

Teachers' Pension Scheme Pension Board (TPSPB)

FIRST BOARD MEETING 3 JUNE 2015

MINUTES

| Present: | | Also attending : | |
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| Michael Richardson (Chair) | MR | David Heslop (Capita TP) | DH |
| Geoff Ashton (Independent Pension Specialist) | GA | Richard Symms (DfE Head of Pensions and Secretariat) | RS |
| Marcus Bell (DfE representative) For items 1, 2 and 9 | MB | Karen Cammack (Secretariat) | KC |
| Jerry Glazier (member representative) | JG | Fiona Laundy (Secretariat) | FL |
| Simon Judge (DfE representative) | SJ | | |
| Alice Robinson (member representative) | AR | Attending by phone: | |
| David Simmonds (employer representative) | DS | Trefor Llewellyn(employer representative) | TL |
| David Trace (member representative) | DT | Lee Probert (employer representative) | LP |
| Dave Wilkinson (member representative) | DW | Apologies : None | |

| | Item | Action |
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| Agenda item 1 | <p>Attendance and apologies</p> <ul style="list-style-type: none"> • TL and LP attending by phone. • Agenda item 9 to be considered after agenda item 2 to allow MB to attend a meeting with the Secretary of State. • No apologies. | |
| Agenda item 2 | <p>002/100215 :</p> <ul style="list-style-type: none"> • Update on learning – to be covered in agenda item 3. | AP 001/100215 |
| Action Points update | <p>005/100215 :</p> <ul style="list-style-type: none"> • Conflict of Interest Policy and Declaration of Interests form to be re-drafted, amending point 5 (investments with a value over £25k) to capture only investments in relevant institutions (e.g. Capita). • information relating to membership of the TPS in respect of Board members and any close family, to be disclosed. • Board members to complete and submit the revised version, once circulated. | Register to be updated for 9 Sept Board |
| | <p>007/100215 :</p> <ul style="list-style-type: none"> • Revised Reporting Breaches Policy (now including Board-specific scenarios and details of tPR's RAG approach) approved. | Complete |
| | <p>009/100215:</p> <ul style="list-style-type: none"> • Grid of Progress against tPR's Code of Practice requirements updated to include progress to date. Further update to be circulated for September Board. | Update for 9 Sept Board. |

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| <p>Agenda item 9</p> | <p>Update on Policy Issues (MB)</p> <ol style="list-style-type: none"> 1. As part of reforming state pensions, the Government is introducing a single-tier state pension from April 2016. As a consequence, the NI rebate for active members of defined benefit occupational schemes will be abolished for employers and individuals from that date. There are financial implications for TPS employers & employees and these will be considered in the next spending review. Schools and employers are generally alert to the issue. 2. As a consequence of the ending of contracting out, arrangements and responsibility for Guaranteed Minimum Pensions (GMP) calculations will pass from HMRC to schemes. This presents a significant administrative issue around reconciling records due to the numbers involved (7m records) and the timeframe of 2018. Feasibility discussions between HMRC and schemes are underway. | |
| <p>Agenda item 3</p> | <p>Feedback on Board members' visit to Capita TP & further Board learning update.</p> <ul style="list-style-type: none"> • Those that attended stated that the visit had been a valuable experience, and that Capita TP provided useful and informative presentations and activities which helped to put SLA issues into context. A formal letter of thanks has been sent from the Chair to DH and his team for hosting. Dates for a further visit in the summer are being considered. • An updated version of the Skills Matrix should be completed and submitted to the Secretariat at the end of August to allow for learning from the TP visit to be included. Further activities may then be considered and the Board will take stock at the September meeting. • Board members were interested in output from the TPAF and TPARG meetings –TP will provide an update following these meetings for circulation to the Board. • Board members were interested in receiving a progress report on changes to TP's website. Consideration is to be given to whether Board members can have dummy accounts in MPO, and also to providing further learning activities to better understand TP's approach to engagement and how MPO works. • The Board are interested in developing links between this and newly established Boards for teachers in Scotland and Northern Ireland. However, as commonalities are stronger between TPS and other public service schemes, agreed that contact here might be preferential. The Chair will consider further, establish contacts with opposite numbers in Scotland and NI (via the Chairs' forum if possible) and report back to the Board. | <p>AP 001/030615</p> <p>AP 001/100215</p> <p>AP 002/030615</p> <p>AP 003/030615</p> <p>AP 004/030615</p> |

