

# **Data Improvement Strategy & Plan**

**September 2021**



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## 1. Introduction

This document outlines Wiltshire Pension Fund's Data Improvement Strategy & Plan. The previous version was released in March 2019.

Fundamentally, the purpose of the Fund is to pay the **correct pension benefits to its members when they become due**. It is therefore imperative that the Fund achieves and maintains the highest possible data quality standards, to comply with its core functions and to ensure the cost-effective use of resources. High quality data is also the basis for all fund valuations and effective decision making.

Keeping and maintaining high quality data is becoming increasingly difficult due to the continual diversification of the participating employer base, the increasing number of payroll providers, the large number of members and the complexity inherent in the scheme's design. However, the Fund is committed to meeting these challenges by using the approaches outlined in this strategy.

## 2. Legislative Framework

This Fund and its employers have a legal obligation and statutory duty to comply with a various regulations, standards and formal guidance; these include, but are not limited to:

- LGPS Regulations 2013, as amended;
- Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014;
- The Pensions Act 1995, 2004 and 2008;
- The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013;
- Data Protection Act 2018;
- Freedom of Information Act 2000;
- Pension Regulator's Code of Practice No.14

This document considers the requirements of these different pieces of legislation in determining the Fund's approach and its priorities.

### 'Common' & 'Conditional' Data

The Pension Regulator (tPR) acknowledges that complete, accurate scheme records are a vital part of the administrative function. tPR defines two types of data held in scheme records which can be broadly explained as follows:

**Common data:** Data used to identify scheme members and includes names, addresses, national insurance number and date of birth and other similar data.

**Conditional data:** Data deemed essential to calculate benefit entitlements for the LGPS such as, member contributions, pensionable pay & service history. It also encompasses data relating to events that occur during an individual's membership, for example transfers, purchase of additional pension and pension sharing orders.

Both types of data are equally important, but are defined separately for the purposes of measurement by tPR

### 3. Plan objectives

The key objectives of this plan are:

- a). To ensure accurate records are maintained to calculate pension entitlements and employer liabilities; ensuring all information and data is communicated securely and accurately, within prescribed timescales.
- b). To ensure that the Fund is compliant with legislation and, in particular, with the guidance of the Pension Regulator. Furthermore, in doing so, ensuring it establishes a robust, reviewable and transparent framework necessary for the acquisition and upkeep of accurate, complete and up-to-date records
- c). All actions agreed are proportionate to the risk posed, cost effective and efficient. As part of this, appropriate technology used will be used wherever possible to improve data quality standards, and the streamlining of operational processing across employer and Fund workstreams.
- d). To focus on making sure the Fund data is correct at source by using preventative approaches wherever possible (section 4). Data cleansing activities should very much be used as a second line of defence rather than the main strategy to hold clean data.
- e). To ensure clarity of roles and responsibilities between the Fund and employers, ensuring all parties are committed to the continuing engagement to improve data quality and promote accurate record keeping.
- f). To ensure that all data collection processes are clearly documented and regularly reviewed to check the validity of data. Internal managers will act as a second line of defence by periodically checking documented procedures are followed while an audit programme will be in place to act as a third line of defence on controls, the collection and processing of data.

### 4. Obtaining good quality data

An essential part of any data improvement policy is to ensure that good quality data is received at source and accurate processing takes place to create new, accurate data items. The Fund's data requirements are outlined within its template forms and employer's guide both held on the website. Outlined in this section are the approaches that the Fund will use:

### a). I-connect and accurate data submissions

A core part of the Fund's data improvement strategy is the continued rollout of the use of i-connect across all the Fund's current and future participating employers. I-connect acts as a portal which sits between employers and the Fund and it helps ensure the data submitted from employers to the Fund passes a high number of data validation checks before it is uploaded on to the Fund's administration system, thus reducing the risk that poor quality data enters the system and discrepancies arise between employer's payroll software and the Fund's administration system. Furthermore, officers have a system in place which completes an additional series of detailed checks at a monthly level to further reduce the chance of poor-quality data being present after the upload, including by performing cross-checks against contributions received and thresholds checks against material movements in figures from one month to the next.

At the date of this strategy, around 70% of active member records were covered by i-Connect and the intention is for 100% of active members to be covered. The pace at which this will be achieved is largely dependant on employer engagement, resources and expertise although the intention is to reach this goal in some time during 2022.

Complete and accurate data submissions are the cornerstone of high quality data. However, even with full roll-out of I-connect, the Fund will need to continue to rely on other forms of data submissions, mainly where the data sources are non-employer party such as other funds and members themselves. Further information on how the Fund will address these data matters are explained in the points below.

