



Teesside Pension Fund

Performance Delivery Report

2022-2023

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01 Overview

Regulations and Guidance

New LGPS Minister

Lee Rowley MP was appointed Parliamentary Under Secretary of State in the Department for Levelling Up, Housing and Communities on 7 September 2022. It has now been confirmed that he has taken over ministerial responsibility for the LGPS.

SAB statement on employer contributions

At its meeting on 10 October 2022, the SAB discussed emerging results from the current round of triennial local fund valuations. The Board understands and recognises the extremely challenging position for local government finance. However, it asks administering authorities and other Scheme employers to have regard to the desirability of long-term stability in pension contributions when considering whether reductions in employer contributions are desirable as a result of an improved funding position. The SAB statement on employer contributions gives more detail about the Board's discussions and the reasons behind making the statement. The statement can be found at https://lgpsboard.org/images/Other/October2022_SAB_statement_on_employer_contributions.pdf

HMRC Tax consultation under McCloud remedy

On 24 November 2022, HMRC launched a consultation on how pension tax will apply to members protected by the McCloud remedy. On 06/01/2023 the LGA published their response to HMRC's consultation on how pensions tax will apply to members protected by the McCloud remedy. The response is mostly technical but does comment on the timing of the consultation in terms of the lateness in confirming policy in this area and consulting over the festive period. The response can be found at https://lgpslibrary.org/assets/cons/nonscheme/20221124_McCloud_tax_CR.pdf

Autumn Statement 2022

The Chancellor of the Exchequer delivered his Autumn Statement to Parliament on 17 November 2022. Pensions policies rumoured in advance of the statement such as changes to tax relief and the removal or suspension of the State Pension triple lock did not emerge. The statement confirmed.

- The State Pension triple lock was maintained and working age benefits will increase in line with inflation in April 2023. Next year's increase will be 10.1 percent.
- No changes to the Annual or Lifetime Allowance Thresholds

The Pensions Dashboards Regulations 2022

On 21 November 2022, the Department for Work and Pensions made The Pensions Dashboards Regulations 2022 – the Regulations. They came into force on 12 December 2022. The Regulations set out requirements for relevant occupational pension schemes to connect to pensions dashboards, and what organisations must do to provide a qualifying pensions dashboard service.

Chancellor announces the 'Edinburgh Reforms'

On 9 December, the Chancellor of the Exchequer announced a set of reforms to drive growth and competitiveness in the financial services sector. In the statement, the Chancellor also confirmed that the Government will consult on:

- new guidance to the LGPS on asset pooling in early 2023
- requiring LGPS funds to ensure they are considering investment opportunities in illiquid assets such as venture and growth capital, as part of a diversified investment strategy.

TPS McCloud remedy and the LGPS

The implementation of the McCloud remedy in the Teachers' Pension Scheme (TPS) means that some teachers will be retrospectively eligible for the LGPS for the period from 1 April 2015 to 31 March 2022. The Department for Education (DfE) is in the process of identifying affected members. Officials from DfE will, in some cases, need to confirm the employment status of members during the remedy period with their employer. They plan to start this process in January 2023 and will be contacting relevant schools.

Treasury Direction - McCloud

On 14 December 2022, HM Treasury (HMT) made the Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022. They came into force on 19 December 2022 and apply to England, Northern Ireland, Scotland and Wales. The Directions set out how certain powers in the Public Service Pensions and Judicial Offices Act 2022 must be exercised. The Act gives relevant government departments powers to rectify McCloud discrimination. For the L G P S, the Directions apply to the following powers in the Act:

- Section 82: an administering authority's power to pay compensation
- Section 83: the power to make regulations compensating members by paying additional LGPS benefits
- Section 84(1)(a): the power to make regulations setting out how interest should be calculated and paid on amounts due to the McCloud remedy, and
- Section 84(1)(B): the power to make regulations setting out the process to follow for paying amounts due to the McCloud remedy.

