

South West Region - Police Pensions Board

Thursday, 1 August 2019

10am

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

Minutes

Present:

Ian Pollitt CBE (Chair) IP

Member Representatives:

Superintendent Antony Hart, Devon & Cornwall (Supt Assoc)+(CPOSA) AH
Sergeant Peter Land, Avon & Somerset (Police Federation) PL
Sergeant Steve Gardner, Devon & Cornwall (Police Federation)(via phone) SGa
Robin Hobbs (NARPO) Rho

Employer Representatives:

John Jones, Assistant Chief Officer, Dorset Police (+Devon & Cornwall) JJ
Richard Hicks, Dorset Police RHi
Sarah Holbrook, Wiltshire Police SH
Peter Skelton, Chief Finance Officer, Gloucestershire Police PS
Lisa Adams, Gloucestershire Police LA
Claire Hargreaves, Head of Finance, Avon & Somerset Police CH

Visitors:

Paul Mudd, XPS
Laura Pelmeare, XPS

In Attendance:

Julie Taylor, Dorset Police (Minutes)

ITEM 1: APOLOGIES

ACC Sharon Taylor, Devon & Cornwall (CPOSA)
Clive Barker, Assistant Chief Officer, Wiltshire
Nick Adams, Director of Resources, Avon & Somerset
Sandy Goscomb, Director of Finance & Resources, Devon & Cornwall
Paul O'Brien, NARPO

ITEM 2: INTRODUCTIONS

IP welcomed everyone and introductions were made.

ITEM 3: CONFLICTS OF INTEREST

No conflicts of interest were raised.

ITEM 4: MINUTES OF THE LAST MEETING AND ACTIONS ARISING

The minutes of the meeting held on 9 May 2019 were agreed.

The actions were covered off on the action matrix.

ITEM 5: TERMS OF REFERENCE

The Terms of Reference had been reviewed by the Chair and a copy setting out proposed amendments had been circulated. IP sought agreement from the Board members. All agreed.

A copy of the revised Terms of Reference will be circulated with the minutes and a copy placed on the SW Police Pensions Board website.

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**

IP emphasised the need for members to complete and evidence their training as a result of the comments made in the recent SW Partnership (SWAP) audit on the governance of the Pension Board which said 'a number of Board members have not evidenced that they have completed the online training provided by The Pension Regulator'.

ITEM 7: REVIEW OF RISK REGISTER

Two additional items added:

- Government Changes to Pensions – Judges and Firefighters Ruling.
- Cyber Security: The Pension Administrators to be asked whether cyber security was included within their respective Business Continuity Plans and what assurance they could give to Forces that they had robust, suitable disaster recovery plans in place.

ACTION: Richard Hicks to liaise with XPS

ACTION: Claire Hargreaves / Nick Adams to liaise with Peninsula

- There was also a request that the Pension Administrators undertake regular horizon scanning on those issues listed on the Register:
Objective 1 – Strategic/High Level Risk to a pension scheme
Objective 2 – Operational (effective day-to-day running of the Fund)
and keep Forces informed.

ACTION: Richard Hicks to liaise with XPS

ACTION: Claire Hargreaves / Nick Adams to liaise with Peninsula

All present stated they were happy with the content of the Risk Register.

ITEM 8: GOVERNMENT CHANGES TO PENSIONS – JUDGES & FIREFIGHTERS

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.

Since the last meeting notification had been received on 27 June that the Supreme Court had refused the Government's leave to appeal.

As a result of this, the next stage will require the Government to go back to the ET Court and offer remedy; acceptance of that remedy would then have to be obtained.

The Government has stated that whatever the remedy offered and accepted, this would then apply to all public schemes.

No firm timeline had been given as to the final outcome of this matter.

ITEM 9: THE PENSION REGULATOR – ANY ISSUES TO REVIEW

No items raised.

ITEM 10: 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.

The Board noted the content of the report.

Steve Gardner left the meeting.

ITEM 11: REGIONAL PENSION SCHEME ADMINISTRATION - PERFORMANCE

Peninsula

Shirley Cuthbert joined the meeting via telephone:

- Number of Opt Outs: owing to the omission of some figures, work was underway to rectify and forward the revised figures to Nick Adams. IP asked if it would be possible to include details of those who opted out, ie rank, length of service, age. SC undertook to do this. **ACTION: Shirley Cuthbert**
- SC stated that LGPS asked those who requested to opt out the reason why, she would happy to see if there was anything similar on the police opt out form and speak to Avon & Somerset as to whether this was something they would like to include. IP stated this would be useful. **ACTION: Shirley Cuthbert**
- SC made reference to a case involving Avon & Somerset officers who had retired and immediately taken up a police staff role which had led to issues with the HMRC. The judge of the case had ruled in favour of the officers involved and recommended the Force should pay the tax charges levied on the officers. The Force was looking to ensure information was provided to retiring police officers making them aware of such tax implications and to take steps not to re-employ in another role straightaway, but to ensure there was a break in between (usually one month).
- Pensions and taxation awareness seminars: SC advised this was not something which Peninsula offered to officers as they were legally not allowed to provide free financial advice. IP responded stating Peninsula were right to say they could not offer financial advice, however they would be out of step with the other Forces in the Region by not offering such training and he had concerns this would potentially put Avon & Somerset officers at a disadvantage. SC undertook to raise with Rachel Lamb. **ACTION: Shirley Cuthbert**

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

XPS

Paul Mudd and Laura Pelmear joined the meeting:

- Complaints since last meeting: 4 (1 inaccuracy of information; 3 delays in provision of information). A request was made for more detail to be provided on the subject matter behind the complaints along with the split between the four Forces. **ACTION: Paul Mudd**
- Opt out numbers: IP asked if it would be possible to include details of those who opted out, ie rank, length of service, age. **ACTION: Paul Mudd**
- Paul Mudd stated that XPS provide a number of induction sessions to forces and one of the main questions asked by officers attending was how to opt out, the main issue being affordability.
- XPS to ensure Forces were informed in advance of any issues arising with their service which would assist in managing officers' expectations.

- The importance of officers accessing the XPS self-serve portal and checking their records to be included as part of the induction process for new recruits. RH to take forward. **ACTION: Richard Hicks**
- Request for XPS to include within future performance reports reference to how many active officers have signed on to the self-serve portal.
ACTION: Paul Mudd
- Incorrect application of uplift of pension by previous pensions administrator: good progress being made, all calculations completed, checking of calculations progressing; anticipate all will be done by the end of the financial year but hoping to complete and make any necessary payments sooner rather than later.
- In relation to this, Paul Mudd was asked to provide an overview of the current position, including what the potential average overpayment may be to enable the Regional Directors of Finance to discuss at their next meeting. Peter Skelton undertook to liaise with XPS on this matter. **ACTION: Peter Skelton**
- Pension Saving Statements – the following was requested:
 - How many sent out
 - By Force
 - Of those sent, how many would result in a taxable issue
 - How many officers took advantage of scheme pays, either voluntary or mandatory
 To be included in future performance reports. **ACTION: Paul Mudd**
- XPS Business Continuity Plan – Paul Mudd advised this has now been finalised and ISO certified. He undertook to provide an update on the content at the next meeting. **ACTION: Paul Mudd**
- In relation to the drop in compliance for data quality for Dorset, XPS to provide the names of the officer affected in order that the required information can be provided. **ACTION: Paul Mudd / Richard Hicks**
- Pensions and taxation events: Paul Mudd undertook to provide a block of dates when XPS would be available to run such events which could then be publicised to officers. **ACTION: Paul Mudd**
- Presentation given on the XPS Administration MyOwnPension Member Self Service portal facility.

IP thanked both Paul Mudd and Laura Pelmeare for their time, there being no further questions they left the meeting.

ITEM 12: PENSIONS AND TAXATION AWARENESS EVENTS

Discussed earlier in the meeting.

ITEM 13: SWAP PENSION BOARD GOVERNANCE 2018/19 REPORT

SWAP had been requested to complete an updated review of the governance of the Region's Police Pensions Board following their previous audit in 2017.

A number of issues had been raised by SWAP:

- *Membership of Board may not have adhered to the requirements under the Police Pensions Regulations 2015 for a period of time:* Board members disagreed, all meetings had been quorate. Recommended the Priority status was reviewed or removed altogether.
- *No formal code of conduct in place:* Board members employed by the respective Forces were bound by the Police Code of Ethics. NARPO members were governed by the National NARPO rules on conduct.
- *A number of Board members have not evidenced they had completed the online training provided by TPR:* the Board's terms of reference had been amended to reinforce that all members must have completed and evidenced they had undertaken the TPR online training either within two consecutive Board meetings or within six months.
- *Members of the Board are not completing a personal training needs analysis:* all covered by the TPR toolkit, no need for anything additional. Recommendation rejected.

John Jones undertook to write to SWAP asking for the report to be amended to reflect the above and once these adjustments had been made, the report to be circulated to the other forces to present to their respective Audit Committees.

ACTION: John Jones

ITEM 14: UPDATE FROM CHAIR

IP provided an update on the work of the Public Service Tax Working Group of which he was a member. One of the discussion items related to pension taxation issues which was resulting in members of the public sector (doctors, police officers, teachers) not volunteering to work overtime, seek promotion.

