



Local Pension Board

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| Title | Data Improvement Plan and Historical Leavers |
| Date of meeting | 11 March 2024 |
| 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) and the LBB Pensions Team continue to work together to correct and update data where it is found to be missing or incorrect, as well as process the remaining historical leavers inherited by WYPF.
- 1.3 This will make sure that WYPF can accurately calculate benefits and conform with the data quality requirements of The Pensions Regulator (TPR).
- 1.4 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

- 1.5 WYPF continue to provide monthly data quality update reports to the Pensions Team showing progress in updating data issues. Initially, there were initially **c28,500** data items that needed to be reviewed and updated. As of 13 February, this number had reduced to **c6,580**.
- 1.6 WYPF have completed two of the ten previously identified areas of data with the largest number of issues that need correcting. The next stage is still waiting for the completion of work relating to members' Guaranteed Minimum Pensions (GMPs). Once complete, this will account for nearly 2,000 items of data that needs updating. We expect that this will be finalised within the next couple of months. An update on this will be provided at the meeting.
- 1.7 WYPF will also shortly run a bulk address tracing exercise across all the funds that the administer, so missing addresses and postcodes can be updated. There are **c950** members in the Barnet Fund where there is either an incorrect or no address held.

TPR Data Scores

- 1.8 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.
- 1.9 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.
- 1.10 A summary of progress since July 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% |
| 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% |
| December 2023 | 96.28% | 87.32% |
| January 2024 | 96.27% | 88.08% |
| February 2024 | 96.25% | 88.21% |

- 1.11 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.
- 1.12 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

- 1.13 WYPF initially inherited **c1,500** "historic leavers, which following the 2021 Annual Benefit Statement exercise increased to **c1,950**. As of 9 February, this number had reduced to **317**, of which **130** are leavers who left before 1 November 2020 when WYPF took over the administration of the Fund.
- 1.14 The Pensions Team continue to work 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.
- 1.15 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 **88**.

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