

**Department for Work and Pensions**

**Research Report No 581**

# **Research on the Pensions Education Fund in 2008/09**

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Anne Gammon**

A report of research carried out by Risk Solutions and IFF Ltd on behalf of the  
Department for Work and Pensions

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# Foreword

This single volume comprises two separate reports on research undertaken in 2008/09 on the Pensions Education Fund (PEF). Part 1 is on the costs associated with the delivery of the main outputs associated with PEF, such as workplace seminars, by Risk Solutions, and Part 2 on the role and activities of pensions information intermediaries (or pensions 'champions') in the workplace, by IFF Ltd.

This research was undertaken for two reasons:

- to fill in gaps in the Department for Work and Pensions' (DWP's) knowledge of the workings of PEF projects identified after the evaluation of the first two years of PEF, to March 2008<sup>1</sup>; and
- to identify the costs and operational issues associated with the various generic modes of delivery of pensions information in the workplace, in order to inform future strategy and planning.

PEF providers ranged from those delivering information or training pensions 'champions' from workplaces across the whole country, to others delivering pensions information direct to specific groups or local communities. Given this diversity, it has not proven possible to capture information on every facet of the delivery of PEF in the past year from the research undertaken.

Nevertheless, both pieces of research together provide valuable evidence on the costs of PEF and on the activities and relative merits of indirect delivery methods of pensions information, through intermediaries, vis-à-vis direct delivery methods.

I would, therefore, like to thank all those people from across the spectrum of participating PEF organisations who gave freely of their time, resource and information to enable the two contracted organisations to carry out these research projects.

Rob Hardcastle  
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Department for Work and Pensions

April 2009

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<sup>1</sup> See Adams, L. *et al.* (2008) *Evaluation of the Pensions Education Fund*. DWP Research Report No. 507. IFF Ltd., 2008.



# Part 1 – Cost efficiency of the Pensions Education Fund

**Ian Dunbar and Helen Wilkinson**

# Acknowledgements

We are indebted to all the PEF provider staff who took part in this research; without their cooperation and input we could not have completed this study.

We are grateful for the support provided by the Department for Work and Pensions, particularly by our research managers Rob Hardcastle and Vicky Petrie, and by Mike Buckley.

# Summary

The Pensions Education Fund (PEF) began in January 2006 with the aim of providing funding to not-for-profit organisations, e.g. charities, unions, to enable them to engage innovatively with individuals in the workplace on issues around planning and providing for retirement.

The first phase of PEF ran until March 2008 and the Department for Work and Pensions (DWP) extended its existing contracts with PEF providers for a further 12 months, from April 2008 until March 2009. A prime focus of the extended programme was to be the achievement of agreed outputs in relation to the payments to be made to providers.

In order to inform future policy around the delivery of information designed to increase pensions awareness in the workplace, the Department wished to understand the costs associated with this delivery through PEF in relation to outputs, such as workshops, seminars and one-to-one sessions with individuals. The aims of this research have, therefore, been to:

- develop estimates of the underlying costs of delivering information through PEF;
- develop a more complete understanding of costs than that provided by this quantitative analysis, through a qualitative exploration of the factors influencing costs; and
- investigate issues relating to the sustainability of, and the scope for scaling up or extending, PEF activities.

The work consisted of a depth study, covering a sample of seven of the 26 PEF providers, followed by a breadth survey aimed at the remainder. The depth study involved face-to-face interviews, typically lasting between 90 minutes and two hours, on providers' premises. The breadth survey consisted of 30-minute telephone interviews. A spreadsheet format for recording cost breakdowns was developed in the depth, and was used in parallel with the breadth interviews. Of the 26 providers, 22 were able to provide detailed cost information in this format.

The main findings from the research were as follows:

- Across PEF as a whole, there was a range of different methods used to deliver pensions information, with a wide range of costs. Some organisations were delivering information direct to individuals, while others were training and using intermediaries (or 'champions') to do this.
- There was a considerable spread of unit costs within each type of delivery. This variation could not be explained by differences in the size of the organisations, or the extent to which providers were able to support their PEF activities through their own funds. The differences seemed to lie mainly in the specific nature and volumes of the activities each provider was undertaking in the delivery of PEF, especially around the cost of venues used, travel requirements and so on.
- Some organisations rely entirely on ring-fenced grants for their income and were unable to support PEF activities with funds other than those supplied by the DWP for PEF for this purpose. Others identified additional support they provided and were able to quantify this. Summed over all the providers that supplied cost information, 'own contributions' were estimated to amount to an additional one-third of the money provided by the DWP. Excluding an outlier with a very high contribution, the mean value of these own contributions was around £9k. Across those that made some level of contribution (14 excluding the outlier), the mean was £23k, equivalent to around 40 per cent of the DWP funding.
- For the direct delivery to individuals, cost estimates of one-to-ones were typically around 2.5 times as much per head as delivery via events such as presentations or workshops. A typical cost per head of one-to-ones was around £170, while that for people at events was around £70.
- The use of intermediaries seemed to have the potential to engage the most people, more efficiently in terms of the direct cost to PEF, though it is more difficult for the provider to monitor ultimate outcomes.
- The principal form of added value from the providers identified in this study was their ability to use established networks to deliver pensions information, notably to otherwise hard-to-reach groups. Most providers delivered to target groups identified by the DWP, such as young people, black and minority ethnics (BMEs), either through accessing them explicitly or through delivery to more general groups.

- PEF providers believed that their PEF operations would be easily expandable, given the funding. Most of the current provider organisations were enthusiastic about the possibilities of doing more work. There were also opportunities to go out to other organisations, for example, to target other parts of the country. In general, however, providers considered that the PEF activity as it stood would not be sustainable without continued DWP funding. Even with continued access to websites or other materials, the currency of the training and materials would decay with time. Most organisations said that they would be unable to carry on with PEF activity unless some funder paid them to do so, or expressed themselves unwilling to fund the activity themselves. The cost of restarting PEF activities after a hiatus in funding was estimated by the providers to be around £30k per organisation.<sup>2</sup>

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<sup>2</sup> This is based on providers' estimates of what it might cost – this is not a measure of any costs incurred due to the decision to extend funding to 2008/09.



# 1 Introduction

## **The Pensions Education Fund**

The Pensions Education Fund (PEF) initiative aimed to increase financial awareness among working people – both employees and the self-employed – to help them make better plans for their retirement.

Not-for-profit organisations were invited to apply for funding to develop innovative ways to engage with working people about pensions and retirement planning – giving them the information they need to help them to make their own decisions about their retirement. Funding was initially available for a period of two years ending March 2008 and was then extended, to March 2009.

Funding was determined on a competitive basis with allocation of funds being based, among other things, on the necessity to ensure a reasonable geographic distribution of activity, to engage with a range of partners in delivering initiatives, to enable a variety of innovative approaches and to avoid duplication and overlap.

Organisations allocated funds included trade unions, trade associations, charities and voluntary sector bodies throughout the UK. They ranged from small local organisations to large national bodies.

The Department for Work and Pensions (DWP) extended its existing contracts with PEF providers for a further 12 months, from April 2008 until March 2009. A prime focus of the extended programme was to be the achievement of agreed outputs in relation to the payments to be made to providers.

In order to inform future policy around the delivery of information designed to increase pensions awareness in the workplace, the Department wished to understand the costs associated with this delivery through PEF. The Department wished to assess the 'cost efficiency' of PEF, i.e. the costs in relation to the outputs (pensions information workshops, seminars, one-to-one sessions, etc).

The research described in this report was designed to complement and extend beyond the management information collected routinely from providers. It was recognised that these data were incomplete, and in any case were not designed to reveal the true, full costs of provision or identify the underlying reasons for variations in costs. The aims of this research have therefore been to:

- develop estimates of the full costs of delivering information through PEF, including:
  - the cost basis of providers' PEF activities, including an understanding of the split between delivery (operational) costs in relation to fixed costs and overheads and allocation of costs to such categories;
  - the costs of starting up or restarting their PEF activities;
  - providers' views of costs in relation to their agreed, contracted funding levels and outputs;
  - providers' funding of their PEF activities, including 'match-funding' and cross-subsidisation (so that the total overall cost could be calculated as well as the total cost to the provider); and
  - whether, and the extent to which, providers were delivering pensions information exclusively or were adjusting or tailoring the content of their information to include other types, e.g. on general financial planning or union learning, and the possible implications for the costs of PEF delivery;
- develop a more complete understanding of costs than that provided by this quantitative analysis, through a qualitative exploration of the factors influencing costs, including factors influencing the cost basis, including scale, methods of delivery, target groups and employers accessed;
- investigate issues relating to the sustainability of, and the scope for scaling up or extending, PEF activities, including:
  - providers' assessment of the sustainability of their current PEF activities, with and without current agreed levels of DWP funding;
  - the extent to which providers could 'scale up' their activities and the Government funding required to do so; and
  - providers' views of the 'added value' they offered (for example, in relation to the target groups they accessed or methods of delivery they used).

The study has attempted to quantify the unit costs of delivering PEF, but it must be recognised that, given the nature and objectives of the study, these are estimates and have significant variance around the mean. We have accordingly exercised our judgement, based on our analysis and discussions with providers, in estimating what we believe are representative averages and ranges of costs of the main activities around delivering PEF. We are grateful to the PEF providers for helping us produce these estimates.

It should be noted that this study was entirely focused on the one-year extension to the PEF contracts, referred to in this report as 'phase two'. This means that the activities studied were part of a 'going concern', with the start-up activities having been carried out in the first two years (phase one). The experiences of providers in phase one were, however, used in producing the estimates of how much it would cost to restart the activities after an hiatus.



## 2 Methodology

The steps involved in this work were:

- background familiarisation;
- depth study design:
  - select sample of providers for depth interviews;
  - draft questionnaire/templates;
  - pilot questionnaire/template with one provider;
  - finalise questionnaire/templates;
- carry out face-to-face depth interviews with a range of providers;
- analyse information and devise breadth survey;
- carry out breadth survey, by telephone interviews with other, remaining providers;
- analyse data;
- present and report.

The following sections describe each of these steps.

### 2.1 Background familiarisation

We reviewed existing information on the providers and their Pensions Education Fund (PEF) contracts. This review enabled us to understand the nature of the providers and the range of different approaches and target audiences covered by them. This informed the choice of sample for the depth study.

## 2.2 Depth study design

We chose seven providers to include in the depth study. This sample was deemed to be representative of a wide range of PEF activities, approaches and audiences. We considered two ways of carrying out the face-to-face interviews, namely: dedicated visits to the providers or two events on 'neutral' ground to which providers would be invited. We chose the former option as being more practicable in the limited time available, it being easier to find separate dates in people's diaries than two dates that would match the availabilities of all providers. Visits also minimised the time the provider representatives had to devote to the exercise and also gave them the option of having other members of staff available, and information to hand, during the interviews.

## 2.3 Depth study interviews

Seven face-to-face interviews were carried out with the chosen organisations, using a topic guide that was finalised after the first interview. Interviews typically lasted between 90 minutes and two hours. A spreadsheet format for recording the financial information was developed through the first three interviews, and then used for the remainder of the depth study, and also throughout the breadth survey. The financial information from the first three interviews was recast using this spreadsheet format. All seven providers, with one exception, were able to give us financial breakdowns. The qualitative and quantitative findings were reflected back to the organisations for checking, and their comments were taken into account.

## 2.4 Analysis of depth findings and design of breadth survey

The depth findings, both qualitative and quantitative, were analysed and the results informed the design of the breadth survey. This involved devising a cut-down set of key questions, suitable for a 30-minute telephone interview. The question sets used in the depth and breadth surveys are included in Appendices A and B respectively. The finalised financial spreadsheet format was carried over from the depth study without change.

## 2.5 Breadth survey interviews

All but one of the remaining 19 organisations were contacted and dates for the telephone interviews were set up. The list of questions and the financial spreadsheet were sent to the organisations ahead of the interviews. The main purpose of the interview was to supplement the financial breakdowns with qualitative information. As in the depth interviews, we sought here to probe for evidence to back up the information we were being given. Some completed and returned the spreadsheet before the interview, some completed it during the interview and

others did so afterwards. Two of the 18 organisations interviewed did not provide a return, meaning that in all, a financial breakdown was provided by 22 of the 26 organisations. Because of the limited timescale, it was not possible to reflect back the information, and the analysis based on it, to the organisation.

## 2.6 Analysis of data

The quantitative data from the financial spreadsheets were brought together in a single Excel workbook, and were analysed there. This included an analysis of the ratio of each organisation's 'own contribution' (if any) to the Department for Work and Pensions' (DWP's) contribution through PEF, and estimates of the unit costs associated with different forms of delivery. In addition, qualitative (verbal) information from the interviews was also included on sheets in the workbook, which allowed for a thematic analysis of responses on such issues as the added value and the sustainability of PEF.



## 3 Findings

In this research we set out to discover what the true costs of the delivery of the Pensions Education Fund (PEF) were and what factors were driving those costs. In the following sections we set out the findings in terms of:

- how pensions information was being delivered and what supporting activities were required;
- the providers' estimates of the total costs of provision, including how much of this was being provided by PEF and the extent to which the PEF funding they received from the Department for Work and Pensions (DWP) was supplemented by their own contributions; and
- how much each type of PEF delivery cost, for each provider (unit costs of delivery) and what was driving variations in the costs.

The findings summarised in this section are supported by analytical work described in Appendix C. In addition we explored what 'added value' each provider was bringing, how sustainable the activities would be without PEF funding, and to what extent the activities could be scaled up and down.

### 3.1 Modes of delivery and supporting activities

We found that providers delivered pensions information in a number of different ways:

- direct:
  - PEF-funded staff providing information direct to individuals;
  - unpaid volunteers providing information direct to individuals; these volunteers may be Independent Financial Advisers (IFAs) or other pensions professionals or may be union representatives or trainers; their activities relating to PEF provision were directly managed by the PEF provider;

- indirect:
  - workforce intermediaries (or 'champions') were trained by the provider to deliver information to individuals; these intermediaries then delivered PEF information alongside their other roles within the workplace and are not directly managed by the PEF provider;
- remote:
  - information was delivered to individuals remotely via, for example, a website, CD or a booklet that people could go to for information.

Whether done by PEF staff or volunteers, the direct delivery of information to individuals could be done either in group events (comprising a range of activities, or 'deliverables', such as formal presentations, seminars and workshops) or in one-to-one discussions. With indirect delivery, PEF funding was used to develop and deliver training to the intermediaries. This might be delivered via training events, bringing the people together, or remotely via home study courses, CD-based modules and such like. PEF funding was also used to fund a range of supporting activities such as marketing of sessions and general awareness-raising events.

Across the 26 PEF providers there were many different mixes of these modes of deliveries. The following two case studies give some idea of this diversity.

### **Case study 1**

This organisation was aiming, in 2008/09, to deliver pensions information to individuals through 60 workshops, with around 15 people attending each workshop. In parallel, it aimed to reach 180 individuals via one-to-ones. It also had a programme of training in-house 'champions', through five training events, with ten potential intermediaries attending each event. These activities were supported by two editions of a newsletter (2,000 copies per edition) and 20 promotional events.

### **Case study 2**

This large, national organisation was aiming to deliver pensions information by building up a network of intermediaries (or workplace 'champions'). To this end it had developed a home study programme, through which it was aiming eventually to train 500 champions. In addition it was aiming to develop, as pensions champions, 90 representatives already active in the workplace, by means of a series of eight targeted briefings. These activities were supported by the development of a website and a toolkit that the champions could use.

## 3.2 Total costs and own contributions

Our objective was to estimate the true cost of each provider's PEF activities. This included not only the PEF funding from DWP, but also any contribution from the provider itself. We, therefore, asked providers what contribution they put in from their own funds to support the PEF activities and what price they would place on other 'in-kind' contributions. The detailed breakdown of responses is given in Appendix C; what follows is a summary of our findings.

Some providers (nine out of the total of 24 who gave us the information) said they provided no additional funding. What they did on pensions information was funded entirely by the DWP. Typically these organisations said they were almost entirely dependent on strictly ring-fenced grants for all their activities, and they therefore had no 'own money' to contribute to PEF.

By contrast, one organisation contributed almost twice as much money of their own as came from DWP. They saw this as a capital investment in a programme they were committed to carrying forward, with the DWP contributing to the investment.

This left 14 organisations who supplemented the PEF money with their own contributions. Only one of these had an own contribution higher than the PEF contribution from DWP. Across this group the average own contribution was £23,000, compared with a PEF average of £56,000. Own contributions ranged from £4,400 to £62,000, while DWP PEF funding ranged from £27,000 to £80,000 (see Figures C.2 and C.3 for further details). Typically, members of this group could make their own contribution because they have their own sources of funding – for example, larger charities with donations and membership organisations with subscriptions. Even so these organisations had to think carefully about their priorities in spending this money, before deciding to contribute to PEF.

To investigate whether the ratio of own to PEF contributions depended on the size of the organisation, we looked for any correlation between the size, measured by turnover, and this ratio for the 17 organisations for which we had turnover information. There was no correlation. What, therefore, appears to drive the size of own contributions was instead, first the availability of 'own money' and then the decision to spend it on PEF.

Most of the organisations provide more general information and advice, for example, on financial matters, planning for retirement, careers advice and so on. They tended to use the networks and techniques developed for these purposes to support provision of PEF information. However, the evidence from the interviews suggested that, typically, the PEF provision occurred in specific modules, events or one-to-ones. For example, a PEF event would be devoted to this subject, rather than being one session in an event with a wider remit. This conclusion was supported by the financial returns, where providers did not give examples of the cost of events being shared with other activities.

### 3.3 Cost of delivery of PEF information

Having determined the activities undertaken and total cost of the activities (including own contribution), we then asked the providers to break this cost down by activity. This enabled us to estimate the actual costs of the delivery of pensions information, by the different methods. In doing this we included a suitable portion of the overheads (for example, management time, marketing) in the costs of each delivery activity<sup>3</sup>. We then calculated unit costs by, for example, dividing by the estimated total number of people reached by each activity to give us the cost per head.

We identified three broad categories of activity for which it was possible to derive unit costs as follows:

- cost per person via events;
- cost per person via one-to-ones (including per person cost of event where individuals are recruited via an event);
- cost of training per intermediary.

We have also estimated costs per event. This includes events associated with PEF delivery, more general awareness raising and training of intermediaries.

Within each of these broad categories, some providers identified different types of activity, for example, events targeted on the general workforce were identified separately to events focused on a specific target group. Where possible we estimated unit costs for each of these as separate 'deliverables'.

#### 3.3.1 Delivery to individuals

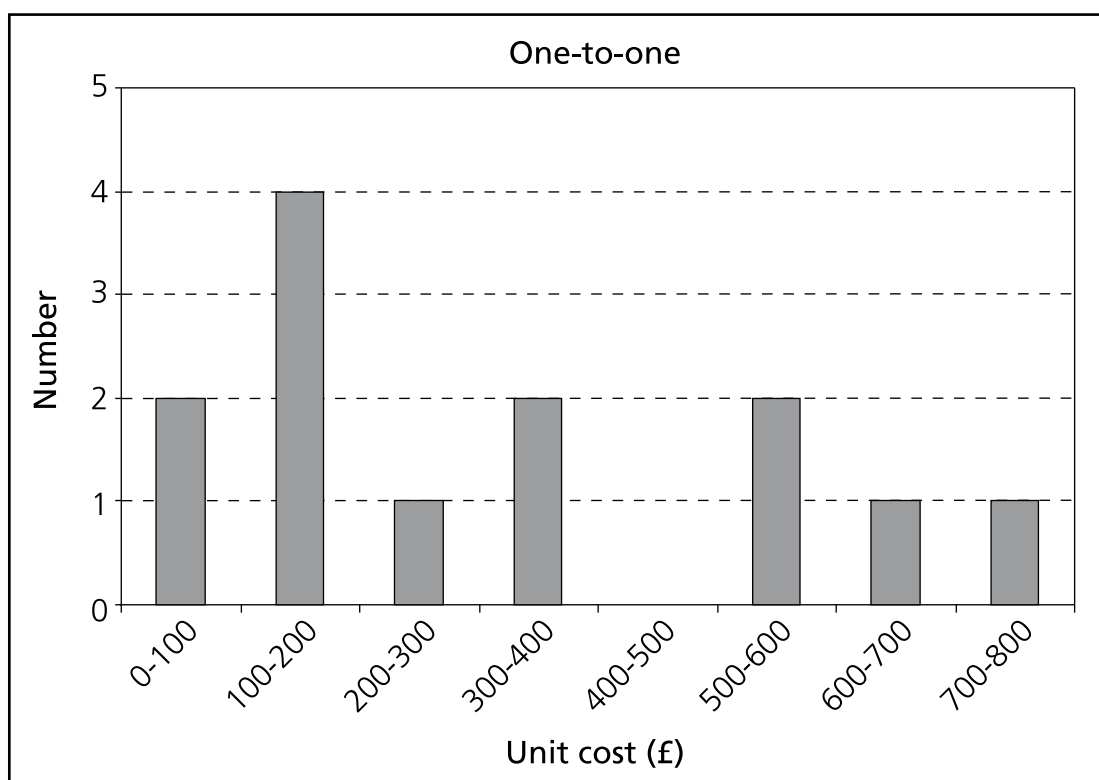
Figures 3.1 and 3.2 show the frequency distributions<sup>4</sup> of all the unit costs per head for people at events and one-to-ones respectively. These distributions show large variations in unit costs; thus, the minimum and maximum per head costs for delivery via events were £24 and £300 respectively. The equivalent values for one-to-ones were £47 and £736.

However, based on further analysis of the distribution of unit costs, we estimated that 'typical' values for delivering information to individuals were around £70 per head for delivery via events and £170 per head for one-to-ones (see Appendix C for further detail on how these 'typical' values were estimated).

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<sup>3</sup> See Appendix C for discussion.

<sup>4</sup> Based on the numbers of 'deliverables' across all providers for which estimates could be derived.

**Figure 3.1 Unit costs for delivery to people at events****Figure 3.2 Unit costs for delivery via one-to-ones**

### **3.3.2 Training and support of intermediaries**

There were two other PEF activities for which we could estimate unit costs: the training and support of intermediaries and the running of events. The typical value for training and support of intermediaries was £310 per intermediary. Once again there was a wide spread of costs around this value. The maximum and minimum values were £80 and £555 per head respectively. When this is compared to the delivery of information directly to individuals via events, we see that once an intermediary has delivered information to five or more individuals, this method is more cost effective than using events – provided, of course, the quality of delivery is maintained when intermediaries are used.

### **3.3.3 Cost of events**

In many cases, where providers were holding (or planning to hold) events, we had information on the number of events to be held. This enabled us to calculate a unit cost per event. In some, but not all, cases, these events were the ones at which information was delivered to individuals. In these cases the same total sum of money is used, but here was divided by the number of events held rather than the number of people reached through those events.

The typical value of holding an event was £1,370. About three-quarters of the events lay in the cost range £200 to £2,000 per event, but the remainder had a wide range of higher costs.

### **3.3.4 Costs of delivery not captured in unit costs**

Not all the PEF delivery activities were of the types for which it was meaningful to estimate a unit cost. These other types of activity included the production and distribution of literature, and the development and maintenance of websites. Although these costs and activities were directly associated with the delivery of PEF they could not be classed as overheads and attributed to the unit costs we identified and estimated. Across all the 22 providers for which cost breakdowns were available, 21 per cent of the costs were for such activities. Six providers had no costs of this type while for another six these costs were more than 40 per cent of their totals.

Looking across all the 22 providers, 72 per cent of these costs were associated with literature, websites and toolkits. The remainder was split across meetings of quality groups, research, consultancy and general awareness-raising.

