



Minutes – Scottish Police Pension Board – 19 February 2020 (no 18)

Attendees:

Shirley Rogers (SR)	Chair
Jennifer Adams (JA)	Vice Chair
Darren Paterson (DP)	Pension Board Member
David Hamilton (DH)	Pension Board Member
Andrew Barker (AB)	Pension Board Member
David Christie (DC)	Pension Board Member
David Ross (DR)	Pension Board Member
Thomas Nash (TN)	SPPA Head of Business Affairs
Stuart MacArthur (SmcA)	SPPA Governance Manager
Gerry McGarry (GMcG)	SPPA Customer Services Manager
Jennifer Love (JL)	SPPA Customer Services Manager
Viv Purves (VP)	SPPA Customer Services Manager (item 4)
Janet McDougall (JM)	SPPA Programme Manager (item 6)
Dev Dey (DD)	SPPA Head of Customer Services
Lorraine Gallagher (LG)	SPPA Business Affairs - minutes

Apologies:

Penelope Cooper	Chief Executive SPPA
Sharon Dali	Pension Board Member

1. Welcome, introductions and declarations of interest

1.1 SR welcomed everyone to the meeting, introducing herself as the new Chair for the Police Pension Board. She advised the board that she is currently the NHS Scotland's Chief People Officer and Director of Health Workforce, Leadership and Service Reform, this role will conclude in March 2020. In addition to this position she became Scottish Government Director for EU Exit and Transition in 2019. This role will see SR being involved in work relating to withdrawal from the EU.

1.2 SR welcomed introductions from all attendees at the meeting.

1.3 Apologies as noted above.

1.4 No new conflicts of interest were declared. However, SR highlighted her role for the Scottish Government but did not anticipate that this provided her with a conflict position which was unmanageable in the context of the work of the Police Pension Board.

2a. Draft minutes and Action Points from last meeting

The minutes from the meeting of 13 November 2019 were reviewed and approved subject to one amendment – David Christie was noted twice on attendees.

2b. Outstanding Actions Log

The outstanding actions were discussed and the following noted:

- P13.04 5/12/18 –. GMcG noted that an update relating to the outline of the I-Connect portal would be provided in a paper to be presented during the meeting - action remains open
- P15.09 13/5/19 – AB commented on the relevance of the information provided to the Pension Board (PB). SPPA agreed to work in collaboration with the PB to provide and present meaningful information which would support the working requirements of the board - action remains open
- P15.10 13/5/19 – action closed
- P17.01 13/11/2019 - SMcA addressed the 4 aspects of the action point;
 1. Agenda Planning – formal pre-meetings would be introduced for SPPA and the Pension Board Chairs.
 2. Reporting current events – these would be covered in PB papers
 3. Finalise Terms of Reference (ToR) review – an additional paper with proposed ToR changes would be covered later in the meeting
 4. Provision of training - an Annual Pension Conference (APC) to include all 4 PBs would be established. SMcA noted that Penelope Cooper is supportive of this action, encouraging stakeholder engagement. External stakeholders such as the Pension Ombudsman (PO) and The Pensions Regulator (TPR) would be invited to speak at the event. A refresh of the PB induction training would be developed following the implementation of the final stages of the governance Target Operating Model (TOM). This meant that induction training for new PB members would not be available until H2 2020. In the meantime, PB members were encouraged to complete TPR toolkit training. It was acknowledged by SPPA that the development of robust training, enhancing skills and capacity would require an investment of time and effort. Resource within the SPPA has not been available for this purpose to date. Concluding the discussion SMcA noted that he expected the TOM process and implementation of postings for the Governance team to be in place for the second half of this calendar year, along with proposed dates for the APC. JA commented that it would be beneficial for board members to be advised of possible dates for the annual conference at the earliest possible time to enable maximum attendance and this was agreed - action closed

