

# Scottish Police Pension Scheme Advisory Board

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## MINUTES

**Date:** 05 October 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:** Finn Mackenzie (FM) (SPPA)  
Mhairi Kinnaird (MK) (SPPA)  
Marie Swinney (MS) (Police Division)  
Angel Shek (AS) (Police Division)  
Victoria Antcliff VA (SPPA)

**Observers:** Clair Alcock (CA) (NPCC), Sharon Dalli (SD) (Police Scotland), Anita Popplestone (AP) (SG Police Division)

**Apologies :** Stuart MacArthur (SPPA)

**Secretariat :** Karen Gilchrist (SPPA)

## 1. Welcome

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 29 June 2022 were reviewed and adopted as accurate.

3.2 Outstanding actions were reviewed and the following noted:

- **Action 77** - SPPA to review Participation Rates paper (Scheme Participation Rates to Q3 2021/22), add further narrative where required and re-issue to board – **Close Action**
- **Action 78** - SPPA to monitor opt out data to identify if there is any immediate impact from the scheme changes on 1 April 2022 – **The Chair confirmed SPPA were committed to monitoring this – Remains open**
- **Action 79** - SAB Chair Arrangements - Responses had been received from employer representatives recommending a preference for an independent chair. SAB Secretariat to

draft letter for Ministers to be circulated to the board – **Letter drafted – discussed under agenda item 8.**

- **Action 80** - Valuations training proposed for 6 December 2022 - SAB Secretariat to ensure this is scheduled appropriately –**Close Action**
- **Action 81** - SPPA committed to monitoring participation and will provide feedback going forward as more detailed participation and opt out data received from Police Scotland – **Remains open**
- **Action 82** - Holding dates in the calendar for future SAB meetings - Calendar invitations for the remaining SAB meetings in 2022 were issued to the board on 31 May 2022 and to SD on 22 June 2022 – **Close Action**

#### **4. Remedy Update**

4.1 FM provided a detailed overview of the Remedy Update paper and invited questions.

4.2 CSt asked how many members had purchased Additional Pension. It was acknowledged by FM that this was not a widespread issue as it only applied to a few scheme members, however it still required to be addressed. SD agreed to check information held on Police Scotland payroll and confirm numbers.

**Action: Police Scotland to confirm number of officers who have purchased Additional Pension.**

4.3 SD asked for clarity on responsibilities between SPPA and PS on who would be implementing any periodic payments.

**Action: Set out proposals with SAB or working group.**

4.4 JM asked how the Remedial Service Statement (RSS) would look for those that were retiring near 1 October 2023. FM explained the current thinking on the format however he added that these proposals were still at an early stage and will be subject to consideration by the 2015 Remedy project team.

4.5 JM asked if there could be a timetable shared of the areas already covered for Remedy and those that still required to be completed. There was also a question regarding areas where perhaps Scotland could have discretion as they are a single employer.

**Action: SPPA to share timetable for completed Remedy areas, and those still to be finalised**

4.6 CS noted that in respect of members who will incur tax charges or owe extra due to increased contributions, interest should not be applied to amounts due as this debt applied retrospectively and through no fault of their own.

#### **4.7 Immediate Detriment Update**

4.8 FM provided an update on the current position regarding Immediate Detriment cases and advised there should be a clearer picture by the end of October following further engagement with HM Treasury and HMRC on SPPA proposals for administering these payments in advance of the Remedy legislation. FM then invited questions.

4.9 JM raised concerns regarding any interim payments being made by Police Scotland as the employer. AC also raised a similar concerns and questions whether Police Scotland would have vires to make such payments. . The Chair confirmed the legal position on payment processing would be investigated as part of the proposals.

**Action : SPPA to report back following further engagement with HMRC**

## **5. Pensionable Pay**

5.1 The Chair noted that in each of the last two years, pay negotiations concluded through the business of the Police Negotiating Board have included agreements on officer leave and allowances that also had implications for pensions, which was the remit of the SAB. There was therefore a risk that agreements reached in isolation did not fully consider these implications, which may extend further and risked read across to other public service pension schemes. The Chair proposed that SPPA discussed governance issues with AP and Police Division in the first instance, and that there was scope to explore issues as part of the considerations on SAB chairing and governance.

