

**LOCAL GOVERNMENT PENSIONS BOARD**

**Thursday, 7 February 2019**

**Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 1.45 pm**

**Present**

**Members:**

James Tumbridge (Chairman)	Jon Avern
Alderman Ian Luder (Deputy Chairman)	Christina McLellan

**Officers:**

James Graham	- Group Accountant, Chamberlain's Department
Kate Limna	- Corporate Treasurer, Chamberlain's Department
Matt Mott	- Pensions Manager, Chamberlain's Department
Christopher Rumbles	- Town Clerk's Department
Lisa Moore	- Policy and Compliance Officer, Chamberlain's Department
Richard Jeffrey	- Comptroller and City Solicitor

**1. APOLOGIES**

Apologies were received from Martin Newnham and Yvette Dunne.

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

There were no declarations of interests.

**3. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the public minutes of the meeting on 31<sup>st</sup> October 2018 are approved as an accurate record. The Chairman asked that minutes be made available for him to sign.

**4. OUTSTANDING ACTIONS**

The Board received a report of the Town Clerk that summarised outstanding actions from the previous meetings.

**Internal mechanism for testing future print runs**

The Pensions Manager explained that a meeting had taken place with the recently appointed print management company, APS Group, looking to address the issues encountered last year in relation to personal data and also to agree a process for delivery of all mailouts during 2019. Following constructive discussions, it was agreed that APS would be provided with a comprehensive list of all mailouts for 2019 along with digital and hard copies of all paperwork and a timeline for each mailing. The Pensions Manager suggested these additional measures would work towards achieving successful delivery of future

mailouts but stressed that each mailing would continue to be closely monitored. The Pensions Manager confirmed that a further update would be brought to the next meeting of the Board. During discussion and questions, the following points were noted:

- No evidence of APS' performance at other clients had been obtained, but it was noted that APS worked for other Local Authorities and were experienced at handling sensitive data.
- City Procurement were responsible for overseeing the corporate contract and the Pensions Office continue to liaise with them closely.
- The City Corporation would need to be able demonstrate it was doing all it could do to mitigate the risk and to prevent a repeat of the error in the future.

The Chairman questioned if there was any mechanism for sharing the Board's concerns and whether it would assist officers in recording these concerns. It was agreed that a formal record of the Board's concerns in relation to APS would be conveyed to the Commercial Director, City Procurement (Chamberlain's Dept) explaining the unique and specific requirements of the Pensions Office and stressing the need for regular feedback to be given on working with the printers.

#### **Stand Alone Email Addresses**

Members debated the need for stand-alone email addresses to provide a method for anyone with a query or question to be able to make contact with the Board.

Following discussion, it was concluded that there was sufficient information available for individuals to make contact with the Pensions Office and the Board should they wish to do so. This included, contact information for the Pensions Office being circulated with the Pensions Newsletter including details of a dedicated pensions inbox, contact details of the Committee Clerk being shown on the City Corporation's Local Government Pensions Board webpage as well as email addresses for the Chairman and Deputy Chairman being shown for direct access to them.

The Board welcomed the prominent feature of contact information and the Chairman concluded that, given the email addresses and contact details were prominent, that individuals would be able to make contact to resolve most enquires and that there was no need for an additional email address.

#### **Pensions Investments**

The Corporate Treasurer clarified that the Chancellor's previous announcement in relation to investments does not directly impact on the Local Government Pension Scheme (which is overseen by the Ministry of Housing, Communities and Local Government).

#### **Risk Register**

Members note that Cyber Security had been added to the Risk Register.

5. **PRESENTATION BY CITY PROCUREMENT**

The Pensions Manager referred to the previously agreed approach to bring different elements of training to the Board and confirmed that the Policy and Compliance Officer, City Procurement would be talking the Board through procurement processes on this occasion.

The Policy and Compliance Officer talked the Board through the Procurement Code, procurement thresholds, processes for procuring items over £100k, OJEU tender compliance rules and the City Corporation's approach to Responsible Procurement.

The Pensions Manager thanked the Policy and Compliance Officer for her very high-level procurement awareness training. The Pensions Manager went on to highlight to the Board work that was taking place in relation to new pensions software. It was explained that the current system relies on paper records, with information currently being stored on two separate digital platforms that do not talk to each other.

The Pensions Manager explained that the direction of travel would hopefully lead to a system offering an online account with secure login and where individuals would be able to access online statements, change their address details and update other relevant information.

The Chairman questioned the regularity with which an online system would be accessed by an individual and suggested the need to consider secure logins and the implications of lost passwords for infrequent users.

**Resolved**, that the training update be noted.

6. **TERMS OF REFERENCE**

The Board considered a report of the Town Clerk presenting terms of reference for annual review.

**Resolved**, that the terms of reference are agreed.

7. **THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE**

The Board received a report of the Chamberlain providing information and updates on a range of topics in relation to the City Corporation's Local Government Pension Scheme.

**Data Retention Policy**

The Chairman referred to the Data Retention Policy and reference to the policy being reviewed as necessary by the City Corporation. The Chairman suggested that the Pension Regulator would not deem this wording appropriate and proposed it be tweaked to something more specific e.g. reviewing information annually to confirm the correct information was being retained.

The Chairman suggested the policy should lead with the expected time period for retaining information e.g. life of pensioner plus 15 years. This would then meet the expectation of the Pension Regulator.

A discussion followed regarding retention of information and the appropriate period of time to retain data. The Pensions Manager explained that to offer consistency 15 years after pension benefits had ceased to be paid to a scheme member and their beneficiaries had been deemed an appropriate period of time. The Comptroller had been consulted on the report and confirmed that 15 years was the upper time limit on third parties being able to make a financial claim against any individual.

The Chairman concluded the item and suggested the policy needed updating to lead with an expected time period for retaining information, clearly stating that an annual review of information would be conducted and also making reference to the right to be forgotten in relation to regulations and the Data Protection Act.

It was agreed that an updated policy document would be circulated for comment and that final approval be sought under delegated authority.

**Resolved**, that the pension update be noted; that an updated Draft Retention Policy be circulated for comment and agreed under delegated authority.

8. **INSURANCE AND INDEMNITIES**

The Board considered a joint report of the Chamberlain and Comptroller and City Solicitor setting out the position in relation to the potential personal liability of members of the Local Government Pensions Board and the Police Pensions Board in the event of breaches of data protection legislation and proposing that the City Corporation indemnifies Members of the Boards against any such personal liability.

The Chairman welcomed the proposal but suggested the recommendation would need bringing forward when reporting to Court of Common Council to clearly show what was being approved.

It was agreed the report would be circulated to Police Pensions Board seeking their comments. Subject to comments, the report to Court of Common Council would be able to reference support of both Boards.

**Resolved**, that approval be given to the recommendation set out in paragraph 15 of the report and that onward approval of Court of Common Council be sought.

9. **TERMS OF APPOINTMENT**

The Board received a report of the Town Clerk confirming action taken since the last meeting in extending terms of Membership for Scheme Members Representatives.

**Resolved**, that the report be received and its contents noted.

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

There were no questions.

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

The Chairman took the opportunity to convey his thanks to Alderman Luder for the leadership, expertise and knowledge he had demonstrated during his term as the Board's first Chairman and for his level of commitment to the Board during this period.

**The meeting closed at 3.10pm**

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Chairman

**Contact Officer: Chris Rumbles**  
**tel. no.: 020 7332 1405**  
**[christopher.rumbles@cityoflondon.gov.uk](mailto:christopher.rumbles@cityoflondon.gov.uk)**

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## **LOCAL GOVERNMENT PENSIONS BOARD**

**Wednesday, 31 October 2018**

**Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 1.45 pm**

### **Present**

#### **Members:**

Alderman Ian Luder (Chairman up until item 6)	Yvette Dunne
James Tumbridge (Deputy Chairman up until item 6 when he assumed the Chairmanship)	Christina McLellan
Jon Averbs	Martin Newnham

#### **Officers:**

Kate Limna	- Corporate Treasurer
Jeff Henegan	- Assistant Pensions Manager
Matt Mott	- Pensions Manager
James Graham	- Group Accountant
Christopher Rumbles, Clerk	- Town Clerk's Department
Neil Wilson	- The Pensions Regulator

#### **1. APOLOGIES**

There were no apologies for absence.

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

There were no declarations of interests.

#### **3. MINUTES OF THE PREVIOUS MEETING**

The Deputy Chairman referred to comments at the last meeting asking for slight amendments to the minutes and asked that all additions be noted and confirmed in the minutes going forward.

### **Matters arising**

**Insurance and Indemnities Cover** – The Deputy Chairman referred to the ongoing legal issue concerning personal liability for Members of the Board and the need to ensure appropriate insurance cover was in place. It was noted that the City Corporation has various insurance policies, but that there would be certain circumstances (confirmed by Neil Wilson of the Pensions Regulator) where these policies would not offer appropriate cover for the Board.

The Deputy Chairman confirmed to the Board that the Comptroller had agreed to prepare a report recommending that the City Corporation indemnify the Board in the event that the City Corporation's existing insurance policies would not offer sufficient cover.

It was noted that a formal report would be prepared for the next meeting on 7<sup>th</sup> February 2019 with a view to a report being submitted to Common Council in March 2019.

**Term Extension** – It was noted that an extension to the Deputy Chairman's term until 2021 had been agreed by Court of Common Council.

**RESOLVED** – That the public minutes and non-public summary of the previous meeting are approved as an accurate record.

