

Teachers' Pension Scheme Pension Board (TPSPB)

THIRD BOARD MEETING : 2 DECEMBER 2015

MINUTES

Present:		Also Attending :	
Michael Richardson CB (Chair)	MR	David Heslop (Capita TP)	DH
Geoff Ashton (Independent Pension Specialist)	GA	Sue Crane (DfE Senior Contract Manager – Guest)	SC
Jerry Glazier (member representative)	JG	Stephen Baker (DfE Deputy Director School Employment Divisions)	SB
Naomi Holloway (employer representative)	NH	Karen Peacock (DfE Teachers' Pensions Scheme Advisory Board (SAB) Secretariat – Guest / observer)	KP
Simon Judge (DfE representative)	SJ	Karen Cammack (Secretariat)	KC
Trefor Llewellyn (employer representative)	TL	Fiona Laundry (Secretariat)	FL
Lee Probert (employer representative)	LP	Apologies :	
David Trace (member representative)	DT	Marcus Bell (DfE representative)	MB
Dave Wilkinson (member representative)	DW	Alice Robinson (member representative)	AR
		David Simmonds CBE (employer representative)	DS

	Item	Action
Agenda item 1	<p><u>introduction, attendance, apologies:</u></p> <ul style="list-style-type: none"> • The Chair extended his and the whole Board's thanks to Richard Symms who had been instrumental in establishing the Board, and wished him well on his appointment to Deputy Director within the Cabinet Office. He welcomed Stephen Baker, Deputy Director of School Employment Division, attending until a replacement for Richard has been appointed. • The Chair extended a warm welcome to Sue Crane, DfE Senior Contact Manager, attending as a guest, and to Karen Peacock who provides the Secretariat service for the TPS Advisory Board (SAB), attending as an observer. • Congratulations were extended to TP on their successful move to Lingfield Point with acknowledgement that the move had taken place smoothly with no disruption to business. The Chair also recognised that the move exemplified close working relations between TP and DfE. • There were no changes required to the Register of Interests circulated prior to this Board meeting. • Minutes from previous meeting to be included with Board papers for subsequent meeting 	AP001/021215
Agenda item 2	<p><u>Update on action points:</u></p> <ul style="list-style-type: none"> • Second iteration of Skills Matrix and Learning Needs Analysis completed. Further training to be discussed /agreed outside the meeting. • TP's Engagement Paper to be circulated to Board members following TP's recent meeting with the regulator. The issue of sanctions to be explored further 	AP 001&002/100215 AP 011/030615

	<p>as tPR indicated their support for schemes is initially around applying the process as they are still developing their strategy in relation to sanctions.</p> <ul style="list-style-type: none"> • Stakeholder Event Timetable to be expanded to include a separate list (with details of membership of relevant bodies) of the key meetings from the assurance framework (such as Scheme Advisory Board, Service Delivery Board, Quarterly Strategy Board). • LP to provide input from a HE/FE perspective. List to be circulated for review and further input as necessary. • The Chair thanked AR for her useful note following attendance at the LGA Conference in York. 	AP005/090915
Agenda item 3	<p><u>Update on links with other schemes:</u></p> <ul style="list-style-type: none"> • MR attended the meeting set up by tPR for Chairs of the public sector schemes. The main four (NHS, TPS, Armed Forces, Civil Service) are due to meet again on their own after Christmas, and tPR will convene the larger group (including Police, Fire Service, and Local Government Schemes) 3 times per year. Board members should highlight any issues they wish to raise with MR. • Going forward the regulator's focus will be on compliance with legal requirements and the Code of Practice. • There was agreement that Board members will be welcome to sit on each other's meetings to consider common interests and practices, and discuss how schemes engage with their sponsoring Departments. • There is no formal assurance role for the Pension Board in the other 3 main public sector schemes. <p><u>The role of the Board :</u> <u>TPAF/TPARG:</u></p> <ul style="list-style-type: none"> • MR attended a TPAF meeting on 6/10 and presented an update on the TPSPB. He remarked that TPAF is a useful forum to identify and provide context for surfacing and grass roots issues. He encouraged Board members to attend future meetings. • Currently the Contract Manager provides a high level summary for TPSPB following each TPAF meeting. Actions, attendees and a decision log for each TPARG meeting are also noted and these will now also be sent out to Board members. The Board would like to see more detailed information regarding the matters discussed at TPAF, although understand this is not a minuted meeting. • TPAF and TPARG are both stakeholder engagement bodies with representatives from member and employer groups. • TPARG is DfE led, its purpose being to review previous, and inform future, delivery of services and is part of the supporting governance structure. Issues are escalated to the Service Delivery Board, if appropriate. Matters 	<p>AP004/030615</p> <p>AP 002/021215</p>

