

Tyne and Wear Pension Fund

Pensions Service Plan 2020-2023



[Blank Page]

Contents

	<u>Page</u>
<u>About the Service Plan</u>	
Introduction	1
Purpose	1
Contact for Further Information	1
<u>Service Profile</u>	
Background	2
Shared Service Arrangement	2
Merger with Northumberland County Council Pension Fund	2
Investment Pooling	3
Structure	4
Budget	8
<u>Vision Statement</u>	
	10
<u>Strategic Context</u>	
PEST Analysis	10
SWOT Analysis	18
<u>Aims, Objectives and Actions</u>	
Introduction	25
Review of the Funding Level	27
Valuation Process and Setting of Employers' Contributions	28
Investment Strategy and the Investment Management Structure	30
Northumberland County Council Pension Fund	37
Joint Working with Other Administering Authorities	38
Pension Systems	39
Pension Processing	41
Data Security	43
Staffing Issues	44
Performance Management	47
Financial Management	48
Risk Management	49
Equality and Diversity	50
Governance Structure	51
Communications	53
Communicating with Employers	53
Communicating with the Membership	55
<u>Appendices</u>	
Summary of Aims, Objectives and Actions	58

About the Service Plan

Introduction

1. This plan sets out the aims, objectives and actions that we need to achieve in the three year period from 2020/21 to 2022/23 to meet our vision.
2. The plan is reviewed annually and builds on the plans prepared for earlier years.
3. The vision has been updated following a review with the goal now including the aspiration of the Fund being recognised as being amongst the leading UK pension funds. This has previously been included as a success measure but it is acknowledged that it is difficult to measure and therefore, has been moved to be included in the high level goal/vision.
4. The objectives and actions that underpin the vision statement have been developed from year to year.
5. This plan is supplemented by operational plans that describe in greater detail how we intend to achieve our objectives and actions.

Purpose

6. We have prepared the plan to:
 - ensure compliance with statutory requirements, codes of practice and best practice
 - monitor and improve performance against the aims, objectives and actions
 - inform stakeholders about the Fund and support our accountability to them
 - help provide the service our customers expect.

Contact for Further Information

7. Please contact Ian Bainbridge - Head of Pensions if you require further information. The email address is ian.bainbridge@southtyneside.gov.uk.

Service Profile

Background

8. South Tyneside Council is the Administering Authority and Scheme Manager for the Local Government Pension Scheme in Tyne and Wear. The Fund is open to the five district councils and a wide range of other bodies that provide a service in the county area.

Shared Service Arrangement

9. In January 2018, South Tyneside Council entered into a shared service arrangement with Northumberland County Council to provide Pensions Administration Services.
10. Whilst South Tyneside Council will provide a shared service for Pensions Administration, Northumberland County Council remains as the Administering Authority for the Northumberland County Council Pension Fund and as such is still required to set its own policies and strategies, including its own Funding Strategy and Investment Strategy.
11. Both the Tyne and Wear Pension Fund and the Northumberland County Council Pension Fund are part of the Local Government Pension Scheme (LGPS) in England and Wales. We are both administered under the same legislative provisions and provide identical benefits to scheme members.
12. There are benefits and efficiencies for both funds, along with increased resilience going forward, which should allow the shared service to be able to adapt more readily to any future changes at a national level.

Merger with Northumberland County Council Pension Fund

13. The Fund has been in discussion with Northumberland County Council Pension Fund about building on the current shared service arrangement and has made an in principle, the decision to merge the two funds. South Tyneside Council will be the administering authority for the newly merged Fund which will operate from the current offices in South Shields.
14. At the time of writing the service plan, the due diligence work is well progressed and the legal process to initiate merger has commenced. It should be noted, however, that the final decision to implement merger has not yet been taken but is likely to occur before the end of the 2019/20 financial year. The target merger date is 1st April 2020, however, it is recognised that the legislation to implement merger may not be in place until after this date. This is not a concern as the effective merger date can be backdated.

15. Whilst there is a specific project plan in place to deliver merger, there are a number of actions included in this service plan that are also related to merger. The budget however, is based on the current position prior to merger, although a revised budget will be developed once merger has been delivered.

Investment Pooling

16. In November 2015 the Government issued an Investment Reform Criteria and Guidance document inviting proposals for asset pooling. On 1st November 2016 the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the Investment Regulations) came into force. These Regulations mandated that the then 89 separate Local Government Pension Scheme Funds in England and Wales combine their assets into a small number of investment pools.
17. The Guidance issued with the Investment Regulations stated that each LGPS administering authority must commit to a suitable pool to achieve benefits of scale and confirm that their chosen investment pool meets the Investment Reform and Criteria Guidance issued in November 2015. The Secretary of State has direction and intervention powers if he is not satisfied that an administering authority is complying with its obligations in relation to the Investment Regulations.
18. Consequently, the Fund has joined with 11 other administering authorities to create a Financial Conduct Authority (FCA) regulated asset management company in order to pool the pension fund assets of all of these administering authorities. The newly created company is called Border to Coast Pensions Partnership Limited (Border to Coast). Each administering authority is a one twelfth owner of this company.
19. During 2018/19, assets started to transfer from the direct management of the Fund to Border to Coast. Further assets have transferred in 2019/20, with more to follow in 2020/21. The intention is that over time, Border to Coast will invest the vast majority of the Pension Fund's assets and that the benefit of scale will deliver economies, whilst at the same time having the potential to improve investment performance.
20. As at 31st March 2019, the 12 funds which form Border to Coast had assets to the value of £49 billion. The 12 funds are:
- Tyne and Wear Pension Fund
 - Bedfordshire Pension Fund
 - Cumbria Pension Fund

- Durham County Council Pension Fund
 - East Riding Pension Fund
 - Lincolnshire Pension Fund
 - Teesside Pension Fund
 - Northumberland County Council Pension Fund
 - North Yorkshire Pension Fund
 - South Yorkshire Pensions Authority
 - Surrey Pension Fund
 - Warwickshire County Council Pension Fund
21. Under the new pooling arrangements we will remain responsible for setting the funding strategy and the high level investment strategy, e.g. the appropriate asset allocation for the Fund. The main difference will be that we will no longer be appointing and monitoring investment managers directly. Instead the Fund will be monitoring the performance of Border to Coast itself and the investments it has made on our behalf.
22. By the end of 2019/20 it is forecast that £19 billion of the assets from all 12 funds will be under the management of Border to Coast. This will include just under £3 billion from Tyne and Wear. The overall process to transfer the day to day management of these assets to Border to Coast will take a number of years to complete.
23. It should be noted that if the merger with Northumberland County Council Pension Fund progresses, they will relinquish their one twelfth share in Border to Coast and there will only be 11 owners and investors going forward. Such a merger has been allowed for in the Shareholder Agreement signed at the time of creating Border to Coast.

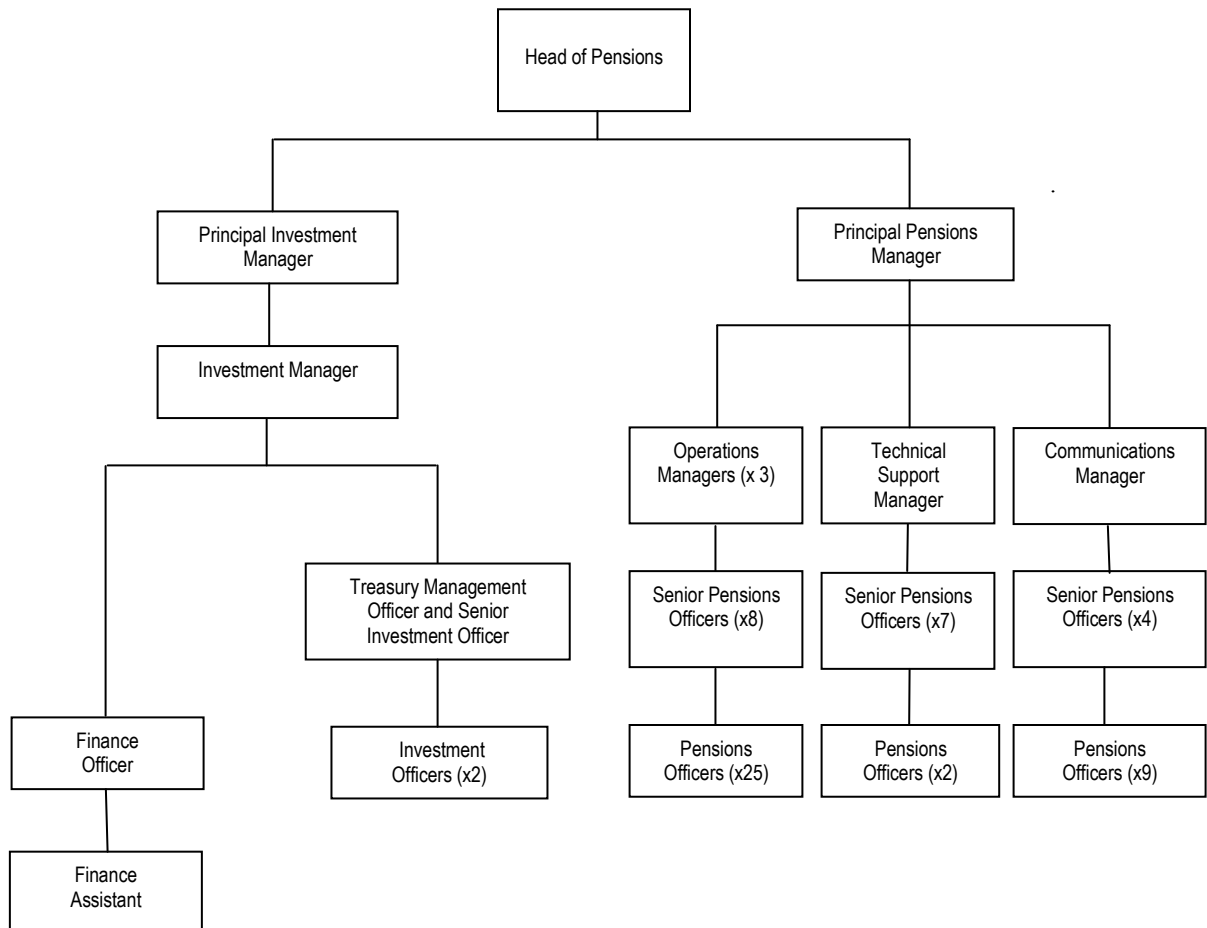
Structure

24. South Tyneside Council has set up a Pensions Committee to govern the Fund and a Local Pension Board to assist the Committee in this role. This is unaffected by the shared service arrangement and investment pooling.

25. The Council is organised into three groups. The Fund is administered by the Pensions Service, which is part of the Business and Resources Group.
 26. At the start of the 2020/21 financial year, the Pensions Service will have a long-term establishment of 70 posts. Should merger progress it is likely that a small number of staff will transfer from Northumberland County Council to South Tyneside Council. Following merger it may also be appropriate to review the staffing structure to ensure that the newly combined fund is appropriately positioned to deliver the service going forward.
 27. The Pensions Service staff have a wide range of experience and professional and management skills, including financial, investment, money market, pensions, communications and ICT.
 28. The Head of Pensions oversees the governance structure.
 29. The Service is organised into the Investments Office and the Pensions Office.
 30. The Investments Office is responsible for:
 - devising, implementing and keeping under review the investment policy and investment management structure. The assets were valued at £9.6 billion as at December 2019
 - monitoring the performance of Border to Coast, the investment managers and custodians and, when appropriate, reviewing and replacing those organisations
 - implementing the Government's initiative on pooling investments as part of Border to Coast
 - the financial management of the Pensions Service, including the preparation of the budget, the budget monitoring, the final accounts and the production of the Annual Report and Accounts
 - the financial administration for the investment of the Fund, including settling transactions, reconciling portfolios and ensuring that all investment income and recoverable tax is received. In 2018/19, the turnover of investments was £4.6 billion and the investment income was £88 million
 - the financial administration of pensions for over 260 employers, including the collection and reconciliation of employer and employee contributions from around 155 employers in relation to 46,000 active members. In 2018/19, contributions and transfers in totalled £263 million
-

31. The Investments Office is also responsible for the money market and borrowing related aspects of the Council's Treasury Management function.
32. The responsibilities of the Pensions Office in relation to the pensions administration shared service include:
- the payment of pension benefits to 50,000 pensioners in the Tyne and Wear Fund and 9,000 in the Northumberland Fund. In 2018/19, pension benefits and payments to leavers totalled £312 million for Tyne and Wear and £81 million for Northumberland
 - customer engagement and service delivery
 - the maintenance of records in relation to the membership of both funds which totals 137,000 and 27,000 for each fund respectively
 - devising and delivering training, consultation and communication strategies for the employers and members
 - managing the admission and withdrawal of employers and the employer database
33. In addition, for the Tyne and Wear Fund only, the Pensions Office is also responsible for:
- managing the funding strategy and the actuarial valuations to ensure that employers pay an appropriate contribution
 - devising, implementing and keeping under review the Additional Voluntary Contributions arrangements.
 - the training and communication strategy for the Pensions Committee and the Local Pension Board.