### **3.3.5 Cost drivers**

With such large differences between costs, the question we then asked was whether it was possible to identify the underlying drivers behind these variations. Were the higher cost activities associated with a particular type of provider? Was it more costly to reach certain groups of people?

Based on the data collected in this study, the answer to these questions was 'no'. We carried out the following three analyses (see Appendix C for the details):

- The effect of provider size on unit costs. As when looking at 'own contributions' above, we used turnover as a measure of size. For those providers for which we obtained turnover data, we found no relation between provider size and any of the four types of unit cost calculated above.
- The effect of own/PEF contribution ratio on unit costs. Again there was no relation between this measure and any of the four types of unit cost.
- The effect of target group on unit costs. For each type of delivery we looked at costs for providers where there was a well-defined target group (e.g. over 50s, ethnic minority, low pay). We found no significant differences in unit costs associated with the target group.

More generally, the spread in unit costs within providers was typically as large as the spread between providers. As a specific example of this, we looked at those who were organising different types of event. Within each provider we could find examples of high cost and low cost events. We, therefore, concluded that there was no such thing as a 'low-cost provider' and a 'high-cost provider'.

Instead, we conclude that the differences were likely to be due to specific features of each individual activity. To identify these features systematically would have required a more detailed investigation than the present study. However, we can indicate what were likely to be drivers of costs for specific activities:

- events:
  - location, venue and duration of the event;
  - organisation required – in some cases the provider was able to take advantage of arrangements made for another reason;
  - number of staff attending;
  - requirement for translators;
- one-to-ones:
  - whether by telephone or in person.

We also concluded that there was unlikely to be a single, low cost, way of carrying out PEF activities that was applicable in all locations and in all circumstances. Higher costs may be unavoidable in locations like London, and to reach certain target groups. Nonetheless, the results indicated where there could be scope for managing down costs towards those in the lower parts of the unit costs frequency distributions. What these cost targets could be is shown in the next section.

### 3.3.6 A model scheme

Using this cost analysis, it is possible to construct a 'model scheme', with a cost basis that is typical of the PEF phase two provision. This has been constructed artificially to illustrate typical costs and volumes of delivery, although it happens to be close in many respects to one of the actual schemes. In this model, PEF information is delivered to 100 people via one-to-ones, and to 400 people via 40 events. In addition the scheme produces some literature. The total cost is £70k. Depending on the organisation, this could all come from PEF (DWP), or the organisation could contribute a percentage themselves. In the latter case, a good model assumption would be for £20k to be the own contribution – this being around the median contribution of those who make a non-zero contribution. The unit costs assumed and the cost breakdown are shown in Table 3.1.

**Table 3.1 Cost breakdown for model scheme**

<b>Deliverable</b>	<b>Volume</b>	<b>Unit cost</b>	<b>Cost</b>
One-to-ones	100 people	£170	£17,000
Events	400 people 40 events	£100 £1,000	£40,000
Literature			£13,000

## 3.4 Added value

While the PEF providers gave differing accounts of the added value they were bringing to PEF, there were two clear themes running through responses. The first was the use of pre-existing networks of contacts to reach target groups that would otherwise be hard to reach. Examples of such groups were:

- young people with inadequate financial skills in or about to enter social housing;
- women about to enter or re-enter employment or self-employment;
- over 50s ethnic minority women, often with little or no English.

Without using and developing further pre-existing local knowledge, local networks and relationships of trust built up with the organisations, it would be very difficult to target such groups. The organisations were able to express the message in ways they knew would be understood by the target audiences (including translation into ethnic minority languages). In using these organisations, PEF could draw upon location-specific social capital developed over many years.

The second theme also concerned trust. Major charities, Citizens Advice Bureaux (CABx), credit unions, trade unions and the like bring with them brand recognition and trust. They were seen by people in the target audiences as giving disinterested information, as being not the employer or a pension seller, or the Government.

### 3.5 Reaching target groups

All of the five target groups specifically identified by the DWP for the delivery of pensions information were well covered by PEF providers. In some cases the groups were explicit targets for the providers, in others they were covered through another form of targeting. For example, a provider may have chosen to target a particular employment sector, and because many of the workers in that sector are women, they reached many women. For each of the five target groups the numbers of providers that were identified as explicitly targeting the group, or where the group was a major implicit component of their targets, were as follows.

Women	14
Young people	9
Over 50s	13
Black and minority ethnic (BME)	9
Self-employed	6

Note that these groups are not mutually exclusive. Where the people reached include, say, women over 50, the provider will appear twice in this table.

### 3.6 Sustainability and expandability

PEF providers were asked three questions about sustainability and expandability:

- Could you continue some level of PEF provision without further Government funding?
- Could you continue some level of PEF provision with a reduced level of Government funding?
- If higher levels of Government funding were available could you expand your PEF provision?

In attempting to answer these questions, interviewees cited their experience of the transition from phase one (the original two years of the contracts) of PEF to phase two (the subsequent one-year extensions). Some said they were able to make savings by doing things more efficiently, cutting out ways of doing things that their phase one experience had shown to be inefficient. For example, one provider found that sending out flyers in a mailshot did not work – what was needed was a network of personal contacts. Another made the related point that cold-calling did not work for them, and had been abandoned in favour of using the network of contacts established by an associate adviser. Others said they simply scaled down their level of activity, and some of these said they were now *'cut to the bone'* (indicating an answer 'no' to the question 'lower level viable?'). One of the reasons cited for a lower level not being viable was that response times to requests would lengthen, and some requests would have to be refused, leading to a loss of credibility in the providers.

The breakdown of the answers is as follows.

	<b>Sustainable without Government?</b>	<b>Lower level viable?</b>	<b>Can do higher level?</b>
Yes	1	6	24
Limited	5	11	
No	19	8	1

The majority said that their PEF provision would not be possible without continued Government funding. A few said that a limited amount of provision could continue, for example, through the continued provision of the website, with the proviso that as time went on such legacy resources would become out-of-date. Only one provider said explicitly that they treated the PEF funding as a capital investment rather than as income, and were using it to develop something that they would continue after PEF funding had ceased.

Some providers said that the existing level of PEF funding was already at the lower limit of viability and that they could not operate with any less. A slightly larger group thought they could operate a limited service, for example simply by maintaining the website and other resources, keeping the information up-to-date, but without being able to do presentations and one-to-ones. A small group said they could continue with doing the same sorts of things, at a lower level of delivery of units. These last two groups could continue down to a level of, say, 50 per cent of the present funding as a lower limit of viability (though the actual figure will vary between organisations). One of the limitations on viability is the point where it is not possible to meet the expectations raised by the marketing (past or future) in terms of, for example, number of units that can be delivered or how many hours a week a telephone will be manned.

This discussion of the viability of lower levels of funding was based on the assumption of constant unit costs. There is also the possibility of lowering the higher-end unit costs towards the 'core distribution mean' values described earlier, by adopting practices that give rise to these lower costs. There may be instances where an examination of the detailed causes of the higher costs shows that in the given circumstances they are unavoidable. However, the sharing of best practice around the lower costs may, on occasion, allow for lower levels of funding without a reduction in volumes and quality.

All but one of the providers were enthusiastic about doing higher levels of activity if higher levels of funding were available. 'Yes, absolutely' was a typical answer. They all said that there was plenty of additional demand out there, even without going beyond their existing target groups, and some could see scope for expansion into other groups (e.g. adding Polish to the list of language groups covered). They all said that, given the funds, they would have no problem in matching the demand with supply, for example, by recruiting additional staff.

In addition to the question, '*could you do more?*' aimed at existing PEF providers, there is the question for the DWP, '*what other providers could we engage, to extend the provision?*'. One way of addressing this question is to go systematically through the list of existing providers and ask if there are suitable analogous organisations that could be targeted. The large, national organisations taking part in PEF in 2006-2009 (such as the Trades Union Congress (TUC) and British Chambers of Commerce) may well not have analogues. However, for community-based organisations such as Age Concern, CABx and community charities there are clearly analogues that could deliver PEF in a similar way elsewhere or to other target groups?

In looking for other sources of provision, it should be recognised that if the new providers do not possess the forms of social capital (existing networks in target communities, knowledge of cultures and language, relationships of trust) discussed above, then it could be considerably more expensive to build these up from scratch. The converse of this is that there may be unexpected reserves of this social capital out there, waiting to be discovered and exploited.

This approach of extending by analogy with existing models assumes that most of the models available have been tried by PEF to date. A gap analysis could be carried out to test this assumption, but the existing PEF contracts do cover a diverse range of models, and the most obvious gaps would seem to be, instead, geographical.

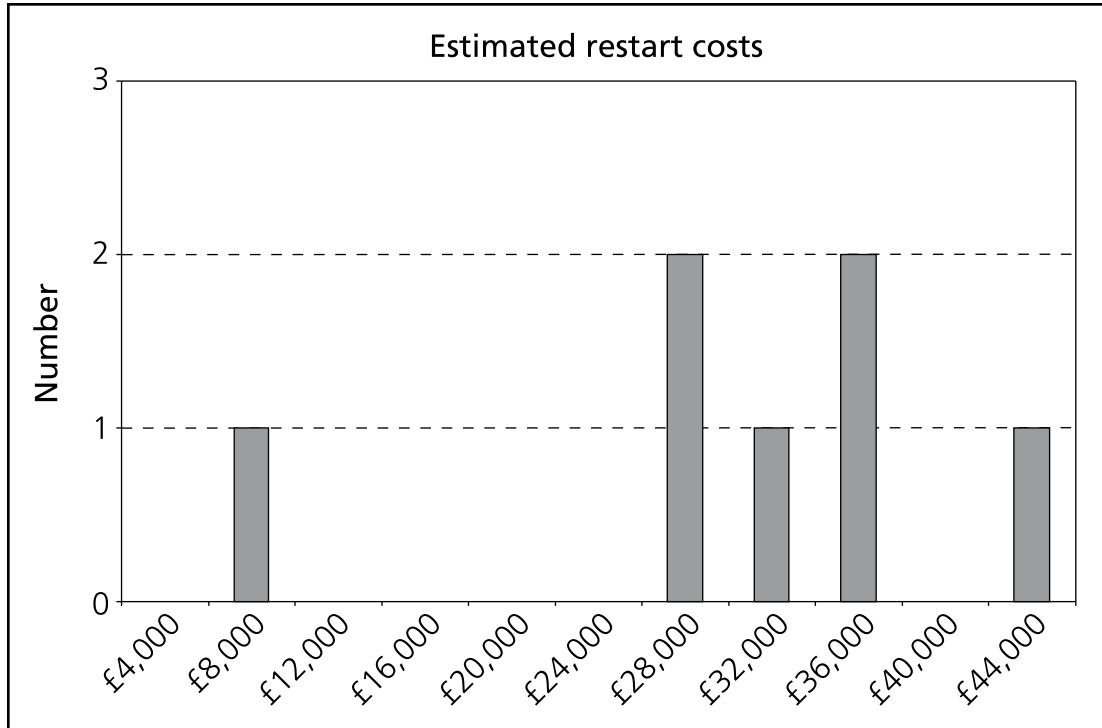
### 3.7 Cost of starting up again

The seven providers in the depth study were asked about how much they believed it would cost to restart PEF activities after a hiatus in the funding. Some were able to estimate a figure explicitly; in the other cases a figure was estimated based on the words they used (e.g. '*roughly the first half year of the first phase*'). The distribution of these estimates is shown in Figure 3.3.

Five of the seven estimates cluster tightly around the mean value of £28,000, which can be taken as a reasonable central estimate of how much it would take to restart PEF activities. Restart activities typically include:

- recruiting the staff and getting systems in place;
- marketing and building into networks, which has to take place before beginning to deliver against the volume targets.

The low figure was from an organisation that was able to take advantage of a local facility to engage with their target audience, without having to market their offering. No clear drivers of these costs could be identified from the data or interviews.

**Figure 3.3 Distribution of estimated restart costs**

## 4 Conclusions

The main conclusions of the research are as follows:

- Across Pensions Education Fund (PEF) as a whole there was a range of different methods used to deliver pensions information, with a wide range of costs. Some organisations delivered the information direct to individuals, while others trained and used intermediaries (or 'champions') to do this.
- There was a considerable spread of unit costs within each type of delivery. This variation could not be explained by differences in the size of the organisations, or the extent to which providers were able to support their PEF activities through their own funds. The differences seemed to lie mainly in the specific nature and volumes of the activities each provider was undertaking in the delivery of PEF, especially around the cost of venues used, travel requirements and so on.
- Some organisations rely entirely on ring-fenced grants for their income and were, therefore, unable to support PEF activities with funds other than those supplied by the Department for Work and Pensions (DWP) for PEF for this purpose. Others identified additional support they provided and were able to quantify this. Summed over all the providers that supplied cost information, 'own contributions' were estimated to amount to an additional one-third of the money provided by the DWP. Excluding an outlier with a very high contribution, the mean value of the own contributions was around £9k. Across those that made some level of contribution (14 excluding the outlier), the mean was £23k, equivalent to around 40 per cent of the DWP funding.
- For the direct delivery to individuals, cost estimates of one-to-ones were typically around 2.5 times as expensive per head as delivery via events such as presentations or workshops. A typical cost per head of one-to-ones was around £170, while that for people at events was around £70.
- The use of intermediaries seemed to have the potential to engage the most people, more efficiently in terms of the direct cost to PEF, though it is more difficult for the provider to monitor ultimate outcomes.

- The principal form of added value from the providers identified in this study was their ability to use established networks to deliver pensions information through PEF, notably to otherwise hard-to-reach groups. Most providers delivered to target groups identified by the DWP, such as young people, black and minority ethnics (BMEs), either through accessing them explicitly or through delivery to more general groups.
- PEF providers believed that their PEF operations were easily expandable, given the funding. Most of the current provider organisations were enthusiastic about the possibilities of doing more work. There were also opportunities to go out to other organisations, for example to target other parts of the country. In general providers considered that the PEF activity as it stood would not be sustainable without continued DWP funding. Even with continued access to websites or other materials, the currency of the training and materials would decay with time. Most organisations said that they would be unable to carry on with PEF activity unless some funder paid them to do so, or expressed themselves unwilling to fund the activity themselves. The cost of restarting PEF activities after a hiatus in funding was estimated by the providers to be around £30k per organisation<sup>5</sup>.

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<sup>5</sup> This is based on providers' estimates of what it might cost – this is not a measure of any costs incurred due to the decision to extend funding to 2008/09.

# Appendix A

## Depth study topic guide

### 1. Your organisation

- What are the aims and objectives of your organisation?
- What is the size of your organisation, in terms of (approximate) numbers of staff?
- What is the size of your organisation, in terms of geographical extent?
- How does PEF fit into activities of your organisation more generally? Is it a major or minor part of your activities?
- What are your sources of funding, as an organisation and for PEF specifically?
- How much of the costs of PEF delivery are covered by matching funds or cross-subsidy?

### 2. Your PEF activities

#### **2.1 What is delivered**

- What different types of PEF activity do you carry out?
- For each PEF activity, what is the process? (development of materials, keeping up with changes in the pensions field, recruitment of target individuals or groups, delivery of pensions education, assessment of results).
- What are the volumes, broken down by type?
- Are these the 'outputs' agreed with DWP? Do they do more? Is information provided 'on request' or do you limit provision on cost grounds?

- Is your PEF delivery concerned solely with pensions information, or does it include other types e.g. information on general financial planning or union learning? Was it set up like this intentionally? With an eye on costs? Are there clear shared overheads/fixed costs?
- Have you changed the way they have delivered and why? Cost reasons? Feedback from customers? Too much staff effort for limited success? And how has the PEF costs structure changed? Do you now get 'more bangs for your bucks'?
- Have you been forced to make changes in the way PEF is delivered to reduce costs?
- Do you target any specific groups? Especially, women, young people, ethnic groups, self-employed, other disadvantaged groups?
- Are they able to distinguish this targeted PEF activity from other PEF activities?

## **2.2 Cost of delivery**

- What is the staff time associated with each activity, and each sub-activity? In particular, how much time does it take to recruit people from the target groups? Are people from some target types harder to reach?
- How does the volume vary by week, by month? Is having staff underemployed at some times and overstretched at others a problem?
- What are the total employment costs of staff delivering PEF?
- Do you use volunteers? If so, what would be the costs if you had to replace them by paid staff?
- What are the other costs of delivery: e.g. travel, room hire, equipment?

## **2.3 Overhead and start-up costs**

- What are the overhead costs associated with these activities (admin, accommodation, IT, communications, stationery, human resources)? Can these be split out from the overhead costs of other activities?
- Do your PEF activities have lower costs because they share staff or facilities with other activities?
- How do PEF costs compare with those of your other organisation?
- What were the costs of setting up the PEF activities in the first place? If the activity was discontinued, what would the costs be of setting it up all over again?

### 3. Broader PEF benefits

- What do you see as the 'added value' in your PEF delivery?
- How does PEF interact with your wider delivery of advice and education?
- Does having the PEF workstream make delivery of your other activities more efficient?
- Does having the PEF workstream improve the uptake of your other offerings?

### 4. Sustainability

- Would your current level of PEF activities be sustainable in the long term without DWP funding? Would you continue to deliver it? With what sources and volumes of funding? What are your plans post-March?
- Would you be able to scale up your PEF activities? If so, what would be the costs? Would there be any cost thresholds, e.g. having to move to larger offices?
- Would you be able to scale down your PEF activities? If so, what would be the savings? Would there be any savings thresholds, below which lower volumes would not result in savings, short of closing the whole activity down?



# Appendix B

## Breadth interview questionnaire

- How does PEF fit into the other activities of your organisation?
- What are your other/main sources of funding (as an organisation – not just for pensions education)?
- Do you support your pensions education activity from sources other than PEF?
- Are you targeting the specific target groups, as defined by the DWP: women, young people, over 50s, ethnic minorities, self-employed?
- What do you see as the added value of your delivery?
- Are your pensions education activities sustainable, with or without continued Government funding?
- If higher levels of funding were available, would you be able to scale up your activities?
- If a lower level of funding was available, would a lower level of activities be viable?



# Appendix C

## Activities and costs

This appendix shows the detailed analysis behind the findings reported in Chapter 3. It is written as a stand-alone account, so some of the points made in Chapter 3 are repeated here.

### Modes of delivery and supporting activities

We found that providers delivered pensions information in a number of different ways:

- direct:
  - Pensions Education Fund (PEF)-funded staff providing information direct to the individuals, either in group sessions, one-to-one sessions or some combination of these;
  - unpaid volunteers providing information direct to individuals; these volunteers might be Independent Financial Advisers (IFAs) or other pensions professionals or may be union representatives or trainers; their activities relating to PEF provision were directly managed by the PEF provider;
- indirect:
  - workforce intermediaries (or ‘champions’) were trained by the provider to deliver information to individuals; these intermediaries then delivered PEF information alongside their other roles within the workplace and were not directly managed by the PEF provider;
- remote:
  - information was delivered to individuals remotely via, for example, a website, CD or a booklet that people could go to for information.

Whether done by PEF staff or volunteers, the direct delivery of information to individuals could be done either in group events (comprising a range of activities, or ‘deliverables’, such as formal presentations, seminars and workshops) or in one-

to-one discussions. With indirect delivery, PEF funding was used to develop and deliver training to the intermediaries. This might be delivered via training events, bringing the people together, or remotely via home study courses, CD-based modules and such like. PEF funding was also used to fund a range of supporting activities such as marketing of sessions and general awareness-raising events.

The breakdown of the 25 providers for which information was obtained is as shown in Table C.1.

**Table C.1 Modes of provision**

Mode	Number of providers
PEF staff	9
PEF staff +champions	3
PEF staff +volunteers	1
PEF staff +remote	1
Champions	4
Volunteers	4
Remote	2
Remote training of champions	1

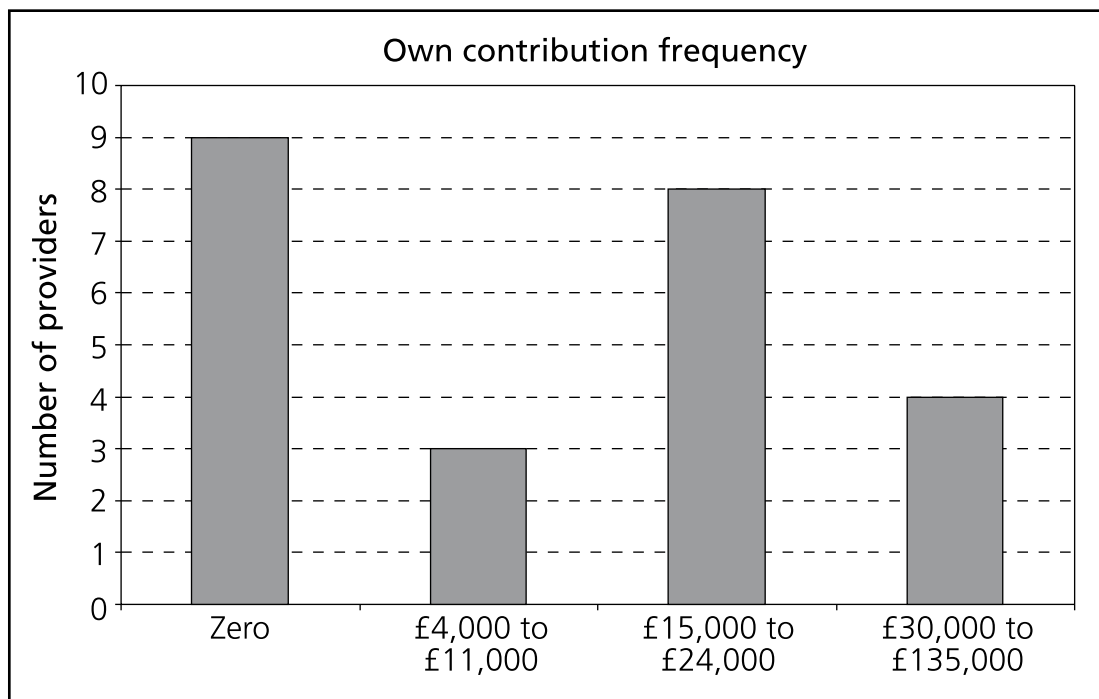
In the following sections we examine:

- the proportion of funding provided by providers themselves ('own contributions'), compared to support provided by PEF;
- unit costs for direct delivery of PEF and training of champions;
- typical costs of other activities not included in the unit costs; and
- the costs of starting up again.

### Providers' funding

We asked providers what contribution they put in from their own funds to support the PEF activities and what price they would place on other in-kind contributions. Twenty-four of the 26 providers gave us that information. The own contributions were split into four bands, as shown in Figure C.1.

**Figure C.1 Frequency distribution for the ‘own contributions’**



When the own contribution is expressed as a fraction of the PEF contribution (the ‘own/PEF ratio’), the resulting histogram is shown in Figure C.2. We see again the nine providers with no own contribution, and also that there is a peak of six providers in the 20 per cent to 30 per cent range. The relation between this ratio and the value of the PEF contributions is shown in Figure C.3. There appears to be no correlation between the PEF contribution and the own/PEF ratio, which is confirmed by a regression analysis<sup>6</sup>.

<sup>6</sup> The adjusted R-squared is -0.022, and the null hypothesis that the slope is zero is not rejected (P = 0.49).



Where intermediaries were used, these figures include the costs of training of the intermediaries, but not the cost of intermediaries' time or any other costs of the intermediaries' PEF delivery.

