

**TEACHERS' PENSION SCHEME  
PENSION BOARD  
TERMS OF REFERENCE (from July 2020)**

**1. Scope of the Teachers' Pension Scheme Pension Board (TPSPB)**

1.1 The TPSPB is responsible for providing assurance on the effectiveness of the arrangements for managing the scheme to the Secretary of State. The TPSPB will contribute towards setting the scope and direction of the administration, as delivered by its service providers and Department for Education (DfE) officials, ensuring that it remains at the forefront of public service pension scheme administration and meets the changing needs of members and employers.

To achieve this, the TPSPB will:

- be forward thinking and able to clearly articulate the vision for the administration of the Teachers' Pension Scheme (TPS);
- assess the effectiveness and efficiency of the scheme administration;
- consider opportunities to enhance the range and quality of services offered by the scheme; and
- assess the arrangements for ensuring scheme performance, continuous improvement, value for money, risk management and compliance with statutory requirements.

1.2 The TPSPB may also carry out additional duties as the scheme manager sees fit, from time to time.

**2. Roles and Responsibilities**

2.1 The TPSPB is responsible for monitoring the effectiveness of control mechanisms and will verify the effective administration of the TPS by close scrutiny of the level and quality of service provided for the membership and employers by the administrator and other service providers (e.g. Capita, Optima Health and Government Actuary's Department).

2.2 The TPSPB will verify that an effective internal audit strategy is in place for the scheme; and will contribute to audit plans.

2.3 The TPSPB will verify that an effective risk management strategy is in place for the scheme and internal controls are adequate; and will monitor risk management mitigations.

2.4 The TPSPB will provide views on scheme strategy where this will aid the scheme administration; and will monitor achievement against the six strategic objectives.

2.5 The TPSPB will add to the process whereby assurance is provided to the

Accounting Officer (Permanent Secretary), members and employers regarding the effective financial management of the TPS, through commenting on the TPS Governance Statement, which is produced as part of the annual accounting process.

- 2.6 The TPSPB will verify that benchmarking in the TPS is in line with regulatory requirements (e.g. The Pensions Regulator (tPR)).
- 2.7 The TPSPB will verify that the development of processes and systems incorporate any new statutory requirements.
- 2.8 The TPSPB will verify the arrangements for compliance with data management requirements.
- 2.9 The TPSPB will respond to any requests/directions made by the Pensions Regulator.
- 2.10 The TPSPB will verify the approach developed by the administrator for reporting breaches of the law to the regulator, when they have reasonable cause to believe that:
  - A legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with; and
  - The failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

### **3. Composition**

- 3.1 The TPSPB will comprise scheme member representatives, employer representatives, an independent chair, an independent pension specialist and DfE. The chair and pension specialist will be independent of those at 3.3 and 3.4.
- 3.2 All non-DfE appointments to the Board will be made by the scheme manager.
- 3.3 The Board will have five scheme member positions, selected from nominations put forward by representative bodies such as unions and other TPS member representatives, others on the TPS consultation list, and from organisations such as schools, academies, higher education establishments, further education establishments and independent sector schools, or by self-nomination.
- 3.4 The Board will have five employer positions, selected from nominations put forward by organisations representing schools, academies, higher education, further education and independent sectors, plus others on the TPS employer consultation list.
- 3.5 The TPSPB will have two DfE positions. Officials will be either Deputy Director or Director level; one from the policy area that manages the

scheme (Teaching Workforce Directorate) and one from the Finance or Audit function.

- 3.6 Members of the TPSPB will represent the interests of all of the schemes' beneficiaries, the participating employers and the Accounting Officer and not simply the interests of the constituency that nominated them.
- 3.7 Appendix A gives the Terms and Conditions that apply to TPSPB members.
- 3.8 Appendix B sets out the Role and Person Specification for TPSPB members.

#### **4. Meetings**

- 4.1 Frequency: The TPSPB will meet quarterly and at such other times as the Chair decides is necessary. Wherever possible at least seven days' notice will be given of any non-scheduled meeting.
- 4.2 Format: Meetings can be conducted in person, over the telephone or via a video-link, as decided by the Chair. If the Chair is not present within fifteen minutes of the time appointed for holding the meeting, the members present may choose one of their number to be Chair of the meeting. In these cases the nominated Chair will not have a casting vote.
- 4.3 Quorum: Six members of the TPSPB will represent a quorum for meetings. The Board members must include at least two employer representatives and two member representatives. However, in the event of an extraordinary or emergency meeting, the Chair may invite fewer members, but will ensure that employers and members are represented.
- 4.4 Attendance: The TPSPB can decide to ask its professional advisers, representatives from third party suppliers, including the scheme administrator, and any other person to attend its meetings as it sees fit. The DfE's Head of Assurance and Planning and the Senior Contract Manager will be invited to attend Board meetings to introduce papers and aid discussions, as necessary.
- 4.5 Decisions: All Board members will have a single vote and items arising at any meeting will be decided by a majority of members present and eligible to vote. In the case of an equality of votes the Chair will have a casting vote. The TPSPB may agree on a decision outside of a meeting if the majority of voting members confirm their agreement either in writing or by electronic mail. Any such decision will be as valid and effective as if it had been passed by a meeting of the TPSPB.

