

Communications Working Group

AGREEMENTS AND ACTIONS

Tuesday 1 Dec 2020 10:30am - MS Teams meeting

1. Apologies and introductions

Present

Alastair Johnston (**AJo**) Durham Pension Fund
Amanda Jupp (**AJu**) Surrey Pension Fund
Ben Altoft (**BA**) Avon Pension Fund
Claire Hey (**CH**) LGA - observer
Guy Hayton (**GH**) Merseyside Pension Fund
Jacinta Wilmot (**JW**) Environment Agency
Jenny Gregory (**JG**) East Riding Pension Fund
Karen Brooker (**KB**) Kent Pension Fund
Karen Thomas (**KT**) Gwent (Torfaen) Pension Fund
Kath Meacock (**KM**) Flintshire Pension Fund
Leah Swane (**LS**) Shropshire Pension Fund
Lindsey Davison (**LD**) Tyne and Wear Pension Fund
Lorraine Bennett (**LB**) LGPC Secretariat
Mandy Judd (**MJ**) Hampshire Pension Fund
Martin Griffiths (**Chair**) Staffordshire Pension Fund
Matthew Allen (**vice-chair**) Cornwall Pension Fund
Pamela Bruce (**PB**) Lothian Pension Fund
Rachel Abbey (**RA**) LGPC Secretariat
Rebecca O'Shea (**RO**) Oxfordshire Pension Fund
Sharon Grimshaw (**SG**) Northamptonshire Pension Fund
Stuart Duncombe (**SD**) West Yorkshire Pension Fund
Zena Kee (**ZK**) NILGOSC

Apologies

Andy Hemming (**AH**) West Midlands Pension Fund
Becky Clough (**BC**) Shropshire Pension Fund
Mathew James (**MJa**) Dyfed Pension Fund

2. Subgroups

Digital engagement subgroup: Jenny Gregory, Becky O'Shea, Kath Meacock.

Transfer video subgroup: Andy Hemming, Jacinta Wilmot, Sharon Grimshaw, Rebecca Clough, Leah Swane.

Letter templates subgroup: Stuart Duncombe, Sharon Grimshaw, Ben Altoft, Karen Thomas.

Employer ill health briefing note subgroup: Stuart Duncombe, Guy Hayton, Mandy Judd (or another rep from Hampshire), Martin Griffiths.

McCloud subgroup: Martin Griffiths, Matthew Allen, Kath Meacock, Lindsey Davison and Amanda Jupp.

Exit payment reform employer subgroup: Matthew Allen, Guy Hayton, Jenny Gregory, Stuart Duncombe and Rebecca Clough.

Exit payment reform member subgroup: Martin Griffiths, Amanda Judd, Rebeca O'Shea (or Jenny Wylie), Jacinta Wilmot and Steve Jones.

3. Actions and agreements from last meeting held 29 September 2020

Your LGPS contacts system has been updated to allow funds to add an email address that should be used to send correspondence about interfunds securely. We have also added a facility to download a list of current interfund contacts for all administering authorities.

Torfaen have already analysed their data to establish what information is missing that will be required to implement the McCloud remedy. KT confirmed that they did not use a report to perform the analysis.

Action 1: (Carried over) LGA to change the APC application form so that it can be completed electronically.

Action 2: (Carried over) LGA to re-purpose the full guide as an administrator guide. This action is on hold but will be re-visited once more urgent priorities allow.

4. COVID-19

Incoming and outgoing post solution

The group continued the discussion about using resources from outside the pensions team to process incoming and outgoing post. No funds represented on the group have yet moved to an external supplier. SD has seen the offering from Adair which appears to be a comprehensive solution for incoming post.

PB confirmed that Lothian are participating in a county wide solution. Post room staff have read-only access to the pension administration system and can scan and allocate incoming post to the system.

5. Member website

General update

We have published an accessibility statement on the member website. LB will shortly start the procurement process for a new member website which will include a new logo. We aim to publish the invitation to tender document in December.

Action 3: LB to progress the procurement process for a new member website.

The member website is averaging around 50,000 users per month. The Public sector exit cap page is currently the fifth most visited page in the week ending 29 November.

The group discussed whether they added content to their own website that is available on the national member website, or just provided a link. Most funds link to the national member website rather than replicating the same content on their site. Providing links means that funds do not have as many pages to update when annual or other changes are made.

Post meeting update: administering authorities will need to review any links to the member website when the new member website is launched.

LB noted that the [McCloud FAQs for members](#) and the [COVID-19 FAQs for members](#) were both updated on 20 November 2020. Any funds that do replicate content from the national website on their own pages will need to review and update the FAQs.