	<p>discussed by the group tend to be operational in nature.</p> <ul style="list-style-type: none"> • TPAF is a TP led discussion forum. TP/DfE are currently consulting both groups on whether to “un-couple” these meetings to improve the level of engagement. • Dates of both TPAF and TPARG meetings to be added to the Stakeholder timetable. Secretariat to remind Board members around a month ahead of each meeting. <p>SAB</p> <ul style="list-style-type: none"> • DW, as a member of the SAB, confirmed that it has a distinct and separate function to the TPSPB, set out in legislation. There will be some cross-over, but Board members should be mindful of the clear difference in purpose of the two Boards. • The Board needs to have a good flow of information from the deliberations of the SAB to ensure that they are well sighted on issues that may interest or concern them. • Board members may request to observe SAB meetings to develop their understanding of its role. <p><u>Member/Employer representative group discussions:</u></p> <ul style="list-style-type: none"> • The Chair thanked the employer and member groups for meeting and providing notes on their deliberations. • It was agreed that, in respect of the three suggestions made by the member group to improve general TPSPB practices, Board members are welcome to propose items for Board agendas, and to query minutes of Board meetings if they do not think they accurately represent what was said. • Future Board papers will be marked ‘for information’, for decision’ etc, as appropriate. • The employer group noted the importance of independent verification to confirm that the reporting and evidence seen by the Board is sufficient to discharge their duty. • There was a healthy debate around the role of the Board including: the merits of Board members attending stakeholder events, identifying which were of most value, where there might be duplication of work, where lack of visibility of the Board may be an issue, clarity on membership of the Boards and meetings that comprise the governance framework and whether the use of sub-groups may offer an option for considering separate topics. • Discussions also centred on how to better engage both members and employers and the challenges associated with some groups (e.g. HE/FE sector). It was noted, by the employer group, that there was no representation of the Academy sector on the Board. <p><u>Assurance Role</u></p> <ul style="list-style-type: none"> • SB suggested that the Board could be sighted on Service Delivery and Quarterly Strategy Boards as these are the forums for interrogation of administration performance 	<p>AP003/021215</p> <p>AP004/021215</p>
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	<p>and assessment of risk. It may be helpful for Board members to attend to gain assurance that information in the Board reports is supported by the underpinning governance processes.</p> <ul style="list-style-type: none"> • Employer representatives could use sector bodies such as UCEA to gather information to verify the accuracy of data provided by TP and thus obtain further assurance. • The CEM Benchmarking report provides useful and independent evidence. • The Internal Audit Report should provide an externally validated report on the governance structure, and may go some way to providing the level of assurance the Board is seeking regarding governance, and also help clarify the Board's thinking on its role. • It was noted that the audit does not have a remit to offer opinions, however it may provide some views for the Board to consider which may help address the degree of uncertainty felt regarding the place of the Board in the governance structure. <p>Next steps</p> <ul style="list-style-type: none"> • Further discussions on the role of the Board to take place (in March), including a decision on whether it is in a position to fulfil the assurance role envisaged, once Board members have had the opportunity to attend /observe some stakeholder events and following the internal Auditor's report which is due to be published at the end of January. • Employer and member representatives to meet together to suggest improvements to service delivery (in the case of employers, taking account of the review currently underway by DfE), and to identify what the long term priorities should be for the scheme. • TP/DfE to draft a response to the note prepared by the employer's group on issues/questions raised at their meeting of 27/11/15. 	<p>Add to Agenda for March 2016</p> <p>AP005/021215</p> <p>AP006/021215</p>
<p>Agenda item 4</p>	<p>Issues arising from consideration of the Engagement Report</p> <ul style="list-style-type: none"> • It was felt that the Board should have a greater role in agreeing significant changes in respect of critical engagement with both members and employers. However, it was noted that many changes in scheme communications are related to performance measures and contractual obligations for the administrator • It was suggested that the agenda/ report could in future highlight which issues are contractual – and it was agreed that, as a rule of thumb, the Board should be alerted to issues that were 'paradigm shifts' for approval or decision. • However, whilst it is important to develop a process that takes into account the role of the Board, both members and DfE should also be mindful of practical issues, such 	<p>AP007/021215</p>

