



# City of Westminster Pension Fund Committee

<b>Date:</b>	<b>29th<sup>th</sup> October 2020</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Pension Data Quality Issues</b>
<b>Report of:</b>	<b>Eleanor Dennis, Interim Lead Pensions Specialist, People Services</b>
<b>Wards Involved:</b>	<b>All</b>
<b>Policy Context:</b>	<b>Compliance</b>
<b>Financial Summary:</b>	<b>Limited</b>

## **1.0 Introduction**

1.1 The Pension Regulator has placed an increased emphasis on the importance of pension schemes ensuring they have good quality data. Managing data is high risk as there are so many elements to maintain and it is constantly changing. The consequences of poor data include impacting on members benefits, which can be expensive for the Fund if things go wrong. Good quality data is necessary to ensure that the scheme is managed properly but this cannot be done effectively if records are inaccurate, incomplete or not up to date.

1.2 Over the last 2 years several data issues have been identified by the pension specialist who has worked closely with the Pension Officer, her team, the Fund administrators and external third parties to analyse, identify and improve the quality of the City Of Westminster Pension Fund (COWPF) data. The key areas of concern for the COWPF data are Status 1 (, Status 2 and address gone aways records.

1.3 Status 1 data discrepancies that have come out of the annual data quality report and ITM analysis have now been resolved. There are two remaining data exercises that are still outstanding the status 2(undecided leaver) queries and the gone aways (COWPF records with no address).

1.4 The COWPF have engaged with ITM to analyse the Fund's data and process outstanding Status 2 records, who have completed half of cases.

1.5 Address tracing has been successful with Target who have a proven track record with many other LGPS Funds and as well as with the COWPF and the first exercise is now complete.

## **Key areas data issues were identified**

### **2.0 Status 2 – Undecided leavers**

2.1 To date ITM have processed 380 Status cases and 47 cases have fallen out of scope.

2.2 There remains over 300 cases that are with fund employers awaiting them to provide ITM with further data. Years of poor employer engagement have meant some fund employers have been very reluctant to respond despite efforts by teams at both ITM and WCC teams which has had an impact on ITMs ability to complete a higher number of Status 2 cases.

2.3 Both teams continue to engage regularly with employers to obtain the outstanding data and progress has been made. Now that these links have been strengthened and contact details updated, current engagement with Fund employers should lead to better success in future data projects such as McCloud.

2.4 The original estimate for completion of the cases was 4 months. This period has now lapsed due to the project being paused for a month because a

majority of Fund employers were slow or failed to respond to requests for information to enable ITM to process the case.

The deadline was then moved to the end of October 2020 and although ITM have been able to complete 380 cases to date, there is a further 586 cases outstanding. My view is that COWPF agree to allowing ITM until mid-December 2020 in which to complete the remainder of outstanding cases this will not incur any additional charges to the Fund and the costs remain within the estimated £60,772.

2.5 The work completed by ITM continues to be peer reviewed by Orbis BAU in overtime to ensure there is no impact on BAU's delivery. This is at an additional cost to the COWPF of an hourly charge of £25 – £39 per hour, to date 8 hours have been claimed. The quality of ITM's work remains high but Surrey will continue to peer review 10% of cases until COWPF is satisfied with the quality and thereafter this will fall to 5%.

2.6 The good work that ITM has completed to date will impact positively on this years quality report, which will impact on the Fund's ability to continue good governance and administration to it's members.

### **3 Data Tracing**

3.1 To date there are over 2600 gone aways (this figure includes new cases since the original extract taken in 2019), in the COWPF before this exercise begin there were over 3000.

3.2 It was decided to prioritise these gone aways by different membership groups. First being the 753 deferred records for members aged over 55, (and 17 pensioners), these phases of the date tracing projects are now complete with Target able to find over 86% of deferred cases.

3.3 In addition, we have also sent Target 317 cases of frozen refunds these are records that Surrey have started to process but where a member has left the Fund some time ago and not received a refund, that they were due. To date Target have been able to find 177 addresses, for this population, 56% of cases.

3.4 Future projects will include continuing to trace an additional 279 records who are aged over 55 and to trace 437 records for members aged 50-55, as these populations are closer to being eligible to take these scheme benefits.

## 4 Data Quality

- 4.1 The Pensions Regulator expects pension schemes to review the quality of their scheme data at least annually. The scheme data has to be measured by 2 metrics that of common data and scheme specific data . Schemes are expected to work with their pension administrator towards measuring these and make recommendations to work towards for improving the quality.
- 4.2 Previous years have seen the data scores for the COWPF improve significantly because of collaborative data cleansing projects led by the Pensions Specialist such as Status 2 and data tracing. The full report has not yet been made available but the headlines make for another successful year for the COWPF data cleansing.
- 4.3 Below shows the trend of improvement in the COWPF's data quality ;

Year data measured	Common data score %	Change %	Scheme specific data score %	Change %
2018	77	n/a	71	n/a
2019	86.9	9.9	83.4	12.4
2020	91.7	4.8	93.8	2.1

## 4.0 Summary

- 4.1 The collaborative approach of working across all stakeholders in the Fund's data should lead to continually improving data quality score, a better member experience and compliant robust member data for the City of Westminster pension Fund.
- 4.2 ITM have continued to maintain delivery in these uncertain times and delivered high quality, right first time processing of Status 2 for the Fund. I believe it is in the best interests of the Fund and its members that they are able to complete the outstanding Status 2 cases and work to a revised timescale of the end the year to complete the outstanding cases. This will ensure the Fund gains true value for money with quality processing and eliminate the legacy status 2 cases.
- 4.3 Target continue to provide good results on tracing member addresses for members of the COWPF, both in the UK and abroad provided they have good data to start with

4.4 It should be noted that data quality is not a one off exercise but should be reviewed regularly to maintain what has been achieved to date and improve further. The COWPF data quality projects have been very successful and if maintained will help the Fund in delivering its objectives to its members and beneficiaries.