34. The long-term establishment is shown below:



Budget

35. The Scheme Regulations allow the cost of the Pensions Service to be charged against the Fund.
36. We have prepared a three year financial plan that provides for the delivery of the aims identified in this plan.
37. As noted in the Service Profile, the Fund is progressing with a Merger with Northumberland County Council Pensions Fund. It should be noted that this budget is based on the current position whereby a Shared Service arrangement is in place with Northumberland County Council Pension Fund and does not take account of the increased costs from running a newly merged service. This is because at the time of writing the consultation required to amend the Regulations has not yet taken place.
38. Whilst, under merger, the cost of providing the combined service would increase in absolute terms, there would also be a larger number of employers and members, which means that the average costs per employer or member would decrease due to economies of scale.
39. A breakdown of the budget is shown below. The total cost shown is very much a provisional figure because the largest single component is the investment management fees which are dependent on the performance and market value of the Fund.

Year	2019/20 £'m	2020/21 £'m	2021/22 £'m	2022/23 £'m
Investment Fees	96.353	105.381	112.180	118.188
Investments Office	2.667	1.509	1.310	1.350
Pensions Office	3.217	3.047	2.991	3.512
Governance	0.133	0.141	0.143	0.144
Total	102.370	110.078	116.624	123.194

40. For 2020/21, the cost of running the Fund has been estimated at £110.078 million.
41. The budget has been prepared in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) best practice guidance for local government pension scheme accounting.
42. The Budget is split over four main areas, as follows:

- Investment Management Fees. This dominates the overall budget. The fees budget has been compiled in line with industry best practice and is considered to be a full estimate of fees, expenses and costs associated with the investment management of the Fund.
 - Investment Office. This covers the costs of administering the Fund and monitoring and controlling the investment assets of the Fund. This budget head also covers those costs from pooling that do not directly relate to the management of assets with Border to Coast.
 - Pensions Office. This budget covers those net costs associated with the shared service for pension administration with Northumberland County Council Pension Fund, as well as those costs which are specific to the Tyne and Wear Pension Fund.
 - Governance costs. This includes the running costs of the Pensions Committee and the Local Pensions Board.
43. The budget for 2020/21 shows an increase of £7.708 million over the 2019/20 budget. An increase of £6.546 million is projected for 2021/22 and an increase of £6.570 million is projected for 2022/23.
44. The increase in the budget is largely due to investment management fees. These are forecast to rise because of an increased allocation to private market investments, which typically attract higher fees than quoted investments. Whilst these fees for private market investments are generally higher, they have produced attractive investment returns net of fees.
45. As noted in the Service Profile, the Fund has a part ownership in an investment management company called Border to Coast Pensions Partnership Ltd. In the early years of the company development, significant set up and development costs were incurred. These were shown in the Investment Office budget. However, as the company has now become operational and is now managing assets on behalf of the Fund, much of these set up and operational costs have dropped out of the Investment Office budget. This accounts for most of the reduction in costs of £1.496 million on the Investment Office budget.
46. Savings have been delivered within the Pensions Office budget as a result of efficiencies with pensions processing and the move to on-line services. The fact that an actuarial valuation is not required in 2020/21 has also contributed to the savings.

Vision Statement

47. Our goal is to provide an efficient, affordable and attractive pension arrangement that is regarded by employers and members as being an important and valued part of the employment package and to be recognised as being amongst the leading UK pension funds.
48. We will:
- promote membership of the Fund
 - keep contributions as low and as stable as possible through effective management of the Fund
 - work with our partners to provide high quality services to employers and members
 - make pension issues understandable to all.
49. We will know we are succeeding when:
- we are consistently achieving our investment objective
 - there are sufficient assets to meet the liabilities
 - we are consistently achieving our standards of service to employers and members

Strategic Context

PEST Analysis

50. The PEST analysis sets out the main external influences impacting on the Fund, particularly political, economic, social and technical factors.
51. The Political factors are set out below:
- Following a review of public sector pension schemes, the Local Government Scheme became a Career Average Revalued Earnings (CARE) scheme from April 2014. Whilst most system changes are now in place, updated amendment regulations continue to be made. The Fund will respond to these amendments as and when they are introduced.

- In 2015/16 the Government undertook a review of the investment of the Scheme's assets and has introduced a requirement for the assets to be pooled. The Fund has joined with 11 other funds to create an FCA regulated asset management company called Border to Coast Pensions Partnership Ltd. Assets started to transfer into the new company in 2018/19. It is expected that most of the liquid assets will transfer in the next two years. Investment in illiquid assets through Border to Coast started in 2019 but it will take around 10-15 years for legacy illiquid asset to mature and the responsibility for all illiquid assets to transfer. It will be important to ensure that the current and future investment strategy will be implementable under the new investment pooling company that has been created.
- The Government continues to take a keen interest in the progress on pooling, with some parts of Government understood to believe that quoted assets should be invested on a purely passive basis. The Fund has a belief that active management can add value over the longer term. It is important, therefore, to make pooling work and demonstrate the value of pooling, not only from reduced costs but also from good net of costs performance.
- One of the drivers for pooling was the increased capacity and capability to invest in Infrastructure. This was one of the four criteria set by Government when pooling was launched. The Fund has had an allocation to infrastructure for a number of years and has decided to increase this as part of the recent review of the investment strategy. This decision was taken in the interests of the Fund. It will be important to ensure that decisions on the allocations to infrastructure generally, and individual investments in assets, continue to be driven by the risk and requirements for the Fund.
- To date, the Government has not forced funds into mergers or joint working arrangements on pension administration, preferring to encourage innovative means for service delivery, including voluntary shared services such as the arrangement we have entered into with Northumberland. In the future, however, mergers and forced joint working cannot be ruled out. The Fund needs to be positioned to respond to this.
- Reorganisation of public sector services is continuing to impact on the membership of the Fund and the Scheme as a whole. Where the regulatory background permits employers to seek new or continuing membership of the Fund, we want to demonstrate that this is an appropriate option for employers and members in order to prevent the active membership from declining. A declining active membership leads to the Fund maturing more quickly, which could require an increase in employers' contributions and a change in the investment strategy. It also affects the cost base for pension administration and for investment management.

- The Government's Freedom and Choice initiative has led to an increase in workload as members request transfers from the defined benefit arrangements such as the Local Government Pension Scheme into defined contribution arrangements. We have introduced a process to evaluate applications for transfers and to ensure that only legal transfers take place. Safeguards are also in place to mitigate the risks of pension scam liberation.
- The Government has committed to introducing exit payment caps on employees leaving the public sector under non ill-health employer led initiatives. This may make redundancy payments less attractive, which may impact on the nature of future restructuring by employers. Whilst this commitment was first made several years ago, the legislation to enact it is still awaited.
- The Government's approach to tax on pensions has led to an increased tax burden on certain employees which can act as a disincentive to remain in the Pension Fund. This primarily applies to high earners but as tax thresholds reduce it is starting to impact on a bigger proportion of members in the Fund, especially those with a longer period of membership.
- A consultation on the valuation cycle has been initiated by the Government, with a proposal to move from a three year valuation cycle to four years. This is to link the cycle into the current four yearly cycle on the unfunded public sector schemes. Whilst a move to a four yearly cycle could make sense for financially secure long-term entities such as councils, this would increase the risks associated with smaller, less financially secure, employers. Consequently, if this proposal is introduced it is expected it will also come with the ability to undertake interim valuations were appropriate.

52. The Economic factors are summarised below:

- The global financial crisis and the response of central banks and policymakers have in part led to historically low interest rates that have increased the value placed on pension liabilities. This has particularly impacted on those employers in the Fund who are on the orphan body discount rate and/or those employers leaving the Fund. This is because the liabilities of these employers, either in whole or in part, are set by reference to gilt yields. The level of gilt yields will continue to be monitored and the Fund will look to review the approach to exit valuations prior to the next valuation.
- Following the vote to leave the European Union (EU) in June 2016 progress towards finalising the terms of Brexit has been extremely slow. Following the recent general election there is now greater clarity around the timing and terms of the exit from the EU but the long-term trading relationship with the EU and other nations is still to be

determined. In this environment there is still a significant amount of economic uncertainty and the final impact on the economy is still relatively unknown.

- The strong investment performance since the valuation in 2016 has led to a significant improvement in the funding level as at March 2019. Additional levels of prudence have been built into the funding strategy. A significant number of employers are now in surplus on an ongoing valuation basis. The funding strategy should be kept under review to respond to issues that may impact on individual employers. Consideration will continue to be given to offering differential investment strategies to employers.
- The strong investment performance since 2016 is set against a background of rising risks, including increased trade tensions between the US and China and a slowing global economy. This has resulted in concerns over the valuations of some asset classes. The Fund's diversified investment strategy and recent decisions around de-risking the strategy, should provide some protection should there be a correction in markets. Nevertheless, the position will need to be monitored.
- Whilst an improvement in the funding level can only be positive for the Fund, this will impact on future cashflows as less money would be collected through deficit recovery payments. This has been factored into the review of the investment strategy undertaken in 2019, with an increased allocation to income producing assets. Consideration will also need to be given to ensure the investment products offered by Border to Coast allow for income to be paid to the Fund.
- A valuation of the Fund has been carried out as at 31st March 2019. This assumed a lower investment return expectation going forward than that assumed at the 2016 valuation. The next valuation is scheduled to take place in 2022.
- Many employers that contribute to the Fund operate within tight financial constraints. An increasing number of employers in the private sector have concluded that they will not meet the cost of a defined benefit scheme and have made alternative arrangements. This is an option that may be adopted by our current and potential future admitted bodies if employer contributions continue to rise to levels that are felt to be unaffordable. As stated above, declining active membership is a negative factor for the Fund.
- The reduction in public sector expenditure is contributing to a maturing of the Fund as employers reduce their workforce. This is affecting the Fund's cashflow and maturity and the type and volume of pension processing that is undertaken. The impact is considered in the funding strategy, the investment strategy and the structure and workload of the Pensions Office.

- The Government has ended Contracting Out from April 2016. This has placed an additional financial burden on employers. There has also been an additional cost to members that may affect future membership of the Scheme.
- The active membership of the Fund may also fall due to members opting out for personal financial reasons, including the continuing decrease in pensions' tax allowances and the increase in the normal retirement age.
- Auto enrolment into the Fund commenced in 2013. This is introducing more active members to the Fund.
- The investment strategy is based upon asset liability modelling. Following the 2019 valuation an updated asset liability modelling exercise has been undertaken. The improved funding level has provided the opportunity for the Fund to de-risk the investment strategy and move out of growth assets, primarily quoted equities, and into more stable, income producing assets and bonds. The investment strategy will need to be kept under review to respond to other changes to the funding levels and liabilities.
- The investment arrangements for the Fund are largely contracted out to external investment managers. Whilst the approach to using external management is expected to continue under pooling, it will be Border to Coast who ultimately become responsible for the appointment of managers going forward and not the Fund. The Fund will still need to ensure it has sufficient resources to monitor the performance of Border to Coast and the assets for which they will become responsible.
- Pension administration is undertaken in-house because the Fund has sufficient critical mass and expertise to provide a cost effective, quality service. The recent move to a shared service has improved our efficiency in this area. If the merger with Northumberland progresses, further efficiencies will be delivered. We benchmark the pension administration service against the peer group to demonstrate value for money and the quality of the service offered.
- The Fund will continue to explore further options for joint working with other administering authorities in order to deliver further efficiencies.

53. The Social factors are set out below:

- We believe that a defined benefit arrangement is the preferred type of pension provision. We want the Local Government Pension Scheme, as provided by the Tyne and Wear Fund, to be regarded by employers and employees as an attractive and affordable part of the employment package.

- Improving longevity has increased the cost of pension provision, although recent evidence suggests there are signs that improving longevity was slowing down. The position on this will need to be closely monitored.
- We comply with the Equality Act 2010.
- The Fund is required in its Investment Strategy Statement to set out the extent to which social, environmental or corporate governance considerations are taken into account in the selection, retention and realisation of investments. There will be an increased focus on this going forward.
- The move to pooling should provide further resources to concentrate on social, environmental and governance issues and should strengthen the Fund's approach to responsible investment issues.
- Climate change is becoming an increasing high profile issue, in particular the financial impact and risk of investing in high carbon industries. The Fund will need to ensure that the approach to managing climate related risks is accounted for in the overall investment strategy and by the managers investing the Fund's assets.
- Customer demands and expectations are changing and there is shift to the delivery of services in an electronic format and increased automation. The speed of change is also increasing and it is important that the service can respond to this.

