

Teachers' Pensions Scheme Pension Board

Quarterly Report

November 2018 to January 2019

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TPSPB report – November 2018 to January 2019

The purpose of this document is to advise the sub-committees and the TPS Pension Board (TPSPB) of recent key activities relating to the administration of the scheme to assist with its assurance role. The report also aims to assist the Board 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.

Service update

1. Excellent results were achieved with respect to the Winter Retirement Exercise, with all members paid as of 1 January 2019. The volume of retirements processed was 955.
2. 417 Voluntary Scheme Pays (VSP) elections were received from members and were processed and completed before the self-assessment deadline of 31 January.
3. Development of the Second Bite routine commenced in January to ensure successful delivery. User testing has produced the results expected, which will enable TP to run the necessary reports and routines in early March, before the annual PI exercise commences.
4. The business case for the membership increase Contract Change Notice (CCN) has received commercial approval. DfE are working with TP to define a proposal for backlog work clearance before final sign off of the CCN.

Bereavement

5. Throughout the quarter, the Bereavement team has continued to ensure that the Business As Usual (BAU) casework was maintained within Service Level Agreement (SLA) timescales and as a result, the current SLA performance has increased when compared to previous months.
6. Efforts are being focused on reviewing outstanding "third party cases" with a view of obtaining all necessary information. However, TP still face challenges with obtaining information from employers in a timely manner.
7. There are 1,031 outstanding cases across the SLA (as at January 2019); 503 of those are cases where TP require further information, which has been requested; and the remainder have been reviewed through the triage arrangements in place and are being dealt within on a priority order basis. TP.I.038 issue referred.
8. Overall SLA performance is good, with 4a Death/III Health – initial contact / assessment of benefit - achieving an average of 99.59% over the quarter. There are seven outstanding cases, which are all awaiting further information from a third party (e.g. employer, spouse, and probate).

9. SLA4b Death/III Health benefit payments (continuing entitlement) has achieved an average of 89.75% over the quarter. There are 318 outstanding cases, which have all been reviewed by the Bereavement team. TP is maintaining the clearance level of BAU cases, but as aged cases are closed, these are affecting SLA performance.
10. SLA4c: Death/III Health benefit payments (no continuing entitlement) has achieved an average of 96.14% over the quarter. There are 706 outstanding cases, of which, 510 cases are awaiting further information from a third party.

Other impacts of increase in members

11. As reported at the TPSPB on 23 January, the business case has received commercial approval. DfE are working with TP to define a proposal for backlog work clearance before final sign off of the CCN.
12. TP continue to work through outstanding revisions cases, prioritising those where the need for an amendment has already been identified. TP are using enhanced IT functionality, i.e. character recognition functionality, to prioritise the correspondence received by secure mail (email) and are conducting sampling to determine exactly what actions are needed in respect of the white mail backlog (issue TP.I.0037 refers).

SLAs & KPIs	
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13. The overall SLA and Key Performance Indicator (KPI) performance in the quarter has remained stable, notwithstanding the challenges still faced in bereavement (SLA4) and change of entitlement (SLA3), which are impacted by processing and completion of aged cases.
14. Aged case revisions within SLA3 continue to be a priority. As at January, there were 8,190 cases outstanding. Efforts have continued to be focused on reviewing the cases and completing older and priority cases first.
15. SLA5a Transfers In (notify member) and SLA5b Transfers In (update member record) have reached and maintained 100% performance levels over the quarter.
16. SLA6 Transfers Out (notify receiving scheme of estimated scheme transfer value) performance has significantly improved, achieving 93% average over the quarter. SLA6 Transfers Out (pay the transfer value) have reached and maintained 100% performance levels over the quarter.
17. DfE expect the performance in SLA6 to dip slightly as the Government Actuary Department (GAD) factors for non-club transfers are loaded onto TP's IT system and tested during January and February before being set to live. The action will be taken to clear these cases taken once this is completed.

18. Care will be taken to ensure members nor the scheme are unduly affected by the change in factors – in line with the way that DfE and TP have successfully managed such changes in the past.

Outcome measures	
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19. In the quarter, 19,836 items of feedback were received from members and 879 items of feedback were received from employers.

