

Scottish Police Pension Scheme Advisory Board

MINUTES

Date: 09 February 2025

Location: **Virtual Meeting via Microsoft Teams**

Chair: Iain Coltman (IC) (SPPA)

Attendees: Alasdair Corfield (AC) (Police Scotland)
Angelo Gustinelli (AG) (Police Scotland)
David Kennedy (Scottish Police Federation) (from agenda item 5)
John MacLean (JM) (Scottish Police Authority)
Stewart Carle (SC) (Association Scottish Police Superintendents)

Advisers: Greg Donaldson (GD) (GAD)

Officials: Alan Wilkinson (AW) (SPPA)
Finn Mackenzie (FM) (SPPA)
Elle O'Kane (EO) (SPPA)
Peter Jamieson (PJ) (Police Division)

Observers: Claire Neale (NPCC)

Apologies: Sharon Dalli (SD) (Police Scotland)

Secretariat: Mhairi Kinnaird (SPPA)

1. Welcome and Apologies

The Chair welcomed everyone to the meeting.

2. Conflicts of Interest

No new conflicts of interest were declared.

3. Previous Minutes

The minutes from the meeting of the 9 September were agreed (Paper 1).

4. Action Points

4.1 A summary of new Police SAB actions, from previous meeting, were reviewed (Paper 2) and the following noted:

- **Action 114** – Board Members to submit thoughts on key points to be addressed in the letter for Deputy Directors at the Home Office and HMRC within 7 days of SAB dated 9th September 2024 – **EO confirmed that this letter was sent from SAB mailbox on 01 October 2024. IC advised that no response had been**

received and SPPA would reconsider approach to communications with UK Government Departments Action closed.

- **Action 115** – EO to include statistical information for Officers who left service within a year of Opting Out and cascade to Board Members – **EO advised that this was circulated to members on 01 October 2024. Action closed.**
- **Action 116** – SPPA will look at statistical information for members joining the Pension Scheme at a young age and service and for Police Officers joining for a short period of time around 5 years then leaving – **EO advised that this would be covered in paper five. Action closed.**

4.2 Action Points carried over from previous meeting:

- **Action 94** – SPPA to update on appointment of an independent chair - **IC explained that SPPA has recruited a Head of Governance and Governance department is fully staffed, and as such SPPA would be acting on this in the coming weeks. AC highlighted that this issue was first brought to SAB 6 years ago approximately. AC advised that whilst he is clear that there is no concern about the current chairmanship, there is a concern about conflict of interest as IC is also acting as representative of Scheme Manager/Scheme Administrator and as such he believes that this should be further prioritised. IC noted AC's comments and advised that KPMG had first recommended an independent chair in 2018 but at the time board members were content with the arrangement. IC advised that employer representatives had raised the issue again a year ago and that SPPA is now in a position to take active steps towards recruitment before the next board meeting. Action to be carried forward.**
- **Action 95** – SPPA to consider review of SAB effectiveness - **EO explained that this action was still ongoing. Action to be carried forward.**
- **Action 99** – An update from HO on outcome of KER employment tribunal – **AW advised HO have accepted the tribunal findings and SPPA are awaiting written confirmation. AW advised that prospective regulation changes come into force on 1 April 2025 and retrospective regulation changes are currently under development. IC advised that the action would remain open in case the employment tribunal made comment about remediation or solution that could be circulated to board members for consideration. CA confirmed that the position in E&W is similar, and they are seeking guidance on retrospection. Action Carried forward.**
- **Action 102** – SPPA to provide a response to the Remedy Consultation – **FM advised that the intention is to publish alongside regulation amendments that AW will cover in paper five. Action to be carried forward.**

5. Remedy Update – (Paper 3)

5.1 The Chair invited FM to present Paper 3.

5.2 FM explained the purpose of the paper is to inform SAB members about an ongoing policy issue related to sections 4 and 5 of the Public Service Pensions and Judicial Offices Act 2022, (PSPJOA) and the Police Pensions Regulations 1987, (PPS 87).

5.3 FM advised that SPPA have currently paused member applications to buy-back opted out service under the contingent decisions provisions included within the PSPJOA.

5.4 FM explained that this pause is necessary due to an interaction between section 4 of the PSPJOA - which determines the relevant legacy scheme for any buy-back – and scheme regulations in PPS 87 which determine that once a member has left the scheme they cannot rejoin that scheme.

5.5 FM explained that this has been under review for some time now and legal counsel has been sought at UK and Treasury level to determine whether changes to primary legislation are required or if scheme regulations should be changed.

