



Lancashire County
**Pension
Fund**

Lancashire County Pension Fund Breaches report

December 2023 –February 2024

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Overview



The Fund team have been working to develop the breaches report following feedback from the Lancashire Local Pensions Board. These slides represent an initial draft of how this may look going forward. The content of the breaches report has been reduced and the key data charted on graphs for a visual representation.

To provide context to the number of breaches recorded, the Fund team have devised a count of 'opportunities' which consist of the total number of cases processed and phone calls accepted by the helpdesk. Unfortunately, we are unable to include the number of emails sent by LPPA in the 'opportunities' count as this data is not available. While this will obviously have an impact on the analysis, the Fund team believe it is a good starting point for the continued development of the breaches report. Also analysis is provided of recent experience to allow the team to – going forwards - identify any trends to be visible or any deviations from regular breach volumes. These visuals are supplemented with relevant commentary.

During the development of these slides the Fund team have come across some initial challenges in meeting the requested changes.

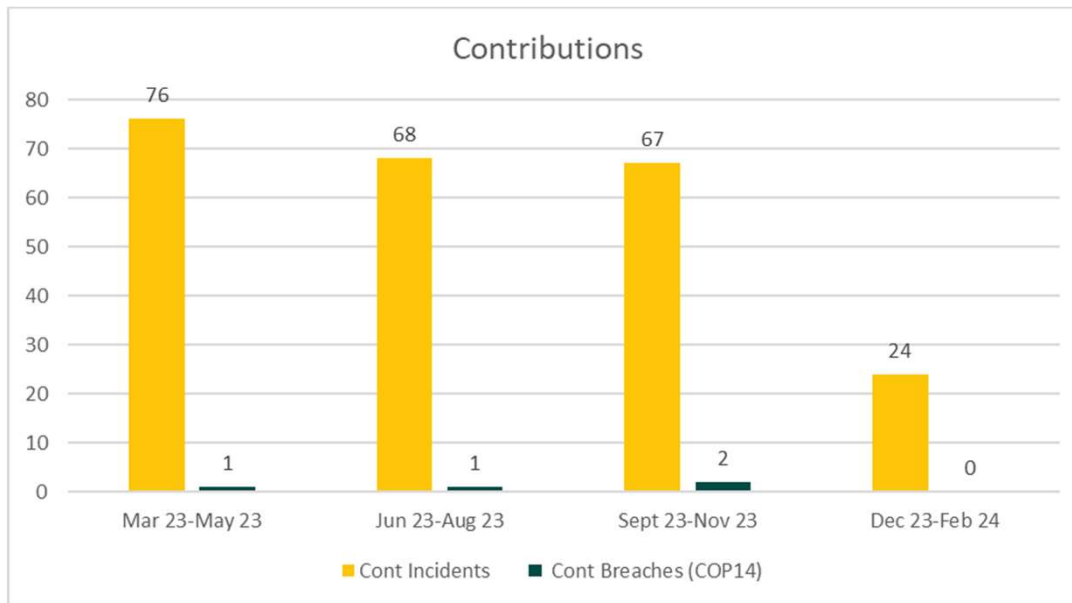
Unfortunately, benchmarking data by CEM does not include breaches. We are also unable to benchmark ourselves against the limited number of other Funds of a similar size as this data is not readily available nor does it appear to be reported to their boards on a regular basis.

The benchmarking approach of 'volume per 1000 members' is unapplicable to breaches. Breaches should be measured against opportunities and not number of members within the fund.

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Contribution Incidents & Breaches

Contributions are collected from employers by direct debit each month. An incident occurs when either an incorrect amount is collected, or no remittance is provided on up to three occasions. A breach occurs when an incorrect amount is collected, or a remittance is not submitted on four or more occasions, or if payment is late.



Quarterly Summary (Dec 23 – Feb 24)

- Out of the 993 collections there were 24 incidents recorded where employers failed to submit a remittance. This usually results in a small discrepancy in the amount that should have been collected as the amount previously submitted is collected in anticipation the same amount will be due.
- The above number of incidents is below recent levels as the LCPF Finance Team proactively contacted employers to ensure that they submitted on time.
- Zero contribution breaches have been occurred this quarter.
- However, this does not include February 2024 as data relating to contribution breaches was not available at the time of writing the report. Confirmation of the February data will be provided verbally at Local Pension Board.