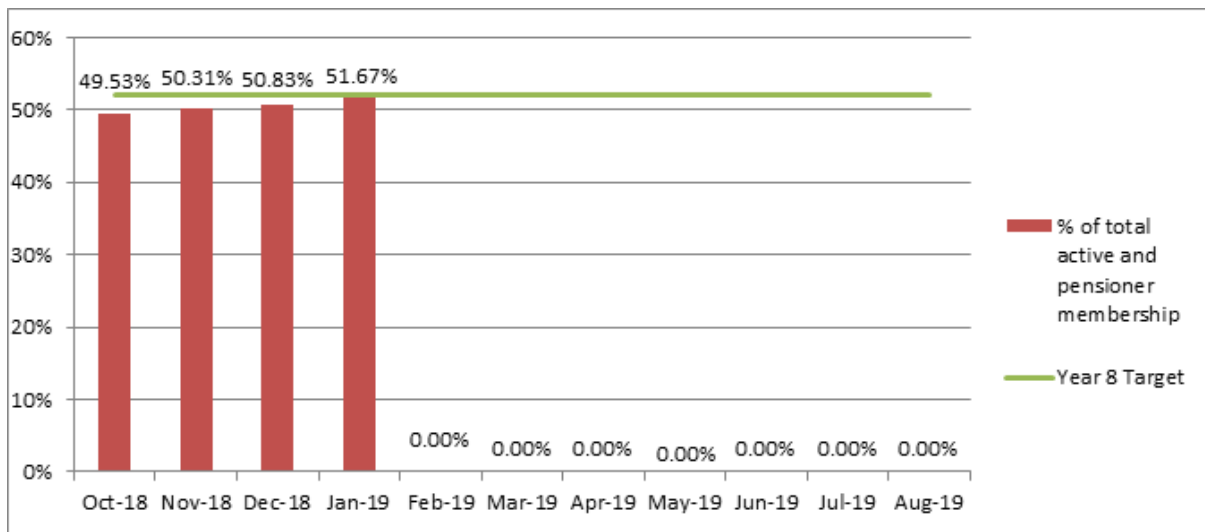
20. Achievement against targets are set out in the table below for contract year 8:

Outcome Measure	Description	Achievement Year 8	Year 8 target
2	Members understand the value of their Teachers' Pension Engagement	97.6%	92%
3	Members are actively planning for their retirement Engagement	86.9%	87%
5	Members regularly receive information about their pension and are satisfied with its quality Service Delivery	72.5%	78%
6	Members who contact the TPS about their pension are satisfied with the timeliness and quality of the response Service Delivery	73.8%	78%
7	Recently retired members are satisfied with the support they receive from Teachers' Pensions as they planned retirement. Service Delivery	79.3%	80%
9	Employers are satisfied with the service they receive from the Teachers' Pension Scheme Service Delivery.	97%	80%
10	Employers receive timely and accurate responses from the Teachers' Pension Scheme. Service Delivery	88.2%	80%

21. OM11 results for contract year 8

Month	Portal Usage	Unique Page Views (Emp News / Training)	Employer Webinar and Seminar Satisfaction	Emp Bulletin Satisfaction
01/10/2018	95.44%	24,319	97.30%	84.42%
01/11/2018	95.22%	21,249	93.94%	61.54%
01/12/2018	95.12%	13,743	93.55%	83.33%
01/01/2019	95.15%	24,995	96.77%	94.67%
01/02/2019				
01/03/2019				
01/04/2019				
01/05/2019				
01/06/2019				
01/07/2019				
01/08/2019				
01/09/2019				
Average	95.23%	21,077	95.45%	87.03%
Target %	90.00%	21,500.00	80.00%	90.00%
% of Target	100%	98.03%	100%	96.70%

22. OM14 (MPO registrations) results for contract year 8



23. Outcome Measure 14 targets are based on a percentage of Active and Pensioner members registered on MPO for each contract year. The targets for each contract year are:

- Contract Year 6 7 8 9 10
- Target % 35 45 52 59 62

Teachers’ Pensions digital contact centre: webchat

24. The webchat trial has extended its operating hours to 9am to 4pm. As expected, the lunchtime period is one of the busiest times of day. TP are conducting further analysis, interval level forecasting and evaluating resourcing needs to ensure they can deliver an efficient service and maintain answer rate at busier times.

25. Feedback continues to be extremely positive both internally and from a member perspective, although TP have started to receive some negative feedback about not being able to service member specific queries (for security reasons). An improved process is in place, whereby the member is pointed to a secure web form where the query is handled within one working day.

26. The TP agents are currently handling three simultaneous chats and this is likely to continue moving forward, as it is anticipated promotion of the service will further increase demand. There may be some reduction in the average handling time to counteract the increase in volume, however this is likely to be minimal.

