



Local Pension Board

Title	Data Improvement Plan and Historical Leavers
Date of meeting	28 June 2023
Report of	Executive Director of Strategy & Resources (S151 Officer)
Wards	N/A
Status	Public
Urgent	Yes
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

1. That the Local Pension Board note the progress on the correcting of the member data and the historical leaver exercise.
2. That the Local Pension Board note the update from a representative from WYPF at the meeting.

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 The administrators, West Yorkshire Pension Fund (WYPF), inherited data that required 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). In addition, WYPF inherited many historical leavers that had not been processed.
- 1.3 WYPF produced a data improvement plan in March 2021 (“the plan”) to get the data up to the required levels. The LBB Pensions Team (“the Pensions Team”) continue to monitor and work with WYPF on the Data Improvement Plan to correct the issues inherited.
- 1.4 This will be a long process and whilst much progress has been made 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

- 1.5 WYPF continue to provide monthly data quality update reports to the Pensions Team showing progress in updating data issues.
- 1.6 Initially, there were initially **c28,500** data items that needed to be reviewed and updated. As of 2 June, this number had reduced to **c6,750**.
- 1.7 WYPF had previously identified ten areas of data with the largest number of issues that need correcting, and it was agreed with the Pensions Team which of these areas would be worked on first. At the beginning of 2023, WYPF completed two of the ten areas of data with the largest number of issues that need correcting.
- 1.8 The next area of data correction that WYPF will be concentrating on relates to Guaranteed Minimum Pensions (GMPs). WYPF do not anticipate that this area of work will be completed until the end of August 2023. This accounts for nearly 2,000 items of data that are currently outstanding.
- 1.9 Following the completion of the GMP work, WYPF will then work on tracing and updating addresses and postcodes. This is likely to start around November 2023. There are c820 members where there is either an incorrect or no address held for members.

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.
- 1.11 These data scores 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.
- 1.12 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%

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.

Historical Leavers

1.14 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**.

1.15 As of 2 June, this number had reduced to **452**, of which **241** are leavers who left before 1 November 2020 when WYPF took over the administration of the Fund.

1.16 The Pensions Team have recently contacted employers and their payroll providers again where historic leaver forms are still outstanding. This is having some effect, but we have warned both employers and their payroll providers that if any historic leavers are still outstanding by the end of June, we will start to issue fines for non-compliance with the Administration Strategy and will also submit a report to TPR.

1.17 The Pensions Team continue to work with the council's payroll provider to get the Councils historic leavers processed. The number has now reduced to **185** but we are finding that these leavers tend to be more complex and are spending more time checking salary and service data before the forms can be submitted to WYPF.

2. Alternative Options Considered and Not Recommended

2.1 Not applicable in the context of this report.

3. Post Decision Implementation

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 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