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**INFORMATION UPDATE**

**Briefing Paper by Chief Financial Officer**

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**PENSION FUND COMMITTEE & PENSION BOARD**

**30 November 2018**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This briefing paper is to provide members of the Committee and the Board with an update on a number of areas which are being monitored and areas where work is progressing. Full reports on the individual areas will be tabled as decisions and actions are required.**

**2 GMP RECONCILATON**

- 2.1 Stage 2 of the GMP Reconciliation continues to be progressed by ITM on behalf of the Pension Fund. This stage of the project is the reconciliation of discrepancies between HMRC and the records held on the Pensions Administration system for Active and Deferred members and those with a Pension payment already in place.
- 2.2 Scottish Borders Council received the latest update report from ITM on 20 November 2018 and these are summarised below:-

	Representing No of Members	
39%	8,253	Fund members have been reconciled
45%	9,360	Fund members who are outwith the scope for reconciliation. Generally these are members who have no liability under the scheme having either pre 6 April 1978 service only or only post 5 April 2006 service
16%	3,332	Fund members who are still unreconciled. These are either awaiting data from HMRC or further investigation by SBC/ITM
100%	20,945	

- 2.3 Of the 3,332 members that are still unreconciled:-
- 2,310 members – HMRC have forwarded replies to these queries to ITM and are scheduled for processing
  - 742 members – awaiting replies from HMRC
  - 142 members – are awaiting confirmation by SBC on which way to proceed
  - 138 members – under review by IM
- 2.4 Scottish Borders Council continues to receive monthly updates on the progress of the GMP Reconciliation exercise from ITM Limited and liaise with the ITM Project Manager to discuss.
- 2.5 The project was scheduled to be concluded by December 2018, information received from ITM has indicated that due to the delay in receiving responses from HMRC it will be into the first quarter of 2019 before this is concluded. All queries have been submitted to HMRC prior to the deadline of 31 October 2018. Officers will continue to engage with ITM to ensure all records are reconciled in accordance with the scope of the project.

### **3 PENSION REGULATOR SCHEME RETURN – DATA SCORING**

- 3.1 To ensure funds adhere to good practice on record keeping The Pension Regulator (TPR) has introduced a scheme to measure the quality of the data held.
- 3.2 The data is measured on the following two areas

Data name	Areas covered
Common Data	NI number, Surname, Sex, expected retirement date, last status, postcode, DOB, First name, date pensionable service started, membership status & address
Scheme Specific Data	Contribution history, investment decisions, value of members pension, employment records and others specific to the scheme

- 3.3 The fund has submitted its data for measure and has received the following results
- Common data – 51.7%
  - Scheme Specific data – 67.7%
- 3.4 The main issue with the Common data is around post codes being held in other fields other than the post code field. This is a historic issue where address structures were held in a different manner to reduce the cost of postage.
- 3.5 The main issue with the Scheme Specific data is around total contributions where there are no contributions recorded.

3.6 A full report on the scheme members affected will be provided with a rectification plan to cleanse the records accordingly at the next meeting.

#### **4 SCHEME ADVISORY BOARD**

4.1 The Scheme Advisory Board (SAB) met on 4<sup>th</sup> October 2018. The agenda contained the following items

- SAB work plan
- Transparency Code
- Governance Review – Training & Communication
- Annual report working group
- Pensions update
- SPPA update
- Financial report

4.2 Appendix 1 contains the SAB published summary of the meeting.

#### **5 TRAINING OPPORTUNITIES**

5.1 The Pension and Lifetime Savings Association (PLSA) hold an annual investment conference in Edinburgh over 3 days. The dates for the next conference are 6-8 March 2019. To assist members of the Committee and Board to attend the Joint meeting on will be held at KPMGs offices in Edinburgh on the 7<sup>th</sup> March.

5.2 Baillie Gifford holds an LGPS seminar every two years. The next one will be 9-10 October 2019. The fund will be allocated 6 places but will be able to get some extra day places if required. Once the agenda is know it will be circulated and names taken.

#### **Author(s)**

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