

**Teachers' Pension Scheme Pension Board (TPSPB)
 TWENTY-FOURTH MEETING: 21 April 2021 (By TEAMS Teleconference)**

MINUTES

Present:		Also Attending:	
Neville Mackay (Chair)	NM	John Brown (DfE Head of Policy Projects)	JB
Susan Anyan (Independent Pension Specialist)	SA	Sue Crane (DfE Senior Contract Manager)	SC
Kate Atkinson (member representative)	KA	Paul Faulkner (TP Director of Operations)	PF
David Butcher (employer representative)	DB	Amy Gibbs (TP, Analytics and Risk Manager)	AG
Kate Copley (DfE representative)	KC	Richard Giles (Head of TP)	RG
Julie Huckstep (member representative)	JH	Matt McNaughton (TP Programme Manager)	MM
Chris Jones (member representative)	CJ	Jeff Rogerson DfE (Head of Assurance & Planning)	JR
Iain King (DfE representative)	IK	Peter Springhall (DfE Head of TPS Supplier Management)	PSp
Simon Lowe (employer representative)	SL	Kathryn Symms (DfE Policy & Governance)	KS
Heather McKenzie (member representative)	HM	Anna-Marie Alderson (DfE (Programme Management Officer)	AMA
Ian Payne (employer representative)	IP	Matthew Barrow (DfE Exit Transition Manager (Observer)	MB
John Pratten (employer representative)	JP	Zaheer Patel (DfE Contract Manager (Observer)	ZP
Jackie Wood (employer representative)	JW		
Peter Strike (member representative)	PS	Secretariat (DfE):	
		Helen Cowan	
		Ann Ratcliffe	

	Item	Action
Agenda item 1	<p>Introduction, attendance, apologies:</p> <ul style="list-style-type: none"> KC chaired the meeting initially as NM was having difficulties logging into the meeting. She welcomed everyone to the Board meeting. There were no apologies. <p>Register of Interests (Paper 2):</p> <ul style="list-style-type: none"> KC noted that the register had been updated ahead of the meeting and that none of the declared potential conflicts precluded anyone from participating in the meeting. <p>Minutes of the previous meeting (Paper 3):</p> <ul style="list-style-type: none"> The minutes were agreed as an accurate record of the meeting of 20 January 2021. 	
Agenda item 2	<p>Actions update (Paper 4):</p> <ul style="list-style-type: none"> The Board noted that all actions arising from the last meeting were fulfilled and closed. KS explained the action relating to the Commercial sub-committee Terms of Reference (ToR) would be discussed later in the meeting. <p>KC handed over chairing of the meeting to NM who had now joined the call.</p>	