4. **WORK PROGRAMME**

The Board received a report of the Town Clerk that summarised outstanding actions from the previous meeting.

**RESOLVED** – That the Board notes the report.

5. **PRESENTATION OF THE PENSIONS REGULATOR**

The Board heard a verbal presentation from the Pensions Regulator that provided Members with an overview of the expectations and responsibilities of Local Government Pension Scheme administrators and the Local Government Pensions Board.

The Pensions Regulator advised Members on key areas of focus for Pensions Board Members, particularly, legal requirements, policies to be conversant with, governance requirements, data management, record keeping, Data Protection Regulation and also mitigation against cyber threats.

The Pensions Regulator referred to record keeping, legacy data and the need to adhere to Data Protection requirements that stipulated data was only be stored for as long as it was needed.

The Pension Manager explained that, at the time of drafting privacy notices, a timeline of 15 years had been agreed for retaining records post death as this was the maximum time after death that a legal challenge could be made against the estate of the deceased. It was confirmed that a skeletal record would be retained when any scheme member asks for the right to be forgotten under the Data Protection Act 2018 (DPA 18); sufficient data would then be retained allowing individuals to be identified and showing evidence of exit payments out of the scheme.

The Chairman stressed the importance of agreeing a data retention policy in relation to retention of data for all pension records and asked that a policy be written and brought back to the Board for formal agreement.



The Deputy Chairman commented on the importance of reviewing records and the obligation in law in this regard and suggested there would be certain circumstances where records would need retaining for longer than 15 years.

The Deputy Chairman further highlighted that requests for the right to be forgotten was not an absolute right, as in some instances it may make information difficult to access which would not meet the statutory requirements of the LGPS.

It was agreed that a report will be brought back to the Board setting out a draft retention policy for agreement.

RESOLVED – That the Pensions Regulator be Heard. That a draft policy on retention of records be brought to the next meeting of the Board.

6. **LOCAL GOVERNMENT PENSIONS BOARD - TERMS OF APPOINTMENT**

The Board considered a report of the Town Clerk that presented options for amending the terms of Membership of Scheme Member Representatives that would allow for a staggering of their terms moving forward.

The Chairman noted the appointment of Scheme Member Representatives on four-year terms during the Board's inception, with these all now due to expire in 2020. It was stressed that there was a need to retain knowledge and expertise on the Board and to allow for staggered rotation of Scheme Member Representatives moving forward.

The Board acknowledged the importance of retaining a level of knowledge and expertise and highlighted the extensive training each Member had undertaken during their time on the Board to allow them to achieve the level required. It was agreed that amendments to the existing terms of appointment would be appropriate for Scheme Member Representatives to allow for a staggering of their terms.

The Board agreed that an immediate extension to terms of Membership to 2020, 2021 and 2022 would be the preferred option and the Scheme Member Representatives agreed to discuss the options outside of the meeting and inform the Town Clerk of their preferred term.

**Election of Chairman**

At this stage in the meeting, the Chairman took the opportunity to confirm to the Board his intention to stand down as Chairman with immediate effect to allow a smooth transition in the role of Chairman.

The Board proceeded to elect a Chairman in accordance with standing order 29. Mr Tumbridge, being the only Member expressing his willingness to serve, was duly elected as Chairman.

**Election of Deputy Chairman**

Ian Luder confirmed that he wished to exercise his right as immediate past Chairman to serve as Deputy Chairman and was duly appointed to that role.

RESOLVED, that the terms of Membership of Scheme Member representatives be extended to expire in 2020, 2021 and 2022, reverting to four yearly terms at the time of the next appointment, and that this option be recommended to the Town Clerk for implementation.

7. **THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE**

The Board received a report of the Chamberlain providing information and updates on a range of topics in relation to the City Corporation's Local Government Pension Scheme.

The Chairman referred to the Pension Board's Risk Register and asked that additional information be included in future updates to include any incidents of note along with proposals to amend the register. It was suggested this would make the update more useful to the Board and allow for a fuller discussion when considering updates to the register.

The Board expressed their concern with the data breach in relation to Annual Benefits Statements. It was explained to the Board that the incident occurred as a result of errors at the print company resulting in envelopes being manually filled. Additional printing processes were now in place to prevent a repeat of this incident in future. A key error on the part of the print company was not informing the Pension Office of the issue. A new print contract has been implemented across the Corporation and the Pension Office will use it for the print and distribution of the Pensioner newsletter. They hope to have one point of contact at the print company which is anticipated to reduce the risk of the same problems occurring in future. It has been confirmed that six scheme members annual benefit statements were sent to the wrong member. These were re-issued immediately with a letter of apology. It was confirmed a response was awaited from the Information Commissioner's Office and that the Board would be informed as soon as this was received.

It was explained to the Board that the print company were aware of the sensitivity of the despatch and that it was disappointing that they had not communicated the problem.

The Board stressed the need for an internal mechanism of testing print processes in future and asked officers to provide an update on this at the next meeting. It was also suggested that a message could be included on envelopes in future stating that it be returned to the address shown if wrongly received.

The Pension Manager responded to a question explaining that pension advice was not offered in relation to Additional Voluntary Contributions (AVC) and that Scheme Members would need to seek their own advice. The Assistant Pension Manager explained that insight lunches take place offering information in relation to AVC and that details are available on the training page of City People. It was suggested that information regarding the sessions be circulated at a departmental level also to ensure those without access to City People receive the information.

A Member suggested the wording in relation to buying and taking additional voluntary contributions included in the Annual Benefit Statement was not clear and that it would benefit from a re-ordering of the wording to make it clearer. The Pension Manager acknowledged the importance of information being clear and agreed to update the wording and bring the page back to the next meeting.

Board Members highlighted a number of other additional wording suggestions in relation the information to Scheme Members.

The Chairman remarked on the excellent and clear information given in relation to opting out of the Local Government Pension Scheme that he considered goes as far as it can to highlight the implications of opting out. It was agreed that a summary of membership figures and the number of transfers in and opt outs be included in updates to the Board in future.

A Member questioned the mechanism for Scheme Members reporting issues and the Corporate Treasurer agreed to review options for a stand-alone email address for the Local Government Pensions Board and a way of highlighting this to Scheme Members e.g. including it in newsletters or displaying on screen savers.

The Chairman stressed the need to stop using an acronym in relation to General Data Protection Regulation (GDPR) and suggested wording should now refer to the Data Protection Act 2018 (DPA 18).

The Board noted the Chairman's request that an additional risk be included in the risk register in relation to data protection breaches when dealing with third parties and that this be included as an amber risk. It was agreed that officers would agree the structure of what was included.

The Chairman highlighted an announcement in the budget in relation in to investments by pension funds. The Chairman acknowledged that the Board was not responsible for investments but suggested it would be important for the Board to understand what was happening in this regard and asked that Officers review the position and report back on the impact on the Local Government Pension Scheme.

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

There were no questions.

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

The Chairman conveyed his thanks to the Deputy Chairman for for his time as Chairman and for the experience that he had brought to the Board.

**The meeting closed at 1540**

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Chairman

**Contact Officer: Chris Rumbles**  
**tel. no.: 020 7332 1405**  
**christopher.rumbles@cityoflondon.gov.uk**

## Local Government Pension Board - Outstanding Actions List

Date raised	Action	Officer responsible	To be completed/ progressed to next stage	Update
July 2017	Succession Planning	Town Clerk	Complete	Letter issued to Scheme Member representatives confirming extension to their terms to 2021 and 2022.
June 2018	Insurance Cover  Review of cover to ensure Members of the Board are covered in the event of a data breach. City Corporation to indemnify the Board in the event of a data breach.	Comptroller	Report at next meeting in February 2019.	Report on agenda
October 2018	Data Retention Policy  Policy in relation to retention of data for all pensions records to be brought back to the Board for formal agreement.	Corporate Treasurer / Pensions Manager	Report at next meeting in February 2019.	Draft Policy included with update
October 2018	Internal mechanism for testing future print runs to be developed.	Pension Manager / Assistant Pension Manager	Update at next meeting in February.	Verbal update to be provided at Board
October 2018	Options for a stand-alone pension email address to be considered and reported back.	Corporate Treasurer	Updated at next meeting in February 2019.	Verbal update to be provided at Board

## Local Government Pension Board - Outstanding Actions List

October 2018	Update on approach to pension investments and impact on Local Government Pension Scheme to be reported back to the Board.	Pension Manager / Corporate Treasurer	Update at next meeting in February 2019,	Update e-mailed to Members on 20/12/2018.
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<b>Committee(s)</b>	<b>Dated:</b>
Local Government Pensions Board	7 <sup>th</sup> February 2019
<b>Subject:</b> Terms of Reference: Annual Review	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<b>Report author:</b> Chris Rumbles – Town Clerk's Department	

## Summary

As part of the post-implementation review of the changes made to the City Corporation's governance arrangements in 2011, it was agreed that all Committees should review their terms of reference annually. This is to enable any proposed changes to be considered in time for the annual reappointment of Committees by the Court of Common Council.

The terms of reference of the Local Government Pensions Board are attached at Appendix 1 to this report for consideration.

## Recommendations

It is recommended that:

- the terms of reference of the Board, subject to any comments, be approved for submission to the Court in April 2019.

