

TPSPB (Service Delivery & Maintenance of Data sub-committee) – May to July 2017

TP Administration Update

The purpose of this document is to advise the Service Delivery and Maintenance of Data sub-committee, and the TPS Pension Board, of recent key events relating to the administration of the scheme so as to assist with its assurance role. In particular in the areas of maintaining the quality of member data and record keeping (in line with the requirements of the Pensions Regulator), and reporting certain breaches of the law. The report also aims to assist the Board (via the sub-committee) in its strategic role by providing information on specific actions and projects that aim to ensure the administration continues to improve and best serve all stakeholders' needs.

Within the above, Teachers' Pensions primary role is to pay the right pensions to the right people at the right time. The Department seeks to ensure that happens through: having the right contract arrangements in place; monitoring TP's (and other contractors), performance against expected outcomes; and working with TP and others to continuously improve the service/keep up to date with wider developments. The Board's role is to assess and offer a view on whether these are the right arrangements and whether they are working effectively.

This report therefore covers details on performance and activity in the following areas:

- delivery against performance and outcome standards (e.g. service delivery, annual service returns) ; and
- steps to improve the service and to adapt to/adopt change in over-riding pension arrangements, education or best practice elsewhere (e.g. monthly data collection, the employer review, deferred member project, etc.

Teachers' Pensions Contact Centre

1. Telephony services have received increased levels of customer contact and this has significantly impacted on call waiting times. As a result, the trend for negative feedback continued in the period; accessibility to the call centre being identified as a particular issue. However, it should be noted that members' feedback on the quality of the service and information received when a call is successfully placed to TP is consistently high. A review of volumes of digital and telephony contact is underway to establish if any re-alignment of their strategy is required. This will be discussed at the Information to Members' sub-committee under the agenda item "Telephony Issue and Customer Contact Model".

Outcomes

2. Achievement of outcomes measures were sustained at a good level in the period; customer satisfaction is high with encouraging results in the numbers of members who understand the value of their pension. The level of response in this period continues to be high with 11,832 pieces of feedback received from members and 643 pieces of feedback received from employers.
3. As referenced last time, we are looking at Outcome 14 to see if the targets for MPO are appropriate and challenging. There are a number of activities either in progress or under consideration that should drive up MPO takeup,

particularly for active members: for example the three month pilot that TP began in March 2017 with a cross section of employers, providing them with material to encourage them to more actively promote the benefits of the use of MPO with their staff. The trial highlighted the appetite of employers to get involved, however the results weren't as anticipated and barriers to setting up MPOs easily were identified. Action to address these barriers is referenced in the new Customer Contact Model, agreement of this new approach should dovetail with the planned review of OM14.

Bereavement Process Improvements

4. The bereavement process was reviewed last year to remove the focus on volume and transaction and provide an enhanced personable and empathetic approach. This included providing a named individual to support the family; early notification of information requirements; proactive contact with the relevant parties; and the introduction of certified copies of certificates to eliminate the need for the purchase of original documents. Further operational improvements have also been made to the routing of Contact Centre calls and website navigation to help simplify the process for the bereaved individual. Targeted bereavement training was also provided by a local hospice to provide guidance on delivering an empathetic approach. To date, the revised process has seen positive feedback from relatives and a good uptake in the revised certified copy process.
5. As part of August's Service Delivery Board horizon scanning, some further improvements were discussed and are being considered, including additional training to the wider Operational team, review of the death benefits application form and supporting documentation requirements, and review of the Disclosure of Death Registration Information (DDRI) process to identify any additional benefits/efficiencies that can be derived from this service.

Deferred Member Tracing

6. We are in month 25 of a 48-month exercise to trace deferred members who have reached their normal pension age, but not claimed benefits or a refund. Every month 5,000 such member records are processed. To date, 117,062 records have been sent to Capita Tracing Services (CTS) for tracing, 47,233 of the above have been contacted (CTS were able to find an address or the member verified their details), 12,639 were auto verified – the address TP held was already correct, 15,839 identified as deceased, 41,351 returned a negative trace – they couldn't be found.

Second Bite PI

7. The bulk IT routine has been developed to calculate the underpayment for the years 2012 to 2016. This was delayed due to the complexity of the calculations embedded in the routine (note: this eventually went live in May). The routine has helped increase the throughput of cases and at the end of July over 23,000 cases had been completed; 2,000 cases having been processed manually and over 21,000 cases having been processed through IT system routines. The process has thrown up further complexities which are being addressed via additional updates to the IT routine and the expected completion date for the exercise remains December 2017. A team of 25 is in place to

perform the manual calculations needed in some cases. The resources required are provided by Capita and are separate to the core service.

Customer Satisfaction



8. As referenced before, 11,832 items of feedback were received from members and 643 received from employers during this period.
9. Achievement against the relevant targets can be seen below.

