

South West Region Police Pension Board – Annual Report 2022

Introduction

The South West Region Police Pension Board (SWRPPB) was established in September 2015 in accordance with the requirements of The Public Service Pension Act 2013.

Unlike other public service pension schemes such as the NHS, teachers and the civil service, the police pension scheme is not a single national scheme and each of the police forces in the United Kingdom operates its own pension scheme. These pension schemes are the responsibility of the scheme manager, who by law is the senior police officer of each force (usually the Chief Constable). The police pension regulations require each scheme manager to establish a pension board but allow for such a board to assist more than one scheme manager. The Chief Constables (scheme managers) of the police forces of the South West Region (Avon & Somerset, Devon & Cornwall, Dorset, Gloucestershire and Wiltshire) have agreed that a single pension board is a cost effective and efficient method of achieving this aim.

The Board represents the relevant bodies interested in the police pension schemes, namely:

Scheme Managers	(Chief Constables)
Employers	(Regional Police Forces)
Active Members	(serving police officers)
Retired Members	(pensioners)
Dependent members	(usually widows/widowers and children of pensioners)
Deferred Members	(police officers who have left service, but who are not yet eligible to draw their benefits)

The annual report is primarily a summary of the Board meetings held and the key topics reviewed throughout the year. Detailed minutes of the Board meetings are published on the relevant police force websites. The annual report covers the main issues discussed during the year and comments on the performance of the administrators of the police pension schemes, both at a national and local level. We hope readers will find the report useful and informative.

Purpose of the Board (Terms of Reference)

The purpose of the SWRPPB is to ‘assist the scheme managers’ (the Chief Constables) in administering the police pension schemes; providing advice on matters including compliance with scheme regulations and requirements imposed by the Pensions Regulator; ensure the efficiency and effective administration of the schemes; advise on communications with members; and monitor complaints.

In common with the pension schemes of all other UK police forces, the SW Police Pension Schemes are unfunded ‘pay as you go’ schemes and the SWRPPB has no responsibility for the funding of the schemes, but rather is primarily focused on the

delivery of the various police pension schemes which are administered under contract by two providers: XPS Pensions Group (XPS) for Devon & Cornwall, Dorset, Gloucestershire and Wiltshire Police Forces and by Peninsula for Avon & Somerset Police.

Membership

The membership of the SW Police Pension Schemes @ April 2022 was reported as follows. The numbers vary slightly from month to month and from Force to Force, but overall represent a membership of between 92-93% of eligible police officers.

	Active Members	Pensioners & Dependents	Deferred	Total
Avon & Somerset	3083	4606	1040	8729 (Oct 22)
Devon & Cornwall	3243	4581	780	8604
Gloucestershire	1193	1824	422	3439
Dorset	1310	2025	390	3725
Wiltshire	1053	1661	405	3119
Totals	9,882	14,697	3,037	27,616

The Pension Board

The Police Pension Scheme Regulations state that police pension boards should have an equal number of representatives from both employers and members. As allowed by the Regulations the Scheme Managers have chosen an independent person to fill the role of Chair.

During 2022 there were eleven members of the SW Region Police Pension Board. The letters following each name indicates meeting attendance (month):

Ian Pollitt CBE	Chair (Independent) M, J, S, D
Constable Jim Purkiss	Member (Police Federation) M, J, D
Constable Tony Henley	Member (Police Federation) D
ACC John Stafford	Member (Chief Police Officers Staff Association)
<i>replaced by DCC Nikki Watson from December</i>	
Supt Antony Hart	Member (Superintendents' Association) M, S, D
Richard Wand	Member (National Assoc Retired Police Officers) M, J, S, D
Nick Adams	Employer (Avon & Somerset Police) M, J, D
Sandy Goscomb	Employer (Devon & Cornwall Police) J, D
Tim Newman	Employer (Dorset Police) & Vice-Chair M, J, S, D
Jane Heppel	Employer (Gloucestershire Police) M, D
Clive Barker	Employer (Wiltshire Police)

Members were represented by their deputies as required:

Sarah Holbrook	Employer (Wiltshire Police) M, S, D
Emma Snailham	Employer (Avon & Somerset) J

Claire Hargreaves Employer (Avon & Somerset) S

In addition, several officials attended the board meetings as required. These included:

Esther Lee Minute Taker (Devon & Cornwall Police) M, J, S
replaced by Carrie Chapman from December
Richard Hicks Strategic Pension Lead (Dorset Police/Devon & Cornwall
Police) M, J, S, D

Representatives of XPS pensions administration team and Peninsula pension administration team.

