

Teesside Pension Fund

Service Delivery Report

2020/21

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.

A consultation document has been issued by on the proposed remedy in respect of the LGPS. The consultation covers both future provisions and proposed retrospective changes to enable the Scheme to remedy the findings of discrimination. Draft amending legislation accompanied the consultation which has a closing date of 8 October 2020.

The proposals contained in the consultation go beyond the immediate remedy of age discrimination that the McCloud judgement seeks to rectify and also contain broader changes which MHCLG propose to implement to rectify what they view as historic anomalies that have existed since the introduction of the new Scheme in 2014, some of which would require retrospective amendment.

The immediate remedy proposals have significant administrative impact and the more extensive proposals will place a further administrative burden upon the Fund, XPS and employers within the Fund.

HMT responds to consultation on restricting exit payments

On 21 July 2020, HMT published the Government response to the consultation on restricting exit payments in the public sector. This was followed by the publication of draft regulations for capping public sector exit payments on 22 July. The draft regulations include a list of employers who will be covered by the cap (£95k).

The Regulations will need to be approved by both houses of parliament and will come into force 21 days after that process is complete. We are expecting revised HMT Directions and guidance on the implementation of the cap and the waiver process.

We understand that the Regulations will affect LGPS members in England and Wales who currently qualify for an unreduced pension because of redundancy or efficiency retirement. If the cap is breached, then the member may have to take a reduced pension. MHCLG is looking at options to introduce choice to allow members in this position to opt for a deferred pension

instead. We also expect the introduction of a standard strain cost calculation so that the cap will apply equally to members across the country.

Regulations and guidance

The LGPS (Amendment) (No2) Regulations 2020 – exit credits

On 27 February 2020, MHCLG published a partial response to the consultation covering changes to the local valuation cycle and the management of employer risk. The response covered the proposals on exit credits only.

On 26 August 2020, MHCLG published a second partial response to the Local valuation cycle and the management of employer risk consultation that was issued in May 2019.

The response confirms that the LGPS 2013 Regulations will be amended to allow greater flexibility on employer exit payments and the ability to review employer contributions between valuations. The LGPS (Amendment) (No.2) Regulations 2020 provide for the changes and were laid on 27 August 2020. They come into effect from 23 September 2020.

A further response will be made by MHCLG in relation to the other proposals in the consultation (changes to the local fund valuation cycle, interim valuations and the status of further education, Sixth Form College and higher education corporations in England and Wales) in due course.

Covid-19

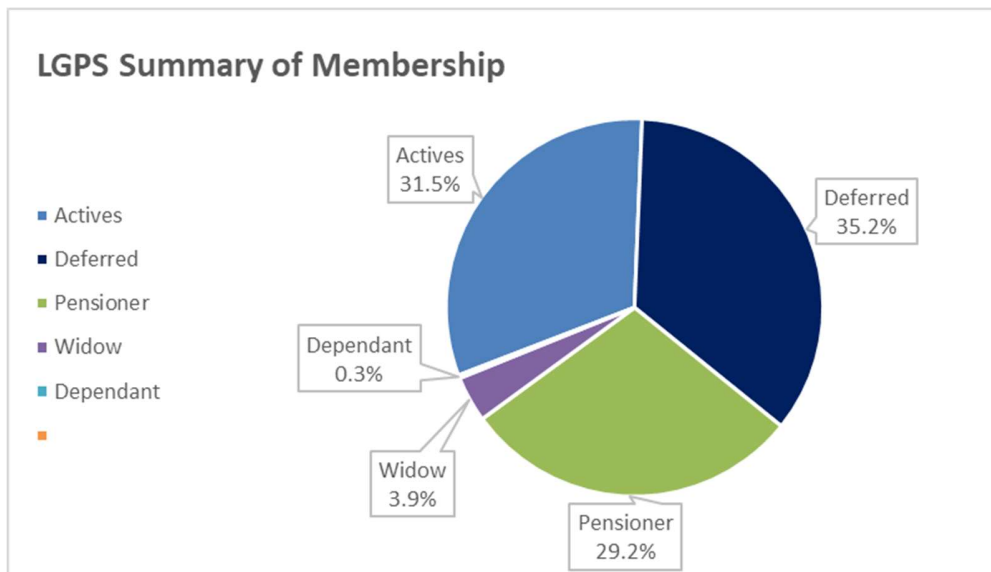
XPS update

Following the outbreak of Covid-19, and subsequent lockdown, XPS quickly moved to enable all staff to be able to work from home. This involved the provision of laptops for all staff and development of necessary software to allow secure remote working.

