

**Teachers' Pension Scheme Pension Board (TPSPB)
27 April 2022 (By Teams Teleconference)**

MINUTES

Present:		Also Attending:	
Neville Mackay (Chair)	NM	Richard Giles (Head of TP)	RG
Susan Anyan (Independent Pension Specialist)	SA	Danielle Barker (TP, Head of Operations)	DBa
Kate Atkinson (Member representative)	KA	Amy Gibbs (TP, Head of Governance and Risk)	AG
Julie Huckstep (Member representative)	JH	John Brown (DfE Head of Policy Projects)	JB
Susan Fielden (Employer representative)	SF	Jeff Rogerson (DfE Head of Assurance and Planning)	JR
John Pratten (Employer representative)	JP	Anna-Marie Alderson (DfE Senior Contract Manager and Programme Management Office)	AA
Jackie Wood (Employer representative)	JW		
Peter Strike (Member representative)	PS	Lizzy Chard (Observer)	LC
Simon Lowe (Employer representative)	SL		
Chris Jones (Member representative)	CJ		
Heather McKenzie (Member representative)	HM	Secretariat	
Peter Springhall (Acting Deputy Director, DfE)	PSp	Kathryn Symms	KS
		Melanie Phillip	MP
Apologies:		Helen Cowan	HC
Iain King (DfE representative)		Kelly Elliott	KE
David Butcher (Employer representative)		Ruby Kennedy	RK
Sue Crane (DfE – Head of Supplier Management)			

	Item	Action
Agenda item 1	<p>Introduction, attendance, apologies:</p> <ul style="list-style-type: none"> NM welcomed everyone to the meeting, in particular Mel Phillip and Ruby Kennedy who have recently joined the Secretariat team. He also welcomed Lizzy Chard from the Department, who was observing the meeting. He accepted apologies from Iain King, David Butcher and Sue Crane. NM recognised that RG will be leaving later in the year and asked PSp to update on the recruitment process. PSp explained that Departmental colleagues have met Capita's favoured candidate and, as a result, have asked some questions about the wider management team. He assured the Board that the Department is fully sighted on the process. NM updated the Board on the recruitment exercise to replace DB and CJ. He advised that a submission recommending the preferred candidates will be presented to the Minister by the end of April. The Secretariat will notify the Board of the outcome in due course. <p>Minutes of the previous meeting (Paper 2):</p> <ul style="list-style-type: none"> The minutes were agreed as an accurate record of the meeting of 19 January 2022. 	

	<p>Register of Interests:</p> <ul style="list-style-type: none"> • NM 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. 	
Agenda item 2	<p>Actions update (Paper 3):</p> <ul style="list-style-type: none"> • The Board noted that all actions arising from the last meeting in January were fulfilled and closed. 	
Agenda item 3	<p>Cross Cutting Strategic Issue – Strategic HR Challenges (Paper 4):</p> <ul style="list-style-type: none"> • NM introduced RG’s paper, reminding board members that RG had presented his new Operating Model paper (following experience of remote working) to the Board in October. NM appreciated the opportunity to revisit the subject in a more strategic context to understand the challenges, objectives, planned activities and measures of success. • RG explained that TP sits within Capita Pensions Division with other pension services. HR support is at Capita Pensions level, meaning that TP benefit from initiatives across the Division. • RG outlined that the current priorities are recruitment - which is significant because of the Transitional Protection work; retention – with an attrition rate of less than 7.5% being the suggested target (currently running at 5-6%); upskilling – whether that be on promotion or normal staff development; and training new staff – where RG noted that it was critical to reduce the induction training time from eight weeks to five weeks to get staff onto the teams as soon as possible. • RG explained that recruiting 180 staff was a significant number, against current staffing of around 300. IT and project team recruitment had been challenging because of the competitive environment generally, and specifically in Darlington, for example, as more Civil Service jobs are available. Remote working had been helpful in that respect because it meant TP could recruit nationally. Capita want to be an employer of choice. • As a high proportion of staff have 25 years or more service, establishing how to pass on their knowledge is key. • Empowering staff, allowing home-working, having honest one-to-ones, providing refresher training and clarity over career paths are some of the ways that TP has, and will continue to tackle some of the challenges. • Additionally, creating high performing teams and ensuring the operating model aligns with the needs of the contract – for example, increasing the management team to cater for Goodwin, Transitional Protection and creating a dedicated data team supports the strategy. • RG explained that work on redefining career pathways and creating ‘job families’ – underpinned by a competency framework - was proving successful. Staff surveys will continue to ensure that satisfaction with the culture and trust in management is tested regularly. • There are regular communications about TP’s performance, 	

