



ANNUAL REPORT 2019

North West Police Pensions Board (NWPPB)

**A report on the activities of the NWPPB during the financial year
April 2018 – March 2019**

Fiona Daley, Chair

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INTRODUCTION:

Welcome to the fourth Annual Report of the North West Regional Police Pensions Board (NWPPB).

The North West Police Pension Board was established in March 2015, as required under the Public Service Pensions Act 2013 and Police Pension Regulations 2015 and has the responsibility for “assisting the Scheme Manager” in securing compliance with all relevant pensions law, regulations and directions in respect of Police Pension Schemes. The Scheme Managers are the Chief Constables of Cheshire, Cumbria, Greater Manchester, Lancashire and Merseyside Police forces respectively.

The purpose of this report is to inform Scheme Managers of the governance arrangements that have been in place during the period 1 April 2018 to 31 March 2019, the work undertaken by the NWPPB and any issues identified. The report also enables Audit Committees to have oversight of the relevant governance arrangements.

The report is expected to be of interest to Scheme Managers, the Audit Committees of the constituent police forces, The Pension Regulator and national Scheme Advisory Board.

EXECUTIVE SUMMARY:

The NWPPB met three times during 2018/2019 and has complied with the requirements set out under the Public Service Pensions Act 2013 and Police Pension Regulations 2015. All five forces were represented at the meetings and the Board's main activities during the year have been:-

- Continued development of the Board's capability to ensure rigorous governance of the police pension schemes
- Ensuring compliance with relevant legislation, regulations and requirements of the Pension Regulator, especially in respect of key issues affecting all pension schemes
- To continue to improve and promote consistency of scheme administration and service for members

There have been a number of issues posed to scheme managers within the 2018 /2019 period including the impact of a number of legal challenges including, but not exhaustive to the Evans –v- CC South Wales Police, the McCloud Sargeant Judgement and the findings of the Pensions Ombudsman's Determination re. Northumberland Police Authority and Pension Scheme.

The Board undertook a review of its membership following a number of resignations and retirements. A key change was the retirement of the previous Chair, Clive Portman and the appointment of his successor Fiona Daley from 1 January 2019.

The Board has undertaken work to improve communication and accessibility. The work has included an overhaul of the website, attendance at meetings with Scheme Managers to keep them appraised of the Board's work and developments.

In addition, and following consultation with the Scheme Managers the Board's Terms of Reference have been reviewed and reflect the changes required to ensure the Board remains dynamic and effective. The Board looks forward to 2019/2020 and will continue to develop its monitoring of the North West Police Pension Schemes to identify and minimise risks and provide the various scheme managers and members with efficient, effective and comparable pension services. New arrangements in 2019 will include the introduction of a NWPPB risk register and the introduction of Key Performance Indicators for monitoring scheme and administrator performance.

MEMBERSHIP:

The full membership of the Board is set out below. The key changes during 2018/2019 were as follows:-

Clive Portman, Chair of the Board, resigned with effect on 31st December 2018.

Fiona Daley, Chair of the Board was appointed with effect from 1st January 2019 and chaired her inaugural meeting on 14th March 2019.

All meetings were attended by at least the minimum number of voting members to allow the meetings to be quorate.

2018/2019 Membership:

Board Members:

| Name | Force/ Organisation |
|---------------------------------|------------------------|
| Clive Portman, Chair | Independent |
| Fiona Daley, Chair | Independent |
| Ian Cosh, Vice Chair | Lancashire |
| Amy Park | GMP |
| Michael Nulty | Cheshire |
| Ann Dobinson | Cumbria |
| Matt Horn, Ch. Supt | Lancashire |
| Natalie Perischine, Ch. Supt | Merseyside |
| Craig Trow | Federation |
| Ian Rennie | NARPO |
| Ian Allen | Cheshire |

Other Attendees:

| Name | Force/ Organisation |
|--|----------------------------|
| Keith Dickinson | CPOSA |
| Diane Lister | Lancashire |
| Steve Freeman, Finance Officer, Lancashire | OPCC PCC Representative |
| Helen Stafford | Merseyside |
| Lesley Kewin | GMP |
| Victor Robinson | Lancashire |

TERMS OF REFERENCE:

The Terms of Reference can be found at <https://www.lancashire.police.uk/about-us/accessing-information/north-west-regional-police-pension-board/board-documentation> They were updated in March 2019 and formally agreed by Scheme Managers in June 2019.

FINANCE AND RENUMERATION:

The total cost of the Board in 2018/2019 18 was £9,193.67 (£8,715.51 in 2017/18) made up of:

- £5,193.16 Chairman's Remuneration
- £ 257.70 Members' Expenses
- £ 3,578.56 Administrative Cost for the Board (including website)
- £ 164.25 Refreshments at Board Meetings

The total cost of the Board in 2018/19 was met in equal shares by each of the five North West forces with a recharge from Lancashire to the other forces of £1,838.75 per force.

