



# **Teesside Pension Fund**

## **Performance Delivery Report**

2023-2024

# Contents

01 Overview

02 Member Movement

03 Member Self Service

04 Pension Regulator Data Scores

05 Customer Service

06 Completed Cases Overview

07 Completed Cases by Month

08 Complaints

# 01 Overview

## Regulations and Guidance

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Confirmation of annual revaluation, earnings and pensions increase

On 25 January 2024, HM Treasury (HMT) published a written ministerial statement confirming the rates of annual revaluation, earnings and pensions increase due to apply from April 2024. The statement confirms that public service pensions and career average benefits within the LGPS will increase by 6.7% alongside the Consumer Price Index from the prior September.

2024/25 employee contribution bands

The 2024/2025 Employee contribution bandings have been released which are effective from 1 April 2024. These are calculated by increasing the 2023/24 employee contribution bands by the September 2023 CPI figure of 6.7 percent and then rounding down the result to the nearest £100. A bulletin to all employers will be issued shortly to confirm these.

DLUHC publishes response on investment reforms

On 22 November 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published its response to the consultation on investment reforms. The response largely adopts the measures the Government originally consulted on. The Government will now implement proposals to accelerate and expand pooling and increase investment in levelling up and private equity. It will do this by:

- setting out in revised investment strategy statement (ISS) guidance that funds should transfer all assets to their pool by 31 March 2025. Funds should also set out which assets are pooled, under pool management and not pooled and the rationale, value for money and date for review if not pooled
- issuing revised pooling guidance to set out a preferred model of pooling including delegation of manager selection and strategy implementation
- implementing a requirement in guidance for administering authorities to set a training policy for pensions committee members and to report against the policy
- issuing revised guidance on annual reports to include: – a standard asset allocation and the proportion of assets pooled – a comparison between actual and strategic asset allocation

net savings from pooling – net returns for each asset class against their chosen benchmark.

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- making changes to LGPS official statistics to include a standard asset allocation and the proportion of assets pooled and the net savings of pooling
- amending regulations to require funds to set a plan to invest up to 5 per cent of assets in levelling up the UK and to report annually on progress against the plan
- issuing revised ISS guidance to require funds to consider investments to meet the Government's ambition of a 10 per cent allocation to private equity

HMT confirms LTA abolition from April 2024

The Finance Bill 2023 confirms the lifetime allowance (LTA) will be abolished from 6 April 2024. HMRC have issued a Lifetime Allowance guidance newsletter found at <https://www.gov.uk/government/publications/lifetime-allowance-guidance-newsletter-december-2023/lifetime-allowance-guidance-newsletter-december-2023> giving further information and several updates are provided within the HMRC Pension Schemes newsletter 155 found at <https://www.gov.uk/government/publications/pension-schemes-newsletter-155-january-2024>.

The lifetime allowance is being replaced with new tax rules which broadly seeks to maintain the current treatment for the PCLS, that it is limited to the lower of 25% of the member's benefits crystallising, or so much of the member's lump sum allowance or lump sum death benefit allowance available when the member becomes entitled to the lump sum.

## Governance and administration Survey 2022-23 results

TPR published the results of its survey on governance and administration practices among public service pension schemes on 27 November 2023. The survey was carried out online from January to March 2023 and received responses from 191 of 204 public service pension schemes. The survey covered topics such as risk management, annual benefits statements, breaches of the law and dashboards. It also asked LGPS administering authorities about actions in relation to climate related risks and opportunities.

## SAB issues statement on surpluses

The Scheme Advisory Board issued a statement on surpluses on 20 December 2023. The statement was drafted with the input from members of the working group on surpluses. The report can be found at [https://lgpsboard.org/images/Other/SAB\\_Statement\\_on\\_Surpluses.pdf](https://lgpsboard.org/images/Other/SAB_Statement_on_Surpluses.pdf)

