



Police Pensions Board

Date: MONDAY, 2 OCTOBER 2017
Time: 11.00 am
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Alderman Ian Luder (Chairman)
Helen Isaac
Davina Plummer
Kieron Sharp
John Todd
Alexander Barr

Enquiries: George Fraser
Tel.No.: 020 7332 1174
george.fraser@cityoflondon.gov.uk

Lunch will be served in Guildhall Club at 1PM
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES FOR ABSENCE**

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3.

a) **Minutes**

To approve the minutes from the last meeting on 10 May 2017

For Decision
(Pages 1 - 6)

b) **Outstanding References**

Report of the Town Clerk

For Information
(Pages 7 - 8)

4. **WORK PROGRAMME**
Report of the Town Clerk

For Information
(Pages 9 - 10)

5. **POLICE PENSIONS SCHEME UPDATE**
Report of the Chamberlain

For Information
(Pages 11 - 28)

6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

8. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

9. **TRAINING UPDATE**

For Information

10. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
11. **ANY OTHER NON-PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

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POLICE PENSIONS BOARD

Wednesday, 10 May 2017

Minutes of the meeting of the Police Pensions Board held at the Guildhall EC2 at 10.30 am

Present

Members:

Employer Representatives

Alderman Ian Luder (Chairman)
Alexander Barr
Helen Isaac

Member Representatives

Davina Plummer
Kieron Sharp
John Todd

Officers:

Kate Limna	-	Chamberlain's Department
Charlie Partridge	-	Chamberlain's Department
George Fraser	-	Town Clerk's Department
Annemarie Allen	-	Barnett Waddingham
Jeff Henegan	-	Chamberlain's Department
Amanda Thompson	-	Town Clerk's Department
Graham Newman	-	Chamberlain's Department

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

Members were advised that membership of the Local Government Pension Scheme was specifically exempted from being declared as an interest.

3. MINUTES

The public minutes and summary of the meeting held on 17 January 2017 were approved with one matter arising.

In response to a member's question, the Chamberlain confirmed that the City's Police Pension Scheme has been registered with the Pensions Regulator.

MATTERS ARISING

The Chairman also welcomed new Member Alexander Barr to the Police Pensions Board for his first meeting.

The Chairman informed Members that the Pensions Administration Manager, Charlie Partridge would shortly be retiring after 29 years in the role within the Chamberlain's department. On behalf of the Board, the Chairman expressed his thanks for his long standing service.

The Chairman declared that it had been agreed that John Todd will be taking on the role of Deputy Chairman for the coming year. Official confirmation of this will take place at the next meeting of the Police Committee on 18th May.

4. **THE CITY OF LONDON POLICE PENSION SCHEME - UPDATE**

The Chairman introduced the report relating to a range of topics in the Police Pension Scheme that included the suite of documents requested at the last meeting.

The report outlined the following items for the consideration of the Police Pensions Board:

Annual Schedule of Events for the Pension Scheme

The Board considered the annual schedule of events relevant to the Police Pension Scheme and noted that all deadlines are currently being met. The Chairman suggested that the Board should provide an annual report to the Police Committee and it was agreed to add this to the Annual Schedule of Events. (1)

Annemarie Allen suggested that the requirement to issue Pension Savings Statements by 6 October be added to the Annual Schedule and it was agreed to do so. (2)

Information on Scheme Record Keeping

The Chamberlain explained to the Board the extent of member data maintained with reference to Appendix 2. The information outlines the comprehensive range of member data held for members of the Police Pension Scheme, including personal details, contribution records, nomination details, pay and information on leavers/deferred and pensioners.

The Board was advised that the Pensions Team carry out regular data accuracy checks as part of the annual updates procedure. They also use a mortality screen service, issue annual life certificates to those living abroad and participate in the National Anti-Fraud Network (NAFN). This ensures compliance with regards to deaths, re-employment with another police authority and injury pensions where an injury benefit is being paid by the State.

