Subject	Data Quality Improvement Plan	Status	For Publication
Report to	Local Pensions Board	Date	3 November 2022
Report of	Head of Pensions Administration		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

1.1 To update members on the latest iteration of the Data Quality Improvement Plan and the data scoring likely to be provided to the Pensions Regulator.

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2 Recommendations

2.1 Members are recommended to:

a. **Note the updated Data Quality Improvement Plan summary and comment on any further reporting requirements or actions**

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3 Link to Corporate Objectives

3.1 This report links to the delivery of the following corporate objectives:

Customer Focus

to design our services around the needs of our customers (whether scheme members or employers). Maintaining high quality data for scheme members is an important part of encouraging members to engage online and have confidence in accessing their own pension accounts.

Effective and Transparent Governance

to uphold effective governance showing prudence and propriety at all times. The Pensions Regulator's Code of Practice 14 advises that schemes should continually review their data and carry out a data review exercise at least annually. This should include an assessment of the accuracy and completeness of the member information held.

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4 Implications for the Corporate Risk Register

4.1 The actions outlined in this report one method of working to mitigate risk O1 in the Corporate Risk Register which centres on the ability of the Authority to protect the data it owns and the data it handles.

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5   <u>**Background and Options**</u>

TPR Annual Scheme Return

5.1   Members may be aware that, since 2018, LGPS funds have been required to report annually to the Pensions Regulator (usually each November) on the quality of common and conditional (scheme specific) data in the submission of the annual Scheme Return.

5.2   **Common** data are basic data items which are used to identify scheme members and are defined by the Regulator. These consist of:-

National Insurance number; Surname; First Name or Initials; Sex; Date of Birth; Retirement Age; Last status event; Address including Postcode; Start Date; Membership Status

5.3   **Conditional** (scheme-specific) data is not explicitly defined by the Regulator but is data which is key to running the scheme and meeting legal obligations. In general terms for the LGPS this will be data such as membership details, pensionable pay, contributions, etc. The Scheme Advisory Board (SAB) developed guidance for LGPS funds on the specific data fields which should make up the measurement of conditional data and SYPA follows this guidance. It should be noted that it is not mandatory to follow the guidance and some funds may use local measures which makes direct comparisons difficult.

5.4   The data scores reported to TPR for the previous four years are shown below. Although there has been incremental progress in the past four years, the likely results for 2022 (due to be submitted in November) have levelled off in terms of the overall percentage of errors, despite a modest reduction in the numbers of outstanding queries. The Plan referred to in paragraph 5.6 seeks to address this challenge over the next six months.

	2022 expected	2021	2020	2019	2018
Common Data Score	*97%*	97%	96%	96%	96%
Conditional Data Score	*94%*	94%	93%	91%	87%

5.5   Noting the comment in Section 5.3 regarding the difficulties of comparison, the table overleaf shows anonymised information previously provided by other LGPS funds in the Border to Coast pool. It should be noted that not all funds responded to the request. The figures available suggest that SYPA are well within the ranges achieved by other funds but that there is further work to be done to match the highest scores achieved.

	Common	Conditional
SYPA	97%	94%
Fund A	97%	95%
Fund B	93%	95%
Fund C	96%	97%
Fund D	98%	94%
Fund E	96%	84%

Data Quality Improvement Plan

5.6 TPR advises that schemes should have a data quality improvement plan in place. SYPA have shared previous iterations of the plan with the Board but this has been revised on a number of occasions to reflect changing guidance and priorities. The current data improvement plan is maintained by the Pensions Technical Adviser and **Appendices A (common data) and B (conditional data)** are provided as a summary extract of the current plan which highlights where individual teams have ownership of specific areas.

5.7 It is worth highlighting a couple of areas where more significant movement on reducing the numbers of errors might otherwise have been expected. Firstly, in relation to common data, there was a significant reduction in the number of lost contacts during the year but the exercise to issue annual statements to deferred members has resulted in a recent increase in returned communications. A data tracing tool is being applied to locate lost contacts but it may take a few months before the impact of this work filters through into an overall reduction.

5.8 The second area relates to conditional data and the impact of the GMP reconciliation in reducing query volumes. The exercise is now due for completion in April 2023 so the impact of this will not be registered until that point.

Pension Dashboards

5.9 Members will be aware from previous updates that SYPA will need to be connected to the Pensions Dashboard which is a national initiative designed to allow all individuals to access a summary of all their pension scheme arrangements in one place. The staging deadline for the LGPS is 30 September 2024.

5.10 SYPA will need to select an Integrated Service Provider (ISP) to facilitate the connectivity to the national Dashboard infrastructure. Discussions have taken place with a number of potential ISP providers and quotations of the costs (initial set up and annual running costs) have been obtained.

5.11 The technical aspects of connecting to the national infrastructure would be primarily driven by the ISP provider (with the appropriate security arrangements a key element of this process) but it will be important for schemes to prepare for the Dashboard by checking and improving the quality of the data that will need to be supplied to the Dashboard.

5.12   The Pensions Administration Standards Association (PASA) has published some detailed guidance in relation to data accuracy for all pension schemes to consider. SYPA has a Data Integrity tool (known as DART) developed in-house and plans to further develop DART over the next few months to measure the quality of the data held on SYPA records which will need to be submitted to the Dashboard. This analysis will form part of the future reporting of the Data Quality Improvement Plan.

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6   **Implications**

6.1   The proposals outlined in this report have the following implications:

Financial	None directly but there will be costs involved in procuring an ISP for the Dashboard connectivity
Human Resources	None
ICT	None
Legal	SYPA has a statutory obligation to submit a data score to the Pensions Regulator.
Procurement	

Jason Bailey

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Background Papers	
Document	**Place of Inspection**