



# Teesside Pension Fund

## Service Delivery Report

2019/20

# Teesside Pensions Fund

## Headlines

### McCloud judgement

On 27 June 2019 the Supreme Court denied the Government's request for an appeal in the McCloud and Sargeant case.

The case concerns the transitional protections provided to older members of the judges and firefighter pension schemes when the schemes were reformed in 2015, as part of the public sector pension scheme changes. On 20 December 2018 the Court of Appeal found that these protections were unlawful on the grounds of age discrimination and could not be justified.

The Supreme Court ruling of 27 June 2019 means that the Court of Appeal's decision will be upheld and the case will be returned to an employment tribunal for a detailed decision.

What impact this will have on the LGPS remains to be seen.

### Good governance project

The Scheme Advisory Board (SAB) published their Good Governance Report on 31 July 2019.

Hymans Robertson project team will assist SAB in taking forward the next stage of the project. Two working groups will be established to:

- define what is meant by good governance outcomes and provide the accompanying guidance, and
- focus on options for the independent assessment of outcomes and the mechanisms to improve the delivery of those outcomes.

Both groups will comprise of a variety of stakeholders to ensure a wide range of views and options are considered. The aim is for an options report to be ready for consideration by SAB in November 2019. Any proposals agreed by SAB will be subject to a full stakeholder consultation before being put to MHCLG. Details of both working groups will be published on the SAB website in due course.

### LGPS engagement report published

On 19 September, the Pensions Regulator (TPR) published a [report](#) on the findings from its engagement with ten local government funds. The engagement took place between October 2018 and July 2019.

The report summarises the key findings against the Regulator's Code of Practice 14 both in terms of exceeding and falling short of required standards. The Scheme Advisory Board (England and Wales) will discuss the report in detail at their meeting on 6 November 2019.

## Regulations and guidance

### Scape and GAD factors

The reduced SCAPE rate is effective from 29 October for the calculation of actuarial factors. MHCLG has issued revised late retirement guidance. The new guidance and factors are effective from 1 September 2019. The new methodology removes the 'cliff edge' effect which reduced the value of LGPS benefits held by members who were over their Normal Pension Age (NPA) when the factors last changed in January 2017.

# Membership Movement

	Actives		Deferred		Pensioner		Widow/Dependent	
Q4 2019/20								
Q3 2019/20								
Q2 2019/20	22,463	▼	26,136	▲	21,179	▲	3,071	▲
Q1 2019/20	23,008	▼	25,850	▲	20,905	▲	3,045	▲
Q4 2018/19	23,141	-	25,824	-	20,735	-	3,035	-

## Additional Work

### Guaranteed Minimum Pension reconciliation exercise

Work continues on this project, with the closure scan now expected during December 2019.

## Complaints

Type of complaint	Date received	Date responded
Member informed there was a 10 year guarantee on his benefits but only 5. Member since died after 5 but before 10 years passed from retirement <b>Response</b> – apology issued for the original options stating a 10 year, rather than the actual 5 year, guarantee was applicable. No further response from member representative	05/11/2018	16/11/2018
Delay in being provided pension information <b>Response</b> – provided timeline to member of process undertaken. Had not been informed member had left plus requested to join concurrent employment together prior to deferred benefits being calculated.	20/11/2018	29/11/2018
Dispute on whether an Expression of Wish form is held and therefore who should be entitled to Death in Service Lump Sum <b>Response</b> – no Expression of Wish form held on member record so only in position to pay death in service lump sum to estate. Nothing on record indicates member was intending to complete an Expression of Wish form.	04/03/2019	14/03/2019

## Internal Dispute Resolution Process

For the 3 months to 30<sup>th</sup> September 2019 there are two known IDRP cases:

- 1 related to ill health retirement and was rejected at stage 1
- 1 related to provision of information stating a death grant was payable within 10 years of retirement when this was in fact on 5 years; this case was rejected at stage 1

## Pensions Ombudsman

For the 3 months to 30<sup>th</sup> September 2019 there is one known cases passed for consideration to, nor a ruling by, the Pensions Ombudsman.

- The Ombudsman has requested a response to a case involving incorrect date of payment for deferred benefits due to ill health. This relates to the administrator and employer due to original estimates being based on retirement from active duty rather than deferred status.

