



LOCAL PENSION BOARD - SEPTEMBER 2022

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSIONS DASHBOARD PROGRAMME REPORT

Purpose of the Report

1. To provide the Board with details of the Pensions Dashboards Programme (PDP) and a position update with regards to the Fund.

Background

2. The PDP is intended to provide a single, secure port of call for individuals to access their pension history in one place, including eventually their State Pension. It is intended that the initial version of the PDP will be relatively simple, offering users the opportunity to find their active and deferred pensions and then view information about the value of those pensions. It is expected though, that the service provided will develop as the use of PDP becomes more commonplace, and it is understood what people find useful. Long term there is an aim that the PDP will enable users to make more informed choices around their pensions.
3. **Ecosystem**
The PDP is made up of a framework of systems to form an 'Ecosystem'.
The Ecosystem consists of:
4. **Dashboards**
There will be multiple dashboards available to users, including one developed by the government's Money and Pensions Service, plus others created by commercial providers. This will form the 'front end' of the ecosystem.
5. **Identifier Service**
The dashboard is linked to an identifier service, which allows users to prove who they are so that data providers can be assured that they are giving access to the correct person. The service proves identity to an acceptable standard across the whole of the ecosystem.

6. Consent and Authorisation Service

Once the user has been identified they will be asked to give consent to search for pensions data. Those permissions are passed on to the finder service to send to data providers.

Data providers will acknowledge receipt of a search request, even if no data found. If there is a match they interact with the Consent and Authorisation service to check permissions.

7. Pension Finder Service/ISPs

The Finder service then receives data from the Consent and Authorisation service before sending out an instruction to all Integrated Service Providers (ISP) to search for users' pensions. The ISP provides the link from Funds administration systems to the dashboard. In essence, this functions like a giant switchboard.

If data is found the ISPs send the data directly to the Dashboards for the user to access.

8. Governance Register

This is the final part of the digital architecture and provides assurance that the Ecosystem is operating correctly and securely, enabling compliance and monitors the system for issues.

Note that the ecosystem is designed to work without a central database of personal information, thus protecting users and their data. This is also aimed to provide assurance to Funds that GDPR and related legislation is adhered to.

Best practice security standards as recommended by the National Cyber Security Centre will be applied. The technology will be tested for its ability to protect itself from a cyber-attack.

A video summarising how the system works can be found [here](#).

Currently the project is in the "Develop and Test" phase. The developers are continuing to work with dashboard suppliers on testing and integrating the different elements of the framework and connecting volunteer data and dashboard providers.

9. Onboarding

Pension schemes will be 'onboarded' to the PDP in three waves:

Large schemes between April 2023 and September 2024;

Medium schemes between October 2024 and October 2025;

Small schemes during 2026.

LGPS funds will need to onboard for this service by 30th September 2024, which will allow users to initially establish solely if they have a pension benefit with the Fund. From 1st April 2025, the Fund will then also be expected to be able to supply details of those pension benefits.

10. Legislation Timeline

3 December 2018 – 28th January 2019: Government produced a consultation, Pensions Dashboards: working together for the consumer.

6th July 2020 – 31st August 2020: PDP launched a Call for input on data standards

11th February 2021: Pension Schemes Bill came into effect, creating a legislative framework for pension dashboards, making it mandatory for pension providers and schemes to connect to pension dashboards

31 January 2022 – 13 March 2022: Consultation on the draft Pensions Dashboards Regulations 2022

28 June 2022 – 19th July 2022: Pensions Dashboards: further consultation

19 July 2022 – 30th August 2022: PDP launched a consultation on dashboard standards and a call for input on the design standards.

The Pensions Dashboards Regulations are currently expected to come into effect by the end of the year.

Risks/Issues and Actions Taken

11. Integrated Service Provider (ISP)

The Fund will need to arrange to sign up with an ISP to enable our data to be accessible through the PDP ecosystem. It is expected that there will be a number of providers available including Heywood, our main systems provider.

Officers have already had initial discussions with Heywood regarding signing up to their ISP. As they are already our system supplier the onboarding process would be relatively straightforward.

12. Data Quality

When pension searches are being conducted, Funds will need to establish the matching criteria to be used. A final decision regarding that criteria will be made nearer to the go live date. However, it is expected that matches will be made on a combination of National Insurance number, surname and date of birth.

Incorrect data held on records will result in either a partial match or a mismatch. It is understood that where a partial match is returned through the ecosystem, the user will need to provide further information to Funds within 30 days or the search will end. On receipt of this additional information, officers will need to perform a check to establish if there is membership within the Fund. At this stage it isn't clear how long officers will have to respond. A

process will need to be established for dealing with these requests. In order that the number of requests received are kept to a minimum, it will be important to ensure that data held is as accurate as possible.

Scheme member data is used for different purposes and the cleanliness of that data is measured in a multitude of ways. Historically, data standards have focussed on the existence of data (The Pension Regulator's common and scheme specific data scores), rather than the accuracy of that data. For dashboards, a new standard is currently being developed, which is expected to focus on accuracy.

Officers will continue to use the existing TPR data scores as a method of cleansing data until the new standard is established.

Another aspect of data quality to consider is the importance of ensuring that data is being received every month from fund employers. This will allow the Fund to comply with the requirements to hold data on new scheme members within three months of joining the scheme. The Fund already receives monthly data from employers, as part of the i-Connect process, meaning that the data held in the system is up to date. It is the case though that some employers do not always provide the data promptly and Officers will be contacting all employers to emphasise the importance of prompt data provision to ensure the Fund complies with expected dashboard legislation.

A possible outcome following the dashboard launch will be a higher profile for the pensions industry in general, which could result in an increase in the number of enquiries directly to the Fund, covering such topics as pension estimates, transfers and refunds.

In addition as the initial version of the dashboard will not provide information relating to 'deferred refunds', i.e. where a user has membership of the Fund, but not enough to meet the vesting period establishing entitlement to a pension benefit. This may also result in an increased number of enquiries directly to the Fund.

13. Next Steps

Dashboards continues to be a topic at all upcoming national Pension meetings including the Pensions Managers' Conference and the LGA's LGPS Trustee Conference and any updates on future developments will be provided at a future Board meeting in 2023.

Recommendation

14. It is recommended that the Board notes the report.

Equality and Human Rights Implications

None specific

Officers to Contact

Declan Keegan

Assistant Director of Strategic Finance and Property

Telephone: (0116) 305 6199

Email: Declan.Keegan@leics.gov.uk

Ian Howe

Pensions Manager

Telephone: (0116) 305 6945

Email: Ian.Howe@leics.gov.uk

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