The Board requested that a table showing membership numbers by category of membership be provided. (3)

The City of London Police Pension Scheme Risk Register

The Board considered the Risk Register, and a Member suggested that for Risk 3 (Pension Scheme Administration), the Causes should be separated into two separate Risks – one for succession planning/ training and one for IT. It was agreed to update the Risk Register. (4)

Documentation and communications that are circulated to Scheme Members

The Board considered the documentation circulated to scheme members for the current Pension Scheme introduced on 1 April 2015, as well as its preceding Schemes introduced in 2006 and 1987 (Appendix 4a, 4b, 4c).

Communication Working Practices

A Member requested reassurance that data held on scheme members with deferred pensions is being monitored accurately. The Pensions Administration Manager advised that the Police Human Resources Department notify the Pensions Office of any officer leaving the Force and they in turn calculate the benefits at leaving and send a statement to the ex-officer.

A Member re-emphasised their concern regarding the maintenance of personal data for ex-officers and queried if ex-officers would know that it is their responsibility to inform the Pensions Office of any changes. It was agreed that the letter sent to officers would be reviewed at the next meeting.

A Member questioned whether there were any plans to move towards email rather than relying on post to distribution communications. The Chamberlain explained that this infrastructure is in place for overseas members. However, it was highlighted to the Board that whilst e-mail was a quick and efficient form of communication, individuals do change their e-mail addresses and unless they advised the Pensions Office of such changes, it could become difficult to remain in contact with scheme members.

A Member asked for the number of deferred scheme members currently held by the City of London Police. Officers noted the number was approximately 700.

The Board considered if there was a risk relating to the gap between those members paying in to the scheme and those being paid out. The Chamberlain advised that any shortfall is effectively funded by the Government and there is limited risk to the City..

The Board considered Appendix 6, which provided examples of the various letters and statements sent to officers throughout their membership to the Pension Scheme. It was noted that no example of an early leaver deferred benefit statement was included and it was requested that such a letter be provided to the Board at the next meeting. .

Under the terms of the 1987 Scheme, widow(er)s pensions cease if the recipient re-marries or co-habits with a new partner . A concern was raised as to whether or not there are any ethical implications in seeking evidence of “lack of entitlement” from such scheme members. However, it was noted that there is a legal obligation to uphold the Regulations.

The Board agreed that correspondence sent to scheme members must be clear that the Pension Scheme Administration can only provide facts, and is not able to provide advice as this would breach legislation.

RESOLVED – That amendments should be made to include a standardised text disclaimer within all the relevant literature to clarify the position that the Pension Scheme Administration can only provide facts and is not permitted to provide advice, but rather to recommend scheme members seek it elsewhere. The wording to be used should be considered by the Comptroller & City Solicitor.

The Board considered Appendix 6i – “*Opting out of the POLICE PENSION SCHEME 1987 (PPS 1987)/ POLICE PENSION SCHEME 2006 (PPS 2006) / POLICE PENSION SCHEME 2015 (PPS 2015)*” with regard to point 9 - “Enjoy a better quality of retirement” being a reason for remaining a member of the Police Pension Scheme. The Board agreed that this comment would qualify as subjective advice and is a value judgment and should be removed.

The Board agreed that point 9 in Appendix 6i – “*Opting out of the POLICE PENSION SCHEME 1987 (PPS 1987)/ POLICE PENSION SCHEME 2006 (PPS 2006) / POLICE PENSION SCHEME 2015 (PPS 2015)*” should be removed.

The Board considered Appendix 8 (Audit Reports) and it was noted that in the final paragraph the text should read “2018” rather than “2108”.

5. **POLICE PENSIONS BOARD - WORK PROGRAMME**

The Chairman questioned the Work Programme with regard to the lack of dates set out for future meetings of the Board. It was agreed that the dates will be added. (5)

6. **PRESENTATION, PROVIDED BY BARNETT WADDINGHAM, THE ACTUARIES TO THE CITY OF LONDON POLICE PENSION SCHEME**

The Board were given a presentation on the Police Pension Scheme by Annemarie Allen of Barnett Waddingham.

