



Attendees:

Stuart Purdy (SP)	Chair
Jennifer Adams (JA)	Vice Chair
Sharon Dalli (SD)	Pension Board Member
David Christie (DC)	Pension Board Member
John McLean (JMcL)	Pension Board Member
David Hamilton (DH)	Pension Board Member
Andrew Barker (AB)	Pension Board Member
David Ross (DR)	Pension Board Member
Penelope Cooper (PC)	SPPA Chief Executive
Gerry McGarry (GMcG)	SPPA Deputy Head of Customer Services
Donald Forbes (DF)	SPPA Senior Customer Service Manager
Ian Waugh (IW)	SPPA Chief Financial Officer (item 8)
Lorimer Mackenzie (LM)	SPPA Acting Director of Policy (items 4.6 and 9)
Sarah Butler (SB)	SPPA Senior Customer Service Manager (item 10)
Jeanette Innes (JI)	SPPA Interim Head of Governance (minutes)

1. Welcome, introductions and declarations of interest

The Chair welcomed members and introduced Carole Johnston who was the new Interim Head of Customer Services.

SP mentioned that he was looking forward to working with the board and with JA as Vice Chair. SP gave the board some of his background by way of an introduction as the new Board Chair as well as a note of his current Directorships and Trustee roles including his position as Vice-Chair and Trustee of the Police Dependents Trust.

No conflicts of interest declared.

2. Draft minutes and Action Points from last meeting

2a. *Draft minutes*

The Board reviewed the minutes from the meeting on 2nd May 2018.

JA asked about AP11.02 on page 2 of the Minutes. PC said that due to legal constraints the Agency was not allowed to comment on the contract termination. DH commented that the purpose was to have a joined up message for dealing with any press interest that arose. PC in response said that the message would be a “no comment” and refer back to the Agency. She recognised that it could arouse press interest again at some point in future

as a Section 22 notice had been issued. The communications and PR strategy to handle the interest would include Board members. The action had been closed.

Referring to page 4, Item 5, JA asked who the “JS” was at the meeting. It was confirmed by SPPA that it was Jonathan Sharp and agreed that his name should have been on the list of attendees.

The Minutes were otherwise adopted as an accurate record of the meeting.

2b. Outstanding Actions Log

AP9.06	SD commented that apart from some minor amendments to the Terms of Reference which she was talking to GMcG about, the Service Improvement Group was now established and the action could be closed
P10.07	JI confirmed that JA had submitted A Table of Responsibilities for the Police Pension Board, which was at Agenda item 11 for today's meeting. Action closed.
P11.01	Update from GMcG who said that when the Police scheme joined the CCT there would be improved email provision and would then have improved reporting facility. Remained open for update in Q3.
P11.04	GMcG said that a demonstration of the tools was available after the meeting. Action closed.
P11.05	Risks that are closed are annexed to the Risk Register and are routinely revisited by the RGG. Action closed.
P11.06	A note had not been provided to the Board as there was a direct link to Action P11.07 which remained in progress. Action closed.
P11.07	JI said that there had been some feedback from SD. The new SLA/SIG/PETF framework would inform the PB ToR and that a further refresh was to follow. Updated ToR to be circulated Q3 to Board for discussion at the next meeting. Open.
P11.08	DH and PC updated the Board on their discussions with retired officer representatives. Agreement had been reached that Board attendance would not be necessary, provided that channels of communication remained open. Action closed.
P11.09	JI and PC advised that there was nothing in the scheme regulations to determine, but that it was within the gift of the Scheme Administrator. It had been set by previous SPPA CEO: it also agreed with the maximum length of tenure for other Board members including the Management Advisory Board. Action closed.

With reference to AP11.04, JA asked about participation rates and there followed a brief discussion about perceived dips in participation. It was agreed to add some information to the Agency update to try to understand why they occurred and whether any revised communication plan should be established in order to ensure fully informed decisions were being made. It was also agreed to give early visibility to Board members before the next meeting and add to the Agenda for that meeting for discussion.

