



City of London Police Pensions Board

Date: TUESDAY, 19 OCTOBER 2021
Time: 2.00pm
Venue: COMMITTEE ROOM 1 - 2ND FLOOR WEST WING, GUILDHALL

Members: Alexander Barr (Chairman)
John Todd (Deputy Chairman)
Henry Colthurst
Helen Isaac
Tim Parsons
Mike Reed

Enquiries: Antoinette Duhaney, antoinette.duhaney@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm

Accessing the virtual public meeting

Members of the public can observe this virtual public meeting via the below link:

<https://youtu.be/oveCpBU5URM>

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

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

3. **MINUTES**

To approve the public minutes of the previous meeting held on 7th June 2021.

For Decision
(Pages 5 - 8)

4. **OUTSTANDING REFERENCES**

Report of the Town Clerk.

For Information
(Pages 9 - 10)

5. **PRESENTATION ON MCCLOUD**

The Chamberlain to be heard.

For Information

6. **THE CITY OF LONDON: POLICE PENSION SCHEME - RISK REGISTER**

Report of the Chamberlain.

For Decision
(Pages 11 - 34)

7. **THE CITY OF LONDON: POLICE PENSION SCHEME - UPDATE**

Report of the Chamberlain.

For Information
(Pages 35 - 56)

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

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

10. **EXCLUSION OF THE PUBLIC**
MOTION – that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.
- For Decision**
11. **NON-PUBLIC OUTSTANDING REFERENCES**
Report of the Town Clerk.
- For Information**
(Pages 57 - 58)
12. **THE CITY OF LONDON: POLICE PENSION SCHEME STATISTICAL DATA**
Report of the Chamberlain.
- For Information**
(Pages 59 - 60)
13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT THAT THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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CITY OF LONDON POLICE PENSIONS BOARD

Monday, 7 June 2021

Minutes of the informal meeting of the City of London Police Pensions Board held virtually at 11.00 am

Present

Members:

Alexander Barr (Chairman)
John Todd (Deputy Chairman)

Henry Colthurst
Helen Isaac

Officers:

Kate Limna	- Chamberlain's Department
Matt Mott	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department

1. APOLOGIES

The Clerk confirmed that this was an informal meeting. Any views reached by the Committee today would have to be considered by the Chamberlain after the meeting in accordance with the Court of Common Council's Covid-19 Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 15th April 2021 to continue with virtual meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid-19 Approval Procedure were to be made available on line via the City Corporation's webpages.

Apologies were received from Michael Reed.

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

There were no declarations.

3. MINUTES

RESOLVED, That the public minutes and non-public summary of the meeting held on 8 February 2021, be agreed as a correct record.

4. OUTSTANDING REFERENCES

The Board considered a report of the Town Clerk detailing the outstanding references from previous meetings.

RESOLVED – That the report be noted.

5. **PRESENTATION ON MCCLOUD**

The Board received a verbal presentation regarding McCloud. Members raised a number of questions:-

- The City of London Police were represented on smaller sub-groups feeding into the work, rather than on the main group responding to the review. The Pensions Team were asked to provide the Board with the make up of the main delivery bodies and any implementation groups – highlighting the COLP's involvement. **3/2021/P**.
- Members were concerned that delay would impact pensioners on the 2015 scheme, who die before they are put back on the legacy scheme. It was confirmed that no changes to the plans could be made until the relevant legislation was passed, this could take up to two years. The Pensions Team were asked whether the Remembrancer could give a steer on whether work could begin on implementing the remedy in advance of the legislation being passed to ensure the implementation can be finalised within the expected timeframes. **4/2021/P**.
- Once legislation had been passed, it would be implemented retrospectively and cases assessed on an individual basis. Advice would need to be given by an independent source, even in the cases where the beneficiary had passed away. The Board wanted to be sure that the Force had in place appropriate resources to provide access to independent financial advice. All other forces were in the same position and the Board were keen to be a leader in how this could be managed. Members believed the Force should be making advance preparations to ensure there are sufficient additional resources to allow for the implementation of the McCloud Remedy.
- There was a focus on risk and the need to review the risk register. It was suggested that the existing McCloud risk be re-written as a key risk with four to five sub risks and how they will be proactively managed. **5/2021/P**.
- A strategic approach was required, particularly on communications that were informative but not overwhelming. The Pensions Team asked a Member if they could pass on any recent Federation circulars/publications in respect of McCloud
- It was expected that the Pensions Team would have a lot of work to do – this resource would also need management. Time had already been dedicated to drawing communications together from the Government, Pensions Office and Federation. Discussions with software providers are underway but there was a risk that work done in advance could be jeopardised should the legislation not be passed as anticipated.

RESOLVED, that the update be noted.

6. **THE CITY OF LONDON: POLICE PENSION SCHEME - RISK REGISTER**

The Board considered a report of the Chamberlain reviewing key risks, ranking and mitigation measures.

Beyond discussions held at item 5 in respect of McCloud, the Board had nothing further to add. It was felt that the risks were otherwise accurate and fit for purpose.

RESOLVED, that

- The report be noted;
- Appropriate control measures were in place to mitigate risks contained within the Pension's Board risk register; and
- Detail of high-level risks associated to McCloud, be included within future iterations of the report.

7. **THE CITY OF LONDON: POLICE PENSION SCHEME - UPDATE**

The Board considered a report of the Chamberlain providing an update on key issues in respect of the CoLP Pension Scheme.

RESOLVED, that the report be noted.

8. **REVIEW REPORT FOR CITY OF LONDON POLICE AUTHORITY BOARD**

Members considered a report of the Chamberlain regarding the City of London Police Annual submission to the Police Authority Board. It was requested that:-

- Dates be added on the chairmanship of the Board in paragraph nine.
- The wording be amended to say that members have to undertake training, the need for which is reviewed periodically.
- An explanation be included for why virtual training has not been possible.

RESOLVED, that the report be noted ahead of its submission to the City of London Police Authority Board.

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

There were no public questions.

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

There was no other urgent public business.

11. **EXCLUSION OF THE PUBLIC**

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

12. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the previous meeting held on 8 February 2021 be agreed as a correct record.

13. **NON-PUBLIC OUTSTANDING REFERENCES**

The Board considered a report of the Town Clerk detailing outstanding non-public references from previous meetings.

It was suggested that regular training take place at each meeting **7/2021/P**.

It was requested that the numbers of active vs deferred members of the schemes, be included for reference at each meeting. **6/2021/P**.

