

**Teachers' Pension Scheme Pension Board (TPSPB)
 TWENTY-THIRD MEETING: 20 January 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
Julie Huckstep (member representative)	JH	Richard Giles (Head of TP)	RG
Chris Jones (member representative)	CJ	Cameron McLay (Optima Health)	CM
Iain King (DfE representative)	IK	Evonne Shanks (Optima Health)	ES
Simon Lowe (employer representative)	SL	Jeff Rogerson DfE (Head of Assurance & Planning)	JR
Heather McKenzie (member representative)	HM	Peter Springhall (DfE Head of TPS Supplier Management)	PSp
Ian Payne (employer representative)	IP	Kathryn Symms (DfE Policy & Governance)	KS
John Pratten (employer representative) from 1400	JW	Diana Wray (DfE Optima Health Contract Mgr)	DW
Jackie Wood (employer representative)	JW		
Peter Strike (member representative) until 1400	PS	Secretariat (DfE):	
		Karen Cammack	
Apologies:		Helen Cowan	
Kate Copley (DfE representative)		Ann Ratcliffe	

	Item	Action
Agenda item 1	<p>Introduction, attendance, apologies:</p> <ul style="list-style-type: none"> NM extended a warm welcome to Peter Strike, attending his first Board meeting after being appointed the previous week. PS briefly introduced himself. NM also welcomed Cameron McLay and Evonne Shanks from Optima Health, joining the meeting for agenda item 3 and DfE and TP colleagues. <p>Register of Interests (Paper 2):</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. <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 21 October 2020. 	
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. AP1/221020 : JR reminded the Board that GAD had presented a paper at the October Board outlining the relationship between GAD and the department. Following the meeting, the department had agreed to revisit the SLA to satisfy itself that these contained sufficient detail. The SLA sets out the services and procedures expected from GAD, the additional advice GAD is expected to provide and information on pricing structures and dispute resolution. KC and JR had completed a review and JR advised that as there was more detail in the SLA than the Board had initially seen, he would share the document. He further advised that the SLA is due for review this year and proposed that the commercial sub-committee are involved in that process. 	AP1/200121