## SAB commissions report on the LGPS and Sharia law

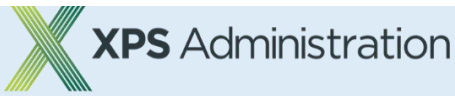
In 2022, the Board received legal advice from Lydia Seymour (Counsel) on members opting out of the LGPS on the basis of their (principally Islamic) religious belief, and whether this might constitute unlawful discrimination. The Board commissioned Mufti Faraz Adam of Amanah Associates, an Islamic finance expert, to produce a report on Sharia law and the LGPS. The report concludes that as a part of the contractual arrangement between employer and employees, Muslim employees can continue to contribute to, and benefit from, the excellent benefits offered by the LGPS. More information can be found on the SAB website - <https://lgpsboard.org/index.php/welcome>

## 02 Membership Movement

|            | Actives |   | Deferred |   | Pensioner |   | Widow/Dependent |   |
|------------|---------|---|----------|---|-----------|---|-----------------|---|
| Q3 2023/24 | 26,040  | ▲ | 28,101   | ▼ | 24,321    | ▲ | 3,427           | ▲ |
| Q2 2023/24 | 25,921  | ▼ | 28,186   | ▲ | 24,136    | ▲ | 3,424           | ▲ |
| 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           | ▲ |

# 03 Member Self Service

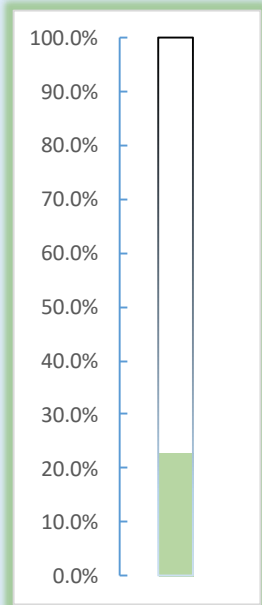
Below is an overview on the activity and registration of the Member Self Service System:



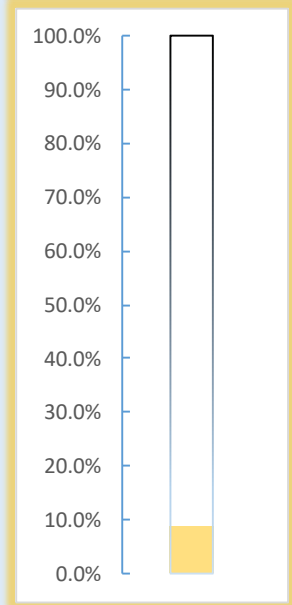
## Member Self Service User Statistics For: Teesside Pension Fund

| Quarter 3    | REGISTERED   | ACCOUNT DISABLED | ACTIVATION LINK SENT | NOT REGISTERED | TOTAL         | Percentage Uptake |
|--------------|--------------|------------------|----------------------|----------------|---------------|-------------------|
| Actives      | 4,615        | 66               | 832                  | 20,449         | <b>20,449</b> | <b>22.9%</b>      |
| Deferred     | 1,877        | 15               | 355                  | 21,287         | <b>21,287</b> | <b>8.9%</b>       |
| Pensioner    | 2,715        | 71               | 313                  | 21,315         | <b>21,315</b> | <b>13.1%</b>      |
| Widow/Dep    | 19           | 0                | 1                    | 2,252          | <b>2,252</b>  | <b>0.8%</b>       |
| <b>Total</b> | <b>9,226</b> | <b>152</b>       | <b>1,501</b>         | <b>65,303</b>  | <b>65,303</b> | <b>14.4%</b>      |

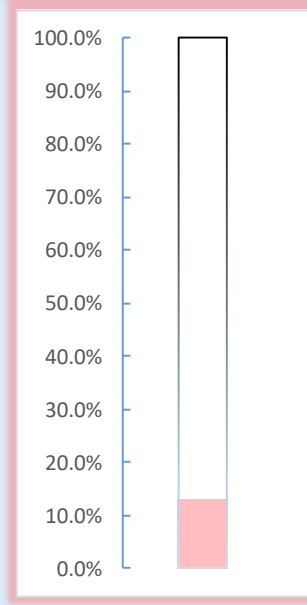
Active Up Take



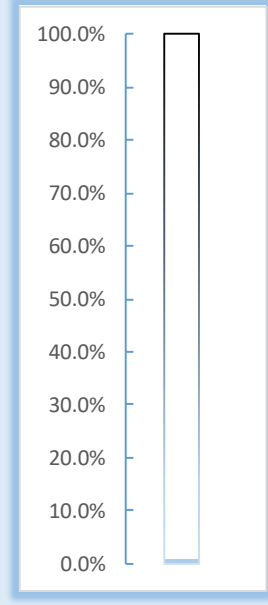
Deferred Up Take



Pensioner Up Take



Widow / Dep Up Take



# 04 Pension Regulator Data Scores

## Common Data

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

## 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 <a href="http://www.teespen.org.uk">www.teespen.org.uk</a> 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