5.6 FM advised that whilst a more thorough review of the legislation is being undertaken, PPS 87 scheme rules have been clarified and three distinct scenarios have been identified.

5.7 FM explained that there is now confirmation that members who fall under scenario (c) outlined within paragraph 5 of paper three can rejoin the PPS 87 scheme and this aligns with the policy intention.

5.8 FM advised that as a result, applications have been opened for members who fit the criteria set out in scenario (c). FM clarified that out of approximately 60 members who have been affected by the pause of applications, nine fit the criteria. FM advised that these members have been contacted to ask if they still wish to proceed with their application to buy-back their opted-out service and SPPA are awaiting responses. FM confirmed that the remaining circa 50 members' applications are still paused pending completion of the review of the legislation and further information about this will be shared to board members once it is made available from HM Treasury.

6. Regulation Amendments (Paper 4)

6.1 The Chair invited EO to present Paper 4 - detailing amendments being considered in the Police Pension scheme Regulations.

6.2 AW explained that there will be a set of regulation amendments related to Remedy, and that the amendments will be minor technical amendments.

6.3 AW advised that the consultation on the amendment to increase member contribution rate and to make prospective amendments to eligibility criteria for ill health benefits has concluded. AW advised that the amendment is expected to be laid in Parliament next week on 6 March 2025 and the regulations will come into force on 1 April 2025. AW explained that all current members would therefore pay the

increased contribution rate of 13.7% from 1 April onwards, including the 32 members currently paying the lower rate.

6.4 AC requested feedback on the consultation, AW advised that there were 2 responses to the consultation, one from the Scottish Police Federation which was supportive, and a comment from Sharon Dalli which included a suggested technical amendment which SPPA has incorporated to the drafted amendment. AW advised that there was no response from the Association of Scottish Police Superintendents. AC thanked AW for the update.

6.5 JM raised minor typing errors in paper four relating to effective dates for the purposes of keeping the timeline accurate. JM asked where responsibility for communications would lie. IC noted the typing errors and advised that circulars are routinely issued for legislative changes and so at minimum SPPA would draft and issue a circular which could be circulated to members.

6.6 AW advised that consideration was now being given to potential retrospective amendments relating to the eligibility of ill health benefits and the backdating of cover for the 32 members who have paid the lower contribution rate up to 31 March 2025. SPPA is keen to progress this quickly, however AW noted that Home Office are moving fairly slowly on this at present.

6.7 JM asked if there was any indication of the options that affected members could be presented with and which principles require consideration. AW advised that the primary consideration is the date to which cover should be backdated, i.e. whether affected members should be covered from 1 April 2015 when the CARE scheme initially came into force. SPPA have engaged in four nations discussion on this topic, Northern Ireland have a larger cohort of affected members than Scotland and are also keen to progress this. AW advised that the view from Northern Ireland currently is that cover should be backdated for CARE scheme service only.

6.8 AW advised that SPPA have been engaging with Police Scotland to obtain member data on affected individuals to further understand potential impact on individuals. Initial indications are that the majority of affected individuals have only opted out for the year period and so management of retrospection could be fairly straightforward from a Scottish perspective. AW noted that both England and Wales, and Northern Ireland have a relatively sizeable number of members in this cohort and so their considerations may have to be more complex.

6.9 IC advised that SPPA would take an action to provide a paper to board members by the next meeting with options, dependant on receiving requisite data from the police service.

Action Point: SPPA to produce options paper on Ill Health retrospection for next meeting.

7. Participation Rates - (Paper 5)

7.1 The Chair invited EO to present Paper 5 - detailing Participation Rates from Q3 2022/23 to Q2 2024/25.

7.2 EO advised that participation rates were in a slow downward trend and that per the opt out reasons detailed in the paper, personal circumstances were largely the reason for opt out. EO advised that the majority of opt outs were constable rank, which was consistent with data for the same time the previous year. EO advised that SPPA would continue to look at younger members to get valuable insights.

7.3 JM advised that NPCC strategic assessment shows trends for length of service so insight can be gained on what has changed over time and that in England and Wales, participation for members with 0 to 5 years service. JM advised that this information is not in SPPA reporting data but would be useful.

7.4 AC advised that it would be useful to include officers who have opted out in the data, to fully understand the demographics of those who have opted out. AC advised that as auto enrolment is due again next year, it is a good opportunity to look at this data to understand how scheme participation can be encouraged. IC advised that the contribution rate is due to increase also.