Agenda item 3	<p>Cross Cutting Strategic Issue – Review of the Programme Management Arrangements of the TPS (Paper 5):</p> <ul style="list-style-type: none"> • NM provided background information about project and programme management, and he asked that the Board considered whether the TPS programme arrangements are robust and fit for purpose. • JR explained that the TPS Programme has many projects and programmes (which manage related projects), and that those are all brought together and managed effectively as a portfolio. The TPS Programme brings together TP and departmental work. • JR explained that TPS programme management arrangements are more important than ever with so many projects underway. The responsibility for the TPS is the Department's, on behalf of the Secretary of State. It is a Department-led Programme with the Department being involved in everything – from formulating policy to overseeing delivery, BAU and monitoring continuous improvement. However, the Department, with support from TP, employs a two-pronged approach to managing the TPS as a whole. • Projects managing issues like McCloud and Goodwin are tasks with strictly defined outputs that require delivery within a specific timescale and budget – hence a project management approach whereby the focus is on using the right resource and expertise. • The TPS Programme aims to ensure work is completed in the most effective way to secure the best overall service for stakeholders, and have the maximum positive impact on recruitment and retaining excellent teachers. • The Programme ensures a coordinated approach across all projects – such as McCloud and Goodwin rectification, subsidiary projects such as Monthly Contribution Reconciliation (MCR) and Continuous Improvement Project, and across business as usual/normal delivery activity. • JR explained the organogram which sets out the various boards and group meetings that help with the three-tier structure that manages, monitors and gains assurance that the TPS is effective and efficient. • Governance of the TPS is the legal responsibility of the Scheme Manager, the Secretary of State for Education. In practice, this function is delegated to the Department's teams to manage, and in turn delivery of the scheme is delegated to TP under contract. The Department oversees TP's performance and works closely with them to maintain a sound system of internal control and risk management. • JR explained the Board is already receiving, via the Managing Risk and Internal Controls (MR&IC) sub-committee, regular updates on programme progress and will continue to receive those in order to assess that it remains assured about how arrangements are working in practice. • NM thanked JR for the presentation and observed that the TPS Programme operates as a portfolio, but accepted that the interactions between the two organisations were robust. • RG explained MM's Programme Management team oversee the large volume of projects affecting the scheme. This is separate to BAU delivery teams, so resource is not taken from BAU resource. 	
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	<p>The TPS Programme is an evolving model and over the last 12 months, the increase in how closely TP works with the Department is paying dividends, for example MM now attends the Department's Programme Board every month.</p> <ul style="list-style-type: none"> • KC concurred that the joined-up good working relationship between the organisations is adding value to the management of the TPS; but that as Senior Responsible Officer (SRO), she was not complacent and will continue to encourage dialogue. • HM commented that the Glance plan was very helpful and asked if the governance structure is a new way of working. JR explained that historically programme management arrangements have been used since around 2010, but the Department has recently refreshed the approach to Programme Management to ensure more joint working between the two organisations and the development of one shared plan. • KC agreed that this was not a massive change, but the approach has evolved to ensure it is clear how the various boards interlink. • HM questioned why the Department was considering the audit by the GIAA. JR explained that a similar audit several years ago had been very helpful, and he valued an independent view to provide assurance that the arrangements are robust. • IP mentioned that the resourcing is key. JR agreed and explained that both organisations are increasing staffing. • NM invited SA to give an update from the MR&IC March sub-committee meeting due to the sub-committee's continuing interest in the TPS Programme due to the volume of work and the re-planning work underway. • MM explained that the RAG rating is red whilst the re-planning of immediate detriment work continues. That is almost complete and therefore may not be red by the next sub-committee. • The Glance and Level 0 plans are designed to provide a high-level overview of projects and their interdependencies. MM explained that the planning has helped identify which Transitional Protection cases can be calculated ahead of the decision by HMT – but without actually sharing the calculations with members. • Goodwin work is progressing in line with plan. There are ongoing discussions about the commercial proposal. Because there are interdependencies with Transitional Protection cases, some re-planning and re-prioritising will be required. • The Employer Portal work has been affected by MCR which has identified some legacy data issues that have now been addressed. • MM explained the programme plan is used in real time and managed daily. Updates from weekly KiTs and forums are essential to see any subsequent impact on milestones. If a milestone changes, it is easy to see if there will be a knock-on effect on delivery. • SA agreed this was a very useful tool to see how everything was progressing and provide assurance to the Board. • NM asked members if they were content with the assurance offered by both JR's paper and SA's sub-committee review, and that confirmed that the Board as a whole is assured. He noted that the structures will evolve, and that it is good that the flexibility is there. He was also pleased that the Government Internal Audit Agency (GIAA) will provide a further independent view on the 	
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	<p>arrangements. He also suggested that in order to clarify the distinction between programme and portfolio management arrangements, and to avoid confusion between these different governance structures, the Department should consider the case for renaming their existing Programme Board a Portfolio Board.</p>	AP1/210421
<p>Agenda item 4</p>	<p>Independent Pension Specialist update (Paper 6):</p> <p>SA summarised her report, particular areas of interest included:</p> <p>Consolidated code of practice for pension schemes:</p> <ul style="list-style-type: none"> • SA reported that amendments to the document are out for consultation (link provided in paper 6) at the moment and will be brought into effect in the Autumn. The code will affect the whole industry – public and private. • JR discussed the impacts for TP and noted the suggestion that public service schemes have policies in place for managing advisers and service providers and include policies on appointing requirements for discussions at meetings of pension boards. • JR reassured members that he is confident our scheme ‘ticks every box’ in terms of robustness of arrangements. If the consultation is finalised and those requirements are needed, then work would be needed to put policies together to embrace the activities. <p>Pension Schemes Act 2021</p> <ul style="list-style-type: none"> • SA reassured the Board about the content of the Act, explaining the main changes likely to impact the TPS were in relation to the Regulator’s powers – and then the impacts were unlikely to be significant. She reassured Board Members about the reasons for introducing new criminal penalties, and that these were unlikely to be relevant to the TPS. Other aspect of the Act are more about funding and investment. • JR agreed, advising that the penalties are aimed at ensuring the management of Schemes is effective, particularly around protecting member benefits, and were far more likely to apply to officials and not Board members. He added that all TPS arrangements are geared to TP not being in the position whereby the Regulator needs to take a significant interest. He confirmed the Department is comfortable with the expansion of regulation powers and reminded the Board that the Scheme has regular and positive engagement with the Regulator. <p>PASA issues guidance on GMP equalisation tax issues</p> <ul style="list-style-type: none"> • SA advised this guidance was issued by the industry and there was a solution in the TPS that would circumvent this. • JR explained that across the public service schemes, the Treasury consulted on a solution to GMP equalisation and announced the result recently. HMT will extend the interim solution and all members will get indexation on their full teachers’ pension. This addresses the equalisation issue in full and the decision minimises the administrative changes. JR stressed it is not the end of GMPs as there is a separate judgment due that may affect transfers, but there are policy decisions to be resolved by HMT before the impact of that can be better determined. <p>Pensions Dashboard</p>	