Although the majority of staff continue to work from home, there has been an increasing number returning to a more normal office working environment. XPS will not be looking to enforce this on any member of the Middlesbrough office if they feel they are being put at risk. At this moment there is no timeframe, nor rush, to commence a full return to an office environment. XPS will maintain a watching brief on governmental guidance.

Membership Movement

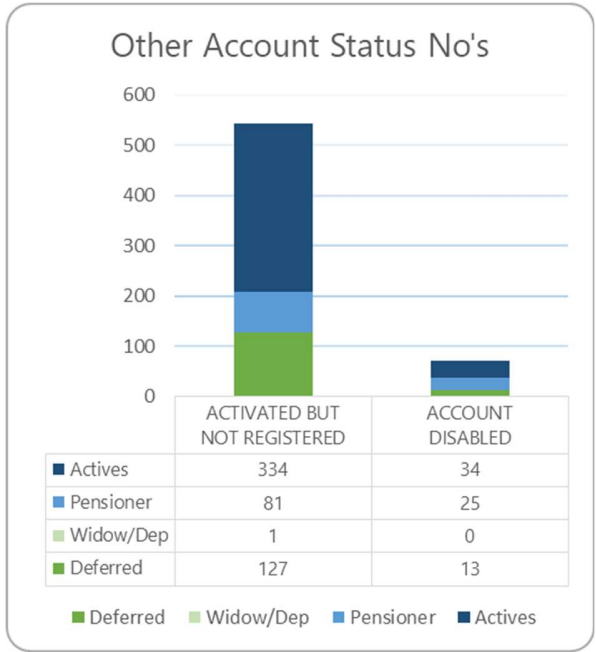
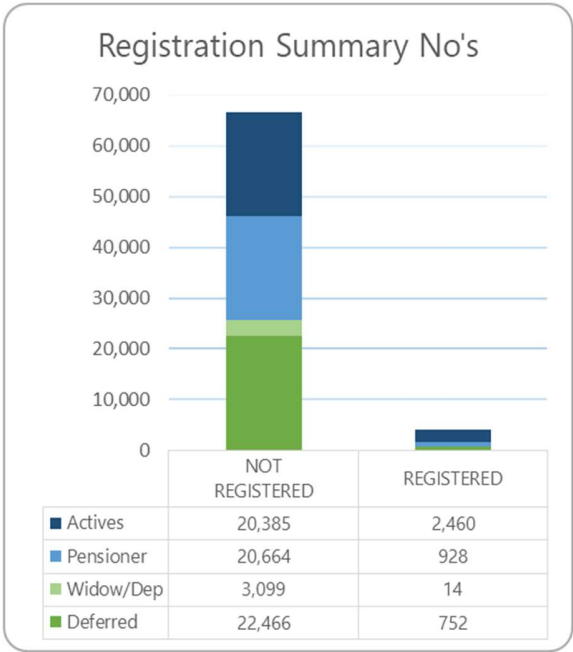
	Actives		Deferred		Pensioner		Widow/Dependent	
Q1 2020/21	23,243	▲	25,958	▲	21,538	▲	3,101	▼
Q4 2019/20	22,997	▼	25,799	▼	21,521	▲	3,114	▲
Q3 2019/20	23,123	▲	25,948	▼	21,355	▲	3,093	▲
Q2 2019/20	22,463	▼	26,136	▲	21,179	▲	3,071	▲
Q1 2019/20	23,008	▼	25,850	▲	20,905	▲	3,045	▲