Board Meetings

Pension regulations do not set a minimum, or maximum number of meetings required per year. The Pensions Regulator recommends that boards meet 4 times per year and the experience of the SWRPPB is that this is a reasonable frequency for a pension board to meet. Accordingly, the SWRPPB meets quarterly and during 2022 met on the following dates:

03 March (M)
27 July (J)
08 September (S)
01 December (D)

Access to the business of the Board

Each of the 5 Forces served by the Board hosts the Terms of Reference and Minutes on publicly accessible areas of their Police web pages:

[Avon and Somerset](#)
[Devon and Cornwall Police](#)
[Dorset Police](#)
[Gloucestershire Police](#)
[Wiltshire Police](#)

Training & Development

All Pension Board members have completed the relevant public service pensions on-line training modules as published by the Pensions Regulator. Additional training is generally provided by verbal/written updates from the Chair, technical briefings on an item-by-item basis, supported by external briefings where possible. Additionally, where a board member has 'led' on an issue or attended an event they share as appropriate with the wider board membership. A Succession plan has been developed to manage the 'term' for each Board member and to promote continuity, in keeping with best practice. Several board members had their terms of office renewed with the approval of their respective Chief Constables.

Role of the Board

The role of the Pension Board is to ensure that the schemes are properly administered in the interests of both the members of the schemes and the employers, represented on the Board by all the Regional Police Forces. Put simply, the Pension Board's role is to assist the Scheme Managers in ensuring that 'the correct pension is paid to the right person at the right time'.

Accordingly, during the reporting period, the Board has been briefed on a number of issues relevant to the management of the scheme and the most significant of these are described below:

Issues Discussed

- a. McCloud Pension Remedy: Following the McCloud judgment in 2019 by the Supreme Court, work is now in hand to remove the discrimination which resulted from older pension members being given an exemption from the transfer to the 2015 pension scheme. This work is known as Remedy and has significant milestones in 2022 included:
 - a. All members of the pre 2015 police pension schemes were transferred to the Police Pension Scheme 2015 scheme on 01 April 2022.
 - b. The National Police Chiefs Council (NPCC) Head of Pensions held regular Remedy meetings and issued communication material. Member information 'flyers' had been issued to NARPO, the Police Federation and Superintendents' Association as well as published on Forces' internal websites and the SWRPPB website.
 - c. The NPCC has formed a Scheme Manager Steering Group as a mechanism to communicate with the 43 police pension scheme managers, particularly regarding Remedy and to produce consistent material for onward transmission to scheme members.
 - d. XPS, the prime contractor in the SW has recruited additional staff to manage the Remedy work; locally Forces have as necessary recruited extra resources in their Payroll teams.

The Board has continued to receive regular updates on the McCloud Remedy from Sandy Goscomb in her role as Chair of the Pensions Remedy Board for Dorset, Devon & Cornwall, Gloucestershire and Wiltshire - and Nick Adams, Chair of the Pensions Remedy Board for Avon & Somerset. Both Chairs are members of the SWRPPB. Because of the fast-moving nature of this subject separate websites have been established to include the numerous and relevant documents readers may wish to see on this subject: [South West Regional McCloud Pension Remedy Updates and Communication portal](#).

- b. Administration. Overall, the Board was pleased with the performance during the year of both pension administrators, XPS and Peninsula. A great deal of work was being undertaken to deliver Remedy alongside day-to-day business. Annual Benefit Statements and Pension Saving Statements had been issued on time in accordance with scheme regulations. Complaints were

generally at a very low level and both administrators had settled into a hybrid working environment following on from Covid. Throughout the year the Board monitored quarterly Key Performance Indicators (KPIs) which were a contractual delivery obligation and although some KPIs had slipped from their 100% target, the numbers of members affected was extremely low and accepted by the Board as manageable.