## Communications

A new website was launched to Scheme Members and Employers on the 5<sup>th</sup> 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 continue 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.

| <b>Date</b> | <b>Late Payments</b> | <b>Expected Payments</b> | <b>% Late</b> | <b>&lt; 10 Days Late</b> | <b>&gt; 10 Days Late</b> |
|-------------|----------------------|--------------------------|---------------|--------------------------|--------------------------|
| 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                        |
| Oct-23      | 6                    | 143                      | 5.00%         | 2                        | 4                        |
| Nov-23      | 4                    | 143                      | 3.00%         | 0                        | 4                        |
| Dec-23      | 3                    | 143                      | 3.00%         | 0                        | 3                        |

# 06 Completed Cases Overview

| Teesside Pension Fund                          | Cases completed | Cases completed within target | Cases completed outside target | Cases: % within target |
|--|-----------------|-------------------------------|--------------------------------|------------------------|
|  |                 |                               |                                |                        |
| <b>LG Team – Admin Manager Mathew Spurrell</b> |                 |                               |                                |                        |
| April  | 416             | 416                           | 0                              | 100.00%                |
| May  | 417             | 417                           | 0                              | 100.00%                |
| June   | 450             | 450                           | 0                              | 100.00%                |
| <b>Quarter 1</b>                               | <b>1,283</b>    | <b>1,283</b>                  | <b>0</b>                       | <b>100.00%</b>         |
| July   | 382             | 382                           | 0                              | 100.00%                |
| August   | 497             | 496                           | 1                              | 99.80%                 |
| September                                      | 532             | 528                           | 4                              | 99.25%                 |
| <b>Quarter 2</b>                               | <b>1,411</b>    | <b>1,406</b>                  | <b>5</b>                       | <b>99.65%</b>          |
| October  | 529             | 528                           | 1                              | 99.81%                 |
| November                                       | 586             | 586                           | 0                              | 100.00%                |
| December                                       | 489             | 489                           | 0                              | 100.00%                |
| <b>Quarter 3</b>                               | <b>1,604</b>    | <b>1,603</b>                  | <b>1</b>                       | <b>99.94%</b>          |
| January  | 582             | 582                           | 0                              | 100.00%                |
| February                                       |                 |                               |                                |                        |
| March  |                 |                               |                                |                        |
| <b>Quarter 4</b>                               | <b>582</b>      | <b>582</b>                    |                                | <b>100.00%</b>         |
|  |                 |                               |                                |                        |
| <b>Year - Total</b>                            | <b>4,880</b>    | <b>4,874</b>                  | <b>6</b>                       | <b>99.88%</b>          |

# 07 Completed Cases by Month

## December 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%                          | 100.00%                      | 2.86                    | 155             | 0         | 155          | 155         |          |
| 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                       | 26              | 0         | 26           | 26          |          |
| 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                       | 14              | 0         | 14           | 14          |          |
| Merged Estimate Of Benefits and Deferred Benefits  | Monthly   | 10      | 98.25%                          | 100.0%                       | 5                       | 294             | 0         | 294          | 294         |          |
| 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       |              |             |          |

## January 2024

| 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%                        | 2.11                     | 157             | 0           | 157           | 157           |          |
| 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                        | 44              | 0           | 44            | 44            |          |
| 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                        | 27              | 0           | 27            | 27            |          |
| Merged Estimate Of Benefits and Deferred Benefits  | Monthly   | 10       | 98.25%                          | 100.0%                         | 5                        | 398             | 0           | 398           | 398           |          |
| 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 Complaints

| Overview  | Outcome   |
|---|---|
| IDRP Stage 1 Case - Disinvestment of AVC's took longer than expected due to request not being received by AVC provider. | XPS and Prudential agreed to pay the compensation suggested by the IDRP1 adjudicator. |



**Graeme Hall**  
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**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

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**Authorisation**

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