27. The following table details web chat performance in the quarter:

Webchat	Offered	Answered	Average handling time
November 2018	1,630	1,296	8 minutes
December 2018	1,953	1,643	8 minutes
January 2019	4,056	3,000	9 minutes

Teachers’ Pensions digital contact centre: social media

28. The Digital Contact team continued to handle contact from members across multiple social media platforms and fully launched communication via Facebook and Twitter for member queries in both public and private (direct messages). Handled volumes across both Twitter and Facebook are detailed as follows:

Twitter	Mentions	Direct messages
November 2018	9	11
December 2018	13	15
January 2019	25	9
Facebook	Public wall messages	Direct messages
November 2018	14	58
December 2018	19	63
January 2019	10	35

Teachers' Pensions digital contact centre: telephony

29. TP continue to use a resource-scheduling model which deploys more staff at the beginning of the week (particularly Monday) to accommodate increased member contact.

30. The performance measures are set out in the table below (with data for the last quarter):

	Aug 18	Sept 18	Oct 18	Nov 18	Dec 18	Jan 19
Calls Answered	31938	27744	31916	27043	18087	33696
Calls answered %	97.5%	96.3%	96.3%	97.1%	98.5%	97.7%
Average handling time (seconds)	373	374	371	364	369	358
Average queue time (seconds)	11	15	12	5	4	10
Average speed of answer (seconds)	31	43	40	28	15	25
Telephony complaints	15	21	24	15	11	12
Outcome 6 Satisfied	72.65%	76.77%	76.07%	74.66%	72.74%	77.34%

31. The table below details the telephony performance metrics over the last 12 months.

Performance Metrics for last 12 months

	Feb 18	March 18	April 18	May 18	June 18	July 18	Aug 18	Sept 18	Oct 18	Nov 18	Dec 18	Jan 19
Calls Answered	30960	30390	35702	34308	32249	31520	31938	27744	31916	27043	18087	33696
Calls answered %	96.2%	96.3%	95.7%	97.4%	98.3%	97.2%	97.5%	96.3%	96.3%	97.1%	98.5%	97.7%
Average Handling time	367	369	372	363	360	360	373	374	371	364	369	358
Average Queue time	39	24	27	36	22	11	11	15	12	5	4	10
Average Speed of Answer	45	43	49	37	23	31	31	43	40	28	15	25
Telephony complaints	13	10	9	16	23	10	15	21	24	15	11	12
Outcome 5 Satisfied	73.74%	74.80%	71.61%	72.27%%	72.80%	70.45%	72.65%	76.77%	76.07%	74.66%	72.74%	77.34%

Customer satisfaction



32. TP records all complaints and assess whether the complaint is about the administration of the Scheme or some other aspect (such as regulations). The quarter trend is 37% of complaints are upheld and 63% are not upheld.
33. In November, TP received 257 complaints, 195 in December, and 256 in January (attributed to seasonality when compared to December). Complaints have decreased by 40% in comparison to January 2018.
34. The highest categories for complaints in the quarter were:
- About Employer: 131
 - Retirement: 88
 - Correspondence: 74
 - Website: 67
 - Transfers & PoD: 66
35. Retirement-related complaints continue to be within the highest categories, and is attributed to the work being completed on aged revision cases, some of which lead to an overpayment of benefits. This is likely to continue whilst the backlog of cases continues.
36. Although website-related complaints remain within the top five categories of complaints received, the number has significantly reduced when compared to the 2018 average in this category. More analysis needs to take place over a longer timeframe to provide substantive evidence to confirm whether the reduction in website complaints is due to the introduction of Webchat.
37. Of the complaints that were employer-related, the three main drivers remain as opting-out, auto enrolment and missing service. Correspondence complaints were due to delays in response or action.
38. With respect to complaints that were about transfers & PoD, these were as a result of members querying their claim progress (and lack of). This was attributed to the embargo placed on cases following the Scheme valuation exercise, which has now been lifted. Work has commenced on clearing these cases.

The Pensions Regulator Engagement



39. The table below details the establishments reported to tPR for non-submission of contributions, detailed by sector:

Month	Independent	FE College	Academy	Function Provider
November	2	0	2	1

December	1	0	2	1
January	1	0	2	0

40. TP has continued monthly reminder actions, correspondence has been issued regularly and all cases escalated to the Finance Operations Team Leader. DfE are aware of all cases and is assisting in continuing to pursue cases where appropriate and, where not, consider the case for write-off in line with HM Treasury guidelines.

41. In respect of the 2016-17 exercise, 14 returns remain outstanding and continue to be chased. The 14 consist of one academy; 10 Independents; two free schools; and one multi academy trust (MAT). All 14 were reported to the Pensions Regulator (TPR). Further chase up action with each employer was taken by TP and there will additional engagement via the ESFA and DfE Independent Schools team as part of the escalation process.