## **High Court Ruling**

For the case ruled by the High Court, discussions on agreeing the interest due to the member are ongoing with their legal representative.

## Common Data

Data Item	Teesside Pension Fund			105 dependents
	Max Population	Total Fails	% OK	
NINo	73,057	143	99.80%	
Surname	73,057	0	100.00%	
Forename / Inits	73,057	0	100.00%	
Sex	73,057	0	100.00%	
Title	73,057	4	99.99%	
DoB Present	73,057	0	100.00%	
Dob Consistent	73,057	0	100.00%	
DJS	73,057	0	100.00%	
Status	73,057	0	100.00%	
Last Status Event	73,057	496	99.32%	
Status Date	73,057	925	98.73%	
No Address	73,057	382	99.48%	
No Postcode	73,057	317	99.57%	
Address (All)	73,057	4,210	94.24%	
Postcode (All)	73,057	4,021	94.50%	
<b>Common Data Score</b>	<b>73,057</b>	<b>2,044</b>	<b>97.20%</b>	
<b>Members with Multiple Fails</b>	<b>73,057</b>	<b>220</b>	<b>99.70%</b>	

## Conditional Data

XPS Administration, Middlesbrough are working on a method to report Conditional Data. Discussions are ongoing with Aquila Heywood on a cost for this reporting function along with investigation on whether this can be achieved internally. This follows the issuance by SAB of 22 data fields that should be reported on. It is expected that a Conditional Data Score will be available before the Pension Regulator's Scheme Return is required later this year.

## Customer Service

Since December 2016, XPS Administration, Middlesbrough have included a customer satisfaction survey with the retirement options documentation.

A summary of the main points are as follows:

Issued	Returned	%
13,519	2,618	19.37

Question	Previous Response*	Current Response*
1. It was easy to see what benefits were available to me	4.27	4.26
2. The information provided was clear and easy to understand	4.20	4.19
3. Overall, the Pensions Unit provides a good service	4.29	4.29
4. The retirement process is straight forward	4.04	4.03
5. My query was answered promptly	4.45	4.45
6. The response I received was easy to understand	4.44	4.43
7. Do you feel you know enough about your employers retirement process	76.86%	76.59%
8. Please provide any reasons for your scores (from 18/05/17)		
9. What one thing could improve our service		
10. Did you know about the <a href="http://www.teespen.org.uk">www.teespen.org.uk</a> website? (from 18/05/17)	45.88%	46.73%
11. Did you use the website to research the retirement process? (from 18/05/17)	26.06%	26.87%
12. Have you heard of Member Self Service (MSS)? (from 18/05/17)	21.47%	22.39%

\*scoring is out 5, with 5 being strongly agree and 1 being strongly disagree

## Recruitment

Following the agreement of the Pensions Committee to fund enhancements to the Pensions Administration Services at their meeting of 7th March 2018, XPS Administration, Middlesbrough has looked to recruit into the roles required to provide this enhanced service.

Interviews for the communications role have now occurred and the successful applicant will commence in the post on 16<sup>th</sup> December 2019 following completion of their notice period at their current employer.

XPS are currently reviewing processes to enable a move to monthly contribution postings which should lead to greater efficiencies, and more up to date information on member records.

## Performance

Following discussions with both the Pension Board and Committee, XPS Administration are investigating a way to report the time between a member being entitled to a benefit and it being finalized (e.g. time between date of leaving and deferred benefit statement being issued or pension being brought into payment).

XPS Administration are therefore investigating whether sufficient reporting tools already exist within the pension administration system or whether bespoke reports are required to be developed (either internally or via the administration software providers).

The Pension Board will be kept updated on the progress to provide this information.

## Employer Liaison

The Employer Liaison team has been in place since May 2019, within that time contact has been made with Employers to open communication in order to help shape the team objectives alongside key tasks that are already in place. Employers have been extremely receptive of the role and the needs of the employers quickly came to light and we have accommodated this and will continue to engage and satisfy the needs requested. Members have also benefited from the interaction with presentations around the LGPS and Member Self Service sign up, we have engaged with both active and deferred members of the scheme with positive feedback.

