

# TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 15

## PENSION FUND COMMITTEE REPORT

12<sup>TH</sup> DECEMBER 2018

STRATEGIC DIRECTOR OF FINANCE, GOVERNANCE & SUPPORT – JAMES BROMILY

### XPS - ADMINISTRATION REPORT

#### 1. PURPOSE OF THE REPORT

- 1.1 To provide an overview of administration services provided to the Teesside Pension Fund by XPS Administration, previously Kier Pensions Unit.

#### 2. RECOMMENDATIONS

- 2.1 That Committee Members note the contents of the paper.

#### 3. FINANCIAL IMPLICATIONS

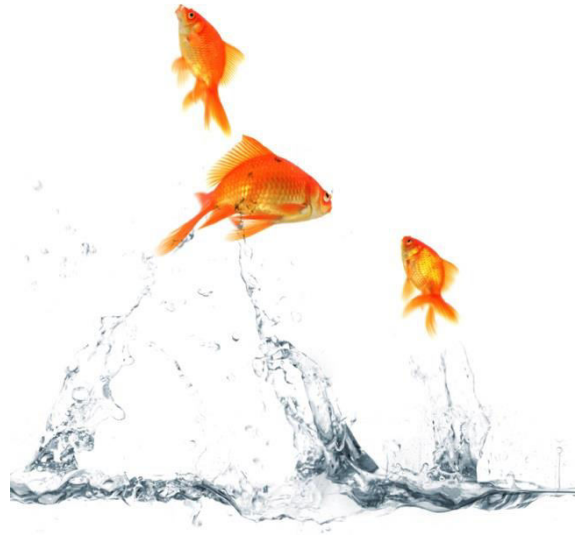
- 3.1 There are no financial implications for the Fund.

#### 4. BACKGROUND

- 4.1 To enable the Committee to gain an understanding of the work undertaken by XPS Administration and whether they are meeting the requirements of the contract. The report is contained within Appendix A.
- 4.2 The report will also cover progress on recruitment to the posts discussed at previous meetings relating to the improvement to services.

CONTACT OFFICER: Graeme Hall (Operations Manager)

TEL. NO.: (01642) 727344



# **Teesside Pension Fund**

## **Service Delivery Report**

**2018/19**

# Teesside Pensions Fund

## Headlines

We await confirmation of whether predicted changes to tax relief on pensions savings will be forthcoming in the Autumn Budget statement of Monday 29 October 2018. Although, currently, few members of the Fund breach the current annual allowance of £40k or the lifetime allowance, any significant reduction could impact upon many more members in the future.

## Overview

### Urgent Matters

### Regulations and Guidance

#### May 2018

##### **Local Government Pension Scheme (Amendment) Regulations 2018 (SI 2018/493)**

The regulations come into force on 14 May 2018 but with certain provisions having effect from 1 April 2014. The regulations amend the LGPS Regulations 2013 [SI 2013/2356] and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525].

Much of the amendments were of a technical nature to correct drafting issues, etc. An edition of E-Fundamentals containing a breakdown and summary of the regulation changes, their impact and required actions was issued to all Fund employers and is available via [http://www.employers.teespen.org.uk/pages/newsletters/fundamentals/july\\_2018.pdf](http://www.employers.teespen.org.uk/pages/newsletters/fundamentals/july_2018.pdf)

### Other statutory items

#### **Annual Benefit Statements**

Annual Benefit Statements providing illustrations of benefits accrued in the Fund to 31 March 2018 were issued to all members of the Teesside Pension Fund within the statutory deadline of 31 July 2018, where the Pensions Unit had been provided with year-end data.

#### **Pension Savings statements**

Pension Savings Statements were issued to those members of the Teesside Pension Fund who have breached the annual allowance for the 2017/18 tax year within the statutory deadline of 6 October 2018, where the Pensions Unit had been provided with the required data.

