

South West Region - Police Pensions Board

Thursday, 9 May 2019

10am

Ops Conference Room, Avon & Somerset Police HQ, Portishead,
Bristol

Minutes

Present:

Ian Pollitt CBE (Chair) IP

Member Representatives:

Paul O'Brien, NARPO PoB
Robin Hobbs (NARPO) RHo
ACC Sharon Taylor, Devon & Cornwall (CPOSA) (via telephone) ST
Sergeant Steve Gardner, Devon & Cornwall (Police Federation) SGa

Employer Representatives:

John Jones, Assistant Chief Officer, Dorset Police JJ
Clive Barker, Assistant Chief Officer, Wiltshire CB
Nick Adams, Director of Resources, Avon & Somerset NA
Sandy Goscomb, Director of Finance & Resources, Devon & Cornwall SGo
Richard Hicks, Dorset Police RHi
Sarah Holbrook, Wiltshire Police SH
Lisa Adams, Gloucestershire Police LA

Visitor:


Kevin Courtney, NPCC Pensions Adviser KC

In Attendance:

Julie Taylor, Dorset Police (Minutes)

ITEM 1: APOLOGIES

Superintendent Antony Hart, Devon & Cornwall (Supt Assoc)
Superintendent James Gale, Devon & Cornwall (Supt Assoc)
Sergeant Peter Land, Avon & Somerset (Police Federation)
Peter Skelton, Chief Finance Officer, Gloucestershire Police


IAN POLLITT

ITEM 2: INTRODUCTIONS

IP welcomed everyone and introductions were made.

ITEM 3: CONFLICTS OF INTEREST

No conflicts of interest were raised.

ITEM 4: MEMBERSHIP

A review of the membership of the Board was undertaken:

ST notified a change to the CPOSA Deputy; this will now be ACC John Stratford, Gloucestershire Police.

ITEM 5: MINUTES OF THE LAST MEETING AND ACTIONS ARISING

The minutes of the meeting held on 7 February 2019 were agreed.
The actions were covered off on the action matrix.

ITEM 6: TRAINING/KNOWLEDGE OF BOARD MEMBERS

All members were asked to provide any updates on training undertaken to ensure the training matrix was accurately maintained. **ACTION: All**

ITEM 7: THE PENSION REGULATOR – ANY ISSUES TO REVIEW

In relation to the 2017 pension increase being applied incorrectly by the previous Pensions Administrator, although it was believed this would affect a small number of pensioners, work had yet to be completed by XPS to determine the final position. RH advised XPS had indicated this would be done by late autumn.

The potential cost to forces was at yet unknown.

In response to the question of whether this matter should be declared to The Pension Regulator (TPR), IP felt that it should be together with the action Forces proposed to take and any relevant timescales, thereby demonstrating to TPR that the four Forces were actively dealing with the matter.

Once XPS have completed their work, the individual Forces will determine the materiality and consider a referral to TPR. **ACTION: Directors of Finance**

Careful consideration would need to be given in relation to a suitable form of communication to affected individuals.

ITEM 8: PENSION COMPLIANCE AND PERFORMANCE GROUP

A report was presented which provided an update on the performance of the current administration of the police officer pension schemes.

Elements raised at the quarterly officer pensions contract meeting for escalation to the Regional Pensions Board:

The Board was asked to consider adding to its Risk Register the risk posed by one of the Finance Managers commencing maternity leave with no current role replacement: Discussion was held. Offers of assistance had been received from another Force therefore IP did not consider this needed to be placed on the Risk Register.

No further issues were raised.

The Board noted the content of the report.

ITEM 9: ANNUAL REPORT

IP advised he had now completed the annual report and it was presented to the Board for ratification.

Members agreed the Annual Report.

Employer reps agreed to present the report to their respective Executive Board and to report back to Julie Taylor when this had been done. Once the report had been presented to the Scheme Managers within the Region, arrangements would be made to publish it on the Pension Board website.

**ACTION: John Jones, Sandy Goscomb, Clive Barker, Nick Adams,
Peter Skelton**

ACTION: Julie Taylor (publish on website and notify members)

ITEM 10: GOVERNMENT CHANGES TO PENSIONS – UPDATE

Following the Court of Appeal's ruling that the Government's changes to pensions for judges and firefighters relating to the transitional protection rules associated with the introduction of the 2015 scheme were discriminatory on the grounds of age, the Government had applied to appeal to the Supreme Court though a date when this will be heard was not yet known.

