



## **Police Pensions Board**

**Date:** WEDNESDAY, 30 MAY 2018  
**Time:** 11.30 am  
**Venue:** COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

**Members:** Alexander Barr  
Alderman Ian Luder  
Helen Isaac  
Kieron Sharp  
John Todd

**Enquiries:** George Fraser  
Tel.No.: 020 7332 1174  
[george.fraser@cityoflondon.gov.uk](mailto:george.fraser@cityoflondon.gov.uk)

**Next Meeting:** 3 October 2018 @ 11:30

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

**John Barradell**  
**Town Clerk and Chief Executive**

## **AGENDA**

1. **APOLOGIES FOR ABSENCE**
2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **ELECTION OF DEPUTY CHAIRMAN**
4. **MINUTES**  
Public minutes of the last meeting, held on 9 January 2018.  

**For Decision**  
(Pages 1 - 4)
5. **OUTSTANDING REFERENCES**  
Report of the Town Clerk  

**For Decision**  
(Pages 5 - 6)
6. **REPORT OF ACTION TAKEN SINCE THE LAST MEETING**  
Report of the Town Clerk  

**For Information**  
(Pages 7 - 8)
7. **TRAINING PRESENTATION**  
The Chamberlain to be heard  

**For Information**
8. **POLICE PENSIONS SCHEME UPDATE**  
Report of the Chamberlain  

**For Information**  
(Pages 9 - 18)
9. **POLICE PENSIONS BOARD ANNUAL REPORT FOR POLICE COMMITTEE**  
Report of the Chamberlain  

**For Decision**  
(Pages 19 - 26)
10. **PROTECTED PENSION AGES AND RE-EMPLOYMENT FOR CITY OF LONDON POLICE OFFICERS**  
Report of the Commissioner of Police  

**For Information**  
(Pages 27 - 30)

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

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

13. **NON-PUBLIC MINUTES**

Non-public minutes of the last meeting, held on 9 January 2018.

**For Decision**  
(Pages 31 - 32)

14. **GENERAL DATA PROTECTION REGULATION (GDPR) & THE PENSIONS BOARD**

Report of the Comptroller & City Solicitor & Data Protection Officer

**For Information**  
(Pages 33 - 38)

15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD WHILST THE PUBLIC ARE EXCLUDED**

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT WHILST THE PUBLIC ARE EXCLUDED**

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## POLICE PENSIONS BOARD

Tuesday, 9 January 2018

Minutes of the meeting of the Police Pensions Board held at the Guildhall EC2 at 11.00 am

### Present

#### Members:

Alderman Ian Luder (Chairman)  
Kieron Sharp

John Todd (Deputy Chairman)

#### Officers:

George Fraser	-	Town Clerk's Department
Jeff Henegan	-	Chamberlain's Department
Kate Limna	-	Chamberlain's Department
Richard Jeffrey	-	Comptroller and City Solicitor's Department

#### 1. APOLOGIES FOR ABSENCE

Apologies were received from Alexander Barr, Helen Isaac and Davina Plummer.

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

There were no declarations.

#### 3. PUBLIC MINUTES

The Board considered the minutes from the last meeting, held on 2 October 2017.

The Chamberlain noted an error under item *3b – Outstanding References* in which Issuing of “Pensions Savings Statements” should be replaced with “Annual Benefits Statements”.

**RESOLVED** – That the minutes be approved.

#### 4. OUTSTANDING REFERENCES

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

#### OR2 – Cost of Living Index

The Board noted a Member’s comments regarding the wording used by the Pensions Regulator in reference to those retired as a result of ill-health. The Member had stated their belief that the wording of the scheme correspondence should be amended to maintain consistency with that of the pensions regulator. Members agreed with this conclusion

The Chairman queried the other element of the outstanding action, in which clarification was sought over which “cost-of-living” index was referenced. Members and the Chamberlain agreed that it would be sensible to explicitly state within correspondence which “cost of living” index was being used, presently the Consumer Price Index (CPI), to remain in alignment with government methodology. The Chairman requested that this action be closed.

