

**Teachers' Pension Scheme Pension Board (TPSPB)**  
**TWENTIETH MEETING: 22 APRIL 2020 – BY TELECONFERENCE**  
**MINUTES**

<b>Present:</b>		<b>Also Attending:</b>	
Neville Mackay (Chair)	NM	Sue Crane (DfE Senior Contract Manager)	SC
Susan Anyan (Independent Pension Specialist)	SA	Paul Faulkner (TP, Director of Operations)	PF
Kate Atkinson (member representative)	KA	Amy Gibbs (TP, Analytics and Risk Manager)	AG
David Butcher (employer representative)	DB	Jeff Rogerson (DfE Head of Assurance and Planning – TPS)	JR
Kate Copley (DfE representative)	KC	Peter Springhall (DfE Head of TPS Supplier Management)	PS
Julie Huckstep (member representative)	JH		
Chris Jones (member representative)	CJ	<b>Secretariat (DfE):</b>	
Simon Lowe (employer representative)	SL	Karen Cammack	
Heather McKenzie (member representative)	HM	Ann Ratcliffe	
Ian Payne (employer representative)	IP	Kathryn Symms	
John Pratten (employer representative)	JP		
Jackie Wood (employer representative)	JW	<b>Observer:</b>	
<b>Apologies:</b>		Anna Alderson (DfE, PMO)	
Iain King (DfE representative)			

	Item	Action
Agenda item 1	<p><b>Introduction, attendance, apologies:</b></p> <ul style="list-style-type: none"> <li>NM welcomed those attending and explained that this will be a pared down agenda, due to COVID-19 arrangements currently in place. It will focus on how Capita is dealing with the challenges of providing a core service.</li> <li>NM welcomed and introduced the three new Board members, attending their first meeting: John Pratten, Kate Atkinson and Heather McKenzie. He advised that the remaining member representative vacancy will be recruited as soon as practically possible.</li> </ul> <p><b>Register of Interests:</b></p> <ul style="list-style-type: none"> <li>NM was content that none of the declared potential conflicts precluded anyone from participating in the meeting.</li> </ul> <p><b>Minutes of the previous meeting (Paper 2):</b></p> <ul style="list-style-type: none"> <li>The minutes were agreed as an accurate record of the last meeting on 22 January 2020.</li> </ul>	
Agenda item 2	<p><b>COVID-19 Arrangements:</b></p> <ul style="list-style-type: none"> <li>For the benefit of those members of the Board not attending the extraordinary TPSPB meetings, NM invited AG to provide a summary of the actions that have been taken in order to maintain a core service to members. The papers and minutes from both meetings (25 March and 8 April) have been shared with all Board members.</li> <li>AG advised that TP quickly set up for most staff to work from home. They are using a combination of laptops and desktops with enhanced security arrangements, and additional telephony software for contact centre staff. Only 28 mailroom staff remain at Lingfield Point scanning and uploading daily white mail. Staggered shifts, social distancing and additional hygiene arrangements are being followed and mailroom staff leave for home once each day's mail is processed.</li> <li>There are a range of daily and weekly catch ups – “silver” teams oversee daily activities and “gold” teams focus on delivery. There</li> </ul>	


