

**Teachers' Pension Scheme Pension Board (TPSPB)**  
**TWENTY-FIFTH MEETING: 14 July 2021 (By TEAMS Teleconference)**

**MINUTES**

<b>Present:</b>		<b>Also Attending:</b>	
Neville Mackay (Chair)	NM	John Simmonds (CEM Benchmarking)	JS
Susan Anyan (Independent Pension Specialist)	SA	Hannah Blomfield (CEM Benchmarking)	HB
David Butcher (employer representative)	DB	Richard Giles (Head of TP)	RG
Kate Atkinson (member representative)	KA	Paul Faulkner (TP Director of Operations)	PF
Heather McKenzie (member representative)	HM	Amy Gibbs (TP, Analytics and Risk Manager)	AG
Julie Huckstep (member representative)	JH	John Brown (DfE Head of Policy Projects)	JB
Ian Payne (employer representative)	IP	Jeff Rogerson (DfE Head of Assurance and Planning)	JR
John Pratten (employer representative)	JP	Antony Evans (DfE Project Manager)	AE
Jackie Wood (employer representative)	JW		
Peter Strike (member representative)	PS	Sophie Colella (DfE Equalities and Policy Manager) (Observer)	SC
Kate Copley (DfE representative)	KC	Mathew Vaughan (DfE Valuation Manager) (Observer)	MV
		Alan Hunt (DfE Contract Manager) (Observer)	AH
<b>Apologies:</b>			
Chris Jones (member representative)		<b>Secretariat</b>	
Simon Lowe (employer representative)		Kathryn Symms	KS
Iain King (DfE representative)		Helen Cowan	HC
Sue Crane (DfE Senior Contract Manager)		Kelly Elliott	KE
Peter Springhall (DfE Head of TPS Supplier Management)			

	<b>Item</b>	<b>Action</b>
Agenda item 1	<p><b>Introduction, attendance, apologies:</b></p> <ul style="list-style-type: none"> <li>NM welcomed everyone to the meeting, in particular John Simmonds and Hannah Blomfield from CEM Benchmarking; and also staff from the Department who were observing the meeting.</li> <li>He accepted apologies from Simon Lowe, Chris Jones, Iain King, Peter Springhall and Sue Crane.</li> </ul> <p><b>Minutes of the previous meeting (Paper 2):</b></p> <ul style="list-style-type: none"> <li>The minutes were agreed as an accurate record of the meeting of 21 April 2021.</li> </ul> <p><b>Register of Interests (Paper 3):</b></p> <ul style="list-style-type: none"> <li>NM noted that the register had been updated ahead of the meeting and that none of the declared potential conflicts precluded anyone from participating in the meeting.</li> </ul>	
Agenda item 2	<p><b>Actions update (Paper 4):</b></p> <ul style="list-style-type: none"> <li>The Board noted that all actions arising from the last meeting in</li> </ul>	

	April were fulfilled and closed.	
Agenda item 3	<p><b>Cross Cutting Strategic Issue – CEM (Cost Effective Measurements) Benchmarking (Paper 5):</b></p> <ul style="list-style-type: none"> <li>• NM explained that CEM Benchmarking specialises in benchmarking pension schemes globally, in both the public and private sector. CEM is an independent company and therefore provides a valuable insight on an annual basis.</li> <li>• JS reiterated that CEM is independent and do not act as consultants which maintains the integrity and impartiality of the analysis.</li> <li>• JS thanked both the Department and Capita for the very good working relationship, and willingness to supply data so readily.</li> <li>• JS explained that CEM evaluate the service that members receive and the cost of the scheme compared with other large pension schemes in the UK. There are four large unfunded pension schemes within the peer group that TPS is compared to: Armed forces, NHS, TPS and Civil Service. The report is up to March 2020, ie pre-COVID information.</li> </ul> <p>JS discussed the main headlines from the CEM benchmarking report:</p> <ul style="list-style-type: none"> <li>• JS mentioned that the primary objective of the report is to compare the cost of operating the TPS and the quality of service provided with its peers; the costs are on a per-member basis, and includes capital expenditure and business as usual costs.</li> <li>• The TPS is a relatively low-cost scheme. JS explained that the cost is not important in the sense that it is acceptable to spend more money for a high-quality service, i.e. the context of the services delivered is relevant.</li> <li>• JS explained over the previous five-year period, the TPS cost per member has gone down. The costs are not broken down to teams, for example the contact centre costs are not set out separately.</li> <li>• CEM view and report the costs through the lens of member service - wrapping the service up into one overarching score out of 100. The TPS scores high on the scale and well above the peer group median, second highest.</li> <li>• JS explained that where there are barriers to a seamless customer experience, there is a reduction in the score. Members need to be able to access information readily and in different ways. Volume of usage of the website is a good indicator of a website's functionality.</li> <li>• JS gave assurance that the TPS does well in many areas, particularly that the digital proposition offered to its members is significantly superior compared to peers. It is a good website with customised messages and TP has also developed a social media presence. A key differentiator is online access to benefits statements for all three types of members.</li> <li>• JS explained that TP has scored lower than peers due to the volume of complaints. He stressed that this is not measured consistently across pension schemes and it is difficult to get like-for-like comparisons.</li> <li>• TP do less face-to-face interaction with members, however CEM</li> </ul>	

