

**UK POLICE PENSIONS CONSULTATIVE FORUM & SCHEME ADVISORY
BOARD MEETING**

25th Meeting, 11 January 2021. 10:30 – 15:00

Minutes

Members present via video:

Independent Chair

Elizabeth France

Secretariat

Afsana Begum

Police Federation of England and Wales (PFEW)

Alex Duncan (SAB Member)

John Partington

Mike Brown

Gemma Lofts

Gemma Fox

Police Superintendents' Association (PSA)

Dan Murphy (SAB Member)

Association of Police and Crime Commissioners (APCC)

Andy Tremayne (SAB Member)

Chief Police Officers' Staff Association (CPOSA)

Shabir Hussain (SAB Member)

Lisa Winward (SAB Member)

National Police Chief's Council (NPCC)

James Hurley (SAB Member)

Kevin Courtney

National Association of Retired Police Officers (NARPO)

Steve Edwards (SAB Member)

Home Office (HO)

Frances Clark

Tahmina Ahmad

Cat Weston

Sara Alderman

Wadha Salah

Scottish Police Federation (SPF)

Calum Steele

Superintendent's Association of Northern Ireland (SANI)

Ryan Henderson

Association of Scottish Police Superintendents (ASPS)

Craig Suttie

Scottish Government

Iain Coltman

Police Federation Northern Ireland (PFNI)

Liam Kelly

Department of Justice, Northern Ireland (DoJNI)

Antonia Hoskins

Scottish Police Authority

Sharon Dalli

Welcome and apologies

1. The Chair welcomed Cat Weston (HO), Head of Police and Firefighters' Pensions Modernisation and Ryan Henderson, new representative for SANI.

Minutes of the meeting 6 October 2020

2. The minutes of the previous quarterly meeting were agreed.
Action Point 1: Secretariat to publish final minutes of 6 October 2020 on webpage.

Matters arising/action log

3. *The Chair went through the action log of 6 October, which has been updated in the light of discussion.*

Key points discussed were:

Action Point 2 (generic material on benefits of scheme membership) –

The Chair had written to the Home Office setting out concerns on opt out rates and suggesting generic material be produced for use by forces during the induction of recruits to the police service. HO confirmed that the letter had been received and said that good progress was being made finalising suitable material. This was discussed further under agenda item 'Matters raised for information – Update on Home Office Comms Package'.

Action Point 3 – (break in service easement and Covid-19 crisis) -

HO circulated a statement on 6 January which addressed the expiry of the HMT tax relaxation for officers returning in response to the Covid-19 crisis. Concerns were raised as to why the break in service easement had not been extended given the justification for the easement in the first place. The Covid-19 crisis was at its peak, so staff associations considered it appropriate for the easement to be extended. HO noted the points raised and agreed to put them to HMT for consideration as to whether there was a case for reinstatement and

if so, from what date. Frances Clark (HO) thought it unlikely that there would be a change in the Government's position, but it was agreed that if there were additional evidence of need which could be provided, she would pass that to HMT. David Paul (NPCC) would be asked if there was new data which would assist the case.

Action Point 2: Frances Clark (HO) to ask HMT whether break in service easement would be extended and if so, whether it would be backdated with a rationale for reasons if easement were not extended.

Iain Coltman confirmed that the same decision applied to other public service workers.

Action Point 4 (continuation of the tax and pension rules as part of Police Uplift Programme) – Frances Clark (HO) said officials had been in communication with NPCC and the PUP team and a conclusion had been reached that there was no requirement to coordinate a business case. **Action Point 3: Frances Clark (HO) to share response regarding the position in relation to the continuation of the tax and pension rules.**

Action Point 5 (rules around abatement) – Alex Duncan said that both the issue of abatement during the pandemic and the tax position were intended to allow, in an unprecedented situation, for forces to attract and bring back individuals with the skill sets needed to fill gaps. PFEW was disappointed that this matter was not being progressed by the Government.

Action Point 6 (HO comms package) – All members were asked to provide HO with suggestions for content that would be useful to upload on the Police Pensions collection page. PFEW were yet to send their suggestions.