RESOLVED, that the report be noted.

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

There were no questions in non-public session.

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT THAT THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other urgent non-public business.

The meeting closed at 11.53am

Chairman

Contact Officer: Polly Dunn
polly.dunn@cityoflondon.gov.uk

POLICE PENSIONS BOARD

PUBLIC OUTSTANDING REFERENCES

Reference	Date / Detail	Responsible Officer	Update
12/2019/P	12 June 2019 Item 6 – Presentation Officers to be prepared to issue a communication to scheme members in the event of the legal challenge reaching a resolution.	Matt Mott (Chamberlain's Department)	Legal Challenges, McCloud & Injury Benefits, still ongoing
3/2021/P	7 June 2021 Presentation on McCloud To provide the Board with the make up of the main delivery bodies and any sub groups – highlighting the COLP's involvement.	Pensions Team	Update to be provided verbally
4/2021/P	7 June 2021 Presentation on McCloud Liaise with Remembrancer's on whether key aspects of the legislation can be moved at pace ahead of other aspects, to speed up the process.	Pensions Team/Remembrancer	Update to be provided verbally
5/2021/P	7 June 2021 Presentation on McCloud Risk register to feature McCloud as a key risk with four to five sub risks and how they will be proactively managed	Pensions Team	Register updated
6/2021/P	7 June 2021 Non Public Outstanding References	Pensions Team/ Town Clerk	Details provided

POLICE PENSIONS BOARD

PUBLIC OUTSTANDING REFERENCES

	Numbers of active vs deferred members of the schemes to be included for reference at each meeting		
7/2021/P	7 June 2021 Non Public Outstanding References Regular Member training to take place at each meeting	Pensions Team/ Town Clerk	Training presentation to be provided during the meeting

Agenda Item 6

Committee: Police Pensions Board	Date: 19 October 2021
Subject: The City of London: Police Pension Scheme – Risk Register	Public
Report of: The Chamberlain	For Decision
Report author: Graham Newman – Chamberlain’s Department	

Summary

This report reviews the Risk Register for Police Pensions Board. The Risk Register details the key risks that the Board has identified alongside a risk score which indicates the likelihood of a risk being realised together with the potential impact and the appropriate mitigations.

When reviewing the risks, the Board should be aware that generic risks are also included in the Local Government Pensions Board risk register. The risks are CHB COLP PSB 02 Legislative Compliances, CHB COLP PSB 04 Pension Scheme Administration, CHB COLP PSB 05 Pension Fraud and CHB COLP PSB 07 Cyber security.

Officers have conducted a preliminary review of the Risk Register and are not recommending any changes to the current scores.

The Risk Register is included at Appendix 1 with risk updates underlined throughout. The Risk Register is reviewed at each meeting by the Police Pensions Board and more frequently by officers, who report any material changes or new risks identified in between reviews on an exceptions basis

Recommendation

Members are asked to:

- review the existing risks and actions present on the Police Pension Board's Risk Register, and confirm that appropriate control measures are in place; and
- consider whether there are any further risks relating to the pension administration overseen by the Police Pension Scheme Board

Main Report

Background

1. The Police Pension Board instituted a Risk Register to help identify and manage the strategic risks facing the Board in discharging its responsibilities to oversee administration of the Police Pension Scheme. The current Risk Register, as agreed by the Board on 7 June 2021, is included as Appendix 1.
2. The Board reviews the Risk Register at each meeting. Officers review the register more frequently and report any material changes between reviews on an exceptions basis to the Board. This is in line with standard risk review procedures across the rest of the City of London Corporation.

Review of Risks

3. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy approved by the Audit and Risk Management Committee in May 2014. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 2 of this report. Risk scores range from one, being lowest risk, to the highest risk score of thirty-two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised "green", "amber" or "red".

Update on Risks

4. The revised Risk Register is attached at Appendix 1 and the Risk matrix at Appendix 2.
5. At its meeting on the 7 June 2021, the Board asked for risk CHB COLP PSB 09 McCloud Legal Case to be re-written to highlight McCloud as a key risk that contains several sub-risks. The requested amendments have been made and are included on the attached register.

Mitigation of amber and red risks

6. The risk, CHB COLP PSB08 – McCloud Legal Case, has been given an overall risk score of red 16. The changes to be made to the Police Pension Scheme as a result of the McCloud Judgement are guaranteed which means the likelihood must be recorded at the highest level. The impact of the changes will be potentially very high and is therefore recorded as 'Major'. At this stage Officers consider that it is not possible to reduce the likelihood of this risk, but it may be possible to mitigate the impact.
7. HM Treasury have issued details of the preferred remedy that is to be applied to public sector pension schemes and the Home Office have produced a high level guide as to how this will apply to the Police Pension Scheme. However, until technical guidance is issued and the necessary legislative changes have been made it is not possible for the proposals to be implemented. By ensuring awareness of all correspondence and consultation documents that are published and by attending all available seminars/webinars, forums and user groups the Pensions Office will have as much advance knowledge and understanding as possible of the changes. This preparedness will mean the impact of the changes may not be as severe as it would have been otherwise.
8. The scores for the risks have been maintained at their previous levels, although these risks have each been reviewed and updated where necessary in the Register itself. Updates to the Risk Register are underlined throughout with deletions being struck through.
9. Officers have also considered whether any new risks have emerged since the last review. Although the Board's operating environment continually changes officers have determined that the existing Register captures the material risks facing the Board and enables the Board to concentrate on the most prescient risks.
10. Each risk presented in the Risk Register is accompanied by one or more "action(s)" which reflect how the risk is managed and mitigated. A "due date" for required completion is set against each action. Due to the nature of the risks overseen by

the Board, in many cases it is impossible to entirely eliminate a risk, and therefore corresponding actions will always remain live. These ongoing actions are necessary in order to maintain the current risk score. Where this is the case the Risk Register includes an annual due date, which will be renewed each year.

Conclusion

11. The risks overseen by the Police Pension Board are primarily of low likelihoods but may represent substantial impact. The Board is requested to confirm that appropriate control measures are in place for these risks and that there are no other risks that should be added to the Risk Register.

