

THE TEACHERS' PENSION SCHEME PENSION BOARD

New Governance Arrangements



BOARD ESTABLISHMENT

- Public Service Pension Act 2013
- New framework for regulation and oversight of all public sector pension schemes
- Independently chaired Boards to provide scheme members, employers, taxpayers confidence that schemes efficiently and effectively administered.



BOARD ESTABLISHMENT

- Teachers' Pension Scheme Pension Board (TPSPB) established in April 2015.
- Meets quarterly
- One meeting per year in Darlington – where the administrator (Capita Teachers' Pensions) and the scheme manager (DfE) are based



Composition

- Independent Chairman - Michael Richardson CB
- Independent Pensions Specialist - Geoff Ashton (Capital Cranfield)
- Director of Teachers & Teaching Group (DfE) - Paul Kett
- Director of Finance and Commercial Group (DfE) - Simon Judge
- Secretariat (DfE)



Composition

4 Employer Representatives

David Butcher (Universities & Colleges Employer Association)

Trefor Llewellyn (Independent Schools Sector)

Lee Probert (Association of Colleges)

David Simmonds CBE (Local Government Association)

4 Member Representatives

Jerry Glazier (NUT)

Alice Robinson (ATL)

David Trace (ASCL)

Dave Wilkinson (NASUWT)



ROLE OF THE TPSPB

- To provide additional assurance to the Secretary of State, scheme members, employers and taxpayers
- To provide additional and independent scrutiny of the level and quality of service provided for the scheme members and employers
- To ensure that administration of the scheme remains leading edge and meets the changing needs of members and employers



Governance: What's changed?

- TPSPB – independently chaired Board representing members and employers now at the centre of control and oversight of the TPS
- Receives and reviews management information and detailed reports on a range of financial, policy and delivery issues
- Can escalate issues to Departmental Boards and TP Boards as necessary



Governance: What's changed?

As well as Departmental and TP information, the TPSPB receives reports from

- employer forums
- Teachers' Pensions Administration Forum (TPAF)
- Teachers' Pensions Administration Review Group (TPARG)
- Scheme Advisory Board (policy forum)



PROGRESS

- December 2014 – April 2015 - Board appointed, followed by induction and learning activities to develop our skills
- 1 April 2015 – Regulations came into force and TPSPB formally established
- June 2015 to date – Board up and running, making use of wide range of skills of members



STAKEHOLDER ENGAGEMENT

- Pension Regulator's Forum for public sector schemes
- The Big Four – Teachers, NHS, Armed Forces, Civil Service
- NAO
- DfE Ministers and officials
- Scotland and N Ireland opposite numbers
- Government Actuary's Department
- Members and employers free to approach Board direct through a dedicated mailbox



tPR – CODE OF PRACTICE

- Sets out the legal requirements for Public Sector Pension Schemes
- Provides practical guidance
- Sets out standards of conduct and practice expected



tPR Compliance and Enforcement Policy

- Regulates public service schemes for the new governance and administration requirements
- Primary focus on improving standards of governance and administration to comply with legal requirements
- Developing systems and processes to better monitor standards



Initial Findings of the Board

- Much of first year spent learning and assessing effectiveness of administration of TPS
- Impressed so far – the TPS is well-administered:
- Conspicuously low level of complaints to TP
- Very few complaints direct to the Board
- Pre-existing contract management and DfE control and assurance framework very robust
- Scheme Accounts signed off by NAO



Impact of the Board

- Board reinforces voice of members and employers in oversight of TPS
- Mere existence increases pressure on TP to perform well and improve service, and on DfE to exercise effective control
- Depth of knowledge of member and employer representatives, and independent pension specialist, key to effective scrutiny



Impact of the Board

- Improvement of risk management systems and focus on data
- Robust monitoring of breaches by employers
- Independent benchmark of administration of TPS
- Contribution to improving effectiveness of communications and support to members and employers



Impact of the Board

- Governance Statement in TPS Annual Report and Accounts
- Annual report submitted to the Secretary of State (as scheme manager), with abridged version to employers and members
- Challenge to DfE on delivery projects, Scheme performance and communications to stakeholders



Strengthening our Role

- Established 3 sub-committees to examine, challenge and support:
 - Service Delivery and Maintenance of Data
 - Managing Risk and Internal Controls
 - Information for members and Communications
- Anticipate further sub-committee to focus on procurement for administration of TPS from 2021
- Any suggestions as to how we could strengthen impact still further are very welcome



Any Questions ?

