	# Local Pension Board # 08 September 2022
Title	**Data Improvement Plan and Historical Leavers**
Report of	Executive Director of Strategy & Resources (S151 officer)
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	None
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Summary

This paper provides the Local Penson Board with an update on the data improvement plan and historical leaver exercise, together with details of the data preparations for the 2022 triennial valuation.

Will update Board at next meeting.

Officers Recommendations

The Local Pension Board are requested to note the progress on the correcting of the member data and the historical leaver exercise.

1. WHY THIS REPORT IS NEEDED

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 The administrators, West Yorkshire Pension Fund (WYPF), inherited data which requires correcting and updating to ensure it is up to the standard required to accurately calculate benefits and conform with the data quality requirements of The Pensions Regulator (TPR).

1.3 WYPF produced a data improvement plan ("the plan") to get the data up to the required levels. The LBB Pensions Team and WYPF are working together to ensure that accurate data is updated on members' records.

1.4 In addition, WYPF inherited a large number of historical leavers that had not been processed.

1.5 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 The LBB Pensions Team ("the Pensions Team") continue to monitor and work with WYPF on the Data Improvement Plan to correct the issues inherited. WYPF provide monthly data quality update reports to Officers, which gives the number of data items within the data improvement plan that still require updating.

1.7 Initially, there were initially **c28,500** data items that needed to be reviewed and updated. At the end of July, this had reduced to **9202**.

1.8 WYPF are working on four data areas where their IT Team are looking to update records in bulk. This is still ongoing. WYPF have advised once the "character recognition" software (previously mentioned to the Board) is introduced this will significantly reduce the number of data items outstanding in these areas.

1.9 The "character recognition" software, will help WYPF to obtain the missing data from the scanned images on members records. The software is presently being tested and will be available in early Autumn.

1.10 The Pensions Team and WYPF have agreed that there are some items of data where it could be classed as "nice to have" rather than vital, so this data will only be looked at, on a case-by-case, if this is relevant to the calculation of members benefits

1.11 WYPF also provided 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.

1.12 A summary of progress in terms of the TPR data scores is shown below:

Month	TPR score - common	TPR score - conditional
February 2021	95.79%	41.27%
March 2021	95.81%	43.64%
April 2021	95.75%	64.08%
May 2021	96.10%	67.95%
June 2021	96.24%	69.33%
July 2021	96.47%	74.47%
August 2021	96.45%	75.77%
September 2021	96.59%	76.55%
October 2021	96.60%	76.92%
November 2021	96.23%	76.97%
December 2021	96.30%	77.62%
January 2022	96.65%	78.91%
February 2022	96.71%	78.58%
March 2022	96.71%	79.28%
April 2022	96.69%	79.66%
May 2022	96.63%	79.31%
June 2022	96.66%	79.31%
July 2022	96.68%	78.65%

1.13 These figures show the presence of data held on members' records. 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.

1.14 The common data score is at the acceptable level for The Pensions Regulator (TPR). Conditional data does not have a score level set by TPR, however, the Pensions Team hope that, with the introduction of the character recognition software by WYPF, this score increases by the end of the year.

Valuation Data

1.15 The final extract of data has just been submitted to Hymans at the beginning of July. WYPF, Hymans and the pensions team have been working together to correct critical errors. This has been a successful exercise.

1.17 As a result, Hymans are confident that they should meet agreed timescales for providing valuation results.

Historical Leavers

WYPF initially inherited **c1,500** "historic leavers. Following the work undertaken by WYPF in the 2021 Annual Benefit Statement (ABS) process, this number increased to **c1,950**. As of 1 August 2022, this number had reduced to **c880**, of which **760** are leavers who left before 1 November 2020 when WYPF took over the administration of the Fund.

1.18   As advised at the last Board meeting, the Pensions Team recently contacted all employers, with historic leavers outstanding, requesting that they submit leaver forms to WYPF by a deadline date (ranging from the end of April to end of May, depending on the number of leaver forms that need to be submitted).

1.19   The pensions team will shortly contact employers where leaver forms are still outstanding and issue fines where appropriate.

1.20   We are working with the council's payroll provider to get their historic leavers submitted. These have now reduced to **c540**.

2.   **REASONS FOR RECOMMENDATIONS**

2.1   Not applicable in the context of this report.

3.   **ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1   Not applicable in the context of this report.

4.   **POST DECISION IMPLEMENTATION**

4.1   Not applicable in the context of this report.

5.   **IMPLICATIONS OF DECISION**

5.1   **Corporate Priorities and Performance**

5.1.1   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.

5.2   **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1   Not applicable in the context of this report.

5.3   **Social Value**

5.3.1 Not applicable in the context of this report.

5.4 **Legal and Constitutional References**

5.4.1 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.

5.4.2 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 ensure the effective and efficient governance and administration
- ensure the Pension Fund's strategy and policy documents are maintained in accordance with the LGPS 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

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5.5 **Risk Management**

5.5.1 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.

5.6   **Equalities and Diversity**

5.6.1 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.

5.6.2 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.

5.7   **Corporate Parenting**

5.7.1 Not applicable in the context of this report.

5.8   **Consultation and Engagement**

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

5.9   **Insight**

5.9.1 Not applicable in the context of this report.

6.   **ENVIRONMENTAL IMPACT**

6.1   None

7.   **BACKGROUND PAPERS**

7.1   None