



November 2025

Teesside Pension Fund Administration Report

1. Introduction

From 1 June 2025, the administration of the Teesside Pension Fund successfully transitioned from XPS Group to the Tyne and Wear Pension Fund (TWPF) under a shared service arrangement.

The initial success of this transition was measured by two critical milestones:

- The complete migration of member and employer data and documents as held on the previous provider’s pensions administration system to Tyne and Wear Pension Fund’s system.
- The timely payment of pensions to all pensioner members on 30 June 2025, ensuring continuity of service without disruption.

Both of the initial objectives were achieved. Notwithstanding this, it was accepted by both TWPF and TPF that 1 June marked an extremely challenging go-live date; falling in the middle of the delivery timetables for year-end contribution posting, annual benefit statement production and the 2025 Triennial Valuation.

Termination of the contract with the previous service provider required that the go-live date proceed as planned, leading to compressed timelines for completing the above tasks. While key objectives have been met and some cases exceeded expectations, the timing of the go-live has resulted in some short-term impacts on service delivery. Further details on these issues are provided below.

2. Annual Benefit Statement Production

Given the timing of the go-live date, it had not been anticipated that Annual Benefit Statements would be issued ahead of the statutory deadline (31st August 2025). Discussions were taking place about the likely need to report this breach of the law to the Pensions Regulator. This could have had reputational, and potentially financial, implications for both pension funds (please note, the production of TWPF benefit statements was never in doubt and statements were issued well ahead of the legal deadline).

To avoid this risk materialising, TWPF made the decision to deploy considerable staff resource to this area. This required a significant effort to ensure that year-end data was received from employers and then accurately posted to members' records. This enabled the production of both active and deferred Annual Benefit Statements ahead of the 31st August 2025 deadline, thereby avoiding a breach of the Regulations.

The completion of the year-end exercise and production of benefit statements ahead of the legal deadline was a significant achievement, and one that had not been previously expected. The outcome of the exercise was as follows:

Member Type	Percentage Received Statement	Excluding status 2 records
Active	74.11%	83.94%
Deferred	99.94%	n/a

As can be seen from the table above, the figure for active members is low. A large factor in this is the poor quality of the member data we have inherited, as well as the use of a “status 2” classification.

“Status 2” is not a classification that is widely used across the LGPS, and this issue has only come to our attention after the go-live date. We believe “status 2” records relate to members who have left the Scheme, although no supporting documentation is available to confirm this. We do not believe Annual Benefit Statements have previously been produced for “status 2” members. They have therefore likely been excluded from the statement count statistics. For comparison purposes, we have also considered the impact of excluding these “status 2” records on the overall Annual Benefit Statement production figures, and how their omission impacts the final hit rate.

Work to review and correct the status of these records will be incorporated into the Data Improvement Plan, ensuring that affected members are appropriately updated and accurate future statements can be issued.

3. Online Member Services Registration – mypension Portal

TWPF has adopted a digital first approach. This can achieve significant cost and resource savings.

The table below outlines the number of member registrations since the mypension portal opened to Teesside Pension Fund members in June 2025. To further encourage engagement, additional communications will be sent to members over the coming months, promoting registration and use of the portal.

From 2026, both the Pensioner Update and Annual Benefit Statements will be delivered online via the mypension portal.

While digital delivery will become the default method of communication, members will still have the option to request paper copies if preferred.

It should be noted that the figures in the table below represent the number of individuals in the Teesside Pension Fund, rather than the number of pension records.

Member Type	Total Members	Registered for Web	Percentage Registered
Active	27,000	3,796	14%
Deferred	19,517	1,775	9%
Pensioner	22,913	870	4%

4. Member Data for the 2025 Triennial Valuation

Another area that had been identified as a short-term priority was the provision of member data to the Teesside Actuary for the 2025 Valuation.

Again, as with the Annual Benefit Statements, there were genuine concerns that the provision of acceptable member data would not be possible to facilitate the smooth progress of the 2025 Valuation for the Teesside Pension Fund. This was due to the poor quality of the member data and concerns were raised by the Teesside Actuary ahead of the go-live date.