Appendices:

Appendix 1 – Risk Register

Appendix 2 – Risk Matrix

Contact:

Graham Newman

Email: graham.newman@cityoflondon.gov.uk

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CHB CoLP Pensions Detailed risk register

Report Author: Graham Newman

Generated on: 29 September 2021



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP NSB 08 McCloud Legal Case	<p>Cause: Implementation of the remedy process following the resolution of the McCloud judgement.</p> <p>Event: The impact to the pension administration team of implementing the McCloud judgement remedy.</p> <p>Effect: The Pensions Office is unable to adequately comply with required administration processes arising from the resolution of the McCloud judgement.</p> <p>Cause: Implementation of the proposed remedy following new pension legislation and scheme specific regulations for the removal of age discrimination from the PPS due to the McCloud judgement.</p> <p>Event: The impact of scheme amendments upon scheme members, Pensions Office and the City Police Force due to implementation of the proposed remedy for McCloud.</p> <p>Effect: The Pensions Office is unable to adequately comply with legislative and regulatory amendments arising from the proposed McCloud remedy.</p>	<p>Likelihood</p> <p>Impact</p>	16	<p>In 2015 the Police Pension Scheme, was reformed. These reforms included 'transitional protection', for people closer to retirement. In December 2018, the Court of Appeal ruled that this directly discriminated against some younger pension scheme members — this is now referred to as the McCloud Judgement or McCloud.</p> <p>On 15 July 2019 the government confirmed that the difference in treatment would be remedied in the Police Pension Scheme.</p> <p>On 16 July 2020 the government published a consultation document that sets out options for how the</p>	<p>Likelihood</p> <p>Impact</p>	8	28 February 2022	

			<p>government will remove the discrimination.</p> <p>On 4 February 2021 HM Treasury published its response to the consultation document and set out its preferred remedy choice.</p> <p>The Home Office also released a document relating to the government response but aimed specifically at the Police Pension Scheme. Their document gives general details as to how the remedy proposal would work for the Scheme.</p> <p>Further technical guidance and legislative changes are required before the remedy can be implemented.</p> <p><u>In 2015 the Police Pension Scheme was reformed. These reforms included ‘transitional protection’, for people closer to retirement. In December 2018, the Court of Appeal ruled that this directly discriminated against some younger pension scheme members – this is now referred to as the McCloud Judgement or McCloud.</u></p> <p><u>On 15 July 2019 the government confirmed that the difference in treatment would be remedied in the Police Pension Scheme.</u></p> <p><u>On 16 July 2020 the government published a consultation document that set out options for how the government proposed to remove the discrimination.</u></p>				<p>Reduce</p> <p>Constant</p>
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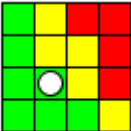
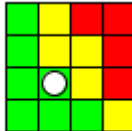

			<p><u>On 4 February 2021 HM Treasury published its response to the consultation document and set out its preferred remedy choice.</u></p> <p><u>The Home Office also released a document relating to the government response but aimed specifically at the Police Pension Scheme. Their document gives general details as to how the remedy proposal would work for the Scheme.</u></p> <p><u>Further legislative changes are required before the remedy can be implemented. However, due to the complexity of the proposed remedy pension administrators and pension systems providers have commenced development of processes to enable the final remedy to be implemented.</u></p> <p><u>14 Jul 2021</u></p>				
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 08a	<p>Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups.</p> <p><u>The Home Office has confirmed the proposed remedy and the intention to introduce legislation to the statute books from 1 October 2023 but applied retrospectively to 31 March 2012 and 31 March 2015. The Pensions Office will need to understand what this means, develop processes and calculations to apply the regulations for the amended schemes and should be aware of all relevant correspondence issued by the Home Office / National Police Chiefs Council and regular attendance at seminars, forums, webinars and user groups – this includes the Technical Working Group.</u></p>	<p>Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups.</p> <p><u>Continue with membership of working groups (Police Technical Group, South East Counties Senior Officer Group (SECSOG), Aquila Heywood Remedy Implementation Group. Aquila Heywood Police & Fire User Group), to ensure development of software and understanding of legislation.</u></p> <p><u>Attend conferences, webinars, forums and seminars as appropriate and keep up to date with bulletins and guidance from the Home Office</u></p>	Matt Mott	<u>29-Sept-2021</u>	<u>14-Mar-2022</u>

CHB COLP PSB 08b	<p><u>Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration.</u></p> <p><u>Identification of eligible scheme members who will qualify for the remedy. All data must be reviewed and if necessary amended. In some cases data may be missing and must be requested from Force and previous pension providers</u></p>	<p><u>Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration</u></p> <p><u>Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data.</u></p> <p><u>Software provider currently developing systems to identify qualifying scheme member on bulk reports.</u></p> <p><u>Develop data process to request missing information and scheme member record update</u></p>	Matt Mott	<u>29-Sept-2021</u>	<u>14-Mar-2022</u>
CHB COLP PSB 08c	<p><u>Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.</u></p> <p><u>System Development calculation/revaluation</u></p>	<p><u>Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.</u></p> <p><u>Software provider currently developing calculations and recalculations of deferred benefits and those already in receipt of pension to identify incorrect values and any over/underpayments.</u></p> <p><u>Development should include bulk calculations and calculations for individuals, include revised pension amounts, arrears payable/collectible (benefits and contributions) plus interest payable if applicable</u></p>	Matt Mott	<u>29-Sept-2021</u>	<u>14-Mar-2022</u>
CHB COLP PSB 08d	<p><u>Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.</u></p> <p><u>Regular contact and discussion between all relevant parties – Force HR, Pensions Administration & Federation.</u></p>	<p><u>It will be essential for communications to be regular and clear. Further detail about the proposed remedy and delivery of it, including scheme members who may be affected, must be known prior to any specific remedy communications.</u></p> <p><u>The Pensions Office Police Pensions webpage carries current information from various sources including the Home Office. Further communications will be added when they are released.</u></p> <p><u>There will be joint communications throughout the next 2 years with the Police Force HR/Comms team and the Federation/Superintendents Association will be contacted for further information.</u></p> <p><u>The Annual Benefit Statements (ABS) contain a statement on McCloud provided by the Home Office</u></p> <p><u>The ABS will need to be amended following implementation of the amended regulations as it is anticipated McCloud data will need to be included for each scheme member.</u></p> <p><u>Scheme members who may be affected will need a final communication confirming if benefit values have been amended and if so by how much, including value of arrears and interest if applicable.</u></p>	Matt Mott	<u>29-Sept-2021</u>	<u>14-Mar-2022</u>