7.5 PJ asked when the next auto enrolment date was. AC confirmed it was 26 May 2026. AW advised SPPA had previously provided an enhanced breakdown of opt out reasons and trends tended to be broadly the same. AW advised that SPPA could potentially provide something similar in future but due to the time commitment involved it is unlikely that this kind of report could be provided for every board meeting.

7.6 SC advised that whilst the board are not financial advisors, is there scope to consider what information is provided to members to help them understand the benefits of the scheme. SC advised that by the time an officer gets to the rank of SC advised that this is based on conversation with younger officers. SC advised that an officer he spoke to recently thought that the employer contribution rate was roughly 16% and that helping members understand the benefits of the scheme could help participation.

7.7 IC proposed a joint working group to get an action plan in place to look at opt out reasons and communications to members. IC advised that it would be useful to have a contact from Police Scotland to begin with to look at the steps that could be taken regarding communicating with members who have opted out of the scheme.

7.8 SC wondered what the member journey looks like when opting out and whether there are alternatives that members could be encouraged to consider. IC advised that in other schemes there are options such as variable accrual rates where members pay less in contributions and accrue less as a result, and that this is an option that could potentially be considered. PJ advised that this was why auto-enrolment is an

important consideration, it is an opportunity to say to members – ‘don’t just opt out when we’re auto enrolling, here’s how you can benefit from being in the scheme.’ IC agreed that this was a good opportunity to engage with members.

Action Point: Joint working group to be created to discuss how to improve participation.

8. AOB.

8.1 DK asked whether the rules on accessing pensions had changed. DK advised that a recent SPPA video had advised members that those retiring before age 55 could access their CARE benefits once they turned age 55. FM advised that the rules had not changed and that perhaps the script was unclear on the fact that an actuarial reduction would apply in that scenario. FM advised that he would review the scripts for the videos to ensure that they were clear enough when describing retirement scenarios.

Action Point: SPPA to review information provided to members with mixed service about options for accessing benefits.

8.2 The Chair invited GD to provide a timescale for scheme valuations and confirm the board’s involvement.

8.2 GD confirmed that the effective date for the next valuation date is 31 March 2024. GD advised that the valuation is a large undertaking and that GAD are currently working with SPPA to get the required data for assumptions and that they are working towards having the results of the valuation being implemented by 1 April 2027.

8.3 GD advised that ahead of implementation date he expects to have initial results available in the second half of this calendar year and that there will be training scheduled for board members around valuations to allow discussion and input by board members on these initial results. GD advised that GAD are planning to communicate changes to stakeholders approximately 6 months before implementation. DK advised that this would be helpful as it can help inform officer retirement plans.

8.4 The Chair advised that this would be AC last SAB meeting. The Chair took the opportunity to thank AC for his contribution during his tenure on the board.

10. Date of Next Meeting

10.1 The next meeting is scheduled for Wednesday 18 June 2025.

Summary of New Actions

Action No	Para No	Action	Owner
117	SPPA to produce options paper on Ill Health retrospection for next meeting	MK/AW/SPPA	
118	Joint working group to be created to discuss how to improve retention	MK/AW/SPPA	
119	SPPA to review information provided to members with mixed service about options for accessing benefits	SPPA/FM	

Summary of Action Points to be Carried Forward

Action No	Action	Owner	Update
94	SPPA to provide update on proposal to appoint independent Chair of Police SAB when further information is available	IC/SPPA	Carried forward – 24/02
95	SPPA to consider holding review of the effectiveness of the Scottish Police SAB	IC/SPPA	Carried forward – 24/02
99	SPPA to seek update from the Home Office regarding outcome of current Employment Tribunal (Ker)	SPPA	Carried forward – 24/02
102	SPPA to provide a response to the Remedy Consultation and copy distributed to SAB Members once published	SPPA/FM	Carried forward – 24/02
116	SPPA will look at statistical information for members joining the Pension Scheme at a young age and service and for Police Officers joining for a short period of time around 5 years then leaving	MK/AW/SPPA	Carried forward – 24/02

Actions closed at previous meeting

Action No	Action	Owner	Update

114	Board Members to submit thoughts on key points to be addressed in the letter for Deputy Directors at the Home Office and HMRC within 7 days of SAB Meeting dated 9 th September 2024.	Board Members	Letter sent 01/10 – Closed
115	EO to include statistical information for Officers who left service within a year of Opting Out and cascade to Board Members.	EO/SPPA	Issued to SAB 01/10 – Closed
116	SPPA will look at statistical information for members joining the Pension Scheme at a young age and service and for Police Officers joining for a short period of time around 5 years then leaving	EO/AW/SPPA	SPPA to embed this into regular process – closed 24/02