54. The Technical factors are set out below:

- The late release of the regulations for the 2014 CARE scheme and the increased complexity resulted in significant backlogs of work. It is now several years since the new scheme has been introduced and much of the backlogs have been reduced. Further work is still needed to bring them to a more acceptable long-term norm.
- The reduction in tax thresholds for annual and lifetime allowances has led to an increase in workload as it affects more people. These calculations can be complex and time consuming and consequently, it takes a significant resource to deal with these issues.
- The Fund has reconciled each individual member's Guaranteed Minimum Pension (GMP) entitlement record with those held by HMRC. The next stage is to undertake rectification for those members where differences have been identified. Work on this will need to progress in 2020/21.

- Initiatives from the National Scheme Advisory Board, including but not limited to cost transparency, the academy review, a review of third tier employers and the Good Governance Review.
- Initiatives from the Local Pensions Board to assist the Pensions Committee with the running of the Fund.
- From 2015/16, the Pensions Regulator has been involved with pension administration and governance. The role of the Pensions Regulator is ever increasing with a focus on governance, improved record keeping, internal controls and member communications.
- The Pensions Regulator has also increased its focus on the LGPS, with 10 funds being selected to take part in a deep dive review of operations. A report on this review has now been published and the Fund will need to respond to the findings of this exercise.
- Oversight on the funding strategy and comparisons with other funds, including the Government Actuaries Department Section 13 review. This may result in a more standard approach to valuations and move away from local discretion.
- The outcome of the Treasury and the National Scheme Advisory Board (SAB) cost management processes. In 2019, the SAB advised that the outcome of its cost management process showed a fall in the costs of the Scheme. Consequently, the SAB made proposals to improve the benefits package and reduce contributions to increase the costs of the Scheme. It was hoped that these proposals would be accepted by Government and be sufficient not to trigger further action by the Treasury exercise. However, before this could be considered by the Treasury, the court cases of McCloud and Sergeant (collectively referred to as McCloud) put a hold on the cost management processes. These cases relate to age discrimination in public sector schemes and will result in increased costs. The full extent of these increased costs is not yet known but they are likely to change the outcome of the cost management calculations. Consequently, the cost management process has been put on hold until such time as the increased costs are better known and understood.
- The McCloud cases also impacted on the 2019 valuation and resulted in the Fund having to estimate the impact McCloud may have on the funding level for employers and consequently contribution rates. An allowance was therefore included in the valuation for this.
- The importance of technology and automation to the Pension Fund going forward will increase. This will be key to the future service provision and communication strategy.

- The Government has highlighted the need to develop a pensions dashboard to allow individuals to be able to see all of their pensions savings and benefits in one place. The Fund will need to ensure that it can develop its service to be able to deliver the information required in the necessary format. At the current time further detail on the proposals and the information needed are awaited.
- The new General Data Protection Regulations came into force in May 2018. The Fund has responded to the requirements but still needs to monitor compliance going forward.
- Financial reporting and control has become more complex and the volume of work is increasing. CIPFA has issued guidance on this, to which the Fund will need to respond.
- The deadline for the closing of the Fund's accounts has been brought forward from the end of September to the end of June. Discussions are taking place on bringing forward the deadline for the production of the Report and Accounts.
- There is a continuing increase in the number and complexity of employer admissions.
- In January 2019, the Government launched a consultation on introducing Fair Deal in the LGPS. It has been confirmed that the broadly comparable approach has been largely withdrawn and that staff will be able to remain members of the appropriate public service pension scheme post-transfer. This consultation also introduced the concept of a "deemed" employer for outsourced services and automatic transfer of assets and liabilities in reorganisations and mergers without the need for exit payments.
- The 2016 Investment Regulations introduced new powers for the Secretary of State to make a direction if he or she is satisfied that an administering authority is failing to act in accordance with guidance. This includes, but is not limited to, progress on pooling of investments.
- A consultation on new Statutory Guidance on asset pooling was issued in 2019 to provide greater clarity on what funds need to do to meet the Government's requirement on asset pooling. However, this was classified as an informal consultation and the Government has stated that it will now progress with a further formal consultation exercise. The Fund will need to review and respond to this.
- The investment of the Fund continues to become more complex due to the increased use of alternative investments. The updated investment strategy, following the improved funding level at the 2019 valuation has resulted in an increased use of

alternative investments. There may be further moves into alternatives as the investment strategy evolves.

- The Fund is compliant with all six Investment Principles that cover the areas of effective decision making, investment objectives, risk and liabilities, performance assessment, responsible ownership and transparency and reporting. These are collectively known as the Myners Principles.
- Under the new Markets in Financial Derivatives Directive (MIFID II), the Fund has had to opt up from retail status to professional status with all of its investment managers and Border to Coast.
- The Financial Reporting Council has reviewed the UK Stewardship Code. The new code takes effect from 1st January 2020. The new Code sets high expectations of those investing money on behalf of UK savers and pensioners. In particular, the new Code establishes a clear benchmark for stewardship. Organisations wanting to become signatories to the Code will be required to produce an annual Stewardship Report explaining how they have applied the Code. The deadline for this report is 31st March 2021.

SWOT Analysis

55. The PEST analysis sets out the main external influences impacting on the Fund.
56. A SWOT analysis has been prepared to assist with preparing the aims, objectives and actions and achieving the vision. This entails assessing the strengths, weaknesses, opportunities and threats.
57. The Strengths are summarised below:
 - The Fund is one of the largest LGPS funds in the UK. This provides for good resourcing and delivers good economies of scale.
 - We have a nucleus of experienced staff. There is a willingness to change, develop and innovate. We work under delegated powers and with short reporting lines that assist management control and our ability to respond to changing circumstances.
 - Staff deliver training in-house to ensure the Service has the required skills, knowledge and experience.
 - Good strong support from the in-house legal team.

- The Fund is compliant with the Myners Investment Principles.
- Investment performance has been strong and ahead of long-term expectations.
- The investment strategy is subject to an ongoing review to ensure that the Fund has invested appropriately in the light of its liabilities and opportunities in investment markets.
- The Fund has a well developed range of Investment beliefs which underpin the Fund's approach to investments.
- In-house investment administration allows us to maintain close control over the investment of the Fund and retain valuable expertise within the Service.
- The Fund takes an active role in monitoring and assessing the performance of Border to Coast.
- The 2019 valuation shows a total Fund funding level of 106%.
- The Fund operates an in-house pensions administration shared service with Northumberland County Council Pension Fund. This has allowed a good working relationship to develop between the two funds which has helped facilitate discussions on merger.
- The in-house pensions administration service allows us to tailor the service to the requirements of the employers and members.
- The Fund receives the information from employers electronically.
- The exercises that the Fund has undertaken on measuring the quality of the data captured in the administration system shows it to be of a relatively high standard.
- There is a well-developed communication and training strategy for the employers.
- Our members benefit from a dedicated communications team and a communications strategy that includes a telephone helpline, website and annual reporting.
- The Fund achieves a high success rate for the completion of Annual Benefit Statements to members.
- The Fund monitors compliance against the disclosure regulations.

- The Fund has invested in its pension administration system to develop and enhance the efficiency of processing.

58. The Weaknesses are summarised below:

- The PEST analysis referred to the changing cashflow and the maturing of the Fund. This is taken into account in the funding and investment strategies. With the Fund now at 106% funded, there will be a significant reduction in contribution income.
- With regard to pensions processing, poor data flows lead to increased costs and problems achieving processing deadlines. To address this, we must continue to work with employers to improve the quality and timeliness of information. We have a Pensions Administration Strategy in place and have introduced systems to take the data electronically. We have systems in place to measure the timeliness of the data provided by employers and also of our own processing. Nevertheless, further improvements can be made. Particular problems are encountered with smaller employers who outsource their payrolls to third party suppliers.
- The period following the introduction of the new CARE scheme has been particularly demanding for the Pensions Office because of the increased complexity of the Scheme and the late receipt of the Regulations and associated guidance. Whilst backlogs have significantly improved over the past couple of years the problem has not been fully resolved.
- The Fund finalised the implementation of the member web functionality in 2018/19. This was, however, delayed due to a combination of problems with the software supplier and a reprioritisation of work on shared services and investment pooling. The speed of developments in internet functionality, coupled with the delays in implementing Member Web, means that it is already considered to be out of date. Development work is currently taking place to improve this offering.
- The website and telephone system are both several years old. They have generally served the Fund well but are now outdated and in need of a review and a refresh to make them a more user friendly offering to members.
- Problems have been encountered with the system architecture and hardware sitting with the Council but the software being provided by an external third party. This sometimes results in some issues being missed between the two.
- The same staffing structure has been in place for a long period of time, without a significant review and a refocus on priority areas.

- The contract for the pensions administration software supplier is due to come to an end in March 2022. As we are getting close to the end of the contract it means that some development work may not progress as it could result in significant costs to the Fund if we were to change supplier.
- Management information on processing timescales is against disclosure regulations rather than against timescales for when the process is under the control of the Fund.
- The contracts for the provision of Actuarial and Investment advice to the Fund are both due to come to an end in December 2020.

59. The opportunities are summarised below:

- The merger of the Fund with Northumberland County Council Pension Fund allows the Fund to future proof itself against any potential future changes and at the same time deliver efficiency savings.
- The increased focus from the Pensions Regulator on governance arrangements, data quality and communications, coupled with pooling, the move to merger, the increased use of digital technology and the significant reduction in backlogs means it is appropriate to consider undertaking a review of the overall staffing structure
- The Fund continues to explore options for working with other administering authorities through joint working arrangements and framework agreements.
- The Government's policy to pool Scheme assets will provide an opportunity to reduce investment costs and improve value for money. It is important that the Fund seeks to ensure that investment returns net of fees are not impaired, the governance structure of the pooling arrangement is efficient and set up costs, running costs and transition costs are managed and minimised.
- Pooling will also provide the opportunity to improve our approach to managing Environmental, Social and Governance issues (ESG) due to the increased resource at Border to Coast. This is important at a time when there is an increased focus on this within the investment industry.
- Increased investment options are available for pension funds to consider which are focused on ESG factors in general and climate change in particular and at the same time have the potential to deliver market returns to investors.

- The ongoing review of the approach to investing the Fund's assets ensures that the strategic benchmark and the investment management structure remain appropriate at a Fund level.
- The recent strong investment performance and improved funding level has provided the opportunity to de-risk the investment strategy.
- This de-risking is taking place at the same time as assets are being moved to Border to Coast. This allows the Fund to combine any asset transitions to cover both events, which prevents two sets of transaction costs being incurred.
- We are working with our software supplier on the continued development of the pension administration system and the increased use of electronic data transfers and electronic communications. Consideration will be given to moving to monthly contribution postings.
- The fact that the pensions administration software contract comes to an end in March 2022 provides an opportunity to review the arrangements at least one year before the contract end date. The potential benefits of this are noted below:
 - Should a decision be taken to change supplier, this provides sufficient time to manage the change.
 - Should the Fund decide to renew with the existing supplier it means that any new development work can take place immediately.
 - Options for hosting hardware within the software supplier can be considered at an early stage.
- The Pensions Administration Strategy provides a framework to provide timely and accurate information flows between the Fund and the employers.
- The development of the new member web product and online functionality, along with a review of the main website and telephony systems, should enhance the overall member experience.
- The Pensions dashboard, when developed, will help with member contact and engagement.
- Improved management information on processing timescales will help identify areas where improvements can be made.

- The Fund moved to a unitised approach to tracking individual employer's cashflows. This will assist in improving the quality and the speed of any valuation work for individual employers, as well as providing the potential to offer individual investment strategies. It also allows the Fund to allocate costs to employers in the Northumberland County Council Pensions Fund should the merger take place.
- The Fund will provide an employer, on request, with an investment strategy that is modelled against their own liabilities. We have unitised the Fund, which will help track an individual employer's position should a request for a bespoke strategy be received.

60. The Threats to the Service are summarised below:

- The CARE Scheme took effect from April 2014. The Regulations and associated guidance were not received in a timely manner. This, coupled with the increased complexity of the new Scheme, led to delays in the implementation of some systems and backlogs in other areas of work. Plans are in place to improve the current position.
- There is a risk of censure by the Internal Disputes Resolution Procedure, the Pensions Regulator and the Pensions Ombudsman if we fail to provide a satisfactory service.
- The Fund has completed the exercise of reconciling each individual member's Guaranteed Minimum Pension (GMP) entitlement record with those held by HMRC. The next stage of work is to rectify and resolve all differences. This could still have significant workload implications and is dependent on enhancements to the pension administration software.
- The move to merger could impact on the backlogs if it is not managed effectively.
- The move to the full implementation of investment pooling could destroy value and lead to reduced investment performance if it is not managed effectively.
- The issue of cyber security and breaches of data protection regulations are of increasing importance. This is especially the case with the introduction of the new General Data Protection Regulations which came into force in May 2018. A failure to have appropriate controls could result in significant fines, censure and a significant amount of negative publicity.
- The current Pensions Administration System contract comes to an end in March 2022. The new tender process will need to be carefully managed and any changes will need to be effectively controlled to ensure that the service to members and employers is not impacted.