ACHIEVEMENTS AND OBJECTIVES:

As mentioned in the Executive Summary, during the course of 2018/2019 the Board achieved a number of its objectives, including:-

1. **Meetings:** Three meetings were held as part of the 2018/2019 meeting structure, namely:-
 - 13th September 2018
 - 6th December 2018
 - 14th March 2019

The new Chair had noted that previous annual reports had included meetings that sat outside the relevant fiscal year. In order to align future annual reports to truly reflect the number of meetings held in any one fiscal year, the decision has been taken to report on three for 2018/2019.

2. **Performance Monitoring:** The main focus of the Board's activity has been to consider a broad range of factors captured in force quarterly returns to NWPPB. These returns have enabled to Board to track and compare progress on key issues including:
 - i. Breaches of law
 - ii. Complaints
 - iii. Auto- enrolment
 - iv. Data accuracy
 - v. Dispute resolution processes

- vi. Compliance with Guaranteed Minimum Pension arrangements
3. **Stakeholder Engagement and Relationship Development:** The Board has continued to actively engage with a number of its key stakeholders including the Pension Regulator and Scheme Advisory Board (SAB), Chief Constables/Scheme Managers (see item 5 above) and a number of scheme administrators (Kier, XPS etc.), to ensure the Board and its members are compliant and have actively sought feedback on how to improve.
4. **Training for Members:** The Board dedicated the 6th December 2018 for training of members and Training provided to all board members Kevin Courtney, NPCC Pensions Advisor and Clair Alcock. Firefighters Pensions Advisor. The Training included a wide variety of pension legislation, responsibilities, advice and guidance and was beneficial for both new and existing members.
5. **National Challenges:** A number of national legal challenges were highlighted, assessed and tracked, to determine the impact on some or all of the NW Pension schemes. These included:-
- **Evans –v- CC South Wales**
 - **McCloud and Sargeant Supreme Court Judgement**
 - **Pensions Ombudsman Determination regarding Northumberland Police Authority and Pension Scheme**

A great deal of research and work has been undertaken to ensure the impact of the relevant legal challenges were understood and mitigated against for the NW Police Pension Board Scheme members. It is considered that all the schemes are well sighted and have control measures in place, as a consequence of the oversight by the Board.

6. **Annual Returns:** The Board has oversight of the Annual Returns to The Pension Regulator prepared and submitted on behalf of each scheme manager in late 2018, ensuring consistency where appropriate and identifying issues for consideration by the Board.

2019/2020 Objectives and Plan:

Over the coming months, the Board wishes to:-

1. Continue to develop the use of the force quarterly returns to identify key compliance and delivery issues, expanding the process to develop a cyclical programme of review to provide greater assurance on the strength of arrangements across all forces;
2. Develop a NWPPB risk register recognising the risks at Scheme Manager level and using a risk interrogation approach to examine the strength of risks mitigation arrangements;
3. Monitor the position of each scheme in relation to key matters identified previously by The Pension Regulator including cyber security arrangements, data accuracy and reporting breaches of law;
4. Support Scheme Managers in responding to new issues identified by The Pension Regulator including through the completion of the Annual Return;

5. Continue to research, monitor and implement any necessary action in a timely and effective manner issues that may impact on any of the member schemes, including regulatory and legislative developments, application of policies such as those around ill-health and forfeiture
6. Develop Key Performance Indicators to better understand the relative performance of the schemes and monitor trends, in particular opt-out rates for each of the member schemes, and the drivers of change;
7. Continue to develop effective working relationships with all stakeholders including but not exclusive to, Chief Constables/Scheme Managers, Scheme Administrators, staff association representatives, Scheme Advisory Board, The Pensions Regulator and Scheme Administrators;
8. Consolidate and develop member training to ensure all members are able to perform their duties effectively;
9. Continue to develop and strengthen the Scheme governance arrangements in line with best practice.

Summary and Conclusions:

During 2018/19 the NWPPB has maintained an effective role in overseeing North West Police pension administration and has provided robust challenge and effective governance. Going forwards, the NW Police Pension Board will look to increase its focus on continuous improvement in identifying and managing risks, sharing good practice and highlighting areas for development in governance and administration arrangements, monitoring service provision, as well as continuing to ensure effective compliance with all relevant legislation and regulations.

I would like to thank all members of the NW Police Pension Board for their contributions during the past year, as well as all stakeholders and observers who continue to play a key role in our work.

Any queries on the content of this report please contact the Board Administrator via jill.leaver@lancashire.pnn.police.uk

Fiona Daley

Independent Chair of the Board

August 2019