

## Teachers' Pension Scheme Pension Board (TPSPB)

### FIFTH BOARD MEETING : 15 JUNE 2016

#### MINUTES

Present:		Also Attending :	
Michael Richardson CB (Chair)	MR	David Heslop (Capita TP)	DH
Geoff Ashton (Independent Pension Specialist)	GA	Stephen Baker (DfE Deputy Director School Employment Division)	SB
Jerry Glazier (member representative)	JG	Jeff Rogerson (DfE Head of Pensions Policy & Governance)	JR
Simon Judge (DfE Representative)	SJ	Kathryn Symms (DfE Policy & Governance team leader)	KS
Trefor Llewellyn (employer representative)	TL	Karen Cammack (DfE – Secretariat)	KC
Lee Probert (employer representative)	LP	Fiona Laundry (DfE – Secretariat)	KC
Alice Robinson (member representative)	AR		FL
David Trace (member representative)	DT	<b>Apologies :</b>	
Dave Wilkinson (member representative)	DW	David Simmonds CBE (employer representative)	DS

	Item	Action
Agenda item 1	<p><b><u>Introduction, attendance, apologies:</u></b></p> <ul style="list-style-type: none"> <li>• Apologies were received from David Simmonds.</li> <li>• The Chair confirmed that Marcus Bell had moved to the Department of Justice and that his replacement, Paul Kett, will be joining the Department shortly.</li> <li>• The Chair extended a warm welcome to Kathryn Symms who has taken on the role of team leader (Policy and Governance) in the DfE.</li> </ul> <p><b><u>Minutes of the previous meeting:</u></b></p> <ul style="list-style-type: none"> <li>• DW proposed that the minutes of the previous meeting should be subject to a formal vote - 8 members agreed the minutes and one member abstained as he had not been present at the previous meeting.</li> </ul> <p><b><u>Register of Interests:</u></b></p> <ul style="list-style-type: none"> <li>• There were no comments and no changes required.</li> </ul>	
Agenda item 2	<p><b><u>Update on action points:</u></b></p> <ul style="list-style-type: none"> <li>• Work to refresh the wording of the skills matrix template reflecting the evolving role of the Board has been postponed awaiting agreement to the updated TPSPB Terms of Reference.</li> <li>• DW requested that the commentary to AP008/090316 be reworded to state that proposed chairs had been <i>discussed</i> via email exchange 17-18/03/16.</li> </ul>	AP01/150616
Agenda item 3	<p><b><u>TPSPB Achievements:</u></b></p> <ul style="list-style-type: none"> <li>• MR confirmed that the purpose of compiling a record of TPSPB achievements during its first year was to prompt consideration of how to meet the requirements set out in the Terms of Reference to provide an annual report on the</li> </ul>	

	<p>activities of the Board (8:1-8:2).</p> <ul style="list-style-type: none"> <li>• It was noted that the Annual Report and Accounts are a formal accountability product that meets the statutory requirement, but that consideration should be given to a separate vehicle, i.e. other than the Governance Statement, to record the achievements of the Board and go beyond meeting the statutory minimum requirement.</li> <li>• There was some robust discussion regarding the purpose of Paper 5 with some reservations expressed by one member regarding the content and drafting particularly around ensuring the Board accurately reflect their achievements. However, it was recognised that the paper and its genesis were no more than an exercise designed to get Board members to focus on what more the Board could do to make a difference in the future, and to prompt consideration of what the formal report it was required to deliver might consist of.</li> <li>• It was generally agreed that both the Secretary of State (as the scheme manager) and the membership and employers have an interest in understanding what the Board does and has achieved each year.</li> <li>• The Board reached a consensus of opinion that this would be a useful annual exercise for the Board and that a report should be compiled for the widest possible circulation.</li> <li>• JR to work with the Chair to draft a report for consideration at the next Board meeting.</li> </ul>	AP02/150616
Agenda item 4	<p><b><u>The Role of the Board:</u></b></p> <ul style="list-style-type: none"> <li>• JR presented an overview of paper 6 and set out the roles of the Department as scheme manager, TP as the administrator and the TPSPB as a non-executive quasi-trustee body.</li> <li>• The paper sets out the thinking behind the revised role and Terms of Reference for the Board, which had been prompted by feedback from the Board and the recent audit report.</li> <li>• Whilst the primary role of the Board is assurance, the report provides the detail of the Board's role, responsibilities and decision making powers, and reflects both overarching regulations and the Regulator's requirements.</li> <li>• The Department recognised that, whilst the existing governance arrangements worked well, there was a need to place the TPSPB at the centre of those governance arrangements, and are committed to ensuring the Board are played into the thinking, have their views taken into account and have the capacity to feed into the decision making process.</li> <li>• A discussion on the revised terms of references followed. Whilst the majority of Board members welcomed the changes there was a candid exchange of views, in particular about the role of Chair which one member felt was insufficiently covered (particularly in relation to the composition and chairing of the sub-committees, which was due to be discussed at item 11).</li> <li>• It was highlighted that there is a separate Role and Person Specification document for the post of Chair and the</li> </ul>	