	<p>do recognise that there are geographical restrictions. JS acknowledged the advent of Zoom, Teams etc means there are new opportunities for different types of interaction, and this will be reflected in the score this year. JR agreed that face-to-face contact was perhaps no longer a good customer contact measure.</p> <ul style="list-style-type: none"> <li>• JS also explained that TP could not provide some data that their peers could provide, i.e. the number of deferred members who have not yet accessed their pension because they have moved address etc.</li> <li>• JS referred the Board to a graph plotting cost and relative service score together on one chart. The TPS is in a very good place, spending less than others and delivering a high-quality service to members.</li> <li>• JP noted that it was possible that the TPS could learn from one other provider, but JS advised that whilst he could not say who the better performer was, he could say that the provider was not a low-cost scheme.</li> <li>• IP asked JS to expand on how the definition of complaints varies from scheme to scheme and what could be learned. JS described the difficulties in getting all participants to submit data in a consistent manner. Different schemes deal with complaints in different ways i.e. some record it as a complaint, where others might 'brush it under the carpet'. Although dispute resolution cases might be a better quality measure, there are fewer such cases, which might affect the value of the data.</li> <li>• NM queried whether benchmarking incorporated HR issues, such as staff turnover. JS confirmed that staff turnover is not considered specifically because CEM believe it is an input, rather than an output, as far as member experience goes. CEM look at staffing levels if there is enough granular data to consider scheme costs.</li> <li>• NM asked PF to reflect on those areas where TP came out lower than peers.</li> <li>• PF discussed TP complaints, in particular the backlogs in early 2020 and confirmed these were cleared at the end of 2020. He explained the volume of justified complaints is extremely low and that complaint levels are under constant review and discussed at the Service Delivery and Maintenance of Data sub-committee. He commented that the more TP engage with members, the more TP generate contact from members – both negative and positive.</li> <li>• In terms of face-to-face, PF said that TP's approach is very much a digital proposition, providing channel choice and in particular digital means by webchat, social media etc.</li> <li>• Regarding deferred members, under the statutory terms of the TPS, members are required to apply for their benefits, which is different to the private sector. The expensive exercise to trace such members in 2016/17 unfortunately did not reap rewards. However, TP continues to do extensive promotion to inform newly deferred members leaving the service to register on MPO.</li> <li>• Where TP had not supplied data for the 2020 report, TP is now able to provide more for the current CEM data request.</li> <li>• PF also noted that all types of contact details are important – for example, TP regard email addresses and MPO accounts as</li> </ul>	
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	<p>important as home address details.</p> <ul style="list-style-type: none"> <li>• NM asked RG what the direction of travel is for strategic issues arising from this and previous benchmarking reports.</li> <li>• RG thanked JS for the report and agreed with its content. He said digital is significant and the way forward. Digital increases what TP can do for members and what members can do for themselves. TP is increasing online access to 24/7 via an AI tool. He reiterated that expanding the digital space is a deliberate choice by the Department.</li> <li>• DB expressed his concern about the deferred member issue and agreed that the SD&amp;MoD should continue the conversation about this.</li> <li>• DB also questioned why member logins were not tracked. AG explained that website logins are tracked, but not tracked by member type – i.e. pensioner, active or deferred.</li> <li>• PF agreed and added that where CEM asks for the number of logins, including multiple logins by the same member, the latter is also currently unavailable, but TP is looking at ways to achieve that.</li> <li>• DB also noted that on page 10 (footnote) where CEM raised concerns that the TPS is not reporting consistently with CEM definition in relation to SLA1, means that perhaps 100% record might not be comparable with other schemes.</li> <li>• NM requested a more detailed report on the deferred pensioner issue for the next SD&amp;MoD sub-committee in September so that the Board can come to a view on the priority that should be allocated to this information and cost/benefit factors.</li> <li>• JR referred to the cost of the scheme and mentioned that this is linked to the cost of the administration fee to employers.</li> <li>• JR reminded the Board that there are different structures in place and the nature of schemes is different. For example, the scheme is centrally administered and TP/the Department do not employ teachers. This makes it more difficult to hold up-to-date home addresses.</li> <li>• JR reiterated that TP scored well in digital contact with members and will soon be in a much better place with deferred members due to MPO. TP had put a great deal of effort into the 2016/17 tracing exercise for a relatively small number of members who had not claimed their pension.</li> <li>• JR and NM agreed that a paper on deferred members so that the Board understand how the matter has been prioritised would be helpful.</li> <li>• JW mentioned that at the last sub-committee meeting, the matter had been discussed, and agreed with DB's concerns. There is also more information in the Quarterly Report to monitor this going forward.</li> <li>• NM thanked JS and HB for coming along to the Board meeting and sharing their findings.</li> </ul>	AP1/140721
Agenda item 4	<p><b>Cross Cutting Strategic Issue – Six Strategic Objectives (Paper 6):</b></p> <ul style="list-style-type: none"> <li>• NM described that a couple of years ago, the Board challenged the Department and TP to begin measuring their success against their six strategic objectives.</li> </ul>	

