



Border to Coast Pensions Partnership Joint Committee

Date of Meeting: 9 March 2021

Report Title: 2020 Partner Fund Satisfaction Survey (for information and discussion)

Report Sponsor: Rachel Elwell, CEO Border to Coast

1 Executive Summary

- 1.1 As part of our commitment to delivering our vision and purpose, we conduct an annual survey of our Partner Funds. Conducted in late 2020, 39 responses were received – with at least three responses from each Partner Fund.
- 1.2 Overall the results were very positive – with most scores either the same, or slightly higher than the 2019 survey (direct comparison is difficult due to the evolution of the questions).
- 1.3 While the feedback was positive, the survey is a key mechanism to listen and respond to the thoughts and observations from our Partner Funds. We have used this survey to identify areas for further development, which have been used to facilitate a discussion with Partner Fund Officers to create a specific action plan to address the feedback received (shown in Appendix 1).
- 1.4 We have also made good progress on the feedback provided in the 2019 survey, despite challenges due to Covid-19 over the period. A summary is provided in Appendix 2.

2 Recommendations

- 2.1 The Committee is asked to note the results of the survey and provide comment on the recommended actions to address the feedback.

3 2020 Partner Fund Satisfaction Survey

- 3.1 Our annual satisfaction survey was issued on 19 October 2020 and included s151 Officers, Pension Officers, Committee Chairs and Independent Advisors. It closed on 11 November 2020 with responses from 39 people across the 11 Partner Funds, some of whom represent more than one fund.
- 3.2 Direct comparison with 2018 and 2019 is difficult due to the evolving nature of the report. Reflecting feedback from Partner Funds – which included a workshop with officers from Cumbria, South Yorkshire and Surrey – we believe we have settled into a standard format to enable consistent year on year comparison.

3.3 In a challenging year, the 2020 survey found that there is a high level of satisfaction in how Border to Coast is serving its Partner Funds. This includes:

- strong progress against our strategic objectives;
- a high level of confidence that if Partner Funds raise an issue or concern it will be dealt with appropriately;
- our effective communication and engagement with our key audiences (although issues with the Data Room remain);
- a close and constructive relationship with Partner Funds; and,
- a desire for Border to Coast to continue to add more value to its Partner Funds – particularly on Responsible Investment and in our investment capabilities.

Key Responses

Area	Response	Specific feedback
Our Progress	18% strongly agree 61% agree 18% Neutral 3% Disagree 0% Strongly Disagree	<ul style="list-style-type: none"> • how we ensure we retain a focus on the individual customer – and not seek to “herd” them towards a pre-chosen decision. • how we can better support the needs of committee members in their knowledge and understanding
Responsiveness	44% strongly agree 36% agree 20% Neutral 0% Disagree 0% Strongly Disagree	<ul style="list-style-type: none"> • Several comments on how open, helpful and responsive the team are; • One comment on the occasional need to chase for Border to Coast for a response; • whether, in some areas (e.g. reporting and some experiences in transitioning) Border to Coast is too accepting of what third parties say at the expense of Partner Fund needs/requests.
Progress in key areas (Very Well & Well combined)	84% - Responsible Investment 79% - Design of investment capabilities 76% - Implementation of PF strategic asset allocation 68% - Input to investment strategy reviews 77% - Facilitation of oversight by PFs 65% - PFs working collaboratively	
Future Priority Areas	82% - Responsible Investment 59% - Information to allow investment oversight 59% - Investment capability development 39% - Information to allow governance oversight	
Key engagement areas	85% - Responsible Investment 77% - Investment industry (fees, costs, transparency, etc) 56% - impact of regulation on pooling and the LPPS 51% - Government policy on pooling	
Key Strategic Risks	88% - Investment offerings don't meet requirements 80% - Drift towards sub-optimal lowest common denominator solutions 69% - loss of key personnel / ability to recruit 66% - Delays in designing / building funds 64% - failure of the partnership ethos among Partner Funds	
Overall Satisfaction	49% strongly agree 41% agree 10% Neutral 0% Disagree 0% Strongly Disagree	<ul style="list-style-type: none"> • Positive praise on the progress being made • Need to maintain a constant vigilance of an ever changing situation • The importance of maintaining a customer focus and a public sector ethos at Border to Coast • Getting credit for a) listening and b) making efforts to improve

3.4 As a learning organisation, although feedback is good, acting on it is essential. While there is a high level of satisfaction, there are nonetheless several areas that require extra work and focus:

- ensure we continue to remain focused on delivering for our Partner Funds – and ensuring all have an equal voice – by seeking feedback through formal groups and on an individual basis;
- within Responsible Investment – we will implement current strategic activity (including recently agreed climate change actions); support Partner Funds on stewardship code and TCFD reporting and continue to discuss with Partner Funds and Pension Committees the future direction of travel;
- continue to develop the investment capabilities which meet the requirements of our Customers – and engaging closely to ensure that is the case;
- continue to develop our collective voice – with a particular focus on how we engage with the investment industry, and ensuring pooling works for our Partner Funds. We will closely engage with Partner Funds in this area and ensure that this feeds through into our strategic plans;
- develop content and events to support the insight and education of committee members on investment issues
- continue to enhance the way in which we share information. Once we have addressed any outstanding individual issues, we will take stock by seeking broader feedback from the user base and set out next steps;
- reflect on how we can better work with Advisors – while positive, they are perhaps the least positive of any of the four groups surveyed. We have now embedded regular strategic meetings with the Advisor group and will utilise this as a forum to address their requests and seek further feedback on an ongoing basis.