## Appendices

- Appendix 1 – Terms of Reference

### Chris Rumbles

Town Clerk's Department

T: 020 7332 1399

E: [christopher.rumbles@cityoflondon.gov.uk](mailto:christopher.rumbles@cityoflondon.gov.uk)

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## **LOCAL GOVERNMENT PENSIONS BOARD**

### **1. Constitution**

A Non-Ward Committee consisting of,

- Three Employer Representatives, of which;
  - Two will be Members of the Court of Common Council (who may not be Members of the Investment Committee, Financial Investment Board or Establishment Committee);
  - One will be an Officer of the Corporation, nominated by the Town Clerk and Chief Executive; and
- Three Member Representatives, selected by an appointment method determined by the Town Clerk and Chief Executive.

In addition, the Board has the power to appoint one co-opted member (with no voting rights) as an independent advisor to the Board, should the Board require further technical guidance.

### **2. Quorum**

The quorum consists of any three Members, including one Employer Representative and one Member Representative.

### **3. Membership 2018/19**

#### **Three Employer Representatives**

- 4 (4) Ian David Luder, J.P., Alderman
- 4 (4) James Richard Tumbridge, *for six years*  
Jon Avern, Port Health and Public Protection Director

#### **Three Member Representatives**

Christina McLellan (*appointed for a term expiring February 2020*)  
Yvette Dunne (*appointed for a term expiring February 2021*)  
Martin Newnham (*appointment for a term expiring June 2022*)

together with the co-opted Member referred to in paragraph 1 above, if required.

Each Board Member should endeavour to attend all Board meetings during the year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Board Members must be satisfied that they:

- are conversant with the legislation and associated guidance of the Local Government Pension Scheme (LGPS);
- are conversant with documents recording policy about the administration of the LGPS by the City of London Corporation;
- Have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations, including undertaking appropriate training to develop this knowledge;
- conduct themselves in line with the seven principles of public life;
- do not have any conflict of interest with their role on the Pensions Board.

### **4. Terms of Reference**

In line with the requirements of the Public Services Pensions Act 2013 for the management of the City of London Corporation's Pension Scheme, to be responsible for:

(a) assisting the Scheme Manager (the City of London Corporation) in the following matters:

- Securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that it is connected to;
- Securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator; and
- Other such matters as the scheme regulations may specify.

(b) securing the effective and efficient governance and administration of the LGPS for the City of London Pension Fund

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board will also help ensure that the City of London Corporation Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet at least three times per year.

### **5. Chairmanship**

Any Member of the Board will be eligible to be Chairman. However, to allow reporting to the Court of Common Council, either the Chairman or Deputy Chairman must be a Member of the Court of Common Council.

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# Agenda Item 7

<b>Committee:</b>	<b>Date:</b>
Local Government Pensions Board	7 February 2019
<b>Subject:</b> The City Corporation's Pensions Scheme - Update	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Matt Mott – Chamberlain's Department	

## Summary

At the Board's meeting on 20 October 2016, it was agreed that information regarding a range of topics in relation to the Corporation's Local Government Pensions Scheme (the Scheme) would be provided at each meeting. Members have indicated that information regarding communications be provided on an annual basis and all of the other items of information will be provided at each meeting except for when there is no updated information since the previous meeting

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix A).
Documentation of all the communications which are circulated to Scheme Members	Annual Benefit Statement - Amended notes (changes highlighted) (Appendix B(i))  Annual Allowance Factsheet – Amended (changes highlighted) (Appendix B(ii))
Data Protection Act 2018 (DP18)	Retention Policy - draft (Appendix C)
Information of Scheme Record Keeping	No amendments since the last Board meeting.
The Pensions Board's Risk Register	Cyber Security' has been added to the register as an additional risk (no 7) (Appendix D)
A record of any complaints or disputes under the Scheme's complaints procedure	No new appeals.
Any recent breaches of the law	None to report  The Breaches Register has been updated since October Board (Appendix E)
Any audit reports relating to the administration of the Scheme	None to report  An internal audit covering the administration of the scheme was undertaken in December 2018.

Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.
Guaranteed Minimum Pensions (GMP) Reconciliation	<p>Pension data is continuing to be analysed and JLT are liaising with HMRC.</p> <p>HMRC have advised that they will issue a final report for each Scheme once final queries have been responded to in April 2019.</p> <p>Whilst they have not provided a specific date we anticipate that this will be provided by HMRC at the end of Q2 / early Q3 2019.</p> <p>JLT will undertake a final analysis of HMRC and Scheme data. We would expect this to be completed by the end of September 2019.</p> <p>A report will be brought to the Board in Autumn/Winter 2019 following the conclusion of the reconciliation.</p>
City Print contract	<p>At the time of writing a meeting is to be held on 28 January 2019 with the recently appointed print management company, APS group.</p> <p>Discussions will be focussed on the printing requirements of the Pension Fund for the forthcoming year, including statutory and non-statutory deliveries.</p> <p>A verbal update of this meeting will be provided at Board.</p>

### **Recommendation**

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

#### **Appendices:**

Appendix A – Annual Schedule of Events  
Appendix B(i) – Annual Benefit Statement notes  
Appendix B(ii) - Annual Allowance Factsheet  
Appendix C – Retention Policy  
Appendix D – Risk Register & Risk Matrix  
Appendix E – Breaches of Law Register

#### **Contact:**

**Matt Mott**

Pensions Manager | Chamberlain's Department

T: 020 7332 1133

E: [matt.mott@cityoflondon.gov.uk](mailto:matt.mott@cityoflondon.gov.uk)

**Local Government Pensions - Schedule of Events 2018/19**

<b>Date Due</b>	<b>Event</b>	<b>Completed</b>
September 2018 Within 2 weeks of quarter date	Tax return for Quarter 2 (to 30/09/2018)	9 October 2018
1 October 2018	Office of National Statistics (ONS) Survey	28 September 2018
30 September 2018	Employee Contribution Band review	1 October 2018
5 October 2018	Issue of Annual Allowance (AA) Saving Statements deadline	5 October 2018
6 November 2018	Scheme Return to the Pensions Regulator	10 October 2018
30 November 2018	Publication of Pension Fund Accounts and Annual Report	31 July 2018
December 2018 Within 2 weeks of quarter date	Tax Return for Quarter 3 (to 31/12/2018)	8 January 2019
31 <sup>st</sup> January 2019	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	25 January 2019
March 2019 Within 2 weeks of quarter date	Tax return for Quarter 4 (to 31/3/2019)	
1 April 2019	Employee Contribution band review/ implementation.	
1 April 2019	Revaluation of CARE benefits.	
1 Monday in April following the 6 <sup>th</sup>	Pensions Increase (PI) – Annual Inflation increase.	
31 May 2019	Publish City Fund Accounts (including the Pension Fund Accounts)	
30 June 2019	Target date for the issue of Annual Benefit Statement (ABS) to Deferred members.	
June 2019 Within 2 weeks of quarter date	Tax return for Quarter 1 (to 30/06/2018)	
TBA July 2019	Draft accounts to Audit & Risk Management Cttee and Finance Cttee	
31 July 2018	Publish signed City Fund Accounts (including the Pension Fund Accounts)	
31 <sup>st</sup> August 2018	Issue of Annual Benefit Statements deadline.	
30 September 2019	End of GMP Reconciliation Project	

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## **Local Government Pension Scheme (LGPS)**

### **Annual Benefit Statement 2018**

**Enclosed is your annual pension benefit statement for 2018. It is important that you read this statement and these explanatory notes.**

**If you believe any of the details on the statement are not correct (as at 31st March 2018) please email - [pensions@cityoflondon.gov.uk](mailto:pensions@cityoflondon.gov.uk)**

Since 1st April 2014 the LGPS has been a Career Average Revalued Earnings (CARE) Scheme, benefits build up at the rate of a 1/49th of your pensionable pay (if you are a member of the main section of the Scheme), or at the rate of 1/98th of your pensionable pay (if you are a member of the 50/50 section of the Scheme) and then revalued in line with increases in the Consumer Price Index (CPI) on 1 April each year.

The CARE benefits shown on this statement have had the 2017 inflationary increase of 1% applied to them.

All benefits built up to 31st March 2014 will continue to be based on final pensionable pay. This statement shows that benefits have been calculated on the 1/80th pension and automatic 3/80ths lump sum basis in respect of membership up to 31st March 2008 plus 1/60th pension with no automatic lump sum from membership built up between 1st April 2008 and 31 March 2014.

If there is no survivor's pension shown and you are married, in a civil partnership or have a co-habiting partner, then we have not seen verification that you are in a qualifying relationship. Therefore, please send to the pensions office either the appropriate certificate or a completed Notification of Co-habiting Partner form available on the pensions office website - [www.yourpension.org.uk/CityofLondon/Home.aspx](http://www.yourpension.org.uk/CityofLondon/Home.aspx)

Also, if the "Nomination Details" section is blank you should complete an "Expression of Wish" form (also available on the pensions office website) in order to indicate to whom you would like the Death Grant to be paid.

#### **When can I retire?**

Since 1 April 2014 you can choose to leave and draw your pension anytime from age 55 but the longer you work the more your pension will be.

Your pension will be reduced if you choose to retire before your normal pension age and increased if you retire later.

Normal pension age is no longer fixed at 65; it will be the same as your current state pension age - with 65 as the earliest age, but see the protection section below. If you are unsure of your state pension age have a look at - [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)

If you were age 55 or over as at 31st March 2018 your figures do not show any early retirement reduction which would apply had you retired on this date.