- c. **Widows' benefits information.** One item of concern was the discovery that widow's benefits information was not showing on the XPS self-service site. XPS was aware of the issue and had added messages and 'pop-ups' to the self-service site to explain how spousal pension calculations were triggered upon the death of a member.
- d. **Audit.** The audit of a number of Devon & Cornwall pensioner records, begun following last year's concerns raised by NARPO regarding incorrect payments, was concluded in early 2022. Some 250 records were examined, and a number of generally small inaccuracies were found and rectified. An additional audit of a sample of pension payments was undertaken by the South West Audit Group (SWAP) and gave reassurances from the records found that the vast majority were correct. Whilst it was accepted that there were inevitably likely to be further errors discovered, both NARPO and the Board accepted that the issue was not a fundamental one, i.e., there was no evidence of any common causes. Moreover, the Board was informed that the ongoing work on both Remedy and Guaranteed Minimum Pensions (GMP) would provide further opportunities to identify and correct records and pension payments, negating the need for further project work in parallel and at further costs. Pensioner queries concerning their pensions was small in number and would continue to be managed as routine business. The Board will also continue to monitor the situation and NARPO agreed to bring any concerns back to the Board for resolution.
- e. **Pensions Video.** Peninsula had produced a video explaining how the police pension scheme works and promoting the benefits of membership. This video had proved a useful tool to aid communication and in particular to assist efforts to slow down and hopefully reverse the increase in members opting out of the pension scheme. Peninsula had kindly agreed that all the Forces in the South-West Region could use the video and further agreed that the Chair could circulate the video nationally. The NPCC agreed to distribute the pension video, and this was done immediately prior to Christmas 2022. The Board thanks Peninsula for its generosity.

Cost of the Board

The primary costs of the board are the expenses related to the Independent Chair (fees), training and travel expenses for members and administrative resource support e.g., minute taking. A budget was set and observed for 2022 with all 5 SW Region Forces sharing costs. The budget/costs have been reduced over recent years, including 2022, due to efficiencies such as online meetings/training which have

become common practice since Covid. Typically, the budget/expenditure has reduced to circa £18k per year.

Governance & Compliance

As recommended by the Pensions Regulator, the Board maintains a Risk Register as an effective internal control to assist the Scheme Managers. The risks are those potential threats to the schemes that the Board considers require regular scrutiny and action plans. The Register is a standing item on the Board's agenda and risks are reviewed, added, removed or adjusted, as the Board considers appropriate.

As expected, during 2022 the number one risk remained the delivery of the Remedy to the McCloud judgment on members of the Police Pension Scheme. The Board's involvement is described at issues discussed.

Last year I reported that cyber attack was one of the highest scored risks on the Risk Register. Following Pension Regulator guidance, the Board had engaged with the SW Region pension administrators and received assurances that the appropriate security measures were in place. During the March meeting, these assurances were provided, and the Board agreed to downgrade the risk from red to amber. However, the risk remains live and will continue to be monitored.

Referrals to the Pensions Regulator

The Public Service Pensions Act 2013 requires Scheme Managers to report breaches of regulations to the Pensions Regulator. Examples include failure to collect contributions within the prescribed timeframes; failure to issue Annual Benefit Statements and Pension Savings Statements by the due date and failure to maintain correct records of scheme members. Once again, the Board is pleased to report that no breaches of pension regulations were reported to the Board and there were no issues which were required to be reported to the Pensions Regulator.

Complaints

In common with all other public service pension schemes, the SW Police Pension Schemes operates a formal complaints procedure known as the Internal Dispute Resolution Procedure (IDRP). Every Board meeting includes 'Complaints' as a standing item on the agenda and any IDRP complaints (without naming the case/complainant) are brought to the attention of the Board and numbers included within Performance reports. The Board focuses its interest on ensuring that cases are handled correctly, in a timely manner with an interest in any developing trends, concerns, or lessons to be learned.

The Board is pleased to report that formal complaints regarding the administration of the pension service continue to be very few. The Board is of the opinion that such complaints have been handled correctly. It has been rare for such items to be referred to the Pensions Ombudsman for any adjudication/judgment which the IDRP allows for.

Priorities for 2023

The McCloud Pension Remedy is expected to dominate the work of the Pension Board during 2023 and beyond. Although the work does not affect all members of the police pension scheme, for example those officers who have joined since April 2015, the numbers who will be directly impacted by the Remedy work is significant. The next stage of Remedy, the issue of Remedial Service statements, is due to occur in October. The Board will work closely with the pension administrator and the NPCC to monitor the successful delivery of this significant milestone in the Remedy work. Communications to members via the various methods referred to earlier are being sustained to assist understandings of members.

The second major priority of the Board will be Opt-Outs. The number of officers choosing to opt out of the pension scheme continues to be a major concern. The Board will work with all parties to address this issue and pursue all available options to reduce opt-outs. An occupational pension can be a valuable asset for a police officer and efforts will continue to be made to assist with promoting membership of the scheme and explaining current issues.

Ian Pollitt CBE
Chair
South West Police Pension Board

April 2023