	<p>Department undertook to add this to the terms of reference for the Board to capture the detail of the role.</p> <ul style="list-style-type: none"> <li>• It was suggested by one Board member that the decision to agree this paper should be postponed until the completion of discussions on item 11 (paper 13); however the remainder of the Board was content to agree paper 6 at this time, whilst acknowledging the concerns of the other member.</li> <li>• The Board confirmed that they wish to establish a further sub-committee to support the contract re-tender process. The Board recognised that this work is not yet underway and, whilst they are keen to be involved in thinking from an early stage, they agreed it would be circumspect to wait until the re-appointment process had been completed (July/August) and Paul Kett was in post as Director of Teachers and Teaching Group, before discussing this sub-group further.</li> <li>• However, the Department undertook to ensure that the TPSPB will be played in from an early stage, and that their role will be clearly established in project documentation.</li> <li>• As an interim measure, the Department undertook to set out a provisional timetable for the re-tender project, for consideration at the next Board meeting.</li> <li>• It was recognised that significant effort had been made to seek further academy representation on the Board, and that this should continue.</li> </ul>	<p>AP03/150616</p> <p>AP04/150616</p> <p>AP05/150615</p>
<p>Agenda item 5</p>	<p><b><u>Engagement Update :</u></b></p> <ul style="list-style-type: none"> <li>• DH provided an update on the MDC project and the tools being used to communicate with and encourage employers to engage with the on-boarding process. TP have adopted a change in approach to communications seeking a commitment from employers to an on-boarding date.</li> <li>• Employers who had submitted their annual return late would be encouraged to on-board early, so long as outstanding problems (e.g. IT) had been resolved. TP have established a 6 month trajectory for academy on-boarding, and are working to mitigate the anticipated spikes (e.g. at the end of the timeline).</li> <li>• The Board discussed how they could be assured that the correct people in organisations were being contacted by TP to drive the on-boarding process, recognising that payroll operators are likely to be junior staff, and that communications should be targeted towards more senior staff to ensure whole organisation buy-in.</li> <li>• Furthermore the Board would seek to be assured in due course that concerns and issues raised have been addressed particularly as MDC links to 4 of the key risks.</li> <li>• DH will feedback to colleagues on the MDC project to review how / to whom communications are targeted.</li> <li>• DH agreed to provide regular updates to the Board and undertook to provide a brief update and field questions at the next Board meeting.</li> </ul>	<p>AP06/150616</p> <p>AP07/150616</p>