Also included in your statement is a projection to your normal pension age. If you were over your Normal Pension Age as at 31st March 2018 section 5 has been left blank intentionally.

### **Protections**

If you were a member of the Scheme on 31 March 2014, you automatically joined the career average pension scheme and will continue to build up benefits in the LGPS. The entire pension you have built up in the LGPS before this date is fully protected.

**All benefits built up before 1 April 2014, will continue to be based on your final year's pay when you leave or retire** as these benefits were built up in the final salary scheme. That means that all the membership you built up to 31 March 2014 will be used to calculate your final salary benefits when you leave.

**Your Normal Pension Age** is also protected. This means that the benefits you built up before 1 April 2014 retain their Normal Pension Age under final salary scheme rules, which for almost all scheme members is age 65.

### **Rule of 85**

If you have rule of 85 protection this continues to apply from 1 April 2014. The only occasion where this protection does not automatically apply is if you choose to voluntarily draw your pension on or after age 55 and before age 60, further information can be found here - <https://www.lgpsmember.org/more/eightyfive.php>

### **Underpin**

Protections are in place if you are nearing retirement to ensure that you will get a pension at least equal to that which you would have received in the scheme had it not changed on 1 April 2014. This protection is known as the 'underpin'.

The underpin generally applies to you if you were: Paying into the Scheme on 31 March 2012 and, you were within 10 years of your Normal Pension Age on 1 April 2012, further information can be found here - <https://www.lgpsmember.org/more/pre2014.php>

This underpin protection has now been extended to apply if you were an active member of a different public service pension scheme (e.g. Civil Service Pension Scheme) on 31 March 2012 and you were within 10 years of age 65 on 1 April 2012; if you transfer the pension benefits from the other public service pension schemes into the LGPS and part or all of that transfer buys final salary benefits in the LGPS the underpin will apply to you.

This change is being backdated to take effect from 1 April 2014.

### **Transfers into the LGPS**

If you have been a member of the LGPS with City of London Pension Fund for less than 12 months you can elect to transfer your previous pension rights into the scheme. However, you do need to make an election before the 12 months expires.





### **Additional Contributions (if applicable)**

If you are paying or have paid to Purchase Additional Years the value at 31 March 2018 is ***included*** in the illustration amounts

If you are paying or have paid Additional Regular Contributions (ARCS) values are ***included*** in the illustration amounts

If you are paying or have paid Additional Pension Contributions (APC) values are ***included*** in the illustration amounts

If you are paying or have paid Additional Voluntary Contributions (AVC) values are ***not included*** in the illustration amounts. AVC annual statements will be provided separately by your AVC provider.

### **Changes to Pre - April 2014 AVC contracts**

If you pay or have paid Additional Voluntary Contributions (AVCs) and the contract to pay those AVCs started before 1 April 2014, you will see some changes to your AVC plans and how you can receive payment of them.

**When you take the main scheme benefits you will no longer be able to leave the AVC invested and take it at a later date.**

**All scheme members can now buy additional pension from the LGPS with the AVC plan when they take their benefits from the scheme. Previously, this option was only available to scheme members who took immediate payment of their main scheme benefits (i.e. pension and lump sum) and their AVC plan when they left the scheme.**

If you die before taking the AVC and a lump sum is to be paid from your AVC plan, the pension fund now has absolute discretion over who to pay that sum to (rather than it having to be paid to the estate). If the lump sum is paid at the discretion of the pension fund it does not form part of the estate and will not be subject to inheritance tax.

For scheme members currently paying AVCs:

- You can now pay up to 100% (rather than 50%) of your pensionable pay into the AVC plan.
- AVCs will now also be deducted from any voluntary overtime you work (if you pay AVCs as percentage of your salary).

### **Annual Allowance (AA)**

This is the amount by which your pension can grow before you may have to pay additional tax. The limit is currently **£40,000** but if you earn over **£150,000** the limit may be reduced to a minimum of **£10,000**.

We will write to all scheme members who we think may be affected by 5 October 2018.

Most scheme members will not be affected by the annual allowance tax charge; however, we have included the value of your pension input amount in this year's statement based on the



information we hold with regard to your LGPS benefits up to 31 March 2018. You should add this value to any other pension benefits you have accrued during the year.

If you exceed the annual allowance you may be allowed to bring forward any unused allowance for the last three years to off-set the excess. This means that even if the value of your pension

savings increase by more than £40,000 in a year you may not be liable to pay the annual allowance tax charge.

There are, however, some things that the Fund will not know about but could affect your AA. For example, income from other employments, income from property rental and any other pension provision you may have .

If you think you are at risk of exceeding the annual allowance you should seek advice. Further information can be found at - <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

**If your LGPS benefits exceed the threshold for AA in 2017/18 we will write to you separately in October.**

### **Membership Details**

The membership used for calculating your final salary benefits is recorded under section 6 of the statement. If you were a member of the LGPS with the City of London Pension Fund prior to 1 April 2014 the membership shown in section 6 ends at 31 March 2014 when the scheme changed to a CARE arrangement.

All benefits built up from 1 April 2014 are recorded under Section 3 of the statement including any transfers purchasing CARE benefits.

### **Important**

**It is important to note that your annual benefit statement is for guidance only and you should not base an irreversible decision to retire solely on the figures in this statement.**

**The benefit values shown in this statement are illustrative values ONLY, based on the LGPS regulations in force at the time of production and do not constitute an offer to pay the benefit values shown.**





## LGPS factsheet

### Pensions Taxation - Annual Allowance

HM Revenue and Customs impose two controls on the amount of pension savings you can make without having to pay extra tax. These controls are known as the Annual Allowance and Lifetime Allowance. This is in addition to any income tax you pay on your pension once it is in payment.

This factsheet looks at the Annual Allowance which is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge.

#### What is the Annual Allowance?

The Annual Allowance (AA) is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge. This is in addition to any income tax you pay on your pension once it is in payment.

If the value of your pension savings in any one year (including pension savings outside of the LGPS) are in excess of the annual allowance, the excess will be taxed as income.

The Government reduced the AA from £255,000 to £50,000 from 6 April 2011 and then reduced it again to £40,000 from 6 April 2014. Further changes to the annual allowance have been made for higher earners from 6 April 2016, which resulted in special transitional rules for the 2015/16 tax year. These changes are covered in more detail later in this factsheet.

Pension Input Period	Annual Allowance
1 April 2011 to 31 March 2012	£50,000
1 April 2012 to 31 March 2013	£50,000
1 April 2013 to 31 March 2014	£50,000
1 April 2014 to 31 March 2015	£40,000
1 April 2015 to 5 April 2016	£80,000 (transitional rules apply)
6 April 2016 to 5 April 2017	£40,000 (unless tapering applies)
6 April 2017 to 5 April 2018 onwards	£40,000 (unless tapering applies)

#### Am I likely to be affected by the Annual Allowance?

Most people will not be affected by the AA tax charge because the value of their pension saving will not increase in a year by more than £40,000, or, if it does they are likely to have unused allowance from previous years that can be carried forward.

You are most likely to be affected if:

- you have a period of final salary scheme membership and you receive a significant pay increase, and/or;
- you pay a high level of additional contributions, and/or;
- you are a higher earner, and/or;
- you transfer pension rights into the LGPS from a previous public sector pension scheme<sup>1</sup> under the preferential club transfer rules and your salary (full time equivalent) upon joining the LGPS is somewhat higher than the salary you earned when you left the previous scheme, and/or;
- you combine a previous LGPS pension benefit that was built up in the final salary section of the LGPS with your current pension account and your salary (full time equivalent) has increased significantly since leaving and re-joining the scheme, and/or;
- you have accessed flexible benefits on or after 6 April 2015

Your pension fund will inform you if your LGPS pension savings exceed the standard AA in any year by no later than 6 October of the following year.

### **The 50/50 section of the LGPS**

If you wish to slow down your pension build up to avoid or mitigate an AA tax charge the 50/50 section of the LGPS allows you to pay half your normal contributions and build up half your normal pension, whilst still retaining full life and ill health cover. Visit the [LGPS member website](#) for more information on this option.

Before considering any action to reduce your tax liabilities you should always seek independent financial advice from an FCA registered adviser. For help in choosing an independent financial adviser visit the [money advice website](#).

### **How is the Annual Allowance calculated?**

The increase in the value of your pension savings in the LGPS in a year is calculated by working out the value of your benefits immediately before the start of the 'pension input period', increasing the value by inflation and then comparing it with the value of your benefits at the end of the 'pension input period'.

The 'pension input period' (PIP) is the period over which your pension growth is measured. From 6 April 2016, PIPs for all pension schemes are aligned with the tax year – 6 April to 5 April. Prior to the 2016/17 the PIP for the LGPS was 1 April to 31 March, except for the year 2015/16 when special transitional rules apply.

In the LGPS the value of your pension benefits is calculated by multiplying the amount of your annual pension by 16 and adding any lump sum you are automatically entitled to from the pension scheme plus any AVCs you or your employer has paid during the year.

If the difference in the value of pension benefits at the end of the PIP less the value of your pension benefits immediately before the start of PIP (adjusted for inflation), is more than the AA then you may be liable to pay a tax charge.

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<sup>1</sup> A public service pension scheme includes a pension scheme covering civil servants, the judiciary, the armed forces, any scheme in England, Wales or Scotland covering local government workers, or teachers, or health service workers, or fire and rescue workers or members of the police forces; or membership of a new public body pension scheme.

