



Scottish Public  
Pensions Agency  
Buidheann Peinnseanan  
Poblach na h-Alba

# Scottish Police Pension Board 2021-22 Annual Report

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This report was approved by the Scottish Police Pension Board at the meeting on 1 June 2022.

## **1. Introduction**

This report covers the work of the Scottish Police Pension Board (the “Pension Board”) from 1 April 2021 to 31 March 2022.

More detailed information about the Pension Board, including its Terms of Reference, membership, agendas and minutes of its meetings are available on the Scottish Public Pension Agency’s website. [Pension board | SPPA \(pensions.gov.scot\)](https://pensions.gov.scot)

## **2. The Pension Board purpose and role**

The Pension Board is established under Regulation 7 of the Police Pension Scheme (Scotland) Regulations 2015 (as amended), in accordance with the requirement set out in Section 5 of the Public Service Pensions Act 2013.

The Board is responsible for “assisting the Scheme Manager” with the effective and efficient governance and administration of the Scheme. This includes ensuring compliance with the Scheme regulations, and any other relevant legislation and requirements imposed by The Pensions Regulator in relation to the Scheme.

The Scheme Manager for the Scottish Police Pension Scheme is delegated by Scottish Ministers on a day to day basis to the Scottish Public Pensions Agency (“SPPA”) under the Agency [Framework Document | SPPA \(pensions.gov.scot\)](https://pensions.gov.scot).

## **3. Update from the Independent Chair**

This has been another difficult year because of the constraints on the Board due to COVID. It has not been possible for the Board to meet in person over that last year. This impacts on the ability for Board members to work collaboratively with each other and SPPA staff.

Over the year the Board was well attended, and I thank all members for their contributions to discussions. Following Board feedback, the Police Pension Board now has a bespoke agenda tailored to its needs which was first used in the February 2022 meeting. The agenda structure will be amended if required.

I welcome Supervisory Review Report (Dec 2021) from The Pension Regulator and thank them for their time and work in producing it. I am pleased with the overall comment that the Scheme is well managed with good governance and is operating and performing broadly to their

expectations. I recognise there are areas of improvement which the Board and SPPA are actively considering and will impact activity over the next year.

The Board continued to provide oversight of SPPA and are delighted in the appointment of a permanent CEO after a period on instability. I thank the SPPA staff for their work and support over the last year.

Finally, I welcome our new Vice Chair who has helped in chairing parts of the meetings when I have been unavailable and had been working with SPPA staff on matters including the Board action log and on risk reporting.

#### 4. Membership

Details of the Pension Board members during 2021-22 scheme year are shown below:

Name	Member or Employer Representative	Organisation nominated by
Shirley Rodgers	Independent Chair	
Steven Whalley	Independent Vice Chair	
David Ross	Member	Police Federation
Andrew Barker	Member	Scottish Chief Police Officers Staff Association
David Hamilton	Member	Police Federation
Darren Paterson	Employer	Scottish Police Authority
Sharon Dalli	Employer	Police Scotland
David Christie	Employer	Police Scotland

All Board members are required to complete a register of interest and declare any potential conflicts of interest.

#### 5. Board Meetings

During the 2021-22 scheme year, the Pension Board met on five occasions. All meetings were held virtually due to COVID restrictions.

Name	12-May-21	05-Aug-21	04-Nov-21	Extraordinary 8-Feb-22	22-Feb-22
Shirley Rodgers	✓	✓	✓	✓	x
Steven Whalley	✓	✓	✓	✓	✓
David Ross	✓	✓	✓	x	✓
Andrew Barker	✓	x	✓	✓	✓
David Hamilton	✓	✓	✓	x	✓
Darren Paterson	✓	✓	x	x	✓
Sharon Dalli	✓	✓	✓	✓	✓
David Christie	✓	✓	✓	✓	✓

There was an extraordinary Board meeting to discuss to the Pension Regulators supervisory report. There were additional meetings that Board members were invited to discuss risk reporting, and meeting structure.

As stated above the Board now has a bespoke agenda.

## 6. Supervisory Review

The report from The Pensions Regulator had 18 observations which were all Amber. We note there were no red actions. Of the actions three were directed to the Board. The points were agreed, and responses have been developed and submitted to the Regulator.

There is one topic worthy of mention. The report highlighted the position of members not having tenure is not typical. The Board is not proposing to introduce tenure for employer and staff association representatives until SPPA developed more subject matter expertise and can evidence a stable leadership.

The Board will oversee SPPA in their responses and subsequent actions.

## 7. Board Training and Development

Over the course of the year the following training sessions have been arranged and attended as shown in the table below.