Agenda item 6	<p><b><u>Issues arising from consideration of the Dashboard:</u></b></p> <ul style="list-style-type: none"> <li>• None – the Board were content with the information in the Dashboard.</li> </ul>	
Agenda item 7	<p><b><u>Issues arising from consideration of the Engagement report:</u></b></p> <ul style="list-style-type: none"> <li>• The key issue of interest and discussion was that of P60s as TP are currently contacting members to determine their channel of choice for receiving future P60s. The Board expressed concerns that those members who are not IT confident would be disadvantaged. DH sought to reassure the Board that members who still wished to receive hard-copies would be able to do so, although the Board observed that a switch to making postal copies the default option with members opting to access data electronically might be a better approach.</li> <li>• The Board also observed that many older pensioners were not aware of My Pension Online and that there might be messaging issue to address.</li> <li>• DH and JR further explained why the drive to communicate electronically was taking place – because it allows for better service to members and employers. They nevertheless undertook to review arrangements and communications, particularly for pensioner members.</li> <li>• DH also confirmed that pensioner dependents would continue to receive paper copies as they were not eligible for MPO accounts.</li> <li>• Further update to be included in the next Board report.</li> </ul>	AP08/150616
Agenda item 8	<p><b><u>Issues arising from consideration of the Administration update:</u></b></p> <ul style="list-style-type: none"> <li>• The Board were pleased to note that the monthly data strategy steering groups, being established to include the department and TP, will monitor delivery of the strategy through three lenses – service, engagement and finance, which align with the three TPSPB sub-committees. It was recognised that the proposed sub-committees could play a role in that and TP contacts will be identified to liaise with the sub-committees in due course.</li> <li>• The Department will resend the response to the pension input period query to all Board members.</li> <li>• As the final date for Annual Service Return submission is 7 July, a progress update will be provided for the next Board meeting.</li> <li>• The Board would like to understand the nature of the improvements to be implemented following the review of Outcome Measures, in particular OM2 and OM3. DH explained that arrangements for capturing immediate feedback had now been introduced and it was agreed that an explanatory note providing more detail would be circulated shortly.</li> <li>• The Board queried why counter-signatories were a</li> </ul>	<p>AP09/150616</p> <p>AP10/150616</p> <p>AP11/150616</p>

	<p>requirement of the “re-marriage exercise”. DH explained that the requirement was considered to provide a further level of reassurance that the recipient continues to be entitled to receive the benefit.</p>	
Agenda item 9	<p><b><u>Issues arising from consideration of the Finance, Risk and Audit Report:</u></b></p> <ul style="list-style-type: none"> <li>• The Board asked for clarification regarding how late, incomplete or missing Annual Returns impact on schools’ records and how TP pursue outstanding information.</li> <li>• DH explained that the End of Year Certificate process is part of the assurance that NAO take in respect of signing off the Annual Report and Accounts. The process requires employers to submit a draft version ahead of a fully completed version. Those that fail to submit returns are now reported as a breach to the Regulator who will follow this up directly with the employers.</li> <li>• JR confirmed that independent schools may be withdrawn from the scheme where there is a continuing and on-going debt to the scheme, and this is the case with the school mentioned in the report. It was also noted that MDC should help to avoid this type of situation arising, once it is fully in operation.</li> <li>• It was noted that within the HE sector the organisation’s accounts would be qualified where EYC’s are not submitted appropriately and that there are steps in the process to mitigate and guidance is provided to staff.</li> <li>• The Department will confirm how this process operates in the maintained sectors.</li> <li>• In response to the Board’s concern regarding academy conversion and the anticipated spike with primary schools, the Department confirmed that it was pro-actively engaging with colleagues in the academy sector to develop a joined up approach.</li> </ul>	AP12/150616
Agenda item 10	<p><b><u>Governance Statement:</u></b></p> <ul style="list-style-type: none"> <li>• The Governance Statement forms part of the Annual Report and Accounts. The segment on the activities of the Board during its first year of operation has been circulated to Board members for review, and has been amended to address comments made.</li> <li>• SJ suggested that page 29 para 4:20 be amended to remove the word “financial” as the assurance process is wider, the Board agreed this.</li> <li>• The cycle of Board meetings for 2017 has been set to ensure the Board is given the maximum time and opportunity to input into the drafting process and consider the report.</li> <li>• The general consensus of the Board was to agree the wording of the Governance Statement, although one member requested a formal vote. The statement was agreed on a vote of 8 for and 1 against.</li> </ul>	AP13/150616

