



## Local Government Pensions Board

**Date:** WEDNESDAY, 22 JUNE 2022  
**Time:** 1.45 pm  
**Venue:** VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

**Members:** David Pearson  
Christina McLellan  
James Tumbridge  
Mark Wheatley  
Paul Wilkinson  
Martin Newnham

**Enquiries:** Chris Rumbles  
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### Accessing the virtual public meeting

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

≤ <https://youtu.be/tlOpJVbrvcg> ≥

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**

## **Part 1 Public Agenda**

1. **APOLOGIES**

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

3. **ORDER OF THE COURT OF COMMON COUNCIL**

To receive the Order of the Court of Common Council from Thursday, 21<sup>st</sup> April 2022.

**For Information**  
(Pages 5 - 6)

4. **ELECTION OF CHAIR**

To elect a Chair in accordance with Standing Order No. 29.

**For Decision**

5. **ELECTION OF DEPUTY CHAIR**

To Elect a Deputy Chair in accordance with Standing Order No. 30

**For Decision**

6. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the meeting of Local Government Pensions Board held on 7<sup>th</sup> February 2022.

**For Decision**  
(Pages 7 - 10)

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

Report of the Chamberlain.

**For Information**  
(Pages 11 - 16)

8. **THE CITY OF LONDON: LOCAL GOVERNMENT PENSION SCHEME - RISK REGISTER**

Report of the Chamberlain.

**For Decision**  
(Pages 17 - 40)

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

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

11. **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 on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**For Decision**

## **Part 2 - Confidential Agenda**

12. **CONFIDENTIAL MINUTES**

To agree the confidential minutes of the Local Government Pensions Board meeting on 7<sup>th</sup> February 2022.

**For Decision**

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KEAVENY, Mayor	<b>RESOLVED:</b> That the Court of Common Council holden in the Guildhall of the City of London on Thursday 21 <sup>st</sup> April 2022, doth hereby appoint the following Committee until the first meeting of the Court in April, 2023.
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## LOCAL GOVERNMENT PENSIONS BOARD

### 1. Constitution

A Non-Ward Committee consisting of,

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

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

### 2. Quorum

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

### 3. Membership 2022/23

#### Three Employer Representatives

- 4 (4) Mark Raymond Peter Henry Delano Wheatley
- 8 (2) James Richard Tumbridge
- Paul Wilkinson

#### Three Member Representatives

David Pearson (*appointed for a four-year term expiring April 2025*)  
Martin Newnham (*appointment for a four-year term expiring April 2026*)  
Christina McLellan (*appointed for a four-year term expiring April 2024*)

together with the co-opted Member referred to in paragraph 1 above, if required and one Member to be appointed this day.

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

Board Members must be satisfied that they:

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

### 4. Terms of Reference

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

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

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

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

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

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

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

**5. Chairmanship**

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

## **LOCAL GOVERNMENT PENSIONS BOARD**

**Monday, 7 February 2022**

**Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 12.00 pm and livestreamed at [www.youtube.com/watch?v=LnXHVVVL5KPs](http://www.youtube.com/watch?v=LnXHVVVL5KPs)**

### **Present**

#### **Members:**

James Tumbridge (Chairman)	Christina McLellan
Martin Newnham (Deputy Chairman)	Mark Wheatley
David Pearson	

#### **Officers:**

Kate Limna	- Chamberlain's Department
Jeff Henegan	- Chamberlain's Department
Christopher Rumbles, Clerk	- Town Clerk's Department
Emma Moore	- Chief Operating Officer
Graham Newman	- Chamberlain's Department

### **1. APOLOGIES**

There were no apologies.

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

Martin Newnham declared an interest in item 11 relating to Residential Emoluments.

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

**RESOLVED** – That the public minutes and non-public summary of the Local Government Pensions Board meeting held on 20 October 2021 be approved as an accurate record.

