

**CAMBRIDGESHIRE  
PENSION FUND**



**Pension Fund Committee**

**Date:** 28 March 2019

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Data Improvement Plan Progress Report</b>
<b>Purpose of the Report</b>	To present the Pension Fund Committee a report that details progress made against the Pension Fund Data Improvement Plan.
<b>Recommendations</b>	The Committee are asked to note the contents of the report.
<b>Enquiries to:</b>	Joanne Walton, Governance and Regulations Manager <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a>

**1. Background**

- 1.1 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.
- 1.2 The Public Service Pensions Act 2013 (effective from 1 April 2014) 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.
- 1.3 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.
- 1.4 To demonstrate to the Pensions Regulator that the Fund has reviewed the quality of its data and has an ongoing approach to ensuring appropriate processes are in place to consistently hold accurate data, a Data Improvement Policy and a Data Improvement Plan has been established.
- 1.5 This report is to provide the Pension Fund Committee with details of the progress made against the Data Improvement Plan and will be presented at each meeting.
- 1.6 A summary of the items on the Data Improvement Plan can be found in appendix 1.

**2. Data Improvement Plan Activities**

- 2.1 The activities on the Data Improvement Plan that are currently in progress are as follows:

## 2.2 Resolution of awaiting entry records to correct membership status

**Purpose of activity:** To ensure that all members showing as awaiting entry are genuine, and to convert to the appropriate membership status where this is not the case.

**Timescale for completion:** 31 March 2020

**On target for completion:** The commencement has been delayed to allow for the completion of the activities detailed in 2.5 and 2.6 as the financial impact in these activities are greater on both the Fund and the scheme member. It is expected that this activity will now commence in September 2019, but will still complete by 31 March 2020.

## 2.3 Resolution of unprocessed leaver records

**Purpose of activity:** To process all the unprocessed leaver benefits in accordance with the member's entitlement under the LGPS regulations.

**Timescale for completion:** As detailed in the table below.

**On target for completion:** As detailed in the table below.

Activity description	Start Date	Due Date	Completed	Comments	RAG Status
Request missing leaving certificates from scheme employers (Single DB)	Jan 19	Apr 19			G
Request missing leaving certificates from scheme employers (Multi DB)	Jan 19	Feb 19	Complete		G
Process Multi DB casework.	May 19	Nov 19		Re-baselined following discussions with Aon. To be processed over 6 months with one month contingency.	A
Request missing leaving certificates from scheme employers (Amalgamations)	Jun 19	Sep 19		Re-baselined to sync with remainder of project.	G
Design processing solution for Amalgamation casework	Sep 19	Oct 19		Re-baselined to see outcomes from Multi DB processing.	G
Process Amalgamation casework	Jan 20	Dec 20			G
Process remaining Refund and Single DB cases as leaving certificates received	Jan 19	Oct 19		Risk certificates remain outstanding from scheme employers	A

**Progress to date:** From the baseline position 853 unprocessed leaver cases have now been completed.

Benefit Type	Refunds	Deferred Benefit (single)	Deferred Benefit (multi)	Amalgamation	Total
Baseline	507	442	1,492	3,382	5,823
January 2019	298	332	1,295	3,045	4,970

## 2.4 Contracted-out liabilities reconciliation

**Purpose of activity:** To compare contracted-out liabilities held on scheme records with that held by HMRC.

**Timescale for completion:** All queries must have been raised with HMRC by 31 December 2018.

**On target for completion:** ITM Limited have confirmed that all queries have been raised with HMRC.

**Progress to date:** The latest update report from ITM Limited dated 26 February 2019 confirms that 89.3% of member's contracted out liability has been reconciled. 8.4% of records are pending processing by ITM Limited following receipt of information from HMRC and 2.3% of records remain with HMRC for query resolution. It is expected that the queries that are with HMRC will not be resolved until 6 April 2019. The total amount of records in scope of this project is 74,586. It is expected that the rectification stage of this project will commence in April 2019.

## 2.5 Rectification of Pensions Increase errors

**Purpose of activity:** To resolve inaccurate pensions in payment on the pensioner payroll due to incorrect Pensions Increase being applied. Instances of over or underpayments of members' pensions have been identified but have proved to be small in value.

**Original timescale for completion:** 28 February 2019

**On target for completion:** The timescale for completion has been extended to allow for the completion of the activity detailed in 2.6 as the financial impact in that activity is greater on both the Fund and the scheme member. It is expected that this activity will now complete by 31 August 2019.

## 2.6 Pensioner Payroll vs Pensions Administration reconciliation and rectification

**Purpose of activity:** To resolve variances in the amount of pension in payment on the pensioner payroll with that held on the administration record. Instances of over or underpayments of members' pensions have been identified.

**Timescale for completion:** 31 March 2019

**On target for completion:** Yes

**Progress to date:** During the initial reconciliation stage that ran between August and December 2017 1,123 out of the 1,614 initial variances were found to be correctly in payment, requiring only amendments to the administration record to correct the apparent variance.

The opening position for the rectification stage of the project which commenced in January 2018 was a total of 491 cases. During the rectification of the 491 cases 135 have so far been found to be correctly in payment leaving only 356 variances resulting in either an underpayment or overpayment of pension that required rectification.

As at the time of writing this report 222 out of 252 underpayment cases have been fully processed with the member's pension corrected to the right annual rate and with arrears and interest paid. There are a further 30 potential underpayment cases that are significantly more complex to resolve or may interact with the contracted-out project.

To date 53 out of 104 overpayment cases have been addressed. In these cases members have been contacted to notify them that their pension has been overpaid and that it will be reduced to the correct rate. Where the value of the overpayment is in excess of £100, the member has been asked to repay the overpayment by a reduction to their ongoing pension.

