



## Minutes – Scottish Police Pension Board – 16 February 2021 (no. 24)

### Attendees:

Shirley Rogers (SR)	Chair
Jennifer Adams (JA)	Vice Chair
Andrew Barker (AB)	Pension Board Member
David Christie (DC)	Pension Board Member
Sharon Dalli (SD)	Pension Board Member
David Hamilton (DH)	Pension Board Member
Darren Patterson (DP)	Pension Board Member
David Ross (DR)	Pension Board Member
Iain Coltman (IC)	SPPA Senior Policy Manager
Dev Dey (DD)	SPPA Head of Customer Services
Stuart MacArthur (SMcA)	SPPA Governance Manager
Gerry McGarry (GMcG)	SPPA Customer Services Manager
Anne Walsh (AW)	SPPA Project Manager (McCloud)
Hannah Grout (HG)	SPPA Risk and Assurance Manager
Janet McDougal (JMcD)	SPPA Project Manager
Phil Heywood (PH)	SPPA Interim IT Project Director
Garren Conway (GC)	SPPA Customer Services Manager
Molly Wyllie (MW)	SPPA Governance Delivery Lead - Minutes

### Apologies:

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### 1. Welcome, introductions and declarations of interest

1.1 SR welcomed everyone to the meeting and thanked everyone for accommodating the change to the start time. SR also welcomed new SPPA members: Anne Walsh, Hannah Grout and Phil Heywood.

1.2 No new conflicts of interest were declared.

1.3 No apologies noted.

### 2a. Draft minutes and Action Points from last meeting

SR asked if the Board had comments on the minutes from the meeting on 11 November 2020. JA advised that comments she had made had not been reflected in the minutes. SD also noted that an action should be included, adding breach reporting to the annual agenda planner, under item 9. Following a short discussion, the Board agreed to adopt the minutes with the relevant changes being made.

## **2b. Outstanding Actions Log**

The outstanding actions were discussed and the following noted:

- P17.06 13/11/19 – remains open
- P18.03 19/2/20 – remains open
- P22.01 14/7/20 – remains open
- P22.02 14/4/20 – telephony remains critical calls only during lockdown – action closed
- P22.03 14/7/20 - DP asked if there was an indicative timescale to provide the auto enrolment trend analysis as this had been raised last February. GMcG advised that the latest position was that auto enrolment ended July 2020 and 2031 individuals had enrolled back into the scheme. By end 2020, 45% of 2031 had remained in the scheme and 55% had opted to leave the scheme.
- P22.04 17/7/20 – Risk and Assurance Manager to attend meetings going forward – action closed
- P1120.01 – action closed
- P1120.02 – remains open
- P1120.03 – action closed
- P1120.04 – action closed
- P1120.05 – SMcA advised that he had discussed the data breach with the Head of Security and the previous risk assessment did not have an influence on the most recent data breach. DH stated that issue was about the early reporting of data breaches to the Board. Early information to the Board would be necessary to assess whether there was a wider impact beyond a normal data breach. SR stated that it should go further, to ensure the Board was notified, particularly those employer and relevant member representatives and that changes should be made to SPPA guidance to reflect that – action closed
- P1120.06 – DH asked for clarification of the MI related to email resolution at first contact. DD confirmed that the next quarter would show more information about first contact resolution. At present first contact resolution was approximately 90%, with 10% being reverted to the team. DH asked where a member was not satisfied and contacted SPPA again, whether this would be deemed to have been resolved at first contact. DD explained that if that was the case, it would be treated as a new enquiry. SR advised that this matter had been discussed at the recent Chair/SPPA Chief Executive meeting. The commitment from SPPA, as part of the customer services review that was currently underway, was to undertake more qualitative, as well as quantitative data. SR had suggested that the Police scheme would work well as a pilot for this – remains open
- P1120.07, P1120.08, P1120.09, P1120.10, – actions closed
- P1120.11. P1120.13 – remain open

## **3. Service Level Agreement/Service Improvement Group**

3.1 DD advised the Board as a result of recent structural changes within Customer Services, GC was now responsible for the Police team and would now be involved in both Groups. DD covered the paper as provided and asked for questions from Board members. SD added that it may be helpful to provide some context to the paper from the employers position. SD said it was really welcome that the update included solution focussed engagement around improvements. There were particular areas to highlight –

- employer side had raised specific concerns on the recent SIG and welcomed the action taken at SLA for SPPA to carry out the necessary priority work to allow effective engagement to take place on improvement of Annual Allowance (AA)
- discussion around the importance of establishing timescales and milestones for the delivery of SLA priorities. It may be helpful for Board members to be sighted on this going forward
- request from the employer side to set up a joint working group to take forward engagement around the pension remedy programme

JA asked if the remaining work on GMP had been taken into account with the work required around data for Annual Benefit Statements (ABS) and AA. GMcG advised that the majority of the work for GMP had been completed and confirmed that the work on equalisation would be factored in.

