TWPF Tyne and Wear Pension Fund

in partnership with

Teesside Pension Fund

Teesside Pension Fund

Administration Report

6 July 2026 – Local Pension Board

Pension Administration Report – Q4

This report provides an update on material matters in pensions administration and performance for Q4 up to 31 March 2026.

1. Introduction

On 1 June 2025, responsibility for the administration of the Teesside Pension Fund was successfully transferred from XPS Group to the Tyne and Wear Pension Fund (TWPF) as part of a shared service agreement. It has been acknowledged that the early transition period was not without its difficulties. Notably, there are several data-related issues that TWPF is now actively working to resolve but whilst acknowledging and accepting that some errors will still take time to resolve.

As we now pass our first anniversary of the Shared Service we are operating under standard business procedures in many areas.

2. Pensions Processing

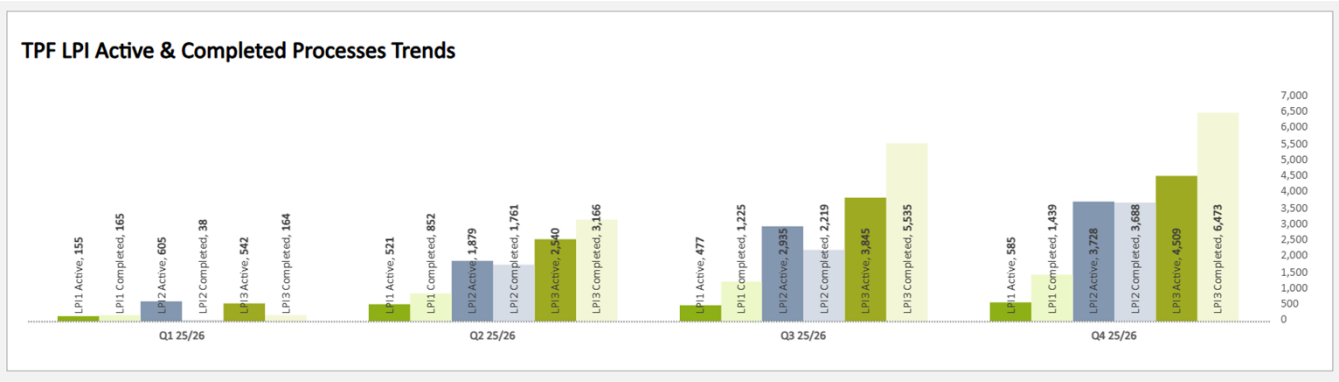
Processing is undertaken and managed on a priority basis a below:

- Priority1 (LP1) - Life events requiring immediate payment - deaths, retirements and transfers In

- Priority 2 (LP2) - Divorce, transfers out, joiners, refund of contributions and data updates

- Priority 3 (LP3)- Pension monetary changes, member tracing, interfund transfers, combining membership, purchasing additional pension and record updates.

The table below shows current trends of the active processes and the processes completed during 2025/2026 since Tyne and Wear Pension Fund commenced the contract for Teesside Pension Fund on 1st June 2025.



Please be advised that the total number of active processes will continue to increase in subsequent quarters, as we continue to process the inherited historical cases (Status 2 undecided leavers which were approximately 4,500 cases initially). These cases will require reviewing and possible subsequent benefit calculations to ensure their status is accurately updated.

It should be noted that whilst records remain at the inherited incorrect “holding” status, members may not receive an annual benefit statement or payment of any benefits that are due to them.

3. Performance Against Statutory Requirements and Key Performance Indicators

LGPS Scheme Advisory Board’s (SAB) Performance Indicators.

The Fund measures performance across pension processing using a variety of indicators. In line with statutory requirements and guidance, the main measure of the service is against the national LGPS Scheme Advisory Board’s (SAB) Performance Indicators. This is the standard measure of internal performance across LGPS Funds and is reportable in the Pension Fund Annual Report and Accounts.

Appendix 1 sets out the performance against the SAB KPIs from the start of the contract, 1 June 2025 up to 31 March 2026.

It should be noted performance shown during the year cannot be seen as true measure or reflection of performance. Within the first 10 months of operation there have and continue to be several negative and detrimental influencing factors which are out of our control. These can be attributed to the levels outstanding and poor-quality data at the time of the contract commencement.

Table A presents the number of cases started and completed during the period up to 31 March 2026. An internal performance target has been set at 80%. At the end of the year, performance was below target in 9 areas, although 3 areas (relating to deaths and retirements) are close to being on target.

