

Lancashire Local Pension Board

Meeting to be held on Tuesday, 24 January 2023

Electoral Division affected: N/A;

Lancashire County Pension Fund Breaches Policy Review

Appendices 'A', 'B', 'C' and 'D' refer

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Brief Summary

Under the Pensions Act 2004, the Fund must report breaches of the law relating to the administration of the Pension Fund to the Pension Regulator and practical guidance on 'Reporting breaches of the law' is outlined in Code of Practice 14.

To ensure compliance with these requirements the Fund has an existing Breaches Policy (Appendix A) which has been reviewed and updated.

The purpose of this report is to outline changes to the Breaches Policy and seek comments from the Board on those changes.

Recommendation

The Board is asked to note and comment on the revised Breaches Policy as set out at Appendix D. The final Breaches Policy will be submitted to the Pension Fund Committee in March 2023 for approval.

Background and Advice

Breaches can occur in relation to a wide variety of tasks associated with a pension fund. In the main, breaches are normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.

The Breaches Policy forms part of the internal controls for the purpose of ensuring that the Fund is administered and managed in accordance with the scheme rules and within the requirements of the law.

The Breaches Policy primarily aims to:



- Clarify the legal and regulatory guidance to consider when reporting a breach;
- Determine whether or not a breach is likely to be of material significance;
- Set out a clear pathway for both recording and reporting a breach;
- Clearly describe how a breach of material significance is to be reported to the Pensions Regulator or Information Commissioner.

The policy has been re-drafted to simplify and/or improve presentation and the content updated to include some key amendments including:

- A definition, together with examples of breach types has been added;
- Inclusion of guidance relating to data breaches, namely UK GDPR and reference to the Information Commissioner role with regards reporting of data related breaches;
- The role and responsibilities of key stakeholders have been added including:
 - Local Pension Partnership Limited and its subsidiaries;
 - LCPF Finance team;
 - LCC Information Governance Team; and
 - LCPF Governance Team
- The inclusion of two eForms for reporting breaches has replaced the existing reporting documentation:
 - Information Security Incident eForm -for data breaches (Appendix B)
 - LCPF Breaches Reporting eForm- for Code of Practice breaches (Appendix C).

A copy of the updated LCPF Breaches Policy is set out at Appendix D.

Consultations

LCC Legal Services
 LCC Information Governance Manager
 Head of Risk & Compliance, Local Pensions Partnership Administration (LPPA)

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 risk management over the Pension Fund operations.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
N/A		

