

Teachers' Pension Scheme Pension Board (TPSPB)
NINETEENTH BOARD MEETING: 22 JANUARY 2020
MINUTES

Present:		Also Attending:	
Neville Mackay (Chair)	NM	Sue Crane (DfE Senior Contract Manager)	SC
Susan Anyan (Independent Pension Specialist)	SA	Neil Crombie (Client Director, Teachers' Pensions) from 14:00	NC
David Butcher (employer representative)	DB	Jeff Rogerson (DfE Head of Pensions, Governance, Assurance & Accounts)	JR
Kate Copley (DfE representative)	KC	Peter Springhall (DfE Head of TPS Supplier Management)	PS
Jerry Glazier (member representative)	JG		
Julie Huckstep (member representative)	JH	Secretariat (DfE):	
Chris Jones (member representative)	CJ	Karen Cammack	
Iain King (DfE representative)	IK	Ann Ratcliffe	AR
Simon Lowe (employer representative)	SL	Kathryn Symms	
Ian Payne (employer representative)	IP		
Lee Probert (employer representative)	LP		
Dave Wilkinson (member representative)	DW		
Jackie Wood (employer representative)	JW		
Apologies:			
David Trace (member representative)			

	Item	Action
Agenda item 1	<p>Introduction, attendance, apologies:</p> <ul style="list-style-type: none"> Apologies were accepted from David Trace, and best wishes extended as this would have been his last meeting. NM noted that NC will be leaving TP in early March, expressing concerns at the loss of a key member of TP's senior management team. JR reassured the Board that DfE have a role in the selection process, and have reviewed three CV's, providing feedback regarding suitability. He also advised that officials were concerned to ensure that the skill set lost with the earlier departure of David Heslop is replaced, particularly in light of the recent changes at the senior leadership team at Capita, which had impacted working relationships. JG noted that the issue had been raised and discussed at the commercial sub-committee meeting that morning, and this had highlighted some anxieties around succession planning and potential risks in terms of business continuity. SC advised that there is a contractual right for DfE to be involved in the appointment process, and also to appoint someone themselves should no appointment be made. JR confirmed that DfE are working with Capita to appoint someone with a good balance of managerial, technical and actuarial knowledge and skills to ensure future challenges are appropriately handled. He advised that a recent "relationship day" with Capita staff had reviewed the senior management structure and the skill set present at Lingfield Point and the support structure for new appointments. Officials will continue to keep these issues and concerns under review, and update the MR&IC sub-committee. AR was welcomed as a new member of the Secretariat. <p>Minutes of the previous meeting (Paper 2):</p> <ul style="list-style-type: none"> The minutes from the previous meeting were agreed as an 	AP1/220120

	<p>accurate record.</p> <p>Register of Interests (Paper 3):</p> <ul style="list-style-type: none"> NM was content that none of the declared potential conflicts precluded anyone from participating in the meeting. 	
Agenda item 2	<p>Commercial sub-committee update:</p> <ul style="list-style-type: none"> 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 23 October 2019 and will be shared with Board members. 	AP2/220120
	NM welcomed NC, who arrived after agenda item 2 and passed on his best wishes for his new role and future career thanking him for all his valuable contributions to the Board via papers, presentations and attendance.	
Agenda item 3	<p>Update on ongoing action points (Paper 4):</p> <ul style="list-style-type: none"> AP5/231019: NM led a discussion regarding the format of the current Dashboard seeking views on a more streamlined version separating out performance and risk related records and focussing on reporting by exception. The consensus was that although some Board members found the document to be too busy, members were generally content with the current format as it provides a good level of detail and gives a broad overall picture which allows trends to be detected. The supporting narrative document was felt to be particularly valuable in drawing attention to issues under scrutiny and focusing in on areas of concern, and the quarterly report was noted for the additional detail and explanation that it set out. However, it was felt that this level of detail was most appropriate for sub-committees and that a high level summary document might be more valuable to the Board. DfE will prepare a summary document for the next TPSPB meeting, which the Board will keep under review, reverting to the longer version if required. It was felt that it would be valuable for the Service Delivery sub-committee to have an agenda item to check whether the senior leadership at Capita is affecting TP's performance. AP8/231019: JR confirmed that all actions suggested by the TPR in their supervisory report have been taken forward. Of the 17 cases with missing service 16 have been cleared with one having a "quirky" technical issue to resolve. The TPSPB induction and learning log have been refreshed as individual learning logs. 	<p>AP3/220120</p> <p>AP4/220120</p>
Agenda item 4	<p>Cross-Cutting Issue - Partnership working (Paper 5):</p> <ul style="list-style-type: none"> JR talked the Board through Paper 5 which set out the principles of partnership working, highlighting that these are linked to governance arrangements. He confirmed that on a practical level there are a series of one to one relationships supported by a raft of meetings, committees and escalation routes. The agreed principles cover a joint vision, values and strategy, a focus on outcome measures, and a clear focus on continuous 	

