Metropolitan Police Pension Board

Minutes of the Board's Meeting

Details

Date: 7th September 2022

Place: Virtual Meeting – Microsoft Teams

Present	Role	From
Pension Board Members		
Ian Pollitt (IPo)	Chair	Independent
Mark Pomroy (MP)	Employer Representative	Human Resources
Catherine Roper (CR)	Employer Representative	Operational Policing/Professionalism
Paul Oliffe (PO)	Employer Representative	Finance
Don Ratcliffe (DR)	Member Representative	NARPO
Paul Deller (PD)	Member Representative	Police Federation
Duncan Slade (DS)	Member Representative	Superintendents' Association
In Attendance		
Ken Anthony (KA)	Pensions SME	Metropolitan Police
Ray Henry (RH)	Pensions SME	Metropolitan Police
Clair Alcock (CA)	Head of Pensions	NPCC
Adam Holt (AH)	Relationship Manager	EQ
John Meakin (JM)	Chief Info Sec Officer	EQ
Tom McLoone (TM)	Relationship Director	SSCL
Paul Mudd (PM)	Secretarial	XPS Administration
Apologies		
Helen Harper (HH)	Member Representative	CPOSA
Annabel Cowell (AC)	Employer Representative	MOPAC

Minute	Introduction and apologies for absence	Action
2022-21	IPo opened the meeting and advised that the Board would be joined by representatives from the NPCC to update on the pension Remedy, and also representatives from the Administrators to talk about cyber security.	IPo
2022-22	**Conflicts of Interest and Confidentiality** IPo asked Representatives to declare any conflicts of interest, explaining that a conflict would not necessarily preclude participation on the Board, as detailed within the Terms of Reference and the Conflicts Policy.	All
2022-23	**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 (1st June 2022). These were then confirmed as a true and accurate record.	IPo
2022-24	**Pension Board Action List** (AL3) – Valuation – It was confirmed that this was still under Judicial Review, with an update expected during the NPCC update. (AL18) - Communications to promote scheme membership – to be covered later in the meeting. (AL22) – EQ asked to attend September meeting – To be closed (AL23) – Reinstatement of one hour presentations from Met Friendly – Confirmed that 30 minutes is all that is available. This has been fed back to Met Friendly who will try to adjust their session to make better use of the time. The Board noted this and agreed to keep under review, using feedback and opt-out statistics. Whilst it was agreed to close this specific action, a further or alternative approach may be considered in the future. (AL24) – Correction of address data on Opt-out form – Complete (AL25) – Invite NPCC to September meeting – Complete	IPo / KA

Action

Minute 2022-25

Knowledge and Understanding IPo

IPo reminded the Board that there is a legal responsibility for each representative to have sufficient knowledge and understanding of the Scheme and thanked everyone for their continued efforts in this respect.

The Public Service Toolkit was last updated with a module on Pension Scams, and it was recommended that Members of the Board complete this module.

http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx

Report by Senior Pensions Contract Manager

2022-26 KA

Statistics.

KA confirmed that there have been some improvements to these metrics and that he has asked EQ to confirm the numbers for Resignation.

PD queried the performance numbers and he was aware of conversations between his colleague, Paul Turpin and MP. There had been a small increase to enquiries coming through the MPS due to EQ failing to answer queries.

IPo asked member representatives for their views in regards to the improvements to the service.

DS said that the numbers do look unusual and at odds with the member experience as they are only receiving information in some cases within a week before retirement.

KA advised that the members should be getting their retirement pack within the month of leaving and that officers are asked to provide four months notice of their intention to retire. KA also advised that the Annual Benefit Statement should be used to get an estimate of the retirement benefits due, but accurate figures can only be confirmed closer to the members actual retirement date,

PD explained to the Board that anything out of the ordinary takes significantly longer to come from EQ.

DS also said that it would help enormously if EQ sent the correct information to the right person, citing a couple of instances where people had received information meant for someone else.

Agreed to ask EQ to attend the next meeting to discuss these metrics, due to the concern members still had regarding these.

Minute	**Report by Senior Pensions Contract Manager (continued)**	Action
2022-26	<u>Internal Dispute Resolution</u> There had been 4 cases received in the last quarter. With no trends identified, the Board noted these.	KA
2022-27	<u>Guaranteed Minimum Pension Project</u> Confirmed that this was on hold for the moment largely due to a lack of security cleared resources and an update will be sought.	KA
2022-28	<u>Auto Enrolment</u> Every three years the re-enrolment of non-scheme members takes place across all Police Forces, and this date is dependent on the Staging date for the Force. The date for the MPS was 1/6/2022. Accordingly, 2528 Police Officers had been brought back into the Police Pension Scheme. Immediately, a significant number opted back out of the scheme (1737), but notably, 791 people had stayed in the scheme and continued to pay. Depending on these new members successfully passing a medical, which is required under the scheme regulations. At the time of the meeting, there had been 470 who had summitted medical questionnaires. For those enrolled for whom a medical questionnaire isn't received, they will have their contributions adjusted to a lower rate, and will be ineligible for ill health benefits. KA and IPo explained to the Board that these benefits are separate to the Injury benefits that would be paid in instances where a scheme member is forced to leave the force due to an injury on duty. PD said he believes Police Officers are concerned about sharing medical information, which might explain the non return of the medical questionnaire, as this information might shine a light on something that may impact the member. The overall numbers were higher than the last re-enrolment numbers, and hopefully, this will see a positive impact on the opt-out rate in future statistics.	KA

Minute	Update from NPCC	Action
2022-29	CA joined from the NPCC to provide an update on the McCloud Remedy to the Board.	All

CA advised that amendments to Police regulations were still required and a consultation is expected in December/January 2023, noting that there will be early engagement with SAB in respect of this.

