

Committee: Police Authority Board	Date: 22 June 2020
Subject: The City of London Police Pensions Board – Review of Activities for the period 1 April 2019 to 31 March 2020	Public
Report of: The Chamberlain	For Information
Report author: Graham Newman – Chamberlain’s Department	

Summary

This report summarises the activities of the Police Pensions Board (the Board) for the period 1 April 2019 to 31 March 2020. The Police Pension Scheme Regulations 2015 provided for the establishment of a Board with the responsibility of assisting the Scheme Manager (the Commissioner of the City of London Police) in ensuring the efficient and effective governance and administration of the Police Pension Scheme (PPS).

Over the last twelve months the Board:

- continued to review the working practices of the City of London Police Pensions Office including reviews of all letters and documents issued to members, prospective members, leavers and retirees;
- monitored and where appropriate updated the Risk Register for the Board;
- received training on relevant pension matters at each Board meeting; and
- continues to undertake online training modules with the Pensions Regulator’s Toolkit.

The training needs of all Board Members continues to be monitored and training provided as required.

Recommendation

Members are asked to note this report.

Main Report

Background

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

The Role of the Police Pensions Board

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

Scheme Employer Representatives:

Alderman Ian Luder (Chairman) – Elected Member

Mr Alexander Barr – Elected Member

Superintendent Helen Isaac – Serving CoL Police Officer

Scheme Member Representatives:

Mr John Todd (Deputy Chairman) – Retired CoL Police Officer

Mr Timothy Parsons – Retired CoL Police Officer

Mr Mike Reed – Serving CoL Police Officer (from January 2020)

Mr Philip Hodgson – Retired CoL Police Officer (resigned May 2019)

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

Activities of the Board

6. Since 1 April 2019 three meetings have been held – 12 June 2019, 8 October 2019 and 3 February 2020. It is expected that there will continue to be 3 meetings held in every year.

Training

7. Board Members have certain legal responsibilities and must be conversant with the PPS Regulations and the governance and administration of the Scheme to enable them to exercise their role as a Board Member.
8. Members are expected to keep their knowledge and understanding requirements under review. This will allow the training plan to be reviewed and updated as required to meet the training needs.
9. The Pensions Regulator has created an online learning programme, the Trustee Toolkit, which is aimed at the board members of occupational pension schemes. Members have been provided with the details of the Toolkit and are expected to undertake all 7 training modules.
10. The Pensions Office arranged and provided training presentations to aid the Board in their knowledge and understanding.

Training Topic	Training Content	Delivered by	Board Meeting
Training Review / Overview	A review of the training already provided and an overview of what was required in future	Pensions Office	June 2019
Commutation Lump Sums & Unauthorised Payments	Overview of the calculations and potential tax liabilities	Pensions Office	October 2019

Annual Schedule of Events

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

Risk Register

12. A risk register has been created to cover the risks in respect of the City of London Police Pension Scheme. The Register is a standing agenda item for each Board meeting and means that potential risks are continually assessed, reviewed and amended or added to or removed from the Register as deemed appropriate.
13. In June 2019, Members asked that the register be converted to the new corporate format. This was provided to the October 2019 Board meeting.

Documentation and Communication

14. The Board continues to review the working practices of the City of London Police Pensions Office, including all letters and documents issued to members, prospective members, leavers and retirees to ensure optimum clarity as well as accuracy.

Data Protection Act 2018 (GDPR)

15. On 25 May 2018 General Data Protection Regulations were introduced. Part of the requirement of pension schemes is to clearly communicate data use and retention. To meet this requirement, the Scheme Manager of City of London Police Pension Scheme must issue a privacy statement to scheme members.
16. A copy of the City of London Police Force's generic privacy statement was included with the annual benefit statement that were issued to all serving Police Officers by the Pensions Office. A copy of the privacy statement was also sent separately to all retired officers.