	<p>are also daily meetings between key TP and DfE contract management teams to provide early insight into any operational issues arising, and a weekly executive level catch up. Good feedback was received at a recent virtual meeting with TPR, regarding the range of measures put in place.</p> <ul style="list-style-type: none"> <li>• TP is also focussing on staff welfare and have set up a wellbeing hub which cascades information on wellbeing, including mental and financial wellbeing. They are also seeking feedback regarding any additional resources needed to improve effective working.</li> <li>• TP is starting to look at planning for a transition back to the office. Although there are no immediate plans to do so, a phased return is likely. There is also some consideration regarding the long-term future operating model e.g. enhanced remote working and business continuity arrangements, reflecting the success of the current provisions.</li> <li>• NM recognised that TP’s response had been speedy, effective and comprehensive, and asked what the most challenging aspect had been. AG replied that the initial challenge had been to mobilise such a high number of people in a short time scale as safely and quickly as possible.</li> <li>• NM asked to what extent the underlying Business Continuity procedures had been utilised. AG confirmed that most of the arrangements are set out in the planning document – but the added complexity was that this document catered for the move to another office not to remote working.</li> <li>• CJ noted how useful the FAQ section on the website was for members and asked about provisions for high risk and vulnerable employees. AG advised that vulnerable staff members were the first to be mobilised, that equipment had been delivered to those self-isolating and that TP had extended flexible working e.g. around child-care.</li> <li>• AG reassured the Board that security measures were in place, overseen by TP’s IT Security Group. All remote access is arranged via the Head of Security and closely monitored. Laptops are encrypted and USB ports disabled. JR confirmed that Microsoft Teams has been approved by the department’s security team.</li> <li>• IP asked how TP were managing telephony - AG confirmed this had been a big challenge. The initial solution had not been particularly successful, but with additional software added to laptops, the call centre was now running well. All call-centre staff use a script to explain to callers that they are working from home.</li> <li>• KA asked about ill health provisions – AG explained that the medical advisory services already worked remotely so the process was unchanged.</li> </ul>	
	<p><b>Review of papers:</b>  NM invited SC to highlight key points from Paper 3, which lists the key business processes and sets out how they are being managed, alongside any concerns.</p> <ul style="list-style-type: none"> <li>• SC explained that Paper 3 articulates the priorities; currently the main concern is obtaining information from employers. There are good controls in place, but these need close monitoring. She</li> </ul>	

