

# Teesside Pension Fund

## Service Delivery Report

2020/21

# Teesside Pensions Fund

## Headlines

### High Court judgement on exit credits

On 27 May 2021, the High Court handed down judgement in the case of EMS & Amey v Secretary of State for MHCLG. The case relates to the non-payment of a £6.5 million exit credit. The Court found in favour of MHCLG and upheld the retrospective effect of the LGPS (Amendment) Regulations 2020.

The judgement also clarified that excluding the possibility of paying an exit credit because a pass-through arrangement is in place is an incorrect application of the regulations. Please check the wording in funding strategy documents to ensure it complies with this.

The full judgement can be found online on [bailii.org](https://www.bailii.org)

### Response to consultation on new codes of practice

On 4 June 2021, the Board's secretariat, in consultation with the Investment, Governance and Engagement committee, responded to TPR's consultation on a new code of practice on behalf of the Scheme Advisory Board (SAB).

The response can be accessed on the responses to consultations page of SAB's website.

### LGPS mortality data

On 15 June 2021, the SAB in England and Wales updated its LGPS mortality data to the end of March 2021. On the same day, the SAB published updated records from Aon and Barnett Waddingham which sets out analysis of the mortality data of a single LGPS fund during the pandemic.

The data and the reports can be seen on the [SAB COVID-19 Mortality page](#).

### Treasury launches consultation on cost control mechanism

On 24 June 2021, HM Treasury launched a consultation on proposed changes to the cost control mechanism alongside a written ministerial statement. It sets out the Treasury's response to GAD's findings in a recent review of the mechanism and proposes several changes. The consultation closed on 19 August 2021, but it can be seen on the non-scheme consultations page of the [www.lgpsregs.org](http://www.lgpsregs.org).

## **Treasury launches consultation on the SCAPE discount rate methodology**

On 24 June 2021, HM Treasury launched a consultation on the methodology the Government uses to set the SCAPE discount rate alongside a written ministerial statement.

The consultation seeks views on the objectives for the SCAPE discount rate and the most appropriate methodology for setting it.

The consultation closed on 19 August 2021, but it can be seen on the non-scheme consultations page of the [www.lgpsregs.org](http://www.lgpsregs.org).

## **Actuarial guidance**

LGA have published a revised log of outstanding queries relating to actuarial guidance. The old log, which includes resolved queries that have been resolved, will be available for a limited period. Both logs can be found on the Actuarial guidance page of [www.lgpsregs.org](http://www.lgpsregs.org).

## **MHCLG consultation on special severance payments**

The MHCLG has published draft statutory guidance and a covering letter covering special severance payments for local authorities in England. It can be found on the Scheme consultations page of [www.lgpsregs.org](http://www.lgpsregs.org) as well as the LGA's initial comments on the proposals.

## **MHCLG publishes data on local authority exit payments**

On 20 July 2021, MHCLG published 'Local Authority Exit Payments (First Estimates)', covering payments made by English authorities in 2019/20 and 2020/21. It can be found on the [gov.uk](http://gov.uk) website.

## **Consultation response, policy paper and draft legislation on increasing NMPA published**

On 20 July 2021, HM Treasury published their response to the consultation on implementing the increase to the normal minimum pension age from 55 to 57 (NMPA). On the same day, HMRC published a policy paper and draft legislation which will be part of the next Finance Bill and will amend the Finance Act 2004. For more information on this see bulletin 209 and 206 which can be found on [LGPSregs.org](http://LGPSregs.org).

## **Stronger nudge to pensions guidance consultation**

On 9 July 2021, DWP launched a consultation on draft regulations that will require occupational pension schemes to nudge members into seeking independent advice when they come to request access to or a transfer for the purposes of accessing their pension benefits. It appears the draft regulations will apply to LGPS members with AVCs.

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### **Scheme return**

TPR is sending out scheme return notices to manager of public service pension schemes in September. They are encouraging scheme managers to double check their details by logging into the Exchange before submitting their return. Failing to submit the return by the deadline could result in a fine.