3.2 DH raised concern around ensuring that the data sharing aspect between SPPA and Police Scotland (PS) was not lost in the legal conversations taking place. GMcG advised that detailed conversations had taken place, however, this had to necessarily remain within the legal restraints. A response had been received from SGLD and that this had to be tied in with the legal advice from PS. JA commented that the information held on the privacy notice of the website related to data collected by SPPA did not appear to contain anything that the employer would not have already. GMcG confirmed that this was about SPPA providing information that was pension related to PS for wider purposes, for example, financial planning. The constraint was that SPPA were providing information that PS would not otherwise have available, and being clear on what element is permissible. SR summed up by saying that data protection legislation exists to facilitate the safe sharing of data, not to prohibit it. Working on the principle of having safe systems for sharing data within the required parameters seemed to support the best solution.

#### **4. Customer Services Update**

4.1 DD advised the Board the SPPA staff were all still working from home. Plans had been drawn up to open up the telephone lines to answer all enquiries from 18 January 2021, however, the latest lockdown had meant that this was postponed. The plan was now the re-open telephone lines when schools return. DD also advised that SPPA was in the process of recruiting pension administrators. Response to this had resulted in 249 applications to sift and process, with a view to engaging 20 new staff.

SR commented that having a plan ready was good, but it was important to return to providing a fuller service and asked if there were things that the Board could do to help, they would be happy to do that.

4.2 GMcG advised that the Internal Audit Report on Complaints had been received from Internal Audit, with a 'reasonable' assurance level achieved. It was now up to SPPA to improve the complaints handling database to allow more effective identification of trends or areas for improvement. A report would be provided to the Board when this work had been undertaken.

DP welcomed the information about the complaints trend analysis. It was helpful to note that this would take forward in future.

0221.01	SPPA to provide feedback on work undertaken to improve the Complaints Handling process as directed in the Internal Audit Report
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4.3 GMcG advised that a review of resources underpinning the ABS an AA requirements had been undertaken. A project manager was now in place supported by a senior business analyst. In addition, resource was in place earlier this year to undertake the exercise who would take account of the lessons learned from previous years.

4.4 GMcG confirmed that Annual Pensions Increase work was underway. This increase for pensioners this year was 0.5%, which would be paid from 12 April 2021.

SD noted that previous dashboard reports had included quarter on quarter membership movement analysis and wondered what the position was. SD also asked for clarification of the range of assurance levels provided on the Internal Audit Report on Complaints Handling.

0221.02	SPPA to investigate providing quarterly membership movement on the dashboard
0221.03	SPPA to provide the assurance levels used in the Complaints Internal Audit Report

JA asked if there had been any issues with GMP underpayments related to life time allowance or HMRC directions. GMcG replied that nothing had been highlighted.

DR wanted to highlight the difficulties experienced by some members, due to the lack of information about the impact of McCloud/Sargeant for immediate detriment cases. IC said this was covered in a later paper.

## 5. Update on 2015 Remedy Project

AW joined SPPA at the end of October 2020 as project manager. Team members had been recruited, which included a data analyst and business analyst, who would be involved in reviewing current business processes to identify changes required for the implementation of McCloud. The recent consultation in February 2021 provided a broad overview, which included the Deferred Choice Underpin. Over the coming months Technical Working Groups would review the detail and produce provisional definition documents for individual schemes to give a steer about the treatment of the various member categories. The general approach was to look at the existing system functionality and to utilise this as much as possible. There would be involvement in the UK Class group development which would mean some cost sharing. AW noted that SPPA was also engaged in procurement to move to a new platform, so work necessitated balancing what changes were made to the current system, against a possible new supplier. The main areas for system development were around the benefits calculation for the two schemes. Another was around member choice, where members approaching retirement would be given comparison calculations and where they made their choice to decide which scheme they opted to be part of the remedy period. There were two options: full automation or manual process. Assurance for calculations would be provided by the Government Actuary's Department (GAD). AW advised that the finer project detail had yet to be agreed and that the timeline provided showed further consultation was still required. To this end members would be updated by providing Q & A on the website as information became available.

DC asked if there was a more defined timescale for those members who are nearing retirement. AW advised that the team were currently looking at the immediate detriment process but were awaiting policy decision before taking cases forward. DC noted that

there had been wider communication about joining working groups through Government at UK level.

RM pointed out that the 2015 Remedy held risks for PS in that it could change the decision on retirement for some members to an earlier date, depending on their circumstances. DR suggested that clear lines of responsibility and communication would be required to ensure members are accurately informed and the impact on PS is determined.