	<p>drew attention to point 4, indicating that a small number of employers are deferring payment of contributions. She reflected that this was likely to be independent schools with cash-flow problems. JP confirmed that this was a current issue for some. JR noted that whilst the department is aware that some independent schools have an issue regarding the increase to contribution rates, the expectation is that payments are made on time. There is a potential to set up repayment plans for those experiencing difficulties and there is guidance on TP's website (which include information on furlough arrangements).</p> <ul style="list-style-type: none"> <li>• SC explained that Paper 4 sets out the key risks and how these are being mitigated. These are taken from the strategic and operational Risk Register but viewed (daily) through the lens of COVID-19 arrangements, whereby she considers whether the controls in place are appropriate and effective. She highlighted the two red risks on maintenance of scheme knowledge and significant volume increases. She receives weekly information regarding sickness levels at TP, and confirmed this was not currently an area of concern. TP is taking some proactive steps in respect of cross-skilling some of the smaller teams so that there could be substitutions at short notice if required.</li> <li>• A spike in bereavements is anticipated and volumes are monitored daily. A slight increase was noted after the Easter break, but this was not near the normal seasonal peak; numbers will be kept under review.</li> <li>• An increase in "revisions" (whereby awards are revised once missing employment data is submitted) is also anticipated. JR reassured the Board that due to monthly data collection - data is usually no more than one month old, so awards will be near accurate. However, some minor adjustments (usually upwards) may be needed when a final set of data is received. There may be a spike in revisions when employers, currently working from home without access to the most up to date information, return to the office and provide TP with the data.</li> <li>• CJ noted CP009 and raised concern that post '92 universities who rely heavily on overseas students, may experience a shortfall in students that may lead to staff redundancies. JR noted the concern and agreed to pass it along to SAB colleagues for policy considerations.</li> </ul> <ul style="list-style-type: none"> <li>• SC explained that paper 5 shows DfE if TP is able to keep up with the work coming in. The bars illustrate work to be processed, and the volume of work seen here is not unusual, although will be monitored. The red line shows cases received in period and the blue line shows cases processed. The chart illustrates that TP is keeping on top of the workload. The specific graphic on KPI2 (correspondence) indicates that TP has processed more cases than they have received. SL queried whether this covered the complete range/complexity of cases received – SC confirmed that was the case.</li> <li>• In response to IP's query, SC confirmed that all but 200 cases of the two backlogs caused by an increase in volume of members had been cleared. The target date of 31 March had been met for tranche 1 (issue 39: cases that built up before the commercial agreement), but work on completing tranche 2 (issue 41:the</li> </ul>	<p>AP1/220420</p>
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	<p>backlog that build up after the commercial agreement) coincided with the mobilisation of the workforce to work from home so had been impacted. NM sought reassurance that the current situation was not resulting in another backlog – SC advised that the key function of Paper 5 was to track case handling to ensure this did not happen.</p> <ul style="list-style-type: none"> <li>• SC noted that the quarterly report circulated for the 22 March sub-committees contained SLA performance data to the end of January 2020. Paper 6 shows performance for March and April. She highlighted that cases are marked against the SLA once they are closed. She drew attention to SLA 4b (Ill Health and Death Benefits) explaining that whilst it showed as red, the target was a very challenging 100% processed in 7 days. Whilst it was red there are, however, no major concerns. The other red SLA – 6a relates to transfers out. There are small volumes of these requests dealt with by a small team, so whilst any issues impact the SLA, there is negligible member detriment if the 10-day target is not met. The SLA is red but improving, so currently no cause for concern.</li> <li>• NM asked about the financial penalties that are applied to TP in certain circumstances. SC explained that a Cabinet Office direction meant these would not be applied for April/May/June in light of extraordinary arrangements required to deal with the COVID-19 crisis.</li> <li>• KA highlighted a potential resourcing issue re Ill Health applications in that members are reporting they are unable to obtain doctor's evidence at the current time. This might spark a rush once the current crisis is over. SC/AG noted as a possible future issue and will reflect to see what can be done.</li> <li>• NM remarked that taken in the round TP's performance during the current time is impressive and a reflection of the effectiveness of the working arrangements that have been put in place.</li> </ul>	
<p>Agenda item 3</p>	<p><b>IPS update:</b> SA provided a verbal update on key issues facing the wider pension sector.</p> <ul style="list-style-type: none"> <li>• She confirmed that the sorts of issues that TP have been tackling are echoed in the private sector e.g. setting up remote working arrangement and increasing bandwidth. Virtual meetings are becoming the norm and may lead to a “new normal” in the future.</li> <li>• Issues with helplines were reported and some call centres had closed, added to this a number of smaller schemes do not have member portals. SA noted that the TPS is in a good position because of the well-developed MPO which provides online services for administration and communications.</li> <li>• She reported the biggest challenge as the impact of the investment market and associated liquidity issues, and the financial struggle to afford on-going pension contributions.</li> <li>• She acknowledged that there may be a possible acceleration of schools wishing to leave the scheme.</li> </ul>	
<p>Agenda item 4</p>	<p><b>Project and Programme update:</b> Whilst the current focus is on TP's response to COVID-19, there are a number of significant projects and change initiatives ongoing.</p>	

