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| Committee: Police Committee | Date: |
| Subject: The City of London Police Pension Board – Review of Activities to 31 March 2018 | Public |
| Report of: The Chamberlain | For Information |
| Report author: Graham Newman | |

Summary

This report summarises the activities of the Police Pensions Board since its first meeting on 17 January 2017. The Police Pension Scheme Regulations 2015 provided for the establishment of a Board with the responsibility of assisting the Scheme Manager (the City of London Police?) in ensuring the efficient and effective governance and administration of the Police Pension Scheme (PPS).

Since inception the Board has:

- reviewed the working practices of the City of London Police Pensions Office and commenced a review of all letters and documents issued to members, prospective members, leavers and retirees;
- agreed a Risk Register for the Board; and
- in consultation with the Local Government Pensions Board agreed a Breaches Policy

Training needs assessments have been completed by all Board Members and a training plan is now in place.

Recommendation

Members are asked to note this report.

Main Report

Background

1. The Public Services Pensions Act 2013 (the 2013 Act) included several provisions regarding better governance and improved accountability for all public-sector pension schemes. As a result, the Police Pension Scheme Regulations 2015 provided for the establishment of a Board with the responsibility of assisting the Scheme Manager in ensuring the efficient and effective governance and administration of the Police Pension Scheme (PPS).
2. The Scheme Manager for the City of London Police Pension Scheme is the City of London Police Commissioner, with responsibility for the administration of the Scheme delegated to the Chamberlain of the City of London Corporation.

The Role of the Police Pension Board

3. The Pension Board sits in an oversight role, to assist the Scheme Manager with ensuring the administration of the Scheme complies with
 - the Regulations;
 - other legislation relating to the governance and administration of the Scheme; and
 - the requirements imposed by The Pensions Regulator in relation to the Scheme.
4. In accordance with the Regulations, the structure of the Board must include an equal number of scheme member and scheme employer representatives. The City of London Police Pension Board consists of 3 scheme Member representatives and 3 scheme employer representatives.
5. The 2013 Act makes it a legal requirement that members of the Board do not have a conflict of interest and therefore all members are expected to identify, monitor and manage any potential, actual or perceived conflicts of interest. The Members of the Board are as follows:

Scheme Employer Representatives:

Alderman Ian Luder (Chairman) – Elected Member
Deputy Alexander Deane – Elected Member (until May 2017)
Mr Alexander Barr – Elected Member (since May 2017)
Superintendent Helen Isaac – Serving City of London Police Officer

Scheme Member Representatives:

Mr John Todd (Deputy Chairman) – Retired City of London Police Officer
Constable Davina Plummer – Serving City of London Police Officer
Mr Kieron Sharp – Retired City of London Police Officer

Appendix A sets out the attendance record of each Board Member.

Activities of the Board

6. The first formal meeting of the Police Pension Board was held on 17 January 2017 and a further three meetings have been held – 10 May 2017, 2 October 2017 and 9 January 2018. It is expected that there will continue to be 2-3 meetings held in every year.

Training

7. Board Members have certain legal responsibilities and must be conversant with the PPS Regulations and the governance and administration of the Scheme to enable them to exercise their role as a Board Member.
8. Board Members were required to carry-out a training needs analysis which they all completed in 2017. The Board enlisted Barnet Waddingham, the Scheme Actuary, to analyse the training needs and this analysis has then been used by the Pensions Office to produce a training plan for the Board. All necessary training will be delivered by the Pensions Office and external providers as required.
9. Members are expected to keep their knowledge and understanding requirements under review and going forward will be required to formally complete a training needs analysis at least once a year in January. This will allow the training plan to be reviewed and updated as required.
10. Barnet Waddingham attended both the January and May 2017 Board meetings and delivered presentations regarding the Police Pension Scheme regulations, overriding legislation, scheme guidance and pensions taxation. Training was also provided regarding the background to Pension Boards, governance bodies and their roles and responsibilities as well as providing an overview of the regulatory environment. In addition, individual training has been provided by Barnet Waddingham to Board Members as required.

