

Report of the Managing Director, West Yorkshire Pension Fund to the meeting of Local Pension Board to be held on 21 March 2023.

AK

Subject:

Pensions Dashboard

Summary statement:

This report gives an update on the progress of the introduction of the Pensions Dashboard.

EQUALITY & DIVERSITY:

None.

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Overview & Scrutiny Area: Corporate

1.0 Background

- 1.1 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.
- 1.2 These regulations establish how pension schemes will connect to the Pensions Dashboard national ecosystem allowing millions of savers to access information on their pensions and plan for retirement.
- 1.3 The aim of Pensions Dashboard is to change the way people engage with and prepare for retirement by enabling people to see all their pensions information in one place online, including their state pension. It will also reunite lost and forgotten pensions pots with their owners, therefore enabling savers to better plan for their future. Pensions dashboards will not show pensions that are already being paid.
- 1.4 The DWP's objectives for Pensions Dashboards are:
 - Increase individuals' awareness and understanding of their pension information and estimated retirement income to build a greater sense of control and ownership
 - Enable individuals to make more informed choices in the decumulation phase by making it easier to access some of the information on which to base their decisions
 - 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
- 1.5 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).
- 1.6 MaPS is an arm's length body sponsored by the DWP, established at the beginning of 2019 which brought together the Money Advice Service, The Pensions Advisory Service and Pension Wise. It also engages with HM Treasury on policy matters relating to financial capability and debt advice.
- 1.7 The legislation confirms MaPS Pensions Dashboard will connect up to 52 million citizens with their pensions, working with 43,000 providers simultaneously providing an individual a view of their entire pensions provision, including state pension, in one place.
- 1.8 MaPS has established the Pensions Dashboards Programme (PDP) team. Its role is to design and implement the central digital architecture that will make pensions dashboards work, in close consultation with industry, the Government and regulators. They are also responsible for developing the required standards, specifications and technical requirements as well as the technology and governance to enable

individuals to view all their pensions data via the Pension's Dashboard.

2.0 Legislation and Regulatory Framework

2.1 The legislation sets out a framework for the introduction of the Pensions Dashboard Service, which is a digital interface designed to enable individuals to see all their pensions information in one place.

2.2 The legislation states the date by which pensions schemes are to join the ecosystem. For WYPF this is September 2024. The Pensions Regulator (TPR) has been given the power in the legislation to ensure schemes meet their staging date. WYPF has now had four formal meetings with TPR regarding our progress.

2.3 However, on 2 March 2023 DWP issued a written ministerial statement announcing delays to the delivery of pensions dashboards. Government has announced its **intention to legislate to amend the staging timetable** (connection deadlines) to allow more time for the technological system enabling dashboards to be delivered. As a result all schemes' deadlines will be changing.

2.4 WYPF will need to:

- register with MaPS and connect to the “digital architecture” by our staging deadline.
- ensure WYPF can receive both “find” requests (a request sent as the result of an individual searching for information about their pensions) and “view” requests (a request by an individual to see detailed information about any pension which the dashboard shows they have)
- co-operate with MaPS when preparing to connect, maintain appropriate records, and report certain information to both TPR and MaPS

2.5 There is some limited flexibility in the Regulations to defer a staging deadline for up to 12 months where a scheme is in the process of changing administrator, provided certain conditions are met. The DWP has published draft guidance setting out the issues that should be considered if applying for a deferral of a scheme's staging deadline.

2.6 The Department for Work and Pensions (DWP) also announced that the Dashboard Availability Point (DAP), the point at which dashboards will be available to the public, will be announced 6 months in advance. This will give the industry time to prepare for the public go live date.

3.0 Post October 2022 Consultations

3.1 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.

3.2 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”.

- 3.3 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 with TPR the management information and data insights collected via real-time monitoring of the pension's dashboard ecosystem.
- 3.4 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 has 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.
- 3.5 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 was due in February with a 12 week consultation period, with legislation being laid in September and operational in October. The Matthews remedy is also due for consultation in February again with implementation in September and operational in October.

4.0 WYPF Project Update

- 4.1 The WYPF project remains on track and our meetings with TPR have been both positive and productive.
- 4.2 Within the regulations there is a concept known as "Matching". When an individual sends their data via the MaPS Pensions Dashboard all schemes need to attempt to identify whether they have a pension that matches this individual.
- 4.3 PDP has issued the key matching scenarios that are likely to be used. WYPF has modelled these using advanced data analytics. Our match rate runs in excess of 95% on the key scenarios.
- 4.4 The procurement workstream of the project has however been slower than required. This has been noted by TPR.

5.0 OTHER CONSIDERATIONS

None

6.0 FINANCIAL & RESOURCE APPRAISAL

Sufficient budget is required to ensure adequate resources are available to meet the staging date. This is factored into the annual budget setting process.

7.0 RISK MANAGEMENT AND GOVERNANCE ISSUES

Risk of not complying with the staging date and compliance with legislation.

8.0. LEGAL APPRAISAL

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.

9.0 OTHER IMPLICATIONS

None

9.1 SUSTAINABILITY IMPLICATIONS

None

9.2 GREENHOUSE GAS EMISSIONS IMPACT

None

7.4 HUMAN RIGHTS ACT

None

7.5 TRADE UNION

None

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

None

10 Recommendation

It is recommended that the Pension Board note the report.