Outcome Measure	Description	Achievement Year 6 so far	Year 6 Target
5	Members regularly receive information about their pension and are satisfied with its quality	75.65%	76%
6	Members who contact the TPS about their pension are satisfied with the timeliness and quality of the response	71.28%	76%
7	Recently retired members are satisfied with the support they receive from Teachers' Pensions as they planned retirement.	76.35%	80%
9	Employers are satisfied with the service they receive from TPS	96.68%	80%
10	Employers receive timely and accurate responses from the TPS	75.65%	80%

SLAs and KPIs



The system outage that occurred from 24th May significantly impacted on SLA and KPI performance in June and July; TP acknowledged this would cause severe service credits deficits, resulting in substantial associated financial penalties. In this reporting period, this amounted to £74, 482 for those two months.

10. Pension payments were unaffected and a recovery plan was implemented. There was a backlog of 6,467 cases confirmed on 6th June 2017: these were cleared using overtime and all work was caught up and completed by the end of August. TP anticipate a performance recovery from September onwards.
11. Performance against SLA 4 Death Benefit Payments has remained significantly below target during the period. Efforts have been focussed on upskilling the teams and analysing the Management Information to ensure meaningful detail is being recorded and delivered. The SLA is currently under review with potential changes to the case types included and a reduction in the number of days for initial stages of the process. The ability to obtain further information at the beginning of the process will also aim to reduce the time taken to complete cases.

Legislative Changes/Issues**The 'Brewster' Judgement**

12. This judgement ruled that it was not appropriate to require a nomination to be made in order for an unmarried partner to be considered eligible to receive pension benefits. TPS arrangements have been amended to fully comply with the judgement, steps have been taken to seek to identify affected cases, and cases are being progressed as they arise.

The Supreme Court Decision in Walker v Innospec Limited and others

13. 12 July, the Supreme Court decided that the provision as set out in paragraph 18 of schedule 9 to the Equalities Act 2010 was incompatible with the European Convention on Human Rights and Fundamental Freedoms (ECHR). The purpose of paragraph 18 was to allow an employer to restrict access to benefits relating to service accrued before the date that civil partnerships became recognised in the UK i.e. 5 December 2005. The Supreme Court therefore confirmed that once a person enters into a same sex marriage, that person and their spouse are entitled to the same treatment as would be afforded had that person entered into an opposite sex marriage, including where benefits payable is in relation to a period before 2005.

The effects of the Supreme Court's decision on the TPS: HM Treasury are leading on the policy implications of this decision. Officials from the Teachers' Pensions Team are working with HM Treasury to determine the impact on the public service schemes and any actions needed to ensure the TPS is fully compliant with the court's decision. The TPS currently provides for differing survivor benefits for the surviving female spouse of a male member and other forms of legally recognised marriages/partnerships.

'Exit' Payments


14. The proposed changes to over-riding legislation to introduce a cap on exit payments, arrangements for clawing them back when an individual returns to a similar role shortly after leaving, and limits on how much can be paid, have still to be taken forward. The Department continues to monitor developments and will amend TPS arrangements accordingly as and when appropriate.

Guaranteed Minimum Pensions

15. Following the recent public consultation, HM Treasury are still considering what is the best long-term solution to ensuring the correct indexation and equalisation of GMPs for those who reach state pension age after November 2018. DfE officials are working with HM Treasury counterparts on that and will update the Board as developments emerge. Changes to administration arrangements will be involved whichever option is taken forward.

Scheme Valuation

16. This project remains on track with results of the valuation expected to be announced in March 2018 with any resultant change in the employer contribution rate introduced in April 2019. Discussions on possible changes to member contribution tiers will take place in the Autumn, at the next meeting of the Scheme Advisory Board, with the intention of determining these by March 2018 also.

Significant Projects	
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Guaranteed Minimum Pension Reconciliation

17. Work by TP on the GMP reconciliation exercise is progressing well, although the project remains rated as “red” as a result of the potential complexity of the overpayment regime. TP are continuing to analyse the data and receive new data cuts from HMRC, continually assessing what changes are being made and how this may affect the members TP are reconciling. The total number of members to reconcile will therefore continue to fluctuate as the data is reanalysed.

18. Reconciliation numbers to date are:

- Stage 2 – Initial deferred/pensioner population 217,439
- Stage 4 – Active population 391, 228

19. The additional deferred/pensioner population following additional analysis is 218,814.

20. TP have analysed 217k Def/Pen and 78k Active cases to date, with 130k Def/Pen and 62k Active cases sent to HMRC for further consideration. TP have returned 83k Def/Pen cases to HMRC for further analysis. As yet, no Active cases have been returned as the first tranche of these have started to come through in August.

21. The main difficulties TP are experiencing with HMRC are the significant delays experienced in the return of referrals. HMRC initially indicated turnaround times would be 3 months, in reality this has been 6 – 9 months. Automated solutions have been developed during Q2 of 2017 and results from these are beginning to be received, however it is expected a large number of cases (around 75%) will be subject to a further auto solution which is not expected to be delivered until November. This will take the total timescale for turnaround of 1st queries to in excess of 12 months from the date the case was initially raised.

22. TP are working closely with our HMRC colleagues to expedite queries where possible and have been involved in the development of the auto solutions. HMRC have provided a timeline for the runs of the solutions up to the end of the year but have advised that funding is still to be secured for further runs in 2018.