The presentation covered:

The Police Pensions Schemes, Regulations & Guidance

Ms Allen explained that the Home Office are responsible for the Scheme and that the Police Pensions Regulations 2015 were laid before parliament on 5 March 2015, and came into force on 1 April 2015. They contain the new Police Pensions Scheme provision and transition arrangements from the previous Schemes.

She noted that this legislation makes legal provision for governance of the Police Pensions Schemes as required by the PSPA 2013 regarding establishment of the Police Scheme Advisory Board and Police Pension Boards as well as a Scheme Actuary and Employer Cost Cap.

The Board were given a comparison of the three schemes initiated in 1987, 2006 and 2015. 1987 and 2006 were final salary schemes, and 2015 is a career average scheme.

The process of transition to the 2015 Scheme was explained including the protections for those in the previous schemes at 31 March 2015.

Ms Allen also explained that the regulations refer to Government Actuary Department (GAD) guidance and its role, noting some examples such as commutation limits and factors, transfer values and pension sharing on divorce, purchase of added pensions, pension tax charge debits and early retirement reductions and late retirement uplifts.

Overriding Pensions Legislation

Ms Allen explained the importance and role of overriding pensions legislation, noting some examples such as:

- Data Protection Act 1998 / GDPR 2018
- Freedom of Information Act 2000
- Occupational & Personal Pension Schemes (Disclosure of Information) Regulations 2013
- Pensions Act 2008 (Auto enrolment)
- Welfare Reform & Pension Act 1999 (Pensions sharing on divorce)
- Provisions and reform around exit payments

A summary of overriding legislation concerning record keeping and pension tax was provided.

The Board was informed of the legislation governing pension schemes' record keeping. The Public Service Pensions Regulation 2014 were highlighted and the records required to be kept noted. The legislation requires this information to be 100% accurate.

It was explained to the Board that Scheme Record Keeping is in the Pension Regulator's defined top 3 risks, that data quality should be reviewed annually and data improvement plans put in place where necessary.

The Board was then given an overview of the limitations of tax free pension savings allowed in a year under "Annual Allowance", and the maximum amount of tax free pension saving allowed over an individual's lifetime under "Lifetime Allowance".

Two particular issues affecting the Police Pension Scheme 1987 of protected pension ages and the potential for unauthorised payments were highlighted..

A Member suggested that a materiality score be assessed on the various Pension legislation in relation to the stakeholders e.g. members, the Board and the administrators. It was noted that all were important due to the legal implications.

Further Information

Ms Allen closed the presentation with details of where Members could obtain further information.

7. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

8. DATE OF NEXT MEETING

RESOLVED – That the Town Clerk arrange dates for the next two meetings of the Board in September/October and January via a Doodle Poll amongst its members. (5)

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no items of urgent business.

The meeting closed at 12.20 pm

Chairman

**Contact Officer: George Fraser
Tel.No.: 020 7332 3414
george.fraser@cityoflondon.gov.uk**

POLICE PENSIONS BOARD
2nd OCTOBER 2017
OUTSTANDING REFERENCES

No.	Meeting Date & Reference	Action	Owner	Status
1.	30/05/17 Item 4 - <i>The City of London Police Pension Scheme - Update</i> Annual Report to Grand Committee	The Board to provide an annual report to the Police Committee. This has been added to the Annual Schedule of Events.	Chamberlain	OUTSTANDING
2.	30/05/17 Item 4 - <i>The City of London Police Pension Scheme - Update</i> Issuing of Pension Savings Statements	The requirement to issue Pension Savings Statements by 6 October to be added to the Annual Schedule.	Chamberlain	COMPLETE – Included in Agenda Item 4, Appendix 1
3.	30/05/17 Item 4 - <i>The City of London Police Pension Scheme - Update</i> Scheme Membership Figures	Data showing membership numbers by category of membership to be provided.	Chamberlain	COMPLETE – Included in Agenda Item 4, Appendix 5
4.	30/05/17 Item 4 - <i>The City of London Police Pension Scheme - Update</i>	Risk 3 (Pension Scheme Administration), the Causes to be separated into two separate Risks – one for succession planning/ training and one for IT. It was agreed to update the Risk Register.	Chamberlain	COMPLETE – Included in Agenda Item 4, Appendix 4