Member Self Service

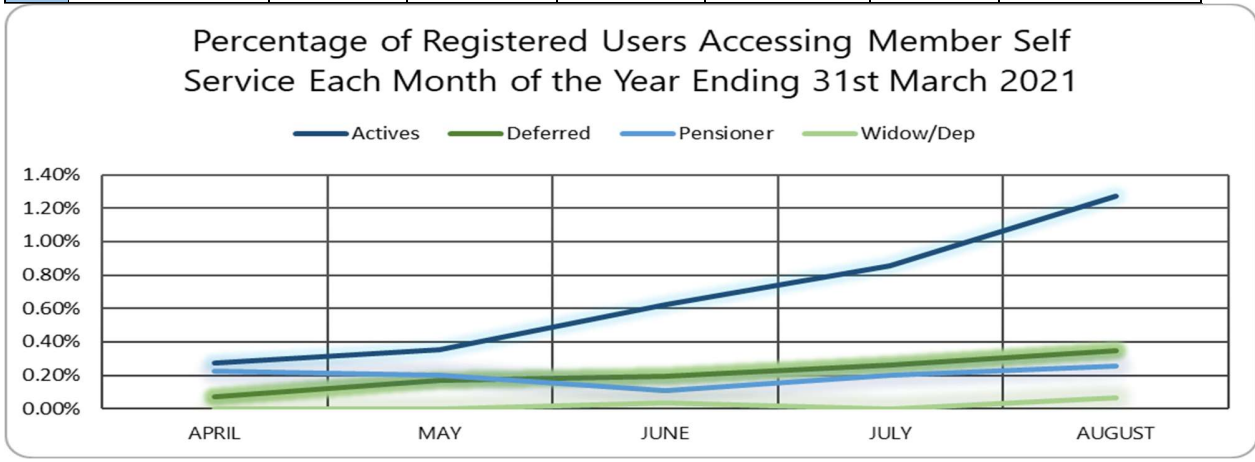
Below is an overview on the activity and registration of the Member Self Service System:

	NOT REGISTERED	REGISTERED	ACTIVATED BUT NOT REGISTERED	ACCOUNT DISABLED	TOTAL
Actives	20,385	2,460	334	34	23,213
Deferred	22,466	752	127	13	23,358
Pensioner	20,664	928	81	25	21,698
Widow/Dep	3,099	14	1	0	3,114
Total	66,614	4,154	543	72	71,383



		APRIL		MAY		JUNE	
QUARTER 1	Actives	64	0.28%	82	0.35%	145	0.62%
	Deferred	17	0.07%	40	0.17%	45	0.19%
	Pensioner	49	0.23%	43	0.20%	23	0.11%
	Widow/Dep	-	-	-	-	1	0.03%
	Total	130		165		214	

		JULY		AUGUST		SEPTEMBER	
QUARTER 2	Actives	198	0.85%	295	1.27%	14	0.06%
	Deferred	61	0.26%	81	0.35%	3	0.01%
	Pensioner	43	0.20%	55	0.25%	3	0.01%
	Widow/Dep	-	-	2	0.06%	-	-
	Total	302		433		20	



Additional Work

Guaranteed Minimum Pension reconciliation exercise

Work continues on this project, with the closure scan now expected during 2020.

Complaints

Type of complaint	Date received	Date responded
Delay in responding to member – query raised on previous correspondence (relating to combining benefits), and a response was provided. The member claimed the response was overly complex, and we said we would try to simplify this for her and unfortunately this did not happen.	18/11/2019	28/11/2019

Internal Dispute Resolution Process

For the 3 months to 30th June 2020 there are two known IDRPs cases:

- 1 related to November complaint regarding non-receipt of an Expression of Wish form
- 1 related to escalation to Stage 2 of a previous IDRPs case relating to ill health retirement.
Papers have been issued to the Stage 2 nominated person and we are awaiting a response.

Pensions Ombudsman

For the 3 months to 30th June 2020 there are no known cases passed for consideration to, nor a ruling by, the Pensions Ombudsman.

High Court Ruling

For the 3 months to 30th June 2020 there are no known cases.

Annual Benefit Statements

Although XPS are still working on the statistics for those that received an Annual Benefit Statement, all created statements, for active and deferred members, were issued by the third party printers with an expected receipt date for members of the 31st August 2020.