### **Matters Arising**

**McCloud Judgement** – A Member referred to their recent review of the City of London Pension Fund website and the difficulty they had in finding information relating to the McCloud Judgement. It was clarified that information showed very quickly when using the search function, but that this would be reviewed to see if it could be given greater prominence.

### **4. WORK PROGRAMME**

The Board received a report of the Town Clerk detailing ongoing actions.

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

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

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

A Member referred to hard copy payslips having stopped during the pandemic and questioned whether this was likely to start again, with these always having proved helpful. It was confirmed that physical payroll had started again last month and that hard copy payslips would be issued in April and when pension amounts had changed by £2 or more. Paper copies of P60s will also be issued.

The Chamberlain referred to the Pension Fund - Draft Annual Report for the year ended 31<sup>st</sup> March 2021 still not having been published due to the City Corporation accounts not yet having been formally signed off by the external auditor. As previously explained, this delay in signing off the Pension Fund - Annual Report was being driven by systematic challenges within the local audit framework. The City Corporation has published the Draft Annual Report on its website to minimise the breach.

The Chamberlain further explained that under regulations of Central Government, auditors were not allowed to sign off local authority accounts separately. CIPFA were currently reviewing the issue, but it was ultimately a decision of Central Government how accounts were signed off.

The Chairman raised his concern in failing to meet a government deadline, acknowledging it was as a result of a delay in audit activity across London Local Government. The Chairman suggested the Chamberlain give consideration to raising a letter on behalf of the Board raising their concerns.

**RESOLVED:** That the report be received, and its content noted.

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

The Board received a report of the of the Chamberlain providing a review of the Risk Register for the Local Government Pensions Board.

A Member referred to CHB LGPS 009 McCloud Remedy still appearing as a high area of risk on paper. It was explained how there remained points of clarification and regulations to be implemented, and until such time the risk would remain high. As soon as regulations were determined and put in place this should hopefully lead to a reduced risk with the solutions and remedies then being worked through.

The Chairman referred to CHB LGPS 001 Insufficient Assets and previous assurances that this was moving in the right direction, but with it appearing to have slipped back with how it was currently written. The Chairman remarked on the current and target score being the same, which seemed to indicate the situation cannot be improved.



The Board noted how this risk was looking at assets longer term over a twenty-year period, with the Pension Fund's return having continued to perform strongly during this financial year and it currently exceeding its absolute return target over all time horizons, but with it remaining subject to changes in return and it being scored accordingly. Following discussion, it was agreed to move the risk score over one place so there can then be a target score to aim for, whilst accepting this target may take some time to meet.

The Chairman referred to CHB 007 Cyber Security showing a target score but with there appearing to be no aim to improve it. Members noted how the pensions administration system had moved to a hosted environment as part of the City Corporation's overall Cyber Security strategy and this could potentially lead to an improved risk rating.

The Chairman questioned whether pension administration should be looked at differently to other areas of the City Corporation when considering hosting it externally and whether this would need feeding back to IT. It was questioned whether a slightly different approach should be taken with this risk and suggested officers consider this and come back with a revised target.

RESOLVED: That Board Members: -

- Agreed to moving the risk score relating to CHB LGPS 001 Insufficient Assets one place.
- Confirm that there were no further risks relating to the pension administration overseen by the Local Government Pensions Board.

**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 were no additional items of business.

**9. EXCLUSION OF THE PUBLIC**

**RESOLVED**, That under Public Services Pensions Act 2013 the public be excluded from the meeting on the grounds they involve the likely disclosure of exempt information.

**10. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the non-public minutes of the Local Government Pensions Board meeting on 20 October 2021 be approved as an accurate record.

**11. RESIDENTIAL EMOLUMENTS**

The Board received a report of the Chamberlain relating to Residential Emoluments. Board Members noted that following publication of the agenda it had been identified that this item would need to be considered in

confidential session owing to the personal information included within the report having the potential for people to be identified.

