



|                         |                               |
|-------------------------|-------------------------------|
| <b>Meeting no. 29</b>   | Scottish Police Pension Board |
| <b>Meeting date</b>     | 22 February 2022              |
| <b>Meeting time</b>     | 14.00 – 17.00                 |
| <b>Meeting location</b> | MS Teams                      |

|                          |                               |  |
|--------------------------|-------------------------------|--|
| <b>Other Attendees</b>   | Steven Whalley (SW)           | Vice Chair                               |
|                          | David Christie (DC)           | Pension Board Member                     |
|                          | Sharon Dalli (SD)             | Pension Board Member                     |
|                          | Andrew Barker (AB)            | Pension Board Member                     |
|                          | Darren Paterson (DP)          | Pension Board Member                     |
|                          | David Hamilton (DH)           | Pension Board Member                     |
|                          | David Ross (DRs)              | Pension Board Member                     |
|                          |                               |  |
|                          | David Robb (DRb)              | SPPA Chief Executive                     |
|                          | Craig Gardiner (CG)           | SPPA Interim Chief Operating Officer     |
|                          | Garry Cossar (GC)             | SPPA Interim Head of                     |
|                          | Karen Morely (KM)             | SPPA Head of Finance, Procurement & Risk |
|                          | Dev Dey (DD)                  | SPPA Head of Customer Services           |
|                          | Phil Heywood (PH)             | SPPA Interim Head of                     |
|                          | Anne Walsh (AW)               | SPPA Project Manager                     |
|                          | Donald Forbes (DF)            | SPPA Partnership Manager                 |
| Hannah Grout (HG)        | SPPA Risk & Assurance Manager |  |
| Mark Humble (MH)         | SPPA Project Manager          |  |
| Lorraine Spalding (LS)   | SPPA Communications Manger    |  |
| Alan Wilkinson (AWn)     | SPPA Senior Policy Manager    |  |
| Stuart MacArthur (SMacA) | SPPA Governance Manager       |  |
|                          |                               |  |
| <b>Apologies</b>         | Shirley Rogers                | Chair                                    |
|                          |                               |  |
| <b>Minutes</b>           | Molly Wyllie                  | SPPA Governance Lead                     |

## 1. Welcome, introductions and declarations of interest

SW welcomed everyone to the meeting and advised that as SR was unable to attend, he would chair the meeting.

SW advised that due to calendar conflicts, changes to Pension Board dates would be necessary. The Governance team would be in touch with alternative dates.

SW also noted that the changes requested to the agenda had been implemented and thanked everyone who had been involved in the discussion.

1.1 Apologies as noted above.

1.2 No new conflicts of interest were declared.

## 2. Minutes

Minutes from the meeting on 4 November 2021 were adopted with one small amendment to a members initials.

## 3. Review of Outstanding Actions

Actions that were noted as propose to close were reviewed and where appropriate, closure was agreed. All other actions were reviewed and updates provided or new target dates agreed.

## 4. Performance

### 4.1 Introduction to Chief Operating Officer

DRb advised that his appointment as Chief Executive had been confirmed in December 2021. The Board had been advised of changes to the Executive Team which had been implemented in early February 2022. This included the appointment of Chief Operating Officer, Craig Gardiner, who would focus on day to day delivery. Recruitment to fill interim vacancies would commence soon. These changes would improve and support links with, and information provided, to the Board.

SW welcomed CG to the meeting. CG advised that he had moved on secondment from Registers of Scotland where he had experience in an operational background, which included digital change work. CG advised that his intention was to contact Pension Board Chairs and Vice Chairs to better understand their main focus and requirements.

### 4.2 SLA Group – Performance Improvement Plan (PIP)

DF provided the main points regarding the Performance Improvement Plan (PIP) in his report. DF advised that Lorraine Spalding, Communications Manager, was now involved in those PIP activities concerning communications. SD pointed out that there had been a request to set up a joint Remedy Working Group, to review and consider the wider workstreams across 2015 Remedy and asked for clarification as to whether this would happen. Following lengthy discussion, in which board members raised their concerns, it was made clear that a joint Remedy Working Group was necessary to ensure members received the best information at the earliest opportunity. Key dates for Remedy were now approaching and board members felt that this should be addressed with urgency. It was agreed that a previous action (P1120.09) be closed and new actions opened to address these concerns. CG would lead on this and arrange a meeting with relevant parties.

|          |  |
|----------|--|
| P0221.01 | Joint 2015 Remedy Working Group to be established                              |
| P0221.02 | Comments to be forwarded on the draft Terms of Reference for the Working Group |

### 4.3 Customer Service Update

DD advised that transfers had not met the target in quarter 2, however, there had been some improvement in quarter 2. DD explained that additional resource had been added to the transfers group. Performance will continue to be monitored over the next quarter.