	<ul style="list-style-type: none"> SA pointed to the further developments that have taken place. JR explained that DWP was responsible for delivering this policy and had met with public service schemes to discuss their plans to get the public service schemes onboard early. Due to the strong possibility that information for the majority of members would be subject to significant uncertainty until the impacts of Goodwin and Transitional Protection was resolved, this is unlikely to happen – for all the public service schemes. He reassured members that the TPS is in a good place to service the data needs, but the question of the when it would be sensible to join remains. <p>Overseas data transfers</p> <ul style="list-style-type: none"> SA said this was a small issue but that data flows must be properly managed and recognise that there are some transitional arrangements following Brexit that run out soon. AG advised that there were three overseas independent schools with sixteen members and that TP has been discussing with SC the arrangements to be put in place to communicate with the members and data share arrangements with employers. JP offered to assist with any communications if necessary given these are independent schools. <p>Consultation on raising normal minimum pension age:</p> <ul style="list-style-type: none"> SA explained that this was a policy matter, however it would be sensible for Board members to note the impact on scheme members, and any knock-on implications for scheme administration, if all goes as planned. JR explained that the Department is working with HMT on the policy issues involved and will keep the Board informed on developments. <p>Other News</p> <ul style="list-style-type: none"> The Lifetime Allowance has been frozen in the recent budget and this may continue and therefore may affect more people. NM thanked SA and suggested it would be useful to undertake cross checking when the Code was communicated by the Regulator to ensure TPS is compliant. NM asked if the climate change requirements were investment focused and not something that would not affect us. SA confirmed that it was focused on investments, but may be extended to the whole operation and may affect services like TP in due course. 	
<p>Agenda item 5</p>	<p>Scheme Advisory Board (SAB) update:</p> <ul style="list-style-type: none"> At NM's request, JR began by outlining the difference between the roles of TPSPB and SAB. TPSPB provides assurance to the Secretary of State and wider stakeholders that the administration of the scheme is effective and efficient. SAB hold policy-related conversations, and the Department seeks views about policy changes. JR acknowledged that in formulating policy, SAB may want to consider communications and delivery. Similarly, TPSPB will need to understand the policy to satisfy themselves that the communications are adequate, and that delivery is being considered/can be successfully achieved. NM was satisfied that the Department manages the relationship 	

between the two Boards to avoid gaps and duplication.

