



City of London Police Pensions Board

Date: WEDNESDAY, 9 FEBRUARY 2022

Time: 10.00 am

Venue: HYBRID PUBLIC MEETING (ACCESSIBLE REMOTELY)

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

Enquiries: Polly Dunn; 0207 332 3726
polly.dunn@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe this public meeting at the below link:

<https://youtu.be/fahElJac5CA>

This meeting will be a virtual meeting and therefore will not take place in a physical location. 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 19 October 2021.

For Decision
(Pages 5 - 8)

4. **OUTSTANDING REFERENCES**

Report of the Town Clerk.

For Information
(Pages 9 - 10)

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

Report of the Chamberlain.

For Information
(Pages 11 - 18)

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

Report of Chamberlain.

For Information
(Pages 19 - 38)

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

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

9. **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

10. **NON-PUBLIC MINUTES**
To approve the non-public minutes of the previous meeting held on 19 October 2021.
For Decision
(Pages 39 - 40)
11. **CITY OF LONDON POLICE: PENSION SCHEME - UPDATE (APPENDIX 3)**
Report of the Chamberlain.
Non-Public appendix to be read in conjunction with item 5 on the agenda.
For Information
(Pages 41 - 42)
12. **THE COL: POLICE PENSION SCHEME STATISTICAL DATA**
Report of the Chamberlain.
For Information
(Pages 43 - 46)
13. **PRESENTATION ON ANNUAL ALLOWANCES**
Chamberlain to be heard.
For Information
(To Be Tabled)
14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
15. **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
Tuesday, 19 October 2021

Minutes of the meeting of the City of London Police Pensions Board held at
Committee Room 1 - 2nd Floor West Wing, Guildhall on Tuesday, 19 October 2021
at 2.00 pm

Present

Members:

Alexander Barr (Chairman)
John Todd (Deputy Chairman)
Helen Isaac
Tim Parsons

Officers:

Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Azeem Bhatti	- City of London Police
Antoinette Duhaney	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Henry Colthurst and Mike 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 of the previous meeting held on 7th June 2021 be approved as a correct record.

4. OUTSTANDING REFERENCES

Officers reported that

- The outstanding legal challenges were ongoing and some issues would be addressed by training at this meeting. The CoL was part of a national Technical Group which had voluntary membership and acted in an advisory capacity with no decision making powers.
- CoL was also a member of the Class Group which was a systems advisory group for the software provider.
- CoL representatives attend regional groups (mainly for the LGPS), this includes the South East Councils Superannuation Officer Group.
- The National Police Chiefs Council was the main liaison group for discussions with the Home Office and the Treasury.

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

The Chairman stated that the Risk Register should move slowly but be adjusted as circumstances dictated and reflect oversight on processes and no significant movement was anticipated.

Officers advised that Risk 8 in respect of McCloud had been fleshed out to provide more detail and had been broken down into the key elements of this risk; this included the impact of administration of the scheme on the COL and also the impact on the CoLP in respect of additional costs which should be flagged with the Police Authority Board (PAB) so that this risk was reflected in the CoLP risk register considered by PAB.

In response to questions and observations from Members, Officers stated that

- Central Government had given assurances that the McCloud remedy would be passed, but until the final legislation has been approved it is not possible to say definitively how it would be applied to the Police Pensions Scheme.
- No assumptions could be made at this point as the Public Service Pensions and Judicial Review Bill was currently in the House of Commons and was focused mainly on unfunded schemes including the Police Pension Scheme.
- Officers were optimistic that there would be legislation and Regulations by the time the remedy was implemented from April 2022.
- Officers were not aware of any potential delays to implementation of the remedy from April 2022 pending the receipt of Legislation and Regulations.
- In response to questions from a Member, Officers confirmed that the Police Federation and the Superintendents Association are involved in the negotiations in respect of McCloud and the Pensions Office has links with local representatives of both organisations. While there is no interaction with any group that represents officers above the rank of Chief Superintendent, Officers confirmed that the Commissioner was a member of the National Police Chiefs Council and is involved in the on-going McCloud negotiations and discussions.

RESOLVED

—

1. That the existing risks and actions present on the Police Pension Board's Risk Register and appropriate control measures be endorsed.
2. That the additional costs for CoLP be flagged with the Police Authority Board (PAB) with a recommendation that this risk is reflected in the CoLP risk register.

6. THE CITY OF LONDON: POLICE PENSION SCHEME - UPDATE

In response to questions from a Member, Officers advised that new processes had been put in place to deal with queries while Officers have been working from home and the bulk of communication was via email. There was a delay in responding to an enquiry from an officer from a police force outside CoLP and this was due in part to outstanding data held by another police force. Going forward, the expectation was that any enquiries would receive a response within 48 hours (even if this was a holding response). Forms were still being sent out as necessary, but payslips were only being provided upon request. P60s continue to be sent annually.

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

There were no questions.

8. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no urgent business.

9. 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 remaining 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.

10. NON-PUBLIC OUTSTANDING REFERENCES

The Board received the non-public outstanding references.