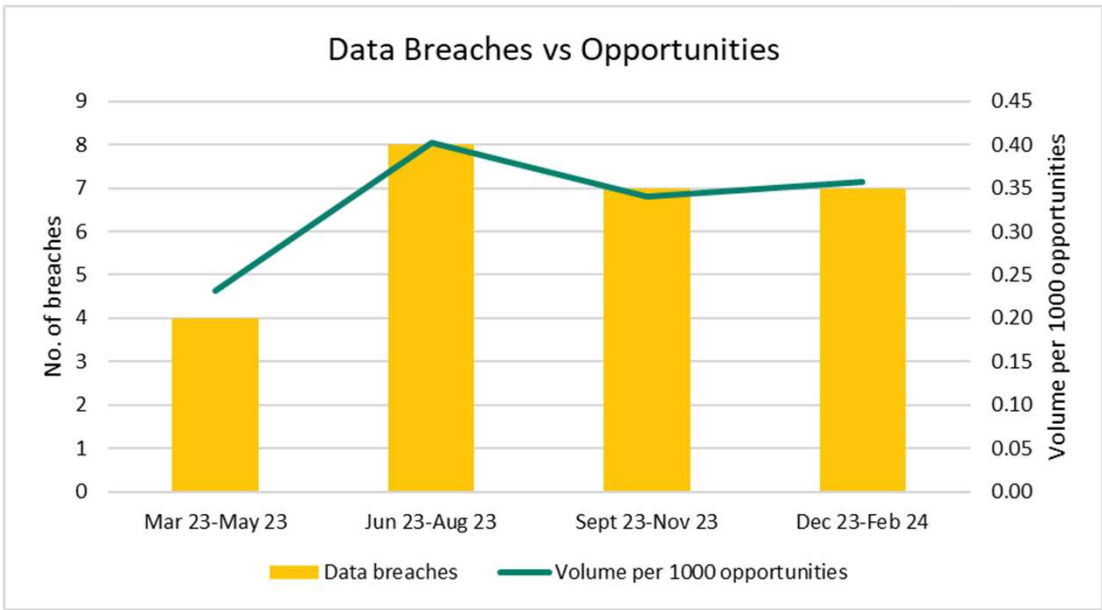
	Mar 2023 – May 2023	Jun 2023 – Aug 2023	Sep 2023 – Nov 2023	Dec 2023 – Feb 2024
Value of contributions in breach (£)	£20,172.11	£292.65	£24,786.10	£0.00
% of total contributions	0.04%	0.01%	0.04%	0.00%

Data Breaches

While the Fund team maintains oversight on all breaches, data breaches are managed through the LCC Information Governance (IG) team. A total of 7 data breaches have been reported this quarter and are detailed below. LCC IG team conduct the investigations into each breach and decides of the next actions to take. To date no breach has been found to be materially significant to the ICO or tPR.



Data breach descriptions	
A	Encrypted retirement documents emailed to incorrect email address.
B	Correspondence issued to wrong address. Member did not inform pension administration provider of their new address.
C	Correspondence issued to wrong address. Member did not inform pension administration provider of their new address.
D	Correspondence issued to wrong address. Appears to be due to system error. (waiting further information.)
E	Correspondence issued to wrong address due to typo.
F	Complaint response issued to wrong email address due to typo.
G	Correspondence issued to wrong address due to typo.



The Fund team are monitoring the nature of each breach to identify any trends or issues to be raised with LPPA.

N.B. Opportunities is measured by total number of cases processed and phone calls answered by LPPA. This does not include emails sent, which are also classified as an opportunity for a breach, as the figures are not reported to LCPF.

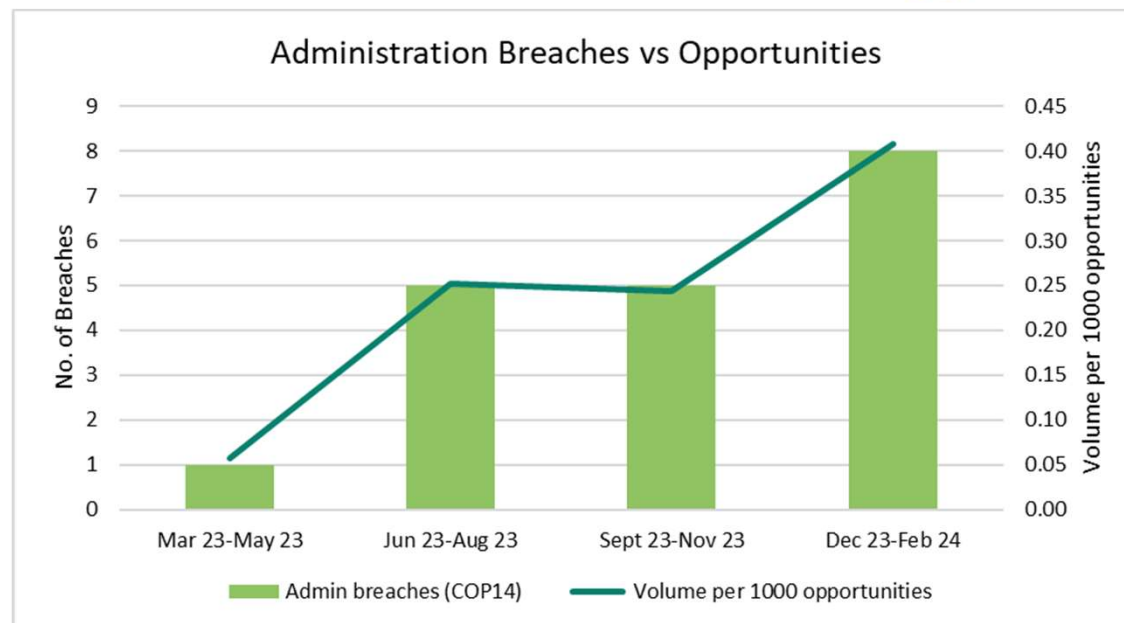
Administration (Code of Practice) Breaches