- 4.6 Papers: The Board Secretariat should circulate all papers at least one week in advance of any meeting (unless a shorter period is agreed by the Chair).
- 4.7 Where the DfE becomes aware of a serious service issue, the Secretariat will discuss with the Chair and agree how the information will be shared with the rest of the Board, in particular members of the relevant sub-committee.
- 4.8 Minutes: Draft minutes are to be forwarded to the Chair for agreement within five working days and thereafter circulated to TPSPB members. Minutes will be agreed at the subsequent Board meeting.

## **5. Sub-Committees**

- 5.1 The TPSPB may establish such sub-committees as it sees fit.
- 5.2 The TPSPB will decide whether the sub-committees need to have separate Terms of Reference.
- 5.3 The TPSPB will agree, and can amend, each sub-committee's Terms of Reference.
- 5.4 The TPSPB will appoint and remove members of the sub-committees. The TPSPB may, as it sees fit, co-opt persons who are not members of the TPSPB to serve on its sub-committees. Such persons need not be representatives of members, employers or the DfE.
- 5.5 The Chair of the TPSPB may determine who is to act as chair and vice-chair of each sub-committee but can also delegate that decision to each sub-committee. However, where there is no consensus amongst the members of the sub-committee the TPSPB Chair will decide.
- 5.6 All member and employer representatives on the TPSPB will be expected to sit on and actively participate in at least one sub-committee; this will contribute towards the expected 10-20 days' commitment agreed upon appointment.
- 5.7 Where sub-committees are established, they will provide update reports (written or verbal) to the TPSPB quarterly meetings.

## **6. Authorities and Restrictions**

- 6.1 The TPSPB may consider and propose to the scheme manager amendments to the commercial agreements in place with the various service providers.
- 6.2 If required and appropriate, the TPSPB will have authority delegated by the scheme manager to work directly with the relevant service providers to address and resolve issues which it identifies. This authority will also be subject to the existing contractual agreements and requirements relating to public sector procurement.
- 6.3 The DfE will remain responsible for all contractual agreements and any proposed changes, and for the commissioning of any additional work by 3<sup>rd</sup> parties. The DfE will consult and take into consideration the views of the TPSPB on matters that will materially affect the cost and /or the range and quality of services provided by the administration.

## **7. Monitoring Finance and Scheme Accounting**

- 7.1 The TPSPB will add to the process of providing assurance, initially via the Managing Risk and Internal Controls sub-committee, to the scheme's Accounting Officer by commenting on the TPS Governance Statement, which is produced as part of the annual accounting process.

## **8. Reporting**

- 8.1 The Chair of the TPSPB will report annually, for information purposes, on the activities of the TPSPB to the Scheme Manager and to the Accounting Officer, or as otherwise agreed.

## **9. Monitoring Employers**

- 9.1 The TPSPB will be responsible for ensuring that the administrator constructively engages with employers who participate in the TPS pensions' arrangements with regard to the correct provision of data to the scheme administrator and contributions to the TPS and third parties.

**TERMS AND CONDITIONS**

1. With the exception of the DfE representatives, appointments to the TPSPB are personal. There can be no alternate representation for any member of the TPSPB.
2. Each member will be required to attend all scheduled TPSPB meetings and details of attendance at meetings will be published in the Annual Review and on the website. Where ad-hoc meetings are called, all TPSPB members who are invited to attend should make best efforts to attend.
3. Employer and member representatives are expected to commit 10-20 days per year to TPSPB activities. This to include membership of, and active participation in, at least one sub-committee and attendance at learning and development events.
4. TPSPB members must agree that information provided or gleaned in the course of their duties as a member of the Board (which will include confidential/personal information) will not be used for purposes outside of the delivery of the Board's function.

**Appointment and Removal**

5. Chair: The Chair will be appointed by the scheme manager, and will be independent of employer and member groups.
6. Member representatives will be appointed as described in the TPSPB main terms of reference. Organisations will be invited to nominate up to two candidates in writing to be put forward into the selection process for members of the TPSPB, with the scheme manager approving final appointments. Nominees need not be union members.
7. Employer representatives will be appointed as described in the TPSPB main terms of reference. Employer representative bodies will be invited to nominate up to two candidates in writing to be put forward into the selection process for members of the TPSPB, with the scheme manager approving final appointments.
8. Pension specialist: The pension specialist will be appointed by the scheme manager, following an open / targeted recruitment process, and will be independent of both member and employer groups.
9. DfE Representatives: These will be appointed by the Department's Permanent Secretary based on roles as Directors or Deputy Directors in the relevant policy and finance/audit areas.