Due to retrospection, changes to tax regulations are required as Section 61 cannot change the taxation rules on it's own, so delays are expected due to the complexity of these changes.

It was explained that there will be a number of statutory documents and events occurring over the next couple of years, covering items such as remediable service statements, annual benefit statements and pensions savings statements, plus the requirement for all public sector pension schemes to start connecting to the Government sponsored pensions dashboard in 2024. Care is required to ensure members are not provided with incorrect information and the NPCC has been working hard with the Home Office to ensure these dates and requirements work for the Police Pension Scheme.

Continuing with communications, CA explained that the NPCC had produced a number of topical flyers which were designed to explain what is going on with Remedy and what scheme members were expected to do in order to receive their choices.

The 2nd iteration of the Pensions Modeller was also available and included enhancements to the original version, including an ability for a 2006 scheme member to obtain an estimate of what benefits could look like in either scheme.

KA said that the flyers were really useful and had been included on the MPS intranet site, taking an action to send the pensioner based flyers to DR for onward transmission to members.

CA covered a range of issues, such as contingent decisions, funding and costs. The cost of the remedy will be very expensive with additional actuarial and administrative costs plus the overall scheme costs will rise assuming a majority of members would wish to revert back to their legacy scheme. The scheme valuation will then provide for the costs required in the long term. Whilst these costs maybe covered by the Government (not yet agreed), there will be some indirect costs which may never be recovered, such as some staff costs.

Minute	Update from NPCC (continued)	Action
2022-29	Compensation was also discussed, as this is a parallel issue for many, and in particular those who have lodged claims through 3rd party and Staff Association campaigns, noting that the Government has settled the Leigh-Day claim whilst others are ongoing. CA explained that there was a new Scheme Manager Steering Group created as a mechanism was needed to communicate with the 43 scheme managers. MP and KA attend this group and although in its infancy, CA thinks this is an important and significant step. DS asked if there could be representation from the staff associations. CA said that this would be for the Scheme Managers only, and that this would not be possible. That concluded the very interesting session from CA and she was thanked for her contribution by IPo and other members of the Board.	All
	Opt-Out Update	
2022-30	IPo remains concerned by the opt-out rate for the Police Pension Scheme and he has been clear about this for some time. Analysis shows that about 8% of eligible members are opting out of the scheme, and this is primarily young constables who opt out of the scheme at the first available opportunity. IPo believes there is an opportunity, perhaps a requirement to introduce some form of variable contribution rate. This could be a tiered contribution rate which changes with pay, or an option similar to the 50/50 option enjoyed by police staff in the Local Government pension scheme, where the member pays 50% of the contribution for 50% of the benefits. IPo asked the Board for their thoughts. Both PD and DS said that the position regarding ill health would be a concern, but that their overarching position was that the overall remuneration payable to a Police Officer should be increased, rather than what could be perceived as watering down the scheme benefits, going on to say that if a Police Officer can not afford to pay into the pension scheme available to them, that the package needs a fundamental review. IPo thanked the Board for their input and agreed to keep the Board informed of progress on the concept.	IPo

Minute		Action
2022-31	**Update from SSCL & EQ regarding Cyber Security** IPo welcomed colleagues from SSCL and EQ to provide the Board with an update on Cyber Security. This topic is high on the list of risks that the Pensions Regulator and Scheme Advisory Board would like Scheme Managers and their Pension Boards to keep an eye on. TM presented a slide deck coving the current threat landscape, cyber security controls and what it takes to be cyber secure. There were a number of info graphics setting out the general security infrastructure for pension schemes within EQ. The Board was shown the independent assurance control report and certification from Lloyds Register, along with an incident management flow diagram which forms part of the cybersecurity incident response plan. TM talked about the Cyber aspects of the Covid-19 pandemic which forced over 5000 of their staff to commence home working and how they had managed to mobilise the workforce with sufficient anti breach / data loss prevention measures to keep data secure in this new way of working. IPo thanked SSCL and EQ for attending and providing a useful oversight of the cyber security arrangement in place. The Board noted that whilst the presentation gave a good general overview, that it didn't provide any details of specific cyber threats to the Metropolitan Police, though they were reassured by the content of the presentation.	All
2022-32	**Risk Register** IPo and KA had met in advance of the meeting and were comfortable with the Risk Register as it was currently presented. There was one change and this was in relation to the title of Risk 6, The Board agreed to change this risk title from 'Govt changes to scheme (McCloud)' to 'Failure to implement Remedy'. The Board agreed the Risk Register was an up-to- date summary of the risks the pension scheme faces.	All
2022-33	**Update from the Chair** IPO had nothing further to add other than the item covered already within the Opt -out agenda item.	IPo

Minute 2022-33	**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	Action All
Minute 2022-35	**Date of Next Meeting** 7th December 2022 (EQ to be invited) 8th March 2023 7th June 2023 6th September 2023 6th December 2023	Action KA/RH