Service Improvements



Scheme Valuation

42. In December 2018, the Court of Appeal determined that the transitional protection arrangements for members of the Firefighters' and Judicial Pension schemes, introduced as part of scheme reforms in 2015 are unlawful on the grounds of age discrimination in particular.

43. The protection was afforded to those members closest to Normal Pension Age, however, the Court considers that Government failed to justify the discriminatory impact. The Government is waiting to hear whether or not leave to appeal to the Supreme Court will be granted. In the meantime, the cases have been remitted back to the Employment Tribunal to consider a suitable remedy.

44. While the Court of Appeal decision relates specifically to the Firefighters' and Judges' schemes, depending on the outcome of the Government's appeal it impacts across all of the public service pension schemes.

45. If the Government appeal is ultimately unsuccessful, it means that the current scheme valuations, including the TPS, do not take account of the full costs that will now apply – because benefits will need to be amended with effect from 1 April 2015 to remove the discriminatory elements. Initial estimates carried out by the Government Actuary's Department are that such costs are expected to be at least as much as the cost of rectifying the cost cap floor breach.

46. In response, HMT published revised directions on 15 February 2019 which paused improvements to member benefits brought about by the Employer

Cost Cap breach and confirmed that the employer contribution rates calculated will stand, which for the TPS is 23.6% from September 2019.

47. The reason is that if the government appeal is unsuccessful, benefits will need to be amended to address the Court's ruling on discrimination, and as a result the cost cap arrangements as they currently are will either not capture the full costs involved or be effectively redundant (dependent on the remedy applied which will need to be agree with/take account of the position adopted by the Employment Tribunal). There are several potential remedies and DfE is working with HM Treasury and the other schemes in considering those. Given this potential outcome it would be a nonsense (as a result of the uncertainty/confusion it would cause to members and the administrative waste involved) to have applied changes to the career average accrual rate in the meantime as they would be wiped away by the application of the remedy.
48. If the government appeal is successful, member benefits will be improved retrospectively from 1 April 2019 – for the TPS this would be an improvement to the accrual rate in line with the agreement reached with the TP Scheme Advisory Board on 9 January.
49. As increased costs will be experienced regardless of the success of the government's appeal, not implementing the higher Employer Contribution Rate would result in scheme deficits building up.
50. DfE are liaising with TP to understand the potential implications of this ruling and the announcement made by HMT. Specifically, we are seeking to understand the different areas within TP that could be affected by any remedy and the work involved in rectifying. It is likely that this scoping and planning work will continue for several months.
51. If the government is granted permission to appeal against the decision, a final outcome is not expected for around 12 months. In the meantime, the Employment Tribunal will be deciding on a remedy, although this is not expected until the latter part of this year.
52. TP have developed a Scheme Valuation communications plan which covers employers and members. The plan also details proposed content for social media, website and FAQs. The communications plan is detailed in annex 1.

RMH Replacement

53. The migration from RMH to Azure has been delayed. This is due to the need to ensure all security clearance issues have been resolved. Currently TP are planning for the transfer to take place in March. The current RMH environment remains resilient, secure and robust.

Monthly Contributions Reconciliation

54. The Monthly Contributions Reconciliation (MCR) development project continues with further developments planned to include:
 - Inclusion of Automatic Enrolment indicators to remove the requirement for

- employers to submit this information separately, and
- A framework to build a risk-based assurance model to streamline the End of Year Certificate (EOYC) process.

55. In addition, TP is conscious that one of the key elements of this implementation is the usability and quality of the solution delivered. With this in mind, TP work closely with employers and stakeholders to ensure the solution provides a consistent experience for all users.
56. Workshop events were held in January with the final workshops scheduled for February 2019. These 9 full day workshops cover all sectors; LA, non-LA and Software/Payroll Provider. The Software/Payroll Providers who attended the workshops up to the end of January, cover 75% of the TPS membership; liaising with this group is key to successful implementation of MCR.
57. Events were held in a number of locations nationally to ensure the greatest catchment could be achieved; locations included Darlington, Liverpool, Manchester, London and Newport. Attendance at each workshop was high with an average of 30 attendees at each workshop.
58. At this stage, no fundamental changes or issues were raised, indicating that the proposed MCR solution is acceptable, and will deliver the objectives set within the Business Case. Feedback has been collated formally and shared with the project team, as well as the attendees of the events.
59. Following completion of the workshops, the guidance documentation will be completed in March 2019, with the internal business requirements completed by April/May 2019, when development of the solution will begin.

Guaranteed Minimum Pension Reconciliation

60. Guaranteed Minimum Pension (GMP) reconciliation was effectively completed as expected in December 2018, however some secondary queries are continuing into 2019, mainly relating to stalemate cases. Her Majesty's Revenue & Customs (HMRC) has confirmed that it will respond to secondary queries during the first quarter of 2019.

