



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

Report to:	Pensions Committee
Date:	16 December 2021
Subject:	Data Quality Report

Summary:

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

Actions Required:

That the Committee note the report.

Background

1.0 TPR Requirements

- 1.1 Pension schemes are required to report their common and scheme specific data scores in the annual scheme returns to TPR.
- 1.2 In the scheme return TPR ask two additional questions around each area of data: when was the last data review and what a scheme's data score is. The data score is the percentage of members for which the scheme has full and accurate common or scheme-specific data.
- 1.3 Good administration links to better outcomes for members. It makes sure they receive the right benefits at the right time.
- 1.4 Poor data can also be costly for schemes, both in terms of extra administration costs and putting things right.

2.0 Common Data

2.1 Common data are basic data items which are used to identify scheme members. All schemes should hold these for all members:

- National insurance number
- Surname
- Sex
- Expected retirement/maturity date (target retirement age)
- Last status event – the date at which the membership status last changed eg from active to deferred. Where appropriate, you should also capture the reason for the change in status (eg retired or opted out)
- Postcode
- Date of birth
- First name or initials
- Date pensionable service started, membership/policy start date or first contribution date
- Membership status eg active, deferred, pensioner. This can be mixed where part (but not all) of the benefits are being taken.
- Address

3.0 Scheme Specific (Conditional) Data

3.1 We hold other data in respect of members and their participation in the scheme. Rather than measuring all this data, TPR guidance is that we should focus on data which is key to running our scheme and meeting our legal obligations. This varies from scheme to scheme and depends on many factors including scheme type, structure and the administration system used but may include:

- ☐ employment records such as employer name, salary records, service history
- ☐ employee and employer contribution history
- ☐ information on the value of the member's pension, such as the last estimated value, the date of the estimate and how the pension benefit was calculated
- ☐ any benefit specifics like GMP entitlement, HMRC protections

4.0 How do we measure data?

4.1 When measuring data, we have looked at whether data is present, and whether it is accurate. Our checks include:

- ☐ Checking we have data in all the fields we expect.
- ☐ Consistency checks – data items are consistent with each other, for example the date a member joined the scheme must be later than their date of birth, and prior to their expected retirement date.
- ☐ Validation checks – data items should be in a valid format, for example the two letter prefix of the national insurance number needs to match the two letter prefixes used by HMRC
- ☐ Specific processes, for example regular existence checks, or checking members' dates of birth, e.g. against birth certificates, at the point benefits are taken.

4.2 A large volume of data issues is related to legacy issues resulting from the transfer of administration from the previous pensions provider back in 2015. Some development work is required to update and refine WYPF's data quality report to identify data held on the members' records but not where we would expect it to be.

5.0 Data Scores

5.1 Data Scores for LPF are:

Common	95.78%
Scheme Specific	84.38%

6.0 How have we calculated the data score?

6.1 Your data score is the percentage of members in the scheme that we assess to have fully present and accurate common or scheme-specific data.

6.2 Case example: How to calculate a data score

A scheme has 100 members. It has 11 common data items per member, so a total of 1,100 common data items held. A data review shows 40 addresses as missing, but the rest of the data is assessed as present and accurate.

The common data score for this scheme is therefore 60%, as we have assessed that 60% of members have fully present and accurate common data.

7.0 Data Issues

7.1 Missing Addresses

There are 2370 address's missing for deferred members. This is a decrease of 681.

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.

7.2 Missing Earnings

There are 672 records with missing earnings. This is a decrease of 177. The majority of cases are awaiting leaver/pensioner benefits to be calculated.

7.3 Missing CARE Benefits

There are 275 records with missing Career Average Revalued Earnings (CARE). This is a decrease of 24. These are cases where leaver forms are outstanding from the Employers or where they have been received by WYPF but benefits have not yet been calculated.

7.4 Start Date Inconsistency

There are 4838 records where the start date on the record is inconsistent with the start date held on other record types. This is a decrease of 64.

7.5 No National Insurance Contributions or GMP.

There are 6381 records with missing National Insurance contributions or GMP. Some development work has been undertaken to amend the data quality report to correctly identify where this information is held. More development work is required to identify additional criteria. This is a decrease of 53.

7.8 Missing Crystallisation Details

There are 642 records with missing benefit crystallisation details. It appears that further work may be required to refine the criteria in the data quality report. This is an increase of 37.

7.9 Missing Annual Allowance Calculation

There are 321 records with missing annual allowance calculation. This is an increase of 199.

7.10 No Total Exit GMP (Deferred)

There are 4975 records with missing National Insurance contributions or GMP. It appears that the report does not correctly pick up the GMP amount held on the record where there is no national Insurance contribution history. Development work is required to update and refine the data quality report. This is an increase of 17.

7.11 No Post 88 GMP on record

There are 4006 records with missing National Insurance contributions or GMP. Similar to above, it appears that the report does not correctly pick up the GMP amount held on the record where there is no national Insurance contribution history. Development work is required to update and refine the data quality report. This is a decrease of 13.

8.0 Data Improvement Plan

8.1 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.

8.2 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.

8.3 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.

Conclusion

9.1 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.

9.2 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.

9.3 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.

Consultation

a) Risks and Impact Analysis

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

Appendices

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

Background Papers

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

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