Agenda item 3	<p>Medical Services Advisory Service Contract (Paper 3):</p> <ul style="list-style-type: none"> • DW explained that the Medical Services contract provides the department with the necessary medical expertise to advise on whether applicants for ill health retirement meet the criteria set out in the Teachers' Pensions Regulations. Without the contract, the department could not consider these applications and would be subject to legal challenge. • The contract is currently held by Optima Health (OH) and covers the period 1 October 2019 to 31 March 2022. Around 900 cases per annum are assessed. • DW explained that procurement of the contract had been through the Crown Commercial Service framework, an expedient method, as the suitability of prospective contractors for the required service had already been assured. • DW advised that the contract is overseen by the departmental contract manager (DW) and the OH contract manager (CM). Regular meetings are held, some of which include TP staff to ensure the contract runs smoothly for all parties. • On a day-to-day basis, the service is managed by the administration teams at TP and OH. The department acts as an escalation point for any issues TP may experience with OH's service. • OH provide the department with monthly management information which is scrutinised by DW. Since the start of this contract, OH has delivered a service that has generally met the contractual requirements and supports delivery of a quality service to TP - and so to TPS members. All Key Performance Indicator (KPI) targets are 100% due to the nature of cases being assessed, but it is recognised that it may not always be possible to meet that. DW had had cause to challenge a couple of dips in performance in Summer 2020, which were satisfactorily addressed by OH. • To support the Transitional Protection Project, a contract variation with OH to re-assess cases and undertake dual assessments on new applications has been signed. • The work is due to start from around 1 February 2021, and the department is working closely with OH and TP to ensure smooth implementation to the new way of working. • NM thanked DW for her clear presentation and said that he had no major areas of concern. He enquired of CM whether OH held other similar contracts. CM explained that OH had a wide and varied portfolio, the main challenge of which was ensuring that Medical Advisers (MAs) understood the various regulations and evidence gathering approaches of the various schemes. • JH queried whether those with similar ailments were treated in the same way. JR explained that individual circumstances such as age, suitable treatments and so on were taken into account. However, MAs were audited to ensure consistency and quality was maintained. • PS questioned whether the breadth of expertise of both mental and physical illnesses was sufficient. CM reassured the Board that MAs working on the contract were required to have specific qualifications. He also advised that the independent audit process and the independent appeals process ensured sound 	
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	<p>recommendations were made.</p> <ul style="list-style-type: none"> • CM further reassured the Board that the effects of long COVID, including the mental impact of COVID, was being considered. With robust governance and forecasting tools, new MAs would be employed to ensure the high-quality service could be maintained if applications increased. • IP noted that no financial penalties were incurred where SLAs were not met. DW reassured IP that there was scope to terminate the contract should the department remain dissatisfied. CM noted that this was a very long-standing relationship, and whilst OH would not normally accept 100% targets, in this case he was comfortable with the arrangement and reiterated the very quick recovery in KPIs in Summer 2020. • SL sought further reassurance of the MAs' specialisms and skills. CM reiterated the high level of qualification this contract demanded and that he operated a dedicated team of four doctors to the TPS contract, rather than drawing on his wider pool of doctors. • KA asked about preparations for, and understanding of, COVID-related applications. CM advised that a Pandemic Committee – including the Chief Medical Officer - met weekly to discuss medical research papers and the impact across all their contracts of the developing knowledge of COVID. JR confirmed that MAs work to overall clinical/research standards/guidance governed by bodies like the Department of Health (DoH) and the National Institute for Health and Care Excellence – which constitute the key central sources of advice on existing and emerging illnesses etc. • CJ queried whether, due to members having higher retirement ages, more applications were resulting in Tier 1 awards than Tier 2. JR confirmed that this is under review through the department's Working Longer Review work, but each case would be assessed on its merits. • HM noted that long COVID and the stress and complications associated with that may lead to a significant increase in applications for ill health retirement. CM assured the Board that OH was keeping abreast of that – in particular through the Pandemic Committee. OH regularly engage with Public Health England and DoH as they are a very large organisation. Any increase in demand on MA services is catered for within the contract, i.e. where there is an increase of more than 10% there is scope to re-negotiate costs. • Board members confirmed that they were content with the assurance the paper and discussion had provided. NM proposed and DB agreed that the Commercial sub-committee should be involved in the procurement activity for the new April 2022 contract. 	AP2/200121
Agenda item 4	<p>Independent Pension Specialist update (Paper 6):</p> <p>SA summarised her report, particular areas of interest include:-</p> <p>Phased withdrawal of Independent Schools</p> <ul style="list-style-type: none"> • SA suggested it would be useful for the Information to Members and Communications sub-committee to take this forward in terms of communication. JH confirmed she was content with the 	AP3/200121

	<p>proposal. JR advised that the department/TP had strengthened advice and information to schools to seek to ensure they fully understood the value of the scheme and thereby persuade them to stay in it. <i>(Sec note: the IM&C agenda for March will include a paper on Independent schools. In response to HM's query, KS will ensure the paper addresses specifically how the message is cascaded to individuals within independent schools).</i></p> <ul style="list-style-type: none"> • GMP Indexation Consultation – the consultation concerns proposals to extend the indexation of GMPs beyond the current arrangements. JR explained that two options are being considered; a further extension of the interim solution or extending it indefinitely; the latter being the option that would involve least upheaval administratively. • Further ruling on GMP Equalisation – the High Court has ruled that top-up payments must be made in respect of past transfer payments that failed to take account of the obligation to equalise for GMPs. This could be an administrative burden for the pensions industry, and it will be interesting to see how the industry will prioritise this against other equalisation projects. JR noted that the impact had yet to be determined but the majority of transfers within the TPS are Club transfers. There is likely to be some re-working required and this will be dealt with as part of programme management alongside Goodwin etc. • NM queried if this could potentially be another TP project or whether it was an extension of the existing work being taken forward by TP. JR confirmed there could potentially be a need to re-establish what was the GMP reconciliation project, however, there are a significant number of issues that need clarifying before that can be fully determined. Adding that the department is working with HMT and the other schemes to consider the issues involved. RG reported this work was included on the emerging issues log. • TPR Corporate Strategy – TPR had launched a discussion document, focussing on five strategic priorities, which closed in mid-December. JR advised that the department had not responded. TP and the department are in regular contact with the Regulator. • PASA cybercrime guidance– SA mentioned that cybercrime has been discussed previously but was worth keeping under review. JR reassured the Board that TP follow the department's accreditation process and in practice exceed the requirements set out in the Pensions Administration Standards Association (PASA) guide. • In discussion, it was agreed that the MR&IC sub-committee would consider the PASA guidance at the March meeting to ensure that security arrangements meet the highest possible standards. 	AP4/200121
Agenda item 5	<p>Scheme Advisory Board (SAB) update: JB outlined the key items discussed at the SAB meeting on 30 September.</p> <p><u>Transitional Protection (McCloud)</u></p> <ul style="list-style-type: none"> • JB advised that the Transitional Protection project is progressing well, with work on immediate detriment cases due to start in April 2021. The focus will initially be on ill health retirees whose ill 	

health applications were refused. TP is recruiting 26 additional staff; training is due to take place in February and March. A supporting suite of letters and communications are under preparation and will be sent to ill health retirees who may qualify for Final Salary Scheme benefits - to both alert them and seek consent for medical advisors to review case notes.