Common Data

Data Item	Teesside Pension Fund			107 dependents
	Max Population	Total Fails	% OK	
NINo	74,028	145	99.80%	
Surname	74,028	0	100.00%	
Forename / Inits	74,028	0	100.00%	
Sex	74,028	0	100.00%	
Title	74,028	26	99.96%	
DoB Present	74,028	0	100.00%	
Dob Consistent	74,028	0	100.00%	
DJS	74,028	0	100.00%	
Status	74,028	0	100.00%	
Last Status Event	74,028	539	99.27%	
Status Date	74,028	1,024	98.62%	
No Address	74,028	346	99.53%	
No Postcode	74,028	470	99.37%	
Address (All)	74,028	3,987	94.61%	
Postcode (All)	74,028	3,989	94.61%	
Common Data Score	74,028	2,170	97.07%	
Members with Multiple Fails	74,028	371	99.50%	

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.

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	%
15,867	3,055	19.25

Question	Previous Response*	Current Response*
1. It was easy to see what benefits were available to me	4.26	4.27
2. The information provided was clear and easy to understand	4.19	4.19
3. Overall, the Pensions Unit provides a good service	4.29	4.29
4. The retirement process is straight forward	4.03	4.03
5. My query was answered promptly	4.45	4.45
6. The response I received was easy to understand	4.43	4.44
7. Do you feel you know enough about your employers retirement process	76.46%	76.51%
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 www.teespen.org.uk website? (from 18/05/17)	47.27%	47.53%
11. Did you use the website to research the retirement process? (from 18/05/17)	27.24%	27.40%
12. Have you heard of Member Self Service (MSS)? (from 18/05/17)	23.75%	23.80%

*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.

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 Committee will be kept updated on the progress to provide this information.

Employer Liaison

Employers & Members

Employers seem to now be working extremely well adapting to the “new normal” and year end has been a very successful exercise in terms of engagement despite the constraints placed on us all suddenly back in March.

Annual benefit statements were issued to members at the end of August and we will be looking for feedback from members and employers on the paper format and also discuss the online version available.

Late Payments

Below shows the percentage of late payments each month in relation to the contributions received to the Teesside Pension Fund:

3 employers –

Mellor’s ... This covers 5 cases in July They were less than 10 days and Mellor’s did apologise for this.

KGB, Ecoclean and Beamish make up the others but holidays and new working arrangements impacted this but only 1 over 10 days which we will monitor so it doesn’t happen again.

Cleveland Fire support network are also now exiting the fund so expected payments have reduced by 1. We are working with them for the final details.

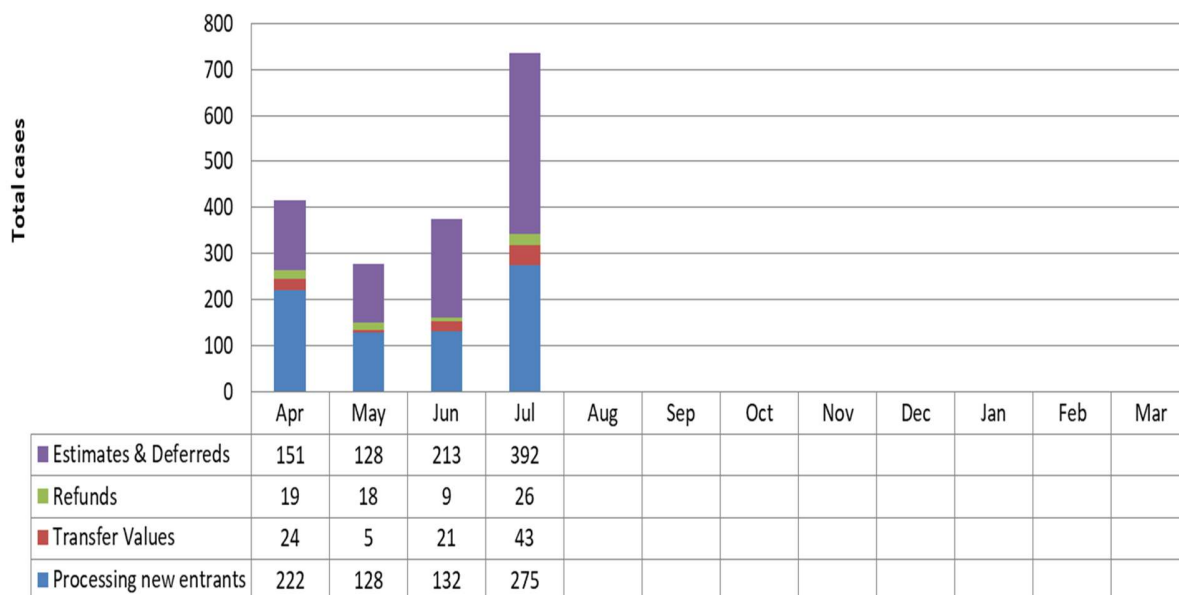
Date	Expected Payments	Late Payments	% Late	<10 Days Late	>10 Days Late
Aug-19	148	3	4.00%	2	1
Sep-19	148	4	4.00%	3	1
Oct-19	148	1	4.00%	0	1
Nov-19	156	6	2.00%	2	4
Dec-19	156	4	3.00%	4	0
Jan-20	158	4	3.00%	4	0
Feb-20	158	4	3.00%	4	0
Mar-20	158	2	1.00%	2	0

