

City of Westminster Pension Fund

Data Improvement Plan 2017/18

By Eleanor Dennis



Contents

1. Introduction Why are we looking at data quality? Page 3

2. Aims What are we trying to achieve? Page 4

3. Objectives What the outcomes of the aims? Page 5

4. Approach How the work was prioritised? Page 6

5. Recommendations How can we improve? Page 7

6. Conclusion Lessons learnt? Page 8

7. Appendices How can we improve? Page 9- 11

Introduction

The Pension Regulator has written guidelines for public sector pension schemes, the objectives are to promote accurate records to help safeguard the benefits of pension scheme members.

It expects public sector schemes such as the Local Government Pension Scheme (LGPS), to look at the quality of their data on an annual basis and put in place a data improvement plan. This plan should be in place regardless of whether the administration is carried out by a third party or in house, (any third-party administrator is expected to have in place their own data improvement plan).

Westminster City Council employees can join the LGPS, NHS and TPS, dependant on their role. This report looks solely at the data quality of the member data of those employees in the City of Westminster Pension Fund (COWPF) which operates the LGPS.

A review of the COWPF data was carried out by Haywards on behalf of the Fund, who found that the data accuracy scores were 71% for the scheme specific data and 77% for common data.

The Pension Regulator aim is that all schemes should be aiming for a score of 100%.

The data looked at was taken from the scheme database at 31 March 2018, looking at data held for 5 membership groups; actives, deferreds, beneficiaries, undecided and pensioners.

This plan aims to look at the main data quality trends and identify steps that the COWPF will take to improve the quality both in the short and long term.

Aims

It is the Fund's responsibility to ensure there is accurate record keeping of the Fund's data, to help safeguard the contributions and benefits of members, dependants and beneficiaries.

To put in place internal controls (i.e. checks and processes) to enable the Fund to aim towards 100% accurate member data.

To ensure that member records are kept up to date to minimise the occurrence of the incorrect member benefits being paid out resulting in the correct pension benefits being paid in a timely manner.

To ensure that accurate member data is kept, to improve the quality of the valuation in providing a true picture of the Funds liabilities and enabling reflective contribution rates to be set and ensure that the Fund's recovery plan is appropriate and achieves its goals.

To enhance the member experience to ensure that members are able to have an accurate picture of their benefits.

To minimise the occurrence of incorrect member benefits information being sent out.

To minimise the occurrence of incorrect member benefits being paid out.

To enable more automation in the administration of the scheme data to enable faster, more accurate data processing to provide an efficient service to the Fund, it's members and beneficiaries

To enable the easier transfer of data between systems or provider.

To ensure the scheme data is robust enough for both internal and external audit and regulatory auditing.

Objectives

- To reduce complaints
- To improve member experience by more regular quality proactive communication
- More accurate scheme valuations
- To reduce errors and increase accuracy

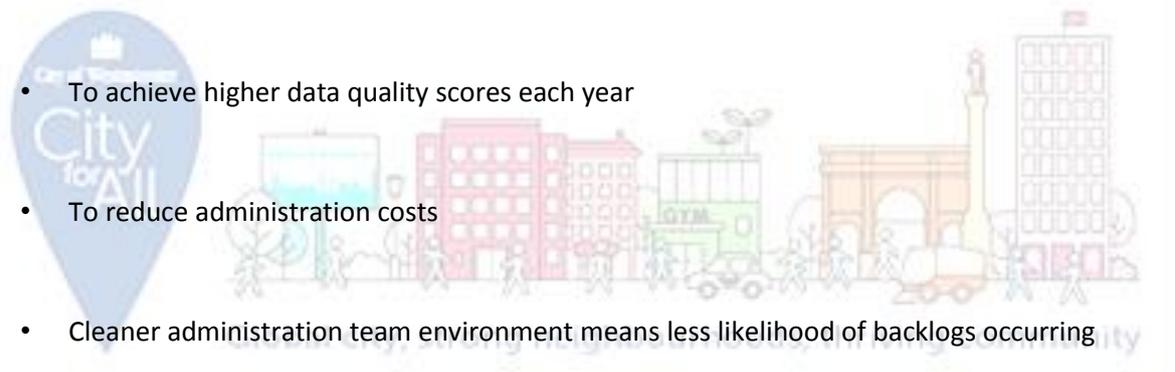
- To achieve higher data quality scores each year