Table B presents the processing performance – an internal performance target of 90% has been set. At the end of the year, performance was below target in 11 areas, although 2 areas (relating to retirements) are close to being on target.

The main reasons for underperformance are as follows:

- Ongoing issues whilst dealing with inherited data – this will continue to impact individual cases until all outstanding cases are resolved
- Performance figures will continue to appear poor as ‘out of date’ cases are progressed to completion
- Planned system downtime to integrate Teesside Pensions Fund records into the administration system, and to install upgrades related to the mandatory McCloud remedy
- Processing performance will fluctuate across the year when resources are diverted to address bulk tasks, such as the production of Annual Benefit Statements and creation of the Valuation data

- Processing performance will fluctuate in individual areas of work, when resources are diverted towards tackling higher priority work (such as deaths and immediate benefits), away from lower priority areas of work (such as interfund transfers and aggregation).

(Disclosure of Information) Regulations 2013 ("the Disclosure Regulations"), and additional internal performance indicators

This historical "Disclosure" requirements measure overall time taken to process benefits and provide information to members. It is not a true measure of a pension fund's own performance as there are several factors to consider, such as reliance on employers to provide information and the complexity of individual cases.

Compliance is not always achievable and can be reported differently across the pensions industry. In recognition of this SAB developed the standard performance indicators reported above.

For completeness Appendix 2 sets out performance for the year up to Q4 (i.e. the period 1 June 2025 to 31 March 2026) against the Disclosure Regulations. In respect of performance against disclosure, these are measured against 100%.

Whilst the overall performance is low, the challenges of the transition set out above are contributory factor. However, progress is being made to improve the achieved percentage.

Actions to improve

Continued work is ongoing to improve data quality, to identify where improvements can be made to address outstanding issues and to streamline work for greater efficiencies. In addition to the staff wishing to transfer from the previous provider, additional staff have already been recruited and joined Tyne and Wear Pension Fund, and more are joining over the coming weeks.

A recovery plan is now being developed to support improvement in performance. This will set out the specific actions being taken, the expected timescales for delivery, and when performance is expected to improve. The recovery plan will be presented to the next Committee and Board meetings to provide assurance on the steps being taken and to support ongoing oversight of progress.

4. Member Electronic Communications and Registration

TWPF's default method of communication is digital, meaning that members will receive documents and updates electronically unless they specifically request to continue receiving paper correspondence. This brings significant efficiencies and cost savings.

A move to digital service was agreed with Teesside Pension Fund and members have been notified of this transition through various communications over the past year, ensuring that everyone is aware of the new approach.

The table below shows the number of members registered for online services and reflects encouraging growth over a short period. In February 2026, all Teesside Pension Fund pensioners were sent a targeted letter encouraging them to register for mypension before P60s for 2025/26 were issued. This appears to have had a positive impact, with registrations increasing significantly by the end of March.

	Active		Deferred		Pensioner	
	Registered	%	Registered	%	Registered	%
30/09/2025	3,796	14%	1,775	9%	870	4%
22/01/2026	7,064	26%	3,558	18%	6,680	25%
31/03/2026	7,460	27%	3,741	19%	10,089	38%

5. Service Delivery

Member Helpline

The helpline has high demand as many members continue to choose this method of contact. Call volumes increased significantly in February and March. This was partly driven by the issue of an additional letter to Teesside pensioners encouraging registration for mypension ahead of the 2025/26 P60 exercise, which generated a notable increase in member contact as members called to request to continue receiving paper correspondence. Although the number of calls answered also increased, performance did not keep pace with demand, and the proportion of calls answered fell to 68.59% in March.

The table below illustrates the total volume of calls received by the Pensions Helpline from over the last 6 months (This includes calls from both Tyne and Wear and Teesside members and their representatives).

	October	November	December	January	February	March
Number of helpline calls	7244	8114	4965	7630	9008	11038
Total number of helpline calls after menu selection	6184	6978	3802	5151	7869	9074
Number of calls answered	4609	5014	3101	5151	5751	6314
Abandoned calls after selection	1575	1964	701	1464	2118	2760
Average wait time	05:52	05:55	03:51	04:47	04:31	05:15
Maximum delay to answer	50:49	49:16	40:56	01:35:49	52:49	49:01
Average length of call	05:27	05:26	05:17	05:37	04:57	04:50
Average abandoned time	03:29	02:41	02:45	03:02	02:27	02:41
% of calls answered	74.12%	71.33%	78.73%	77.62%	73.01%	68.59%

Pensioner Annual Mailing

The annual pensioner mailing provides pensioners with key year-end information about their pension, including their P60 and any accompanying updates about their benefits or Fund services. The 2025/26 exercise has now been completed and, in addition to the emails

issued to pensioners, 3,298 letters were sent to those who opted to continue receiving paper correspondence. All P60s were issued before the statutory deadline.