Transfer out video

The original intention was for the video to cover all types of transfer out of the LGPS. The LGA and video subgroup felt it was more appropriate to cover transfers which carry the greatest risks, in terms of both the loss of guaranteed income and the possibility of falling victim to a scam. The video will therefore cover only transfers out to defined contribution (DC) schemes.

LB has sent a synopsis of the content to Landscape and is awaiting their response. The video will cover:

- the value of the guaranteed benefits in the LGPS
- what does a DC scheme provide, and what will you lose if you transfer?
- eligibility for a transfer
- making the right decision and taking appropriate independent advice
- a warning about scams.

ZK and JW asked for a copy of the finalised script so that they can produce versions that are specific to Northern Ireland and the Environment Agency respectively.

PB asked whether the video will apply to LGPS Scotland. Scottish funds have expressed their views on what the LGA should prioritise delivering for LGPS Scotland in a recent survey and at SPLG meetings. So far, Scottish funds have indicated that member videos are not a priority. LB confirmed that the videos could be adapted for use in Scotland. However, the videos refer viewers to the member website and so it may be appropriate to delay the production of Scottish versions until the website for members of LGPS Scotland has been launched.

Action 4: LGA to ask Scottish funds whether there is demand for member videos at the next SPLG meeting.

6. Digital engagement

Subgroup update on project progress

RA produced a draft version of the survey which the subgroup has commented on. Members of the group who represent administering authorities that are customers of different software suppliers also provided

feedback to ensure the survey wording was applicable to multiple platforms.

A revised version of the survey was sent to the subgroup on 1 December 2020. The latest version incorporates changes made to reflect comments made about the first draft and to simplify analysis of responses. Changes include:

- changing some questions to multiple choice instead of free text
- changing the order to improve the flow
- adding questions about what communications and programmes had been successful in increasing sign up rates.

Action 5: Subgroup to provide feedback on the latest version by 11 December 2020, with a view to publicising the survey in before Christmas.

7. Exit payment reforms

Update on latest position

LB provided an update. The exit payment cap is now in force, but the LGPS regulations have not yet been changed to accommodate the cap. The MHCLG consultation on changes to the LGPS and compensation regulations has now closed.

SAB will be commenting on the draft regulations before the deadline of 18 December 2020. We have identified a number of problems with the draft regulations. We believe that a significant amount of work is required to produce regulations that deliver the Government's policy. Any delay in changing the regulations will extend the current period of legal uncertainty concerning the rights of an LGPS member when the cost of an exit exceeds the cap.

We believe that a legal decision is needed to establish the rights of an LGPS member when they exit the scheme and exceed the exit payment cap. SAB has been in touch with the Pensions Ombudsman (TPO) to discuss the likelihood of a complaint about non-payment of an unreduced pension under regulation 30(7). TPO has indicated that he may consider making a determination on a lead case. Administering authorities would have to have regard to that decision when dealing with other members exiting under similar circumstances.

Various bodies have also launched four judicial reviews on the exit payment cap, or the exit payment cap and proposed MHCLG regulation amendments. We believe that the first hearings will occur in February 2021 at the earliest.

TPO cannot make a determination if legal proceedings have started. TPO will not be able to make a determination once the judicial reviews are under way.

Feedback on communications published

LGA has recently published guidance for employers, guidance for administering authorities and Q&As for members on the introduction of the exit payment cap.

The group gave positive feedback on the guides, particularly the guide for employers.

The group confirmed that the effect of exit payment cap and wider reforms have been confused. This has been exacerbated by some guides issued by third parties that demonstrated the effect of both reforms when only the cap was in force.

Some administering authorities reported that employers are still checking with them whether or not they are covered by the exit payment cap. LB reiterated that it is an employer responsibility to ensure that the cap is not breached. Although there are no sanctions on the administering authority if an employer breaches the cap, there is no harm in telling an employer to review their position if they consider that they are not covered by the cap and the administering authority takes a different view.

Members of the group posed questions about whether town councils and internal drainage boards are covered by the cap.

Action 6: LGA to check whether town councils or drainage boards are covered by the exit payment cap.

Post meeting update: Town Councils are not specifically named in the exit cap regulations or the MHCLG regulations. A Town Council is a Parish Council that has decided to call itself a Town Council. They are covered by both the exit cap and further reform.

We believe that employees of drainage boards participate in the LGPS by virtue of Schedule 2 Part 2 (2)(b) of the 2013 regulations. They are not

covered by either the exit payment cap regulations or the draft MHCLG regulations. MHCLG has confirmed their intention that only employers in scope of the exit payment cap will be affected by the wider exit payment reforms. The exclusion of drainage boards from the wider exit payment reforms is intentional.