Of the five providers who said they were using volunteers, one did not submit a financial breakdown, and so does not appear in the data. Of the remainder, the two who were using IFAs as volunteers gave estimates of the monetary equivalent of this 'in kind' contribution, and these have been included in the estimates of own contributions. For the other two, it was not possible to make estimates of the monetary equivalent of the volunteer contribution, so their own contribution estimates will be lower than they ought to be. In Figure C.3, these are the two circled points. Had it been possible to treat these in the same way as the other two organisations using volunteers, the own contributions would increase, probably by about 20 per cent. It is unlikely, however, that the own/PEF ratio in these two cases would have become greater than one.

Expressed as a percentage, the own/PEF ratio ranged from 16 per cent to 188 per cent. We then calculated various mean values of this percentage, by taking the sum of all the own contributions in a defined set and dividing it by the sum of all PEF funding in the set. The resulting average percentage contributions are as follows:

Averaged over all 24:	34%
Excluding the highest contribution:	25%
excluding the zero contributions:	54%
Excluding the zeros and the highest:	42%

The highest own contribution is a clear outlier; excluding it shifts the average from 34 per cent down to 25 per cent.

To investigate whether the ratio of own to PEF contributions depended on the size of the organisation, we collected data on the turnover of the organisations. We were able to obtain turnover information for 17 of the organisations. Of these, 14 had a turnover of less than £5 million; for the remaining three the turnover was greater than £30 million.



The scatterplot of the own/PEF ratio against the turnover is shown in Figure C.4. A regression line is shown, although because of the large difference between the larger three providers and all the rest, this is not a very meaningful thing to do<sup>7</sup>. It is more meaningful to look at any size dependence among the 14 smaller organisations. This is shown in Figure C.5. Here there is a positive correlation between provider size and the ratio, but it is a very weak effect. The slope of the regression line is only marginally significantly different from zero<sup>8</sup>. When this is taken together with the fact that any relationship disappears when the larger providers are not excluded, we draw the conclusion that provider size is a poor predictor of the own/PEF ratio.

Some of the providers with zero own contributions were those where most of the income comes from strongly ring-fenced grants, so they have little 'own money' with which to support PEF. There may be in-kind contributions that they were not able to identify, but these are likely to be small. Other providers had their 'own money'. Some were membership organisations, where the money comes from membership subscriptions. Others were large, well-known national charities, receiving donations from the public. Whether or not some of this 'own money' was used to supplement PEF funding was then a matter of choice for the provider. The organisation with the largest turnover on Figure C.4 was a large national charity; they had made a decision that while they had been happy to support the aims of PEF when funded to do so, this was not a strategic priority for them. In at least one other case, the presence of PEF funding made it easier to argue the case for increasing the priority of pensions education when it came to making decisions on which activities to support.

## Unit costs of delivery

### Introduction

Based on cost and volume breakdowns given by the providers in the depth interviews or in spreadsheets completed in parallel with the breadth interviews, we estimated unit costs associated with three broad category of deliverable (group events, one-to-one sessions and training of intermediaries) as follows:

- cost per person via events;
- cost per person via one-to-ones (including per person cost of event where individuals are recruited via an event);
- cost of training per intermediary.

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<sup>7</sup> For completeness we note that the adjusted R-squared is -0.06, and the null hypothesis of zero slope is not rejected (P = 70%).

<sup>8</sup> The adjusted R-squared is 0.30, and the null hypothesis of zero slope is rejected at the 5% level but not at the 1% level (P = 2.5%).

We also estimated costs per event including events associated with PEF delivery, more general awareness raising and training of intermediaries.

Within each of these broad categories, some providers identified different types of activity, for example, events targeted on the general workforce were identified separately to events focused on a specific target group. Where possible we estimated unit costs for each of these as separate 'deliverables'.

### **Unit costs**

In all cases the costs used include both the PEF and own contributions. Where overhead costs were identified separately by the providers, these have been split appropriately across the various activities carried out by the provider. This was done on the basis of the discussion of the costs with the providers – usually the split was approximately pro rata.

For each type of deliverable the numbers of units was derived, where available, from predicted outturns rather than targets specified in the contracts.

We were not able to estimate unit costs for delivery per person via intermediaries as providers did not feel able to estimate how many individuals were being reached via intermediaries, or the costs incurred by the intermediaries. The data for the two organisations that used volunteers, but could not estimate their time, is included in the unit costs. This affects the cost per person per event, and the cost per event, but the effect is small and does not materially distort the figures.

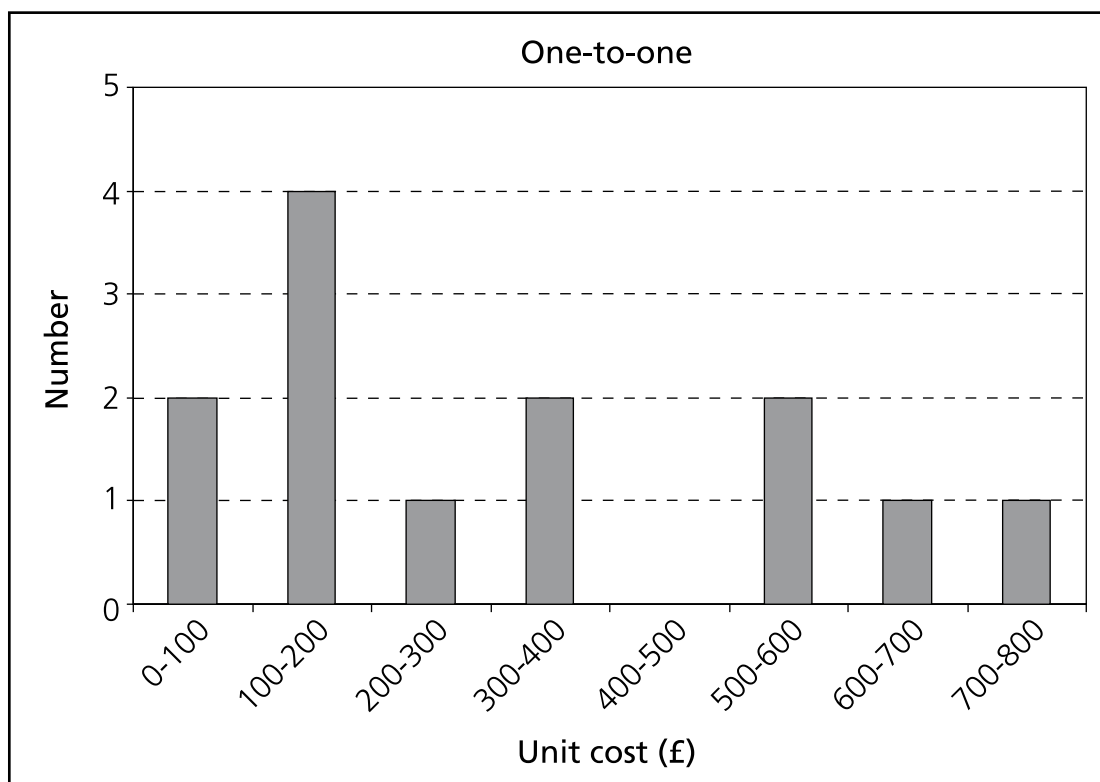
Not all the activities carried out by the PEF providers could be attributed to one of the three types of deliverable. They cover those activities, e.g. the maintenance of a website, where it is not helpful to associate a volume with the deliverable. The magnitude and nature of these unattributed costs is described in the section 'Other costs'. Note that these costs are not overheads.

The distributions of the unit costs are shown in Figures C.6 to C.9. In each case, the 'number' on the y-axis is the number of 'deliverables' whose estimated unit costs fall into a given unit cost band.

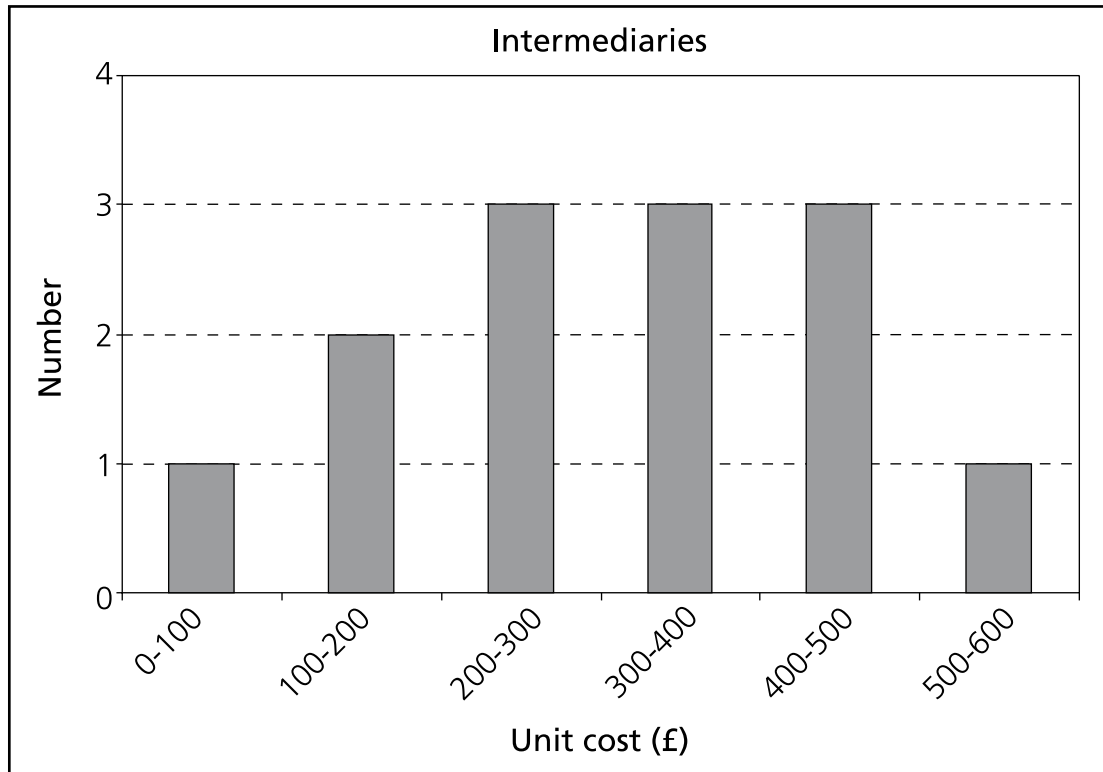
**Figure C.6 Unit costs (cost per person) for delivery to people at events**



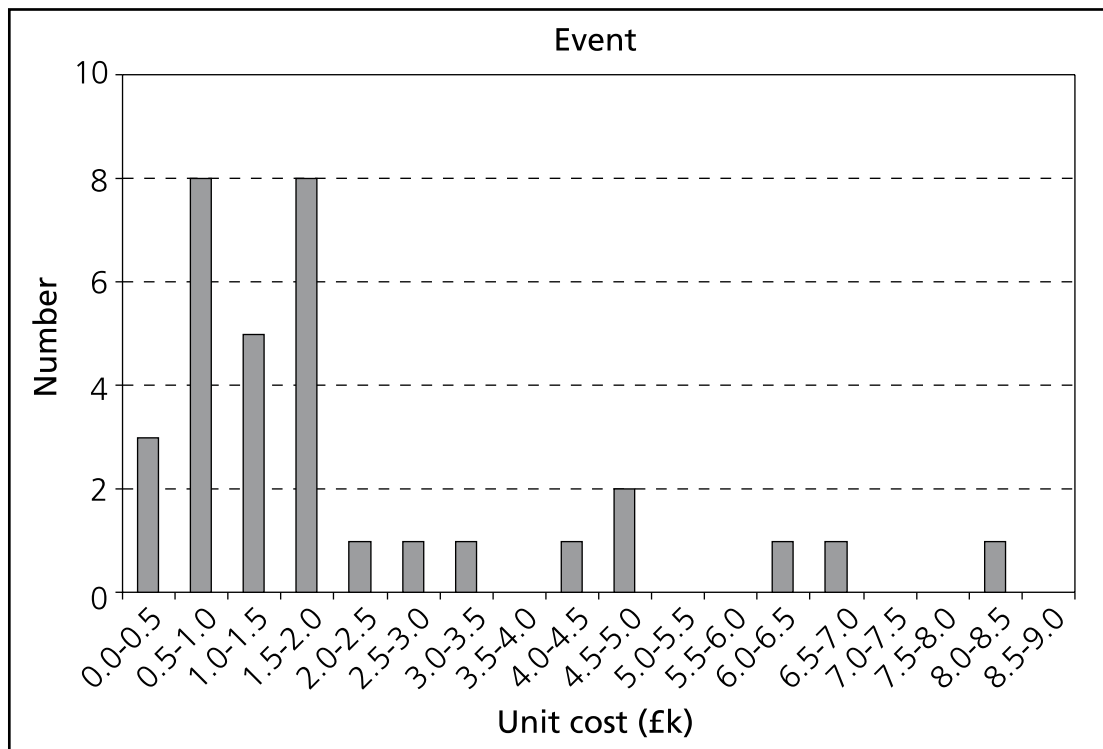
**Figure C.7 Unit costs (cost per person) for delivery via one-to-ones**



**Figure C.8 Unit costs (cost per person) for the development of intermediaries**



**Figure C.9 Unit costs (cost per event) for holding events<sup>9</sup>**



<sup>9</sup> Where an organisation delivered different types of event (e.g. events associated with PEF delivery, more general awareness raising and training of champions) these are included as separate items ('deliverables') in the distribution.

In each of the four cases the unit costs either lie within what we call a ‘core distribution’ or are outliers (usually larger than core distribution costs). We consider that the mean and standard deviation of the core distribution constitute respectively what one might typically expect PEF provision to cost and the typical scatter about this cost. The mean of the core distribution is what is known in statistics as a ‘trimmed mean’. It is particularly relevant here, because if one were looking to scale up the provision, one would be likely to use a model in the core distribution. The values of these means and standard deviations are shown on Table C.2 (rounded to the nearest £10):

**Table C.2 Unit costs from the core distributions**

Type	Unit cost	Number of core deliverable items/total number of deliverable items
People at events	£(70 ± 30) per person	13/16
One-to-ones	£(170 ± 110) per person	9/13
Holding events	£(1370 ± 700) per event	26/33
Training champions	£(310 ± 110) per champion	11/13

For the one-to-ones, Figure C.7 shows that the unit costs fall into two clusters. The low cost cluster has been used as the core distribution. The mean and standard deviation for the high cost cluster are £(620 ± 90) per person.

For the other three types it is less obvious how to choose the core distribution, so more judgement has been required here. For people at events (Figure C.6), the three costs greater than £150 have been excluded. There is in fact a distinct gap here, not visible on the histogram: the highest cost still retained is £115 and the lowest excluded cost is £160. For intermediaries we have excluded the one cost in the lowest interval (£80) and the one in the highest interval (£555). For the events we have excluded all the costs above £4,000, and the one cost below £300.

### Cost drivers

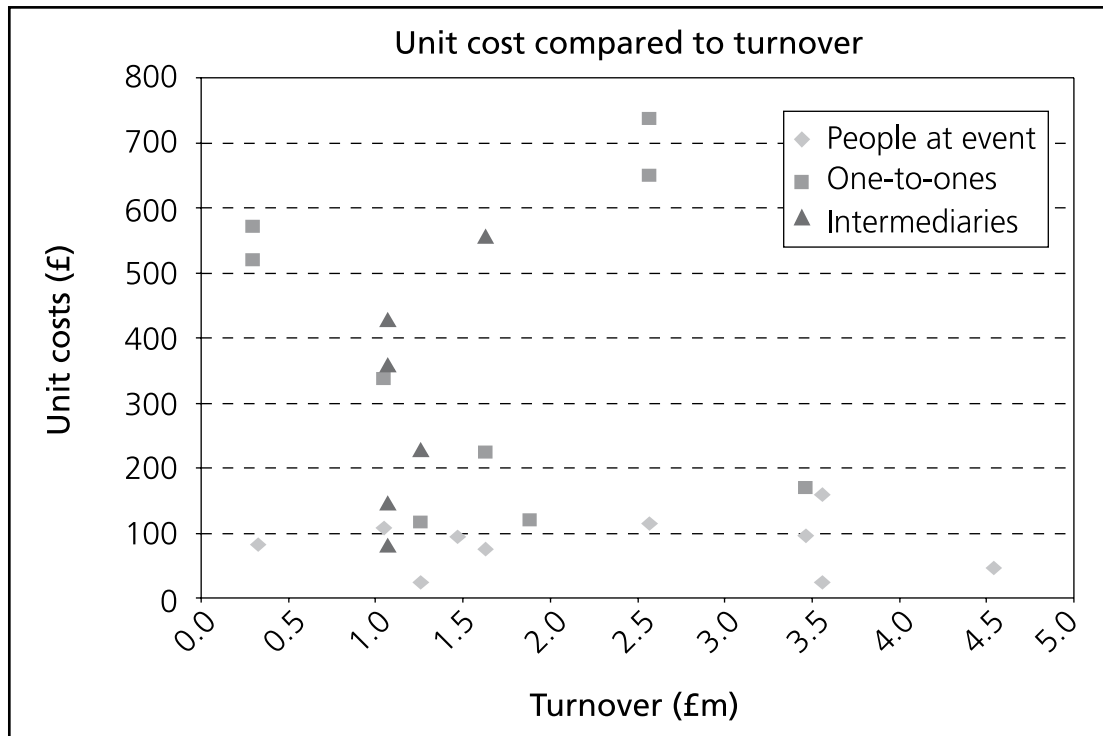
Given the large spread in each of the unit cost distributions, we investigated whether anything in the data could show what might be causing some costs to be substantially higher than the mean and others to be substantially lower.

### Size of organisation

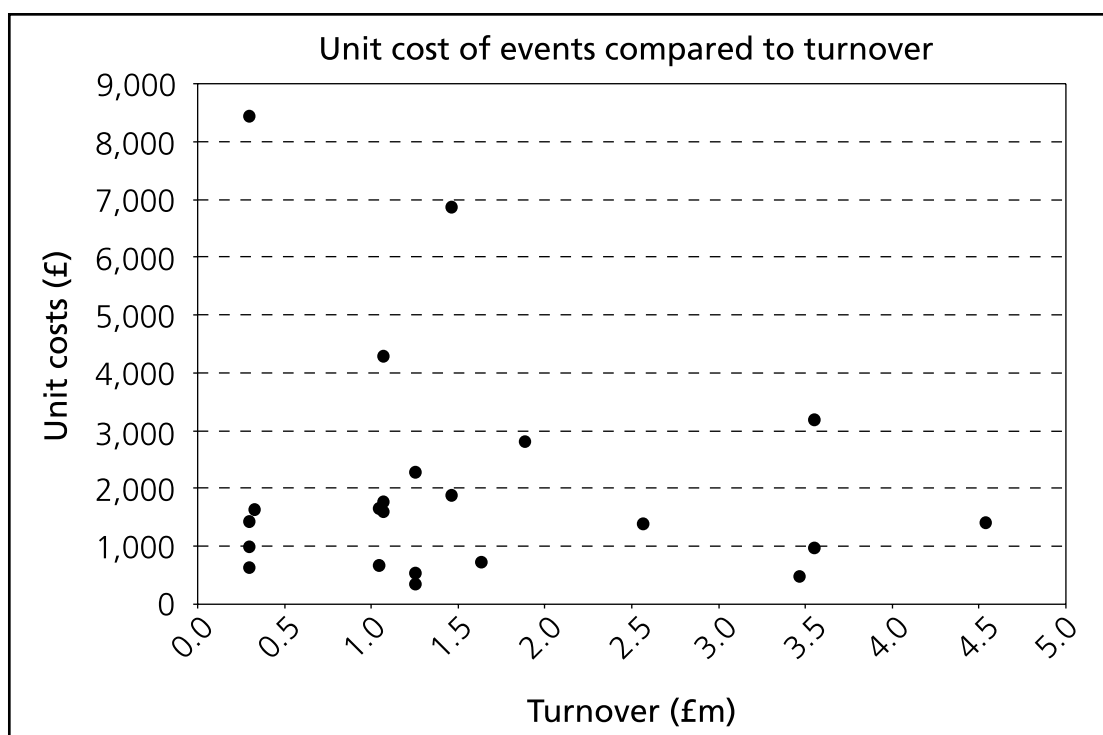
As with the investigation of the own/PEF ratio above (see Figures C.4 and C.5), we used the turnover (where available) as a measure of size. For the same reasons as cited there we excluded the three turnover outliers (turnover considerably greater than £5m). Scatterplots of unit costs compared to turnover are shown in Figure C.10 (unit costs per person) and Figure C.11 (unit costs of events). These show no relation between unit costs and turnover. This is confirmed by regression analyses.

The P values for the null hypothesis of zero slope (no dependence) are respectively: people at event, 0.98; one-to-ones, 0.82; intermediaries, 0.17; events, 0.48. In all four cases the null hypothesis cannot be rejected.

**Figure C.10 Unit costs compared to turnover**



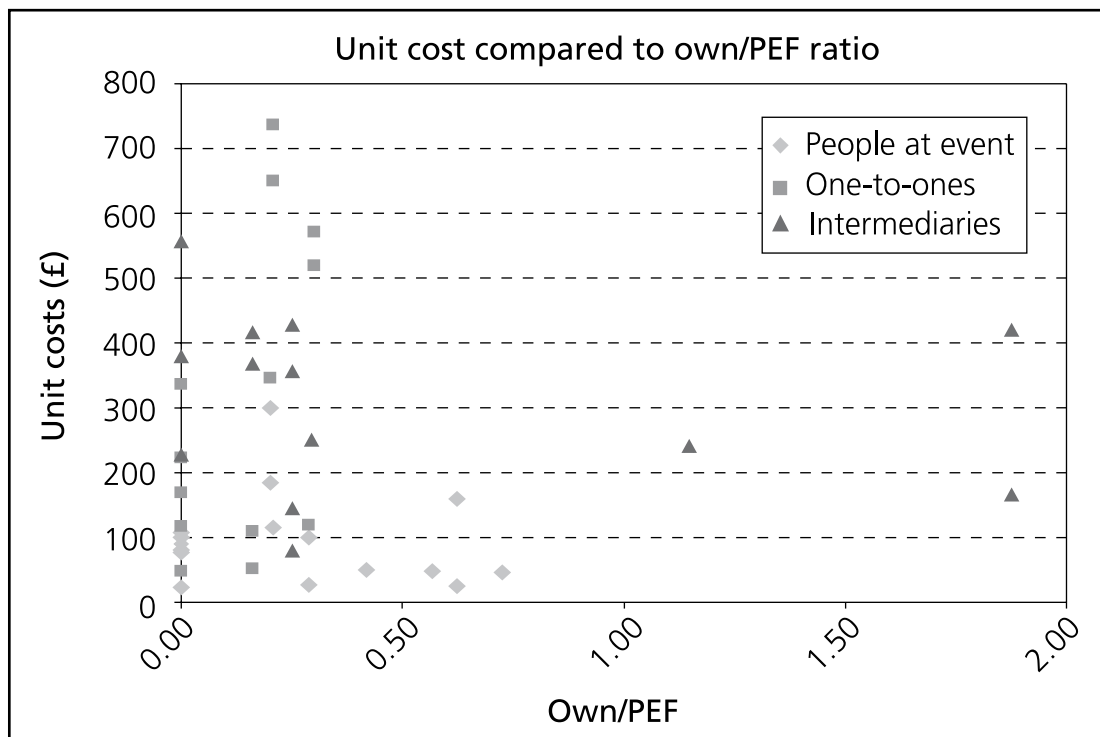
**Figure C.11 Unit Costs of events compared to turnover**



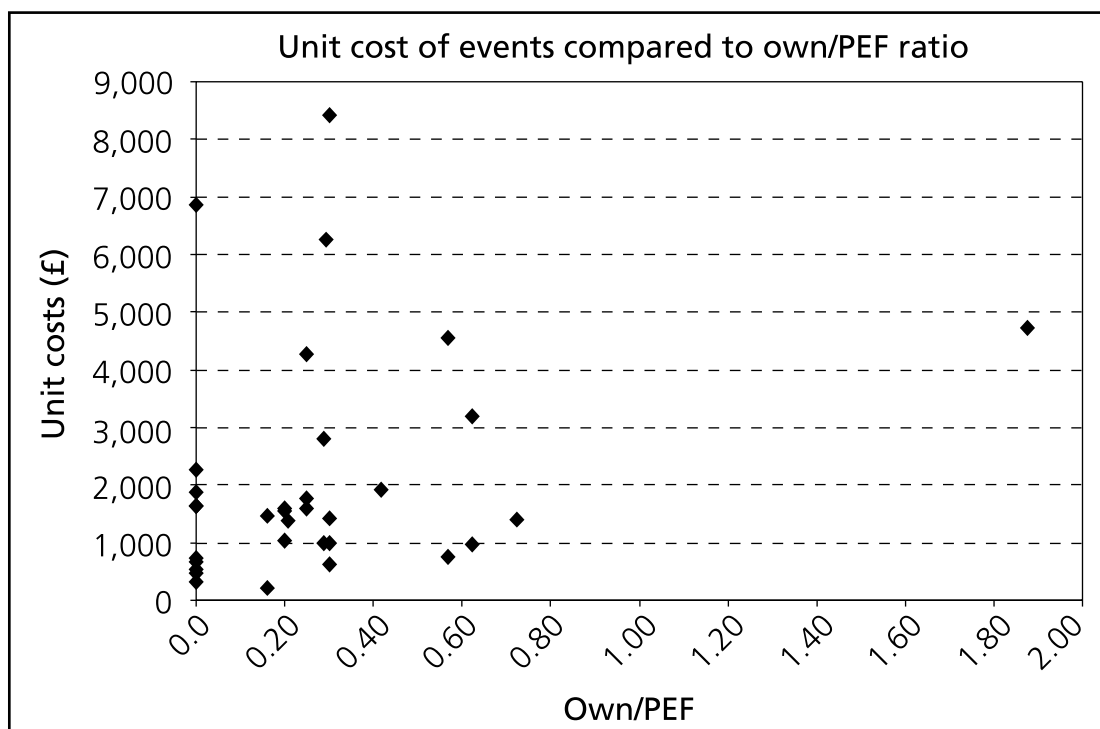
### Ratio of own contribution to PEF funding

We then looked to see whether there was any relationship between the unit costs and the own/PEF ratio. The scatterplots are shown in Figure C.12 (unit costs per person) and Figure C.13 (unit costs of events).

