<p><b>Active Members:</b></p> <p>London Borough of Hillingdon Pension Fund Scheduled and Admitted bodies, who have elected to join the scheme</p>	<ul style="list-style-type: none"> <li>• solvency of scheme</li> <li>• ability to pay pensions at distant future date</li> <li>• implications of rising costs for benefits and contributions</li> </ul>
<p>All literature and communications sent to Scheme members will be branded with the Capita Employee Benefit Logo</p>	
<p><b>Deferred Members</b></p>	<ul style="list-style-type: none"> <li>• solvency of scheme</li> <li>• ability to pay pensions at distant future date</li> </ul>
<p><b>Pensioners</b></p>	<ul style="list-style-type: none"> <li>• ability to pay pensions now</li> <li>• security of pensions liability</li> </ul>
<p><b>Prospective Members</b></p>	<ul style="list-style-type: none"> <li>• benefits</li> <li>• solvency of scheme</li> <li>• ability to pay pensions at distant future date</li> </ul>
<p><b>Local Taxpayers</b></p>	<ul style="list-style-type: none"> <li>• rising impact on Council Tax and services</li> <li>• returns on scheme [as a cost mitigating factor]</li> <li>• funding level (i.e. unfunded liabilities)</li> </ul>
<p><b>Government</b></p>	<ul style="list-style-type: none"> <li>• stability of cost of scheme</li> <li>• avoidance of political issues arising</li> <li>• good governance</li> <li>• consistency of administration</li> <li>• funding level (i.e. unfunded liabilities)</li> </ul>

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In addition there are a number of other stakeholders with whom we communicate on a regular basis, such as Her Majesty's Revenue and Customs, Communities & Local Government, Department of Works and Pensions, Pensions Advisory Service, Solicitors, actuaries and other pension providers.

1. **WEB SITES:** [www.hillingdon.gov.uk/central/pensions/index.php](http://www.hillingdon.gov.uk/central/pensions/index.php)
2. : [www.mylgpension.co.uk](http://www.mylgpension.co.uk)

The **web site** of the London Borough of Hillingdon Pension Fund is the main vehicle for publishing information in relation to the fund. All information relating to the Local Government Pension Scheme and to the Hillingdon Fund is available on the web site. As this site is part of Hillingdon Council's public web site it is available to all our stakeholders. Hard copies of any of the documents will be made available to any member, prospective member or employer on request. The web site is split into the following sections to make it easier to find the required: information.

#### **Fund Information:**

- Annual Report and Accounts
- Statement of Investment Principles
- Funding Strategy Statement
- Copies of all pension Fund Policies
- Details of Pension Committee meetings, reports and minutes
- Performance information of the fund's investments

#### **Member Information:**

- Joining Information
- Details of the Benefits available
- Scheme booklets
- Regulations
- Information on relevant topics – e.g. increasing contributions,
- Copies of all relevant forms
- Some frequently asked questions

#### **Latest News**

- This section highlights all the latest information available about the scheme

#### **Communications:**

- Newsletters
- Circulars
- Regulation Updates

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## **Useful Links:**

There are links to other related web sites – for example DWP, HMRC, The Pensions Regulator.

Capita Employee Benefits (CEB) also maintains a website providing general information regarding the LGPS. This website is for the use of the London Boroughs participation in the CEB London Framework. Work is in progress to allow individual Scheme members access to their own pension record via this website. Development of this access is planned for mid 2014.

## **2. OTHER METHODS OF COMMUNICATION**

The next section details the means by which CEB communicate directly with our key stakeholders and the frequency of such communications. Where information is sent to members it is posted to their home address.

### **Scheme Employers**

- Main contact with scheme employers is through operational contact.
- Currently, CEB write directly to all scheme employers to keep them informed of any changes. As the web site is developed, there will be more frequent use made of email and notifications of postings on the web site.
- CEB aim to commence an annual consultative meeting with employers, both as an information forum and as a means of direct consultation with our Scheme employers.

### **Active Members**

- CEB send annual benefits statements to our members following the end of the financial year, and plan to send these statements by August each year.
  - The Pensions Fund Annual Report will be available on request.
  - Each time there is a regulations change, which affects members benefits, updates are made to both web sites.
  - Updates to the web site are notified via 'Horizon', and CEB will also inform Scheme employers.

### **Pensioner Members**

- CEB is planning on allowing pensioner members access to their pension records via the web site. This will also maintain a record of each monthly pension payment for information. This enhancement is due to be in place by the end of 2014. A message is contained on pensioners March payslip to inform them of any annual percentage increase to pensions.

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- The Pensions Fund Annual Report will be available on request.

### **Deferred Members**

- CEB sends annual benefits statements to our deferred members following the end of the financial year. These statements will be sent by the end of June each year.
- The Pensions Fund Annual Report will be available on request.

### **Prospective Members**

A summarised version of the scheme and details of the available web sites are sent to all new members of staff along with an application form.

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