UNIVERSITY OF EXETER

ERSS GOVERNANCE GROUP MEETING

**Minutes of the meeting held on 21 January 2022**

A meeting of the ERSS (Exeter Retirement Savings Scheme) Governance Group was held on Friday 22nd January 2022 virtual via Microsoft Teams 13.00 – 14.00

PRESENT

Chief Finance Officer – Andrew Connolly - (Chair)

Andrew Johnson – Assistant Director for Policy and Reward, Human Resources

Alison Rose – Pension and Reward Advisor, Human Resources

Douglas Simpson - Scottish Widows

Unite representative: Chris Forest

Unison representative: Tim Hortopp

APOLOGIES

Monica Goodall – Scottish Widows

1. Governance Policy

The Chair presented the terms of reference of the Governance Group[[1]](#footnote-1) and these were noted by the Group. The Group were reminded that the purpose of the Governance Group was to meet on a yearly basis in an open forum for both the University and representatives of members to discuss at a high level the ERSS and to assess how the scheme is performing and to address any issue and make appropriate changes if required.

1. Minutes of last meeting (2 December 2020)

The minutes were accepted with no amendments.

All actions had been completed

1. ERSS membership numbers

Alison Rose presented details of the membership numbers for the period Jan-21 to Dec-21. These indicated a steady increase in numbers of members in Band 2 which is the default band for new members.

The scheme offers flexibility for members to elect a new band from each April. Alison confirmed that in April 2021, 43 members elected to move bands: 36 of these moved from band 2 to band 3 increasing their contribution rate from 4% to 6% with the employer rate increasing from 6% to 10%. 28 Females and 15 Males elected to move - this reflects the gender split of the scheme (and grades B to D), where females are over-represented.

The Chair asked if the statistics could reflect the take up/participation rate in future. Ali Rose confirmed that it was running steadily at 85%-90% and would include figures in future.

Ali Rose confirmed that as part of the meeting she would be asking Scottish Widows to give details on what communications they can offer to members to increase member engagement in the scheme and also aim at those who may have chosen to opt out.

The Group were advised that in June 2022 the University will be required to complete the triennial Auto Enrolment process which may see the scheme numbers increase. The Group were reminded that whilst the University would place staff into the ERSS arrangement if they qualified under the Auto Enrolment regulations, they do have the ability to immediately opt out if they wish so any major ongoing change in membership would not be known until August 2022.

ACTION – Take up % rate for the scheme to be added to the statistics for future meetings.

1. Report from Scottish Widows

The Governance Group had received the Quarterly Reports for ERSS for Q1, Q2 and Q3 for 2021 (Q4 not available in time for the meeting). Each report covers a three month period and is a high level review containing details of the membership, contributions and investments of the ERSS. The report is produced approximately 6-8 weeks after the end of the Quarter.

The Chair noted that investment performance appeared to be good. Money is primarily invested in three funds at the moment and looking at the rolling year the return has been about 14-26%, which is a very good return. Longer term (5 years) it is still good at 7.5% up to 11.5% annualised rated over the last 5 years net of fees. Douglas Simpson confirmed that SW funds are doing well and has been good during Covid with good growth and general positive trend. SW are looking into more ethical investments and sustainable investments as a whole.

Unfortunately Monica Goodall from Scottish Widows, who is the investment specialist was not able to attend the meeting and Douglas Simpson advised he was unable to give a full report on the investment reports as this was not his area of expertise.

ACTION – Ali Rose to organise a separate meeting as soon as possible for the Governance Group with Monica Goodall to have more details covering the investment reports and for any questions the group may have to be raised at that meeting.

Administration

Douglas Simpson advised that the scheme has 400 members who are aged 51 or over and that they can offer communications and get engagement about coming up to retirement the Group agreed that this would be a good idea. SW confirmed that there are some staff who are looking at their figures and retirement figures which is promising and SW can target comms to them.

SW gave an analysis of the membership showing the numbers coming up to retirement and those further away.

SW confirmed that for this scheme we have an engagement of 6% and figures show that members are seen as comfortable with IT and connected when compared to other schemes of a similar size and demographic. As a scheme in general ERSS members engage very well using all sorts of access. April appears to be the peak month for log in – this could relate to when the tax year commences and also when the University offer the annual “band change” flexibility.

