



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

**Scottish Teachers' Pension
Board
2021-22 Annual Report**

This report was approved by the Scottish Teachers' Pension Board on 19 May 2022.

Introduction

The Public Service Pensions Act 2013 requires the establishment of a Pension Board with the responsibility for assisting the Scheme Manager for the Scottish Teachers' Pension Scheme in securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme.

This report covers the work of the Scottish Teachers' Pension Board (the "Pension Board") from 1 April 2021 to 31 March 2022. The Scheme Manager for the Scottish Teachers' Pension Scheme is the Scottish Public Pensions Agency ("the Agency").

More detailed information about the Pension Board, including its Terms of Reference, membership, agendas and minutes of its meetings are available on SPPA's website.

<https://pensions.gov.scot/teachers/scheme-governance-and-legislation/pension-board>

Work of the Board over the Year

The Pension Board has a comprehensive plan for agendas for its meetings, covering a wide range of issues relating to pensions administration and governance. A copy is provided in Annex A.

Pensions Administration

The Agency reported to the Pension Board at each meeting on the performance of its services to members of the Scottish Teachers' Pension Scheme. Key performance information for the year can be found in Annex B.

Performance of key tasks such as new awards (e.g. retirements) is generally very good. In some areas such as deaths of active members, performance is also good although have not met the high targets set by the Agency. The service for members requesting transfers and refunds has been poorer and the Agency informed the Board of its plans to improve performance in these areas.

A subgroup of Board members was set up to monitor progress of the production of the Annual Benefit Statements ('statements') before the

deadline of 31 August. This is a statutory requirement which requires considerable work for both employers and Agency staff. The majority of statements were available on time. However, approximately 3,500 members were not provided with their statements and the Agency reported this to The Pensions Regulator. Technical issues and 3 employers who did not provide the necessary data in time. The Board gave the Agency suggestions for improvement in production of statements in future years and as a result, the Agency's Chief Executive wrote to senior management of some employers to outline the impact of late/low quality data and invite direct engagement to work with the Agency to resolve any issues. The Agency contacted the affected members who were advised they could request their statement. The Agency continued to issue statements to members through the rest of the year. By 31 March 2022, over 1,500 members had not received their statement.

During the year, Scheme members' views on the Agency's service was reported to the Board for the first time. However, the Board has continued to request that performance indicators are developed further to improve oversight of the service.

The Board also received regular updates on Agency's implementation of changes to the rules of the Scheme in April 2022 and on cases where members have disputed their pension arrangement i.e. those being considered in the Internal Disputes Resolution Procedure.

The Pension Board regularly offers its support and assistance to the Agency in reviewing draft communications. During the year, members of the Board assisted the Agency in reviewing communications for members relating to the reconciliation of member's contracted out periods of employment, with those held in HM Revenue and Customs.

Governance of the Scheme

During the year, the Board received updates on the Agency's procurement of a pensions administration system and were pleased to see the development of a specific risk register for the Teachers' Pension Scheme. It also welcomed sight of the strategic risk register for the Agency. The Pension Board also regularly monitored a register of breaches of the law to consider mitigations put in place by the Agency to prevent recurrence and also whether the breaches are significant enough to be reported to The Pensions Regulator.

Early in 2021, the Agency abandoned its plans to implement a system interface to facilitate the transfer of membership data from employers on a monthly basis. The Pension Board has requested information on plans to

improve the timeliness of the transfer of membership data from employers as it sees this a priority to reduce the risks of breaching regulatory standards, to improve services to members and to comply with expectations of The Pensions Regulator. During the year, the Board welcomed information on the data quality measure, 'Common Data' as defined by The Pensions Regulator.

The Pensions Regulator launched a consultation on its intention to combine its codes of conduct. In May 2021, the Board responded to that consultation expressing its concern about the lack of clarity in several areas, including the use of a new term "Governing Body".