Action Point 7 (dual accrual in the 1987 scheme) – The question related to a current legal case so HO were not able to make any comment. They had been in discussion with lawyers and would write to the SAB in the next few weeks to update the position.

Action Point 8 (DCU safeguards and uncapped indexation) – A response was circulated on 10 December referring to the Written Ministerial Statement published on 16 July which said that “ All affected members, whether they originally received transitional protection or not, will be able to decide whether to/they take the legacy or reformed scheme benefits for the period 1 April 2015 to 31 March 2022”.

4. *The Chair went on to discuss the outstanding action points from previous meetings which had been updated in the light of discussions:*

Action Point 9 from 1 July (pension sharing orders circular) – HO said this action point would be put on hold due to the ongoing focus on the Pensions Remedy.

Action Point 11 from 2 April (amend guidance re civil partnership) – This was also put on hold and HO did not propose to amend any guidance between now and the end of the Remedy period, unless it caused an obstruction to the process of pension administration.

Action Point 12 from 13 January (scheme sanction charge) – HOLA's focus on Covid-19 response meant that they were not able to turn around the advice as quickly as HO originally expected.

Action Point 6 from 13 January (re-joiner's advice) – This had been delayed due to the pressure of other work but HO would provide SAB with a completion date.

Matters raised for information:

- **Update on Home Office Comms package**

5. At the last quarterly meeting, concerns had been raised about the high number of police officers opting out of police pension schemes. Wadha Salah (HO) told members that a HO Comms package had been drafted and was currently going through the internal clearance process. The package would address issues around the number of officers leaving the police pension scheme and strike a balance where the information was simple to understand for new recruits while providing a detailed overview of the value and benefits of the police pension scheme. Once the package had been cleared, HO would share it with NPCC for initial comments and thereafter a finalised version would be shared with the SAB and published on the webpage. This was expected to be completed in early February. Alex Duncan (PFEW) suggested that a focus group of members could be used to gauge whether the proposed content was suitable for the intended audience, Frances Clark (HO) agreed to consider this once the content had been finalised. **Action Point 4: HO to share with SAB a draft framework of the HO Comms Package.**
6. James Hurley (NPCC) said they recognised that once the HMT consultation response was issued, there would be a heightened dependence on effective communications with a need to set out entitlement and importance of pensions for those who are/not subject to Remedy. NPCC had been in discussion with HO and were keen to work on this. They were also looking to develop, on their side, a website to supplement HO material and for this to be cascaded to pension administrators.

Pensions Remedy progress:

- **Timetable and progress of response;**

7. HMT set the timetable and central policy for the process of finalising the consultation response which was expected to be in the next few weeks. Cat Weston (HO) explained to members that there would be centralised communications from HMT as well as high-level scheme specific information from HO and NPCC. There was a suggestion that an ad-hoc meeting of the SAB should be held in mid-February, a few weeks after the response, for HO to share their interpretation of HMT's document and explain next steps. HO would continue to consult and engage with stakeholders once the response had been published and would look across the stages of the Remedy development; primary and second legislation, amendments to police scheme regulations, and implementation. **Action Point 5: Secretariat to arrange an ad hoc technical working group meeting post HMT consultation response in mid-February.**

- **Immediate Detriment;**

8. HO thanked members for their feedback and comments on the Immediate Detriment guidance and were aware of the concerns raised by members. They had updated the guidance which was currently being reviewed by HMT. In the interim, HO's view was that eligible members should have an entitlement to retire under the legacy schemes and the existing guidance should be applied. However, they recognised that improvements the guidance were needed. HO confirmed they were looking to issue updated guidance as a priority, and it was being dealt with at a Ministerial level. HO appreciated that this was not an ideal situation but were working on it.
9. Alex Duncan (PFEW) reiterated concerns that the guidance was not fit for purpose and was confusing. He asked where responsibility would lie if a member was not treated as though they were in the legacy scheme because administrators were not willing to accept the guidance. Dan Murphy (PSA) agreed with the concerns and questioned the authority of the guidance. Shabir Hussain (CPOSA) added that at the very least the minutes should reflect that all parties are in agreement that the legacy schemes could be accessed without the need for the officer to revert to legal action.
10. James Hurley (NPCC) said immediate detriment was a resolution provided by a non-legislative approach and so there would be complexity and issues arising from implementing it. NPCC had written to HO setting out a comprehensive list of concerns which effectively challenged the feasibility of implementation. He said Scheme Managers, individually, would have to decide how to address this issue on a case-by-case basis. As there would be an increasing number of