**Figure C.12 Unit costs compared to own/PEF ratio**



**Figure C.13 Unit costs of events compared to own/PEF ratio**



Once again there are no visible relationships, and this is confirmed by the P values for zero slope in regression analyses: people at event, 0.57; one-to-ones, 0.07; champions, 0.57; events, 0.14.

### Type of target individual

For those organisations delivering to particular target groups, we looked to see if there was evidence in the unit costs that some groups were more expensive to deliver to than others. To do this we calculated normalised unit costs, by taking unit costs from all four types and dividing each by the mean value for the type. This allows comparison of costs across the types. For those costs where we could associate them with delivery to a particular target group we calculated the means and standard deviations of the normalised unit costs over each group. The results are shown in Table C.3.

**Table C.3 Mean and standard deviations of normalised unit costs**

	<b>Employees</b>	<b>Black and ethnic minority (BME)</b>	<b>50+</b>	<b>Low pay</b>	<b>Third sector</b>	<b>Women</b>
Mean	0.99	0.82	0.75	0.87	1.33	1.33
Standard deviation	0.73	0.38	0.40	0.79	1.09	0.95

Where the targets were simply 'employees', the mean value is very close to one, as might be expected. The values of BME, 50+ and low pay are lower and those for the third sector and women are higher. However, the standard deviations are large. For each pair of groups we took the difference of the means, divided by the average of the standard deviations. In each case this ratio was less than one. This indicates that the differences within the groups are larger than between the groups, and therefore that the target group is not, in itself, a significant driver of costs.

### Event cost variability within organisations

One organisation runs four different types of events, with four different unit costs. Three others run three different types of event. This gives us the opportunity to investigate how much of the unit cost variability can be explained by the organisation running the events, and how much occurs within each organisation. The relevant costs are shown in Table C.4.

**Table C.4 Event unit costs**

	Event unit cost (£)
Organisation 1	629
Organisation 1	991
Organisation 1	1,424
Organisation 1	8,428
Organisation 2	1,591
Organisation 2	1,768
Organisation 2	4,278
Organisation 3	333
Organisation 3	529
Organisation 3	2,268
Organisation 4	1,025
Organisation 4	1,555
Organisation 4	1,603

Looking at these numbers, it appears that a great deal of the variation is within each organisation. This is confirmed by a sum-of-squares analysis: 86 per cent of the variability is within the organisations, and hence, only 14 per cent is between them.

### Cost drivers – conclusions

We conclude that what drives unit cost variability is not the overall features of the organisations, but the detailed nature of each instance of the activity.

Specific factors identified affecting costs will include:

- events:
  - location, venue and duration of the event;
  - organisation required – in some cases the provider was able to take advantage of arrangements made for another reason;
  - number of staff attending;
  - requirement for translators;
- one-to-ones:
  - whether by telephone or in person.

There is probably not a single, less costly, way of running PEF events that is applicable in all locations and in all circumstances. It is still likely that higher costs would be unavoidable in locations like London, and to reach certain target groups. Nonetheless, the results indicate where there could be scope for managing down costs towards those in the lower part of the spectrum.

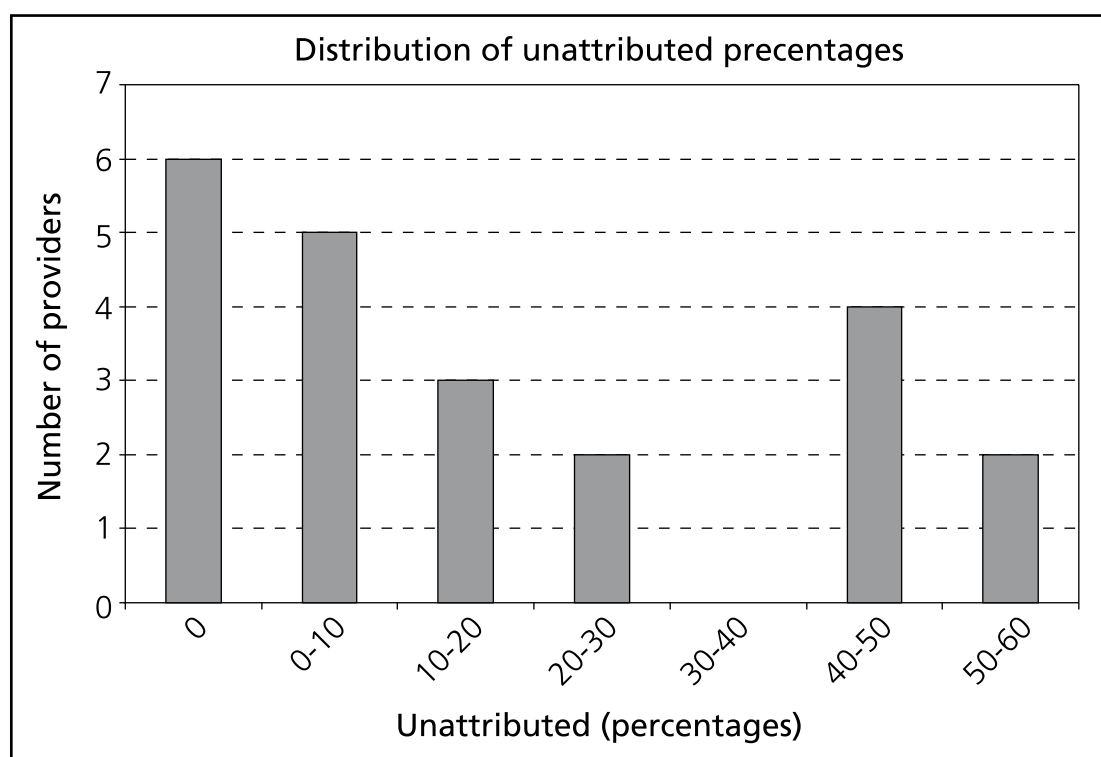
Although no correlation was found between the unit costs and characteristics of providers, an examination of the data suggested that the unit cost might decrease with increasing volumes delivered, indicating the possible presence of economies of scale. To investigate this we tested different regression models for total cost versus volume for each of the four types of unit cost. We did not find any evidence of economies of scale for the training of intermediaries, however, these appear to be present (with considerable scatter about the regression lines) for holding events (whether measured by the number of events or number of people reached), and for one-to-ones. Thus, on the basis of this analysis, there may be scope for economies of scale in delivery on the part of those organisations that could scale up their activities but this conclusion is necessarily tentative.

## Other costs

As described above, the unit costs for delivery of the three main types of deliverable do not cover all of the costs incurred by PEF providers. Here we describe the magnitude of the costs we have not attributed to the unit costs and the spread of activities associated with them.

The 22 providers for which cost breakdowns were available accounted for a total expenditure (PEF plus own contribution) of £1,678k, of which 21 per cent (£346k) was unattributed to unit costs. The distribution of percentages over the 22 providers is shown in Figure C.14. Six providers have no unattributed costs while another six have more than 40 per cent of their costs in this category.

**Figure C.14 Distribution of unattributed percentages**



How these costs are split by activity is shown in Table C.5. Of the total unattributed cost, 72 per cent comes under literature, website and toolkits, that is, the delivery of PEF by means other than events, one-to-ones or intermediaries.

**Table C.5 Unattributed cost by activity**

Type of unattributed activity	Number of providers	Total costs (£)	Percentage
Literature	11	116,062	34
Websites	6	71,620	21
Toolkits	2	60,400	17
Meetings (e.g. quality group)	3	21,326	6
General awareness raising	4	39,079	11
Accreditation of training courses	1	2,800	1
Consultancy	1	7,500	2
Research	2	27,475	8

## A model scheme

Using this cost analysis, it is possible to construct a 'model scheme', with a cost basis that is typical of the PEF phase two provision. This has been constructed artificially to illustrate typical costs and volumes of delivery, although it happens to be close in many respects to one of the actual schemes. In this model, PEF information is delivered to 100 people via one-to-ones, and to 400 people via 40 events. In addition the scheme produces some literature. The total cost is £70k – depending on the organisation, this could all come from PEF, or the organisation could contribute a percentage themselves. In the latter case, a good model assumption would be for £20k to be the own contribution – this being around the median contribution of those who make a non-zero contribution. The cost breakdown and unit costs are shown in Table C.6.

**Table C.6 Cost breakdown for model scheme**

Deliverable	Volume	Unit cost	Cost
One-to-ones	100 people	£170	£17,000
Events	400 people 40 events	£100 £1,000	£40,000
Literature			£13,000



# Part 2 – The role and activities of pensions information intermediaries

**Lorna Adams, Mark Samuel and Anne Gammon**

# Acknowledgements

We are grateful for the help of the Department for Work and Pensions (DWP) policy and research teams for their assistance in the management of this project – in particular to Rob Hardcastle, Vicky Petrie and Mike Buckley.

We are also grateful to the seven Pensions Education Fund (PEF) providers participating in the evaluation. The research required providers to provide their own views and also to facilitate access to the intermediaries that they had engaged; without the full co-operation of these providers it would not have been possible to conduct the project at all.

## 5 Summary

The Pensions Education Fund (PEF) began in January 2006 with the purpose of providing funding for third party providers to engage innovatively with individuals to encourage and help them to make appropriate provision for their retirement. The first phase of PEF funding ran until April 2008 and was then extended for a further year. While most of the initiatives awarded funding delivered information directly to employees or the self-employed, some used a 'pensions intermediary' model whereby intermediaries (or 'champions'), usually employees, were trained to disseminate information to colleagues in the workplace.

This project was commissioned to gain an understanding of the pensions intermediary approach. The research aimed to explore:

- methods of recruitment and training of pensions intermediaries;
- the approach that pensions intermediaries have taken to the dissemination of information in the workplace;
- the numbers and nature of individuals they reached;
- the sustainability of the pensions intermediary approach;
- employers' attitudes to intermediaries and the information delivered;
- provider views on the intermediary approach.

It was anticipated that providers who adopted the pensions intermediary approach would recruit and train individuals to deliver information on pensions and retirement planning to others in the workplace. While some providers – namely the National Institute of Adult Continuing Education (NIACE), the Trades Union Congress (TUC), the Union of Shop, Distributive and Allied Workers (USDAW), Age Concern Birmingham and Golden Gates Housing (GGH) – appear to have adhered closely to this model, others have taken a somewhat different approach to that originally envisaged, training intermediaries recruited by other providers to deliver information (the General Federation of Trade Unions (GFTU)), or (at least initially) training their own staff to deliver information to members of the public (North Liverpool Citizens Advice Bureau (NLCAB)). This report illustrates the full range of activity across all seven providers contracted to deliver information indirectly via

intermediaries, covering those who adhered closely to the envisaged model and those who were more flexible in their interpretation of the intermediary role.

The study took a qualitative approach and involved interviews with the seven provider project managers responsible for administering schemes and training pensions intermediaries, pensions intermediaries themselves, employers and those who received information provided by pensions intermediaries.

While the participating providers acknowledged that the 'indirect' approach of using pensions intermediaries was unlikely to reach as many people as a more 'direct' approach such as a targeted mailing, they felt that the pensions intermediary approach had potential to communicate information more effectively. In particular, the provision of impartial information on a one-to-one (and potentially ongoing) basis by a trusted individual, which can be tailored to the specific circumstances of the individual, was perceived to be valuable.

The three providers with intermediary schemes funded under the first phase of PEF funding either reached or came close to reaching their original target of intermediaries to be recruited, while the phase two providers were confident that they would meet their recruitment targets. Rather than trying to engage intermediaries not known to them, providers had made use of existing contacts, drawing on union networks or relationships with employers. Most schemes targeted potential intermediaries directly but NIACE also approached employers and asked them to nominate a candidate from their workplace.

With the exception of some of the NIACE intermediaries interviewed, almost all of those interviewed understood that the intermediary role involved disseminating information to others. Some of the NIACE intermediaries interviewed undertook training with the intention of acquiring knowledge useful for improving their own performance (for example, as a trustee or in their job role) and some were unclear or not made aware that there was an expectation for them to pass on information to others.

On the whole intermediaries felt that the training provided – which varied considerably in length, content and format – met their expectations and provided them with the tools and confidence to undertake their roles as intermediaries, although there was less evidence of this among NIACE intermediaries. Some felt that they were given limited guidance on the dissemination of information, while others felt this area was covered in some detail. NIACE had to adjust their original delivery plans (from two half days of training with a gap between for reflection to one full day) to accommodate the preferences of employers, who were reluctant to allow their employees so much time off for training. This was less of an issue for trade union providers.

There was also some variability in the level of satisfaction of trainees, both in terms of whether the training met their expectations and whether it provided them with the tools and confidence to undertake their roles as intermediaries.

Most of the intermediaries who understood that their role involved the dissemination of information made some effort to make others aware of the fact that they could deliver pensions information but largely in informal ways, often relying on word of mouth. Those who did not promote their role cited reasons that included:

- a belief that there was no need to do so as employees came to them with retirement planning requests as part of their existing job role;
- they did not have the time to promote or deliver pensions information;
- in a small number of cases, they had been told not to do so by their employer.

Intermediaries from all phase one providers that focused on using this indirect model of delivery had delivered information, although those from NIACE were less likely to have done so. Delivery largely took the form of one-to-one sessions (both formal and informal) and to a lesser extent, presentations and workshops. Intermediaries also fielded questions from individuals on an ad hoc basis. On average, intermediaries who disseminated information had done so to between 40 and 45 individuals each – within the five months or more between being trained and the time of their participation in the research (in the cases of those trained under phase one funding).<sup>10</sup>

Intermediaries made use of online resources, as well as printed materials from their training courses and were generally conscious of the distinction between providing information and advice. The delivery of information tended to take place in work time and at the workplace.

In general, intermediaries did not target specific sub-groups; rather they tended to provide information to anyone who expressed an interest. This tended to mean that those receiving information from intermediaries were more likely to be those close to retirement.

Intermediaries saw the principal barriers to (greater) delivery of information as a lack of awareness among their target audience that they were able to deliver this information (as a consequence of limited promotional activity), a lack of confidence among intermediaries and a lack of interest among potential information recipients.

There is some evidence of employer resistance to the initiative, but this was rare. Indeed, it was apparent that, in some cases where the intermediary had been recruited directly by the PEF provider, their employer was unaware both of the training and the fact that they were offering retirement planning information to others.

The view among providers appeared to be that they had not been able to provide intermediaries with as much support as they would have liked to as a result of

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<sup>10</sup> Taking into account both intermediaries who had delivered information and those who had not, intermediaries had disseminated information to an average of 25 to 30 individuals each.

resourcing difficulties. Some had plans for support forums where intermediaries could discuss their experiences of promoting their role and disseminating information, but had not been able to develop these. There was likewise no evidence of an informal network of information exchange between intermediaries. While it was uncommon for intermediaries to complain of a lack of support, there was a strong appetite for further training as a 'refresher' and to keep intermediaries up to date with developments in the pensions landscape. There is an indication that without a mechanism for ensuring their knowledge and the printed materials they pass to others are kept up to date, the confidence and motivation of intermediaries would wane over time, although some intermediaries reported that they sought to keep themselves informed of developments in the pensions landscape through the media.

Intermediaries who delivered information tended to believe – on the basis of the reactions of, and some informal feedback from, those to whom they delivered information – that it had had some impact on recipients. Intermediaries cited a number of benefits: an increased level of knowledge and awareness of issues around retirement planning (including employees' own retirement provision, or lack thereof) and of where to access information and advice; an increased level of confidence; and an increase in activity such as increasing contributions or joining a pension scheme.

Providers' views were more mixed: the TUC and NIACE felt that the initiative had been successful, although the latter recognised that it might have been more effective if approached differently, especially with respect to the recruitment of intermediaries. USDAW considered the pensions intermediary model to be effective but conceded that its initial expectations of the role to be played by its intermediaries had been too ambitious and not sustainable in the long term. Since intermediaries from all three schemes who had delivered information appeared to have taken very similar approaches to the dissemination of information, the variation in the way in which effectiveness was judged by providers largely reflected their own expectations of intermediary activities (and in particular the expected balance between 'presentation-type' delivery to relatively large numbers of employees and less formal, ad hoc dissemination).

Intermediaries who disseminated information largely felt that they had been successful in delivering honest and impartial information communicated clearly, without jargon in an informal, in-person setting and tailored to the needs of the recipient.

The conclusions that can be drawn from this research are:

- the pension intermediary approach led to the dissemination of retirement planning information in a relatively informal, ad hoc manner;
- particularly in the case of union representatives, pensions intermediary initiatives were able to tap into an existing structure for the dissemination of information on a broad range of employment-related issues. This structure is less established outside trade unions. Those in other roles (some of the NIACE intermediaries interviewed) were generally less active in the dissemination of information, although NIACE intermediaries were less likely to be aware in the first instance that they were expected to disseminate information;
- the largely reactive approach to delivery tended to mean that dissemination focused on those more interested in the subject and consequently were more likely to seek information (particularly those approaching retirement);
- the convening of workshops or presentations to disseminate information tends to be too great an expectation for intermediaries (not least because they tended not to be trained in delivering such sessions);
- there is some suggestion that the longer courses were more effective in giving intermediaries the confidence to disseminate information to others. However, there is also an indication that these longer courses are only really acceptable within the trade union network;
- although the interviews with intermediaries revealed there was a general awareness of the distinction between information and advice, training should emphasise the distinction at every opportunity. Not all were convinced that this was covered in their training and the 'risk' of intermediaries providing advice was a key concern for employers of trade union intermediaries;
- there is a danger that without some form of follow-up support or training, the 'legacy' impact of intermediary training will decay over time: there was considerable evidence that intermediaries felt a need for ongoing support in the form of refresher courses and the provision of up-to-date information;
- In terms of recruiting intermediaries, NIACE did so, successfully, using 'cold calling' techniques such as direct mail and telesales with employers. However, most providers relied on utilising existing networks of contacts, so that most intermediaries were already known to the organisation. This does therefore perhaps leave a question mark over the ultimate scale that the initiatives could reach in their current form.



## 6 Background, objectives and methodology

The Pensions Education Fund (PEF) began in January 2006 with the purpose of providing funding for third party providers to engage innovatively with employees and the self-employed to encourage and help them to make appropriate provision for their retirement, particularly amongst groups in the workforce who are most likely to have under-provision for retirement (such as women, the self-employed, young people and ethnic minority groups).

PEF aimed to capitalise on relationships between employees or the self-employed and 'trusted third parties' (such as union representatives and community organisations) in the provision of information on retirement planning. Organisations awarded contracts under PEF include trade unions, employer groups, community groups and other charities.

The first round of funding was for schemes running up to April 2008. An extension to PEF was granted in early 2008 and providers were encouraged to bid for a final year of funding – either to continue with their existing schemes or to deliver modified or entirely different initiatives.

PEF providers delivered information using a variety of methods, including workshops and presentations, one-to-one information sessions, written information packs, websites and DVDs. The majority of schemes focused on delivering information about planning for retirement directly to individuals. However, some schemes both in the first and second rounds of funding employed an approach of training intermediaries (also known as 'champions') with the intention that these individuals would engage with individuals within the workplace on the subject of retirement planning.

The first phase of PEF was covered by a large-scale evaluation programme which included qualitative and quantitative research among providers, employers and individuals. However, because of the need to deliver results before the end of the first funding period this evaluation research took place at an early stage in the Fund's lifetime. This pressure on timing meant that the research had to focus on schemes that began delivery relatively early in the funding period.

One impact of this approach was that there was limited coverage of schemes involving the training of intermediaries in the initial evaluation. Three providers (the Trades Union Congress (TUC), the National Institute of Adult Continuing Education (NIACE) and the Union of Shop, Distributive and Allied Workers (USDAW)) took this approach in their schemes funded under the first phase of PEF. An additional four providers (Age Concern Birmingham, North Liverpool Citizens Advice Bureau (NLCAB), the General Federation of Trade Unions (GFTU) and Golden Gates Housing (GGH)) included an element of the training of intermediaries in schemes funded under phase two.

The TUC and NIACE schemes were covered by the phase one evaluation research but research among those trained was concentrated on the very first individuals receiving training and it was only possible to leave a relatively short time between receipt of training and interviews to understand the extent and nature of dissemination of information in order to meet reporting schedules. At this stage, the research indicated that:

- only a small number of those who had participated in training schemes had passed information on to more than one or two others;
- most dissemination of information had taken place in the form of informal one-to-one sessions;
- as a result of the relatively reactive approach employed, those who had received information tended to be those with the greatest interest in retirement planning, i.e. those approaching retirement.

This project was commissioned to gain a deeper understanding of the operation and effectiveness of the pensions intermediary approach. The timing of this research was such that it was possible to follow up intermediaries trained under the first phase of PEF after they had been allowed a much longer time period (a year or more in many cases) to disseminate information to others as well as allowing some coverage of phase two schemes.

The research aimed to explore:

- methods of recruitment and training of pensions intermediaries;
- the approach that pensions intermediaries had taken to the dissemination of information in the workplace;
- the numbers and nature of individuals that they had reached;
- the sustainability of the pensions intermediary approach;
- employers' attitudes to intermediaries and the information delivered;
- provider views on the effectiveness of the intermediary approach.

