

South West Region - Police Pensions Board

Thursday, 7 February 2019

10am

Neville Room, Wiltshire Police HQ, Devizes, Wiltshire SN10 2DN

Minutes

Present:

Ian Pollitt CBE (Chair) IP

Member Representatives:

Superintendent Antony Hart, Devon & Cornwall (Supt Assoc) AH

Paul O'Brien, NARPO PoB

ACC Sharon Taylor, Devon & Cornwall (CPOSA) (via telephone) ST

Employer Representatives:

John Jones, Assistant Chief Officer, Dorset Police JJ

Richard Hicks, Dorset Police RHi

Sarah Holbrook, Wiltshire Police SH

Lisa Adams, Gloucestershire Police LA

Sharon Quantick, Avon & Somerset Police SQ

Steve Penford, Devon & Cornwall Police SP

In Attendance:

Julie Taylor, Dorset Police (Minutes)

ITEM 1: APOLOGIES

Sergeant Steve Gardner, Devon & Cornwall (Police Federation)

Sergeant Peter Land, Avon & Somerset (Police Federation)

Robin Hobbs (NARPO)

Sandy Goscomb, Director of Finance & Resources, Devon & Cornwall

Nick Adams, Director of Resources, Avon & Somerset

Clive Barker, Assistant Chief Officer, Wiltshire

Peter Skelton, Chief Finance Officer, Gloucestershire Police

ITEM 2: INTRODUCTIONS

IP welcomed everyone and introductions were made.



IAN POLLITT

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 18 October 2018 were agreed.

The actions were covered off on the action matrix.

ITEM 5: 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 6: THE PENSION REGULATOR – ANY ISSUES TO REVIEW

RH raised one issue relating to an incident whereby details of one individual's pension savings statement was included in the same envelope as another individual's. XPS declared this error themselves once it had been discovered and their internal processes checked.

Confirmation had been received from the officer receiving the information (via official police statement) that the pension savings statement sent in error had been destroyed and the individual whose details had been accidentally disclosed informed.

The matter had not been declared to the Information Commissioner's Office as it was not systemic but caused by human error and thus the matter was considered closed.

ITEM 7: GOVERNMENT CHANGES TO PENSIONS – JUDGES & FIREFIGHTERS

IP provided an 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 will rise in April though awaiting confirmation from the Government or the Home Office as to whether there will be any form of grant to assist with this increase.

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.

No operational or contractual issues had been raised at the last compliance and performance group meeting. The relationship between all stakeholders continued to grow with regular communication and resolution of concerns, queries, issues dealt with at the first instance.

As such the weekly conference calls were moving to monthly which demonstrated the growing confidence in the service being provided.

The Board noted the content of the report.

ITEM 9: REGIONAL PENSIONS SCHEME ADMINISTRATION – PERFORMANCE

Peninsula Performance Pack

IP queried 3.4 of the report; SQ provided clarification and update on the latest membership figures. She advised that Avon & Somerset intend to undertake a deep dive analysis to better understand the number and reasons for officers taking the decision to opt out of the pension scheme, the current opt out rate being 6.6%.

Emma Davies, Senior Employer Liaison Officer, joined the meeting via telephone:

- Peninsula requested they be copied into any complaints raised so that they were aware of all.
- IP requested data in respect of IDRPCs be included in future reports.
ACTION: Emma Davies
- GMP reconciliation: currently stands at 86% completed; 67 queries with HMRC; 153 cases stalemate, ie Peninsula cannot agree the information HMRC have provided. Awaiting the final extract to be provided by HMRC ahead of any alterations to pensioner records, this information expected at the end of the 2018/19 tax year.

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

XPS Performance Pack

Graeme Hall joined the meeting via telephone:

- GMP reconciliation: all queries sent to HMRC at the end of October, await response which is expected at the end of the 2018/19 tax year which will enable XPS to complete Stage 2.
- In response to some of the difficulties Employer reps were experiencing in using the secure portal facility, GH responded stating the portal came across from Kier and that XPS were looking at alternative solutions which would hopefully address the concerns raised.

