



Teesside Pension Fund

Performance Delivery Report

2023-2024

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01 Overview

Regulations and Guidance

McCloud update - Consultation outcome and regulations laid

The Department for Levelling Up, Housing and Communities (DLUHC) announced the outcome of the consultation on supplementary McCloud issues and draft regulations on 8 September 2023. It also laid The Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023, which take effect from 1 October 2023. DLUHC issued a correction slip to the regulations on 20 September 2023 to fix a couple of minor typographical errors. The regulations implement the McCloud remedy and amend the underpin rules to make sure they work correctly. Part 2 of the regulations replaces the underpin rules in the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. It also makes some related changes to the LGPS Regulations 2013. Part 3 requires administering authorities to check past calculations for events that happened between 1 April 2014 and 30 September 2023.

Abolishing the LTA

On 12 September 2023, The LGA responded to the policy paper from HM Revenue and Customs (HMRC) on abolishing the lifetime allowance (LTA). The Government announced in the Spring Budget 2023 that it will abolish the LTA completely from April 2024. HMRC then released draft legislation and a policy paper on 18 July 2023 to achieve this and asked for responses by 12 September 2023.

Pensions (Extension of Automatic Enrolment) Act 2023

On 18 September 2023, the Pensions (Extension of Automatic Enrolment) Act 2023 received Royal Assent. The Act gives the UK Government the power to make regulations that will lower the minimum age for automatic enrolment from 22 to 18 and remove the lower earnings limit for contributions. The regulations will apply in England, Scotland and Wales. The UK Government will shortly launch a consultation on implementing the changes.

2022 Scheme valuation report

On 10 August 2023, the SAB published its 2022 Scheme valuation report. The report is compiled from data drawn from local fund valuation reports. It shows:

- the average funding level has improved from 98 per cent in 2019 to 107 per cent in 2022 (on local funding bases) – all fund valuation reports show an improvement since 2019
- the average contribution rate to meet future service costs rose from 18.6 per cent of payroll in 2019 to 19.8 per cent of payroll in 2022
- overall contribution rates fell from 22.9 per cent of payroll in 2019 to 21.1 per cent of payroll in 2022 – this reflects lower deficit contributions
- employee contribution rates marginally increased from 6.5 per cent of pay to 6.6 per cent.

The report also looks at the main assumptions used by administering authorities in their 2022 valuations, looking at trends around the setting of the discount rate, life expectancy and future expectations for inflation and salary increases.

<https://lgpsboard.org/index.php/2022-valuations-report>

Surpluses working group

The SAB plans to set up a small working group to look at the issues presented by the improving funding position across the Scheme. The objective is to provide general advice for administering authorities and employers that are in surplus or are likely to become so.

Dashboards

Deferred connection guidance updated

On 9 August 2023, the Department for Work and Pensions (DWP) updated the deferred connection guidance and forms. The updates reflect the changes made by the Pensions Dashboards (Amendment) Regulations 2023, which came into force on 9 August 2023. In particular, the changes made to the connection deadline and the deferred connection rules. The connection deadline for all relevant schemes is 31 October 2026. The guidance is for trustees and managers of relevant occupational pension schemes wishing to apply to defer connection beyond 31 October 2026. It sets out the rules, issues to consider, how to apply and how D W P will consider applications. The latest date for applying is 8 August 2024.

Investment Issues

The SA Board has published a statement setting out some key principles that will form the basis of its response to the Department for Levelling Up, Housing and Communities (D L U H C) consultation on investment issues. The report can be found at https://lgpsboard.org/images/Responses/DLUHC_Investment_consultation_SABresponse.pdf

Update on SAB's cost control mechanism

The Board is considering its own cost control mechanism following changes made to HM Treasury's mechanism. The assumptions on which this process is based are currently being agreed.

DLUHC consultation on investment reforms

On 2 October 2023 the SAB published its full response to the investment consultation. The consultation contained proposals in a range of areas, including:

- setting a target date for the migration of all listed assets to pools
- a proposal to move to fewer pools - with a target size of £50 billion
- a requirement for funds to have a plan to invest up to 5 per cent of assets to support levelling up in the UK 5
- a proposal for funds and pools to dedicate 10 per cent of assets to private equity investments. The Board's response was shaped by a working group comprising of councillors, scheme representatives and practitioners from the Board's membership, led by Board Chair, Cllr Roger Phillips.