It is important to note that the assessment for the AA covers any pension benefits you may have where you have been an active member during the year, not just benefits in the LGPS. For example, if the increase in the value of your LGPS benefits was calculated as £30,000 in 2014/15 when the AA was £40,000, but you also had an increase in the value of other pension benefits of £15,000 in the same year, that would mean you had a total increase in pension benefits of £45,000. If you did not have any carry forward (see below for more information), you would be liable for a tax charge for the amount you exceeded the AA by, even though at face value you did not breach the AA in either scheme.

### Carry forward

You would only be subject to an AA tax charge if the value of your total pension savings for a year increase by more than the AA for that year. However, a three year carry forward rule allows you to carry forward unused AA from the previous three years. This means that even if the value of your pension savings increase by more than the AA in a year you may not be liable to the AA tax charge.

For example, if the value of your pension savings in 2014/15 increased by £50,000 (i.e. by £10,000 more than the AA) but in the three previous years had increased by £25,000, £28,000 and £30,000, then the amount by which each of these previous years fell short of the AA for those three years would more than offset the £10,000 excess pension saving in the current year. There would be no AA tax charge to pay in this case.

To carry forward unused AA from an earlier year you must have been a member of a tax registered pension scheme in that year.

### Changes to Annual Allowance

The Finance (No 2) Act 2015 introduced two important changes to the AA with effect from 6 April 2016.

1. An annual allowance taper for high earners from 6 April 2016
2. To adjust the 'pension input period' during 2015/16 so that it becomes aligned with the tax year from 6 April 2016

#### 1. Tapered Annual Allowance for higher earners

From the tax year 2016/17 the AA is tapered for members who have a 'Threshold Income' in excess of £110,000, and 'Adjusted Income' in excess of £150,000. For every £2 that your Adjusted Income exceeds £150,000, your AA is tapered down by £1 (to a minimum of £10,000).

	Definition	Limit
<b>Threshold Income</b>	Broadly your taxable income after the deduction of your pension contributions (including AVCs deducted under the net pay arrangement)	£110,000
<b>Adjusted Income</b>	Broadly your threshold income plus pensions savings built up over the tax year	£150,000

Threshold income includes all sources of income that are taxable e.g. property income, savings income, dividend income, pension income, social security income (where taxable), state pension income etc.

Please note, you are not allowed to deduct from taxable income any amount of employment income given up for pension provision as a result of any salary sacrifice made on or after 9 July 2015.

### How does the taper work?

From 6 April 2016, the taper reduces the AA by £1 for £2 of adjusted income received over £150,000, until a minimum AA of £10,000 is reached. This means that from 6 April 2016 the AA for high earners is as follows:

Adjusted Income	Annual Allowance
£150,000 or below	£40,000
£160,000	£35,000
£170,000	£30,000
£180,000	£25,000
£190,000	£20,000
£200,000	£15,000
£210,000 or above	£10,000

### Examples

#### Cerys

Gross Salary 2016/17	£120,000	
Less employee pension contributions	£13,680	11.4%
<b>Threshold Income 2016/17</b>	£106,320	Below £110,000 so the AA will not be tapered and remains at £40,000
Pensions saving in the year	£39,184	<b>Less than £40,000 so no tax charge</b>

#### Sanjay

Gross salary 2016/17	£130,000	
Less employee pension contributions	£14,820	11.4%
Plus taxable income from property	£30,000	
<b>Threshold Income 2016/17</b>	£145,180	
Plus pensions saving in the year	£42,449	
<b>Adjusted Income 2016/17</b>	£187,629	Greater than £150,000 so AA will be tapered
Tapered AA	£21,185*	
In excess of AA	£21,264	Pension saving of £42,449 less tapered AA
<b>AA tax charge</b> at marginal rate (assumed to be 40%)	<b>£8,505</b>	21,264 x 40%

\*Taper = £187,629 - £150,000 = £37,629 / 2 = £18,815. Standard AA £40,000 less £18,815 = £21,185

Please note, the examples above make no allowance for any carry forward. The pension savings in the year assume that both Sanjay and Cerys have no final salary benefits in the LGPS and that they are not paying any additional contributions.

## 2. Aligning the 'Pension Input Period' with the tax year

The 'pension input period' (PIP) is the period over which your pension growth is measured. Up until 2014/15 the PIP in the LGPS ran from 1 April to 31 March. From 6 April 2016, PIPs for all pension schemes are aligned with the tax year – 6 April to 5 April. Special transitional

arrangements apply for 2015/16 meaning that there are 2 PIPs in 2015/16, as set out below:

**Pre-alignment tax year:** 1 April 2015 to 8 July 2015 - the revised AA during this period is £80,000

**Post-alignment tax year:** 9 July 2015 to 5 April 2016 - the AA for this period is the amount of the £80,000 not used up from the pre-alignment tax year (subject to a maximum of £40,000) together with any carry forward available from the three previous years.

If you have flexibly accessed any benefits in a money purchase pension arrangement on or after 6 April 2015 (see below) you should contact your pension fund for information about how the pre and post alignment tax years will work as it will be different to the above.

### Annual Allowance ‘Flexible Benefit’ access

If you have any benefits in a money purchase (defined contribution) pension arrangement which you have flexibly accessed on or after 6 April 2015 then the Money Purchase Annual Allowance (MPAA) rules may apply. However, the MPAA will only apply if your total contributions to a money purchase arrangement in a Pension Input Period exceed the MPAA.

Generally, if you have flexibly accessed any benefits in a money purchase arrangement on or after 6 April 2015, any further contributions you make to a money purchase scheme in subsequent tax years will be tested against the MPAA. If your contributions exceed the MPAA your defined benefit pension (LGPS) savings will be tested against the alternative AA and you will pay a tax charge in respect of your money purchase saving in excess of the MPAA.

Tax Year	MPAA	Alternative annual allowance if MPAA is exceeded
2016/17	£10,000	£30,000
2017/18 onwards	£4,000	£36,000

Special transitional rules applied for the tax year 2015/16 – contact your pension fund for more information, if applicable.

If you access flexible benefits you will be provided with a flexible access statement; you should provide your LGPS pension fund with a copy of this statement.

Flexible access means taking a cash amount over the tax-free lump sum from a flexi-access drawdown account, taking an uncrystallised funds pension lump sum (UFPLS), purchasing a flexible annuity, taking a scheme pension from a defined contribution scheme with fewer than 12 pensioner members or taking a stand-alone lump sum if you have primary but not enhanced protection<sup>2</sup>.

### How would I pay an Annual Allowance tax charge?

If you exceed the AA in any year you are responsible for reporting this to HMRC on your self-assessment tax return.

<sup>2</sup> A stand-alone lump sum is a lump sum relating to pre 6 April 2006 where the whole amount can be taken as a lump sum without a connected pension



Your pension fund is obliged to notify you if your LGPS benefits (plus the amount of any Additional Voluntary Contributions (AVCs) you may have paid) exceed the standard AA, or if they believe you have exceeded the MPAA, in a year. They must inform you by no later than 6 October of the following tax year. However, your pension fund is not obliged to inform you if you exceed the tapered annual allowance.

If you have an AA tax charge that is more than £2,000 and your pension savings in the LGPS alone have increased in the year by more than the standard AA you may be able to opt for the LGPS to pay some or all of the tax charge on your behalf. The tax charge would then be recovered from your pension benefits.

If you want the LGPS to pay some or all of an AA tax charge on your behalf, you must notify your pension fund no later than 31 July in the year following the end of the year to which the AA charge relates. However, if you are retiring (and draw all of your benefits from the LGPS) and you want the LGPS to pay some or all of the tax charge on your behalf from your benefits, you must tell your pension fund before you become entitled to those benefits.

### **Am I affected?**

If you think you are affected by the AA more information is available on the Government's website - <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>. If you are unsure if you will be affected by the AA use the [AA quick check tool](#) on the LGPS member website.

This factsheet provides an overview of the AA rules at April 2018. It should not be treated as a complete and authoritative statement of the law. The rules governing AA can be complex and are subject to change; if you are unsure how to proceed you are advised to obtain independent financial advice. For help in choosing an independent financial advisor visit the [money advice website](#).

### **More information**

If you have any questions about your LGPS membership or benefits, please contact:





# City of London Corporation Pension Fund

## Data Retention Policy

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### Purpose

The City of London Corporation Pension Fund has a number of responsibilities under the Data Protection Act 2018 (“DPA 2018”) and the General Data Protection Regulation (“GDPR”) in relation to the processing of personal data it carries out.

One such responsibility is to comply with the fifth data protection principle, Storage Limitation, which requires personal data to be deleted when it is no longer needed. The timescales in most cases are not set. They will depend on business circumstances and the reasons why the data was originally collected.

The period of retention is, therefore, at the discretion of the City of London Corporation Pension Fund provided that personal data is not kept longer than is necessary for the purposes for which it was obtained. Thus, the period of time data may be retained may vary between scheme member and circumstance.

This note provides guidance to staff in relation to recognising how long data should be retained in order to ensure the City of London Corporation Pension Fund complies with its legal obligations under DPA18 and GDPR.

For the purposes of this policy, ‘personal data’, ‘special category personal data’, ‘data subject’ and ‘processing’ have the same meaning as defined at Article 4 GDPR and outlined in the Data Protection Policy.

### Understanding Personal Data Retention

It is essential for all City of London Corporation Pension Fund employees to have at least a basic level of understanding of data retention, in order to recognise the importance of



processing personal data correctly, reduce the possibility of deliberately or accidentally deleting personal data that should be retained or retaining longer than is justified.