	Risk Register			
5.	30/05/17 Item 8 - <i>Date of Next Meeting</i> Poll for Meeting Dates	To arrange dates for the next two meetings of the Board in September/October and January via a Doodle Poll amongst its members.	Town Clerk	COMPLETE – Poll carried out and dates confirmed on 19/07/17 (2nd Oct & 9th Jan)

Police Pensions Board – Work Programme

Category	2 Oct 2017	TBC 2018
Board Governance		<ul style="list-style-type: none"> - Review of Terms of Reference - Annual Report of Board's work to Police Committee
Communication with Scheme Members	<ul style="list-style-type: none"> - Documentation of all of the communications which are circulated to Scheme Members 	<ul style="list-style-type: none"> - Embedding the Pension Scheme into the Induction Process. - Documentation of all of the communications which are circulated to Scheme Members
The Police Pension Scheme	<ul style="list-style-type: none"> - Pensions Department Risk Register. - Scheme Record keeping. - Breaches since last meeting. - Complaints or Disputes. - Audit Reports. 	<ul style="list-style-type: none"> - Pensions Department Risk Register. - Scheme Record keeping. - Breaches since last meeting. - Complaints or Disputes. - Audit Reports.
National Regulatory Environment	<ul style="list-style-type: none"> - Annual Schedule of Events for the Pensions Scheme 	<ul style="list-style-type: none"> - Annual Schedule of Events for the Pensions Scheme
Training	<ul style="list-style-type: none"> - Update following assessment of training needs. 	

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Agenda Item 5

Committee: Police Pensions Board	Date: 2 October 2017
Subject: The City of London: Police Pension Scheme	Public
Report of: The Chamberlain	For Information
Report author: Graham Newman – Chamberlain's Department	

Summary

At the Board's meeting on 10 May 2017, it was agreed that information regarding a range of topics in relation to the City of London Police Pension Scheme (the Scheme) would be provided at each meeting.

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix 1).
Documentation of all of the communications which are circulated to Scheme Members	Documents sent to Scheme Members that leave before retirement age (Appendices 2a, 2b and 2c). Disclaimer paragraph to be added to all relevant documentation (Appendix 3).
Information of Scheme Record Keeping	No amendments since the last Board meeting.
The Pensions Board's Risk Register	Members asked for Risk 3 (Pension Scheme Administration) to be split between personnel and systems. Update provided (Appendix 4).
A record of any complaints or disputes under the Scheme's complaints procedure	There is currently one case being dealt with under the Internal Disputes Resolution Procedure (IDRP).
Any recent breaches of the law	None to report.
Any audit reports relating to the administration of the Scheme	None to report.
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.
Scheme Membership Table.	Table provided (Appendix 5).

Members are requested to review this information and provide any comments regarding it.

Recommendation

The Board is recommended to consider the information provided in the following reports and provide any comments in relation to this information.

The Board is asked to consider whether it wishes to send a report of its activities to the Police Committee.

