

| <b>Bath &amp; North East Somerset Council</b>   |   |
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| MEETING:  | <b>LOCAL PENSION BOARD OF AVON PENSION FUND</b> |
| MEETING DATE:   | 3 <sup>rd</sup> December 2025                   |
| TITLE:  | Review of Regulatory & Data Breaches            |
| WARD:   | <b>ALL</b>                                      |
| <b>AN OPEN PUBLIC ITEM</b>  |   |
| List of attachments to this report:<br>Appendix 1 - Summary of Breaches Log<br>Appendix 2 - Breaches Policy |   |

## **1 THE ISSUE**

- 1.1. The purpose of this report is to update the Pension Board on the Fund's Breaches Policy, procedure for recording & reporting breaches, training carried out for Teams and breaches recorded in the last year.

## **2 RECOMMENDATIONS**

### **The Board is asked to;**

- 2.1 Note the summary of the breaches log
- 2.2 Note the changes to the breaches policy

## **3 THE REPORT**

### **3.1 REGULATORY BREACHES**

3.2 The introduction of the Pensions Act 2013 extended the powers of the Pensions Regulator (TPR) to public sector schemes from 1 April 2014. The Pension Regulator sets out its requirements for identifying and reporting regulatory breaches in its General Code of Practice.

3.3 Regulatory breaches are breaches of the regulations or standards as set out in the Administration Strategy and if Material need to be reported to TPR as set out in the Breaches Policy (Appendix 2). The breaches policy has been updated to reflect TPR's General Code of Practice (GCOP). TPR's expectations have not changed but the policy has been written more inline with the code of practice and in particular sets out more detail about the legal duty to report and assessing material breaches.

3.4 In addition to the requirement to report Material breaches to TPR, the Governance & Risk Advisor will formally report all material breaches to the Avon Pension Fund Committee and the Pension Board on a quarterly basis, notifying

the chairs of both of any significant issues as appropriate. A summary of all other breaches will be reported annually.

3.5 In deciding whether a breach is likely to be of material significance to the Pensions Regulator, the following should be considered:

- cause of the breach;
- effect of the breach;
- reaction to the breach; and
- the wider implications of the breach

3.6 Breaches recorded by the Fund broadly fall into the following categories:

- Employer fines due to late or incorrect year end returns
- Employer fines for disproportionate work
- Employer late payments of contributions
- APF failing to meet statutory requirements eg not issuing ABSs on time
- Non-payment of refunds within 5 years\*

3.7 Breaches are recorded on the breaches log and referred to the Head of Pensions if considered material. If Material TPR's online portal is used to report the breach.

3.8 Outcomes and improvements from breaches are agreed and implemented accordingly with employers or officers as appropriate.

3.9 A summary of regulatory breaches recorded for the period October 2024 to October 2025 can be found in Appendix 1. There were no material breaches reported during the period.

3.10 5 Year Refund Cases\*

The 2013 LGPS regulations require schemes to pay a refund of contributions within 5 years. Failure to complete payment is classified as a regulatory breach and is required to be reported to the pensions committee and local pension board. The National Technical Group has previously made a recommendation to the Scheme Advisory Board (SAB) to remove the requirements to pay a refund of contributions within five years under the 2013 regulations. The SAB have agreed to proceed with this regulatory change and are in the process of making recommendations to DLUHC.

### 3.11 **DATA PROTECTION BREACHES**

3.12 The General Data Protection Regulation (GDPR), originally implemented in the UK via the Data Protection Act 2018, has since been amended by the Data (Use and Access) Act 2025, which introduces significant reforms to data protection and privacy law.

3.13 A personal data breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes.

3.14 A notifiable breach must be reported to the Information Commissioner's Office (ICO) within 72 hours after becoming aware of it. If it takes longer than this, reasons for the delay must be provided.

3.15 All breaches must be reported to Banes Data Protection Officer (DPO) within 24 hours of the incident using the incident reporting template. The DPO will advise if the incident meets the criteria for reporting to the ICO and also makes recommendations on future preventative actions.

3.16 A summary of data breaches reported to Banes DPO between October 2024 and October 2025 can be found in Appendix 1. No incidents were reported to the ICO during this period. There have been 7 breaches this year, the same as in 2023/24.

3.17 Procedures are in place for staff to follow and regular training takes place to ensure that everyone has a full understanding of data protection and the reporting procedure for breaches. Recent staff training has included:

- GDPR E-Learning Induction & refresher courses
- Cyber Security E-Learning
- Data Protection Induction Session including homeworking tips
- Data Breaches – case studies
- How to recognise a data breach, Subject Access Request & Freedom of Information Request

#### **4 STATUTORY CONSIDERATIONS**

4.1 Bath and North East Somerset Council, in its role as administering authority, has executive responsibility for the Avon Pension Fund. The Council delegates its responsibility for administering the Fund to the Avon Pension Fund Committee which is the formal decision-making body for the Fund.

4.2 The Pension Board has an advisory role in assisting the administering authority by making recommendations about compliance, process and governance. The Board does not have a decision-making role.

#### **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

5.1 There are no direct implications related to the Pension Board in connection with this report.

#### **6 RISK MANAGEMENT**

6.1 An effective governance structure, defining clear responsibilities, and ensuring that the decision making body has an adequate level of knowledge and access to expert advice, is a key aspect of the risk management process.

#### **7 EQUALITIES STATEMENT**

7.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

#### **8 CLIMATE CHANGE**

8.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to

its assets from climate change and addresses this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

## **9 OTHER OPTIONS CONSIDERED**

9.1 None.

## **10 CONSULTATION**

10.1 The Report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Services, Assurance & Pensions representing the administering authority.

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| <b>Background papers</b>  | None  |
| <b>Please contact the report author if you need to access this report in an alternative format.</b> |   |