

Report to: Pension Board

Date of meeting: 8 May 2018

By: Chief Finance Officer

Title: Officers' Report – General Update

Purpose: To provide a general update to the Pension Board on matters related to the Board activity.

RECOMMENDATION

The Board is recommended to note the report.

1. Introduction

1.1 This report provides an update on matters relating to the Pension Board and Committee activities.

2. National Development - updates

Local Government Pension Scheme pooling and Funds Collaboration

2.1. The ACCESS pool update has been provided through a separate report (Part 2) at this meeting.

3. General Data Protection Regulation (GDPR)

3.1 The General Data Protection Regulation (GDPR) will apply in the UK from 25 May 2018. GDPR is a major reform which will affect all organisations, including LGPS administering authorities that hold and process personal data. The GDPR will replace current Data Protection Act 1998 (DPA) legislation and will bring about a considerable number of changes which organisations will be expected to implement and be able to comply with ahead of this date. The government has confirmed that the UK's decision to leave the EU will not affect the commencement of the GDPR.

3.2 The legislative changes will impact the way the council engages and interacts with its customers and places expectations on it which must be met. The intention of GDPR is to raise the levels of personal data security and privacy protections across all data processors and controllers. Advice obtained from the Council's legal services is that under GDPR, ESCC will be a data controller for LGPS data, while the Orbis Business Operation services will be a data processor on behalf of ESPF for LGPS administration.

3.3 Local Government Association on behalf of LGPS administering authorities, commissioned Squire Patton Boggs to produce a template Memorandum of Understanding (MOU) document for administering authorities to issue to participating employers in their fund. The aim of the document is to set out that participating employers in the LGPS are able to share data with the LGPS administering authority without a data sharing agreement being in place (i.e. that there is no legal requirement for employers to have a data sharing agreement with LGPS administering authorities as they are both data controllers).

3.4 Officers are currently working on the document and the final MOU will be circulated to the Pension Committee & Board before issuing the MOU to participating employer in the fund.

4. Reporting Breaches Log

4.1 The Fund maintains a log of all breaches of the law as applicable to the management and administration of the Fund. It is necessary that all incidents of breaches identified are recorded in the Fund's breaches log. The updated Breaches Log has been updated, and attached as Appendix 1. This log will be reviewed on an on-going basis to determine any trends in the breaches log that might indicate any serious failings or fraudulent behaviour on an ongoing basis.

4.2 The Breaches Log has been updated with a breach, i.e., deductions of employee and employer contributions from members that have not been paid over to the Fund. The Fund received an Email communication from Churchill's payroll department on 15 March 2018, which advised that there were some sites (schools) which they had failed to pay over employee and employer pension contributions for. No explanation for this was provided, and the Fund has requested a written response from Churchill as to the reasons why these contributions were not paid over to the Fund and advised on the seriousness of the breach.

4.3 The Fund has engaged/advised Churchill that a breach has been committed. That the breach will require reporting to the Pension Regulator (tPR) and requested information from Churchill as to how this breach has occurred including what actions they are taking as a result of the payment failure. The breach has now been reported to the tPR in compliance with the Fund Breaches Policy, and in consultation with the Monitoring Officer and the S151 Officer.

5. Pension Board Agenda – 10 September 2018

- 5.1 The draft agenda for the 10 September 2018 Pension Board meeting include the following
- LGPS Pooling – ACCESS Pool Update;
 - Discretionary policy statement;
 - Pension Committee Agenda
 - Third party contracts
 - Review of managers fee arrangement

6. Conclusion and reasons for recommendations

- 6.1 The Board is recommended to note the general update regarding the Pension Fund activities.

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