



Pension Board
13 March 2019

**Report from the Chief Finance
Officer**

Update on the Record Keeping Plan 2019

Wards Affected:	ALL
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	OPEN
No. of Appendices:	2
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Ravinder Jassar, Head of Finance

1.0 Purpose of the Report

1.1 This report sets out the London Borough of Brent Pension Fund Record Keeping Plan (as amended in February 2019). The plan primarily relates to various activities and objectives that cover the period January 2019 to December 2019 and beyond.

2.0 Recommendation(s)

1.2 It is recommended the Board notes the report.

3.0 Background

1.3 The primary purpose of the Pension 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. The Fund collects and holds large amounts of data on which it is heavily reliant in order to effectively administer the Local Government Pension Scheme (LGPS).

1.4 The LGPS continues to face ongoing legislative change with oversight of administration and governance now falling under the remit of The Pensions

Regulator, with a heightened responsibility on scheme managers and local pension boards to ensure data is readily available and fit for purpose at all times. Given the financial constraints faced by the local government sector and the budgetary implications of delivering local fund valuations, it is critical that member data be sufficiently robust to inform the valuation exercise and withstand scrutiny from both internal and external audit.

- 1.5 The 2018 Record Keeping Plan was presented to the Board at previous meetings. Updates in 2019 are focused around ensuring the completeness and robustness of scheme data following the transition from Capital to LPP in October 2018. Updates also reflect recommendations made by The Pensions Regulator following a number of meetings in 2018 and early 2019.
- 1.6 Where the Fund identifies poor quality or missing data, it will put in place a data improvement plan to address these issues. The plan will have specific data improvement measures that can be monitored with a defined end date within a reasonable timeframe. Progress of data improvement plans will be monitored by officers and presented to the Pension Board quarterly, and will detail any enactment of the escalation policy in regard unsatisfactory performance by employers, along with any required Fund procedural changes to enhance service delivery or support to employers.
- 1.7 The actions and measures described above form a key part the revised Pensions Administration Strategy. This is discussed further in the Pensions Administration update report also on this agenda.

4.0 Overall Objectives for the Plan

- 1.8 The following general objectives have been defined for the Fund in 2019:
 - Improve scheme data to meet the legal requirements for common data, conditional data, and employer data;
 - Update missing or incomplete scheme data wherever it is held within a reasonable time frame, to ensure that benefit statements not issued can be sent out as soon as possible;
 - Working together with the scheme's new Pensions Administrators, LPP, in ensuring the completeness and accuracy of both common and conditional data;
 - To have complete and accurate data ready by June 2019 for the 2019 triennial valuation;
 - To clear the backlog of missing addresses for deferred members;
 - To issue complete and accurate Annual Benefit Statements to all eligible members of the scheme by the statutory deadline of 31 August.

5.0 LPP Data Cleanse Project

- 5.1 One of the most significant updates to the plan is the inclusion of the data cleanse project currently being undertaken by LPP.
- 5.2 In October 2018, the LBB pension administration service transferred from Capita Employee Benefits to the LPP. The data received was of a low standard and it was agreed as part of the implementation project that LPP would carry out a review of the data post go live and put in place a remedial plan to address and fix the identified errors.
- 5.3 The project comprises of three phases to be completed. **Phase 1** will address critical issues with common and scheme specific data, focusing on ensuring scheme data is accurate in time for the triennial valuation.
- 5.4 **Phase 2** will address the additional errors that LPP have identified as requiring attention.
- 5.5 **Phase 3** will seek to provide an update on the state of data following the completion of phase 1 and phase 2 work. This phase will also seek to carry out a reconciliation of data between Brent payroll and the Altair pension details.
- 5.6 This project is regarded as being an extra item to the SLA signed with LPP, being costed separately from the annual contract charges. A bespoke team has been allocated for this project in order to meet the agreed deadline - before the triennial valuation is due in June 2019. Monthly updates are provided by LPP to Brent officers and the project is currently progressing within the agreed timescales.

6.0 Financial Implications

- 6.1 The total cost of the LPP Data Cleanse project is £105,337, with the first tranche of £57,936 incurred in 2018/19 and the remainder £47,401 in 2019/20.

7.0 Legal Implications

- 7.1 This Fund and its Employers have a legal obligation and statutory duty to comply with a number of 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 1998, and replacement legislation in May 2018;
 - Freedom of Information Act 2000;
 - Pension Regulator's Code of Practice No.1.

8.0 Equality Implications

9.1 Not applicable.

10.0 Consultation with Ward Members and Stakeholders

10.1 Not applicable.

11.0 Human Resources

11.1 Not applicable.

Report sign off:

Conrad Hall
Chief Finance Officer