

## Teachers' Pension Scheme Pension Board (TPSPB)

### SECOND BOARD MEETING 9 SEPTEMBER 2015

#### MINUTES

<b>Present:</b>			
Michael Richardson CB (Chair)	MR	David Trace (member representative)	DT
Geoff Ashton (Independent Pension Specialist)	GA	Dave Wilkinson (member representative)	DW
Marcus Bell (DfE representative)	MB	<b>Also Attending :</b>	
Jerry Glazier (member representative)	JG	Ivan Cheary – Observer (Internal Audit)	IC
Simon Judge (DfE representative)	SJ	David Heslop (Capita TP)	DH
Trefor Llewellyn (employer representative)	TL	Richard Symms (DfE Head of Pensions and Secretariat)	RS
Lee Probert (employer representative)	LP	Karen Cammack (Secretariat)	KC
Alice Robinson (member representative)	AR	Fiona Laundry (Secretariat)	FL
David Simmonds CBE (employer representative) until 1510hrs	DS	<b>Apologies : None</b>	

	Item	Action
Agenda item 1	<p><b><u>Introduction, attendance and apologies</u></b></p> <ul style="list-style-type: none"> <li>• MR extended a warm welcome to Ivan Cheary from the Internal Audit team who was attending as an observer, to assist the audit of TPS governance arrangements.</li> <li>• Congratulations to LP on his appointment as Principal of the City of Bristol College.</li> <li>• Best wishes extended to DH and TP colleagues for the re-location to new premises in October.</li> </ul>	
Agenda item 2 Chairs' Update	<ul style="list-style-type: none"> <li>• MR has held phone conversations with the Chairs of NITPS and STPA, both are keen to meet and exchange views.</li> <li>• He also plans to introduce himself to the Chairs of the Armed Forces and NHS schemes and generate three-way discussion.</li> <li>• The Chairs' forum, co-ordinated by PCSPS, is yet to be convened.</li> </ul>	AP 004/030615
Agenda item 3 Action Points update	<p><b>005/100215 : Conflict of Interest</b></p> <ul style="list-style-type: none"> <li>• There is no consensus of approach across schemes and the regulator confirms that the scheme manager should determine the information required.</li> <li>• It has therefore been agreed that the revised wording (relating to investments in relevant institutions only) will be used in the Declaration form, but kept under review.</li> <li>• Declaration forms and Register of Interests to be refreshed and thereafter circulated in advance of each Board meeting.</li> <li>• Conflict of Interest Policy to be updated to reflect changes and thereafter considered signed off.</li> </ul>	AP 005/100215 Standing agenda item

	<p><b>009/100215 : Grid of Progress (against the Code of Practice)</b></p> <ul style="list-style-type: none"> <li>To be updated. The only outstanding issue is training related.</li> </ul>	<p>AP 009/100215</p>
	<p><b>010/030615 : Board Role in Assurance.</b></p> <ul style="list-style-type: none"> <li>Uncertainties remain regarding the role of the Board and how to dovetail responsibilities with the governance structures already in place.</li> <li>RS will refresh the Assurance Document (drafted to provide an overview of this aspect of the Board's role) to widen the scope to cover the role of the Board beyond assurance and thus include other aspects of the role such as representing the views of members and employers, and its challenge function.</li> <li>Point 6 to be re-worked to more accurately reflect the Board's responsibility for providing assurance over risk.</li> <li>Whilst recognising that the role will evolve, Board members representing members and employers agreed to meet separately and draft proposals on how the Board can better fulfil its responsibilities, with suggestions for improving performance.</li> <li>Reports to be shared ahead of December meeting, and with the Auditor who may find this a useful way to draw out the opinions of the Board.</li> <li>Board to consider a "mock up" of the report that it will need to produce for the Audit and Risk Committee at the end of the scheme year at its March 2016 meeting.</li> </ul>	<p>AP 010/030615</p> <p>AP 010/030615</p> <p>AP 001/090915</p> <p>AP 001/090915</p> <p>AP 002/090915</p>
<p>Agenda item 4</p> <p>Training update</p>	<ul style="list-style-type: none"> <li>Further TP familiarisation day held on 5 August – considered very useful and informative by attendees. A formal letter of thanks was sent from the Chair to DH and his team for hosting this second session.</li> <li>6 updated skills matrixes received as at 8 September.</li> <li>Secretariat to analyse once all are received and suggest learning to address outstanding issues. This may include signposting to tools, but may also include further activities (e.g. Government Actuary's Department booked to present at 9 March 2016 Board meeting).</li> </ul>	<p>AP 001&amp;002 of 100215</p>
<p>Agenda item 5</p>	<p><b>Issues arising from Consideration of the Engagement Report.</b></p> <ul style="list-style-type: none"> <li>Feedback to Report authors to request that, where possible, data on HE/FE is quantified (e.g. engagement levels) and that arrows be included into the RAG boxes of the narrative (as per the Dashboard).</li> <li>It was observed that HE/FE sector would benefit from the presentations being delivered by Prudential on TP's behalf. This to be considered further at the engagement session scheduled for 2 December.</li> <li>Board members were interested to hear of the support provided to new academies which includes Employer Relationship Manager visits and early liaison and</li> </ul>	<p>AP 003/090915</p> <p>AP 004/090915</p>