DD advised that there had been an increase in retirements in quarter 3 of 2021-22, compared to the same period in 2020-21:

- 2020-21 = 120
- 2021-22 = 221

### 4.4 KPI/MI Development

MH advised that work continued to develop performance measurements and information. This would include specific data for the Board. SD commented that this development also formed part of the Performance Improvement Plan and that key dates should be aligned. MH confirmed that this had been taken into account.

### 4.5 Risk Reporting Update and Overpayments

HG advised that strength testing of mitigations had yet to be completed. Business Continuity Plan testing was going forward. Proposed risk scores would be reviewed by the new Executive Team and then shared with the Board. DP commented that the preference would be to have progress information circulated to the Board more regularly. This would allow the Board to focus on key risks and better understand controls, mitigations and actions. Following discussion it was agreed that further development was required and that future reports should contain commentary for context, to support the risk summary slide.

|          |  |
|----------|--|
| P0222.03 | Strategic Risk Register to be re-shared with the Board following the review of the scores with the SPPA Executive Team |
|----------|--|

SD asked that a column be added to the Breach Log to identify which scheme was involved.

|          |  |
|----------|--|
| P0222.04 | SPPA to add column to breach log to show scheme specific |
|----------|--|

### 4.6 Internal Dispute Resolution Procedure and Policy Update

AWn advised that the Commutation Underpin was due to end on 31 March 2022. Proposed changes remove this end date, allowing the underpin to continue indefinitely.

Ministers have asked for view on the implementation date for the proposed amendment to Regulation B7 of the 1987 scheme, related to commutation.

## 5. Projects

### 5.1 Pension Platform Programme

PH confirmed that following the launch of the procurement, 21 vendors had expressed an interest. Final moderating training was in progress. Recruitment for a Head of User Centred Design was underway. The intention would be to reach out to stakeholders, including Pension Board members, as part of this work going forward.

PH also confirmed that implementation planning was underway. Transformation key objectives would be included in the strategy and supported by business area plans.

DH asked if the current pensions administration system would continue throughout. PH confirmed that system updates continued to be developed and uploaded, including for remedy, commutation cap etc. PH confirmed that the decision point for the project was June 2022. Regulatory milestones would be built into the plan going forward.

### 5.2 2015 Remedy

AW advised that the bulk move of remaining protected members was progressing, but delivery may be after the planned date of 1 April 2022. This was due to competing demands on the delivery schedule, but assurance had been given that an interim solution was in place if there was a delay in migration. A modeller had been provided by Government Actuaries Department (GAD) in England and discussion was planned to establish if this could be used, with adaptation, in Scotland. DH was concerned that this may take too long and asked that the modeller be released as soon as possible with a progress update within the next two weeks.

|          |   |
|----------|---|
| P0222.05 | SPPA to provide progress update on member modeller within two weeks |
|----------|---|

LS provided a presentation covering the proposed 2015 Remedy Communications and Engagement. The Board raised a number of concerns about the lack of communication for members and stakeholders, particularly those who are in the process of, or about to retire. SD pointed out that action P1121.10 had asked that text be added to retirement award letters to advise members that their pension may be affected. A more outward focus was required and this would be a key part of the work of the joint Remedy Working Group.

|          |   |
|----------|---|
| P0222.06 | SPPA to circulate Remedy Communication presentation slides to Board members   |
| P0222.07 | SPPA to provide Board members with a progress update on:<br>1. bulk transfer<br>2. communications, including GAD calculator |

### 5.3 Annual Exercises – Annual Pension Increase (API)/Annual Benefit Statements (ABS)/Annual Allowance (AA)

MH advised that the annual exercise projects were underway. MH confirmed that lessons learned from the previous year would be taken into account. It was agreed that the AA lessons learned report would be shared with the Board. DF noted that the

lessons learned would also be picked up by the PIP. Concern was raised regarding incorrect AA calculations. Assurance was sought that SPPA were sighted on these and that recurrence had been mitigated. In addition, assurance was sought on the system ability to calculate the API increase over 3%.

