



Minutes – Scottish Teachers' Pension Board – 25 February 2020 (No. 19)

Attendees:

George Brechin (GB)	Chair
Clare Scott (CS)	Chair-designate
Ray Martin (RM)	Vice Chair
Drew Morrice (DM)	Board member
Debbie Walls (DW)	Board member
John Crichton (JC)	Board member
David McGinty (DMcG)	Board member
Brian Cookson (BCo)	Board member
Leah Franchetti (LF)	Board member
Sharon McKenzie (SMcK)	Board member
Dev Dey (DD)	SPPA Head of Customer Services
Gerry McGarry (GMcG)	SPPA Customer Services Manager
Stuart MacArthur (SMacA)	SPPA Governance Manager
Brenda Callow (BC)	SPPA Policy Officer (item 3b and 8)
Gillian Pemberton (GP)	SPPA Customer Service Manager (item 7)
Janet McDougal (JMcD)	SPPA Project Manager (item 3b)
Molly Wyllie	SPPA Governance - minutes

Apologies:

Peter Smith	Board member
Cllr David Illingworth	Board member
Cllr Charles Buchan	Board member
Graham Hutton	Board member

1. Welcome, introductions and conflicts of interest

1.1 GB welcomed everyone to the meeting. GB advised that Graham Hutton had been appointed to the Board, but was unable to attend the meeting. GB advised that Clare Scott was attending the meeting as Chair-designate and would be taking over as Chair when his tenure ends in March 2020.

1.2 Apologies were as noted above.

1.3 No conflicts of interest declared.

2. Board Changes

Changes as noted above. CS introduced herself as the incoming Chair from 1 April 2020.

3a, Draft minutes from meeting of 27 November 2019

The minutes from the meeting of 27 November 2019 were adopted without amendment.

3b. Action Points

Outstanding actions were discussed and the following noted:

- T8.11 23/5/17 – BC advised that potential equal pay conflicts were being considered. This issue had been discussed at the recent Scheme Advisory Board and DW (also a member of the SAB) advised that legal advice would be sought – remain open
- T9.12 21/9/17 – this would form part of a wider review across SPPA regarding member surveying – action closed
- T12.04 10/5/18 – the Board requested that a draft of the Stakeholder Engagement Strategy be presented at a future meeting of the Board before it is finalised by SPPA – remains open
- T13.02 21/8/18 – JMcD advised that testing was underway and that a demonstration would not be provided until the portal was further developed – remains open
- T13.02 28/8/18 – remains open
- T15.03 27/2/19 – remains open
- T17.03 28/8/19 – remains open
- T17.10 28/8/19 – see also T17.03 – remains open
- T17.11 28/8/19 – action closed
- T18.02 27/11/19 – remains open
- T18.03 27/11/19 – following discussion it was agreed that further information was required to clarify how many of the cases required a material change – remains open
- T18.04 27/11/19 - information provided – action closed
- T18.05 27/11/19 – following discussion it was agreed to provide a paper for the next meeting which should also include status 8 cases – remains open
- T18.06 27/11/19 – remains open
- T18.07 27/11/19 – paper provided – action closed
- T18.08 27/11/19 – paper provided – action closed

4. Annual Benefit Statement Update (ABS)

GMcG confirmed that there had been 700 cases where a statement using 2018 information had been identified. Of these 376 cases required data confirmation. Employers had been contacted a number of times to obtain corrected data. This issue would be discussed at the sub-group. GMcG also advised that consideration would be given to developing an 'escalation process'. JC suggested that the appropriate terminology would be that statements had been 'uploaded', rather than 'issued' to members. JC also raised concern that the Pension Regulator was not aware that statements were being provided with last year's data; SPPA clarified that they believed the Regulator understood this happened across a number of Schemes. DD confirmed that where up to date data was not available, members had been notified. DW advised that the issues related to late or incorrect data would be raised at the Payroll Managers Advisors Group.

5. Working Group on Improving Employer Data Submissions

RM advised that employers had been surveyed and the group were now reviewing the results. GB suggested that lessons learned from the 2019 ABS exercise be considered in the same process.

6. Teachers' Dashboard

Customer Contact

DD advised that to improve customer contact response times, additional staff resource would be moved to the Customer Contact Team from 2 March 2020. Changes to the Liberty system would also provide more accurate response times, including the problem of weekends.

Internal Dispute Resolution Procedure

JC asked if cases carried forward in the quarter were cleared in the same quarter. GMcG confirmed that as the target had been met, this would be the case.