It was anticipated that providers who adopted the pensions intermediary approach would recruit and train individuals, usually employees, to deliver information on pensions and retirement planning to others in the workplace. While some providers

– namely NIACE, TUC, USDAW, Age Concern Birmingham and GGH – appear to have adhered closely to this model, others took a somewhat different approach to that originally envisaged, training intermediaries recruited by other providers to deliver information (GFTU), or (at least initially) training their own staff to deliver information to members of the public (NLCAB). This report illustrates the full range of activity across all seven providers contracted to deliver information indirectly via intermediaries, covering those who adhered closely to the envisaged model and those who were more flexible in their interpretation of the intermediary role.

## 6.1 Sampling and methodology

Interviews were conducted among four types of stakeholder: the seven provider project managers, pensions intermediaries, employers of pensions intermediaries and those who received information provided by pensions intermediaries. A total of 58 interviews were conducted, broken down among the seven providers and four respondent types in Table 6.1.

**Table 6.1 Breakdown of interviews by the seven providers and four respondent types**

Provider organisation	Total number of interviews conducted by stakeholder type					Total
	Project managers	Pensions intermediaries	Employers	Information recipients		
TUC	1	21	3	3		28
NIACE	1	10	2	-		13
USDAW	1	5	1	-		7
GFTU	1	1 <sup>1</sup>	-	-		2
Age Concern Birmingham	1	-	-	-		1
GGH	1	2	-	-		3
NLCAB	1	3	-	-		4
<b>Total</b>	<b>7</b>	<b>42</b>	<b>6</b>	<b>3</b>		<b>58</b>

<sup>1</sup> During the course of this interview it emerged that the GFTU 'intermediary' was a trainer of intermediaries rather than an intermediary as defined within the project scope (an individual recruited and trained to deliver information on pensions and retirement planning to others in the workplace).

The Department for Work and Pensions (DWP) provided the research team with contact details for the seven provider project managers. The project managers were then approached and asked to provide contact details for all pensions intermediaries recruited and trained by that provider, and where possible, for contact details of employers of pensions intermediaries. TUC and USDAW were able to provide a full list of their pensions intermediaries. NIACE was conducting other research among its pensions intermediaries and we were keen to avoid overburdening them with requests to participate in research studies. As such we sought to recruit, through NIACE, those who had not taken part in the NIACE research.

GFTU had not recruited and trained its 'own' pensions intermediaries, rather it had provided training to intermediaries recruited by other providers, generally trade unions. As such, GFTU could not provide us with contact details of the intermediaries it had trained, as it had not secured their permission to do so. The intermediaries trained by GFTU were included in the lists supplied by the other providers.

Of the other phase two providers, only GGH and NLCAB had trained any intermediaries at the time of the research; Age Concern Birmingham had not yet done so. GGH and NLCAB provided us with contact details of all the intermediaries they had trained.

Only USDAW was able to provide us with contact details of participating employers, as it had worked closely with one employer only, a large chain of retailers. The research team requested contact details of employers from intermediaries of the other two phase one providers who were interviewed, with limited success.

None of the providers was able to supply us with contact details of individuals to whom intermediaries had delivered information, as they had no records of these individuals. Again, the research team approached intermediaries from the three phase one providers for contact details of these individuals. Intermediaries were able to secure the permission of three individuals who had received information to be contacted about their experiences. Their details were passed on to the research team.

All interviews conducted were qualitative, in-depth interviews using a semi-structured discussion guide. The seven interviews with provider project managers were conducted in person. These interviews tended to last around an hour. All other interviews were conducted over the telephone. Interviews with pensions intermediaries lasted around 45 minutes, while those conducted with employer representatives and recipients of information were shorter: generally between 20 and 30 minutes. All interviews were conducted between October and December 2008.

As a thank you for their participation, intermediaries and recipients of information were offered £20, either in the form of a personal cheque or charity donation.

The findings of this research study are qualitative in nature so should not be deemed representative of the experiences of the overall population of pensions intermediaries (approximately 350 at the time the research was conducted). Given the distribution of interviews, broadly reflecting the overall distribution of the targeted numbers of intermediaries by provider, the findings are slightly skewed towards the views of TUC representatives and may not reflect the overall balance of pensions intermediary activity under PEF. For this reason, and because the actual approaches to training and developing pensions intermediaries vary considerably by provider, we tend to separate out views and experiences by provider in this report rather than drawing general conclusions or making broad recommendations for a future delivery model based on intermediaries.

Nevertheless this report provides insight into the implementation of the initiative and an indicative overview of its effectiveness.

# 7 Provider objectives and the role of the pensions intermediary element

This chapter reviews the providers' objectives in adopting the pensions intermediary approach and looks at the role of the pensions intermediary element within the Pensions Education Fund (PEF) initiative as a whole.

## **Chapter summary**

While the participating providers acknowledged that the 'indirect' approach of using pensions intermediaries was unlikely to reach as many people as a more 'direct' approach such as a targeted mailing, they felt that the pensions intermediary approach would communicate information more effectively. In particular, the provision of impartial information on an informal one-to-one (and potentially ongoing) basis by a trusted individual, which could be tailored to the specific circumstances of the individual, was perceived to be valuable. The pensions intermediary approach also dovetails with the modus operandi of organisations such as North Liverpool Citizens Advice Bureau (NLCAB) and Golden Gates Housing (GGH) who are used to responding to ad hoc queries from individuals rather than providing more general information sessions. Furthermore, some spoke of the benefits of this approach in terms of leaving a legacy (in the form of an on-site 'expert' on pensions issues) that would survive after the current funding period was over.

## 7.1 Individual providers' objectives

The three phase one PEF providers had broadly similar objectives in adopting the pensions intermediary approach, although each had its own particular motivations and concerns.

The Trades Union Congress (TUC) adopted the pensions intermediary approach because it perceived value in training union representatives to respond to individuals' queries in person on a one-to-one basis, providing up-to-date information and promoting the benefits of making provision for retirement. While the project manager felt that the indirect approach of using pensions intermediaries might not reach as many people as a more direct approach, such as the distribution of leaflets, he maintained that it had numerous other benefits: insight into individuals' specific circumstances; the ability to signpost individuals to relevant information and – because it was based in the workplace – the opportunity to deliver information on a one-to-one and ongoing basis. The fact that pensions intermediaries based in the workplace would be seen as impartial (while representatives from other organisations may or may not be deemed to be so) was also perceived to be an advantage, as this would be reassuring to individuals who engaged with an intermediary.

*'It is relatively easy to tell people, "This is the fire fighters' pension scheme, this is the local government, or TUC scheme." You can just give them a booklet on that, but if someone is in a situation where they also want to know about a scheme [they were in] 20 years ago, and what that will be worth now, there could be a myriad of questions which would mean a lot of leaflets and pamphlets. That doesn't work – only if there is someone there to help. With the champions, we wanted to signpost people to sources of information, but also be there to explain the information, which is much better on a one-to-one, ongoing basis. Another advantage is that the champion has nothing to gain, so it is trusted support and guidance.'*

(Provider project manager, TUC)

National Institute of Adult Continuing Education (NIACE) held similar views, commenting that, while the pensions intermediary approach might not reach as many people as the distribution of printed information, it would be able to engage those it did reach more effectively and develop a mechanism where information was passed on. NIACE recognised the effectiveness of union representatives in engaging people in the workplace and felt that, by approaching Human Resources (HR) staff to become pensions intermediaries as well, it could engage a range of influential people in the workplace, who would pass on information to others.

*'If we had stood outside a factory handing out leaflets, then we might have targeted more people than the intermediary approach, but there was the potential through training intermediaries to leave something within the [intermediary's] company. I had worked with the TUC before coming to NIACE so I was familiar with their union reps, which we saw as a way of getting into employers as well as them being appropriate intermediaries, even though it was not a trade union project. ... [Union Learning Reps] was an existing mechanism as well as HR staff: people in the workplace who talk to lots of people. And also, because NIACE is a learning organisation, we are not just about handing out information so there was education involved; there was adult education involved, which was one of the reasons why we wanted to do the project.'*

(Provider project manager, NIACE)

The Union of Shop, Distribution and Allied Workers' (USDAW's) reasons for adopting the pensions intermediary approach were similar in that it felt that the initiative presented the opportunity for the union to utilise its existing resources to communicate on a one-to-one basis, or engage in a 'dialogue', with its members on pensions. It had previously struggled to engage both its members and representatives on the subject of pensions, so used PEF as an opportunity to pilot the pensions intermediary approach with the assistance of an employer with which it had a long-standing and good relationship.

*'We have struggled within USDAW to get pensions on the map of the union, members, reps and full-time officials. We have always had a very good [pensions] team in central office...but actually we had no dialogue with our members. It was almost impossible to get that dialogue. When PEF came up, we all put our effort into a number of projects, which was really about getting the pensions dialogue going throughout the union. We wondered how we were going to draw the reps into this. Our first thought was to create "super reps" to do with pensions. ...We took a strong and supportive company, which was [co-operating employer], and wondered if we could build a network of "super reps" in the North East, and if we could, could we roll that out nationally? It was deliberately done as an experiment. If people had questions about their pension, or couldn't join their pension scheme, or wanted to feedback to us, then there was someone there, or near the workplace, who was an expert, or had pensions expertise who could act for them.'*

(Provider project manager, USDAW)

NLCAB adopted the pensions intermediary approach in part because it has experience of training individuals to act as intermediaries as part of other initiatives, but also because this approach fits in with its modus operandi as an advisory body. The initiative appealed to NLCAB because it offered the opportunity to train intermediaries in other organisations, such as other Citizen Advice Bureaux (CABx), community groups and employers, who could then provide information to people to whom NLCAB might otherwise not be able to gain access. It was also hoped that the initiative would increase the profile of pensions within CABx: while CABx provided a considerable amount of information and advice on financial issues, such as financial capability, welfare and housing, they did not have a great deal of experience in delivering information on pensions.

*'We do a range of financial skills training. We do financial capability [courses] like budgeting, dealing with debt, using bank accounts, tax training for older people and saving for Christmas. ...We decided to do it because we have experience of intermediary training on other projects. Also, because we are an advice agency, we have lots of links with other advice agencies, so it lends itself to that. It is just something that will fit in. The way we are approaching it is to train intermediaries in other organisations because they may reach organisations or individuals that we maybe wouldn't come into contact with. ...Some CABx do lots of training, others have very close links to community groups, and some have very strong links with employers. If they have those links, it would seem wrong for us not to use them. It puts pensions [into a higher priority] because as CABx, the advice we provide is mainly on welfare benefits and housing – those issues.'*

(Provider project manager, NLCAB)

Age Concern Birmingham had conducted workshops and one-to-one sessions under the first round of PEF funding and saw the pensions intermediary initiative as an opportunity to provide ongoing rather than one-off information and support to individuals on pensions and a more flexible and responsive service. The organisation also hoped that recruiting and training pensions intermediaries would relieve some of the pressure on Age Concern Birmingham's information officers, who were previously the only point of contact for information about pensions.

*'We said that we would recruit champions in each organisation to be the first port of call, rather than contacting the information officers here for a query. It meant [employees] would have someone [in the workplace] on hand. We were hoping to give [pensions intermediaries] that extra bit of knowledge. They could use that information to educate their colleagues at work...and continue to support their colleagues going forward. We thought it would free up a bit of time for the information officers. ...There might be people in the organisation that couldn't attend when [one of the information officers] was there. If there was someone on site, there was a port of call, rather than us going back to see one person. It also meant that new people coming into an organisation could be informed about the need to invest, and think about saving. If the workforce changed, the information would be to hand: they wouldn't have to re-contact us.'*

(Provider project manager, Age Concern Birmingham)

The pensions intermediary approach was not an element of GGH's original bid for the first round of PEF funding. The two project managers at GGH attended a 'train the trainer' course and felt that it would be more effective to train individuals within organisations to deliver further information to their colleagues than simply to provide them with information themselves. GGH's bid under the second round of PEF funding included a pensions intermediary element, which aimed to provide a mechanism whereby employees within an organisation could seek information from a trusted colleague – the pensions intermediary – on an ongoing basis and indeed after the funding had expired – generating a PEF 'legacy effect'. Finally,

the pensions intermediary approach also tied in with GGH's ethos of educating the community and specifically with the other community initiatives it undertakes relating to issues such as literacy, numeracy and financial planning.

*'The idea came after we went on a course which was about training the trainer. We realised that it was OK just to engage with the companies, because often you would get a good response, but we were trying to leave a legacy of information. We decided to do a train the trainer session [within the workshops]. We had built a toolkit which was easy and people could use, but in most organisations, most people are not professional trainers, or givers of information, and it was to give them something to help them present the information themselves. ...Using [co-operating employer] as an example, [our intermediary] there is so well known with the members of staff, and they all know that she has this particular area of expertise, so we were looking to help her spread the message.'*

(Provider project manager, GGH)

The General Federation of Trade Unions (GFTU) had secured funding under the first round of PEF to train tutors to deliver one-day courses or shorter workshops and seminars in the workplace, but owing to the popularity of this course among trade union representatives and a strong appetite within GFTU for the dissemination of information using the intermediary model, it incorporated an intermediary element into its bid for the second round of funding.

*'Pensions were something we had always done [at GFTU]. When we saw this advertised, we thought it was a massive opportunity to carry on and deliver some more stuff. We had looked at a similar form of champions idea with the Department for International Development. We had that same sort of theme in mind: having one person in the workplace who knew a lot more and could give out basic information, not advice. That seemed like a good model to have. [In the initial bid] we stopped short of training people in the workplace. We trained our tutors and some WEA [Workers' Educational Association] tutors; we are still doing the initial training, but we have changed the focus. We are still training one person in the workplace to have more of a grasp of the information, but that's as far as it goes. It was just a model that worked really, and there was so much interest at the end of the project. A lot of it was what people asked for. We had [trade union] reps coming up and asking us.'*

(Provider project manager, GFTU)

## 7.2 Role of pensions intermediary element within overall PEF initiative

The pensions intermediary element was the only component of the PEF initiative for GFTU, NIACE and TUC.

It formed part of a wider initiative in the case of Age Concern Birmingham, GGH and NLCAB. NLCAB and GGH conducted (and were still delivering) workshops and one-to-one information sessions, while Age Concern Birmingham continued to deliver presentations and one-to-one sessions.

USDAW considered the pensions intermediary approach to be a discrete part of its initiative and very much a pilot exercise. USDAW also set up a website containing pensions information and a modular workbook, which USDAW members could request and complete, after which they would receive an accreditation equivalent to NVQ Level 2.

*'The [intermediaries] were only ever an experiment. We only had a dozen involved, and it was almost like having three separate projects. I don't recall what the breakdown of the money was. What we put most of our initial emotional energy into was the website and the Home Study programme, because we knew that was something that could reach all 370,000 members, and it was something we could control – we had more control over the outputs.'*

(Provider project manager, USDAW)

## 8 Recruitment and profile of intermediaries

This chapter examines the approaches taken by the providers to recruiting pensions intermediaries and profiles intermediaries in terms of their background, experience and motivation for undertaking the role.

### Chapter summary

The three phase one providers had either reached or come close to reaching their original target of intermediaries to be recruited, while the phase two providers were confident that they would meet their recruitment targets. Rather than trying to engage intermediaries not previously known to them, providers mainly made use of existing contacts, drawing on union networks or relationships with employers.

With the exception of some of the National Institute of Adult Continuing Education (NIACE) intermediaries interviewed, almost all of those interviewed understood that the intermediary role involved disseminating information to others. There was evidence that some of the NIACE intermediaries interviewed undertook training solely with the intention of acquiring knowledge useful for improving their own performance (for example, as a trustee or in their job role) and some were unclear or not made aware that there was an expectation for them to pass on information to others.

### 8.1 Methods of recruitment

The six providers who recruited pensions intermediaries directly used various methods to do so. Two of the three original providers involved in the initiative (Union of Shop, Distribution and Allied Workers (USDAW) and the Trades Union Congress (TUC)) utilised their existing trade union membership networks in order to recruit intermediaries. The third provider from the first phase, NIACE, used a mixed methodology of approaching employers directly as well as tapping into trade union networks.

Generally speaking, the use of trade union networks was successful. Although the TUC encountered some difficulties with the geographical spread of interested parties (discussed later in this chapter), levels of interest were high and USDAW, who focused solely on recruiting only 12 intermediaries in the North East as a pilot, found that places were oversubscribed.

The level of interest in the scheme and the lower target number of intermediaries to be recruited and trained allowed USDAW the unique position amongst providers of using a two-stage selection process. All those interested were invited to a more general session where those deemed most suitable were selected to be trained as an intermediary. In all other cases providers accommodated all those who applied.

*'We had an initial session which we got 36 volunteers to, followed by a more intensive session which 19 were invited to. That selection was made by the regional officer in conjunction with the full-time officials. [...] We were looking for younger reps with a future in pensions – we didn't want people who thought they were coming for a free lunch. We wanted someone who was working and personally investing in the pension scheme themselves.'*

(Provider project manager, USDAW)

USDAW and TUC intermediaries tended to have found out about the pensions intermediary initiative in the same way, mainly through receiving information from the union in the form of leaflets or information about upcoming training. In some cases intermediaries found out about the course from other union sources such as at another training course or from a trade union colleague. There were also a few cases where intermediaries were approached directly by the union themselves after having previously sought answers from the union to pension-related queries from members.

NIACE had a mixed approach to recruiting intermediaries. It approached both employers and trade unions to promote the scheme and find suitable candidates. Although NIACE found it more difficult to gain access to employers initially, this approach turned out to be a more effective way of securing intermediaries' time and availability, because employers in effect approved time off for their staff to attend training at the point of recruitment; some intermediaries recruited through unions were unable to attend training due to staff shortages on the day of the course.

Another aspect of the recruitment particular to NIACE was the way intermediaries were approached for the training. Whilst it was very rare for TUC or USDAW intermediaries to report having been 'put forward' for the role, as a result of approaching employers in the first instance around half of the NIACE intermediaries stated that this was the case. In some cases, NIACE intermediaries were given the impression that it was a compulsory training session to assist them in performing their job roles.

*'I don't think there was a choice [over whether to attend the training].'*

(Pension intermediary, NIACE)

North Liverpool Citizens Advice Bureau (NLCAB) also intended to approach employers from its database of contacts from other Pensions Education Fund (PEF) activities and the Human Resources (HR) departments of employers who were previously interested. However, this was in addition to training some intermediaries from their own network of employees and volunteers. At the time of the interviews with intermediaries, NLCAB had only approached its own staff members to participate in the training. All the intermediaries interviewed for the research had taken the course as part of their roles within the Citizen Advice Bureau (CAB), hearing about the training through internal advertisement or the training unit themselves.

Rather than trying to engage intermediaries not previously known to them, most providers made use of existing networks. The TUC and USDAW used their trade union structures. NIACE used a mixed approach, both tapping into existing networks and recruiting from establishments previously unknown to them through a series of 'cold-calling' methods. The end result was a mix of intermediaries with around a third recruited from union networks, the rest from employers. NLCAB approached its own staff/volunteers in the first instance and then planned to approach employers with whom it had an existing relationship. Golden Gates Housing (GGH) also used existing sources to recruit its intermediaries in most cases, except one where the project manager met the intermediary at a local authority-run conference. Age Concern Birmingham used the presentations its staff were giving within companies, as part of its other PEF activities, to recruit intermediaries.

*'During a presentation I look for the person who appears to be showing the most interest. I then approach them and give them the [pensions intermediary] document which I talk through with them.'*

(Provider project manager, Age Concern Birmingham)

The General Federation of Trade Unions (GFTU) did not recruit intermediaries directly; rather it recruited and trained 11 trainers of intermediaries from its existing network of tutors who in turn trained intermediaries recruited by other providers.

## 8.2 Provider targets

Within their bids for PEF funding, most providers gave a projection as to the number of intermediaries they would recruit and train. Of the three phase one providers only one, USDAW, had been able to reach this target at the time of the research (late 2008). USDAW managed to recruit all the 12 intermediaries that it had aimed for, making specific use of its trade union membership network.

*'[It] was left to the divisional officer to select reps and activists. It was pretty open. If you were an USDAW rep who had an interest in pensions, then you were positively encouraged to come along.'*

(Provider project manager, USDAW)

The TUC did not expect to meet its target of 250 intermediaries. One of the key reasons for this was the difficulty of grouping together interested individuals into 'viable' groups; in order for a local college to gain funding from the Learning and Skills Council (LSC) to hold the course, it needed a minimum of 12 participants (and TUC's approach was dependent on being able to secure this LSC support). In order to overcome these problems, the TUC had begun to experiment with more targeted recruitment (of particular employers or single trade unions within certain areas) to try to achieve greater clustering of recruits.

*'The problem has been getting enough people on a course locally to make it viable. You need 12 or so. The centre that is running it can draw the money down through the Learning and Skills Council, but to get enough money they need a dozen, and that can be a challenge.'*

(Provider project manager, TUC)

The final provider that secured funding under the first round of PEF, NIACE, was considerably closer to its target of 120, having trained 109 pension intermediaries. NIACE attributed the slight shortfall in its numbers to unforeseen initial difficulties in securing employer interest in nominating pensions intermediaries.

*'Given that the project was slow to start because of selling it being difficult, then we were reasonably pleased even though we did not hit the target.'*

(Provider project manager, NIACE)

The three providers who began the PEF initiative in the second wave were all still in the processes of recruiting pension intermediaries. Age Concern Birmingham had recruited and trained eight intermediaries when interviewed and was confident in reaching, or even exceeding, its target of 15.

*'We are comfortably over the line already. We could be looking at 20. We started off slow, but the momentum has built. It could be a big number.'*

(Provider project manager, Age Concern Birmingham)

NLCAB was slightly behind its target of 50 trained intermediaries, but was confident it would come close to meeting envisaged numbers.

*'We were supposed to do ten [intermediaries] in September, then 20 in each of the next quarters. We will now try and do 30 this quarter and 20 in the next. ...I think we will do it more or less – at least 40.'*

(Provider project manager, NLCAB)

GGH had no fixed target in its initial bid, but hoped to recruit around 25 intermediaries by the end of the project.

*'We are not just trying to go for numbers; we are trying for quality as well, people who we feel we will make a difference. ...We will hope to have 25 – we are on track.'*

(Provider project manager, GGH)

GFTU reported a target of 400 intermediaries but were not directly recruiting them. Instead it had recruited and trained 11 trainers of intermediaries who in turn trained intermediaries recruited by other providers.

### 8.3 Intermediary profiles

The intermediaries interviewed were employed across a wide range of industry sectors. All USDAW intermediaries interviewed were employed in the retail and distribution sector and all NLCAB in health and social work. TUC intermediaries worked in a range of sectors, principally public administration and defence, but also in transport, storage and communications, manufacturing and education or health and social work. Most NIACE intermediaries interviewed worked in the manufacturing sector, with others in public administration and defence and education.

The research team was unable to interview any intermediaries from GFTU because it trained intermediaries recruited by other providers rather than training individuals it recruited itself. Neither was it possible to interview intermediaries from Age Concern Birmingham as they were still in the process of being trained. The profiles below, therefore, relate mainly to the other PEF providers (TUC, USDAW, NIACE, NLCAB and GGH).

Perhaps unsurprisingly, the method used to recruit intermediaries affected their profile. Almost all of the TUC and USDAW intermediaries interviewed had some form of union representative role, including shop stewards, conveners or Union Learning Representatives. A few also had experience of being, or having been, Member-Nominated Trustees (MNTs) to their pension schemes. While some NIACE intermediaries were union representatives, most others held roles as MNTs or had a pensions- or HR-related job role. Intermediaries from Age Concern Birmingham were less likely to hold union roles as they were being recruited outside of union channels. The NLCAB intermediaries interviewed were all employees or volunteers within the CAB as these were the first group to be trained (although NLCAB intended to train non-CAB employees at a later date). According to the GGH project manager, most of its intermediaries were mainly community- or public sector-based with a background in training.