- HM Treasury's response to the consultation is expected soon. Although this is a little later than expected, preparatory work can and is still going ahead at TP. JB still expects work to start in April as planned.
- Programme planning is in place to deliver the TP solution for all new retirement applications from 1 April 2022. TP will then start to look at retrospective cases from the final salary scheme.
- SAB will consider any outstanding policy questions when the consultation response has been received. A first case management hearing is due this week, with a 28-week limit for all parties to prepare and submit papers. The first hearing is likely to be August/September.

Survivor Benefits (Goodwin)

- This relates to equalising survivor benefits payable to the widower of a female member, with those paid to same sex partners; service from 1972 will be taken into account.
- Good progress is being made; cases have been split into different categories with some very sensitive cases identified to consider immediately. The scheme is not waiting for legislation to come into force before beginning work and is planning to start on 1 April 2021 – a dedicated team of 4 will start by considering those cases that straddle both the Goodwin and McCloud judgements.
- A new IT solution for Goodwin cases will be in place from April for new bereavement cases. Additional staff will be recruited to bolster the team of four; around 13,000 cases have been identified as potentially involving rectification.

Independent Schools (phased withdrawal)

- The revised regulations on phased withdrawal are currently planned for August /September 2021 – this is a delay from the initial plan of March 21 and is a direct result of COVID-19 as the Legal Advisers Office have been unable to provide drafting services. A new lawyer has been appointed to expedite this.
- Consultation is on-going with stakeholders including the Independent Schools Bursars' Association, the Independent Schools Council and TPSAB - with a view to the new policy being in place for schools from the new academic year (September).
- NM observed that it was taking more time than anticipated for HMT to make decisions, which was leading to delays for the administrators. JB confirmed that it was taking time for some policy questions to be clarified but advised that had been built into the timeline.
- For Transitional Protection, JB mentioned that HMT will be providing a separate tax paper to support 2022 implementation and the department is feeding into that.
- JB advised that DfE is the lead department on Goodwin and works closely with HMT so DfE has everything it needs already.

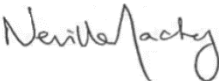
	<ul style="list-style-type: none"> • RG advised that TP's policy team work closely with the department's, and is well-sighted on policy issues and involved in developing the solution. NM confirmed that the Board could take assurance from that. • CJ sought clarity on member and employer costs as a result of Transitional Protection. JR explained that the valuation and cost-cap un-pause announcement due in February will confirm that costs will be dealt with as member costs. However, it was too early to predict GAD's re-run of the calculations i.e. whether improvements were due or not from 1 April 2019 to 31 March 2023. • The supporting timetable has yet to be confirmed but will be discussed with stakeholders at the next SAB. Any associated communications or administration impact are yet to be determined, but all options are being planned for. • In response to CJ's further enquiry, JR confirmed that the valuation calculations would be re-run and if that shows that benefits to members need to improve then these will apply from April 2019. 	
<p>Agenda item 6</p>	<p>Sub-committee chairs' meeting 14 January 2021:</p> <ul style="list-style-type: none"> • The third sub-committee chairs annual meeting had taken place on 14 January. NM met with the four sub-committee chairs to take stock that work had progressed satisfactorily and to identify possible improvements to the TPSPB or sub-committee role, function or Terms of Reference. Minutes of this meeting will be circulated to Board members (<i>Secretariat note: the minutes were circulated on 19 January 2021</i>). • NM provided a brief report of the meeting. He noted that the chairs had thanked members of respective sub-committees for the commitment they make to the functioning of the meetings and recognised the excellent support from the secretariat, other DfE staff and TP officials. • ToR for each sub-committee had been reviewed, whilst there were no substantial changes some additions would be made to the commercial ToR to cover additional tasks that the commercial sub-committee would take on. • Sub-committee membership had been reviewed. It was noted that a couple of the sub-committees have low membership, therefore discussions will be held with Prof Peter Strike to determine which he will join, and Board members sitting on one sub-committee will be approached to see if they would like to join a second. • It was felt to be too soon to commit to the selection of vice-chairs for each sub-committee. This topic will be revisited at the interim chairs' meeting scheduled for June/July 21, and when the membership of each sub-committee has been finalised. • Discussions will take place at the sub-committee meetings in March to agree forward work plan topics for the forthcoming year. SA commented that it presented a good opportunity for chairs to align work across the four sub-committees and "join up" topics. A similar programme will be designed for the commercial sub-committee. 	<p>Action from this item are being taken forward under a separate (s/c chairs meeting) actions log</p>