Status Codes

In response to a question from RM in the November 2019 meeting, GM confirmed there were 26,900 members recorded under status 2 "Undecided Leaver" but that further work was needed to understand what had happened to this group of employees, and whether they should be active members or deferred or no further benefits. RM suggested that SPPA should also look at other Status groups (i.e. 8 & 9) and that this was a matter of urgency as it could impact all past reporting. The Board was concerned at the significant number of potential members that were in this holding status.

7. SPPA Update

Guaranteed Minimum Pension (GMP)

GMcG advised that the final data cut would not now be received from HMRC until summer 2020. DM asked if decisions related to GMP were required from Scottish Ministers. GMcG confirmed that Teachers' schemes remained reserved. DM also asked if more information regarding decision making e.g potential de minimis decisions or decisions to reduce pensions in payment could be shared with the Board.

AP1	SPPA to share information regarding decision making as it relates to GMP
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GMcG advised that draft member correspondence would be shared with the Board prior to issue.

AP2	SPPA to share draft member correspondence with the Board prior to issue
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Customer Service Model (CSM)

DD advised that due to high volumes of requests, changes were proposed to the current estimate process. GP explained that the team had contacted counterparts in England and Wales, who advised that their practice was to refer members to the online service and their latest annual benefit statement. Following discussion with the Chief Executive, it was agreed that SPPA would adopt the same approach from the end of February 2020. GP advised that estimates would still be provided under certain circumstances eg: benefit statement incorrect, requests from deferred members, ill health retirements, within one year of retirement. GP advised that communications would include a circular and

information on the online service. It was also noted that the online service would be promoted.

The first phase of this change would be to provide a paper copy of the annual statement along with a letter explaining the situation for those estimate requests already held, and promoting the online service. Following discussion it was agreed that the Board record their support for this measure and requested a review of the situation be undertaken in six months.

AP3	SPPA to review the impact of the revised estimate process and report to the Board in six months
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8. McCloud/Sargeant Appeal Case

SMacA advised that HMT had provided a paper which outlined the proposed remedy and remedy period. There are two options for consideration: Immediate Choice, or Deferred Choice. These options had been discussed by the Scheme Advisory Board on 24 February 2020. Views would be submitted to HMT who would issue a full consultation in due course. GB reminded the Board that their concern was not with the decision on options but with the implementation of the solution chosen. GB also noted that the cost of implementation would be a concern and that this should be highlighted to HMT. BC advised that administration costs for implementing McCloud remedy had been raised by schemes with HM Treasury. A decision on any funding, if applicable, is still to be made.

9. Risk Register

SMacA advised that the Head of Business Management was now responsible for risk and would be undertaking a Risk Maturity Assessment and developing a Risk Improvement Strategy. This would include reviewing and re-designing risk registers across SPPA. SMacA also advised that a representative from the Governance team would attend future Risk Governance Group meetings. The Board noted the circulated Register.

10. Governance Update

10.1 SMacA advised that the team structure had been agreed and this would now progress through the Target Operating Model process. An update would be provided at the next meeting.

AP4	SPPA to provide an update on the progress of the Governance team under the Target Operating Model for the next meeting
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10.2 SMacA advised that recruitment of two Pension Board Chairs had been successfully completed.

10.3 SMacA advised that the Pension Regulator had selected the Police and Firefighters schemes to take part in Relationship Supervision.

10.4 The Terms of Reference (ToR) were currently being reviewed and refreshed. Board members were asked to provide feedback or suggestions on the proposed amendments to SMacA and also copy these to the Chair and Vice Chair. GB asked that the final ToR be returned to the Board.

AP5	Board members to forward feedback or suggestions on the proposed amendments to the ToR to SPPA by 16 March 2020
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11. Pension Board Responsibilities Update

GB noted that one vacancy remains unfilled. It was suggested that, subject to clearance by SPPA Policy as this would be a departure from the original agreement on the Board, this be offered to Colleges Scotland. RM noted that induction training remained an issue. SMacA advised that this would be a priority for the new Governance team.

12a Liaison with the Pension Regulator, Scheme Advisory Board minutes etc

Nothing to report.

12b. Any Other Competent Business

12b.1 GB advised that he had represented SPPA at the Public Service Pension Scheme Consultative Group, however as he would be stepping down as Chair of the Teachers' Pension Board at the end of March 2020, a replacement was being sought.

12b.2 SMacA thanked GB on behalf of the Pension Board and SPPA for his oversight and contribution over the last 5 years and wished him well for the future. GB thanked everyone for their support and assistance during his period as Chair.

13. Arrangements for Future Meetings

Meetings have been arranged at Tweedbank as follows:

- 18 August 2020
- 26 November 2020

No other business was raised. GB thanked everyone for their attendance and closed the meeting.