

Scheme Member Survey – Concluding Report

On the 8th March the Pensions Advisory Panel considered the Scheme Member Survey responses summarised below:

Background

- 1.0 At the October 2014 PAP it was agreed that a survey would be undertaken of the pension scheme members to hear the views of scheme members on four key areas of the pension fund:
- the services received from the Pension Services Team;
 - the governance arrangements;
 - the investment management and performance;
 - investment priorities and responsible investment.
- 2.0 The survey (on the council's external website) has been open since December 2014, and several steps have been undertaken to promote completion including:
- formally advertising on the Source three times;
 - promotion of the survey at member events;
 - introduction of a prize draw to encourage participation;
 - managers have been encouraged to get staff to complete it;
 - letters were sent to retired members notifying them of the survey;
 - a link to the survey was included in the Pension Fund Annual Report.

Outcome

- 3.0 Despite the promotion of the survey, it is disappointing that only 334 responses have been received. This represents 1.5% of total scheme membership. The following table sets out the response rate by member category:

Membership Category	Total Members	No of Responses	% of Total Responses	Responses as % of Total Scheme Membership
Active	7,210	223	66.8%	3.1%
Pension	6,913	107	32.0%	1.5%
Deferred	7,705	4	1.2%	0.1%
TOTAL	21,828	334	100.0%	1.5%

- 4.0 These responses are summarised below for each of the areas surveyed.

Services received from the Pension Services Team

- 4.1 The responses to questions are broadly positive, with the exception of the awareness of the on line self-service facility. There are 1,290 members registered for the pension self-serve facility. This was promoted in the recent member briefing sessions, and the pensions team include a reference to the facility in all annual benefit statements and notifications to new starters.

Question	Summarised response
How satisfied are you with the presentation and content of your annual benefits statement?	69.6% responses were satisfied or very satisfied 24.1% neutral response 6.4% dissatisfied or very dissatisfied
Were you aware of the pension fund self service facility on the council website?	Only 33% of responses were aware of the self service facility
Do you understand how your contribution rate to the pension fund or your pension has been calculated?	70% of respondees said, yes
Are you aware of the changes in the LGPS that came into effect in 2014 and how these affect your pension?	70% of respondees said, yes

Governance arrangements

- 4.2 As the results below show, there is limited awareness of the pension scheme governance arrangements, despite this over a two thirds stated that they were satisfied with the governance arrangements. The recent member briefing outlined the governance arrangements for attendees.

Question	Summarised response
Are you aware of the role of the Pensions Advisory Panel (PAP)?	37.6% of respondees said yes
Are you aware of the existing governance arrangements for the pension fund?	29.5% of respondees said yes
How satisfied are you with the way that the pension fund investments are being governed?	67.9% of respondees satisfied or very satisfied 29.5% said that they did not know 0.3% dissatisfied
Are you aware of the 2015 changes to the governance requirements for LGPS funds?	25.5% of respondees said yes
Are you aware that the pension fund is independently reviewed once every three years to check that the council has a strategy in place to meet the fund's future	39% of respondees said yes

liabilities?	
Are you aware of the Pension Fund Annual Reports that are available on Southwark Council's website?	39.8% of reepondees said yes

Investment management and performance

4.3 As set out in the most recent Annual Pension Statement, Southwark pension fund increased in value by 18.9% in 2014/15; the Southwark Fund was ranked 3rd highest performing out of 84 local authority funds in the WM Local Authority Universe. However, there was a mixed response to the satisfaction rating on the pension fund's investment management and performance, as stated below.

Question	Summarised responses
Based on information contained in the Pension Fund Annual Reports and other sources, how satisfied are you with...? <ul style="list-style-type: none"> The funding and investment policy The performance of the pension fund investments The range of investments included in the pension fund portfolio 	<p>Broadly 35% of respondees said that they did not know</p> <p>The remaining respondees were fairly evenly split between a neutral position and satisfied/very satisfied</p> <p>A small minority of respondees were dissatisfied</p>

Responsible investment

4.4 The responsible investment questions and summarised responses are set out below.

Question	Summarised responses
How satisfied are you with the pension fund's responsible investment policy?	<p>Broadly fairly even responses between: Do not know; neutral; and satisfied/very satisfied.</p> <p>A minority of respondees (4.4%) were dissatisfied/very dissatisfied.</p>
For each item listed, please indicate your views on whether you think they are appropriate industries/sectors for investment for the pension fund	<p>Top five industries/sectors most popular for investment</p> <ul style="list-style-type: none"> Renewable Energies (46.7%) Residential Social Housing (43.8%) Medical Research (41.2%) Educational Goods and Services (39.3%) Technology – software and computing (35.6%) and telecommunications (35.2%)

Geographical area	<p>Top five industries/sectors attracting the least support for investment</p> <ul style="list-style-type: none"> • Pay Day Lenders (59.2%) • Fur Trade (55.5%) • Tobacco (53.5%) • Gambling (48%) • Cosmetic Testing on Animals (41.6%) <p>UK was the most popular geographical area for investment with 51.9% strong support for investment</p>
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Conclusion

- 5.0 The survey is the only one of its type known to have taken place in London. Despite the duration, it is clear that the take up has been less than hoped and it is difficult to argue that the response represents a statistically significant size upon which to base future decisions.
- 6.0 However, the responses are helpful and will certainly warrant consideration when developing future plans for administration, management, governance and investment. Therefore, where appropriate the responses will also be used in any future work that redesigns the scheme member support functions provided especially by the pensions team.
- 7.0 It may be appropriate to run similar surveys in the future, mindful again of the costs and scheme member benefits of managing the process. Future surveys may benefit from a closer digital connection to the scheme members to facilitate and to encourage greater take up. The make up and form of any future survey will also need consideration.

Next Steps

- 8.0 PAP members are asked to consider the next steps to follow on from the conclusion of this survey :
- Close the current survey, given the duration of the survey to date and the limited response.
 - Agree publication of outcomes on the Source.
 - Agree the approach to any future survey, including the objectives, in what form and when.
 - Agree that the results in the key areas of the survey be considered in any future service redesign (e.g. administration, management and governance), including extended provision for digital communications with members.
 - PAP to note that the results will be considered in future investment strategy, especially with regard to responsible investment.