## Membership Movement

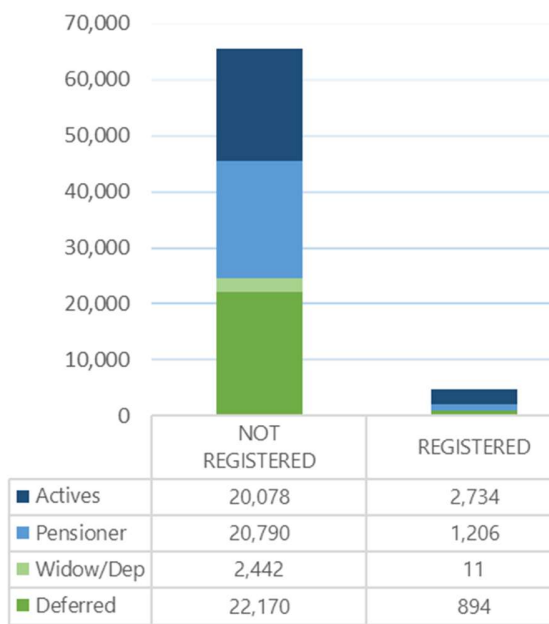
	Actives		Deferred		Pensioner		Widow/Dependent	
Q1 2021/22	24,403	▲	26,002	▲	22,348	▲	3,232	▲
Q4 2020/21	23,332	▲	25,703	▼	22,100	▲	3,191	▲
Q3 2020/21	23,199	▲	25,713	▼	21,971	▲	3,182	▲
Q2 2020/21	23,018	▼	25,936	▼	21,763	▲	3,134	▲
Q1 2020/21	23,243	▲	25,958	▲	21,538	▲	3,101	▼
Q4 2019/20	22,997	▼	25,799	▼	21,521	▲	3,114	▲

## Member Self Service

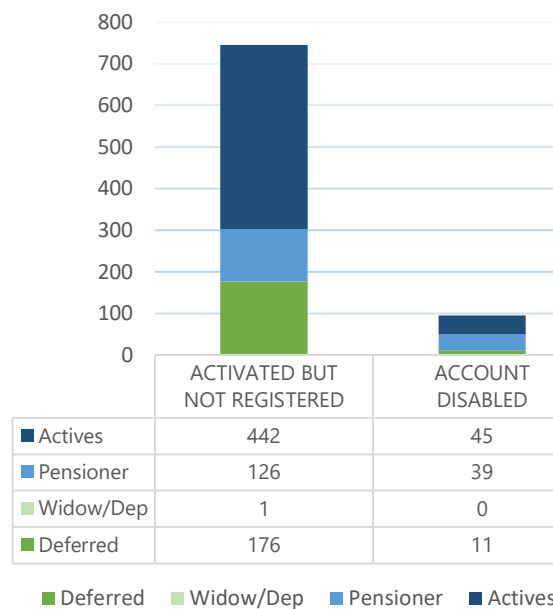
Below is an overview on the activity and registration of the Member Self Service System:

	NOT REGISTERED	REGISTERED	ACTIVATED BUT NOT REGISTERED	ACCOUNT DISABLED	TOTAL	% Uptake
Actives	20,078	2,734	442	45	<b>23,299</b>	<b>11.9%</b>
Deferred	22,170	894	176	11	<b>23,251</b>	<b>3.9%</b>
Pensioner	20,790	1,206	126	39	<b>22,161</b>	<b>5.6%</b>
Widow/Dep	2,442	11	1	0	<b>2,454</b>	<b>0.4%</b>
<b>Total</b>	<b>65,480</b>	<b>4,845</b>	<b>745</b>	<b>95</b>	<b>71,165</b>	<b>6.9%</b>

