

Scottish Police Pension Scheme Advisory Board

MINUTES

Date: 23 March 2023

Location: MS Teams

Chair: Iain Coltman (IC) (SPPA)

Attendees : David Kennedy (DK) (Scottish Police Federation)
Stewart Carle (SC) (Association Scottish Police Superintendents)
Alasdair Corfield (AC) (Police Scotland)
John MacLean (JM) (Scottish Police Authority)

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

Officials: Mhairi Kinnaird (MK) (SPPA)
Finn Mackenzie (FM) (SPPA)
Donna Turnbull (DT) (Police Division)
Anita Popplestone (AP) (Police Division)

Observers: Kevin Courtney (KC) (NPCC), Sharon Dalli (SD) (Police Scotland)

Apologies : Alan Wilkinson (SPPA)

Secretariat : Clare Campbell (SPPA)

1. Welcome and Introductions

- 1.1 The Chair opened the meeting and welcomed Stewart Carle and David Kennedy as new members of the board.
- 1.2 The Chair provided an apology to the board for the timescales involved in organising the meeting, acknowledging that both the meeting invitation and papers had been issued at short notice which left board members with little time to prepare.

2. Conflicts of Interest

- 2.1 No new conflicts of interest declared.

3. Previous Minutes/Actions

- 3.1 The minutes from the meeting of 5 October 2022 were reviewed and the Chair stated that RH had requested a correction in paragraph 6.1, noting that the provisional valuation results are expected in early summer 2023 and not March 2023. It was confirmed that this would be amended and the minutes re-issued.

3.2 Outstanding actions were reviewed and the following noted:

- **Action 83** - Set out proposals for intermediate payments and who is responsible (SPPA/PS) via discussion through SAB or working group. **To be covered under agenda item 6 – Close Action**
- **Action 84** - Share timetable for completed Remedy areas, and those still to be finalised. **This has been covered by the Remedy Joint Working Group – Close Action**
- **Action 85** – Legality of Police Scotland making interim payments. **To be covered under agenda item 6 – Close Action**
- **Action 86** - Further discussion required regarding additional questions asked of SAB regarding pensionable pay – **Action to be carried forward – Remains Open**
- **Action 87** - Valuations training proposed for March 2023, SAB Secretariat to ensure this is scheduled appropriately. **Training will be covered under agenda item 8 – Close Action**

4. Medical Assessments for eligibility for ill-health pension

4.1 The Chair provided a brief background to this topic, referencing the guidance note included with the papers for the meeting and invited any discussion.

4.2 SD confirmed that as a result of the guidance issued, ill health assessments were no longer taking place for those joining or re-joining the pension scheme. PS are reviewing the processes but there are several areas that still need to be addressed. This includes the issue of 36 officers who are currently paying reduced contributions.

4.3 The Chair confirmed SPPA are seeking legal advice relating to the officers who are currently paying reduced contributions and there are a number of possible solutions to consider. SPPA will also be consulting with cross-border colleagues to ensure a consistent approach is taken.

4.4 AC stated his belief that on the basis that no cover has been in place and no claims made, the shortfall in contributions to date should be written off for the officers in question. JM confirmed he would be interested in viewing the options and legal advice before forming an opinion on the matter. The Chair acknowledged that further discussions are required on this topic and SPPA would work on preparing information on options and issues.

Action: SPPA to prepare paper on impact and issues surrounding Medical Assessments for eligibility for ill-health pension

4.5 DK voiced his belief that the changes were positive news for police officers and may attract some officers back to the force. He also noted that he too hoped the pension schemes would cover the shortfall in contributions.

5. Budget 2023 – Pensions Taxations Changes and 2015 Scheme Revaluation

5.1 The Chair referenced the email issued to board members on 16 March 2023 which contained an update on the pensions taxation changes announced in the UKG Spring Budget and invited any questions.

5.2 SD noted the email she sent to SPPA on 17 March 2023 in response to the update, confirming that PS had already received enquiries relating to the budget announcements. SD asked if SPPA had considered pulling together some FAQs for the website to better inform members. The Chair confirmed receipt of SD's email and informed the board that information has

been added to the SPPA website but the article would continue to be reviewed and updated by the SPPA Communications team as necessary.

Action: SPPA to update website article relating to the pensions taxation changes announced in the UKG Spring Budget as and when necessary

5.3 JM enquired as to whether SPPA knew of the exact number of officers the budget announcement would affect. The Chair confirmed that further analysis was required before this figure could be confirmed but it was clear that the changes would significantly reduce the number of pension savings statements that would need to be issued.

Action: SPPA to provide SAB with details of the number of police officers affected by the pensions taxation changes announced in UKG Spring Budget

6. 2015 Remedy

6.1 FM provided the board with a short update on 2015 Remedy. This included updates on the regulatory timeline and policy questions regarding contribution corrections and additional pension.