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| <p>Agenda Item 4</p> <p>TPS Admin update</p> | <p>Issues arising from consideration of the report included:</p> <ul style="list-style-type: none"> • The restrictions regarding transferring out from public sector to private sector DB schemes has provided a handling challenge to TP. This has impacted SLAs and may have a knock-on effect on complaints and IDRPs in respect of those (70) that missed the deadline. (Cases that could not be processed were all less than 24 hours old). • It was confirmed that there was a projected “tipping point” in respect of monthly data collection where the use of monthly collections would be mandated. • It was confirmed that subsequent narrative reports should follow through on subjects/projects to “tell a story”. • The report confirmed that residual activities following the successful implementation of the Reform project are to be absorbed into business as usual (BAU). The Chair paid tribute on behalf of the Board to all involved with the remarkably smooth implementation of reform into the scheme. | |
| <p>Agenda item 5</p> <p>TPS E&C Report</p> | <p>Issues arising from consideration of the report included :</p> <ul style="list-style-type: none"> • Usability of TP's website and tools provided to assist members. Pursuit of Government's agenda of “digital by default” should include provision for those members unable to utilise IT. • TP to demonstrate MPO and other engagement aspects of their website at a future date, potentially at the December 2015 Board which is due to take place in Darlington. • Government marketing restrictions mean that using appropriately placed media communications (e.g. TES) is limited by protocols (Cabinet Office approval and exemption required). • TP have developed a range of media (currently focusing on social media) to appeal to members and encourage access. Consideration has been given to introducing an APP, but this is subject to security protocols, and currently not possible. • TP have introduced a programme of activities to engage with smaller employers as this is a critical success factor regarding reform activities. Improving both member & employer engagement is a key aim. • It was recognised that the increased number of employers, in particular academies, had exacerbated the situation, however TP are alert to the challenges and are | <p>AP 003/030615</p> |

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| | <p>actively considering options to address this. The Education Funding Agency advises TP in advance of converting academies to allow targeted communications, however officials undertook to consider this issue further.</p> <ul style="list-style-type: none"> • Dashboard to be adapted to include an annual breakdown of SLA's • TP and DfE will consider how to benchmark the data on email activity (e.g. rate of opening) to help the Board better understand context and comparison, such as activity within the HE/FE sector and employer satisfaction rates. • TP to develop a structured report on IDRPs volumes and type for consideration at each Board meeting, this will facilitate evidence-based discussion and oversight. <i>DW alerted the Board to a potential conflict of interest due to his union case consideration role.</i> | <p>AP 005/030615</p> <p>AP 006/030615</p> <p>AP 007/030615</p> |
| <p>Agenda item 5</p> <p>Finance & Risk Report</p> | <p>Issues arising from consideration of the report included :</p> <ul style="list-style-type: none"> • Confirmation that there is no correlation between money due to be allocated (Dashboard statistic) and complaints. • Confirmation that unallocated contributions referred to money still to be allocated in respect of the correct salary tier as opposed to individual's records. • MDC should address the most common issue, that of missing service. • An explanation as to why the Guaranteed Minimum Pension (GMP) issue is a red risk (Agenda item 9). This relates to key decisions awaited from HMT and the potential scale within the public sector, which will then affect Business as Usual (BAU) activity. TP is well prepared, with plans in place - an update will be provided for the next Board meeting in September. • Data on opt-outs, provided to the unions, will also be shared with Board members. TP will prepare a report capturing key information as a background paper for each Board meeting. (Post meeting note : DfE officials confirm that the continued presentation of this data is to be discussed at the first Scheme Advisory Board meeting, currently anticipated in September 2015). | <p>AP 008/030615</p> <p>AP 009/030615</p> |
| <p>Agenda Item 7</p> <p>End of Year Assurance</p> | <p>Issues arising from discussion of the report included :</p> <ul style="list-style-type: none"> • An explanation of the current governance and end of year assurance processes and the role of the auditors, highlighting how it may be changed to take account of the role of the Board. | |

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| | <ul style="list-style-type: none"> • How the role of the Board will fit with the assurance timetable, and become part of the assurance framework. • The future structure of the report; DfE envisage that the report will be expanded to describe the role of the TPSPB and how it will discharge its responsibilities. • The Chair will contribute towards the End of Year Assurance Report and to support this both the Chair and Board members may consider / wish to observe TPS meetings that underpin the governance structure (e.g. audit and risk). The Chair confirmed he is starting to make connections, which should include meeting the new Minister for State. • Department Officials to provide a plain guide detailing how the TPSPB fits into the wider budget role. • Whether any other Boards or groups (within the TPS and wider public sector) had, or would, cease to exist with the establishment of Pension Boards, and discussion on where there may be an overlap of responsibilities. Further consideration will be required as new Boards bed in. • Acknowledgment that the role of the Board will evolve to determine how it will add value to the process. | AP 010/030615 |
| Agenda Item 8 tPR C&E Policy | Board members will review the final Compliance and Enforcement Policy, once published, to determine whether their initial issues need to be revisited. | AP 011/030615 |
| Agenda item 9 AOB | <p>The Chair extended his thanks to report authors for clear and useful reports, and for reflecting the changes that the Board had requested.</p> <p>The Chair extended his thanks to DH and TP colleagues for hosting an informative familiarisations visit. Dates for a second visit for those unable to attend, are being considered.</p> | |

Minutes agreed :



Michael Richardson (Chair)

Date : 12 June 2015