AP1	Add participation rates to Agency update, the Agenda for the next meeting and circulate to the Board in advance.	SPPA Customer Services/ Secretariat
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3. Police Service Delivery Report

3.1 GMcG talked through the data supplied in the report with the Board members. It was agreed that the Service Improvement Group would help to identify the specific information needed. Discussion centred on the Customer Statistics part of the report supplied. DH commented that the Board was probably more interested in what scheme members were actually calling about than the call stats show in the Telephone System section and that perhaps reporting on the top 5 issues would be of interest. GMcG agreed to change the section.

AP2	Customer Services to revise the Service Delivery Report CCT Customer Statistics section, particularly the Telephone System element to reflect what scheme members were calling about.	GMcG
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3.2 There was a discussion on the low level of respondents to the Customer Survey for Q1 2018-19. GMcG said that the change to single event surveys could result in more interest. He asked whether Pension Board colleagues might be able to assist in getting more interest from scheme members.

4. Police Pension Scheme Administration Update

4.1 The update began by discussing Annual Benefits Statements (ABS) which is detailed in section 5 of these minutes. GMcG and DF outlined some of the underlying context and changes since the circulation of the ABS update.

4.2 Annual Allowance

DF explained progress to date on dealing with Annual Allowance which was standing at 90%. He said that there were daily meetings with Police Scotland Pensions colleagues to update on status. This approach would be maintained while progressing the work to issue information to scheme members.

SP asked whether a communication and education process was being done effectively. DF said that there was a dedicated phone queue to deal with any queries from members after letters were sent. For first timers, Agency staff dedicated considerable time to explain to members.

DH asked about whether there was any process around those scheme members who were likely to breach their allowance. SD said that improved information to members to alert them to their personal situation would be key to managing this going forward. DF said that the statutory deadline for notification of liability to breach was 6th October 2018. There would be a later deadline for those members who, with smoothing, appeared to have no tax liability. By the end of October, all relevant members will have received communication.

DH said that the Service Improvement Group could help to ensure that the process was made smooth and the Pension Board would look at potential issues arising from scheme and/or benefits changes and the impact on members. PC said that the Agency would be

tracking any changes across all schemes and a paper was being written which could be shared with the Pension Boards.

AP3	PC to ensure that the paper on Annual Allowance and scheme changes would be circulated to Pension Boards when available.	PC
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PC was asking Pension Boards to consider holding information sessions for scheme members. The SPPA was not able to give advice but could give information. A collaborative piece with employers and/or member representative organisations would be a good way to assist SPPA for next year's exercise. Sessions could be timed at the relevant part of the year.

JM said that there was a potentially big risk and that it was important to be able to understand the size of any potential issue it presented. He suggested that the Service Improvement Group would be able to look into it further and also as to how the staff association could assist SPPA particularly in respect of early engagement.

SD said that communications from employer, including intranet notice would further assist and these could be shared with SPPA and staff associations. This would pre-empt the letter from SPPA and warm up staff to the issue.

AB said that there could be an impact on promotion due to members' pension situation and the impact that Annual Allowance would have. He said that a summary had been produced for members that could be shared with SPPA. PC said that there were consequences across whole public sector and that any increase in revenue would be offset against the lost revenue from people not taking senior jobs leading to a potential crisis in recruitment.

AP4	AB to send the Annual Allowance summary produced by the staff association for information to SPPA.	AB
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4.3 Service Improvement Group (SIG)

GMcG talked about the progress made with establishing the Service Improvement Group, including agreeing the Terms of Reference for the group and that it continue to operate on a collaborative basis over the longer term. He also mentioned that there would be a series of concurrent workshops.

SD said that a work plan was being drawn up including a communications strategy. A cycle for meetings would be found and a method for providing feedback from the group. These were not yet fixed. The Board discussed the benefits of being able to address key operational issues within this group structure which would allow the Pension Board to maintain the right focus.

4.4 Customer Contact Team (CCT)

There was an update on the progress of the development of the Customer Contact Team. Dates had been impacted by changes in personnel on the team and it now Phase 3 looked like being achieved by the turn of the year.