During the year, the chair or vice-chair of the Pension Board observed meeting of the Scheme Advisory Board, the body responsible for advising the Scottish Minister on changes to the Scheme rules. The chair/vice-chair also updated the Scheme Advisory Board on the Pension Board's activities.

The Board would like to place on record their appreciation of the work of the Agency's staff, both in supporting the Board throughout the year and in their delivery of the administration of the Scheme to members and employers.

I would also like to thank members who have continued to demonstrate commitment and diligence in their role on the Board.

Clare Scott
Independent Chair of the Scottish Teachers' Pension Board

Board Governance

Membership

Details of the Pension Board members during the 2021-22 scheme year are set out below.

Member Name	Nominated by	Date Joined the Board
Clare Scott - Chair	Independent	01/04/2020
Raymond Martin - Vice Chair	Independent	28/08/2018
Brian Cookson	NASUWT	01/04/2015
John Crichton	SSTA	01/04/2015
David McGinty	EIS	14/09/2017
Drew Morrice	EIS	14/09/2017
Leah Franchetti	EIS	01/04/2018
Graham Hutton	School Leaders Scotland	01/02/2020
Peter Smith	Colleges Scotland	01/04/2015
Sharon McKenzie	COSLA	01/04/2015
Councillor Charles Buchan	COSLA	01/02/2019
Councillor Brian McGinley	COSLA	01/09/2021
Louise Wright	COSLA	01/02/2021
Andrew McGoff	Universities Scotland	01/02/2021

All members of the Board are required to complete a register of interests on an annual basis and members are required to declare any potential conflicts of interest at each meeting relating to the matters on the agenda.

Meetings

During the 2021-22 scheme year, the Pension Board met on four occasions and all meetings during the year were held virtually due to the pandemic.

Attendance of the Pension Board members at the meetings is set out in the table below. Representatives from SPPA also attended the meetings.

Pension Board Member	Attendance			
	13-May-21	02-Sep-21	11-Nov-21	24-Feb-22
Independent Members				
Clare Scott – Chair	Y	Y	Y	Y
Raymond Martin - Vice Chair	Y	Y	Y	Y
Member Nominated				
Brian Cookson	Y	Y	Y	Y
John Crichton	Y	Y	Y	Y
David McGinty	Y			Y
Drew Morrice	Y	Y	Y	Y
Leah Stalker	Y	Y	Y	Y
Graham Hutton	Y	Y		N

Employer Nominated				
Peter Smith	Y	Y		Y
Sharon McKenzie	Y	Y	Y	Y
Cllr Charles Buchan	Y	Y	Y	Y
Cllr Brian McGinley	N/A			Y
Louise Wright	Y	Y	Y	Y
Andrew McGoff	Y	Y	Y	Y
Average	100%	86%	77%	93%

Knowledge and Understanding

Members of the Board must have knowledge and understanding of pension law and the rules of the scheme to enable them properly exercise the functions of the pension board.

Pension Board members are responsible for:

- reviewing the induction pack provided by the Agency and for
- completing the Pension Regulator’s Toolkit
- updating personal training logs with relevant CPD.

The Agency provided the Pension Board with updates on significant regulatory changes at its regular meetings including changes resulting from the judgement in the McCloud case.

The following tables provide details of members’ activities to improve knowledge and understanding including self-study and webinars provided by the Agency.

Member	The Pension Regulator’s Toolkit	Induction pack	Individual learning/CPD recorded
Clare Scott	Y	Y	Y
Raymond Martin	Y	Y	Y
Brian Cookson	Y	Y	Y
John Crichton	Y		
David McGinty	Y		
Drew Morrice			
Leah Stalker			
Graham Hutton			
Peter Smith			
Sharon McKenzie	Y		
Cllr Charles Buchan			
Cllr Brian McGinley			
Louise Wright	Y	Y	
Andrew McGoff	Y	Y	

