

Pension Fund Board

Date: 6th November 2020

Report by: Head of Pensions

Subject:	Cambridgeshire Pension Fund Data Improvement Policy
Purpose of the Report	To review the changes made to the Data Improvement Policy
Recommendations	That the Pension Fund Board reviews the revisions to the Data Improvement Policy
Enquiries to:	Jo Walton – Governance and Regulations Manager 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 were put in place in October 2018.
- 1.6 Due to a number of process improvements it has been necessary to review and update the Data Improvement Policy.
- 1.6 The draft revised Data Improvement Policy for review by the Pension Fund Board before it is presented to the Pension Fund Committee for approval can be found in appendix 1.

2. Data Improvement Policy - revisions

- 2.1 The following revisions have been made to the Data Improvement Policy:

- 2.1.1 Data Audit (section 11.2) – this section has been revised to remove the independent review of processes used when receiving data from scheme employers and how it is transferred on to member's records to identify issues with internal controls and associated risks. This activity is conducted by internal audit.
- 2.1.2 LGPS National Insurance Database (section 11.3) – this section has been revised to include the wider scope of the Database. Previously its intended purpose was to enable LGPS administering authorities to check to see upon the death of a scheme member whether they had any other LGPS death benefit entitlement due to new restrictions in the maximum number of death benefits payable under the LGPS as whole. The new scope of the Database is to allow administering authorities to see if members have LGPS benefits elsewhere to enable the correct actions are taken with regards to processing refund or deferred benefit entitlement. A revised data sharing agreement was signed to allow for the data to be shared and used in this way.
- 2.1.3 Member tracing and mortality screening (section 11.5) – this section has been revised to confirm that the Fund has successfully procured a supplier of member tracing and mortality screening services.
- 2.1.4 Overseas proof of continued existence checks – this section has been updated to remove the Western Union proof of existence service that was to be previously used every two years to that of the Fund conducting this exercise annually using proof of existence certificates that are independently witnessed. The Fund was unable to continue to use the services of Western Union due to the administering authority's GDPR requirements not being satisfied.

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. ITM's report was released on 21 October 2020. The findings of the report will be digested and a revised Data Improvement Plan will be prepared and presented to the Pension Fund Board for review at the December 2020 meeting.
- 3.3 Many data improvement activities continue to be undertake whilst the revised plan is constructed including but not limited to the contracted out liabilities reconciliation and rectification and the clearance of undecided leaver records. The progress of these activities are reported to the Pension Fund Committee and Pension Fund Board at every meeting within the Business Plan Update and the Administration Performance Report.

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. <i>Objective 1</i>
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. <i>Objective 2</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>
Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. <i>Objective 8</i>
Maintain accurate records and ensure data is protected and used for authorised purposes only. <i>Objective 11</i>

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
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 are 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 Revised Data Improvement Policy 2020

Checklist of approvals	
Has this report been cleared by the Head of Pensions?	Mark Whitby – 22 October 2020