	<p>roadshows and smaller weekly meetings support staff. RG was pleased to report that 93% of staff agreed that their relationship with their manager was open and honest.</p> <ul style="list-style-type: none"> • Development of staff through a variety of ways, such as leadership training, apprenticeships and mentoring is also taking place. • RG concluded that there was still work to be done on the success measures. TP and the Department will work together to set targets and measures, some of which may be reflected in measuring the Six Strategic Objectives. • JH queried how induction training could be reduced from eight to five weeks without affecting the quality of the training. RG explained that TP is piloting a digital training programme. It uses Artificial Intelligence to target the training needs of the individual because it learns where a deeper level of training is needed as training progresses. Face-to-face training complements this. • DBa reassured the Board that whereas new starters used to get very in-depth training about the whole business, their training is now tailored to the team they will first work with. • KA asked whether TP employ staff with no previous pensions knowledge; and whether apprenticeships were offered. RG confirmed that a high proportion of staff were new to pensions and that TP has created a trainee pension administration role. Apprenticeships are also on offer. • JP asked about plans for returning to the office. RG explained that although a high proportion of contact centre staff worked in the office, only around 10% of administrative staff currently attend the office. Six months ago, TP considered they should be working towards 40% attendance, but the expectation is now lower based (10%) on staff feedback and continuing high performance data. • JP questioned whether 90%, or even 60% of staff, working at home was too high and suggested that managers should perhaps see their staff at least three days a week. RG assured the Board that managers have excellent data to ensure the quantity and quality of work is high – but noted that whilst one day in the office was the current thinking, the matter had not yet been settled. Further staff surveys and an assessment of business needs would be deciding factors. • KA noted that the strategy of nationwide recruitment means that staff will see less of one another and that this was typical across many organisations. • RG confirmed to SL that most staff have a flexible contract to support this arrangement, though there were a few who had contracts that meant they either worked wholly in the office or as home-workers. • HM returned to the concern that reducing induction training from eight weeks to five may dissuade staff from committing to a longer-term career in pensions – and that perhaps there was a benefit to introducing them to the bigger picture from the outset. • DBa reiterated that this initial training was designed to get new starters to the position where they can process casework, and once on the team further training is undertaken, including professional development depending on the specialism. Staff are 	
--	--	--

	<p>buddied up and learn one role before they cross-skill.</p> <ul style="list-style-type: none"> • JW noted that staff operating across multiple disciplines to help with peaks of work had always been in operation at TP. DBa agreed, explaining that this new form of cross-skilling was different because, not only were staff cross-skilling on very similar disciplines, they were now progressing more widely, for example, from benefit calculations to transfers and handling correspondence. • NM sought clarity on the mechanism for monitoring staff training and development, given that staff have been given responsibility for their own development. RG explained that core training was monitored centrally, with data provided to managers. Additionally, managers and individuals had regular conversations to ensure development progressed. • JR said that the Department welcomed the strategy and confirmed that conversations about the measures were ongoing. He noted that replanning the Transitional Protection work added to the challenge. Also, although there had been concerns about IT resources, he noted that the risks and mitigations had mostly proved effective. • From the Department’s perspective, JR was pleased that the management team had been stable and has increased to cope with the challenges. The Department would prefer access to management and administrator data separately to monitor this going forward. • JR will also be pressing for measures and data to show how many staff have been upskilled across multi-disciplines and how many can be deployed to new work, if needed. • NM was assured by the strategy and was grateful for the interesting and informative presentation, concluding that whilst the Board was assured by the strategy, inevitably the strategy will move on and develop as it responds to events. 	
<p>Agenda item 4</p>	<p>Independent Pension Specialist Update:</p> <ul style="list-style-type: none"> • SA noted there were currently questions across the industry regarding the feasibility of meeting the current completion deadline for the Pensions Dashboard. • JR commented that there were similar questions across public service schemes. The target for the Department was for implementation to take place in late 2023 to early 2024. Capita is at the forefront of this work, particularly regarding IT. TP’s project is on track to deliver when required. • SA brought attention to issues surrounding the Universities Superannuation Scheme (USS). The issues relate to the Valuation’s impact on contributions – and the fact a re-run of the Valuation would inevitably provide a different outcome. SA noted that the Pensions Regulator expects Valuations to occur at set times and with a regular cycle. • The USS is different to the TPS in that there are assets as well as liabilities. NM clarified that this meant that the TPS is not subject to the same range of actuarial volatilities as the USS. The TPS Valuation is simpler in the sense that it is focused only on liabilities. 	