- A failure to train staff, retain experienced staff and plan for succession would threaten service provision.
- The move to online processing and communications could disenfranchise some members and lead to us losing contact with members, especially deferred members.
- Customer demands are constantly evolving and it is important to try and keep up with their expectations. If not this could leave to reduced levels of customer satisfaction.

Aims, Objectives and Actions

Introduction

61. We have considered:
 - the four aims in the Vision Statement
 - the key issues that face the Service as identified by the PEST and SWOT analysis.
62. Objectives and actions have been identified to address the aims and key issues.
63. As noted in the Service Profile at the start of the Service Plan, the Fund is progressing with a merger with Northumberland County Council Pension Fund. Whilst the target date for the merger is 1st April 2020, it may not be possible to have the necessary legislative changes in place by the date. However, it is understood that the effective date for merger can be backdated. There is a specific project plan in place to deliver merger, however, there are a number of actions included in this service plan that will also relate to merger.
64. This part of the plan sets out the objectives and actions that the Service will undertake over the three year period.
65. The aims, objectives and actions are summarised at the end of the plan.

Aim 1 – Promote membership of the Fund

66. All of our actions seek to enhance the value of the Fund to employers and members and thereby contribute towards the first aim. However, Objective 1 will make a particular contribution towards meeting this aim. This is set out below.

Objective 1 - Promote membership of the Fund to new and existing employers and members

67. The PEST analysis refers to the reorganisation of public sector services and the impact that declining active membership could have on the Fund and on the Scheme as a whole. We must counteract this by promoting new or continuing membership of the Fund as an attractive option to employers and members.
68. The Fund's communications strategy is set out in its Communications Policy Statement, which refers to the promotion of the Scheme to prospective members and their employer.

69. The introduction of Auto Enrolment is of importance to this area, as is the co-operation and support of employers.
70. HM Treasury introduced 'Fair Deal for staff pensions: staff transfer for central government' in October 2013 (widely referred to as 'New Fair Deal'). This non-statutory policy guidance removed the option of a 'broadly comparable' pension provision when staff were compulsorily transferred from central government. Instead, continuation in the same public service pension scheme was to be required upon staff transfer. Whilst New Fair Deal has been in place for several years, the impact has been fairly limited in the LGPS. This is mainly because New Fair Deal is largely applicable to central and not local government.
71. For a number of years there has been an expectation that the principles of New Fair Deal will be extended to local government but, until recently, this has not been forthcoming. Instead, the Best Value Pensions Direction 2007 continues to apply to local government which gives 'best value' employers (including local government) the option of a broadly comparable scheme, as well as continued LGPS membership, when a contractual outsourcing results in the compulsory transfer of staff. Whilst Best Value continues to apply in local government, it must be noted that MHCLG consulted on extending Fair Deal to the LGPS in early 2019 which, if introduced, would see the removal of the broadly comparable option for many outsourcing employers who participate in the LGPS. In addition to this, the consultation proposed the introduction of a "deemed employer" which has previously been more prevalent in private sector schemes, as well as providing for the automatic transfer of assets and liabilities in reorganisations and mergers and therefore avoiding the need for exit payments in such cases. The Fund responded to the consultation and was largely supportive of the proposals. The final outcome of the consultation is still awaited.
72. The Fund endeavours to take a customer focussed approach, to provide members and employers with confidence in the Fund and the Scheme.

Aim 2 - Keep contributions as low and as stable as possible through effective management of the Fund

73. Our approach to meeting this aim is set out below under the headings of:
- Review of the Funding Level
 - The Valuation Process and the setting of Employers' Contributions
 - Investment Strategy and the Investment Management Structure

Review of the Funding Level

74. The PEST analysis and the SWOT analysis identify the cost of the Scheme as an issue for employers.
75. A pension fund is a long-term entity. The decisions that are taken at any point in time can have a long-term impact on a fund and on the participating employers and members.
76. It is important to review and understand the causes of the past movements in the funding level.
77. The employers' contributions are set by triennial valuations. This may change in the future as the Government considers a move to a quadrennial valuation.
78. The 1989 valuation showed a funding level of 118%, with this surplus being due to actual investment returns having greatly exceeded expected returns. This overfunded position led to the scheduled employers taking a contributions holiday.
79. A significant change was made to the cost of the scheme in April 1990 when pension funds took over from employers the liability to pay pensions increases. This, combined with the contributions holiday, led to the surplus being quickly eroded.
80. The funding level revealed by the 1992 valuation was 98%. The contributions holiday was ended and an employers' contribution for the scheduled employers was phased in.
81. The 1995 and 1998 valuations both resulted in funding levels of 87%. The 1998 result was adversely affected by the removal of the tax credit that was attached to UK equity dividends, which took effect from the July 1997 budget.
82. The 2001 valuation revealed a deterioration in the funding level from 87% to 82%. This fall was attributable to:
 - improving longevity
 - employer-specific factors such as pay awards, restructurings, ill-health retirements and early retirements
 - the investment returns in the inter valuation period being below the levels assumed in the 1998 valuation, although this was alleviated in part by the Fund's performance being stronger than the peer group return.

83. The bear market in equities between 2000 and 2003 led to a further and significant fall in the funding level. The 2004 valuation revealed a funding level of 64% based on our core assumptions. This was largely attributable to investment returns being below the level assumed in the 2001 valuation although, again, it was alleviated in part by the Fund's performance being stronger than the peer group return.
84. Administering authorities and employers across the Scheme recognised that the falls in funding levels had to led to employers' contributions rising from April 2005.
85. The 2007 valuation showed that the funding level had improved to 79% based on our core assumptions. This was attributable to investment returns in the three year period covered by the 2004 valuation being materially above the expected long-term returns. However, factors such as improving longevity put upward pressure on employers' contributions, which were increased for most employers from April 2008.
86. The global financial crisis damaged the asset base and funding level of pension schemes. Again, this was alleviated slightly by the Fund's performance being above the peer group return. The funding strategy was reviewed at the 2010 valuation to address the lower funding level. This involved adopting less stringent core assumptions for the employers with a stronger covenant and a greater reliance on guarantees for some employers with a weaker covenant. It was stated that the assumptions would be strengthened at later valuations. Following these changes to the funding strategy, the funding level at the 2010 valuation was 79% based on the new core assumptions.
87. The funding strategy was reviewed at the 2013 valuation and the assumptions were strengthened. The funding level was 81%.
88. The 2016 valuation showed that the funding level had improved further to 85%. The core assumptions used were broadly comparable to those used in the 2013 valuation.
89. On the back of very strong investment performance following the 2016 valuation, the funding level has improved significantly to 106% at the 2019 valuation. This has been achieved at the same time as increasing the prudence to the core assumptions. The majority but not all of the Fund's employers are now in surplus.
90. The plan will now identify appropriate objectives and actions.

Valuation Process and the Setting of Employers' Contributions

91. The Fund has to prepare, maintain and publish a Funding Strategy Statement that sets out the funding strategy, having consulted with appropriate persons when preparing the strategy.
-

92. The Fund's strategy includes:

- ensuring that all employers pay an appropriate contribution
- for most employers, breaking down the total contribution into a future service rate calculated as a percentage of pay and
 - if the employer is in deficit, an appropriate past service payment calculated as a lump sum, or in some cases, re-expressed as a percentage of pay, however,
 - if the employer is in surplus (above a pre-described level), a reduction in the contribution rate expressed as a percentage of pay
- where appropriate, stepping in changes to contribution rates
- setting the discount rates and deficit recovery periods with reference to the strength of each employer's covenant, which may take the availability of bonds and guarantees into account
- a reliance on bonds and guarantees for employers with a weaker covenant
- the use of grouped rates for certain employers
- a robust policy for the recovery of Strain on the Fund arising from early payment of benefits
- backing exit valuations with UK Government Index-Linked Gilts

Objective 2 - Actuarial and funding strategy related issues

93. In 2020/21 and 2021/22, the Fund will keep the funding strategy under review to ensure that it continues to target solvency whilst managing the cost of the Scheme to employers.

94. The next triennial valuation will be carried out in 2022/23. Preparations for this will need to take place over the next couple of years.

95. The reduction in public sector expenditure is leading to an increase in deferred and pensioner membership as councils reduce staffing levels. The Fund's cashflow is being monitored to ensure that it is managed efficiently in relation to the payment of benefits and the investment strategy. The cashflow is also being selectively monitored at employer level, allowing the funding position of employers to be kept under review.

96. Further work in relation to the funding strategy will include:

- use of the Aon Risk Analyzer system to monitor estimated Fund level movements in the funding level and reporting the results to the Pensions Committee and to employers
- introducing new employers into the Fund
- managing employer withdrawals from the Fund and ensuring that their liability to the Fund is met
- monitoring the position on employer covenant
- further consideration of the viability of the grouping arrangements that are currently in place
- maintaining the employer database to ensure that all necessary data on each employer is in one place and in a format capable of being transmitted to the Actuary for the 2022 valuation
- consideration of evolving the approach used at the valuation for universities and colleges and potentially a small range of other employers
- a review of the approach to exit valuations.

97. Should the merger with Northumberland County Council Pension Fund progress in 2020/21 the Fund will need to:

- review the funding strategy statement to ensure that it is appropriate for the newly merged Fund
- ensure that a mechanism is in place to enable costs incurred post-merger, where appropriate, can be allocated to the either former Tyne and Wear or former Northumberland employers
- consult and agree on any potential changes to the Funding Strategy Statement.

Investment Strategy and the Investment Management Structure

98. A key part of improving the funding position is ensuring that the Fund has an appropriate investment strategy in place. We must ensure that the Fund's assets are invested effectively and appropriately in the light of its financial position, liabilities and opportunities in investment markets.

99. The investment objectives are summarised in the Investment Strategy Statement. The Fund is required to keep this Investment Strategy Statement under review. The standard practice is to review it at least annually.
100. The Fund's investment objectives are:
- to invest the Fund in assets of appropriate liquidity to produce income and capital growth that, together with employer and employee contributions, will meet the cost of benefits
 - to keep contributions as low and as stable as possible through effective management of the assets.
101. In addition, the Fund has agreed a set of investment beliefs, which are also set out in the Investment Strategy Statement.
102. As stated in the PEST analysis and the SWOT analysis, the Fund is compliant with the six Investment Principles that cover the areas of effective decision making, investment objectives, risk and liabilities, performance assessment, responsible ownership and transparency and reporting.
103. Since 2000, the Fund's strategic benchmark has been derived from asset liability studies that examine the financial position, the membership profile, the nature of the liabilities and analysis on the expected range of outcomes from differing investment policies. A full asset liability study is undertaken around the same time as each valuation. Desktop reviews have been carried out in the intervening years to ensure that this approach remains appropriate.
104. The strategy in place for most of 2019/20 was based upon an asset liability study carried out in 2016/17 which used the liability data from the 2016 valuation.
105. In 2019 further asset liability modelling was undertaken to establish whether the investment strategy needed to be de-risked following the significant improvement in the funding level. This analysis was also used to help inform the approach to setting the discount rate in the 2019 valuation.
106. The outcome of this modelling exercise was to target a reduction to growth assets of 15%, with a 10% increase in income assets and a 5% increase in protection assets.
107. When looking at changes to the investment strategy, consideration was given to whether they would have been implementable under the new investment pooling arrangements with Border to Coast.
-

108. The investment strategy is implemented through a management structure comprised of direct investment manager appointments, that cover quoted equity and bond markets and the UK property market and investments through Border to Coast. The investment in private equity, global property, infrastructure and private debt is by way of allocations to funds, some of which are also with Border to Coast.
109. By the start of April 2020 the Fund will have moved approximately 28% of its assets into the pooled funds operated by Border to Coast. In addition, commitments to new private market investments will be through Border to Coast going forward.
110. In future years, further assets will transfer to Border to Coast. It is forecast that by March 2023 approximately 60% of the Fund's assets will be under the management of Border to Coast. Thereafter, the transfer of assets will slow down as the only new investments with Border to Coast will be in the private markets where new commitments will be made to replace those investments that are maturing.
111. The transfer of assets to Border to Coast will exclude all assets in passive indexed investment vehicles. This is because these are specifically excluded from pooling arrangements due to the fact they are already pooled in very efficient low cost structures. In the long-term it is forecast that the Fund will have approximately 24% of assets in passive indexed investments.
112. The Fund's approach to managing ESG or Responsible Investment related issues is likely to come under increased scrutiny at a time when there is an increased focus on this within the investment industry. The Fund is working closely with Border to Coast on these issues and undertakes an annual review of its approach to Responsible Investment.
113. Climate change is recognised as a significant financial risk, which will provide both opportunities and threats to the assets in the Fund. It is important that the Fund is able to manage these risks appropriately and respond.
114. During 2019/20 consideration has been given to investing in a range of indexed funds which favour companies with a strong approach to ESG related issues generally and climate change in particular. This work is likely to continue into 2020/21.
115. The detailed work of the Investments Office and any changes to the investment structure will be set out in operational plans.