<p>Agenda item 7</p>	<p><u>Service Delivery and Maintenance of Data (SD&MoD) sub-committee update:</u></p> <ul style="list-style-type: none"> • JW reported that the SD&MoD sub-committee continued to focus on bereavements casework. She noted that despite receiving 140 more cases in October 2020 than in October 2019, the performance trends were encouraging. • The SLAs and the tracker show that TP is keeping up with incoming volumes of work. She also noted that new staff on the bereavements team were fully trained and able to contribute to clearing the casework. • JW reiterated that the contract had been signed for Group 2 and 3 immediate detriment casework. As this casework will be monitored through the Service Deliver Board, she was reassured that it was receiving appropriate departmental scrutiny. She was also pleased to note that experienced staff will work with newly recruited staff on immediate detriment casework. • JW explained that PF had provided a comprehensive presentation about staff learning and development. She explained the various methods of ensuring staff were fully trained and supported. For example, TP provide a full training programme for new staff, operate buddy systems, develop junior managers, provide feedback through regular staff appraisals and offer professional qualifications. JW noted that TP recognised their staff as an important resource and asset, and invest in them accordingly. 	
<p>Agenda item 8</p>	<p>Managing Risk and Internal Controls sub-committee update :</p> <p>SA updated the Board on discussions from the December sub-committee meeting:</p> <p><u>Programme Risk Overview -</u></p> <ul style="list-style-type: none"> • Programme risks had been considered in general. A review of the operational and strategic risk registers had been completed including emerging risks. Topics featured include GMP, Transitional Protection & Survivor Benefits (Goodwin). • TP’s Employer Portfolio Manager had given an interesting and useful overview of Programme Risk with the supporting paper being circulated after the meeting. The presentation focussed on resource, capacity, overlaps and gaps between projects. A review of the programmes will be managed via a regular agenda item, with the potential for a forward work plan in order to maintain oversight of project impact on business as usual and to surface/address any queries. <p><u>OBR presentation</u></p> <ul style="list-style-type: none"> • SA noted the presentation by TP’s Senior Finance Manager which had covered the OBR Model and Forecasting. She noted the scheme’s good reputation with HMT and that all is on track with the Winter OBR underway. Some remodelling is taking place around forecasting. <p><u>Brexit</u></p> <ul style="list-style-type: none"> • SA explained that the only Brexit-related issue for the TPS concerned members living abroad who may need to change banking arrangements. 	<p>AP5/200121</p>

	<ul style="list-style-type: none"> NM suggested, and the Board agreed, that given the importance of the programme and the number of associated risks, TP might bring a paper to the next Board meeting setting out the main risks and mitigations and the governance arrangements covering the programme. 	AP6/200121
Agenda item 9	<p>Information to Members and Communications sub-committee update : JH updated the Board on discussions from the December sub-committee meeting:</p> <p><u>Annual Engagement Plan.</u></p> <ul style="list-style-type: none"> JH noted the interesting and informative presentation on the Engagement Plan, which had been shared with the Board. The plan looked at successful campaigns and key achievements in 2020, using this information to develop the 2021 plan. The 2020 campaigns generated an extra 35,000 MPO registrations, 24,000 users of the website and 170,000 benefit statement views. In the whole year there was 4.4 million visits to the website and 140 webinars delivered. <p><u>Transitional Protection Communications</u></p> <ul style="list-style-type: none"> This will be a key focus for 2021 and will require good, jargon-free communications and key messages to reassure members not affected by the changes and reduce unnecessary calls to the call centre. Employers will be included in the messaging, business as usual work incorporated into the Transitional Protection plan to 2022 and a glossary of terms devised. NM asked about the increased use of webinars, noting that 140 had taken place in 2020. RG advised that due to COVID-19 there has been greater reach using webinars and that they had attracted both a different range of people and more attendees in total. SL asked about future plans for webinars; RG confirmed this was a quicker route for learning as travel is not required which helps increase take-up. The team's preference would be to continue with webinars but would ideally re-introduce seminars when possible for the personal contact. JR noted the usefulness of webinars for an employer base of 11000+. 	
Agenda item 10	<p>TP Update:</p> <p>RG noted recent achievements:</p> <ul style="list-style-type: none"> TP's performance is holding up well with workload being well managed and the majority of SLAs met, this included 6000 retirement applications for January. The employer contact centre pilot had been completed and the new arrangements are now fully operational. Take up is increasing, though yet to meet previous levels. 180 Current Added Years (CAY) cases have been completed and the activity has now been assigned to business as usual. The homeworking solution continues to work well; all staff now have laptops which facilitates the use of Teams which in turn has improved communications. Home-schooling is currently proving a challenge for some but flexibility, such as staggered work patterns, is supporting this. 	