	<ul style="list-style-type: none"> • PS agreed it was important to monitor the USS, because although the schemes are different, the conditions and benefits are similar. Around a quarter of TPS members fall within Higher and Further Education sectors. There is movement of members between the two schemes as they work at different institutions – with some members having service in both schemes. • JR offered reassurance that the issue was being monitored by the department. • KA raised a question regarding Solvency Two and where oversight of the Prudential and the Teachers’ Additional Voluntary Contribution (AVC) scheme sat. • JR advised that this is managed by the Department’s Management Advisory Group (MAG). It had been agreed that the TPSPB would be given an update of the issues, but the detail would continue to be managed by the MAG, which was made up of stakeholders across union and employer sectors. • He assured the Board that the primary reason the Prudential was selected as the AVC provider was due to their solvency rating. The AVC position is monitored annually and reviewed and reported through the MAG. SA added that she also attended the MAG meetings when possible. • KA questioned whether the Managing Risk and Internal Controls (MR&IC) sub-committee should be sighted on this issue. KS clarified that this was an annual whole board agenda item at the meeting following the MAG meeting - involving a full readout of the MAG meeting. • SA noted that there will be an increase in the normal minimum pension age to 57, and communication and service issues were possible to arise from this. • KA added that members were already raising questions regarding the change. She suggested that messages needed to be issued by TP well in advance of implementation, to give members the opportunity to plan accordingly, and to minimise member contact. • JR agreed and advised that advanced and appropriate communications would be considered. He commented that very few members will be affected by the change. • NM noted that the Government’s Spring statement announced various income tax changes and reviews over the next couple of years. He asked TP how much of an administrative challenge implementing those changes will be. • DBa advised that TP has experienced changes like this in the past, and have systems in place to cope with any scheme changes. Backdating could cause difficulty, as there would be an element of rework – though this is not anticipated in this case. 	<p>AP1/270422</p>
<p>Agenda Item 5</p>	<p>Scheme Advisory Board (SAB)/Policy Update:</p> <p>Valuation Update</p> <ul style="list-style-type: none"> • JR advised that the outcome of the SCAPE Discount Rate methodology consultation is still awaited from Treasury. The current methodology is linked to Gross Domestic Product, but the process is under review. 	

- The Valuation timetable is still on track to deliver the final result in April 2023, in readiness for implementation in April 2024. This is because all the activities that should be taking place are taking place. For example, testing the various assumptions with the Government Actuaries Department is ongoing.
- NM clarified that whilst the Treasury decision will not affect the timing of the results, it will affect the outcome of the Valuation.

Transitional Protection Update

- JB confirmed that the Final Salary Scheme was closed to members on 31 March and that the CARE rules apply to all members. The website has been updated and affected members, employers and payroll providers have all been contacted.
- JB went on to explain that there was significant re-planning work ongoing because Treasury regulations that were expected in June will now not be laid until November/December.
- Meetings with TP have already begun, with October 2023 identified as the most likely start date for Transitional Protection reassessments and Business as Usual casework. This will allow time for consultation and laying of the TPS regulations after Treasury's regulations have come into force.
- Preparatory work will continue in the interim. TP has been asked to consider what other work staff can do to avoid losing trained staff.
- The knock-on effect of this is that reassessment casework may not be completed by the end of the current contract. That is not yet certain because TP is seeking to find solutions that may mean work will be completed before Autumn 2025.
- NM expressed concern at the delay and the possible impact on other parts of the Programme. He asked if there might be further slippage from October 2023.
- JB explained that because October 2023 is the date written in primary legislation as the latest start date, it was highly unlikely that this would slip further. Other public service schemes are also likely to move their start dates back to October 2023.
- The Department will work with TP to identify the various categories of casework and assess which of those might be prioritised (most likely ill health reassessments), and which might be rolled forward into the new contract if that proves necessary.
- There are several knock-on effects – for example cohorts of staff have already been recruited, but they may be able to support the contact centre and complaints handling team in the event that the delay causes more contact. That said, TP is already re-visiting the engagement plan and products to ensure that does not happen.
- SA queried why a 6-month delay in Treasury laying their Regulations was leading to a 12-month delay in beginning the casework. JB explained that this was a realistic date that enabled Treasury to complete all their work before the Department began their own consultation and legislation. Originally, the Department intended to work in parallel with Treasury, but that was no longer possible/the plan.
- SA suggested that the MR&IC sub-committee will probe more into the various scenarios to gain a better understanding of the