All administration breaches are managed by the Fund team and consideration regarding the severity of the breach is based on guidance from The Pension Regulator (tPR). A total of 8 admin breaches have been reported this quarter and are detailed below. None of the administration breaches have been found to be materially significant to tPR.

Administration breach descriptions

A	Scheme pays not included in retirement calculation. Incorrect benefits paid to member resulting in overpayment.
B	Incorrect pensionable pay used for retirement calculation resulting in inflated benefits and overpayment.
C	LPPA are not directly informing members of the changes to the LGPS rules concerning the McCloud remedy. Information available online only.
D	Incorrect deferred benefits quote issued to member due to typo in calculation.
E	AVC disinvested as LGPS annuity instead of max cash lump sum.
F	Member retired in November 22 and received lump sum retirement grant but no monthly payments.
G	Incorrect lump sum value paid to member twice. Incorrect value paid due to admin error, which was then paid again due to teething problems with new system.
H	Member within 12 months of normal retirement date was incorrectly provided transfer out CETV quotes.

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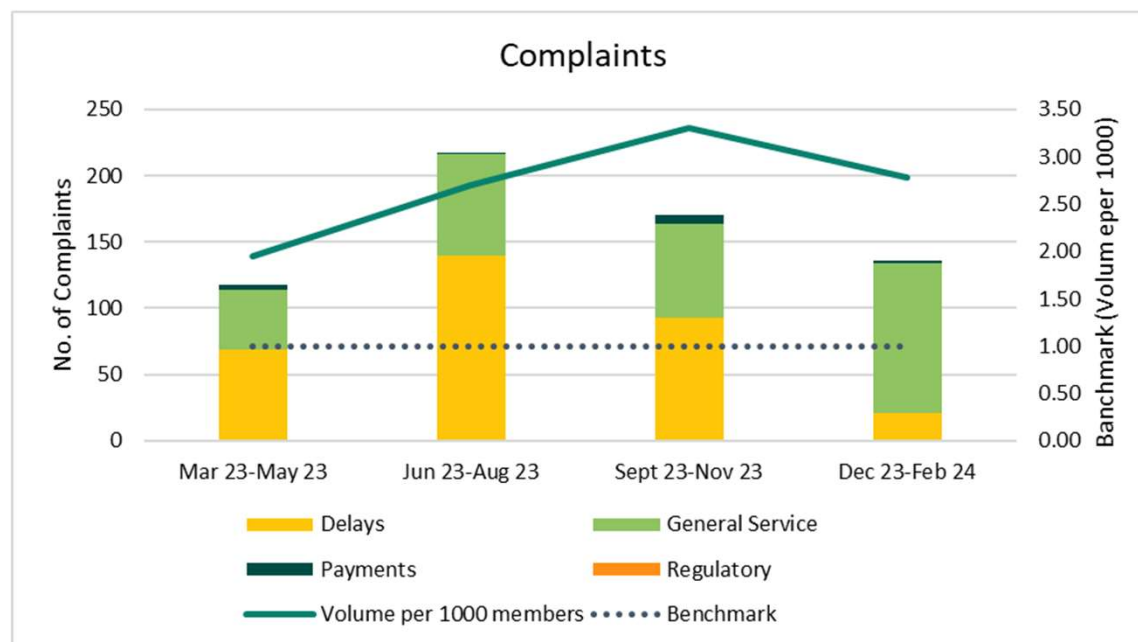
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Complaints

Complaints reflect the quality of service experienced by members and have been categorised by LPPA into general service issues, delays, payment, or regulatory issues. Complaints are initially handled by LPPA however at times can be passed onto the Fund team to provide a response due to the nature of the complaint.