Due to the importance of the Valuation to the Teesside Pension Fund and its employers, additional resources were also deployed to this area to ensure that the Valuation could proceed in a timely manner.

A timescale for the delivery of member data was agreed with the Teesside Actuary, and we can confirm that this project is now back on track. While the Valuation is proceeding, member data remains an area of concern. This issue is discussed further below.

5. Service Delivery

Changing pensions administration service providers is a significant undertaking in the short term and we are delighted that the key objectives and additional largescale tasks have all been achieved. However, this has only been achieved by deploying considerable resources to these areas, which has resulted in some disruption to service in other areas.

We are aware that some backlogs arose during the period of transition and calls to our Helpline were at an extremely high level. In recognition of this, and in agreement with the Teesside Pension Fund, we have written to all members and employers of the Teesside Pension Fund to acknowledge the short-term challenges and to provide reassurance for the future.

Pleasingly, performance on our Helpline and response times to messages within our member portal have significantly improved and continue to be maintained at a satisfactory level.

Current performance on our Helpline is shown in the table below. Please note, the information includes calls for both the Tyne and Wear Pension Fund and the Teesside Pension Fund.

Week commencing :	12/10/2025	19/10/2025	26/10/2025
Total number of calls to the helpline	1410	1222	1202
Average time on hold	00:08:11	00:03:18	00:02:11
Abandoned calls	436	197	136
Average time before a call is abandoned	00:03:42	00:02:16	00:01:58
Maximum wait time	00:41:33	00:35:23	00:18:16
Percentage of calls answered	68.59%	83.74%	88.69%

While the transition to TWPF administration is progressing well, it is important to acknowledge that we are still in the early stages of assessing the full scope and volume of pensions processing activity within the system.

During this transitional period, TWPF strategically prioritised key areas of work to ensure that pensions and benefits are paid accurately and on time. These priority areas include:

- Death Benefits Processing – ensuring prompt and sensitive handling of cases involving deceased members.
- Retirement Cases – managing active member retirements to ensure timely commencement of pension payments.
- Deferred Member Retirements – processing benefits for members who have left employment and are now drawing their deferred pensions.

These priorities reflect our commitment to safeguarding member outcomes during the transition and maintaining high standards of service delivery.

At the time of writing this report, there were 6,762 active processes in the system, categorised as follows:

- Priority 1 – 506 processes

These include death cases, immediate retirement benefit calculations, and transfers into the Teesside Pension Fund.

- Priority 2 – 2,461 processes

This category covers deferred retirements, deferred benefit calculations, and refund processing.

- Priority 3 – 3,440 processes

These include interfund transfers (in and out) and aggregation of pension benefits.

It should be noted that many cases included in Priority 2&3 are legacy issues pre-dating our service contract. Some of the backlog is also a result of a period of system blackout that was necessary for the data transmission.

6. Performance Against Statutory requirements and Key Performance Indicators

Whilst the above provides information on the volume of work, we also measure performance against the statutory requirements of the Disclosure of Information Regulations, the national LGPS Scheme Advisory Board's (SAB) Performance Indicators and additional internal performance indicators. Appendix 1 and 2 show performance as at 31 October.

In respect of performance against Disclosure requirements, these are measured against 100%. Compliance is not always achievable as there is a reliance on employers to provide information and cases can be complex.

In respect of SAB indicators, guidance now requires LGPS Funds to publish performance in their Fund Annual Report and Accounts. The appendix 2 shows some of these SAB performance indicators - table A has been excluded whilst we compile the requisite information.

It should be noted that some areas of performance are still being impacted by the transition period and handover of outstanding work which was not completed within timescales. It is expected that performance will improve during the year as historical and transitional cases flush through. Officers will talk through the performance in the appendices during the meeting.

As noted above, we process on a priority basis, where performance is not as expected, this is largely on areas of work deemed lower priority.

7. Moving Forward

Focus has now moved to the next phase of service delivery. While this is mostly positive, it should be noted the following significant challenges still lie ahead:

Improving the quality of member data

The quality and presence of member data was significantly worse than we had expected. Data quality is of fundamental importance to effective pensions administration. Sadly, the Teesside member data is not in a good condition, and this will take a few years to improve to the requisite standard.