# **Additional Work**

## **Guaranteed Minimum Pension reconciliation exercise**

Work continues on this project, with all queries regarding active members subject to a 31 October 2018 deadline.

# **Complaints**

## **General**

An overview of the complaints received for the seven months to 31<sup>st</sup> October 2018 are:

- 1 member complained of receiving correspondence in an unsealed envelope
- 1 member complained that they are subject to a charge for more than one CETV in a 12 month period

## **Internal Dispute Resolution Process**

For the seven months to 31<sup>st</sup> October 2018 there are no known IDRP cases.

## **Pensions Ombudsman**

For the seven months to 31<sup>st</sup> October 2018 there is one case that was ruled by the Pensions Ombudsman. This related to how interest is applied to benefits when brought into payment beyond the normal retirement age of the Fund.

The Ombudsman upheld the member's complaint but also ruled that the pension should have been paid from when the member reached age 75. The member is now looking to appeal this decision to the high court.

## Common Data

Data Item	Teesside Pension Fund		
	Max Population	Total Fails	% OK
<b>NINo</b>	72300	150	99.79%
<b>Surname</b>	72300	0	100.00%
<b>Forename / Inits</b>	72300	0	100.00%
<b>Sex</b>	72300	0	100.00%
<b>Title</b>	72300	993	98.63%
<b>DoB Present</b>	72300	0	100.00%
<b>Dob Consistent</b>	72300	0	100.00%
<b>DJS</b>	72300	0	100.00%
<b>Status</b>	72300	0	100.00%
<b>Last Status Event</b>	72300	422	99.42%
<b>Status Date</b>	72300	674	99.07%
<b>No Address</b>	72300	0	100.00%
<b>No Postcode</b>	72300	0	100.00%
<b>Address (All)</b>	72300	3782	94.77%
<b>Postcode (All)</b>	72300	3761	94.80%
<b>Common Data Score</b>	<b>72300</b>	<b>5943</b>	<b>91.78%</b>
<b>Members with Multiple Fails</b>	<b>72300</b>	<b>3786</b>	<b>94.76%</b>

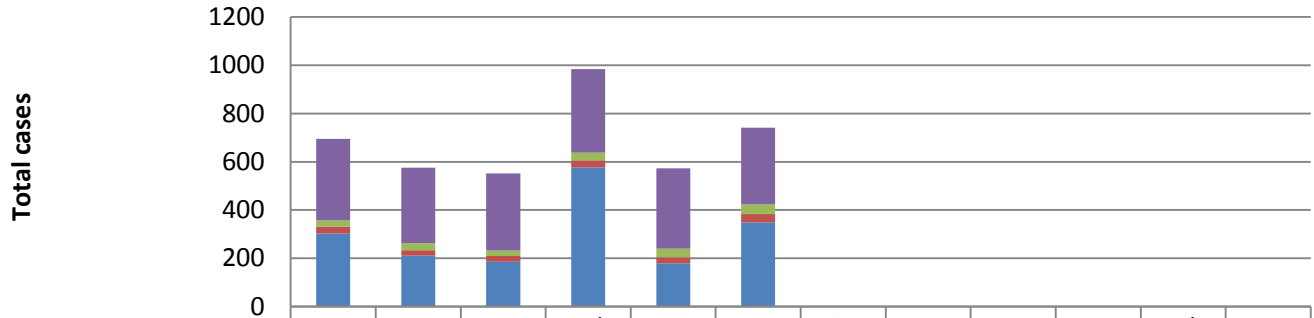
## Conditional Data

The XPS Administration Pensions Unit 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.