Motivations for becoming an intermediary varied amongst those interviewed. Those who held a trade union role tended to become intermediaries in order to help others at their workplace if they had any queries, many having already been approached or expecting to be approached due to changes in the existing company pension scheme. Trade union intermediaries seemed aware of the aims of the training and the kind of promotional activity and information dissemination they were expected to undertake.

*[The aim is] to make people more aware of what they are going to retire on and, obviously, trying to get more people to join the pension scheme would help.'*

(Pension intermediary, USDAW)

*'[The aim is to] point out sites of information, directing people to where they can find information for themselves.'*

(Pension intermediary, TUC)

NLCAB intermediaries wanted to build on their existing job roles and have specific information to pass through the CAB structure to clients about pensions.

Some of the NIACE intermediaries interviewed attended training to increase their pensions knowledge and assist them in undertaking their job role (and in some instances were instructed to do so) and others attended solely out of personal interest. By no means all attended training with the expectation that they would then disseminate the information further.

*'[I expected] just to go along as a trainee... to be advised rather than go out to be an adviser.'*

(Pension intermediary, NIACE)

Almost all TUC intermediaries interviewed had previous experience of having attended training sessions and having delivered information in the workplace. They were also more likely to have had some knowledge of pensions prior to their training. The USDAW employees were most likely to have received no previous training and to have no prior knowledge of pensions. NIACE employees were the most varied in terms of their level of prior knowledge of pensions, prior experience of training (including pension-related training) and prior experience of delivering information.

## 8.4 Employer backing for intermediaries

As a function of their approach to recruitment of intermediaries, the NIACE employers interviewed were aware that a trained intermediary was working within their company as they had selected the intermediaries themselves for the training. In general, employers of the TUC intermediaries interviewed were not aware that pensions intermediaries were active in their workplace.

Albeit based on a small number of interviews, the employers interviewed were generally concerned about their staff's level of knowledge around retirement planning. NIACE and USDAW employers interviewed regarded the pensions intermediary initiative as a means of improving their staff's knowledge and awareness of pensions.

While NIACE employer representatives had some concerns that pensions intermediaries would provide advice rather than information, their concerns were allayed by the fact that the intermediaries in question were a trustee and an HR officer respectively, and that the course content was very clear in this respect.

The USDAW employer representative also acknowledged that he had some concerns at the outset, but was reassured by his discussions with the USDAW project manager and advance sight of the training course outline.

The employer representatives of organisations with TUC intermediaries had no prior knowledge of the initiative. They expressed a degree of concern that individuals had been trained to provide information on pensions to their staff, most notably because of the perceived risk that the intermediaries would provide incorrect or out-of-date information (particularly if they were disseminating information about the sponsoring employer's pension scheme), or that they might cross the line between information and advice. They also felt that someone (the employee, the union or Department for Work and Pensions (DWP)) should have informed them about their participation in the initiative in advance. Opinions were mixed as to whether such an initiative might complement activities undertaken by the employer to inform staff about pensions or whether it merely increased the risk of confusion and miscommunication regarding pensions matters.

*'The purpose of the initiative was to train ambassadors with the tools within the workplace of how wonderful our pension is. And in so doing create awareness of our scheme and also the need to save for retirement.'*

(Employer, NIACE)

*'I would be a little concerned if they did not have the finite knowledge of the particular details of [co-operating employer's] pension. Even if they are trained to give information, I am still concerned because at the beginning of the year we went through a modernisation programme and have closed a number of our factories. And I am very aware there was a lot of misinformation given about [co-operating employer's] pension scheme.'*

(Employer, TUC)

*'If they are not from the pensions section, then I would be concerned that they are giving people the right advice.'*

(Employer, TUC)



## 9 Training

This chapter reviews the arrangements made by each provider for training pensions intermediaries, looking in detail at intermediaries' experiences of undertaking training and their views on the effectiveness of the training courses delivered in preparing them for performing the role of an intermediary. The section does not seek to identify which approaches to training were most effective, rather to understand and learn lessons from the range of approaches to training delivered.

### **Chapter summary**

The approaches to training adopted by the seven providers varied considerably with respect to operational aspects such as delivery mechanism, content and emphasis. Classroom-based, workshop-style sessions were most common but distance learning courses were also delivered. Training sessions tended to cover what intermediaries considered to be the 'basics' of pensions (principally: the State Pension; private arrangements such as personal and occupational pensions; calculating retirement age and retirement benefits through worked examples; and identifying relevant sources of information) and to a lesser extent focused on how to maintain a standard of living in retirement. On the whole, training courses focused on providing intermediaries with information rather than training them to deliver information. Intermediaries tended to report that course tutors had explained the distinction between information and advice, although some reported that this issue was not covered.

There was also some variability in the level of satisfaction of trainees, both in terms of whether the training met their expectations and whether it provided them with the tools and confidence to undertake their roles as intermediaries.

The one factor that was common to intermediaries of all three phase one providers was an appetite for more advanced training or refresher courses to mitigate the risk of intermediaries forgetting information and more importantly, to keep them up to date with changes in the pensions landscape.

Given the wide variety of approaches to training intermediaries, each provider is covered in turn in this chapter.

## 9.1 The Trades Union Congress

Most Trades Union Congress (TUC) intermediaries reported that they had undertaken up to three days' training, while the remainder tended to report three to five days of formal training. Only one intermediary stated that the training lasted longer (12 days over 12 weeks). The training sessions tended to be classroom-based and interactive, workshop-based sessions. The TUC project manager explained that the three-day course originally envisaged was under-subscribed, so two training courses were made available: a basic course lasting two days (equivalent to Level 2) and a further course lasting three days (equivalent to Level 3).

*'It was dictated by what we wanted to cover in the three days. We have had two versions. The TUC used to offer a two- or three-day introduction to pensions, as well as a ten-day course, which you could never recruit for. I adapted that [shorter course] for the champions to include the basics of pensions, as well as working as a pensions champion. We decided there was too much in it. It is accredited through the National Open College Network, which means they can draw down funding through the LSC [Learning and Skills Council]. We [converted] the TUC three day course to two days at [NVQ] Level 2, and then added the champions bit which was three days at Level 3. They needed to do that Level 2 before coming on to the three-day pensions champions course...that was almost impossible to recruit for...the main thing was getting release [to attend a five-day course]...I suppose five days for an individual [as well as the employer] on pensions is more than people really wanted as well. Initially we tried to cover too much in the three days. Some found that a bit daunting, which was why we went to the two- and three-day version. That didn't work. I have learnt not to overcomplicate it...we have to agree on learning outcomes [for accreditation]...there is a limit to what you can do, but there is a variety of ways [an attendee can achieve course outcomes]. You need to be flexible, which is why there is a Level 2 and a Level 3 version.'*

(Provider project manager, TUC)

On the whole, TUC intermediaries felt that the training they had received met their needs and expectations, although a few qualified their positive assessment of the training, reporting that the training was pitched too low for their level of experience, that it could not cover all the relevant areas in sufficient detail in the time available or that it did not address some of their specific information needs (usually in respect of their organisation's pension scheme arrangements). Only a few reported that the training provided did not meet their needs and offered similar explanations for their dissatisfaction. It was rare for intermediaries to state that they did not feel confident to perform their role as an intermediary after having undertaken training.

*'Because of my experience, I don't think I got as much out of it as some people with less experience but it was still a good course.'*

(Pensions intermediary, TUC)

*'[The training course] didn't get to the meat of the subject. The modules needed to be more intermediate.'*

(Pensions intermediary, TUC)

*'The only criticism I'd have would be that everyone in my workplace is part of the local authority pension scheme but the course dealt with lots of different schemes and didn't necessarily focus on the specific one that I get asked questions about.'*

(Pensions intermediary, TUC)

*'When I went away, I could speak to people about pensions, I could answer their basic questions. If they said there was something they didn't understand, I could say right away, "Right, this is what it means".'*

(Pensions intermediary, TUC)

*'If somebody asked me something, I would know where the information is, and if I didn't, I'd know a man who did.'*

(Pensions intermediary, TUC)

The TUC project manager stressed that the training sessions made a clear distinction between information and advice and most intermediaries also agreed that this was the case (although a few noted that they were already aware of the difference from previous pensions-related training).

*'We give them the FSA's 'Getting Financial Advice', which is also on their website. It has a clear section on what is and is not covered. It is clear and we stress it to them...we have not had many saying this is dangerous...you are okay to give advice on this, but not to give advice on actual investments. It is as simple and basic as that. We get questions about it, but I have never known of a case where one of the trade union reps gave advice when they shouldn't have done. We stress to tell people the options but do not tell them what to do.'*

(Provider project manager, TUC)

In terms of information content, the training courses covered what intermediaries considered to be the 'basics' of pensions: standard pension terminology; State retirement age; State Pension forecasts and how to calculate what level of State Pension an individual will receive (usually with the aid of worked examples and imaginary case studies and scenarios); different types of pension (State and private); different types of pension benefit (e.g. defined benefit and defined contribution);

the benefits of investing in a pension and planning for retirement in advance; and relevant information sources, especially online information resources. There was some coverage of changes to the State Pension, although this is an area where some intermediaries were keen to receive more information.

*'It covered everything from "What do you think you are going to need when you retire?" to "What are you earning today?", "What have you got to spare?", "Do you know what AVCs are?" and "Do you know what requirements are for the State Pension?" I was very satisfied.'*

(Pensions intermediary, TUC)

*'It was just a basic understanding of pensions and where to get information from for queries, websites like the Pensions Champions and the DWP pensions calculation. It was more or less where you can find information and answer questions.'*

(Pensions intermediary, TUC)

There was evidence that the training sessions delivered to TUC intermediaries were not uniform in their approach and coverage. Some intermediaries reported that they had been trained not only about pensions but also on how to deliver information to individuals, specifically in the form of presentations and one-to-one meetings, while other intermediaries understood that they were expected to draw on their own experience and expertise when delivering information. The TUC project manager explained that the courses were intended to provide training on delivery methods, but were not intended to be prescriptive in terms of delivery mechanism. He added that intermediaries were expected to do some research into the kinds of retirement provision their fellow members had made and to identify any concerns that they may have had about pensions to make further dissemination effective.

*'They probably took the decision that we were people who were already used to delivering information.'*

(Pensions intermediary, TUC)

Intermediaries tended to be positive in their assessment of their trainer, particularly in terms of their approachability, level of knowledge, ability to answer questions and willingness to communicate in a clear and accessible way, avoiding 'jargon' where possible. The few intermediaries who were disappointed with the quality of their trainer felt that they lacked sufficient specialist knowledge and experience of pensions, commenting that the trainer was a generalist TUC trainer rather than a pensions specialist.

*'It wasn't in jargon that no-one could understand: it was in user-friendly form and people understood what they were teaching us.'*

(Pensions intermediary, TUC)

## 9.2 The National Institute of Adult Continuing Education

All but one of the NIACE intermediaries interviewed reported having undertaken a half-day or day course. The NIACE project manager reported that each training course was originally intended to comprise two half-day sessions, so that trainees would have some time to reflect on what they had learned during the first session before undertaking the second, but that ultimately most courses were delivered in one session because employers wished to limit the disruption to their employees' working days. As with TUC, the training sessions tended to be classroom-based and interactive, workshop-based sessions involving worksheet-based exercises.

*'It was two half days, but more commonly it was delivered in a whole or two-thirds of a day depending on what the employer would let you have. It was becoming apparent that most employers wanted it to be done in a single day, which is completely understandable. ... We wanted people [to do it over two sessions] so they could go away and think about it, think about being an intermediary – some non-contact education time in between the two sessions ... a week apart, or even the next day.'*

(Provider project manager, NIACE)

While it was rare that NIACE intermediaries expressed outright dissatisfaction at the training provided, they were not overly positive in their assessment of the training courses and a number of areas for improvement were identified. Attendees reported that the sessions lacked depth and were insufficiently tailored to their information needs. Nevertheless, none of the NIACE intermediaries interviewed felt that the training sessions were pitched too low (or indeed too high) for their level of knowledge or experience and generally felt that the trainers were knowledgeable and able to answer trainees' questions.

There was some, but not widespread, evidence from NIACE intermediaries that the training sessions outlined the distinction between information and advice. Some intermediaries reported that they were aware of the difference as a result of other training courses they had attended or other roles they held (for example in HR or as a trustee), rather than from the intermediary training. The NIACE project manager, however, was adamant that – with one notable exception on one particular course – this distinction had been made clear to course participants.

*'No, there was no difficulty in explaining that ... in most sessions they understand, apart from one at [College], where there were men who were about to retire. They had done a lot of research into where they were going to get the best profits from their savings from. They were telling each other, "Pop down to the Halifax, and get their ISA." I told them that was not part of this project ... I was anxious about that sort of specific financial advice, but otherwise we were quite clear at the start [of each course]. We started with saying we were training them to pass this information on and that one of the strengths of the project is that we are not here to sell or to give advice on financial products, apart from generic advice on annuities or deferred pensions.'*

(Provider project manager, NIACE)

*'As an organisation we would not give pension advice.'*

(Pensions intermediary, NIACE)

*'I would say in my role as trustee I would like to think I never give advice. I would never say to somebody, "You should do this." What I would always do is give the information around what the impact of this decision would be.'*

(Pensions intermediary, NIACE)

There is some indication that the sessions did not give intermediaries the confidence to perform a dissemination role. As mentioned before, it was not clear to some that this was an aim of the course. The NIACE project manager agreed that the focus of the training was more on providing information rather than training intermediaries on how to deliver it to others, adding that, if NIACE were to undertake a similar exercise in future, it would place greater emphasis on the delivery aspect of the initiative.

*'I didn't know what to expect. I saw it more as [training to raise] awareness.'*

(Pensions intermediary, NIACE)

*'For me personally...I went into it for my own personal information...I did find it quite interesting.'*

(Pensions intermediary, NIACE)

*'I didn't feel it did [cover the delivery of information] because I didn't really know that was what we were meant to do until the end of the session.'*

(Pensions intermediary, NIACE)

*'I don't seem to remember feeling that [the delivery of information] was the point of the training.'*

(Pensions intermediary, NIACE)

The interviews with NIACE intermediaries suggested that the training sessions focused on retirement planning rather than providing factual information about different types of pension and identifying other sources of pensions information. The sessions specifically addressed how much working individuals needed to invest in order to maintain an acceptable standard of living in retirement, looking at issues such as personal outgoings, when to start making provision for retirement and income options during retirement. This approach reflected the intentions of the project manager.

*'I think [intermediaries] will be able to talk to others, not necessarily just about getting a pension, but being able to continue working after you retire. If you don't want to put your money into a pension there are other options, other savings, and point them to the information and advice about debt. They will talk to them about how important it is to start early.'*

(Provider project manager, NIACE)

*'We had to do some exercises about what we spend money on now and thinking about maybe what our salary is now and outgoings and then what it would be like if we were on a pension and our money had halved. ...Also, what schemes were out there to help people and advisory services to help people that were pensioners. ...We did talk through stakeholder pensions and what sort of pension schemes there are out there but that wasn't terribly relevant to us because we do have our own company pension scheme.'*

(Pensions intermediary, NIACE)

*'It was just a presentation from the representative explaining how to work out how much you would need in retirement.'*

(Pensions intermediary, NIACE)

### 9.3 The Union of Shop, Distribution and Allied Workers

The Union of Shop, Distribution and Allied Workers (USD AW) training courses tended to be longer-term distance-learning programmes lasting several weeks and involving up to several days' attendance at a course as well as additional hours of study using a workbook. The classroom-based tuition was interactive and comprised workshops and scenario exercises.

The training courses covered both private pensions (personal and occupational pensions, including final and average salary pensions and the value of Additional Voluntary Contributions (AVCs)) and the State Pension; retirement age; how to calculate how much an individual would receive at retirement, including the option to take out a lump sum. The USD AW project manager was adamant that the training courses had covered the difference between information and advice, although only some of the intermediaries agreed that this was the case.

*'It was stressed at every stage that this was not about giving financial advice. It was just said over and over again. It was in the documentation and in the handbook. I don't think there was any problem with that!'*

(Provider project manager, USD AW)

*'The one thing they were quite serious about was that if someone draws you in to give financial advice, you must not. We are not qualified to give that advice ourselves.'*

(Pensions intermediary, USD AW)

*'I don't think there was a difference [between information and advice]. I don't know.'*

(Pensions intermediary, USDAW)

There was some evidence among intermediaries that they had received training on how to deliver the information to individuals, although the USDAW project manager reported that this was not a priority in the training courses.

*'I don't think we really covered enough how they might have delivered the information. I think we just thought it would follow. I think you really need to provide tight tools for people to be able to do that.'*

(Provider project manager, USDAW)

*'No, [delivery of information] was not covered at all. They were just giving us the information.'*

(Pensions intermediary, USDAW)

USDAW intermediaries tended to report that the training met their needs and expectations. They were largely positive in their assessment of the training provided and of the trainers, in terms of the level at which the course was pitched, the language used and the trainer's ability to answer questions.

*'Everyone, myself included, was concerned that it was going to go over our heads, and it didn't. He took it down to the basics and got us all involved, so you sort of wanted to learn. He was very good!'*

(Pensions intermediary, USDAW)

*'I came away a lot wiser and with a lot more knowledge about pensions than I ever had before, confident enough to put things across to people.'*

(Pensions intermediary, USDAW)

## 9.4 North Liverpool Citizens Advice Bureau

All the North Liverpool Citizens Advice Bureau (NLCAB) intermediaries interviewed undertook a one-day training course in October 2008. The training provided an overview of different types of pension arrangements, including State Pension (covering National Insurance (NI) contributions, State Earnings Related Pension Scheme (SERPS) and the impact of having received State benefits) and private and occupational pensions, including stakeholder pensions. The NLCAB project manager described the course as *'an overview of pensions, but going into greater detail than we normally would for a normal [training] session, which tends to be much shorter'*.

Intermediaries' reports varied as to whether the difference between information and advice was covered and whether they received training on how to deliver

pensions information. The project manager believed that the distinction between information and advice was already familiar to Citizens Advice Bureau (CAB) staff because of the nature of their work, so was not something which required particular emphasis. Similarly, he felt that CAB advisers were comfortable delivering information to individuals, so did not need specific training in this area.

*'What we do is only provide generic information. I don't think that is a very hard thing to get across to the other CABs because that is something which is recognised. ...I am a bit vague on [whether intermediaries were trained in the delivery of information]. To some degree, the advisers are increasingly used to getting people through the doors asking about things like State Pensions. For them it will not be an issue.'*

(Provider project manager, NLCAB)

*'As experienced supervisors, [it] wasn't really necessary [to provide training on the delivery of information].'*

(Pensions intermediary, NLCAB)

The NLCAB intermediaries were positive in their assessment of the training course in terms of the information coverage, level of detail and clarity. Nevertheless, there was evidence of interest in further, more advanced training.

*'The course as a whole was really useful...clear and concise. It took out all the bits that you had to get through – cut through the waffle if you like – to get to the important stuff that we needed to know. ...It was very well delivered – not too complex but not too simplified – a nice clear level. ...Any questions that [the trainer] didn't know immediately, he came back to us by the end of the day with the information.'*

(Pensions intermediary, NLCAB)

## 9.5 Other providers

Age Concern Birmingham had not delivered any training sessions at the time of the evaluation, while Golden Gates Housing (GGH) had only just begun to do so. According to the GGH project manager, the training sessions provided information on the State Pension only, partly because co-operating employers limited the amount of time allowed for training sessions (which in turn limited the amount of material that could be covered) and partly to minimise the risk of intermediaries crossing the line between information and advice. Age Concern Birmingham on the other hand planned to focus on providing factual information to intermediaries in a 'manual' which they could then use to work through with individuals to answer queries.

*'With [co-operating employer], I was told that they could not be away for more than 30 minutes, so we had to do everything within that. They are running a business after all. ... You have to be quite specific about [the distinction between information and advice]. I make it really clear that the information is on the State Pension only. If anyone starts talking about private pensions, I make it quite clear that is different and where you need to be registered. ... We make it clear where people can get advice from. [The intermediaries] were all comfortable [with information over advice].'*

(Provider project manager, GGH)

*'I had to make sure the information [in the manual] was factually correct. I had to make sure I used the correct source material, i.e. DWP, FSA, TPAS, so there are only truths in the document. We know that we can only provide information, so we have kept it informative. When something like investments comes up, we talk about risks and seeking advice and that is emphasised in the message to the champion. [We say] that you cannot say to someone, "You need to buy shares in Marconi", because you will get your wrists slapped. ... It is very clear that it is an information manual rather than something that can provide a solution. ... [I think they appreciate that] because I reiterate it... that is mentioned several times. It is very clear; we have a disclaimer in there. I say to them that if someone came to them with a query, look through [the manual with them], but don't lecture anybody. I have said to them, "Don't make yourself out to be an expert because no one is expecting that." Be friendly... it is as informal as the approaches [made to them] are. I would say that you put factually correct information and that sometimes less is more... I would also say make it simple – accuracy and clarity – it is better to say nothing than something that is wrong.'*

(Provider project manager, Age Concern Birmingham)

The General Federation of Trade Unions (GFTU) had not trained its own intermediaries but rather had provided training to intermediaries recruited by other providers. GFTU offered different lengths of courses to accommodate intermediaries' varying levels of availability and the sessions focused on providing information to intermediaries for dissemination rather than training them to deliver information by engaging individuals on an in-person basis. Nevertheless, the GFTU project manager added that intermediaries should encourage their fellow union members to give some thought to when they intend to retire and how they will make provision for their retirement, although their approach would be determined to some extent, by their trade union's priorities. The project manager reports that the training courses made a clear distinction between information and advice, but did concede that some intermediaries might have been prone to offering advice.

*'It seems to be easier for a lot of workplaces to give you half a day, which is great, but not as interactive. We wanted to do one-day courses [only], because a one-day course has enough hours to get an accreditation externally, but it became clear that we were not always going to get that. Now we just ask them what length they would like. ...We are not expecting them to deliver sessions; we are only expecting them to disseminate information: there is not much on delivery. ...We hope that after a seminar, the people that have attended will pass on the general information, but will also get their members to think about when they are going to retire, and what on, so that if they make the right choices when they are younger, there won't be any forced issues when they are older. It is up to the reps [as to what they do]. We don't record any of that as outcomes. ...We make it quite clear that we do not give advice. We tell people where to go for advice... nothing [suggesting that intermediaries have offered or given advice] has been reported back to me. That is not to say there will not be a couple of rogue individuals: you will get people who will think they are the expert.'*

(Provider project manager, GFTU)

## 9.6 Further training

Among intermediaries of all three phase one providers, there was a great deal of interest in and demand for more advanced training or refresher courses (for example, after three, six or 12 months) to mitigate the risk of intermediaries forgetting information, to respond to intermediaries' need for more information once they had commenced delivery and perhaps most importantly, to keep them up to date with changes in the pensions landscape. This is true both of those who were satisfied with the training provided and those who felt that it could have been improved. There was also evidence that intermediaries would value the opportunity to discuss their experiences with other intermediaries through some kind of forum, so that they might draw on and benefit from the approaches used by their peers. While a few intermediaries were told that some follow-up support was available and provided with contact telephone numbers and email addresses, it was rare for intermediaries to recontact the provider for further information.