CHB COLP PSB 08e	<u>Understand how additional cost for remedy pensions will be paid.</u>	<u>It is anticipated that additional remedy pension costs will be paid for by a grant from the Home Office. It is also anticipated that arrears for underpayment may be expected to be paid with interest in line with the LGPS (i.e. 1% above base rate). It is not known if this will have to be paid by the Force or will also be included in the grant.</u>	<u>Azeem Bhatti</u>	<u>29-Sept-2021</u>	<u>14-Mar-2022</u>
CHB COLP PSB 08f	<u>Be prepared for any additional claims that might arise.</u>	<p><u>While it is unlikely that any additional claims would directly impact the Scheme administration, the Pensions Office would likely be required to provide data to the relevant stakeholders (i.e. the Force / the Home Office etc) for any such claims to be addressed and must therefore be prepared for such an eventuality.</u></p> <p><u>The most probable additional claim would be for compensation for injured feelings and it is not clear who would meet these costs (i.e. individual Police Forces or HM Treasury) in the event a claim was successful. The Force should therefore ensure that they remain aware of any developments in order that the necessary preparations can be made if the need arises.</u></p>	<u>Police HR</u> <u>Azeem Bhatti</u> <u>Matt Mott</u>	<u>29-Sept-2021</u>	<u>14-Mar-2022</u>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 02a	Robust recruitment and training processes.	Ensuring that suitable staff are recruited at the correct salary levels and that appropriate training is provided will help to prevent non-compliance with legislative requirements.	Graham Newman; Matt Mott	29-Sept-2021	30-Apr-2022
CHB COLP PSB 02b	The governing legislation may change or evolve over time and it is therefore important that staff maintain accurate and up-to-date knowledge of the Regulations.	Regular attendance at seminars, forums, webinars and user groups will ensure that knowledge of the relevant legislation is kept up-to-date and accurate.	Graham Newman; Matt Mott	29-Sept-2021	30-Apr-2022

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 03 Pension Scheme Administration (Personnel)	<p>Cause: (i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) Data Accuracy.</p> <p>Event: The failure of administrators to accurately calculate and pay the correct levels of benefits.</p> <p>Effect:(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions</p>	 <p>Likelihood</p> <p>Impact</p>	4	<p>The Regulations of the Police Pension Scheme set out how police pensions should be calculated; the procedures to be followed in certain circumstances (i.e. normal retirement and ill health retirement); the timeframes/deadlines to be adhered to; and the notifications to be provided to Scheme members.</p> <p>In addition, other bodies such as the Pensions Regulator, HM Revenue & Customs, the Office of National Statistics and the Financial Conduct Authority impose rules that work alongside the Scheme Regulations or may even supersede them.</p> <p>The pensions administration software is designed to do the majority of the calculations that are performed, but in some cases manual calculations are required – this may be because the software has not caught up with regulatory changes or simply that the software cannot do what is asked of it. Manual calculations require greater knowledge and ability on behalf of the staff required to perform them; are often significantly more time consuming; and introduce a greater risk of human error.</p> <p>If the members of the Pensions Office that are responsible for administration of the Police Pension Scheme lack the necessary knowledge and skills</p>	 <p>Likelihood</p> <p>Impact</p>	4	30 April 2022	

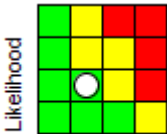

8-Oct-2019 Chamberlain				<p>payment of benefits may be delayed and may be inaccurate.</p> <p>This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator.</p> <p>18 May 2021</p>			Accept	Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 03a	Job descriptions used at recruitment to attract candidates with skills and experience related to police pension administration. The appraisals process to monitor progress and assess training needs.	Ensuring that candidates with the necessary skills and abilities are employed by the City. Once in post, staff continue to receive relevant training and attend courses, seminars and conferences when appropriate.	Matt Mott; Kate Limna	29-Sept-2021	30-Apr-2022
CHB COLP PSB 03b	Scheme administrators are trained to use the pensions administration software.	Ensuring that administrators are fully trained to use the pension administration software to enable them to provide accurate and efficient calculations. In addition, administrators should know the correct process to report to the software provider any errors encountered with the system in order that they can be investigated and resolved.	Graham Newman; Matt Mott	29-Sept-2021	30-Apr-2022
CHB COLP PSB 03c	Rigorous and thorough checking procedures are created and implemented to ensure all calculations and letters are checked for accuracy and legislative compliance.	All checking procedures reviewed and where necessary amended due to take account of COVID 19 and officers having worked from home since 23 March 2020.	Graham Newman; Matt Mott	29-Sept-2021	30-Apr-2022
CHB COLP PSB 03d	Practical disaster recovery/succession plans in place to ensure continuity in the event that key staff leave or are unable to work for a prolonged period of time.	<p>Ensuring that skill sets are not restricted to one staff member alone.</p> <p>Priority cases and work types are identified to ensure continuation in the event that staff or other resources become unavailable.</p> <p>Disaster Recovery reviewed in light of COVID 19 and officers having worked from home since 23 March 2020.</p>	Graham Newman; Matt Mott	29-Sept-2021	30-Apr-2022
CHB COLP PSB 03e	Sufficient preparation time is built into the production of any annual statement with a statutory deadline.	Ensuring that sufficient preparation and production time is allocated when planning for the issue of any statements etc with a statutory deadline. In particular, awareness of this issue is necessary if the production requires significant manual intervention.	Graham Newman; Matt Mott	29-Sept-2021	30-Apr-2022

[illegible]

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 04a	Training on how to use the software and how to recognise and report problems and faults to be provided to all staff.	Any faults with the system should be reported to the software provider as soon as possible and therefore it is important that all staff can recognise any issues and know how to report them	Matt Mott	29-Sept-2021	30-Apr-2022

CHB COLP PSB 04b	The software provider is contracted to provide regular updates to the system as developments and enhancements are made. In addition, as regulations are amended, or legislation and factors are updated there is a requirement to ensure the software is also updated.	Monitoring the system updates made by the system provider to ensure they are made accurately and on time.	Matt Mott	29-Sept-2021	30-Apr-2022
CHB COLP PSB 04c	Ensuring that the pensions administration software is included in the departmental business continuity plans.	Updating the business impact analysis details used in the departmental continuity plan as required.	Matt Mott	29-Sept-2021	30-Apr-2022

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 05 Pension Fraud 8-Oct-2019 Chamberlain	Cause: (i) Continued payment of pensions following death. (ii) Staff acting inappropriately Event: Fraudulent claim of pension benefits. Effects: (i) Overpaid pensions.(ii) Financial loss	 Likelihood Impact	4	If the death of a police pension scheme beneficiary is not reported, their pension may continue to be paid when there is no longer an entitlement. This may be a deliberate failure to report the death or may be where there is no fraudulent intention, but in either case it will lead to benefit overpayment and a potential financial loss. 21 Jan 2021	 Likelihood Impact	2	30 April 2022	Constant
							Reduce	

