

Extraordinary CCC Pay and Conditions Pensions Session – 17th February 2025

The session was set up due to the significant milestone which is approaching in terms of pensions and the challenge around readiness of where Chiefs are at and what questions they may need to ask as well as providing clarity on what support is available from the central team.

It was reported that there is a statutory deadline of 31/03/2025 when members will be given an immediate choice as to which pension scheme they derive their benefits. There is a provision for Chiefs as scheme managers to make a decision to extend the statutory deadline in certain circumstances. Some Chiefs will be asked whether they are going to extend the deadline and others may not as different forces are structured and resourced in different ways around pensions. Some have one set of administrators, some are in house and some are with other sets of administrators.

Remedy – Summary:

The presentation was started by providing a brief introduction on what the challenges of Remedy have been.

Discussion on the timeline when in 2018 the transitional protections were found to be discriminatory but it was the transitional protections that moved people into the 2015 scheme and didn't others which were discriminatory and not the 2015 scheme itself. This took time to present into legislation and from the 1st October 2023, an 18 month implementation period started with providing members with statements. Members were divided into 2 key categories: people who don't have pensions in payment and people who do. People who don't are called deferred choice members and those who do are immediate choice members subject to the same Remedy Implementation period.

It was reported that there have been some challenges – the narrow window of implementation for such a large project has been significant, with burdens on forces in their role of scheme manager – there are financial and resource burdens that can't be mitigated against because of the way the scheme is structured. There are issues in terms of the infrastructure in which pensions is delivered in.

In terms of the Remedy window, there was an 18 month implementation period and there was only a year before that once the act was put together which in terms of the time of a project which involves such massive retrospection work and a rewind of time to 2015, this was a very narrow time to create the new knowledge needed for the new world of pensions and in particular around commercial arrangements around what additional support was needed.

There were significant burdens on forces in their role of scheme manager which was not always understood as quickly as they would have wished with hindsight. The legislation does cause significant burdens on scheme managers and the way the scheme managers have to make decisions which has created a financial burden. In 2023 there was a funding grant towards Remedy costs.

The data and the historical exercise has been significant and there was a delay in tools and guidance. Contribution adjustments and tax have been more difficult for forces. There has been a delay to GAD guidance. GAD had to take legal advice as to how new values should be calculated due to the contribution adjustments for both divorces and transfer values. There have been significant issues in respect of tax and administrators have struggled to apply the guidance. In a locally administered scheme with 12 different administrators across 3 different

providers, they have seen a real difference in the way those providers have differently provided Remedy options and how forces work with them.

The presentation then moved on to look at the question of: How do forces /Chiefs in their role as scheme managers ask the right questions to understand where they are currently? How have the challenges affected them, so they can assess their position?

5 Key Questions:

- 1) Role of responsibility for pensions (ensuring there are adequate tools and knowledge to do the job.)
- 2) How do you get assurance that what you are being told is being done in line with national guidance and advice?
- 3) How do you create that culture of transfer of knowledge ensuring that your officers can understand pensions? What challenges have you had and successes?
- 4) How are scheme manager processes being entrenched in the organisation?
- 5) How are risks mitigated and understood?

1) How do you ensure that there are adequate tools and knowledge to do the job.

There are 3 key areas:

Do you have the right understanding of what your expectations are of others?

Are your contracts in the right position with your administrator? If your administrator is in house do you have the right understanding of the SLA provision and what they are going to provide for you verses the scheme manager role?

What decisions do you make as a scheme manager and what decisions do you expect your administrators to help you with? Do you have a clear understanding of what your contractual expectations are of others? Is your contract with your administrators specific enough to make sure your expectations are clear on what assurances you want them to provide you with?

How have you built the culture to ensure that Remedy knowledge is shared? How do you ensure that the knowledge is being understood from the information that is shared by the NPCC team.

The NPCC Team has a variety of resources provided over the last 3 years with a significant library. What assurance do you get given from your scheme managers, administrators and local pensions boards that they have and are assisting with the sharing of this knowledge?

The NPCC are making sure that there is a credible voice for policing amongst national organisations – How locally are forces drawing down on that work to ensure they equally have a local credible voice to their police officers around what is happening locally?

What locally is happening and is it in line with their expectations or out of line with their expectations?

What are the plans for progressing to connecting to the dashboard by 1st October 2025? Some administrators have not yet procured an ISP to join them to the dashboard.