Listed below are the numbers of Engagement since May 2019:

- > Employers visited: 12
- Pension Awareness Sessions delivered: 10
- Member Self Service Sessions delivered: 15
- Members Engaged during sessions: 485

The work is continuing and the next steps are information gathering from Employers alongside a formal introduction of the team this will then prompt an analysis of employer needs, a data cleanse of employer information and spark further communication between ourselves and the employer. The engagement will continue with members and surveys of sessions delivered will be carried out and in turn the results will be analysed. The sign up for member self-serve will continue which also gives members a chance to check the information we hold on record.

### List of Engaged Employers

Redcar and Cleveland Borough Council

Stockton Borough Council

Middlesbrough Council

Tees Valley Combined Authority

Beyond Housing

Outwood Academy Trust

Tees Valley Education Trust

SLM (Everyone Active)

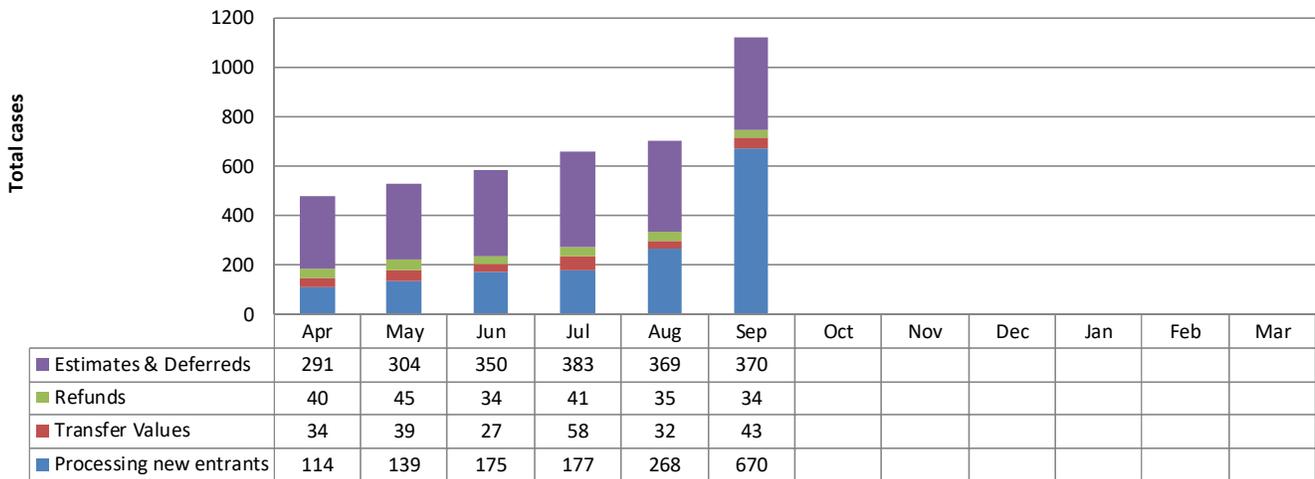
One Awards

Cleveland Fire  
One IT

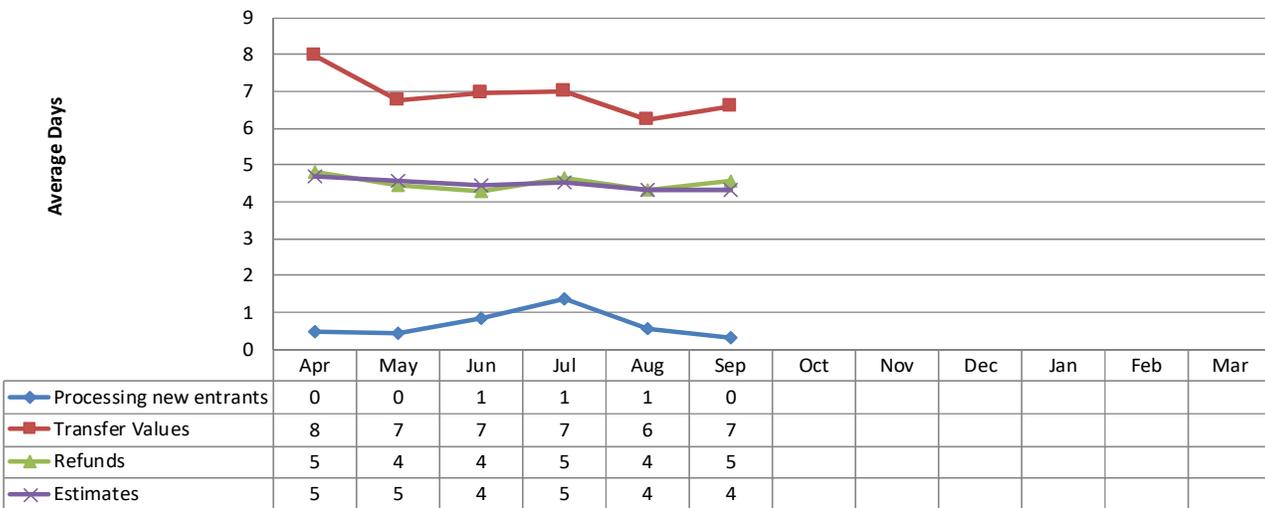
# Performance Charts

## Overall Demand

Demand by Task



Average days by Task



The following charts show performance against individual service level requirements.

## April 2019

KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.48	114	0	114	114
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	8	34	0	34	34
Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	5	40	0	40	40
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	291	0	291	291
Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

# May 2019

<b>KEY PERFORMANCE REQUIREMENTS (KPR)</b>	<b>MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)</b>	<b>KPR Days</b>	<b>MINIMUM PERFORMANCE LEVEL (MPL)</b>	<b>ACTUAL PERFORMANCE LEVEL (APL)</b>	<b>Average Case Time (days)</b>	<b>Number of Cases</b>	<b>Over target</b>	<b>TOTAL (cases)</b>	<b>Within Target</b>
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.43	139	0	139	139
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	39	0	39	39
Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	4	45	0	45	45
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	304	0	304	304
Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

## June 2019

<b>KEY PERFORMANCE REQUIREMENTS (KPR)</b>	<b>MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)</b>	<b>KPR Days</b>	<b>MINIMUM PERFORMANCE LEVEL (MPL)</b>	<b>ACTUAL PERFORMANCE LEVEL (APL)</b>	<b>Average Case Time (days)</b>	<b>Number of Cases</b>	<b>Over target</b>	<b>TOTAL (cases)</b>	<b>Within Target</b>
