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## **Pensions Board**

Friday, 26 March 2021

**13:00**

Virtual Meeting via Microsoft Teams

John Tradewell  
Director of Corporate Services  
18 March 2021

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## **A G E N D A**

1. **Appointment of Chairman of the Pensions Board**
2. **Apologies**
3. **Declarations of Interest**
4. **Minutes of the meeting held on 18 December 2020** (Pages 1 - 2)
5. **Pensions Board - Appointment of Employer Representative**  
Oral report of the Director of Corporate Services
6. **Appointment of Vice-Chairman of the Pensions Board**
7. **Matters arising from:**
  - Pensions Committee – Minutes of the Meeting held on 18 December 2020
  - Pensions Committee – Held on 26 March 2021
8. **Data Scores and the Data Improvement Plan** (Pages 3 - 10)  
Report of the Director of Corporate Services

9. **Dates of Future Meetings**

- Friday, 25 June 2021
- Friday, 24 September 2021
- Friday, 17 December 2021
- Friday, 25 March 2022

10. **Exclusion of the Public**

The Chairman to move:-

‘That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) indicated below’.

**PART TWO**

11. **Exempt Minutes of the meeting held on 18 December 2020** (Pages 11 - 12)  
(Exemption paragraph 3)

12. **Exempt matters arising from:**  
(Exemption paragraph 3)

- Pensions Committee – Minutes of the Meeting held on 18 December 2020
- Pensions Committee – Held on 26 March 2021

13. **Internal Audit Report - Governance** (Pages 13 - 24)  
(Exemption paragraph 3)

Report of the Chief Internal Auditor

14. **Local Pensions Board - Membership Update**  
(Exemption paragraph 3)

Oral update by the Head of Treasury and Pensions

**Membership**

Gordon Alcott  
Rachel Bailye

Rob Birch  
Kate Salter

**Minutes of the Pensions Board Meeting held on 18 December 2020**

<b>Attendance</b>	
Rob Birch	Ian Jenkinson (Chairman)

**Apologies:** Gordon Alcott and Kate Salter

**PART ONE**

**64. Declarations of Interest**

There were no declarations of interest on this occasion.

**65. Minutes of the meeting held on 25 September 2020**

Mr Jenkinson referred to minute number 57 relating to Data Scores and the Data Improvement Plan and enquired as to whether any progress had been made with regard to tracing the 3% of the addresses which were incorrect. He was informed that work was on-going to find a suitable supplier to whom the work could be contracted.

**RESOLVED** – That, subject to the word “date” being replaced with the word “data” in the final line of the second paragraph of minute number 57, the minutes of the meeting of the Pensions Board held on 25 September 2020 be confirmed and signed by the Chairman.

**66. Appointment of Chairman and Vice-Chairman of the Board**

On the motion of the Chairman it was:

**RESOLVED** – That this matter be deferred until the next meeting of the Board.

**67. Matters arising from the Pensions Committee meetings held on 25 September 2020 and 18 December 2020**

Mr Jenkinson referred to minute number 5 of the meeting of the Pensions Committee held on 25 September 2020 relating to “Staffordshire Pension Fund investment benchmarking results for the period ending 31 March 2019” and, in particular, the point raised about the Fund’s asset risk of 11.4% being above the LGPS median of 11.0% and it’s asset-liability risk of 11.6% being above the LGPS median of 11.2%. He suggested that the Board should monitor this situation as part of its overview of the Fund’s Risk Register.

Mr Jenkinson also referred to minute number 8 of the meeting of the Pensions Committee held on 25 September 2020 relating to “Staffordshire Pension Fund Risk Register and Risk Management Policy”. He requested the Board to note that the Pensions Committee had requested that the Pensions Board continues to play an active role in the ongoing review of the Risk Register.

**RESOLVED** – (a) That the Board monitor the Fund’s level of asset risk and asset-liability risk as part of its overview of the Fund’s Risk Register.

(b) That, as requested by the Pensions Committee, the Board continues to play an active role in the ongoing review of the Risk Register.

**68. Dates of Future Meetings**

**RESOLVED** – That the dates of future meetings be noted.

**69. Exclusion of the Public**

**RESOLVED** – That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraph on Part 1 of schedule 12A of the Local Government Act 1972 indicated below.