Date	Expected Payments	Late Payments	% Late	<10 Days Late	>10 Days Late
Apr-20	138*	4	3.00%	-	-
May-20	151	3	2.00%	0	3
Jun-20	151	2	1.00%	1	1
Jul-20	150	6	4.00%	6	0

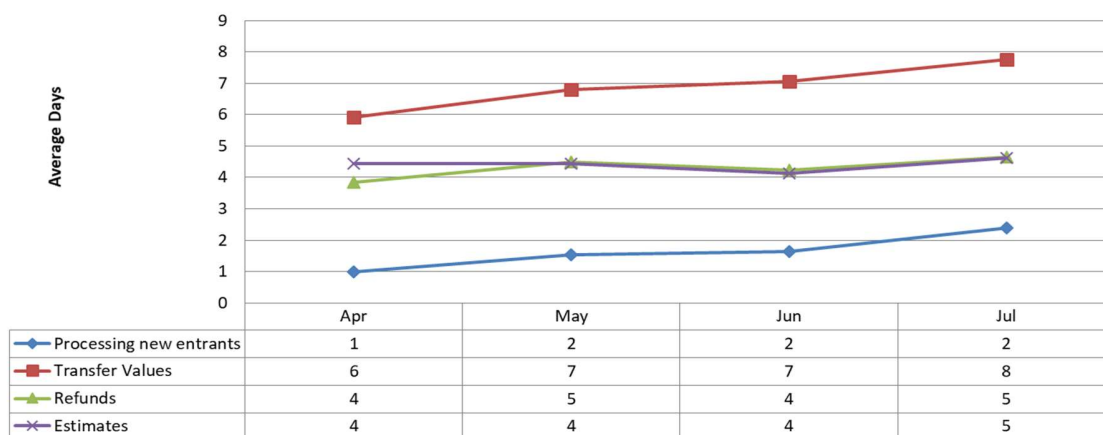
Performance Charts

Overall Demand

Demand by Task



Average days by Task



The following charts show performance against individual service level requirements.

April 2020

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
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	99.55%	1.00	222	1	222	221
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%	4	19	0	19	19
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	151	0	151	151
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 2020

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
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.53	128	0	128	128
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	5	0	5	5
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	18	0	18	18
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	128	0	128	128
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 2020

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
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.64	132	0	132	132
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	21	0	21	21
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	9	0	9	9
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	213	0	213	213
F78	Pension costs to be recharged monthly to all employers. Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	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.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	All calculations and payments are correct.	Monthly		100%	100%	N/A	N/A	N/A		
F88		Monthly		98.75%	100%	N/A	N/A	N/A		

July 2020

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
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	2.39	275	0	275	275
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	43	0	43	43
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	26	0	26	26
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	392	0	392	392
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		