Guaranteed Minimum Pension Rectification

61. The GMP communications letter send to members commenced in January 2019 as planned. As at the end of February, a total of 13,500 letters have been issued, which has resulted in a total of 800 calls and 250 referrals for more guidance to the GMP Rectification team in Darlington. The main query reason being the effect on member pensions. This part of the project is scheduled for completion on 31st March 2019.



62. This aim of the strategy is to ensure that the TPS continues to have high quality data and remains one of the most innovative and successful public sector schemes. The data strategy encompasses a number of activities, aimed at ensuring we adapt to the changes occurring both within the scheme/pensions environment and externally.

MPO adoption

63. The table below details member volumes and MPO make-up based on the establishments. The table below is November 2018 only as due to some work to prepare for the switch over to Azure, December 2018 and January 2019 are not available.

Sector of Establishment	Total Volume of Members (26/11/18)	Total Volume of Members on MPO (26/11/18)	Total Volume of Members missing MPO (26/11/18)	MPO Coverage of Sector as of end November - 18 (%)	MPO Coverage of Sector as of end October - 18 (%)	MPO Coverage of Sector as of end September - 18 (%)
ACA	244,687	127,095	117,592	51.94%	51.94%	52.09%
FE	68,441	36,453	31,988	53.26%	53.29%	53.25%
FREE	8,005	3,909	4,096	48.83%	48.85%	48.92%
FUNC	2,589	989	1,600	38.20%	38.20%	38.20%
HE	65,736	31,679	34,057	48.19%	48.19%	48.19%
IND	68,098	43,871	24,227	64.42%	64.42%	64.44%
LA	309,235	128,408	180,827	41.52%	41.53%	41.50%
MAT	1,381	749	632	54.24%	54.33%	54.53%
NFD	37	30	7	81.08%	81.08%	81.08%
SIXTH	7,299	4,690	2,609	64.26%	64.26%	64.26%
STUDIO	285	151	134	52.98%	52.98%	52.98%
UTC	974	558	416	57.29%	57.29%	56.95%
Total	776,767	378,582	398,185			

64. There are now 848,163 members with an MPO account, of which, 367,441 are Active members.

Deferred project update

65. As at 31 January 2019, TP had completed 46 months of the scheduled 48 month deferred members' project. The results are:

	Quarter (November to January 2018-19)	Year to Date
Cases sent for tracing	6,348	195,061
Retirements	1,223	14,686
Pensions into payment	9,284,262.36	114,548,213.49
Lump sums paid	36,052,306.04	408,755,962.88
Pension arrears paid	5,774,694.36	70,950,318.11
Repayments (cases)	255	8,176
Repayments (amount)	254,988.24	6,240,650.60

Social Media

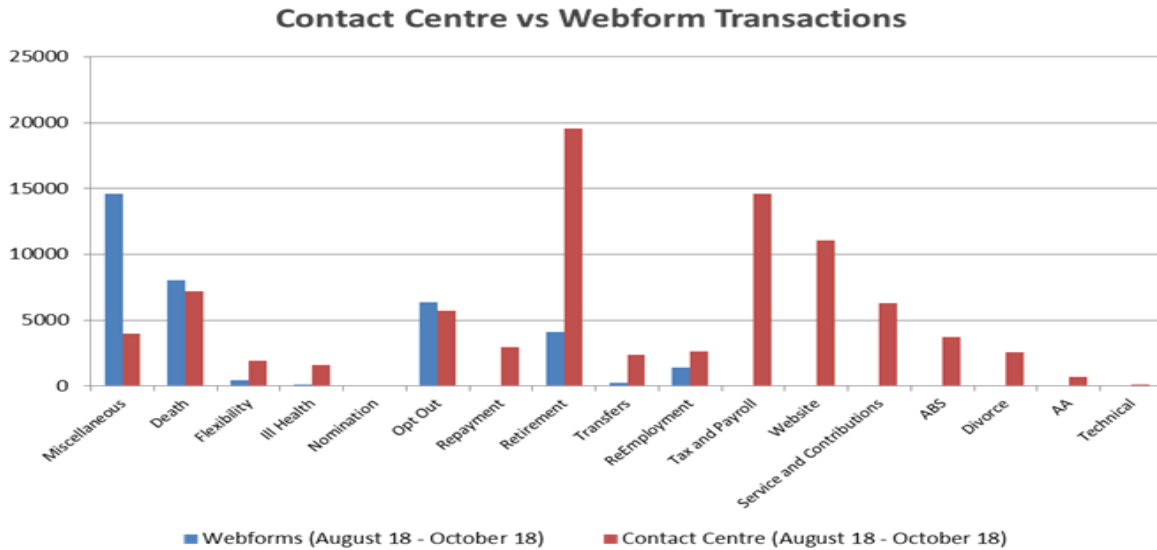


66. The scheme has 5,450 Twitter followers, 9,981 Facebook 'friends', 649 LinkedIn followers, 315 You Tube subscribers and 659 Instagram followers with 182 likes.

