

**Lancashire Local Pension Board**

Meeting to be held on Tuesday, 18 October 2022

Electoral Division affected:  
N/A;

**Lancashire County Pension Fund Breaches Report**

Contact for further information:

Junaid Laly, 01772 532767, Senior Governance Officer,

[junaid.laly2@lancashire.gov.uk](mailto:junaid.laly2@lancashire.gov.uk)

**Brief Summary**

This report provides the Board with a summary of the Lancashire County Pension Fund Breaches Log for the period 1st July 2022 to 30th September 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.

**Detail**

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 July 2022 to September 2022\* (September contributions have not been collected at the time of writing this report) there have been 2 breaches.

There were no breaches in quarter 1 (April 2022 to June 2022), 2 breaches in quarter 4 (January 2022 – April 2022), and 1 breach in quarter 3 (September 2021 – December 2021).

There were several incidents recorded in the period which have resulted in corrective action being taken. A total of 50 employers failed to submit contribution figures for Q1 and 29 for Q2\*.

They have all been contacted in accordance with the Stage 2 escalation procedures, which ensure that all incidents are corrected swiftly. For Q1, the number of employers which failed to submit contributions represents 4.52% of the total submissions, in monetary values this equates to 0.80% of the total contributions received during the period, for Q2\* this represents 1.22% and 4.79% respectively.

	Q3	Q4	Q1	Q2*
<b>Incidents</b>	<b>37</b>	<b>23</b>	<b>50</b>	<b>29</b>
<b>Breaches</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>2</b>

\*Incomplete – Q2 incidents and breaches only include 2 months data

### Data Breaches:

For the period 1st July 2022 to 30th September 2022\* there were a total of 7 data breaches:

<b>July</b>	<ul style="list-style-type: none"> <li>• 5 data breaches in July               <ul style="list-style-type: none"> <li>• 3 instances where correspondence was sent to the incorrect address</li> <li>• 2 instances where correspondence was sent to the incorrect recipient</li> </ul> </li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>• 2 data breaches in August               <ul style="list-style-type: none"> <li>• Correspondence was sent to the incorrect address</li> <li>• Correspondence was sent to the incorrect recipient</li> </ul> </li> </ul>
<b>September</b>	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:

	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23*
<b>Data Breaches</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>7</b>

\*September 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 CoP 14 breaches in the period and three process breaches:

	CoP 14 Breach	LPPA Process Breach	Total
<b>July</b>	2	1	3
<b>August</b>	0	2	2
<b>September*</b>	0	0	0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>5</b>

July	CoP 14: <ul style="list-style-type: none"><li>• Incoming transfer processed incorrectly</li><li>• Forms sent in error to a member who had opted out</li></ul> Process Breach: <ul style="list-style-type: none"><li>• Document not released resulting in the member not receiving the requested information</li></ul>
August	Process Breach: <ul style="list-style-type: none"><li>• Invoice incorrectly raised on LCPF account relating to another LPPA client</li><li>• Encrypted email sent to the member</li></ul>
September	Data not yet available

\*September 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	Junaid Laly 01772 532767

Reason for inclusion in Part II, if appropriate

N/A

