

Lancashire Local Pension Board

Meeting to be held on Tuesday, 24 January 2023

Electoral Division affected:
N/A;

Lancashire County Pension Fund Breaches Report

Contact for further information:

Junaid Laly, Special Projects Pensions Lead, 01772 532767,

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 October 2022 to 31st December 2022, including 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 October 2022 to December 2022* (December contributions have not been collected at the time of writing this report) there have been 0 breaches.

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

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, 44 for Q2 and 68 for Q3*.

They have all been contacted in accordance with the Stage 2 escalation procedures, which ensure that all incidents are corrected swiftly. For Q2, the number of employers which failed to submit contributions represents 4.76% of the total submissions, in monetary values this equates to 1.04% of the total contributions received during the period, for Q3* this represents 10.26% and 3.39% respectively.

	Q4	Q1	Q2	Q3*
Incidents	23	49	44	68
Breaches	2	0	2	0

*Incomplete – Q3 incidents and breaches only include 2 months data

Data Breaches:

For the period 1st October 2022 to 31st December 2022* there were a total of 3 data breaches and 1 process breach:

October	3 data breaches in October <ul style="list-style-type: none"> • A member received correspondence with another members details • A document incorrectly associated to another member's record • File sent to the new software provider with details of some Lancashire members which should have been removed
November	<ul style="list-style-type: none"> • No data breaches were reported.
December	Data not yet available

All data breaches are reported to 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:

	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23*
Data Breaches	4	6	12	3

*December 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 no CoP 14 breaches in the period and one process breaches:

	CoP 14 Breach	LPPA Process Breach	Total
October	0	0	0
November	0	1	1
December*	0	0	0
Total	0	1	1

*December data not yet available

October	<ul style="list-style-type: none">• None
November	<ul style="list-style-type: none">• Process Breach: Correspondence as part of a transfer was sent to the member rather than the receiving scheme which caused a delay in the transfer process.
December	Data not yet available

None of the breaches were considered material or worthy of reporting to the regulator and 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	Catherine Hunt 01772 533757

Reason for inclusion in Part II, if appropriate

N/A

