

Lancashire Local Pension Board

Meeting to be held on Tuesday, 6 July 2021

Electoral Division affected:
(All Divisions);

Lancashire County Pension Fund Breaches Report

Contact for further information: Mukhtar Master, 01772 532018, Governance & Risk Officer, Mukhtar.Master@lancashire.gov.uk

Executive Summary

This report provides the Board with a summary of the Lancashire County Pension Fund Breaches Log for the period 1st April 2021 to the 30th June 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 Limited (LPPA).

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 Administration Limited, have established a log to record all incidents which fall outside of the requirements of Code of Practice 14.

Contribution Breaches:

In the period April 2021 to June 2021 (June contributions have not been collected at the time of writing this report) there have been no breaches in contribution payments.

There were no breaches in quarter 4 (January - March 2021) and there were no breaches in the previous quarter.

There were a number of incidents recorded in the period which have resulted in corrective action being taken. A total of 52 employers failed to submit contribution figures for Q4 and 45 for Q1*. They have all been contacted in accordance with the Stage 2 escalation procedures, which ensure that all incidents are corrected swiftly. For Q4, the number of employers which failed to submit contributions represents 5.20% of the total submissions, in monetary values this equates to 0.60% of the total contributions received during the period and for Q1* this represents 6.89% and 0.68% respectively.

	Q2 Jul-Sep 20	Q3 Oct-Dec 20	Q4 Jan-Mar 21	Q1* Apr-Jun 21
Incidents	70	57	52	45
Breach	0	0	0	0

* Incomplete – only includes 2 months data.

Data Breaches:

For the period 1st April 2021 to the 30th June 2021 there were a total of 4 data breaches:

April	<ul style="list-style-type: none">Two member addresses were incorrect on the system because they had not notified LPP of a change of address. This resulted in their information being received by a third party.
May	<ul style="list-style-type: none">One member received information relating to another member attached to their own correspondence;One letter was sent to the incorrect address.
June	<ul style="list-style-type: none">N/A.

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:

	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Q1 21/22
Data Breaches	2	2	5	8	4*

*Correct to 21st June 2021

Administration Breaches:

The systems developed by LPPA report breaches in two different ways:

1. COP 14 Breach – a breach based on the Code of Practice 14 from the Pension Regulator;
2. A process breach – a breach contravening agreed and accepted administrative processes.

There was one COP14 breach in the period and no process breaches:

	COP 14 Breach	LPPA PROCESS BREACH	TOTAL
April	1	0	1
May	0	0	0
June	0	0	0
Total	1	0	1*

*Correct to 21st June 2021.

April	<ul style="list-style-type: none">• COP14: Incorrect early leaver estimate was created and sent to the member. Correct figures have been issued together with an apology.
May	<ul style="list-style-type: none">• N/A.
June	<ul style="list-style-type: none">• N/A

None of the breaches were 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.

Consultations

Local Pensions Partnership Administration Limited were consulted with regards to the administration and data breaches. The County Council's Finance Team were consulted with regards to contributions.

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		