The making of the Directions now allows relevant departments to start consulting on regulations exercising these powers

Maintaining LDI resilience

On 30 November 2022, T P R published a statement on maintaining liability-driven investment (L D I) resilience. The statement is aimed at defined benefit trustees and advisers. It sets out recommended actions in light of recent events in the gilt markets. The statement can be found at <https://www.thepensionsregulator.gov.uk/en/document-library/statements/maintaining-liability-driven-investment-resilience>

2023/24 employee contribution bands

Bands effective from 1 April 2023 have been released. These are calculated by increasing the 2022/23 employee contribution bands by the September 2022 CPI figure of 10.1 per cent and then rounding down the result to the nearest £100. These will be circulated to employers in due course

Consultation on changes to the SAB's cost management process (C M P)

On 30 January 2023, the Department for Levelling Up, Housing and Communities launched a consultation on changes to the Scheme Advisory Board's (SAB) CMP. The consultation closes on 24 March 2023. The consultation can be found at <https://www.gov.uk/government/consultations/local-government-pension-scheme-changes-to-the-scheme-advisory-board-cost-management-process>

Automatic enrolment trigger remains the same

On 26 January 2023, DWP published its review of the automatic enrolment thresholds for 2023/24. 6 The Pensions Act 2008 requires DWP to annually review various thresholds relevant for automatic enrolment rules. The earnings trigger remains at £10,000 for 2023/24.

Update on McCloud data issues guidance

The LGA are currently working on guidance to assist administering authorities with McCloud data issues. The guidance will set out what options administering authorities in England and Wales may consider if they are unable to collect the data needed to implement the McCloud remedy. It will cover both missing data and data the authority is not confident is accurate. The Scheme Advisory Board (England and Wales) hope to publish the guidance by the end of February 2023.

Confirmation of annual revaluation, earnings and pensions increase

On 20 February 2023, H M Treasury (HMT) published a written ministerial statement confirming the rates of annual revaluation, earnings and pensions increase (PI) due to apply in April 2023 on 10.1%.

Consultation on the annual revaluation date change

On 10 February 2023, the Department for Levelling Up, Housing and Communities (D LUHC) published a consultation and draft regulations on changing the annual revaluation date in the L G P S. If laid, the regulations will take effect from 31 March 2023. The consultation documents along with the LGAs response can be found at <https://www.lgpsregs.org/schemeregs/consultations.php>. The proposed change in the revaluation date seeks to bring in line the inflationary increases between the opening value of pension benefits and the annual CARE revaluation to remove the imbalance. Previously due to low inflation levels this imbalance has been low however due to this years unprecedented September CPI of 10.1% and imbalance of 7% this would see many more pension scheme members breach the Annual Allowance under current regulations.