Annual Schedule of Events

11. In order that the Board is able to monitor and oversee the administration of the Police Pension Scheme an Annual Schedule of Events was developed to illustrate the tasks carried out by the Pensions Office, their deadlines and the actual completion dates of each task. The Schedule is updated as required and is a standing agenda item for each Board meeting.

Risk Register

12. A risk register has been created to cover the risks in respect of the City of London Police Pension Scheme. The Register is a standing agenda item for each Board meeting and means that potential risks are continually assessed, reviewed and amended or added to or removed from the Register as deemed appropriate.

Documentation and Communication

13. The Board has reviewed the working practices of the City of London Police Pensions Office and has commenced a review of all letters and documents issued to members, prospective members, leavers and retirees to ensure optimum clarity as well as accuracy. This work is on-going and several recommendations have been made.
14. In addition, the Board recommended that a disclaimer be added to all correspondence to notify all scheme members that the Pensions Office is not authorised or regulated to provide financial or other advice and that scheme members may wish to seek independent financial advice from an adviser authorised by the Financial Conduct Authority.

15. The recommended disclaimer was reviewed and approved by the Comptroller City Solicitor and was added to all relevant correspondence.

Breaches of Law

16. In accordance with the Occupational and Personal Pension Scheme (Disclosure of Information) Regulations 2013, annual benefit statements (ABS's) should be issued to all active members of the PPS by 31st August each year.
17. Guidance and documentation regarding the production of the ABS's was not issued until 3 weeks before the ABS deadline and with limited resources caused by a staff vacancy, the 2017 PPS ABS's were issued 8 days after this deadline had passed. The Pensions Office sought Members' approval to report this to the Pensions Regulator as a breach of the law.
18. The Board noted that although the breach was regrettable, it was not deemed to be a major offence and therefore there was no requirement to report it. However, as the City did not have a Breaches Policy in place at that time it was agreed that the Breach should be reported to the Pensions Regulator. The Pensions Regulator confirmed that no action would be taken.
19. A formal breaches policy was drafted by Barnett Waddingham and reviewed by the Comptroller and City Solicitor for both the Police Pension Scheme and the Local Government Pension Scheme. The Breaches Policy was approved under delegated authority by both the Police Pensions Board and the Local Government Pensions Board in April 2018.

Conclusions

20. The Police Pension Board was created with reference to the Public Services Pensions Act 2013 and the Police Pension Scheme Regulations 2015. Since its creation, the Board has met four times and Members continue to receive training to ensure they are compliant with the legal requirements.
21. The Board have reviewed the working practices of the City of London Police Pensions Office and have commenced a review of all letters and documents issued to members, prospective members, leavers and retirees. The Board has also agreed a Risk Register and approved a Breaches Policy.
22. The Board will over the next 12 months complete online training modules using the 'Public Service toolkit' provided by The Pensions Regulator. The Pension Regulator is also expected to attend the October Board and deliver a presentation on pension legislation, the TPR expectations of Local Pensions Boards and he will present the results of the 2017 scheme survey.

Appendices:

Appendix A – Board Member attendance record

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Police Pension Board - Board Member Record of Attendance

| | 17/01/2017 | 10/05/2017 | 02/10/2017 | 09/01/2018 |
|----------------------------------|------------|------------|------------|------------|
| Alderman Ian Luder | X | X | X | X |
| Deputy Alex Deane ⁽ⁱ⁾ | X | N/A | N/A | N/A |
| Alexander Barr ⁽ⁱⁱ⁾ | N/A | X | X | |
| Helen Isaac | X | X | X | |
| Davina Plummer | X | X | | |
| Kieron Sharp | X | X | | X |
| John Todd | X | X | X | X |

Notes:

- (i) Served on the Board until May 2017
- (ii) Joined the Board in May 2017