officers who are in this position, there was a need for a fast and stronger resolution in the coming months. NPCC expected this to become a bigger issue in the next 6-12 months due to the cohort of officers who would be looking into access. NPCC engage with all the main administrators and recognise there is a different level of risks pension administrators are prepared to take, there was therefore a clear need for a waiver from HMT and/or HO and transparency for officers.

11. HO recognised this was a significant issue which needed resolution and assured members they understood the seriousness. They had also pressed HMT on the point and recognised that this was an issue that would escalate over time.

- **Management of process;**

12. HO recognised there were implications of the police pension scheme being locally administered compared to other pension schemes, which would have an impact on how the Remedy was implemented. As a result of this, NPCC had been invited to join the McCloud/Sargeant HMT led group to represent the views of scheme managers; this had been useful in the engagement across HO, NPCC and HMT. Once the consultation response had been published, HO said the policy framework would be settled and the focus would shift to police specific regulation and practical implementation. NPCC reported that they had been working constructively with HO on how they might build a model to implement the Remedy. NPCC, representing scheme managers, would be leading on the coordination aspect of implementation.

13. The question whether there would be any flexibility in the April 2022 end for the Remedy period would need to await the consultation response.

- **SAB's role;**

14. The SAB has an important role to play in the Remedy management including in supporting scheme managers. As discussed earlier (see paragraph 7), HO were keen to have an ad-hoc meeting with SAB members to talk through the HMT consultation response. The SAB's view on how the policy could be implemented through secondary legislation would be critical. Cat Weston (HO) said they would be engaging with the SAB earlier on in the formal consultation and that there would be an opportunity to input into draft regulations before the formal consultation period. Antonia Hoskins (DoJNI) noted that there was also a requirement for HO to consult with the devolved

administrations. NPCC were supportive of engagement through the SAB as it would help to identify critical issues and assist the management of implementation.

15. Frances Clark (HO) said as the primary legislation would be led by HMT, who are responsible for all public sector schemes, the opportunity to feed into this would be less than the opportunity to feed into secondary legislation. The planned timeline would be published as part of HMT's consultation response. HO expected to start work on the secondary legislation around spring/early summer.

Timetable and progress on Cost Cap

16. The Chair had written to HMT asking for an explanation of the rationale for the approach to lifting the pause on the cost cap in advance of the discussions planned for 2021. A response to the letter had been received from HO with input from HMT. Tahmina Ahmad (HO) reported they were currently working on the directions to implement the cost cap including the additional cost of the Remedy and would share this with the SAB in the first instance. It would be published following the HMT consultation response. Mike Brown (PFEW) asked whether there would be any change to the directions for completing the cost cap calculation of the 2016 valuation. HO said they would have to clarify this with HMT.

Action Point 6: HO to clarify with HMT whether there would be any change to the directions that impact the 2016 valuation.

17. Shabir Hussain (CPOSA) explained his understanding of the GAD report was that indexation was counted as part of valuation. This then raised the question whether scheme members would have to pay for their own indexation by having reduced benefits or increased contributions. He thought it was important for pension scheme members to understand how the mechanism worked by way of worked examples. Kevin Courtney's (NPCC) understanding was that in general members pay for those things that are impacting their membership and other costs (eg inflation, CPI) are reflected in employer costs. He offered to look for the relevant formal documentation to share.

Action Point 7: Kevin Courtney (NPCC) to look for relevant documentation regarding impact of members pay and other cost in employer costs.

