

Scottish Police Pension Scheme Advisory Board

PPS-SAB

MINUTES

Date: 20/03/2019

Location: Victoria Quay, Edinburgh

Chair: Lorimer Mackenzie (SPPA)

Attendees: Alasdair Corfield (Police Scotland)
John MacLean (Scottish Police Authority) *by audioconference*
Calum Steele (Scottish Police Federation) *by audioconference*
Craig Suttie (Association Scottish Police Superintendents) *by audioconference*
George Russell (Government's Actuary Department)

Officials: Iain Coltman (SPPA)
Marie Swinney (Police Division)
Mhairi Kinnaird (SPPA)

Secretariat: Clare Moffat (SPPA)

1. Welcome and Introductions

- 1.1. The Chair welcomed board members and George Russell from the Government Actuary's Department (GAD).

2. Conflicts of Interest

- 2.1 No new conflicts of interest declared.

3. Minutes from previous meeting/Action points

- 3.1 Minutes of meeting 15/11/2018 agreed. Action points 31 and 34 closed.
The Chair requested action points be tabled in reverse order for ease of reference.

4. Scheme Valuation

- 4.1 The Chair thanked the Board and GAD for their input on the rectification of the cost cap breach over last 18-24 months and reiterated that the UK Government has suspended the cost cap part of the valuation pending the outcome of the *McCloud* and *Sargeant* cases concerning the transitional protections introduced to public service pension schemes in 2015.
- 4.2 The UK Government has sought leave to appeal to the Supreme Court and until these are resolved it is unclear on how the cost cap will be affected; revised figures may result in fewer public sector schemes breaching the cost cap, depending upon the outcome. In the meantime, HM Treasury is setting up working groups to consider all possible outcomes and further discussion. In addition to this UK wide uniform approach, SPPA highlighted that

there will be scheme specific issues with which the SAB can assist. GAD will continue to support all public sector schemes throughout this process.

4.3 The Chair broadly outlined how the schemes may look and suggested that SPPA provide a paper briefly outlining the possible implications, highlighting there may not be a single solution that suits all members. The Chair asked the board members to assist by submitting example scenarios for case studies, particularly individuals who may not fall into obvious categories, to ensure best understanding of local issues and circumstances.

Action Point: Board members to highlight examples for consideration - to SPPA by 17/05/2019

Calum Steele joined the meeting by audioconference

4.4 A discussion followed which clarified that responsibilities for the overall framework and structure are reserved and although the costs are set within this framework, there is some local flexibility.

4.5 The Chair outlined that the employer contribution rates will increase with effect from 01/04/2019 for Police, Fire, NHS and Local Government Schemes with the exception of the Teachers' scheme, whose employer contribution rate will increase from 01/09/2019 for alignment with additional funding.

4.6 The Chair clarified that the funding position for Scottish police pensions would not change therefore it was unlikely there would be any impact on pension funding due to the employer contribution increase.

5. Participation Rates

5.1 The Chair introduced the paper "Scheme Participation Rates Q2 2018/19". SPPA is looking across all public sector schemes to obtain a better understanding of the dynamics and detail of the pensions landscape with SAB support and cross-scheme sharing. Board members are invited to submit their views on the key issues for consideration to aid collaboration on communications to encourage active membership.

Action Point: Board members to provide thoughts by email to SPPAPoliceSABSecretariat@gov.scot by 17/05/2019 to enable SPPA to collate and review by next meeting on 26/06/2019

5.2 A discussion followed referencing data gathering in England & Wales and the Office of Management Economics, and the Chair confirmed he would be happy to look at all data available to ascertain if further research is necessary to obtain robust data with the support of employers and staff associations.

5.3 Employers drew attention to one aspect of the report, suggesting by Police Scotland records the re-joiners figure for 2018/19 (page 5) should be higher. SPPA agreed to check source data and correct if appropriate.

Action Point: SPPA to check source data

6. Injury Benefits – Home Office Review

- 6.1 SPPA reminded the Board that the Home Office is considering revisiting its 2008 Review of Police Injury Benefits and requested views of SAB to consider if similar review to be undertaken in Scotland.
- 6.2 It was agreed that SPPA should prepare a paper for SAB to review, briefly outlining what review might look like and what it might consider, for future discussion.

Action Point: SPPA to consider injury benefit review

7. Voluntary Scheme Pays

- 7.1 SPPA reminded the Board that the recent Police pensions SSI (2019/68) which includes provision for the scheme manager to pay an AA charge on behalf of the member that does not exceed the mandatory level and then similarly apply a debit to the member's pension when it is put into payment. The timescales for this provision are shorter than for mandatory scheme pays and require that the member gives the scheme manager sufficient notice.
- 7.2 In response to the consultation, Police Scotland asked that the date of such requests to scheme managers should be agreed by the SAB. SPPA have arrangements in place for Health scheme which may align well for Police scheme.
- 7.3 SPPA proposed to draft a brief summarising arrangements for circulation and review.

Action Point: SPPA to draft paper for circulation to SAB

8. Any Other Business

Terms of Reference

- 8.1 SPPA prepared draft amendments as per action point 48. This draft will be circulated by email for consideration and reply.

Commutation

- 8.2 Employers requested clarification on the incremental costs of commutation factors in connection with the underpin introduced to the factors applying to England and Wales from 2015 to 2022 (SPPA Circular [2018/06 relates](#)). The Chair agreed to investigate figures and respond.

Action Point: Investigate additional costs of change to commutation factors (England and Wales underpin)

SAB Member Biographies

- 8.3 SPPA requested members provide short biographies for publication on the SPPA website.

Action Point: all members to provide short biography to SPPAPoliceSABSecretariat@gov.scot by 17/05/2019.

9. Dates of future meetings

9.1 Next meeting will be held on Wednesday 26/06/2019 at St Andrew's House, Edinburgh,