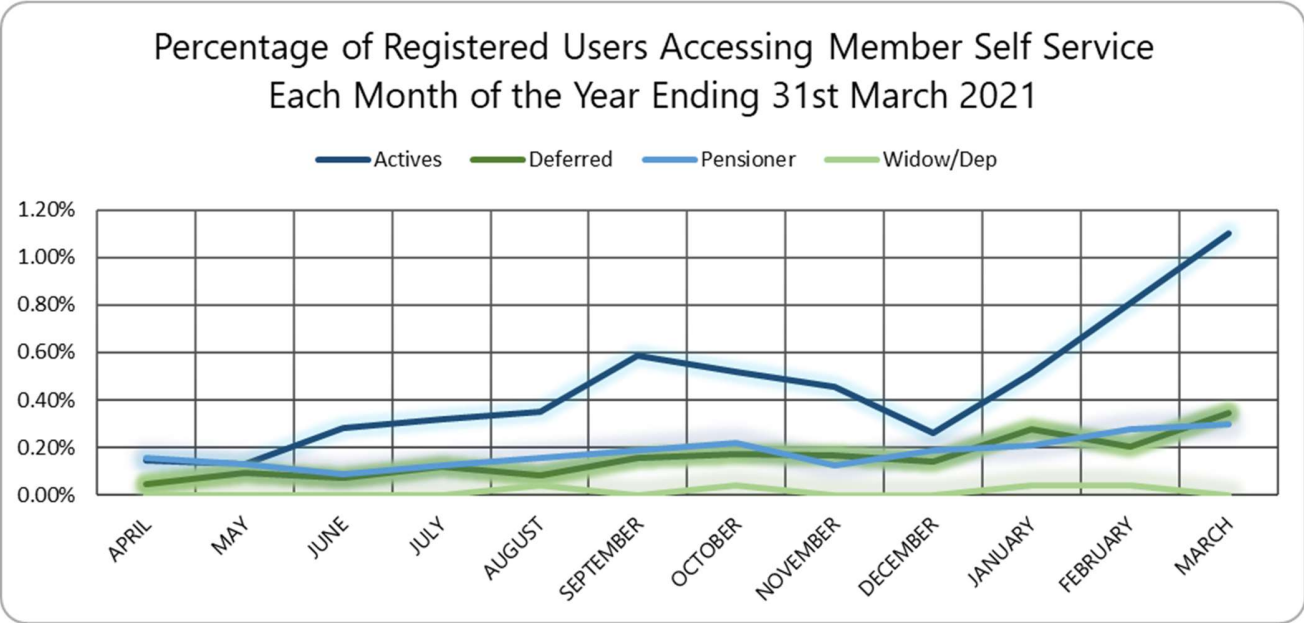
### Registration Summary No's



### Other Account Status No's



		APRIL		MAY		JUNE	
QUARTER 1	Actives	34	0.15%	30	0.13%	66	0.28%
	Deferred	10	0.04%	22	0.09%	17	0.07%
	Pensioner	34	0.15%	29	0.13%	19	0.09%
	Widow/Dep	-	-	-	-	-	-
	Total	<b>78</b>		<b>81</b>		<b>102</b>	
		JULY		AUGUST		SEPTEMBER	
QUARTER 2	Actives	74	0.32%	82	0.35%	137	0.59%
	Deferred	27	0.12%	19	0.08%	36	0.15%
	Pensioner	27	0.12%	35	0.16%	42	0.19%
	Widow/Dep	-	-	1	0.04%	-	-
	Total	<b>128</b>		<b>137</b>		<b>215</b>	
		OCTOBER		NOVEMBER		DECEMBER	
QUARTER 3	Actives	121	0.52%	106	0.45%	61	0.26%
	Deferred	40	0.17%	38	0.16%	33	0.14%
	Pensioner	48	0.22%	28	0.13%	41	0.19%
	Widow/Dep	1	0.04%	-	-	-	-
	Total	<b>210</b>		<b>172</b>		<b>135</b>	
		JANUARY		FEBRUARY		MARCH	
QUARTER 4	Actives	119	0.51%	188	0.81%	257	1.10%
	Deferred	64	0.28%	47	0.20%	80	0.34%
	Pensioner	46	0.21%	61	0.28%	66	0.30%
	Widow/Dep	1	0.04%	1	0.04%	-	-
	Total	<b>230</b>		<b>297</b>		<b>403</b>	



## Additional Work

### Guaranteed Minimum Pension reconciliation exercise

Work continues on this project, with expectation being Stage 2 will be complete by end of May. We will then move on to Rectification Stage 1 which will highlight those cases that need recalculating.

