

Pensions Committee

25 September 2019

Report title	Data Management Report April – August 2019	
Originating service	Pension Services	
Accountable employee(s)	Rachel Howe	Head of Governance and Corporate Services
	Tel	01902552091
	Email	Rachel.Howe@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood	Director of Pensions
	Tel	01902551715
	Email	Rachel.Brothwood@wolverhampton.gov.uk

Recommendation for noting:

The Committee is asked to note:

1. The work of the Fund in delivering its Data Management Strategy and the steps taken to monitor and drive Data Quality across the Fund.

1.0 Purpose

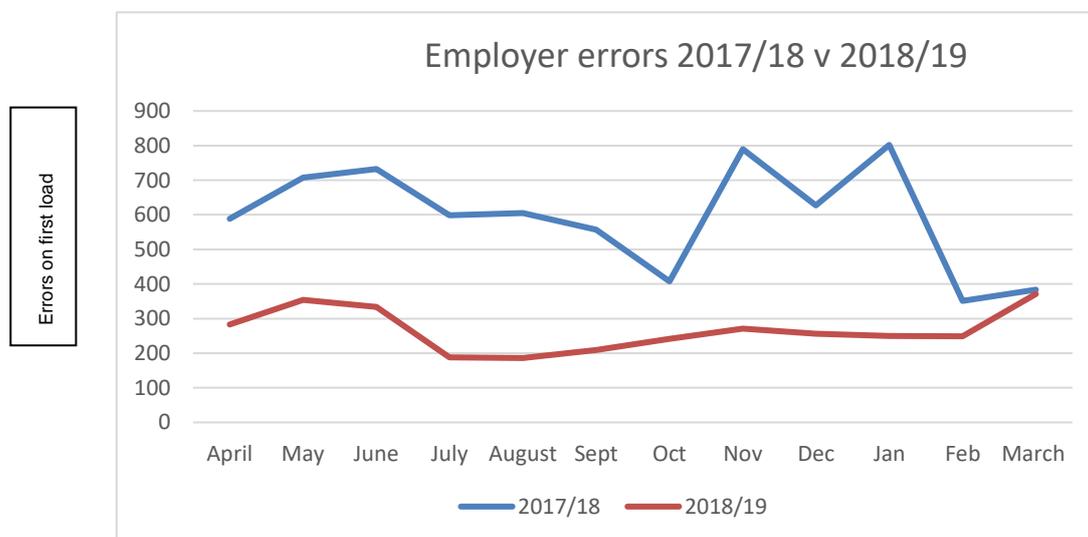
- 1.1 To provide Committee with an update on the work of the Fund in delivering improved data quality in line with the Pension Regulator's Code of Practice.

2.0 Background

- 2.1 All Local Government Pension Schemes collect and hold records about scheme members' identities, personal data, pay and their time in the scheme in order to calculate and pay out pension benefits. Record keeping is a vital part of running a scheme and failure to maintain complete and accurate records means the Fund is at risk of failing to meet its legal obligations. Crucially, it can affect the Fund's ability to complete basic functions such as paying members the right amount at the right time and issuing annual benefit statements as required under the Local Government Pension Scheme Regulations.
- 2.2 In response to this, the Fund adopted its Data Management Strategy which seeks to inform priorities and deliver related initiatives such as the Fund's Digital Transformation Programme and the 2019 Actuarial Valuation which is heavily reliant on good data to assess the Fund's liabilities.

3.0 Monthly Submissions

- 3.1 The Fund monitors the performance of employers in their timeliness and quality of data submitted through the monthly submissions process, as well as their action to cleanse historic errors which may have previously prevented the production of a benefit statement or delayed a benefit operation process.
- 3.2 This year the Fund has seen a marked improvement in the quality of information being received, with a 57% improvement on the quality of data received at the first point of load from employers prior to analysis by the Fund's data team. The position as at the end of March is comparative due to the need to reconcile end of year salary information.