6.2 SD asked whether the retrospective remedy consultation would include details on who would be responsible for the administration of the contribution corrections. FM confirmed that this could be added to the consultation.

Action: SPPA to add details of who will be responsible for the administration of contribution corrections to the retrospective remedy consultation document

6.3 FM updated the board on immediate detriment and the payment of interim payments, confirming that SPPA are still awaiting advice from HMRC on this matter. Due to the timescales involved FM has proposed that advice and options are submitted to Ministers in an attempt to progress this.

6.4 JM stated he would welcome some employer engagement from SPPA before options are submitted to the Minister, primarily relating to the impact of the payments on employers. In response, FM confirmed that SPPA would be responsible for making any payments, not PS and JM thanked FM for the clarification.

6.5 DK asked whether information was available on the effect immediate detriment payments would have on the tax relief members receive on their pension contributions. FM confirmed that once the contribution corrections take place adjustments will be made which will cover this.

6.6 DK noted that as October 2023 approaches, SPPA are likely to receive a number of enquiries from scheme members relating to immediate detriment. He opined that the Agency may wish to ensure they have a robust communication plan in place to ensure people are aware of the timetable involved with these payments. The Chair acknowledged this and thanked DK for his observations.

7. Participation Rates

7.1 The Chair thanked MK for preparing the latest participation rates paper which had been issued to the board prior to the meeting.

7.2 AC noted that the previous participation rates paper circulated to the board had been far more comprehensive and detailed so enquired if the latest paper could be reviewed to reflect this. The Chair stated that a shortened paper had been prepared for this meeting due to the time constraints of the agenda. However, it was confirmed that SPPA would review the paper and re-issue a modified version which contained the further detail requested.

Action: SPPA to modify Participation Rates paper and include further detail before re-issuing to the Board.

*SD left the meeting at 10.57

8. 2020 Scheme Valuation Process and Board Role in Setting Assumptions - Training

8.1 The Chair invited AMP and RH from GAD to begin their training presentation on the Scheme Valuation process.

8.2 AMP and RH provided the Board with training on the background to actuarial valuations of public service pension schemes, parties involved with actuarial valuations and their roles, and the 2020 valuation process. The assumptions that were set by HM Treasury for all of the main public service pension scheme were highlighted, as were the scheme-specific assumptions that were the responsibility of Scottish Ministers. GAD highlighted that, as part of Scottish Ministers' consultation with the SAB on the scheme-specific assumptions for the valuation, a further session would be held in the coming months where GAD would present their initial recommendations on the scheme-specific assumptions and seek SAB's views on these recommendations. Initial considerations around the age retirement and withdrawals assumptions for the 2020 valuation were discussed.

Action: GAD/SPPA to distribute Valuations Training presentation slides to board members

8.3 At the conclusion of the presentation, the Chair thanked AMP and RH on behalf of the board.

*SC left the meeting at 12.00

9. AOB

9.1 AC enquired as to whether there was any update on the discussions regarding appointing an independent Chair for the Police SAB. The Chair confirmed that a letter had been issued in November 2022 to the Minister for Public Finance, Planning and Community Wealth who is broadly happy with the proposal but further discussions are required. The issue may also be affected by the forthcoming appointment of a new First Minister and any subsequent changes in ministerial positions. However, the Chair confirmed SPPA will update the board when further information is available.

Action: SPPA to provide update on proposal to appoint independent Chair of Police SAB when further information is available

9.2 AC asked if SPPA were planning to hold a review of the effectiveness of the Scottish Police SAB. The Chair acknowledged this request, stating that it could be considered going forward but suggested it may be more beneficial if held at a later date due to the board having two newly appointed members.

Action: SPPA to consider holding review of the effectiveness of the Scottish Police SAB

*DK left the meeting at 12.06

10. Dates of Next Meetings

10.1 The Chair confirmed that a poll has been issued to the board to gauge availability for the remaining 2023 meetings. The results of this will be shared in due course.

*The meeting ended at 12.07

Summary of New Actions

Action No	Para No	Action	Owner
88	4.4	SPPA to prepare paper on impact and issues surrounding Medical Assessments for eligibility for ill-health pension	SPPA
89	5.2	SPPA to update website article relating to the pensions taxation changes announced in the UKG Spring Budget as and when necessary	SPPA
90	5.3	SPPA to provide SAB with details of the number of police officers affected by the pensions taxation changes announced in UKG Spring Budget	SPPA
91	6.2	SPPA to add details of who will be responsible for the administration of contribution corrections to the retrospective remedy consultation document	SPPA
92	7.2	SPPA to modify Participation Rates paper and include further detail before re-issuing to the Board	SPPA
93	8.2	GAD/SPPA to distribute Valuations Training presentation slides to board members	GAD/SPPA
94	9.1	SPPA to provide update on proposal to appoint independent Chair of Police SAB when further information is available	SPPA
95	9.2	SPPA to consider holding review of the effectiveness of the Scottish Police SAB	SPPA