LGPS statistics for 2022/23 published

On 25 October 2023, the Department for Levelling up and Communities (DLUHC) published the LGPS statistics for England and Wales: 2022 to 2023. Highlights include:

- total expenditure was £15.2 billion, an increase of 5.1 per cent on 2021/22
- total income was £17.3 billion, an increase of 8.5 per cent on 2021/22
- employers' contributions amounted to £8.4 billion, an increase of 7.8 per cent on 2021/22
- employee contributions were £2.8 billion, an increase of 9.5 per cent on 2021/22
- the market value of the LGPS funds at the end of March 2023 was £357.2 billion, a decrease of 1.9 per cent
- there were 6.2 million scheme members on 31 March 2023: 2 million active members, 1.9 million pensioners and 2.3 million deferred members
- there were 87,129 retirements, a decrease of 8 per cent compared with 2021/22.

SCAPE discount rate and actuarial factors – fourth batch

DLUHC has issued the fourth batch of factors. The new factors came into force from 2 October 2023, except the Club transfer factors, which are effective from 1 October 2023. This completes the review of the factors after the change to the SCAPE discount rate in March 2023.

September 2023 CPI rate announced

On 18 October 2023, the Office for National Statistics announced the Consumer Prices Index (C P I) rate of inflation for September 2023 as 6.7 per cent.

02 Membership Movement

	Actives		Deferred		Pensioner		Widow/Dependent	
Q1 2023/24	27,074	▲	27,542	▲	23,834	▲	3,392	▲
Q4 2022/23	26,194	▲	27,284	▲	23,581	▲	3,344	▲
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	▲

03 Member Self Service

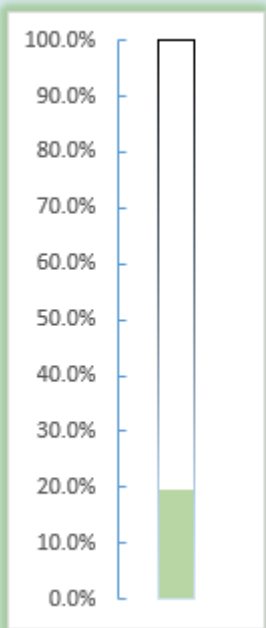
Below is an overview on the activity and registration of the Member Self Service System:



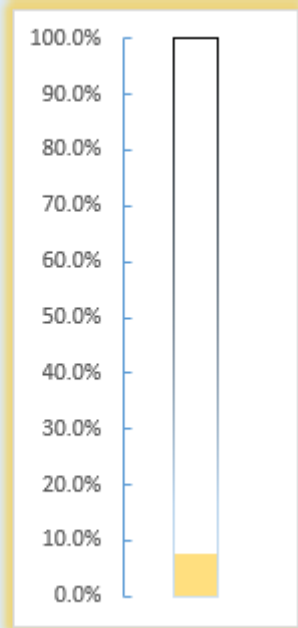
Member Self Service User Statistics For: Teesside Pension Fund

Quarter 1	REGISTERED	ACCOUNT DISABLED	ACTIVATION LINK SENT	NOT REGISTERED	TOTAL	Percentage Uptake
Actives	4,177	57	698	21,711	21,711	19.5%
Deferred	1,602	17	284	21,536	21,536	7.5%
Pensioner	2,379	59	259	21,139	21,139	11.5%
Widow/Dep	26	0	4	3,333	3,333	0.8%
Total	8,184	133	1,245	67,719	67,719	12.3%

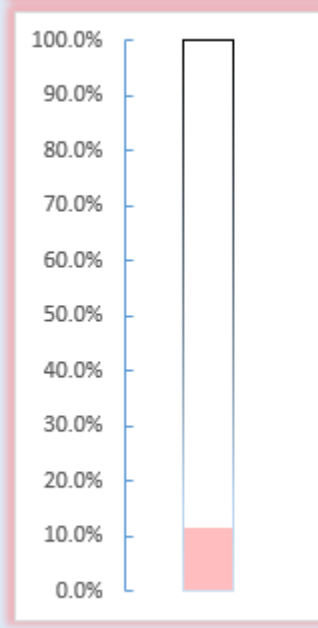
Active Up Take



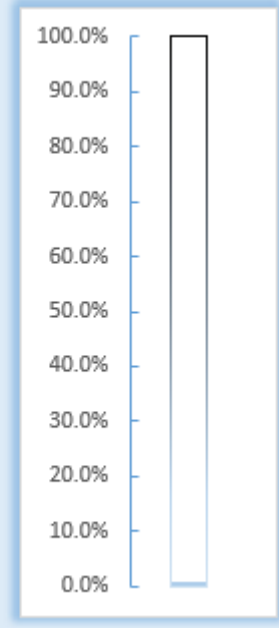
Deferred Up Take



Pensioner Up Take



Widow / Dep Up Take



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 2026, so in advance of this, the scheme data must be tested and where necessary, brought up to the requisite standards required

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	4.27	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.