- Validity of Children's Pensions: following an incident in Wiltshire whereby a children's pension did not cease at age 23 a review had been undertaken which resulted in ten children being identified where payment should have stopped. XPS confirmed each individual had been contacted and calculations undertaken to ensure all payments were corrected. GH confirmed XPS had processes in place to ensure such pensions ceased at age 23; the cases highlighted were historic and based on data which had come across from the previous administrator. He was confident that all new and current cases were accurate. GH undertook to provide confirmation of a full review of dependents' information around children's pensions. **ACTION: Graeme Hall**
- SW Audit Partnership (SWAP) Audit of Police Pensions: following notification from SWAP as to the lack of communication and engagement from XPS, this work remained incomplete. The Board sought assurance and a time frame for XPS to liaise with SWAP as appropriate. GH undertook to provide a time table for completion of this work. **ACTION: Graeme Hall to send to Richard Hicks**
- IDRPs tracking: agreement reached between Forces and XPS to share data held to ensure a true record of IDRPs was maintained.
- XPS Business Continuity Plan (BCP): IP thanked GH for sight of this, he asked for further information to be included in relation to what plans XPS had in place if it experienced a complete IT failure. GS advised the organisation was still in transition from Kier to XPS and once this had been completed, the BCP would be reviewed and updated and that that information would be provided. The BCP would be sent to Forces and the Pensions Board.
- Following a question on whether XPS undertook penetration testing, GH advised this was done on an annual basis and agreed to provide the outcome of such testing to a nominated Information Security Officer (ISO) within the Region.
ACTION: John Jones to provide the name of a nominated ISO
ACTION: Graeme Hall to send the information to the named individual
- Following circulation to all forces of correspondence from Cartwright King Solicitors in relation to ESA and deductibility of injury related benefits, GH advised XPS were aware of this correspondence and were awaiting Home Office direction; until then they were not intending to change any procedures. IP undertook to obtain an update from Kevin Courtney. **ACTION: Ian Pollitt**
- Following a request to have sight of the correspondence XPS send to individuals regarding ESA, GH undertook to provide a copy. **ACTION: Graeme Hall**
- In relation to the address data included within the performance report and in particular Dorset where compliance for data quality was much lower than the other three forces, GH advised a review was being undertaken and amendments made where required. He expected the figures to change between now and the next quarter. He would let Dorset know the findings of the review and the reason why data appeared to be missing.
ACTION: Graeme Hall
- XPS to provide a footnote in future performance reports in relation to membership data and confirmation that the numbers shown refer to officers currently contributing to a scheme. **ACTION: Graeme Hall**
- Pension Saving Statements: GH provided the most recent stats for each force - total number issued; number of officers who had breached and would incur a tax charge; number of officers who had breached but would not incur a tax charge; number of officers close to breaching. All pension saving statements for 2019 will be issued by the statutory deadline of 6 October.

- Tax awareness sessions: those provided in December received positive feedback. Dates for 2019 will be booked and published in advance.
- Following a question from AH, GH confirmed all officers who almost breach allowances are sent a letter advising of the possibility of a breach in future years.
- Following a question on whether XPS notify people who are close to breaching their life time allowance, GH confirmed they did not but that it was possible to do so. JJ said this would assist in managing expectations.
- Annual pay data returns: Employer reps questioned the deadline set and outlined the difficulties in resourcing this work. GH suggested this was raised at the regular conference calls and to advise on a date when the returns could be provided.

ACTION: Richard Hicks, Sharon Quantick, Sarah Holbrook, Lisa Adams

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

ITEM 10: ANNUAL REPORT

Draft circulated.

IP confirmed he had received all the figures needed to finalise the report and once finalised a copy would be provided to Scheme Managers and placed on the SW Police Pension Board website.

ITEM 11: FORMAL CLAIM FOR FAILURE OF SERVICE

RH provided an update to the Board.

ITEM 12: TAX AWARENESS AND ANNUAL ALLOWANCE SEMINARS

As reported earlier, these had been well received and dates for 2019 would be booked and published in advance

ITEM 13: REVIEW OF RISK REGISTER

A review of the Risk Register was undertaken. No changes required on this occasion.

ITEM 14: UPDATE FROM THE CHAIR

Department of Work and Pensions (DWP) Dashboard

IP advised he had attended a DWP meeting on 11 January where one of the items discussed related to the Government's intention to make it easier for individuals to track their pension online and what this would entail, though it was still very much in the early stages.

A copy of notes taken at the meeting is attached to these minutes.

Review of Comms Material

IP advised he had completed his review of the information supplied by both pension administrators; he was impressed by both who provided more information than they were required to do by law.

One area he was not certain about was how the five Regional Forces informed new recruits of the police pension scheme and the benefits of joining. He asked the Employer reps to notify him on how new recruits were informed.

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

He made reference to the Metropolitan Police New Student Pension presentation. He undertook to check with the author whether a copy of this presentation could be circulated to the SW Forces. **ACTION: Ian Pollitt**

ITEM 15: ANY OTHER BUSINESS

None raised.

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) Peninsula Performance Pack: IP requested data in respect of IDRPCs be included in future reports. **ACTION: Emma Davies**
- (iii) Validity of Children's Pensions: GH to provide confirmation of a full review of dependents' information around children's pensions. **ACTION: Graeme Hall**
- (iv) SW Audit Partnership (SWAP) Audit of Police Pensions: GH undertook to provide a time table for completion of this work.
ACTION: Graeme Hall to send to Richard Hicks
- (v) Following a question on whether XPS undertook penetration testing, GH advised this was done on an annual basis and agreed to provide the outcome of such testing to a nominated Information Security Officer (ISO) within the Region.
ACTION: John Jones to provide the name of a nominated ISO
ACTION: Graeme Hall to send the information to the named individual
- (vi) Following circulation to all forces of correspondence from Cartwright King Solicitors in relation to ESA and deductibility of injury related benefits, IP undertook to obtain an update from Kevin Courtney. **ACTION: Ian Pollitt**
- (vii) GH to provide a copy of correspondence XPS sent to individuals on ESA.
ACTION: Graeme Hall