- To reduce administration costs

- Cleaner administration team environment means less likelihood of backlogs occurring

- Higher quality of administration service delivered

- Opportunity to look at other areas of scheme management rather than all focus on administration such as better online support



How the work was prioritised

- The actuary Barnet Waddington were able to identify 2,103 number of data failures, across 40 different check measures. Given this number the decision was made to prioritise trying to resolve these for actives and deferreds member data across all employers within the COWPF.
- This is because the cleansing of the data for these membership groups would have the most impact on the forthcoming valuation extract to be taken in August 2019. As well as on annual benefit statements in July 2019. The administration team themselves would also have to switch focus to these cyclical events and pick up the data improvement work in quarter 3.
- Funding of £16k was agreed by the COWPF committee to allow the administration team in Lewes to recruit a temporary resource to assist in the processing of the data errors, managed by an existing experienced member of the team. The small team looked at each “failure” raised on the actuary portal and were able to identify if this was a true failure or if commentary need to be entered on the portal to override and correct the database.
- Updating the portal (“tell us once”) would ensure this “failure” would not appear in future reports it would no longer register as a failure in future data quality exercises. True failures were corrected on Altair and the revised data uploaded onto the portal. This approach of enlisting a dedicated administrator, also enabled minimum impact on the BAU team and their delivery to the Fund.
- In data conversations, we were able to identify that there were a large number of member data with unknown addresses (2,373 records), a decision was made to prioritise tracing two groups; the deferreds aged over 55 and pensioners (a total of 731 records) due to them being the most likely to be in receipt of COWPF fund. An external dedicated tracing company will be used for this in October 2019.
- Separately a pensioner existence exercise was carried out using Western Union to confirm the existence of all pensioners with an overseas addresses. Those who did not make contact within the 3 month timeline would cease receiving their monthly pension income. To date approximately 31 pension payments will cease as result of this exercise. However, this group’s details will be added to the data tracing exercise that will incorporate both UK and non-UK gone aways. A separate comprehensive report on this project is available.
- In addition, the Fund were able to look at legacy member data collated prior to November 2018 that the administrator database was missing the relevant pay data and listed as status 2 i.e. a leaver. The Fund, on the administrator’s recommendation agreed to pay £19 a case and engage with an external provider to focus on processing this data on their behalf. 424 records have been updated to date.

Recommendations

Recommendation	Action	Outcomes	Timeline	Owner
Surrey to put in place a risk register	WCC to present to the administrator	Visibility of issues and progress to resolve	October 2019 To review annually	Administrator
Log to collate issues and be used in internal and quarterly admin meetings	Implemented September 2019	Already implemented by WCC and on shared drive	Ongoing	WCC
Monthly meeting to discuss data	Implemented February 2019	In place	Ongoing	WCC
Issuing employer engagement and improve online guidance available for employers	To agree content plan and implement	Better employer understanding of their obligations	November 2019 Ongoing	WCC
Dedicated data quality resource in administrator and WCC to monitor progress	To commence discussions on viability	True ownership by both parties to ensure recommendation continue to be actioned and measure progress	November 2019	WCC /Administrator
To use external data tracing company to review gone aways - deferreds over 55, pensioners, members with AVC's	To trace current addresses for as many members as possible	To reduce the number of gone away member records for over 55 deferreds and pensioners	October 2019	WCC/ Target
To implement iConnect with administrators to allow Fund employers to have visibility of their data and clean data on a monthly basis rather than annually	To continue to engage with administrators and employers to launch this for the next scheme year	To make the cleaning of data more immediate and identify errors early on	April 2020	WCC/Administrator
To issue communication annually, reminding members to update their personal details ahead of Annual benefit statements being issued	Communication to be placed on WCC intranet and reminder to employers asking them to remind scheme members	Minimise confusion and spike in member queries on receipt of their statements, when details are incorrect	March 2020	WCC/Fund employers
To implement an over 75 process	Define process map and template letters, agree with administrator and rollout	Minimise the likelihood of a member not taking their LGPS benefits after age 75	October 2019	WCC