Breakdown of Complaints			
	December 2023	January 2024	February 2024
Delays	18	8	1
General Service	28	42	43
Payments	0	2	0
Regulatory	0	0	0
Total	40	52	44

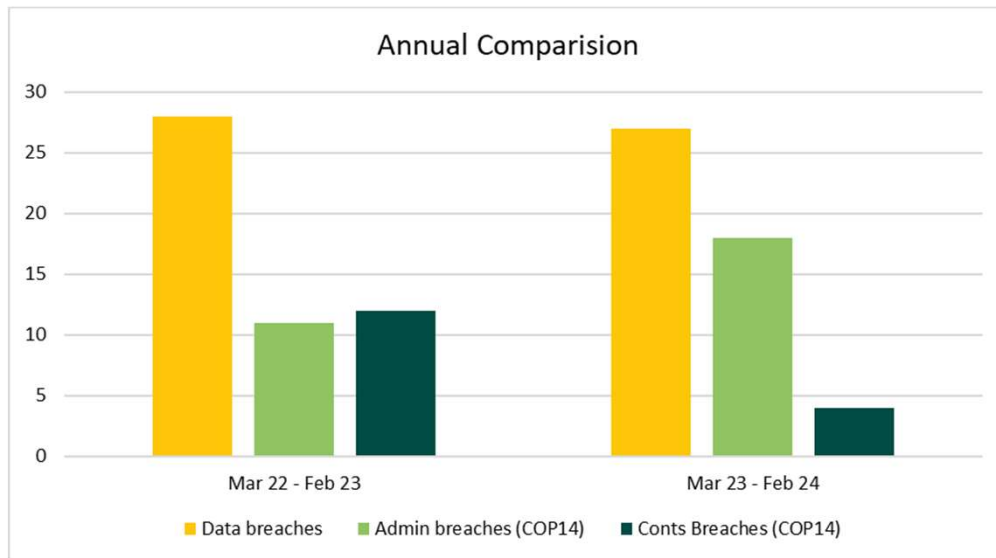
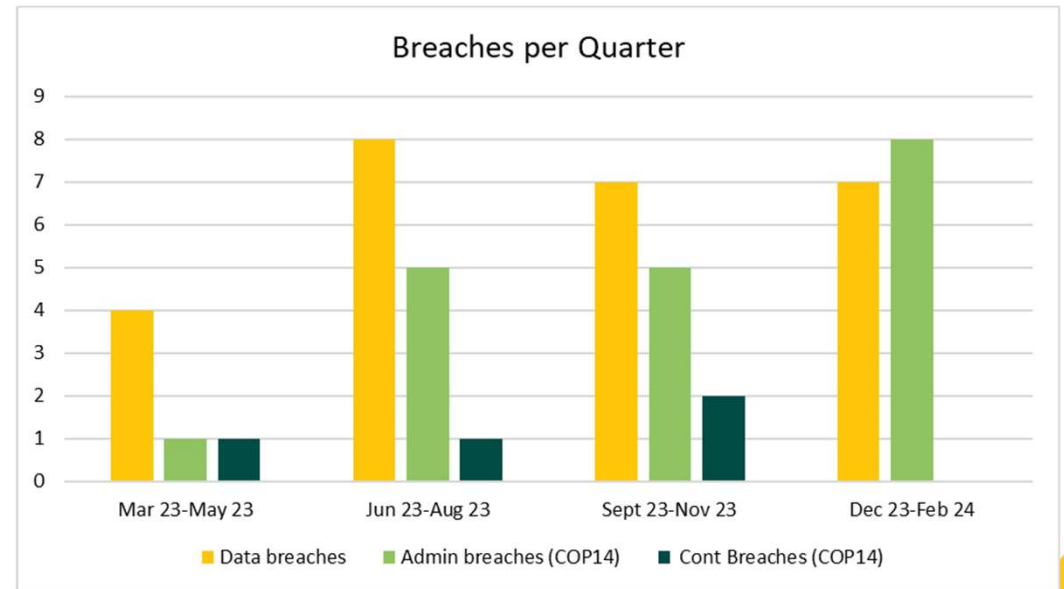
As of 29th February 2024, the volume of complaints per 1,000 members is 2.78 (rolling 12- month basis) and is above the CEM benchmarking target of less than 1.



N.B. The measure of volume of complaint per every 1000 members is adopted by Customer Experience Management (CEM) benchmarking to score complaints as part of their overall service metric. The target being less than 1.

Summary

- No material breaches
- Indication complaints are reducing
- No concerning trends identified
- Breaches have trended upwards in the most recent quarters however total breaches in most recent 12-month period are comparable with previous 12-month period. This continues to be monitored.
- No contribution breaches this quarter showing an improvement to employer contribution submissions.



This table shows the number of breaches to date on a 12-month rolling period. Data breaches are consistent with the previous period however we can see an increase in administration breaches. This appears to be due to a mix of reasons and there is no indication of a systemic cause for the increase. Contribution breaches have continued to drop showing stability in the position following the implementation of Oracle Fusion.