*'Perhaps a top-up day once in a while – things change and you lose clarity of what is said during a five-day session.'*

(Pensions intermediary, TUC)

*'A refresher course maybe every two or three years, because rules change, laws change, the pensions change!'*

(Pensions intermediary, USDAW)

*'If there was a central point [for pension champions], that would be useful, so we were all together and knew who was in the area.'*

(Pensions intermediary, TUC)

A handful expressed concern about being fully confident or prepared for their role as an intermediary after the initial training course, but most of those who showed an interest in further training perceived it to be a useful source of more in-depth and more up-to-date information rather than an essential tool in enabling them to perform their role. One USDAW intermediary did suggest, however, that the trainers should have monitored a session of information delivery to ensure intermediaries were explaining information fully and correctly.

*'It's not until you've gone away that other things start flagging up.'*

(Pensions intermediary, TUC)

*'I imagined we would have had regular meetings or come up with some system to share knowledge gathered or questions raised.'*

(Pensions intermediary, NIACE)

# 10 Promoting the role of pensions intermediary

This chapter looks at the range of activities undertaken by pensions intermediaries to promote awareness of their role among colleagues.

## **Chapter summary**

Intermediaries who understood that their role involved the dissemination of information tended to have made some effort to inform others that they had been trained to deliver pensions information but did so largely in informal ways, often relying on word of mouth.

Some intermediaries did not promote their role, either because they considered there to be no need (as people came to them with retirement planning information requests as part of their existing role), or because they felt they did not have the time to promote or deliver pensions information. In a small number of cases, intermediaries were instructed by their employer not to promote their roles.

Although most Trades Union Congress (TUC) and Union of Shop, Distribution and Allied Workers (USDAW) intermediaries took steps to promote themselves as pensions intermediaries, colleagues often approached them about pensions on account of another role they hold within the workplace, generally as a trade union representative or as a Member-Nominated Trustee (MNT). On the TUC side, this is borne out by the interviews conducted with recipients of pensions information, who made explicit reference to the intermediaries' union roles. Indeed, some intermediaries reported that they had volunteered for the role of pensions intermediary because they were seeking training that would enable them to respond to the kind of queries about pensions that colleagues had raised and which respondents had not been able to answer. Some simply wanted to increase their knowledge of pensions and issues associated with retirement planning in order to be better informed for queries that they expected to receive as trade union representatives.

*'I'm not looking for people to try to deliver information to: it's more that people approach me with problems or in passing. I'm not looking for an audience.'*

(Pensions intermediary, TUC)

*'A lot of people come [to the union office] with problems of one form or another and we also go out to meetings. If someone has a specific problem they'll speak to us, we'll guide them. ...I don't go down the road with a banner saying, "I'm a pensions champion." ...People talk – it's by association.'*

(Pensions intermediary, TUC)

*'I suppose it's part of another role. I'm a trustee of our company pension scheme and that is known to everybody.'*

(Pensions intermediary, National Institute of Adult Continuing Education (NIACE))

The incidence of active promotion among NIACE intermediaries is considerably lower, however, perhaps reflecting the fact that some did not expect the role to involve the dissemination of pension information and thought that the training was designed to support them in their job role rather than enabling them to be 'intermediaries'. NIACE intermediaries cited a variety of reasons for not having promoted their ability to provide pensions information, such as: lack of time; apathy among – mostly young – work colleagues; intervention by the HR department; and a high incidence of pension scheme membership among staff (meaning that there was little need for pensions 'championing').

*'After the course I did mention in all the communication forum meetings that I was available for this, and I had put the poster up on the board and signed my name to it and really that was as far as I could go.'*

(Pensions intermediary, NIACE)

*'I'm not acting as a pensions champion. After training we were then told by the HR department that they would take it over. HR weren't happy with us delivering the training, which at the time we thought was strange because we are on the shop floor more than they are. We thought we would be more approachable than the HR department because obviously people will come and talk to us where they won't talk to them. But it was taken off us and we weren't doing it.'*

(Pensions intermediary, NIACE)

The principal methods of promotion, adopted by intermediaries from the three 'original' providers, were: the display of posters or distribution of leaflets and flyers; word of mouth; announcements after meetings or internal training sessions on other subjects; and the distribution of emails or newsletters. Some intermediaries

used more than one approach, either to attain the greatest possible level of coverage, or because certain approaches were more suitable for certain groups.

*'You need to use a variety of media, not just email and posters but word of mouth too. I think about asking rhetorical questions like, "Do you know how much you will have to live off when you are in your 70s?".'*

(Pensions intermediary, TUC)

*'It's different, as some groups such as cleaners and canteen staff have no access to emails, so I approach them through word of mouth.'*

(Pensions intermediary, TUC)

The display of posters or distribution of leaflets and flyers are approaches that had been used widely. Intermediaries had included their mobile numbers in promotional material, so that colleagues can contact them with queries or arrange an appointment for a more in-depth discussion.

While the display or distribution of material was the promotional method used by most intermediaries, many cited word of mouth as the key means of informing colleagues that they had been trained to provide pensions information, and some had indeed relied solely on this approach, particularly those working in small organisations or where they considered themselves to be prominent figures. Individuals who had received information from the intermediary then inform colleagues of this, to create a 'snowball' effect.

*'It's word of mouth: people know who I am and I can be approached at any time. The pensions liaison officer will send people to me.'*

(Pensions intermediary, TUC)

*'Not a great deal, maybe the odd conversation here and there...chatting in the canteen or at social events. It sort of mushrooms and grows.'*

(Pensions intermediary, USDAW)

*'Talking to them [is the most successful way of reaching people], because you can put a piece of paper on the wall, but you can't make them read it.'*

(Pensions intermediary, USDAW)

In some instances intermediaries had not 'promoted' their role actively. However, colleagues approached them with queries because of their union role, their trustee or workplace role (particularly NIACE intermediaries in the latter case), rather than because they were aware that they were trained pensions intermediaries. In other instances, intermediaries had overheard a conversation about pensions or retirement, for example, in the staff canteen, and informed colleagues that they could provide information on this subject, or delivered information there and then.

*'If someone came up to me, they might ask for advice; otherwise, if it was the nature of the conversation, then I might bring it up.'*

(Pensions intermediary, TUC)

Some intermediaries had made announcements after meetings or internal training sessions on other subjects or as part of union recruitment drives. One perceived advantage of this in-person approach was that it was more direct and harder for colleagues to ignore than distributing information or displaying promotional material.

*'Generally the best way is to bring it up at a meeting – people can ignore posters and emails. I'll often bring it up at a union meeting with staff and then they can discuss it with their workforce.'*

(Pensions intermediary, TUC)

*'The best way of catching people is face to face or as part of a meeting.'*

(Pensions intermediary, TUC)

In some cases, pensions intermediaries had sent an email to all staff at the site or organisation informing them that they could provide information on pensions and retirement planning. Distributing newsletters was a less common approach: this had either involved an intermediary drafting a document themselves to explain that they could provide information on pensions or distributing material about the initiative that had been prepared in advance by the provider

The North Liverpool Citizens Advice Bureau (NLCAB) intermediaries intended to use existing Citizens Advice Bureau (CAB) structures and brief CAB volunteers to promote the fact that they could provide information to clients who were seeking information about pensions and retirement planning. Intermediaries reported that they were able to promote the role using a variety of methods, such as community newsletters and initiatives, the NLCAB website and notice boards in NLCAB offices.

*'The NLCAB holds sessions at various outreach centres and community centres. We are given an allocated room on a set day and time.'*

(Pensions intermediary, NLCAB)

*'People come in with pensions queries on an ongoing basis and it's part of what we try to help with at CAB – that is what we are here for as an advice centre. I don't think anything prevents people – we are here if people want us.'*

(Pensions intermediary, NLCAB)

On the whole, intermediaries had taken a 'blanket' approach with regard to their promotional activities. It was rare for intermediaries to target particular groups of employees – there was no evidence that intermediaries had received training on how to target different groups – and there was also little evidence that unionised intermediaries had promoted their role solely to union members. The few intermediaries who had targeted specific groups tended to focus on those affected by changes to their company pension scheme rather than particular demographic groups.



# 11 Delivery of pensions information

This chapter reviews the range of approaches taken by pensions intermediaries to deliver information, the type of information delivered and the tools and materials utilised. It also looks at the extent to which information was delivered – and to whom – and the barriers to delivery.

## **Chapter summary**

Intermediaries from all three phase one providers (although less so in the case of the National Institute of Adult Continuing Education (NIACE)) delivered information, largely in the form of one-to-one sessions (both formal and informal) and to a lesser extent, using presentations and workshops. Intermediaries also fielded questions on an ad hoc basis. They made use of online resources, as well as printed material from their training courses and were generally aware of the distinction between providing information and advice.

Intermediaries tended not to target specific sub-groups and provided information to anyone who expressed an interest. The principal barriers to the delivery of information were a perceived lack of awareness of the pensions intermediary, lack of confidence among intermediaries and a perceived lack of interest among potential information recipients. There was some evidence of employer resistance to the initiative, but this was not widespread: the delivery of information tended to take place in work time and at the workplace.

Given that the Trades Union Congress (TUC) intermediaries accounted for half of all the intermediaries interviewed as part of this research and that, of the intermediaries interviewed, those from the TUC were most likely to have delivered information, the findings in this chapter are slightly skewed towards the views and experiences of TUC intermediaries. Where the views and experiences of intermediaries differ by provider, this is indicated in the text.

## 11.1 Methods of information delivery

Only intermediaries from the three phase one providers (NIACE, TUC and the Union of Shop, Distributive and Allied Workers (USDAW)) had delivered information at the time the research was conducted (between five and 22 months after they had received training). The principal mode of delivery among intermediaries from each of the three providers was one-to-one information sessions. Some TUC and NIACE intermediaries also delivered presentations, workshops and seminars.

The delivery of information on a one-to-one basis was fairly evenly distributed between structured and unstructured discussions in respect of each of the three providers. Some intermediaries arranged an appointment with a colleague to discuss pensions and retirement planning in a more formal environment, such as an office where they could go through some information online or in a less formal setting, such as over a coffee in the canteen or at the individual's or intermediary's desk. Where colleagues approached intermediaries with straightforward queries, they often responded to them there and then. One USDAW intermediary conducted one-to-one sessions over the telephone so that she could engage with individuals working at other sites. The three TUC recipients interviewed reported that information was delivered to them in person, at the workplace and during work time.

Many intermediaries were trained to give presentations but only a few had done so at the time of interview, primarily because they lacked the confidence, support from the employer or motivation to actually hold a presentation. There was some indication that those who delivered a presentation did not perceive it to be a particularly effective delivery method, either because they did not feel confident addressing a relatively large group or because they felt that those who attended were not particularly interested in the subject (and simply welcomed the opportunity to take some time off work).

*'Over time, I think I've changed from big groups to smaller ones and one-to-ones. I think they are more effective.'*

(Pensions intermediary, TUC)

*'Presentations would not be successful for me, but would be if they were delivered by an expert.'*

(Pensions intermediary, TUC)

*'Generally, if it is in a small group, it goes well. The problem with big groups is that there are always people in the back row who aren't listening – they are just there to skive!'*

(Pensions intermediary, TUC)

Some intermediaries delivered information to small groups of staff, either untargeted or targeted at those with similar characteristics (e.g. employees nearing State Pension age, women, those on a similar income).

*'Keep it small: two to three people in the same pay band of the same sort of age. If there are five or six, they can't answer questions quickly enough and one person tries to take over.'*

(Pensions intermediary, TUC)

There is also some indication that intermediaries took a flexible approach, tailoring their delivery mechanism to the circumstances of their target audience.

*'I take it from what they want: if they want a big group meeting, I'll do that, if they wanted a smaller meeting, I'd do that.'*

(Pensions intermediary, TUC)

It was uncommon for intermediaries from TUC and USDAW to have delivered information to no one; the NIACE intermediaries interviewed, however, were evenly split between those who had and had not disseminated information to others. Those NIACE intermediaries who had not delivered information were among those trained most recently (between May and August 2008), but there was little evidence to suggest that they were planning to do so in the future. The main reasons cited by NIACE intermediaries for not having delivered information were a lack of awareness that the role involved proactive dissemination of information (and lack of confidence to do so) and a lack of interest among staff.

*'Nobody has requested any information and I haven't approached anyone. If people want information and I find out about it, then I will talk to them.'*

(Pensions intermediary, TUC)

*'[I have not delivered information] because I don't feel confident to do that. I was not interested in the first place.'*

(Pensions intermediary, USDAW)

*'It has just not come up at all. I've not been approached by anybody in the college to [deliver information]. It wasn't my understanding that that was what the course was for. I'm not sure if it was my employer's intention to have people delivering information.'*

(Pensions intermediary, NIACE)

The TUC project manager stated that the TUC was not prescriptive in terms of how intermediaries were expected to promote their role or deliver information and this was reflected in the variety of models that its intermediaries report having adopted. TUC (and USDAW) had had little contact with intermediaries, so were not in a position to comment on their delivery methods, but TUC noted that it expected intermediaries' modes of delivery to be largely informal and on a one-to-one basis, which was borne out by intermediaries' and recipients' reports.

*'The core [method of delivery] is around providing information and guidance to individuals: basically an informal interview to find out what people's concerns are, and then explain what the options are, and then working with them to build up a picture of what their likely retirement income will be, which will generate a series of customised options on our [Pensions Doctor] website. ... I would think it would be one-to-ones, but I can't be strong on that. I can only say that I think that is what they are doing. ... In the training we also include presenting pensions, so they recognise that, as well as this sort of hard copy material, they might also [deliver] short presentations, or lunch break surgeries. We can't say to them, "Do this", but we want to encourage them to promote what they are doing.'*

(Provider project manager, TUC)

The NIACE project manager had originally hoped that intermediaries – especially those in a Human Resources (HR) role – would run training sessions in the workplace, but believed that these sessions had not taken place, adding that she has had anecdotal evidence that information had been delivered primarily on a one-to-one basis – in some instances formally, but mainly informally.

*'We gave them the training pack, so I suppose the maximum we expected of them was that they would be able to run two separate half-day training sessions within their workplace using the materials we had supplied them with. In reality I don't think anyone did that. ... They have done less formal things, like talking to their colleagues on a one-to-one basis, which is what we expected the union people to do, but the HR people have done that as well. Some have put things on their intranet as well as put posters up, but in the main have been a point of contact.'*

(Provider project manager, NIACE)

With regard to the phase two providers, North Liverpool Citizens Advice Bureau (NLCAB) expected its champions to run small workshops and one-to-one sessions, Age Concern Birmingham anticipated that informal conversations would take place, while Golden Gates Housing (GGH) believed the mode of delivery would depend largely on employer co-operation. These views were borne out to a degree by the expectations voiced by intermediaries themselves, although there was evidence that NLCAB intermediaries also intend to deliver information through presentations and community events.

## 11.2 Type and format of information delivered

It was rare for an intermediary to be unclear about the distinction between information and advice or to feel that they had 'crossed the line' between the two, and there was strong evidence to suggest that intermediaries were very clear that they could deliver information, but not advice (even if they were not always convinced that this distinction was made clear in their training). They had, for example, encouraged colleagues to make some provision for the future or told them about changes to the State Pension, but had not told them the exact route

that they should take to improve their provision, e.g. telling them that pension scheme 'x' is better than scheme 'y'. Nevertheless, some intermediaries were not confident about the distinction between the advice and information, describing it as a *'thin line'* (Pensions intermediary, TUC). Some had endeavoured to make the distinction explicit at the outset of the information sessions so that recipients' expectations were managed: a handful of intermediaries indicated that individuals had sought advice rather than information. Some of the information recipients interviewed reported that the intermediary stated explicitly that they were unable to give advice.

*'Some people do want advice. I just pass them on to a financial adviser.'*

(Pensions intermediary, NIACE)

*'I sometimes have to stop myself from going too far. With AVCs [Additional Voluntary Contributions], they ask me what they should do, what I think, etc., and sometimes I find myself telling them when I shouldn't. I should really only tell them to go and see an adviser.'*

(Pensions intermediary, TUC)

*'People want advice but I will only tell them what they can and can't do. I'm not going to allow myself to be liable to any misinterpretation.'*

(Pensions intermediary, TUC)

*'I make it very, very clear right from the start that I cannot give advice.'*

(Pensions intermediary, TUC)

Intermediaries cited the Department for Work and Pensions' (DWP's) State Pension age calculator, online State Pension forecast, the TUC Pensions Champions website and Pensions Doctor tool and the Financial Services Authority's (FSA's) Pension Calculator as their principal online sources of information, as well as other central Government or local government websites. Some intermediaries had used these online sources to brief themselves, while others had used them when conducting one-to-one information sessions. Intermediaries had asked recipients to bring certain documentation (e.g. pay slips, pension statements) to such sessions and assist them in using the online tools. Some intermediaries had simply passed on the website addresses to colleagues who were interested, but there was some concern that these online tools were pitched at a level that was too advanced or sophisticated for their colleagues (who are often low paid and have little knowledge and understanding of financial matters) to use unassisted.

Intermediaries tended to be satisfied with the online resources available to them although some had reservations regarding their navigability and relevance to the specific circumstances of individuals. Some of the information recipients claimed that the websites to which they were directed were useful.

*'I have sat people down in front of the Pensions Champion website with their figures and gone through it with them.'*

(Pensions intermediary, TUC)

*'People are scared of having to do a lot of calculations but these fears are overcome straight away, as the computer does it for them.'*

(Pensions intermediary, TUC)

*'The Pensions Doctor site has really gone well.'*

(Pensions intermediary, TUC)

*'I looked at the tools on the internet that were provided, such as the Pensions Champions site, but I'm happier with pen and paper to be honest. I find the pensions champions stuff not so straightforward – it is almost too simplistic.'*

(Pensions intermediary, TUC)

Printed material provided during the training course was widely used in helping to give information. The NIACE intermediaries who had delivered information tended to use the NIACE leaflet they received during their training course, while USDAW intermediaries reported that they had used only the printed information supplied to them during their training. TUC intermediaries tended to use a wider range of information sources both from their training and elsewhere, such as booklets, leaflets and online material from the DWP, FSA and their own trade unions, in order to 'top up' the information provided during the course or to improve their understanding of issues specific to their organisation's pension scheme. Intermediaries were generally positive in their assessment of the printed materials provided to them, although some had used them as briefing materials rather than information to be disseminated to recipients.

*'The part I've found most useful is these worksheets NIACE has supplied.'*

(Pensions intermediary, NIACE)

*'USDAW's stuff is simple; DWP's is more complex.'*

(Pensions intermediary, USDAW)

*'[The information received during the course is] very informative, because it covers everything and it gives different examples.'*

(Pensions intermediary, USDAW)

[The tools provided during the training course have been] *crucial. Without that initial training, which is your base of information, you would be trying to find out yourself, so it would be hit and miss really.*

(Pensions intermediary, TUC)

*'We did get information when we first did the course but you don't get that much information that is specific: information from the TUC tends to be very vague.'*

(Pensions intermediary, TUC)

Intermediaries fielded a range of questions, including queries about when recipients could start to draw their pension, when they could retire and the implications of recent events in financial markets. A few of the intermediaries interviewed were employed by organisations which had recently changed or were in the process of changing their pension scheme arrangements, and intermediaries fielded queries relating to these changes. Other queries received included the consequence of changing jobs or transferring to other pension schemes; merging pension schemes; how and why to make AVCs; and the implications of moving or working abroad.

*'The main questions have been about our pensions being changed from a final salary scheme.'*

(Pensions intermediary, USDAW)

As noted earlier, there was some interest in refresher courses and ongoing support from the provider to ensure that intermediaries' knowledge and the printed or online information they were disseminating remained up to date. Some TUC intermediaries had been amending the information they provided to individuals in the light of changes to their company's pension scheme, pensions legislation or pensions policy.

*'I rewrite some of the materials in a more simple way – in layman's terms – and try to give simple examples if I can.'*

(Pensions intermediary, TUC)

Very few intermediaries had actively targeted specific sub-groups; they generally provided information to anyone who requested it. Where they had aimed to deliver information to particular groups, they focused on young people, women, those approaching retirement age and those paid on an hourly basis. However, while the intermediaries' approaches were – by and large – not targeted, they reported that 'older people' (i.e. those nearing State Pension age) tended to be more interested in pensions and retirement planning and hence, represented the majority of those that they had spoken to. As well as finding younger people more apathetic towards pensions, intermediaries also stated that media coverage of the 'credit crunch' had had an impact on the priorities of those not immediately anticipating retirement, leading them to focus on their immediate financial situation rather than planning for the future.

Intermediaries reported that the level of knowledge of pensions and financial issues among those to whom they had disseminated information tended to be low; some information recipients interviewed reported their knowledge regarding pensions and retirement planning to be 'low'. Pensions intermediaries reported that they had overcome this low level of knowledge by endeavouring to communicate the issues in as simple and straightforward manner as possible, avoiding jargon, and by providing individuals with written information which they could take away and digest.

*'I wouldn't be able to comment one way or another on [their knowledge of] financial matters. But [their knowledge of retirement planning] is sketchy at best.'*

(Pensions intermediary, TUC)

*'There's a lady down in finance and she's quite acute but then there's somebody else who's a caretaker who is quite in the dark about it.'*

(Pensions intermediary, TUC)

*'The problem with pensions is that the more you look into it, the more complicated it gets. So I think the thing to do is make it as simple as you can for people.'*

(Pensions intermediary, TUC)

*'If you can sit down with a blank piece of paper and a pencil and lay it out for them so they can take it away, it's always better than talking over the counter.'*

(Pensions intermediary, TUC)

In the main, intermediaries had delivered information to their colleagues within the workplace and within work time. However, some employers had not allowed them to do so within work time, so these intermediaries had delivered information during breaks. A few intermediaries mentioned that they had also delivered information outside the work place to non-colleagues.

Other than employer resistance, which was rare, the principal barriers to the delivery of information were perceived by intermediaries to be: lack of awareness of the intermediary or that the intermediary can provide information; lack of confidence on the part of the intermediary (particularly among those intermediaries who did not grasp at the outset that their role involved the dissemination of information); disinterest and apathy, especially among young people; reluctance to discuss personal financial matters; and apprehension, or a tendency among people to 'bury their heads in the sand'.

*'People are made aware [of retirement planning issues] but do not get involved. It's ostrich syndrome – "You can take a horse to water..."'*

(Pensions intermediary, TUC)

### 11.3 Numbers of individuals receiving information

The intermediaries who disseminated information did so to between three and 100 people. On average, intermediaries who disseminated information did so to between 40 and 45 individuals each – within the five months or more between being trained and the time of their participation in the research (in the cases of those trained under phase one funding). Taking into consideration **all** intermediaries interviewed (including those who delivered no information), each intermediary delivered information to an average of 25 to 30 individuals. Intermediaries tended to find it difficult to estimate the amount of time they had spent delivering information, but those who were able to make an estimate tended to report between 25 and 40 hours of information delivery. While we would normally be reluctant to quote mean values based on fewer than 50 responses, we feel that these ranges help to give an **indicative** guide to the extent of intermediary activity.

While intermediaries themselves did not appear to have delivery targets, the three phase one providers had set overall targets for the number of people to whom information should be delivered. TUC and NIACE considered their targets (a total of 5,000 to 10,000 recipients and 750 recipients, respectively) to be bold but achievable, while USDAW believed that its 12 intermediaries would be evangelical in disseminating information on pensions and set a target of 3,500 recipients. None of these organisations had collected information from intermediaries with which they could assess the effectiveness of their initiatives in reaching the projected numbers of individuals and it is therefore not possible to make reliable assessments of how successful they were on the basis of this research study. Nevertheless, there was some evidence that the providers were disappointed with the level of coverage. USDAW was aware that the intermediaries had been too busy to dedicate a great deal of time to the initiative and recognised that the level of intermediary activity had varied considerably, with some intermediaries having delivered no information. Likewise from anecdotal evidence NIACE was disappointed that its intermediaries had not delivered the workplace training sessions that were envisaged, and assumed that this was at least in part attributable to a lack of confidence on the part of intermediaries.

