



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Scottish Police Pension Board

2022-23 Annual Report

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This report was approved by the Scottish Police Pension Board at the meeting on 24 May 2023.

1. Introduction

This report covers the main work of the Scottish Police Pension Board (the “Pension Board”) from 1 April 2022 to 31 March 2023.

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

2. The Pension Board purpose and role

The Pension Board is established under Regulation 7 of the Police Pension Board 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 Scheme regulations, and any other relevant legislation and requirements imposed by The Pension 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. [Framework Document | SPPA \(pensions.gov.scot\)](https://pensions.gov.scot/framework-document)

3. Update from the Independent Chair

While restrictions on personal contact due to COVID rules have been eased the Board has not reverted to face-to-face meetings but, like many other organisations, has adopted a hybrid approach of face-to-face and virtual attendance. One meeting was held at the SPPA offices in Galashiels which some Board members attended in person. The time commitment of travelling to attend such meetings has made virtual the predominant approach. I would hope there may be an increase in personal attendance next year to aid collaboration with fellow members and SPPA staff.

Over the year the Board has, again, been well attended and I thank all members for their contributions to discussions.

During this year, David Hamilton of the Scottish Police Federation retired from the Board. We thank him for all his work on the Board over eight years. We welcome Brian Jones (Vice Chair, SPF) as member representative to the Board from February 2023.

The Board had oversight throughout this year of the implementation of the recommendations made in the Supervisory Review Report from The Pensions Regulator in December 2021. An update on those related to the Board governance is covered in more detail Section 9 below. The Board were pleased to note that in January 2023, SPPA received acknowledgement from The Pensions Regulator that all actions had been addressed and that formal closure of the supervision arrangements was received in April 2023.

The Board continued to provide oversight of the SPPA and the Board welcome the stability brought by the CEO.

Finally, I would like to thank SPPA staff for their assistance in organising and reporting to the Board as required.

4. Membership

Details of the Pension Board members during 2022-23 are shown below.

Name	Role	Nominating organisation
Shirley Rogers	Chair	Independent
Steven Whalley	Vice-Chair	Independent
David Ross	Member representative	Scottish Police Federation
Andrew Barker	Member representative	Scottish Chief Police Officers Staff Association
David Hamilton	Member representative	Scottish Police Federation
Darren Paterson	Employer representative	Scottish Police Authority (SPA)
Sharon Dalli	Employer representative	Police Scotland
David Christie	Employer representative	Police Scotland
Brian Jones	Member representative	Scottish Police Federation

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

5. Board meetings

During the 2022-23 scheme year the Pension Board met on four occasions, Meetings were hybrid meetings.

Name	01 Jun 2022	21 Sep 2022	30 Nov 2022	22 Feb 2023
Shirley Rogers	Yes	Yes	Yes	Yes
Steven Whalley	Yes	Yes	Yes	Yes
David Ross	Yes	Yes		
Andrew Barker	Yes	Yes	Yes	Yes
David Hamilton	Yes			N/A
Darren Paterson	Yes	Yes		Yes
Sharon Dall	Yes	Yes	Yes	Yes
David Christie	Yes	Yes	Yes	Yes
Brian Jones		N/A		Yes

6. 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.

Training 2022-2023	TPR Code of Practice May 2022	Policy Aug 2022	Finance Nov 2022	Procurement Mar 2023
Shirley Rogers	Yes	Yes	Yes	
Steven Whalley	Yes	Yes	Yes	Yes
David Ross	Yes			Yes
Andrew Barker	Yes		Yes	Yes
David Hamilton	Yes			N/A
Darren Paterson	Yes	Yes		Yes
Sharon Dall	Yes	Yes	Yes	Yes
David Christie	Yes	Yes	Yes	
Brian Jones		N/A		

The SPPA have, again issued a questionnaire and collated responses for the Board on knowledge and understanding to inform that ongoing training programme. Highlights of the survey are shown in 9.6 below.

7. Work of the Board

The Board would like to express its thanks to SPPA staff in supporting the Board and delivery of the scheme itself.

The Board continued to oversee SPPA's operation of the scheme and note the following:

- The Board welcomes the stability brought by David Robb as CEO as he leads the re-structured management team and that an annual plan and a corporate plan were issued.
- Regular reporting to the Board on performance projects and governance. Efforts are continuing to sharpen the performance reporting, so the content is relevant and meaningful to the Police Pension Scheme, for reporting to the Board.
- Interest remains high on several 'hot topics' including the resourcing and preparedness for the introduction of the 2015 McCloud Remedy and the introduction of a new IT system. The Board welcomes the reduction in risk relating to the new IT system and its impact on projects like McCloud, as a result of the appointment of the current IT provider following the procurement process.
- Design of a police specific risk register.
- The updated governance documents were produced and adopted.
- There has been work on assessing the SPPA against The Pension Regulator Code of Practice making changes to policy and practice where necessary.

The Board has also been briefed by (with some Board members attending) the team progressing the Performance Improvement Plan between the SPPA and the SPA. Progress has been reported around improved communications and engagement. Work is ongoing across annual exercises/lessons learned, performance reporting and service enhancement.

The Board welcomes the continued invitation to meetings for the Chairs and Vice Chairs of all Pension Boards with the CEO to discuss progress on Board related matters.

8. Supervisory Review

The recommendations on governance for the Board to consider from the Pensions Regulator's Supervisory Review report related to succession planning, tenure (terms for which have now been agreed) and annual performance reviews of Board members.

The report renewed the appetite for annual performance reviews of each member of the Board and these were undertaken. The Chair thanked members for their time and commitment to this exercise.

Coordinated by the SPPA, the annual effectiveness survey was undertaken with all Board members, with a positive response. More detail can be found in Section 10.5 below.

9. Looking forward

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

The Board will continue to assist and seek assurance from SPPA on the delivery of service improvement, as well as important current issues such as the McCloud remedy and the pension platform programme over the coming year. An emerging issue is that of scheme membership participation rates. With the Auto re-enrolment cycle taking place on 1 May 2023, with the associated communications and operational issues, it is a good chance to make sure the benefits of scheme membership are well understood.

10. Additional information

10.1 Scheme membership at 31 March 2023

Active members	Deferred members	Pensioner members	Widows/Dependants	Total
15256	3896	16645	2907	38704

10.2 Payments made

During 2022-23, SPPA processed 60 payroll runs, covering 234,809 payments which included:

2022-23 payments	Pensions	Lump sums
Member retirement awards	£308 million	£173 million
Ill health awards	£61 million	£9.5 million
Survivors	£36 million	£0.8 million

10.3 Pension Board costs

The Board has incurred fees and expenses amounting to £1,478.40 over the course of the year.

10.4 Highlights of the Pension Board effectiveness review

The Board self-assessment highest scores were that Board members:

- are well prepared for meetings.

- effectively raise questions.
- ask for information for SPPA.
- provide continuous improvement suggestions.
- have the required expertise.

The Board lowest self-assessment scores were for:

- Hybrid meetings being effective.
- Diversity.
- Succession planning.
- Induction process (although this has been revised since the survey).
- Scheduling of meetings.

10.5 Highlights of the Pension Board knowledge and understanding survey

The Board self-assessment of good knowledge and understanding were:

- Identifying and managing risk
- Maintaining risk registers
- Annual exercises e.g. Annual benefit statements

The Board lowest self-assessment scores were for:

- Audits undertaken by Scottish Government Internal Audit.
- Any assurance mapping documents produced by SPPA.
- Procurement.