



Local Pension Board

Title	Data Improvement Plan and Historical Leavers
Date of meeting	18 December 2023
Report of	Executive Director of Strategy & Resources (S151 Officer)
Wards	All
Status	Public
Urgent	No
Appendices	None
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Summary

This paper provides the Local Pension Board with an update on the data improvement plan and historical leaver exercise.

Recommendations

That the Local Pension Board note the progress on the correcting of the member data and the historical leaver exercise.

1. Reasons for the Recommendations

- 1.1 The presence and quality of data is a vital component to ensuring that benefits calculated and paid to pension scheme members are correct.
- 1.2 West Yorkshire Pension Fund (WYPF) continue to correct and update data where it is found to be missing or incorrect, so they can accurately calculate benefits and conform with the data quality requirements of The Pensions Regulator (TPR).
- 1.3 The Pensions Team continue to monitor and work with WYPF on the Data Improvement Plan to correct the issues inherited.
- 1.4 WYPF and the London Borough of Barnet Pensions Team (“the Pensions Team”) are jointly working on processing the remaining historical leavers still to be processed.
- 1.5 Whilst much progress has been made to correct and update the data to date, it is important that both the data improvement plan and progress on the historical leavers is reviewed regularly by the Board.

Data Improvement Plan

- 1.6 WYPF continue to provide monthly data quality update reports to the Pensions Team showing progress in updating data issues.
- 1.7 Initially, there were initially **c28,500** data items that needed to be reviewed and updated. As of 14 November, this number had reduced to **c6,900**.
- 1.8 WYPF had previously identified ten areas of data with the largest number of issues that need correcting. Two of these areas have been completed with the third area of data correction relating to members’ Guaranteed Minimum Pensions (GMPs). The work on this area is nearly complete but requires input from the Capita project team who have been working on reconciling members GMP records with the HMRC. This work is ready to be sent to WYPF, who will then be able to finalise the work on this data area, which will account for nearly 2,000 items of data that needs updating. An update on this will be provided at the meeting.
- 1.9 Following the completion of the GMP work, WYPF will then work on updating addresses and postcodes. This is likely to start in early 2024. There are c940 members where there is either an incorrect or no address held.

TPR Data Scores

- 1.10 WYPF also provide an update on both the common and conditional data scores These data scores are a method for measuring quantity of data and are reported to TPR in the Scheme Return. The latest return was submitted to TPR in November 2023.
- 1.11 Although these data scores show the presence of data held on members’ records, they unfortunately are not measure on the quality of data. Common data is data is needed so that a member can be uniquely identified, such as date of birth and national insurance number. Conditional data is used to calculate the member benefits, such as pensionable salary and service information.

1.12 A summary of progress since January 2023 of the TPR data scores is shown below (with February 2021 being the first data score being produced for the Fund by WYPF):

Month	TPR score - common	TPR score - conditional
February 2021	95.79%	41.27%
January 2023	96.56%	79.65%
February 2023	96.56%	85.14%
March 2023	96.60%	87.22%
April 2023	96.57%	87.03%
May 2023	96.58%	86.94%
June 2023	96.58%	86.94%
July 2023	96.49%	87.12%
August 2023	96.47%	86.52%
September 2023	96.34%	86.87%
October 2023	96.20%	87.11%
November 2023	96.29%	87.11%

1.13 The common data score is at the acceptable level for TPR. Conditional data does not have a score level set by TPR. WYPF are aiming to get the conditional data score up to at least 90% by the end of the year.

1.14 Once the GMP work being undertaken by WYPF is completed, this will improve the conditional data score, whilst updating addresses will improve the common data scores.

Historical Leavers

1.15 WYPF initially inherited **c1,500** "historic leavers, which following the 2021 Annual Benefit Statement exercise increased to **c1,950**.

1.16 As of 17 November, this number had reduced to **334**, of which **149** are leavers who left before 1 November 2020 when WYPF took over the administration of the Fund.

1.17 The Pensions Team are working with WYPF, employers and their payroll providers to get the remaining cases processed. These cases tend to be more complex and take longer to get the correct data before a leaver notification can be sent to WYPF.

1.18 The Pensions Team also continue to work with the council's payroll provider to get the Councils historic leavers processed. The number has now reduced to **106**.

2. Alternative Options Considered and Not Recommended

2.1 Not applicable in the context of this report.

3. Post Decision Implementation

3.1 Not applicable in the context of this report.

4. Corporate Priorities, Performance and Other Considerations

Corporate Plan

4.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

Corporate Performance / Outcome Measures

4.2 Not applicable in the context of this report.

Sustainability

4.3 Not applicable in the context of this report.

Corporate Parenting

4.4 Not applicable in the context of this report.

Risk Management

4.5 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance and data is essential to managing the risks of the pension fund.

Insight

4.6 Not applicable in the context of this report.

Social Value

4.7 Not applicable in the context of this report.

5. Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)

5.1 Not applicable in the context of this report.

6. Legal Implications and Constitution References

6.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

- 6.2 Under the terms of reference for the Local Pension Board, the role of the Board is to assist with:
- compliance with LGPS Government regulations.
 - compliance with the requirements imposed by the Pensions Regulator.
 - such other matters as the LGPS regulations may specify to ensure the effective and efficient governance and administration.
 - ensure the Pension Fund’s strategy and policy documents are maintained in accordance with the LPS Regulations.
 - ensure the Pension Fund’s internal Risk Register is reviewed at least annually.
 - review the Pension Fund’s performance in complying with the requirements of the LGPS Regulations

7. Consultation

- 7.1 Where relevant, consultation and engagement is discussed in the paper.

8. Equalities and Diversity

- 8.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant ‘protected characteristic’ and those who do not share it; and fostering good relations between persons who share a relevant ‘protected characteristic’ and persons who do not share it. The ‘protected characteristics’ are age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.
- 8.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The [Public Sector Equality Duty](#) requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

9. Background Papers

- 9.1 None