### b). Employer training, engagement and support

The Fund is reliant upon the accuracy, completeness and timeliness of data provision from participating employers and any third-party agencies they may utilise e.g. payroll providers.

To maintain complete and accurate records there needs to be a continual dialogue with participating employers regarding the provision of data, particularly as employer contacts change. Fund Officers will work with named employer representatives throughout the year to support the general activities of the Fund, clarifying information and data provided and actively seek to train employers on all aspects of pensions administration as necessary. It is an employer responsibility to both provide accurate data and to provide resources to respond to ad-hoc enquiries, bulk data activities such as year-end data submissions and data reconciliations.

The Fund will set out an employer training plan, review and improve all material available to employers such as the employer's guide and continue to provide other supplementary information through the mediums of newsletters, forums, the administration strategy, the website and webinars.

### c). Clear data submission templates and forms & timely deliver

The Fund recognises that due to the nature of the Scheme, it has relatively complex and time-consuming data requirements and it has a responsibility to ensure that its templates and forms are as simple as possible to understand and complete. As part of a current project undertaking a review of repeatable processes, the Fund will analyse where errors and misunderstandings often occur in relation to its forms, letters and other templates, and make adjustments wherever possible to reduce the frequency of this occurrence by supporting employers.

Furthermore, the Fund needs to ensure the timescales outlined in the Administration Strategy are met to ensure the timely delivery of data by following the protocols stated within it and that it uses the Fund's escalation policy, where necessary, if other approaches are exhausted.

### d). Effective internal controls and processes

All processes must be underpinned by suitable documentation, staff training and skills transfer to ensure ownership, understanding and compliance at both a Fund and employer level. As the Fund processes source data, it needs to ensure that the new data it creates is also accurate. It will do this by making sure clear and up to date procedures are in place and are being followed, the Altair pension administration system is up to date and any 'known errors' are communicated to processors, processes are adjusted where necessary and relevant managers undertake regular reviews of the work being processed and they make recommended improvements where necessary.

### e). Timely receipt and processing of data

Another key element of ensuring data used is accurate is for the Fund to receive and process data in a timely manner. The Fund will aim to ensure it always has appropriate resource in place, work is prioritised appropriately and any mounting data backlogs are quickly identified and a plan is put in place for reducing the backlogs.

The Fund's desired processing levels are outlined in the Fund Administration Strategy while Disclosure Regulations and guidance issued by other bodies, such as CIPFA, provide further requirements and guidelines. Collectively, the Administration Strategy forms a set of Key Performance Indicators (KPIs) which officers and the Committee will monitor performance against and officers will put plans in place where KPIs are not being met and specific action is required to address the matter.

## f). Fund Administration Strategy

The Fund will review its Fund Administration Strategy to make sure it is up to date and fit for purpose. It contains a detailed overview of Fund and employer responsibilities, performance standards and escalation policy. The Fund will also actively monitor employers and as well as its own performance against the details contained within the Strategy and take appropriate actions if issues arise.

## 5. Maintaining good quality data

Whilst the Fund will always strive to obtain good quality data at source and process it accurately, inevitably there will be scenarios where the Fund will become aware of out of date and incorrect data at a later date and these inaccuracies will need to be proactively identified and rectified. The Fund will do this by using the approaches below:

### a). Data Reconciliations:

A brief summary of key data reconciliation exercises that the Fund will undertake are outlined below.

Review activity	Monitoring Performance	Timescale
<p>After the submission of each employer's i-Connect return, officers compare the CARE pay received against previous figures, the CARE pay versus the contributions received for that member and total contributions stated versus the money received (amongst other checks)</p> <p>A similar process occurs at year end for employers which do not use i-Connect.</p>	<p>Employers are internally placed into three bandings, which are periodically reviewed, depending on the data quality received by that employers. The banding used dictates the level of checks which take place and also identifies whether further engagement, support or escalation is required with the employer in line with the Fund's Administration Strategy.</p>	<p>Monthly (i-Connect)/ At least annually (other employers)</p>
<p>The Fund undertakes monthly reconciliations between the pension payroll system and</p>	<p>As issues are identified out of this reconciliation exercise, they are fed back to the team raising the</p>	<p>Monthly</p>

pension administration system for all new pensioners and other changes.	payment instructions to investigate the cause of the discrepancy and to put in steps to avoid a repeat.	
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## b). Using Third Party Data Services

The Fund will make use of third-party data services to improve the quality of its data and also support the administrative function. These are provided by outside organisations as either collaborative ventures (at no or minimal cost) or procured commercially. The Fund uses these approaches where it either does not have accessed to the necessary information or it is able to benefit from the specialist services of an outside company.