Objective 3 - Ensure that the Fund has an appropriate strategic benchmark and investment management structure

116. We will continue to ensure that the Fund has an appropriate strategic benchmark and investment management structure.
117. As noted above, the latest asset liability study has been undertaken in 2019. The outcome of the review is that the Fund has agreed to de-risk the strategy and reduce the allocation to quoted equities by 15% and increase the allocation to assets producing strong income streams by 10% and those with more defensive capabilities by 5%. This should help provide increased stability to the funding level going forward.
118. The process of implementing these changes has already commenced and will continue into the 2020/21 financial year and beyond.
119. It is anticipated that further enhancements may also be made to the structure and mandates during the period of this plan. These may include enhancements to individual mandates. Any such amendments would take the impact and timing of pooling into account.
120. We will:
- Implement the outcome of the 2019 asset liability study and the revised investment strategy
 - Keep the investment strategy and structure under review through appropriate modelling
 - undertake an annual review of the Investment Strategy Statement
 - consider enhancements and/changes to the management structure and individual mandates
 - monitor the performance of all managers and custodians. This will also include investments with Border to Coast
 - ensure that the fees payable on alternative investments are justified by the net returns
 - maintain financial control over all portfolios on a monthly monitoring cycle
 - manage the Fund level cashflow

- continue to develop the Fund's approach to ESG and Responsible Investment
- complete the review of index funds which favour companies with strong ESG and climate change credentials
- actively engage with managers to ensure that they are appropriately addressing the climate change related risks, opportunities and threats.

121. Should the merger with Northumberland County Council Pension Fund progress in 2020/21 the Fund will need to:

- transition the assets from Northumberland County Council Pension Fund to the new Tyne and Wear investment strategy
- monitor and measure the costs of these transitions and ensure that the costs are met only by those employers formally in the Northumberland County Council Pension Fund.

Objective 4 - Consideration of areas related to the investment of the Fund

122. We will continue to examine other areas that are related to the investment of the Fund, taking into account the future impact of pooling and merger, including:

- the application of the tactical asset allocation mechanism
- the custody arrangements
- stock-lending, to include an ongoing assessment of risk, the implications for voting and the recovery of overseas tax
- performance and risk management services
- gross and net performance reporting
- the payment, recovery and filing obligations in relation to UK and overseas tax
- transaction cost monitoring and commissions paid. This will need to take account of the changes to the method of charging for research under MIFID II
- the class action arrangements.

Objective 5 - Examine ways of providing employers, at their request and at their own risk and cost, with an investment strategy that may be more tailored to their individual liabilities

123. The strategic benchmark and investment management structure is based upon an analysis of liabilities at the Total Fund level, resulting in employers being offered a “one size fits all” strategy.
124. We can examine ways of providing employers, at their request and at their own risk and cost, with an investment strategy that may be more tailored to their individual liabilities.
125. Such an approach could be of interest to employers that wish to adopt a lower risk strategy or that have a finite membership in the Fund such as contractors, or to employers whose liabilities differ markedly from the Total Fund liabilities.
126. The strong asset returns over the last few years has meant that the funding level for the majority of employers is in excess of 100%. Some materially so. Others still remain in deficit. This may pre-empt some employers becoming more interested in an employer-specific strategy if the total fund strategy is no longer considered to be appropriate for their funding position and risk profile.
127. To assist in this area the Fund, in conjunction with Aon, the Fund’s Actuary, has “unitised” the Fund. This provides more accurate tracking of cashflow for each individual employer, which in turn provides a more accurate funding position. It also has the benefit that it can be used to offer a more tailored investment strategy.
128. The position will be monitored to establish whether there is interest in this approach from employers. To implement such an approach would require an employer to request this and to meet the costs of implementation.

Objective 6 – Implement the Governments initiative on the pooling of investments

129. As noted in the service profile and in the PEST Analysis, the Fund and 11 other LGPS funds have joined together to create an investment management company called Border to Coast Pensions Partnership Ltd to jointly pool and invest the assets of the funds.
130. As at 31st March 2019 the combined assets of the funds participating in Border to Coast were valued at £49 billion.

131. A significant amount of work has been undertaken in creating this company and the transition of the quoted assets started in 2018/19. As noted above, it will take several years to complete this process of transferring assets to Border to Coast.
132. Whilst the majority of the Fund's assets will transfer to the control of Border to Coast, the passive indexed assets with Legal and General will stay under the direct control of the Fund for the immediate future and the private market investments will go into run off over a period, which in some cases will be around ten to fifteen years.
133. The most significant change with the move to pooling is that the Fund will no longer be responsible for appointing and monitoring individual managers. The Fund will, however, remain responsible for determining its strategic asset allocation and monitoring the performance of Border to Coast.
134. Whilst some of the manager-related activities described above in Objectives 3 and 4 will be gradually subsumed into Border to Coast, the Fund will develop a range of further objectives needed for monitoring the activities of the pool.
135. As Border to Coast develops and grows we will need to:
- continue to work with other funds within Border to Coast to develop appropriate monitoring arrangements
 - ensure that appropriate sub-funds are available for the Fund to invest in
 - appoint a transition manager, where appropriate, for each transition and have active input into any asset transfer
 - monitor the ongoing costs and savings resulting from pooling.

Aim 3 – Work with our partners to provide high quality services to employers and members

136. Our third aim is *“to work with our partners to provide high quality services to employers and members”*. The objectives and actions are set out under the headings of :
- Northumberland County Council Pension Fund
 - Joint Working With Other Administering Authorities
 - Pensions Systems

- Data Security
- Pensions Processing
- Staffing Issues
- Performance Management
- Financial Management
- Risk Management
- Equality and Diversity

Northumberland County Council Pension Fund

137. The PEST analysis referred to the need for administering authorities to deliver the Scheme as efficiently as possible.
138. In early 2018, the Fund implemented a pensions administration shared service arrangement with Northumberland County Council Pension Fund. 2018/19 was the first full year of the operation of this service.
139. The shared service arrangement is resulting in efficiencies for both funds. It has also provided the opportunity to review and implement the best working practices and policies used by each fund.
140. A review of the contracts in place at both funds has been undertaken to establish whether any joint procurement could be undertaken. To date, joint work has been commissioned with the Actuary, which has resulted in additional savings to both funds.
141. Following on from the successful establishment of the pensions administration shared service arrangement, both Funds have been discussing a full Fund merger. As noted in the service profile, 1st April 2020 is being targeted as the merger date. The merger will have the benefit of providing for further efficiencies as well as ensuring the newly merged Fund is well placed to respond to any future changes to the LGPS. There is a specific project plan in place to deliver merger.
142. Operation plans will be developed as and when necessary to develop other initiatives with Northumberland County Council.

Joint Working with Other Administering Authorities

143. As noted above, pooling arrangements for investments started in 2018/19. The Fund is already working more closely with the funds involved in Border to Coast. It is expected that this will provide further opportunities to get involved in other selective joint working on appropriate areas of investment and also potentially pensions administration.
144. Other opportunities, outside of investments, for joint working are expected to arise. The Fund will need to ensure it is appropriately placed to take advantage of any opportunities.
145. We use the Scheme-wide framework agreements for procurement. Those either available or expected to be available in the near future are:
- Actuarial, Governance and Benefit Consultancy Services
 - Investment Consultancy Services
 - Pensions Administration Systems
 - Member Data Services
 - Passive Investment Management
 - Investment Management Performance and Cost Monitoring
 - Transition Management and Implementation Management
 - Stewardship Advisory Services
 - Legal Services
146. We work with the Local Government Association on the communication strategy for the Scheme, the development of material and the use of social media for the communications strategy.
147. We work with other clients of our pensions administration system provider to develop the system and prioritise development.

Objective 7 – Relationship with Northumberland County Council Pension Fund and other Joint Working Opportunities

148. With regard to the merger with Northumberland County Council Pension Fund we will deliver the project plan on merger.
149. Should the merger not progress, the shared service arrangement will continue and we will:
- continue to evolve the reporting arrangements with Northumberland
 - review working practices and policies that impact on both funds
 - consider what joint procurement of services could be undertaken
 - consider how to further develop the relationship between the two funds.
150. Whilst the main focus at present is on making the joint working arrangement and the potential merger work, the Fund will:
- continue to explore and consider options for joint working with other administering authorities and organisations
 - maximise the use of framework agreements when tendering services.

Pension Systems

151. The development work on systems is undertaken largely within the Technical and Communication Teams. The Operations Teams assist in areas such as testing and in focus groups.
152. The contract on the pensions administration system provided by Civica UPM was last reviewed in 2015/16. At that time a contract was signed through to 31st March 2022. This followed a procurement process that was undertaken through a framework agreement.
153. Whilst there are still two full years to run on the pensions administration software licence, there is a considerable amount of development work that needs to be considered and the uncertainty around the software supplier going forward is starting to impact on the Fund's ability to initiate this development work.
154. Consequently it is considered appropriate to bring forward the procurement process for the pensions administration system to 2020/21 to provide for greater certainty thereafter.

Objective 8 - Develop pensions systems

155. The new procurement process for the pensions administration system will be undertaken in 2020/21. This will be a large exercise which will be time consuming.
156. At the same time, the following two development projects will be delivered.
- the implementation of automated bulk leaver notifications between the employers and the Fund. This is considered to be the first step towards implementing monthly contribution posting.
 - the development of a scheme-specific data scoring and reporting module to comply with the Regulator's requirements and meet the agreed LGPS standards.
157. As previously noted, the Fund has reconciled each individual member's Guaranteed Minimum Pension entitlement to records held by HMRC. The next stage of work is to rectify and resolve all differences. The Fund will be working with Civica to use a module to assist with this rectification work.
158. During 2018/19, the Fund has eliminated all paper forms for the receipt of information from employers. Large employers use bulk data inputs (BDI) for high volume work. Where a BDI does not exist, these employers use web formats. Smaller employers use web forms for all processes.
159. The ongoing development of processes in UPM is continuing. The Technical and Communications Teams are delivering a number of initiatives, including:
- the use of more efficient working practices
 - developing automation and straight through processing
 - a full review of all administration processes
 - improved management information on pensions processing, including the introduction of new performance indicators.
 - improved on-line help and guidance notes
 - a review of and improvement to online forms.

160. As noted above the the Fund will look to implement automated bulk leaver notifications between the employers and the Fund. This is considered to be the first step towards implementing monthly contribution posting. The final stage of moving to monthly contribution posting will be considered once there is greater clarity around the software contract. The move to monthly contribution posting may be more labour intensive initially but it could provide for longer term efficiencies and improvements in data quality. If we moved to full monthly contribution posting, this would be a significant piece of work and would need to be prioritised.
161. On request, the Fund exercises its discretion to make trivial commutation payments. In 2020/21 consideration will be given to proactively contacting members and offering this facility. Historical cases will be looked at in future years.
162. The UPM system provides a capability for member-led calculations, providing statements and updating personal information that will be developed. The actions for this area are included under Objective 19, communicating with members.

Pensions Processing

163. The Fund has backlogs in pensions processing work. These backlogs originate from the materially delayed release of the LGPS Regulations 2013 and associated guidance, combined with the increased complexity of the 2014 career average scheme. Whilst backlogs exist they have been substantially reduced over the past couple of years.
164. Dealing with these backlogs has severely impacted on systems development work and processing. Initially, many cases had to be calculated manually.
165. The majority of the pensions processing is carried out by the three Operations Teams. The teams are multi-disciplinary and provide a client service to specified employers.
166. In addition, the Communications Team handles a significant number of the simpler processes.
167. The work of the Teams is set out in operational plans.
168. UPM is used by the employers via a web service to review records and carry out estimates of their employees' benefits.
169. A data cleansing initiative in relation to common data has been applied in 2018/19 and 2019/20. Work has progressed at a Scheme level to establish a common standard and guidance on how to measure scheme-specific data. Now the standards have been set, the

Fund will look to develop and use a module available from its software supplier to score and report on the quality of the scheme-specific data.

170. The Government's Freedom and Choice initiative has led to an increase in workload as members request transfers from the defined benefit arrangements such as the Local Government Pension Scheme into defined contribution arrangements. A system has been put in place to assess applications for transfers and to ensure that only legal transfers take place.

