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

**Service Delivery and Maintenance of Data Sub-Committee**

**21 June 2023 – Held at Capita, Lingfield Point, Darlington**

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| **Present:** |  |  |
| Simon Lowe  | Employer Representative (Chair) | SL |
| Peter Strike | Member Representative | PS |
| John McGill | Member Representative | JM |
| Susan Anyan | Independent Pension Specialist | SA |
| Amy Gibbs | TP Head of Governance and Risk | AG |
| Danielle Barker | TP Head of Operations | DB |
| Anna-Marie Alderson | DfE Senior Contract Manager  | AA |
| Zaheer Patel | DfE Contract Manager | ZP |
| Melanie Phillip | DfE Casework & Correspondence & TPSPB  | MP |
| Helen Cowan | DfE Secretariat Manager | HC |
| Loraine Dodds | DfE Secretariat | LD |
| **Observers** |  |  |
| Yvonne Moult | Employer Representative  | YM |
| Natasha Atherton | DfE Transition Team | NA |
| **Apologies:** |  |  |
| Heather McKenzie | Member Representative | HM |

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|  | **Item** | **Action** |
| Agenda Item 1 | **Welcome and Apologies:*** SL welcomed those in attendance.
* Apologies were received from Heather McKenzie.
* The minutes from 22 March 2023 were ratified.
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| Agenda Item 2 | **Actions from the previous meeting:*** There are no open actions from the previous meeting.
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| Agenda Item 3 | **Transitional Protection:*** AA referred to the narrative on project progress in the Quarterly Report (QR) and confirmed that rectification work will start in October 2023.
* The teams are working through the policy intent on the LGPS element which will feed into the rectification timeline. Updates will be provided in the Quarterly Report.
* SL asked if issues were expected within the LGPS work. AA confirmed there were not as the number of affected members was relatively low.
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| Agenda Item 4 | **Monthly Contributions Reconciliation (MCR)*** AA noted Paper 8(b) provided a narrative on the background to the MCR project.
* A pilot is currently underway - running from 1 June to 31 August - involving a cohort of approximately 60 employers. TP are offering additional support and increased validation of files submitted to reduce errors and allow employers to onboard on to MCR successfully. The pilot will be reviewed at the end of August.
* AG affirmed that, despite the initial difficulties experienced by employers, it was Capita’s view MCR is the correct route to reconcile data and contributions at member level more accurately. Once employers are onboarded on to MCR, the requirements upon them do reduce.
* SL reflected that the paper was a helpful recap of the process.
* SL asked what the issues were regarding onboarding of employers i.e. knowledge, systems or the complexity of MCR. AG confirmed that all contributed and the latter was key as there were many different elements to get right. TP were developing enhanced training to provide assistance to payroll providers to address some of the system challenges.
* SL asked if employers have had to invest any additional resource. DB expected that large employers may have invested in software but TP have not received feedback about increases in resources from the employer teams.
* PS asked if there was any resistance from employers. AG confirmed they have received a few comments but the overarching feedback was positive and reflective of the benefits of MCR and the increased support from TP. Negative feedback is limited to those who have not availed themselves of the offer of support.
* DB recognised the importance of bridging the gap between the knowledge employers already have and the knowledge they need to onboard on to MCR successfully. TP have provided opportunities for employers to join training events via Microsoft Teams, which have been oversubscribed.
* SL asked if TP had underestimated the complexities of MCR. DB confirmed there was historic evidence within operations that indicated a lack of accuracy regarding returns but the proactive nature of MCR is flushing these errors out more visibly.
* AG did not believe the challenge had been underestimated but recognises that more is needed at each stage to allow employers to onboard successfully. Once fully implemented, the Scheme will ensure the information is correct at member level.
* SA recognised that the new administrator would need to build new pathways between payrolls as part of the transition work.
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| Agenda Item 5 | **CEM Benchmarking report – March 2022*** AA discussed the highlights of the annual CEM report (Paper 9), for the year ending March 2022.
* AA referred to TPS’ peers against which TPS are benchmarked and confirmed the current service falls within ‘high level, low cost’ reflecting the excellent and cost-effective service given to members. Administration costs have increased to £10.25 per member but remain well below the adjusted peer average. The increase in costs is reflective of the Transitional Protection project and other service improvements.
* Member service scores 75 out of 100 and above the peer median of 69, a good reflection for the Scheme.AG indicated that TP have started the 2023 exercise which will see more of a partnership approach with DfE being taken.
* JM expressed interest that the costs were low in comparison to other schemes. AG confirmed that other schemes may contain an investment element which raises their costs. TPS also benefits from economies of scale due to the size of their membership and have digital offerings that other schemes don’t have.
* JM asked if other schemes offer a more personal approach, reflecting that more elderly members may not want to engage digitally. AG confirmed that telephone contact remains available for particularly complex cases or those involving vulnerable individuals.
* SL welcomed the positive report which provided reassurance about the cost and quality of the service and queried if the cyber issue would impact on the 2023 report. AG confirmed it would not as there were no large-scale losses of data.
* SL asked if the increase in cost to £10.25 per member resulted from cost of living. DB advised that it was due to increased provision of services from TP.
* SA reflected the lower governance costs were likely due to the utilisation of DfE resource where other schemes may outsource that function.
* SL referenced delays to P60s being issued. AG confirmed that this measure will be removed for 2023 because CEM realise it is based on member perception rather than whether they are delivered within the legislative timescale.
* SL advised that given the information outlined in the report the sub-committee were suitably assured that the TPS remains high quality/low cost.
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| Agenda Item 6 | **Any issues raised from TPARG (Teachers’ Pension Action Review Group)*** ZP advised TPARG was held on 12 June and there were two escalations:
* The length of time taken to clear ill health cases. All cases up to 31 March have been assessed by Health Management (HM) and have been returned to TP for completion. The Department, TP and HM are meeting weekly to discuss individual cases to ensure appropriate progress was being made.
* The number of schools being reported to the Pensions Regulator (“TPR”). The Department is working with ESFA to discuss the establishments that have been reported to TPR and will identify and support any rectification work.
* JM raised concern about the higher number of academies being reported to TPR compared to local authority schools and sixth forms and queried why they appear to be having difficulties providing the information on time. AA confirmed that this would be discussed with ESFA.
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| Agenda Item 7 | **Review Dashboard and supporting papers:****Quarterly Report (Paper 5)*** AA highlighted the outcome of the recent procurement exercise which will see the scheme administration move from Capita to Tata Consultancy Services (TCS) for delivery from 1 October 2025.
* The Easter Retirement Exercises was completed successfully despite the increased number of members who submitted their applications later on in the exercise. DB reported similar behaviour for the Summer Retirement Exercise (SRE) and TP are currently investigating the cause.
* In respect of Cash Equivalent Transfer Value (CETV), there continued to be embargoes in place around pensions on divorce cases and transfers. The Department have now received the factors from GAD which are currently being implemented. TP will work through those outstanding cases in line with the SLA which currently has a pause on service credits.
* Overall SLA performance is positive and continues to see the benefits of changes that were made to SLA3 (Change of Entitlement) and KPI 5 (reemployments). Outcome measures (OM) are strong although work is underway regarding OM5 and 6 to redefine the feedback measures. AA gave an update on the cyber incident. Forensic investigations are still ongoing, but at this stage, it is confirmed that there has been minimal impact on TPS. Therefore, the Department took the decision not to communicate the cyber incident more widely to avoid unnecessary concern.
* AA confirmed that the Goodwin rectification work is complete. Approximately six cases are awaiting final information before they can be closed.
* Historic calculations are forecast to complete by end of December and overpayments were not an issue due to their low value.
* AA confirmed work was underway regarding scheme valuation and the cost cap and any changes will be communicated to members and employers.