### i). LGPS National Insurance Database & ‘Tell Us Once’ Service

Administered by South Yorkshire Pension Fund Authority (SYPA) on behalf of the Local Government Association (LGA), the secure National Insurance Database was developed for LGPS administering authorities to share data to prevent the duplicate payment of death grants. This follows changes to Scheme Regulations in 2014, by virtue of which, payment of a death grant in respect of a member with entitlement to multiple membership categories, is restricted to an aggregate payment value in relation to any active or pensioner/deferred membership. When processing the death of a scheme member, officers will procedurally check the LGPS National Insurance Database for the existence of membership at other LGPS Funds.

The secure LGPS National Insurance Database also facilitates the integration of the Funds membership profile into the government ‘Tell Us Once’ service, as administered by the Department of Work & Pensions (DWP). The ‘Tell Us Once’ service allows a person registering a death to request that the DWP pass on the deceased’s information to other government departments and council services. If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, the Fund will identify this on a weekly basis by reviewing notifications on the data portal.

### ii). Target Professional Services Ltd

Target Professional Services Ltd enables officers amongst other services to find the most recent postal address of a member to whom contact has been lost and, where requested, provide next of kin details and death certificates. For addresses, the loss of contact will normally occur when a deferred or pensioner member fails to notify the Fund of a change of address.



### iii). Mortality Screening Services

Provided commercially, the Fund periodically engages in comparing its deferred and pensioner memberships against the national death register as administered by the General Register Office which is part of Her Majesty's Passport Office.

### iv). National Fraud Initiative (NFI)

Administered by the Cabinet Office, the NFI programme is a biennial exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. As a participant, the Fund receives a report of 'matches' to investigate, to take remedial actions and update records accordingly.

### c). Member self-checking

The Fund always encourages member to review the data provided on communications sent to them on the communication itself and, once rolled out to members, as shown on Member Self Service. The Fund will also continue to develop its standard letters and templates to make it clear what data it has relied upon to perform calculations. Examples of relevant communications are Annual Benefit Statements & statutory notifications.

### d). Adoption of an integration pensioner payroll and immediate payment system

In late 2022, the Fund will bring its pensioner payroll and immediate payment system in-house in order to improve data quality through simplicity and to reduce the amounts of checks and controls currently needed amongst other non-data related benefits. It is anticipated that this will have a large number of long-term benefits, although in the short-term this will create additional work for the Fund to undertake this transition.

## 6. Measuring success

The Fund's key measures of success are the following outcomes:

- a). **tPR's common and conditional (scheme specific) data targets:** The Pension Regulator set targets of 100% for both common and conditional (scheme specific) data. Therefore, the Fund uses these measurements as benchmarks to measure its data quality.
- b). **Percentage of active Annual Benefit Statement produced on time:** The percentage produced by 31 August of each year. The regulatory target is officially 100% and the Fund's target is to be as close to 100% as reasonably possible.

c). **Key Performance Indicators (KPIs):** As referred to earlier within this plan, these are higher priority performance targets outlined in the Pension Administration Strategy which will be updated from time to time. Performance against these KPIs is reported to the Local Pension Board and Wiltshire Pension Fund Committee on a quarterly basis where specific actions may be decided upon.

d). **Processing backlogs:** The Fund will maintain workloads of no greater than 200 cases for any specific process (in addition to working within its KPIs). Performance against these measures is also reported to the Local Pension Board and Wiltshire Pension Fund Committee.

e). **Data consistency between the pensioner payroll and administration systems:** All pay figures reconcile within suitable thresholds (including key component parts) as well as all other supporting data such as personal data.

f). **Data consistency between employer and Fund data:** All key pension related data to reconcile, after allowing for time required to process work in line with the Administration Strategy.

A self-assessment of the Fund's performance against these measures is shown in Appendix 1, and this table will be maintained and updated periodically, even where the strategy remains unchanged.

## 7. Improving current data quality

Following a further review of the Fund's performance against the measures set out in section 6, the Fund has identified the actions outlined in Appendix 1 as the key priorities for data quality improvement. Appendix 2 outlines the key preventative strategies which are taken.

Fund officers will take appropriate action against the points outlined in Appendix 1, while appropriate plans and strategies will be maintained in internal documents and updated to the Local Pension Board and Committee as required as part of the KPI paper.

## 8. Plan review and monitoring

The Fund will review this policy document periodically, and as required, to reflect changes in regulations and Fund working practices. Scrutiny and oversight will be provided as and when is required by the Local Pension Board, the Pension Fund Committee, the Pension Regulator and internal and external auditors.

## **9. Related Policy Statements**

The following related documents can be found on the Fund's website:

- Pension Administration Strategy (including escalation policy); and
- Fund Business Plan 2019-2022

This document has been presented, considered and approved by the Pensions Committee on 30 September 2021