



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Police Pension Board

Annual Report
2018 - 19

Police Pension Board 2018-19 Annual Report

This report covers the work of the Scottish Police Pension Board (the “Pension Board”) from April 2018 to end March 2019. The SPPA has been nominated by Scottish Ministers as the Scheme Manager of the Scheme.

1. The Pension Board Purpose

The Public Service Pensions Act 2013 required the establishment of a pension board for the Scheme with effect from 1 April 2015 with the responsibility for “assisting the Scheme Manager” in securing compliance with the regulations and other legislation relating to the governance and administration of the Scheme.

The Pension Board collectively, and members individually, are accountable to the ‘Responsible Authority’ and ‘Scheme Manager’ (ultimately Scottish Ministers) with the Cabinet Secretary for Finance and the Constitution acting as lead Minister for public sector pensions. SPPA assumes the day to day role of Responsible Authority and Scheme Manager as delegated by Scottish Ministers via the Agency Framework Document.

The Scotland Act 1998 (which established the Scottish Ministers) provides for statutory functions to be conferred on “the Scottish Ministers” collectively.

2. The Pension Board Role

The Pension Board’s role is to assist the Scheme Manager in a range of issues associated with the administration of the Scheme. These can include:

Administrative:

- Considering quality, timeliness and accuracy of the administrative services provided to members
- Monitoring administrative processes and supporting continuous improvements
- Supporting employers and the SPPA in communicating effectively to Scheme members
- Ensuring members have access to a range of tools to improve their understanding of their pension benefits
- Ensuring Scheme data is managed to the highest standards
- Ensuring compliance with The Pensions Regulator’s codes of practice and oversight of interaction between the Scheme Manager and The Pensions Regulator
- Requesting reports on specific topics from the Scheme Manager – as required

Strategic:

- Giving consideration to the future programme of service improvement at SPPA and its alignment with priorities identified by the Pension Board
- Consideration of lessons learned regarding customer complaints and Pension Ombudsman cases
- Fostering good working relationships with The Pensions Regulator and other service delivery partners
- Consideration of the annual report from The Pensions Regulator, including any responses to recommendations

- Producing an annual report outlining the work of the Pension Board throughout the Scheme year

3. Board Meetings

During the 2018-19 scheme year, the Pension Board met on four occasions at the SPPA office in Tweedbank.

Details of the Pension Board membership and attendance record at meetings are set out in Annex A.

There have been no notifiable conflicts of interest recorded for Pension Board members.

4. Key Performance Indicator (KPI) Performance

The Service Level Agreement has been developed by SPPA and the Scottish Police Authority and is reviewed quarterly by the Pension Board. The Pension Board is pleased to report that KPI performance throughout the Scheme year has been strong.

5. Board business during the year

5.1 Quality and Assurance

Throughout the year, the Pension Board has focussed on the quality and accuracy of service as reported to the Pension Board within the quarterly service delivery reports and update reports provided by the SPPA. The Pension Board has been greatly assisted by the work undertaken by the Service Improvement Group (SIG), a sub-group reporting to the SPPA and Scottish Police Authority Chief Executives, in connection with member communications. The SIG, which consists of SPPA and employer and member representatives, has been instrumental in reviewing member communications, in particular Annual Benefit Statements, Annual Allowance letters and guidance. The SIG reported on progress and approval of the final versions for publication to both Chief Executives and the Pension Board.

The Pension Board was pleased to record the improved performance on the availability of Annual Benefit Statements (ABS) with 99.86% of members receiving their ABS by the 31st August 2018 deadline. The Pension Board would like to record its appreciation of the work done by the SPPA in this connection to achieve this result.

5.1 Risk

Throughout the year the Pension Board members received copies of the scheme specific Risk Register which includes the 'key' risk areas. The Register provides a 'RAG' risk assessment of likelihood and impact of the short, medium and long-term threats and opportunities, with changes from the last Pension Board meeting highlighted for awareness. Commentary on the preparation of the Register was provided at Pension Board meetings by officials and Pension Board members were invited to comment on the content of the Register.

Risk assessments are considered quarterly by the SPPA Risk Governance Group (RGG) members. A 'heat map' is used to consider the risk assessments in relation to one another. An 'assurance map' links Key Agency Outcomes to Key Risks and to levels of assurance from internal, external and independent third party sources. RGG members are invited to horizon scan to identify new risks. There was a non-executive member in attendance at all meetings of the RGG in

2018-19 to observe that a robust process of risk identification and assessment was in operation. Minutes of all the RGG meetings held throughout the year were provided as part of the agenda papers to all members of the Pension Board.

5.2 IT Procurement

As reported in last year's report, in February 2018, the PS Pensions Project was prematurely terminated after major concerns were raised around delivery quality and the diminishing prospect of meeting the go-live date of October 2018. The SPPA has continued working with the key incumbent supplier to extend the existing contract and safeguard all pensions administration and payroll services until 2024. The contract also provided for continued improvement to the current administration system. Pension Board members were kept fully apprised of developments over the course of the year.

