



# **Teesside Pension Fund**

## **Service Delivery Report**

**2019/20**

# Teesside Pensions Fund

## Headlines

### **Consultation: Local valuation cycle and the management of employer risk**

On 8 May 2019 MHCLG issued a 12 week policy consultation called 'LGPS: Changes to the local valuation cycle and the management of employer risk'.

The consultation closes on 31 July 2019 and covers the following areas:

- amendments to the local fund valuations from the current 3 year (triennial) to a 4-year (quadrennial) cycle
- a number of measures aimed at mitigating the risks of moving from a triennial to a quadrennial cycle
- proposals for flexibility on exit payments
- proposals for further policy changes to exit credits
- proposals for changes to the employers required to offer local government pension scheme membership

Regarding the change to exit credit payments, given that the consultation proposes backdating the change, we are of the view that it would be legitimate to delay payment of an exit credit (where a side agreement was in place) pending the consultation outcome.

### **LGPS cost management**

Administering authorities had been asked to inform SAB about their preference concerning the approach to the 2019 valuation. Specifically, whether they would prefer to receive guidance from SAB on how McCloud / cost management should be taken account in the 2019 valuation, or if they would prefer to determine their own approach taking advice from their actuarial adviser.

The majority of funds expressed a preference to receive central guidance which was issued on 14 May 2019.

CIPFA have provided a separate note on accounting for McCloud / cost management.

## Regulations and guidance

### **Scape and GAD factors**

The reduced SCAPE rate is effective from 29 October for the calculation of actuarial factors in the LGPS – this meant that some non-club transfers, some interfund calculations and all CETVs for divorce were put on hold until new transfer factors issued.

MHCLG confirmed transitional arrangements for current non-club transfers, interfund calculations and CETVs for divorce. Club transfers were not affected. Revised factors were subsequently issued allowing most calculations to now be performed.

MHCLG have confirmed that the remainder of the scheme's actuarial factors will be amended for the reduction in the SCAPE discount rate in due course.

## Membership Movement

	Actives		Deferred		Pensioner		Widow/Dependent	
Q4 2019/20								
Q3 2019/20								
Q2 2019/20								
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
Provision of a second CETV within 12 months and respective charge <b>Response</b> – emphasised the information already provided that only required to provide single CETV in 12 month period and that member was still a current member therefore a CETV cannot be guaranteed as it would if deferred.	26/07/2018	17/08/2018
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 31<sup>st</sup> March 2019 there are no known IDRP cases.

## Pensions Ombudsman

For the six months to 3 months to 31<sup>st</sup> March 2019 there are no known cases passed for consideration to, nor a ruling by, the Pensions Ombudsman.

## High Court Ruling

For the case considered by the High Court, work is progressing on recalculating the interest due to the member.

## Common Data

Data Item	Teesside Pension Fund			
	Max Population	Total Fails	% OK	
NINo	72,555	139	99.81%	105 dependents
Surname	72,555	0	100.00%	
Forename / Inits	72,555	0	100.00%	
Sex	72,555	0	100.00%	
Title	72,555	106	99.85%	Blanks from data load
DoB Present	72,555	0	100.00%	
Dob Consistent	72,555	0	100.00%	
DJS	72,555	0	100.00%	
Status	72,555	0	100.00%	
Last Status Event	72,555	482	99.34%	
Status Date	72,555	834	98.85%	
No Address	72,555	420	99.42%	
No Postcode	72,555	552	99.24%	
Address (All)	72,555	4,112	94.33%	
Postcode (All)	72,555	4,110	94.34%	
<b>Common Data Score</b>	<b>72,555</b>	<b>2,005</b>	<b>97.24%</b>	
<b>Members with Multiple Fails</b>	<b>72,555</b>	<b>434</b>	<b>99.40%</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.

The full list of data items is shown in Appendix B.

## 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 (data to end of August 2019):

Issued	Returned	%
12,730	2,466	19.38

Question	Previous Response*	Current Response*
1. It was easy to see what benefits were available to me	4.28	4.26
2. The information provided was clear and easy to understand	4.22	4.19
3. Overall, the Pensions Unit provides a good service	4.32	4.29
4. The retirement process is straight forward	4.06	4.03
5. My query was answered promptly	4.46	4.45
6. The response I received was easy to understand	4.42	4.44
7. Do you feel you know enough about your employers retirement process	77.43%	76.66%
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)	46.45%	46.24%
11. Did you use the website to research the retirement process? (from 18/05/17)	26.77%	26.47%
12. Have you heard of Member Self Service (MSS)? (from 18/05/17)	22.31%	22.18%

\*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.

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

Since then there has been recruitment into the Employer Liaison Team Leader and Administrator posts, plus three office administrators are now in post along with two pension fund accountants.

Interviews are due to occur during September 2019 to fill the Communications role and, once progress has been made in planning the move to monthly postings, additional recruitment on the systems and/or Employer Liaison team will also take place.

Additional recruitment is also taking place to expand the XPS Administration office in Middlesbrough. Interviews are due to take place for an additional payroll administrator, two pension administrators and two Technical Analysts.

Since XPS Administration bought the Middlesbrough Pensions Unit from Kier, there are an additional six members of staff now employed in the Middlesbrough office. This takes the total employed to 73.



## **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.



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

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%	0.43	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		