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

There were no non-public questions.

**13. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

The Chairman referred to progress in filling the Employer Representative Vacancy on the Board and asked for this to be progressed and an update provided.

**The meeting closed at 12.53pm**

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Chairman

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

# Agenda Item 7

<b>Committee(s)</b>	<b>Dated:</b>
Local Government Pensions Board	22 June 2022
<b>Subject:</b> The City Corporation's Pensions Scheme - Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Graham Newman – Chamberlain's Department	

## Summary

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

<b>Item</b>	<b>Update</b>
Annual schedule of events for the Pensions Scheme	Update provided (Appendix A).
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	1 IDRP case.
Public Service Pensions Reporting Breaches of Pension Law	None to report.
Any audit reports relating to the administration of the Scheme	None to report
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.
Guaranteed Minimum Pensions (GMP) Reconciliation	An end date of 31/03/2023 remains. It is intended to bring a report to the Board once the reconciliation has been completed.

Covid 19	<p>From 28/02/2022 staff have been attending the office for a minimum 3 days per week.</p> <p>The Pensions regulator (TPR), Local Government Association (LGA) &amp; 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"> <li>• Continued payment of pension benefits to existing pension members</li> <li>• Commencement of pension benefits to new retirees</li> <li>• Ceasing of pension payments due to notification of death.</li> </ul> <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>
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.</p> <p>The Pensions Office is now in discussion with Heywoods to start the second stage of the 'project' in respect of updating/modernising the task and procedure workflow system and the document production system.</p>
Public Sector Pensions Legal Challenge	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>On 10 March 2022 the Public Service Pensions and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to implement the 'McCloud Remedy' in the public service pension schemes, however further guidance and legislation is required before any action can be taken in respect of the LGPS</p> <p>The City of London Pension Fund is compliant with current guidance and all available information has been recorded on the Fund's website,</p> <p><a href="http://www.cityoflondonpensions.org/resources/">www.cityoflondonpensions.org/resources/</a></p>

	A McCloud statement has also been included in the both the active and deferred annual benefit statements (ABS) and also in the pensioner newsletters.
Pension Committee	<p>The City of London Corporation established a Pension Committee in April 2022 and its first meeting is due to be held in early July.</p> <p>The Pensions Committee will be responsible for all functions and responsibilities relating to the City of London Pension Fund including arrangements for the investments, administration and management of the fund. The Committee will also agree Policy Statements as required by the LGPS regulations.</p> <p>The Local Government Pensions Board will continue its scrutiny role.</p>
Pension Board Training	<p>All Members of the Board are asked to check their TPR online training and continue to complete any outstanding modules they may have.</p> <p>The Pensions Manager will be reviewing topics for training to cover in the coming year.</p>

### **Recommendation**

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

### **Appendices:**

Appendix A – Annual Schedule of Events

### **Graham Newman**

Pensions Manager | Chamberlain's Department

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**Local Government Pensions - Schedule of Events 2022/23**