<p>Agenda item 11</p>	<p><b><u>Sub-Committees update :</u></b></p> <ul style="list-style-type: none"> <li>• JR explained that paper 13 set out the framework to support the Board's desire to set up three sub-committees and took into account feedback received from Board members following the circulation of the draft version.</li> <li>• The document links to paper 6 as the sub-committees add to the capacity to underpin the Board's assurance role. The Terms of Reference reflect this by following the format of the main Terms of Reference, setting out how the sub-committee meetings will work. Clear criteria are set out for the appointment of members and chairs to the sub-committees, and for how the sub-committees operate.</li> <li>• A full and frank exchange of views followed, regarding how the sub-committees had initially been set up and on how to ensure members and the sub-committees had the skills to undertake their roles.</li> <li>• All but one Board member felt that the process by which paper 13 had been arrived at was appropriate and effective. The Board member involved expressed concerns, in particular about the process whereby the proposed sub-committee members identified who should be put forward as chairs, and felt it was flawed.</li> <li>• It was acknowledged that all members of the Board had been through a rigorous selection and induction process and it was felt that all therefore had the required skills to chair the sub-committees – not least because of the skills, knowledge and qualifications they brought with them when appointed to the TPSPB.</li> <li>• The majority view was that the Terms of Reference illustrated good practice and were fit for purpose. It was further acknowledged that a review process has been built in to allow for review and revisions.</li> <li>• It was agreed that all communications relating to sub-committee activity should be through the secretariat, as suggested in the earlier paper on governance.</li> <li>• It was noted that the sub-committee Chairs would value some form of guidance regarding who to liaise with in TP/ the Department to help keep the sub-committees on track.</li> <li>• It was agreed that the sub-committees would hold an inaugural meeting to discuss priorities and highlight specific areas they could scrutinise.</li> <li>• The Board secretariat will liaise to agree the date and venue; the Department will consider who should attend to support. Thereafter the Secretariat will co-ordinate sub-committee meetings.</li> <li>• The majority decision of the Board was to approve the structure and Terms of Reference for the sub-committees, but to note the concerns of the member who did not support the proposal.</li> </ul>	<p>AP14/150616</p>
<p>Agenda item 12</p>	<p><b><u>Policy Report :</u></b></p> <ul style="list-style-type: none"> <li>• There were no comments on the Policy Report although it was noted that SAB meeting notes are available to Board members via TP's website.</li> </ul>	

Agenda item 13	<p><b><u>AOB :</u></b></p> <ul style="list-style-type: none"> <li>• The Board were content with the IDRP report.</li> <li>• <b><u>P60 Issue</u></b> : Discussion had been largely covered in agenda item 7, however the Board reiterated their concern regarding the changes to the standard approach of distributing P60s, and concerns regarding the impact of the change of service on older members whose IT skills may fade over time.</li> <li>• In light of the comments and reservations expressed by the Board on P60s, the Department and TP will consider further and update the Board at the next meeting.</li> </ul>	AP15/150616
	The next meeting will take place on 7 September 2016 in Darlington. Timings to be confirmed but likely to be around 1100 – 1600 and include additional learning sessions.	

Minutes agreed (Chair) :

Date : 21 June 2016

*Michael Richardson*  
*Michael Richardson*

Minutes circulated to Board members for review on : 21 June 2016
Minutes endorsed by TPSPB at 7 September 2016 Board meeting, subject to the following changes :
<p>Include any details here:</p> <p>None required</p>
Once endorsed the minutes will be signed by the Chair, uploaded to the Governance area of TP's website and securely stored.

Final Signature :

*Michael Richardson*

Date :

*10 September 2016*