Appendices:

Appendix 1 – Annual Schedule of events

Appendix 2a – Deferred benefit cover letter sent to early leavers from the 1987 Scheme

Appendix 2b – Deferred benefit cover letter sent to early leavers from the 2006 Scheme

Appendix 2c – Deferred benefit cover letter sent to early leavers with membership in both the 1987 and 2015 Scheme

Appendix 3 – Disclaimer paragraphs added to appropriate correspondence

Appendix 4 – Risk Register & Risk Matrix

Appendix 5 – Scheme Membership Table

Contact:

Graham Newman

Telephone: 020 7332 1132

Email: graham.newman@cityoflondon.gov.uk

**City of London: Police Pension Scheme
Annual Schedule of Events**

Date Due	Event	Date Completed
1 st April 2017	Employee Contribution band implementation	No change for 2017/18
1 st April	Employer Contribution implementation	No change for 2017/18
1 st April	Revaluation of CARE benefits	Software updated 09/03/2017 Revaluation effective from 01/04/2017
1 st Monday in April after 6 th April	Pensions Increase – Annual Inflation Increase	Pensions Software updated 09/03/2017 Payroll updated 27/03/2017 Increase effective from 10/04/2017
5 th April	IAS19 month 12 update if necessary	6 th April
May	Home Office Year End Finance Return and 5 year forecast	10 th May
Within 2 weeks of June quarter	Tax Return for June Quarter	No data to return
31 st August	Issue of Annual Statements Deadline	8 th September
September	Home Office Autumn Finance Return and revised 5 year forecast	8 th September
Within 2 weeks of September quarter	Tax Return for September Quarter	No data to return
6 th October	Issue of Pension Saving Statements Deadline	Information included on the Annual Statements (issued 8 th September). Separate correspondence to be issued to members with a potential tax liability (not a requirement of the Regulations)

25 th October	Deadline for Scheme Return to the Pensions Regulator	
Within 2 weeks of December quarter	Tax Return for December Quarter	
Date to be agreed	Draft report for the Police Committee to be considered	

Chamberlain's Department

Dr Peter Kane MA, MSc, CPFA
Chamberlain (Finance Director)

Telephone 020 7332

Fax 020 7710

Email

Our ref PG/PEN/

Case Officer

Date

Dear

The Police Pension Regulations 1987 (as amended)

I am writing to advise you that upon leaving the Force on, and under the provisions of the above Regulations you are entitled to a Deferred Pension. This entitlement will become payable from your 60th birthday, or earlier if you should suffer a permanent break down in health, which would have precluded you from carrying out your duties as a police officer, had you remained in service.

Your deferred pension has been calculated on your service and average pensionable pay over your last 12 months of service. A statement of your entitlement is enclosed for your information. The pension will be subject to the Pensions Increase Acts and will be increased annually in line with the cost of living index from the date of leaving the Force until the date your pension becomes payable and each year thereafter.

When your pension comes into payment you will be allowed to commute a portion of your pension, normally up to one quarter, in favour of a tax free lump sum payment. You will be contacted about three months prior to your 60th birthday, when you will be advised of the increased pension payable and provided with an option form in respect of commutation. It is essential therefore that you notify this office of any permanent change of address.

In the event of your death, whether or not your deferred pension has come into payment, your spouse may claim a pension, which is equal to ½ of your pension entitlement, by making an application to this office.

I would mention that it may be possible to transfer your rights to another pension arrangement and if you are interested in this you should ask your new pension scheme administrators to contact me. However, the rules regarding transfers-out of public sector pension schemes are very strict and depending on your new scheme this option may not be applicable.

I trust that the position is clear to you, but should you have any queries or disagree with any of the details provided regarding your pension entitlement please do not hesitate to contact

I am required to advise you that there is an internal dispute procedure should you be dissatisfied or have a complaint regarding your pension entitlement. An application form detailing the procedure, together with the name and address of the appointed official to whom the complaint should be sent may be obtained from the pensions office.

Please note, this letter is provided for information purposes only. The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

Yours sincerely

Chamberlain's Department

Dr Peter Kane MA, MSc, CPFA
Chamberlain (Finance Director)

Telephone 020 7332

Fax 020 7710

Email

Our ref PG/PEN/

Case Officer

Date

Dear

The Police Pension Regulations 2006 (as amended)

I am writing to advise you that upon leaving the Force on, and under the provisions of the above Regulations you are entitled to a Deferred Pension. This entitlement will become payable from your 65th birthday, or earlier if you should suffer a permanent break down in health, which would have precluded you from carrying out your duties as a police officer, had you remained in service.