23. TP have also experienced issues with delays in policy decisions from HMT and is the principle reason for the red rating of the project. A number of decisions are outstanding relating to the handling of under/overpayments, inclusion of the pre '09 membership (HMT original recommendation was to exclude these due to the previous exercise completed in 2008/09 but is being reconsidered) and how Indexation/equalisation will be handled. The Department has written to HM Treasury to highlight concerns about HMRC's handling of queries, as well as delays in decisions on handling overpayments, and will continue to press for action in those areas via the MOCOP network.

Monthly Data Collection (MDC)

24. MDC on boarding continues: at the end of July there were 4,043 live employers, submitting data for 291,887 members; the active member base whose data is collected in this way is 38%. The project remains on track and is rated green.
25. We anticipate spikes in MDC on boarding activity in September, October and December 2017; these large cohorts are attributed to employers deferring MDC on boarding, with the most common reasons for missing submission deadlines or deferring to a later date were:
- Issues with the Software Solution – minor glitches that required patches before they could progress with the test phase
 - Resource issues – EOYC took precedence
 - Employers' identified data issues which needed correction
26. To support employers yet to on board in their MDC approach, TP have delivered a comprehensive list of providers (both payroll and software) which Teachers' Pensions classified as 'MDC compliant which denotes a provider who has met defined criteria for successful MDC implementation as set by Teachers' Pensions. This list is constantly reviewed and establishments with a successful MDC solution are invited to join. TP are actively working with the Local Government Association (LGA) to support local authorities in the MDC approach/on boarding.
27. The MDC telephony accounts lead remains in place and supports employers resolve issues and making sure they have the right information regarding readiness of software etc. An additional MDC journey has been implemented for the telephony lead to contact indicative and confirmed employers who did not submit by their stated deadline.

Data Strategy

28. TP continue to make good progress with MDC which is their primary focus at present for improving data quality submitted by employers for active members. TP are still on track to have this as the only means of submission of data by employers before the end of the scheme year in March 2018. The project to trace deferred members continues with over 75,000 members successfully traced by end July.
29. TP have increased the focus on "self" data checking for members by making the reminder more prominent when logging onto the MPO account, and have

launched a monthly report to all employers to highlight active members without an MPO account and ask the employer to encourage their staff to register. TP are looking to make registration simpler by changing the log on requirement to use National Insurance number or DfE number rather than both. Feedback indicated that some members were reluctant to set up an account as they didn't have their DfE number to hand.

Employer Review

30. Phase one - Changes to member related admin: The approach becomes effective 1 September - all the employer has to do is encourage the starter or leaver to have an MPO login and TP take on all the actions to advise members of the options etc. As referenced before this supports take up of MPO and that should be reflected in any revised targets for OM14.

31. Phase two – Risk based assurance assessment: this addresses the risk around the proliferation of employers and how that affects data quality. Current plans are to implement this at the same time as MDC2 (combined service, salary and payment return). DfE officials are seeking views from HMT regarding potential changes to payment and reconciliation dates to facilitate these developments – which would further improve the experience for employers. TP are in discussion with some employers who were early adopters of MDC to start a limited trial.

Reporting Breaches



Subject Area	Typical Breaches
Access to Data Occurrences in the 3 months to 31st July	<ul style="list-style-type: none"> ➤ Unauthorised access to data; ➤ Security/IS breaches. nil
Disclosure of Data Occurrences in the 3 months to 31st July	<ul style="list-style-type: none"> ➤ 0 Unauthorised/inappropriate disclosure of data; ➤ 5 Disclosure of personal data to incorrect Data Subject; ➤ 0 Failure to verify identity before releasing information; ➤ 0 Medical/sensitive information inappropriately disclosed; ➤ 0 Selling personal data. Included in the above are: <ul style="list-style-type: none"> ◆ 2 instances where incorrect information was enclosed with correspondence to members (human error, staff reminded of need for vigilance when manually packing envelopes)

	<ul style="list-style-type: none"> ◆ 2 instances where personal details were processed on incorrect record (Note: 1 was due to incorrect details received from the employer and one was due to operator error) ◆ 1 instance where correspondence was issued to incorrect address (letter sent to member's son)
Processing of Data	<ul style="list-style-type: none"> ➤ Misuse of data; ➤ Removal of data without permission; ➤ Failure to rectify incorrect personal data.
Occurrences in the 3 months to 31st July	nil

32. In all cases the breach is resolved with the member/employer and action is taken to reinforce processes that have failed.

Employers reported to The Pensions Regulator (TPR)

33. In May, 2 employers were reported to TPR for failing to pay contributions for a period of 90 days or more, one was Winston Way Primary School (Academy) who were also also reported in May and June along with EBN Free School (who have now paid all outstanding contributions); with the same two employers being reported in June and in July with one of these employers reported again for continuing non compliance.

34. In the period, 66 employers with outstanding returns were reported for failing to submit their 2015-16 End of Year Certificate (EoYC). This is broken down into 32 Academies, 27 Independents, 1 Function Provider, 3 HE, and 3 MATs. All employers with an outstanding EOYC for 2015-16, continue to be reported. The Regulator has requested details of all TP correspondence to date to review with a view to writing to the employers as per last year's successful exercise.