



Teesside Pension Fund

Performance Delivery Report

2022-2023

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01 Overview

Regulations and Guidance

Stronger nudge to pensions guidance

The Stronger Nudge regulations come into force from 1st June 2022. Guidance on the requirements in respect of the Local Government Pension Scheme (LGPS) has been published by the Local Government Association (LGA) and our administration teams have been advised accordingly.

Legal opinion on prepayment of contributions

The Scheme Advisory Board (SAB) has obtained a legal opinion on the prepayment of primary employer and/or employee contributions. This is in response to a request from an administering authority. The opinion is provided by James Goudie QC. In summary, James Goudie QC finds no legal barrier to the prepayment of these contributions. However, the advice makes clear that any prepayment should be taken on the basis of 'reasonableness, proportionality and prudence'. The full opinion and further information is available on the legal opinions page of the SAB website.

Investments in line with UK foreign and defence policy

A last-minute amendment to the Public Service Pensions and Judicial Offices Bill was accepted before the Bill received Royal Assent on 10 March 2022. The amendment introduces the power for the Secretary of State to give guidance or directions to the LGPS on investment decisions that conflict with the UK's foreign and defence policy. There are no changes that LGPS administering authorities need to make now. Changes will only be needed if the Department for Levelling Up, Housing & Communities (DLUHC) issues guidance or directions, which would be subject to the usual 12-week consultation process. See the Boycotts Divestment and Sanctions page of the SAB website for more information.

LGPS investments in Russia- On 4 March 2022, the SAB published more information on Russian sanctions and divestment.

This follows the coming into force of The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 on 1 March 2022. On 9 March 2022, DLUHC sent a letter to all LGPS Committee Chairs, copying in the Chair of the SAB. It urges all parties to keep up to date with the list of Russian sanctions which is expected to grow.

Consultation on draft pensions dashboards regulations

The LGA have published their response to Department for Work and Pensions (DWP) consultation on the Pensions Dashboards Regulations 2022. You can find the [response](#) on the non-scheme consultations page of www.lgpsregs.org

Public Service Pensions and Judicial Offices Bill - 10 March 2022

The Public Service Pensions and Judicial Offices Act 2022 received Royal Assent. The main purpose of the Act is to give the relevant government departments the regulation powers to resolve the discrimination identified in the McCloud judgment.

Mandatory scheme pays deadlines changed

Section 9 of the Finance Act 2022 and the Registered Pension Schemes (Miscellaneous Amendments) Regulations 2022 have changed the annual allowance deadlines. The changes apply in certain situations where annual allowance calculations for previous years are retrospectively amended. The LGA have published their interpretation of these changes in bulletin [223](#).

Disclosure requirements for Normal Minimum Pension Age (NMPA) increase

The LGA have received several questions about whether an administering authority must tell its members about the NMPA increase. In particular whether regulation 8 of the Occupational and Personal Pension Schemes (Disclosure of

Information) Regulations 2013 is triggered. The change to the NMPA has not triggered regulation 8. This is because the change has not changed the LGPS rules on when benefits are payable. The LGPS rules on when benefits become payable are not automatically linked to the NMPA. The relevant government department will need to change the LGPS rules to align with the NMPA at some point on or before 6 April 2028. It will also need to consider whether members who qualify for protection will be allowed to receive payment before 57. When the LGPS rules change, regulation 8 will then be triggered.

Prudential performance update

Representatives from Prudential attended the SAB meeting in December 2021 to discuss the performance issues experienced by administering authorities since November 2020. Prudential issued a communication on 13/05/2022 which can be found here [Prudential letter](#).

Department for Levelling Up, Housing & Communities (DLUHC) publishes statutory guidance on special severance payments

On 12 May 2022, DLUHC published [statutory guidance on special severance payments](#). Best Value authorities in England must have regard to the guidance in circumstances in which it may be appropriate to make special severance payments. The guidance also covers approval, disclosure and reporting requirements

The Pensions Ombudsman (TPO) - New online application form launched

TPO recently launched an enhanced online application form. The more user-friendly form is also smarter, with customers only required to answer relevant questions.

