

Scottish Police Pension Scheme Advisory Board

MINUTES

Date: 10 March 2022

Location: MS Teams

Chair: Iain Coltman (IC) (SPPA)

Attendees : Calum Steele (CSt) (Scottish Police Federation)
Craig Suttie (CS) (Association Scottish Police Superintendents)
Alasdair Corfield (AC) (Police Scotland)
John MacLean (JMc) (Scottish Police Authority)

Advisers: Anne-Marie Pettie (AMP) (GAD)
Rachael Henry (RH) (GAD)

Officials: Mhairi Kinnaird (MK) (SPPA)
Peter Jamieson (PJ) (Police Division)
Finn Mackenzie (FM) (SPPA)
Marie Swinney (MS) (Police Division)
Angel Shek (AS) (Police Division)

Observers: Clair Alcock (CA) (NPCC), Suzie Mertes (ASPS President)

Apologies : Alan Wilkinson (SPPA), George Russell (GAD), Stuart MacArthur (SPPA)
*Calum Steele left the meeting after agenda item 4
*Mhairi Kinnaird left after agenda item 5

Secretariat : Karen Gilchrist (SPPA)
Clare Campbell (SPPA)

1. Welcome and Introductions

1.1 The Chair welcomed everyone to the meeting.

2. Conflicts of Interest

2.1 No new conflicts of interest declared.

3. Previous Minutes/Actions

3.1 The minutes from the meeting of 26 October 2021 were adopted without amendment. The minutes from the interim meeting on 14 December 2021 were also agreed as accurate.

3.2 Outstanding actions from 26 October 2021 were reviewed and the following noted:

- **Action 73 of 26/10/2021** - Staff Associations have shared the UK Police Staff Association's joint letter to the UK Government with SPPA – **Close action**
- **Action 74 of 26/10/2021** – Meeting held on 14 December 2021 - **Close action**
- **Action 75 of 26/10/2021** – FM to cover during meeting - **Close action**
- **Action 76 of 26/10/2021** – On Agenda for meeting - **Close action**

4. 2015 Remedy Update

4.1 FM provided a summary of the 2015 Remedy Update paper.

4.2 FM confirmed the SSI that contains the amendments to the pension scheme regulations has been finalised following the consultation and depending on the passage of the Bill, it is scheduled to be laid in the Scottish Parliament in week commencing 14 March 2022. The SSI will come into force on 1 April 2022 and enable the 'prospective' elements of the Remedy as set out in the consultation.

- JMc asked if the modeller could be made available prior to 1 April 2022 as it was critical members had access to this facility. CSt stated that given the similarities with the E&W scheme the delays were not reasonable. AMP confirmed that, in December 2021, GAD and SPPA had agreed for GAD to provide the modeller to SPPA for user acceptance testing by 6th April 2022. AMP noted the concerns raised and agreed to speak to the GAD team developing the modeller to ask if it could be provided to SPPA for user acceptance testing any earlier than 6th April 2022. She acknowledged that, given the NPCC modeller covered the 1987 Scheme for the Police Pension Schemes (England and Wales), and the NPCC modeller was now 'live', SPPA may feel less user acceptance testing of the 1987 Scheme benefit calculations was required in this instance (the 2006 Scheme was not covered in the NPCC modeller, but was to be included in the initial version of the modeller to be provided to SPPA for user acceptance testing).
- CS stated that he wished to emphasise the importance of the points raised by both JMc and CSt above, especially as members are currently being advised that estimates will take between 8-10 weeks to be produced.
- FM stated that dual scheme Annual Benefit Statements (ABS) are expected to be produced from April 2024
- Concerns over the proposed legislative timetable were raised as members are struggling to understand the complexities involved. CSt enquired if there were any contingency plans in place for the possibility of further legal challenges being successful and the timetable being altered.

The Chair confirmed they were working to the framework but open to looking at areas where they could accelerate work (immediate detriment being one of these areas). The Chair also noted that SPPA would welcome further involvement from the Board with regards to working on these matters.

Contingent Decisions Paper

4.3 FM summarised the paper on contingent decisions, namely the principle that members could have made different decisions in relation to remedy, and invited questions.

- The current policy thinking is that contingent decisions elections could be made using a universal application form (not yet drafted) backed up by the existing Internal Dispute Resolution Procedure (IDRP).

- CS asked if the appeal criteria could be shared. CSt suggested SPPA add an additional column which would contain the evidence a member would have to provide in order to back up their claim. FM thanked CSt for his observation.
- AC queried whether SPPA should set out the criteria of what is required to make a successful appeal. The Chair noted additional information could be provided but there is a reluctance to make the process overly complicated.
- CS asked if any further thoughts had been given on the cost members may encounter for seeking advice. FM confirmed they are awaiting further guidance on this matter and it is tied in with compensation. FM noted that there is a PDD document awaiting finalisation and he will share this with the Board when possible. The Chair stated further conversations can be held once this has been circulated.
- CSt made particular reference to pension sharing orders and earmarking orders and possible additional legal costs involved in having these revisited, it was recognised that this was a complex issue. FM confirmed he would be happy to share the relevant PDD document with the Board when this has been finalised and then receive their comments.
- The Chair invited CA to speak on the work being undertaken in England on PDDs and their plans to approach this work. CA stated that unfortunately they are not able to share their position on this as there has been no engagement with their SAB.
- The Chair asked the Board to consider their availability for collaborative working on the PDDs.
- The SAB noted their appreciation for the paper and thanked FM.
- CSt left the meeting at this point

Retirement ages paper

4.4 The Chair summarised a paper which sought to cover implications of the different retirement ages in the legacy and reformed schemes, as raised the member representatives at the previous SAB (as well as consultation responses). The paper included a number of options in relation to officers with a blend of legacy and reformed scheme services who reach 30 years' service whilst under the age of 55. Suggested options, costings and potential limitations were included and the Chair invited SAB members to review and offer comment.