4 Risks

4.1 As a customer owned, customer focussed organisation, it is important that Border to Coast understands, and responds, to the feedback provided by its Partner Funds. If this does not occur, there is a risk that the firm fails to deliver on behalf of its Partner Funds.

4.2 If we do not show that we are listening, we will fail to get the feedback needed to continue to develop in future years. Therefore the communication of the results of the survey and clear links from the feedback to actions are important.

5 Conclusion

5.1 The annual satisfaction survey suggests that there is a high level of satisfaction in how Border to Coast is delivering on behalf of its Partner Funds. However, as a customer focused organisation, to ensure this remains the case, we have developed an action plan based off the feedback from the 2020 survey.

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7 Supporting Documentation

Appendix 1 – 2020 Partner Fund Satisfaction Action Plan
Appendix 2 – 2019 Partner Fund Satisfaction Action Plan Update

Important Information

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Appendix 1 – 2020 Partner Fund Satisfaction Action Plan

Identified	Actions	Timeframe
Responsiveness	<ul style="list-style-type: none"> Embed and report against the recently agreed customer service SLAs Review effectiveness of SLAs and consider whether to extend further 	<ul style="list-style-type: none"> Q1 2021 Q3 2021
Communications	<ul style="list-style-type: none"> Agree and implement communications plan for 2021 including gaining clarity regarding the information required by members, officers and/or advisors Circulate materials at least 3BD before workshops Ensure record of each workshop is included in the data room to support those unable to make the meeting and for audit trail purposes Improve data room experience Review timing of monthly s151 call 	<ul style="list-style-type: none"> Agree Q4 2020 Implement 2021 Effective immediately Effective immediately H1 2021 Q4 2020
Working with Advisors	<ul style="list-style-type: none"> Embed half-yearly strategic meetings with Advisor group Seek input from advisors on content of meetings 	<ul style="list-style-type: none"> Ongoing throughout 2021 Q1 2021
Knowledge & Training	<ul style="list-style-type: none"> Initial video sessions - insight & education – proposed Review annual conference content to consider whether possible to run differing levels of investment content sessions in parallel to reflect levels of experience Work with officers to consider demand and feasibility to run a “new member” training conference in 2021 	<ul style="list-style-type: none"> Q1 2021 Q2 2021 Q2 2021
Oversight	<ul style="list-style-type: none"> Embed Internal/External/Private Markets & External Manager sessions first trialled in H2 2020 Take stock after 6 months and look at whether these can evolve to ensure PF requirements are met Seek feedback on quarterly reporting to pensions committees and the Joint Committee 	<ul style="list-style-type: none"> Ongoing July 2021 Feedback: Q1 2021 Embed changes: by Q3 2021
Joint Committee	<ul style="list-style-type: none"> Work with members and advisors to develop the modus operandi for the Joint Committee to ensure that the information provided by Border to Coast supports both its oversight role and its role as the collective voice of the customer to Border to Coast’s Board 	<ul style="list-style-type: none"> H1 2021
Fund design process	<ul style="list-style-type: none"> Review with Partner Funds the proposition design process to identify opportunities to develop further (speed, ability to facilitate compromise between Partner Funds, viability conditions, proposition complexity) 	<ul style="list-style-type: none"> Q1 2021
Responsible Investment ¹	<ul style="list-style-type: none"> Support PFs with stewardship code and TCFD reporting Agree future direction of development with Partner Funds including sustainability, impact and opportunities to support Partner Funds beyond those already agreed in the current strategic plan As part of the communication strategy noted above, ensure that there is a clear link between the work carried out by Border to Coast and how this is supporting Partner Funds’ policies, expectations and needs. 	<ul style="list-style-type: none"> Ongoing throughout 2021 Ahead of next strategic plan (22-25) Ongoing throughout 2021
Future strategic development ²	<ul style="list-style-type: none"> Reflect Partner Fund feedback on prioritisation, risk and capability requirements in the 2021-24 strategic plan 	<ul style="list-style-type: none"> Q4 2020 (strategic plan) Q1 2021 (shareholder approval)

¹ Some aspects of the feedback in the satisfaction survey references planned development as agreed via the RI strategy in the 2020-23 strategic plan, and will be delivered and tracked through the strategic process.

² We note that the feedback in the satisfaction survey was consistent with that provided as part of the discussions held earlier in 2020 which formed part of the development of our customer and collective voice strategies as set out in the 2021-24 strategic plan. The wider strategic build actions have not been replicated here but we also expect these to address areas of feedback such as responsiveness, communication and development of the collective voice on responsible investment, the investment industry and other strategic matters.