**OR4 – Data Protection Training**

The Chairman queried whether external members, co-optees and employer representatives could be invited to the Data Protection Training that was to be given to Common Council Members. The Town Clerk and Comptroller & City Solicitor agreed to confirm this for all Board Members of the Local Government Pensions Board and the Police Pensions Board. (1)

**OR5 – Two Members “Immediate Training Needs” within Training Plan**

The Chairman queried which Members were required to follow up with the trainer. The Chamberlain agreed to confirm this with the trainer. (2)

**OR7 – Next Meeting Dates**

The Chairman queried whether or not all Members had confirmed availability for the dates confirmed. The Town Clerk confirmed that there were two Members that did not provide responses, and that the dates selected were based on the availability of the responding four Members. The Chairman asked the Town Clerk to confirm these with the remaining two Members. (3)

**RESOLVED** – That the report be received.

5. **POLICE PENSIONS BOARD WORK PLAN**

The Board received a report of the Town Clerk that outlined the work of the Board over the coming year.

**RESOLVED** – That the report be received.

6. **POLICE PENSION SCHEME UPDATE**

The Board received a report of the Chamberlain that provided Members with a general update on the work of the Pension Scheme.

a) **Annual Schedule of Events**

The Chairman noted that employees receiving incremental increases in salaried pay may move into a different contribution band, in which case this require review. The Chamberlain confirmed that this was the case.

b) **Risk Register**

In reference to item 6 within the table, Protected Pension Age (PPA), the Chairman asked for confirmation from the City of London Police that they were fully aware of this risk. Members requested that the length of the break required, and their methodology in mitigating this risk be made known to the

Board. The Chamberlain confirmed that they would seek this information from the City of London Police HR department. (4)

c) **Revised Deferred Benefits Covering Letter**

The Board received an example of a revised version of the Police Pension Scheme Deferred Benefits letter to scheme members.

**RESOLVED** – That the report be received.

7. **BREACH OF THE LAW - LATE ISSUING OF 2017 ANNUAL BENEFIT STATEMENTS**

The Board received a report of the Chamberlain that sought Members' approval for the reporting of late Annual Benefits Statements for 2017 to the Pensions Regulator as a breach of the law.

The Chairman noted that there was no current breach policy in place. He suggested that perhaps a deadline such as 30 days from the date of the breach should be in place for reporting. He explained that the Board Members should be notified outside of meetings, except in the event that a meeting of the board was scheduled within the 30-day period.

The Comptroller & City Solicitor explained that the current policy draft was not yet satisfactory, but that a final draft would be completed by the end of February for submission to the next Local Government Pensions Scheme Board meeting, and circulation to Police Pensions Board Members. (5)

The Comptroller & City Solicitor explained that a 30-day period may be too long, and the Chairman agreed that the period could be as short as was deemed necessary. The Chairman also noted that the breach referenced within this report was, although regrettable, not a major offence. He explained that it was necessary to report all breaches deemed to be RED and AMBER, and to record all those deemed to be GREEN.

The Chairman queried if the Annual Benefit Statements for 2018 would be issued on time. The Chamberlain is not aware of any upcoming changes to the regulations that would hinder this. The Chamberlain explained production of the Annual Benefit Statements was also dependent on receiving timely payroll data. An update on the progress on issuing 2018 Annual Benefit Statements will be given at the next board meeting by the Chamberlain.

The Chairman explained that the governance responsibility of the Board was to scrutinise and improve following any breaches that do occur.

The Chairman requested that the final policy draft be submitted to the next meeting of the Police Pensions Board. The Chamberlain explained that the intention was to submit the final draft to the next meeting of the Local Government Pensions Board on 28 February 2018, and for Members of the Police Pensions Board to agree to delegate authority to the Town Clerk, in

consultation with the Chairman and Deputy Chairman, to give approval on behalf of the Police Pensions Board. Members agreed with this approach. The Chairman requested that Members be given two weeks from the date of the final draft circulation to provide comment before authority is delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to approve it. (5)

**RESOLVED** – That the recommendation to report the breach of the law due to the late issuing of the 2017 Annual Benefit Statement be approved.

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

There were no questions.

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

There was no further business.

10. **NON-PUBLIC MINUTES**

The Board considered the non-public minutes from the last meeting, held on 2 October 2017.

**RESOLVED** – That the minutes be approved.

11. **POLICE PENSION SCHEME TRAINING PLAN**

The Board received a report of the Chamberlain that outlined the plan of required training for the Police Pensions Scheme.

**RESOLVED** – That the report be received.

12. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

13. **ANY OTHER NON-PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was one other item of business discussed whilst the public were excluded.