5. a) Cost Control Mechanism and 2016 Valuation

5.1 The Chair invited AMP to present the papers issued to the Board ahead of the meeting.

5.2 AMP provided a summary of the Cost Control Mechanism and 2016 Valuation and invited questions. No questions were received.

5. b) 2020 Valuation

5.3 AMP provided a brief update of the 2020 Valuation to the board. It was confirmed that GAD hope to be in a position to come to the Board in October 2022 with draft assumptions. A provisional date of February/March 2023 was given for the results.

5.4 The Chair confirmed that SPPA and GAD will be looking to discuss the assumptions with the Board at a corresponding SAB meeting later in the year and refresher training can be provided to SAB members in October ahead of these discussions.

5.5 MK left the meeting at this point.

6. Commutation Paper

6.1 The Chair introduced this paper which confirmed legislation had been laid before parliament that extended the commutation factor underpin and secondly removed the limits on lump sums for officers retiring with an ordinary pension from age 50 and between 25 and 30 years' service.

6.2 JMc noted employer concerns with details on the circular issued in relation the changes and asked if lessons could be learned. The Chair acknowledged the issues and apologised on behalf of SPPA noting further collaboration on future communications would be welcomed.

6.3 It was confirmed that GAD have now provided SPPA with a calculator for those that fall within this scenario. It will be made available on the SPPA website.

7. Participation Rates Paper

7.1 The Chair introduced the paper on participation rates.

7.2 CS highlighted the importance of members being provided with the correct information when they telephone the Agency to opt out of the scheme and the effect opting out can have on their circumstances. FM confirmed that there is a formal process in place for the P&F Admin team to follow in this instance. Members must telephone to request this and the administrator then explains the benefits of being part of the Scheme to them. Discussion took place on whether the script should be refreshed to include Remedy. FM suggested that this may be an area for the Pension Board to consider.

7.3 AC highlighted that he was unclear on point 2.4 of the paper and requested further narrative on this. Possible discrepancies in the numbers provided in the paper were also highlighted and AC would appreciate some clarification. The Chair thanked AC and confirmed that SPPA would review the paper, adding further narrative where necessary and re-issue an updated paper along with the minutes of the meeting.

Action: SPPA to review Participation Rates paper, add further narrative where required and re-issue to board along with minutes of meeting.

7.4 AC asked if it would be possible to re-introduce the reason codes for opting out in these papers as previously they have helped target communications to members. The Chair confirmed that he is open to revisiting this but in the past it was hard to automate these and if a significant

number of people are choosing 'Other' as the reason it can dilute the benefits of the data received.

7.5 The Board also highlighted that it may be beneficial to monitor opt outs over the next period to discover if there is any immediate impact from the scheme changes on 1 April 2022.

Action: SPPA to monitor opt out data to identify if there is any immediate impact from the scheme changes on 1 April 2022.

7.6 JMc noted that SPPA/SPA Service Improvement Group has plans to improve scheme participation reporting with 31 August 2022 the targeted date for this development.

8. SAB Chair Arrangements

8.1 The Chair led the discussion and provided some background on the paper issued to the Board ahead of the meeting. The Chair confirmed that he was seeking views on the current Chair arrangements and would welcome these in writing by 31 March 2022.

Action: SAB Members to provide views and feedback on current SAB Chair arrangements to IC or SAB Secretariat mailbox by 31 March 2022.

8.2 CS confirmed he was happy with the current chair arrangement. JMc noted that if there were any concerns they would have been raised but at the current time, he had none. AC accepted it was a difficult position for the Chair to contribute to discussion whilst chairing the meeting but was currently content with the arrangements.

The Chair thanked board members for their views and reiterated he would appreciate if these could be put in writing.

9. AOB

9.1 CA enquired as to whether the SAB plan to respond to the Pension Dashboard consultation. The Chair confirmed that SPPA will be responding – they welcome the dashboard and believe it is a reasonable step for scheme managers. However, the timescales involved are ambitious for Public Sector pensions. CA confirmed that NPCC would be responding with a view that the dates are not achievable and not suitable for Police schemes.

9.2 CS asked whether the paper on illustrative examples will be published on the SPPA website and the Chair confirmed that it will be.

9.3 The Chair confirmed that George Russell would shortly be retiring as Chief Actuary for Scotland and Northern Ireland. The Chair and SAB placed on record their appreciation for the support and actuarial advice George has provided to the SAB since 2015.

The Chair finished by wishing George well in his retirement and confirmed that AMP and RH will now be the GAD representatives and looks forward to working with them.

10. Dates of Future Meetings

10.1 The Chair suggested a provisional date of early June for the next meeting. However, a doodle poll proposing dates for the remaining SAB meetings in 2022 will be issued to members in due course.

Summary of New Actions

Action No	Para No	Action	Owner
77	7.3	SPPA to review Participation Rates paper, add further narrative where required and re-issue to board along with minutes of meeting.	SPPA
78	7.5	SPPA to monitor opt out data to identify if there is any immediate impact from the scheme changes on 1 April 2022.	SPPA
79	8.1	SAB Members to provide views and feedback on current SAB Chair arrangements to IC or SAB Secretariat mailbox by 31 March 2022.	SAB Members