

Pensions Board

05 July 2017

Report title	General Data Protection Regulations (GDPR) update	
Originating service	Pensions	
Accountable employee(s)	Rachel Howe	Head of Governance
	Tel	01902 552091
	Email	Rachel.howe@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood	Director of Pensions
		01902 551715
		Rachel.brothwood@wolverhampton.gov.uk

Recommendations for noting:

The Board is asked to note:

1. The work of the Fund to prepare for the changes under GDPR.

1.0 Purpose

- 1.1 To provide the Board with an update on the work of the Fund in preparing for the changes under GDPR.

2.0 Background

- 2.1 The General Data Protection Regulation was adopted on 27 April 2016. It comes into force after a two year transition period. Unlike previous EU Data Protection legislation it does not require formal adoption by the UK and will become law on 25 May 2018.
- 2.2 Pension Board were presented with a report in January 2017 on the new principles and the work required by the Fund to ensure its compliance.

3.0 Work to date – Internal

- 3.1 In line with the project plan, the Fund identified its “Data Angels” from across the service areas of the Fund and held bespoke training from an external provider in March to develop their knowledge and review the project plan.
- 3.2 Feedback from the trainer was very positive in the steps the Fund were proposing to take and work has now begun implementing the actions identified.
- 3.3 Training has been delivered by the Data Angels to all staff across the Fund on the changes to data protection rules, highlighting change coming to data handling process and procedure.
- 3.4 The Fund has also established a working group with officers from the Local Government Communications Group (a group of representatives from across 25 pension funds) to collaborate on the policies and information to be issued to members under GDPR. This will help ensure a standardised approach from across the LGPS with the aim of developing a consistent message to members about the way funds manage their data. The next meeting of the group is to be held on 13 July.

4.0 Work to date – external

- 4.1 The Fund is also keen to develop the knowledge of its employer and following the presentation to the AGM in November 2016, a further update will be provided at the Fund’s Mid-Year Review on 5 July. The Fund also included in its June edition of the Employer Briefing Note a link to the ICO guidance with the line “GDPR – are you ready?”
- 4.2 In line with the project plan the Fund has identified its third party providers and those Fund data is shared with and will now start writing to them to establish their readiness for the change.

5.0 Work to be undertaken

- 5.1 Following last year's survey of public pension schemes, the Pensions Regulator have published their 2017 report on the governance and administration of schemes.

Within that report, the TPR has stated that they expect all schemes to undertake an annual data review and put improvement plans in place to ensure the data they hold is accurate and up to date. We expect TPR to publish further guidance on this during 2017. The TPR have also enforced the point that they will consider enforcement actions where scheme managers fail to demonstrate that they are taking appropriate steps to improve their records, including having a robust improvement plan in place.

- 5.2 The Fund is taking an active step to ensuring the quality of data we hold for our active membership through the move to monthly returns. Once fully operational, this will improve significantly the data we hold for our active membership by ensuring membership changes are identified early and employer and Fund databases remain more in sync. For our pensioner group, as we have regular contact with these members through their pension payments and annual P60 mailing, the Fund has reasonable assurance that the data we hold is accurate and up to date and has an estimated return post of less than 1%. Where any concerns arise, contact is made with the member and if necessary, payments are put on hold pending confirmation of the data we hold.
- 5.3 One area of the Fund which does not have active engagement in terms of managing accurate data is in relation to our deferred members. These members generally lose contact with the Fund following a change in employment, have opted out of the scheme, and range in status from those due to retire in the next 3 years, to those due to retire in 10+ years.
- 5.4 Currently, the Fund undertakes tracing services to locate members who have reached payment age, with a search that provides a level of assurance as to the accuracy of data we hold.
- 5.5 Investigations are currently ongoing to determine whether this is the most cost effective management of our deferred data with assessment against the requirement by the TPR to have a plan in place for data management, together with the requirement under GDPR to have accurate and up to date data.
- 5.6 One principle under GDPR requires data controllers to ensure it holds accurate and up to date information, and one solution to the data cleanse is for the Fund to run a bulk trace on members. It is proposed that this is broken down to those due to retire within the next 3 years and is an exercise to be repeated every three years. Prior to tracing, those registered for self-service web portal will be contacted and encouraged to check and update details reducing tracing costs.

The Fund will then run a follow up report on those due to retire within 3 years and those who have registered with the hope it will reduce the 6,500 number we currently have.

6.0 Financial implications

6.1 Failure by the Fund to ensure compliance with GDPR may result in a fine up to €20,000,000 or 4% of turnover

7.0 Legal implications

7.1 Failure by the Fund to ensure it holds accurate and up to date data could result in formal action and fines issued by both the Pensions Regulator and the Information Commissioner.

8.0 Equalities implications

8.1 There are no 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 Information Commissioner's Guidance on GDPR
<https://ico.org.uk/for-organisations/data-protection-reform/>

12.2 Report to the Pensions Board 24 January 2017
<https://wolverhamptonintranet.moderngov.co.uk/documents/s35527/Preparing%20for%20the%20General%20Data%20Protection%20Regulations%20GDPR.pdf>