In the absence of any final decision the Government suspended the valuation exercise which was due to be undertaken as any decision reached will affect all public schemes; therefore until a final outcome was reached, officers will continue to pay the same contributions and obtain the same benefits. NB: This only affects membership of the 2015 Police Pension Scheme.

Employer contributions increased as at 1 April 2019.

Forces have received correspondence from James Hurley, NPCC Pension Lead, which included suggested wording for a 'disclosure note' to assist in determining the appropriate accounting treatment within the 2018/19 annual accounts.

In response to a question from SG on whether she was correct in interpreting this to mean current payment arrangements would stay in place in the medium term with no financial impact on Forces with the Home Office picking up the additional costs, KC thought this would be the case though there will be further dialogue with the Home Office.

However nothing would happen until the final legal decision had been made by the Supreme Court.

ITEM 11: FORMAL CLAIM FOR FAILURE OF SERVICE

RH provided an update to the Board.

ITEM 12: SW AUDIT PARTNERSHIP (SWAP): REGIONAL POLICE PENSIONS DATA TRANSFER POSITION STATEMENT

Capita were the Police Pensions Administrator to Dorset, Devon & Cornwall, Gloucestershire and Wiltshire Police Forces for approximately five years before the contract was awarded to and the administration service taken up by Kier (now XPS).

Given the importance of ensuring XPS commenced their new role with full and accurate data, a Regional Force request was made to SWAP to review the data transfer arrangements between Capita and XPS to provide assurance that the process had been robust and to review the integrity and quality of the data transfer.

SWAP's position statement was presented to the Pensions Board, the conclusion being that SWAP were reasonably satisfied that the transfer of pensions data went fairly well with XPS now believing that the data quality and overall accuracy of member records was much greater than it was and that this would continue to improve through ongoing efforts to improve the accuracy and confidence in the data held.

No formal recommendations have been raised by SWAP as part of this review.

SWAP was also in the process of undertaking a follow up audit to the Pension Board Audit undertaken in 2017 and their report was awaited.

NA advised that Avon & Somerset have now joined SWAP meaning that all five Forces in the Region have the same internal auditor.

ITEM 13: REVIEW OF RISK REGISTER

The following changes were requested:

1. Communication with Members: amend scoring to 3 3
2. Administration: amend scoring to 4 3
3. Data Management: amend scoring to 4 3
8. Business Continuity Plan: amend scoring to 3 3
10. Administration – lack of readiness for GDPR: no longer required; delete
11. Complaints: amend scoring to 2 2

The amended Risk Register will be circulated with the minutes.

IP proposed a deep dive of the Risk Register take place at the August Board meeting.

ITEM 14: UPDATE FROM CHAIR

IP provided the following updates:

- Will be attending a Police & Firefighters Pension Boards Conference on 15 May. IP will provide an update on key points discussed which can be circulated to members. [Secretary's Note: these will be circulated with the minutes].
ACTION: Ian Pollitt
- Pensions Tax Working Group – the Scheme Advisory Board (SAB) was undertaking a piece of work to try and ascertain how many officers were refusing to take promotion due to the large tax charges which could be incurred, the intention being to present the findings to the Policing Minister to see if HM Treasury would be willing to consider flexibility/change in rules.
- Pensions Comms to new recruits: IP advised he had now finalised his review and felt that more could be done to inform new recruits as to the benefits of joining the Police Pension Scheme as he was concerned at the number of opt outs, especially those at lower ranks. He circulated a copy of the presentation used by the Met Police as something for members to take away and consider using in their respective Force.
- Keeping Scheme Managers informed of the work of the SW Police Pension Board: albeit this was primarily done through the Employer reps, IP stated he would be happy to visit respective Forces/Chief Constables. He had already visited Dorset and invited Force reps to get in touch to set up a suitable meeting if required.