	<ul style="list-style-type: none"> <li>• The report (Paper 6) is a result of that and is received every six months.</li> </ul> <p>RG discussed the main highlights of the report:</p> <p><u>Strategic Objective 1 – member and employer engagements</u></p> <ul style="list-style-type: none"> <li>• RG mentioned this objective is broken down into three areas: complaints, member satisfaction and employer satisfaction. There are two metrics on complaints, one is the number of complaints and the second is the proportion of those complaints that go through to the Independent Dispute Resolution Process (IDRP).</li> <li>• The latter measure requires review to ascertain whether it remains the right measure because although the number of IDRP cases is consistent, if it is expressed as a percentage of a lower number of complaints, the percentage goes up automatically. Therefore, TP is within target for the number of complaints, but outside target for the proportion of those that went through IDRP.</li> <li>• JH agreed that it would be helpful to consider the measure because of the proportionality issue.</li> <li>• In terms of OM5, RG said that member satisfaction had been 90%, but for the last couple of months it has fallen below 90%. This is as a result of staffing challenges in the contact centre.</li> <li>• RG cited that the employer measure has been difficult because the employer contact centre was closed in lockdown and then reopened in Autumn. There has therefore been a low level of survey responses from employers, and that means a few negative reactions has had a disproportionate impact on the result. The latest figure in June is back on target.</li> </ul> <p><u>Strategic Objective 2 – Our people will be flexible, skills and responsive</u></p> <ul style="list-style-type: none"> <li>• RG reported OM16 is scored out of 25 by the Department each quarter on TP's performance. The score in Quarter 1 was 25 out of 25 - an exceptional score, as 100% has not been achieved before. In Quarter two the score was 23/25 - with two points deducted. This was due to some feedback on commercial proposals and GIA audit.</li> <li>• The Institute of Customer Services (ICS) survey has been recently undertaken, with a staff satisfaction score of 65.38%, which is two percentage points above the government departments' average and an increase on TP's 2019 score.</li> <li>• Both metrics have moved in a positive direction and therefore is likely to move from amber to green in the next report.</li> </ul> <p><u>Strategic Objective 4 – Focused innovation and robust change management</u></p> <ul style="list-style-type: none"> <li>• RG indicated that the Goodwin project is well-advanced, so may move from amber to green, but the overall rating will remain be 'amber' due to Transitional Protection.</li> <li>• NM thanked RG and was reassured that TP is meeting its objectives in most areas; and where this is not the case, there is</li> </ul>	AP2/140721
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	<p>a reasonable explanation/action in train to address the issues involved (note the Board has sought additional reassurance in respect of some of those, as covered elsewhere in these minutes).</p>	
Agenda item 5	<p><b>Independent Pension Specialist update (Paper 7):</b></p> <ul style="list-style-type: none"> <li>• SA noted that the topic of most interest to the Board – the consultations on the cost control mechanism and discount rate methodology - would be covered under agenda item 6.</li> <li>• SA also drew the Board's attention to the government's plans to prevent pension scams where members are transferring from one scheme to another.</li> <li>• RG confirmed that this is largely an issue only for DC schemes, so the risk is minimal for TPS members. Transfers outside of the public service schemes are only allowed in very limited circumstances and are covered by a tightly controlled environment.</li> </ul>	
Agenda item 6	<p><b>Scheme Advisory Board (SAB) update:</b></p> <ul style="list-style-type: none"> <li>• JB explained that SAB has been discussing several Transitional Protection policy decisions in readiness for the passing of the Public Service Pensions and Judicial Offices Bill which is due to be laid in mid-July. It is expected to receive Royal Assent in January.</li> <li>• The Scheme Regulations will then be amended to regulate for the closure of the Final Salary Scheme on 31 March 2022.</li> <li>• Commercially, the project is on track. The Department has received all the necessary commercial proposals from TP, and this has enabled completion of the business case ahead of the Investment Committee scrutiny on 28 July.</li> <li>• Regulations were laid on 8 July to clarify the position for those affected by the Goodwin case. The Regulations also implemented the option of phased withdrawal for those independent schools who wish to do so from 1 September onwards.</li> <li>• JR explained that there had been no further developments on the 2016 Valuation cost control being unpaused. HMT is expected to provide final Directions in August, so that the 2016 Valuation/cost control result can be finalised in September.</li> <li>• This is expected to have little administrative impact, unless the final directions are significantly different to the interim ones, because the result from those showed that no changes to members benefits are appropriate.</li> <li>• JR advised that the 2020 Valuation will be implemented in 2024, so any possible change to the employer contribution rate would not take place till then.</li> <li>• The response to the range of options presented in the two live consultations (the cost control mechanism and discount rate methodology) will influence the outcome.</li> <li>• The SCAPE discount rate methodology will be the key factor. There is an increased focus on stability, within the objectives that HMT is applying in seeking to ensure the methodology is appropriate. This is welcome and hopefully will help drive a good</li> </ul>	