GAD 2022 data request

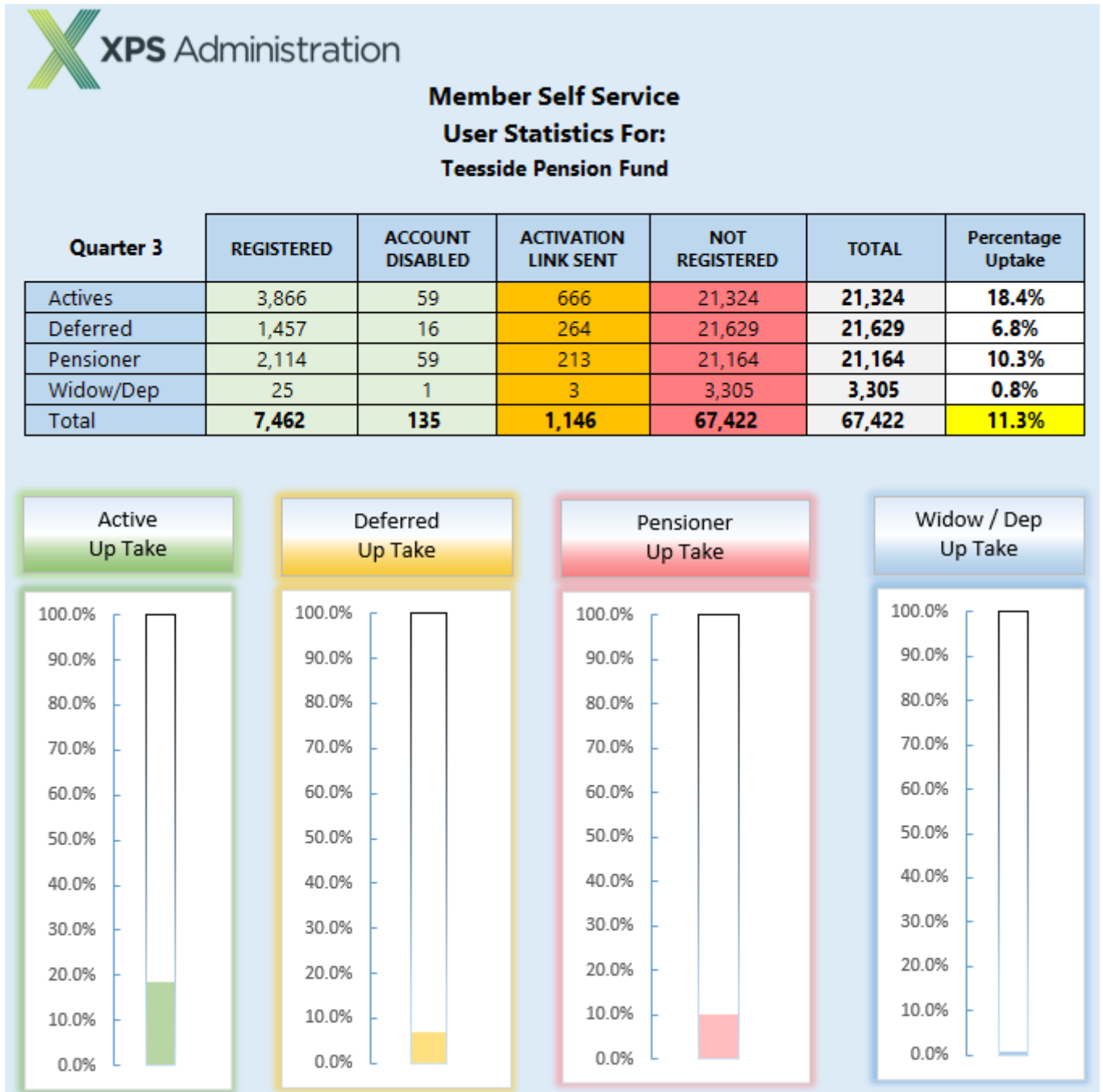
GAD confirms it will be requesting valuation data as at 31 March 2022. This is primarily for the Section 13 exercise, but also to assist with other projects including D LUHC and SAB policy work. GAD will send a formal request to all administering authorities in the next few months.

02 Membership Movement

	Actives		Deferred		Pensioner		Widow/Dependent	
Q3 2022/23	25,868	▲	27,002	▲	23,468	▲	3,311	▲
Q2 2022/23	25,713	▼	26,686	▲	23,317	▲	3,321	▼
Q1 2022/23	25,990	▲	26,487	▲	23,128	▲	3,338	▲
Q4 2021/22	25,609	▲	26,240	▲	22,918	▲	3,309	▲
Q3 2021/22	24,729	▼	26,165	▲	22,710	▲	3,240	▲

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 Item	Teesside Pension Fund		
	Max Population	Total Fails	% OK
NINo	81,071	182	99.78%
Surname	81,071	0	100.00%
Forename / Inits	81,071	0	100.00%
Sex	81,071	0	100.00%
Title	81,071	164	99.80%
DoB Present	81,071	0	100.00%
Dob Consistent	81,071	0	100.00%
DJS	81,071	0	100.00%
Status	81,071	0	100.00%
Last Status Event	81,071	663	99.18%
Status Date	81,071	1,804	97.77%
No Address	81,071	427	99.47%
No Postcode	81,071	587	99.28%
Address (All)	81,071	4,887	93.97%
Postcode (All)	81,071	4,946	93.90%
Common Data Score	81,071	3,317	95.91%
Members with Multiple Fails	81,071	485	99.40%

Scheme Specific Data

In readiness for the pensions dashboard, there is a minimum requirement pension schemes must be able to demonstrate against as required and defined by the Pensions Regulator. This standard is available to XPS through a product used by our central team and we are currently undertaking a data mapping exercise in order to be able to carry out the necessary tests. Once this work has been completed, we will be able to report a data score in accordance with the Pensions Regulator standards.

Public sector pension schemes need to be able to connect to the Dashboard by October 2024, so in advance of this, the scheme data must be tested and where necessary, brought up to the requisite standards required

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	4.27	4.26
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	4.04	4.04
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	76.68%	76.75%
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)	47.75%	46.21%
11. Did you use the website to research the retirement process? (from 18/05/17)	27.59%	26.45%
12. Have you heard of Member Self Service (MSS)? (from 18/05/17)	23.80%	22.25%

*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

Following the resignation of the original Team Leader, a replacement has been appointed into the role.