ITEM 15: REGIONAL PENSIONS SCHEME ADMINISTRATION – PERFORMANCE

XPS Performance Pack

Graeme Hall joined the meeting via telephone:

- Pension recalculation progress: GH advised that XPS were taking on additional staff to assist in completing this piece of work which was anticipated to be finished by late autumn. GH undertook as a matter of urgency to ask the XPS project team to provide an overview the current position, including what the potential average overpayment may be to enable the Regional Directors of Finance to discuss at their next Regional meeting on 29 May.
ACTION: Graeme Hall
- Pension savings statements: IP requested the number of officers for both voluntary scheme pays and mandatory scheme pays. **ACTION: Graeme Hall**
- XPS infrastructure off line for a period of time: GH advised this was now resolved and members should be able to gain access. Forces advised they were first aware there was something wrong when officers raised it internally; a request was made that should something similar happen again that XPS inform Forces so that they were aware and could circulate internal comms to inform their staff. GH apologised for this oversight and agreed to take this on board and make sure Forces were informed in advance of any issues arising with the service from XPS. **ACTION: Graeme Hall**
- Issues around secure file portal and data transfer; this has now been resolved.
- GMP reconciliation: XPS advised they were waiting for the final data extract from HMRC; anticipated to receive at the end of June. XPS would look to complete this exercise by year end.
- Performance Report; Dorset address data compliance: XPS agreed to send to RH the data set for Dorset to enable a data trawl to be undertaken in order that the Force could provide the required information to ensure accuracy/completeness of the data held. **ACTION: Graeme Hall**
- Business Continuity Plan (BCP): work is being undertaken by the XPS Governance Department. Once finalised a copy will be shared with the Pensions Board.
- Page 10 Performance Report – Complaints: Request for more detail behind the complaints together with the relevant Force. **ACTION: Graeme Hall**

IP thanked Graeme for his time and there being no further questions, he left the meeting.

Peninsula Performance Pack

Emma Davies joined the meeting via telephone:

- GMP reconciliation: awaiting the final data extract from HMRC, anticipate this could be mid-November/early December; therefore Peninsula will not be in a position to advise those pensioners affected until late 2019/early 2020.

- Opt outs: total number of opt outs recorded are 25 out of 2671 scheme members. IP asked if it would be possible to know details of those who opted out ie rank, length of service, age. ED undertook to provide this information to NA in the first instance. **ACTION: Emma Davies**

IP thanked Emma for her time and there being no further questions, she left the meeting.

ITEM 16: NPCC PENSIONS ADVISER

Kevin Courtney provided Board members with an overview of his role as NPCC Pensions Adviser working alongside James Hurley, NPCC Pensions Lead.

- SAB looking at the reintroduction of some form of pensions update which could be circulated to Forces providing information on the latest news, consultation, guidance etc. Complaints had been received from Forces about not being kept aware of new guidance/legislation since the Home Office ceased to publish pension Circulars.
- Discussions held nationally on the number of opt outs across the country to gain a better understanding of the reasons why/when officers take the decision to opt out.
- Data scoring – requirement for scheme returns: some pension administrators are charging Forces to undertake this work. SAB undertaking a piece of work to draw up a common specification which could be used together with some form of negotiation with pension administrators to make this more consistent/fair going forward.
- Forces will have received correspondence from Cartwright King Solicitors in relation to ESA and deductibility of injury related benefits. Work was ongoing within NPCC to provide guidance to Forces on how to take this matter forward.

Employer reps to make enquiries within their respective Forces to determine:

- i. the letter had been received.
- ii. what, if anything, was being done

in an attempt to try and scope how many officers would be affected, costs involved. **ACTION: Directors of Finance**

XPS were aware of the correspondence and were awaiting guidance on how to take this forward.

A copy of the Cartwright King correspondence would be circulated to Board members.

IP thanked Kevin for his time.

ITEM 17: ANY OTHER BUSINESS

i. Public Sector Exit Cap – Implications

The Government first announced plans to cap exit payments in the public sector in 2015. On 10 April 2019 HM Treasury launched a consultation on draft regulations, guidance and directions to implement the cap.

SGo enquired if the police officer injury or ill health payments would be affected. IP undertook to make enquiries and report back. **ACTION: Ian Pollitt**
[Secretary's Note: email from IP to SGo with response 20.5.19; copy circulated to all Board members with the minutes.]

ii. Pensions and Taxation Awareness Events

RH advised the intention would be to hold similar events to those held last year. He undertook to liaise with XPS to organise and publish dates. **ACTION: Richard Hicks**

NA undertook to liaise with Peninsula to provide the same for Avon & Somerset officers. **ACTION: Nick Adams**

An update to be provided at the next meeting.

iii. Wiltshire Branch of NARPO

CB advised that Wiltshire Police had been approached by the Wiltshire Branch of NARPO seeking address details to enable them to write to all Wiltshire Police Pensioners who were not currently members of their Association.