At the time of transfer, based on the data we received, membership numbers for Teesside are as follows:-

	Active	Deferred	Pensioner	Preserved Refund	Total
LGPS	29183 *	22076	27556	1206	80021
Councillor	-	6	22	-	28
Total	29183	22082	27578	1206	80049

Included in the active numbers are 4744 records that relate to ‘Status 2’ undecided leaver records. This means that these records were unresolved at the date of transfer and require corrective action by us in conjunction with the members and employers.

Some of the “status 2” cases date back many years, including some that originated in 2000. We will need to collaborate with all relevant employers to identify and pay any benefits due. This is a significant task and is one that employers are not currently aware of. The need to resolve these cases is unlikely to be welcomed by employers. Nevertheless, the problem cannot be ignored.

Given the situation with “status 2” cases, the membership numbers shown above will almost certainly change. We can provide updated information in due course.

In addition to unresolved cases (i.e. “status 2”), we have also discovered a practice of using default dates of birth for members where the date of birth had not been known. There are in excess of 800 additional records that require review and correction. This practice has meant that members may not have received correct information about their pension benefit entitlement.

We have recently undertaken a data score for the Teesside Pension Fund. The results show:

- TPF Common Data Score for 2025: 94.75% (2024 score: 95.80% as reported)
- TPF Scheme Specific Data Score for 2025: 69.01% (2024 score: 77.35% as reported)

The Pensions Regulator expects that administrators maintain a Data Improvement Plan. We are now working to create a Data Improvement Plan for the Teesside Pension Fund.

Pensions Dashboard

Pensions Dashboards are a government-led initiative designed to give individuals a secure, online, platform to view all their pension information in one place, including LGPS benefits and other pension arrangements. The aim is to improve transparency, help members plan for retirement, and reduce the risk of lost pensions. For LGPS funds, this requires ensuring data accuracy, compliance with technical standards, and integration with the national dashboard infrastructure.

TWPF has appointed Civica, our pensions administration software provider, as our Integrated Service Provider (ISP) and we are on track to connect the Teesside Pension Fund to the dashboard programme within required timescales. The Fund is expecting to prove the ability to connect to the infrastructure by the end of January 2026 (please note, connection had been required by the end of October 2025, but Civica were granted an extension by the Pensions Regulator). The date of live launch is yet to be announced, although a period of 6 months’ notice is expected.

High-quality data and robust processes are essential to meet regulatory expectations and deliver a reliable service for members. The work undertaken above in respect of data quality will assist with this.

McCloud Remedy

The McCloud remedy in the LGPS addresses age discrimination identified in the 2014 reforms to public service pension schemes. The remedy ensures that eligible members, those who were active in the scheme between 1 April 2014 and 31 March 2022, receive protection comparable to that offered under previous rules. This involves reviewing benefits, applying underpin calculations where necessary, and updating records to reflect any adjustments. The process is complex, requiring accurate historical data and careful communication with affected members, but it is essential to ensure compliance with legal requirements and maintain fairness across the scheme.

Although this exercise is important, with an initial statutory completion deadline of August 2025, limited progress had been made prior to commencement of the contract. It is understood that Teesside Pension Fund did not approve some of the proposals presented by the previous provider and this has impacted on achieving compliance.

Due to the complexity and scale of the work in this project, the deadline for completion has been revised to 31 August 2026. We will now undertake the work and will try to do so within the current contract price. Any additional costs will be identified and presented for approval.

GMP Rectification

GMP Rectification in the LGPS is a critical exercise to ensure that Guaranteed Minimum Pension (GMP) amounts are accurate and compliant with statutory requirements.

GMPs were introduced under contracting-out arrangements linked to the State Earnings-Related Pension Scheme (SERPS), and discrepancies often arise due to historical data issues, legislative changes, or system migrations.

Within the LGPS, rectification involves reconciling member records against HMRC data, correcting benefit calculations where necessary, and issuing clear communications to affected members. This process safeguards against overpayments or underpayments, maintains data integrity, and ensures the Fund meets regulatory expectations.