	<p>outcome.</p> <ul style="list-style-type: none"> <li>• SAB has a good understanding of the issues, but both GAD and HMT will be running sessions for SAB members this month to ensure they are fully informed, and well-placed to respond to the consultation.</li> </ul>	
Agenda item 7	<p><b>Service Delivery &amp; Maintenance of Data sub-committee update (Paper 8, 9a and 9b)</b></p> <ul style="list-style-type: none"> <li>• JW explained that the sub-committee continues to monitor SLAs 4b and c (Bereavement casework). Despite the additional staff that were recruited and trained last year and some overtime, TP has still not kept up with the volume of work.</li> <li>• PF explained that the additional data provided to the Board shows the seasonal trends and the COVID waves. It also shows a build-up of cases when the DDRI system was implemented – this gave TP improved reporting of deaths.</li> <li>• PF noted that in April and May, TP processed more cases than they received and was hopeful that notifications were continuing to decrease, allowing TP to improve the completion rate month on month.</li> <li>• JW reiterated her concerns and advised the Board that in September, PF would be reporting the outcome of a staff review. NM agreed that this was an issue of increasing concern. The combination of caseload increases and staffing issues meant that TP had consistently missed its targets for this area for over 18 months. This was unacceptable and it was right that the sub-committee would consider the issue further at its next meeting before reporting back to the Board.</li> <li>• JR noted that commercial negotiations about increased volumes of work more generally have taken place. He added that discussions had taken place about using this to ensure sufficient capacity and adding flexibility by upskilling more staff.</li> <li>• IP suggested that more investment on SLA4 might be required – for example, over-recruitment is sometimes appropriate in these circumstances. PS also agreed that the matter should be given high priority.</li> <li>• PF noted that the work was both highly technical and involved manual calculations. The review of the resource model and the volume increase commercial proposal is underway. TP is seeking to establish what the “normal” level of bereavements is – but with the possibility of the Delta COVID variant impacting, it has proved difficult to assess. TP is considering the need to train additional resource on other teams who can be brought in as extra resource temporarily.</li> <li>• PF explained that there was much more personal contact with members’ families to ensure all the documentation and evidence was received. This often slowed down the process. NM suggested that perhaps instructions and requests might not be clear enough for distressed relatives, and this should also be considered.</li> <li>• NM enquired as to whether the SLA was too challenging. JR advised that the targets were deliberately challenging due to the nature of the work. As a result of a review that had taken place three years ago, the process is more personal, but the Department has recognised this and the increase in volumes with</li> </ul>	