Conclusion

The collaborative team working approach taken by COWPF, employers, the WCC inhouse pension team and Surrey administrators were able to reduce data errors across the membership groups as below;

Actives – 26.5%, Deferreds – 63%, Dependants 53%, Pensioners 45%, Undecided by 6.5% (Appendix 2)

WCC will be pro activate in engaging with employers on their data quality.

Data quality is not a one-off exercise is an ongoing part of scheme management and paramount to running an efficient effective scheme. The exercise has helped highlight the need to keep data quality on the agenda.

WCC will be pro active in engaging with employers on their data quality.

A majority of the work will need to be carried out by the scheme administrators, but a collaborative approach is required to achieve the best outcome for the Fund where employers, administrator and WCC work to closely together to achieve a quality scheme for its members and beneficiaries.

Already we have reaped benefits from dedicated focus to the data quality of the scheme, with administration team improving the leaver process, The Fund's great visibility of data issues through more reporting from the administrators and the cleansing and verification of 132 pensioners member details, updating 484 status 2 records.

There is a conflict between the data quality work and the focus of the BAU, so resources will need to be managed tightly and correctly to ensure both focuses are able to deliver. As well as adequate time pressures in discussion at the quarterly admin meetings and the need for separate more focused meetings on data quality.

Data quality is added as a standing item on the Committee agenda and administration meetings. In addition additional temporary resource has been brought into the Fund's team to manage the project and drive the initiative going forward there is also identified gaps in WCC inhouse resource that will soon be improved up with 2 permanent roles. The interim pensions specialist lead has been the focus of the liaison with the administrator enabling a significant increase in the quality scores to be achieved for 2019/20.

Appendices

Appendix 1 **List of data checks actioned by Barnett Waddingham** **Page 10**

Appendix 2 **Movement of Status 1 Data “failures”** **Page 11**



Appendix 1

Barnett Waddingham Check Criteria

Check Number	Check Name
1	NI Number exists
2	Unique identifier 1 exists
3	Unique identifier 2 exists
4	Employer code exists
5	Employer code same as in previous record
6	Gender is valid
7	Gender is same as in previous record
8	Member is aged between 15 and 75
9	Date of birth is within 30 days of date of birth in previous record
10	Current record status code is valid
11	Date joined fund exists
12	Date of deferment exists
13	Date of deferment is between date joined fund and data date
14	Exit mode exists (for leavers)
15	Date of exit since last valuation date exists (for leavers)
16	Date of exit is blank for current members
17	Group is as expected
18	CRD is within a year of expected value (based on Date of Birth and qualifying service)
19	Last pension increase date exists
20	Last pension increase date is after last valuation date
21	Final salary pension (CRA) is within £2k of expected value
22	Final salary pension (CRA) is within £500 of expected value
23	Final salary pension (Taper) is within £2k of expected value
24	Final salary pension (Taper) is within £500 of expected value
25	Final salary pension (65) is within £2k of expected value
26	Final salary pension (65) is within £500 of expected value
27	CARE pension is less than £10k
28	50:50 CARE pension is less than £5k
29	CARE pension is within £500 of expected value
30	50:50 CARE pension is within £500 of expected value
31	Total pension equals sum of individual pension tranches
32	Total pension debits are less than total pension
33	Final salary lump sum (CRA) is within £2k of expected value
34	Final salary lump sum (Taper) is within £2k of expected value
35	Final salary lump sum (65) is within £2k of expected value
36	Spouse pension (final salary) is within £5k of expected value
37	Spouse pension (CARE) is within £5k of expected value



- 38 Pre88 GMP is between 0 and total pension
- 39 Post88 GMP is between 0 and total pension
- 40 Date GMP revalued to exists (for members with GMP)

Appendix 2

