

10 November 2022**Agenda Item: 5****REPORT OF SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE, AND
EMPLOYEES.****LOCAL GOVERNMENT PENSION SCHEME – INITIAL REPORT ON THE
PROPOSED PENSION DASHBOARD PROGRAMME****Purpose of the Report**

1. The purpose of the report is to provide an overview of the introduction of a National Pensions Dashboard, emanating from a government led project requiring the pension industry to design and own the dashboard.
2. The report will give an outline of Proposed Phases (approximate timeline subject to change)
3. The report also explains what activities the Pension Fund will potentially need to undertake in the implementation of the potential solution and preceding preparation, that is being proposed through a current consultation process.

Information**Background**

4. In 2019, the Government established the Money and Pensions Service (MaPS), which brought together the Money Advice Service, the Pensions Advisory service and Pension Wise. These are Government backed bodies created to improve awareness of pension assets, pension regulations and the options as people approach retirement. The Pensions Dashboard Programme was launched in April 2020 and work is progressing.
5. The Pension Scheme Act 2021 provides a framework to support pensions dashboards, and in particular gives powers to compel pension scheme to provide information.
6. The current plan is for schemes with more than 1000 members (excluding pensioners) will start to connect with dashboards between October 2023 and September 2024. Pensions dashboards will be online platforms providing one place for individuals to access pensions information from multiple sources, including on their state pension.
7. The objective of the Government is to give individuals a better understanding of their pensions and support retirement planning. Under the Act, the Money, and Pensions Service (MaPS) will develop and host its own pension dashboard. Currently, the aim is that an individual will submit a request to find their pension information (confirming their identity and giving the relevant consent). A 'pension finder service' then sends this 'find request' to all

pension schemes: if a pension scheme finds a match with this individual it will confirm this with the dashboard service and, if the individual then requests to view their information, the dashboard will pull the individuals data directly from the pension scheme.

Requirements for Public Service Pension Schemes

8. The draft regulations propose that pension schemes must connect to the digital architecture (which includes being able to respond to find and view requests) within prescribed timescales. Schemes must identify whether information held in the 'find request' matches with an individual's pension and if it does, return a pension identifier. Schemes should have discretion over which data elements they use to search their records for a match but will need to minimise the risks of either not returning pensions matches or returning incorrect matches.
9. Schemes will need to have regard to any guidance issued by The Pensions Regulator (TPR) on matching. In December 2021, the Pensions Administration Standards Association (PASA) published initial guidance on the data conventions for matching their records. Schemes must then return 'view data' to individuals. Much of the proposed view data is already provided by schemes under the Disclosure Regulations.
10. However, certain 'administrative data' must also be provided such as information about the schemes and the administrator, and where relevant the individual's employment. Certain 'signpost data' must also be provided where relevant, via website addresses.
11. The guidance underlying the present money purchase illustrations (which we think will impact on members with Additional Voluntary Contributions) is to be amended to reflect and build on these new requirements—this will not be expected until October 2023, so the annualised values will not need to be provided until then.
12. Defined benefit arrangements must show the accrued deferred benefit at the illustration date (or revalued to that date for a deferred member). Active members will also need to see a projected benefit at retirement but based on current salary.
13. There will be some exemptions from providing this information –it is proposed that pensioners are out of scope. The draft regulations propose timescales for schemes to provide this information to the dashboard. Administrative data and signpost data should be provided immediately. Value data should also be provided immediately if it relates to information already prepared in a recent benefit statement and otherwise within 10 days (or 3 days if the information only includes defined contribution (i.e., AVCs) information)

Requirements For Pension Dash Boards

14. The Current understanding is that organisations other than MaPS will be able to develop and host dashboards if they meet requirements set out in the draft regulations. They will be known as Qualifying Pensions Dashboard Services if they meet all the requirements, including authorisation from the Financial Conduct Authority, compliance with relevant standards and connection to the specified digital architecture. Dashboards must also show an individual's state pension as a current amount and forecast amount.
15. The DWP proposes that there will be a range of standards covering the legislative requirements, including data, design and messaging, technical matters, and reporting. It is

expected that MaPS will set these standards, although TPR may set the reporting standards. Time scales for joining dashboards, all schemes in scope will have to register with MaPS Governance Register and must then connect to the dashboard. The current proposed onboarding deadline for Public Service Pension Schemes is September 2024. There will be limited provision for schemes to request an extension to their staging date. Further LGPS regulation is expected.

