

Report for ACTION
Item Number: 8



<b>Contains Confidential or Exempt Information</b>	NO - Part I
<b>Title</b>	Reporting Breaches of the Law
<b>Responsible Officer(s)</b>	Kevin Taylor
<b>Contact officer, job title and phone number</b>	Kevin Taylor Deputy Pension Fund Manager 01628 796715
<b>Member reporting</b>	n/a
<b>For Consideration By</b>	Berkshire Pension Fund Board
<b>Date to be Considered</b>	3 August 2015
<b>Implementation Date if Not Called In</b>	n/a
<b>Affected Wards</b>	None
<b>Keywords/Index</b>	Pension Board

### Report Summary

The purpose of this report is to outline the legal requirement of Pension Board Members to report breaches of the law and for the Board to adopt a traffic light framework for recording breaches.

### If recommendations are adopted, how will residents, fund members and other stakeholders benefit?

Benefits to residents, fund members and other stakeholders and reasons why they will benefit	Dates by which they can expect to notice a difference
1. Better governance and administration of the Pension Fund	Ongoing

### 1. Details of Recommendations

To enable Pension Board Members to fulfil their legal duty in reporting breaches of the law and to provide an overview of the requirements and responsibilities in identifying breaches and how they should be reported.

**RECOMMENDATION:** The Berkshire Pension Board is asked to:

- a) Consider the guide to reporting breaches of the law (attached to this report); and

- b) Adopt a traffic light framework for recording breaches (as proposed in the attached framework to this report).

## **2. Reason for Recommendation(s) and Options Considered**

Anyone connected with the management and administration of the Berkshire Pension Fund, including Pension Board Members, have a legal duty under Section 70 of the Pensions Act 2004, to report any breaches of the law to the Pensions Regulator where they consider that they have a reasonable cause to believe that a legal duty which is relevant to the administration of the Scheme has not been, or is not being, complied with and that failure to comply is likely to be of material significance to the Pensions Regulator in the exercise of its functions.

## **3. Key Implications**

The key implications of this legal duty, including details of who is required to report breaches of the law, what must be reported, the procedures for reporting and what a failure to report a breach means, are all included in the attached guide.

## **4. Financial Details**

Failure by any person to comply with their obligation to report breaches of the law can result in the Pensions Regulator issuing a fine. However, it is not considered that there is any financial implication attached to this report.

## **5. Legal Implications**

Failure by the Board to meet its statutory obligations under legislation could lead to a number of potential possibilities including the intervention of the Pensions Regulator, a judicial review, a complaint to the Local Government or Pensions Ombudsman or an adverse comment by the Administering Authority auditor or the national Scheme Advisory Board.

## **6. Value For Money**

Not relevant.

## **7. Sustainability Impact Appraisal**

There are no known implications.

## **8. Risk Management**

Members of the Pension Board to be clear as to the legal responsibilities placed upon them in order to mitigate the risk of the Board being ineffective.

## **9. Links to Strategic Objectives**

Linked to strategic objectives of the Pension Fund in accordance with overriding pension scheme regulations.

## **10. Equalities, Human Rights and Community Cohesion**

There are no known implications.

**11. Staffing/Workforce and Accommodation implications:**

None.

**12. Property and Assets**

None.

**13. Any other implications:**

None.

**14. Consultation**

Not applicable.

**15. Timetable for Implementation**

First meeting of the Pension Board.

**16. Appendices**

None.

**17. Background Information**

Public Service Pensions Act 2013, Local Government Pension Scheme Regulations 2013 (as amended), The Pensions Regulator's Code of Practice, Shadow Scheme Advisory Board guidance.

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