JB outlined the key items discussed at the SAB meeting on 16 February 2021.

Transitional Protection (McCloud)

- JB advised that he had confirmed to SAB that the Government response to the consultation had been published, with the deferred choice underpin being the chosen option. This was the SAB's favoured option because it means that members will have all the information required when making decisions at the point of retirement/a pension event.
- There remain several outstanding centrally led decisions, and some TPS-specific decisions to be made. SAB will provide advice on the latter through smaller working groups that will meet at three-weekly intervals for the rest of the calendar year. The groups are working well so far.
- The biggest dependency is the passage of the Bill which the Department is feeding into and will monitor closely to ensure it is progressing in a timely fashion.
- The Goodwin project is on track. TP is already processing a very small number of priority cases. The Department is considering Capita's commercial proposal which aims to ramp up rectification work from August.
- The scheme has not waited for legislation to come into force before beginning Goodwin casework. The proposed regulations are out for consultation at present. JB noted that the consultation also includes the proposed regulatory changes required to allow independent schools' phased withdrawal from the TPS if they wish to do so.
- The aim is for the Regulations to be laid before September, which will formalise the powers/arrangements involved.
- GMP - It has been confirmed that the existing solution for GMP will also be used as the long-term solution. JB was content with this outcome, particularly as it reduces the risk of legal challenge and the administrative burden on TP.
- The proposal to apply a £95k cap on exit payments has been halted. This has had no direct impact on administration of the TPS, as nothing had been put in place to accommodate this change.
- NM expressed concerns about the impact the delay in Transitional Protection policy decisions might have on delivery. RG agreed that this had caused significant re-planning work. He was satisfied that preparation work can continue, with calculations continuing to be done in a well-planned and managed way. The main difference in approach will be that TP will not communicate results with the member until legislative arrangements allow.
- JB agreed that the preparation work would ensure that we are in a good place to deal with casework as quickly and effectively as possible. Project/programme management arrangements are

	<p>ensuring there is a clearer focus on the timing of future policy decisions and impacts if those change. The Board took assurance from the work done to ensure the policy delays were not causing too much of an issue, and for monitoring future issues.</p>	
<p>Agenda item 6</p>	<p><u>Service Delivery and Maintenance of Data (SD&MoD) sub-committee update (Paper 7):</u></p> <ul style="list-style-type: none"> • JW reported that the SD&MoD sub-committee continued to focus on bereavements casework. BAU and aged casework continues to be impacted by the pandemic, with 20% more cases being received across SLAs 4a and 4b than expected. Of the 2,500 cases outstanding, 1,200 required third party input. JW noted that aged cases have been outstanding for a shorter period of time than previously reported which was encouraging. • JW reported on the successful completion of the Winter Retirement exercise. • JW explained that PF had provided an overview of the complaints process. The sub-committee had discussed the number and types of complaints TP receive – including complaints about complaints handling, which NM was pleased to see was reported. • The sub-committee had also discussed the Money and Pensions Service (MaPS) report, concluding that TPS members sought advice and guidance from MaPS, rather than complaining about the service. • NM raised concerns about processing bereavement casework. RG explained that the COVID-19 pandemic trends were mirrored in the TPS workload. Winter is always a challenging time for the team, but volumes were higher this year, and that had created difficulties in managing the SLA back to an acceptable level. Due to the technical and complex nature of the work, it was difficult to quickly increase resources. • RG explained that the five recently recruited staff were performing well in their roles. The outlook with regard to the pandemic appears positive, and the team is beginning to catch up again. • NM enquired about the suitability of TP website messaging about pensions on divorce (POD), given that POD accounted for 20% of enquiries to the MaPS. JR and KA agreed that it was most likely related to the administration fees associated with the service TP provides and strengthening messaging may reduce member concerns and enquiries. • NM enquired as to whether there was an agreed policy about actively tracing deferred members. • PF explained that because TP encourages members leaving teaching service to create an MPO account, the expectation is that the number of deferred members who are not contactable is diminishing. • JR noted that responsibility for claiming benefits rests with members/their beneficiaries. Historically, engagement with members was principally via the employer, and that had necessitated the earlier deferred member tracing exercise as we did not have the same level of direct connections with members as we do now. • SC agreed that the policy to obtain maximum take-up of MPO on 	<p>AP2/210421</p>