	<p>improvement of services for members and employers.</p> <ul style="list-style-type: none"> • The approach is of joint working with equal expertise and equal partnership. Arrangements are based on mutual knowledge of what is needed and mutual commitment to dealing with issues as they arise. • Challenges include the need to maintain vigilance, ensure commercial arrangements are in place to maintain appropriate capacity (with flexibility), and ensuring the commitment to the approach from the whole of each organisation. This need is illustrated by the recent loss of connection due to changes in senior management and the resulting struggle to re-ignite this connection with Capita Head Office. • NC agreed with the assessment of the main issues of the paper confirming that the partnership approach works well, and acknowledging the challenges outlined by JR. In particular, he understood the importance of ensuring that senior Capita staff understand the specifics of the TPS and its importance to DfE's recruitment and retention policies. • NM invited Board members to discuss whether they were content, from a governance perspective, that actions being taken to address the three key issues are appropriate. The consensus of the Board was to welcome the paper and agree with the assessment. A number of members noted that TPS was "a victim of its own success" in that member expectation was increasing (e.g. with the introduction of My Pension Online), but that TP has been very good at meeting this by developing agility and a forward-looking approach. • SC advised that the quarterly report could be extended to include Outcome Measure 16 (Partnership outcome); this would be the best place to review progress against the challenges set out in paper five. The Service Delivery sub-committee is ideally positioned to be alert to the issues from an operational perspective. • Board members felt that the role the TPSPB had played in call-centre issue was worthy of note as it was the first time it had identified/driven an issue and had a role in developing the solution. 	AP5/220120
Agenda item 5	<p>Strategic Objectives update (Paper 6):</p> <ul style="list-style-type: none"> • JR talked the Board through Paper 6 which provided an overview of each of the strategic objectives with measures and, for ease, an accompanying full dashboard of measures. The key measures selected are those that best reflect member and stakeholder views on the effectiveness of each objective. Where the target is contractual an Outcome Measure has been chosen. • This was a further paper to simplify information previously provided and enable the Board to determine whether the strategic objectives are being met. • NM invited the Board to discuss how it can determine that the strategic objectives are being met. • The Board focussed discussion on Objective 1 (Active stakeholder engagement and management), whilst members accepted that there are challenges around numbers of employers, they felt that volume of complaints was not a 	

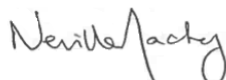
	<ul style="list-style-type: none"> • particularly useful measure and a more positive measure would include items from the list of supporting activities (workshops, training events, presenting at events, focus groups etc). There was some discussion around the size/composition of focus groups and concerns that they should be larger and represent a wider cross-section of the membership. • There was some discussion on data quality and whether this constituted a strategic objective or a hygiene factor, NM noted that the Board already look separately at the Data Strategy. • SA commented that a future approach might be to link strategic objectives and strategic risks, and something the Managing Risk sub-committee could take forward. • DB observed that OM6 (members satisfied with timeliness and quality) was not referenced as a measure. • The Board was generally content with the measures set out against the remaining five objectives. • NM summarised that the document was a significant and positive step forward in enabling the Board to reach a judgement on how well the objectives are being met. There remain concerns around objective one and DfE/TP would revisit this to see if a more useful measure could be determined - with an update to the next TPSPB meeting. The RAG ratings from the strategic objectives, should feature on the revised dashboard. 	AP6/220120 AP7/220120
Agenda item 6	<p>Independent Pension Specialist Update (Paper 7):</p> <p>SA highlighted key points from paper 7, which summarised current issues in the pensions arena, collated from a variety of sources, but most relevant to the TPS:</p> <ul style="list-style-type: none"> • <u>Annual Allowance Taper:</u> The potential easement of annual allowance for NHS senior clinicians is under consultation. If this is implemented it may have an impact on other public sector schemes. JR confirmed that HMT is looking at the tapering issue, but had no additional information to share. <p><u>Pension Ombudsman's Annual Report:</u> It was worthy of note that the pattern of complaints received by the Ombudsman is broadly similar to those received by TPS.</p> <ul style="list-style-type: none"> • <u>Tax Simplification:</u> The office of tax simplification aspires to make tax and pensions simpler and is currently consulting to identify themes and trends. • <u>Same Sex Civil Partners:</u> JR confirmed that the TPS is fully compliant as the Government Equalities Office had led on implementing the required changes. DW requested that, with SA's and the Board's agreement, Paper 5 be shared with SAB as it clearly sets out the issues and would be useful background information. 	AP8/220120