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHB COLP-PSB 05a	Robust fraud protection/detection processes.	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. Annually sending Life Certificates to Overseas Pensioners.			Matt Mott	29-Sept-2021	30-Apr-2022

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 07 Cyber Security Oct-2019 Chamberlain	Cause: (i) Ineffective procedures. (ii) Inadequately trained staff. (iii) IT system failure (iv) Data Accuracy. (v) Lack of resources. Event: Breach of Corporate IT systems and cyber security Effect: (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		4	A malicious breach of Corporate IT systems may lead to a failure of the pensions administration system and/or a breach of Data Protection regulations. A failure of the pensions administration system or a breach of the DP regulations may mean a failure or inability to calculate benefits accurately and on time which may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator or Information Commissioner's Office. 22 Jan 2021		4	30 April 2022	
							Accept	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 07a	Pensions administration staff to be aware of the corporate policy regarding cyber security and to follow the guidelines given.	Corporate online training regarding cyber-security to be carried out by all staff and reviewed as required.	Matt Mott	29-Sept-2021	30-Apr-2022
CHB COLP PSB 07b	Corporate and departmental specific software to be updated as required to ensure the latest and most secure version is being used.	To ensure the most up-to-date software is being used, staff should update their computers as and when prompted	Matt Mott	29-Sept-2021	30-Apr-2022
CHB COLP PSB 07c	Ensuring that the pensions administration software is included in the departmental business continuity plans.	Updating the business impact analysis details used in the departmental continuity plan as required.	Matt Mott	29-Sept-2021	30-Apr-2022

CHB COLP PSB 07d	Pensions administration staff to be aware of Data Protection legislation.	Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for home working since 23 March 2020, ensuring the protection of scheme member data	Matt Mott	29-Sept-2021	30-Apr-2022
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15

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 01a	The year-end procedures of the Pensions Office remain thorough, accurate and timely.	The actuarial data supplied to the Home Office is based upon information extracted from the payroll system, the pension system and the general ledger. The extracts are reconciled and checked for errors or inconsistencies before submission to the Home Office. The City of London has no jurisdiction or control over data submitted by other Police Authorities.	Matt Mott	29-Sept-2021	30-Apr-2022

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 06 Protected Pension Age (PPA) <div>Page 31</div>	Cause: 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. Event: Protected Pension Age (PPA) Effect: HMRC make 'unauthorised payment' charges to both the member and the organisation.	<div> <div>Likelihood</div> </div> <div> <div>Impact</div> </div>	1	<p>The minimum retirement age as set by HMRC is 55, however the Police Pension Scheme Regulations 1987 allow officers to retire before this age. They are therefore awarded a Protected Pension Age (PPA).</p> <p>An officer that retires between the ages of 50 and 55 and is then re-employed by the same sponsoring employer (the City of London Police and the City of London Corporation) will lose their PPA if they do not leave a sufficient break between retirement and re-employment.</p> <p>The required break is 6 months, but this can be reduced to 1 month if the employment is not materially similar.</p> <p>If the PPA is lost, all pension payments made from that point until the member reaches age 55 will be deemed unauthorised by HMRC and a charge will be levied against the City of London Police (as the pension provider) and against the member</p> <p>21 Jan 2021</p>	<div> <div>Likelihood</div> </div> <div> <div>Impact</div> </div>	1	30 April 2022	<div>Accept</div> <div>Constant</div>
8-Oct-2019 City of London Police (HR)								

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
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CHB COLP PSB 06a	Ensuring that staff within City of London Police HR are aware of the rules regarding re-employment and PPA.	City of London Police HR will ensure that the necessary training in respect of re-employment and PPA is provided to members of the team and that procedures are in place so that this knowledge is maintained and passed on.	Azeem Bhatti	29-Sept-2021	30-Apr-2022
CHB COLP PSB 06b	Monitoring job-applicants to ensure retired officers who are being re-employed are leaving the required break.	City of London Police HR will monitor any new applicant to ensure that any retired officer that is between the ages of 50 and 55 and is looking to be re-employed has taken the required break between retirement and re-employment. If necessary, they will determine whether the new employment is materially similar when assessing the length of the break that is needed.	Azeem Bhatti	29-Sept-2021	30-Apr-2022
CHB COLP PSB 06c	Ensuring that officers that are coming up to retirement are aware of the rules regarding re-employment and PPA.	The City of London Police HR will ensure that all retiring officers are informed of the rules regarding re-employment and PPA. When required to provide input at pre-retirement courses, the Pensions Office will include details in respect of re-employment and PPA as part of their presentation.	Azeem Bhatti; Graham Newman	29-Sept-2021	30-Apr-2022



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 left (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.

(C) Risk scoring grid		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)

Likelihood		Impact			
	X	Minor (1)	Serious (2)	Major (4)	Extreme (8)
	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

Page 33

(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 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.

(D) Risk score definitions

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

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

Contact the Corporate Risk Advisor for further information. Ext 1297

Version date: December 2015

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Agenda Item 7

Committee: Police Pensions Board	Date: 19 October 2021
Subject: The City of London: Police Pension Scheme - Update	Public
Report of: The Chamberlain	For Information
Report author: 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.

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix 1).
Documentation of all of the communications which are circulated to Scheme Members	Documents that have been amended / updated since the last review have been provided (Appendices 2.1 – 2.3)
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 Police Pension Scheme breaches of the law	No breaches to report.
Any audit reports relating to the administration of the Scheme	None to report.
Required Training	No regulatory changes to report.
Data Protection Act 2018 (DPA18) – Data Retention Policy	No amendments since last Board meeting.
General Data Protection Regulation (GDPR) / Data Protection Act 2018 (DPA18) – Privacy Notice	No amendments since the last Board meeting.
Legal Challenge 1	<u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u> The Court of Appeal has ruled that reforms made to the judges' and firefighters' pension schemes were discriminatory on the grounds of age.