SW have an app and the usage is good by ERSS members. SW confirmed they are happy with the engagement levels we have but can look at when there might be more contact with SW from members.

Andrew Johnson commented that 6% seems rather low as an engagement figure. SW confirmed that a large number are enrolled but as they have a long time to retirement are not looking or engaging with the scheme online so they exclude those as not interested and only look at those who are interested to see how they access the information paper copies or online or via the app.

Andrew Johnson asked about participation rates and members opting out. The University does contractual Auto Enrolment from day one for members and should we be concerned about those opting out are they making informed decisions; what is SW immediate experience of how members react and what paperwork they get in the first instance: were members thinking about what band they should be in when they can change bands; do SW provide any education on how saving for retirement is beneficial and what do they provide to those who are younger and not saving so much and those wanting to opting out?

SW confirmed members get a welcome pack when they join which includes illustrations of benefits based on what they are enrolled at so they can see what they can get at 65, the portal also has a calculator to show what they could get for different scenarios to give more understanding about what they could get at retirement and this can be used when the window is open for moving band time.

Andrew Johnson also asked if SW get feedback about how staff are liking or feeling about the communications they receive, commenting that we as an institution have difficulty in getting staff to engage about their pensions and appear to have a passive approach to their benefits. SW confirm that they don’t have any feedback. SW noted that running seminars, webinars on a virtual basis has a better uptake than those who have to come in person to listen. SW confirmed there is often more uptake on joining a virtual webinar but slightly less rapport with members who participate as it is not in person and this can present some issues with follow up questions, but SW do offer this as part of a general Q&A or individual Q&A on a one to one basis and help with questions. Members may be more comfortable with emails and joining meetings online.

Tim Hortopp asked if SW will be moving away from their paper based processes and only have access through the App. Douglas Simpson confirmed that SW want to make everything available to members, so paper is still available, but the ideal would be online with paper copies available, but based on the scheme and how members want data they will still offer the paper versions as this is still the preferred method for those approaching retirement. Online access is always still available.

SW advised that during the pandemic when staff were not in the office their phone lines stayed open. They are hybrid working now and the transition worked well, there was a drop in performance due to the end of the furlough scheme when staff moved to other posts or had been only part time and they took on roles elsewhere. This did lead to a SLA drop was across the board for all clients. SW have done a big recruitment drive and looking at offering full time positions to those who might be part time.

SW confirmed that the roll out of its app in 2021 was received well and our ERSS members are using this. It offers a single customer view if they bank with Lloyds (SW is part of the Lloyds banking group), they can see their ERSS pension and other Lloyds products available. SW are planning some new developments to give greater engagement on money for life portal and easier access to pension plan and link into banking.

ACTIONS

**Alison Rose and Douglas Simpson to (a) review communications, (b) the YouTube web site that has the SW details tailored to ERSS, (c) how to get more engagement and (d) what webinars or seminars could be arranged.**

Scottish Widows’ Performance

Scottish Widows left the meeting for this item

The Chair reminded the Group that part of the objectives of the Governance arrangements are to assess if the Scottish Widows are meeting their objectives against performance, costs and level of engagement. The Group agreed that to date these objectives were being achieved.

The Chair confirmed that SW appeared to be meeting their benchmark. Tim Hortopp raised a question about if other companies were exceeding their investment benchmarks and we should ensure that the ERSS members are not missing out on investment which may be better with an alternative provider of the scheme. This can be raised at the subsequent meeting with Monica Goodall when she talks about the investments in more detail.

1. Website and Communications

The webpages on the University website include details of the scheme, forms and an FAQ page which appear to be out of date. The chair asked if the web pages and in particular the FAQ could be reviewed and updated.

**ACTIONS**

**Alison Rose to review the University web page for ERSS and in particular the FAQ need a review and be updated**

1. Next Meeting

The Governance Group’s next meeting is planned for January 2023.

1. [www.exeter.ac.uk/media/universityofexeter/humanresources/documents/pensions/Governance\_ERSS.pdf](https://www.exeter.ac.uk/media/universityofexeter/humanresources/documents/pensions/Governance_ERSS.pdf) [↑](#footnote-ref-1)