Metropolitan Police Pension Board

Minutes of the Board's Meeting

Details

Date: 3rd March 2021

Place: Virtual Meeting – Microsoft Teams

Present	Role	From
Pension Board Members		
Ian Pollitt (IPo)	Chair	Independent
Mark Pomroy (MP)	Employer Representative	Human Resources
Francis Austin (FA)	Employer Representative	MOPAC
David McLaren (DMc)	Member Representative	CPOSA
Don Ratcliffe (DR)	Member Representative	NARPO
Kate Halpin (KH)	Member Representative	Superintendents' Association
Paul Deller (PDe)	Member Representative	Police Federation
In Attendance		
Ken Anthony (KA)	Pensions SME	Metropolitan Police
Paul Mudd (PM)	Secretarial	XPS Administration
Apologies		
Catherine Roper (CR)	Employer Representative	Operational Policing/Professionalism
Paul Oliffe (PO)	Employer Representative	Finance

Minute		Action
	Introduction and apologies for absence	
2021-01	IPo opened the meeting and confirmed as quorate, welcoming two new members to the Board. DMc replaces LT as a Member Representative and FA replaces RA as an Employer Representative. A minimum of two Member and two Employer Representatives are required for the Board to be quorate as prescribed in the Terms of Reference. The Board acknowledged with thanks the contributions from the two outgoing Representatives.	IPo

Minute		Action
2021-02	**Conflicts of Interest and Confidentiality** IPo asked Representatives to declare whether there were any conflicts that anyone would like to declare, explaining that a conflict would not necessarily preclude participation on the Board, as detailed within the Terms of Reference and the Conflicts Policy. There were no declarations from any member.	All
2021-03	**Minutes of Previous Meeting** IPo asked Members to confirm that they had received, read and agreed with the contents of the minutes from the previous meeting (2nd December 2020). These were then confirmed as a true record.	IPo
2021-04	**Pension Board Action List** (AL1) – Biographies – IPo explained that the Board liked to collate a short biography of its representatives for publication on the website. These had been requested in advance and have been received for FA.	ALL
2021-05	(AL2) – ESA – KA advised that this project had resumed and that there were potentially 85 pensioners who were affected by this change. Any adjustments to the rate of pension will take effect from 6th April 2021. There are 40 cases where entitlements will change due to responses received regarding the receipt of Employment Support Allowance. A further 45 pension recipients are yet to respond and these members will receive a further communication. KA is hopeful that the project will be concluded by the time the Board meets in June. DR asked KA if he and the MPS were comfortable with the way this has been communicated with Scheme Members. KA explained that he was and that that a letter is likely to be sent in the next couple of weeks detailing any changes to entitlements.	KA
2021-06	(AL3) – Valuation – KA informed the Board that the information required by the Government Actuaries Department (GAD) to commence work on the valuation had been submitted. It is expected it will take some months for any results to be released. The deadline for submission of information was 31st December 2020. IPo explained how the cost envelope, and any breach of this could lead to changes to employer contribution levels, and, or changes to employee contributions or benefit levels.	KA / IPo

Minute		Action
	Pension Board Action List (Continued)	
2021-07	(AL17) Releasing AVCs through Utmost Life –KA Advised the Board that there is no update in relation to this action, explaining for the benefit of new Representatives that scheme members with benefits held within Utmost Life are currently unable to facilitate the full cash release of their Additional Voluntary Contributions fund. IPo expressed his concern as to the amount of time this has been ongoing and about the impact to those with AVC benefits. DR offered his explanation and informed that there are quite a lot of queries being heard within the NARPO membership. There is an inability for members to take their cash from Utmost Life, which is, in certain cases forcing members to transfer out of the scheme (at the Scheme Member's cost), to enable the release of funds,	KA
2021-08	The following items will be covered off within the standing agenda items: AI18 – Promoting Scheme Membership, AL19 – Opt-Out Data, AL20 – Providing remedy Data to DR, AL21 – Checking ToR regarding membership term.	All
2021-09	**Knowledge and Understanding** It was confirmed that all longstanding Board members were up to date with their online training. FA and DMc confirmed that they had started their online training and would provide their certification as soon as possible. The Public Service Toolkit has recently been updated with a module on Pension Scams, it was recommended that Members of the Board complete this module. http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx	All

Minute		Action
2021-10	**Current Issues**	IPo

McCloud Legal Challenge

At the last meeting of the Board it had been confirmed that the MPS had submitted a response to the governments consultation document.

In February, Her Majesty's Treasury published its response to the consultation exercise,

Having considered the individual and collective responses it had received, Members of the Board were unanimous in agreeing there were significant questions arising from the government's response that would need to be answered.

Within the MPS, the HR and Pension team was collating a set of FAQs to assist in building an answer bank to provide responses to queries raised.

Very broadly, it is expected that everyone will move into the 2015 scheme with effect 1 April 2022, and that implementation of the remedy in full should be completed by October 2023. KA estimates that there will be 25,000 to 28,000 affected officers, both active and retired, who will be required to be provided with a choice of benefits when they retire. Affected members who have already retired will be contacted as soon as the legislation and scheme regulations have been amended and pensions systems have been updated to facilitate this process.

Legislation is required to be able to make changes to the scheme architecture to allow for the implementation of remedy.

KH expressed a concern which had been discussed at the Superintendents Annual General Meeting. This concern was regarding the ability of Equiniti to cope with the Remedy exercise. It is acknowledged that there is a huge amount of work to complete in respect of the Remedy exercise, It is likely that this could double their workload. The MPS is engaging with SSCL and Equiniti to seek a change request to ensure that the administrator has sufficient resources to complete this work satisfactorily. PD was concerned that some members may unintentionally lose out with the way the consultation outcome is currently structured. KA explained that a lot of these issues and perceptions had been covered within the FAQs.