The Pensions Regulator (TPR) Enforcement and prosecution policies consultation

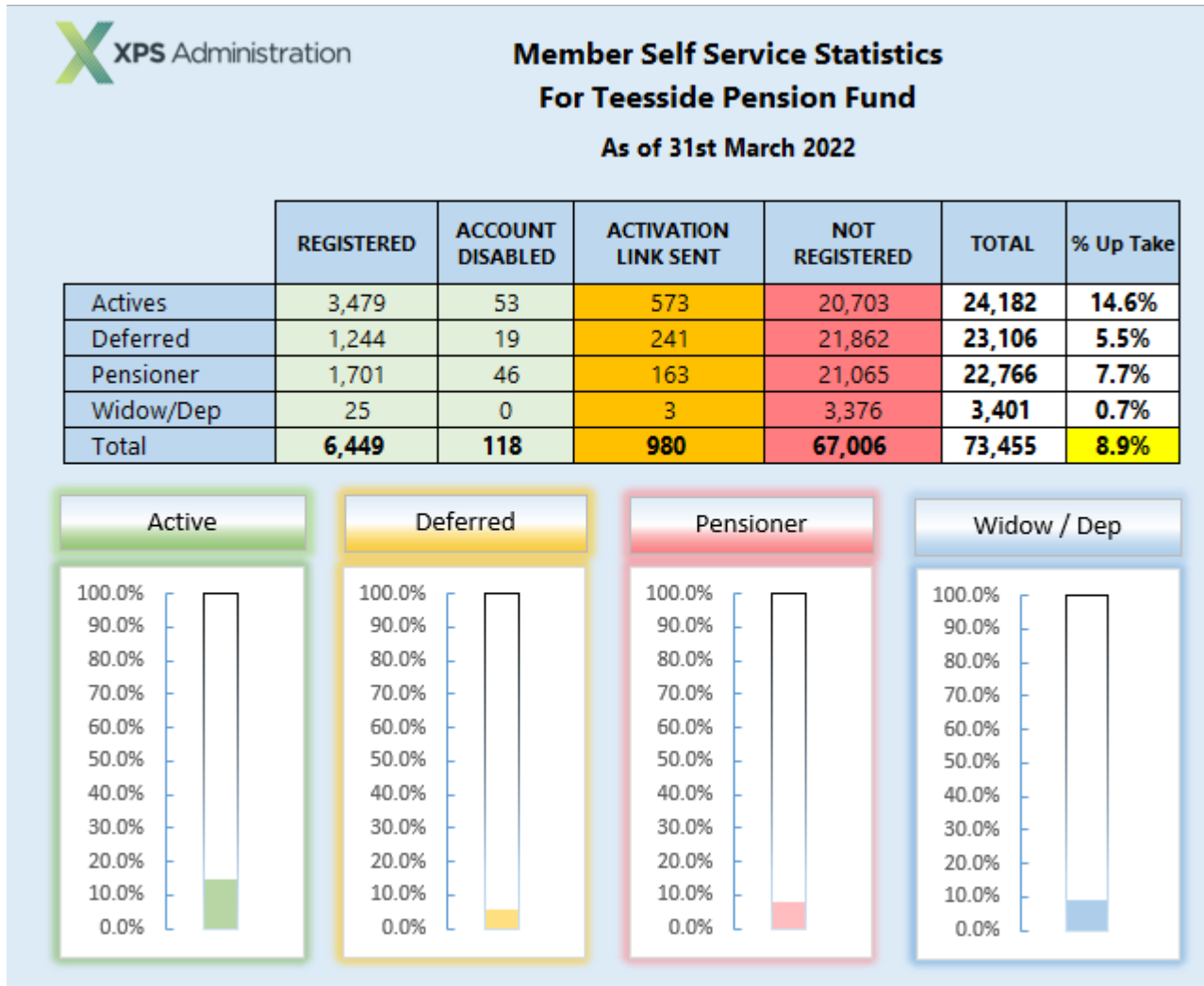
On 4 May 2022, TPR launched a consultation on its new consolidated and simpler draft enforcement policy and an updated prosecution policy. The [Enforcement and prosecution policies consultation](#) will close on 24 June 2022. The [Draft scheme management enforcement policy](#) will replace existing policies for defined benefit, defined contribution and public service pension schemes. The [Draft prosecution policy](#) explains how TPR will approach the prosecution of workplace pension criminal offences or offences that are otherwise related to TPR functions. Both policies have been updated to include the new powers granted to TPR in the Pension Schemes Act 2021.