AP1	SMcA to send out date for proposed Pension Board Annual Conference at the earliest opportunity. This is dependent on completion of Governance TOM.
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- P17.03 13/11/2019 – GMcG suggested that this paper was not of direct interest to the Police Pension Board as the Police Scheme was not part of the Altair Improvement Programme other than the introduction of the Member Self Service (MSS) portal. The MSS portal would be covered in a later paper – action closed
- P17.04 13/11/2019 – This AP is linked to P15.09, SPPA to work towards providing clear management information to the PB – action remains open

- P17.05 13/11/2019 – GMcG explained that the information required relating to underpayments was not easily extracted from Altair, however discussions would continue the finance team to see what could be provided. It was agreed that if the number of underpayment cases is low, then SPPA resource should not be used for this purpose. A reason for underpayments may relate to upward revisions which can affect the initial payment of a member's pension - action remains open
- P17.06 13/11/2019 - action concerning the Sargeant/McCloud case – action remains open
- P17.07 13/11/2019 - DD updated the group that the recommendations of Be-Positive were mainly administrative and related to day to day processes becoming more efficient. For that reason, he felt this was a level of detail below the PB line of sight – action closed. However, on DH's suggestion, DD agreed bring back to the PB any findings which related to customer focus trends.

AP2	DD to bring to the PB any findings from the Be-Positive report that specifically relate to customer focus trends (if any)
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- P17.08 13/11/2019 – JA noted that some deadlines on the Internal Audit SPPA Workforce Planning and Culture report had passed and it would be helpful for the PB to understand what actions had been taken on the back of the report. MV to provide an update at a future meeting – action remains open
- P17.09 13/11/2019 – the annual report 2018/19 has been posted on the SPPA website. However, it was unclear if this version had included comments from SD and DH as PB members had not been provided with a copy of the final version before it went live. It was agreed that the report will be circulated to the PB for final approval – action remains open
- P17.10 13/11/2019 – information was provided to Board members – action closed

JA raised a query around closed action P14.06 of 21/2/19 which related to scheme participation data. She was not aware of the data requested having been provided to the PB in the dashboard. It was noted that this would be caught up in the dashboard refresh (AP 17.04 refers). DH suggested a joint approach to the participation rates issue by having it considered by the Service Improvement Group (SIG) with a report then brought to the PB. This was agreed.

DR noted the importance of analysing trends and the availability of this information. Discrepancies in previous data was discussed, however GMcG noted that there had been an improvement in the quality of data provided.

The PB agreed that it is essential to provide clear information surrounding the importance of Police participation in the scheme through education and communications delivery.

AP3	SIG to provide a report to the Pension Board regarding participation data and trend analysis.
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3. Police Service Delivery Report

Customer Contact

GMcG introduced the above paper and noted that the upward spike in calls to Customer Contact Team (CCT) was due to Police members now using the service as well as

coinciding with the issue of annual benefit statements (ABS). It was noted that the CCT target was missed and JL and GMcG would address this matter to develop solutions. SPPA advised that email statistics provided in the report currently do not reflect accurate data on the length of time taken for task completion as the system is unable to identify weekends as non-working days.

DD advised that a Netcall system test is scheduled for mid-March to address this issue, ensuring more accurate representation of email statistics going forward.

SR noted that it would be helpful if SPPA could identify peaks in direct contact activity, allowing the deployment of adequate and efficient resource at the necessary times. DD advised that SPPA has gone through the Annual Allowance (AA) and ABS exercises, identifying the increase in calls and peak periods, however, the CCT is not yet set up in the way it needs to be - the model is right but the numbers need reviewed to work more effectively to deploy resource to the CCT when needed. It has been highlighted that a CCT team of 12 staff may increase to approximately 30 staff in the near future, however discussions were on-going.

Telephone Statistics

The level of abandoned calls was discussed. The PB agreed that some narrative around the themes was required to understand the broader trends as opposed to single data point collection in respect of this area of work. DD highlighted that a new version of the Liberty system being introduced shortly would offer a call back facility, ensuring best customer service.