	Update presentation to be given by the Pensions Office.
Legal Challenge 2	<p><u>Evans & Ashcroft vs Chief Constable of South Wales</u></p> <p>This is a court of appeal case in respect of the Police (Injury Benefit) Regulations 2006.</p> <p>In October 2018 the Court of Appeal handed down its judgement in the case of Evans & Ashcroft v Chief Constable of South Wales Police. The Court held that the Chief Constable was entitled to deduct from a former police officer's police injury pension the full amount of certain social security benefits actually paid to the retired police officer, as increased with index-linking from year to year.</p> <p>However, the Court also held that the deductible levels of those social security benefits from the tax year 2010/11 onwards need to be recalculated as if the increases in the 2010/11 tax year had never been implemented and as if the base levels for subsequent increases had been correspondingly lower.</p> <p>The judgement currently only applies to the two officers involved in the case, but it is likely to be cited in any similar claims brought under those regulations for those officers that have been in receipt of a police injury pension prior to April 2010 and have had an entitlement to certain social security benefits.</p> <p>Guidance from the Home Office / Police Pensions Technical Group is awaited. Once received, a communication that can be sent to officers that make enquiries will be prepared.</p>
Task Statistics	At the 12 June 2019 Board meeting, Members asked for statistics of the administration work carried out by the Pensions Office to be added as a standing item.

	Update provided (Appendix 3).
Procurement of Pension Administration System	The contract has been awarded and the relevant parties have been informed. Work has now begun on the necessary updates to the system.
Pension Board Training	McCloud administration presentation to be given by the Pensions Office.
Guaranteed Minimum Pensions (GMP) Reconciliation	<p>Pension data is continuing to be analysed and JLT/Mercer are liaising with HMRC.</p> <p>HMRC have advised they will issue a final report, but due to COVID-19 this has been delayed. HMRC have not advised when this will be published.</p> <p>A report will be brought to the Board once the reconciliation has been completed.</p>
COVID-19	<p>The Corporation began a gradual return to the Guildhall from 21 June and since 1 October staff have been working a minimum 2 days a week in the office.</p> <p>The Corporation continues to look ahead to what the future holds for the way we work and the Workplace Steering Group have developed a set of Workplace Design Principles of which the key recommendations are that:</p> <ul style="list-style-type: none"> • workplaces be used as a space for collaboration • employees are provided with the appropriate technology • staff are managed on their output, objectives and priorities, not on their physical presence in the workplace <p>There is a Chamberlain's "return to office" working group that the Pension Office is part of to ensure the business needs of the pension administration and the needs of its employees are considered in a new long term fundamental change into working more flexibly to allow us to be more efficient and responsive.</p>

The Target Operating Model (TOM)	<p>A new TOM has been announced for the financial year 2021/22 and a high level structure has been approved by the Court of Common Council.</p> <p>Recruitment to senior posts in the new structure has been finalised and the implementation of the TOM has begun – although many areas of it are still under consultation. It is anticipated to be fully in place with effect from 31 March 2022.</p> <p>When further relevant details are known they will be brought to the attention of the Board.</p>

Recommendation

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

Appendices:

Appendix 1 – Annual Schedule of events

Appendix 2 – Scheme Documentation

Appendix 3 – Statistical information

Contact:

Graham Newman

Email: graham.newman@cityoflondon.gov.uk

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

Date Due	Event	Date Completed
July 2021	HMRC Event Report / Tax Return for June Quarter	None to report
31 August 2021	Issue of Annual Statements Deadline	26 August 2021
October 2021	HMRC Event Report / Tax Return for September Quarter	None to report
6 October 2021	Deadline for the issue of Pension Saving Statements (Annual Allowance letter)	6 October 2021
26 October 2021	Deadline for Home Office audited finance return (2020/21) and updated forecast for 2021/22	
10 November 2021	Deadline for Scheme Return to the Pensions Regulator	
January 2022	HMRC Event Report / Tax Return for December Quarter	
February 2022 (TBC)	Deadline for Pensions Regulator Scheme Survey	
March / April 2022	Submit IAS19 data to Scheme Actuary	
1 April 2022	Implement first stage of McCloud Remedy – dependent upon the necessary legislation being passed.	
1 April 2022	Employee Contribution band implementation	
1 April 2022	Employer Contribution implementation	
1 April 2022	Revaluation of CARE benefits	
First Monday in April after 6 April 2022	Pensions Increase – Annual Inflation Increase	
April 2022	IAS19 month 12 update if necessary	
April 2022 (TBC)	Home Office Year End Finance Return and 5 year forecast	

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List of documents in Appendix 2

Appendix 2.1	Annual Benefit Statement covering notes (fully protected members)
Appendix 2.2	Annual Benefit Statement covering notes (unprotected / tapered protection members)
Appendix 2.3	Estimate letter

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The Police Pension Scheme – Annual Statement 2021

You will find enclosed your annual pension benefits statement. Please read the following notes as they explain how the figures have been calculated.

Although every effort has been made to ensure that the data held is correct, should you find any information on your statement that is incorrect, please contact the Pensions Office.

I trust that the position is clear to you, however should you have any questions please do not hesitate to email your query to policeabs@cityoflondon.gov.uk

About your statement

The estimated benefit details are a guide only and do not confer any statutory rights. All calculations have been based on information held by the Pensions Office and are based upon your pensionable pay and pensionable service as at 31 March 2021.

Pensionable pay

The pensionable pay figure is based on your pay over the preceding year, which would include your basic pay, London weighting and any pensionable acting up payments. If you are a part-time officer, your pensionable pay will have been increased to a whole-time equivalent rate. Any payments not relating to the final year would be excluded from any final calculations. This pay figure has been used in all of the following calculations (except the lump sum death grant for part-timers) and has not been inflated to take account of future increases.

Present Value of Benefits

If you have less than 25 years' service, a deferred pension benefit will have been calculated, which means that your pension figure will have been enhanced to take account of your hypothetical pension entitlement at compulsory retirement age. Deferred pensions normally become payable at age 60.

If you have at least 25 or more, but less than 30 years' service, you will have a pension entitlement, although there would be a restriction on the amount of commutation lump sum that could be paid (details available on request). Your pension would be based on actual service, and payable from age 50 onwards.

If you have at least 30 years' service you would have an immediate entitlement to pension benefits upon leaving service.

Death Benefits

A death grant is payable if you die while serving, provided you are a member of the Police Pensions Scheme at the time of death. The grant will be paid either to your spouse/civil partner or, if there is no spouse/civil partner, it will be paid to your Estate.

It is important that you keep the Pensions Office informed of any changes to your partnership status, supplying photocopies of any relevant certificates and documents when necessary.

If you are unsure of the partnership status currently held by the Pensions Office then please contact them for confirmation.