# Performance Charts

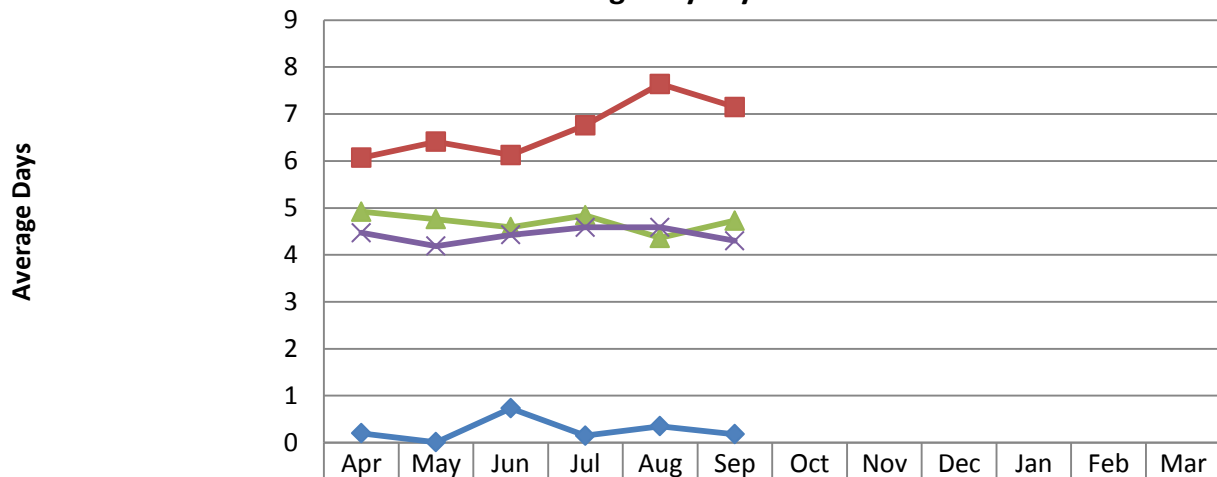
## Overall Demand

### Demand by Task

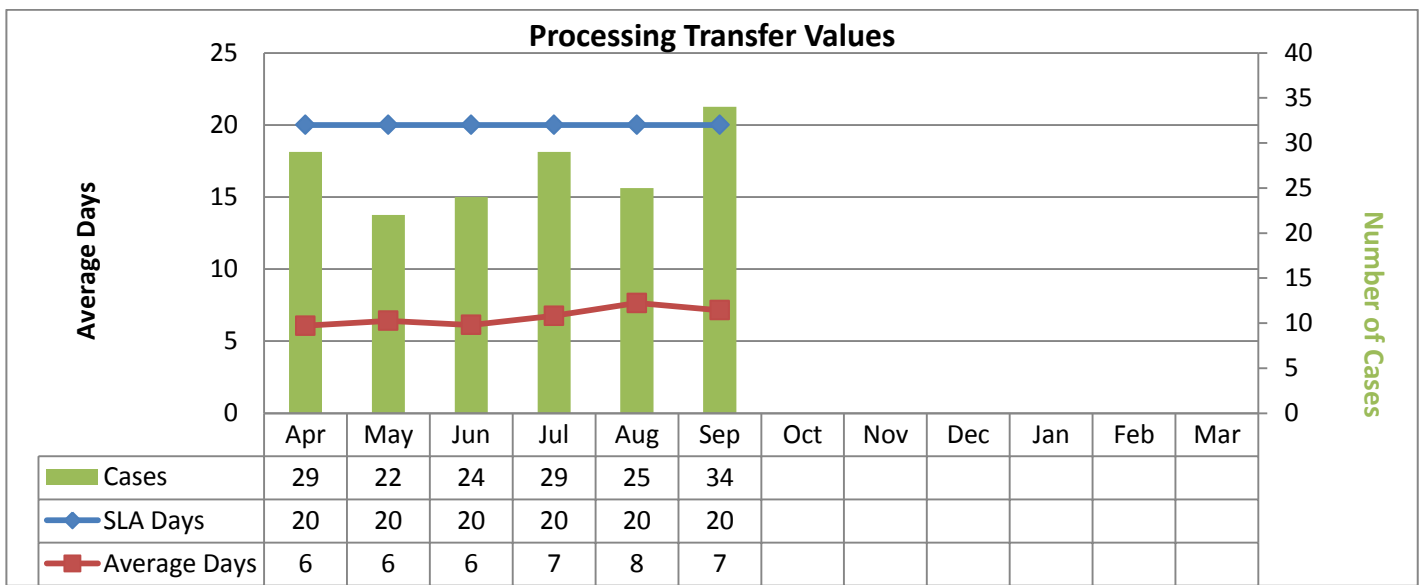
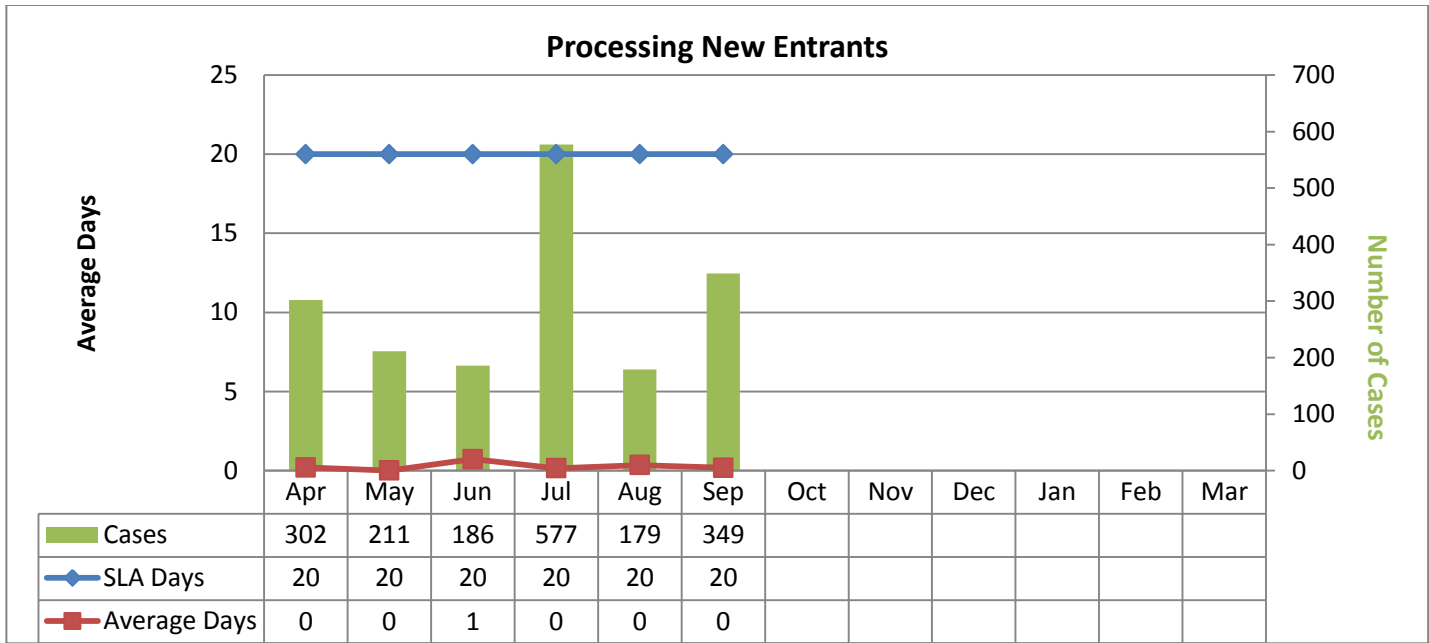


	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Estimates & Defferreds	339	313	320	346	333	318						
Refunds	25	29	22	32	36	40						
Transfer Values	29	22	24	29	25	34						
Processing new entrants	302	211	186	577	179	349						

