Lincolnshire
COUNTY COUNCIL
*Working for a better future*

| Open Report on behalf of Andrew Crookham, Executive Director - Resources |
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| Report to: | **LGPS Local Pension Board** |
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| Date: | **16 March 2023** |
| Subject: | **The Pensions Dashboard** |

**Summary:**

This is a report by the Fund's pension administrator, West Yorkshire Pension Fund (WYPF).

Matt Mott, Governance and Business Development Manager from WYPF, will update the Board on the Pensions Dashboard.

**Recommendation(s):**

That the Board discuss the report and note the progress on implementing the Pensions Dashboard.

**1.0    Background**

1.1    Pensions dashboards will enable individuals to access their pensions information, including state pension, online, securely and all in one place, thereby supporting individuals to better plan for their retirement and growing financial wellbeing.

1.2    Pensions Dashboards legislation was laid before parliament on 18th October 2022. The Regulations set out scheme managers obligations in respect of Pensions Dashboards and are based on the indicative regulations that were consulted on in January 2022 and updated to take account of the DWP's response, and other industry feedback.

1.3    The objectives for Pensions Dashboards are:

- they will make accessing pensions information, including information on individuals State Pension, easier by allowing people to see what they have in their various pensions at the touch of their smartphone, laptop, or computer;

- pensions dashboards will put individuals in control of planning for their retirement; and

- pensions dashboards will provide an opportunity for engaged individuals to consider taking action to consolidate their deferred small pots.

1.4     This first version of Pensions Dashboard will be relatively simple, offering people the opportunity to find their pensions and then view information about the value of those pensions, this will be run by Money and Pensions Service (MaPS).  The legislation allows for commercial firms to provide dashboards at a point in the future with additional functionality.

1.5     The scale of the challenge to create the MaPS's Pensions Dashboard involves 52 million adults being connected to around 43,000 providers and schemes. Existing challenges include establishing a sufficiently secure identity verification process, working out how to match people accurately to their savings.

1.6     The commercial dashboards bring opportunities for individuals to reach their pensions via organisations who they may already interact with digitally and therefore provide opportunities to engage individuals who prefer to use tools from these organisations, that they already have a trusted relationship with, such as their bank or employer.


## 2.0     Regulatory Framework

2.1     As you would expect from quite a technologically advanced legislative and regulatory framework there are a number of Government bodies covering the wider regulations.

2.2     MaPS set standards covering the legislative requirements for:

- Data;
- Technical infrastructure;
- Design and reporting including monitoring compliance; and
- A Code of Connection covering security, service and operational requirements.

2.3     A new regulatory function will be created overseeing this process called the Governance Register. The Governance Register will work to ensure that the dashboard ecosystem is kept safe and that the required security and performance standards are met.

2.4     The Pensions Regulator (TPR) will continue as our primary regulator and will also be able to take enforcement action if schemes fail to comply with any of the requirements in these draft regulations.  Fines for dashboard-related breaches can be up to £5,000 per individual scheme member breach and £50,000 in other cases.

2.5     Schemes would have a duty to cooperate with requests from MaPS relating to connection to the ecosystem, and would have to report certain information to MaPS, which will be set out in published standards and regulations.

2.6     The regulations have been developed to be consistent with existing data protection requirements, including the UK GDPR. Therefore, this remains the responsibility of the Information Commissioner's Office to investigate any breaches of data protection law and take the action it considers appropriate, in the usual way.


**3.0     What Is Required of Pensions Schemes**

3.1     The date a pension scheme is required to join the MaPS pensions dashboard is set out in the legislation. All local government schemes must have joined the Pensions Dashboard ecosystem no later than September 2023; this is known as a scheme staging date.

3.2     The Pensions Dashboard Programme will audit a schemes readiness to connect to the ecosystem. MaPS has the regulatory power to work with the pension provider and any third party to define and monitor steps to ensure compliance. The legislation also MaPS to share information with The Pensions Regulator (TPR) including data from the ecosystem once live.

3.3     DWP have proposed that it would be for the scheme manager to set their own matching criteria i.e. decide if a scheme members pension record matches an individual requesting pensions scheme information through the ecosystem. Scheme managers need to set a policy for how they will match and what criteria they will use. Most dashboard providers are currently working this through with PASA.


**4.0     Current Position - Post October 2022**

4.1     TPR's compliance and enforcement policy consultation has been issued and closed to comments on 24th February. This outlined a high-level principle-based regime that will develop over time as the dashboard operation matures. TPR have issued a checklist for schemes to ensure they are ready for Pensions Dashboard.

4.2     Under the Regulations, TPR will have discretion to issue penalties of up to £5,000 to individuals and up to £50,000 in other cases for any single instance of non-compliance. TPR has said it will use its powers "fairly and proportionately".

4.3     It appears that the primary mechanism for establishing whether there have been compliance failures is through the digital architecture, being built by MaPS. The legislation allows MaPS to share management information and data insights, they collect via real-time monitoring of the pension's dashboard ecosystem, with TPR.

4.4     The Pensions Dashboards Programme (PDP), which is a function of MaPS, is responsible for designing and creating the dashboard ecosystem, including the digital architecture that is essential to make dashboards work. PDP have issued a design standard consultation which outlines how pensions information is presented to the user. This consultation closed on 16th February. The design standards are intended to be in place shortly after April 2023.

4.5     Both WYPF and the LGA have been concerned about the timing of McCloud/Sargent impacting on LG's ability to deliver both reforms to the required regulatory dates. The consultation for McCloud/Sargent is due in February with a 12-week consultation period, with legislation being laid in September 2023 and operational in October 2023.

**Conclusion**

5.1     There has been significant legislative and consultative activity over the last period. These provide a level of certainty from which schemes and administrators can now progress.

5.2     WYPF and LPF continue to work closely as shared service partners to provide an efficient     and effective service to all stakeholders within the Lincolnshire Pension Fund.

**Consultation**

  **a) Risks and Impact Analysis**

The Pension Fund has a risk register which can be obtained by contacting the Head of Pensions.

**Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Matt Mott, who can be contacted at matt.mott@wypf.org.uk.