	<p>leaving teaching service should be reflected and monitored through the Board's quarterly report. KC agreed to confirm the policy position and that it be reported through the quarterly report.</p>	AP3/210421
Agenda item 7	<p>Managing Risk and Internal Controls sub-committee update (Paper 8):</p> <p><u>Programme Management paper</u></p> <ul style="list-style-type: none"> • This was covered at agenda item 3. <p><u>PASA Cybercrime</u></p> <ul style="list-style-type: none"> • SA reported that AG had presented the PASA Cybercrime paper at the sub-committee in March. AG had provided assurance that robust controls were in place and backup systems were available to access data. • An action point has been referred onto the IM&C sub-committee as it was suggested that Trade Unions or employers may be able to cascade a message to raise awareness to cybercrime, MR240321. • The Risk Register, Quarterly Report and Dashboard were fully reviewed. • End of year accounts - the final audit is scheduled for four weeks commencing Tuesday 4 May. Audit and Risk Committee sign off is targeted for 8 July, prior to laying before parliamentary recess on 22 July. • NM took assurance from SA's update about cyber security and suggested this was an area to check on in the forthcoming TPR Code. 	
Agenda item 8	<p>Information to Members and Communications sub-committee update (Paper 9):</p> <p><u>Independent Schools</u></p> <ul style="list-style-type: none"> • JH referred the Board to the minutes as there was an in-depth discussion, including a presentation from TP. A significant number of independent schools have left/intend to leave the scheme as a result of increased employer contributions. JH noted a very small number of independent schools have actually joined the scheme recently too. • • JH reported that communications were already in place on the website, in both the member and employer sections, and TP will ensure there is no disconnect between the two. A letter is issued to all schools stating their intention to leave the scheme which includes fact sheets, check lists etc. Members at those schools are also sent this information when their employer opts to leave the scheme. <p><u>Annual Executive Review (for sign-off)</u></p> <ul style="list-style-type: none"> • JH informed that this is published at the end of each year and highlights what the Board has achieved in the last 12 months. She requested sign-off by the Board. • NM advised he was happy with the document and the IM&C sub-committee had examined and agreed the document. The Board was content to sign-off the paper. <p><u>Goodwin Communications</u></p>	AP4/210421

	<ul style="list-style-type: none"> • JH advised that this topic would be a standing agenda item for the IM&C sub-committee going forward. She referred to paragraphs 50-55 in the Quarterly Report, highlighting that there is some engagement being prepared, including timescales, in the order of cases reviewed. • JH reported there are 400,000 female members with pensionable service between 1972 and 1988 whose dependants could potentially be affected. • NM asked for assurance that the work being undertaken at the SAB i.e. their ideas about communications would mesh with the work of the IM&C sub-committee. • KC confirmed that this would, stressing that the Boards have areas of common interest and an important role to play. The Department manages both Boards carefully and will ensure that the communications that SAB is consulted on will dovetail with the IM&C sub-committee's work. 	
<p>Agenda item 9</p>	<p>TP Update (Paper 11):</p> <ul style="list-style-type: none"> • RG reported there were four areas of service delivery he wanted to discuss with the Board. Two had been dealt with earlier in the meeting - bereavements and complaints. The other two areas were: contact centre and revisions. Both of these teams had seen an increase in volumes. • The contact centre had seen an increase in calls, a number of which were linked to bereavements. This coincided with a number of people leaving the team and a number on long-term sickness. Both happening at the same time was unusual and had led to a dip in performance. • He reported that there were plans in place to bring in more resource to improve the service levels, and regular discussions were being held with SC. He asked the Board to note that delay in getting through to the centre could impact complaints being received. • TP is considering a flexible resourcing model, without lowering quality, as an operator needs wide knowledge about the scheme, and specialist knowledge to handle bereavement calls. • The team continues to prioritise bereavement and ill health calls. The contact centre team is expected to be the first team to return to the office in July, as managers believe it is beneficial to team members to be able to talk directly to colleagues about what can be challenging/ sensitive work. • Revisions SLA3 – RG reported that the team is not performing at the required level. He has been surprised at the number of revisions received, and often there are multiple revisions for the same member. TP is therefore considering how they can work with employers to reduce the number of times the team has to rework the benefit calculation. • RG stressed the overall performance against SLAs is generally good. Benefits calculations are being done in line with SLAs and payments on time for members. • NM queried which of the challenges were causing most concern. • RG noted that resourcing was the biggest challenge. For example, 600,000 members will be affected by Goodwin and Transitional Protection and therefore 150 new staff – in addition to the existing 300 staff – could be needed. A 50% increase in 	