AA reported that DWP have announced that the staging dates for the pensions dashboard have now been removed. The date for connection onto the pension dashboard for public sector schemes is October 2026. * SA queried what was driving the increase in inbound calls regarding bereavements. DB explained that TP are no longer seeing the usual seasonable trends but are now handling 200-300 bereavements per day which could be a legacy of Covid.
* Overall volumes of contact were 12-13% higher than last year. This is currently being managed through the availability of overtime. There are commercial discussions ongoing regarding increasing resource to support these volumes.

**Dashboard*** AG noted that SLA performance, although green on the current dashboard, will be impacted by the increased contact volumes in due course.
* OM3 is performing well following changes being made to the questionnaire.
* SL congratulated the work on completing the Easter Retirements Exercise and Goodwin. He commented that the Summer Retirements Exercise may be impacted by recruitment and retention issues which is seeing members being asked to stay on for another year.
* DB confirmed that TP had identified the cost of living has impacted reemployment volumes as members are retiring, drawing on their benefits and then being reemployed which incurs a slight service gap. TP are working to explain to members that their benefits may be revoked because of reemployment which could lead to overpayments.
* YM asked why employer satisfaction had gone down in OM9. AG clarified that it was due to seeing very low volumes of feedback for OM9 and 10 so one extreme score could skew the results disproportionately.

**Issues Log*** AA referenced two live issues – Ill Health and MCR.
* Whilst good progress has been made regarding ill health, the issue will remain on the list until the Department, TP and HM are all content that the revised way of working is stable.
* MCR is a live issue which has moved into the pilot phase and will be kept open whilst next steps are considered.
* SL invited Board members to confirm if they are suitably assured by the actions taken regarding the two live issues. SA recognised that action was being taken to ensure MCR was back on track.
* JM queried if HM would be attending the Board as he was aware they were attending SAB. MP advised HM were attending SAB for a specific policy reason rather than a strategic issue. AA said she would provide an update on the SAB discussion in the Quarterly Report.

**Complaints Dashboard**AA recognised that there had been an increase in complaints but provided reassurance that they were being dealt with in an appropriate manner and monitored through the Service Delivery Board. | SD1/210623 |
|  Agenda Item 8 | **Agree Key Issues from the Meeting / Report to highlight at the next TPSPB meeting:** * MCR (papers 8(a) and 8(b))
* Ill health update
* Update around TPR non-compliant establishments
* Contact centre – increases in workload
* Assurance re CEM Benchmarking Report
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| Agenda Item 9 | **Agree whether any individual papers or presentation should be shared with remaining Board members:*** CEM Benchmarking report
* MCR papers 8(a) and 8(b)
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| Agenda Item 10 | **AOB** * None.
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| Next meeting | 20 September 2023 – to be held virtually |  |

Minutes agreed by Chair:  Date:

Confirmed by circulation to sub-committee members on:

To be ratified at sub-committee meeting on 20 September 2023