The team are currently working on Year End files from the Teesside Pension Fund employers and commencing the role out of the collation of pension contributions on a monthly basis.

Next steps will be to work with the Fund to determine how to undertake employer covenant.

Communications

The new website was launched to Scheme Members and Employers on the 5th May 2021 which is underpinned with 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. The following chart provides an overview of the information we have collected.



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. The initial stage is currently underway and we have a number of employers who have agreed to undertake the initial rollout. 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 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

Interest in employer and member training has increased and the EL team have been delivering sessions in person on both the Scheme and Pensions Tax along with our Employer Health Checks. Feedback has been excellent and we are currently in the process of arranging more sessions in the future. The Year End Submission documentation was sent early to all employers at the beginning of February and confirms the submission deadline of 15/05/2023. In addition to the standard guides a virtual drop in session is proposed if uptake is positive, in order to offer clarification and training on the submission requirements.

I-Connect

Our Employer Services solution, i-Connect simplifies, data interactions between employers and the Teesside Pension Fund within a highly secure environment. Using data taken directly from the payroll system, i-Connect automatically identifies new joiners, opt-outs, and leavers, seamlessly generating an extract for submission.

Reducing the cost and risk associated with processing pension data, i-Connect automates the submission of data to the Teesside Pension Fund in a single solution, improving the flow of data and minimizing manual intervention. All employers were contacted in early January to offer our I-Connect service.

The response has been positive with over 15 payroll providers responding covering multiple employers including Middlesbrough and Redcar and Cleveland Councils. We are currently arranging an onboarding schedule and should have our first payrolls live by early March.

Late Payment Analysis

This table shows analysis of contributions received from participating employers.

We do chase these on a monthly basis and an e-mail has been sent to regular offenders asking them to explain why contributions are being paid across late. Health Checks have been initiated with these employers.

Date	Late Payments	Expected Payments	% Late	<10 Days Late	> 10 Days Late
Dec-21	5	144	3.00%	2	3
Jan-22	10	146	7.00%	1	9
Feb-22	9	146	6.00%	2	7
Mar-22	8	146	5.00%	0	8
Apr-22	9	146	6.00%	1	8
May-22	4	146	3.00%	4	0
Jun-22	3	142	2.00%	2	1
Jul-22	2	142	1.00%	0	2
Aug-22	4	140	3.00%	1	3
Sep-22	2	140	1.00%	0	2
Oct-22	8	139	6.00%	8	0
Nov-22	2	140	1.00%	1	1
Dec-22	3	140	2.00%	3	0

05 Completed Cases Overview

2022/23

Teesside Pension Fund	Cases completed	Cases completed within target	Cases completed outside target	Cases: % within target
LG Team – Admin Manager Mathew Spurrell				
April	392	392	0	100%
May	346	346	0	100%
June	434	434	0	100%
Quarter 1	1,172	1,172	0	100%
July	458	458	0	100%
August	590	590	0	100%
September	426	426	0	100%
Quarter 2	1,474	1,474	0	100%
October	728	728	0	100%
November	701	698	3	100%
December	475	475	0	100%
Quarter 3	1,904	1,901	3	100%
January	480	480	0	100%
February	715	715	0	100%
March				
Quarter 4	1,195	1,195		100%
Year - Total	5,745	5,742	3	100%

06 Completed Cases by Month

October 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%	6.17	347	0	347	347
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	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%	5	22	0	22	22
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	327	0	327	327
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		

November 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%	4.03	309	0	309	309
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	9	33	0	33	33
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	39	0	39	39
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	99.1%	7	320	3	320	317
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		

December 2022

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Day	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (day)	Number of Cases	Over targ	TOTAL (case	Within Targ	Comments
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	4.48	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%	7	28	0	28	28	
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	17	0	17	17	
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	244	0	244	244	
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%	0%	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			

January 2023

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%	4.67	159	0	159	159	
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	29	0	29	29	
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	
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	295	0	295	295	
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 2023

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%	4.58	180	0	180	180	
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	
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	
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	480	0	480	480	
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			

07 Complaints

Full Name	Description	Date received	Date completed	Comment
Retired Member	Delay in allocating the 2nd leaver notification meant payroll was missed.	22/7/2022	2/8/2022	Interest paid, original delay caused by incorrect L/F received



Graeme Hall
Operations Manager
01642 030643

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