	<p>interdependencies with other project, for example the Pensions Dashboard. It was agreed that the Goodwin casework would not be negatively impacted, and the re-planning provided an opportunity to retain good staff at the end of the Goodwin project.</p> <ul style="list-style-type: none"> • NM asked that SA provided her subcommittee update to round off the discussion. 	
<p>Agenda item 6</p>	<p>Managing Risk and Internal Controls sub-committee update:</p> <p>Programme Management</p> <ul style="list-style-type: none"> • SA referred to the Executive Summary paper, but noted that the Board had discussed this in the earlier conversation about Transitional Protection re-planning. <p>Joint Programme Management Office (PMO) Working Arrangements</p> <ul style="list-style-type: none"> • SA reported that the sub-committee had discussed joint PMO working arrangements between TP and the Department noting that each had its own Portfolio Board meetings, followed by the Joint Board meeting. • SA asked that the next sub-committee meeting papers included a list of all joint projects, Department-only projects and TP-only projects to help the Board understand the broader picture in one place. • The sub-committee had received good assurance that the joint approach was working well. The sub-committee had also taken assurance from the fact that where appropriate external checks and balances were in play. For example, one of the Commercial Board members is from a different government department; and the Major Projects Unit provides internal challenge on the two larger projects. <p>Risk Management</p> <ul style="list-style-type: none"> • SA reported that whilst the TPS' risk management process does not slavishly follow the Treasury's guidance on risk management provided in the 'Orange Book', the TPS was broadly in line with the advice within it. • The sub-committee members had had a useful discussion about the merits of the TPS' preferred 3x3 RAG rating and agreed that it served the Scheme well. <p>Finance</p> <ul style="list-style-type: none"> • SA advised the Board that the OBR and ongoing audit process were progressing well. The Monthly Contribution Reconciliation project was behind schedule because of some employers and payroll providers having difficulties onboarding. The sub-committee had asked for better reporting on this in future. • NM advised the Board that at July's Board meeting he had requested a deep dive into the financial aspects of the Scheme so it was clear who was responsible for the different financial aspects of the Scheme and the Boards' role. 	<p>AP2/270422</p>

<p>Agenda item 7</p>	<p>Service Delivery & Maintenance of Data sub-committee update:</p> <p>CEM Benchmarking</p> <ul style="list-style-type: none"> • JW noted that some of the issues raised through the SD&MoD sub-committee had been covered previously within the meeting, so she would focus on the key points raised through CEM Benchmarking report. • She advised that the report was positive overall and that the TPS remained a low-cost, high-quality scheme. Other schemes scored lower overall due to COVID-19, but CEM were impressed with how TP had operated throughout the pandemic. • TP’s administrative cost per member was one of the lowest within the peer group, and the Business as Usual (BAU) cost per member was almost half the cost of the peer median. Project cost per member was slightly closer to the median, but still low. • The overall member service score had decreased slightly by two points compared to 2020, but this was due to a data breach within the scheme which had resulted in a three-point deduction. Without this breach the score would have continued to rise as per the yearly trend. • Regarding the member service score, tracing deferred members had improved significantly, and the public and secure elements of the TP website has scored well. • TP scored lower than peers in member service regarding complaints. The number of complaints reported was higher than the peer average, however CEM advised that there was inconsistency in the reporting of this across the schemes and therefore this measure may be excluded from the analysis next year. JW noted that TP had conducted significant work within complaints and the Service Level Agreement (SLA) performance had improved. • Responding to queries and paying lumps sums upon death were also areas TP scored lower than peers. • NM asked about the slower turn-around times and if any action had been taken. • DBa advised that turn-around times covered full end to end processing, which included third party actions. Those in TP’s peer group engaged with approximately 3,000 third parties on average, while TP engaged with approximately 13,000 employers alone. The level of activities TP has to undertake to complete a case is higher and also highly reliant on third party information. Third parties therefore negatively affected turn-around times. 	
<p>Agenda item 8</p>	<p>Information to Members and Communications sub-committee update:</p> <p>The Board’s Annual Executive Summary</p> <ul style="list-style-type: none"> • JH recommended that the Board accept the Board’s Executive Review document so that it can be uploaded to the website. The report shows that the Board has covered a lot of ground in the 12-month reporting period and that Board meetings were well-attended. • NM and the Board accepted and approved the report. 	<p>AP3/270422</p>

