**Teachers’ Pension Scheme Pension Board – February to April 15**

The purpose of this document is to advise the Board of recent key events relating to the administration of the scheme.

**TP Administration Update**

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| **SLAs and KPIs** |  |

The quarter saw a strong performance against service standards, which was especially impressive as the reformed TPS went live in April. The exceptions were the processing of transfers-out, call centre response times and IDRP cases, which were all affected by the ban on DC transfers (referred to in the Legislative Changes section) .

As the volumes of transfer cases were unexpected and outside Capita’s control, the Department agreed to suspend the SLA target (6a) March and April (as provided for in the contract), with the reintroduction of the SLA target from 1 May. A concession was similarly granted for SLA target (6b). Nevertheless, plans were put in place to manage the customer experience during this peak of activity, with no decrease in customer service being achieved.

The Telephony KPI failed in March and April as we received an unexpected number of calls, especially from teachers and their Independent Financial Advisers (IFAs) chasing up last minute applications for transfers. As they were unhappy with the “delays” and missing the cut-off date, this in turn led to a small increase in IDRP complaints. The last minute urgency reflected the fact that lead time on transfers is typically up to six months, but HMT made final policy decisions in February, and IFAs were engaging with scheme members very late in the process. Additionally the scheme is dependent upon inputs from the other scheme, HMRC and the employers before a transfer can be calculated.

DfE and TP have agreed an action plan to bring the IDRP service within target: actions include additional staff for the team, a broadening of trained personnel that can deal with this work and specific resource from within the operation to deal with the backlog. As a result, performance has improved in April but still is behind target and will remain so as the backlog of late cases is cleared.

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| **Reform** |  |

Implementation of the Reform changes has gone well; this was a significant project jointly run by TP and DFE. It encompassed legislative changes, significant changes to systems and processes, a new governance structure and a comprehensive programme of engagement to explain the changes to members and employers. As part of the implementation contingencies were identified to be implemented in response to pre-agreed triggers and escalation paths in place. Daily monitoring against these criteria is taking place between TP and the DFE contract management team, so far no escalations have been necessary. We compare well to other public sector schemes with all elements of the changes in place on time. This project has now been closed and will be managed through BAU.

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| **Legislative Changes** |  |

As mentioned above, an issue has emerged that may result in some complaints, mainly driven by Independent Financial Advisors who are keen to earn commission. From 6 April 2015 members became unable to transfer out from the TPS to defined contribution pension schemes. There was a significant increase in the number of applications as a result (847 applications were completed in March, a thirteen fold increase from March 14). TP took a number of actions to manage expectations and took proactive steps to cope with the additional volumes and minimise complaints. They managed to process nearly all applications (where the necessary information had been received from third parties) in time for the deadline, only 71 cases could not be processed in time – all of these were less than 24 hours old.

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| **Relocation** |  |

The Agreement to Lease between Capita Business Services Ltd and Lingfield Point No1 Ltd was signed 23 December. There are a series of milestone payments (totalling £1.7m) agreed in order to incentivise TP to move out of Mowden Hall on time. The project is going well and the contract team have visited the site; future project meetings will be held at the new site to aid monitoring progress. Currently, the move is planned to take place over 3 weekends, the final weekend being 10 and 11 October 2015.

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| **Significant Projects** |  |

The **Monthly Data Collection** solution replaces the Annual Service Return, and other transaction information, it will provide significant benefit to Members and Employers, such as availability of real time information and a reduction in the administrative burden of current processes. 35 employers (part of the approach assurance group) are now submitting their data into the live system. A further 399 Employers (including 15 LAs) have declared their intention to on-board in May 2015, either individually or as part of a Payroll Provider submission. The project is on track and the withdrawal of other methods of data submission is planned to take place April 2018.

The **Data Strategy** ensures there is early identification and resolution of any issues/concerns regarding data. TP liaise with the Pensions Regulator in order to keep them informed of our strategy and demonstrate how this supports their requirements in relation to common/conditional data requirements. There is an ongoing programme of work to cleanse records for members in all age ranges, focussing on those approaching retirement, which is on track. The amber status reflects that some milestones such as amalgamating employer databases and changes to the Secure Transfer Utility portal are behind schedule.

The **Deferred Project** relates to active unclaimed pensions, where a member has left teaching and has either not transferred their pension to a new scheme or claimed their pension. There are currently around 200,000 (estimated) deferred pensioners within Teachers’ Pensions who are of, or will reach, pensionable age during the program. Those not of pensionable age will be handled separately. The project will involve TP providing a regular extract of member data (approximately 5,000 per month) to Capita Tracing Services (CTS) for them to perform a tracing exercise, contact those who can be found and ask them to confirm their identity using matching criteria. Once a trace has been confirmed, the member (where applicable) will be asked to claim either a refund of contributions or payment of benefits. The project has just started and is due to complete 2019.

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| **Contract Outcomes** |  |

The Outcome Measures were seen as experimental in driving the Member and Employee Engagement when the contract was awarded and results to date reflect that and also reflect that some of the outcome targets were very ambitious. The contract allows for a review of the Outcomes to be completed after the end of the third contract year, and we have started this activity, which was delayed whilst the extension work was completed. Capita have brought in resources including their Business Intelligence Director and Chief Data Scientist to ensure the review is as effective as possible. Work is falling into two streams at present; the first is tactical innovations, mainly in the area of service to members and employers with a much increased emphasis on immediate measurement of customer satisfaction. The second is creating a strategic framework that will drive improvements in perceptions of the scheme. A proposal regarding the Year 4 “service orientated” outcomes measures is expected to be agreed by end of June 2015 and the full review of the Outcome Measures (including the work on changing “perceptions”) is expected to be in place for the start of contract Year 5 (starts 1.10.2015).

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| **Stakeholder Update** |  |

There two main stakeholder groups: Teacher Pensions Action Forum and TP Administration Review Group. The Teachers’ Pensions Action Forum (TPAF) is a Teachers’ Pensions led meeting, that brings together representatives from the TPS, the DfE, unions, employers, members and other interested third parties to raise issues, and provide a forum for feedback and views on potential options and developments. The purpose of the TP Administration Review Group is to review previous, and inform future, delivery of pension administration services to customers of the Teachers’ Pension Scheme. The meeting is lead by the DfE Contract manager; attendees are unions, employer and TPS representatives.

The February TPAF included a session on employer responsibilities and best practice incorporating discussions around definition and recording missing service, TP forms usage and best practice models and on the digital roadmap. There was a presentation on how member/employer intelligence is collected and used, the group will consider management information they have that can be properly shared to improve engagement with members.

The Teachers’ Pensions Administration Review Group met on the same day, providing feedback to TP on a number of administration issues. The issues included clarification on how breaks in service are handled and difficulties faced when there is missing service on a member’s record where the relevant employer no longer exists (so closed or merged establishments). The group also considered the move to paper Annual Benefits Statements only being provided to those members who specifically request it (the default is the statement is accessed online) the concerns were raised about members who don’t have access to the internet and the group asked for assurance that that website reliable.