**PART TWO**

The Board then proceeded to consider the following matters:

**70. Exempt Minutes of the meeting held on 25 September 2020**  
(Exemption paragraph 3)

**71. Exempt Matters arising from the Pensions Committee meetings held on 25 September 2020 and 18 December 2020**  
(Exemption paragraph 3)

**72. Pensions Board Chairs Meeting of 26 October 2020**  
(Exemption paragraph 3)

**73. Appointment of Pensions Board Members**  
(Exemption paragraph 3)

**Chairman**

### LOCAL PENSIONS BOARD – 26 MARCH 2021

#### Report of the Director of Corporate Services

### LOCAL GOVERNMENT PENSION SCHEME (LGPS) REGULATIONS

#### Data Quality Scores and Data Improvement Plan

#### Recommendation of the Chair

1. That the Local Pensions Board notes the Staffordshire Pension Fund's Data Quality Scores for 2020 and the movement in both from 2019. These are reported as:
  - (i) a Common Data Score of 96.5% (97.1% in 2019); and
  - (ii) a Scheme Specific Data Score of 96.1% (94.8% in 2019).
2. That the Local Pensions Board notes the existence of a detailed Data Improvement Plan; a summary of which is provided in Appendix 2.

#### Introduction and Background

3. In 2015, the Pensions Regulator (TPR) assumed responsibility for all Public-Sector Pension Schemes. Prior to this, in 2010, the TPR had issued guidance on the approach that they considered to be good practice for measuring the presence and accuracy of Scheme Member data across all UK pension funds and accordingly post 2015, the LGPS was required to comply.
4. TPR set specific targets for two types of Scheme Member data, which they deemed as 'common' and 'scheme specific' data and both areas must be reported on. TPR set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created beforehand.
5. **Common Data** relates to core data items that are applicable to all pension schemes for example Name, NI Number, Date of Birth, Addresses etc.
6. **Scheme Specific Data** (also known as Conditional Data) depends on the scheme structure or type. So, for the LGPS this includes pension service history, pensionable earnings, Career Average Revalued Earnings (CARE), transfer in service etc. These test the interdependency of data in different fields, within a member's record, and report inconsistencies where data is either missing, where it should be present, or is present when it shouldn't be.

#### 2020 Data Scores

7. The Fund, in conjunction with its software provider Aquila Heywood, has completed a review of the "Common and Scheme Specific Data" in line with TPR guidelines. Using the Aquila Heywood Data Quality service to assess the

quality of member data held on the Altair computerised system, the latest data extractions were run as at 8 October 2020, with the subsequent reports prepared and received during November 2020. The results are reported as:

- a Common Data Score of 96.5% (97.1% in 2019); and
  - a Scheme Specific Data Score of 96.1% (94.8% in 2019).
8. Each Aquila Heywood report includes a 'Data Correction Plan' which prioritises the areas where potentially incorrect data may need to be addressed. These reports are used to inform the full data cleansing operation performed each year within Pensions Services.
  9. This year the slight reduction in compliance for "Common Data" is almost entirely due to the Fund now having a greater amount of addresses held for scheme members marked as "not known". This issue will be addressed as part of the member address tracing exercise, included in the section's 2021/22 business plan.
  10. The increase in compliance for "Scheme Specific Data" is a result of data cleanse exercises originally identified in the 2019 Data improvement plan; notably improvements in "Contracting Out" data.
  11. The results and findings have been discussed in detail by the Pensions Services Management Team and a detailed Data Improvement Plan has been produced. A summary of the DIP is included at Appendix 2, together with a comparison of the data scores from 2019.

### **Data Improvement Plan (DIP)**

12. The DIP is a detailed document which examines and quantifies all identified data issues and sets out the method of correction, how the data issues will be resolved, who will be responsible, and it also provides expected delivery timescales.
13. In drawing up the DIP, Officers have undertaken a detailed business process review and consider that the DIP is a clear plan for data issues which need to be addressed. Implementation of this plan will improve the quality of the data held by the Fund and this in turn, will improve operational efficiency, improve the accuracy of actuarial reporting and improve the experience of Scheme Members within the Fund. It will also enable the Fund to meet its statutory obligations.
14. Due to the technical and detailed nature of the full DIP and the underlying reports and interdependencies within the scheme specific data, it has not been presented for review at today's meeting. Albeit these are still relatively low risk areas, the main elements of focus in the 2020 DIP are:
  - Common Data – Address. This will be the focus of a Tracing Exercise to be carried out in 2021/22;

- Scheme Specific Data – CARE Benefits. Whilst this score has improved since 2019 it is felt that more work in this area could be done, in order to assist with the increased roll out of i-Connect, for the collection of monthly data from Employers; and
  - Scheme Specific Data – Contracted Out. Significant improvements have been made since 2019, however, further alignment of HMRC records to the Altair database is still required.
15. Progress of the DIP will be discussed and monitored, by Officers, on a regular basis. The very recent appointment of 2 new data / systems staff also means that an additional internal resource is now available, to assist with ongoing data improvement.