It was also noted that there is currently no option for members to complete a survey when their call is complete and this would require development.

Website Statistics

The website statistics were discussed including areas of work or delivery that can influence trends, including an increase in activity around ABS and AA. It was agreed that if SPPA was to develop future customer surveys it is essential that key areas need to be addressed, ensuring that outcomes delivered would reflect quality and present true value to the PB.

Key Performance Indicators

GMcG noted the success level reflected in the report for new payment accuracy and noted that the two errors which had occurred were due to administrative errors. (A manual payment raised by SPPA and the application of pension increase to a manual payment created the errors). These errors had been identified by the Quality Assurance Team.

It was noted that one Freedom of Information request in Q3 2019 had not been complied with within statutory timescales but this had been due to the volume of information needing to be assimilated to comply with the request rather than an issue with the process in place.

4. Police Pension Scheme Administration Update

Member Self Service (MSS)

GMcG introduced the paper and noted that, following a soft launch of the service, up to 40 scheme members had registered to use the MSS. He believed that this had been a good collaborative piece of work.

DH noted that problems with this product had developed after the previous project manager had moved on from SPPA and asked if outstanding issues remained live. It was also highlighted that the soft approach to the product launch may not have been the most effective mechanism as potential users were unaware that the MSS is now live. It was agreed to discuss this matter further when JM joins the meeting.

I-Connect

Police Scotland were aware of I-Connect, the secure Heywood portal for exchanging data between the employer and SPPA. The system will be made available for test data submissions from Police Scotland payrolls around April 2020 with a view to commencing live monthly data submission in July 2020.

The system includes inbuilt validation of data which will support data quality improvement and allow information to be uploaded directly to Altair pension administration system. The collaborative work between SPPA and PSoS Payroll leads should ensure that there are benefits to be realised by both parties.

The PB noted that the implementation of this new system could give the employer extra work initially, however this time would be offset against not having to provide Annual Returns. Robin Carruthers is continuing to work with payroll departments to ensure the smooth transition to the new process.

Annual Allowance

It was noted that some deadlines had been missed for the project but no statutory deadline breaches had taken place. GMcG advised that a lessons learned exercise would take place in March 2020.

Guaranteed Minimum Pension (GMP)

VP joined the meeting and talked through the GMP rectification update. VP confirmed the scheme Accountable Officer had approved the write off of historical overpayments and letters had been issued to 60 dependants, in the week commencing 27 January 2020, and to 166 pensioners, in the week commencing 3 February 2020. VP confirmed that there had been little response to the letters which can be taken as a positive sign of the recipients' understanding of the content.

VP reiterated the information in the paper regarding the on-going issues with HMRC confirming the final data cuts would be delayed until on-going issues, with the allocation of scheme members to contracted out periods, is resolved. The final data cuts were now expected to be delayed until summer 2020.

The agenda item was concluded and it was agreed that VP would not need to provide a further update to the PB until the final data cut is available.

VP was thanked by the PB for all her hard work regarding this issue.

Employment Tribunal Cases (McCloud/Sargeant)

TN discussed the McCloud/Sargeant issue with the PB noting the interest that this matter is attracting from various stakeholder groups. The operational position regarding this matter at SPPA remains stagnant until a solution is agreed. One solution which has been discussed is the 'deferred option' which some believe would present the fairest outcome, however the cost for this is unknown. This would provide that eligible members would be

treated as being members of their “old” scheme for the ‘remedy period’ and at the point benefits are taken, they will be offered a choice to receive benefits for the remedy period based on either the old scheme or the 2015 scheme provisions. The remedy period is expected to run into 2022/23.

It was also noted that HMT will consider if a further choice would be discriminatory for members. A formal HMT consultation reflecting this matter will be held in late spring 2020.

TN informed the Board that he has introduced an internal working strategic group to develop the SPPA’s plan on how proposed remedies would be handled; the purpose of this currently is to understand the required outputs which, in time, would define resource costs and technical solutions requiring development.