To that effect, all staff must complete the mandatory data protection e-learning course, available on the City Learning system.

Where there is any uncertainty concerning whether data should be retained, clarification should in the first instance be sought from the Pensions Manager and if still unclear from the Information Compliance Team.

## Type of Personal Data Retained

The types of personal data we hold and process can include:

- Contact details, including name, address, telephone numbers and email address.
- Identifying details, including date of birth, national insurance number and employee and membership numbers.
- Information that is used to calculate and assess eligibility for benefits, for example, length of service or membership and salary information.
- Financial information relevant to the calculation or payment of benefits, for example, bank account and tax details.
- Information about scheme members and their family, dependents or personal circumstances, for example, marital status and information relevant to the distribution and allocation of benefits payable on death.
- Information about scheme member health, for example, to assess eligibility for benefits payable on ill health, or where health is relevant to a claim for benefits following the death of a member of the Fund.
- Information about a criminal conviction if this has resulted in a scheme member owing money to their employer or the Fund and the employer or Fund may be reimbursed from the scheme member benefits.

## How Long we Retain Personal Data

We will only keep personal data for as long as the Pension Fund need to in order to fulfil the purpose(s) for which it was collected and for so long afterwards as considered may be required to deal with any questions or complaints that may be received about our administration of the Fund, unless we elect to retain scheme member data for a longer period to comply with our legal and regulatory obligations.

In practice this means that personal data will be retained for such a period as a scheme member, or any beneficiary who receives pension benefits after the death of the scheme member, are entitled to benefits from the Fund and for a further period of 15 years after those benefits stop being paid.



## The right to erasure (“right to be forgotten”)

Under DPA18 Article 17 GDPR, a data subject has the right to obtain from the data controller the erasure of personal data concerning them and the data controller must erase the personal data without undue delay. This is not, however, an absolute right.

Former scheme members under Article 17 can request the Fund erase their personal data where the criteria of article 17 are met. The Pension Fund may consider the criteria have not been met (for the reasons as stated in How Long we Retain Personal Data) and may still require the personal data to be retained. This may occur where the former scheme member has received a transfer value from the City of London Pension Fund paid to another pension arrangement or received a refund of contributions in respect of their period of membership in the City of London Pension Fund.

The Pension Fund would in these circumstances only consider retaining a reduced or “skeleton file” in order to be able to fulfil the legal and regulatory obligations.

### Data Retained in Skeletal Record

- Name
- Date of birth
- National insurance number
- Record of period of membership
- Election to leave pension fund
- Election to receive payment of refund of contributions
- Election to transfer benefits to another pension provider
- Evidence of the refund payment/transfer value payment
- Other personal data considered necessary to fulfil legal and regulatory obligations

## Review

This policy will be reviewed as necessary by the City of London Corporation Pension Fund whenever legal or statutory changes are required.

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**City of London LGPS Risk Register for the LGPS Pensions Board - FOR CONSIDERATION**

**Appendix D**

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	Inappropriate Investment Strategy	Chamberlain	(i) Inappropriate investment advice. (ii) Advice ignored	(i) Inappropriate risk/return profile. (ii) Opportunities not maximised to progress towards full funding (iii) Ramifications on employers contributions.	Investment strategy devised to reduce financial risk through use of asset allocation and a range of Fund Managers implementing different investment mandates. Monitoring of fund managers' performance by Chamberlain & Financial Investment Board. Information on market conditions provide by Investment Consultant.	Unlikely	Major	Amber 8	↔	Review of asset allocation by Investment Consultant following triennial valuation	Unlikely	Major	Amber 8
2	Unsuitable triennial actuarial valuation leading to inappropriate employer rates	Chamberlain	(i) Inappropriate assumptions used by the Actuary (ii) Inaccurate data supplied to the Actuary	Employer rates unsuitable to maintain long term cost efficiency & solvency.	(i) Regular meetings with the Actuary to ensure that assumptions are appropriate involving nominated Members of the Finance Cttee, with final report to Finance Cttee. (ii) prompt clearance of queries from Actuary. (iii) Robust Year End procedures and updates. (iv) Checking for errors or inconsistencies in valuation extract report before submission to the Actuary.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
3	Failure to comply with legislative requirements.	Chamberlain	(i) Lack of consultation with appropriate persons. (ii) Lack of training/appropriately skilled staff	(i) Inaccurate benefits paid. (ii) Financial loss. (iii) Increase in Appeals. (iv) Fines from Pensions Regulator (v) Reputational damage	(i) Recruitment of suitable staff appropriate salary levels. (ii) Formal Institute of Payroll Professionals training. (iii) Attendance at seminars and Forums, webinars and user groups. (iv) Knowledge updates via LGA training sessions	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3
4	Pension Scheme Administration	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. (iii) Financial penalties/ sanctions.	(i) Recruitment and training of staff. (ii) Ensuring software is the latest version and any known errors are reported. (iii) Ensure IT have sufficient back-ups and Disaster Recovery. (iv) Ensuring training opportunities are shared. (v) Robust checking procedures in place at all stages of record management from new starters, transfers received, career changes, pension top-ups, leaving and benefit payment. (vi) 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
5	Pension Fund Fraud	Chamberlain	(i) Not notified of death. (ii) Staff acting inappropriately	(i) Continued payment of pensions following death. (ii) Overpaid pensions. (iii) Financial loss to the Pension Fund	(i) Use of Mortality Screening Service and Tell Us Once Service (Government initiative that allows us to be notified of a death when registered). (ii) Participation in the National Fraud Initiative. (iii) Sending Life Certificates to Overseas Pensioners.	Unlikely	Minor	Green 2	↔	Continue existing controls	Unlikely	Minor	Green 2
6	Employer becomes insolvent or is abolished with insufficient funding to meet liabilities	Chamberlain/ Comptroller & City Solicitor	Processes not in place to capture or review covenant of individual employers.	Fund would pick up the liabilities potentially leading to increased contribution rates for other employers.	Bond/guarantor sought for potential new admitted bodies and incorporated into admission agreements where appropriate.	Possible	Serious	Amber 6	↔	Annual review of employer covenants particularly where bonds/guarantors are required	Unlikely	Serious	Green 4
7	Cyber-Security	Chamberlain	(i) Ineffective procedures. (ii) Inadequately trained staff. (iii) IT system failure (iv) Data Accuracy. (v) Lack of resources.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions. (iv) Breach of Data Protection regulations. (v) Loss/corruption of data	Training of staff plus (i) Ensuring software is the latest version and any known errors are reported. (ii) Ensure IT have sufficient back-ups and Disaster Recovery. (iii) Ensure cyber-security procedures are robust and adhered to. (iv) Following DPA18 legislation	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4

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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

<b>RED</b>	Urgent action required to reduce rating
<b>AMBER</b>	Action required to maintain or reduce rating
<b>GREEN</b>	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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Ver3 Ref	Date reported	Scheme	Employer / Third Party	Type of Breach	Details of breach	Date of breach & ref no. if occurred before	Cause	Effect	Reaction  Include actions planned/ taken to correct	Wider implications	Overall category & reporting recommendation	Final category & reporting decision	Reported by /date	tPR acknowledgement received	Date breach corrected
	3 September 2018	LGPS	COL	Annual Benefit Statements (ABS) sent to wrong scheme member	29 ABS less than expected were distributed by COL following a print and envelope job by KNP printers.  6 scheme member have confirmed they have received their ABS along with that of another scheme member.  The ABS contained current and projected pension values along with personal data such as name, NI number, address and in some cases nominated beneficiaries.  The ICO were notified within 72 of the breach becoming known	31 August 2018	Written confirmation from KNP printers that the ABS address did not fit in the envelope window.  They accept responsibility for this. They also confirmed they did not inform the pension office and filled envelopes by hand.  Furthermore, they confirmed the ABS were not returned in any order, job ref or alpha, and they had not correctly read emails asking for confirmation of numbers.  They admitted they did not know if any were missing and did not know the final numbers returned to COL.  The envelopes were counted by the franking machine in the post room at COL. Upon distribution it was confirmed the number was 29 less than expected.  It was explained the counter sometimes skips a count on large print runs.  The extent of the issue was not recognised until complaints on 3 September.	6 Scheme members to date have received someone else's ABS along with their own.  Member data breached	Pension Manager met with printers KNP on 4 September 18 to ascertain exact details. (please see cause)  ABS resent to members when informed of error along with a letter of apology.  Printing for 2019 should be considered a full automated/digital production process.	A data breach under DPA 18 and GDPR .  This has been reported to the ICO on 3 September.  Within the 72 hour statutory deadline of reporting breaches.	Amber.  This is a data breach but with numbers limited to potentially a maximum of 29 scheme members  Breaches policy has been followed and senior COL officers and Board Members notified.  ABS has been distributed and letters of apology have been sent to known members affected.  There is no affect to the Fund or to other scheme members. Benefit values have not been incorrectly calculated or incorrectly paid.  Investigation has determined issues were unforeseen and not in the control of COL and measure will/are to be taken to ensure cannot happen again.  One off event.  Therefore, not material, and not necessary to report to TPR.	Amber.  Not material, and not necessary to report to TPR.	N/A	N/A	21 September 2018.  Date of decision and conclusion

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<b>Committee(s):</b>	<b>Date:</b>
<b>Local Government Pensions Board</b> <b>Court of Common Council</b>	7 February 2019 7 March 2019
<b>Subject: Insurance and Indemnities</b>	<b>Public</b>
<b>Report of: The Comptroller and City Solicitor and the Chamberlain</b>	<b>For Decision</b>
<b>Report authors:</b> Richard Jeffrey and Kate Limna	

## Summary

This report sets out the position in relation to the potential personal liability of members of the Local Government Pensions Board (LGPB) and the Police Pensions Board (PPB) (together “the Boards”) in the event of breaches of data protection legislation. The report proposes that the Court of Common Council confirms that the City Corporation will indemnify Members of the Boards against any such personal liability in the circumstances defined in the report.