JA asked who dealt with member queries. DF advised that all schemes had a dedicated team and the process for transferring callers to the CCT. By utilising the CCT, it allowed the scheme teams to deal with back office/more complex work. However, the CCT staff were also able to deal with some of those more complex cases.

4.5 GMP

An additional GMP Reconciliation update paper was circulated to supplement the information in the Administration Update. GMcG explained the context and complexity in deriving and presenting the data in the paper. He also mentioned the 31st December closure date, but that HMRC determined the end date. It would become to business as usual for HMRC after that date. There were volumes of cases to get through however and this would remain work in progress.

GMcG said that there was some risk associated. As time elapsed, it would mean more 'stalemate' cases arising. Scottish Ministers had stated that members would not suffer financial hardship. He further explained that an understanding of the process and commitment to it was important in addition to good communications.

GMcG further added that additional resources had been drawn in to assist on the project to deal with the volumes.

4.6 IDRP

LM updated the Board by saying that there may be more cases but that it was too early to say why there was an increase. For instance, the Scottish Teachers' Pension Scheme had seen a higher increase but it was not clear why. SPPA would continue to revert to the Pension Boards to keep up to date.

SD asked whether the increases could be as a result of moving from the two stage process to one stage. LM said that it was not thought that this was a reason at this stage but would the situation would be carefully monitored.

4.7 Overpayments

SD asked about the proposal to not reclaim over payments that had previously been discussed. GMcG confirmed that there would not be any reduction in payment to members. SD further asked about the communication from HMRC to members that had been mentioned in a previous update and whether this was still to happen and also about the timing of SPPA communications. GMcG said that this had been changed. DWP were to create a website to enable members to be able to find relevant information but that there would be no direct member communication. Any overpayments were to be cleared once the scale was known but that it would remain in SPPA control. The SIG would be involved in discussion on this in future.

JA asked about the 31st December 2018 deadline and whether the SPPA was obliged to take the HMRC decision. GMcG said that SPPA was committed to continue to work until cases were finalised but that some 'stalemate' cases would remain due to the HMRC decision.

SP said whilst it appeared a relatively small amount in totality, it was nonetheless a big issue for individual members. GMcG said that SPPA would remain watchful for the scale of overpayments and for schemes more widely.

5. Annual Benefits Statements

5.1 DH congratulated SPPA for work done to date on ABS production, saying that it had been exceptional. PC thanked him but stated that there was the need to reduce the remaining cases by end of 2018. GMcG said that the work in 2018 had been a good investment for 2019. He would take the good feedback from the Board back to team. SP mentioned that letter from The Pensions Regulator commented on the constructive engagement but also that there was the aim to produce combined ABS and AA statement. SP said that would be a future aim.

5.2 DH asked for feedback regarding the data breach. PC said that there was an awareness that it presented a bigger risks if the breach had been wider, especially in respect of the nature of the role of members. DH said that there could be a positive taken from the event in the presentation and understanding of the risks.

5.3 There was a discussion of the marital status issue about which there was no previous awareness. DF said that any enquiries and changes to records would be corrected before the start of issuing 2019 ABS.

5.4 GMcG said that members would be surveyed to get feedback to inform next year's process. SD said that the continuation of the transformation process on the employer side to improve functionality should assist. PC added that the availability of self-service could also help in the future.

5.5 GMcG said that with respect to the data breach GDPR issue, the Service Improvement Group would be able to deal with any similar situation in the future. PC said that a more automated system would reduce risk of any similar breaches in the future. JA asked what the breach policy looked like.

AP5	JA requested to have a copy of the SPPA breach policy to explain how the Agency deals with data breaches. JI to send copy of Breach Policy to JA	JI 31/10/2018
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6. SLA Update

6.1 JMcL confirmed to the Board that the annual review of the SLA was complete. Key elements were Annual Allowance and combined statements. KPIs were separate but compliance and performance expectations were clear. DH asked to see the SLA. SD agreed to send a copy of the SLA to DH.

AP6	SD to send a copy of the SLA to DH.	SD 31/10/2018
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6.2 JA asked who sat on the SIG. GMcG would send the governance structure to JA and the rest of the Board. SD explained that single employer arrangements had driven the need for the SIG.