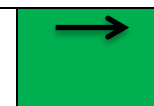
Engagement preferences



67. The following graph demonstrates the contact centre vs webform transactions by subject.



TPS Cash Position



68. November saw an over-receipt of cash income of £18.6m (3.41%). £562.9m was received against the estimate of £544.4m. Monthly expenditure reported a variance of £7.2m (0.84%), with £852m paid out against the forecasted £859m.

69. In December there was an under achievement on income of £3.58m (0.62%). £570.2m was received against the estimate of £573.75m. In terms of monthly expenditure, there was a variance of £8.2m (1.1%) with £761m paid out against the forecasted £769m.

70. Again in January, there was an under achievement on income of £17.15m (3.17%). £523.7m was received against the estimate of £540.83m. Monthly expenditure reported a variance of £13.6m (1.61%) with £831m paid out against the forecasted £845m.

71. At the end of the reporting quarter to 31st January 2019:

- a. The financial year-to-date position was variance of income of £2.16m (0.04%) with £5,343m received versus the £5,345m expected.
- b. In terms of expenditure, the year-to-date variance was 0.34% with £29m less paid out than anticipated (£8,407m v £8,436m).

TPS Accounts and Forecasting



72. The winter forecast for the Office for Budget responsibility (OBR) was submitted on time. The data will support the OBR's 'Economic and fiscal outlook' report which will be published to coincide with the Chancellor of the Exchequer's spring budget statements. The forecast return received positive feedback from OBR, with only a single, minor query being raised as part of their scrutiny.

73. The Audit and Accounts Project Board and Steering Group meetings scheduled for December and January were cancelled, but the meetings scheduled for February went ahead as planned.

74. For the Annual Report and Accounts exercise, Deloitte and TP started their planning work with TP, providing all necessary documentation to support Deloitte's interim audit and site visit in February.

End of Year Certificates 2015-16, 2016-17 & 2017-18



75. Four returns remain outstanding from 2015-16 (one academy and three independents).

76. In respect of the 2016-17 exercise, 14 returns remain outstanding and continue to be chased. The return rate equates to 7,648 EOYCs received of the 7,662 issued (99.8%). The 14 consist of one academy; 10 Independents; two free schools; and one multi academy trust (MAT).

77. 7,628 audited returns for 2017-18 had been received by the end of January of the 8,042 issued (94.9%). Two generic reminders were issued during January to all outstanding employers.

Unallocated Contributions



78. Contributions paid into the TPS are retained in a 'suspense' account until an associated 'paying in slip' is received by TP from the employer, to allow the contributions to be appropriately allocated within the scheme accounts.
79. At the end of January, there remained 1,839 outstanding 'items' equating to a suspense account balance of £47m. This represents a £1m increase on the position at the end of October 2018.
80. Movement on the account during this reporting period includes the clearing of £5.4m in November for 2016-17, with the agreement of the DfE Accounts team, using methodology previously applied. However, unallocated contributions increased in December by over £10m as a result of the Christmas break period and schools paying January contributions early, without submitting a payslip. This is consistent with employer behaviour in previous years.
81. The current breakdown of contributions held in the suspense account shows £7.51m relates to 2017-18 (down from £8.44m last month), and £39.7m to the first nine months of 2018-19 (£46.2m was reported last month for April to December). However, we currently remain on track to achieve the year-end target of sub £60m (being ahead of the position reported at this stage last year of £67m).

Debt – Overpayments



82. The overpayment balance fell this period from £12.79m at the end of October 2018, to £12.70m. The volume of outstanding cases decreased in the period 2,795 to 2,558.
83. The outstanding balance includes £7.67m of debts in recovery (58%). Excluding death cases (where there is an invariably a delay in the reporting of a member's death) this increases to 66%.
84. In case volume terms, 46% of cases are in recovery, rising to 74% excluding death. There are currently 11 debts where there is a future offset in place, and a further 11 have a charge on property secured against them.
85. The majority of the total outstanding balance is represented by re-marriage at £4.79m (38%), re-employment of £1.77m, lump sums of £2.1m and death cases of £1.2m.

