

PFCC Decision Report

Please ensure all sections below are completed

Report reference number: PFCC/108/19
Classification: Not protectively marked
Title of report: APCC Pension Bond Guarantee
Area of county / stakeholders affected: Countywide
Report by : Abbey Gough Date of report: 11 th July 2019 Enquiries to: abbey.gough@essex.pnn.police.uk

1. Purpose of the report

To approve the guarantee from the PFCC reserve to underwrite the Association of Police and Crime Commissioners (APCC) Pension Bond.

2. Recommendations

It is recommended that the PFCC approves the proposal to provide a guarantee from the PFCC reserves via a letter of intent to underwrite the APCC pension fund bond.

3. Benefits of the proposal

The bond is required to meet the accrued future pension liabilities of APCC staff in the unlikely event that the APCC leaves the pension scheme. This proposal supports the 'in principle' commitment made by APCC members at the May 2019 General Meeting, and follows a similar approach used for the Police ICT Company.

4. Background and proposal

Following the APCC Annual General Meeting on 22nd May 2019 PCCs approved 'in principle' a proposal to provide a guarantee from reserves to support the

APCC pension bond. A requirement of the Merseyside Pension Fund was for a lead guarantor, and the PCC for Gwent has agreed to fulfil this role. All Policing Bodies will pay an equal split of the total bond value to Gwent PCC should Merseyside Pension Fund call in the APCC bond.

5. Alternative options considered and rejected

The alternative would be to not provide the guarantee, however this would not be in line with the national position and the 'in principle' agreement made on 22nd May 2019.

6. Police and Crime Plan

This will support the wider aims of the Police and Crime Plan by providing a guarantee for the APCC which assists PCCs nationally.

7. Police operational implications

There are no operational implications.

8. Financial implications

The PFCC will provide a guarantee to the Gwent PCC as the lead guarantor of £21,326. This is an equal split of the overall bond amount of £917,000 across all APCC members. The risk will only materialise in the event that the APCC withdraws from the pension scheme.

This will be treated a contingent liability, however the value is below materiality thresholds.

9. Legal implications

A letter of intent has been produced to provide the guarantee to the pension bond in the event that the Merseyside Pension Fund calls in the APCC pension fund bond for the reasons of the APCC ceasing to participate in the scheme.

10. Staffing implications

There are no staffing implications for the PFCC

11. Equality and Diversity implications

There are no equality and diversity implications

12. Risks

There is financial risk that that PFCC could be asked to provide the £21,326 which will reduce the PFCC reserve, however this is not material and currently considered unlikely to take place.

13. Governance Boards

This has been discussed and agreed 'in principle' at the APCC General Meeting on 22nd May 2019.

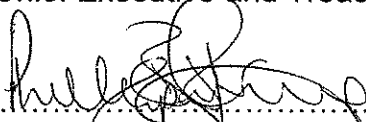
14. Background papers

None

Report Approval

The report will be signed off by the OPFCC Chief Executive and Treasurer prior to review and sign off by the PFCC / DPFCC.

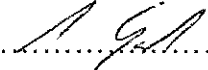
Chief Executive / M.O.

Sign: 

Print: P. Beest-Lucewood

Date: 11 Jun 2019

Chief Finance Officer / Treasurer

Sign: 

Print: Abben Gough

Date: 12/07/2019

Publication

Is the report for publication?

YES
NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

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If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet? YES
NO

2. Of Appendix? YES
NO

If 'YES', please provide details of required redaction:

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Date redaction carried out:

Treasurer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

Sign:

Print:

Chief Executive/Treasurer

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: *Jane Gardner*

Print: *JANE GARDNER*

PFCC/Deputy PFCC

Date signed: *12 JULY 2019*

I do not agree the recommendations to this report because:

.....
.....

Sign:

Print:

PFCC/Deputy PFCC

Date signed: