

# Data Improvement Strategy and Plan

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## 1. Introduction

This document outlines Northamptonshire Pension Fund's Data Improvement Strategy and Plan.

The Fund exists to pay pension benefits to beneficiaries when these benefits fall due. To achieve this data must be received in a timely manner and maintained to the highest possible quality standards. This data quality is also the basis for Fund valuations and effective decision-making.

The maintenance of high-quality data is increasing difficult due to the volume and diversity of the Fund's data providers (e.g. scheme employers and payroll providers) and the increasing complexity of the Scheme's benefit design.

## 2. Legislative Framework

The regulations, standards and guidance that the Fund must comply with includes:

- LGPS Regulations 2013, as amended;
- Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014;
- The Pensions Act 1995, 2004 and 2008;
- The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013
- Data Protection Act 2018;
- Freedom of Information Act 2000;
- Pension Regulator's Code of Practice No.14

The Pension Regulator's Code of Practice addresses the need for high standards of accurate data and states that schemes must regularly review the data held and put in place a data improvement plan to address any issues.

Failure to maintain accurate records can put the Fund at risk of failing to meet its legal obligations which could result in enforcement action from the Pensions Regulator and therefore legal and reputational harm.

## 3. Fund and Strategy Objectives

The Data Improvement Strategy and Plan will be delivered in line with the following Fund objectives as set out in the Fund's business plan:

- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
- To maintain accurate records and ensure data is protected and used for authorised purposes only.

The specific objectives of this Data Quality Strategy and Plan are as follows:

- To ensure accurate records are maintained for the purpose of calculating pension entitlements and scheme employer liabilities; ensuring all information and data is communicated securely and accurately within prescribed timescales.
- To ensure that the Fund is compliant with legislation and with the guidance of the Pensions Regulator.
- To ensure all actions agreed are proportionate to the risk posed and are cost effective and efficient, utilising technology wherever possible.
- To ensure clarity of roles and responsibilities between the Fund and scheme employers, ensuring all parties are committed to the continuing engagement to improve data quality and promote accurate record keeping.
- To ensure there is an appropriate focus on preventative data quality actions, particularly with source data, which will reduce the need for data cleansing activities.
- To ensure that all data collection processes are clearly documented and regularly reviewed.

## 4. Stakeholders of the Fund

There are numerous categories of stakeholder as detailed below:

- Scheme members
  - Active
  - Deferred
  - Retired and dependant
  - Prospective
- Other beneficiaries
- Scheme employers
- Pension Committee
- Local Pension Board
- Fund staff
- Trade Unions
- Northamptonshire taxpayers
- Members of the public
- Scheme Advisory Board (SAB)
- The Pensions Regulator (TPR)
- Government departments
  - Her Majesty's Revenue & Customs (HMRC)
  - Department for Levelling Up, Housing and Communities (DLUHC)
  - HM Treasury
  - Department for Work and Pensions (DWP)
- Audit Commission

## 5. Effective date and review of Policy

This Policy was first approved by the Pension Committee on 12 October 2018 and has been subject to the following reviews:

Date of review	Effective Date	Type of review
June 2022	TBC	Full review – approval TBC
December 2020	December 2020	Minor amendments – approved by Pension Committee

## 6. Obtaining good quality data

This section sets out the approaches the Fund will use to ensure that high quality data is received from data providers, and that accuracy of that data is maintained during processing by the Fund.

### Administration Strategy

The Fund has put in place an Administration Strategy that sets out the responsibilities and required performance standards for both scheme employers and the administering authority. This includes the requirement of scheme employers to provide accurate and timely data to the Fund and the sanctions that may be imposed when those standards are not met.

Whilst the Fund may engage with third-party agents of scheme employers for efficiency, it remains the responsibility of the scheme employer itself to provide accurate and timely information to the Fund.

## **Scheme employer support**

The Fund is reliant upon the accuracy, completeness and timeliness of data provision from data providers such as scheme employers and payroll providers.

The Fund has a dedicated Employers Team whose principal functions are to support scheme employers in their employer-side responsibilities, including their responsibilities with regards to data provision to the Fund. The Employers Team monitor scheme employer performance in connection with these duties and the performance targets set out in the Fund's Administration Strategy.

The Fund will provide support to scheme employers including newsletters, website content, an Employer Helpline, Employer Forums, and virtual and face-to-face training sessions.

## **Clear data submission templates and forms**

The data requirements of the Fund are relatively complex due to the inherent nature of the Scheme. The Fund will therefore keep templates and forms as straightforward as possible to ensure they are as simple as possible for scheme employers to understand and complete.

