

Health and Social Care Pensions Board

Business Plan 2021/22

June 2021

HSC Pensions Board Business Plan 2021/22

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1. Foreword by Independent Chair

The HSC Pension Board met four times with meetings being held on 30 June 2020, 14 October 2020, 13 January 2021 and 14 April 2021.

The Board were able to meet almost all of its performance targets as detailed in the 2020/21 Business Plan and the Key Performance Indicators as outlined in the Service Level Agreement with BSO.

There have been no breaches in law or significant Pensions Ombudsman cases. All Internal Dispute cases are detailed in the Scheme Managers Quarterly Report.

The HSC Pension Service were able to confirm that additional staff provided to deal with pension data/payroll issues had be made permanent. In addition, a Compliance Officer was secured and their role will be to ensure that the scheme is administered in compliance with scheme regulations.

To address the unlawful age discrimination identified by the McCloud ruling, the NI public service pension schemes will be implemented as a 'deferred choice underpin' (DCU) method. This approach was favoured by the majority of respondents, for removing the discrimination of transitional protection.

A revised Training Plan for Board members was agreed at the January 2021 meeting.

Around 85% of Pension Service staff worked from home and this was having little impact on the day to day administration of the scheme. I would commend BSO staff for the quality and timeliness of pension services provided during this difficult period.

Matters to be address in the coming financial year (2021/22) include: an on-going focus on data accuracy; monitoring of plans for implementation of the outcome of the McCloud/Sergeant legal case; development of the risk register; and training for Board members.

David Best
Independent Chair
HSC Pensions Board

2. Role and responsibilities of the HSC Pensions Board

The Health and Social Care Pensions Board (HSCPB) was established under the Public Service Pensions (Northern Ireland) Act 2014. From 1 April 2015 the HSCPB had the responsibility for “assisting the Scheme Manager” in securing compliance with all relevant pension law, regulations and directions in respect of the Health and Social Care Pension Scheme, as well as with the pension Regulator’s Codes of practice No 14 – for Public Sector Schemes.

The Pensions Board is responsible for assisting the Scheme Manager in:

- Overall assurance and governance of the HSC Pension Scheme administration
- Assuring effective and efficient administration of the scheme
- Seeking assurance that decisions made by the scheme administrator are fully legally compliant, including consideration of cases that have been referred to the Pensions Regulator and/or the Pensions Ombudsman; recommending changes to processes, training and/or guidance where necessary
- Supporting continuous improvements
- Assuring the scheme administrator supports employers to communicate the benefits of the HSC Pension Scheme through effective communication to members
- Assuring the scheme administrator 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 CARE pension outcomes
- Compliance with the Pension Regulator codes of practice
- Fostering good working relationships with the Pension Regulator
- Consideration of the annual report from the Pension Regulator, including any responses to recommendations
- Producing an Annual Report outlining the work of the Board throughout the scheme year
- Ensure that plans are in place to monitor and manage any material scheme risk to allow for swift reaction to events should problems arise.

3. HSC Pensions Board’s Purpose

To ensure the provision of a high performing / cost effective pensions function, harnessing technology to deliver a professional pensions service and advice, by supporting the Scheme Manager to secure compliance with pension law, regulations and codes of practice.

4. HSC Pension Board's Objectives

1. To ensure compliance with pension service requirements
2. To monitor the provision of accurate and timely reporting to stakeholders
3. To foster continuous improvement in the pension service provision
4. To be proactive in responding to change both within HSC and external influences
5. To develop the knowledge of Board members and maximise their participation at Board meetings.

5. Performance Indicators

1. To ensure compliance with pension service requirements

- 1.1 Review pensions service performance reports at quarterly Board Meetings
- 1.2 Annually review the Pensions Annual Report and Accounts
- 1.3 Review Internal and NIAO planned audits and reports and implementation of agreed recommendations
- 1.4 Review the actual and budget interim expenditure report
- 1.5 Monitor and follow any breaches of the law or regulation, and Internal Disputes Resolutions, when they arise.

2. To monitor the provision of accurate and timely reporting to stakeholders

- 2.1 Monitor the quality and timeliness of reports at quarterly Board meetings
- 2.2 Issue the Annual Business Plan at the beginning of the Financial year
- 2.3 Issue the Annual Report after the end of the financial year
- 2.4 Monitor reporting of issues to the Pensions Regulator and Pensions Ombudsman on an on-going basis.

3. To foster continuous improvement in the pension service provision

- 3.1 Consider the effectiveness of on-going communications with members of the pension scheme and pensioners, including compliance with the Employer's Charter, at quarterly Board meetings

- 3.2 Evaluate the cost effectiveness of pension provision on a regular basis
 - 3.3 Help assess the resource implications of change initiatives and new requirements when they arise
 - 3.4 Consider the key achievements of the Pensions function, and changes on activity levels placed upon it, at quarterly Board meetings.
- 4. To be proactive in responding to change both within HSC and external influences**
- 4.1 Review the Pension Board risk register at each quarterly Board meeting
 - 4.2 Help assess the impact of external influences and change requirements when preparing the Annual Business Plan and at quarterly Board meetings
 - 4.3 Provide feedback on proposed pensions Government initiatives when they arise
 - 4.4 Be informed of Government policy changes on an on-going basis.
- 5. To develop the knowledge of Board members and maximise their participation at Board meetings**
- 5.1 Monitor training provision for Board members on an on-going basis
 - 5.2 Maintain a Training Record of each Board Member during the year.
 - 5.3 Report on Board members attendance in the Board's Annual Report each year.