Member	The Pensions Ombudsman	The Pension Regulator's Code of Practice	Annual Benefit Statements	Actuarial Valuation of the Scheme	Cyber Security
Clare Scott	Y	Y	Y	Y	Y
Raymond Martin	Y	Y	Y	Y	Y
Brian Cookson	Y	Y		Y	Y
John Crichton	Y	Y	Y	Y	Y
David McGinty		Y		Y	
Drew Morrice					Y
Leah Stalker	Y	Y		Y	Y
Graham Hutton					Y
Peter Smith		Y	Y	Y	
Sharon McKenzie					Y
Cllr Charles Buchan	Y	Y	Y	Y	
Cllr Brian McGinley	N/A	N/A	N/A	Y	Y
Louise Wright	Y		Y	Y	Y
Andrew McGoff		Y	Y		Y

It is recognised the pandemic adversely affected attendance at meetings and training sessions.

The Board are grateful to the Agency for organising the training sessions and for providing regulatory updates at meetings.

Board Effectiveness

Working with the Board, the Agency reviewed the Terms of Reference and expanded the 'key functions' of the Board to better articulate how it assists the Agency.

The Pension Board also reviewed its own procedures and agreed areas for development including shorter papers using standard templates, membership diversity and succession planning.

Board Expenses

The Pension Board has incurred £8,120.00 of fees and expenses over the course of the year.

Forward View of the Pension Board for 2022-23

The majority of the Pension Board's time will reflect its statutory role i.e. scrutiny of the Agency's service to members and employers and its compliance with regulatory standards and expectations of The Pensions Regulator. Annual Benefit Statements, the development of more detailed performance indicators, employer engagement strategy and data quality will continue to feature on the Board's agendas.

The Board will work also with the Agency to respond to changes to the Regulator's code(s) to assess compliance and assist with changes required to ensure full compliance.

For the Agency, implementation of Scheme changes in 2022 will be a key focus, as well as the impact of the procurement of administration system.

The Pension Board will also work with the Agency to develop its agenda schedule to satisfy the recently revised Terms of Reference.

In terms of its own procedures, the Pension Board will implement improvements from its recent review including format of meeting papers and succession planning for members who are nearing the end of their term on the Board. Efforts will continue to develop knowledge and understanding.

Annex A Agenda Planner

	Owner	18 Feb	13 May	2 Sep	11 Nov	Ad-Hoc
Review of Agenda Schedule	Governance					
Actions update	Governance					
Update from Working Groups / Sub-Groups						
Employer data ABS sub-group	Vice Chair					
Operational Excellence Update	Head of Operational Excellence					
MI – dashboard info/production	Customer Services Mgr					
Annual Allowance	Project Managers					
Annual Pension Increase						
Annual Benefit Statements				+ Working Group update		
2015 McCloud Remedy						
IT – Altair, MSS, i-Connect						
Customer Services Update	Head of Customer Services					
<ul style="list-style-type: none"> CS update + dashboard - Customer First - Complaints - Developing our people 	Head of Customer Services + Customer Services Mgr		Q4 data 1.Complaints - Audit report	Q1 data ill-health update (BF)	Q2 data	
<ul style="list-style-type: none"> Employer Data 	Customer Services Mgr					
<ul style="list-style-type: none"> GMP 	Customer Services Mgr					
<ul style="list-style-type: none"> Review of Employers (performance/starters/leavers) 	Customer Services Mgr			End of year report		
<ul style="list-style-type: none"> Customer Incidents 	Customer Services Mgr					
Pension Platform Programme Update	Programme Director					
<ul style="list-style-type: none"> PPP update 						
Finance Update	Head of Finance					
<ul style="list-style-type: none"> Overpayments summary 	Risk & Ass Manager					
<ul style="list-style-type: none"> Operational Risk Update (a) strategic (b) scheme specific 	Risk & Ass Manager					
<ul style="list-style-type: none"> Risk Events 	Risk & Ass Manager					
<ul style="list-style-type: none"> Breach log 	Risk & Ass Manager					
<ul style="list-style-type: none"> Scheme Annual Reports & Accounts 	Head of Finance					