**The meeting closed at 11:46am**

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Chairman

**Contact Officer: George Fraser**  
**Tel.No.: 020 7332 1174**  
**george.fraser@cityoflondon.gov.uk**

**POLICE PENSIONS BOARD**  
**30 MAY 2018**  
**OUTSTANDING REFERENCES**

No.	Meeting Date & Reference	Action	Owner	Status
1.	<p><b>09/01/18</b> Item 4 - <i>Outstanding References</i></p> <p><b>02/10/17</b> Item 5 - <i>Pensions Scheme Update</i></p> <p><b>Data Protection Training</b></p>	<p>The Chairman queried whether Data Protection Training would be necessary for Board Members. He asked whether or not this training was run centrally for Corporation Staff, and if it would be considered a risk if Members didn't make themselves available for training.</p> <p>09-01-18: The Chairman queried whether external members, co-optees and employer representatives could be invited to Data Protection Training that was to be given to Common Council Members. The Town Clerk and Chamberlain agreed to follow up with a sight to obtaining invites to all board members of the LGPS and PPS.</p> <p>Following the meeting, the Town Clerk followed up with the City Solicitor who was providing GDPR training to all Common Council Members on 30 January. Extending this training to all co-opted, external and employee representative Members was not deemed feasible as there are more than 200 currently. The City Solicitor also explained that the training session would be bespoke for Common Council Members, and agreed to attend the next meeting of the LGPB on 28 February to provide separate training to employee representatives.</p> <p><b>Update 22-05-18:</b> The Comptroller and City Solicitor and Data Protection Officer has provided a report to both the Local Government and Police Pensions Boards that advises on how GDPR will affect their work, and on the liability of their respective Members. It was confirmed that, given the statutory regulations of the Police Pensions Board, the data controller responsible for its administration is the Commissioner of the City of London Police. As such, it was confirmed that the GDPR compliance lead from CoLP was aware of the requirements and would be communicating bespoke guidance to Police Pensions Board Members.</p>	Chamberlain/ City Solicitor/ Town Clerk	<b>OUTSTANDING</b>

3.	<b>09/01/18</b> Item 4 - <i>Outstanding References</i>  <b>2018 Meeting Dates</b>	<p>The Chairman queried whether or not all Members had confirmed availability for the dates confirmed. The Town Clerk confirmed that there were two Members that did not provide responses, and that the dates selected were based on the availability of the responding four Members. The Chairman asked the Town Clerk to confirm these with the remaining two Members.</p> <p><b>Update 20-02-18:</b> All 6 Members confirmed their availability for the 3 October meeting date, and 4 Members confirmed their availability for 30 May, with 1 maybe and 1 confirmed unavailable. It was agreed by the Chairman that these dates should be confirmed.</p>	Members/ Town Clerk	<b>COMPLETE</b>
4.	<b>09/01/18</b> Item 6 - <i>Police Pension Scheme Update</i>  <b>Risk Register – Protected Pension Age (PPA)</b>	<p>In reference to the PPA, the Chairman asked for confirmation that the City of London Police were fully aware of the risk relating to the gap in work required before returning to work with CoLP. Members requested that the length of the break required, and their methodology of mitigating this risk be made known to the Board. The Chamberlain confirmed that they would seek this information from the City of London Police.</p>	CoLP	<b>COMPLETE – ON THE AGENDA</b>
5.	<b>09/01/18</b> Item 6 - <i>Police Pension Scheme Update</i>  <b>Breach in the Law Policy Final Draft</b>	<p>The Chamberlain to submit breach in the law policy final draft to the next Local Government Pensions Scheme Board meeting on 28 February, and circulate to Police Pensions Board Members. Board Members would then have 14 days to comment before authority is delegated to the Town Clerk in consultation with the Chairman to approve the report on behalf of the Police Pensions Board.</p> <p><b>Update 22-05-18:</b> A revised procedural document was circulated to Members based on the comments received, and this was approved by the Town Clerk in consultation with the Chairman and Deputy Chairman of both the Local Government Pensions Board and the Police Pensions Board.</p>	Comptroller & City Solicitor/ Chamberlain/ Town Clerk	<b>COMPLETE</b>

# Agenda Item 6

<b>Committee:</b> Police Pensions Board	<b>Date:</b> 30 May 2018
<b>Subject:</b> Decisions taken under delegated authority or urgency powers	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Information</b>
<b>Report Author:</b> George Fraser, Committee and Members Services Officer	

## Summary

1. This report advises Members of action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b).

## **Recommendation**

To note the action taken since the last meeting of the Board

## Main Report

2. Since the last meeting of the Committee approval was given under delegated authority to the Town Clerk, Standing Order No. 41(b), as follows:-

### **Reporting Breaches of Law – Proposed Policy**

At Police Pensions Board on 9 January 2018 and Local Government Pensions Board on 28 February 2018, it was agreed that authority be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to approve a proposed Breaches of Law policy once additional comments of both Boards had been incorporated into a document that set out the procedure and an updated version had been circulated for final comment.