Your deferred pension has been calculated on your service and average pensionable pay over your last 12 months of service. A statement of your entitlement is enclosed for your information. The pension will be subject to the Pensions Increase Acts and will be increased annually in line with the cost of living index from the date of leaving the Force until the date your pension becomes payable and each year thereafter.

You will be contacted about three months prior to your 65th birthday, when you will be advised of the increased pension payable and the options available to you. It is essential therefore that you notify this office of any permanent change of address.

In the event of your death, whether or not your deferred pension has come into payment, your spouse may claim a pension, by making an application to this office.

I would mention that it may be possible to transfer your rights to another pension arrangement and if you are interested in this you should ask your new pension scheme administrators to contact me. However, the rules regarding transfers-out of public sector pension schemes are very strict and depending on your new scheme this option may not be applicable.

I trust that the position is clear to you, but should you have any queries or disagree with any of the details provided regarding your pension entitlement please do not hesitate to contact

I am required to advise you that there is an internal dispute procedure should you be dissatisfied or have a complaint regarding your pension entitlement. An application form detailing the procedure, together with the name and address of the appointed official to whom the complaint should be sent may be obtained from the Pensions Office.

Please note, this letter is provided for information purposes only. The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

Yours sincerely

Chamberlain's Department
Dr Peter Kane MA, MSc, CPFA
Chamberlain (Finance Director)

Telephone 020 7332

Fax 020 7710

Email

Our ref PG/PEN/

Case Officer

Date

Dear

The Police Pension Regulations 2015

I am writing to advise you that upon leaving the Force on, and under the provisions of the above Regulations you are entitled to a Deferred Pension.

Under the provisions of the above Regulations you are entitled to a Deferred Pension and I enclose a statement of your accrued pension benefits. Employment 1 refers to the benefits you have accrued in the Police Pension Scheme 2015, this portion of your benefits will be payable from your State Pension Age (SPA). Employment 2 refers to the benefits you had accrued in the Police Pension Scheme 1987 and this portion of your entitlement will become payable from your 60th birthday.

(Please note, the benefits accrued in Employment 1 can be claimed as early as age 55, however they will be subject to an actuarial reduction calculated with reference to how much earlier than SPA you elect to claim them.)

Your total benefits could become payable earlier than the dates quoted above if you should suffer a permanent break down in health, which would have precluded you from carrying out your duties as a police officer, had you remained in service.

The pension will be subject to the Pensions Increase Acts and will be increased annually in line with the cost of living index from the date of leaving the Scheme until the date your pension becomes payable and each year thereafter.

When your pension comes into payment you will be allowed to commute a portion of your pension in favour of a tax free lump sum payment. You will be contacted about three months prior to your retirement date, when you will be advised of the increased pension payable and provided with an option form in respect of commutation. It is essential therefore that you notify this office of any permanent change of address.

In the event of your death, whether or not your deferred pension has come into payment, your spouse may claim a pension, which is equal to ½ of your pension entitlement, by making an application to this office.

I would mention that it may be possible to transfer your rights to another pension arrangement and if you are interested in this you should ask your new pension scheme administrators to contact me. However, the rules regarding transfers-out of public sector pension schemes are very strict and depending on your new scheme this option may not be applicable.

I trust that the position is clear to you, but should you have any queries or disagree with any of the details provided regarding your pension entitlement please do not hesitate to contact

.....

I am required to advise you that there is an internal dispute procedure should you be dissatisfied or have a complaint regarding your pension entitlement. An application form detailing the procedure, together with the name and address of the appointed official to whom the complaint should be sent may be obtained from the Pensions Office.