Communications

A 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

Pension awareness sessions and employer training sessions are continuing with a positive uptake and response. Sessions on tax will commence shortly now the Pension Saving Statements have been issued. Processing of new admissions to the fund is ongoing with the new standardised passthrough approach being adopted.

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
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
Jan-23	3	140	2.00%	0	3
Feb-23	5	140	4.00%	1	4
Mar-23	4	140	3.00%	0	4
Apr-23	10	140	7.00%	6	4
May-23	4	140	3.00%	1	3
Jun-23	7	142	5.00%	5	2
Jul-23	3	144	2.00%	0	3
Aug-23	3	144	2.00%	0	3
Sep-23	4	143	3.00%	0	4

06 Completed Cases Overview

Teesside Pension Fund	Cases completed	Cases completed within target	Cases completed outside target	Cases: % within target
LG Team – Admin Manager Mathew Spurrell				
April	416	416	0	100.00%
May	417	417	0	100.00%
June	450	450	0	100.00%
Quarter 1	1,283	1,283	0	100.00%
July	382	382	0	100.00%
August	497	496	1	99.80%
September	532	528	4	99.25%
Quarter 2	1,411	1,406	5	99.65%
October	529	528	1	99.81%
November				
December				
Quarter 3	529	528	1	99.81%
January				
February				
March				
Quarter 4				
Year - Total	3,223	3,217	6	99.81%

07 Completed Cases by Month

July 2023

KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Day	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (A)	Average Case Time (day)	Number of Cases	Over targ	TOTAL (case)	Within Targ	Comments
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100%	4.73	67	0	67	67	
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	25	0	25	25	
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	16	0	16	16	
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.00%	5	274	0	274	274	
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			

August 2023

KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Day	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (AP)	Average Case Time (days)	Number of Cases	Over targ	TOTAL (case)	Within Targ	Comments
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	99.23%	5.59	130	1	130	129	
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	31	0	31	31	
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	21	0	21	21	
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	315	0	315	315	
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%	#DIV/0!	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			

September 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%	3.45	125	0	125	125	
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	35	0	35	35	
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	26	0	26	26	
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	98.8%	5	346	4	346	342	
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			

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%	4.51	104	0	104	104	
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100.00%	7	51	0	51	51	
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%	99.7%	5	352	1	352	351	
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			

08 Annual Benefit Statements

During the last quarter an annual event occurred with the production and issuance of Annual Benefit Statements to Active and deferred members.

Annual Benefit Statement - Statistics		Year:	2023
Teesside Pension Fund		Scheme	LGPS
Total Active membership at 31/03/2023	27,046		100.00%
Due ABS	25,489		94.24%
Not Due ABS	1,557		5.76%
Due - Produced	22,665		88.92%
Due - Not Produced	2,824		11.08%
Due - Totals	25,489		100.00%
Not Produced - Detail			
	Number		% of Not Produced
Missing Care pay	2,657		94.09%
Status change post ABS Run	48		1.70%
Exclude benefit calculation indicator set	1		0.04%
Other	118		0.52%
Total	2,824		100.00%
Not Due ABS - Detail			
	Number		% of Not Due
Status change pre ABS RUN (1st September)	1,557		100.00%

XPS are reviewing those cases that did not receive an ABS and rectify, where possible, any data issues.

Deferred Benefit Statements are also sent to members and these were produced in early August 2023. Initial analysis suggests that 100% of members entitled to a deferred benefit statement received one.

Pension Saving Statements

As part of the year end process, those members who either breach, or are close to breaching, the Annual Allowance limits (i.e. the maximum amount of pension growth in a financial year before tax may be applicable) are due a Pension Saving Statement informing them on the relevant figures.

Not everyone who breaches will owe tax, previous years unused allowance can be used to offset a tax charge but will still be entitled to a statement.

XPS is in the process of producing the statements for members of the Teesside Pension Fund and will issue them by the 6th October deadline.

09 Complaints

Full Name	Description	Date received	Date completed	Comment



Graeme Hall
Operations Manager
01642 030643

Registration

XPS Pensions Consulting Limited, Registered No. 2459442.

XPS Investment Limited, Registered No. 6242672.

XPS Pensions Limited, Registered No. 3842603.

XPS Administration Limited, Registered No. 9428346.

XPS Pensions (RL) Limited, Registered No. 5817049.

XPS Pensions (Trigon) Limited, Registered No. 12085392.

Penfida Limited, Registered No. 08020393

All registered at: Phoenix House, 1 Station Hill, Reading, RG1 1NB.

Authorisation

XPS Investment Limited is authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774).