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.85	175	0	175	175
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	27	0	27	27
Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	4	34	0	34	34
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	350	0	350	350
Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

## July 2019

<b>KEY PERFORMANCE REQUIREMENTS (KPR)</b>	<b>MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)</b>	<b>KPR Days</b>	<b>MINIMUM PERFORMANCE LEVEL (MPL)</b>	<b>ACTUAL PERFORMANCE LEVEL (APL)</b>	<b>Average Case Time (days)</b>	<b>Number of Cases</b>	<b>Over target</b>	<b>TOTAL (cases)</b>	<b>Within Target</b>
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.38	177	0	177	177
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	58	0	58	58
Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	5	41	0	41	41
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	383	0	383	383
Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

## August 2019

<b>KEY PERFORMANCE REQUIREMENTS (KPR)</b>	<b>MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)</b>	<b>KPR Days</b>	<b>MINIMUM PERFORMANCE LEVEL (MPL)</b>	<b>ACTUAL PERFORMANCE LEVEL (APL)</b>	<b>Average Case Time (days)</b>	<b>Number of Cases</b>	<b>Over target</b>	<b>TOTAL (cases)</b>	<b>Within Target</b>
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.55	268	0	268	268
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	6	32	0	32	32
Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	4	35	0	35	35
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	369	0	369	369
Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

## September 2019

<b>KEY PERFORMANCE REQUIREMENTS (KPR)</b>	<b>MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)</b>	<b>KPR Days</b>	<b>MINIMUM PERFORMANCE LEVEL (MPL)</b>	<b>ACTUAL PERFORMANCE LEVEL (APL)</b>	<b>Average Case Time (days)</b>	<b>Number of Cases</b>	<b>Over target</b>	<b>TOTAL (cases)</b>	<b>Within Target</b>
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.32	670	0	670	670
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	43	0	43	43
Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	5	34	0	34	34
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	370	0	370	370
Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		