

## LOCAL PENSIONS BOARD – 31 MARCH 2023

### Report of the Director of Finance

## 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 2022 and the comparison of both to 2021. These are reported as:
  - (i) a Common Data Score of 96.8% (97.1% in 2021); and
  - (ii) a Scheme Specific Data Score of 96.35% (96.3% in 2021).
2. That the Local Pensions Board notes the existence of a Data Improvement Plan; a summary of which is provided in Appendix 1.

#### 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. 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, Data 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.

#### 2022 Data Scores

7. The Fund, using the new "Insights" reporting tools provided by its software provider Heywood Pension Technologies Ltd., has completed a review of the "Common and Scheme Specific Data" in line with TPR guidelines. The data

extractions used for the annual report to TPR were produced in November 2022. The results are reported as:

- a Common Data Score of 96.8% (97.1% in 2021); and
  - a Scheme Specific Data Score of 96.35% (96.3% in 2021).
8. The new “Insights” reports highlight possible ‘Data Correction’ issues where potentially incorrect data may need to be addressed. These reports are used to inform the full data cleansing operation performed each year within Pension Services.
  9. The marginal increase in compliance for “Scheme Specific Data” is a result of improvements of data received from Scheme Employers and the data cleanse exercise for the Fund’s 2022 valuation project. There has been a decrease in the “Common Data” score mainly because of an increased number of addresses held now being incorrect. Rectification of this will be considered as part of the Fund’s wider project to comply with onboarding to the National Pensions Dashboard program.
  10. The results and findings have been discussed in detail by the Pensions Services Management Team. A summary of the DIP is included at Appendix 1, together with a comparison of the data scores from 2021.

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

11. The DIP is a document which examines and quantifies all identified data issues and sets out the method of correction, how the data issues will be resolved and who will be responsible. It also provides expected delivery timescales.
12. The main elements of focus in the 2022 DIP are:
  - Common Data – Address. This will be the focus of a “Data Readiness” project to be started 2023/24;
  - Scheme Specific Data – HMRC. Data quality has reduced since 2021 and additional work to check this area is needed. This may be due to different reporting parameters used than in 2021 and further investigation is required.
  - Scheme Specific Data – Contracted Out. Further Improvements have been made during 2022, however a final alignment of HMRC records to the Altair database will take place during 2023 which should improve this result further.
13. It is intended that progress of the DIP will be discussed and monitored, on a regular basis, and will be a key focus for the new Pensions Systems and Data Manager; data quality improvements continuing as a priority objective for the Systems and Data Team.

**Rob Salmon**  
**Director of Finance**

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**Equalities implications:** There are no direct equalities implications arising from this report.

**Legal implications:** The legal implications are covered in the body of the report.

**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.

**Risk implications:** The risk implications are considered in the body of the report.

**Climate Change implications:** There are no direct climate change implications arising from this report.

**Health Impact Assessment Screening:** There are no health impact assessment implications arising from this report.