Future communications

Further guidance or resources that we are expecting or we will be producing:

- MHCLG will be producing guidance on the waiver process for employers.
- We have approached Eversheds to draft wording that administering authorities can use when supplying estimates that include strain costs to employers. We know that some funds have stopped providing estimates to employers. We believe it would be appropriate to continue to supply estimates, with suitable warnings about the proposed changes and their effect on the entitlements of exiting members.
- We understand that there is still confusion about an employer's responsibilities when an LGPS member exits the scheme. We will produce a new guide or amend the existing guides to set out employer and administering authority responsibilities in relation to the exit payment cap in a clear manner.
- LGA pensions and workforce teams will deliver a webinar on 17 December 2020 for non-local authority employers who are covered by the exit payment cap. The LGA will publicise the event via Employer Link, and we will also ask administering authorities to share the details with their scheme employers. We expect the webinar to be of interest to HR and finance professionals responsible for academies, non-uniformed employees of Fire and rescue authorities and police staff.

8. McCloud remedy

Update

The MHCLG consultation on changes to the statutory underpin has closed. MHCLG are currently considering the content of the 94 responses that they received. We understand that respondents raised concerns about the inclusion of underpin figures in active member annual benefit

statements (ABS) and the exclusion of those who first joined the LGPS between 1 April 2012 and 31 March 2014 from the proposed remedy.

Feedback from Pension Manager's Conference

LB and Con Hargrave (MHCLG) delivered a workshop at the November 2020 Pension Managers' Conference on the McCloud remedy. Feedback from administering authorities included support for:

- member communications that reflect the fact that most members will not see an increase in their benefits as a result of the changes to the underpin
- templates to be provided centrally to explain member options if the proposal to re-open the aggregation window for certain members is delivered
- standard wording to include in ABS if the requirement to include underpin figures in the ABS is pursued
- member communications in the form of FAQs, scenarios, examples and multi-media formats
- employer and administering authority training on the McCloud remedy

The group acknowledged the need to publicise what we are working on. This will allow administering authorities to concentrate on communications that they must produce locally.

The general approach of the group so far has been to include information about McCloud for members on websites and in newsletters.

A query was raised about software suppliers and what they will be able to deliver to implement the McCloud remedy. LB confirmed that LGA, SAB and MHCLG have regular meetings with software suppliers to discuss McCloud and the system requirements. It is likely that software suppliers will want to see the MHCLG response to the consultation before they will commit to any system development.

We understand that MHCLG is in favour of publishing LGPS regulation amendments in advance of them coming into force to allow sufficient time for system development and testing. This may only be possible if HM Treasury allow the LGPS to make their regulation changes in advance of the other public service pension schemes.

PB noted that software suppliers appear to be moving away from providing an ABS template in favour of supplying a data extract only. She wondered if the inclusion of underpin figures might mean that there is more demand for an ABS template document. PB would like to produce an ABS that includes figures at multiple retirement dates. SD confirmed that West Yorkshire had produced ABS that included multiple sets of figures, but that this had been developed in-house.

LB and RA pointed out that the LGA ABS template had been withdrawn because no funds use it. Many funds want to encourage members to sign up for the member portal to obtain retirement estimates and do not want to include multiple sets of figures in benefit statements.

9. Regional communications group

Welsh regional group

The current main priorities of the group are the McCloud remedy and how administering authorities are responding to the changing COVID-19 situation.

The group is reviewing and updating member factsheets covering topics such as ill health and absences that are used by all Welsh authorities.

Joint communications group – chaired by Shropshire

Most topics discussed at the last meeting are already on the agenda for this meeting. The group expressed support for retaining and keeping updated the full scheme guide. The Chair will feed back to the regional group that there are other urgent priorities, but that the LGA will look to re-purpose this guide.

10. Communications work plan

LB has updated the communications work plan to reflect the introduction of the exit cap regulations and resulting changes in priorities and timelines.

Action 7: LGA to publish a reminder in the monthly bulletin about where to find the communications work plan.

11. AOB

KT asked whether any other members of the group had taken any steps concerning GDPR in preparation for a no-deal exit from the EU. She

understands that there may be additional requirements relating to holding information overseas and reporting that in a privacy notice.

EU exit agreement may not cover financial services. EU residents may not be able to hold a UK bank account beyond 1 January 2021. Some banks have contacted EU residents with UK bank accounts to explain the possible changes and their options. Lothian contacted all pensioners living abroad with a UK bank account to explain how they can change the account that their pension is paid into.

SG confirmed that they will no longer be using the LGSS name. Cambridgeshire and Northamptonshire will continue to operate a shared service to provide pension administration.

12. Future meetings

The next virtual meeting will take place on 9 March 2021.

LB asked the group whether they wanted to continue with virtual meetings once the restrictions due to the pandemic are lifted. The group agreed on a blended approach allowing those who want to attend in person to do so, and the rest to use video-conferencing facilities at the LGA offices to attend virtually.