2) Get Adequate Assurance

How do you ensure that what you are being told is in line with expectations?

How is the scheme manager role delegated? Would this be to an SLT or a senior leader? How often as a Chiefs Constable will you get an update from that person?

How often do you meet the pension board chair? How are you ensuring that your local pension board is ensuring compliance with the scheme rules?

Is the reporting levels for your administrator into the right level? How often as a Chief do you receive a report?

Is the person who receives the administrator report at the right level?

There is an NPCC monthly bulletin sent out with an action list and a tracker for Chiefs to ask to see progress on specific matters.

Sessions have been run about providing data to the NPCC at a national level around where people are performing – the data has to come from the scheme manager and not the administrator but they have not been cited on some of that data. Data is not coming from the forces at a local level – 11 forces have not told the pensions team about their ABS/RSS data. If asked by the Home Affairs Select Committee for example, they would not be able to show an accurate figure of how many annual benefits statements had gone out.

On Immediate Choice – RSS – they have been told that 11, 670 members have received a statement but they know that there are 37,500 members who need one.

How do scheme managers get assurance that the right information is provided at the right time and is it in line with their understanding of their priorities?

There is a risk of not being able to provide a national picture in the absence of national data when speaking to central government bodies.

3.) Vision and Culture – Scheme Manager Delegation

Do you have a clear understanding of your vision with regards to wanting to ensure there are better communications for members?

How do we ensure we have better internal knowledge?

Is the person delegated as scheme manager at the right level?

Each force has a Remedy lead but how is the culture in force being created so that the Remedy lead drives knowledge building for the force?

There is an expectation that the NPCC can act as the scheme manager which is not correct.

What are the internal governance processes in place to be clear on who makes scheme manager decisions?

4.) Scheme Manager Process:

There is a power that scheme managers can use to extend the statutory date under which statements can be provided - Regulation 2910B. Forces may be gathering information on cohorts and thinking as to how they are going to make that decision. There will be a session held for all scheme managers to help them with that.

Every force needs to be aware that they may be asked to make decisions around extending the statutory date and need to know the choices involved.

What are the internal governance processes?

Who makes scheme manager decisions and who makes administrator decisions?

For in house forces, there is a clear question around ensuring a clear transparency of governance between those who act as the pensions administrator and pensions manager who is different to the scheme manager which is a statutory function under the regulations.

Forces particularly around compensation and contingent decisions are having to make individual decisions on a case by case basis, ensuring the processes have been put in place.

Where forces feel like they may not be able to issue all statements by 31st March 2025, some members may be concerned and issue IDRPs into the force. Are scheme managers clear on what IDRPs procedures are and are they up to date?

5. Ensure that risk is understood, monitored and mitigated.

Does Pensions feature in a strategic risk register?

What does each individual force think their top risk is on their internal register? From a national position the Pensions Team are often told that it is resource and the availability of knowledge.

If resource is an issue then what mitigations have been put in place? Are there opportunities for shared learning and has the risk been escalated to the NPCC?

What are the risks of remedy breaches? Are there plans in place to support this?

Who are the cohorts which are going to be affected and what are the plans for telling those members?

Summary:

To summarise - before 31st March 2025, forces need to do 3 key things:

- 1.) Get assurance of their position for Remedy – understanding the statements that have been sent out, that haven't been sent out and those which will be sent out later.
- 2.) Know the processes for making decisions around using section 2910B.
- 3.) Communications plan to members. There will be some success stories which forces may have on a local basis. Do they have the right narrative? Reaching out to vulnerable members. Wellbeing team reaching out in situations where people have died in service.

CA agreed to share the presentation after the meeting.

XPS have reached out to all their clients with dashboards which says how many statements have gone out to date, what the issues are and have gone out to those clients where they are requesting additional information. There are some forces who due to previous administrators, the record keeping is now flagging up some issues. Although every XPS client will have received a dashboard it is not known whether this is going in at the right level. The Pensions Team have held a session with all administrators in terms of where they are with things. The force needs to know that they have the right information from their administrator and if not, they can ask the pensions team. XPS forces need to ask their remedy lead for a copy of the dashboard.

It was commented on how challenging it is when individuals are from different forces and have had different administrators involved to come together and agree the right figures.

Forces need to check where they are at when responding to the bulletins.

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