The Government had stated its willingness to look at proposals for flexibility or change. The Working Group had therefore approached the Police Scheme Advisory Board with a request for them to formally submit proposals to HM Treasury for consideration.

ITEM 15: ANY OTHER BUSINESS

i. Unpaid Maternity Leave

SH advised this issue had been raised by officers in Wiltshire as a result of information circulated and she outlined the difficulties being experienced in proving what information had been provided to the officers at the time in relation to options to buy back unpaid maternity leave. She asked if the other Forces were experiencing the same. A negative response was given.

ii. The Pension Ombudsman Annual Report 2018/19

Circulated for information.

iii. Scheme Advisory Board Advisory Note July 2019

- Circulated for information.
 - 'Brewster' changes – Peter Skelton to raise with XPS; Claire Hargreaves to raise with Peninsula. **ACTION: Peter Skelton/Claire Hargreaves**
- iv. As a point of information RHo advised that at a recent NARPO meeting members had been informed that when the Government changed the retirement age for police officers, Police Regulations had not been updated to reflect this change. The matter had been brought to the attention of the Home Office.

ITEM 16: 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) The Pension Administrators to be asked whether cyber security was included within their respective Business Continuity Plans and what assurance they could give to Forces that they had robust, suitable disaster recovery plans in place.
ACTION: Richard Hicks to liaise with XPS
ACTION: Claire Hargreaves / Nick Adams to liaise with Peninsula
- (iii) There was also a request that the Pension Administrators undertake regular horizon scanning on those issues listed on the Register:
Objective 1 – Strategic/High Level Risk to a pension scheme
Objective 2 – Operational (effective day-to-day running of the Fund)
and keep Forces informed.
ACTION: Richard Hicks to liaise with XPS
ACTION: Claire Hargreaves / Nick Adams to liaise with Peninsula
- (iv) Peninsula - Number of Opt Outs: include details of those who opted out, ie rank, length of service, age. **ACTION: Shirley Cuthbert**
- (v) SC stated that LGPS asked those who requested to opt out the reason why, she would happy to look to see if there was anything similar on the police opt out form and speak to Avon & Somerset as to whether this was something they would like to include. IP stated this would be useful. **ACTION: Shirley Cuthbert**
- (vi) Pensions and taxation awareness seminars: SC undertook to raise with Rachel Lamb as to whether Peninsula would consider providing.
ACTION: Shirley Cuthbert

- (vii) XPS - Complaints: A request was made for more detail to be provided on the subject matter behind the complaints along with the split between the four forces.
ACTION: Paul Mudd
- (viii) XPS – Number of Opt Outs: include details of those who opted out, ie rank, length of service, age. **ACTION: Paul Mudd**
- (ix) The importance of officers accessing the XPS self-serve portal and checking their records to be included as part of the induction process for new recruits. RH to take forward. **ACTION: Richard Hicks**
- (x) Request for XPS to include within future performance reports reference to how many active officers have signed on to the self-serve portal.
ACTION: Paul Mudd
- (xi) Incorrect application of uplift of pension by previous pensions administrator – XPS to provide an overview of the current position, including what the potential average overpayment may be to enable the Regional Directors of Finance to discuss at their next meeting. Peter Skelton undertook to liaise with XPS on this matter. **ACTION: Peter Skelton**
- (xii) Pension Saving Statements – the following was requested:
- How many sent out
 - By Force
 - Of those sent, how many would result in a taxable issue
 - How many officers took advantage of scheme pays, either voluntary or mandatory
- To be included in future performance reports. **ACTION: Paul Mudd**
- (xiii) XPS Business Continuity Plan – Paul Mudd advised this has now been finalised and ISO certified. He undertook to provide an update on the content at the next meeting. **ACTION: Paul Mudd**
- (xiv) Performance Report: In relation to the drop in compliance for data quality for Dorset, XPS to provide the names of the officer affected in order that the required information can be provided. **ACTION: Paul Mudd / Richard Hicks**
- (xv) Pensions and taxation events: Paul Mudd undertook to provide a block of dates when XPS would be available to run such events which could then be publicised to officers. **ACTION: Paul Mudd**
- (xvi) SWAP Pension Board Governance 2018/19 Report: John Jones to write to SWAP asking for the report to be amended to reflect the discussions of the Board and once these adjustments had been made, the report to be circulated to the other forces to present to their respective Audit Committees.
ACTION: John Jones

(xvii) Scheme Advisory Board Advisory Note July 2019: 'Brewster' changes – Peter Skelton to raise with XPS; Claire Hargreaves to raise with Peninsula. **ACTION: Peter Skelton/Claire Hargreaves**

ITEM 17: DATE OF NEXT MEETING

5 December 2019

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