	<p>Transitional Protection Communications</p> <ul style="list-style-type: none"> • JH explained that TP's Engagement Team has started communicating with members where appropriate. She noted that TP had made clear that the Engagement Plan would need to be flexible if policy decisions and legislation were delayed – as is now the case. • Communications are being issued – with some messaging making clear that TP will contact members as and when appropriate. • FAQs and social media posts have been successful. <p>Deferred Members</p> <ul style="list-style-type: none"> • Communications and website pages have been improved – and continue to be reviewed by TP. In particular, by dividing deferred members into two categories – those who have left teaching and those who have opted out of the scheme – more relevant and targeted communications have been issued to the two groups. • Focus groups will also be helpful to TP in making further improvements. • NM commented that he was impressed by the presentation and the range of activities being undertaken. He noted the improvement in the CEM Benchmarking report in this respect and was pleased that deferred members are receiving more attention. 	
<p>Agenda item 9</p>	<p>TP Update (Paper 11):</p> <ul style="list-style-type: none"> • AP explained that the volume of cases processed across most SLAs continues to exceed/match the number received. However, because member transactions (SLA1) increased at the same time as a new workflow management system was implemented, there was an impact on performance. The new system is now bedded in and provides better oversight - and performance is expected to improve. • There has been a reduction in outstanding cases for SLA3 (revisions) but there continues to be an impact on SLA performance. Opportunities for process improvements and increased transparency reporting have been identified which, when implemented, will have a further positive impact. • Targets have been met across bereavements (SLA4a, b and c) and the contact centre (12a and b) although member emails (SLA12c) continue to be a challenge as a result of complex queries. Work is ongoing to identify any enhancements to address this and improvement is expected from May. • Feedback about the timeliness of responses to members (OM6) has seen a slight improvement and opportunities are being explored to further improve this. • Focus groups have been established to look at the challenges regarding obtaining feedback – specifically what can be done to increase the amount of feedback which has decreased significantly, despite the increase in transactions. • Feedback from the webchat facility has increased from 63% - 67% between October and February to 76% in March, but the wider OM needs more work. 	

	<ul style="list-style-type: none"> • There is no comprehensive understanding of what is causing low rates of feedback. That said, some employers (OM10) have indicated that providing feedback in any detail is not their priority at the current time. A snapshot rather than a survey is being considered. HM was pleased that TP was not giving up on this, and suggested customers simply clicking once on a 5-star options system might encourage more feedback. • NM advised that he was reassured that many of the previous issues had been rectified and welcomed the further work on OM6 and OM10. • SF queried the link between contribution reconciliation (SLA10) and OM13. AG confirmed there is a link, but that various factors such as unallocated contributions linked to new employers onboarding to MCR sitting in the suspense account impacts this. 	
Agenda item 10	<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 06 April 2022 and will be shared with the Board members. A full version of the minutes will be prepared and shared with Board members, and at the next TPSPB meeting.</p>	
Agenda item 11	<p>Any Other business:</p> <ul style="list-style-type: none"> • NM acknowledge that this Board meeting was CJ's last. He expressed enormous gratitude for CJ's well-argued and well-structured contributions during his time on the Board. He wished him well. • CJ thanked Neville and commented that he was pleased to have witnessed the increased diversity within the Board during his terms. • Neville also recognised the excellent contribution that DB has made during his time on the Board. • NM also thanked KS for her excellent support to him and the Board and wished her an enjoyable retirement. • NM noted that the next sub-committee and Board meeting would be face-to-face. 	
	<p>Neville concluded by thanking everyone for attending and for contributing to an interesting and productive meeting. The next meeting will take place on Wednesday, 13 July 2022.</p>	


Minutes agreed: *Neville Pacey*

Date: 03/05/2022

Minutes circulated to Board members for review 04 May 2022. The following changes were made following Board member review.

No amendments were requested/made.

Minutes ratified at subsequent TPSPB – 13 July 2022.

Final Signature: 

Date: 03/05/2022