	<ul style="list-style-type: none"> • Recruitment is underway to support the Transitional Protection and Goodwin projects and to bolster the MCR team. • Partnership working with the department continues to work well. A partnership day had taken place in December, attended by KC. This looked at developing a common view of the work ahead with stakeholders. <p>RG noted that recent challenges had included:</p> <ul style="list-style-type: none"> • An increase in volumes, e.g. a 25% increase in death notifications during the first wave of COVID-19. Volumes are expected to increase again during the current spike/second wave as TP appear to be following the national picture. SLA performance may be affected, and additional staff have been moved to the bereavements team to assist. • There has been an increase in the area of revisions (where pension payments have to be revised following late input of data from employers). TP is looking into the underlying reasons for the increase in this area of casework. • The previously noted increase in the programme management area – further details of which will be shared at the next TPSPB. • Staff wellbeing continues to be a focus, although there are no particular concerns, contact with individuals has been increased. • Looking forward, RG noted a focus on projects, in particular MCR rollout and a programme of work to enhance digital transactions with members and employers. He also noted that a return to the office may begin in Spring/early Summer- following the rollout of vaccinations. TP has been discussing their preferences with individuals and it is likely that a flexible approach with a mix of office and homeworking will be introduced. This reflects current majority preference for homeworking, the challenges around desk space and practical implications, such as increased cleaning routines. A gradual return to office working is anticipated. • JR commented that there was currently joint working underway between TP and the department to refresh programme management arrangements, to ensure they remain fully joined-up and effective, and utilising internal audit for cross-checking. 	
<p>Agenda item 11</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 20 January 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 13</p>	<p>AOB: <u>Update on Accounts</u></p> <ul style="list-style-type: none"> • JR confirmed that the 2019/20 accounts had been laid unqualified in December, which was a good achievement. Although this was later than originally planned, it was still well within statutory deadlines. • The process for the 2020/21 is underway with the interim audit 	

	<p>arranged for early February and plans to lay the accounts as usual before summer recess. He noted a potential risk to the timetable from the number of major projects on the go and noted a couple of legal cases underway in other public sector schemes, which may have a knock-on cost implication to the TPS.</p> <p><u>Staff/structure changes within DfE's team</u></p> <ul style="list-style-type: none"> • JR advised that he was stepping back from some of his roles (including TPSPB support which will be taken up by Kathryn Symms); to allow him to focus on cost-cap and valuation and programme management work. • He advised that the team was in the process of recruiting to an additional seven posts across the policy, programme and secretariat functions. • it was agreed to revert to the arrangement whereby the draft minutes of the preceding sub-committee meetings would be included within the set of circulated Board papers. 	
	<p>Neville concluded by thanking everyone for attending and for contributing to an interesting and productive meeting.</p> <p>He bade farewell to Karen Cammack who has been the Board secretariat since the Board was set up in 2015. He thanked her on behalf of all Board members past and present for the truly outstanding service she has provided and wished her well for her retirement.</p> <p>The next meeting will take place on Wednesday 21 April 2021.</p>	

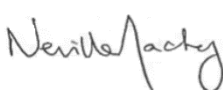
Minutes agreed: 

Date: 26 January 2021

Minutes circulated to Board members for review on 26 January 2021. The following changes were made following Board member review.

No amendments were requested/made.

Minutes ratified at subsequent TPSPB – 21 April 2021.

Final Signature: 

Date: 21 April 2021