Appendix 2 – 2019 Partner Fund Satisfaction Action Plan Update

Identified	Actions	Timeframe	Progress
Workshop recording availability	<ul style="list-style-type: none"> Using WebEx, share recordings of workshops for future reference 	<ul style="list-style-type: none"> 14th January 2020 (and on-going) 	<ul style="list-style-type: none"> All workshops are now recorded and shared via the Data Room.
Clear & accurate workshop communications	<ul style="list-style-type: none"> Diary invites issued at least 1 month in advance with high level agenda topics. Specific topics agreed 1 month in advance. All relevant advisors invited. Pre-meeting material issued three days in advance. 	<ul style="list-style-type: none"> 31st January 2020 (and on-going) 	<ul style="list-style-type: none"> Forward-looking workshop schedules are shared with PFs. Discussions held with all PFs on standing adviser invitations. Need to ensure that deadlines for sharing materials are always hit (ongoing).
Advisor/Consultant communication	<ul style="list-style-type: none"> Agree approach with Partner Funds at February 2020 OOG Take action following OOG (e.g. establish regular advisor update calls; assist officers in ensuring advisors are involved in early fund build discussions). 	<ul style="list-style-type: none"> Q1 2020 (and on-going) 	<ul style="list-style-type: none"> Advisor calls are now established. Second call took place in October and scheduled 6 monthly on-going. As above, advisors are now invited to workshops if PF officer has requested.
On-line accessibility (Data Room)	<ul style="list-style-type: none"> Improve user experience of Data Room to assist in navigation of relevant information. Work with Partner Funds to understand the current barriers to ease of use Agree and implement further actions 	<ul style="list-style-type: none"> Q1 2020 Q1 2020 Ongoing 	<ul style="list-style-type: none"> Informal discussions held on Data Room use and navigation. New Data Room structure implemented in Q2 following PF volunteer test-drive. Ongoing feedback and improvements
Committee input	<ul style="list-style-type: none"> Make sure senior Border to Coast colleagues are visible to Committees. Utilise internal resource appropriately at Partner Fund meetings. Work with officers to make sure information reaches the full Committee. 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing 	<ul style="list-style-type: none"> CEO, CIO, Head of RI, Head of Ext Mgmt, Head of Equities & Alternatives and various PMs have attended Committee Meetings in 2020, plus JCs and OOGs. Following OOG and JC discussions, Officers to feed back on info their Members would like to see outside of the Committee cycle.
Responsible Investment Strategy	<ul style="list-style-type: none"> Use Border to Coast's size to influence on RI principles. Create communications plan around RI to make Partner Funds aware of what we are doing. 	<ul style="list-style-type: none"> See RI strategic plan H1 2020 	<ul style="list-style-type: none"> RI updates given to OOG and JC throughout 2020. On track with actions on the plan. TCFD report published in July. Formal communications for RI incorporated within the wider communications plan.
Fund Manager access	<ul style="list-style-type: none"> Work with internal and external managers to create regular on-going access to Investment management teams for the Partner Funds in line with agreed Memorandums of Understanding (MOUs). 	<ul style="list-style-type: none"> Q3 2020 	<ul style="list-style-type: none"> New quarterly sessions for both internal and external management were introduced in October 2020 and have been scheduled quarterly going forwards.

Identified	Actions	Timeframe	Progress
Collaboration	<ul style="list-style-type: none"> • Longer-term strategy discussion about the role of Border to Coast for Partner Funds as a strategic partner • Work with Partner Funds to agree longer-term areas of action for Border to Coast to undertake. • Discussion with Partner Funds around how we are implementing the design / prioritisation phase of sub-funds 	<ul style="list-style-type: none"> • On-going 	<ul style="list-style-type: none"> • Customer requirements sessions have been run, with insightful feedback from Partner Funds. • Ongoing discussions with senior officers at six monthly strategy meetings. • Formed part of CRM three-year strategic planning.
Collaboration between Partner Funds	<ul style="list-style-type: none"> • Work with Partner Funds to improve understanding of expectations of Border to Coast and how we can collectively work together in this area 	<ul style="list-style-type: none"> • H1 2020 	<ul style="list-style-type: none"> • This is a standing item at OOGs (both within the formal OOG, supported by Border to Coast, and at Funds-only meetings).
Sub-Fund Launch	<ul style="list-style-type: none"> • Continue to hold 'lessons learned' sessions on transitions and other major pieces of work 	<ul style="list-style-type: none"> • H1 2020 & ongoing 	<ul style="list-style-type: none"> • Global Equity Alpha, IG Credit & Alternatives (Series 1b) lessons learned sessions held and updates shared with OOG and JC. This is now part of our standard practice.
Tax Policy	<ul style="list-style-type: none"> • Set up a session on the impact tax policy has on the long term investment outcomes, and what action is required. 	<ul style="list-style-type: none"> • H1 2020 	<ul style="list-style-type: none"> • Tax Strategy Framework paper shared with Officer in May and discussed at June OOG.