



# Teesside Pension Fund

## Service Delivery Report

2020/21

# Teesside Pension Fund

## Headlines

### McCloud judgement

On 27 June 2019 the Supreme Court denied the Government's request for an appeal in the McCloud and Sargeant case.

The case concerns the transitional protections provided to older members of the judges and firefighter pension schemes when the schemes were reformed in 2015, as part of the public sector pension scheme changes. On 20 December 2018 the Court of Appeal found that these protections were unlawful on the grounds of age discrimination and could not be justified.

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

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

The immediate remedy proposals have significant administrative impact and the more extensive proposals will place a further administrative burden upon the Fund, XPS and employers within the Fund. A response was submitted to the consultation agreeing with the broad principles of the remedy but highlighting the major administrative impact that the changes will impose.

### Legislation on restricting exit payments (£95k cap)

The Restriction of Public Sector Exit Payments Regulations 2020 ('the Cap Regulations'), will come into force on 4 November 2020, in advance of the changes to LGPS regulations proposed by MHCLG in the further reform consultation. These changes will amend the LGPS regulations to provide for the payment of reduced pensions in whole (as is the current provision) and in part.

From 4 November 2020 up to the enactment of the MHCLG further reform proposals there is a position of legal uncertainty. This is due to the apparent discrepancy between the obligations on scheme employers under the Cap Regulations to limit strain cost payments, and the requirement for administering authorities to pay unreduced pensions to qualifying scheme members under existing LGPS regulations.

We understand there will shortly be a communication from Government to administering authorities on this matter.

The LGPS Advisory Board (SAB) has requested the views of Counsel on the risks of challenge to administering authorities and the obligations of scheme employers during this period of legal uncertainty.

SAB has received initial advice but has followed this up with requests for further clarification on which they hope to have by early next week. Once that is received and subject to the necessary HMT guidance and Directions being made available, SAB intends to publish the advice along with some commentary.

SAB appreciates that there is significant uncertainty at this time, hence why it felt legal advice would be important before anything further was published on this matter.

This update can be found in the News and Updates page of [www.lgpsregs.org](http://www.lgpsregs.org).

## Regulations and guidance

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

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

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

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

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

## Covid-19

XPS update

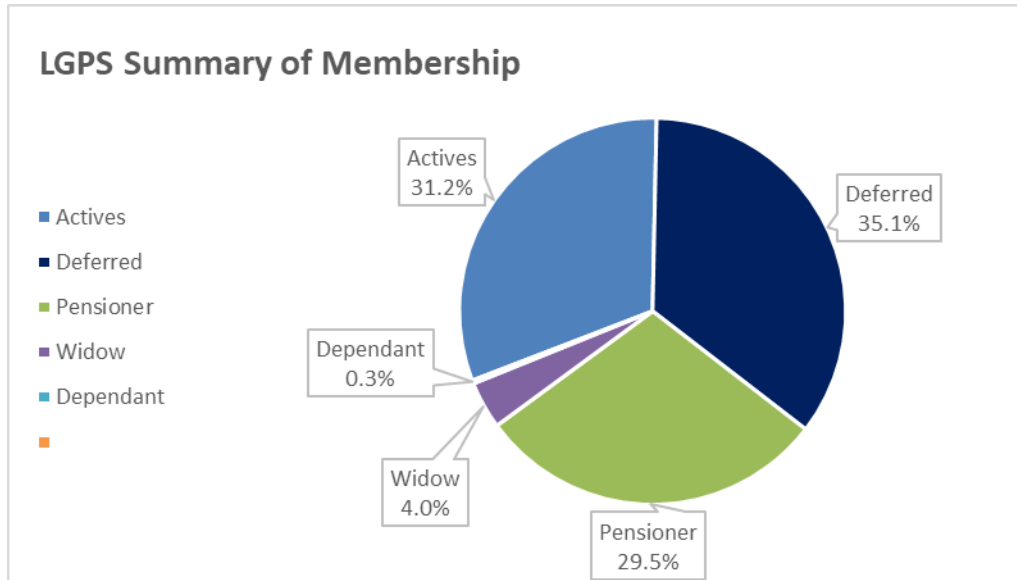
Following the outbreak of Covid-19, and subsequent lockdown, XPS quickly moved to enable all staff to be able to work from home. This involved the provision of laptops for all staff and development of necessary software to allow secure remote working.

Although the majority of staff continue to work from home, there has been an increasing number returning to a more normal office working environment. XPS will not be looking to enforce this on any member of the Middlesbrough office if they feel they are being put at risk. At this moment

there is no timeframe, nor rush, to commence a full return to an office environment. XPS will maintain a watching brief on governmental guidance.

