

## **Shropshire and Wrekin Fire Authority – Draft Data Improvement Plan**

### **Following 2019 data quality reports**

#### ***Instruction to Fire Authority***

This improvement plan primarily aims to address the key issues identified in the data quality review, which took place in June 2019. It demonstrates the appropriate steps the Fire Authority (FA) is taking to tackle the issues raised in the review.

It also addresses how data issues raised during the Contracted-out reconciliation exercise being undertaken with HMRC, due to the introduction of the Single State Pension will be corrected.

On behalf of the FA, Shropshire County Pension Fund (SCPF) as 3<sup>rd</sup> party pension scheme administrator, have historically performed data checks at year-end to check the accuracy of the pay and other data provided by the FA's payroll provider. Data checks have also been undertaken at each triennial valuation.

Following the introduction of the 2015 Scheme, which replaced the final salary basis of calculation with the Career Average Revalued Earnings, SCPF has received data from the FA monthly. Data supplied from the 3rd party payroll provider on the FA's behalf has been processed through i-Connect, an electronic data transfer system which uploads data extracted directly into the Pensions Administration System. These measures were introduced by SCPF to improve collection and accuracy of data and to stop bottlenecks of work at year-end.

This more efficient collection of data should also improve the quality of data used in the assessment of assets and liabilities to ensure an appropriate employer contribution rate is set at National level. This in turn will improve customer confidence in the service being provided.

***With the above detail in mind, it is proposed that the following three priority objectives are established;***

#### **Plan Objectives (in priority order)**

1. To ensure member records are maintained as accurately as possible to ensure benefits are paid correctly and on time.
2. To comply with TPR Code of Practice 14.
3. To ensure the data supplied to the Government Actuaries Department (GAD) at any future Valuation is as accurate as possible. Resulting in improved confidence in the assessment of assets and liabilities to ensure appropriate employer contribution rates are set

## Outcomes

Objective	How will this will be measured?	How long it will take to achieve.
1. To ensure member records are maintained as accurately as possible to ensure benefits are paid correctly and on time	<ul style="list-style-type: none"> <li>Improvement in our TPR data score for Common and Scheme Specific Data held.</li> <li>Audit outcome</li> </ul>	31 May 2020 TBC
2. * <i>To comply with The Pensions Regulators Code of Practice 14.</i>	<ul style="list-style-type: none"> <li><i>Undertaking a TPR compliance monitoring Assessment</i></li> </ul>	*
3. To ensure data supplied to the Government Actuaries Department (GAD) at the 2020 Valuation is as accurate as possible and is able to be reconciled with previously supplied valuation data.	<ul style="list-style-type: none"> <li>A reduction in queries from Government Actuaries Department during the Valuation.</li> </ul>	31 May 2020 (objective cannot be measured until the valuation process has been completed – expected TBC

*\*this can be undertaken by SCPF or by contracting another body*

## Scope and prioritising

The data quality review undertaken in June 2019 split the assessment of data held between two data categories:

- Common Data
- Scheme Specific Data (formerly Conditional Data).

Tests were undertaken on the data held by SCPF on behalf of the FA on its Scheme members to identify whether data is present and accurate.

The Common Data items are specific in the TPR guidance however; Scheme Specific data items are not prescriptive but is generally data key to running the Scheme and meeting legal obligations. The TPR does not set the data items for the Scheme Specific data as it is deemed identifiable and relevant to each individual Pension Scheme. However, illustrative examples of the data required to run a Pension Scheme has been published by the TPR and these examples were taken into consideration by SCPF when agreeing the Scheme Specific data (Conditional Data when the initial test was run) to be checked with the software provider.

The Fire Scheme Advisory Board are now looking to assist FA's in meeting the TPR's requirements for monitoring and improving data. This project will include the identification of scheme specific data and the production of guidance for authorities. Once the guidance has been received. This will mean future scores may not be comparable back to the 2018 scores going forward.

The data items tested for Common and Scheme Specific Data can be found below:

<b>Common Data item</b>	<b>Membership type tested</b>
NI number	All members
Name	All members
Sex and Date of Birth	All members
Date Commenced and NRD	All members
Status	All members
Status and invalid data view	All members
Address	All members
Status and valid data view	All members

<b>Scheme Specific data category</b>	<b>Scheme Specific Data item</b>	<b>Membership type tested</b>
Member Benefits Data	Divorce Details Transfer in Details 1 Transfer in Details 2 AVC Details Total Original Deferred Benefit Tranches of Original Deferred Benefit Total Gross Pension Tranches of Pension Total Gross Dependant Pension Tranches of Dependant	Status 1, 2, 4, 5 & A Status 4 Status 4 Status 5 & A Status 5 & A Status 6 Status 6
Other Member Data	Date of Leaving Date Joined Scheme Employer Details Salary (Final Salary members) Contributions Leavers Service	Status 1, 2, 4, 5, 9 & A Status 4, 5, 9 & A Status 1, 2, 4, 5, 9 & A
CARE Benefits	Care Data CARE Revaluation	Status 1, 2, 4, 5, 9 & A N/A
HMRC	BCE* 2 BCE* 5 BCE* 6 BCE* 7 BCE* 8 LTA* Charge Paid AA* Charge	Status 5 & A Status 4 & A Status 5 & A Status 7 Status 3 Status 5 & A Status 1
Contracted Out	Date Contracted Out NI Contributions / Earnings History Pre-88 GMP Post 88 GMP	Status 1, 2, 4, 5 & A Status 1, 2, 4, 5 & A Status 4, 5, & A Status 4, 5, & A

\*BCE = Benefit Crystallisation Event - The term Benefit Crystallisation Event covers a range of events. The most common include the following: When benefits come into

payment from a pension fund or part of a fund. The member dies, and lump sum death benefits are payable

## **Results from 2019 Data Quality reports**

In 2018 only one score is available. Guidance is being sought as to whether TPR does expect different scores for the different schemes – 1992/2006/2015

Data area	September 2018	Aim
Common data	99.7%	100%
Scheme specific data	74.4%	100%

When tackling the data errors identified the following considerations will be used when making the decision on the errors to be worked on first:

- Priority identified on the error report
- Data improvement plan objectives
- Resource available
- Cost of correction

Data which has the greatest impact on member benefits will be looked at as a priority therefore any data errors highlighted on pensioner member records will be looked at first, followed by deferred then active members.

*(To be updated/reviewed at each contract meeting, please note that this does not necessarily mean that there will have been work done as this is dependent on resource available-)*

Drafted	18/10/2019	V Jenks
Agreed	16/04/2020	D Myers
Updated		Insert signature
Updated		Insert signature
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