Members agreed:

- i. To approve an updated version of the breaches of law procedure document circulated to both Boards with final comments incorporated into the policy.

**Contact:** George Fraser  
George.fraser@cityoflondon.gov.uk  
T: 020 7332 1174

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# Agenda Item 8

<b>Committee:</b> Police Pensions Board	<b>Date:</b> 30 May 2018
<b>Subject:</b> The City of London: Police Pension Scheme - Update	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Graham Newman – Chamberlain’s Department	

## Summary

The Board have agreed that at each meeting that information regarding a range of topics in relation to the City of London Police Pension Scheme (the Scheme) would be provided along with any updates.

<b>Item</b>	<b>Update</b>
Annual schedule of events for the Pensions Scheme	Update provided (Appendix 1).
The Pensions Board’s Risk Register	Appendix 2 – Ownership of Risk 6 has been updated to show as shared with City of London Police HR
Documents sent to early leavers with revised definition of “cost of living index”	Appendix 3 - Documentation has been updated to show that the revaluation of public service pensions is determined by the Secretary of State and that the current revaluation method is the Consumer Prices Index, but this may be subject to change.
Information of Scheme Record Keeping	No amendments since the last Board meeting.
A record of any complaints or disputes under the Scheme’s complaints procedure	None to report
Any recent breaches of the law	No breaches to report.  Formal breaches policy has been approved.
Any audit reports relating to the administration of the Scheme	None to report.
Required Training	No regulatory changes to report.  Presentation to be provided by the Pensions Office.

GDPR	General Date Protection Regulations (GDPR) come into effect on 25 May 2018.  Representatives from the Pensions Office met the CoL Police's Data Officer to discuss the implications of the new rules. The CoL Police will be responsible for creating and issuing a 'Full Privacy Notice'.
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### **Recommendation**

Members are requested to review the information and provide any comments.

#### **Appendices:**

Appendix 1 – Annual Schedule of events

Appendix 2 – Risk Register & Risk Matrix

Appendix 3 – Revised Deferred Benefit letter

#### **Contact:**

Graham Newman

Telephone: 020 7332 1132

Email: [graham.newman@cityoflondon.gov.uk](mailto:graham.newman@cityoflondon.gov.uk)

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

<b>Date Due</b>	<b>Event</b>	<b>Date Completed</b>
31 <sup>st</sup> March 2018	Triennial Scheme Valuation: assesses the value of the Scheme at 31/03/2018 + annual IAS19 report	27 <sup>th</sup> March 2018
1 <sup>st</sup> April	Employee Contribution band implementation	1 <sup>st</sup> April
1 <sup>st</sup> April	Employer Contribution implementation	1 <sup>st</sup> April
1 <sup>st</sup> April	Revaluation of CARE benefits	1 <sup>st</sup> April
1 <sup>st</sup> Monday in April after 6 <sup>th</sup> April	Pensions Increase – Annual Inflation Increase	9 <sup>th</sup> April
15 <sup>th</sup> May	Home Office Year End Finance Return and 5 year forecast	15 <sup>th</sup> May
Within 2 weeks of June quarter	Tax Return for June Quarter	
31 <sup>st</sup> August	Issue of Annual Statements Deadline	
September	Home Office Autumn Finance Return and revised 5 year forecast	
Within 2 weeks of September quarter	Tax Return for September Quarter	No data to return
6 <sup>th</sup> October	Issue of Pension Saving Statements Deadline	
October / November (to be confirmed)	Deadline for Scheme Return to the Pensions Regulator	
Within 2 weeks of December quarter	Tax Return for December Quarter	