Fund Newsletters

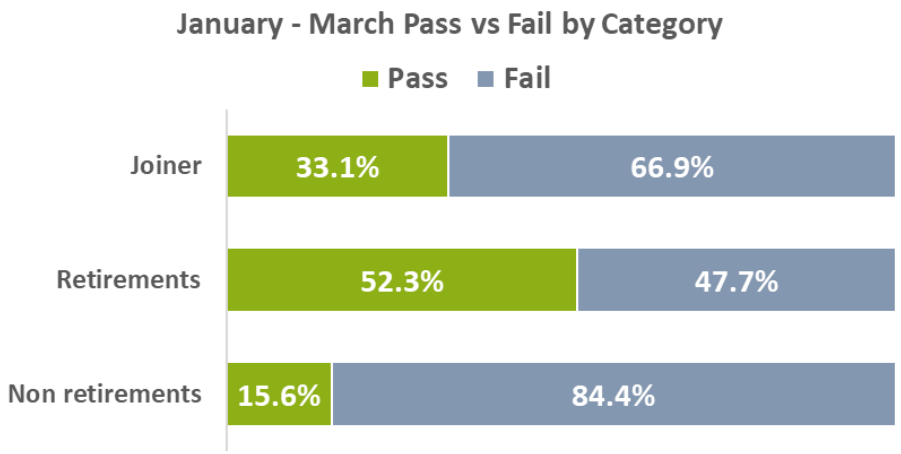
During the last quarter, we have published our Spring 2026 Newsletter which includes updates on key developments affecting Teesside Pension Fund members. Members were notified of its publication by email and encouraged to view the newsletter online, helping to ensure that important information was shared widely. Work is now ongoing to create the Summer 2026 newsletter.

6. Employer Performance

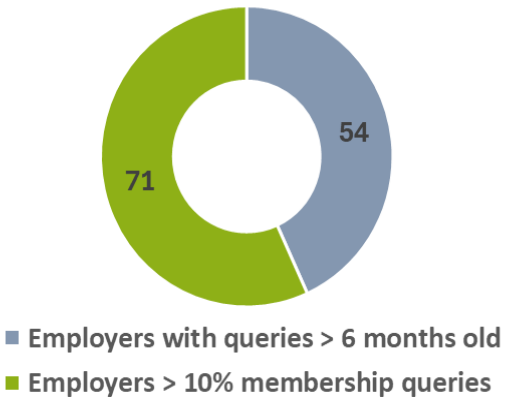
Employers are under a statutory obligation to provide accurate and timely information in respect of their members. The Fund is dependent on the receipt of this data to maintain accurate member records, calculate and pay benefits, and issue annual benefit statements. To achieve quality data flows, we closely monitor the overall performance of employers and keep track of any outstanding queries.

In addition to the Fund's wider KPIs which are measured, we track the numbers of unresolved queries against two triggers. In order to support effective governance and oversight, employer performance is measured against the following measures:

- The quality and timeliness of data submitted in respect of joiners, retirements and other leavers: and
- The level of outstanding queries, with particular focus on cases where queries exceed 10% of total membership or remain unresolved for more than six months.



This graph (above) shows joiner and leaver forms received on time versus late during January to March 2026.



This graph shows the number of employers with unresolved queries totalling more than 10% of their total membership or queries which are more than six months old from the 160 employers with active members. The Employer Services Team will continue to monitor employers that reach the agreed trigger thresholds and will undertake further review where required.

Monthly review meetings are also held with the four largest employers in the Fund to monitor and discuss performance, and to discuss any areas that require improvement. To support this process, the Fund provides a scorecard that helps track performance over time and highlights any issues that may need attention. These meetings and scorecards help the Fund oversee:

- The timeliness of submissions
- The accuracy and quality of member data
- Relative employer performance.

Monthly Data Collection (MDC)

Monthly Data Collection (MDC) is the process by which employers provide the administering authority with monthly pay, contribution and service data for scheme members, rather than relying solely on the annual return. This approach supports the maintenance of more timely and accurate member records and strengthens the overall quality of scheme data. There is a plan in place to migrate all appropriate employers to MDC by 2029.

At the point TWPF assumed administration on 1 June 2025, nine employers were participating in monthly data submissions. This has subsequently increased to nineteen employers, representing continued progress in the adoption of the MDC process.