Given the complexity and scale of LGPS membership, GMP rectification is a priority to uphold member confidence and deliver accurate pension benefits.

Although this exercise is important, it had been not undertaken prior to the commencement of the contract. It is understood that the previous provider got to the stage of conducting the analysis against the HMRC final data and presenting recommendations to the Local Pension Board. However, no further work was commissioned by the Teesside Pension Fund as a commercial agreement could not be reached. The project therefore stalled.

We will now undertake the work and will try to do so within the current contract and price. Delivery will be subject to relevant information provided by HMRC and the Department of Work and Pensions, which has been passed on by the previous provider, being made available to us.

Due to the size and timescales of the project, we may need to obtain support from a third party. If this is the case, any additional cost may need to be passed on. This would, however, need to be discussed and agreed with the Teesside Pension Fund first.

8. Conclusion

The transition to TWPF administration has been successfully completed with additional tasks delivered, exceeding initial expectations.

It is acknowledged that there has been some short-term disruption to service delivery, but this is very much an improving picture.

As we move beyond the initial transition phase, there are still a number of challenges that need to be addressed. Despite this, progress is being made and will continue to be made on an ongoing basis.

Over the coming years, we firmly believe that Teesside members and employers will see significant benefits from our shared administration service.

Regulatory Changes

We wanted to bring to your attention the LGPS: Scheme Improvements (Access and Protections) consultation, which was launched in October.

The consultation covers four main areas:

1. Normal Minimum Pension Age (NMPA):

Following the Finance Act 2022, the NMPA, which is the earliest age someone can start drawing a pension except in certain circumstances, will rise from 55 to 57 by April 2028. These proposals will ensure that members with a Protected Pension Age (PPA)—those who joined the LGPS before November 2021—can still choose to access benefits at 55. However, members who joined later and transferred benefits into the LGPS will not retain this protection.

2. Access for Councillors and Mayors:

Currently excluded in England, councillors and mayors (including Combined Authority Mayors) will be granted access to the LGPS, aligning with other UK nations. Draft regulations define them as “elected members,” with principles ensuring voluntary enrolment and consistent treatment with other LGPS members. The estimated cost across England is £40–45 million annually, with no additional government funding.

3. Academy Consolidation:

Multi-Academy Trusts (MATs) often span multiple pension authorities, creating inefficiencies. The government proposes criteria for direction orders to consolidate administration within one authority. If criteria are met, Secretary of State consent would no longer be required. This aims to streamline processes and reduce administrative burdens while discouraging “contribution rate shopping.”

4. New Fair Deal for Outsourced Workers:

The government proposes mandatory LGPS access for outsourced staff, removing the little-used option of broadly comparable schemes. A “deemed employer” model would make the original public sector employer responsible for pension obligations, simplifying administration (for example, by removing the need for admission agreements) and reducing risk for contractors.

The consultation will run for 10 weeks, from 13 October to 22 December 2025.

Appendix 1

Teesside Pensions Fund's Performance against Disclosure Standards up to 31 October 2025

No.	Performance Indicator	Cases Processed this month	Cases Processed Year to Date	Achieved Standard this Month (%)	Achieved Standard Year to Date (%)
1	Death of a member (Combined to include active deferred and pensioner)	38	135	74%	70%
2	Death in service - (Revised)	0	0	0%	0%
3	Deferred Benefit – Notification of entitlement	282	846	100%	100%
4	Deferred Benefit into Payment	209	789	87%	77%
5	Deferred Refund into Payment	158	492	96%	96%
6	Divorce Quotation	18	65	100%	100%
7	Estimate of Benefits	42	135	93%	92%
8	Immediate Pension	272	879	62%	66%
9	Immediate Pension (Revised)	0	0	0%	0%
10	Joiner not BDI	142	426	51%	51%
11	Joiner BDI	0	616	0%	12%
12	Refund	198	673	94%	95%
13	Refund (Revised)	109	327	8%	8%
14	TV In Quotation	14	43	100%	98%
15	TV Out Quotation	26	86	92%	93%
16	TV Out Payment	7	21	86%	86%

