

**CAMBRIDGESHIRE
PENSION FUND**



Pensions Committee

Date: 22 October 2015

Report by: Deputy Head of Pensions

Subject:	Reporting Breaches of the Law to the Pensions Regulator Policy
Purpose of the Report	To present the Reporting Breaches of the Law to the Pensions Regulator Policy to the Pensions Committee.
Recommendations	The Committee are asked to approve the attached Reporting Breaches of the Law to the Pensions Regulator Policy provided in the appendix to this report.
Enquiries to:	Name – Joanne Walton – LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – jwalton@northamptonshire.gov.uk

1. Background

- 1.1 In line with the Pensions Regulator's Code of Practice number 14 (Governance and administration of public service pension schemes); the Fund has developed a policy that sets out the mechanism for reporting breaches of the law.
- 1.2 The policy ensures that those with a responsibility to report breaches of the law are able to meet their legal obligations, by analysing situations effectively in order to make an informed decision on whether a breach has been made.
- 1.3 The Reporting Breaches to the Pensions Regulator Policy is attached in **Appendix 1**.

2. The Pensions Regulator Code of Practice

- 2.1 The Code of Practice identifies those individuals responsible for reporting breaches of the law and the associated legal requirements
- 2.2 The policy provides the process to report a breach to the Regulator and details surrounding timescales and urgency of cases.
- 2.3 The policy also identifies the need to record breaches that are not significant to the Regulator in order that processes can be improved to avoid repeated occurrences.
- 2.4 Examples of breaches of significance and non significance are documented in the appendix of the report, the purpose is to put into context the policy and when it may

need to be enforced. Individuals will need to apply the principles of the policy when acting on reasonable cause to report a breach.

3. Relevant Pension Fund Objectives

Perspective	Outcome
Communications	<ul style="list-style-type: none"> • Promote the Scheme as a valuable benefit. • Deliver a clear and consistent message; that is simple, relevant and impactful, uses plain English throughout and engages all levels of stakeholders' understanding. • Provide clear information about the Scheme, including changes to the Scheme, and educate and engage with members so that they can make informed decisions about their benefits. • Seek and review regular feedback from all stakeholders about communication and shape future communications appropriately. • Look for efficiencies in delivering communications including through greater use of technology and partnership working.
Administration	<ul style="list-style-type: none"> • Provide a high quality, friendly and informative administration service to the Funds' stakeholders. • Administer the Funds in a cost effective and efficient manner utilising technology. • Ensure the Funds and its stakeholders are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Funds. • Put in place standards for the Fund and its employers and ensure these standards are monitored and developed as necessary. • Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount. • Maintain accurate records and ensure data is protected and has authorised use only. • Understand the issues affecting scheme employers and the LGPS in the local and national context and adapt strategy and practice in response to this.

Funding and Investment	<ul style="list-style-type: none"> • To ensure that the Fund is able to meet its liabilities for pensions and other benefits with the minimum, stable level of employer contributions. • To ensure that sufficient resources are available to meet all liabilities as they fall due. • To maximise the returns from its investments within reasonable risk parameters.
Governance	<ul style="list-style-type: none"> • To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies. • Ensure the Fund and its stakeholders have the appropriate skills and receive training to ensure those skills are maintained in a changing environment.

4. Finance & Resources Implications

- 4.1 Resources will need to be prioritised if a breach occurs to ensure compliance with the policy.

5. Risk Implications

- a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with approving and enforcing the policy as the policy demonstrates our acknowledgement and understanding of the need to report breaches of the law to the Pensions Regulator.		Green

- b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
If the policy is not enforced incidences of breaches of the law may go unreported to the Pensions Regulator. It is better to self report breaches of the law than for other parties such as advisors to the Fund to report identified breaches.	Red

6. Communication Implications

Direct Communications	All individuals who are involved in the administration of the Fund will be advised of their obligations to report breaches of the law and the associated procedure as detailed in the policy.
Website	The policy will be published on the LGSS Pensions Service website.

7. Legal Implications

- 7.1 Failure to adhere to the policy and to implement effective controls to prevent breaches of the law may result in fines and imprisonment of those charged with responsibility of the Fund.

8 Consultation with Key Advisers

- 8.1 Consultation with the Funds advisers was not required for this report.

9. Alternative Options Considered

- 9.1 Not applicable

10. Background Papers

10.1 Not applicable

11. Appendices

11.1 Appendix 1 – Reporting Breaches of the Law to the Pensions Regulator Policy

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Chief Finance Officer/Section 151 Officer?	Sarah Heywood – 29/09/2015
Has this report been cleared by Deputy Head of Pensions?	Mark Whitby – 18/09/2015
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Hickford – 29/09/2015
Has this report been cleared by Legal Services?	Copy sent to Quentin Baker – 09/10/2015