Objective 9 - Introduce improved working practices across pensions processing

171. Pensions legislation sets out timescales within which many processes are to be completed. We have derived timescales and targets for processing that are based on this legislation. These are referred to in the Employers Guide and in the Pensions Administration Strategy.
172. The Fund has developed a range of performance indicators based on the timescales and processes set out in pensions legislation. Performance against these standards is reported to the Committee and the Local Pensions Board on a quarterly basis.
173. In addition to these regulatory timescales, CIPFA has developed a proposed range of internal performance indicators for pensions processing. This should supplement the use of the processing timescales set out in the disclosure regulations. A project is in place to implement these additional performance indicators at a Fund level from April 2020.
174. In 2019, significant progress has been made in reducing the backlogs that originated in 2014/15 with the introduction of the CARE scheme. Therefore, the timetable for processing in 2020/21 has been prepared with the aims of:
- stabilising the processing volumes to ensure outstanding work is at an appropriate level.
 - improving performance against processing targets
 - providing the annual update to pensioners by the internal deadline of 16th April
 - completion of the contribution posting exercise by 30th June
 - maximising the number of completed benefits statements
 - achieving the statutory deadline of 31st August for the production of the deferred and annual benefits statements
 - issuing the pensions savings statements by 6th October.
-

175. An exercise will be undertaken to rectify those records identified with differences under the Guaranteed Minimum Pension reconciliation review that has been completed.
176. The quality of data flows from employers is a key factor in controlling costs and achieving processing deadlines. We will continue to work with employers to improve the quality and timeliness of data through:
- the client service role that is delivered by the Operations Teams
 - mailshots
 - employer training
 - the Employers Guide and the Pensions Administration Strategy, which set out the timescales and targets for processing
 - performance indicators that measure the timeliness and quality of the submission of data
 - targeting those employers that are experiencing particular difficulties
 - increasing data validations with electronic processing.
177. An annual exercise is undertaken on common and scheme-specific data. This will result in the production and implementation of a data improvement plan.
178. The Fund will also undertake an annual member tracing exercise for all members with whom we have lost contact.

Data Security

179. The issue of data and cyber security has never been higher on the agenda. This is especially the case with the General Data Protection Regulations (GDPR) which came into force on 25th May 2018.
180. The Fund sits within the Council's ICT Information and Governance framework. As the Fund is administered by South Tyneside Council, it shares the same legal entity and forms part of the Council's Data Protection registration.
181. The Fund has worked with the Council to ensure that appropriate controls are in place and the requirements of GDPR are met. The Fund participates in a cross service working group that has been established by the Council.
-

182. A further working group involving local government pension funds was in place to review any pensions specific requirements and actions.
183. The Committee, the Local Pension Board and staff have all been briefed on the requirements of GDPR. The Fund has taken all of the necessary actions to comply with GDPR.

Objective 10 – Ensure Appropriate Data Security is in Place

184. To ensure appropriate data security arrangements are in place and the Fund is able to comply with the GDPR regulations, the Fund will:
- work with the Council and industry wide working groups to ensure that the requirements of GDPR continue to be met
 - report on and monitor data breaches.

Staffing Issues

185. The establishment of the Pensions Service is monitored to ensure that it is capable of delivering the service required.
186. The factors that impact on the structure include:
- the potential merger with Northumberland
 - joint working with other administering authorities
 - the increasingly stringent governance standards being applied on pensions funds and the oversight from the Pensions Regulator
 - the CARE Scheme, which is proving to be more complex to administer than the 2008 Scheme
 - an increase in the number of employers, mainly academies
 - an increase in the number and complexity of employer admissions and the ongoing management of employers. This is as a result of a range of factors, including the creation of academies, the requirements in relation to bonds and guarantees as set out in the Local Government Pension Scheme Regulations 2013, the restructuring of employers and admission agreements and withdrawals from the Fund. A robust

system has to be in place for this area of work, which is largely managed by the Pensions Legal Team.

- changes to the number of members and type of membership as a result of the reduction in public sector expenditure
- Auto Enrolment and Auto Re-Enrolment
- changes in legislation that have led to an increase in the number of the more complex pensions processing queries and transactions
- more members are requiring information on their pension options and tax position
- work arising from the Freedom and Choice initiative
- improvements to the pensions administration system which will lead to more efficient processing
- the backlog in pension processing that arose initially from 2014/15 as a result of the introduction of the CARE Scheme
- financial reporting and control has become more complex and the volume of work is increasing
- the investment of the Fund has become more complex
- the implications and implementation of pooling.

187. From about 2010, in order to reduce costs and provide flexibility for future restructuring, the Service adopted the practice of freezing posts as they fell vacant, allowing staff to reduce their hours where possible and reducing overtime working. The possible merger of administering authorities that was under consideration through the “Call for Evidence” was also a factor in not recruiting. Eight posts out of the establishment of 61 posts were frozen at the start of the 2014/15 year.

188. The 2014 Scheme proved to be more complex and time-consuming to administer than the 2008 Scheme. In addition, the regulations to implement the new Scheme, were issued too late to get the pensions administration system updated and this led to a significant number of calculations and processing having to be undertaken manually.

189. All of this at a time when the Pension Fund was operating with a number of vacant posts which led to a material increase in processes outstanding and backlogs in workload in 2014/15 onwards.
190. As a consequence, it was necessary to fill the vacant posts. In addition, further staff have been appointed on temporary contracts.
191. It has taken several years to address these backlogs but there are clear signs in 2019 that the backlogs are reducing significantly and processes outstanding are getting to more “normal” levels.
192. It should also be recognised that during the period from 2014/15 to date, the Fund has undertaken two triennial valuations, implemented a pensions administration shared service arrangement, undertaken the GMP reconciliation and developed a new investment management pooling company and has started to transfer assets over, all of which take significant time and resource.
193. In early 2018, with the move to the new shared service arrangement with Northumberland, six staff transferred from Northumberland to the Tyne and Wear Pension Fund. In addition, three new posts were created. If the merger is implemented, this will result in an additional three staff transferring from Northumberland.
194. Broadly the same staffing structure has been in place for a long period of time without a significant review and a refocus on priority areas. The move to merger, the increased focus on governance arrangements, the initiatives from the Pensions Regulator and the need to refocus on the digital delivery of services going forward means that it will be appropriate to review the staffing structure in 2020/21.

Objective 11 - Keep staffing structure under review

195. A review of the staff structure in Pensions will be undertaken to ensure it is fit for purpose going forward.

Objective 12 - Continue to develop training for and communication with staff

196. We will continue to address the delivery of training and communication with staff. The Council has an Employee Performance Management system in place. This system needs to be applied.
197. The CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills has been implemented.

198. The career grade for Pensions Office staff was reviewed in 2015/16.
199. We understand the need for effective communication with staff to ensure that they are kept up to date on corporate matters, legislation and working practices.
200. Managers need to ensure there is a depth and breadth of knowledge within and across Teams and Offices to provide cover for absences, staff progression and departures.

Objective 13 - Apply the Sickness Management Procedure and achieve the sickness target

201. The Service applies the Council's Sickness Absence Procedure and has a target set annually for days lost to sickness.
202. The Service has a target for sickness absence of 6 days per employee.
203. We will continue to implement the Sickness Absence Procedure.

Performance Management

204. The main ways in which we know whether we are meeting our vision and aims are through:
 - quarterly and annual monitoring reports to Pensions Committee and the Local Pension Board
 - monitoring performance against our aims, objectives and actions
 - monitoring processing targets set out in pensions legislation
 - our internal key and local performance indicators
 - external monitoring of investment performance and risk
 - external monitoring of investment fees
 - comparison with peer group data
 - the level and outcome of referrals to The Pensions Advisory Service (TPAS), the Internal Disputes Resolution Procedure, the Pensions Regulator and the Pensions Ombudsman

- reports from the Internal Audit Service, Deloitte and Ernst and Young
- consultation with our stakeholders to get their views on the service we provide.

205. The Scheme Advisory Board developed some draft key performance indicators in 2015/16 with the intention of updating these and releasing new indicators in 2016/17. However, to date, no further indicators have been released. It is understood, but has not been formally confirmed, that the Scheme Advisory Board will not pursue these performance indicators. The position on updated performance indicators will be monitored.

206. CIPFA has proposed some pensions processing performance indicators. Work is progressing on updating systems to be able to provide effective measurement against these performance indicators from April 2020.

Objective 14 - Performance Management

207. A regular monitoring exercise shows how we are performing against the aims, objectives, actions and local performance indicators. We will continue to review these areas to ensure that we use indicators that have the most relevance to our activities and which will drive improvements to the service.

208. We participate in a number of benchmarking exercises that provide comparative data on our costs and performance, as well as ideas to develop the service. We will continue to make use of such exercises to develop the service and to become more efficient and cost effective.

209. New pensions processing performance indicators will be introduced from April 2020.

Financial Management

210. We prepare a three year financial plan and ensure that budget holder responsibilities are clearly defined and understood by service managers.

Objective 15 - Maintain financial control and meet the requirements for the final accounts and annual report

211. We will continue to maintain tight financial control over the entire Fund.

212. The deadlines for the closedown of the Council's accounts have been brought forward to the end of May for the draft accounting statements and the end of July for the publication of the Council Report and Accounts. The Fund is required to include its own financial

statements within the Council's accounts. The previous deadlines were June and September respectively.

213. In addition, the Fund is required to produce its own comprehensive Report and Accounts. The statutory deadline for this remains unchanged as 1st December, however, we intend to continue to take this to Committee in September.
214. CIPFA produces a range of guidance on what needs to be included in the Report and Accounts. The Fund will look to comply with these requirements. For 2018/19, this included an additional report in regard to the costs and savings from pooling. There needs to be further development of this reporting on pooling.
215. We intend to closedown the 2019/20 accounts by the deadlines set out in the paragraphs above and obtain an unqualified audit opinion.
216. In relation to the Annual Report and Accounts, the Scheme Regulations set out:
- requirements on the content
 - Ministry of Housing, Communities and Local Government (MHCLG) guidance on the content
 - a statutory deadline of 1st December following the year end for publication.
217. We will meet the statutory and best practice requirements for the content of the Fund's Annual Report and Accounts.

Risk Management

218. The Fund meets the requirements for the identification and control of risk by using a specific framework that is appropriate to the nature of the risks we face.
219. A Risk Register is maintained and is available on the Fund's website.
220. Deloitte has been appointed to undertake and develop the more specialised work in the internal audit programme.
221. Pensions Committee receives an annual report on the content of the Risk Register.
222. The Local Pension Board reviews the Risk Register each quarter.
223. The Local Pension Board review at least two specific risks in detail each quarter.
-

224. The Committee and the Board receive training on Risk Management.

Objective 16 - Fully embed a risk management framework

225. The Service must understand and manage the strategic and operational risks that it is exposed to. We must ensure that:

- the Risk Register is kept up to date and is acted upon
- the Business Continuity Plan is up to date
- workplace risk assessments are reviewed at least annually, are up to date and actions are implemented
- the Service is represented on appropriate risk management groups
- staff have attended appropriate training courses on health and safety issues
- work with Internal Audit and Deloitte to develop and achieve the internal audit programme.

Equality and Diversity

Objective 17 - Participate in the Equality and Diversity Programme

226. The Service will participate in the Council's Equality and Diversity Programme.

227. We carry out a regular equality check to ensure we are compliant with the Equality Act 2010.

Aim 4 – Make pensions issues understandable to all

228. We will meet our fourth aim, “to make pensions issues understandable to all”, through our approach to governance, consultation, communications and training.

229. The issues to be addressed are set out below:

- The Fund must have an appropriate governance structure.
- With regard to consultation, we need to have robust systems to assess the views of stakeholders.

- It is important that the Fund communicates with its stakeholders in a clear, purposeful and timely manner using plain English.
- We must ensure that we have provided appropriate training for stakeholders.

230. The Fund's communications strategy is set out in our Communications Policy Statement.

231. The objectives and actions that will assist us to meet this aim are set out below under the headings of:

- Governance Structure
- Communications Team
- Communicating with Employers
- Communicating with the Membership.

Governance Structure

232. The governance structure is the system by which the Fund is directed and controlled. The structure is determined by the Local Government Pension Scheme Regulations and the Fund's internal governance structure.

233. The structure, including the format of meetings and the training programme, is kept under review by the Pensions Committee.

234. The structure is set out in the Governance Compliance Statement, which was last reviewed formally by the Pensions Committee in February 2019.

235. The high level structure is set out in the Council's Constitution. It will be necessary to review the Councils Constitution should merger progress.

236. There has been an increased focus on governance in the LGPS, with the Scheme Advisory Board commissioning a "Good Governance" review of the LGPS from Hymans Robertson. The Fund will need to consider the recommendations from the review and implement any changes as appropriate.

237. In addition, the Pensions Regulator has undertaken its own review of governance and administration risks in public service pension schemes and has produced an engagement report. The Fund will need to review and respond to the issues raised in this report.