18. It was agreed to invite GAD/HMT to attend a subsequent meeting to ensure transparency on the cost cap issue. **Action Point 8: GAD/HMT to be invited to next quarterly meeting.**

19. PSA and PFEW had written to GAD raising their concerns about statements made in the notes of a stakeholder meeting dated 9

December on the review of the cost cap mechanism in relation to inter-generational effects; this did not reflect the views they had expressed. Frances Clark (HO) said she would contact GAD to find out what the next steps would be in relation to the notes and whether it was intended that they would be published. **Action Point 9: Frances Clark (HO) to contact GAD about the next steps in relation the notes of a stakeholder meeting on the review of the cost cap mechanism in relation to inter-generational effects.**

Exit Payments Consultation Response

20. This had been discussed at the PCF. Dan Murphy (PSA) reported to the SAB that there was a difference of opinion between the HO and NPCC as to whether the money for exit payments would come from HMT or from Chief Officers' budgets (Section 3.22 of the response). The proposal from the Government in the response makes clear that pension commutation payments paid to police officers are seen as pension payments. If exit payments are so defined, then they should come from HMT and not from the police budget. HO said they would take advice on the point report back to the SAB.

21. Shabir Hussain added his support to the PSA's position. He reminded the meeting of the pre SAB update on abatement which covered the chief constable's discretion. Therefore, he questioned whether the uncapping of the commutation costs was also subject to the Chief Constable's discretion as to which budget would fund it. He requested confirmation that the previous ministerial direction was actually legally binding or simply preference.

Action Point 10: Frances Clark (HO) to report back to SAB on the definition and therefore the source of exit payments.

Report from Scottish SAB and from Northern Ireland's SABs

22. The Scottish SAB were scheduled to meet in February to discuss cost cap and the HMT consultation response.

23. NI SAB were scheduled to meet in March, their scheme directions were due to go out for a 12-week consultation. Antonia Hoskins (DoJNI) reported the consultation on the injury on duty regulations to update and bring the 2015 scheme into the IOD regulations, were back before their committee this week to answer member queries.

Matters for SAB decisions:

- **Consistency on administration of scheme** (standing item) - **Injury on Duty and Ill Health Retirement**



24. A paper written by PFEW had been circulated to members outlining practical solutions, that do not require legislative changes to achieve better consistency. PFEW was spending an ever-increasing amount of time, money and effort pursuing claims on behalf of its members in respect of Injury Benefit (IB) awards and ill-health retirement (IHR) pensions. Dan Murphy (PSA) and Steve Edwards (NARPO) reported they also had similar issues.
25. NPCC said it would be for the HO to look at the issues within the existing guidance and thereafter NPCC to work with the HO to further examine where guidance can be strengthened.
26. HO asked what priority SAB thought this work should have. NPCC's perspective was that it should have high priority in the work stream which was not related to the pension Remedy implementation. Andy Tremayne (APCC) suggested this work could be looked at through the work on the police covenant. There were risks and costs to the police service as well as between employers and officers which could potentially have ramifications in relation to the police covenant. There was a collective agreement from SAB members that this was a priority.
- Action Point 11: Frances Clark (HO) to look at the issues within the existing guidance in respect of IB awards and IHR to ensure consistency of administration of Injury on Duty and Ill Health Retirement.**


AOB/Date of next meeting




- **Recruitment of PABEW Chair**


27. Interviews for a successor to the Chair had concluded and Home Office were currently waiting for Minister's decision on appointment.
28. An email had been sent to SAB members inviting comments on draft pension forfeiture guidance. The Secretariat would follow up with relevant colleagues at HO to find out progress. **Action Point 12: Secretariat to follow up on progress of draft pensions forfeiture guidance.**
29. PFEW asked to see a copy of the final version of the template letter to be issued regarding the change in the AVC Scheme provider. Home Office had provided this to Police Pension Administrators (PPAs)/Forces on 17 September 2020 for their use. **Action Point 13: HO to share with SAB template letter regarding the AVC transfer from Equitable Life to Utmost Life.**

30. Alex Duncan (PFEW) said it would be useful to see opt out data again after the 2020 auto-enrolment exercise to see whether this improved the situation on younger members opting out. This was agreed.