TN highlighted that it is deemed highly likely that all pension events since 2015 would need to be reviewed and possibly corrected, with immediate emphasis being placed upon identifying individuals who may be better remaining in the CARE scheme and addressing ill-health and death in service cases (identified as urgent cases).

SR asked if SPPA could provide background to the risk and magnitude of this area of work. DC highlighted that the legal position in Scotland is currently stilled awaiting the outcome of the tribunal findings from England and Wales. A deviation in approach between the Scottish and English tribunals was not expected.

DH highlighted that this area of work would require a considerable communication exercise and it may be best to show the complexity to members.

Also it was noted that independent financial advisers would need a full understanding of the issue to be able to advise members properly on their options. It was also raised that the England and Wales Scheme Advisory Boards were ahead with their work in this area, however TN noted that the equivalent SABs in Scotland are not funded unlike their counterparts in England and Wales.

DR asked how the work involved in this area would be resourced and TN responded that this would be considered following direction from HMT.

Customer Service Model

DD advised the board that the Customer Services Operating Model would evolve and change, following analysis of customer behaviour and the impact of changes in legislation,

5. SLA/SIG update

5.1 The paper was noted with no comments raised.

6. SPPA Altair Programme Update

It was agreed that there was minimal involvement required from the PB in relation to the information provided on the report given that the MSS launch was the only relevant aspect. 18 active, 5 deferred and 17 retired members had registered for the new MSS service. DH raised the issue that there was very little meaningful information available to members if they register for the service and felt that improvements were required. The provision and relevance of information which will be made available in the future was discussed. TN

highlighted the need to take technology to members and that SPPA would likely provide a demonstration of the service at the RPOAS conference in April 2020 to raise awareness.

SR also noted that a list of benefits expected from the MSS would be welcomed and the group agreed that partnership working would provide the best way forward for communications, ensuring the correct membership demographic was introduced to the service at the most appropriate time.

DC asked if SPPA hold a current list of members' email addresses as it was noted that this information would be required as an identifier to register for MSS. TN highlighted that SPPA could not automatically use member email addresses that had been previously provided without first ensuring that any use of the information would comply with GDPR.

The Board expressed concern that the lack of contextual information and supporting comms in MSS would create an increase in failure demand in other parts of the service and asked for an update on progress for the May PB meeting.

AP4	SPPA to provide a progress update regarding continuing communications around MSS
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The PB also noted its concerns for the potential for a failure in demand for this service without accurate and contextually correct communications being provided. The PB noted its willingness to assist SPPA whenever possible with future communications.

7. Risk Register

SMcA addressed this agenda item on behalf of the Head of Business Management, informing that SPPA had completed a risk maturity assessment and is developing a risk improvement plan. The result of this will be a new risk framework to identify, record and mitigate risk as well as a refresh of the Pension Board Risk Registers. Further details would be provided at the next PB meeting.

AP5	SPPA to provide a risk update at the next Pension Board meeting
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8. Governance Update/Revised Terms of Reference

8.1 SMcA advised the PB that he was committed to providing a quarterly Governance update to the PB and offered an update on events since the November 2019 PB meeting. He noted that the Governance section in SPPA were currently going trying to achieve its full TOM and once this work is concluded, the team would have clear roles and responsibilities, including added responsibility for the Scottish Scheme Advisory Boards.

8.2 SMcA advised that the Police Scheme had been selected for Relationship Supervision by the Pension Regulator (TPR). One hundred schemes UK wide had been selected for Relationship Supervision by TPR and this included Police and Firefighters Scotland Schemes due to their relative size and strategic importance. SPPA has collated and submitted the information requested by TPR and the TPR will assess this over the coming six to eight week period. Following this, there would be a debrief provided for SPPA from TPR and any actions raised would be used by SPPA as a positive step to ensuring efficient and transparent scheme governance. The PB would be updated over the next two scheduled meetings on progress.