Debt – Arrears of Contributions



86. The balance of arrears of contributions has increased to £5.8m from £5m at the end of October 2018, made up of 962 cases. Of these, 508 represent employee arrears (plus compound interest (CI)) and 454 relate to employer

arrears (plus CI). The outstanding balance includes £325k in recovery via repayment plans.

87. The increase in period has been predominantly driven by a high volume of new, high value invoices being raised during November (155 invoices were raised compared to the previous quarters monthly average of 116) accounting for £1.547m of new arrears.

Contractor & DfE Costs	
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88. The administrative levy (0.08% of employer contributions) has been in place from September 2015. For the period of this report, November 2018 to January 2019, the amount collected from the levy totalled £4.9m.

89. The figures below represent spend to date in the current financial year.

	Profile	Actual	Variance	Narrative
Capita	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	Base Charge has been less than profiled due to service credits. Some costs profiled have not been invoiced.
TPSPB	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	Travel and expenses. Meeting expenses have been lower than profiled.
GAD	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	Invoices have been less than profiled. January's invoice will not be received until February.
OH Assist	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	Medical Services Contract
DfE	£ [REDACTED]	£ [REDACTED]	-£ [REDACTED]	Pensions Team and Finance costs

90. The YTD position is detailed below:

	YTD Profile	YTD actual	Variance	Narrative
Capita	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	Base Charge has been less than profiled due to service credits. Some costs profiled have not been invoiced.
TPSPB	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	Travel and expenses. Meeting expenses have been lower than profiled.
GAD	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	Invoices have been less than profiled. January's invoice will not be

				received until February.
OH Assist	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]	Medical services contract.
DfE	£ [REDACTED]	£ [REDACTED]	-£ [REDACTED]	Pensions Team and Finance costs

Risk

91. The risk management process remains robust, with regular monthly meetings held between DfE and TP to assess the level and status of active risks, discuss potential emerging risks and agree approaches to continuously improve risk management.
92. There are 26 strategic risks under management. Three of the risks have MEDIUM net risk scores and the remaining 23 are LOW. All have a number of existing controls in place and continue to be actively monitored and mitigated.
93. In addition, there are a further 20 operational delivery risks under management. One risk is rated as HIGH which relates to the significant increase in the volume of member engagements and transactions (including data amendments from employers). The remaining risks are rated MEDIUM (4) and LOW (15).
94. In the quarter, the following key updates were made to the Strategic Risk Register:
- **Risk FP0005 – GAD Valuation:** The group discussed the need to add an emerging risk relating to the operational impact of scheme valuation on IT areas, Operations and Engagement. DfE highlighted the changes relating to accrual rates, employer contributions percentages and member tiers (N.B. This is being updated following the further developments from the McCloud/Sargeant judgements).
 - **Risk OP0006 – Disaster Recovery:** Azure delivery date has now been postponed until March 2019. Further assurance relating to the transition has been requested by the DfE. Teachers' Pensions will feedback during the February Risk Committee.
 - **Risk CO0009 – Annual Audit 2018/19:** Because there is now more certainty around the requirements for phase 2 of audit analytics proposed by Deloitte for the 2018/19 audit, the group advised that this risk needs to be considered for closure at the next programme board. TP will be taking this action forward.
95. The following key updates were made to the Operational Delivery Risk Register:
- **Risk OP002 – GMP Reconciliation:** DfE confirmed that there has still been no further update from HMRC on stalemate cases, although we do know that HMT are speaking to HMRC about this. The Group discussed the potential to reduce net risk to LOW. It was decided to remain as MEDIUM and to review next month.
 - **Risk OP005 – Significant Volumes Increase:** The recruitment of the additional 11 staff should stabilise the position for future incoming work

volumes and enable in-roads to begin to be made on the build-up of cases. SLA performance on new cases for SLA 4b (continuing entitlement) has recovered to 99%.

- **Risk OP007 – Factor Uploads:** A new risk was added to register: As a result of the need to update factors for which GAD are specifically responsible there is a risk that TP are required to implement them at short notice, leading to increased pressure on the IT areas to implement the new factor tables quickly, as well as the risk to the operation relating to correct use in calculations. This is being mitigated through increased liaison with GAD and consideration of changes to the TPS regulations, to give DfE full control of implementation arrangements for all factors.
- **Risk GO005 – TPR Approach Change:** A new risk was added to register: As a result of tPR’s change in approach to supervising the TPS scheme, there is a risk that the supervision approach could lead to additional queries and actions or identifications of new issues, leading to an increase in resource pressures and workload within this pilot year. DfE and TP are working closely together on handling this and specifically on managing the relationship with the new TPR contact.