**John Tradewell**  
**Director of Corporate Services**

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## Appendix 1

1. **Equalities implications:** There are no direct equalities implications arising from this report.
2. **Legal implications:** The legal implications are covered in the body of the report.
3. **Resource and Value for money implications:** An appropriate level of resource needs to be allocated to this area of activity and this may mean diverting resource from another area of the business in the short term. There are no direct value for money implications arising from this report.
4. **Risk implications:** The risk implications are considered in the body of the report.
5. **Climate Change implications:** There are no direct climate change implications arising from this report.
6. **Health Impact Assessment Screening:** There are no health impact assessment implications arising from this report.



## The Pensions Regulator (TPR) - Data Quality Results 2020 and Summary Data Improvement Plan (DIP)

### Common Data results

The overall Common Data TPR score for 2020 is 96.5% compared to a score in 2019 of 97.1% (a decrease of 0.6%)

A breakdown of scores for each data category within the 'Common' data definition is shown in the table below

TPR score 2019	TPR score 2020	Data category	Comments	DIP Follow-up Action	Target Date
99.9%	99.9%	NI Number	There are a residual number of historic records where the member no-longer has an interest in the Fund (i.e. they have opted out, transferred their pension to another scheme, or died) where there are temporary NI numbers or NI numbers that are incorrect in format. These records account for the small percentage that is preventing 100% of the TPR score being met.	192 records have been identified which count towards the TPR data score. Some further analysis of these records is required.	31 December 2021
100%	100%	Name	No comment	Maintain 100% accuracy	ongoing
100%	100%	Sex and Date of Birth	No comment	Maintain 100% accuracy	ongoing
100%	100%	Date commenced and normal retirement date	No comment	Maintain 100% accuracy	ongoing
100%	100%	Scheme status	No comment	Maintain 100% accuracy	ongoing
97.2%	96.6%	Address	The reason for the score falling lower than 100% is due to a significant number of members with deferred benefits who have not informed us of	Engage an external tracing agency to search for missing addresses. Update member records where the search	Ongoing with Tracing Exercise completed by

			their change of address details after leaving the Pension Fund. This is a common issue across all Local Authority Pension Funds.	has successfully found a current address.	31 March 2022
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## The Pensions Regulator (TPR) - Data Accuracy Results 2020 and Summary Data Improvement Plan (DIP)

### Scheme Specific Data results

The overall Scheme Specific data TPR score for 2020 is 96.1% compared to a score in 2019 of 94.8% (an improvement of 1.3%)

A breakdown of scores for each Data category within the 'Specific' data definition is shown in the table below

TPR score 2019	TPR score 2020	Data category	Comments	DIP Follow-up Action	Target Date
99.9%	99.9%	Member Benefits	Data quality standards in this area have been maintained	Some areas, notably the format of some transfer in records need further investigation. Plus maintenance to member records in accordance with Aquila Heywood Data Correction Plan	31 March 2022
99.8%	99.8%	Member Details	Data quality standards in this area have been maintained	Investigate and implement maintenance to member records in accordance with Aquila Heywood Data Correction Plan	31 March 2022
96.7%	96.1%	CARE Benefits	<p>The Fund completes detailed tolerance checking of CARE data supplied by scheme employers. In some cases, responses to data enquiries were outstanding at the point the data was supplied for analysis in 2020.</p> <p>There will also be some cases where a member joins at the very end of a financial year and will only receive CARE pay in the following year. This will appear on the Aquila Heywood data extract as missing data and be</p>	<p>Continue implementation programme for i-Connect with all scheme employers, to fully install electronic data transfer of CARE data on a monthly basis.</p> <p>Continue to check the out of tolerance cases identified to ensure rectification</p>	ongoing

			reflected in the percentage score despite it being correct.		
99.9%	99.8%	HMRC	Data quality standards have been maintained in this area. The reason the figure is not showing as 100% is due to a small number of deceased members without Benefit Crystallisation Event data recorded. These cases are to be investigated and addressed.	Investigate and implement maintenance to member records in accordance with Aquila Heywood Data Correction Plan	31 March 2022
91.4%	94.7%	Contracted Out	This area has shown a significant improvement in 2020, however, further work is required to fully align HMRC data with that held on the Altair database.	Upload missing GMP data from GMP file as soon as software issue resolved.	31 March 2022

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of Part 1 of Schedule 12A  
of the Local Government Act 1972

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