6. Risk Register

The key risks included in the Risk Register relate to:

- 1. Accuracy of data
- 2. Adequacy and use of resources
- 3. Knowledge and understanding of Board members to scrutinise information/reports
- 4. Implementation of the 'deferred choice underpin' (DCU) scheme following the McCloud ruling for NI public service pension schemes.
- 5. Reporting breaches of the law or pensions regulations
- 6. Conflict of interest
- 7. Attendance of Board members

7. Board Membership

The Board consists of an equal number of employer and Employee Representatives. Only employer and member representatives are eligible to vote at meetings and the Chair in the event of an equality of votes by those attending.

The quorum (8) of the Board is the lowest whole number of members which is equal to or exceeds two thirds of the total number of members of the Board entitled to vote, and must include the Chair.

The HSC Pension Scheme Manager and officials from the Department of Health Pension Policy Unit also attend Board meetings but are non-voting members.

The current independent chair of the Pension Board is David Best.

The current Scheme Manager is Martin Bradley from HSC Pension Service.

Employer Representatives

Name	Organisation
Noeleen McCreanor	South Eastern HSC Trust
Andrea Henderson	South Eastern HSC Trust
Maryna Chambers	Northern HSC Trust
Geraldine McAleer	Western HSC Trust
Catherine Shannon	Belfast HSC Trust
Alan Stout	NI General Practitioners Committee

Member Representatives

Name	Organisation
Kevin McAdam	UNITE
Roberta Magee	UNISON
Maria Morgan	NIPSA
Desi Lowry	RCN
Mary Caddell	RCM
Dr Padhriac Conneally	BMA/BDA

8. Governance Framework

Pension Board

Members of the HSC Pension Board and the independent chair are appointed by the Department of Health, the 'responsible authority' for the HSC Pension Scheme.

Department of Health

The Department of Health is responsible for making the scheme regulations and matters of policy relating to the HSC Pension Scheme.

HSC Pension Service

HSC Pension Service is responsible for the day to day administration of the HSC Pension Scheme and is part of the Business Services Organisation (BSO).

Scheme Advisory Board

The HSC Scheme Advisory Board (SAB) provides advice to the Department of Health, at the Department's request, on the desirability of changes to the pension scheme. The SAB consist of an equal number of employer and member representatives and is currently co-chaired by:-

Dessie Lowry Royal College of Nursing

Owen Harkin Northern HSC Trust

9. Pensions Organisation

Department of Health – Pension Policy Unit (within Workforce Policy Directorate)

Chris Wilkinson Senior Officer

Phil McCusker Pension Policy Officer

Russell McGowan Pension Policy Officer (Pension Board Secretariat).

HSC Pension Service

The HSC Pension Service (HSCPS) for Northern Ireland provides payroll services to over 37,500 pensioners and administers the Pension Scheme for 97,000 current and deferred members drawn from HSC employees, GPs, dentists and employees of other approved organisations in Northern Ireland.

Membership of the Scheme as at 31/3/2021 is outlined in the Table below.

Pensioners in Payment	Total
Normal Retirement Age	23,101
Dependents	4,045
Compensation Retirements	1,855

Ill Health	8,413
ALL	37,414
Active Membership	82,094
Deferred	13,168
Total Membership	132,676

HSC Pension Service is a member of the CIPFA Benchmarking club for public sector pension providers. The Service is currently the most efficient and cost-effective pension provider compared to over 46 other service providers throughout the UK.

Value for Money

- Total cost per member continues to be well below average at £9.91 compared with £21.16 group average.

Joiners and Leavers.

- There are 82,094 active members compared to 57,000 members in 2012. The most recent GAD valuation has shown significant growth in the HSC Pension Scheme from 31 March 2012 to 31 March 2016. There are now 37,414 pensioners compared to 28,000 in 2012 and payments have now risen to **£299.8m per annum** compared to £224m in 2012

Staff

- 16% of staff have relevant qualifications, the group average is 25%.
- Core pension function consists of 32 WTE staff
- High number of staff with 5-10 years' experience (47%), the average in this bracket is 20%. The majority of staff in comparator organisations have more than 15 years' experience (29%), BSOs figure for this bracket is 16%. In 2009 the pensions function was transferred from DoH (DHSSPS at the time) to BSO. Employees were given the option to transfer back to NICS when a post became available. As a result of this between 2009-2011 staff turnover was 85%.

Industry Standard PIs

100% of industry standards PIs were met; this exceeds all other group averages of between 72% and 91%

10. Finance

Total income received by the Scheme during 2019/20 was £685,550k (2018/19 - £532,365k), with total expenditure of £1,762,994 (2018/19 - £2,021,565k), resulting in net expenditure of £1,077,444 recorded as the outturn for 2019/20 (2018/19 - £1,489,200k). There was an actuarial loss of **£4,780,00** in 2019/20 (gain of £1.659billion in 2018/19).

Total net liabilities (including pension liabilities) were **£30,289.209k** at 31 March 2020 (£24,265,247k at 31 March 2019).

11. Contact details

HSC Pension Service (Switchboard)	028 71 319111
Martin Bradley (Scheme Manager)	028 71 319118
Greg Doherty	07878 246384
Russell McGowan (DOH)	028 71 319141
David Best (Board Chair)	07801 738363