5.3 Reconciliation of the Scheme's GMPs

Following decisions by HM Government on the cessation of contracting out, initial analysis has been carried out by an external contractor on the SPPA's GMP data for the Police Schemes. Reconciling the GMP data of the Schemes with the records held by the Department of Work and Pensions is a major exercise for the SPPA. The original target completion date of December 2018 was extended by HMRC and the project has continued through 2019.

The project team continues further data analysis of scheme records. The Pension Board has considered progress on this topic at each of its meetings and will continue to monitor progress throughout the project.

5.4 Customer Service

Customer satisfaction is measured within the continuous survey. Question 10 asks, "Please indicate how satisfied are you with the SPPA overall?". The total number of all participants who answered this question was 108, and the results are categorised in the table below. It should be noted that Pension Board members discussed the low response rate and the limited value of this measurement. Customer satisfaction surveying would be reviewed across the SPPA.

Completed Q10	Extremely satisfied	Quite satisfied	Not very satisfied	Extremely dissatisfied	Not Answered
108	45	32	19	12	38

Feedback from the survey is used to create an action plan to introduce customer service improvements. These included:

- An annual return campaign to assist the employer and to highlight the timescales and obligations involved in this process
- Frequently asked questions published on the website for both members and employer regarding the publication of annual benefit statements.

5.5 Complaints

A total of 15 recorded complaints were completed between 1 April 2018 and 31 March 2019. These are broken down as shown in the tables below. All cases were actioned within the timescales set out by the Scottish Public Services Ombudsman.

Total complaints completed 2018/19	% of total complaints	Scheme members as at 31/03/19	Number of complaints per 10,000 members	Outwith target
15	17%	34,004	4.45	0

Stage 1 outcome					Stage 2 outcome				
Agreed with member	Partly agreed	Disagreed with member	Total	% agreed with member	Agreed with member	Partly agreed	Disagreed with member	Total	% agreed with member
5	2	8	15	33%	0	0	0	0	0%

5.6 Internal Dispute Resolution Procedure

The One Stage IDRP process was effective from 1 May 2018. The table below shows the cases processed as follows:

IDRP One Stage Medical outcome	
Rejected	Upheld (In member's favour)
0	0

IDRP One Stage Non-Medical Outcome	
Rejected	Upheld (in member's favour)
6	1

6. Liaison with SPPA / the Pensions Regulator

The Pension Board has worked closely with SPPA throughout the year. Attendance at Pension Board meetings by both SPPA senior leadership staff and by subject matter experts was particularly helpful.

The Pension Board has not had a significant interaction with the Pensions Regulator. However, the Pension Board reported jointly with SPPA to the Regulator on the Scheme's failure to meet the statutory target for issue of all annual benefit statements to members. The Regulator engaged with SPPA about the steps being taken to improve performance. The Pension Board continued to keep this issue under very active review.

7. Board member training and CPD

Throughout 2018-19, the Pension Board has been updated regarding the change to the General Data Protection Regulations, Risk Management and GMP reconciliation. Pension Board members have all completed the Pension Regulator's Toolkit. Induction for new Pension Board members also took place during 2018-19. A training day was organised by the SPPA during the Scheme year for the members of all the Pension Boards appointed by the SPPA but unfortunately this event had to be cancelled. The Pension Board looks forward to a similar event being arranged for 2020. The Pension Board has continued to monitor training throughout the year and this will be a subject for discussion and review during 2019-20.

8. Member appraisal and Pension Board review of effectiveness

Pension Board member are effectively assessed and appraised throughout the year at Pension Board meetings. It is clear that all Pension Board members contribute fully to the discussions of the meetings and all play a key part in the work of the Pension Board in delivering its objectives.

9. Forward Look

For 2019-20 and beyond, the Pension Board's focus will continue to be on scheme administration, governance and member communications. The Pension Board will pay particular interest to the progress of the GMP reconciliation exercise, the introduction and impact of the Customer Contact Centre, the further development of the pension administration system and the restructure of the Agency under the Target Operating Model.

10. Pension Board Costs

The Pension Board has incurred the following expenditure over the course of the Scheme year:
Fees and expenses total expenditure: £3185.76

Approved by the Scottish Police Pension Board:

Jennifer Adams, Interim Independent Chair, Police Pension Board

Board Membership and Attendance at Meetings 2018-19

Name and Date of Meeting	02/05/2018	24/09/2018	05/12/2018	21/02/2019
	Attended	Attended	Attended	Attended
Stuart Purdy – Chair (appointed 20/8/18)	-	Y	Y	Y
Jennifer Adams - Vice Chair (appointed 20/8/18)	-	Y	Y	Y
David Ross	Y	Y		Y
Andrew Barker	Y	Y	Y	Y
David Hamilton	Y	Y	Y	Y
John Maclean (joined 1/7/18)	-	Y	Y	
Sharon Dalli	Y	Y		Y
David Christie (joined 1/7/18)	-	Y	Y	Y
Charles Winstanley – Chair (tenure ended 31/5/18)	Y	-	-	-
Catherine Skinner - Vice Chair (tenure ended 19/8/18)	Y	-	-	-

Resignations: Helen Coleman May 2018
Eric Leggat May 2018