238. As stated in the PEST analysis and the SWOT analysis, the Fund is compliant with all six Investment Principles as set out in the Myners report.
239. The Fund commissions an annual review of governance arrangements from Deloitte. This focusses on Investment Principles as set out in the Myners report but also covers the wider governance arrangements and the guidance from MHCLG on governance arrangements.
240. The Pensions Regulator has laid down training requirements for the Scheme Manager, i.e. Pensions Committee and the Local Pension Board.
241. The Myners' Review also made recommendations on trustee training.
242. The Fund introduced a Pensions Committee training policy in 2002. A joint training policy for the Committee and the Local Pension Board was formally adopted by the Committee in June 2019 and the Local Pension Board in July 2019.
243. The Committee has adopted the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills as the basis of its Training Policy and Programme.
244. The Board has adopted the CIPFA Technical Knowledge and Skills Framework for Local Pension Boards as the basis of its Training Policy and Programme.
245. The training programme for the Pensions Committee is led by Head of Pensions, with assistance from the Pensions Office.
246. The training programme for the Local Pension Board is led by the Lead Officer, with assistance from the Pensions Office.
247. We consult the Pensions Committee and Local Pension Board by way of reports and direct contact.

Objective 18 - Governance Structure

248. We will:
- keep the governance structure, including the format of meetings, under review
 - review and implement changes, as appropriate, from the Good Governance review of the LGPS commissioned by the Scheme Advisory Board

- review and implement changes, as appropriate, from the Pensions Regulators review of governance and administration risks in public service pension schemes
- continue our best practice approach to the training programme in light of the Pensions Act, the CIPFA Code of Practice, the requirements of the Pensions Regulator and the Committee and Board's specific requirements
- maintain compliance with the Codes of Practice and guidance prepared by the Pensions Regulator and other parties.

249. Should merger progress there will be a review of the Council's Constitution.

Communications

250. The communications and training initiatives for employers are led by the Communications Team.

251. The detailed work of the Team is set out in operational plans. The main initiatives for communicating with employers and members are set out below.

252. One of the biggest challenges for the Fund going forward is to transition the communications strategy and approach a more digital world with an increased use of technology and electronic communications.

Communicating with Employers

253. We have a range of initiatives in place for consulting, communicating with and offering training to current and prospective employers. These are set out below:

- We will conduct surveys, generally annually, to ensure that we are aware of employers' views on the service we offer.
- We undertake an annual survey to seek information that might impact on the status of each employer's admission to the Fund.
- We hold an annual meeting with employers to discuss strategic matters such as the valuation, funding position and investment strategy.
- We provide three places on the Pensions Committee for employer representatives to sit in an advisory, non-voting capacity.

- The Local Pension Board has four places for employer representatives to assist the Pensions Committee to ensure the effective running of the Fund
- There is a programme of meetings/seminars with all employers to cover pension administration issues such as regulatory changes, communication initiatives and processing.
- An online Employers Guide provides detailed background information on the Scheme, the Fund and our processing systems.
- Regular mailshots are sent out. All employers receive this information by e-mail.
- Training seminars and workshops are offered to employers and are well received.
- The Operations Teams act as client managers to the employers that they administer.
- The website is being developed as a medium to provide and receive information.
- We work with the Local Government Association and other funds to develop communications initiatives, including Scheme guidance booklets.

Objective 19 - Develop communication with and training for current and prospective employers

254. During 2020/21 we will:

- conduct a survey to ensure that we are aware of employers' views on the service we offer
- undertake an annual survey to seek information that might impact on the status of each employer's admission to the Fund.

255. In addition, we will develop:

- an engagement strategy for employers
- the role of the website in communications
- the training programme

Communicating with the Membership

256. Crucial to the success of the communications strategy for members is the increased use of electronic communications. During 2019 the Fund implemented member web. Whilst this is a significant step forward, it is clear that further development work in this area is needed to make the services available more interactive and intuitive.
257. We have developed a range of initiatives for consulting and communicating with the members of the Fund.
258. Our past practice has been to survey each of the three categories of membership and this has generally taken place in a paper form. The move to introduce member web will provide the opportunity for surveys to be undertaken electronically and also to introduce event based surveys.
259. Our current initiatives are set out below:
- We provide three places on the Pensions Committee for trade union representatives to sit in an advisory, non-voting capacity
 - The Local Pension Board has four places for member representatives to assist the Pensions Committee to ensure the effective running of the Fund
 - We provide a helpline that managed over 80,000 calls in 2019/20
 - We welcomed around 1,300 visitors to our offices in 2019/20
 - Information is available via the website and as hard copy
 - We provide seminars for members
 - We provide an annual benefits statement to active members
 - A tracing service is used at the Fund's expense to seek to establish contact with lost members
 - On request we send out hard copy annual pensions updates to pensioners that include a letter setting out the annual cost of living increase, a P60 and a payslip

- All benefit statements and annual pensioner updates will be available electronically
- “What if” calculations can be undertaken by members who have registered to use the online mypension system
- We work with the Local Government Association to develop communications initiatives
- We keep the Additional Voluntary Contributions arrangements under ongoing review and work with our providers to ensure effective member communication.

Objective 20 - Develop communication with members

260. Initiatives for this period of the plan include:

- the development of an engagement strategy for members
- continuing to develop, enhance and roll out the use of electronic communications to provide and receive information. This includes the move to the new Civica member web facility
- working with scheme employers to join up communications and promote online services and improve the take up
- improvements to member self service
- the delivery of the 2020 annual benefits statements in an electronic format
- the delivery of the 2020 pensioners’ annual updates in an electronic format
- considering the use of social media
- achieving the annual statutory deadline of 31st August for the provision of the deferred and active annual benefit statements
- carrying out the ongoing review of the Additional Voluntary Contributions arrangements
- review of the public website
- review of front line services, including the helpline

- develop an on-line chat facility and consider video conferencing
- work with the Local Government Association and the National Communications Group to develop the National LGPS website and deliver standard guides, documents and communications across the LGPS.

Summary of Aims, Objectives and Actions

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
Aim 1 – Promote membership of the Fund					
1. Promote membership of the Fund to new and existing employers and members	Promote membership of the Fund to existing employers	Comms Manager	March 2021	Within existing resources	Relative increase in Fund membership in the longer term
	Promote membership of the Fund to prospective new employers	Principal Pensions Manager	March 2021	Within existing resources	Relative increase in Fund membership in the longer term
	Promote membership of the Fund to existing members	Comms Manager	March 2021	Within existing resources	Relative increase in Fund membership in the longer term
	Promote membership of the Fund to prospective new members	Comms Manager	March 2021	Within existing resources	Relative increase in Fund membership in the longer term
	Take a more customer-focused approach to provide members and employers with confidence in the Fund and the Scheme	Principal Pensions Manager	March 2021	Within existing resources. To link in with communication strategy	Good customer satisfaction scores

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
Aim 2 – Keep contributions as low and as stable as possible through effective management of the Fund					
2. Actuarial and funding strategy related issues	Keep the funding strategy under review to ensure that it continues to target solvency whilst managing the cost of the Scheme to employers	Head of Pensions	March 2021	Within existing resources	Funding strategy at Fund and employer level remains appropriate
	Commence preparations for the 2022 valuation	Head of Pensions	March 2022	Within existing resources	Funding strategy at Fund and employer level remains appropriate
	Monitor cashflow at Fund level and employer level	Head of Pensions	March 2021	Within existing resources	Funding strategy at Fund and employer level remains appropriate. Investment strategy remains appropriate. Fund level cashflow is managed correctly
	From April 2020, use the Aon Risk Analyzer system to monitor estimated Fund level movements in the funding level and reporting the results to the Pensions Committee and employers	Head of Pensions	March 2021	Within existing resources	Awareness of the position of the Funding level
	Introduce new employers into the Fund	Principal Solicitor - Pension Fund	March 2021	Within existing resources	Arrangements in place by agreed start date for each employer

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Manage employer withdrawals from the Fund and ensure that liabilities are met	Principal Solicitor - Pension Fund	March 2021	Within existing resources	Liabilities to the Fund are met
	Monitor the position on employer covenant	Head of Pensions/ Principal Solicitor - Pension Fund	March 2021	Within existing resources	Employers pay an appropriate contribution rate relative to their covenant position
	Consideration of the future viability of the grouping arrangements will apply as part of the 2022 valuation	Head of Pensions/ Principal Solicitor - Pension Fund	March 2022	Within existing resources	Grouping arrangements are set out in the Funding Strategy Statement and Employers pay an appropriate contribution
	Maintain the employer database to ensure that it is held in a format capable of being transmitted to the Actuary for the 2022 valuation	Principal Solicitor - Pension Fund	March 2022	Within existing resources	Database meets the requirements of Aon
	Consider evolving the approach used for setting discount rates for Colleges and Universities and potentially a small number of other employers	Head of Pensions	March 2022	In conjunction with the Fund Actuary	Discount rate agreed with colleges and universities and these employers pay an appropriate contribution
	Undertake a review of the approach to exit valuations.	Head of Pensions/ Principal Solicitor - Pension Fund	September 2021	In conjunction with the Fund Actuary	New approach consulted on and agreed by Pensions Committee

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Should merger progress – Review the funding strategy to ensure that it is appropriate to the newly merged fund	Head of Pensions/ Principal Solicitor - Pension Fund	March 2021	In conjunction with the Fund Actuary	Funding Strategy Statement post merger being consulted on and agreed by Pensions Committee
	Should merger progress – Ensure that a mechanism is in place to enable costs incurred post merger, where appropriate, to be allocated to either the former Tyne and Wear/ Northumberland employers	Head of Pensions	March 2021	In conjunction with the Fund Actuary	Funding Strategy Statement post merger being consulted on and agreed by Pensions Committee
	Should merger progress - Consult and agree on any potential changes to the Funding Strategy Statement	Head of Pensions	March 2021	In conjunction with the Fund Actuary	Funding Strategy Statement post merger being consulted on and agreed by Pensions Committee
3. Ensure that the Fund has an appropriate strategic benchmark and investment management structure	Undertake an asset liability modelling exercise and consider de-risking options at Fund and employer level	Principal Investment Manager	March 2021	Within existing resources	The Fund is appropriately invested in the light of its liabilities and opportunities in investment markets
	Implement the outcome of the 2019 asset liability study and the revised investment strategy	Principal Investment Manager	March 2021	Within existing resources	
	Keep strategy and structure	Head of Pensions	March 2021	Within existing	

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	under review through appropriate modelling			resources	
	Review the Investment Strategy Statement	Principal Investment Manager	March 2021	Within existing resources	
	Consider enhancements to the management structure and individual mandates	Principal Investment Manager	March 2021	Within existing resources	
	Monitor the performance of all managers and custodians, including Border to Coast	Principal Investment Manager	March 2021	Within existing resources	
	Ensure fees payable on alternative investments are justified by net returns	Principal Investment Manager	March 2021	Within existing resources	
	Maintain financial control over all portfolios on a monthly cycle	Principal Investment Manager	March 2021	Within existing resources	
	Manage the Fund level cashflow	Head of Pensions	March 2021	Within existing resources	
	Continue to develop the Fund's approach to ESG and Responsible Investment	Head of Pensions	March 2021	Within existing resources	Annual review of ESG and Responsible Investment policies.
	Complete the review of index funds which favour companies with strong ESG and climate change credentials	Principal Investment Manager	September 2020	Within existing resources	Decision taken to invest based on strong evidence.