As part of this supervision, representatives from TPR were expected to attend a Police PB meeting in the near future.

JA asked if the PB could have sight of what SPPA was asked to provide to TPR prior to the information being sent given the responsibility of the PB to have oversight of the interaction between the SPPA and TPR. She expressed her surprise at the PB only finding out now about the Scheme being selected for Relationship Supervision. Unfortunately, the information requested had already been provided to TPR but SMcA undertook to involve the PB going forward.

AP6	SPPA to share a list of the documents sent to TPR and provide the PB with an oversight of the interaction with TPR going forward
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8.3 SMcA talked through the rationale for the proposed changes to the PB's terms of reference (ToR). He advised that relevant feedback from TPR would support the ongoing fluid update of the Pension Boards' ToR and invited feedback on his proposed changes to the ToR.

AB advised that he strongly opposed some of the changes and felt that the proposed wording amendments could lead to a change in perception of the role of the PB. He asked that SPPA to provide clarity on what the term "To assist the scheme manager" means. AB noted that the purpose of this board was to deliver the agreed role and, most importantly, look after the interests of the members of the Scottish Police Pension Scheme and should not be undermined.

SMcA highlighted that the proposed amendments were not in any way intended to undermine the importance of the role of the PB and he was content to reword any sections in accordance with discussions with the PB.

DH raised the issue of terms and tenure on the Board. He explained that both the Official Side and Staff sides already had succession planning practices in place for a variety of different meetings including PNB, SPCF etc. The PB and SAB were part of those considerations. DH highlighted that the nominations for this particular Board were very restricted and it was imperative that experts from the scheme were represented at meetings.

It was agreed that the work of the PB should not be interrupted due to the expiry of member tenures. SMcA advised that limited terms and tenures was the preferred approach of SPPA and is in keeping with normal governance practice on boards. He noted that SPPA was driving changes as identified in the KPMG report. DH contended that the KPMG report had not been commissioned independently and noted his reasons but TN advised that any issue regarding this report should have been addressed at the time.

SR acknowledged that there were strong feelings on the PB regarding this topic and suggested that she seek to address these with SMcA directly following the meeting to see if a mutually acceptable solution can be found. This was agreed.

Some members of the PB also noted that they believed SPPA focus too strongly on having consistency across all of the PBs even if something may not be the most appropriate practice for a particular board. SMcA expressed the view that whilst it was likely that there

would be some consistencies across the ToRs of all of the Pension Boards, he was comfortable if the Police PB ToR need to be tailored.

SMcA advised that there would be some cosmetic changes made to the ToR for all Pension Boards. In the meantime, PB members were asked to feed back to the SPPA on any comments they had on the proposed amendments to the ToR as they currently stand.

AP7	SPPA to meet with the Chair at the earliest possible date to discuss PB membership issues relating to terms and tenure on the PB
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9. Police Board Governance Update

JA introduced the paper which had been included in the meeting papers and asked for comments. She pointed out that the content of the report would need reviewed and potentially updated if changes are made to the ToR. She reiterated the point that the relationship supervision by TPR should have been cascaded to members of the PB earlier taking into account the PB's obligations.

SMcA advised that going forward each PB will have an account manager which should increase engagement and communication. Going forward the PB agreed that responsibilities for items on the table would be identified and allocated. JA noted that a PB annual planner/dashboard of events would be beneficial and TN agreed. SR commented on how useful this paper is to PB members and suggested that it may be useful if the paper could highlight business critical events. It was agreed to think about this in the next iteration following the finalisation of the ToR.

10. AOB

For awareness it was noted that George Brechin is stepping down as the Chair of the PSPSG and SPPA will write to all PB chairs asking if they would like to be considered for this post.

11. Arrangements (dates, venues, times) for future meetings

The next meeting is scheduled for Thursday 21 May 2020 at Tweedbank.

No other business was raised. SR thanked everyone for their attendance and closed the meeting.