The Information Commissioner has power to impose civil penalties under various provisions of the Data Protection Act 2018 (DPA). The penalties lie against the relevant Data Controller responsible for the breach, but Members of the Boards are concerned they could have a personal liability because of the nature of the Boards.

The Boards are creatures of the Public Service Pensions Act 2013 (the PSPA 2013) and they are not committees established under the Local Government Acts.

The City Corporation’s existing insurance policies have been extended to include all members of the Boards but they do not cover civil penalties under the DPA.

## Recommendation

Members are asked to approve the proposal as set out in paragraph 15 of this report for onward approval by the Court of Common Council.

## Main Report

## Background

1. The PSPA 2013 requires administering authorities of public sector pension schemes to establish committees or boards to oversee the administration of the scheme and assist the Scheme manager. The City Corporation is an administering authority for the local government pension scheme and the police pension scheme.

2. Accordingly, the Local Government Pensions Board and the Police Pensions Board were established in 2015. Their membership comprises Common Councillors and, at present, one Alderman, as well as current and retired employees and police officers respectively.
3. The advice of James Goudie QC to the Local Government Association in 2015 highlighted that committees established under the PSPA 2013 have an anomalous legal status. They are creatures of the PSPA 2013, and the Boards are not committees of the City Corporation within its local authority capacity. Mr Goudie also advised that in some unspecified circumstances Board members could incur personal legal liability, and the local authority should ensure that its insurance policies are extended to specifically cover members of the Boards.

## **Insurance**

4. The City Corporation's insurers have confirmed that the indemnity under the Employers', Public and Professional indemnity insurance policies has been extended to the Boards and the members of the Boards as a business activity of the City Corporation. However, there are important exclusions.
5. The Data Protection Act 2018 (DPA) empowers the Information Commissioner to impose civil penalties in the event of certain breaches, such as unauthorised and unjustified disclosure of personal data. The City Corporation's insurance policies do not cover civil penalties arising from breach of the DPA, only the costs and damages arising from civil claims as a result of the breach. It should be noted that the DPA also creates a number of criminal offences which are excluded from the cover, as is normal.
6. Furthermore, there are general market exclusions for what might be termed "cyber liability"; for example, arising from computer systems and viruses, malicious or otherwise inappropriate use of software or emails. There is a specific insurance market for cyber related products, but this has not been pursued on a corporate basis. In order to procure appropriate cover that provides valuable financial protection, the City would need to undertake a corporate wide project to determine the key risks, exposures and their potential impact against the cost of available cover. This would be a significant project, requiring wide consultation and committee approval as a change of insurance strategy.
7. Therefore, the specific circumstances of a data breach and the effect of the breach would determine the extent of cover or the application of any policy exclusions. Members of the Boards are concerned therefore that the existing insurance policies will not necessarily cover against all potential liabilities arising from data breaches. It is not anticipated that the Boards will be required to consider significant amounts of personal data, if any, and wherever possible such data will be anonymised. In the final resort personal data will be presented in the confidential "blue paper" part of the agenda.

## **Current Position- Immunity and Indemnity**

8. Local authority Members and officers benefit from certain immunities. Section 265 of the Public Health Act 1875 (extended by s. 39 of the Local Government (Miscellaneous Provisions) Act 1976) provides that "no matter or thing done bona fide for the purpose of executing a public general act or local act by any member or officer of a local authority or any other person acting under direction of the authority shall subject them personally to any action liability claim or demand whatsoever".
9. The limitations of this protection are that it only applies to local authority functions, and does not apply to Members or officers sitting on outside bodies. Arguably the Boards are outside bodies because of the anomalous legal status already referred to. The immunity also does not extend to former officers of the local authority nor to current or former police officers.
10. The Local Authorities (Indemnities for Members and Officers) Order 2004 clarified the power of local authorities to indemnify Members and officers. The Order is attached at Appendix 1. The Order permits indemnities and/or insurance to be provided in relation to any action or failure to act by a Member or officer providing the Member or officer is carrying out a function at the request of, with the approval of, or for the purposes of, the authority. The power extends to cases where the Member or officer exercises the function in a capacity other than that of a Member or officer of the authority, for example, as a member of an outside body. The Order applies to the City Corporation in its capacities as local authority and police authority.
11. The 2004 Order excludes criminal acts, deliberate wrongdoing or recklessness, and the bringing of defamation proceedings. However, an indemnity can be granted to cover criminal defence costs, but is re-payable if conviction results.
12. The Order would enable an indemnity to be granted to Members and current City Corporation officers sitting on the Boards, but would not apply to enable an indemnity to be granted to former local authority officers sitting on the LGPB, nor to serving or former police officers who are members of the PPB.
13. The general power of competence in Part I of the Localism Act 2011 enables the City Corporation to grant an indemnity for the benefit of former City Corporation employees sitting as members of the LGPB. However, the 2011 Act only applies to the City Corporation in its capacity as a local authority, and therefore serving and former police officers sitting as members of the PPB would have to be indemnified through City's Cash.

## **Proposals**

14. The Court of Common Council on 9<sup>th</sup> June 2011 exercised the power in the 2004 Order to indemnify Members and officers sitting on outside bodies. In cases where the outside body was not related to a local authority or police authority function the indemnity was to fall on City's Cash. If the Boards are understood to be outside bodies then there is a degree of protection already in

place for Members and officers sitting on the Boards by virtue of this decision of the Court. However, serving and former police officers sitting as members of the PPB do not fall within this decision.

15. Therefore it is proposed that, utilising powers in the 2004 Order and in the Localism Act 2011, and utilising City's Cash where necessary, the City Corporation resolves to indemnify Members and officers, including former officers, and serving and former police officers, who sit as members of the Boards against any personal liability that may arise to pay a civil penalty under the Data Protection Act 2018, to the extent that the City Corporation's insurance policies do not fully cover such liability, and subject to the exclusions and restrictions contained in the 2004 Order.

#### **Appendix 1:**

The Local Authorities (Indemnities for Members and Officers) Order 2004

#### **Background Papers:**

Report to the Court of Common Council on 9 June 2011

The Comptroller and City Solicitor

[Richard.Jeffrey@cityoflondon.gov.uk](mailto:Richard.Jeffrey@cityoflondon.gov.uk)  
0207 3321683

The Chamberlain

[Kate.Limna@cityoflondon.gov.uk](mailto:Kate.Limna@cityoflondon.gov.uk)  
0207 3323952

## APPENDIX 1

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### STATUTORY INSTRUMENTS

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**2004 No.3082**

## **LOCAL GOVERNMENT, ENGLAND AND WALES**

### **The Local Authorities (Indemnities for Members and Officers) Order 2004**

*Made* - - - - 22nd November 2004

*Coming into force* - - 23rd November 2004

The First Secretary of State, in exercise of the powers conferred upon him by sections 101 and 105 of the Local Government Act 2000<sup>(a)</sup> and having consulted representatives of relevant authorities, representatives of employees of relevant authorities and such other persons as he considered appropriate hereby makes the following Order, of which a draft has been laid before, and approved by, resolution of, each House of Parliament:

#### **Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Local Authorities (Indemnities for Members and Officers) Order 2004.

(2) It shall come into force on the day after that on which it is made.

(3) In this Order—

“Part 3 proceeding” means any investigation, report, reference, adjudication or any other proceeding pursuant to Part 3 of the Local Government Act 2000; and

“secure”, in relation to any indemnity provided by means of insurance, includes arranging for, and paying for, that insurance and related expressions shall be construed accordingly.

#### **Application**

2. This Order applies to relevant authorities in England<sup>(b)</sup> and to police authorities in Wales<sup>(c)</sup>.

#### **Indemnities**

3. The authorities to whom this Order applies may, in the cases mentioned in article 5 below, provide indemnities to any of their members<sup>(d)</sup> or officers.

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(a) 2000 c. 22.

(b) For the meaning of “relevant authority”, see section 49(6) of the Local Government Act 2000.

(c) For powers in relation to relevant authorities in Wales, see section 105(2) of the Local Government Act 2000.

(d) For the meaning of “member”, see sections 49(6) and 101(5) of the Local Government Act 2000 and, in relation to elected mayors, the Local Authorities (Elected Mayors) (England) Regulations 2004 (S.I. 2004/1815).

## **Insurance**

4. In place of, or in addition to, themselves providing an indemnity under article 3 above, any authority to whom this Order applies may, in the cases mentioned in article 5 below, provide an indemnity by securing the insurance of any of its members or officers.

## **Cases in which an indemnity may be provided**

5. Subject to article 6 below, an indemnity may be provided in relation to any action of, or failure to act by, the member or officer in question, which—

- (a) is authorised by the authority; or
- (b) forms part of, or arises from, any powers conferred, or duties placed, upon that member or officer, as a consequence of any function being exercised by that member or officer (whether or not when exercising that function he does so in his capacity as a member or officer of the authority)—
  - (i) at the request of, or with the approval of the authority, or
  - (ii) for the purposes of the authority.

