Cost Management, Benefit Design and Administration Committee

Meeting 13th September 2021 – 13.30 to 15.30
Item 7 Paper D

PENSIONS DASHBOARD UPDATE

Issue

To update the committee on latest developments on the Pensions Dashboards Programme (PDP) including the proposed timetable for implementation.

Background

The origins of the PDP can be traced back to 2014 when the Financial Conduct Authority (FCA) recommended the development of a pensions dashboard in its Retirement Income Market Study. The FCA recommended the development of a 'Pensions Dashboard' which would enable consumers to view all their lifetime pension savings (including their state pension) in one place.
In April 2020 the PDP was established by the Department for Work and Pensions. The PDP is responsible for developing the pensions dashboards ecosystem which, will enable individuals to view all their pensions data via their chosen dashboard.

The ecosystem is made up of the:
- Pension finder service - technology that sends out an instruction to all data providers to search for a user's pensions
- Identity service - allows users to authenticate themselves (prove they are who they say they are) so that they can access other elements of the ecosystem
- Consent and authorisation service - manages a user's access permissions to enable a search of their pensions and retrieve their data
- Data standards – a set of consistent data items
- Governance framework - sets out how the technical components will work together with dashboards and data providers
- Governance register - a technical service, which provides assurances that the different elements of the ecosystem (dashboards, identity services, PFS and connections to pension schemes) meet the required standards to participate

On 7 January 2020, the Government introduced the Pension Schemes Bill. The Bill received Royal Assent on 11 February 2021 and became the Pension Schemes Act 2021 ('the Act'). The Act amends the Pensions Act 2004 by inserting new sections into Part 4 (financial planning for retirement) of that Act. The new sections give the Secretary of State the power to make regulations to support the provision of pensions information to individuals who use certain pensions dashboard services or

the pensions dashboard service provided by or on behalf of the Money and Pensions Service (MaPS). Most importantly, the Act requires all pension schemes to submit data to pensions dashboards.

The Timetable

Phase 1 – Programme set up and planning (from 2020)

This phase involved setting up the programme, which included recruiting the team, agreeing the architecture, setting up working groups, seeking approval to commence procurement for a supplier or suppliers for the digital architecture and setting the first iteration of data standards.

Phase 2 – Develop and test phase (from 2021)

Upon the completion of phase 1 the PDP will work closely with the chosen supplier(s) to quickly onboard them and begin building, integration and testing of the digital architecture. During this time, design and service standards will be developed with the first dashboard providers for user testing.

Phase 3 – Voluntary onboarding and ongoing testing (from 2022)

At this point the PDP will connect volunteer pension schemes and providers to the service, using real data. It also represents the point at which the programme is most reliant on other organisations' willingness to participate before they are required to by law.

Phase 4 – Staged onboarding and dashboard available point (from 2023)

In this phase, schemes and providers will begin to be compelled to connect to the ecosystem by law. The 'dashboards available point' will be introduced during this phase, when the number of pensions 'findable' will be sufficient for it to be of use to a critical mass of consumers. There is insufficient information at the moment to specify exactly when this will be.

Phase 5 – Transition to business as usual

This phase assumes a high level of coverage, meaning that the service is running in a steady state and can be transitioned into an ongoing delivery and maintenance arrangement. The timing of this phase is to be determined.

More details of the work of the PDP and their consultations can be found at
https://www.pensionsdashboardsprogramme.org.uk/

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Staging Call for Input

On 27 May 2021, the PDP launched a Call for Input on staging. The purpose of the call for input was to gather feedback and insight from pension schemes that will inform Government policy on staging. The PDP recommended that all public service pension schemes should be onboarded in the initial wave – a two-year period starting from April 2023. Questions 22 and 23 of the call for input relate specifically to public service pension schemes and the impact the McCloud judgment may have on their dashboard readiness. On the 9 July the LGA submitted its response, a copy can be found in the non-scheme consultations page of https://lgpsregs.org/

LGPS Specific Issues

Members of the Secretariat are involved in regular meetings with software providers and the PDP team are actively engaging with each scheme including the LGPS.
It is understood that there will be a consultation on the draft dashboard regulations this Winter with regulations laid in time for Summer recess to take effect in October 2022. Staging will start from April 2023 over approximately 2 years. The Staging Call for input recommended public service pension schemes commence staging in October 2023 and to be staging ready by April 2025. There will be nothing to stop schemes onboarding earlier if they're ready.

Recommendation – that the committee notes the position as set out above and tasks the Secretariat to keep the committee informed of developments