Agenda Planner (Page 2)	Owner	18 Feb	13 May	2 Sep	11 Nov	Ad-hoc	
Regulatory Affairs Update		Head of Regulatory Affairs					
Data Protection and Information Governance							
• Security	Data Protection & Information Governance Manager		End of year report				
• Business Continuity/Disaster Recovery					Yearly		
• Data Protection/Data breaches							
• Cyber security			Yearly				
Policy							
• Disputes Update (IDRP)	Senior Policy Manager		Q4 data				
• Legislation Updates							
Governance Update							
• Board Membership Update and Succession Planning	Governance Manager						
• Terms of Reference Review		Yearly					
• PB Annual Report				Yearly			
• PB Self-Assessment							
• Annual Conference		<i>On hold due to pandemic</i>					
• Training Webinars/TPR toolkit/training pack							
• Other Governance matters						TPR consultation	
Audit Reports – relevant Internal Audit, Audit Scotland and other third party reports							
Communications Update		Communications Manager					
• Internal initiatives						When req'd	
• Customer Project Liaison							
SAB Update		Chair/Vice Chair					
• Chair/Vice Chair - observer status			04.03.2021 & 29.03.2021 update	Update from 24.05.2021		adhoc	
• Opt out reports (when available)							
Board Responsibilities		Vice Chair					

Annex B Performance Data

1. Scheme Membership

	31 March 2021	31 March 2022
Active Members	77,010	77,720
Pensioners (includes widows/dependants)	77,371	78,316
Deferred	16,984	17,326
TOTAL	171,365	173,362

2. Customer Contacts

Key Performance Indicators	Target	2020/21		2021/22	
		Total Volume	Achieved	Total Volume	Achieved
Answer call within 60 seconds	90%	25,527	92%	66,508	46%
Email reply within 24 hrs	90%	153,395*	58%	141,963	52%
First call resolution	80%	Not measured – critical calls only		92%	
Positive customer satisfaction	80%			Net Promoter Score trial so no like for like data is available	

Telephony statistics	2020/21	2021/22
Inbound	25,527	66,508
Average time to answer	34 secs	5 min 15 secs
Average duration	4 min 32 secs	6 min 51 secs
Abandoned	10,917*	8,925

* critical calls only therefore 'routine' enquiries were directed to email

Website views	2020/21	2021/22
Total views	131,281	131,960
Calculator views	30,300	35,294

3. Year-on-Year Key Performance Indicators (2020-21 vs 2021-22)

Key Performance Indicators	Target	2020-21		2021-22	
		Volume	Achieved	Volume	Achieved
New Awards (Timeliness)	98%	2253	99.11%	2679	98.69%
New Payments Accuracy	95%	3582	95.92%	3567	93.97%
Death in Service	98%	60	95.00%	41	92.68%
Death in Pension/ Retirement	98%	1822	99.73%	1574	93.84%
Transfer Value In (quote)	100%	232	97.84% (97.84%)	244	73.36% (73.36%)
Transfer Value In (actual)	90%	154	33.12%	225	42.22%
Transfer Value Out (quote)	100%	72	84.72% (100%)	84	91.67% (100%)
Transfer Value Out (actual)	100%	44	100% (100%)	47	100% (100%)
Estimates	90%	235	77.87%	247	62.35%
Divorce CETV	100%	165	100%	177	100%
Divorce PSOD	100%	11	100%	24	100%
Refunds	97%	209	99.52%	201	79.10%
Ministerial replies	100%	3	100%	3	100%
Payroll/ Existing Pension (Changes)	98%	793	99.12%	698	99.71%
Annual Statements by statutory deadline 31 August	100%	0	0	70,112	95.22%
Annual allowance	100%	33	100%	29	86%
Records Maintenance errors	95%	420	99.45%	709	99.09%
Records Maintenance up to date	97%	89032	99.08%	91585	99.13%