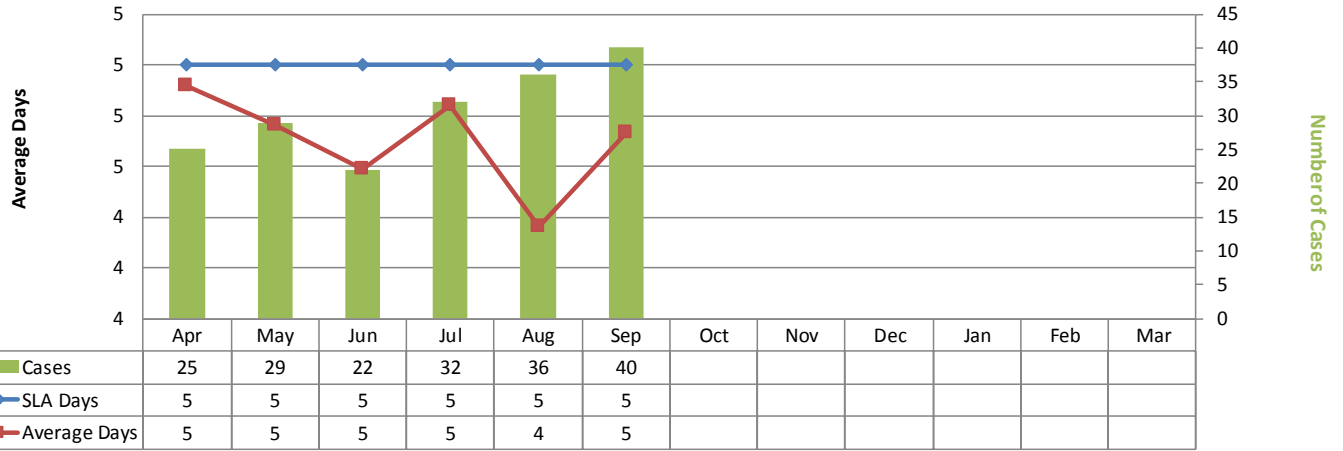
### Average days by Task



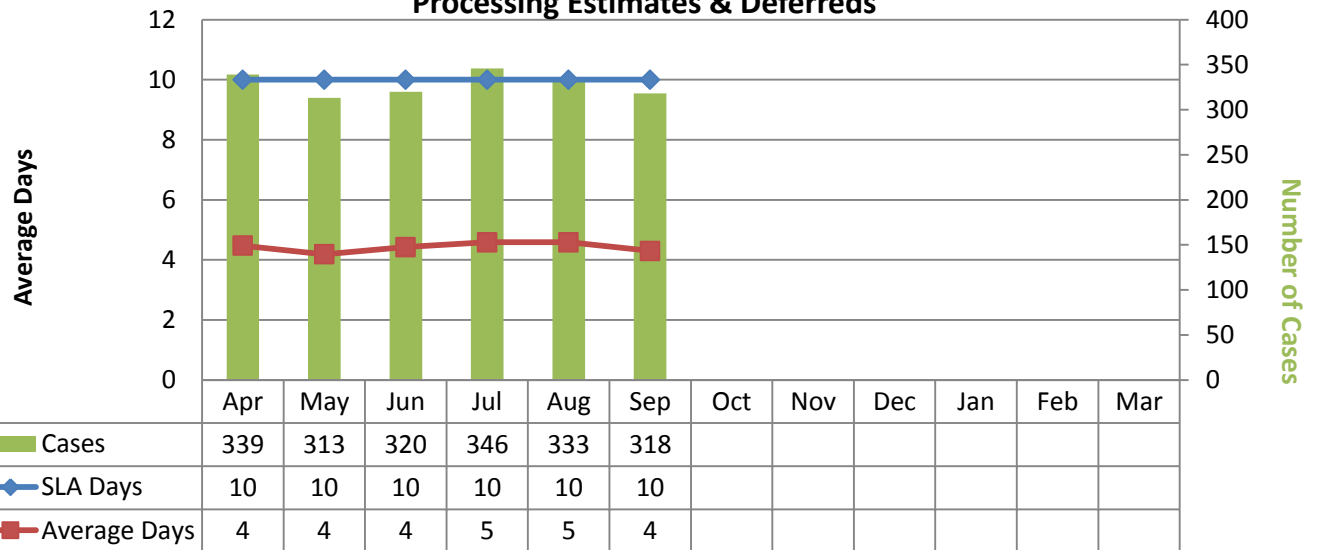
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Processing new entrants	0	0	1	0	0	0						
Transfer Values	6	6	6	7	8	7						
Refunds	5	5	5	5	4	5						
Estimates	4	4	4	5	5	4						