	<p>preparative work between TP and the Department's Academies team. There was a suggestion that reporting those academies that do not engage with TP, to the Education Funding Agency, might be a useful tool to remind them of their statutory obligations.</p> <ul style="list-style-type: none"> <li>• Board members felt that it would be useful for a representative to attend Stakeholder events and provide first hand feed-back. A timetable of key events to be created/shared with Board members with an open invitation to attend. Some negotiation may be required where there are a number of volunteers.</li> <li>• DW expressed concern regarding a flyer that has been included with P60s. In particular the appropriateness of TP circulating a request for charitable giving and the perceived endorsement of one product over any other.</li> <li>• Board members were asked to consider and respond to DW</li> <li>• DfE officials and TP will also consider the points raised.</li> </ul>	<p>AP 005/090915</p> <p>AP 006/090915</p>
<p>Agenda Item 6</p>	<p><b>Issues arising from consideration of the Administration report:</b></p> <ul style="list-style-type: none"> <li>• DH provided an update on the alleged fraud incident uncovered during routine internal audit enquiries. He confirmed that police detectives are investigating an alleged theft from TP accounts and that a female member of staff had been arrested. She has been interviewed and is currently on police bail until mid-October. He also confirmed that there has been no impact on individual members and the value of the fund will not be impacted and monies have been reimbursed to the scheme by TP.</li> <li>• The Board were interested to hear of the range of short and longer term provisions that TP are introducing to tighten procedures in the light of this event and look forward to further updates.</li> <li>• As there is likely to be increased press interest "lines to take" and a comprehensive Q&amp;A are being prepared. These will be shared with the Board once approved by DfE officials.</li> <li>• The incident has been reported to the Pensions Regulator as required by the Code of Practice as a potential material event.</li> <li>• Board members were interested in the progress being made towards monthly data collection, recognising the challenges currently presented by "repeat offenders" who regularly submit member data late. Report authors to be requested to show data on both employers and employee numbers affected by late returns.</li> <li>• Board members were interested in the progress being made towards reconciling Guaranteed Minimum Pensions data and recognised that key policy decisions are awaited from HMT/HMRC. DfE and TP are developing a plan to ensure timelines are met; this should be in place by early December and will be shared with Board members once</li> </ul>	<p>AP 007/090915</p> <p>AP 008/090915</p> <p>AP 009/090915</p>

	<p>complete.</p> <ul style="list-style-type: none"> <li>TP are working with TPARG (Teachers' Pensions Administration Review Group) and a Local Government group on a solution to the portal issues (software and server) that have been causing concern.</li> </ul>	
Agenda item 7	There were no issues arising from consideration of the Finance, Risk and Audit report.	
Agenda item 8	<p><b>Issues arising from consideration of the OBR Financial Forecast included :</b></p> <ul style="list-style-type: none"> <li>An explanation that the forecast is commissioned twice a year by the OBR. The methodology is well established and relates to the propensity of members to retire. The forecast prompts the Department to review the efficacy of the methodology based on experiences since the last exercise and the predictions made at that point – there may be a budgetary implication for schools.</li> <li>This overview document sits above an extensive narrative which is subject to review and challenge by TP and the Department, before being scrutinised further by OBR's budget responsibility committee and HMT.</li> </ul>	
Agenda Item 9  IDRP Data	<p><b>Issues arising from discussion of the report included :</b></p> <ul style="list-style-type: none"> <li>Recognition that this quarterly report will constitute a major reporting item for the Board, and that it provides a useful and informative overview of complaints received into TP.</li> <li>It was noted that volumes are small, but report authors to be requested to include trend information on subsequent reports and determine if there are any patterns throughout the year.</li> <li>Arrows to indicate where volumes/trends are larger or smaller than previous report(s) would be useful.</li> <li>Board members would find it useful to view one or two illustrative complaints (where the complaint has been upheld by the Department, or more usefully upheld by the Ombudsman) alongside the report each quarter.</li> <li>TP to consider how best to benchmark against other schemes on complaint volumes.</li> </ul>	<p>AP 010/090915</p> <p>AP 010/090915</p> <p>AP 010/090915</p> <p>AP 011/090915</p>
Agenda Item 10  Policy update	<p>In addition to the GMP issue, MB also highlighted the following policy issues for update:</p> <ul style="list-style-type: none"> <li>Changes to pensions Tax (annual allowances). Whilst this will mainly affect high earners, some members will be affected by tapering arrangements. Members are able to use the "scheme pays" facility to meet the tax charge. TP will alert members involved about the changes and provide guidance on their options.</li> <li>HMT are conducting a consultation on pensions tax relief – DfE officials are working with HMT to ensure that the implications for public sector schemes are fully considered.</li> </ul>	

	MB will update further at the December Board.	AP 012/090915
Agenda item 11 AOB	<ol style="list-style-type: none"> <li>1. GA provided an update on TP's "engagement plan" that is being developed to meet the requirements as set out in the Code of Practice. A formal paper is being developed and will be shared with the Board in December. The regulator expects schemes to be proactive rather than providing specific guidance or instruction. Progress by TP thus far is good, but some input from both the Board and Auditors would be beneficial as it is germane to the wider discussion on the role of the Board.</li> <li>2. MR plans to invite all Board members to complete a self-assessment and arrange appraisal conversations during December. Blank forms to be circulated early in November.</li> <li>3. The Chair extended his thanks to report authors for clear and comprehensive reports and for the time involved in preparing them.</li> </ol>	AP 013/090915  AP 014/090915

Minutes agreed :



Michael Richardson (Chair)

(original signed by Chair and securely stored)

Date : 30 September 2015