	Actions	Date of the Meeting	Who/date to be completed by:	Status – to be updated and re-circulated before the next meeting
1	Secretariat to publish final minutes of 6 October 2020 on webpage.	11 January 2021	Secretariat	Completed Scheme Advisory Board: minutes of meetings - GOV.UK (www.gov.uk)
2	Frances Clark (HO) to ask HMT whether break in service easement would be extended and if so, whether it would be backdated with a rationale for reasons if easement were not extended.	11 January 2021	Frances Clark, Home Office	Completed A response from HO was circulated on 17 March.  Police Pensions SAB_ HO action re break in
3	Frances Clark (HO) to share response in relation to the continuation of the tax and pension rules.	11 January 2021	Frances Clark, Home Office	Completed A response from HO was circulated on 17 March.  Police Pensions SAB_ HO action re break in
4	HO to share with SAB a draft framework of the HO Comms Package.	11 January 2021	Home Office	Completed
5	Secretariat to arrange an ad hoc technical working group meeting post HMT consultation response in mid-February.	11 January 2021	Secretariat	Completed
6	HO to clarify with HMT whether	11 January 2021	Home Office	Completed

	there would be any change to the directions that impact the 2016 valuation.			This was covered in SAB TWG on 24 March.
7	Kevin Courtney (NPCC) to look for relevant documentation regarding impact of members pay and other cost in employer costs.	11 January 2021	Kevin Courtney (NPCC)	Completed This was covered in SAB TWG on 24 March.
8	GAD/HMT to be invited to next quarterly meeting.	11 January 2021	Secretariat	Completed Members were invited to provide questions in advance of meeting for answering at the quarterly meeting.
9	Frances Clark (HO) to contact GAD about the next steps in relation the notes of a stakeholder meeting on the review of the cost cap mechanism in relation to inter-generational effects.	11 January 2021	Frances Clark (Home Office)	Completed This was covered in SAB TWG on 24 March.
10	Frances Clark (HO) to report back to SAB on the definition and therefore the source of exit payments.	11 January 2021	Frances Clark, Home Office	Ongoing The HO circulated a response to the SAB via email outlining their position on exit payments however the SAB clarified the request at the quarterly meeting.  Police Pension SAB action_ Exit Payments.

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11	Frances Clark (HO) to look at the issues within the existing guidance for improvements, (in respect of IB awards and IHR) and to ensure consistency of administration of Injury on Duty and Ill Health Retirement.	11 January 2021	Frances Clark, Home Office	Ongoing
12	Secretariat to follow up on progress of draft pensions forfeiture guidance.	11 January 2021		Completed The guidance was circulated to members on 18 February.  FW_ Home Office Guidance - Police Offi
13	HO to share with SAB template letter regarding the AVC transfer from Equitable Life to Utmost Life.	11 January 2021	Home Office	Completed The HO circulated the template letter on 14 January which provided an overview of the AVC transfer to Equitable Life to Utmost Life.
OUTSTANDING FROM PREVIOUS MEETING				
9	HO to review circular from	01 July 2020	Home Office	On Hold

	2001 re pension sharing orders.			The HO is unable to review circular from 2001 pension sharing orders at present due to the ongoing focus on the McCloud Sargeant Remedy and other legal cases.
11	Home Office to amend the guidance re civil partnership in accordance with legislation.	02 April 2020	Home Office	<p>On Hold</p> <p>The HO is unable to review circular from 2001 pension sharing orders at present due to the ongoing focus on the McCloud Sargeant Remedy and other legal cases.</p>
12	Home Office to take matters regarding clarity of what constitutes as pensionable pay in the pension scheme regulations to lawyers.	02 April 2020	Home Office	<p>Ongoing</p> <p>The HO provided a summary on 8 April about policy position of what constitutes as pensionable pay in the pension scheme regulations following Booth v Mid and West Wales Fire Rescue Authority [2019].</p> <p></p> <p>Police Pensions SAB_ HO action re police pe</p> <p>Members were not content with the response therefore HO agreed to consider comments further.</p>
2	Home Office to provide guidance on scheme sanction charges to secretariat and Chair.	13 January 2020	Home Office	<p>Ongoing</p> <p>This was currently with HO lawyers.</p>

6	Home Office to look at previous advice provided on re-joiners with HMT.	13 January 2020	Home Office	Ongoing HO provided an update on 12 March. This issue has been delayed due to cross-cutting issues with the more detailed policy development on Remedy. HO are working to resolve this as soon as possible. The focus should be on new wording rather than the current position.
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