Challenges remain in relation to one large employer, which has experienced difficulties in submitting MDC files in the required format, resulting in increased manual processing and the emergence of a backlog. Processing has now progressed to the February file. Officers continue to work closely with the employer to improve the format and quality of future submissions and to support a return to a more up-to-date position.

Year End Progress

For those employers not yet migrated to MDC, the deadline for submission of the year end data was 14 April 2026. This is to tie in with Annual Benefit Statement Production.

The table below shows the current position for the year end data at the time of writing. All employers have completed the initial stage of the process and 64 are fully complete, giving an overall current completion rate of 46%.

Category	Number
On time	81
Late	59
Fully completed	64
Still being worked on	76
Total employers	140

This shows that the exercise is currently well advanced, with the majority of member data now received, although a significant amount of follow-up work remains before all cases can be classed as complete. Following the initial data load, 14,164 queries were identified. These remain the principal barriers to full completion and indicate that the focus of the next stage of the work is on data quality resolution rather than initial data collection. All employers should have submitted their responses by 29 May 2026. Overall, this highlights the continued need for employer engagement and corrective action.

Employers Joining and Leaving the Fund

Since 1 June 2025, the Fund has been dealing with employers who have joined the Fund and also those who have left the Fund. 7 admissions have been completed, with 4 others currently ongoing. 12 employers have exited the Fund with an additional employer currently in the process of exiting. Work has also been carried out with an additional employer who is currently dealing with a tender exercise. Further details relating to these employers are shown below in appendix 3.

7. Dashboards

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.

Civica, our pensions administration software provider, as our Integrated Service Provider to connect to the dashboard. In line with requirements, we completed the initial phase to connect member records for both Teesside and Tyne and Wear Fund. We have now moved

to next phase of testing to the data matching. The date of live launch is yet to be announced. Announcement of this is expected in autumn 2026, with a period of 6 months' notice taking the live launch into 2027/2028.

High-quality data and robust processes are essential to meet regulatory expectations and deliver a reliable service for members. The noted poor quality of Teesside member data is a current problem and risk. While we have a plan to improve the Teesside member data, this may take some time before data reaches a satisfactory standard.

8. Industry Developments Affecting Administration

Changes to the Regulations – Following the Access and Fairness Consultations, the first phase of changes to the Scheme Regulations were issued from 1 April 2026. This phase covers changes to survivor pensions and death grants, reducing the gender pension gap in the LGPS, the abolition of the lifetime allowance figure, changes to the application of the McCloud remedy and some changes to the payment of very small pensions.

An implementation plan is in place. We are communicating the changes to members and employers through various channels. We also have information on our website.

A subsequent phase is expected later in 2026. It is anticipated that this will include changes relating to reporting the gender pension gap, unclaimed refund of contributions

Following the Access and Protections consultation, Scheme Regulations were updated to allow mayors and councillors to join the LGPS from 11 May 2026. We have communicated this to all relevant bodies, provided training session and links to guidance and information leaflets and offered further training or presentation to eligible councillors. We have also updated our public which includes a dedicated section for councillors.

Changes to the SCAPE discount rate – On 19 May 2026, the Minister for Pensions announced that the SCAPE (superannuation contributions adjusted for past experience) rate discount has changed from CPI (consumer price index) plus 1.7% to CPI plus 2%. The SCAPE discount rate is used to determine the actuarial factors in LGPS calculations. The Government Actuaries Department who reviews and sets the factors, is issuing revised factors in phases. The first batch of factors were issued on 9 June 2026, providing factors for non club transfers out, pensioner cash equivalent values and pension credit calculations. Factors for early and late retirements are expected within six weeks of the announcement. It is expected that any change will be detrimental to values of benefits arising from voluntary early retirements and payments. The remainder of the factors will be issued in batches over a six-month period.

The above changes have been notified to all employers within the Fund, and we have included information on our website and provided information in pension estimates. We will provide updates as further information becomes available.

9. Conclusion

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

Following the early short-term disruption to service delivery we have moved beyond this towards business as usual in most areas. Progress is being made on the challenges that need to be addressed.

TWPF is already demonstrating added value at no additional cost. Over the coming years, we firmly believe that Teesside members and employers will see significant benefits from our shared administration service.

