

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

Contact: Melanie Stokes, Head of Treasury & Pensions
Telephone No. (01785) 276330

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.