McCloud

16. The McCloud reform currently underway within the fund will create challenges for the Fund and the LGPS in general to provide information for pension dashboards. The draft regulations currently allow for Public Service Pension Schemes (excluding the LGPS) to provide more than one pension value to those members impacted by transitional protection. The LGPS would not need to report two different values, due to giving an automatic “underpin” approach to the McCloud remedy, rather than an options exercise.
17. DWP recognises the scale of the work placed on Public Service Pension Schemes in response to the McCloud Judgment and reflects this in its proposal to stage all Public Service Pension Schemes by the end of September 2024. DWP has also affirmed that it recognises further mitigation may be afforded to Public Service Pension Schemes following consultation to help Public Service Pension Schemes to successfully onboard to pension dashboards in line with their staging principles. Officers anticipate that additional external consultancy and advice may be required for this project.

Current Time Scales.

18. The current timescale nationally is as follows:
 - June 2023 – Large schemes (1000+ members) and Master trusts have a staging deadline between June 2023 and September 2024 depending on type.
 - April 2024 – Public service and collective defined contribution schemes (100 – 999 members) have deadlines between October 2024 and October 2025.
 - 2026 _ Small schemes (99 or fewer members) to comply by 2026.
19. A full Programme Timeline can be viewed using the following link [Programme timeline | Pensions Dashboards Programme](#).

Review of Resource Requirements

20. Currently the Pension Fund has allocated a Pension Project Manager to oversee the project as it progresses. However, the Fund will need to undertake various actions to ensure that it is ready for dashboards these are:
21. These requirements are:
 - Procure a technology partner to support the Pension Funds connection to the Pensions Dashboard. The partnership will support the Pension funds compliance with security and resilience requirements.

- As part of the dashboard implementation programme, the pension Fund will be progressing the implementation of Monthly employer returns to ensure that the fund will have up to date data to enable the Fund to meet the requirements of the Pensions Dashboard. The Admin Team will be undertaking a scoping session with our Software Provider in November to work on an implementation project.
- There is further work to be undertaken on the continuing roll out of the Employer Portal.
- Data improvement is continuing to ensure that the Pension Fund can meet the Pensions Dashboards data standards.
- The final requirement is to ensure that the Pension Fund complies with the statutory staging timeline to onboard schemes onto the dashboard as outlined in the report.

Other Options Considered

22. The Pension Fund is following, the Scheme Advisory Board, and the LGA advice, along with engaging with the Scheme Actuary, as well as using normal LGPS funds to ensure that Nottinghamshire is following the best advice.

Reasons for Recommendations

23. This is a significant project for the Pension Scheme which will require project management activities, and considerations will be needed to be made around fund resource and the ongoing requirements of Pensions Administration beyond 2024.
24. This is a regulatory requirement and there are proposed penalties for noncompliance which could be up to £5K for individuals (£50K otherwise). These will be imposed by the Pension Regulator.

Statutory and Policy Implications

25. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability, and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

26. The project, by its very nature, involves reconciliation, sharing and processing of personal and sensitive data. This is covered by existing arrangements and agreements with scheme employers and scheme members.

RECOMMENDATIONS

It is recommended that the Nottinghamshire Pension Fund Committee:

- 1) That Nottinghamshire Pension Fund Committee consider the implications of the Pension Dashboard Programme and agree to receive further update reports as the project becomes clearer as the National Programme progresses.

- 2) Agree to receive an update report on the resource requirements of the Pension Fund to enable the implementation of the Pension Dashboard Programme.

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For any enquiries about this report please contact:

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Constitutional Comments (KK 01/11/2022)

27. The proposals in this report are within the remit of the Nottinghamshire Pension Committee.

Financial Comments (KP 01/11/2022)

28. There are no financial implications at this stage however provision of resource will be considered as the programme progresses..

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All