AP7	GMcG to provide the Pension Board with a copy of the governance structure around the SIG.	GMcG 31/10/2018
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7. SPPA Altair Programme Update

7.1 PC provided an oral update against the paper that had been submitted to the Board. She said that with respect to Capita, there was a without prejudice offer currently with the minister which was awaiting a decision.

7.2 PC told that Board that Brian Barbour (Vice Chair, NHS Pension Board) was acting as "critical friend" for the project. He is keen particularly focused on seeing VFM, benefits realisation and delivery methodology.

7.3 As outlined in the update, the supplier, Heywood, were focusing on the migration of payrolls, the introduction of the i-connect portal which would be critical for having up to date member information and improvements to efficient processing in SPPA. Implementation of i-connect would start small but would mean that straightforward updates would be able to made, checked and updated by the member.

7.4 The aim was to standardise the system for all schemes. Lean and agile approaches were being used to deliver the improvements and consultants would be used for Lean stages and it might be useful to link in to the SIG to assist.

7.4 There had been one delivery made to date but that there would be a better idea of overall progress in 12 months' time. At which time, it would be possible to assess whether there was the need for the procurement of a new system.

7.5 Impacts on the Police were less at the present time. Impacts on Customer Services' resources were a focus of attention. Discipline would be required in introducing any additional resources and the need to meet the Minister's commitment to achieve efficiencies had to be borne in mind. At the same time, it was important to maintain employment levels in SPPA and it may give opportunities to introduce new work for existing staff.

7.6 PC said that the new portals would be available in 2019. It was expected that police scheme members would be keen to use the self-service functionality.

7.7 The website and portal were expected to be available at the same time and PC stressed the importance for getting the content right.

7.8 The Target Operating Model needed the service improvements to make it work. That together with the Altair project delivery highlighted the need for people in SPPA to be able to be interchangeable across business.

7.9 SP said that it was important to retain a clear line of sight for the Project Board on the progress of project delivery. SD asked when employer engagement to participate in the project would start and what organisational change would be needed. PC said that engagement with employers would be essential and was being planned in.

7.10 On organisational change, PC said that the Target Operating Model was being held up, however Policy and Finance roles were now agreed and that job matching was progressing. Customer Services would start at the beginning of October and there had been all staff sessions held on 25th September. It was clear that some roles could not be filled straight away. There were clearly efficiencies that could be made

which would have the potential to introduce new work to SPPA. The interim structure would be in place by March 2019.

AP8	PC to provide a further update at the next Pension Board	PC By next Board meeting
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8. Police Risk Register

- 8.1 IW provided an update on the Police Risk Register. He said that there had been an additional meeting of the Risk Governance Group (RGG) in August and that there was one significant change and that GMP was now the top risk.
- 8.2 IW further explained that the RGG was taking in the risk registers from all SPPA projects.
- 8.3 IW proposed taking risk 14 off the register as actions that had been taken had made an impact, including the employers' forum and Altair project progress. It was now more of a record-keeping exercise.
- 8.4 The Board was asked to note that the Risk Register had been updated 16th August 2018. The Board was also asked to note that the SRO would change for some of the risks due to Carole Johnston's appointment as Interim Head of Customer Services.
- 8.5 SD asked as exemplified by Risk 7 that the Register actually applied to all risks generally. GMcG said that there were two which were specifically for police in the text.
- 8.6 SP said that he liked that the actions were becoming more time-bound and that there appeared to be more traction on managing them. He commended the good progress that was being made.
- 8.7 IW said that he was aiming to stress the specific police security risk in the risk register. He also pointed out that all Non-Executive Members had attended the RGG.
- 8.8 JA asked whether it was possible to see the minutes. IW said that minutes of the August meeting had not been shared but that they would be useful to be able to see how, for example, GMP had become the top risk as shown on the Heat Map.
- 8.9 IW said that additional resources had now been assigned to deal with risk management.

9. Communications Strategy

- 9.1 LM described the next cycle of meetings about the Communications Strategy. He explained the approach being taken with internal stakeholders and the wide stakeholder communities.

