



# ANNUAL REPORT 2020

## North West Police Pensions Board (NWPPB)

**A report on the activities of the NWPPB during the financial year  
April 2019 – March 2020**

**Fiona Daley, Chair**

## CONTENTS:

	Page
Introduction	3
Executive Summary	4
Membership	5
Terms of Reference	6
Finance and Remuneration	6
Achievements and Objectives	6
Conclusion	8

## INTRODUCTION:

Welcome to the fifth Annual Report of the North West Regional Police Pensions Board (NWRPPB).

The NWRPPB 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 2019 to 31 March 2020, 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. It also provides the opportunity to other stakeholders, including pension scheme members, to gain assurance that appropriate governance arrangements exist regarding the management of pensions.

## EXECUTIVE SUMMARY:

The NWPPB met four times during 2019/2020 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: -

- 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
- To work with the Chair of SAB, Elizabeth France, to continue the development of the Board's capability to ensure rigorous governance of the police pension schemes

There have been a number of issues posed to scheme managers within the 2019 /2020 period including the impact of a number of legal challenges. The main legal challenge relates to the McCloud Sargeant Judgement the impact of which will have significant impact on all the schemes within the NW Pension Board remit.

2019/2020 saw the first full year of operation of the newly formed Board, following the changes that occurred in 2018/19.

The Board has undertaken work to improve communication and accessibility. However, this work has not yet being completed and is rolled over into 2020-21 . This will improve communication with scheme Managers and other stakeholders.

The Board has developed systems and processes to improve the monitoring, reporting and consistency in operation across the various scheme administrators that form the NW Police Pension Board. The Board has developed a dynamic risk register, a consistent Breach of law reporting mechanism and quarterly performance reporting mechanism to facilitate the monitoring and reporting of the operation of the Schemes. It has also led to the sharing of best practice and enable a collaborative approach to common issues.

## MEMBERSHIP:

The full membership of the Board is set out below. There were no significant changes during 2019/2020.

### 2019/2020 Membership:

#### Board Members:

Name	Force/ Organisation
Fiona Daley, Chair	Independent

#### Scheme Representatives:

Ian Cosh, Vice Chair	Lancashire
Michael Nulty	Cheshire
Ann Dobinson	Cumbria
Amy Park	GMP
Elaine Wilson	Merseyside

#### Staff Associations:

Ch Supt Matt Horn	Police Superintendent's Association
Lyndsey Atherton	Federation (GMP)
Anthony Bradley	Federation (Lancashire)
Ian Rennie	NARPO
Keith Dickinson	CPOSA

#### Stakeholders & Subject Matter Experts:

Steve Freeman, Chief Finance Officer, OPCC Lancashire	PCC Representative
Tony Wilkinson	Lancashire
Diane Lister	Lancashire
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:

- £5,700.00 Chairman's Remuneration and expenses
- £ 341.28 Members' Expenses
- £ 3,654.44 Administrative Cost for the Board (including website)
- £ 540.00 Refreshments at Board Meetings

The total cost of the Board in 2019/20 was met in equal shares by each of the five North West forces with a recharge from Lancashire to the other forces of £2,047.14 per force.

## ACHIEVEMENTS AND OBJECTIVES:

As mentioned in the Executive Summary, during the course of 2019/2020 the Board achieved a number of its objectives, including: -

1. **Meetings:** Four meetings were held as part of the 2019/2020 meeting structure, namely: -
  - 12<sup>th</sup> June 2019
  - 5<sup>th</sup> September 2019
  - 5<sup>th</sup> December 2019
  - 26<sup>th</sup> February 2020
2. **Performance Monitoring:** The Board has reviewed and continuously improved the Quarterly Return used by Schemes to provide consistent, accurate and meaningful data. Work has been undertaken to ensure that each Scheme provider understand the definition for each performance indicator and that submissions are consistent. 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 below) and a number of scheme administrators (XPS etc.), to ensure the Board meet its requirements and have actively sought feedback on how to improve.
4. **Training for Members:** The Board dedicated the 5<sup>th</sup> September 2020 for training and arranged for the Chair of SAB, Elizabeth France, to attend. Elizabeth provided the Board with information on the SAB's work with the Home Office and HM Treasury, their current role and the assistance that they can provide to regional pension Boards.
5. **National Challenges:** National legal challenges continue to be 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**

The Board proactively wrote to Elizabeth France, the SAB Chair, to table the reservations the Board had regarding the impact of proposed recommendations on the Scheme and to help influence key national pension matters. The Board are keen to develop a two-way communication and working relationship with the SAB with a view to being able to continue to influence and shape current and future proposals relating to Police pensions.

6. **Annual Returns:** The Board worked together to provide consistent responses to The Pension Regulator Survey, ironing out any idiosyncrasies that affected any schemes. Those issues that remained idiosyncratic to a scheme were noted and understood by all.

#### **2020/2021 Objectives and Plan:**

Over the remainder of 2020/2021, the Board wishes to: -

1. Improve the provision of information flow to the Scheme Managers.
2. Improve and modernise the NW Police Pension Board website.
3. Continue to develop and continuously improve 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;
4. Continue to review, develop and improve the NWPPB risk register ensuring that it identifies the relevant risks for the region's schemes, tracks said risks and provides mitigation arrangements to minimise risks.
5. 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;

6. Support Scheme Managers in responding to new issues identified by The Pension Regulator including through the completion of the Annual Return;
7. 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
8. To review and monitor the Key Performance Indicators to better understand the relative performance of the schemes and identify trends, in particular opt-out rates for each of the member schemes, and the drivers of change;
9. 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;
10. Consolidate and develop member training to ensure all members are able to perform their duties effectively;
11. Continue to develop and strengthen the Scheme governance arrangements in line with best practice.

## **Summary and Conclusions:**

During 2019/20 the NWPPB has maintained an effective role in overseeing North West Police pension administration and has provided robust challenge and governance. The NWRPPB will continue to develop systems and processes to ensure compliance with legislative and regulatory requirements across all schemes. The Board will seek to identify and manage emerging risks, share good practice and highlighting areas for development on behalf of Scheme Managers to ensure good governance and administration for police pension beneficiaries.

I would like to thank all members of and contributors to the NWRPPB, together with scheme managers, administrators and Scheme Advisory Board for their commitment and work to improve our schemes' pension arrangements.

Any queries on the content of this report please contact the Board Administrator via [jill.leaver@lancashire.pnn.police.uk](mailto:jill.leaver@lancashire.pnn.police.uk)

**Fiona Daley**

**Independent Chair of the Board**

**June 2020**