## Membership Movement

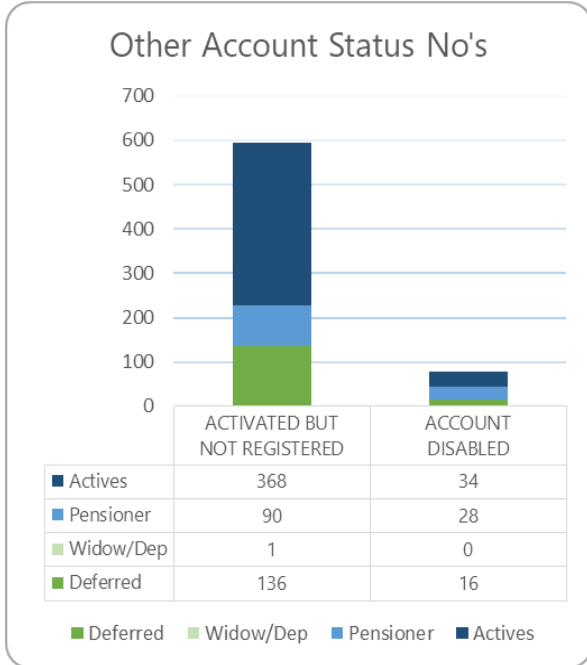
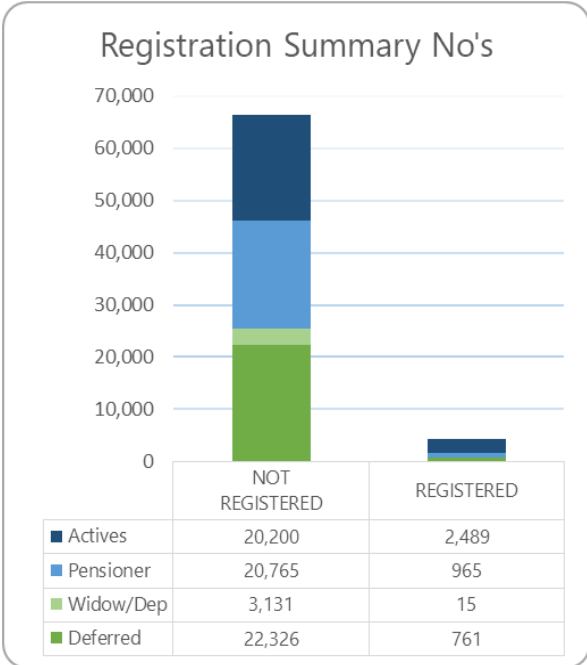
	Actives		Deferred		Pensioner		Widow/Dependent	
Q2 2020/21	23,018	▼	25,936	▼	21,763	▲	3,134	▲
Q1 2020/21	23,243	▲	25,958	▲	21,538	▲	3,101	▼
Q4 2019/20	22,997	▼	25,799	▼	21,521	▲	3,114	▲
Q3 2019/20	23,123	▲	25,948	▼	21,355	▲	3,093	▲
Q2 2019/20	22,463	▼	26,136	▲	21,179	▲	3,071	▲



## Member Self Service

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

	NOT REGISTERED	REGISTERED	ACTIVATED BUT NOT REGISTERED	ACCOUNT DISABLED	TOTAL
Actives	20,200	2,489	368	34	<b>23,091</b>
Deferred	22,326	761	136	16	<b>23,239</b>
Pensioner	20,765	965	90	28	<b>21,848</b>
Widow/Dep	3,131	15	1	0	<b>3,147</b>
Total	<b>66,422</b>	<b>4,230</b>	<b>595</b>	<b>78</b>	<b>71,325</b>

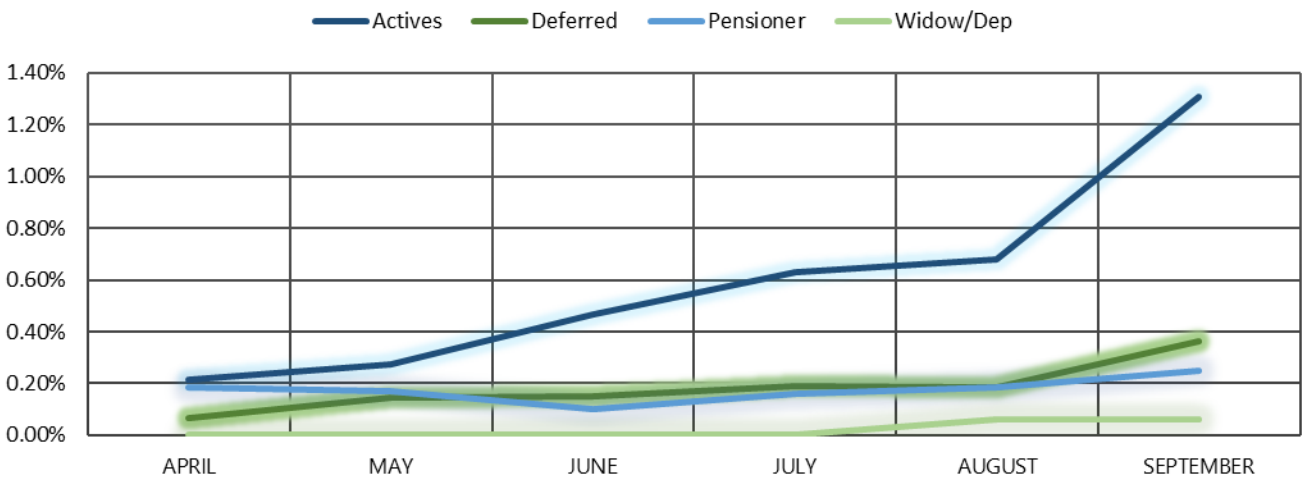


		APRIL		MAY		JUNE	
<b>QUARTER 1</b>	Actives	49	0.21%	63	0.27%	108	0.47%
	Deferred	15	0.06%	34	0.15%	35	0.15%
	Pensioner	40	0.18%	37	0.17%	22	0.10%
	Widow/Dep	-	-	-	-	-	-
	<b>Total</b>	<b>104</b>		<b>134</b>		<b>165</b>	

		JULY		AUGUST		SEPTEMBER	
<b>QUARTER 2</b>	Actives	145	0.63%	157	0.68%	302	1.31%
	Deferred	44	0.19%	43	0.19%	84	0.36%
	Pensioner	35	0.16%	40	0.18%	54	0.25%
	Widow/Dep	-	-	2	0.06%	2	0.06%
	<b>Total</b>	<b>224</b>		<b>242</b>		<b>442</b>	

		OCTOBER		NOVEMBER		DECEMBER	
<b>QUARTER 3</b>	Actives	196	0.85%	-	-	-	-
	Deferred	49	0.21%	-	-	-	-
	Pensioner	44	0.20%	-	-	-	-
	Widow/Dep	-	-	-	-	-	-
	<b>Total</b>	<b>289</b>		<b>-</b>		<b>-</b>	

## Percentage of Registered Users Accessing Member Self Service Each Month of the Year Ending 31st March 2021



## Additional Work

Guaranteed Minimum Pension reconciliation exercise

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

## Complaints

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

## Internal Dispute Resolution Process

For the 3 months to 30<sup>th</sup> September 2020 there are two known IDRPs cases:

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

## Pensions Ombudsman

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

## High Court Ruling

For the 3 months to 30<sup>th</sup> September 2020 there are no known cases.

## Annual Benefit Statements

The statistics for the Annual Benefit Statements issued for 2019/20 are shown below:

	Number	%
Active member employments at year end	23,423	
Not due ABS (status change pre ABS run)	442	1.89%
Due ABS	22,981	98.11%
Due – produced	21,854	95.10%
Due – not produced	1,127	4.90%
Not Produced – Detail	Number	% of Not Produced
Missing CARE pay	898	79.68%
Status change post ABS Run	81	7.19%
Exclude benefit calculation indicator set	2	0.18%
Other	146	12.95%

	Number	%
Deferred members Due and ABS	23,378	
Due – produced	20,269	86.70
Due – not produced	3,109	13.30%
Not Produced – Detail	Number	% of Not Produced
PI Not relevant	130	0.56%
Gone away/Lost Contact	2,968	12.70%
Widows pension missing	10	0.04%



## Common Data

Data Item	Teesside Pension Fund				107 dependents
	Max Population	Total Fails	% OK	Prev %	
NINo	74,742	140	99.81%	99.80%	
Surname	74,742	0	100.00%	100.00%	
Forename / Inits	74,742	0	100.00%	100.00%	
Sex	74,742	0	100.00%	100.00%	
Title	74,742	52	99.93%	99.96%	
DoB Present	74,742	0	100.00%	100.00%	
Dob Consistent	74,742	0	100.00%	100.00%	
DJS	74,742	0	100.00%	100.00%	
Status	74,742	0	100.00%	100.00%	
Last Status Event	74,742	652	99.13%	99.27%	
Status Date	74,742	1,349	98.20%	98.62%	
No Address	74,742	349	99.53%	99.53%	
No Postcode	74,742	467	99.38%	99.37%	
Address (All)	74,742	4,104	94.51%	94.61%	
Postcode (All)	74,742	4,115	94.49%	94.61%	
Common Data Score	<b>74,742</b>	<b>2,597</b>	<b>96.53%</b>	<b>97.07%</b>	
Members with Multiple Fails	<b>74,742</b>	<b>396</b>	<b>99.47%</b>	<b>99.50%</b>	