## **Restrictions on indemnities**

6.—(1) No indemnity may be provided under this Order in relation to any action by, or failure to act by, any member or officer which—

- (a) constitutes a criminal offence; or
- (b) is the result of fraud, or other deliberate wrongdoing or recklessness on the part of that member or officer.

(2) Notwithstanding paragraph (1)(a), an indemnity may be provided in relation to—

- (a) subject to article 8 below, the defence of any criminal proceedings brought against the officer or member; and
- (b) any civil liability arising as a consequence of any action or failure to act which also constitutes a criminal offence.

(3) No indemnity may be provided under this Order in relation to the making by the member or officer indemnified of any claim in relation to an alleged defamation of that member or officer but may be provided in relation to the defence by that member or officer of any allegation of defamation made against him.

## **Matters that exceed the powers of the authority or member or officer**

7.—(1) Notwithstanding any limitation on the powers of the authority which grants an indemnity, the authority may provide an indemnity to the extent that the member or officer in question—

- (a) believed that the action, or failure to act, in question was within the powers of the authority, or
- (b) where that action or failure comprises the issuing or authorisation of any document containing any statement as to the powers of the authority, or any statement that certain steps have been taken or requirements fulfilled, believed that the contents of that statement were true,

and it was reasonable for that member or officer to hold that belief at the time when he acted or failed to act.

(2) An indemnity may be provided in relation to an act or omission which is subsequently found to be beyond the powers of the member or officer in question but only to the extent that the member or officer reasonably believed that the act or omission in question was within his powers at the time at which he acted.



### **Terms of indemnity or insurance**

8.—(1) Subject to paragraphs (2) and (3) below, the terms of any indemnity given (including any insurance secured), under this Order may be such as the authority in question shall agree.

(2) Paragraph (3) applies where any indemnity given to any member or officer (including any insurance secured for that member or officer) has effect in relation to the defence of—

- (a) any criminal proceedings; or
- (b) any Part 3 proceedings.

(3) Where this paragraph applies, the indemnity shall be provided, and any insurance secured, on the terms that—

- (a) in the case of criminal proceedings, if the member or officer in question is convicted of a criminal offence and that conviction is not overturned following any appeal, and
- (b) in the case of Part 3 proceedings—
  - (i) if a finding is made in those proceedings that the member in question has failed to comply with the Code of Conduct and that finding is not overturned following any appeal, or
  - (ii) if the member admits that he has failed to comply with the Code of Conduct,

that member or officer shall reimburse the authority or the insurer (as the case may be) for any sums expended by the authority or insurer in relation to those proceedings pursuant to the indemnity or insurance.

(4) Where a member or officer is obliged to reimburse an authority or insurer pursuant to the terms mentioned in paragraph (3) above, those sums shall be recoverable by the authority or insurer (as the case may be) as a civil debt.

Signed by authority of the First Secretary of State.

22nd November 2004

*Nick Raynsford*  
Minister of State  
in the Office of the Deputy Prime Minister

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order provides for circumstances in which a relevant authority in England or a police authority in Wales may provide an indemnity to any of their members or officers. The Local Authorities (Elected Mayors) (England) Regulations 2004 (S.I. 2004/1815) provide that the term “member” shall, in this context, include any elected mayor. These powers are in addition to any existing powers that such authorities may have (such as powers under section 111 of the Local Government Act 1972). The relevant authorities in England are—

- county councils;
- district councils;
- London borough councils;
- parish councils;
- the Greater London Authority;
- the Metropolitan Police Authority;
- the London Fire and Emergency Planning Authority;
- the Common Council of the City of London (in its capacity as a local or police authority);
- the Council of the Isles of Scilly;
- a fire authority constituted by a combination scheme under the Fire Services Act 1947;
- a police authority;
- a joint authority established by Part IV of the Local Government Act 1985;
- the Broads Authority;
- a National Park Authority established under section 63 of the Environment Act 1995.

Article 4 makes it clear that an indemnity may be provided by means of the authority securing the provision of an insurance policy for the member or officer.

Article 5 sets out the cases in which indemnities (including those provided by insurance) may be provided. This article restricts the power to cases in which the member or employee is carrying on any function at the request of, with the approval of, or for the purposes of, the authority. However, it does extend to cases in which when exercising the function in question the member or officer does so in a capacity other than that of a member or officer of the authority. This would permit an indemnity, for example, to cover a case where the member or officer acts as a director of a company at the request of his authority, and thus is acting in his capacity as a director.

Article 6 prevents the provision of an indemnity (or securing of insurance) in relation to criminal acts, any other intentional wrongdoing, fraud, recklessness, or in relation to the bringing of (but not the defence of) any action in defamation.

Article 7 gives a limited power to provide an indemnity (including any indemnity provided by insurance) where the action or inaction complained of is outside the powers of the authority itself or outside the powers of the member or officer who acts. It also covers cases in which a member or officer makes a statement that certain steps have been taken or requirements fulfilled but it later becomes clear that this is not the case. This power is limited to cases in which the person indemnified—

- reasonably believed that the matter in question was not outside those powers, or
- where a document has been issued containing an untrue statement as to the authority’s powers, or as to the steps taken or requirements fulfilled, reasonably believed that the statement was true when it was issued or authorised.

Article 8 gives the authority freedom to negotiate such terms for any indemnity or policy of insurance as it thinks appropriate but requires that those terms include provision for re-payment of sums expended by the authority or the insurer in cases in which a member has been found to be in

breach of the Code of Conduct applicable to him as a member of the authority, or a member or officer has been convicted of a criminal offence (if the indemnity or insurance policy would otherwise cover the proceedings leading to that finding or conviction). Any sums recoverable may be recovered as a civil debt.

A regulatory impact assessment has been prepared in relation to these Regulations. A copy may be obtained from Local Government Legislation Division, Office of the Deputy Prime Minister, Zone 5/D1, Eland House, Bressenden Place, London, SW1E 5DU (telephone 020 7944 4148; e-mail [lgl@odpm.gsi.gov.uk](mailto:lgl@odpm.gsi.gov.uk) ).

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<b>Committee(s):</b>	<b>Date(s):</b>
Local Government Pensions Board	7 <sup>th</sup> February 2019
<b>Subject:</b>	<b>Public</b>
Local Government Pensions Board – Terms of appointment	<b>For Information</b>
<b>Report of:</b>	
Town Clerk & Chief Executive	
<b>Report author:</b>	
Chris Rumbles	

## Summary

At its meeting on 31<sup>st</sup> October 2018 the Local Government Pensions Board (The Board) considered a report relative to the terms of Membership of the Scheme Member Representatives with a view to creating staggered terms and allowing for a continuation of knowledge and experience on The Board.

The Board considered options and agreed that terms of membership for Scheme Member Representatives running until 2020, 2021 and 2022 would be a preferred option and the Scheme Member Representatives agreed to discuss options outside of the meeting and inform the Town Clerk of their preferred term.

## Recommendation(s)

The Board are asked to note the action taken since the last meeting in confirming extensions to the terms of Membership of Scheme Member Representatives to 2021 and 2022.

## Main Report

### Background and Context

1. At its meeting on 31<sup>st</sup> October 2018, The Board considered a report that presented options for amending the terms of membership of Scheme Member Representatives to create staggered terms of membership moving forward.
2. The Board acknowledged the extensive training undertaken by Scheme Member Representatives and agreed there was a need to maintain knowledge and expertise on The Board by creating a staggered rotation of Scheme Member Representatives.
3. It was agreed that amendments to existing terms of appointment would be appropriate for Scheme Member Representatives to allow for a staggering of their terms.
4. The Board agreed that terms of Membership running until 2020, 2021 and 2022 would be their preferred option and the Scheme Member Representatives agreed to discuss options outside of the meeting and inform the Town Clerk of their preferred term.

### Current Position

5. Immediately following the meeting, the Scheme Member Representatives confirmed their preferred terms of membership to recommend to the Town Clerk as being:
  - Christina McLellan 2020 (retaining existing term)
  - Yvette Dunne 2021

- Martin Newnham 2022
- 6. A recommendation was subsequently made to the Town Clerk to amend the terms of membership of Yvette Dunne until 2021 and Martin Newnham until 2022.
- 7. The Town Clerk subsequently wrote to Yvette Dunne and Martin Newnham on 7<sup>th</sup> January 2019 acknowledging The Board's recommendation and confirming his agreement to an extension to their terms of membership being:
  - Yvette Dunne 2021
  - Martin Newnham 2022

### **Corporate & Strategic Implications**

- 8. The Board has a strategic oversight role in relation to the administration of the City Corporation Pension Fund and in securing compliance with the scheme regulations and other legislation relating to the governance of the scheme and any statutory pension scheme that is connected to it.

### **Financial Implications**

- 9. There are no financial implications.

### **Conclusion**

- 10. During the initial period of the Board, it has been acknowledged that staggered terms of membership would be appropriate to allow for continuity of Members and to ensure a suitable knowledge level is maintained and to allow for an appropriate rotation of membership in future years. The Board are asked to note the action taken to create a staggered membership of The Board going forward.

### **Appendices**

- 11. There are no appendices.

### **Chris Rumbles**

Committee and Members Services Officer

T: 020 7332 1405

E: christopher.rumbles@cityoflondon.gov.uk