Please note. If you are in receipt of a housing or rent allowance, the weekly value of this allowance should be added to the short term 13 week pension, if shown overleaf.

Widow / Widower's Pensions

You will find that your annual statement shows a potential widow/widower's pension figure. If you are married or in a civil partnership and have not already done so, please forward a

photocopy of the relevant certificates (partner's birth certificate or passport and marriage/civil partnership certificate) to the Pensions Office.

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. The AA limit is currently £40,000. The AA usually only affects scheme members who are high earners, those who have a significant increase in their pay, those that combine sizeable periods of membership and those that pay large amounts of additional contributions.

It also has an effect on members of the 1987 scheme after 20 years of membership when you attain double accrual for each year that you work.

Most scheme members will not be affected by the AA 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 regards to your Police Pension Scheme benefit. You should add this value to any other pension benefits you have accrued during the year.

You may be allowed to bring forward any unused allowance from the last 3 years. 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 AA tax charge. If you are at risk of exceeding the AA you should seek advice. Further information can be found at

<http://www.hmrc.gov.uk/pensionschemes/understanding-aa.htm>

If we think that the increase in your Police Pension Scheme benefits has exceeded the limit for 2019/20 then we will write to you separately by 6th October 2021.

Lifetime Allowance

The Lifetime Allowance (LTA) is a limit on the amount of pension benefit that can be drawn from pension schemes – whether lump sums or retirement income – and can be paid without triggering an extra tax charge.

The figure shown is the value of your accrued benefits in the Police Pension Scheme at 31st March 2021 in relation to an LTA figure of £1.0731m.

While most people are not affected by the LTA, you should take action if the value of your pension benefits is approaching, or above, the LTA. The test for the LTA is completed each time you access a pension benefit.

Age Discrimination - McCloud

On 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' and Judges' pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to eligible members in service as at 31 March 2012 in all the main public service pension schemes.

The Government has consulted on the changes needed to remove discrimination from the schemes and work is ongoing to make these changes. For further information please see the 4 February 2021 Written Ministerial Statement: <https://questionsstatements.parliament.uk/written-statements/detail/2021-02-04/hcws757>

The work to make the legislative and systems changes to enable revised benefits to be calculated and the effects of discrimination to be removed is complex and will take time. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements.

Please note that, as part of the Remedy, it is currently proposed that all fully protected members will transfer to the 2015 scheme for future benefit accrual after 1 April 2022 (the end of the remedy period). Because this change has not yet been implemented, any projections included in this year's statement on future pension entitlement for fully protected members of the 1987 and 2006 schemes do not reflect this position and continue to project service in the 1987 or 2006 scheme to normal pension age.

Further information can be found at <https://police.cityoflondonpensions.org/>

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Annual Benefit Statement 2021 – Accompanying Notes

Personal Details

Partnership Status: C – civil partnership; D – divorced; M – married; P – nominated partnership; S – single; W – widow(er).

The partnership status shown on your statement reflects the information currently held by the Pensions Office. If this is incorrect please supply copies of the relevant certificates in order that your record can be updated.

PPS 2015 Start Date: This is the date at which you moved (or will move) into the Police Pension Scheme 2015.

Summary of Total Benefits at 31 March 2021

Pension accrued in the Police Pension Scheme 1987 and the Police Pension Scheme 2006 are final salary benefits. Pension accrued in the Police Pension Scheme 2015 are Career Average Revalued Earnings (CARE) benefits.

The section provides a summary of the benefits you have accrued in both parts of the Scheme. Sections 3 and 4 provide a breakdown of the value of the benefits you have accrued in each part of the Scheme.

Death in Service Lump-sum: The value of the death in service lump sum is dependent upon the Scheme you are in at the date of death.

	1987 Scheme	2006 Scheme	2015 Scheme
Death in Service Lump-sum	2 x pensionable pay	3 x pensionable pay	3 x pensionable pay

Annual Survivor Pension: The survivor benefits are based upon the final salary survivor benefits accrued to later of 31st March 2015 or taper date, plus 2015 Scheme survivor benefits, plus any added years.

Nominated Beneficiaries: For members of the 1987 Scheme, the Death in Service Lump-sum must be paid to a spouse or civil partner. If the officer is not married or in a civil partnership the Lump-sum must be paid to the member's representatives to form part of the estate.

For members of the 2006 and 2015 Schemes, the Death in Service Lump-sum must be paid to a spouse, civil partner or nominated co-habiting partner. If none of these are applicable the officer may nominate beneficiaries to receive the Lump-sum. Please note, in these circumstances the administering authority retains absolute discretion as to whom the death grant is paid.

If this box is blank the Pensions Office does not hold any nomination details. If you are not married or in a civil partnership and do not have a nominated co-habiting partner and you wish to add a beneficiary or make amendments to those already shown please contact the Pensions Office to request the relevant form.

Career Average Pension Benefits as at 31 March 2020

(Payable from): The date shown is the Normal Pension Age (NPA) in the 2015 Scheme, i.e. age 60, but benefits can be drawn as early as age 55 or as late as age 75. If an officer retires before age 60 their 2015 Scheme benefits would be actuarially reduced; if they retire after age 60 their 2015 Scheme benefits would be actuarially enhanced.

Pensionable Pay for the year ending 31 March 2021: This is the amount of pensionable pay paid to you in the relevant year ending 31 March. In addition, if you had been on reduced contractual pay or no pay due to sickness or injury, or on ordinary or paid additional maternity, paternity or adoption leave or shared parental leave or on reserve forces leave, the pay figure will also include an Assumed Pensionable Pay for those periods.

Increase for the cost of living (added 1 April 2021): Your 2015 scheme pension will be increased by a revaluation order each year on 1st April. The revaluation order for the Police scheme is based on average weekly earnings and for the 2020/21 year will be applied at 1.75%. However, as this statement is at 31st March 2021 it does not include the latest revaluation as it is not applied until 1st April 2021.

1987 / 2006 Pension Benefits as at 31 March 2021 (payable from ...)

This is the current value of the benefits you have accrued in the final salary part of the scheme. If you joined the Police Pension Scheme after 1st April 2015 you will not have any final salary benefits unless you have transferred-in benefits from a previous final salary pension scheme.

Projections if you remain contributing to the Scheme until Normal Retirement Date

The projections have been based upon the Normal Pension Age (NPA) of the 2015 Scheme. Members who also have benefits in either the 1987 or 2006 Scheme have the option to retire and take these benefits at the NPA for that Scheme, however the 2015 Scheme benefits would then be deferred until State Pension Age.