## Conditional Data

XPS Administration, Middlesbrough are working on a method to report Conditional Data. Discussions are ongoing with Aquila Heywood on a cost for this reporting function along with investigation on whether this can be achieved internally. This follows the issuance by SAB of 22 data fields that should be reported on.

## Customer Service

Since December 2016, XPS Administration, Middlesbrough have included a customer satisfaction survey with the retirement options documentation.

A summary of the main points are as follows:

Issued	Returned	%
15,867	3,055	19.25

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

\*scoring is out 5, with 5 being strongly agree and 1 being strongly disagree

## Recruitment

Following the agreement of the Pensions Committee to fund enhancements to the Pensions Administration Services at their meeting of 7th March 2018, XPS Administration, Middlesbrough has looked to recruit into the roles required to provide this enhanced service.

XPS are currently reviewing processes to enable a move to monthly contribution postings which should lead to greater efficiencies, and more up to date information on member records.

## Performance

Following discussions with both the Pension Board and Committee, XPS Administration are investigating a way to report the time between a member being entitled to a benefit and it being finalized (e.g. time between date of leaving and deferred benefit statement being issued or pension being brought into payment).

XPS Administration are therefore investigating whether sufficient reporting tools already exist within the pension administration system or whether bespoke reports are required to be developed (either internally or via the administration software providers).

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

## Employer Liaison

### Employers & Members

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

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

This month we have started our Employer Health Check communication where we are virtually going to meet each employer to find out what they need from us in regards to training, and what we expect from them. These meetings will also involve general discussions on how employers are finding matters in the current situation. We are hoping to have the first tranche complete by Christmas.

### Late Payments

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

### 9 Employers

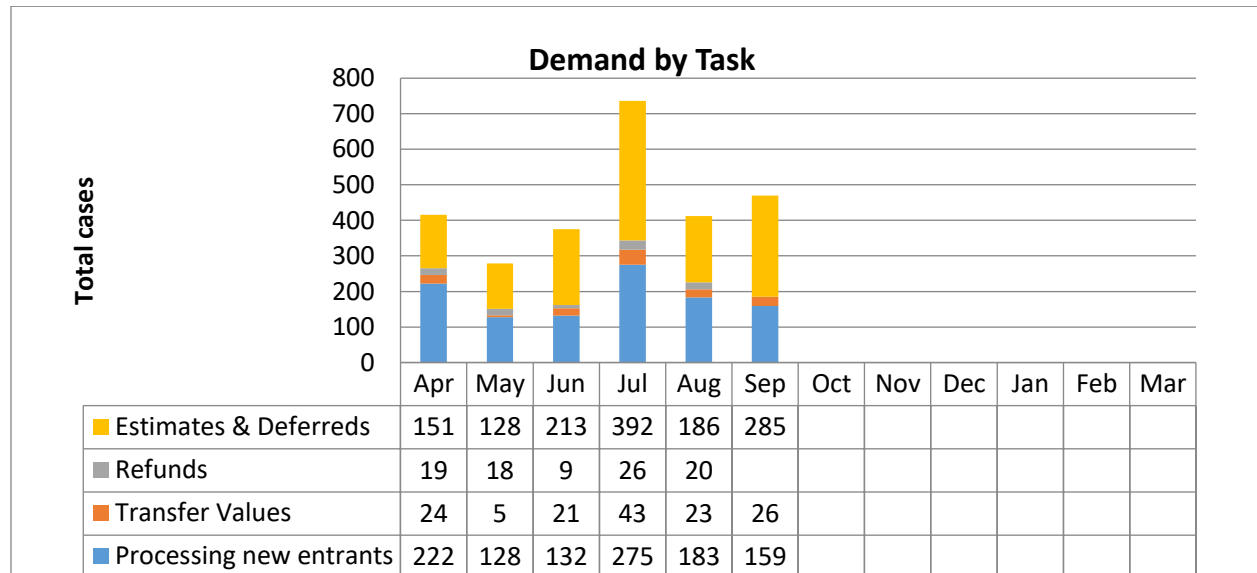
- Tees Valley community Asset Preservation Trust
- Northern Lights Learning Trust
- Lockwood Parish
- KGB
- Hartlepool Sixth Form
- FROG
- Thirteen
- Ecocleen
- Creative

Some of these employers are regular offenders and we are in regular contact with them. We are finding that employers are having difficulties under the current working restraints and are never late sending sheets. We are now liaising with accounts and the employers after the number of late payments increased in August.

