

## Lancashire Local Pension Board

Meeting to be held on Tuesday, 20 April 2021

Electoral Division affected:  
(All Divisions);

## Lancashire County Pension Fund Breaches Report

Appendix 'A' refers

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### Executive Summary

This report provides the Board with a summary of the Lancashire County Pension Fund Breaches Log for the period 1<sup>st</sup> January 2021 to the 31<sup>st</sup> March 2021.

The report provides breach information for contributions, data and administration breaches. Information on data and administration breaches is provided by the Local Pensions Partnership Administration (LPPA).

At the last Pension Board LPPA were asked to present a report detailing the 'process used to assess and rate administration breaches' to the next meeting. This report can be found at Appendix A.

### Recommendation

The Board is asked to note the content of this report.

### Background and Advice

The Lancashire County Pension Fund has policy and procedures in place to effectively record and, if necessary, report breaches to the Pension Regulator. Practical guidance in relation to the legal requirements are set out in the Pension Regulator's Code of Practice 14.

Code of Practice 14 covers areas such as:

- Governing your scheme;
- Managing Risks;
- Administration;
- Resolving Issues.

The Administration section covers aspects such as:

- Scheme record keeping;
- Maintaining Contributions;
- Providing information to members.

The Lancashire County Pension Fund, in line with the breaches policy and supported by the Local Pension Partnership, have established a log to record all incidents which fall outside of the requirements of Code of Practice 14.

### Contribution Breaches:

In the period January to March 2021 (March contributions have not been collected at the time of writing this report) there has been no breach in contribution payments. Additionally, there were no breaches in the previous quarter, Quarter 3 (Oct-Dec 2020).

There were, however, a number of incidents recorded in the period which have resulted in corrective action being taken. A total of 57 employers failed to submit contribution figures for Q3 and 22 for Q4\*. They have all been contacted in accordance with the Stage 2 escalation procedure, which ensures that all incidents are corrected swiftly. For Q3, the number of employers which failed to submit contributions represents 5.50% of the total submissions, in monetary value this equates to 0.93% of the total contributions received during the period and for Q4\* this represents 3.29% and 0.17% respectively.

	Q1 Apr-Jun 20	Q2 Jul-Sep 20	Q3 Oct-Dec 20	Q4* Jan-Mar 21
Incidents	53	70	57	22
Breach	0	0	0	0

\* Incomplete – only includes 2 months data.

### Data Breaches:

For the period 1<sup>st</sup> January 2021 to the 31<sup>st</sup> March 2021 there were a total of 8 data breaches:

January	<ul style="list-style-type: none"> <li>Two members were sent documentation pertaining to two other members.</li> </ul>
February	<ul style="list-style-type: none"> <li>One member's P60/pay advice was delivered to the wrong address due to the address not visible on the printed copy;</li> <li>One member received a letter relating to another member attached to their own correspondence;</li> <li>An email was sent to the incorrect email address.</li> </ul>
March	<ul style="list-style-type: none"> <li>Appropriate data protections checks were not carried out on a phone call;</li> <li>Letter attachments mixed up between two members.</li> </ul>

All data breaches are managed through the Information Governance Team of Lancashire County Council who deemed them not significant enough to warrant reporting to the Information Commissioner.

## Summary Table:

	Q4 19/20	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21
Data Breaches	3	2	2	5	8

## Administration Breaches:

Local Pensions Partnership Administration have recently developed new systems and processes to assess, log, report and address all breaches related to the administration service which they provide. Code of Practice 14 (COP 14) breaches were previously reported as part of their annual report. The system now provides breach information broken down by COP14 breaches and by operational process breaches by the Local Pension Partnership Administration.

There were six COP14 breaches in the period and no process breaches:

	COP 14 Breach	LPPA PROCESS BREACH	TOTAL
January	0	2	2
February	0	0	0
March	1	0	1
<b>Total</b>	<b>1</b>	<b>2</b>	<b>3</b>

January	<ul style="list-style-type: none"><li>• Process Breach: An email was sent to the incorrect email address; however, it contained no personal data;</li><li>• Process Breach: A member requested a transfer of a FSAVC. A request was made to LCPF to process when LPPA should have known this is not allowed. Transfer was not processed.</li></ul>
February	<ul style="list-style-type: none"><li>• N/A.</li></ul>
March	<ul style="list-style-type: none"><li>• COP14: Identified by Compliance Monitoring Review that aggregation had not been completed correctly on 2 members accounts</li></ul>

None of the breaches were not material or worthy of reporting to the regulator. Corrective action was implemented as soon as the breaches came to light to minimise or prevent future recurrence.

## LPPA process used to assess and rate administration breaches

Please refer to Appendix A.

## **Consultations**

The Local Pensions Partnership were consulted with regards to the administration and data breaches. The County Council's Finance Team were consulted with regards to contributions. The Technical Pensions Lead was consulted regarding the Prudential AVC issue.

## **Implications:**

This item has the following implications, as indicated:

## **Risk management**

The Lancashire Local Pension Board provide scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective compliance with the Pension Regulators' Code of Practice 14 – Governance and administration of public service pension schemes.

## **Local Government (Access to Information) Act 1985**

### **List of Background Papers**

Paper	Date	Contact/Tel
Code of Practice 14 - Governance and administration of public service pension schemes	April 2015	Mukhtar Master 01772 532018

Reason for inclusion in Part II, if appropriate.

N/A