Appendix 1

SAB Administration Key Performance Indicators at 31 March 2026 (Quarter 4)

Table A – Total number of casework

A – ADMINISTRATION KEY PERFORMANCE INDICATORS

Table A - Total number of casework

Ref	Casework KPI	Total no. new cases created in the year (April to March)	Total no. of cases Completed in year (April to March)	Total % of cases completed in year
A1	Deaths recorded of active, deferred, pensioner and dependent members	444	340	43%
A2	New dependent member benefits	198	198	99%
A3	Deferred member retirements	2,074	1,706	66%
A4	Active member retirements	2,169	1,633	69%
A5	Deferred benefits	2,664	868	15%
A6	Transfers in (including interfunds in, club transfers)	212	171	72%
A7	Transfers out (including interfunds out, club transfers)	582	547	89%
A8	Refunds	2,418	1,502	60%
A9	Divorce quotations issued	153	130	73%
A10	Actual divorce cases	8	6	38%
A11	Member estimates requested either by scheme member and employer	405	342	80%
A12	New joiner notifications	2,481	2,412	96%
A13	Aggregation cases	3,198	1,765	23%
A14	Optants out received after 3 months membership			

Table B – Time taken to process casework

Table B - Time taken to process casework

Ref	Casework KPI	Suggested fund target*	% Completed within fund target in year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	54%
B2	Communication issued confirming the amount of dependents pension	10 days	51%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	32%
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	42%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	79%
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	92%
B7	Payment of lump sum (both actives and deferreds)	15 days	86%
B8	Communication issued with deferred benefit options	30 days	38%
B9	Communication issued to scheme member with completion of transfer in	15 days	100%
B10	Communication issued to scheme member with completion of transfer out	15 days	92%
B11	Payment of refund	10 days	41%
B12	Divorce quotation	45 days	91%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 days	60%
B14	Communication issued to new starters	40 days	50%
B15	Member estimates requested by scheme member and employer	15 days	33%

**Days in this column are a suggested fund target for completion and not the statutory timescale.*

Appendix 2

Disclosure Regulations Performance up to 31 March 2026

Teesside Pensions Fund's Performance against Disclosure Standards up to 31 March 2026

Consistently achieve the service standards – Disclosure Regulations – Target is 100%

No.	Performance Indicator	Team Responsibility	2025/26 Cases Processed Year to Date	2025/26 Achieved Standard Year to Date (%)
1	Death of a member (Combined to include active deferred and pensioner)	Benefits and Bereavements Manager	105	37%
2	Death in service - (Revised)	Benefits and Bereavements Manager	0	0%
3	Deferred Benefit - Notification of entitlement	Transfers and Early Leavers Manager	279	100%
4	Deferred Benefit into Payment	Benefits and Bereavements Manager	1,216	40%
5	Deferred Refund into Payment	Transfers and Early Leavers Manager	152	93%
6	Divorce Quotation	Transfers and Early Leavers Manager	75	87%
7	Estimate of Benefits	Benefits and Bereavements Manager	132	41%
8	Immediate Pension	Benefits and Bereavements Manager	1,086	36%
9	Immediate Pension (Revised)	Benefits and Bereavements Manager	0	0%
10	Joiner not BDI	Employer Services Manager	0	0%
11	Joiner BDI	Employer Services Manager	1,698	26%
12	Refund	Transfers and Early Leavers Manager	746	54%
13	Refund (Revised)	Transfers and Early Leavers Manager	0	0%
14	TV In Quotation	Transfers and Early Leavers Manager	33	91%
15	TV Out Quotation	Transfers and Early Leavers Manager	59	98%
16	TV Out Payment	Transfers and Early Leavers Manager	12	75%

Appendix 3

Admissions and Exits for Teesside Pension Fund from 1 June 2026

Admissions - Completed	
Churchill Contract Services Limited (Lift Unity School)	Completed 15 December 2025
Churchill Contract Services Limited (Bishop Hogarth)	Completed 10 November 2025
Aspens-Services Ltd (Tees Valley)	Completed 7 Janaury 2026
Aspens-Services Ltd (St Hilds)	Completed 31 October 2026
Hutchison Catering Limited (Eden Academy)	Completed 20 November 2025
Taking Care Personal Alarms (Formerly PPP Taking Care)	Completed 2 December 2025
Middlesbrough Municipal Golf CIC	Completed 17 April 2026

Admissions Ongoing
4 employers

Services Re-tendered
1 employer

EXITS - COMPLETED	
Care and Custody Health	Maxim - NPCAT
Mellors - Skelton	Maxim - Steel River
Mellors - Thornaby	XPS
Mellors - Central	NMRN
Mellors - Riverdale	SLM
Samsic Green Lane	SLM

Up and coming Exits
1 employer