02 Membership Movement

	Actives		Deferred		Pensioner		Widow/Dependent	
Q4 2021/22	25,609	▲	26,240	▲	22,918	▲	3,309	▲
Q3 2021/22	24,729	▼	26,165	▲	22,710	▲	3,240	▲
Q2 2021/22	24,736	▲	26,040	▲	22,640	▲	3,261	▲
Q1 2021/22	24,403	▲	26,002	▲	22,348	▲	3,232	▲
Q4 2020/21	23,332	▲	25,703	▼	22,100	▲	3,191	▲

03 Member Self Service

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



04 Pension Regulator Data Scores

Common Data

Data Test	Common data score		
	Max Population	Total Fails	% OK
NINO	6422	15	99.77%
Surname	6422	0	100.00%
Forename / Inits	6422	0	100.00%
Sex	6422	0	100.00%
Title	6422	1	99.98%
DoB Present	6422	0	100.00%
DJS	6422	0	100.00%
Status	6422	0	100.00%
Last Status Event	6422	4	99.94%
Status Date	6422	37	99.42%
No Address	6422	18	99.72%
No Postcode	6422	39	99.39%
Address (All)	6422	60	99.07%
Postcode (All)	6422	71	98.89%
Members with a Fail	6422	68	98.94%
Members with Multiple Fails	6422	59	99.08%

Scheme Specific 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, this work will be complete by the 31st March 2022.

An overview of the Conditional (Scheme Specific) Data for the Teesside Pension Fund:

Scheme	Member Total	Errors from tests carried out	%age accuracy based on tests carried out
TPF (inc Guaranteed Minimum Pension)	68,296	9,151	86.60
TPF (exc Guaranteed Minimum Pension)	68,296	1,197	98.25

These scores come from the following tests. Only those tests shown in **yellow** have been reported on; the other reports will be developed and added to results in future reports.

Report	Report Description	Test 1	Test 2	Test 3	Member Totals	Errors	%
1.1.1	Divorce Details						
1.1.2	Transfers in	Date the transfer in was received is present on record	Ensure the transfer value on record isn't blank	N/A	45,183	65	99.86
1.1.3	Additional Voluntary Contribution (AVC) Details and other additional benefits						
1.1.4	Total Original Deferred Benefit						
1.1.5	Tranches of Original Deferred Benefit						
1.1.6	Total Gross Pension						
1.1.7	Tranches of Pension						
1.1.8	Total Gross Dependant Pension						
1.1.9	Tranches of Dependant Pension						
1.2.1	Date of Leaving	Date of Leaving Blank	Date joined blank or <01/01/1900	Date joined later than Date of Leaving	4,164	43	98.97
1.2.2	Date Joined scheme	Check all Key Dates are present and later than 01/01/1900	N/A	N/A	68,296	11	99.98

1.2.3	Employer Details	Employer Code present	N/A	N/A			
1.2.4	Salary	Pay not within 12 months	N/A	N/A	46,338	1,078	97.67
1.3.1	CARE Data	CARE Missing on relevant records	N/A	N/A			
1.3.2	CARE Revaluation						
1.4.1	Benefit Crystallisation Event (BCE) 2 and 6						
1.4.2	Lifetime allowance						
1.4.3	Annual allowance						
1.5.1	Date Contracted Out	Date Contracted Out missing					
1.5.1	NI contributions and earnings history						
1.5.2	Pre-88 Guaranteed Minimum Pension (GMP)				24,400	7,954	67.40
1.5.3	Post-88 Guaranteed Minimum Pension (GMP)						

05 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	%
16,162	3,066	18.97

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	4.04
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%	76.68%
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%	47.75%
11. Did you use the website to research the retirement process? (from 18/05/17)	27.24%	27.59%
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

Service Development

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.

Additional funds were only drawn down when roles were filled to undertake the additional services. This has so far led to:

Initial Planning

To help with the creation of the teams that will assist with the additional services two new posts were created to covering Governance & Communications plus Systems & Payroll. These were filled by Paul Mudd and Neale Watson respectively on 11th July 2018. Their roles were then to look at how XPS could then provide the agreed services to the Fund.

Employer Liaison

On 1st May 2019, the Employer Liaison team leader was appointed. Quickly followed by an assistant on 24th June 2019.

Since appointment, they have undertaken numerous tasks including Employer training, late contribution monitoring, and data cleansing. They have recently started Employer Health checks, which are now undertaken virtually due to the Covid restrictions.

