**Teachers’ Pension Scheme Pension Board – August, September and October 2015**

The purpose of this document is to advise the TPS Pension Board of recent key events relating to the administration of the scheme.

**TP Administration Update**

This quarter saw the successful move of the whole of the TP operation from Mowden Hall to Lingfield Point, Darlington. The move was subject to rigorous planning and implementation, there was a seamless transition, with all business processes transferring without incident. The move has been well received by staff and is expected to drive delivery of the vision and cultural change within TP.

Last quarter TP gave a verbal update on the Fraud incident. The Police investigation continues with the case likely to come to court early in the new year. Internal investigations are complete redacted redacted redacted redacted redacted. No member suffered any detriment and Capita have indemnified the scheme in full.

Actions continue to pursue employers who have not yet submitted their Annual Service Returns for 2014/15. During October TP contacted relevant employers and the Chair of School Governors (where appropriate) by email and post to advise that the return was overdue and the importance of the data. These advised employers that relevant members and unions would be notified of the delay and the matter would be reported to the Pensions Regulator. During November TP will notify members advising them of the potential impact for them and will notify the Pensions Regulator.

The contract to provide medical advisory services (to make recommendations in relation to applications for ill health retirement) was subject to re-tender in January 2015. OH Assist, the brand name of IT Atos Services UK Ltd, was successful (incumbent suppliers and the only bidder). The contract was signed during July and August, coming into force on 1 October 2015.

During a routine quarterly meeting in September, OH Assist, who provide medical services, advised that a Management Buy-Out had been undertaken. At no point during the negotiations for procurement was this change in status mentioned. At the end of September Novation paperwork was received requesting a change from IT Atos to the new OH Assist Ltd company.

A full suite of financial details have been requested and advice has been sought from legal advisers, procurement specialists and finance colleagues to ensure that risks identified regarding the timing of the management buy-out are understood and have mitigations in place. The risk has been rated as low as invoices are paid on a monthly basis and payment can be withheld, if required. Discussions continue with procurement colleagues to determine if a Novation agreement for the full contract is appropriate or whether we Novate for a short period and re-procure.

The service has not been impacted by the issue and the Doctors dealing with ill health applications remain in post and will move to the new company. Further updates will be provided.

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| **Customer Satisfaction** |  |

The regime of obtaining customer satisfaction as members and employer touch the operation continues with 12,143 items of feedback received from members this quarter and 542 received from employers. Member feedback is good across all measures, the contact centre achieving higher scores than other areas.

Employer feedback is improving although still below target. A significant employer portal issue was addressed in September and an improved search facility as part of the Employer Portal was implemented during this period. This initiative appears to have addressed concerns but the amber rating will remain until the performance indicators for both areas are met.

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| **SLAs and KPIs** |  |

Last quarter it was reported that achievement of Service Level Agreements (SLAs) had been generally good but there had been a dip in service due to IT issues in May. The matter had been escalated to the Quarterly Strategy Board (QSB) and the department received a number of assurances at the QSB meeting in June. The improved oversight and monitoring of the IT environment was effective with no significant issues during June, July and August. However, there was a significant loss of IT service that started 14.30 on 22 September and was not resolved until 18.00 that following day. In order to give assurance to the department a detailed incident report was shared, the contract team have identified areas of IT delivery where further assurance is needed and work to provide this is ongoing.

The outage led to a backlog of around 4,000 work items, less than a month before the planned move to Lingfield Point. The department was not prepared to allow the transfer of operation to the new site when a backlog of work existed, so in response TP set up a dedicated team of 15 made up of staff from other contracts and temporary staff (who were due to be released) to work through the backlog. This team successfully cleared the backlog before the move.

SLAs are “counted” when the cases are closed, so the incident has a significant effect on the achievement of SLAs for September and October. TP have provided separate information for the achievement against target for the work received in October and this has been good.

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| **Legislative Changes** |  |

A new taxation section on the TP website will be in place during November giving further guidance to member and employers regarding matters such as Annual Allowance and Lifetime Allowance.

Actions to prepare for the change of the Pension Input Period in line with tax years from 2016/17 are in progress, these include adding extra information to the Annual Service Return for members, analysing calculation routines and updating communications to both members and employers.