<b>Police Pension Board Training Schedule Attendance Record 2021-22</b>	<b>Pension Ombudsman 21/4/21</b>	<b>Annual Benefit Statement 20/7/21</b>	<b>Government Actuary Department 21/9/21</b>	<b>Cyber Security 25/1/22</b>
Shirley Rogers (Chair)	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
Steven Whalley (Vice Chair)	✓	✓	✓	✓
David Ross	✓	<b>x</b>	✓	<b>x</b>
Andrew Barker	✓	✓	<b>x</b>	<b>x</b>
David Hamilton	✓	✓	✓	✓
Darren Paterson	✓	✓	<b>x</b>	✓
Sharon Dalli	✓	✓	✓	<b>x</b>
David Christie	✓	<b>x</b>	✓	✓

To make sure training and development remains relevant and of added value, the SPPA have issued questionnaires on knowledge and understanding and a self-assessment of Board effectiveness. The results are summarised in Section 10. Comments are made in Section 9.

## **8. Work of the Board**

The Board would like to express its thanks to SPPA staff in supporting Board and delivery of scheme itself especially with COVID challenges.

The Board continued to oversee SPPA and note the following:

- after a period of changes in leadership we welcome the full-time appointment of David Robb after period of being the interim CEO. We recognise he has strengthened his leadership team
- the Board continue to receive reports from and provided support and challenge to the SPPA leadership on performance and service delivery. . Reports including Management Information on Agency performance and customer service operations. Also, there are reports on system performance and procurement
- interest is high on several key issues like resourcing and preparedness for the introduction of the 2015 McCloud Remedy where there was significant concern especially given the associated risks introduced with the introduction of a new IT system. The Board also supported the SPPA in the accuracy, production, and mechanism for delivery of the annual benefit statements. We note statements were available (but only) on-line. That availability is an improvement on last year.
- however, several concerns have led to the development of Performance Improvement plan between the SPPA and Police representatives. Activity has already started progress will be reported to the Board

The Board welcomes the separate meetings for the Chair and Vice Chair to meet the CEO to discuss progress on Board related matters.

## **9. Looking forward**

The Board will continue to provide oversight of SPPA in respect of the provision of service and regulatory and legislative compliance.

The Board will progress with its actions in relation to The Pension Regulator report including restarting face-to-face annual appraisals which were suspended due to COVID.

We look forward to improved stakeholder engagement and partnership working in the coming year (see below). We believe the expected resumption of face-to-face meetings will improve how work collaboratively with and continue to offer support to SPPA.

We will continue to closely watch and help in relation to 'hot topics' like 2015 McCloud remedy.

We will support further work to make information scheme specific e.g., Police Pension Board requested Key Performance Indicators.

We also look forward to sign of the revised Terms of Reference to help bring clarity to relative roles and responsibilities.

In relation to the questionnaires on knowledge and understanding and a self-assessment of Board effectiveness (see Section 7), there are numerous actions underway in light of the responses. Some are covered elsewhere in the report. It is recognised the new Corporate Plan identifies the need for improved engagement with Board members and also there is a move to improved, more scheme specific Board papers. The results of the knowledge and understanding questionnaire self-assessment will help inform what future training to undertake.

## 10. Additional information

### 10.1. Scheme Membership numbers at 31 March 2022

Active members	15,662
Deferred members	3,803
Pensioners	15,717
Widow/Dependant	2,940

### 10.2. Pension Board Costs

The Pension Board has incurred fees amounting to £1146.00 over the course of the year.

### 10.3 Summary of self-assessment questionnaires

Broad Issue Highlighted	Action Taken
Role and function of the Board	A review of the Terms of Reference is nearing completion. Sharon and I have only a handful of points to work through and I am hopeful we can present a version for approval to the Board very soon
Agenda of Board meetings and focus of discussions	At the Boards request we have restructured the agenda and running order of the Board meetings
Issues with wider SPPA engagement with Board members	The new Corporate Plan makes the case very strongly about the need to 'Bring the Outside In' I believe positive steps have resulted in increased collaborative working, with the Remedy Working Group discussion as an example. David Robb has openly committed to increased engagement
Scheme Specific Performance Information	A new Performance Report is being developed and this will be more scheme specific. This will be part of Board papers moving forward
Knowledge and Understanding of Board members	One of the new Governance Documents I will be introducing is a new Boards Training Policy which outlines the SPPA approach to training.

We recently undertook a self-assessment of knowledge and understanding and we have seen a considerable effort made in the training space, evidenced through our ongoing Webinar programme which has been running for over a year now. The self-assessment will help inform what future training to undertake.