*'There was a lack of live issues surrounding pensions, which meant [the pensions intermediary initiative] could not gain any momentum: it is very different from something like health and safety. A lot of the intermediaries were too busy. Some will have done something: some ordered bulk supplies of pension [application] forms, some were fantastic.'*

(Provider project manager, USDAW)

NLCAB, Age Concern and GGH had not set specific targets, but NLCAB hoped that their intermediaries would reach between ten and 20 people each.



## 12 Ongoing support

This chapter reviews the level of support sought by intermediaries and the support provided by their employers and by the provider organisation that recruited and trained them. It focuses on employer and provider support in turn.

### Chapter summary

The level of employer support reflected to some extent the recruitment approach used by the provider. The Union of Shop, Distribution and Allied Workers (USDAW) worked closely with one employer to pilot the initiative and both the project manager and the intermediaries agreed that the employer was supportive. National Institute of Adult Continuing Education (NIACE) approached a number of employers directly and their Human Resources (HR) departments appeared to have been co-operative, although there was some evidence of miscommunication in respect of the objectives of the initiative. The Trades Union Congress (TUC) recruited its intermediaries through the union network, bypassing employers. As a consequence it would appear that, in the main, employers were neither supportive nor obstructive (beyond the support generally offered to union representatives in their workplace).

The view among providers appears to be that they were not able to provide intermediaries with as much support as they would have liked to. While it was uncommon for intermediaries to complain of a lack of support, there was a strong appetite for further training as a 'refresher' and to keep intermediaries up to date with developments in the pensions landscape.

### 12.1 Support from employers

Those TUC intermediaries interviewed reported a mixed experience in terms of employer support. On balance, intermediaries considered their employer to be supportive, mainly in providing general facilities (e.g. photocopying, a room to meet in) or time off for them to attend the training, but some claimed that they were not supported by employers. None reported that they had been obstructed by their employer, however. The TUC themselves were unsure of the level of support from employers, claiming:

*'[Unsupportive employers are] not vastly common, just something I've picked up from time to time...an example would be one [employer] who was keen for [employees] to take up their pension, whilst another [employer] didn't want it because it would cost the employer more, so they don't want the champions to be there. It does vary, but I can't say we have a huge level of evidence one way or the other.'*

(Provider project manager, TUC)

However, as discussed earlier, employers of the intermediaries interviewed were largely unaware that intermediaries had received training on pensions issues before they were interviewed and hence, they could not be expected to have been supportive of this role in particular (although this is not to say that they had been obstructive). Hence, the views expressed by intermediaries really just reflected their views of how supportive their employer was of their union role in general.

USDAW intermediaries largely felt their employer was supportive of their role as intermediary. Those who expanded on this cited the fact that they had been allowed time to train and disseminate information as ways in which their employer had helped.

NIACE employers also confirmed that they allowed intermediaries paid time off to train for the role but stated they offered no other support. In some cases intermediaries stated that they had not required any further support because they had not attempted to disseminate information to others.

*'That's not really my understanding of why we attended. It's more because in our [job] role there's a slight link. It was for our benefit as opposed to actually going out and actually delivering it but I would say the support is there if we need it.'*

(Pension intermediary, NIACE)

The intermediaries interviewed from North Liverpool Citizens Advice Bureau (NLCAB) were already in an advisory role within the organisation. Employer support was, therefore, ongoing in terms of both general facilities and rooms for personal conversations if necessary: *'we have all the right facilities – private rooms etc'* (Pension intermediary NLCAB).

Golden Gates Housing (GGH) and Age Concern Birmingham providers were unsure how supportive employers would be of their intermediaries.

## 12.2 Support from providers

Follow-up support from providers was an area where some intermediaries would have liked more assistance.

TUC admitted that they had not offered as much support to their intermediaries as they had hoped. Their original plan was to have online surgeries on the website that they created for the project, but the building of this site was delayed and then

there were not enough people accessing it to make the idea of surgeries viable. However, they did state that intermediaries had emailed them directly with queries around issues such as obstructive employers that they had attempted to answer. Some TUC intermediaries interviewed confirmed that they had been given contact details from the trainers to use if they had any queries after the completion of their course.

NIACE would also have liked to have used an online tool to support their intermediaries after their initial training. Around the time of the interview they were looking into setting up an internet forum for the intermediaries to interact with each other and were in the process of consulting them about this. Similarly to TUC, they also offered personal support if needed:

*'We offered them access to ourselves at the time, just in case they wanted to talk about things further.'*

(Provider project manager, NIACE)

USDAW also mentioned having e-mail contact with their intermediaries after the initial training but stated that they had problems offering as much follow-up support as they would have liked to have done due to understaffing:

*'The normal complement was four people, and we were down to two holding the fort. ...I felt we were letting the reps down. ...We got some email messaging going [between us and the reps] but not as much as we would have liked. Realistically, we could not have sustained it. There was no way we could have rolled that out nationwide.'*

(Provider project manager, USDAW)

There did appear to be a demand for greater levels of follow-up support from intermediaries trained under the first phase of Pensions Education Fund (PEF) funding, both in the form of follow-up training (such as refresher courses and the provision of up-to-date information on changes to the pensions landscape) and a more effective ongoing support network. There was little indication, however, that intermediaries were using the perceived lack of ongoing support as an excuse for not delivering information.

In terms of intermediaries trained under phase two, those from NLCAB had only just finished their training and so were not in a position where they felt they needed further support. NLCAB commented that, like the other providers, intermediaries could get in contact if they had queries but also mentioned they would like to run a course to refresh the intermediary's knowledge in a year, if funding allowed.

GGH reported that they had not offered any form of follow-up support by the time of interview but stated that they did intend to attend some workshops being run by one of their intermediaries.

Age Concern Birmingham was yet to start the training of their intermediaries at the time of interview. They were, however, considering the possibility of a second follow-up event bringing together some of those trained sometime after their initial session. Again, they also intend to provide trainees with contact details to use if they had any specific queries.

There was no evidence of an informal network of information exchange between intermediaries.

# 13 Impact and effectiveness of pensions intermediary activity

This chapter assesses the impact of the activity undertaken by pensions intermediaries and reviews the perceived impact and overall effectiveness of the initiative from the perspective of providers and intermediaries. It is important to note that these assessments of impact and effectiveness were not based on robust evaluations (e.g. in terms of measured impact on pensions knowledge or retirement behaviour) nor were they defined a priori or necessarily consistently between and within providers and across intermediaries.

## **Chapter summary**

Intermediaries who had delivered information tended to feel that it had had an impact on those who received it, citing a number of benefits: an increased level of knowledge and awareness of issues around retirement planning (including their own retirement provision, or lack thereof) and of where to access information and advice; an increased level of confidence; and an increase in activity, such as increasing contributions or joining a pension scheme.

Providers' views were more mixed: the Trades Union Congress (TUC) perceived the initiative to be a success, while the Union of Shop, Distribution and Allied Workers (USDAW) had serious reservations about its effectiveness; National Institute of Adult Continuing Education (NIACE) also felt that the initiative was successful but thought that it might have been more effective if approached differently, especially with respect to the recruitment of intermediaries.

The aspects of the initiative that were perceived to have brought most success were the provision of honest and impartial information communicated clearly, without jargon, in an informal, in-person setting and tailored to the needs of the recipient.

Given that TUC intermediaries accounted for half of all the intermediaries interviewed as part of this research and that, of the intermediaries interviewed, those from the TUC were most likely to have delivered information, the findings in this chapter are slightly skewed towards the views and experiences of TUC intermediaries. Where the views and experiences of intermediaries differ by provider, this is indicated in the text.

### 13.1 Impact of pensions intermediary activity

Intermediaries tended not to have sought feedback from the individuals to whom they had provided information, although some had received informal feedback, such as thank-you emails. This feedback had generally been positive. Most intermediaries assumed that, if a colleague had not come back to them after receiving information, this implied that they were satisfied with the information provided.

*'One or two were surprised at how long they'd have to pay in to get anything back and some feel they are being ripped off, but others have been happy.'*

(Pensions intermediary, TUC)

*'People have said it was good. I've never had anyone say it was bad. Everyone has always said that [pensions administrator and advisory service] were really useful when I've sent them there.'*

(Pensions intermediary, TUC)

*'Just little bits and pieces: just "Thanks for that, it was useful". I've heard nothing negative.'*

(Pensions intermediary, TUC)

*'Just people telling me they have joined or thanking me for passing on the pensions advice number and saying that it is a good thing.'*

(Pensions intermediary, USDAW)

While it was extremely rare for intermediaries to have tried to measure the effectiveness of the information they delivered, intermediaries who had done so felt in general that the scheme had raised the level of knowledge and awareness of issues associated with retirement planning among a number of their colleagues. At its most basic level, the information intermediaries had provided was felt to have informed individuals – who were previously unaware – of the retirement provision they had already made; some had also increased their knowledge and awareness of investment options and where to seek further information or advice. A few – mainly TUC – intermediaries also claimed that recipients had joined a pension scheme, increased their contribution to their scheme or started to make Additional Voluntary Contributions (AVCs) in the light of the information they had

received. A small number of intermediaries were doubtful as to the impact of the information they had delivered, however, and some reported that recipients who were nearing retirement took the view that there was little that they could do to increase their retirement income.

*'I think a lot of people have found out that they were better off financially than they thought they'd be. So they can plan better because they have better information.'*

(Pensions intermediary, TUC)

*'I think most of them found that they are on a more stable footing knowing what they've got and what they haven't got.'*

(Pensions intermediary, TUC)

*'I think it's good and it's given them a better understanding of what their income will be when they retire.'*

(Pensions intermediary, TUC)

*'Some of the people I've talked to haven't done anything, others have made decisions to do something: one woman decided to retire at 60, some have taken out pensions or put more money into AVCs.'*

(Pensions intermediary, TUC)

*'I know people who have joined pensions schemes and also people who have told me that they have bought years to make up the shortfall. There are also people that have decided not to bother at all.'*

(Pensions intermediary, TUC)

The three recipients of information interviewed responded positively to the information they had received, claiming it had answered their queries and given them a better understanding of their situation. One recipient went on to take some action as a result of the information they received.

While there was no overall consensus among intermediaries about the elements of the initiative that have been most successful, a number of themes emerged. Intermediaries believe that colleagues value their honesty, impartiality, informality (including the lack of paperwork and bureaucracy) and their ability to talk through pensions-related issues clearly and in layman's terms, tailored as far as possible to the recipient's circumstances.

## 13.2 Overall effectiveness of pensions intermediary activity

The USDAW intermediaries who delivered information were positive in their assessment of the pensions intermediary initiative, although their criteria for this assessment were quite varied: one intermediary commented that an initiative could be considered successful if it helped just one individual, while others measured success in terms of increased awareness or increased scheme membership. Where the initiative was perceived to be less effective or only a qualified success, this tended to be because intermediaries felt the initiative could have been more successful or that such a large-scale initiative inevitably struggled to respond to the specific circumstances of individuals.

*'Very effective: I have encouraged people to join, I have answered a lot of people's questions.'*

(Pensions intermediary, USDAW)

*'I'm a great believer that if I help one person then that is good. So I would say that it has been very good.'*

(Pension intermediary, USDAW)

*'Very good...although I don't think it took off quite as well as USDAW thought it would. But I think that it is a good idea that people can go to a person and say, "I'm thinking of joining a pension but I am not sure, what is your advice?".'*

(Pensions intermediary, USDAW)

*'Everyone is an individual in the pension scheme. They are all different; everyone has different circumstances.'*

(Pensions intermediary, USDAW)

Most of the TUC intermediaries interviewed felt that the pensions intermediary initiative had been successful, although some did qualify this assessment. Where intermediaries were positive in their assessment of the initiative, they cite a number of reasons: having a (trusted) contact person in the workplace whom colleagues can approach for information on pensions where previously there was no designated individual; raising the profile of issues associated with pensions and retirement planning; an increase in individuals' level of knowledge and confidence with respect to these issues; and some increase in activity, such as individuals' increasing pension contributions and joining a pension scheme. Intermediaries who deem the initiative to be a qualified success and those who felt that the initiative had not been effective tended to state that they needed up-to-date information and ongoing support in order to undertake their roles more effectively. The current economic climate was also cited as an obstacle to the initiative's success: people

were perceived to be more concerned about their current financial position than making future provision.

*'[The pension intermediary project] has been pretty good because we have got lots more people to join the pension schemes. Some older people have taken lots more interest in their pensions and middle-aged have gone for a lot more AVCs.'*

(Pension intermediary, TUC)

*'When people ask me questions I can point them in the right direction.'*

(Pension intermediary, TUC)

*'It is something that you need to keep up. You can't do it one year and not the next. It's all or nothing. I don't think that you can go in and out of the subject as things are changing a lot, so you always need to be in touch with it.'*

(Pension intermediary, TUC)

*'People are more concerned about money now, not in the future. TUC are doing the best they can, but it is a difficult field.'*

(Pension intermediary, TUC)

All three recipients interviewed stated that they were satisfied with the information provided by the (TUC) pensions intermediary.

The NIACE intermediaries interviewed tended to be less positive in their assessment of the initiative, most commonly because they reported that they were unaware of the objectives of the initiative (i.e. the promotion and dissemination of information on pensions and retirement planning) at the outset, so were not prepared for the role. Views were mixed even among those who delivered information, however, while some believed that undertaking the role of an intermediary had been beneficial to their colleagues, offering them a point of contact for issues related to pensions and retirement planning who is capable of conveying messages in a straightforward manner, others felt that the initiative had been unsuccessful because they had failed to engage people in the subject matter.

*'If I had known that's what it was, I probably wouldn't have gone along to it anyway. We didn't realise we were meant to spread the word afterwards.'*

(Pension intermediary, NIACE)

*'Until the start of this conversation I'd never even heard of a pension intermediary. We've just had this training as trustees because the communications side is part of our role.'*

(Pension intermediary, NIACE)

*'I think the exact purpose [of the training] should be made clearer, and the intermediary role needs to be made clearer.'*

(Pension intermediary, NIACE)

*'I think it's good because some people don't understand pensions at all and they have somebody like me who is not an expert but can deliver and talk to them directly at their own level rather than get a professional who sometimes aims above people's heads.'*

(Pension intermediary, NIACE)

*'As I say, I'd hoped there would have been more interest but you can't force people into these things.'*

(Pension intermediary, NIACE)

A handful of intermediaries reported that they would not volunteer for a similar role in the future, usually because of personal circumstances (for example, the extent of their other – usually union-related – responsibilities or changing jobs) rather than frustration with their experience of the role. There was no evidence that the role of pensions intermediary (as it had been delivered) was excessively onerous or that intermediaries were struggling to meet the demand for pensions information.

*'[I would not volunteer for a similar role again] mainly because of my age, not because I'm not interested. It's just that I'm getting to the point where I shall be possibly leaving the workplace.'*

(Pension intermediary, NIACE)

The phase one providers had mixed views of the effectiveness of the initiative. The TUC was the most positive and deemed the approach to be an extremely effective way to disseminate pensions information. In particular, the provision of trained, impartial individuals who can provide tailored information to colleagues on an individual basis and thereby improve the recipient's knowledge and awareness of pensions issues and perhaps encourage him to make some provision for his retirement was perceived to be a key benefit.

*'The success has been establishing the idea that there is a place for a champions' network. When it took off, we knew there were 1,200 members in the Trustee Network. ... We knew that they valued being in a network and in contact with other trustees. That was a good model [to use]; launching that idea was positive, and well received. People can see that the way in which we are trying to get information to members has gone down well. Our approach is more focused, in that [intermediaries] meet individual members and it is highly individualised. It is not a situation where you have someone coming in for half an hour and you might get ten minutes of their time [afterwards]. These are people they can spend more time with and go back to and back to. It is also someone that they know is not going to benefit by*

*giving advice. We do think this works. If you are an individual who has the average level of interest in pensions, it is minimal. Reading almost anything published on [the subject], is not something people are going to do. This encourages them to spend a bit of time [on the topic] with an individual they can talk to. The aim is that there will be a change from the individual, that they will do something about a weak pension situation. Maybe someone will sign-up to an employer's scheme, or buy back some State Pension years.'*

(Provider project manager, TUC)

While USDAW felt that the pension intermediary approach was an effective model, as it allowed it to utilise existing networks and relationships – and in particular, to draw on its representatives' existing position as a trusted source of information – to deliver messages on pensions and retirement planning to members and non-members, it conceded that its initiative to recruit and train a small, 'elite' group of 'super reps' was not the most effective delivery model. It has revised this approach by establishing a broader group of pensions advocates and undertaking networking activities with members on a sustained and regular basis over time – supported by other strands of communication, such as its pensions website as well as magazines and leaflets – and through the provision of a 'rep's toolkit', which it felt would provide more prescriptive and simpler tools and activities to assist and support the delivery of information. It also believed that its home study programme would be a more effective means of raising the personal knowledge and pensions literacy of its members and representatives.

*'For us, the 'super rep' idea is not a runner. We put a lot of resources into it. It was worth doing because the apparent failure made us think about what might work. ...Our failures have actually made us realise what we can invest in when the funding stops. ...[The website and the Home Study module] have been fantastically successful. If we do nothing else with this, it would have been worth it just to get those two things going, which are both sustainable. I think that I have to be careful, because I do not want to cut across what others are doing, but I think going in and doing a hit in a canteen for an hour or half a day is a complete waste of time.'*

(Provider project manager, USDAW)

NIACE shared TUC's view that the pensions intermediary initiative is an effective way to disseminate pensions information, but recognised that there were challenges, especially in persuading employers to participate, and conceded that its approach to recruiting employers was not as effective as it might have been.

*'I think there is some benefit to the 'catch everybody' approach. I still think it leaves something lasting which may or not be there with other approaches. ...We would very much re-apply [if there was more funding]. ...A lot of it we would do the same, but I think we would plan the marketing better – that is the main thing...I would also offer some intermediary support. I think those who experienced the training enjoyed it and learned a lot. How much they managed to pass on the training might not be as good as we initially hoped, though.'*

(Provider project manager, NIACE)

At the time of the research, the four phase two providers were not sufficiently advanced in their delivery to assess the effectiveness of their initiatives, but all four were confident that their schemes would be effective. Age Concern Birmingham, North Liverpool Citizens Advice Bureau (NLCAB) and Golden Gates Housing (GGH) in particular were convinced of the benefits of using trusted individuals in organisations to disseminate information. Nevertheless, the 'new' providers did have some reservations, most notably in respect of lack of employer co-operation, the current economic climate and above all, the sustainability of the initiative.

*'I think we will reach more people with the champions. If you have trusted people within an organisation, people are more likely to listen to them and take note of what they are saying. They will be less suspicious of any ulterior means.'*

(Provider project manager, GGH)

*'Anything that cascades information down to a wider group – that is a model that can work. My concern is that this only goes on until March, and I think for it to really work, you need some longer-term funding for that. I can understand how unions might be able to do that, but as the CAB we could not do that [without further funding]. Everything changes [is the lesson]. Things are harder: people don't want to spend money at the moment. On the upside, as an organisation, we have more people who know about pensions which was never the case before.'*

(Provider project manager, NLCAB)

*'[The initiative has been] fairly successful but not totally because it can't be. It certainly is not poor. ...[It could be more successful if] we had better engagement from employers: reaching everyone in a workplace that wanted to be reached.'*

(Provider project manager, General Federation of Trade Unions (GFTU))

*'We would like to make this part of our core service provision really, because we are making people aware that they need to look after themselves which is part of our core [ethos] as a group. ...It gives organisations a tool that we were not able to provide [before]. It also gives us the ability to do more good with this approach. Ideally we would like one officer who could deliver the presentations and one who could support the champions. That would work a treat, not just in Birmingham. ...The downside is that you build up the momentum, and then that's it. Last time we didn't know if funding was going to continue. I would change the pilot ideology: funding for five years not 12 months. We can make this work and it can become self sufficient in the workplace. Our fear is that it will fizzle and fade come March.'*

(Provider project manager, Age Concern Birmingham)

## 14 Conclusions

In this final chapter, we briefly outline the key conclusions that we feel can be drawn from this research.

The pension intermediary approach led to the dissemination of retirement planning information in a relatively informal, ad hoc manner. Intermediaries generally promoted their availability to deliver retirement planning information in a reasonably low-level way, often relying on word of mouth. Information delivery was largely reactive, responding to the queries raised by individuals. As such, intermediary schemes delivered a different type of information to many of the other initiatives receiving direct funding which have tended to focus on providing a more holistic picture of retirement planning options to larger groups of individuals.

On the whole, dissemination was reasonably small-scale, with intermediaries speaking to around 25 to 30 individuals each on average since receiving training (typically over a period of between five and 22 months).<sup>11</sup> Given that many other (direct) Pensions Education Fund (PEF) initiatives typically reached this number of individuals within a single presentation this does perhaps make the intermediary route quite a time-intensive means of reaching individuals.

The convening of workshops or presentations to disseminate information appears to be too great an expectation for the majority of intermediaries both from the perspective of confidence in being able to deliver in this format (they tended not to be trained in delivering such sessions) and the time taken to make the logistical arrangements. If this delivery mechanism is to work it would perhaps be necessary to change recruitment methods to focus on those with experience of this type of delivery.

Particularly in the case of union representatives, pensions intermediary initiatives were able to tap into an existing structure for the dissemination of information on a broad range of employment-related issues. These individuals were often already known and trusted in the workplace and in some cases were approached

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<sup>11</sup> This calculation is based on all intermediaries. Intermediaries who have delivered some information have delivered information to an average of 40 to 45 individuals.

about retirement planning issues prior to their involvement with PEF. This type of structure appears to be less established outside trade unions. Some of those in other roles were able to play a similar role but generally these (National Institute of Adult Continuing Education (NIACE)) intermediaries were less active in the dissemination of information.

The largely reactive approach to delivery meant that dissemination focused on those interested in the subject (and particularly those approaching retirement). As such, this approach is perhaps less likely to engage those less interested in, and aware of, issues related to retirement planning than some of the more direct approaches taken by other PEF initiatives. The current economic climate has created an additional challenge for intermediaries in generating interest in discussing retirement planning.

There is some suggestion that the longer courses were more effective in giving intermediaries the confidence to disseminate information to others. However, there is also an indication that these longer courses are only really acceptable within the trade union network (where often representatives have an annual agreement over the amount of training they are able to participate in and do not have to secure agreement to attend each individual course). NIACE found that, when intermediaries were recruited through employers (rather than through union networks), employers were only willing to commit to a limited period of training on this subject. As such, there is also perhaps a relationship between the length of the training course and the role envisaged for the intermediary.

Although the interviews with intermediaries revealed there was a general awareness of the distinction between information and advice, training should re-emphasise the distinction between information and advice at every opportunity. Not all were convinced that this was covered in their training and the 'risk' of intermediaries providing advice was a key concern for employers.

There is a danger that without some form of follow-up support or training, the impact of the intermediary training will decay over time. Intermediaries need a mechanism for updating their own knowledge and obtaining access to up-to-date printed materials for dissemination in order to be comfortable in continuing with their role. Many reported that they would find follow-up support useful as a mechanism for discussing some of the issues that they had encountered in disseminating information and obtaining tips on best practice.

In terms of recruiting intermediaries, although NIACE did successfully use a direct approach in recruiting some of their intermediaries, all other providers had relied on utilising existing networks of contacts; none had 'free-found' potential intermediaries to receive training. This does perhaps leave a question mark over the ultimate scale that the initiatives could reach in their current form. That said, it did not appear providers had necessarily exhausted their existing networks in order to deliver their PEF schemes.