DH asked if there had been any increase in the uptake of members registering for Member Self Service (MSS). DF advised that 7,822 active members and 2,676 pensioner members were currently registered. A further exercise would be undertaken, to encourage members to register on MSS, prior to issuing 2022 ABS.

|          |  |
|----------|--|
| P0222.08 | SPPA to provide assurance on pensions administration system ability as increase is over 3%     |
| P0222.09 | Share AA lessons learned report and request comments from Board members                        |
| P0222.10 | SPPA to confirm plans to address issues with AA calculations and how this would be implemented |

## 5.4 Other Project Updates

MH advised that the other projects ongoing at present were rated amber. These included Guaranteed Minimum Pension, Goodwin, Scheme Valuations and DWP Dashboard. SD raised concern regard data quality. Following discussion it was agreed that feedback from GAD regarding Police data would be shared. DH expressed concern regarding the reported high risk use of utilising excel sheets for calculations instead of the pensions systems functionality. He sought reassurance that calculations were indeed accurate. He also asked to see the original report that had highlighted this. KM commented that calculations were accurate and that the Altair Improvement Project had aimed to ensure that calculations were being within the pension administration system.

|          |   |
|----------|---|
| P0222.11 | SPPA to provide feedback from GAD as related to Police data   |
| P0222.12 | SPPA to provide a copy of the original report which highlighted the use of offline and manual calculations                    |
| P0222.13 | SPPA to report at the next meeting regarding offline and manual calculations and what remediation was in place, if applicable |

## 6. Planning

### 6.1 Governance Update

SMacA advised that the recent Cyber Security webinar had been well received. A further training session regarding the changes to the Pensions Regulators Code of Practice would be arrange. The recent self-assessment and knowledge and understanding questionnaires would help shape future training. DP commented that Board members had not had sufficient opportunity to reflect on the results. It was agreed that this would be discussed at the next meeting.

|          |   |
|----------|---|
| P0222.14 | Board discussion on self-assessment results to take place at next meeting |
|----------|---|

## 6.2 Other Planning and Horizon Scanning

SMacA advised that this item had been added at the Boards request to allow discussion related to any other planned or future items.

## 7. Any other competent Business

No other business was raised.

## 8. Date of future meetings

Next meeting is scheduled for 24 May 2022. It would be confirmed if this would virtual.

SW thanked everyone for their attendance and closed the meeting.

| No       | Action   | Target Date       |
|----------|--|-------------------|
| P0221.01 | Joint 2015 Remedy Working Group to be established  | 28/2/22           |
| P0221.02 | Comments to be forwarded on the draft Terms of Reference for the Working Group   | 28/2/22           |
| P0222.03 | Strategic Risk Register to be re-shared with the Board following the review of the scores with the SPPA Executive Team   | tbc               |
| P0222.04 | SPPA to add column to breach log to show scheme specific   | 24/5/22           |
| P0222.05 | SPPA to provide progress update on member modeller within two weeks  | 8/3/22            |
| P0222.06 | SPPA to circulate Remedy Communication presentation slides to Board members  | 28/2/22           |
| P0222.07 | SPPA to provide Board members with a progress update on: <ol style="list-style-type: none"> <li>1. bulk transfer</li> <li>2. communications, including GAD calculator</li> </ol> | 8/3/22<br>22/3/22 |
| P0222.08 | SPPA to provide assurance on pensions administration system ability as increase is over 3%   | 28/2/22           |
| P0222.09 | Share AA lessons learned document and request comments from Board members  | 28/2/22           |
| P0222.10 | SPPA to confirm plans to address issues with AA calculations and how this would be implemented   | tbc               |
| P0222.11 | SPPA to provide feedback from GAD as related to Police data  | tbc               |
| P0222.12 | SPPA to provide a copy of the original report which highlighted the use of offline and manual calculations   | tbc               |
| P0222.13 | SPPA to report at the next meeting regarding offline and manual calculations and what remediation was in place, if applicable  | 24/5/22           |
| P0222.14 | Board discussion on self-assessment results to take place at next meeting  | 24/5/22           |

|                                  |         | Version number |
|----------------------------------|---------|----------------|
| Date minutes sent to Board       | 8/3/22  | V0.01          |
|                                  | 22/3/22 | V0.02          |
| Date approved by board/committee | 1/6/22  |                |
| Date of publication              | 7/6/22  |                |