

## London Borough of Hammersmith & Fulham

**Report to:** Pension Fund Sub-Committee

**Date:** 21 July 2021

**Subject:** Pension Fund Data Quality

**Report of** Eleanor Dennis, Pensions Manager

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### Executive Summary

1.1 This paper sets out a summary of the data quality issues for the London Borough of Hammersmith & Fulham Fund and the mitigations the pension manager is taking on behalf of the Fund to improve these.

### Recommendations

1. The Pension Fund Sub-Committee is asked to consider and note the contents of this report.
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**Wards Affected:** None

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### H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
<ul style="list-style-type: none"><li>• Being ruthlessly financially efficient</li></ul>	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

### Financial Impact

- None

### Legal Implications

- None
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**Background Papers Used in Preparing This Report**

None

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## **1.0 Data Quality**

- 1.1 The Pension Regulator has placed an increased focus in recent years on the importance of pension schemes to ensure that they hold and maintain good quality data. In line with Code of Practice 14 for public service pension schemes. This 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 The Pension Regulator expects pension schemes to look at their data quality at least annually and actively put in place measures to improve their data quality.
- 1.3 The data quality information on a member records can range from incorrect personal information such as date of birth, as well as incorrect salary details and service dates.
- 1.4 The forthcoming move to LPPA in February 2022 and the migration of the Fund's membership data to their systems also adds further weight for the need to prioritise cleansing the Fund's data as much as possible for an efficient migration.
- 1.5 The pensions administrators, Surrey County Council (SCC) informed The Fund of a backlog in February 2020 of just under 1,700 cases that by the very nature have an impact on the data quality of the Fund. Namely; undecided leavers, refunds, frozen refunds and aggregations. All of which if not processed mean that the Fund's liabilities are based on incorrect membership data meaning incorrect funding levels for the scheme. For an individual this may also lead to inaccurate or late payment of member benefits.
- 1.6 After approval from the Fund Committee and recommendation from SCC, (who were unable to commit to carry out the work themselves). The pensions manager engaged directly in working with a third party, ITM who started sending out queries to employers in April and began processing cases in May 2021.
- 1.7 At the start of the project there were 1689 cases identified, a fall of 193 cases that were originally detailed in February 2020, that SCC have processed. At the start of this project in May 2021, there were 1496 cases identified as being in scope and to date 91 cases have been passed back to SCC as they are no longer in scope. The residual number of cases with ITM is currently 1366 and to date 286 cases have been completed.
- 1.8 The pensions manager has also ensured that the cases are completed accurately by asking ITM to forward 20% of completed cases to SCC for checking. These have all been processed accurately and feedback received from SCC has been that they work is being completed to a very high standard.

## **2. Data Cleansing**

- 2.1 In addition to the processing of legacy cases, ITM have identified 690 cases with gone away addresses. ITM have carried out mortality screening and address tracing on these with good results. Up to date addresses have been found for 155 cases and none of the members had deceased. There are still results outstanding for a further 483 cases that will be provided by ITM at the end of the June 2021.

## **3.0 Summary**

The processing of legacy cases is increasing in pace to complete as many cases prior to the migration to LPPA.

The data cleansing results so far continue to be encouraging as they have provided a 75% success rate so far.

The forthcoming move to LPPA in January 2022 and the need for an efficient migration of the Fund's data to their systems, also add further weight for the need to prioritise cleansing the Fund's data.

The importance for clean accurate data for a pension Fund should not be underestimated as the impacts are far reaching and ultimately the cost of a Regulator fine, compensation to members for incorrect benefits and reputational damage mean it should remain a priority.

Both the ITM, SCC and the pensions manager continue to work collaboratively with us in the best interests of the Pension Fund, it's members and beneficiaries.