	as factoring Board approval into timelines and processes. DfE will consider how best to achieve this.	AP008/021215
Agenda item 5	<p>Issues arising from consideration of the Finance, Risk and Audit Report</p> <ul style="list-style-type: none"> • It was noted that the risk associated with TP's re-location was due to be formally signed off and removed from the list. The Chair offered congratulations to TP and DfE for achieving a successful, smooth move that had not affected service delivery. • TP to consider how best to meet the Board's request for (rolling) 3 years' worth of comparable data on the IDRP/ complaints report as data may not be straightforward to supply in respect of IDRP. • Report authors to include information on the 0.8% administration charge to the "costs to the scheme" section. In particular whether this relates to an under or over recovery. 	<p>AP009/021215</p> <p>AP010/021215</p>
Agenda item 6	<p>Issues arising from consideration of the Administration update</p> <ul style="list-style-type: none"> • DfE Contract Manager to share the list of those suppliers under consideration to support monthly data collection. This will allow the sectors to cross reference with employers. • It was noted that the current target date for mandating monthly data collection is April 2018, with a trigger of 60% by October 2017. • TP should be able to demonstrate both quantitative and qualitative data in order to trigger the decision, and the Board would wish to have a role in reviewing that data in advance of the decision being reached. TP and DfE to consider how best to achieve this and update the Board in March 2016. • TP confirmed that a series of temporary measures were put in place immediately following the alleged fraud incident and a thorough investigation was then undertaken. A set of proposals to improve TP's processes have been approved by both internal and Departmental auditors and are being implemented. TP will share the outcomes review with the Board. 	<p>AP011/021215</p> <p>AP012/021215</p> <p>AP013/021215</p>
Agenda item 7	<p>Issues arising from consideration of the Review of TP's Outcomes Performance :</p> <ul style="list-style-type: none"> • DH explained that when the contract changed from administration focused to outcome focused, a series of "outcome measures" were introduced, which have evolved over time. • Some outcomes can be substantively measured on a daily basis (e.g. customer service measures) whilst some outcomes measure tangibles such as data quality, finance tolerances and digital engagement. These 	

	outcomes are reviewed annually by IPSOS/MORI and TP are currently working with them to refresh some of the questions to make them more relevant to the TPS for the next review.	
Agenda item 8	Issues arising from consideration of the Proposed Audit Plan Nil – the Board was content with the scope of the Plan.	
Agenda item 9	Issues arising from consideration of the CEM benchmarking executive summary <ul style="list-style-type: none"> DH explained that CEM are a global organisation that provide a service to several private and public sector organisations. This executive summary is extrapolated from a lengthy report, but it is a useful overview which illustrates how TP perform against a peer group of similar sized schemes. The report paints an encouraging picture and is a useful independent view of how TP performs. Should more substantive questions arise, the Board may take up the offer of a full presentation of the report by TP. 	
Agenda item 10	Policy update <ul style="list-style-type: none"> It was noted that that GMP is a good example of an issue that crosses over between the SAB and the TPSPB. The scheme is well placed to deal with reconciliation issues, with plans in place and scheduled to commence imminently. This will mean that the red risk is predicted to move to amber for the next report. GMP to be a substantive issue at the next Board meeting to support the Board in better understanding the issues. 	Add to March agenda
Agenda item 11	AOB <ul style="list-style-type: none"> The Chair extended his thanks to TP for their hospitality in hosting the Board meeting, and for the engagement presentation given during the morning. The Chair reiterated his congratulations to DfE and TP for effecting a trouble-free move from Mowden Hall to Lingfield Point. 	
	The next meeting will take place on 9 March 2016, in Sanctuary Buildings Room LG 03 and 04.	

Minutes agreed :

Michael Richardson (Chair)



Date : 16 December 2015