	<ul style="list-style-type: none"> • <u>Other issues:</u> There was a brief discussion on auto-enrolment and the role of the employer to re-enrol every three years. The responsibility sits with the employer and JW advised that employers have a return to complete and submit to the Regulator. Opt-out figures are shared with TPSPB members for background information. In the past TP have tried to track staging dates but DWP, who manage and monitor auto-enrolment, do not share information except with the employer, so it proved impossible. Nevertheless, TP tackle this from a communications perspective and Board members confirmed that the website contains good advisory communications. 	
Agenda item 7	<p>Update from Scheme Advisory Board (SAB)/Policy update:</p> <p>JR confirmed that the next SAB meeting is on 28 January 2020, the previous meeting had been postponed due to restrictions around the general election; McCloud and other policy issues were therefore on hold.</p> <ul style="list-style-type: none"> • <u>McCloud/Sargeant case:</u> The big-ticket item remains McCloud, and the department continue to work with HMT on drawing up possible proposals for the Employment Tribunal. There are currently two favoured options, and these will be discussed at SAB next week. Once the Employment Tribunal outcome is known (e.g. timeline and solution) the intention is to apply the remedy to teachers in the same way as across the rest of the public sector. In the meantime, TP and DfE continue to build capacity to handle this, for example a Project Board has been established. CJ noted that the McCloud remedy could lead to a major review of all public sector schemes. JR confirmed that the government may wish to look at arrangements, with the cost control mechanism potentially being reviewed. Officials continue to push for HMT to wrap all these issues together (scheme arrangements, rectification and cost cap issue). • <u>Accepted schools:</u> JR confirmed that 88 have now left the scheme with a further 12 potential withdrawals. TP has increased communications to try to persuade schools not to opt out, setting out the benefits of membership. A marginal impact only is anticipated on the next scheme valuation. The consultation is currently live and an update will be provided to the TPSPB once the government response is known. <u>Post-meeting secretariat note:</u> the number of accepted schools withdrawing from the scheme had risen to 105 as at 23/1/2020. 	AP9/220120
Agenda item 8	<p>Managing Risk and Internal Controls sub-committee (Paper 10):</p> <p>JG confirmed that the issues that the sub-committee agreed to highlight were: <u>GIA Audit Plan:</u></p> <ul style="list-style-type: none"> • The sub-committee were content with, and took assurances from, the information and processes outlined within the audit plan. • NM confirmed that the TPSPB formally agrees to support the recommendation on behalf of the Managing Risk sub-committee. 	

	<p><u>OBR Forecasting review:</u></p> <ul style="list-style-type: none"> JR explained that this is a look-ahead to the future 7-8 year spend and is important at scheme level to ensure there are sufficient funds. The future impact of McCloud is unknown, but DfE have good modelling experience from scheme reform days. <p><u>Risk Registers:</u></p> <p>JG confirmed that risks are being systematically dealt with, although it remained important to maintain a watching brief. NM confirmed that the TPSPB formally endorses the assurances that the Managing Risk sub-committee had taken in respect of risks being appropriately identified and mitigated.</p>	
Agenda item 9	<p>Service Delivery & Maintenance of Data sub-committee (Paper 12/13) :</p> <p><u>Historic data cleanse:</u></p> <ul style="list-style-type: none"> DW explained that NC had taken the sub-committee through the MDC non-submitted service analysis presentation, which had been interesting and informative. Teachers tend to think that contributions are missing rather than it being a data issue, which leads to a high level of member concern, as noted and raised by TPARG. NC had highlighted that the transition from annual service returns to monthly data collection had identified some gaps. The sub-committee had discussed ways in which gaps in service can be identified, moving the onus away from the member and to better ways of working with employers. The project is on-going over the next 18-24 months, and is currently looking at identifying which employers to approach to participate in a pilot (achieving a good mix of employers). <p><u>Casework backlog:</u></p> <ul style="list-style-type: none"> It has been identified at the last sub-committee meeting that there were in fact two tranches of backlog, and the sub-committee had requested statistical data to evidence progress on tackling these. Paper 13 has been provided to give a breakdown of the backlog cases and a progress update. NC confirmed that TP are confident that the backlog will be cleared by 31 March 2020. The Board sought reassurance that BAU activities continue, so that once this backlog is dealt with there is not another wave of outstanding casework awaiting attention. SC advised the Board that OM6 (members satisfied with timeliness and quality) was a key indicator for this and suggested this is monitored via the SD&MD sub-committee. SC observed that the MR&IC subcommittee monitor the controls for Strategic Risk ST03 which includes forecasting of workload. 	AP10/220120
Agenda item 10	<p>Information to Members & Communications sub-committee (Paper 14):</p> <p>JH confirmed that the issues the sub-committee had agreed to highlight to the Board were:</p>	