## Complaints

Type of complaint	Date received	Date responded

## Internal Dispute Resolution Process

For the period from 1<sup>st</sup> April to 31<sup>st</sup> August 2021 there are two known IDRPs cases:

- Relates to Scheme Employer quoting redundancy as reason for leaving then stating this was in error once costs were requested – member had been overpaid benefits.
- Member had not received inflationary increases. This has been remedied with arrears plus interest paid.

## Pensions Ombudsman

For the period from 1<sup>st</sup> April to 31<sup>st</sup> August 2021 there are no known cases passed for consideration to, nor a ruling by, the Pensions Ombudsman. We are expecting a ruling shortly on an ongoing case which relates to the backdating of ill health benefits.

## High Court Ruling

For the 3 months to 30<sup>th</sup> June 2021 there are no known cases.

## Common Data

Data Item	Teesside Pension Fund				107 dependents	
	Max Population	Total Fails	% OK	Prev %		
NINo	74,742	140	99.81%	99.80%	107 dependents	
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%		
<b>Common Data Score</b>	<b>74,742</b>	<b>2,597</b>	<b>96.53%</b>	<b>97.07%</b>		
<b>Members with Multiple Fails</b>	<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.

An overview of the Conditional (Scheme Specific) Data for the Teesside Pension Fund:

<b>Scheme</b>	<b>Member Total</b>	<b>Errors from tests carried out</b>	<b>%age accuracy based on tests carried out</b>
TPF (inc GMP)	68,296	9,151	86.60
TPF (exc GMP)	68,296	1,197	98.25

These scores come from the following tests. Only those tests shown in **yellow** have been reported on; the other reports will be developed and added to results in future reports.

Report	Report Description	Test 1	Test 2	Test 3	Member Totals	Errors	%
1.1.1	Divorce Details						
1.1.2	Transfers in	Date the transfer in was received is present on record	Ensure the transfer value on record isn't blank	N/A	45,183	65	99.86
1.1.3	Additional Voluntary Contribution (AVC) Details and other additional benefits						
1.1.4	Total Original Deferred Benefit						
1.1.5	Tranches of Original Deferred Benefit						
1.1.6	Total Gross Pension						
1.1.7	Tranches of Pension						
1.1.8	Total Gross Dependant Pension						
1.1.9	Tranches of Dependant Pension						
1.2.1	Date of Leaving	Date of Leaving Blank	Date joined blank or <01/01/1900	Date joined later than Date of Leaving	4,164	43	98.97
1.2.2	Date Joined scheme	Check all Key Dates are present and later than 01/01/1900	N/A	N/A	68,296	11	99.98
1.2.3	Employer Details	Employer Code present	N/A	N/A			

<b>1.2.4</b>	Salary	Pay not within 12 months	N/A	N/A	46,338	1,078	97.67
<b>1.3.1</b>	CARE Data	CARE Missing on relevant records	N/A	N/A			
<b>1.3.2</b>	CARE Revaluation						
<b>1.4.1</b>	Benefit Crystallisation Event (BCE) 2 and 6						
<b>1.4.2</b>	Lifetime allowance						
<b>1.4.3</b>	Annual allowance						
<b>1.5.1</b>	Date Contracted Out	Date Contracted Out missing					
<b>1.5.1</b>	NI contributions and earnings history						
<b>1.5.2</b>	Pre-88 GMP				24,400	7,954	67.40
<b>1.5.3</b>	Post-88 GMP						

## 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:

<b>Issued</b>	<b>Returned</b>	<b>%</b>
16,162	3,066	18.97

<b>Question</b>	<b>Previous Response*</b>	<b>Current Response*</b>
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	4.04
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%	76.68%
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%	47.75%
11. Did you use the website to research the retirement process? (from 18/05/17)	27.24%	27.59%
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

## Service Development

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

Additional funds were only drawn down when roles were filled to undertake the additional services. This has so far led to:

### Initial Planning

To help with the creation of the teams that will assist with the additional services two new posts were created to covering Governance & Communications plus Systems & Payroll. These were filled by Paul Mudd and Neale Watson respectively on 11<sup>th</sup> July 2018. Their roles were then to look at how XPS could then provide the agreed services to the Fund.

### Employer Liaison

On 1<sup>st</sup> May 2019, the Employer Liaison team leader was appointed. Quickly followed by an assistant on 24<sup>th</sup> June 2019.