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Actively engage with managers to ensure that they are appropriately addressing the climate change related risks, opportunities and threats	Principal Investment Manager	March 2021	Within existing resources	Managers can demonstrate added value from their approach to managing climate change issues
	Should merger progress – Transition the assets from Northumberland to the new Tyne and Wear investment strategy	Head of Pensions	March 2021	Within existing resources	The Northumberland Assets are transitioned to the Tyne and Wear Strategy
	Should merger progress - Monitor and measure the costs of transitioning the Northumberland assets and ensure the costs are met by the former employers in the Northumberland Fund	Head of Pensions	March 2021	Within existing resources	The costs of the transitions are reported to the 151 Officer at Northumberland and the costs allocated to former Northumberland employers
4. Consideration of areas related to the investment of the Fund	Monitor the position on Fund level tactical asset allocation	Head of Pensions	March 2021	Within existing resources	Control of investment related risk and costs
	Monitor custody arrangements	Principal Investment Manager	March 2021	Within existing resources	
	Review stock lending, including risk, voting and	Principal Investment	March 2021	Within existing resources	

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	recovery of overseas tax	Manager			
	Monitor performance and risk management services	Principal Investment Manager	March 2021	Within existing resources	
	Undertake gross and net performance reporting	Principal Investment Manager	March 2021	Within existing resources	
	Review payment, recovery and filing obligations in relation to overseas tax	Principal Investment Manager	March 2021	Within existing resources	
	Review transaction cost monitoring and commissions paid, including the impact of MIFID II	Principal Investment Manager	March 2021	Within existing resources	
	Review the arrangements for class actions	Principal Investment Manager	March 2021	Within existing resources	
5. Examine ways of providing employers, at their request and at their own risk and cost, with an investment strategy that may be more tailored to their individual liabilities	Research and offer employer-specific investment strategies	Head of Pensions	March 2021	Within existing resources	Improved control of risk for employers

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
6. Implement the Government's initiative on the pooling of investments	Work with other members of Border to Coast to develop appropriate monitoring arrangements	Head of Pensions	March 2021	Within existing resources	Delivery of an appropriate pooling proposal in compliance with the Government's requirements, which delivers long-term savings to the Fund
	Ensure that appropriate sub funds are available for the Fund to invest in	Head of Pensions	March 2021	Within existing resources	
	Appoint a transition manager, where appropriate and have active input into any asset transfer	Head of Pensions	March 2021	Within existing resources	
	Monitor the ongoing costs and savings resulting from pooling	Head of Pensions	March 2021	Within existing resources	
Aim 3 – Work with our partners to provide high quality services to employers and members					
7. Relationship with Northumberland County Council Pension Fund and other Joint Working Opportunities	Subject to merger - Deliver the project plan on merger	Head of Pensions	September 2020	In conjunction with Northumberland Pension fund	Merger of the two funds becomes effective on 1 st April 2020
	Should Merger not take place – Continue to evolve the reporting arrangements with Northumberland	Principal Pensions Manager	March 2021	Within existing resources	The successful operation of the shared service with Northumberland

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Should merger not take place - Review working practices and policies that impact both funds	Principal Pensions Manager	March 2021	Within existing resources	
	Should merger not take place - Consider what joint procurement of services could be undertaken by both funds	Principal Pensions Manager	March 2021	Within existing resources	
	Should merger not take place - consider how to develop the relationship between the two funds further	Principal Pensions Manager	March 2021	Within existing resources	
	Explore and consider options for joint working with other administering authorities and organisations	Head of Pensions	March 2021	Within existing resources	Development of more joint working relationships
	Maximise the use of framework agreements when tendering services	Head of Pensions	March 2021	Within existing resources	Tenders are placed through framework agreement where available and appropriate
8. Develop pensions systems	Undertake a procurement process for the pensions administration system	Principal Pensions Manager and Technical Manager	March 2021	Within existing resources	Completion of a successful tender process and the award

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
					of a contract

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Implement automated bulk leaver notifications between the employers and the Fund	Principal Pensions Manager and Technical Manager	December 2020	Within existing resources	Bulk process in and operational for large employers
	Development a scheme-specific data scoring and reporting module to comply with the Regulators requirements and meet the agreed LGPS standards	Principal Pensions Manager and Technical Manager	September 2020	In conjunction with Civica	2020 scheme-specific scoring is undertaken using this new module
	Implement the Civica GMP rectification module	Technical Manager	March 2021	With assistance from Civica	All rectification work completed
	Introduce improved and more efficient working practices into UPM	Principal Pensions Manager, Comms and Technical Managers	March 2021	Within existing resources	Improvement in quality and efficiency of pensions processing
	Develop automation and straight through processing	Comms and Technical Managers	March 2021	Within existing resources	
	Review all admin processes	Principal Pensions Manager	March 2021	Within existing resources	
	Improve management information on pensions	Principal Pensions Manager	March 2022	Within existing resources	

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	processing, including the introduction of new performance indicators				

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Improve on-line help and guidance notes	Comms and Technical Managers	March 2021	Within existing resources	
	Undertake a review of on-line forms	Comms and Technical Managers	March 2021	Within existing resources	
	Consideration to be given to moving to monthly contribution posting	Principal Pensions Manager	March 2021	Within existing resources	
	Consider proactively offering trivial commutation to members	Principal Pensions Manager	March 2021	Within existing resources	
9. Introduce improved working practices across pensions processing	Develop and implement an appropriate range of internal Performance Indicators for pensions processing to supplement the use of the processing timescales set out in the Disclosure Regulations	Principal Pensions Manager	March 2021	Within existing resources	A new range of performance indicators developed and report on and achievement of the targets set out in them
	Achieve the 2020/21 timetable for processing	Principal Pensions Manager	March 2021	Within existing resources	Timetable achieved

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	To complete the final phase of the GMP review exercise and rectify and resolve the differences for all members	Principal Pensions Manager	March 2021	With assistance from Civica	Rectification completed successfully

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Work with employers to improve quality and timeliness of data	Operations Team Managers	March 2021	Within existing resources	Improved information flows from employers Database accurate. Improved pensions processing
	Carry out a data cleansing exercise on common and conditional data and implement improvement plans	Principal Pensions Manager	November 2020	Within existing resources	Database accurate. Improved pensions processing
	Undertake a member tracing exercise for all members with whom we have lost contact	Principal Pensions Manager	March 2021	Within existing resources	Database accurate. Improvement in the number of benefit statements produced
10. Ensure appropriate data security is in place	Work with the Council and industry-wide working groups to ensure that the requirements of GDPR continue to be met	Principal Pensions Manager	March 2021	Within existing resources	The requirements of GDPR are met and there are no significant data breaches
	Report on and monitor data	Principal Pensions	March 2021	Within existing	The requirements of

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	breaches	Manager		resources	GDPR are met and there are no significant data breaches
11. Keep the staffing structure under review	A review of the staffing structure will be undertaken	Head of Pensions	December 2020	Within existing resources	Structure can deliver the service. Financial implications approved by Pensions Committee and budgeted for

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
12. Continue to develop training for and communication with staff	Apply the Employee Performance Management system and deliver identified training needs	All Managers	March 2021	Within existing resources	Improvement in efficiency and staff satisfaction
	Ensure staff are kept up to date on legislation, working practices and corporate matters	All Managers	March 2021	Within existing resources	Improvement in efficiency and staff satisfaction
	Ensure there is depth and breadth of knowledge within and across Teams and Offices to provide cover for absences, staff progression and departures	Principal Managers	March 2021	Within existing resources	Improvement in efficiency and staff satisfaction
13. Apply the Sickness Management Procedure and achieve the sickness	Apply the Sickness Absence Procedure	Head of Pensions	March 2021	Within existing resources	Improvement in efficiency. Achieve 2020/21 target of no

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
target					more than 6.0 days sickness per person
14. Pence Management	Maintain Performance Monitoring processes	Head of Pensions	March 2021	Within existing resources	Increased awareness of position on service delivery Improvement in quality of service
	Participate in benchmarking exercises	Principal Managers	March 2021	Within existing resources	Participate in benchmarking exercises and use output to improve efficiency
15. Maintain financial control and meet the requirements for the final accounts and annual report	Maintain financial control	Head of Pensions and Budget Holders	March 2021	Within existing resources	Standards of budgetary control and financial management maintained. Net expenditure for the Pensions Office and Investment Office ex Managers' Fees is within budget
	Achieve internal deadline for the close down of the 2019/20 accounts	Investment Manager	June 2020	Within existing resources	Met internal deadline for close down of the 2019/20 final accounts
	Achieve statutory requirements and consider best practice guidance for the 2019/20 annual report	Investment Manager	September 2020	Within existing resources	Met internal deadline for 2019/20 annual report

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
					Complied with statutory requirements Clean audit report
16. Fully embed a Risk Management framework	Risk Register is up to date and acted upon	Head of Pensions	March 2021	Within existing resources	Improved awareness of risk and control of risk
	Business Continuity Plan is up to date	Principal Managers	March 2021	Within existing resources	Improved awareness of risk and control of risk
	Workplace risk assessments are reviewed at least annually, are up to date and actions are implemented	Head of Pensions and all Managers	March 2021	Within existing resources	Improved awareness of risk and control of risk

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	The Service is represented on risk management groups	Head of Pensions	March 2021	Within existing resources	Improved awareness of risk and control of risk
	Staff have attended appropriate training courses	Principal Managers	March 2021	Within existing resources	Improved awareness of risk and control of risk
	Work with the Internal Audit Service and Deloitte to develop and achieve the internal audit programme	Head of Pensions	March 2021	Within existing resources	Improved awareness of risk and control of risk Positive annual report from audit to Pensions Committee
17. Participate in the Equality and Diversity Programme	Participate in the Equality and Diversity Programme	Comms Manager	March 2021	Within existing resources	Compliance with Equality Act 2010
	Carry out a regular Equality	Comms Manager	March 2021	Within existing	Compliance with

	Check to ensure that we are compliant with the Equality Act 2010	and Investment Manager		resources	Equality Act 2010
Aim 4 – Make pensions issues understandable to all					
18. Governance Structure	Keep the governance structure, including the format of meetings, under review	Head of Pensions	March 2021	Within existing resources	Governance structure remains appropriate Positive governance report from Deloitte
	Review and implement changes, as appropriate, from the Good Governance review of the LGPS commissioned by the Scheme Advisory Board	Head of Pensions	September 2020	Within existing resources	Compliance with the Good Governance review
Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Review and implement changes, as appropriate, from the Pensions Regulator's review of governance and administration risks in public service pension schemes	Head of Pensions	September 2020	Within existing resources	Compliance with best practice as set out in the Regulators review
	Ensure the training programmes comply with best practice and meet the needs of the Committee	Head of Pensions and Board Lead Officer	March 2021	Within existing resources	Compliance with Investment Principles, pensions legislation, CIPFA Codes of Practice

	and Local Pension Board Members				and the requirements of the Pensions Regulator
	Pursue compliance with the Codes of Practice and guidance issued by the Pensions Regulator	Head of Pensions	March 2021	Within existing resources	Governance structure remains appropriate No issues of concern reported to the Regulator
	Should merger progress - Review of the Council's Constitution	Head of Pensions/ Principal Solicitor - Pension Fund	May 2021	Within existing resources	Successful implementation of merger
19. Develop communication with and training for current and prospective employers	Conduct a survey of employers to ensure that we are aware of employers' views on the service we offer	Principal Pensions Manager/Comms Manager	March 2021	Within existing resources	Completion of survey with good levels of satisfaction

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Undertake an annual survey to seek information that might impact on the status of each employer's admission to the Fund	Principal Pensions Manager/Comms Manager	March 2021	Within existing resources	Completion of survey and review of returns to identify any issues of concern. No employers default
	Develop an engagement strategy for employers	Principal Pensions Manager	March 2021	Within existing resources	Employers are better equipped to manage pensions issues Improvement on efficiency

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Develop the role of the website in communications	Comms Manager	March 2021	Within existing resources	Employers are better equipped to manage pensions issues Improvement on efficiency
	Develop the training programme for employers	Comms Manager	March 2021	Within existing resources	Employers are better equipped to manage pensions issues Improvement on efficiency

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
20. Develop communication with members	Develop an engagement strategy for members	Principal Pension Manager	March 2021	Within existing resources	Membership is better informed and better equipped to take pensions decisions. New member web is implemented and operational.
	Continue to develop, enhance and roll out the use of electronic communications to members to provide and receive information	Comms Manager	March 2021	Within existing resources	
	Working with scheme	Comms Manager	March 2021	Within existing	

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	employers to join up communications and promote on-line services and improve the take-up			resources	Efficiency savings Increased use of on line-services
	Deliver improvements to member self-service	Comms Manager	March 2021	Within existing resources	
	Deliver the 2020 benefit statements in an electronic format	Comms Manager	August 2021	Within existing resources	Electronic pensions mailing is available and satisfaction levels are high
	Deliver the 2020 pensioners' annual mailing in an electronic format	Comms Manager	April 2020	Within existing resources	Electronic pensions mailing is available and satisfaction levels are high
	Achieve the statutory deadline of 31 st August for the production of the deferred benefit statements and the annual benefit statements	Comms Manager	August 2020	Within existing resources	Statutory deadline achieved and the number of statements issued is higher than the previous year

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Keep the AVC arrangements under ongoing review	Principal Pensions Manager/Comms Manager	November 2020	Within existing resources	AVC Offering remains appropriate for the membership
	Consider the use of social	Comms Manager	March 2021	Within existing	Membership is better

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	media in the communications strategy			resources	informed and better equipped to take pensions decisions
	Undertake a review of the public website	Comms Manager	March 2021	Within existing resources	Review completed and enhancements made to the public website
	Undertake a review of front- line services, including the helpline	Comms Manager	March 2021	Within existing resources	Review completed and enhancements made to the front-line services
	Develop an on-line chat facility and consider video conferencing	Comms Manager	March 2021	Within existing resources	On-line chat facility developed and seen by members as an important part of the communications strategy. Availability of Video conferencing

Objective	Action	Responsibility	Target Date	Resource Implications	Evidence of Success
	Work with the Local Government Association and the National	Comms Manager	March 2021	Within existing resources	Delivery of the National LGPS website which is seen by members as an

	Communications Group to develop the National LGPS website and deliver standard guides, documents and communications across the LGPS				important part of the communications strategy
--	---	--	--	--	---

Tyne and Wear Pension Fund

Westoe Road, South Shields
Tyne and Wear, NE33 2RL



South Tyneside Council