Appendix 1

Cumulative Totals, Disclosure (includes BDI processes) and Reasons for failure, where targets have been missed

	Total Completed	Total Missed	% Missed	Total Hit	% Hit
Q1 2025-26	36	1	3%	35	97%
Q2 2025-26	3,515	847	24%	2,668	76%
Q3 2025-26	5,533	1,646	30%	3,887	70%
Q4 2025-26	0	0	0%	0	0%

Reasons for failure, where targets have been missed

Cumulative Totals per Quarter – Mitigation (Does not include BDI processes)						Joiner BDI Cumulative Totals per Quarter - Mitigation		
	Total Mitigation	Internal	Missing / Incorrect Info from Employer	Other	SLA NA	Total Mitigation	Internal	Missing / Incorrect Info from Employer
Q1 2025-26	5	1	0	0	4	0	0	0
		20%	0%	0%	80%		0%	0%
Q2 2025-26	690	390	245	54	1	78	25	53
		57%	36%	8%	0%		32%	68%
Q3 2025-26	289	145	120	23	1	542	64	400
		50%	42%	8%	0%		14%	86%
Q4 2025-26	0	0	0	0	0	0	0	0
		0%	0%	0%	0%		0%	0%

Appendix 2



Table B - Time taken to process casework

Ref	Casework KPI	Suggested fund target*	% completed within fund target in year	% completed in previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	85%	0%
B2	Communication issued confirming the amount of dependents pension	10 days	77%	0%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	81%	0%
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	88%	0%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	95%	0%
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	96%	0%
B7	Payment of lump sum (both actives and deferreds)	15 days	95%	0%
B8	Communication issued with deferred benefit options	30 days	51%	0%
B9	Communication issued to scheme member with completion of transfer in	15 days	89%	0%
B10	Communication issued to scheme member with completion of transfer out	15 days	100%	0%
B11	Payment of refund	10 days	90%	0%
B12	Divorce quotation	45 days	98%	0%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 days	75%	0%
B14	Communication issued to new starters	40 days	98%	0%
B15	Member estimates requested by scheme member and employer	15 days	90%	0%

Appendix 2

Table C - Communications and engagement

Ref	Engagement with online portals	Amount							
C1	% of active members registered	19%							
C2	% of deferred member registered	12%							
C3	% of pensioner and survivor members	10%							
C4	% total of all scheme members registered for self-service	11%							
		Age	No. registered members	Age	No. registered members	Age	No. registered members	Age	No. registered members
C5	Number of registered users by age	<20	9	35-39	397	55-59	1513	75-79	45
		20-24	80	40-44	544	60-64	1221	80-84	14
		25-29	208	45-49	624	65-69	513	85-89	8
		30-34	284	50-54	972	70-74	106	>89	3
C6	% of all registered users that have logged onto the service in the last 12 months	97%							
C7	Total number of telephone calls received in year	TBC							
C8	Total number of email and online channel queries received	TBC							
C9	Number of scheme member events held in year (total of in-person and online)	0							
C10	Number of employer engagement events held in year (in-person and online)	51							
C11	Number of active members who received a one-to-one (in-person and online)	TBC							
C12	Number of times a communication (i.e newsletter) issued to:								
	a) Active members	1							
	b) Deferred members	1							
	c) Pensioners	1							



Appendix 2

Table D - Administration KPI Resources

Ref	Resources	
D1	Total number of all administration staff (FTE)	Data updated at the end of Q4
D2	Average service length of all administration staff	
D3	Staff vacancy rate as %	
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	
D5	Ratio of administration staff (excluding management) to total number of scheme members	

Table E - Data Quality

Ref	Annual Benefit Statements	
E1	Percentage of annual benefit statements issued as at 31 August	92%
	Short commentary if less than 100%	Incomplete Records
Data category		
E3	Common data score	95%
E4	Scheme specific data score	69%
E5	Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	0%
E6	Percentage of active, deferred and pensioner members with an email address held on file	45%
Employer performance		
E7	Percentage of employers setup to make monthly data submissions	6%
E8	Percentage of employers who submitted monthly data on time during the reporting year	*

* Work is ongoing to onboard all employers for monthly data.