<b>Date Due</b>	<b>Event</b>	<b>Completed</b>
1 December 2021	Publication of Pension Fund Accounts and Annual Report	Draft accounts published only. Awaiting sign off on City Fund Accounts.
December 2021 Within 2 weeks of quarter date	Tax Return for Quarter 3 (to 31/12/2021)	12 January 2022
31 <sup>st</sup> January 2022	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	26 January 2022
March 2022 Deadline 15 <sup>th</sup> May	Tax return for Quarter 4 (to 31/3/2022)	29 April 2022 – Successfully migrated to the new HMRC Managing Pension Schemes service
1 April 2022	Employee Contribution band review/implementation.	1 April 2022
1 April 2022	Revaluation of CARE benefits.	1 April 2022
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	11 April 2022
31 May 2022	Pensioner P60s distributed	
1 June 2022	Automatic Enrolment for City of London Employees	1 June 2022
June/July 2022	Valuation data to the pension fund's actuary	
June 2022 Deadline 14 <sup>th</sup> August	Tax return for Quarter 1 (to 30/06/2022)	
31 July 2022	Publish draft City Fund Accounts (including the Pension Fund Accounts)	
31 <sup>st</sup> August 2022	Issue of Annual Benefit Statements deadline.	
September 2022 Deadline 14 <sup>th</sup> Nov	Tax return for Quarter 2 (to 30/09/2022)	
30 September 2022	Employee Contribution Band review	
5 October 2022	Issue of Annual Allowance (AA) Saving Statements deadline	
6 November 2022	Scheme Return to the Pensions Regulator	
1 December 2022	Publication of Pension Fund Accounts and Annual Report	
December 2022 Deadline 14 <sup>th</sup> Feb	Tax Return for Quarter 3 (to 31/12/2022)	
31 <sup>st</sup> January 2023	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	
March 2023 Deadline 15 <sup>th</sup> May	Tax return for Quarter 4 (to 31/3/2023)	

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<b>Committee(s)</b>	<b>Dated:</b>
Local Government Pensions Board	22 <sup>nd</sup> June 2022
<b>Subject:</b> The City of London: Local Government Pension Scheme – Risk Register	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Chamberlain	<b>For Decision</b>
<b>Report author:</b> Graham Newman – Chamberlain's	

## Summary

This report reviews the Risk Register for the Local Government 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 City of London Police Pension Scheme Pension Board risk register. The risks are CHB LGPS 03 Legislative Compliances, 04 Pension Scheme Administration, 05 Fraud and 07 Cyber security.

Officers have conducted a preliminary review of the Risk Register and are not recommending any changes to the current scores with the exception of the target score for CHB LGPS 001 (Insufficient Assets).

The Risk Register is included at Appendix A(i) with risk updates underlined throughout. The Risk Register is reviewed at each meeting by the Local Government 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 Local Government Pension Board's Risk Register, and confirm that appropriate control measures are in place; and
- confirm that there are no further risks relating to the pension administration overseen by the Local Government Pension Scheme Board.

## **Main Report**

### **Background**

1. The Local Government Pension Board instituted a Risk Register on 20 October 2016 to help identify and manage the strategic risks facing the Board in discharging its responsibilities to oversee the City's Pension Fund. The current Risk Register, as agreed by the Board on 7 February 2022, is included as Appendix A (i).
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 A (ii) 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 A(i) and the Risk Matrix at Appendix (ii)
5. The scores for the risks have been maintained at their previous levels, however the target score for CHB LGPS 001 Insufficient Assets has been decreased one place in order to provide a revised target.
6. Members asked officers to consider whether a slightly different approach should be taken with risk CHB007 (Cyber Security), noting that the pensions administration system had moved to a hosted environment. After consideration, officers concluded that this risk does not need to be amended. Although the system is hosted externally, the City of London is the Administering Authority and as such the pensions system should be assessed in the same way as any other system owned or run by the City.
7. The risks have each been reviewed and updated where necessary in the Register itself and updates to the Risk Register are underlined throughout.
8. 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**

9. With the exception of the risk for McCloud (CHB LGPS 009), the risks overseen by the Local Government Pension Board are primarily of low likelihoods but represent substantial impact, particularly with regards to financial loss and reputational damage. 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 A (i)– Risk Register

Appendix A (ii) - Risk Matrix

**Graham Newman**

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# CHB LGPS Detailed risk register EXCLUDING COMPLETED ACTIONS