	<p>additional funding.</p> <ul style="list-style-type: none"> <li>• JW reported that contact centre performance has dipped due staff attrition and sick absences. There have been efforts to improve the performance through recruitment and overtime.</li> <li>• PF agreed that this has been an unusual situation, but that there has been a gradual improvement since June because newly trained staff are in place.</li> <li>• PF also advised that half of the team will be returning to the office by the end of July.</li> <li>• Finally, JW reported that a root cause analysis is taking place due to an increase in complaints. The increase appears to be partly due to the members complaining through different routes. The results will be shared with the sub-committee in September.</li> <li>• JW was pleased to note that most complaints are not upheld. She also noted that an additional member of staff will strengthen the team's capacity.</li> <li>• NM appreciated the sub-committee's interest and work in these areas and asked that all these issues should be kept under active review by both the sub-committee and the Board.</li> </ul>	
Agenda item 8	<p><b>Managing Risk and Internal Controls sub-committee update (Paper 10, 11a, 11b and 12):</b></p> <p><b>Staffing</b></p> <ul style="list-style-type: none"> <li>• SA noted that the MR&amp;IC and SD&amp;MoD sub-committees have similar concerns about staffing and assurance about workforce planning – but MR&amp;IC is considering the issue through a risk lens (rather than impact on performance lens).</li> <li>• SA thanked AG for providing paper 12 which will be discussed in more detail at September's sub-committee meeting.</li> <li>• AG explained that the paper shows how Capita approaches capacity planning. There is a four-weekly cycle where staffing needs are analysed and approved against a backdrop of, for example, staff performance, leave requests, workload.</li> <li>• SA reported that the sub-committee had discussed notice periods for key posts, and had also noted the eight-week training period for contact centre staff in comparison to the four-week notice period, which means that recruiting ahead of time where possible is important.</li> <li>• NM noted that two sub-committees were drawing attention to staffing issues, and therefore requested that both continue their work at the September meetings, and that there should also be a deep-dive at the next Board meeting. The paper should cover relevant metrics, identify the key issues and what is being done to address them, and relate these to the future staffing model.</li> <li>• SA agreed that as the mitigations appear not to have worked, the Board is right to seek assurances. She suggested that the Board consider whether the commercial model is right and/or whether the current circumstances have had an impact as part of the October deep-dive discussions.</li> <li>• Staff engagement data might also be helpful to show how staff feel about working in the current environment.</li> <li>• JR noted that the resource model has stood the test of time for long term success. RG agreed and assured the Board that Capita want to get this right. Volumes of work have gone up</li> </ul>	AP3/140721