Since appointment, they have undertaken numerous tasks including Employer training, late contribution monitoring, and data cleansing. They have recently started Employer Health checks, which are now undertaken virtually due to the Covid restrictions.

The team are also working with the actuary to provide relevant and timely information.

Next steps will be to work with the Fund to determine how to undertake employer covenant and introducing the monthly contribution process across all employers.

## Communications

The new website was launched to Scheme Members and Employers on the 5<sup>th</sup> May 2021 and feedback received from both cohorts has been very positive. We are conducting a full feedback review of the site and will share this with the Board.

Underpinning the website is 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.

Below is an infographic showing a number of measures for the month 5<sup>th</sup> May 2021 to 4<sup>th</sup> June 2021:



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 are able to 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. It is expected that this will occur during the 2021/22 financial year. Since March 2018, the plan has changed from the recruitment of two additional members of staff to use a piece of software that will provide an auditable process that will allow employers to upload member data directly to records. 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 procurement of the additional software and 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**

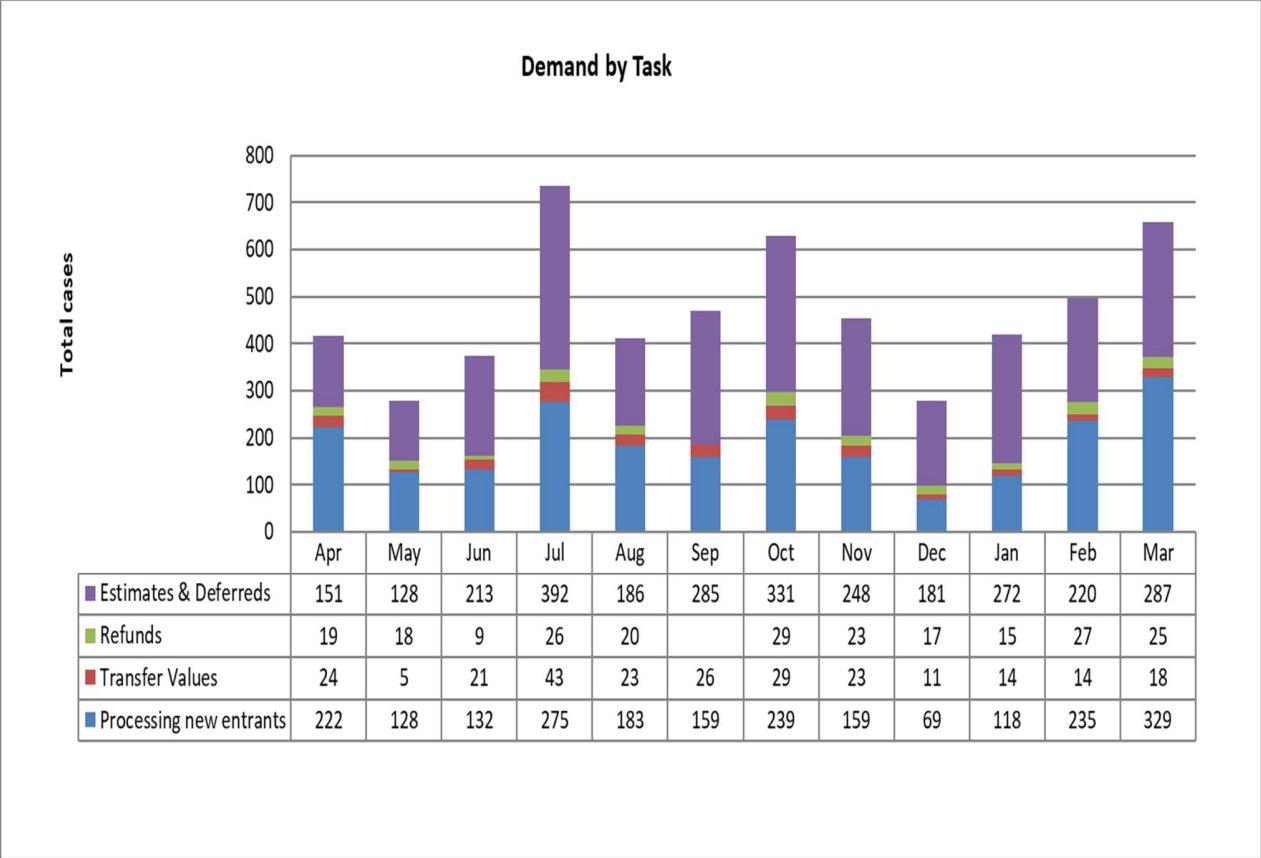
Employer Health Checks have continued as well as some face to face employer training which has been extremely well received and a lovely easing back into a normal way of life. With restrictions easing we are keen to get back out and about and already the enquiries on delivering member awareness sessions and employer training have increased, I believe this is due to the pandemic and members reassessing options in relation to their pension and retirement.

