



NHS Pension Board terms of reference

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Introduction

The Public Service Pensions Act 2013 (the Act) required the establishment of a Pension Board with responsibility for 'assisting the Scheme Manager' in securing compliance with all relevant pensions law, regulations and directions – as well as the Pension Regulator's relevant codes of practice. This role is one of providing assurance over and governance of the pension scheme's administration.

The Act also specified that Pension Boards should have equal numbers of member and employer representatives – currently 6 each on the NHS Pension Board (NHSPB).

The NHSPB covers England and Wales.

Regulation 4 of the National Health Service Pension Scheme Regulations 2015 (UK Statutory Instrument 94 of 2015), effective from 1 April 2015, established the NHSPB in law. Schedule 1 of those Regulations adds further detailed regulatory provisions relating to the NHSPB.

In addition to the member and employer representatives, government representatives attend NHSPB meetings, including DHSC, and Wales. Government representatives are non-voting board members. Professional advisors, for example, accountants, Government Actuary's department and lawyers can be instructed from the DHSC's resource allocation providing the requirement for that advice is in line with the NHSPB's legislative responsibilities.

The scheme administrator (NHSBSA) will provide the necessary input to support the NHSPB in delivering its assurance responsibilities.

The NHSBSA will provide the secretariat with DHSC seeking nominations and making appointments to the NHSPB based on the regulatory provisions. The NHSPB meets quarterly.

Accountability

The NHSPB collectively and members individually are accountable to the Scheme Manager, the Secretary of State, the responsible authority for the NHSPS.

DHSC continues to be responsible for contractual arrangements, including delivery against agreed KPIs, for NHSBSA.

Responsibilities of the NHSPB

The NHSPB is responsible for assisting the Scheme Manager in:

- overall assurance and governance of the NHSPS administration
- assuring effective and efficient administration of the NHSPS
- assuring that decisions made by NHSBSA are fully legally compliant, including consideration of cases that have been referred to TPR and/or the Pension Ombudsman; recommending changes to processes, training and/or guidance where necessary
- supporting continuous improvement in the administration of the NHSPS
- assuring NHSBSA supports employers to communicate the benefits of the NHSPS and fully utilise it as part of the NHS total reward offer through effective communication to members
- assuring NHSBSA supports members with a range of tools to improve their understanding of their pension benefits as part of the total reward offer, and to inform their personal financial and career planning
- supporting effective implementation of the Employer Charter
- enabling data quality improvements to deliver Career Average Revalued Earnings (CARE) pension outcomes
- complying with TPR's codes of practice
- fostering good working relationships with TPR
- consideration of TPR reports including responses to recommendations
- producing an annual report outlining the work of the NHSPB throughout the NHSPS year

Membership

The membership of the NHSPB includes:

- member representatives, who will be voting members
- employer representatives, who will be voting members

- an independent Chairperson. The Chair holds the deciding vote if any vote taken by the member and employer representatives on the Board results in an equal vote
- representatives from DHSC, who are non-voting members; representative from the Welsh Government, who is a non-voting member

Attendance is expected of NHSPB members at all meetings. Where a member of the Board is unable to attend Board meetings or participate in activities of the Board, other than temporarily, the remaining members of the Board may agree that a substitute or another person may attend from that representative during that period. The appointed employer and member representatives will remain equal in number at all times.

Attendance at meetings by invitation

From time to time, the NHSPB may (acting by its Chair) invite attendance at any one or more of their meetings by others, which may include representatives of the Scheme Advisory Board and prospective members of the NHSPB (whether or not they have been selected to join the NHSPB).

Decision making process

The NHSPB operates on a consensus basis; however, each member (except government representatives) has individual voting rights. In the event that consensus cannot be reached, a vote is taken. The Chair does not vote at this stage; only if the vote is equal will the Chair have the deciding vote. The scheme manager is made aware when a decision is reached in this manner.

Quorum

Eight of the voting members of the NHSPB represent a quorum for Board meetings to go ahead, with at least 3 member representatives and 3 employer representatives being present. The Chair must also be present for the meeting to be quorate. Non-quorate meetings may proceed in exceptional circumstances, but no binding decisions are made, nor votes taken.

Conflicts of interest

The Act requires that members of the NHSPB do not have conflicts of interests. All members of the NHSPB are required to declare any interests and any potential conflicts of interest in line with legal requirements in the Act and TPR's code of practice. These declarations are required as part of the appointment process, as well as at regular intervals throughout a member's tenure.

Training requirements

Members of the NHSPB will be expected to have a good, sound knowledge and understanding of the NHSPS rules, the NHSPS's administration policies and pension law. This will require on-going updates and training as legal requirements change and develop, including relevant regulations and directions from Her Majesty's Treasury and the Department for Work and Pensions. This is set out in TPR's Code of Practice number 14, 'governance and administration of public service pension schemes'.

Meeting arrangements

The NHSPB meets quarterly. Frequency of meetings is kept under review to ensure NHSPB responsibilities are discharged. There is the possibility for ad-hoc meetings if required at the Chair's discretion.

The NHSBSA undertakes the NHSPB's secretariat function ensuring:

- facilities are available to hold meetings
- an annual schedule of meetings is organised
- suitable arrangements are in place to hold additional meetings if required – ensuring adequate notice
- papers are distributed 7 days before each meeting except in exceptional circumstances
- minutes of each meeting are circulated within 14 working days following each meeting

Expertise

It may be necessary to draw on particular experts or expert groups to support the responsibilities of the NHSPB, such as actuaries and lawyers. This is done on an 'as required' basis; any expert advisor attending the meeting is not a NHSPB member and does not have a vote. If required, sub-groups may be established to assist the NHSPB.

Relationship to the NHS Pension Scheme Advisory Board

Whilst the function of the NHS Pension Scheme Advisory Board (SAB) is to provide advice to the Responsible Authority (in other words, Secretary of State) about the desirability of NHSPS changes – there are occasional needs for some sharing of information and discussion between the Boards. The NHSPB Chair holds regular meetings with SAB co-

chairs; and the SAB minutes are a standing agenda item for NHSPB meetings. The NHSPB provides a summary of its meetings to the SAB.

Remuneration

Remuneration for NHSPB members is limited to a refund of actual expenses incurred in attending NHSPB meetings, in accordance with DHSC's expenses policy. The Chair's remuneration is agreed on appointment.

Tenure

Tenure period for NHSPB members is 3 years on a rolling appointment basis – with a maximum of 9 years in any continuous period of 12 years.

Tenure is decided by the scheme manager during the appointment process but should usually be a term of 3 years. NHSPB members may have different tenures, if necessary, to ensure continuation of membership in equal numbers for the employer and staff-side members. The Chair's tenure is agreed on appointment, again expected to be 3 years.

Resignation of NHSPB members is documented in writing to the NHSPB Chair and DHSC. A minimum one month's notice period must be given to enable a replacement member to be found in time for the next NHSPB meeting.

The performance of NHSPB members is assessed on a periodic basis to ensure all members are adequately meeting their duties. Poor performance will result in corrective action being taken, and in exceptional circumstances the removal of the NHSPB member.

Review

These terms of reference are reviewed periodically.