- (viii) GH to provide an update to Dorset on the findings of the review and reason why information appeared to be missing from the address data contained within the performance report. **ACTION: Graeme Hall**
- (ix) XPS to provide a footnote in future performance reports in relation to membership data and confirmation that the numbers shown refer to officers currently contributing to a scheme. **ACTION: Graeme Hall**
- (x) Annual pay data returns: Employer reps questioned the deadline set and outlined the difficulties in resourcing this work. GH suggested this was raised at the regular conference calls and to advise on a date when the returns could be provided.
ACTION: Richard Hicks, Sharon Quantick, Sarah Holbrook, Lisa Adams
- (xi) IP advised he had completed his review of the information supplied by both pension administrators; he was impressed by both who provided more information than they were required to do by law. One area he was not certain about was how the five Regional Forces informed new recruits of the police pension scheme and the benefits of joining. He asked the Employer reps to notify him on how new recruits were informed. **ACTION: John Jones, Sandy Goscomb, Clive Barker, Nick Adams, Peter Skelton**
- (xii) Metropolitan Police New Student Pension presentation. IP to check with the author whether a copy of this presentation could be circulated to the SW Forces.
ACTION: Ian Pollitt

ITEM 17: DATE OF NEXT MEETING

9 May 2019

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

Future meeting dates:

1 August 2019

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

5 December 2019

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

PENSIONS DASHBOARD

I attended a meeting at DWP on 11 January 2019 in London. I thought you would be interested in my notes.

The meeting was hosted by Clare Talbot, Deputy Director Private Pensions Projects & Guidance and attended by representatives of public service pension schemes:

- Malcolm Eastwood – Chair Firefighters Scheme Advisory Board
- Claire Alcock – Firefighters and Police pension schemes
- Robert Branagh – Chair Armed Forces Pension Board
- Jeff Houston - LGPS
- Kevin Connolly - Dept for Education
- Julie Murphy – NHS Pensions
- Ian Pollitt – Chair Metropolitan Police Pension Board & South West Region Police Pension Board

Plus 5 x DWP and 1 x HMT staff.

This was my first time at the meeting, though the others had been to a couple of previous meetings and were openly frustrated at the lack of both progress and acknowledgement of their concerns (hence this meeting).

The main points were to cover the current consultation on a DWP report on the Pension Dashboard, which was open until 28 January (I have read this and overall it looks fine re 'the why', but lacks detail on 'the how'). A response by DWP will be published by 22 April.

Key objectives identified in the Report:

- increase individual awareness and understanding of pension information and estimated retirement outcomes.
- build a greater sense of individual control and ownership of pensions
- increase engagement
- support the advice and guidance process
- reconnect individuals with lost pension pots
- enable more informed user choices in the decumulation phase by making it easier to access information

Main findings of the DWP research:

- general preference for single, government sponsored dashboard (data security, trust and simplicity important)
- an information service not to be used to sell products
- pension information to be complete from the outset
- some may prefer to use dashboard via their on-line banking due to higher level of familiarity and trust
- accepted ID verification requirements as necessary
- although not currently asking for this service, when showed the concept consumers reacted with immediate positive response

DWP propose:

- to legislate for compulsory participation by pension schemes.
- may exempt some smaller schemes eg SSASs and EPPs
- Govt will provide state pension data
- phased implementation starting with volunteers such as Master Trusts
- recognise public schemes (30% of total workforce) may require longer lead-in time
- phasing over 3-4 years from 2019/20

DWP recognise additional **costs** to schemes. This was a big concern of the public schemes. Costs will include:

- ensuring data is accurate, cleansed and in appropriate format (MoD said this was a major problem for them and said they would need extra time to go live. Suggested extra 2 years.
- enabling IT systems to connect to the ecosystem
- additional costs if required to update records more than once per year (as required for ABS).
- increase in levy (non public schemes)
- increase in maintenance costs
- NHS have bid for £5m as one off cost for start up

Security - This was a major concern of all the public schemes.

- individual to see data via an ISP, probably via the Pension Finder Service (PFS)
- data will only be viewed by owner or by their delegate (read only)
- no data 'store' (aggregated data)
- data accessed periodically from the origin pension scheme and only cached for short time in the dashboard
- controlled participation via a governance register
- industry standard encrypted connections
- assured ISO 27001 standards for PFS and ecosystem
- no pension data via PFS
- consent to IFAs via standards including identity and prof status of the delegate
- pension data may not be used by any party including the dashboard for a purpose other than viewing by the customer or their consented delegate

DWP promised to keep the public schemes informed of progress, so there will probably be an update meeting at some point.

Ian Pollitt