Templates and forms will be kept under review and, where possible, scheme employer feedback will be harnessed to improve processes and documentation.

Most scheme employer data is now provided monthly through the i-Connect facility.

## **Effective internal controls and processes**

All processes must be underpinned using suitably trained pensions staff and efficient, regulatory compliant workflow processes. The Fund's control processes are subject to annual review by internal audit and any management actions required in connection with recommendations for improvement are monitored through to completion.

Fund staff must undertake mandatory e-learning modules on protecting personal data and information governance. Staff are granted the appropriate level of system access to fulfil their duties and that access is withdrawn upon the member of staff leaving the team. This minimises the risk of accidental loss, errors and unauthorised activity.

Actions to ensure that any data being created or updated is accurate include:

- Ensuring clear and up-to-date workflow processes exist, are documented and are being followed
- The Altair pensions administration and payroll system is upgraded when required
- All 'known errors' reported by the software supplier are communicated to relevant parties
- Regularly reviewing data being processed and making recommendations for improvement
- Reporting of any scheme employer data quality issues and appropriate management of these issues in line with the Administration Strategy

## **Timely receipt and processing of data**

The Fund will process data received from data providers in a timely manner and ensure that appropriate skilled resource is in place to reduce the risks of backlogs building up. Should backlogs arise a plan will put in place to reduce volumes to business-as-usual levels.

The Fund's performance standards are set out in its Administration Strategy. The legislative framework set out above includes required standards associated with numerous casework processes that are reliant on accurate and timely employer data.

The Fund reports its Key Performance Indicators associated with the main workflow processes to both the Pension Committee and Local Pension Board. Any breaches of the law, including late processing, are also reported.

## 7. Data review activities

The table below contains a summary of the main routine data reconciliations undertaken by the Fund.

Activity	Action	Timescale
<b>Reviewing and addressing errors received in monthly data submissions from data providers using i-Connect</b>	Monthly i-Connect submissions received are reviewed by Officers and any data discrepancies are queried directly with the data provider. Progress is monitored to resolution.	Monthly
<b>Reviewing and addressing errors received during the year-end process from data providers using annual returns</b>	Year-end returns received are checked by Pensions Systems Analysts. Any errors identified are investigated by Officers by querying with the data provider Progress is monitored to resolution.	Annually
<b>Year-End data reconciliations of full scheme member database</b>	High-level reconciliations are undertaken to identify potential data issues including unreported leavers.  Errors will be queried directly with the data provider and progress is monitored to resolution.	Annually  Officers are investigating the viability of moving these reconciliations to a more frequent basis.
<b>Reconciling new pensioner payments</b>	When a pensioner payment is created on the system a reconciliation is undertaken between the pension administration and payroll modules to ensure the new pensioner data is accurate.	Monthly

## 8. Third party data services

The Fund will make use of third-party data services to improve the quality of its data and to support the administrative function. These services are either minimal cost collaborative ventures or are procured commercially.

### LGPS National Insurance Database

Administered by South Yorkshire Pension Fund Authority (SYPA) on behalf of the Local Government Association (LGA), the secure National Insurance Database was developed for LGPS administering authorities to identify scheme members who had LGPS benefits elsewhere to ensure the correct actions are taken when assessing members entitlement under the scheme regulations. Each administering authority is required to complete a data sharing agreement before data is uploaded and shared. When processing the death of a scheme member, Officers will procedurally check the LGPS National Insurance Database for the existence of membership at other LGPS Funds.

### “Tell Us Once” service

The secure LGPS National Insurance Database also facilitates the integration of the Fund’s membership profile into the Department of Work and Pensions (DWP) ‘Tell Us Once’ service (TUO). The service allows an individual registering a death to request that the DWP pass on the deceased’s information to other government services and council services. If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, an email notification is received informing the designated officers that a copy of the death certificate is accessible on the secure government gateway.

## **National Fraud Initiative (NFI)**

Administered by the Cabinet Office, the NFI programme is a biennial exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. As a participant, the Fund receives a report of matches to investigate, to take remedial actions and update records accordingly.

## **Mortality screening services**

The Fund uses a commercial mortality screening service, Accurate Data Services, to check its deferred and pensioner membership database against the national death register on a monthly basis. Any reported deaths are investigated and remedial action taken.

## **External tracing services**

The Fund uses a commercial tracing service, Accurate Data Services, to check the most recent postal address for deferred and pensioner members. The Fund now uses this service on as and when required basis, where the Fund needs to contact the scheme member, but contact has been lost. The loss of contact will usually occur when a deferred or pensioner member fails to notify the Fund of a change of address.