Report Author: Graham Newman

Generated on: 10 June 2022



Rows are sorted by Risk Score

Risk no, title, location 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 LGPS McCloud Remedy	<p><b>Cause:</b> Implementation of the proposed remedy following new pension legislation and scheme specific regulations for the removal of age discrimination from the LGPS due to the McCloud judgement.</p> <p><b>Event:</b> The impact of scheme amendments upon scheme members, Pensions Office and scheme employers due to implementation of the proposed remedy for McCloud.</p> <p><b>Effect:</b> 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 2014 the LGPS was reformed. These reforms included an ‘Underpin 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 LGPS.</p> <p>On 16 July 2020 the government published a consultation document that set out options for how the government proposed to remove the discrimination.</p>	<p>Likelihood</p> <p>Impact</p>	4	01-Oct-2023	

21-Jan-2022  
Jeff Henegan

On 4 February 2021 HM Treasury published its response to the consultation document and set out its preferred remedy choice.

DLUHC have produced a document that gives general details as to how the remedy proposal would work for the LGPS.

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 systems and processes based on current understandings to enable the remedy to be implemented.

On 10 March 2022 the Public Services and Judicial Offices Act 2022 received Royal Assent.

The main purpose of the Act was to support the implementation of the McCloud remedy, however further guidance and legislation is required before I can be applied directly to the LGPS.

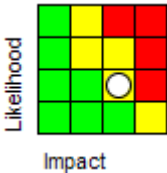
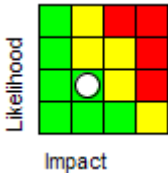
**~~21 Jan~~ 10 June 2022**

Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB LGPS 009a	DLUHC has confirmed the proposed remedy and the intention to introduce legislation to the statute books from 1 April 2023 but applied retrospectively to 31 March 2012 and 31 March 2014. 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 DLUHC, LGA & HMRC and regularly attend seminars, forums, webinars and user groups.	Continue with membership of working groups including Southeast Counties Senior Officer Group (SEC SOG), Aquila Heywood Remedy Implementation Group, to ensure development of software and understanding of legislation.  Attend conferences, webinars, forums and seminars as appropriate and keep up to date with bulletins and guidance from the Home Office	<a href="#">Graham Newman</a>	<u>10 June 2022</u>	<u>01 Oct 2023</u>
CHB LGPS 009b	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 employers and previous pension providers	Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data.  Software provider currently developing systems to identify qualifying scheme member on bulk reports.  Develop data process to request missing information and scheme member record update	<a href="#">Graham Newman</a>	<u>10 June 2022</u>	<u>01 Oct 2023</u>
CHB LGPS 009c	System Development Calculation/Revaluation	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.  Development should include bulk calculations and calculations for individuals, include revised pension amounts, arrears payable/collectible (benefits and contributions) plus interest payable if applicable.	<a href="#">Graham Newman</a>	<u>10 June 2022</u>	<u>01 Oct 2023</u>
CHB LGPS 009d	Working in conjunction with LGA to prepare communications and standard responses (FAQs) to be sent to affected scheme members.	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.  The Pensions Office website carries current information from various sources including DLUHC. Further communications will be added when they are released.  The Annual Benefit Statements (ABS) contain a statement on McCloud provided by the LGA.  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.	<a href="#">Graham Newman</a>	<u>10 June 2022</u>	<u>01 Oct 2023</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.			
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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
<b>CHB LGPS 001</b> <b>Insufficient assets</b>  <div>Page 25</div>	<b>Cause:</b> The asset allocation of the Pension Fund is unable to fund long term liabilities <b>Event:</b> There are insufficient assets to meet liabilities <b>Effect:</b> Reduced income or lower than anticipated growth . Participating employers are required to provide further funding through increased contributions to finance liabilities.		8	The Pension Fund's absolute return target has been set at 5.2% annually from 1st April 2020 by the Financial Investment Board (which is consistent with the strategy for funding the Fund's liabilities). The Fund's investment assets have continued to perform strongly during this financial year (2021/22). As at <del>30 September 2021</del> , <u>31 December 2021</u> the Fund is exceeding its absolute return target over all time horizons (the last quarter, one year, three years and five years). The score for this risk has been maintained to reflect the judgement that the likelihood of this risk materialising is "unlikely".  <del>21 Jan 2022</del> <u>10 June 2022</u>		8 4	<u>31-Mar-2023</u>	Constant

