

LOCAL PENSIONS BOARD – 22 MARCH 2024

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 2023 and the improvement in both from 2022. These are reported as:
 - (i) a Common Data Score of 97.1% (96.8% in 2022); and
 - (ii) a Scheme Specific Data Score of 96.89% (96.35% in 2022).
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 reports inconsistencies where data is either missing where it should be present or is present when it shouldn't be.

2023 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 The Pension Regulator were produced in November 2023. The results are reported as:

- a Common Data Score of 97.1% (96.8% in 2022); and
 - a Scheme Specific Data Score of 96.89% (96.35% in 2022).
8. The “Insights” reports show ‘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 by the Pensions Systems & Data Team.
 9. The increase in compliance for “Scheme Specific Data” is a result of improvements in the data received from Scheme Employers and the data cleansing exercise undertaken as part of the 2022 Data Improvement Plan. There has been an increase in the “Common Data” score linked to the address data held. The Fund was able to identify a number of Active Members who had incorrect or missing details, which was rectified by the Systems and Data Team in year. Although there are still many missing details for Deferred Members, rectification of these missing cases 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 Treasury & Pensions Management Team. A summary of the DIP is included at Appendix 1, together with a comparison of the data scores from 2022.

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, who will be responsible, and it also provides expected delivery timescales.
12. The main elements of focus in the 2023 DIP are:
 - Common Data – Address. This will be the focus of a “Data Readiness” project to be started 2024/25;
 - Scheme Specific Data – HMRC. Data quality has increased since 2022, however further work to check this area is required.
 - Scheme Specific Data – Contracted Out. Further Improvements have been made during 2022/23 however a final alignment of HMRC records to the Altair database will take place during 2023/24 and 2024/25 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.

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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 which has an impact on several areas of the service. 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.