## **9. Data Improvement Plan**

Appendix 1 contains details of the current areas of focus to improve the Fund's data. Progress against this plan will be monitored internally and updates reported as and when required to the Local Pension Board and Pensions Committee. A revised plan will be formulated at least annually.

## **10. Measures of success**

A key driver for the activities within the plan is an annual analysis of the Pension Regulator's common and conditional (scheme specific) data scores. The Fund targets a 100% score for both common and conditional data and uses the measurements provided by its software provider for the purposes of deriving the scores to be reported to the Pensions Regulator. The Fund would expect improvements in the data score over time.

The Fund reports Key Performance Indicators (KPIs) for its main workflow processes quarterly to both the Local Pension Board and Pension Committee. These are set out in its Administration Strategy.

The Fund issues annual benefit statements to each deferred and active member. These statements are heavily reliant on accurate and timely data, and the Fund targets 100% to be issued by the statutory deadline of 31 August, with any material breaches reportable to the Pensions Regulator.

The Fund's Actuary, Hymans Robertson, has made a Universal Data Extract (UDE) facility available for the sharing of data between the Fund and the Fund Actuary. The UDE enables data quality to be measured through the number of critical errors and warnings within the dataset uploaded by the Fund to the UDE facility.

**Appendix 1 Data Improvement Plan**

No.	Area of Improvement	Action	Risk	Effect on TPR data scoring	Number of affected records	Method of resolution	Resolution timescale	Resource required
1	<b>Addressing common and conditional data failures from the Pensions Regulator data scoring exercise undertaken in November 2021.</b>	Resolve all common and conditional data fails highlighted by the data scoring exercise.	Inaccurate common data can potentially result in a breach of personal data. Scheme members may also not receive important Fund communications. Inaccurate data can also lead to a miscalculation of individual pension liabilities which may adversely impact the scheme member, scheme employer or Fund.	Unresolved data fails will appear in 2022 audit and impact 2022 data scores submitted to TPR.	Improvements to be made on the following areas which were identified as failures in 2021:  NI Numbers: 1702 Date commenced: 8 Status:2 Status and Invalid data view: 1672 Address: 4435 Status and valid data view: 88  Overall Pass rate NPF: 91.8%	Correct data held by reviewing member's documents and/or contacting relevant parties for confirmation.	February 2022 – October 2022	Officers from within the Systems and Projects Teams.
2	<b>Completing the GMP rectification project</b>	A GMP reconciliation project has identified records where incorrect GMP values appear to be held by the Fund. These	If the fund does not change the values this could put the fund at risk of paying improper benefits to the affected scheme members.	None	997 Non active scheme member records to be assessed and remedial action taken.	Reviewing highlighted records that need changing and making necessary amendments to the affected scheme members	April 2022 – March 2023	Officers from within the Projects Team

No.	Area of Improvement	Action	Risk	Effect on TPR data scoring	Number of affected records	Method of resolution	Resolution timescale	Resource required
		cases will be reviewed and remedial action undertaken, including managing any under or over payments.				benefits and communicating the changes to them.		
3	<b>Assessing membership in scope of the McCloud remedy and rectifying any cases that have been identified as being incorrect.</b>	Missing scheme membership has been requested from employers. Once the data has been returned, and the remedy agreed, work will commence on rectifying affected records.	If membership is found to be in scope and not rectified, then this could lead to the member having received incorrect benefits outside of the regulations.	None	To be determined	Reviewing highlighted records that need changing and making necessary amendments to the affected scheme members benefits and communicating the changes to them.	Scheme member data to be updated from employer submissions by 31 March 2023.  Full rectification timeline to be determined.	Officers from within the Projects Team  Any additional resource to be agreed with the Pension Committee.
4	<b>Prepare data for the Triennial Valuation</b>	Officers upload membership data to the Universal Data Extract facility (UDE) and manage critical errors and warnings. Remedial action undertaken as required on administration system. Further	Incorrect data shared could lead to incorrect valuation results being issued to scheme employers.	N/A	Number of queries are determined once issued from Fund Actuary	Work through the UDE and fix queries and undertake remedial action on the administration system.	Upload to UDE by 5 August 2022  Other activities in line with valuation project plan.	Employers and Systems Team Officers

<b>No.</b>	<b>Area of Improvement</b>	<b>Action</b>	<b>Risk</b>	<b>Effect on TPR data scoring</b>	<b>Number of affected records</b>	<b>Method of resolution</b>	<b>Resolution timescale</b>	<b>Resource required</b>
		queries from the Fund Actuary addressed as required.						