IC advised that a comparison of benefits was already developed but had been put on hold by HMT while a number of complicated issues were determined. IC also noted that communication was another area that required development. IC asked that any member questions be forwarded to SPPA so that these could be included in the Q & A. IC also added that as part of ongoing communication, a decision had still to be made regarding calculators provided on the SPPA website. As these were primarily pre-McLeod, disclaimers had been added. These would be included in the ongoing engagement with GAD for further development. Scheme Manager communication would be led by the Policy team and implementation by the Project team. Workforce planning implications would need to be understood by PS.

0221.04	Board members to forward 2015 Remedy related questions received from members to SPPA when received
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SD advised that the impact for the employer for revisions to data supplied over the last 7 years would require a joint approach with SPPA. The other aspect that leads into workforce planning, is to understand the actual scope of who is impacted, who the cohorts are, not only the immediate detriment cases, but those in the coming years. This is an extensive piece of work and the Board would be looking for information about how this would be taken forward. AW commented that data would be the main driver and help prioritise the areas for development. SR commented that the Board should consider what monitoring and reporting looks like for this project to the board. DH commented that it was critical that PS understand the significant number of officers who would be impacted by the remedy. This needed to be carefully reviewed by both PS and SPPA to understand the overlaps involved. SD said PS has proposed a joint working group with SPPA be set up to take this forward. SR suggested that this could be on a tri-partite basis with representation from Scottish Government Police Division too and was looking for assurances from SPPA that conversations with PS and SG would take place and report back on the engagement plan to the Board for consideration.

0221.05	SPPA to formulate and share the stakeholder engagement plan on the remedy project
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## 6. Update on Pension Platform Programme

PH advised that the Aquilla Heywood extension had been awarded. This provided an extension up to March 2026, with the option to March 2027. This meant that in context of the overall program and the transition and migration phases, this provided a maximum of five years. As a point of interest, PH advised that Aquilla Heywood had been acquired by Blackrock, however, the current CE would remain in place for a period of time.

The strategic outline case had now been approved. This had highlighted that the service cost per member had risen by 20% and how to address this would be taken forward. PH noted that the key milestones were noted at the end of the paper. The next stage of the

Business Case would be presented for Ministerial approval in July 2021. The outcome of that approval would allow SPPA to formally commence the platform procurement exercise, which would run for the rest of this year with the contract award being made in February 2022.

Work was underway with GAD to develop a pensions calculation using the technology based on their own platform which runs the majority of their actuarial calculations. The objective of this was to understand the feasibility of being able to develop a stand-alone calculation platform. Anything that was developed on the current system would be a requirement for any new platform, which would minimise the changes and become a portable solution to potentially be reused within the new programme. Teachers records had been used as proof of concept and GAD were undertaking the data conversion, developing the calculation and ensuring that appropriate QA procedures. It is hoped that this would provide a number of options with respect to changes required, particularly around pension calculations.

In summary, PH stated that the project was on track, with a lot of work still to be done. Further staff resource would be engaged over the next few months. There had also been good market engagement.

DH commented that it may be a risk to transition the system during the 2015 Remedy period, taking account of the complications of the project, and asked if the move to a new platform was necessary. PH confirmed that this was necessary under the Scottish Government procurement rules, having reached the limit on extending the current platform. PH provided a high level overview of how the transition could take place.

SR noted the mention of a 20% increase in costs and asked if the implementation of the new arrangements would see that reduce. PH stated that the architecture and arrangements for the contracts going forward were about providing a better service delivery.

DC asked about the current position regarding the Business Case. PH confirmed that the next phase of the Business Case would be going to Ministers and this would move to the procurement process and funds being released. PH also noted that, with the exception of commercially sensitive material, the relevant documentation would be available to the Board.

SR thanked PH for his input and asked that a progress update be provided to the Board on a regular basis.

0221.06	PH to provide regular progress updates regarding the procurement program to the Board
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## 7. Digital and IT Update

JMcD advised that the upgrade to the Altair system, 11.1, was due to go live on 17 February 2021. This upgrade would allow the generation of end of year information for HMRC and produce the data for the P60 documents.

Testing was underway for the annual pension increase for 2021. The increase would be effective from 12 April 2021 at the rate of 0.5%. Information regarding this years' increase had been published on the SPPA website.



JMcD also advised that testing for on-boarding of Police payroll data to I-Connect had been successful with the first live data transfer due to take place in February. This would reduce the need for a 2021 annual return. JMcD asked that thanks be extended to the Payroll Manager at PS for the work undertaken.

SD asked for latest position regarding Member Self Service (MSS), in particular around communication and calculations related to the 2015 Remedy. JMcD advised that there may be a Class group remedy for MSS and how members are able to view and download data. AW advised that this was an area of functionality that the project team would be looking at as noted earlier, to re-use systems already in use. SR asked that an update of progress be provided to the Board.