9.2 He proceeded to talk about the website refresh and the scale of the content review that was required. When complete it would present a significant improvement to the current website. DH said that in his opinion, the completion of the website refresh seemed a very long way off. LM explained that it would be unrealistic to bring it forward and that it needed to be resourced fully. PC explained that the copywriting alone was way more complex than had been anticipated.

9.3 PC asked the Board whether it was interested in seeing progress at pension board, that it could be possible to share the Customer Panels' input. SP said that the Board would welcome that.

AP9	SPPA to provide Pension Boards with input and updates from the Website Refresh Project Customer Panels.	LM By next Board meeting
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10. Employer Charter

10.1 SB gave an update on the Employer Charter and said that there was still work required to improve it, inviting feedback from all Pension Boards. She said that there was a clear relationship with the Pension Board Roles and Responsibilities with paper.

10.2 SB said that she would take all feedback received to review the Charter and look for an initial 'soft' release followed by wider publication.

10.3 SB said that she accepted that 'Charter' appeared too prescriptive to some Pension Board members. DC questioned how this would impact on the SLA, for instance. SB said in response that the employer and SPPA side added to SLA discussions.

10.4 GMcG explained where it evolved from. DC said that he was aware that there may be some clashes or mismatches in the terminology it used. PC explained further the source of the document and the current position with it. SB said that it was being kept generic as far as possible and was being designed to help to understand the overall process better.

10.5 SB agreed that there was some context with respect to the timelines in the document, for instance the leavers' timescale. JA said that it probably reflected the difference in schemes and that there would be a challenge in keeping generic.

10.6 DH suggested that the death aspect and the related follow on care perhaps needed to be made clearer. Make it appear more positive, for example by relating the benefits to dependents in that situation.

10.7 PC agreed that some customisation may be possible and that it was still a work-in-progress, but that it needed to finish. SP thanked SB for the work done to date.

11. Pension Board Role and Responsibilities

11.1 JA introduced this item by saying that she had started this at the Teachers' Pension Board, that it was tabled at each meeting and that JA would update it over time.

11.2 JA further commented that it had been very useful when putting together the Annual Report and that it was set out in generally the same order as ToR and overlapped with the Code of Practice. It could act as a checklist and she would be happy to do a further review if Board members would like to use it.

11.3 SP asked for feedback from members. All agreed that would be helpful. SP commended the quality of the work.

11.4 JA said that she wanted to check the ToR provisions, for example the quorum for the Board. SD added that an agenda item to review ToR was needed. [See updated open Action P11.07]

11.5 DR added that he also found the document very helpful.

11.6 SD said that she wanted to feedback on some police-specific aspects but that she was happy to use the document going forward. JA said that she would incorporate feedback and revisit the content. DC also said that he would like to give feedback. JA would liaise with Board members and refresh the document for the next meeting.

AP10	JA would liaise with Board members to get their feedback and refresh the table of Pension Board Responsibilities for the next meeting.	JA
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12. Police Pension Board Annual Work and Training Plan

12.1 JI said that this needed work and that mapping to the standard agenda items would assist in reviewing it regularly. The standing agenda items were being reviewed and updated. JI asked to liaise with SP (and other Pension Board Chairs) to see if he had anything to add.

12.2 PC pointed out that the document needed a revision to remove Project 17 and replace with SPPA Altair Programme.

AP11	JI to review the standing items for Pension Board Agendas and map across with the Annual Work and Training Plan. Update the Training Plan to read "SPPA Altair Programme" instead of "Project 17".	SPPA/JI 31/10/2018
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13. Any Other Competent Business

13.1 JA and the Secretariat to liaise to check and update the Annual Report.

AP12	JA Governance Team to liaise to check and update the Annual Report.	JA/Gov'nce Team 31/10/2018
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13.2 JA asked about GDPR compliance. PC said that the Agency had been audited achieved a very good rating and a statement that it was the best in the Scottish Government. Audit Scotland were also happy with the Agency's position. Breaches had been effectively reported and actions and risk mitigations had been put in place.

14. Arrangements for future meetings

The next scheduled meeting was the all Pension Boards conference on 6th November. DR and DH advised that they could not attend.