

Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	LGPS Local Pension Board
Date:	1 December 2022
Subject:	Data Quality Report

Summary:

This report updates the Board on the data quality scores for Lincolnshire Pension Fund which is reported to The Pensions Regulator each year in November.

Actions Required:

That the Board discuss the report and consider whether they wish to take any further actions.

1. Background

1.1 Pension schemes are required by the TPR to report their common and scheme specific data scores in the annual scheme returns in November.

1.2 The current Data Scores for LPF are:

Common	95.97%
Scheme Specific	86.04%

2.0 Data Issues

2.1 Missing Addresses

There are 2,420 addresses' missing for deferred members. This is an increase of 121.

WYPF have a programme of tracing lost contact members on a rolling programme, but it is inevitable that as we trace some members, we lose track of others.

2.2 Missing Earnings

There are 793 records with missing earnings. This is a decrease of 76. The majority of cases are awaiting leaver/pensioner benefits to be calculated.

2.3 Missing CARE Benefits

There are 271 records with missing Career Average Revalued Earnings (CARE). This is a decrease of 3. These are cases where leaver forms are outstanding from the Employers or where they have been received by WYPF but benefits not yet calculated.

2.4 Start Date Inconsistency

There are 4,696 records where the start date on the record is inconsistent with start date held on other record types. This is a decrease of 73.

2.5 No National Insurance Contributions or GMP

There are 5,416 records with missing National Insurance contributions or GMP. This is a decrease of 50.

2.6 Missing Benefit Crystallisation Details (LTA pension value missing – Lump sum element)

There are 736 records with missing benefit crystallisation details. This is an increase of 35. However, the report includes records for members who have not received a tax free lump sum. Under the 2014 scheme regulations there is no longer an automatic entitlement to a tax free lump sum, which increasingly means pensions are paid without a tax free lump sum.

Some development work needs to be undertaken to amend the information the report is pulling. Once this has been done the number of records showing missing benefit crystallisation details should greatly reduce.

2.7 Missing Annual Allowance Calculation

There are 874 records with missing annual allowance calculation. This is an increase of 768.

2.8 No Total Exit Guaranteed Minimum Pension (GMP) (Deferred)

There are 3977 records with missing National Insurance contributions or GMP. This is a decrease of 18.

2.9 No Post 88 GMP on record

There are 3511 records with missing National Insurance contributions or GMP. This is a decrease of 20.

Please Note (for points 2.5, 2.8 & 2.9)

These are deferred or pensioner records inherited from the previous administration. At the time there was not a requirement to input the GMP data into a separate field as there is today.

The GMP amount is held on the original paperwork that has been stored on the member's record as a scanned document. The GMP has never been populated in a separate field on the record and cannot be identified in the digital data scores.

The value of deferred pensions and the value of pensions already in payment are and have always been correct.

We have looked at purchasing an optical reader which would be able to search the documents on the record, find the information in the scanned paperwork, enabling WYPF to populate the GMP field on the member's record. A request was sent to Civica to request access to their image server.

Civica agreed to send us a proposal for access to the image server and routes to make this development happen. We have now received the proposal from Civica for access to the image server and they have quoted a cost of £140,000. We are now looking at alternatives to the Civica proposal.

We are also developing a data quality programme through February/March 2023 as a pre-cursor to the pensions dashboard matching requirements.

3.0 Data Improvement Plan

- 3.1 As a result of the data scores WYPF has devised a Data Improvement Plan (Appendix A) which identifies the issues with the data and the resolutions required to resolve those issues.
- 3.2 The reports to measure the data scores will be run on a half yearly basis to measure the improvements in data scores and identify any new issues.
- 3.3 It should be noted that TPR do not expect scores to be 100%, as long as there is a Data Improvement Plan to address the data issues. For example, as we trace members, others are identified as lost contact through returned mail. WYPF also takes every opportunity to remind members to tell us when they move house.
- 3.4 The scores continue to increase and as we continue to make improvements to the reporting and engage with technology to find missing information on member's records this will see the scores continue to improve:

June 2022		November 2022	
Common	96.06%	Common	95.97 %
Scheme Specific	86.54%	Scheme Specific	86.04%

4.0 Conclusion

- 4.1 Data quality is important to the Fund as, as well as being a requirement of the Pensions Regulator. It may affect the employer contributions at the next valuation and can impact on the reputation of the Fund.
- 4.2 The Fund continually reviews the quality of data held throughout the year and strives to keep this as complete, accurate and up to date as possible. The Pensions Regulator requires Funds to undertake a review of data quality at least annually and this report consolidates the work undertaken in compliance with this requirement.
- 4.3 This report concludes that, whilst data quality is considered to be good within the Fund, there are improvements that can be made and as a result a data improvement plan has been developed.

5. Consultation

a) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the Pensions Manager.

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Data Improvement Plan

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Matt Mott, who can be contacted at Matt.Mott@wypf.org.uk.