11. THE CITY OF LONDON: POLICE PENSION SCHEME STATISTICAL DATA

The Board considered a report of the Chamberlain providing statistical data in relation to the City of London Police Pension Scheme membership.

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

There were no questions.

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

There was no urgent business.

14. PRESENTATION ON MCCLLOUD

The Board received a presentation in respect of remedy calculations.

The meeting ended at 2.48 pm

Chairman

Contact Officer: Antoinette Duhaney, antoinette.duhane@cityoflondon.gov.uk

POLICE PENSIONS BOARD

PUBLIC OUTSTANDING REFERENCES

Reference	Date / Detail	Responsible Officer	Update
1/2020/P	9 October 2020 Item 10a – Non-Public AOB Grid of completed Member training to be provided in future Board reporting / recommendation on timeframe for training completion to be provided to the Board.	Pension Team	Provided as a non-public Appendix

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Committee: Police Pensions Board	Date: 9 February 2022
Subject: The City of London: Police Pension Scheme - Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
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).
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	There has been one complaint made under the Internal Dispute Resolution Procedures.
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.
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.
Guaranteed Minimum Pensions (GMP) Reconciliation	The project is still expected to be completed by 31 March 2023. A report will be brought to the Board once the reconciliation has been completed.

COVID-19	<p>In response to the government's Plan B the pensions staff had returned to working from home. Once a week a member of the team has gone to the Guildhall to scan and distribute physical post electronically to avoid a backlog in post. From 31/01/2022 staff will return to two days in the office each week increasing to 3 days a week from 28 February 2022.</p> <p>The Pensions regulator (TPR), Local Government Association (LGA) & Scheme Advisory Board (SAB) guidance remains and 3 key services should be retained at all times and they are:</p> <ul style="list-style-type: none"> • Continued payment of pension benefits to existing pension members • Commencement of pension benefits to new retirees • Ceasing of pension payments due to notification of death. <p>Generally communication continues to be by email and phone calls. Where scheme members have not or are unable to verify their details, letters are still posted.</p> <p>The Pensions Office has created a shared team folder which staff access when they visit the office to print and post letters. It is not the intention of the Pension Office to return to posting letters as a primary communication strategy and promotes, wherever possible, the use of email.</p>
Procurement of Pension Administration System	<p>The pension data from The Corporation's servers has successfully been moved to a hosted environment provided by the supplier, Heywood in November 2021. This went smoothly and we have already seen benefits when the software is now updated overnight and avoids any downtime to the system during business hours.</p>
Legal Challenge 1	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>The Public Service Pensions and Judicial Offices Bill which is expected to confirm the details of the Remedy and allow implementation is currently at the Committee Stage in the House of Commons.</p>

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>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	<p>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.</p> <p>Update provided (Appendix 2).</p>
Pension Board Training	<p>Training presentation in respect of 'Pensions Growth and the Annual Allowance' to be given by the Pensions Office.</p> <p>Board Members are asked to consider any topics of training they would like to cover in the coming year ahead.</p> <p>Details in respect of training modules completed by each Member are included on the Non-Public agenda. (Appendix 3).</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>Departments are going through their TOM structures. The Chamberlain's Department's TOM structure has been approved by the Design Board, Finance Committee and Establishment Committee and consultation with staff was launched on 26 January. In terms of the Pensions Office, the only proposals are some changes to line manager reporting.</p>

Recommendation

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

Appendices:

Appendix 1 – Annual Schedule of events

Appendix 2 – Statistical information

Appendix 3 – Member Training (NON-PUBLIC)

Contact:

Graham Newman

Email: graham.newman@cityoflondon.gov.uk

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

Date Due	Event	Date Completed
26 October 2021	Deadline for Home Office audited finance return (2020/21) and updated forecast for 2021/22	25 October 2021
10 November 2021	Deadline for Scheme Return to the Pensions Regulator	10 November 2021
26 November 2021	Implementation of new 'hosted' pension software system.	26 November 2021
January 2022	HMRC Event Report / Tax Return for December Quarter	28 January 2022
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	
July 2022	HMRC Event Report / Tax Return for June Quarter	
31 August 2022	Issue of Annual Statements Deadline	
October 2022	HMRC Event Report / Tax Return for September Quarter	
6 October 2022	Deadline for the issue of Pension Saving Statements (Annual Allowance letter)	

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

	January 2021 – March 2021	April 2021 – June 2021	July 2021 – September 2021	October 2021 – December 2021	Totals
New Starters	36	18	12	17	83
Leaver / Opt-outs	5	4	2	1	12
Estimates Requested	Statistics not available				
Estimates Provided	38	40	25	25	128
Retirements	5	11	9	14	39
Interforce-in	32	60	42	30	164
Interforce-out	2	3	7	6	18
Transfer-in Quote	9	2	1	9	21
Transfer-in Actual	1	2	3	0	6
Divorce Quote	3	2	1	2	8
Divorce Actual	0	0	0	0	0
General Correspondence / Member Maintenance	24	80	102	95	301
Freedom of Information	0	0	0	1	1

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Agenda Item 6

Committee: Police Pensions Board	Date: 9 February 2022
Subject: The City of London: Police Pension Scheme – Risk Register	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	n/a
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Chamberlain	For Information
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 19 October 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.