Of the 53 members that have been written to advising that they have been overpaid 2 have agreed to repay in full and 23 members have agreed to ongoing deductions from their monthly pension. 9 members' pensions have been corrected with the small overpayment written off in line with the Fund's Overpayment of Pension Policy, 3 overpayments have been written off due to interaction with the contracted-out project and 1 overpayment has been written off as the member is now deceased. Correspondence is ongoing with the remaining 15 members.

It is anticipated that some of the remaining 51 overpayment cases will also prove to have the correct values in payment.

## **2.7 Member tracing and mortality screening**

**Purpose of activity:** To ensure all membership records for all membership statuses where a liability is held by the Fund has a current or home address or is marked as gone away where attempts to trace the member have been unsuccessful.

**Timescale for completion:** Time frame for completion of exercise to be confirmed once procurement process has been completed.

**On target for completion:** Procurement process has begun, and 1,771 members' address records have been cleansed in readiness for the procurement. A further 2,929 members' address records will be cleansed prior to 31 March 2019.

## **2.8 Resolution of common data fails identified in the 2018 Data Audit**

**Purpose of activity:** To resolve common data fails identified in the 2018 data audit.

**Timescale for completion:** 31 March 2019

**On target for completion:** Yes

**Progress to date:** 644 records with a missing, temporary or invalid National Insurance Number have been investigated and corrected where required. 19 members' records with missing or inconsistent forenames and initials have been corrected, as have 74 members' records with either missing or inconsistent gender recorded. The remaining 10,319 common data errors will be resolved following completion of the activities detailed in 2.2, 2.3 and 2.7.

## 2.9 Resolution of scheme specific data fails identified in the 2018 Data Audit

**Purpose of activity:** To resolve scheme specific data fails identified in the 2018 data audit.

There were 118,406 records included in the data audit. Four main issues have been identified affecting 7,304 records where data is missing or inconsistent, but doesn't impact the amount of pension in payment, although will require simple resolution to improve the quality of the data. A further 32 issues have been identified with smaller volumes of records affected in each category, totalling 3,426.

**Original timescale for completion:** 31 March 2019

**On target for completion:** The timescale for completion has been extended to allow for the completion of the activity detailed in 2.6 as the financial impact in that activity is greater on both the Fund and the scheme member. It is expected that this activity will now commence in June 2019 and is expected to complete by 31 March 2020.

## 3. Relevant Fund objectives

Continually monitor and measure clearly articulated objectives through business planning.
Maintain accurate records and ensure data is protected and used for authorised purposes only.

## 4. Risk Management

- 4.1 The Pension Fund Committee approved the Data Improvement Policy and Data Improvement Plan in October 2018 and officers will keep both documents under constant review. The plan details the identified data improvement activities that need to be undertaken and the progress of these activities is reported through the Data Improvement Plan Progress report presented to the Pension Fund Committee and Local Pension Board at every meeting.
- 4.2 The risks associated with failing to monitor progress against the Data Improvement Plan have been captured in the Fund's risk register as detailed below.

Risk register	Risk mitigated	Residual risk
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Governance (risk 1)	The scheme would not be administered in line with regulations and policies	Green
Governance (risk 2)	Those charged with the governance of the Fund and scheme are unable to fulfil their responsibilities effectively	Amber

- 4.3 The Fund's full risk register can be found on the Fund's website at the following link:  
<http://pensions.northamptonshire.gov.uk/governance/key-documents/cambridgeshire/>

## 5. Communication Implications

<b>Direct Communications</b>	The Data Improvement Plan Progress report will be presented to the Pension Fund Committee at its quarterly business meetings.
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## 6. Legal Implications

- 6.1 Not applicable

## 7. Consultation with Key Advisers

- 7.1 Consultation with the Fund's advisers was not required for this report.

## 8. Alternative Options Considered

- 8.1 Not applicable

## 9. Background Papers

- 9.1 Data Improvement Policy and Data Improvement Plan  
<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/791/Committee/16/Default.aspx>

## 10. Appendices

- 10.1 Appendix 1 – Data Improvement Activities

<b>Checklist of Key Approvals</b>	
Is this decision included in the Business Plan?	No
Will further decisions be required? If so, please outline the timetable here	No
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Section 151 Officer?	Sarah Heywood – 15 March 2019
Has this report been cleared by Head of Pensions?	Mark Whitby – 8 March 2019
Has the Chairman of the Pension Committee been consulted?	Councillor Rogers – 13 March 2019
Has this report been cleared by Legal Services?	Fiona McMillan – 12 March 2019

**Appendix 1 – Full list of data improvement activities for the 2018/19 and 2019/20 financial years.**

Key action/task	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20
Resolution of awaiting entry records to correct membership status			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<i>Resolution of awaiting entry records to correct membership status – Rescheduled to</i>											✓	✓	✓	✓	✓	✓	✓
Resolution of unprocessed leaver records	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Contracted out liabilities reconciliation	✓	✓															
Contracted out liabilities rectification – duration to be confirmed following end of reconciliation stage			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rectification of Pensions Increase errors		✓	✓	✓													
<i>Rectification of Pensions Increase errors – Rescheduled to</i>						✓	✓	✓	✓	✓							
Pensioner Payroll vs Pensions Administration reconciliation and rectification	✓	✓	✓	✓	✓												
Member tracing and mortality screening – duration to be confirmed following procurement process			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Resolution of common data fails identified in the 2018 Data Audit			✓	✓	✓												
Resolution of scheme specific data fails identified in the 2018 Data Audit			✓	✓	✓												
<i>Resolution of scheme specific data fails identified in the 2018 Data Audit – Rescheduled to</i>								✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