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

Risk No.	Risk (Short description)	Risk Owner	Cause	Effect	Existing Controls	Current Risk				Planned Actions	Target Risk		
						Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	Provision of City of London Police actuarial data to the Home Office	Chamberlain	(i) Inaccurate data supplied to the Home Office. (ii) Poor assumptions used by the Home Office.	National employer rate incorrectly determined.	Robust Year End procedures and updates. Checking for errors or inconsistencies in valuation extract report before submission to the Home Office.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
2	Failure to comply with legislative requirements.	Chamberlain	(i) Lack of appropriate knowledge or skill. (ii) Lack of training/ appropriately skilled staff	(i) Inaccurate benefits paid. (ii) Financial loss (iii) Increase in Appeals (iv) Reputational damage (v) Fines from Pensions Regulator	Recruitment of suitable staff appropriate salary levels. Appropriate training. Attendance at seminars and Forums, webinars and user groups.	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3
Page 13	Pension Scheme Administration (Personnel)	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) Data Accuracy.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions	Recruitment and training of staff plus (i) Ensuring software is the latest version and any known errors are reports. (ii) Robust checking procedures in place at all stages of record management from starting, transfers received, career changes, pension top-ups, leaving and benefit payment. (iii) If staff or other resources are lacking ensure priority cases are covered and all checking levels maintained.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4
	Pension Scheme Administration (Systems)	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) IT system failure (v) Data Accuracy. (vi) Lack of resources.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions	Recruitment and training of staff plus (i) Ensuring software is the latest version and any known errors are reports. (ii) Ensure IT have sufficient back-ups and Disaster Recovery	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4

Risk No.	Risk (Short description)	Risk Owner	Cause	Effect	Existing Controls	Current Risk				Planned Actions	Target Risk		
						Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
5	Pension Fraud	Chamberlain	(i) Continued payment of pensions following death. (ii) Staff acting inappropriately	(i) Overpaid pensions. (ii) Financial loss	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Sending Life Certificates to Overseas Pensioners.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Minor	Green 2
6	Protected Pension Age (PPA)	Chamberlain / City of London Police HR	Retiring officers of a certain age losing their PPA as a result of being re-employed by the same sponsoring employer without a sufficient break between retirement and re-employment.	HMRC make 'unauthorised payment' charges to both the member and the organisation.	(i) Ensuring officers are aware that a break is needed if they are retiring between ages 50 and 55 and intend to seek to be re-employed with CoL Police or the CoL. (ii) Ensuring Police HR are aware of the rules regarding PPA and re-employment	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1

### 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

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

#### (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 Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297  
October 2015

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## Chamberlain's Department

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

**Telephone** 020 7332

**Fax** 020 7710

**Email**

**Case Officer**

**Date**

Dear

### **The Police Pension Regulations 1987 (as amended)**

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

Your deferred pension has been calculated with reference to your length service and your highest average pay in the last three years of your service. A year is calculated from the date of leaving backwards in blocks of 365 days – it is not a rolling year. This figure is called your Average Pensionable Pay (APP).

A statement of your entitlement is enclosed for your information. The pension will be subject to the Pensions (Increase) Act and will be increased annually in line with the cost of living from the date of leaving the Force until the date your pension becomes payable and each year thereafter.

The cost of living index used for the revaluation of public service pensions is determined by the Secretary of State; the current revaluation method is the Consumer Prices Index (CPI) and may be subject to change.

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

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

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

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

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

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

Yours sincerely

# Agenda Item 9

<b>Committee:</b> Police Pensions Board	<b>Date:</b> 30 May 2018
<b>Subject:</b> Review Report for Police Committee	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Decision</b>
<b>Report author:</b> Kate Limna – Chamberlain’s Department	

## Summary

Members agreed that a report summarising the activities of the Police Pensions Board, should be submitted on an annual basis to the Police Committee.

Attached is a draft report that sets out the work of this Board since its first meeting on 17 January 2017. Subject to any comments Members may have, it is proposed that this Appendix is submitted as a public report to the July Police Committee.

## Recommendation

Members are asked to

- (i) provide comment on the draft report to the Police Committee and
- (ii) note that it will be submitted as a public report to the July Police Committee.

## Appendix

Appendix – Police Pensions Board Annual Report

**Kate Limna**

Corporate Treasurer – Chamberlain’s Department

T: 020 7332 3952

E: [kate.limna@cityoflondon.gov.uk](mailto:kate.limna@cityoflondon.gov.uk)

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<b>Committee:</b> Police Committee	<b>Date:</b>
<b>Subject:</b> The City of London Police Pension Board – Review of Activities to 31 March 2018	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> 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

#### **Contact:**

Graham Newman

Telephone: 020 7332 1132

Email: [graham.newman@cityoflondon.gov.uk](mailto:graham.newman@cityoflondon.gov.uk)

## 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 <sup>(i)</sup>	X	N/A	N/A	N/A
Alexander Barr <sup>(ii)</sup>	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

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<b>Committee:</b> Police Pensions Board	<b>Date:</b> 14th May 2018
<b>Subject:</b> Protected Pension Ages and re-employment for City of London Police Officers	<b>Public</b>
<b>Report of:</b> City of London Police	<b>For Information</b>
<b>Report author:</b> Julia Perera - City of London Police HR Director	

## Summary

In reference to the PPA, the Chairman of the Police Pension Board asked for confirmation that the City of London Police were fully aware of the risk relating to the break in work required before returning to work with CoLP. Members requested that the length of the break required, and their methodology of mitigating this risk be made known to the Board.

