

Scottish Police Pension Scheme Advisory Board

MINUTES

Date: 23 October 2023

Location: MS Teams

Chair: Iain Coltman (IC) (SPPA)

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

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

Officials: Alan Wilkinson (AW) (SPPA)
Donna Turnbull (DT) (Police Division)

Observers: Sharon Dalli (SD) (Police Scotland)
Rob Hay, (Police Scotland)

Apologies : Finn Mackenzie (SPPA)

Secretariat : Craig Finlay (SPPA)

1. Welcome and Introductions

1.1 The Chair opened the meeting and welcomed everyone.

2. Conflicts of Interest

2.1 No new conflicts of interest declared.

3. Previous Minutes/Actions

3.1 The minutes from the meeting of 19 June 2023 were reviewed and agreed.

3.2 Outstanding actions were reviewed and the following noted:

- **Action 92** - SPPA to modify Participation Rates paper and include further detail before re-issuing to the Board – **AW provided update at agenda item 5, Close Action.**
- **Action 94** - SPPA to provide update on proposal to appoint independent Chair of Police SAB when further information is available – **IC to meet with new PNB Chair to discuss. Action to be carried forward.**

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- **Action 95** – SPPA to consider holding review of the effectiveness of the Scottish Police SAB – **IC confirmed this is still under consideration. Action to be carried forward to Spring 2024.**
- **Action 96** – SPPA to host a Remedy session to update SAB members prior to consultation closing on 13 July 2023 – **Completed. Close Action.**
- **Action 97** – SPPA to seek board members' views on changes to the provision for eligibility for ill health retirement, including retrospection, once the outcome of the current Employment Tribunal is known:
 - **AW updated board that SPPA are still awaiting outcome of ET. Action to be carried forward.**
 - **JM asked that a separate action point be raised for the SAB in relation to previous considerations about unlinking previously deferred benefits. To be added to Action Point Tracker.**
- **Action 98** - GAD to issue the draft formal report detailing the advice on assumptions for the 31 March Valuations – **Completed. Close Action**

Action: Split Action Point 97 to include:

- **SPPA to seek update from the Home Office regarding outcome of current Employment Tribunal**
- **SAB to consider unlinking previously deferred members who haven't been able to take ill health benefits**

4. Remedy Update

4.1 The Chair provided a verbal update on behalf of FM. Regulations came into force on 1 October 2023. An additional SSI may be required to correct some minor errors identified by parliamentary committee.

4.2 The Joint Remedy Working Group (JRWG) is in place and have reviewed the draft Remediable Service Statements.

4.3 Administration for officers approaching or in the process of retiring is in place, albeit with a manual workaround. System functionality is not available but should be in place by the end of the year, noting that SPPA are part of larger "Class Group" with administrators in England & Wales.

4.4 IC Confirmed that Remedy is being delivered for those pursuing retirement.

4.5 A small number of Contingent Decisions applications have been received. The Contingent Decisions Panel will provide a steer for administrators.

4.6 DK enquired about progress of litigation. IC advised that claims remain sisted at the employment tribunal, behind equivalent claims in England and Wales.

Action:

SPPA to circulate details of the principals of Contingent Decisions Applications and the decision making process to the SAB.

SPPA to provide a response to the Remedy Consultation and copy distributed to SAB Members once published.

5. Participation Rates

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5.1 The Chair invited AW to present paper 2. After the May 23 auto-enrolment, participation rates had increased from 90.03% to 94.82%, reducing to 92.61% by end of Sep 23. The Main reason for opt out, by those who provided a reason, were: Personal Circumstances – 47.3%, Financial Pressures – 24.7%.

5.2 SD advised that Police Scotland payroll is analysing each probationary intake in order to provide data on those who decide to opt out. She would be content to share this information.

Action: A sub Group to be established to analyse what additional data, including opt outs by age, can be provided on scheme participation. Also to review how to source better information, for example by more effective engagement with those opting out.

6. Provisional 2020 Valuation Results

6.1 The Chair invited colleagues from GAD to present Provisional 2020 Valuation Results. Presented by RF. The provisional results show an increase to the employer contribution rate to 38.5% of pensionable pay. This was based on an average member contribution yield of 13.7% from the scheme membership, as set out in the scheme framework agreement. SAB noted the current member contribution rate was 13.46%, so was not achieving the yield, and were invited to consider this shortfall. This shortfall has a small consequential impact on higher employer contributions. The provisional results also show no breach of the employer cost cap.

6.2 IC provided an update regarding financial arrangements, outlining a commitment from UK Government to provide a level of additional funding to centrally funded employers in recognition of the rate increases.

6.3 RF asked if the SAB were content with the 2020 Valuations Assumptions as briefed during the SAB on 19 June 2023. The SAB agreed with the 2020 Valuation Assumptions set by GAD.

Action: The final valuation reported to be distributed to the SAB members once published.

Action: SPPA to provide an options paper for the Member Contribution Yield deficit.

7. AOB

SD requested SPPA provide the SAB a table on pending legislation changes to the Scottish Police Pension Scheme.

Action: AW to produce a table for the SAB outlining future proposed legislative changes.

8. Date of Next Meeting

8.1 The Chair confirmed that the next meeting was scheduled for 4 December 2023 and calendar invites have been issued to board members.

Summary of New Actions

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Action No	Para No	Action	Owner
99	3.2	SPPA to seek update from the Home Office regarding outcome of current Employment Tribunal ET concluded – propose to close action point 19/3	MK/AW
100	3.2	SAB to consider unlinking previously deferred members who haven't been able to take ill health benefits SPPA taking forward on a 4 nations approach – propose to carry forward action point	MK/AW
101	4.6	SPPA to circulate details of the principals of Contingent Decisions Applications and the decision making process to the SAB Included in Remedy Paper – propose to close action point 19/3	FM/SPPA
102	4.6	SPPA to provide a response to the Remedy Consultation and copy distributed to SAB Members once published. Included in Remedy Paper – propose to carry forward	FM/SPPA
103	5.2	A sub Group to be establish to analyse what additional data, including opt outs by age, can be provided on scheme participation. Also to review how to source better information, for example by more effective engagement with those opting out. Included in Remedy Paper/propose to include as part of agenda going forward – propose to close action 19/3	SPPA
104	6.3	Action: The final valuation reported to be distributed to the SAB members once published. Action complete – propose to close action 19/3	AW/SPPA
105	6.1	SPPA to provide an options paper for the Member Contribution Yield deficit. Agenda item 6 – propose to close action 19/3	
106	7	AW to produce a table for the SAB outlining future proposed legislative changes Agenda item 7/propose to include as part of agenda going forward – propose to close action 19/3	AW/SPPA

Summary of outstanding Actions

Action No	Action	Owner
94	SPPA to provide update on proposal to appoint independent Chair of Police SAB when further information is available. Propose to carry forward	IC/SPPA
95	SPPA to consider holding review of the effectiveness of the Scottish Police SAB IC discussing with SPPA Governance – propose to carry forward.	SPPA

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97	SPPA to seek board members' views on changes to the provision for eligibility for ill health retirement, including retrospection, once the outcome of the current Employment Tribunal is known: Will be taken forward along with action point 100. Propose to close this action point but merge with action point 100.	SPPA
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