Group Internal Audit, Capita

96. Group Internal Audit (GIA) plan continues to progress well with the table below confirming position against the plan.

Overdue 1-30 days: Green; 31-60 days: Amber; 60 days plus: Red																	
Source	Total Open				0 to 30 days				31 to 60 days				60 days +				Trend
	C	H	M	L	C	H	M	L	C	H	M	L	C	H	M	L	
TPS Operations	0	0	2	2	0	0	0	0	0	0	0	0	0	0	0	0	↔

Progress against 2017/18 Assurance PI

KEY: ¹GIA Report Rating: E=Effective; IR=Improvement Required; SIR=Significant Improvement Required; Business Assurance Rating (Aligned to Group Risk Framework): WT = Within Tolerance; AT = At Tolerance; U = Uncomfortable; C = Critical)

Review Title	Q1	Q2	Q3	Q4	Current Status	Target Final Draft ToR	Actual Final Draft ToR	Final ToR	Target Final Draft Report	Actual Final Draft Report	Final Report	E/IR/SIR/I2	C	H	M	L
Capita Group Internal Audit (GIA)																
Payment Out Controls	✓				Final Report	Jan 2018	24/01/18	31/01/18	Mar 18	12/03/18	28/03/18	E	-	-	1	4
Business Continuity / Disaster Recovery		✓			Final Report	Mar 2018	20/03/18	28/03/18	Jun 18	30/07/18	17/08/18	IR	-	-	4	-
RMH Environment					Deferred	Review 'Deferred' into 2019 Plan to review encompass new environment and replaced with DfE requested review of Exit Transition Plan (Q4, 2018)										
Member Experience (Contact Centre)				✓	Final Draft Report	Oct 2018	31/10/18	05/11/18	Jan 19	31/01/19		E	-	-	1	-
Exit Transition Plan				✓	Final Report	Sep 2018	06/09/18	05/10/18	Dec 18	14/12/18	11/01/19	IR				
GDPR				✓	Fieldwork	Nov 2018	11/12/18	17/12/18	Mar 19							
Overpayments & Recovery Action	✓				TOR	Jan 2019	31/01/19									
GIA Annual Assurance Statement (2018 / 2019)	✓				Planning	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
CES Head of Business Assurance Activity (HoBA)																

TPSPB sub-committees 13 March 2019

CES AAF 01/06 (KPMG)	✓				Fieldwork	N/A	N/A	N/A	N/A	N/A						
Quality Reporting		✓			Draft Report	June 2018	06/06/18	13/06/18	Jul 18			WT	-	-	-	-
Exception Report Management			✓		Planning	Jan 2019										
Factor Change Management				✓	Planning	Jan 2019										

Acronyms used within this report

BAU	Business as Usual	CCN	Contractual Change Notice
EOYC	End of Year Certificate	GAD	Government Actuary Department
GIA	Group Internal Audit (Capita)	GMP	Guaranteed Minimum Pension
HMRC	Her Majesty's Revenue and Customs	HMT	Her Majesty's Treasury
KPI	Key Performance Indicator	MCR	Monthly Contribution Reconciliation
MDC	Monthly Data Collection	MPO	My Pension Online
OBR	Office of Budgetary Responsibility	RMH	Restricted, Managed, Hosted (secure)
SLA	Service Level Agreement	TP	Teachers' Pensions
TPR	The Pensions Regulator	VSP	Voluntary Scheme Pays
PoD	Pensions on Divorce	YTD	Year to Date

Annex 1 Scheme valuation engagement communications plan

Employer/Payroll providers' communications

- DfE consultation on valuation included in January bulletin. News story on website.
- A bespoke email to be sent to employers regarding the valuation changes and the potential impact of the court case.
- The same messaging will be included in the employer bulletin at the end of February to reinforce the message and in the payroll newsletter which is going out next week.

Member communications

- A member news story has been written to be included in the member newsletter which will start to go out at the end of February. TP engagement team are working with TP Operations in planning the delivery of the newsletter to ensure they can manage the impact of enquiries.
- A news story will feature on the website
- Looking at the flexibilities and the messaging needed to put to the various scenarios (i.e. those who have elected for Faster Accrual, new starters who can take Buy-out etc.)

Social media

- TP are considering inclusion within content plans but will monitor the impact of these.

Website

- A news story will feature on the Teachers' Pensions website
- Considering creating a bespoke area of the website for Scheme Valuation content.

FAQs

- Intend to create a series of FAQs available for internal and external use that will be available in line with the employer email circulation. This is to ensure that if queries are received then internal staff (contact centre, correspondence etc.) will have the appropriate messaging to respond.