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| **Significant Projects** |  |

**Guaranteed Minimum Pension reconciliation**

The Department and TP have continued to work with HM Treasury and other government Departments on the policy decisions necessary to allow the reconciliation of Guaranteed Minimum Pensions to be completed. A number of those decisions are still outstanding but there is sufficient information to be able to start on a specific group (deferred members who joined before April 1997). TP have put forward a commercial proposition for the remainder of the work and this is being discussed. The proposal is to work through deferred members and pensioners during 2016, using the same resource to work on active members when the information for them becomes available in 2017.

**Monthly Data Collection (MDC)**.

MDC will replace the Annual Service Return, Re-employment Certificates and starter and leaver information. It gives significant benefits to members and employers allowing real time information to be available and reduces the burden of current processes.

The next phase of on boarding employers to use MDC has been delayed until April 2016 as it was identified that a number of technical solutions used by employers needed to be refined. TP are using the time to develop stronger products to support on-boarding and it is expected that over a thousand establishments will start providing data in this way in April, which represents roughly a third of active member data.

TP are incentivised to achieve 60% of active member data received in this way by 1 October 2017 and this is expected to be the only method of providing data from 1 April 2018.

Data fields regarding email address and contribution data are included in the MDC template but they are currently optional fields. Analysis coming out of activities such as the focus groups connected to the Employer Review Project are underlying the criticality of this project and raising questions about whether those fields should be mandatory and whether timescales should be accelerated.

**Data Strategy**

Following October’s “Horizon Scanning” session on the subject of Data Strategy, the next steps are for the administrator to produce a matrix of data requirements against legislation, followed by a proposal for activities to address any gaps and to improve data quality moving forward. This proposal will then form the basis of the revised Data Strategy for contract year five and beyond. This will help progress data quality and will build on activities already delivered in previous years.

**Deferred Project**

The deferred project relates to active unclaimed pensions, where a member has left the scheme but has either not transferred their existing pension to a new scheme, or claimed the residual funds. The project provides benefits to those members to correct their entitlements but is also necessary to provide assurance to scheme forecasting and valuation processes.

The project is on track in terms of the number of records checked but unfortunately approximately 50% have returned a negative result, i.e TP have not been able to trace the deferred member. Analysis of this is ongoing but the high fail rate is likely to be because of the way we are working through the population (oldest first). In order to provide better information in relation to forecasting TP will change the population chosen from 1 December, so 500 records will be examined each month from deferred members expected to have higher value pension entitlements.

**Employer Review**

The Department has initiated a joint project with TP to review the role of the employer within the administration of the scheme. This project is intended to ensure that the role of the employer remains sustainable and deliverable within the scheme over the mid to long term, to ensure that the scheme is effectively managed and that members continue to receive the best possible service

A first round of focus groups and one to one engagements with employers will be completed before Christmas, the project is expected to deliver its recommendations in April.

As referenced before, this work is underlying the criticality of MDC, both in terms of improving the quality of data held by TP but also reducing admin burdens on employers.

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| **Contract Outcomes** |  |

The results of performance against Year 4 targets will be presented to the board in a separate paper.

The full review of outcome measures is going well, building the approach used in Year 4 for “service oriented” measures. The measure associated with employer engagement will require further review when the employer review project is complete. The measure associated with data quality is being reviewed in conjunction with further work on the data strategy.

The amber status will remain until the review is complete.

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| **Reporting Breaches** |  |

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| **Subject Area** | **Typical Breaches** |
| **Access to Data** **Occurrences in the 3 months to 30 October**  | * Unauthorised access to data;
* Security/IS breaches.

The internal fraud incident as reported to the Board (update at annex A) is the only breach of access to data.  |
| **Disclosure of Data** **Occurrences in the 3 months to 30 October** | * Unauthorised/inappropriate disclosure of data;
* Disclosure of personal data to incorrect Data Subject;
* Failure to verify identity before releasing information;
* Medical/sensitive information inappropriately disclosed;
* Selling personal data.
* 10 instances where two member’s details were enclosed in one envelope occurred within the mailroom as part of an enveloping exercise. The members were informed and the mailroom manager continues to review processes and practices to identify where improvements can be made.
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| **Processing of Data**  **Occurrences in the 3 months to 30 October** | * Misuse of data;
* Removal of data without permission;
* Failure to rectify incorrect personal data.
* One incident where correspondence was issued to a previous Independent Financial Advisor
* one P60 issued to the incorrect address
* One pension suspended incorrectly and details issued to the wrong member

Member records not updated in a timely manner or scanned to incorrect record. Records subsequently updated, all parties informed, apologies issued and the incident discussed to improve future practices. |