	<p><u>Joint working with ESFA:</u></p> <ul style="list-style-type: none"> TP and ESFA continue to collaborate and have recently worked together on developing the teacher welcome pack. <p><u>TPS Branding refresh:</u></p> <ul style="list-style-type: none"> The sub-committee had queried the composition and size of the focus groups convened to discuss the branding refresh, and noted the difficulties that TP encounter in engaging with younger and deferred members. Three refresh options had been considered and a hybrid of two was being developed to reflect the preferences and comments from the groups. The tone of the communications was important to get right. <p><u>2020 Engagement Plan:</u></p> <ul style="list-style-type: none"> The sub-committee had noted TP's intention to better target member campaigns and increase use of social media. TP are moving towards greater self-service and there was some discussion around empowerment versus support and utilising better language to increase impact for members. 	
Agenda item 11	<p>TP Update:</p> <ul style="list-style-type: none"> NC advised that as at Friday 17/1/2020 the backlogs had been reduced from 5,433 to 3,232 (tranche 1) and 12,210 to 7,888 (tranche 2). In order to provide additional assurance and ensure the backlog is cleared by 31 March 2020, TP had extended fixed term contracts by one month. Bonus payments were offered to those that remain in post until the end of the contract. He confirmed that the team is dealing with the simpler cases first, which will mean the rate of clearance will slow as the more complex cases are reached. However, TP is tracking progress daily. In response to a question from SL, NC advised that, whilst he did not know precise figures, general turnover of staff at TP was in line with industry averages. JR commented that the call centre has a higher turnover of staff and in general TP do keep experienced staff for longer. NC agreed to provide turnover figures for the next TPSPB meeting. NC advised that the winter retirements exercise had been achieved and that bereavements was the focus for this time of year. He also noted a dip in SLA performance on the transfers team, due to staffing issues. The webpage developed to provide an update on McCloud issues had seen a high number of visits (c100,000), but very few queries had been generated. Board members confirmed that the webpage was useful and informative. NC explained that the MCR reconciliation project would soon be rolling out to employer groups to test functionality. He also advised that the first meeting of the (DWP) Dashboard steering group is scheduled for 1 February. One of the members of the steering group represents the Public Sector and TP has established contact in order to contribute to the discussion. In response to a query from NM, NC confirmed that TP is engaged in McCloud scenario planning, currently focusing on process mapping and multi-metrics. In addition, consideration is 	AP10/220120

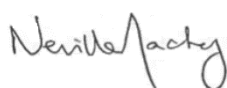
	<p>being given to transfer issues, but as most will be club transfers problems are not anticipated. JR confirmed that a McCloud Programme Board has been set up and is currently considering contingencies to deal with potential high volumes of calls.</p> <ul style="list-style-type: none"> JR agreed to schedule a further McCloud update session for the next sub-committee day in March. 	AP11/220120
Agenda item 12	<p>AOB: Annual Appraisal discussions:</p> <ul style="list-style-type: none"> As a result of the recent one to one appraisal discussions, NM proposed to hold an informal TPSPB session, in the morning of either the July or October meeting (TBC). Timing and structure to be advised, and recognising a likely knock on effect to the timing of the commercial sub-committee meeting. NM thanked the departing four Board members (JG, LP,DT,DW), noting that they were the last of the original appointments to the Board. He recognised the tremendous value they had brought to the Board and their key roles in shaping the way the Board has conducted its business, in particular, as all four are sub-committee chairs. JR advised that recruitment to replace the departing members was underway. An employer representative had been identified at the last round of recruitment and had been “waiting in the wings” whilst two excellent candidates had been nominated in the recent member representative campaign; officials are awaiting ministerial approval to appoint. A further member representative campaign will take place shortly. 	AP12/220120
	The next meeting will take place on Wednesday 22 April 2020, in Sanctuary Buildings, London.	

Minutes agreed : 

Date: 4 February 2020

Minutes circulated to Board members for review on 5 February 2020, as a result the following changes were made:
<ul style="list-style-type: none"> none
Minutes agreed by all Board members by email circulation in April 2020, and subsequently at the TPSPB telephone meeting on 22 April 2020.
Once agreed, a second signature will be added and the minutes uploaded to the Governance area of TP's website (being redacted where required) and a copy securely stored.

Final Signature:



Date: 22 April 2020