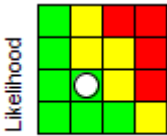
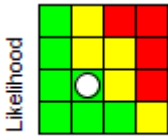
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB LGPS 001a	The Investment Strategy of the Pension Fund is reviewed at least every three years <del>by the Financial Investment Board</del> with proper advice from the Investment Consultant. <u>Prior to 1 April 2022, the Financial Investment Board reviewed this, but going forward this will fall to the Pensions Committee</u>	Following shortly after the completion of the 2019 triennial valuation of the Fund's liabilities, the Financial Investment Board reviewed the Pension Fund investment strategy at its meetings in June and July 2020. This ensured that the investment strategy remained appropriate in the context of the Fund's updated liabilities valuation and the current investment environment. This will be reviewed following the 2022 triennial actuarial valuation <del>that is currently being undertaken by the scheme Actuary, Barnett Waddingham, will commence after 31 March 2022</del>	Caroline Al-Beyerty; Kate Limna	<u>10 June 2022</u>	31-Mar-2023
CHB LGPS 001b	The investment performance of the Pension Fund is measured against absolute return targets required to meet long term objectives. This will be <del>is</del> reported to the <del>Financial Investment Board</del> <u>Pensions Committee</u>	Individual Fund investment performance will be brought to <del>each Financial Investment Board</del> <u>each Pensions Committee</u> for consideration.	Kate Limna	<u>10 June 2022</u>	<u>31 Mar 2023</u>

	throughout the year and is supplemented by market insight from the Corporation's Investment Consultant who will assist any strategic decisions required in between the three-year formal strategy reviews.				
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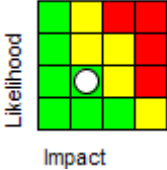
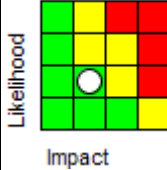
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB LGPS 004a	Job descriptions used at recruitment to attract candidates with skills and experience related to LGPS administration. The appraisals process to monitor progress and assess training needs.	Ensuring that candidates 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.  Have trained multiple team members for extra duties due to parental leave cover.	<u>Graham Newman</u>	<u>10 June 2022</u>	31-Mar-2022
CHB LGPS 004b	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.	<u>Graham Newman</u>	<u>10 June 2022</u>	31-Mar-2022
CHB LGPS 004c	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>Graham Newman</u>	<u>10 June 2022</u>	31-Mar-2022
CHB LGPS 004e	Accurate and appropriate checking procedures in place at all areas of administration.	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>Graham Newman</u>	<u>10 June 2022</u>	31-Mar-2022

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB LGPS 006a	Bond indemnity/guarantee required for admitted bodies and incorporated into admission agreements where appropriate.	Recent admissions to the scheme have provided a bond.	<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</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
<b>CHB LGPS 007 Cyber security</b>  <div>Page 30</div> <div>7-Dec-2019</div> <div>Caroline Al-Beyerty</div>	<b>Cause:</b> (i) Ineffective procedures. (ii) Inadequately trained staff. (iii) IT system failure (iv) Data Accuracy. (v) Lack of resources. <b>Event:</b> Breach of Corporate IT systems and Cyber security. <b>Effect:</b> (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	 Likelihood	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.	 Likelihood	4	31 March 2023	Constant

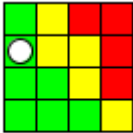
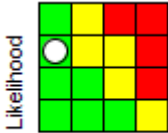

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB LGPS 007a	Pensions administration staff to be aware of the corporate policy regarding cyber security and to follow the guidelines given.	Corporate online training regarding cyber-security to be carried out by all staff and reviewed as required.	Graham Newman	10 June 2022	31 March 2023
CHB LGPS 007b	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	10 June 2022	31 March 2023
CHB LGPS 007c	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	10 June 2022	31 March 2023