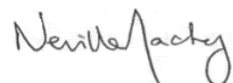
	<p>These are monitored by an internal Project Steering Board, which is currently taking stock on the impact of the projects e.g. with stakeholders.</p> <ul style="list-style-type: none"> <li>• <u>Transitional Protection (McCloud)</u> – TP is starting to look at the volume of cases identified as ‘immediate detriment’ cases and how they will be resolved. The supporting Engagement Plan is progressing with information to members, employers and other stakeholders. (bulletins, fact sheets FAQs).</li> <li>• <u>Monthly Contribution Reconciliation (MCR)</u> - IT development is progressing well and testing underway with a pilot group due to start in August 2020.</li> <li>• <u>MDC full checklist</u> – Pilot exercise complete. The full checklist rollout will be delayed to prevent an additional burden on employers.</li> <li>• <u>Employer Portal project</u> - TP has been addressing some of the immediate enhancements to the Portal. Engagement between TP and DfE continues to identify the scope of the wider redesign.</li> <li>• <u>Data Strategy</u> – this encompasses a number of activities, aimed at ensuring TP adapt to changes in the wider scheme/pension environment. TP is reviewing deliverables to ensure no additional burden is placed on employers. There are almost one million members with an MPO account and TP continues to encourage people on-line to access their information, identify any discrepancies and make updates.</li> </ul>	
<p>Agenda item 5</p>	<p><b>Planning</b></p> <p>NM advised that he and Jeff had had some preliminary discussions regarding arrangement for future sub-committee and Board meetings should the lockdown continue for the foreseeable future.</p> <ul style="list-style-type: none"> <li>• He proposed that the regular extraordinary meetings (comprising sub-committee chairs, himself and key TP/DfE contacts) continue as a light-touch way to stay abreast of performance, using the 17 June sub-committee date for one and agreeing other dates.</li> <li>• DB felt that missing two rounds of sub-committees was not optimal and queried why pared down sub-committees could not take place using Teams. NM advised that the idea was to protect TP and DfE staff to allow them to focus on dealing with the core service to members and that preparation of papers for sub-committee meetings was a distraction to this. The consensus was that regular extraordinary meetings should continue until such as time as restrictions were lifted, recognising there would be some catch-up to do when things return to normal.</li> <li>• NM also indicated that the next TPSPB scheduled for 15 July was likely to take the form of a Teams meeting and, as today, continue to focus on service delivery issues, unless travel/working restrictions are relaxed before then.</li> </ul>	<p>AP2/220420</p>
<p>Agenda item</p>	<p><b>AOB:</b></p> <p>NM invited sub-committee chairs to update on any significant activities since the last meeting.</p> <ul style="list-style-type: none"> <li>• DB advised that the contract extension has now been signed (16 April).</li> <li>• JR advised that the department is still on track to lay the scheme accounts before recess (July). Capita has been in discussion</li> </ul>	

	<p>with Deloitte, the auditors, regarding screenshot data to support the final audit, which remains on target for completion in May. Some reconciliation issues continue to be resolved via working group arrangements. JR will send out the governance statement again for comment and the audit report will be shared when ready.</p> <ul style="list-style-type: none"> <li>• JP advised that 100-110 independent schools left the scheme last year due to the pressures of increased employer contributions. Up to 120 more are considering leaving and a further 87 are looking to the hybrid arrangements that were recently consulted on by DfE.</li> <li>• Some schools are under pressure from parents to reduce fees for the summer term and it is likely that some small schools may go out of business and others may amalgamate.</li> <li>• JP raised concern about whether there would be a further increase in employer contributions in 2023. JR advised that it is too early to speculate on the final result of the valuation because there are still too many unknowns and policy decisions to be determined. Stakeholders will be kept fully informed and involved regarding developments via the Scheme Advisory Board (SAB) where such matters are discussed, with TPSPB maintaining an interest.</li> <li>• JH raised an associated issue about schools seeking to suspend membership of the scheme for six months. JR advised there is no legislative basis to support this, and that he would alert TP to this and to the specific school JH referred to.</li> </ul>	<p>AP3/220420 AP6/250320</p> <p>AP4/220420</p>
	<p>Neville concluded by thanking everyone for attending. The next meeting will take place on Wednesday 17 July 2020.</p>	

Minutes agreed: 

Date: 27 April 2020

<p>Minutes circulated to Board members for review on 28 April 2020, as a result the following changes were made:</p> <ul style="list-style-type: none"> <li>• none</li> </ul>
<p>Minutes to be ratified at subsequent TPSPB. Once agreed, a second signature is added and the minutes uploaded to the Governance area of TP's website (being redacted where required) and a copy securely stored.</p>

Final Signature: 

Date: 15 July 2020