**Teachers’ Pension Scheme Pension Board (TPSPB)**

**10 July 2024 at Sanctuary Buildings, London**

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| **Present: Board Members** | **Also Attending:** |
| Alan Taylor (Chair) | Anna Leonard (DfE Head of Supplier Management) |
| Lisa Sproats (Employer Representative by Teams) | John Brown (DfE Head of Supplier Management and Secretariat) |
| Maria Chondrogianni (Member representative by Teams) | Alistair Dennis (Head of Teachers’ Pensions at Capita) |
| Susan Fielden (Employer representative) | Amy Gibbs (TP Head of Governance and Risk) |
| John Pratten (Employer representative) | Alyson Collingwood (TP Head of Operations) |
| Peter Strike (Member representative) | Loraine Dodds (DfE Secretariat) |
| John McGill (Member representative by Teams)  | Helen Cowan (DfE Team Leader) |
| Yvonne Moult (Employer representative) | Abbie Myles (DfE Secretariat) |
| Heather McKenzie (Member representative) |  |
| Simon Lowe (Employer representative) |  |
| Michael Collier (Member representative) |  |
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| **Apologies:** |  |
| Susan Anyan (Independent Pension Specialist) |  |
| Peter Springhall (Deputy Director) |  |
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|  | **Item**  | **Action** |
| Agenda item 1 | **Introduction, attendance and apologies:*** The chair welcomed everyone to the meeting, especially Abbie Myles, the newest member of the secretariat and John Pratten who had kindly agreed to extend his term until end of July 2024.
* Apologies were received from Susan Anyan and Peter Springhall.

**Register of Interests:*** AT reported that there was one amendment to the list and was satisfied there were no conflicts that would prevent participation in the meeting.

**Minutes of the previous meeting (Paper 2):*** A more succinct version of the minutes had been sent to Board members in advance of the meeting. The intention is to focus more on topics discussed, key points raised, and decisions.
* The Board requested the transition update be paraphrased for future minutes, otherwise the Board were content to ratify the minutes.
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| Agenda item 2 | **Actions Update (Paper 3)**The following actions were discussed: -* **AP2/240424 - Pension Dashboard (Lifetime Allowance)** – The department is planning to apply for an extension to the target delivery date, from October 2026 to October 2027 and will keep the Board informed.
* **AP3/240424** – **Opt Out Data** – TP have information that enables them to drill down into opt outs, focussed on age, part-time/full-time, region etc., however, they are unable to provide health information due to GDPR.
	+ A paper due to go to the Scheme Advisory Board (SAB) would also be shared with board members.
* Two queries arose i.e. the proportion of members (workforce) opting into the scheme; and the potential auto-enrolment implications on opt-in data.
* The department agreed to forward more information to the Board on opt-outs.
 | AP1/100724 – John BAP2/100724 – John B |
| Agenda Item 3 | **Pension Specialist Update*****Election Result**** The new government is committed to imposing VAT on private school fees, which may result in increased financial pressure on those schools and potential impacts for the scheme, including increasing operational workload.
* Board members commented that some smaller private schools were opting out due to increased costs and some larger schools were running two schemes i.e. TPS and DC in parallel.
* Phased withdrawal of independent schools is continuing and further costs arising from valuation could result in even more schools leaving the scheme.
* It was reported that some teachers are choosing the DC scheme as it provides more disposable income pre-retirement. Universities are in a similar situation.

***Pension Ombudsman**** It was reported that, in one case of a pension overpayment of £90,000, the Ombudsman ruled the member would pay back only £6,000, the excess from 2019 onwards, as he had no reason to suspect the overpayment, and payslips received showed he was entitled to the money.
* The Ombudsman has streamlined its complaints procedure to speed up processing and help reduce the complaints backlog.

***Cyber Incident**** It was noted that cyber-attacks were happening more frequently. Indeed, BBC pensions was compromised on 21 April 2024.

***Lifetime Allowance**** HMT have provided more information regarding changes to Lifetime Allowance.
* After a query regarding whether HMT have provided the tax information required to move forward with outstanding issues such as CETV, Capita confirmed that they have all the info they need for processing and are working with the department on commercial agreements.
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| Agenda Item 4 | **Policy Update*** The Scheme Advisory Board (SAB) meeting is scheduled for 17 July 2024.
* The valuation is complete. SAB have discussed member contribution tiers, i.e. how they will deliver the member contributions requirement of 9.6% average. A paper will set out their final recommendations, expected to the published in February 2025.
* Funding provided to centrally funded establishments to support the increased costs from the 2020 valuation has been distributed.
* The Transitional Protection (TrP) project is progressing well and clarification with HMRC and HMT is complete. The department can proceed with commercial agreements and IT developments.
* The live Remedial Service Statements (RSS) are going out when applications are received with the rectification RSS’s going out as soon as the final IT development is completed.
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| Agenda Item 5  | **Six Strategic Objectives (Paper 5)*** The paper is a six-monthly update, and assesses delivery of the TPS vision, which is to be the best administered UK public service pension scheme.
* Some targets are contractual e.g. Outcome Measures (OMs) and others have been agreed with TP, the Department and Pensions Board.
* Employers are generally satisfied with the level and quality of engagement.
* Strategic objective 4 (focused innovation and robust change management) - there has been significant impact on TP’s ability to deliver TrP due to government decisions. TP now have the information they need to finalise commercial agreements to start work on the programme.
* Overall, the report shows good performance, however some areas of challenge are impacting delivery.
* The Board requested sight of the CEM benchmarking paper.
* The Board asked what measures would be taken to improve engagement. Action has been taken regarding reducing average handling times however volumes continue to increase, both the department and Capita are investigating what can be done differently to resolve the issue. To note, the operation had seen large increases in volumes during the Easter Retirement Exercise and similar volume increases are expected for the Summer Retirement Exercise.
* The Board noted the report doesn’t highlight how far OMs such as 5 and 6 have fallen. TP explained that they have reduced since contract year 10 and the measure had fallen 5-6% since then to contract year 13 from a member perspective.
* OM16 (demonstration of partnership working) is a qualitative measure where the department score Capita against different elements of their client relationship. It has reduced slightly due to challenges with TrP in the last quarter.
 | AP3/100724 – sent to be closed |
| Agenda Item 6 | **Managing Risk and Internal Controls sub-committee update:** ***Cyber Update – lessons learned:**** The sub-committee received a 'lessons learned' document produced by Capita. The sub-committee was assured that Capita had recognised shortcomings in dealing with the issues arising from the incident. The Board agreed they now had all the information needed regarding this incident and could draw a line.