The team are also working with the actuary to provide relevant and timely information.

Next steps will be to work with the Fund to determine how to undertake employer covenant and introducing the monthly contribution process across all employers.

Communications

The new website was launched to Scheme Members and Employers on the 5th May 2021 and feedback received from both cohorts has been very positive. We are conducting a full feedback review of the site and will share this with the Board.

Underpinning the website is a raft of analytical data which serves to tell us limited information about the audience. This allows us to target news and important items to pages we now know people are viewing and searching for.



We can learn a lot from this data, and we will of course be trying to increase footfall to the site by strategically linking the site with participating employers.

As well as these above analytics, we are testing the website regularly to prove its structural and technical integrity. This ensures that people see exactly what we want them to see, regardless of what browser or device they use. We can test these levels and do so several times per week to ensure the web coding is robust and modern. It all helps with the overall Member and Employer experience and allows web indexation to be that much better. This promotes the website in something like a google search.

Next Steps

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. It is expected that this will occur during the 2022/23 financial year. This will help ensure starters, leavers and variations are provided in a timely manner and current data is held to speed up the calculation process.

The next steps will include the procurement of the additional software and the recruitment of at least one further member of staff to assist with the processing of the data.

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

Employer Health Checks have continued as well as some face-to-face employer training which has been extremely well received and a lovely easing back into a normal way of life. I have also established a relationship with all Local Authorities Financial Wellbeing officers in which we are making ourselves available to work with them on their events and promotions alongside our usual employer and member sessions.

Date	Late Payments	Expected Payments	% Late	< 10 Days Late	> 10 Days Late
Apr-21	8	148	5.00%	7	1
May-21	0	148	0.00%	0	0
Jun-21	3	149	2.00%	3	0
Jul-21	1	149	1.00%	1	0
Aug-21	4	149	3.00%	3	1
Sep-21	4	149	3.00%	1	3
Oct-21	3	144	2.00%	0	3
Nov-21	2	144	1.00%	0	2
Dec-21	4	144	3.00%	1	3
Jan-22	10	146	7.00%	1	9
Feb-22	8	146	5.00%	1	7
Mar-22	8	146	5.00%	0	8
Apr-22	8	146	5.00%	0	8

06 Completed Cases Overview

2021/22

	Cases Completed	Cases Completed within Target	Cases Completed Outside Target	Cases: % Within Target
April	493	493	0	100.00%
May	421	421	0	100.00%
June	548	548	0	100.00%
Quarter 1	1462	1462	0	100.00%
July	793	792	1	99.87%
August	381	379	2	99.48%
September	502	502	0	100.00%
Quarter 2	1676	1673	3	99.82%
October	474	474	0	100.00%
November	605	605	0	100.00%
December	618	616	2	99.68%
Quarter 3	1697	1695	2	99.88%
January	407	407	0	100.00%
February	340	339	1	99.71%
March	304	304	0	100.00%
Quarter 4	1051	1050	1	99.90%

2022/23

	Cases Completed	Cases Completed within Target	Cases Completed Outside Target	Cases: % Within Target
April	390	388	2	99.49%
May	0	0	0	0.00%
June	0	0	0	0.00%
Quarter 1	390	388	2	99.49%
July	0	0	0	0.00%
August	0	0	0	0.00%
September	0	0	0	0.00%
Quarter 2	0	0	0	0.00%
October	0	0	0	0.00%
November	0	0	0	0.00%
December	0	0	0	0.00%
Quarter 3	0	0	0	0.00%
January	0	0	0	0.00%
February	0	0	0	0.00%
March	0	0	0	0.00%
Quarter 4	0	0	0	0.00%

07 Completed Cases by Month

January 2022

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%	2.49	216	0	216	216
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	14	0	14	14
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	13	0	13	13
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	178	0	178	178
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%	0%	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		

February 2022

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
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	2.66	97	0	97	97	
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	5	13	0	13	13	
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	11	0	11	11	
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	99.5%	5	219	1	219	218	
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			

March 2022

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%	3.94	80	0	80	80
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	3	3	0	3	3
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%	3	7	0	7	7
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	214	0	214	214
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%	0%	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		

April 2022

08 Complaints

Full Name	Description	Date received	Date completed	Comment
Nil return				



Graeme Hall
Operations Manager
01642 030643

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