

Lancashire Local Pension Board

Meeting to be held on Tuesday, 5 July 2022

Electoral Division affected: N/A;

Lancashire County Pension Fund Breaches Report

Contact for further information:

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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 1st April 2022 to 30th June 2022.

The report provides 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 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 2022 to June 2022 (May contributions have not been collected at the time of writing this report) there have been no breaches.

There were 2 breaches in quarter 4 (January 2022 to March 2022), one breach in quarter 3 (September 2021 – November 2021), and one breach in quarter 2 (July – September 2021), there have so far been no breaches in quarter 1**.

There were several incidents recorded in the period which have resulted in corrective action being taken. A total of 23 employers failed to submit contribution figures for Q4 and 26 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 0.62% of the total submissions, in monetary values this equates to 2.401% of the total contributions received during the period, for Q1* this represents 0.82% and 4.11% respectively.

	Q2 Jul-Sep 21	Q3 Oct - Dec 21	Q4 Jan – Mar 22	Q1 Apr – Jun 22
Incidents	26	37	23	26*
Breach	1	1	2	0**

* Incomplete – Incidents only includes 2 months data.

** Incomplete – Breaches only include 1 Months data

Data Breaches:

For the period 1st March 2022 to 30th June 2022 there were a total of 4 data breaches:

April	<ul style="list-style-type: none">• One data breach occurred in April.<ul style="list-style-type: none">▪ This breach was a near miss where correspondence from one members record was saved to onto another members record. No data was released.○
May	<ul style="list-style-type: none">• Three data breaches occurred in May.<ul style="list-style-type: none">▪ Correspondence was sent to an incorrect address.▪ A member's ex-husband accessed her online account▪ A member's details had been changed online○
June	data not yet available

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

Summary Table:

	Q2 21/22	Q3 21/22	Q4 21/22	Q1* 21/22
Data Breaches	3	5	4	4

*June 22 data not yet available

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 were two COP14 breaches in the period and zero process breaches:

	COP 14 Breach	LPPA PROCESS BREACH	TOTAL
April	1	0	1
May	1	0	1
June*	0	0	0
Total	2	0	2

April	COP14: <ul style="list-style-type: none">• It was identified that some pre 1998 leavers were not provided with their retirement options. Corrective action taken with options subsequently being issued.
May	COP14: <ul style="list-style-type: none">• A member's bank details were changed incorrectly.
June	data not yet available

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