	<p>across the piece, and workload had been less predictable than before COVID. He noted that there had been a 25% increase in volume across the industry and getting the right level of resource was important to him.</p> <p><b>Programme Management Update</b></p> <ul style="list-style-type: none"> <li>• AG assured the Board that the Programme continues to be well-managed. There have been a couple of slippages, but these had been handled well and are not detrimental to the overall programme. There are some critical milestones ahead on the Transitional Protection project, but they are being closely monitored.</li> <li>• The commercial gateway is on track with all documentation provided to the Department in good time for the various committees.</li> <li>• Matt McNaughton (MM) works at the Department now, but AG and RG have covered the work successfully, with some assistance from MM, with the Department's encouragement/co-operation.</li> <li>• TP has a replacement starting on 23 August – someone who has fulfilled a similar role elsewhere in Capita. The notice period will be three months, so the issue where MM only had to give one month's notice is resolved.</li> <li>• NM observed that the programme report received by the Board appears to take a project by project approach rather than viewing the Programme as a whole, with a series of connected interdependencies. He noted that the Board and its various sub-committees already receives regular project updates, and asked that future reports to the Board on the Programme should take a programme wide view.</li> <li>• SA suggested that an executive summary showing the Programme view should be presented to the sub-committee in September.</li> <li>• AG assured the Board that key interdependencies were identified and appropriate activities undertaken. For example, peaks of workload, crossover of casework (Goodwin/Transitional Protection) as well as where the Programme will be more reliant on the IT team were all identified.</li> </ul> <p><b>Accounts</b></p> <ul style="list-style-type: none"> <li>• SA reported that GIA was progressing well.</li> <li>• Despite a slight delay while Deloitte cross-checked some employer data with TP's – which employers were not expecting – the Accounts were on track.</li> <li>• JR confirmed that the Accounts have been signed off by ARC, and will be signed by the Perm Sec before being laid in the House on 21 July.</li> </ul>	AP4/140721
Agenda item 9	<p><b>Information to Members and Communications sub-committee update (Paper 13):</b></p> <ul style="list-style-type: none"> <li>• JH reported that the sub-committee had been shown an early version of a website tool which will assist members in determining</li> </ul>	

	<p>the impact of Goodwin on them and their families. It is hoped that this will reduce call volumes when it is launched.</p> <ul style="list-style-type: none"> <li>• JH was pleased to report that the Engagement Team had been proactive on communications about cybercrime - a matter referred by the MR&amp;IC sub-committee.</li> <li>• TP had already updated their website, issued member and employer bulletins and used social media to raise awareness of the threat and give advice as to those who may have been affected.</li> <li>• JH advised that TP has drawn up a timeline linked to various government activities so that they could plan what engagement needed to be carried out when and to which set of members. This will be presented to the sub-committee in September.</li> <li>• Other Transitional Protection engagement included a myth buster, FAQs, a glossary of terms. TP will use BAU messaging as much as possible so as not to bombard members with lots of information.</li> <li>• Finally, JH explained that TP's website had undergone an audit to identify any accessibility issues, which had subsequently been rectified in the main. There will be an annual audit to maintain accessibility. So far, there have no requests for items to be presented in a different format.</li> <li>• NM noted the positive report from JH and that communications were similarly praised by CEM Benchmarking.</li> </ul>	
Agenda item 10	<p><b>TP Update (Paper 11):</b></p> <ul style="list-style-type: none"> <li>• Most matters had been discussed in detail throughout the meetings.</li> <li>• RG mentioned that the last quarter had been spent making good progress on designing solutions for Transitional Protection, which was a big piece of work for both the Department and TP.</li> </ul>	
Agenda item 11	<p><b>Commercial sub-committee update:</b></p> <p><b>TP colleagues left the conference call.</b></p> <p>The remainder of this section has been removed to ensure commercial sensitivities are maintained. A full set of minutes (and actions) will be produced from the sub-committee meeting, which took place on the morning of 14 July 2021 and will be shared with Board members. A full version of the minutes will be prepared and shared with Board members, and at the next TPSPB meeting.</p>	
Agenda item 12	<p><b>Any Other business:</b></p> <ul style="list-style-type: none"> <li>• NM advised board members that a recent sub-committee chairs' meeting had been held to explore what will happen when they leave the Board. It had been agreed that a further meeting will take place after the October Board meeting to discuss vice chairs' sequencing and timing further.</li> </ul>	
	<p>Neville concluded by thanking everyone for attending and for contributing to an interesting and productive meeting.</p> <p>The next meeting will take place on Wednesday, 20 October 2021.</p>	

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Minutes agreed: *Neville Jacty*

Date: 20 July 2021

Minutes circulated to Board members for review 21 July. The following changes were made following Board member review. No amendments were requested/made.
Minutes ratified at subsequent TPSPB -

Final Signature: *Neville Jacty*

Date: 20 October 2021