Breaches of Data Security (Information Commissioner's Office (ICO) GDPR)

17. There were no known breaches during the year

Breaches of Pension Law (The Pensions Regulator (TPR) code of practice)

18. There were no known breaches during the year

Insurance and Indemnities

19. The Information Commissioner has the power to impose civil penalties under various provisions of the Data Protection Act 2018 (DPA). The penalties lie against the relevant Data Controller responsible for the breach, but Members of the Board were concerned they could have a personal liability because of the nature of the Board.
20. Utilising powers in the Local Authorities (Indemnities for Members and Officers) Order 2004 and in the Localism Act 2011, and utilising City's Cash where necessary, the City Corporation resolved to indemnify Members and officers, including former officers, and serving and former police officers, who sit as members of the Board against any personal liability that may arise to pay a civil penalty under the Data Protection Act 2018, to the extent that the City Corporation's insurance policies do not fully cover such liability, and subject to the exclusions and restrictions contained in the 2004 Order.

Governance

21. The Board reviewed its Terms of Reference in June 2019 to ensure that it continues to comply with the statutory requirements.

Automatic Re-enrolment

22. The City of London Police has a contractual obligation as an employer, to enrol its officers into a workplace pension scheme on their first day of employment (providing their contract of employment is for 3 months or longer). This is known as Automatic Enrolment (AE).
23. The qualifying workplace pension provided to police officers by the City of London Police is the Police Pension Scheme (PPS). Membership to the Scheme is automatic, but it is not compulsory, and police officers can opt out whenever they wish.
24. Under the terms of AE, every 3 years the City of London Police must re-enrol any officer not currently in the Scheme that meets particular age and pay criteria. The re-enrolment date is based on the anniversary of the first date that AE applied. This is known as the Staging Date and for the City of London Police it was 1 October 2014.

25. Officers who qualified for re-enrolment were re-enrolled into the PPS with effect from 1 October 2019. They can if they wish, choose to opt out of the scheme again. The Automatic Re-enrolment process re-enrolled eligible officers into the PPS with effect from 1 October 2019

Lord Chancellor and Secretary of State for Justice v McCloud and others

26. The Court of Appeal has ruled that reforms made to the judges' and firefighters' pension schemes were discriminatory on the grounds of age.
27. This has raised some concerns that the reforms made to all public sector pensions schemes, including the PPS, may also be deemed to be discriminatory on the same grounds.
28. The government requested the right to appeal to the Supreme Court, however, this request was denied. All public sector pension schemes will need to review their regulations and possibly make amendments to them.
29. Guidance from the Home Office / Police Pensions Technical Group is awaited. However, the Pensions Office has been asked by the City of London Police to join them as part of a technical working group known as the National Pension Remedy Work Plan and has agreed to this.

COVID-19

30. Due to the COVID-19 outbreak, the Pensions Office staff have been working from home since 18 March 2020.
31. The Pensions Regulator (TPR), Local Government Association (LGA) & the Scheme Advisory Board (SAB) have all issued guidance that 3 key services should always be retained, they are:
 - 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.
32. All services provided by the Pensions Office have continued to be provided to scheme members.

Conclusions

33. The Police Pension Board was created with reference to the Public Services Pensions Act 2013 and the Police Pension Scheme Regulations 2015. Since April 2019, the Board has met three times and Members continue to receive training to ensure they are compliant with the legal requirements.
34. The Board continues to review the working practices of the City of London Police Pensions Office and regularly monitors all letters and documents issued to members, prospective members, leavers and retirees. The Board maintains a Risk Register and an approved Breaches Policy.

Appendices:

Appendix A – Board Member attendance record

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Appendix A

Police Pension Board - Board Member Record of Attendance

	12/06/2019	8/10/2019	3/01/2020
Alderman Ian Luder	X	X	X
Alexander Barr	X	X	X
Helen Isaac		X	
John Todd	X	X	X
Timothy Parsons	X	X	
Philip Hodgson ⁽ⁱ⁾	N/A	N/A	N/A
Mike Reed ⁽ⁱⁱ⁾	N/A	N/A	N/A

Notes:

- (i) Served on the Board until May 2019
- (ii) Joined the Board in January 2020