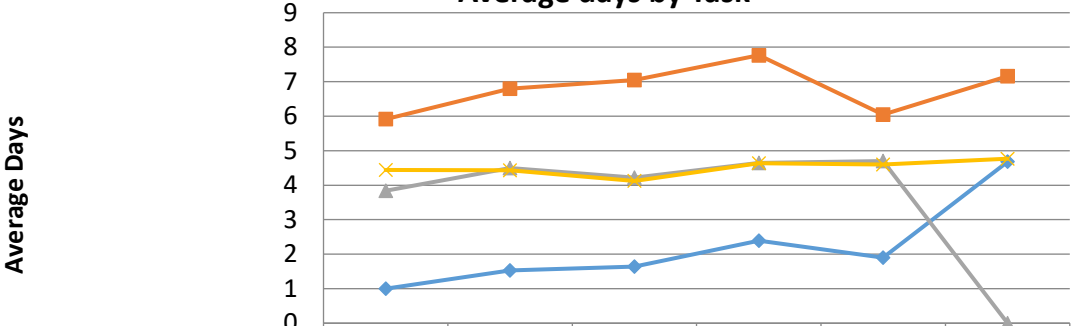
Date	Expected Payments	Late Payments	% Late	<10 Days Late	>10 Days Late
Aug-19	148	3	4.00%	2	1
Sep-19	148	4	4.00%	3	1
Oct-19	148	1	4.00%	0	1
Nov-19	156	6	2.00%	2	4
Dec-19	156	4	3.00%	4	0
Jan-20	158	4	3.00%	4	0
Feb-20	158	4	3.00%	4	0
Mar-20	158	2	1.00%	2	0
Apr-20	138*	4	3.00%	-	-
May-20	151	3	2.00%	0	3
Jun-20	151	2	1.00%	1	1
Jul-20	150	6	4.00%	6	0
Aug-20	150	9	6.00%	0	9

## Performance Charts

Overall Demand



**Average days by Task**



	Apr	May	Jun	Jul	Aug	Sep
◆ Processing new entrants	1	2	2	2	2	5
■ Transfer Values	6	7	7	8	6	7
▲ Refunds	4	5	4	5	5	0
✕ Estimates	4	4	4	5	5	5

The following charts show performance against individual service level requirements.

April 2020

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	99.55%	1.00	222	1	222	221
F65	Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	6	24	0	24	24
F67	Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	4	19	0	19	19
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	151	0	151	151
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

## May 2020

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.53	128	0	128	128
F65	Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	5	0	5	5
F67	Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	5	18	0	18	18
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	128	0	128	128
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

June 2020

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.64	132	0	132	132
F65	Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	21	0	21	21
F67	Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	4	9	0	9	9
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	213	0	213	213
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		



# July 2020

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	2.39	275	0	275	275
F65	Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	8	43	0	43	43
F67	Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	5	26	0	26	26
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	392	0	392	392
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

## August 2020

<b>KEY PERFORMANCE REQUIREMENTS (KPR)</b>	<b>MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)</b>	<b>KPR Days</b>	<b>MINIMUM PERFORMANCE LEVEL (MPL)</b>	<b>ACTUAL PERFORMANCE LEVEL (APL)</b>	<b>Average Case Time (days)</b>	<b>Number of Cases</b>	<b>Over target</b>	<b>TOTAL (cases)</b>	<b>Within Target</b>
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.90	183	0	183	183
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	23	0	23	23
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	20	0	20	20
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	186	0	186	186
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		

## September 2020

<b>KEY PERFORMANCE REQUIREMENTS (KPR)</b>	<b>MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)</b>	<b>KPR Days</b>	<b>MINIMUM PERFORMANCE LEVEL (MPL)</b>	<b>ACTUAL PERFORMANCE LEVEL (APL)</b>	<b>Average Case Time (days)</b>	<b>Number of Cases</b>	<b>Over target</b>	<b>TOTAL (cases)</b>	<b>Within Target</b>
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	4.68	159	5	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%	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%	0%	#DIV/0!	0	0	0	0
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	0.0%	5	285	0	285	285
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		