***Annual Report and Accounts Progress:**** On track for completion during July, the auditor was content with the assurances given on the 2023 cyber incident and no further testing was required.
* Signing of the accounts may not be completed by the usual target i.e. before summer recess. The statutory deadline is 30 November; therefore, a delay will not have any negative consequences.
* The sub-committee highlighted a specific local authority which was having issues with submitting monthly data as a result of the persistent issue of money being held in suspense. This is not causing audit issues, but TP are investigating further.

***Office for Budgetary Responsibility (OBR):**** MRIC noted that the OBR schedule for Autumn was due to commence shortly and TP have completed their preparation.

***Group Internal Audits (GIA):**** MRIC reviewed the outcomes of the Overpayment and Recovery audit, which were positive. However, concerns were raised regarding the TrP audit, where amber/red findings were noted. This process currently relies partly on spreadsheets for preliminary calculations before input to the main system. TP are liaising with GIA to put in place controls to strengthen the process.
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| Agenda item 7  | **Information to Members and Communications sub-committee update:** ***Cyber Incident**** All members affected have been contacted by letter. Those members who were at potential risk of fraudulent behaviour have been offered access to the Experian Fraud Prevention Service.

***Accessibility**** A PowerPoint presentation was shared with the Board by TP and they acknowledged the excellent work done by colleagues on the social media accessibility of the website. There was discussion around colour palettes within the website for accessibility and what is acceptable going forward.
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| Agenda item 8 | **Service Delivery & Maintenance of Data sub-committee update:** ***Easter Retirement Exercise (ERE)**** The sub-committee congratulated TP on successfully delivering the exercise, despite an increase in applications.

***Cash Equivalent Transfer Values (CETV)**** Delays in getting guidance from HMT on calculations relating to TrP had created a backlog of cases. SDMoD was assured that outstanding cases were reducing and being prioritised. There will be a further update at the September meeting.

***Ill Health**** Backlogs are reducing and will be cleared before the end of September.
* There are several cases received where health practitioners were citing Long Covid as a primary reason for ill health, however Long Covid is not recognised as a health condition in England. The department are monitoring the situation and will act promptly if things change.

***MCR/MDC**** The department has signed a commercial agreement with TP to operate dual running of Monthly Contributions Reconciliation (MCR) and Monthly Data Collection (MDC) processes. Payroll providers have been contacted and given additional support. Several bigger payroll providers are having issues causing problems for members. The suspense account continues to reduce as the MCR/MDC gets hold.

***CEM**** The CEM benchmarking report data provides evidence to show that TP continues to be a high-quality low-cost scheme, compared to peer group.
 |  Sec to note |
| Agenda item 9 | **TP Update (Dashboard Update) (Paper 6)*** The report relates to performance during the quarter at an operational level.
* Volumes of transactions continue to increase beyond operational capacity, predominantly in the communication channels, are impacting SLAs and are not expected to reduce in the short term.
* Suspense volumes continue to reduce due to ongoing work by the operational teams.
* Top risks are focussed on cost of living, correspondence volume increases, data quality and TrP. As TP approach the contract end date, these areas will be focussed on to hand over services appropriately.
* The Board queried SLA 12c regarding emails to employers. TP advised the OM for employers’ timeliness is within target.
* The Board commented that, with so many measures presented, it was sometimes hard to see the wood from the trees and get an overall picture of performance and progress. The Board asked TP to include more trend information (which would show seasonal effects) within the dashboard report. The Board also asked if the report could show the volumes on the charts against the measures which will help in interpreting the data.
* The Board congratulated TP for SLA10 (contribution reconciliation) on their good performance.
* TP will have conversations with the department regarding resourcing issues.
 | AP4/100724 – AmyAP5/100724 - Amy |
|  | **TP COLLEAGUES LEFT THE MEETING** |  |
| Agenda Item 10 | **Transition Sub-Committee Update and Progress Report** **The remainder of this section has been removed to ensure commercial sensitivities are maintained.  A full version of the minutes will be prepared and shared with Board members, and at the next TPSPB meeting.** |  |
| Agenda Item 11 | **Portfolio Executive Summary (Paper 8)****The remainder of this section has been removed to ensure commercial sensitivities are maintained.  A full version of the minutes will be prepared and shared with Board members, and at the next TPSPB meeting.** |  |
| Agenda Item 12 | **Any Other Business****The remainder of this section has been removed to ensure commercial sensitivities are maintained.  A full version of the minutes will be prepared and shared with Board members, and at the next TPSPB meeting.** |  |
|  | Alan concluded by thanking everyone for their attendance and contributions to a very productive meeting.The next meeting will take place on 23 October 2024 via Teams. |  |

Minutes agreed:  Date: 13/08/2024

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| Minutes circulated to Board members for review on 14/08/2024. The following changes were made following Board member review. No amendments were requested/made. |
| Minutes ratified at subsequent TPSPB – 23 October 2024 |