

Teachers' Pension Scheme Pension Board Executive Summary 1 April 2021 – 31 March 2022

1. In 2015, the Teachers' Pension Scheme Pension Board (the Board) was set up to provide additional assurance to the Secretary of State for Education, members, employers, and taxpayers that the Teachers' Pension Scheme (TPS) is being administered efficiently, effectively and in accordance with the scheme rules. The Board effectively challenges and supports the scheme administrator, Teachers' Pensions (TP) and the Department for Education (the Department) to achieve this.

2. The TPS is the second largest defined benefit public service pension scheme in the country - with a little over two million members (approximately 713,000 active, 656,000 deferred and 745,000 pensioner members) and almost 13,000 employers covering England and Wales. The Board's oversight, challenge and support of the work of TP and the Department is therefore very important.

3. The Board meets quarterly. There are fourteen members comprising an independent Chair, an independent Pension Specialist, an equal number of member and employer representatives (five of each) and two members from the Department. Through its four sub-committees, the Board is able to focus on key issues and scrutinise performance in specific areas. The four sub-committees, which also meet quarterly, are as follows:

- **Service Delivery and Maintenance of Data** – scrutinising the arrangements for managing the scheme administration and monitoring performance against a range of performance and outcome measures;
- **Information to Members and Communications** – scrutinising the engagement plan to ensure key messages are provided to members and employers and providing their views on certain products;
- **Managing Risk and Internal Controls** – focusing on the framework for control and accountability, scheme financial administration, and ensuring that any risks are identified and mitigated; and
- **Commercial** – focusing on assuring themselves that commercial arrangements for delivering the scheme are appropriate, effective, offer value for money, and deliver continuous improvement.

4. Board and sub-committee meetings were well-attended during the year (Annex), with well-informed input and challenge from all Board members based on papers, presentations and data provided by TP, the Department and CEM Benchmarking, an organisation that provides an annual report benchmarking a variety of public service schemes, including the TPS.

5. The Board continued to operate successfully through remote meetings. The service to members and employers was also mostly delivered via homeworking. The Board was, however, pleased to note that, when it was safe to do so, some TP staff, including the contact centre team, returned to the office in summer 2021.

6. The Board monitored the arrangements and assured itself that they were working well and service to members and employers was to a high standard. The Board was satisfied that staff wellbeing was a priority, acknowledging TP's, and the wider Capita group's, initiatives were rightly focused on the issue and noted the wide range of activities to support staff.

7. TP's Institute of Customer Services (ICS) survey results were scrutinised by the Board. The Board was generally satisfied with the results; and was content that steps had been made

throughout 2021, by way of a detailed action plan, to improve the performance in several areas. For example, improvements to customer contact and interaction were implemented through webchat and LivePerson. TP had also taken steps to ensure good staff performance was properly appreciated.

8. During the year, the Board was proactive in considering several topics in more detail:

- The Board undertook a review of the Programme Management arrangements between the Department and TP to ensure that the joint oversight was operating effectively. There are many ongoing projects within the Programme that are closely monitored with risks and issues regularly recorded, mitigated and rated;
- The Board scrutinised the CEM Benchmarking report which compares the TPS to other public services schemes. The Board also analysed TP's action plan designed to address areas where some improvement was required. The Board was pleased to note that the TPS was considered to provide a high quality, relatively low-cost service to members and employers; and
- The Board took assurance that the exercise to procure a new administration contract to commence in October 2025 was running effectively. They also gained an understanding of the challenges of transitioning to the new contract.

Key Areas of Activity and Challenge:

9. The Board, through constructive challenge and support, monitored several aspects of the TPS:

- **Bereavement Casework, Complaint Handling and Contact Centre Performance:** Through the Service Delivery and Management of Data sub-committee, the Board challenged both the Department and TP regarding some bereavements cases not being processed within target deadlines. They also raised concerns at the temporary dip in contact centre performance and delays in responding to complaints. The Board was pleased to see a marked improvement in bereavements casework performance from Summer 2021, and contact centre performance from Autumn. The Board continues to monitor these important areas of work and how plans in place are progressing with respect to complaints.
- **Commercial Activity:** The Board (through the Commercial sub-committee) has monitored contract variation activities to ensure that under the current contract, transitional protection and survivor benefits rectification work will be completed timeously. The Board has also monitored both the successful procurement of a new Medical Services contract - due to commence on 1 April 2022, and the ongoing administration contract procurement - due to begin on 1 October 2025.
- **Communications and Engagement Strategy:** The Board (through the Information to Members and Communications sub-committee) has taken a keen interest in how TP communicates (and will communicate) with members about Transitional Protection and how it will affect the different types of membership. The Board was also supportive of TP's work to ensure that the website and other communications aligns with accessibility guidelines.
- **Scheme's Annual Report and Accounts:** The Board noted that the TPS Annual Report and Accounts were successfully laid in Parliament without qualification and within the

statutory deadline, having received no significant queries from the National Audit Office and its appointed scrutiny bodies. Effective governance ensured that the Board had appropriate oversight of the progress of the Scheme Accounts and management of its associated risks throughout the financial year through regular updates provided to the Board's Managing Risks and Internal Controls (MRIC) sub-committee. Issues arising were appropriately escalated to ensure transparency, allowing the Board the opportunity to challenge the operation and control environment. A copy of the accounts can be found using the following link: [Teachers' pension scheme: annual accounts 2020 to 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97110/Teachers_pension_scheme_annual_accounts_2020_to_2021.pdf).

- **TP Internal Audit:** The MRIC sub-committee, in supporting the Board, considered and agreed the content of the internal audit plan for 2021. The MRIC continued to receive assurance of the work of the internal audit function and the successful delivery of the planned audit work in partnership with the Department, and with input from the Government Internal Audit Agency (GIAA). Regular reporting and updates allowed the Board the opportunity to challenge audit progress and the implementation of any mitigating actions.

Summary:

12. The Board is satisfied that the Department and TP have adjusted to the administrative challenges brought about by COVID-19. The Board has effectively challenged TP and the Department on matters where it considers improvement should be made – for example, contact centre and bereavements casework performance. The Board will continue to work to ensure that performance remains high and has been appreciative of the efforts to maintain a good quality service whilst staff are working remotely.