Please note, this letter is provided for information purposes only. The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

Yours sincerely

City of London Police

Police Pension Scheme – Disclaimers to be added to correspondence

As per the recommendation of the Police Pension Board, where appropriate the following paragraphs are to be added to correspondence issued by the Pensions Office.

For general letters:

Please note, this letter is provided for information purposes only. The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

For letters that include estimates:

Please note, the figures shown are an estimate and confer no statutory right. The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

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City of London: Police Pension Scheme Risk Register for the Police Pensions Board - FOR CONSIDERATION

Risk No.	Risk (Short description)	Risk Owner	Cause	Effect	Existing Controls	Current Risk				Planned Actions	Target Risk		
						Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	Provision of City of London Police actuarial data to the Home Office	Chamberlain	(i) Inaccurate data supplied to the Home Office. (ii) Poor assumptions used by the Home Office.	National employer rate incorrectly determined.	Robust Year End procedures and updates. Checking for errors or inconsistencies in valuation extract report before submission to the Home Office.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
2	Failure to comply with legislative requirements.	Chamberlain	(i) Lack of appropriate knowledge or skill. (ii) Lack of training/appropriately skilled staff	(i) Inaccurate benefits paid. (ii) Financial loss (iii) Increase in Appeals (iv) Reputational damage (v) Fines from Pensions Regulator	Recruitment of suitable staff appropriate salary levels. Appropriate training. Attendance at seminars and Forums, webinars and user groups.	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3
3	Pension Scheme Administration (Personnel)	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) Data Accuracy.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/sanctions	Recruitment and training of staff plus (i) Ensuring software is the latest version and any known errors are reports. (ii) Robust checking procedures in place at all stages of record management from starting, transfers received, career changes, pension top-ups, leaving and benefit payment. (iii) If staff or other resources are lacking ensure priority cases are covered and all checking levels maintained.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4
4	Pension Scheme Administration (Systems)	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) IT system failure (v) Data Accuracy. (vi) Lack of resources.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/sanctions	Recruitment and training of staff plus (i) Ensuring software is the latest version and any known errors are reports. (ii) Ensure IT have sufficient back-ups and Disaster Recovery	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4
5	Pension Fraud	Chamberlain	(i) Continued payment of pensions following death. (ii) Staff acting inappropriately	(i) Overpaid pensions.(ii) Financial loss	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Sending Life Certificates to Overseas Pensioners.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Minor	Green 2

6	Protected Pension Age (PPA)	Chamberlain	Retiring officers of a certain age losing their PPA as a result of being re-employed by the same sponsoring employer without a sufficient break between retirement and re-employment.	HMRC make 'unauthorised payment' charges to both the member and the organisation.	(i) Ensuring officers are aware that a break is needed if they are retiring between ages 50 and 55 and intend to seek to be re-employed with CoL Police or the CoL. (ii) Ensuring Police HR are aware of the rules regarding PPA and re-employment	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
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City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people. Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation of leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood	Impact			
	Minor (1)	Serious (2)	Major (4)	Extreme (8)
X				
Likely (4)	4 Green	8 Amber	16 Red	32 Red
Possible (3)	3 Green	6 Amber	12 Amber	24 Red
Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
Rare (1)	1 Green	2 Green	4 Green	8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporation Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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City of London Police**Police Pension Scheme Membership as at 18 September 2017**

	1987 Scheme	2006 Scheme	2015 Scheme	Totals
Actives	222	16	394	632
Deferred	220	33	0	253
Pensioner	1002	0	0	1002
Dependants	203	2	0	205

Actives – serving officers with the City of London Police currently contributing to the Police Pension Scheme.

Deferred – officers that have left the Scheme before being able to claim their benefits as a result of age and / or service. Their benefits are deferred until they reach retirement age.

Pensioner – ex-officers in receipt of their pension.

Dependants – widows, widowers and eligible children of deceased ex-City of London Police officers.

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By virtue of paragraph(s) 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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