**Late Payment of Contributions**

<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>
Apr-20	4	151	3.00%	0	4
May-20	3	151	2.00%	0	3
Jun-20	2	151	1.00%	1	1
Jul-20	6	150	4.00%	6	0
Aug-20	9	150	6.00%	0	9
Sep-20	8	149	5.00%	3	5
Oct-20	3	149	2.00%	3	0
Nov-20	3	149	2.00%	3	0
Dec-20	2	149	1.00%	0	2
Jan-21	2	149	1.00%	2	0
Feb-21	4	149	3.00%	0	4
Mar-21	3	149	2.00%	1	2
Apr-21	8	148	5.00%	7	1
May-21	0	148	0.00%	0	0
Jun-21	3	149	2.00%	3	0
Jul-21	1	149	1.00%	1	0

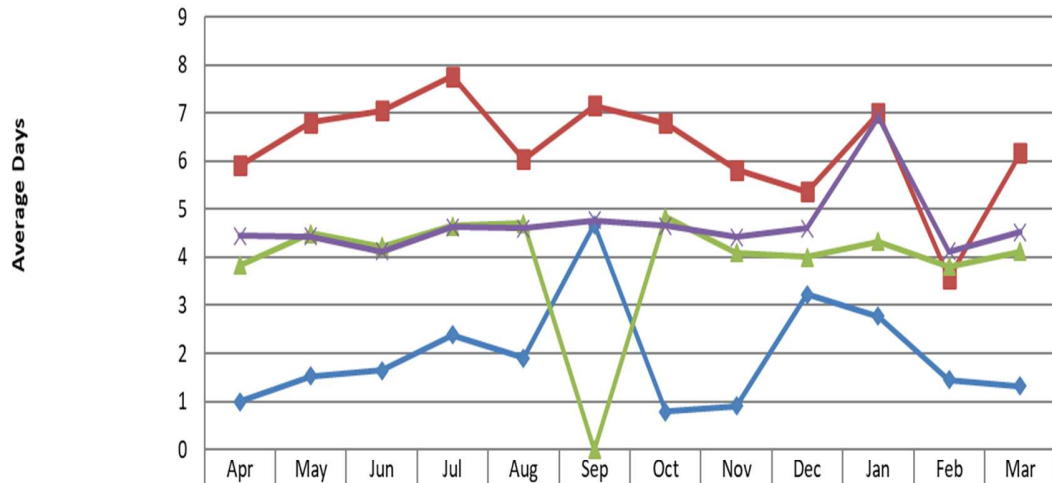
# Performance Charts

## Overall Demand





Average days by Task



◆ Processing new entrants	1	2	2	2	2	5	1	1	3	3	1	1
■ Transfer Values	6	7	7	8	6	7	7	6	5	7	4	6
▲ Refunds	4	5	4	5	5	0	5	4	4	4	4	4
✕ Estimates	4	4	4	5	5	5	5	4	5	7	4	5

The following charts show performance against individual service level requirements.

April 2021

<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%	1.83	266	0	266	266
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	28	0	28	28
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
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	181	0	181	181
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		

## May 2021

<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%	2.61	185	0	185	185
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	5	16	0	16	16
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	12	0	12	12
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	12	208	0	208	208
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		

## June 2021

<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%	1.87	246	0	246	246
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	21	0	21	21
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	22	0	22	22
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	259	0	259	259
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		