Current Position

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".

Proposals

4. The Risk Register is attached at Appendix 1 and the Risk matrix at Appendix 2.

Mitigation of amber and red risks

5. 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.
6. 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.
7. 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.
8. 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.

9. 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

10. 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 EXCLUDING COMPLETED ACTIONS

Report Author: Chris Anastasi

Generated on: 24 January 2022



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
<div>Page 1</div> NJB COLP OSB 08 McCloud Legal Case	Cause: Implementation of the remedy process following the resolution of the McCloud judgement. Event: The impact to the pension administration team of implementing the McCloud judgement remedy. Effect: The Pensions Office is unable to adequately comply with required administration processes arising from the resolution of the McCloud judgement.	<div> <div>Likelihood</div> <div>Impact</div> </div>	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 government will remove the discrimination.</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	8	31-Mar-2022	

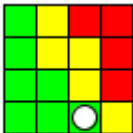
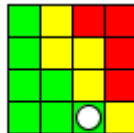

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-Jan-2021 Graham Newman				<p>No updates had been received at the date of updating the Register in January 2021.</p> <p>On 4 February 2021 HM Treasury published its response to the consultation document and set out its preferred remedy choice.</p> <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>21 Jan 2022</p>				Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 08a	Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups.	Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups.	Graham Newman	<u>21-Jan-2022</u>	<u>31-Mar-2022</u>
CHB COLP PSB 08b	Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration.	Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration.	Graham Newman	<u>20-Jan-2022</u>	<u>31-Mar-2022</u>
CHB COLP PSB 08c	Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.	Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.	Graham Newman	<u>21-Jan-2022</u>	<u>31-Mar-2022</u>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 02a	Ensuring that suitable staff are recruited at the correct salary levels and that appropriate training is provided will	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	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

	help to prevent non-compliance with legislative requirements.	<u>The vacant Pensions Manager post was advertised, and candidates were interviewed. The successful candidate started the role on 1 February 2022.</u>			
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	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

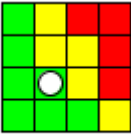
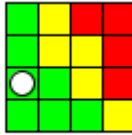
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 03 Pension Scheme Administration (Personnel)	<p>Cause: (i) Ineffective 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 payment of benefits may be delayed and may be inaccurate.</p>	<p>Likelihood</p>  <p>Impact</p>	4	<u>30-Apr-2022</u>	

30-Aug-2019				This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator.				
				17 Jun 2021				Constant

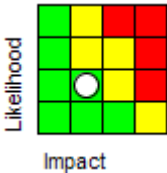
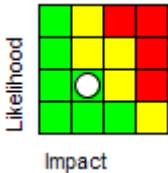
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 03a	Job descriptions used at recruitment to attract candidates with skills and experience related to police pension administration. The appraisals process to monitor progress and assess training needs.	Ensuring 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.	Kate Limna	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
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	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
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 <u>periodically being required to work from home.</u>	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
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.	Ensuring that skill sets are not restricted to one staff member alone. Priority cases and work types are identified to ensure continuation in the event that staff or other resources become unavailable. Disaster Recovery reviewed in light of COVID 19 and officers having worked from home since 23 March 2020. <u>Staff returned to the office for a minimum two days a week from 31 January 2022. This will increase to three days a week from 28 February 2022.</u>	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
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	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

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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.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
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.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

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 30-Aug-2019	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	<u>30-Apr-2022</u>	Constant

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. <u>The Pensions Manager is due to meet with Internal Audit to discuss new procedures and options created by the National Fraud Initiative.</u>		Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

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 <div>Page 32</div>	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-Apr-2022	Constant

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.	Graham Newman	21-Jan-2022	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.	Graham Newman	21-Jan-2022	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.	Graham Newman	21-Jan-2022	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.	Graham Newman	21-Jan-2022	30-Apr-2022

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.	Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 06a	Ensuring that staff within City of London Police HR are aware of the rules regarding re-employment and PPA.	<p>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.</p> <p><u>A training session has been agreed with the Pensions Office to provide refresher training to all Human Resource officers on the rules regarding re-employment and PPA.</u></p>	Azeem Bhatti	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 06b	Monitoring job-applicants to ensure retired officers who are being re-employed are leaving the required break.	<p>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.</p> <p><u>Human Resource officers ask for a validation report that shows the last date of service. This then ensures the dates are checked so the required break is built into the recruitment start date. The return to work letter has been reviewed and approved by the Pensions Office.</u></p>	Azeem Bhatti	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>
CHB COLP PSB 06c	Ensuring that officers that are coming up to retirement are aware of the rules regarding re-employment and PPA.	<p>The City of London Police HR will ensure that all retiring officers are informed of the rules regarding re-employment and PPA.</p> <p><u>A line has been added into the retirement letter issued by Human Resources to remind officers of the required break should they be thinking of re-joining as a member of staff.</u></p> <p>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.</p>	Azeem Bhatti; Graham Newman	<u>21-Jan-2022</u>	<u>30-Apr-2022</u>



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

(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

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