For those officers with tapered protection who have not yet entered the 2015 Scheme a projected estimate of their potential CARE benefits has been calculated with reference to your current pensionable pay.

Value of Pension Debits

If your benefits have been subject to a Pension Sharing Order as a result of a divorce settlement, or you have elected to use 'Scheme Pays' to meet your tax liability as a result of exceeding the Annual Allowance in a previous year, the current value of the debit by which your total benefits will be reduced at retirement is shown here.

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. The AA is currently £40,000.

The AA usually only affects scheme members who are high earners, those who have a significant increase in their pay, those that combine sizeable periods of membership and those that pay large amounts of additional contributions.

It also has an effect on members of the 1987 scheme after 20 years of membership when you attain double accrual for each year that you work.

Most scheme members will not be affected by the AA 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 regards to your Police Pension Scheme benefit. You should add this value to any other pension benefits you have accrued during the year.

You may be allowed to bring forward any unused allowance from the last 3 years. 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 AA tax charge. If you are at risk of exceeding the AA you should seek advice. Further information can be found at <http://www.hmrc.gov.uk/pensionschemes/understanding-aa.htm>

If we think that the increase in your Police Pension Scheme benefits has exceeded the limit for 2020/21 then we will write to you separately by 6th October 2021.

Lifetime Allowance

The Lifetime Allowance (LTA) is a limit on the amount of pension benefit that can be drawn from pension schemes – whether lump sums or retirement income – and can be paid without triggering an extra tax charge.

The figure shown is the value of your accrued benefits in the Police Pension Scheme at 31st March 2021 in relation to an LTA figure of £1.0731m.

While most people are not affected by the LTA, you should take action if the value of your pension benefits is approaching, or above, the LTA. The test for the LTA is completed each time you access a pension benefit.

Service History Details

This is the information currently held by the Pensions Office. If you believe that this is incorrect or have any other queries please contact the office at policeabs@cityoflondon.gov.uk remembering to quote your name and warrant number.

Age Discrimination - McCloud

On 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' and Judges' pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to eligible members in service as at 31 March 2012 in all the main public service pension schemes.

The Government has consulted on the changes needed to remove discrimination from the schemes and work is ongoing to make these changes. For further information please see the 4 February 2021 Written Ministerial Statement: <https://questionsstatements.parliament.uk/written-statements/detail/2021-02-04/hcws757>

The work to make the legislative and systems changes to enable revised benefits to be calculated and the effects of discrimination to be removed is complex and will take time. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements. Any projections of future pension entitlement included in this year's statement have been based upon the current Scheme Regulations and do not take account of the expected changes.

Further information can be found at <https://police.cityoflondonpensions.org/>

The figures shown are an estimate and confer no statutory right. The City of London Pensions Office is not authorised or regulated to provide financial or other advice.

The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

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Dear

The Police Pension Regulations 1987 (as amended)

I write with reference to your recent enquiry regarding your pension entitlement. The attached estimates show your pension benefits based upon the current Scheme Regulations and calculated with reference to an Average Pensionable Pay (APP) of £..... and an assumed last day of service of

As you will be aware, the Police Pension Scheme Regulations do now, in some circumstances, allow for a commutation lump sum that exceeds the maximum authorised amount as set by HM Revenue & Customs.

For your reference both the maximum authorised lump sum and the maximum lump sum permissible under the Police Pension Scheme Regulations (together with the tax implications) have been provided.

Please note, the attached figures have been calculated with reference to the current Scheme Regulations. As you will be aware, the recent ‘McCloud’ legal case in respect of the protections that were awarded following the 2015 Scheme reforms found that the original protections were deemed to be discriminatory on the grounds of age. As a result, a remedy will be implemented to amend the Police Pension Schemes accordingly.

It is our current understanding is that all police officers will be moved into the 2015 Scheme with effect from 1 April 2022. At retirement all eligible officers will then be given the choice as to how their service for the period 1 April 2015 to 31 March 2022 is to be treated, either as membership to their ‘legacy’ Scheme or as membership to the 2015 Scheme. Comparative figures will be supplied to police officers when they retire to allow them to make an informed choice. All benefits accrued under the terms of the ‘legacy’ Scheme will continue to be protected under the terms of that Scheme’s Regulations.

This information is based on our understanding of the expected amended Regulations, which could change before they become effective in law. Therefore, until further clarification and guidance has been provided I am not able to provide any further information, including estimated retirement benefits based on the expected Regulations. Information in respect of the forthcoming changes will be provided to officers as further details become available.

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

I trust that the above information is clear, but should you have any further queries please do not hesitate to contact Graham Newman on the extension shown at the head of this letter.

Yours sincerely

Matt Mott
Pensions Manager

Police Pension Scheme Regulations 1987 (as amended)

Estimate of Pension Benefits

Name:	
Warrant No.	
Date of Birth:	
Date of Retirement:	
Length of Service:	
APP:	

Maximum AUTHORISED Commutation Lump Sum	
Gross Pension:	£ 00,000.00 p.a.
Amount to be Commuted:	£ 00,000.00 p.a.
Residual Pension:	£ 00,000.00 p.a.
Maximum Authorised Lump Sum:	£ 000,000.00

Maximum Commutation Lump Sum & Unauthorised Payment Charge	
Gross Pension:	£ 00,000.00 p.a.
Amount to be Commuted:	£ 00,000.00 p.a.
Residual Pension:	£ 00,000.00 p.a.
Gross Lump Sum:	£ 000,000.00
Unauthorised Payment Charge:	£ 0,000.00
Net Lump Sum:	£ 000,000.00

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**City of London: Police Pension Scheme
Task Statistics**

	July 2020 – September 2020	October 2020 – December 2020	January 2021 – March 2021	April 2021 – June 2021	Totals
New Starters	56	29	36	18	139
Leaver / Opt- outs	1	1	5	4	11
Estimates Requested	Statistics not available				
Estimates Provided	15	33	38	40	126
Retirements	10	9	5	11	35
Interforce-in	20	4	32	60	116
Interforce-out	1	2	2	3	8
Transfer-in Quote	2	4	9	2	17
Transfer-in Actual	0	4	1	2	7
Divorce Quote	4	1	3	2	10
Divorce Actual	0	0	0	0	0
General Correspondence / Member Maintenance	16	3	24	80	123
Freedom of Information	0	1	0	0	1

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