Committee: Police Pensions Board	Date: 9 October 2020
Subject: The City of London: Police Pension Scheme - Update	**Public**
Report of: The Chamberlain	**For Information**
Report author: Graham Newman – Chamberlain's Department	

Summary

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

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix 1).
Documentation of all of the communications which are circulated to Scheme Members	Documents that have been amended / updated since the last review have been provided (Appendices 2.1 & 2.2)
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	One complaint - resolved.
Any recent Police Pension Scheme breaches of the law	No breaches to report.
Any audit reports relating to the administration of the Scheme	None to report.
Required Training	No regulatory changes to report.
General Data Protection Regulation (GDPR) / Data Protection Act 2018 (DPA18)	General Date Protection Regulations (GDPR) / Data Protection Act 2018 (DPA18) came into effect on 25 May 2018. The Commissioner has confirmed the privacy notice covers the Force's obligation.
Legal Challenge 1	<u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u> The Court of Appeal has ruled that reforms made to the judges' and

	firefighters' pension schemes were discriminatory on the grounds of age. The course of action to be taken to remedy the situation is currently under consultation. A separate report provides details of the proposals and the issues that may arise.
Legal Challenge 2	<u>Evans & Ashcroft vs Chief Constable of South Wales</u> This is a court of appeal case in respect of the Police (Injury Benefit) Regulations 2006. In October 2018 the Court of Appeal handed down its judgement in the case of Evans & Ashcroft v Chief Constable of South Wales Police. The Court held that the Chief Constable was entitled to deduct from a former police officer's police injury pension the full amount of certain social security benefits actually paid to the retired police officer, as increased with index-linking from year to year. However, the Court also held that the deductible levels of those social security benefits from the tax year 2010/11 onwards need to be recalculated as if the increases in the 2010/11 tax year had never been implemented and as if the base levels for subsequent increases had been correspondingly lower. The judgement currently only applies to the two officers involved in the case, but it is likely to be cited in any similar claims brought under those regulations for those officers that have been in receipt of a police injury pension prior to April 2010 and have had an entitlement to certain social security benefits. 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.

Task Statistics	At the 12 June 2019 Board meeting, Members asked for statistics of the administration work carried out by the Pensions Office to be added as a standing item. Update provided (Appendix 3).
Procurement of Pension Administration System	The current contract for the Pension Administration System has been extended for two years ending in October 2021 and the procurement process has commenced. As part of the process consideration is being given as to what is required from a modern pension administration and how services to scheme members should be provided, now and in the future. Initial thoughts were the services must be less reliant on paper, be more flexible with online access to pension information for scheme members and pensions staff in their working environment. There should be better work flows and also improved reporting. This has been brought into focus due to the current working arrangements due to Covid 19. The Procurement Team have been contacted, permission to proceed granted by the Chamberlain. Other Departments have also been notified as their support in this process is necessary, such as IT, HR and Comptrollers. The discussions to date have centred on the best way to procure this IT service, for example a full Open OJEU (Official Journal of the European Union) procurement exercise. However, on 27 April 2020 a pensions systems framework went live. This Public Service framework managed by Norfolk County Council was created for the exact purpose of Local Government/Police/Fire Pension Scheme systems procurement.

	Public service pensions schemes IT provision is a niche market with few providers. However, 3 providers that may meet the needs of the Corporation's pension administration are included in this framework. This has provided the Corporation with an excellent opportunity to procure the best system possible without the need to go through a lengthy and often more expensive route of the full OJEU process. We have joined the framework and have received the tender pack which includes system details and technical data. To be able to go out to tender in October and award the contract by 31 January 2021 requires the approval from both the Digital Services Sub Committee & the Procurement Sub Committee.
Automatic Data Transfer	The Corporation is currently considering introducing software to enable automated transfer of data from the payroll system to the pension scheme administrators they have to provide data to, they are the Teachers Pensions Scheme and London Councils. Currently Payroll also provide data to the Pensions Office by spreadsheets, reports, interfaces and paper forms. This requires a great deal of manual intervention by the Pensions Office and the Payroll Team particularly as part of the Year End process. For the Pensions Office to benefit from this automation, it would require further software that reads the data files, validates the accuracy and automatically updates the Pension system Altair, even creating workflows automatically. This would save time, reduce the risk of data error or data breach and improve data quality. As the automation of data transfer would be monthly, the Year End process would also be greatly reduced.

	For the Pensions Office automation and data accuracy will assist in all aspects of the pension administration and compliment the development of the administration system in line with the procurement exercise. Should the Corporation introduce this automated data migration software and the Pensions Office believe it to be beneficial to their processes to introduce software too, further information will be brought to the Board at the next meeting. .
Year End Data Collection Process	The City of London Police has submitted the necessary scheme member data to the Pensions Office, such as pensionable pay, pension contributions, working hours etc. The Pensions Office has applied this data to scheme member records in the pensions software system, Altair and completed necessary data checks in doing so. The data is necessary to provide scheme members with accurate pension benefit values in their annual benefit statements.
Pension Board Training	Board members have continued to progress the completion of the TPR online training tool. All Members of the Board are asked to check their training and complete outstanding modules if they have any. Training at Board meetings has not continued as anticipated in 2020, largely due to COVID 19. Training at Board meetings is not essential, however, is recommended. McCLoud is a complex issue that will affect all public service pension schemes and may be a suitable topic for training/presentations, depending on available information, at future Board meetings.

Recommendation

Members are requested to review the information and provide any comments.
Appendices:
Appendix 1 – Annual Schedule of events
Appendix 2, 2.1 & 2.2 – Scheme Documentation
Appendix 3 – Statistical information

Contact:
Graham Newman
Telephone: 020 7332 1132
Email: graham.newman@cityoflondon.gov.uk