CHB LGPS 007d	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.	<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 March 2023</u>
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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
<b>CHB LGPS 008 Pension Administration Software</b> 17-Jun-2021	<b>Cause:</b> (i) Contract expires and is not replaced. (ii) Contract expires and replacement is delayed. <b>Event:</b> Unable to meet statutory obligations of the LGPS or PPS <b>Effect:</b> (i) Pensions not paid (ii) sanctions and fine (iii) Complaints and loss of reputation		4	The new contract has commenced.  <del>21 Jan 2022</del> <u>10 June 2022</u>		4	<u>31-Mar-2023</u>	Constant

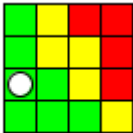
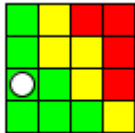

Action no	Action description	Latest Note		Action owner	Latest Note Date	Due Date
008a	Commencement of data hosting by provider	From 24 <sup>th</sup> November 2021 pensions data on Altair is now hosted on Heywood's servers.		<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</u>
008b	Removal of single person dependencies	Following the implementation of the new contract further members of the Pensions Office will become involved to help develop new ways of working.		<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</u>
008c	Resourcing - Work with the successful vendor on resource requirements are identified from the onset. This will be part of a wider mobilisation plan	Project Management resource allocated from IT Project office to help manage post tender award to be confirmed and will commence once contract has been signed. Over the coming months the pensions office will be looking to bring new modules of the pension software online.		<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</u>
008d	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.		David Clelland	<u>10 June 2022</u>	<u>31 Mar 2023</u>
008e	Include Data migration and Exit management in the requirement to vendors.	All system data identified; Analysis carried out on all data sets. Estimated budget allocated to each data migration event. Decommissioning of On-Premises legacy systems can be carried out under the current support contract.  Contractual obligation for migration support from the Incumbent exists.		<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</u>



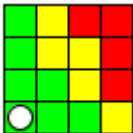
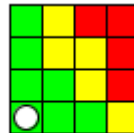

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB LGPS 003 Legislative Compliances  17-Dec-2019	<b>Cause:</b> (i) Lack of appropriate knowledge or skill. (ii) Lack of training/ appropriately skilled staff. <b>Event:</b> The failure to comply with legislative requirements. <b>Effect:</b> (i) Inaccurate benefits paid. (ii) Financial loss. (iii) Increase in Appeals. (iv) Fines from Pensions Regulator. (v) Reputational damage	 Likelihood	3	<p>Local Government Pension Scheme (LGPS) regulations determine how LGPS benefits 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, overriding pension legislation and other bodies such as the Pensions Regulator, HM Revenue &amp; Customs, the Office of National Statistics and the Financial Conduct Authority may impose rules that work alongside the LGPS regulations or may even supersede them.</p> <p>If the members of the Pensions Office that are responsible for administration of the LGPS Scheme lack the necessary legislative knowledge and skills payment of benefits may be delayed or may be inaccurate.</p> <p>This may lead to formal complaints or appeals from scheme members, there representative or scheme employers resulting in financial penalties and sanctions imposed by the governing bodies such as the Pensions Regulator or the Pensions Ombudsman and a loss of reputation.</p>	 Likelihood	3	31-Mar-2023	