### Processing Refunds



### Processing Estimates & Deferreds





The following charts show performance against individual service level requirements.

## April 2018

Standard Reference No.	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	Comments
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.20	302	0	302	302	
F65	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	29	0	29	29	
F67	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	25	0	25	25	
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	339	0	339	339	
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A			
F83	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			
F86	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			
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A			
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A			

## May 2018

Standard Reference No.	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	Comments
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.01	211	0	211	211	
F65	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	22	0	22	22	
F67	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	29	0	29	29	
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	313	0	313	313	
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A			
F83	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			
F86	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			
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A			
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A			

## June 2018

Standard Reference No.	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	Comments
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.73	186	0	186	186	
F65	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	24	0	24	24	
F67	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	22	0	22	22	
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	320	0	320	320	
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A			
F83	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			
F86	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			
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A			
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A			

## July 2018

Standard Reference No.	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	Comments
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.15	577	0	577	577	
F65	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	29	0	29	29	
F67	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	32	0	32	32	
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	346	0	346	346	
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A			
F83	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			
F86	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			
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A			
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A			

## August 2018

Standard Reference No.	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	Comments
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.35	179	0	179	179	
F65	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	25	0	25	25	
F67	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	36	0	36	36	
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	333	0	333	333	
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A			
F83	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			
F86	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			
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A			
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A			

## September 2018

Standard Reference No.	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	Comments
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	0.18	349	0	349	349	
F65	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	34	0	34	34	
F67	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	
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	318	0	318	318	
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A			
F83	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			
F86	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			
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A			
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A			

## Customer Service

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

A summary of the main points are as follows:

Issued	Returned	%
8,899	1,651	18.55

Question	Previous Response	Current Response
1. It was easy to see what benefits were available to me	4.27	4.28
2. The information provided was clear and easy to understand	4.20	4.22
3. Overall, the Pensions Unit provides a good service	4.29	4.32
4. The retirement process is straight forward	4.06	4.06
5. My query was answered promptly	4.42	4.46
6. The response I received was easy to understand	4.41	4.42
7. Do you feel you know enough about your employers retirement process	76.90%	77.43%
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)	45.34%	46.45%
11. Did you use the website to research the retirement process? (from 18/05/17)	25.96%	26.77%
12. Have you heard of Member Self Service (MSS)? (from 18/05/17)	16.98%	22.31%

## 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 has looked to recruit into the roles required to provide this enhanced service.

During July 2018, the Pensions Unit has recruited to the Systems & Payroll Manager and the Governance and Communications Manager posts.

The intention is now to recruit the following posts:

- Employer Liaison (Team leader + 3)
- Communications (Team leader +1)
- Systems Officers (x2)

The pensions unit is also looking to expand with recruitment to:

- Governance Co-ordinator
- Payroll officer
- Pensions Officers
- Admin Officers

With the sale of the Pensions Unit from Kier to XPS occurring on 1<sup>st</sup> November 2018 the above recruitment is now being undertaken via XPS HR department.

Short term, the Governance & Communications Manager will deal with Employer Covenant work, once this commences with assistance from Aon Hewitt (actuaries for LGPS). It is expected the majority of the Employer Liaison team will be in place early 2019.