## Recommendation

Members are asked to note this report.

## Main report

### **Background**

1. Since April 2006 individuals who take pension and/or lump sum benefits from a registered pension scheme before normal minimum retirement age have been liable to a tax charge, unless benefits are ill-health related.
2. The normal minimum pension age increased from age 50 to age 55 in April 2010. Some individuals in the Police Pension Scheme 1987 (PPS 1987) had the right (on 5 April 2006) to take a pension before the normal minimum pension age. Where certain conditions are met, these individuals can still take benefits at an age earlier than the normal minimum pension age without incurring a tax charge. This is known as the member's 'protected pension age' (PPA).
3. The PPA for PPS 1987 members is the earlier of:
  - their age the day after they attain 30 years of service; or
  - when they have reached 25 years of service beyond age 50.
4. The member, generally, can rely on this protection and continue to receive their benefits without any tax charges. However, there are certain circumstances where this protection can be lost if the member is re-employed following retirement before age 55.
5. An officer that retires between the ages of 50 and 55 may lose their PPA if they are re-employed by the same 'sponsoring' employer and do not take the required break between retirement and re-employment.

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6. The break required depends upon the nature of the work. The default break is 6 months, but this can be reduced to 1 month if the new job is materially different from the job from which they have retired.
  
7. In relation to an occupational pension scheme, sponsoring employer means-
  - the employer, or
  - any of the employers, to or in respect of any or all of whose employees the pension scheme has, or is capable of having, effect as to provide benefits.)
  
8. When the issues regarding the loss of PPA first came to light it was established that 1 ex-officer may have lost their PPA and therefore be liable for a tax charge. The officer concerned had retired from The City Police and had subsequently been employed by the City Corporation. In this case it was argued that the City Corporation should not be considered a 'sponsoring employer' and therefore the PPA had not been lost. However, to err on the side of caution, for all future cases it was considered that it should mean the City of London Police and the City of London Corporation.
  
9. The definition provided by HMRC in respect of 'materially different' employment is as follows:

*The tax rules refer to an employment that is materially different in nature. It is for the relevant Police Pension Scheme sub-scheme administrator (not HMRC), on being notified that a retired police officer who took their benefits as authorised payments before age 55, relying on a protected pension age to do so, to decide whether in the circumstances the retired police officer has lost their protected pension age. They will need to decide (perhaps after discussing with the employer(s) concerned) whether or not the new employment is "materially different in nature" from the employment in which the retired police officer was employed before they took their benefits. However, in HMRC's view, employment as a serving police officer and employment as a member of civilian staff will normally be materially different in nature.*
  
10. Where PPA is lost any benefits that continue to be paid become unauthorised payments. The member would be liable to a 40% unauthorised payment charge and the Authority would also be liable to a scheme sanction charge on all payments made, including any commuted lump sum, until the member reaches age 55.

### **Conclusion**

11. To ensure officers are kept informed, the issues regarding PPA's and re-employment are covered in detail in the presentations given to officers by the Pensions Office at the pre-retirement courses held 2 or 3 times a year by City Police.

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12. The City Police Federation representatives are aware of the issues and are therefore able to advise officers of their options.
13. An agreement was made between the Pensions Office and Police HR that for each case where an officer retired between the ages of 50 and 55 and wished to be re-employed by the City Police or the City of London Corporation they would be looked at on an individual basis and a decision would be made by the Force in consultation with the Pensions Office as to whether or not a 1 or 6 month break would be required.
14. Please note, the issues regarding the loss of PPA will only affect officers retiring from the PPS 1987. The earliest retirement age in the 2 new Schemes (PPS 2006 & PPS 2015) is 55 and therefore they cannot fall foul of this problem. As the number of officers in the 1987 Scheme reduces, so too does the risk.

**Julia Perera**

City of London police HR Director

T: 020 7601 2478

E: [Julia.Perera@city-of-london.police.pnn.uk](mailto:Julia.Perera@city-of-london.police.pnn.uk)

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