Asked where these FAQs could be found, MP explained how every Officer could access the McCloud pages via the MPS Aware system.

This information would be shared with Paul Turpin who is currently inundated with queries.

Minute		Action
2021-10	**Current Issues (Continued)**	IPo
	McCloud Legal Challenge	
	KA continued to explain how remedy could work, outlining the issues that need addressing, such as contribution shortfalls, interest, PAYE, scheme pays / taxation issues owing to annual and lifetime allowance breaches.	
	KH said that she will circulate the FAQs to her membership and went on to say that she had a recording of the session that Dan Murphy gave which she will send across to DMc to give some additional background and current thoughts on these significant changes,	
	Assurances were given that any and all members affected by this case, whether active, deferred or in receipt of a pension would automatically be contacted by the Scheme in respect of what the remedy means for them.	
	IPo stated that this item will remain on the agenda as a standing item	
2021-11	**Report by Senior Pensions Contract Manager**	KA
	KA said that much of what was happening within the Pensions Team was related to the legal challenge.	
2021-12	<u>IDRP</u>	KA
	There was one Stage 1 case received for Internal Dispute Resolution relating to the member disputing their scheme status on joining the MPS from the MoD Police	
2021-13	<u>Scheme Statistics</u>	KA
	There were some failed KPIs during the quarter and KA explained that this was mainly due to the backlog that we have known about for some time, caused in the main due to the pandemic and also the move of offices from Central London to Crawley. The MPS has been working closely with SSCL and Equiniti to actively manage and reduce these backlogs and KA expected that these backlogs would be cleared within the month allowing for clean slate from April.	
	PD said that he was aware of some estimates taking as long as 12 months, rather than the 20 days that SLAs suggest, and asked whether members and the MPS were getting the best service.	

Minute	Report by Senior Pensions Contract Manager (continued)	Action
	<u>Scheme Statistics</u>	
2021-13	KA acknowledged PD's concern and assured him that everyone is working to achieve the best possible service. With the reduced staffing and lower output caused by working from home it had been a perfect storm, which meant that the big ticket items had to be prioritised, meaning that some estimates were taking longer than was ideal. MP supported KA and explained that the MPS were discussing these issues at a very senior level to try and regain good service levels. KH also mentioned that there had been issues relating to members not being able to log onto the member self-service system and there being little or no support when queried, referring to the web onboarding exercise as a summer of discontent. There had also been a number of cases where tax deadlines were missed due to issues with Scheme Members being unable to obtain timely information regarding annual allowance issues. KH asked how long were the MPS tied into contract for. MP acknowledged these issues and said that with the Legal Challenge, now would definitely not be a good time to think about moving the service and that plans were in place for service improvement which would start to be visible and seen by Scheme Members and verified through the statistics.	KA
2021-14	<u>GMP Reconciliation</u> KA confirmed that this was ongoing. IPo said that it would be good to have this project completed as the focus turns to the Legal Challenge,	KA
2021-15	<u>Member Self Service</u> KA advised the Board that another communication was due to be sent to Scheme Members to encourage them to register for the online services website. It is expected that this will be smoother than the last time which had a couple of teething issues. There are around one third of Scheme Members now online. Annual Benefit Statements and Pensions Savings Statements will again be published online this year.	KA
2021-16	<u>Opt Outs</u> The latest position regarding the scheme opt-out rate wasn't available for this meeting, however it is generally at or around 9%.- Whilst this, when compared to other Police Forces around the country isn't particularly bad, it is at the lower end in relation to scheme take up. IPo asked whether analysis could tell the Board who was opting out, i.e. was there a particular age range or rank that was opting out? It is acknowledged that scheme benefits are very good and for this	KA

Minute	Report by Senior Pensions Contract Manager (continued)	Action
2020-16	<u>Opt Outs</u> reason, scheme membership is expensive, and it is in everyone's interests that the cost of the scheme remains affordable, otherwise, there will be a requirement for scheme re-design which would impact on the ability to recruit talent to what is an incredibly difficult job.	KA / IPo
2021-17	KA to continue to pursue Equiniti for more information on the opt out position.	KA
2021-18	IPo is going to attend new recruit sessions which are facilitated by Met Friendly to better understand the reasoning behind new recruit opt outs and will feed back to the Board with his findings.	IPo
2021-19	**Communications** A number of communication issues had already been covered under previous items, and as such, there was nothing specific to add under this item.	KA
2021-20	**Risk Register** IPo had a discussion with KA regarding the risk register in advance of the meeting and they were both comfortable that the risks remained as per the previous meeting. IPo asked the Board whether they felt any of the scores needed to be amended due to their likelihood, or their impact. The Board were happy that the scoring of the Risk Register should remain the same. This is of course reviewed at every meeting.	IPo / All
2021-21	**Update from the Chair** IPo confirmed that a lot of items had already been covered off within the meeting – The Chancellor was announcing the budget today and there was an eye on any potential changes to taxation. There had been no change to these limits, which will mean that more Scheme Members (particularly those who are fully protected), will be subject to tax on their pension growth, and this will be especially true where promotions are gained.	IPo
2021-22	A new chair of the Police Scheme Advisory Board has been announced and will take up the position next month replacing Elizabeth France.	All
2021-23	**Any Other Business** With no further business to discuss, IPo thanked everyone for attending the meeting and reminded Board Members of the scheduled dates for forthcoming meetings.	IPo

Minute		Action
	Date of Next Meeting	
2021-24	2nd June 2021 – Venue TBC 1st September 2021 – Venue TBC	All