Caroline Al-Beyerty							Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB LGPS 003a	Robust recruitment and training processes.	Robust recruitment and training processes.	<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 March 2023</u>
CHB LGPS 003b	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.	<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 March 2023</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 LGPS 005 Fraud  17-Dec-2019 Caroline Al-Myerty	<b>Cause:</b> (i) Not notified of death. (ii) Staff acting inappropriately <b>Event:</b> Fraudulent claim of pension benefits. <b>Effect:</b> (i) Continued payment of pensions following death. (ii) Overpaid pensions. (ii) Financial loss	 Likelihood	2	If the death of a LGPS 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.  <del>20 Jan 2022</del> <u>10 June 2022</u>	 Likelihood	2	<u>31-Mar-2023</u>	  Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHB LGPS 005a	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>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</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
<b>CHB LGPS 002 Actuarial valuation</b>  <div>Page 36</div> Dec-2019 Caroline Al-Beyerty	<b>Cause:</b> (i) Inappropriate assumptions used by the Actuary (ii) Inaccurate data supplied to the Actuary. <b>Event:</b> Unsuitable triennial actuarial valuation. <b>Effects:</b> Employer rates unsuitable to maintain long term cost efficiency & solvency.	Likelihood  Impact	1	The latest full actuarial valuation of the Pension Fund, using member data and investment asset information as at 31 March 2019, has been completed. Using updated financial and demographic assumptions, the actuary has been able to generate an accurate picture of the Pension Fund's funding position (assets compared to liabilities) which has been used to establish appropriate employer contribution rates for use from 1 April 2020. The <u>2022 actuarial valuation has now commenced and once completed, it will set the employers rates from 1 April 2023, next valuation is due to take place in 2022/23.</u>  <del>22 Jun 2021</del> <u>10 June 2022</u>	Likelihood  Impact	1	31-Mar-2023	  Constant

Action no	Action description	Latest Note		Action owner	Latest Note Date	Due Date
CHB LGPS 002a	Regular meetings with the Actuary to ensure that assumptions are appropriate involving <u>Officers and Members of the Pensions Committee, nominated Members of the Finance Cttee, with final report to Finance Cttee.</u>	Nominated Members of the Finance Cttee together with relevant officers met with the Actuary in October and November 2019 to discuss the preliminary triennial valuation results and the robustness of the financial and demographic assumptions used in the valuation process. The final triennial valuation results were reported to the Finance Cttee at its meeting on 18 February 2020. The 2022 triennial valuation <u>will</u> has commenced and the results will be reported to the Pensions Committee, commence after 31 March 2022 and will fall under the remit of the newly formed Pension Committee		<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</u>
CHB LGPS 002c	Robust Year End procedures and updates.	The Pension Fund Accounts for the year ending 31 March 2021 have been published in draft form, formal sign off has been delayed until the City Fund audit is completed. <u>Whilst the City</u>		<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</u>

		Fund accounts have been completed, a wider issue has arisen within local government around accounting for infrastructure assets; this has meant that any local authority accounts that were not signed off prior to this issue being raised cannot be finalised until the issue is resolved. CIPFA is currently conducting an urgent consultation on how to resolve this issue. The delays are beyond Pension Fund control and have no material impact on the Fund's position.			
CHB LGPS 002d	Checking for errors or inconsistencies in valuation extract report before submission to the Actuary	Officers review data quality prior to submission to the actuary. Additionally, member data is submitted separately from employer level cash flow data, which are held on two distinct management information systems. As a result, errors are more easily identified during the valuation process itself. For example, if the member data demonstrates that a given number of members belonging to a single employer retired during the valuation period then this should also be evident from the benefit payments reported in the cash flow data.	<u>Graham Newman</u>	<u>10 June 2022</u>	<u>31 Mar 2023</u>

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## City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

### (A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/rever before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

### (B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people. Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation of leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

### (C) Risk scoring grid

Likelihood	Impact			
	Minor (1)	Serious (2)	Major (4)	Extreme (8)
X				
Likely (4)	4 Green	8 Amber	16 Red	32 Red
Possible (3)	3 Green	6 Amber	12 Amber	24 Red
Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
Rare (1)	1 Green	2 Green	4 Green	8 Amber

### (D) Risk score definitions

<b>RED</b>	Urgent action required to reduce rating
<b>AMBER</b>	Action required to maintain or reduce rating
<b>GREEN</b>	Action required to maintain rating

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

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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