He voiced his concern that this would breach the General Data Protection Regulations (GDPR) under which organisations were only allowed to use the data held for the purpose it was collected for.

Discussion was held and the Board agreed that it would be a breach of GDPR to release the information being requested. CB undertook to write back to Wiltshire NARPO to advise them of this. **ACTION: Clive Barker**

ITEM 18: SUMMARY OF ACTIONS

- (i) All members were asked to provide any updates on training undertaken to ensure the training matrix was accurately maintained. **ACTION: All**
- (ii) Work by XPS to determine the number of pensioners affected by the 2017 pension increase being applied incorrectly by the previous Pensions Administrator to be completed. Once completed, individual Forces to determine the materiality and consider a referral to The Pension Regulator.
ACTION: Directors of Finance

- (iii) Annual Report: Employer reps to present to their respective Executive Board and to report back to Julie Taylor when this had been done. Once the report had been presented to the Scheme Managers within the Region, arrangements would be made to publish it on the Pension Board website.
ACTION: Directors of Finance
ACTION: Julie Taylor (publish on website and notify members)
- (iv) IP undertook to provide an update on key points at the Police & Firefighters Pension Boards Conference he will be attending. **ACTION: Ian Pollitt**
[Secretary's Note: these have been received and will be circulated with the minutes.]
- (v) Pension recalculation progress: GS undertook as a matter of urgency to ask the XPS project team to provide an overview the current position, including what the potential average overpayment may be to enable the Regional Directors of Finance to discuss at their next Regional meeting on 29 May.
ACTION: Graeme Hall
- (vi) Pension savings statements: IP requested the number of officers for both voluntary scheme pays and mandatory scheme pays. **ACTION: Graeme Hall**
- (vii) GH to make sure Forces were informed in advance of any issues arising with the service from XPS to enable them to inform staff. **ACTION: Graeme Hall**
- (viii) Performance Report; Dorset address data compliance: XPS agreed to send to RH the data set for Dorset to enable a data trawl to be undertaken in order that the Force could provide the required information to ensure accuracy/ completeness of the data held. **ACTION: Graeme Hall**
- (ix) Page 10 Performance Report – Complaints: Request for more detail behind the complaints together with the relevant Force. **ACTION: Graeme Hall**
- (x) Opt outs: total number of opt outs recorded are 25 out of 2671 scheme members. IP asked if it would be possible to know of those who opted out – rank, length of service, age. ED undertook to provide this information to NA in the first instance.
ACTION: Emma Davies
- (xi) Correspondence from Cartwright King Solicitors in relation to ESA and deductibility of injury related benefits. Work was ongoing within NPCC to provide guidance to Forces on how to take this matter forward.

Employer reps to make enquiries within their respective Forces to determine:

- i. the letter had been received.
- ii. what, if anything, was being done

in an attempt to try and scope how many officers would be affected, costs involved. **ACTION: Directors of Finance**

(xii) Public Sector Exit Cap: SGo enquired if the police officer injury or ill health payments would be affected. IP undertook to make enquiries and report back. **ACTION: Ian Pollitt**

(xiii) Pensions and Taxation Awareness Events: RH advised the intention would be to hold similar events to those held last year. He undertook to liaise with XPS to organise and publish dates. **ACTION: Richard Hicks**
NA undertook to liaise with Peninsula to provide the same for Avon & Somerset officers. **ACTION: Nick Adams**

(xiv) Release of address details to the Wiltshire Branch of NARPO. Board agreed this would be a breach of GDPR. CB undertook to write back to Wiltshire NARPO to advise them of this. **ACTION: Clive Barker**

ITEM 19: DATE OF NEXT MEETING

1 August 2019

Wroughton Room, Divisional HQ Swindon, Oxford Road, Gablecross, Swindon SN3 4RB

Future meeting date:

5 December 2019

Somerset Room, Avon & Somerset Police HQ, Portishead, Bristol BS20 8QJ