- 3.3 In addition, employer performance in relation to the timely submission of files has improved dramatically with 75% of files received on time compared to 37% in 2017/18, with 96% of total files expected submitted by year end compared to 88% last year.
- 3.4 Two years on from the introduction of monthly submissions, the Fund has developed its understanding of member data, the process of production of monthly files by employers and the reporting requirements of the Fund in compliance with statutory duty, as well as its ability to report on the performance of employers in line with the Pension Administration Strategy (which is linked to the Fund's development of employer self-service dashboards available through the new Employer Hub). As good practice and to build on learnings from the first two years of the programme, the Fund is undertaking a review of the monthly submissions process to continue to develop this as the primary route for effective and efficient data management.
- 3.5 The focus of this review is threefold:
- i. To improve data quality at the point of receipt through more detailed validations on upload from employers
 - ii. To enable efficiencies in the processing of monthly files through process reviews and possible automation
 - iii. To enable accurate and timely reporting on performance and workload management in line with the Pension Administration Strategy and the Fund's own Key Performance Indicators.

This work is being considered in conjunction with the development of roll out of new employer tools (work trays and hub) during 2019/20.

4.0 Annual Benefit Statements 2019

- 4.1 This year the Fund has delivered Active Benefit Statements for 85% of its active membership ahead of the 31 August deadline with the first run completed for Deferred Benefit Statements also producing 99% of statements. Work continues to cleanse the data on identified leavers together with employer engagement planned to highlight and present queries for resolution to enable additional 2019 statement production.

5.0 Ongoing Data Management

5.1 Employer Hub

In 2012, the Fund launched its first employer portal which enabled employers to view member records and undertake some initial member level processes and provision of data. Since its launch the Fund has worked with Civica to further enhance the portal, to increase the functionality available within the system.

The current employer portal is the main method for data exchange with employers and is a Fund key priority to enhance electronic working with stakeholders. With the continued growth in the Fund's employer base, standing at 673 employers, as at 31 March 2019, the need to facilitate greater employer self-service has increased.

The new Employer Hub will enable employers to run their own performance reports and dashboards enabling greater employer-led management of performance against the Pension Administration Strategy, including the monitoring of data quality.

5.2 Deferred Member Tracing and Mortality Screening

For deferred members, no longer in active employment with a Fund employer, the Fund is reliant on member notification of changes in address and contact information which enable the Fund to remain in dialogue. Member self-service through the portal enables update of personal details but returned post and gaps in portal uptake indicate a higher risk of loss of member contact.

To assist in the review and update of data held, the Fund has developed a deferred member tracing programme targeting checks on member contact information ahead of their anticipated retirement date, with the aim of reducing data queries and confirming contact at retirement. An enhanced mortality screening programme is also being trialled to minimise delay in review and change to pension payments in the event of member death.

The programme is intended to assist in reducing processing times at retirement, potential data breaches and risk of overpayments.

5.3 Employer Health Checks

As noted in the Funding and Valuation report, the Fund's Employer Services team have undertaken a series of employer health checks asking employers to reconcile their member lists with those held by the Fund ahead of issue of preliminary valuation results. This has proven an effective tool in highlighting discrepancies in active member records held by the Fund compared to those held by the employer as a result of delays in leaver notifications. These delays impact both the Fund's ability to prepare benefit statements and the employers' triennial valuation results and future contribution requirements. Responses to the health checks are being processed and member records updated through ongoing cleanse activity.

Progress against the Fund's data management strategy will be assessed and reported to Committee in December, as targeted initiatives progress in response to the annual and triennial projects.

6.0 Financial implications

6.1 Failure by the Fund to meet statutory requirements of effective governance and administration could result in fines imposed by the Pensions Regulator.

7.0 Legal implications

7.1 Failure by the Fund to comply with legislation and/or statutory guidance can result in enforcement action and fine from both the Pension Regulator and the Courts via judicial review.

8.0 Equalities implications

8.1 Equality Impact Assessments have been undertaken for all of the Fund's programmes and projects. There are no identified implications.

9.0 Environmental implications

9.1 There are no implications

10.0 Human resources implications

10.1 There are no implications.

11.0 Corporate landlord implications

11.1 There are no implications

12.0 Schedule of background papers

12.1 Business Performance and Data Management Report to Pensions Committee June 2019 (including the adoption of the data management strategy)
<https://wolverhamptonintranet.moderngov.co.uk/documents/s111955/Business%20Performance%20and%20Data%20Management.pdf>

13.0 Schedule of appendices

13.1 None