	<p>recruitment and training on existing teams and management capacity is the biggest issue.</p> <ul style="list-style-type: none"> • SL acknowledged the bereavement team’s work would be emotionally draining. He asked if wider staff absence was commensurate with the absence on the bereavement team. RG confirmed the level of absence has been lower than normal overall and that reasons for the absences from the call centre staff were not stress related. • NM noted that staff absence has now been elevated to the top 5 risks and the Department and TP would be discussing this regularly in forthcoming meetings. • JH asked for further information about the ‘unallocated contributions balance. JR assured the Board that this was not something that would impact individual member records, but was an issue with the timing of payments each month. He reassured the Board that payments were cleared down regularly, but new payments were then received. AG confirmed that this was a typical balance and not an area of concern. 	
<p>Agenda item 10</p>	<p>Commercial sub-committee update:</p> <p>TP colleagues left the conference call.</p> <p>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 21 April 2021 and will be shared with Board members. A full version of the minutes will be prepared and shared with Board members, and at the next TPSPB meeting.</p>	
<p>Agenda item 11</p>	<p>Any Other business (Paper 13):</p> <p><u>Sub-committees: Forward Workplans</u></p> <ul style="list-style-type: none"> • NM referred the Board to paper 13 - the definitive Forward Workplans for the four sub-committees. He advised that KS and he are currently drafting a similar list of Board topics which would be circulated shortly. <p><u>Prudential</u></p> <ul style="list-style-type: none"> • JW drew the Board’s attention to an article on TP’s website about the processing delays that Prudential customers are experiencing. • JR explained that the problems are not specific to TAVC members and were caused by several issues: a high volume of applications (possibly due to many being furloughed or made redundant); a COVID-19 outbreak on the call centre; remote working; and a new IT platform. • Prudential recognise and are working to resolve the processing and contact centre issues – for example, by employing extra resources. Members will not lose out financially as they will be offered the best rate of payment between their application date and payment date; and new investments will be backdated to the date of application. • TP’s article was designed to inform members generally, but also to try to stop unnecessary contact to TP’s contact centre. 	<p>AP6/210421</p>

	<ul style="list-style-type: none"> • NM expressed his thanks to Simon Lowe for agreeing to serve a second term on the Board. • JP queried an article he had read recently about the valuation. JR explained that pay restraint and a slow-down in the rate at which longevity is improving would likely be factors that resulted in downwards pressures on costs, but at present there were too many unknowns to make assumptions about the likely outcome - not least because the discount rate is subject to review. 	
	<p>Neville concluded by thanking everyone for attending and for contributing to an interesting and productive meeting.</p> <p>The next meeting will take place on Wednesday, 14 July 2021.</p>	

Minutes agreed: *Neville Pacey*

Date: 27 April 2021

<p>Minutes circulated to Board members for review on 28 April 2021. The following changes were made following Board member review.</p> <p>No amendments were requested/made.</p>
<p>Minutes ratified at subsequent TPSPB –</p>

Final Signature: *Neville Pacey*

Date: 14 July 2021