5.2 MK introduced the paper on pensionable pay and sought board members views on the questions at the end of paper 3.

5.3 JM advised that the unpaid leave that officers were entitled to request be reckonable for pension purposes, was not the creation of a new unpaid leave entitlement. IM clarified that this provision was for leave already available as part of Police Scotland's family friendly policies, e.g. Special Leave, Maternity Leave, and that the intention was that officers would be able to claim 2 weeks of these periods of unpaid leave as reckonable for pension purposes.

5.4 Chair noted that the shortfall in member contributions would have to be covered and invited discussion on how the board believes this should be met. JM advised that the intention was that the shortfall would be met by the scheme and was not intended to be an additional cost to the employer. Chair advised that the basis for public sector pensions is that members receive entitlement based on their contribution to the scheme. Chair explained that this agreement gives unprecedented entitlement for members to a benefit they have not contributed to and if the shortfall in contributions are met by an amendment of scheme regulations, then this has the potential to read across to other public sector schemes at a significant cost to the taxpayer. Chair suggested that it could be covered in employer funding in order to allow the member contributions to be covered via the employer.

5.5 The Chair noted that a change of regulations would be required in order to support the changes to on-call allowances. CSt advised that changes would be implemented in of January 2023. The Chair advised that due to time constraints it would not be possible to make changes to the regulations before implementation. The Chair suggested a change to ministerial determination to allow for this change and that the regulations would be implemented retrospectively. The Board agreed. The Board also agreed that a change to ministerial direction would be sufficient to implement the changes to pensionable pay in the case of acting up.

**Action: SPPA to engage with Scottish Government to agree process of funding changes**

## **6. GAD Update**

6.1 RH provided a verbal update regarding the 2020 valuations. Provisional results are expected in early summer 2023, and proposed training for the SAB will be rescheduled to nearer the relevant time.

**Action: Valuations training to be scheduled for March 2023**

## **7. Participation Rates**

7.1 MK introduced the paper on participation rates which contained the figures for the first two Quarters of 2022/2023 and showed a participation rate of 90.74%.

7.2 AC thanked SPPA for the improved paper.

7.3 CSt raised concerns that over the Winter and with the current financial climate pensions may be seen as a luxury and not a necessity.

7.4 CS suggested there might be a role for the employer to play in reiterating the merits of the pension scheme.

7.5 JM mentioned that it would be useful to know if particular age, gender, rank were opting out of the scheme.

7.6 SD confirmed that the next auto-enrolment period was due to commence in May 2023.

**Action: Police Scotland and SPPA to review communications to encourage membership.**

## **8. Scheme Advisory Board Governance**

8.1 The Chair introduced the paper regarding an independent chair and asked for their consideration and response. SAB confirmed it was content for the letter to be sent to Minister for Public Finance, Planning and Community Wealth.

**Action: Chair to send letter to Minister regarding chairing arrangements for Scheme Advisory Board.**

## **9. AOB**

9.1 The Chair noted this was CS last meeting as a member representative. The Chair and SAB placed on record their appreciation for his support in providing constructive and helpful input over his time as a board member, and wished him all the very best for the future.

9.2 CS thanked the Chair and wished it recorded that he had greatly enjoyed his time as part of the SAB.

## **10. Dates of Future Meetings**

10.1 The Chair confirmed that the remaining meeting in 2022 had been organised for 6 December 2022 and a calendar invite has already been issued to board members. SAB secretariat would propose provisional dates for 2023 meetings.

**Action: SPPA to propose dates for 2023 meetings**

## Summary of New Actions

Action No	Para No	Action	Owner
83	4.3	Set out proposals for intermediate payments and who is responsible either SPPA and PS discussion through SAB or working group	SPPA
84	4.5	Share timetable for completed Remedy areas, and those still to be finalised	SPPA
85	4.9	Legality of Police Scotland making interim payments.	SPPA/SGLD
86	5.5	Further discussion required regarding additional questions asked of SAB regarding pensionable pay	SPPA/SAB
87	6.1	Valuations training proposed for March 2023 - SAB Secretariat to ensure this is scheduled appropriately	SPPA