10. Members may resign from the TPSPB by giving a minimum of three months' notice in writing to the Chair.
11. The Chair will undertake performance management of each Board member annually, and can recommend to the scheme manager the removal of a Board member or the non-renewal of their appointment.

### **Terms of Office**

12. The appointment of non-DfE Board members will be for a one to three-year term. Board members will not hold office for more than two terms.
13. The tenure of the DfE representative appointments will coincide with the time the individual holds the relevant DfE post.

### **Induction and Training**

14. TPSPB members will complete induction activities to gain an up-to-date and working knowledge of the TPS pension arrangements.
15. Members will be conversant with scheme documents and have appropriate knowledge and understanding of the scheme rules and the principles of TPS funding. The members must keep their knowledge up to date and maintain a written record of their relevant training and development.

## Role and Person Specification

### Teachers' Pension Scheme Pension Board

<b>Summary</b>
<p>The Secretary of State has appointed five member and five employer representatives of the Teachers' Pension Scheme Pension Board (TPSPB).</p> <p>Each member will be bound by the Code of Practice governing senior public appointments, and will be required to observe the highest standards of impartiality, integrity and objectivity in relation to the service s/he provides to the TPSPB.</p>
<b>Role &amp; Responsibilities</b>
<ul style="list-style-type: none"> <li>• Representing the best interests of scheme members and employers in order to help the scheme manager in ensuring that the TPS is effectively administered and complies with relevant laws and regulations.</li> <li>• Representing the TPSPB in contacts with a range of stakeholders including: Employers, Members, Ministers, the TPS administrator and other contractors, Department for Education, HM Treasury and the Pensions' Regulator.</li> <li>• Representing the best interests of the scheme's beneficiaries and acting impartially between them.</li> <li>• Meeting the commitment to 10-20 days activity in relation to the TPSPB by:             <ul style="list-style-type: none"> <li>○ Actively participating in meetings of the TPSPB (approximately four per annum).</li> <li>○ Joining and actively participating in one or more sub-committee; meetings take place four times a year.</li> </ul> </li> <li>• Adequately preparing for meetings and the wider role by ensuring that:             <ul style="list-style-type: none"> <li>○ All circulated papers are read in a timely manner;</li> <li>○ Expert advice and clarification is requested promptly; and</li> <li>○ Own training needs are identified and met, including attending any mandatory activities.</li> </ul> </li> <li>• Ensuring own understanding of roles and responsibilities.</li> <li>• Acting in accordance with the seven principles of public life and relevant laws and regulations.</li> <li>• Actively participating in all performance management activities.</li> <li>• Eliciting views from, and sharing feedback with, the sector on Board related matters.</li> </ul>
<b>Person Specification – Experience and Skills</b>
<p>In order to operate effectively, the Board must have a mix of Board members that can collectively demonstrate the skills and experience below. It is, however, not envisaged that</p>



each individual member will demonstrate all of the skills and experience separately, but applicants should be able to demonstrate the majority of those detailed below.

**Experience**

- A positive and committed attitude;
- Independence of judgment;
- The capacity to bring a fresh, external view to decision-making;
- A track record of personal achievement at a senior level;
- Experience of service delivery including implementing change and risk management strategies; and
- Working with auditors and audit committees in a public or private sector environment.

**Skills**

- Good communication skills across all levels;
- Good interpersonal skills with the ability to provide constructive challenge;
- Sound knowledge and experience of implementing good governance practices in the public and/or private sector or both;
- Good understanding of budget forecasting and accounts; and
- Ability to analyse complex information, reach practical decisions and to think strategically.

Additionally, post holders will demonstrate experience and appreciation of the points below.

**Strategic context**

- Empathy with the mission and aspirations of the TPSPB.
- A strategic and operational understanding of:
  - The Teachers' Pension Scheme and the educational environment; and
  - Legislation relating to Pension Schemes.

**Policy context**

- An understanding of policy and public accountability, sound judgement and awareness of political sensitivities.
- A commitment to equality, efficiency and innovation.

**Terms and Conditions**

The initial appointment will be for a period of one to three years. Time commitment: Between 10 to 20 days per year (the Board meets 4 times a year in London. Board sub-committees also meet 4 times a year, usually in Darlington.)

**Department / Section**

Department for Education, Early Years and Schools Group.