**CAMBRIDGESHIRE
PENSION FUND**

LGSS

Pension Fund Committee

Date: 18 October 2018

Report by: Head of Pensions

Subject:	**Cambridgeshire Pension Fund Data Improvement Policy and Plan**
Purpose of the Report	To present to the Pension Committee: 1) The Data Improvement Policy; and 2) The Data Improvement Plan
Recommendations	**That the Pension Committee approves the Data Improvement Policy and Data Improvement Plan**
Enquiries to:	Jo Walton – Governance and Regulations Manager, LGSS Pensions E-mail: jwalton@northamptonshire.gov.uk

1.   Background

1.1   The Cambridgeshire Pension Fund collects and processes large amounts digital and paper based personal data and is heavily reliant on the timely receipt of accurate data from scheme employers in order to administer the Local Government Pension Scheme (LGPS).

1.2   The primary purpose of the Cambridgeshire Pension Fund is to pay the correct pension benefits to its members when they become due. It is therefore essential that the Fund achieves and maintains the highest possible data quality standards.

1.3   The Public Service Pension Act 2013 came into effect on 1 April 2014 and increased the powers of the Pensions Regulator to ensure that public service pension schemes had appropriate measures in place to ensure high standards of governance and administration.

1.4   The Pensions Regulator articulated these standards through the code of practice 14 – governance and administration of public service pension schemes. The code 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.

1.5   To demonstrate to the Pensions Regulator that the Fund has reviewed the quality of its data and has an ongoing approach to ensuring the Fund has appropriate processes in place to consistently hold accurate data, a Data Improvement Policy and a Data Improvement Plan have been drafted for the Pension Fund Committee's approval.

1.6   The Data Improvement Policy and the Data Improvement Plan can be found in appendix 1 and 2 respectively.

2.   Data Improvement Policy

2.1   The Data Improvement Policy sets out the Fund's approach to ensuring that the data held on scheme members is as accurate and as up to date as possible to ensure effective and efficient processing of an individual's pension benefit entitlement.

2.2   Failure to process and make payments at the correct amount and at the right time can ultimately lead to additional administrative costs and potentially incorrectly stated liabilities at both employer and fund level.

2.3   Failing to hold accurate data can also be seen as a breach of several other sets of legislation including, but not limited to, the Local Government Pension Scheme Regulations 2013 and the Pensions Acts of 1995, 2004 and 2008.

2.4   Scheme employers also have a legal requirement to provide accurate data to the Fund. These expectations are set out in the Fund's Administration Strategy. The Strategy also details the financial penalties of the scheme employer failing to provide accurate information at the right time.

2.5   The Data Improvement Policy demonstrates to the Pensions Regulator that mechanisms and controls are in place to ensure that the Fund is aware of its responsibilities and managing the accuracy of the data held on a continual and improving basis. The Pensions Regulator will regularly enquire as to the quality of the data held via the statutory annual return issued each autumn which requires, amongst other information, a presence and accuracy score of the common data (data used to identify the member) and scheme-specific data (data used to calculate entitlement) held.

2.6   The Data Improvement Policy includes a section on the General Data Protection Regulations (GDPR) relating to the requirement to hold accurate data and also a scheme member, their representative or a potential beneficiary's right to rectification if they identify that inaccurate data is being held in respect of them.

3.   Data Improvement Plan

3.1   The Pensions Regulator's code of practice sets out the requirement for public service pension schemes to continually review data held and carry out a review exercise at least once a year. Where a review identifies missing or poor quality data an improvement plan must be put in place to address these issues.

3.2   A review of the data held by the Fund has taken place via the Data Audit conducted by ITM Limited and a number of data cleansing and improvement activities have been identified and detailed on the Data Improvement Plan found in appendix 2 of this report.

3.3   Some of these activities such as the contracted out-reconciliation and the pensioner payroll vs pensions administration system were identified prior to the review and have been included within the plan for completeness.

3.4   The Pensions Regulator issues an annual public service governance and administration survey to assess how schemes are meeting the requirements within the code of practice and the standards to which the schemes are being run. In the past the survey has asked schemes if they are compliant with the data quality requirements set out in 3.1.

3.5   The results of these surveys have highlighted that record keeping and data quality as one of the highest risk areas when compared with other requirements within the code of practice.

3.6   By having in place a Data Improvement Plan, the Fund can demonstrate to the Pensions Regulator that it is achieving compliance with the code of practice in this area and taking its data quality and record keeping responsibilities seriously.

3.7   The Data Improvement Plan will be continually updated when new data cleansing or improvement activities arise. Cyclical data cleansing activities will also be added to the Data Improvement Plan.

3.8   The Pension Fund Committee will receive a report at every meeting detailing new activities and progress made against the existing activities identified on the Data Improvement Plan.

4.   Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. *Objective 1*
Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. *Objective 2*
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*
Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. *Objective 8*
Maintain accurate records and ensure data is protected and used for authorised purposes only. *Objective 11*

5.   Risk Implications

5.1   Cambridgeshire Pension Fund is required under various sets of legislation and the Pensions Regulator code of practice to ensure that data held on scheme members and their potential beneficiaries is up to date and accurate. As such the Fund should have in place an approach to managing the quality of its data and a plan for addressing any omissions or inaccuracies.This report presents to the Pension Fund Committee a Data Improvement Policy and Data Improvement Plan, for their approval, to demonstrate compliance and commitment in this area.

5.2   The risks associated with the Fund not having in place a Data Improvement Policy and Data Improvement Plan have been captured in the Fund's risk register as detailed below.

Risk register	Risk mitigated	Residual risk
Governance (risk 1)	Failure to administer the scheme in line with regulations and policies.	Amber
Governance (risk 2)	Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively.	Amber

Risk register	Risk mitigated	Residual risk
Governance (risk 4)	Policies and Strategies not being in place and up to date.	Green
Administration and Communication (risk 18)	Records are not accurate and do not reflect changes in circumstances.	Green
Administration and Communication (risk 19)	Pension Fund systems may not be secure and appropriately maintained.	Green

6. Finance & Resources Implications

6.1 The costs incurred in conducting data quality reviews and the associated rectification work will be met by the administration budget. Rectification work will be carried out by officers of the Fund where possible and efficient to do so.

7. Communication Implications

Website	The Data Improvement Policy and Data Improvement Plan will be published on the Fund's website.

8. Legal Implications

8.1 There are no legal implications connected to the contents of this report as by putting in place a Data Improvement Policy and Data Improvement Plan, compliance with the Pensions Regulator's code of practice is being achieved.

9. Consultation with Key Advisers

9.1 There has been no requirement to consult with advisers over the content of this report.

10. Alternative Options Considered

10.1 There are no alternative options to be considered.

11. Background Papers

11.1 Administration Strategy - http://pensions.northamptonshire.gov.uk/app/uploads/2017/09/AdministrationStrategy2017Final.pdf

11.2 The Pensions Regulator's code of practice on the governance and administration of public services pension schemes http://www.thepensionsregulator.gov.uk/public-service-schemes/code-of-practice.aspx

12. Appendices

12.1 Appendix 1   Draft Data Improvement Policy

12.2 Appendix 2   Draft Data Improvement Plan

Checklist of approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Head of Pensions?	Mark Whitby – 26 September 2018
Has this report been cleared by Section 151 Officer?	Sarah Heywood – sent 28 September 2018
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Terry Rogers – 3 October 2018
Has this report been cleared by Legal Services?	Fiona McMillan – 28 September 2018