0221.07	SPPA to provide update regarding updates and changes to MSS, in particular related to the 2015 Remedy
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## **8. Risk Update and Strategic Risk Register**

HG advised that the new Risk Framework had been introduced across SPPA, however, this was not, as yet, embedded. The main task for the first quarter would be engagement with colleagues. A review had been undertaken on the Strategic Risk Register and work was underway to refresh each of the directorate registers. Following that the focus would be on the Audit tracker and scheme specific registers. DP commented that the narrative surrounding the risk scores and information about existing controls and planned further mitigating measures would be helpful. HG advised that there are risk cards for each of the current Strategic register items and if the Board had specific items, a deep dive could be provided. JA commented that some target dates had passed and asked if these were on track. HG advised that this was still a work in progress.

## **9. Policy IDRP Update**

IC reported only one case in the last quarter.

## **10a. Governance Update**

SMacA advised that the Pension Regulator Relationship Supervision continued to be suspended.

## **10b. Feedback and Actions from Responsibilities Paper**

SMacA thanked everyone for their feedback for this paper. The purpose of the paper was to stimulate conversation about finding resolution for the issues raised. The paper provided suggested actions for Board members to consider. Any suggestions and changes were welcome. The next step would be to create an action plan to take this forward with the Board.

SR stated that the paper pulled together for comment things that allowed the Board to examine items for resolution and those that required further discussion. SR suggested that the rules of tenure should apply to the independent Chair and Vice Chair, but this did not need to apply to Board members.

DH welcomed the paper and asked for:

1. clarity regarding the escalation route, which showed the Pension Regulator between the Chief Executive and the Minister

SMacA explained that Pension Board members and each Pension Board had the right to report breaches to the Pension Regulator where they feel it necessary.

2. the link between the other Pension Boards and Scheme Advisory Board, encouraging observers between the two

SR advised that a meeting of Pension Board Chairs had taken place on 8 February 2021 and it was discussed and agreed that there was advantage in shared learning across Boards where it was practical to do so.

AB welcomed the paper and thanked everyone for their input and looked forward to a draft action plan for the Board to consider. DR echoed AB comments and noted it as a positive move forward. DC noted that given that the original paper was based on input from Police Board members, thoughts from SPPA regarding how the Board provided assistance should be exemplified going forward. SR agreed that it would be beneficial to understand how the Board supported SPPA and vice versa.

SR asked that to take this forward, Board members forward their comments/suggestions to SMacA to allow an action plan to be developed.

0221.08	Board members to feedback comments/suggestions regarding the Actions and Responsibilities paper by 10 March 2021
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## 11. Discussion on 2020-21 Pension Board Annual Report

SR noted that she would be responsible for the 2020-21 Annual Report and asked Board members for their comments and suggestions for the content.

0221.09	Board members to feedback comments/suggestions regarding the content for the 2020-21 Pension Board Annual Report
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## 12. Any Other Competent Business

12.1 SR thanked JA for her support and contribution to the Board from August 2018 with the Police Pension Board and previously with the Teacher's Pension Board. SMacA added his thanks on behalf of everyone at SPPA and wished her every success for the future.

12.2 SMacA advised that interviews would take place week commencing 22 February 2021 to seek a replacement Vice Chair. SMacA would advise the Board when a replacement was appointed.

0221.10	SMacA to notify Board members when the new Vice Chair was appointed
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## 13. Dates for further meetings

Date of next meeting – 12 May 2021, virtual.



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

### Summary of new actions

Action Ref mmyy.xx	Page	Action	Target Date
0221.01	3	SPPA to provide feedback on work undertaken to improve the Complaints Handling process as directed in the Internal Audit Report	12 May 2021
0221.02	4	SPPA to investigate providing quarterly membership movement on the dashboard	12 May 2021
0221.03	4	SPPA to provide the assurance levels used in the Complaints Internal Audit Report	12 May 2021
0221.04	5	Board members to forward 2015 Remedy related questions from members to SPPA when received	12 May 2021
0221.05	5	SPPA to formulate and share the stakeholder engagement plan on the remedy project	12 May 2021
0221.06	6	PH to provide regular progress updates regarding the procurement program to the Board	12 May 2021
0221.07	7	SPPA to provide update regarding updates and changes to MSS, in particular related to the 2015 Remedy	12 May 2021
0221.08	8	Board members to feedback comments/suggestions regarding the Actions and Responsibilities paper by 10 March 2021	10 March 2021
0211.09	8	Board members to feedback comments/suggestions regarding the content for the 2020-21 Pension Board Annual Report	12 May 2021
0221.10	8	SMacA to notify Board members when the new Vice Chair was appointed	When known