

To: Pension Fund Committee

Meeting date: 2 October 2024

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Subject: Pensions Dashboards Update

Purpose of the report: This report provides information on the government's initiative for pension dashboards, how they will operate, the Fund's responsibilities and actions required to meet the statutory deadlines for connection to the infrastructure.

Recommendations: The Pension Fund Committee is asked to note:

- 1) The contents of the report.
- 2) The changes to the budget associated with the Pensions Dashboard Programme.

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## 1. Background

- 1.1 The Government formalised its intentions to deliver pension dashboards through the Pension Schemes Act 2021 and, the Pension Dashboards Regulations 2022, following many years of discussions on how to engage individuals with their pensions savings.
- 1.2 Pension dashboards will enable individuals to access their pensions information online (including the state pension), securely and all in one place.
- 1.3 The Pensions Dashboards Programme (PDP) is responsible for designing and implementing the central digital architecture and developing standards which will provide the rules and controls that will facilitate the ongoing connection of pension schemes to the pensions dashboards infrastructure.
- 1.4 The Money and Pensions Service (MaPS) is creating the front-end pensions dashboard where individual's pension data will be visible after successful identity verification and matching. Other commercial dashboards may become available.
- 1.5 The Pensions Schemes Act 2021, the Pension Dashboards Regulations 2022 and the Pensions Dashboards (Amendment) Regulations 2023 set out the timeline and the requirement for pension schemes to connect to the pension dashboards infrastructure. All schemes are legally required to be connected to the pensions dashboards infrastructure and be ready to respond to requests for pensions information by 31 October 2026 at the latest.
- 1.6 A Ministerial Statement issued on 25 March 2024 provided further guidance on a staged timetable for schemes to be connected to the pensions dashboards infrastructure and be able to process 'Find' and 'View' requests. The connection date for public service pension schemes is 31 October 2025.
- 1.7 Whilst the timetable is not mandatory, the Department for Work and Pensions (DWP) recommend that schemes follow the dates in the guidance unless there are exceptional circumstances (such as a change of software provider).
- 1.8 The date at which pension dashboards will be available to the public is referred to as the dashboards available point (DAP). This will be decided by the Government (Secretary of State for Work and Pensions), following consultation with the Financial Conduct Authority (FCA), The Pensions Regulator (TPR) and the MaPS. Government will provide at least 6 months' notice of the DAP.
- 1.9 The areas that the Government will consider when determining the DAP are:
  1. Sufficient coverage
  2. The dashboards service must work effectively
  3. Safety and security
  4. User experience
- 1.10 The FCA and TPR provide support to pension schemes to comply with the regulations. The provision of pension dashboards will be regulated by the FCA. TPR will be issuing an enforcement and compliance policy in late 2024.
- 1.11 The Pensions Administration Standards Association (PASA), an industry community interest company that aims to promote and improve the quality of pensions administration services for UK pension schemes, have provided detailed guidance on the administrative requirements and impacts of pensions dashboards.
- 1.12 There are a number of activities that the Cambridgeshire Pension Fund will need to undertake to connect to the pension dashboards infrastructure by 31 October 2025 and to make data available to users.
- 1.13 These activities and timelines are detailed in section 3 of this report.

## 2. Executive summary

- 2.1 The Government formalised its intentions to deliver pension dashboards through the Pensions Schemes Act 2021 and, the Pension Dashboards Regulations 2022 and The Pensions Dashboards (Amendment) Regulations 2023. The LGPS is required to connect to the infrastructure by 31 October 2025 and be able to respond to requests from the public by 31 October 2026.
- 2.2 There are a number of activities that the Cambridgeshire Pension Fund will need to undertake to connect to the pension dashboards infrastructure and to make data available to users.
- 2.3 All data improvement activities have been captured in the Fund's data improvement plan.
- 2.4 The Fund has procured a digital interface (ISP) to connect to the Pensions Dashboard infrastructure, with the connection scheduled to be implemented in January 2025, followed by a period of testing (paragraphs 3.1 - 3.4).
- 2.5 Paragraphs 3.5 to 3.12 sets out how the member will access their pensions data through an identification service and provide the dashboard with personal data that will allow schemes to match the member to their pension details. Schemes have a set period of time to match members to their details which is reported to The Pensions Regulator (TPR).
- 2.6 The information that will be visible to members on the dashboard once a match has been made is detailed in paragraph 3.13. Value data must be provided immediately if it is based on a statement provided to a member in the last 13 months. Otherwise, schemes will have 10 working days to return value data.
- 2.7 Paragraphs 3.14 to 3.24 detail the dashboard availability, record keeping, and reporting requirements as set out by the Money and Pensions Service (MaPS). Failure to adhere to these requirements would be considered a breach of the law and may lead to compliance notices and penalties.
- 2.8 The Fund needs to establish a link with its Additional Voluntary Contribution (AVC) providers so that members can easily access their details on the dashboard. Paragraphs 3.25 to 3.29 details the actions needed to facilitate this following guidance.
- 2.9 Guidance and additional information is continually being issued by the organisations involved in this initiative. The Fund will revise its project plans and documents to ensure compliance with all requirements. A summary project plan will be presented to the Pension Fund Committee at the next meeting.
- 2.10 The costs associated with the ISP, the implementation and reporting tools were initially overstated in the 2024/25 Business Plan. The amended costs are detailed in section 5.1.

## 3. Issues and choices

### Connecting to the pension dashboards infrastructure

- 3.1 Pension schemes need to have a digital interface in place to connect to the pension dashboards infrastructure. The Pension Fund Committee agreed, through the Business Plan and Medium-Term Strategy for 2024/25 to use the Fund's pensions administration system software supplier's (Heywood Pension Technologies Ltd) digital interface solution, referred to as an ISP (integrated service provider).
- 3.2 The ISP of Heywood Pension Technologies Ltd and alternative suppliers were explicitly tested to ensure their ISP offerings met the MaPS' standards, in 2023/24, when the software contract was re-procured.

- 3.3 The ISP has been procured via a variation agreement to the re-tendered contract that commences from 1 October 2024 as it was not possible to include it in the main software contract at the time as the PDP had been paused.
- 3.4 It is expected that the first stage of the two-part implementation plan will begin in January 2025 when the connection of the pensions administration software to the ISP will take place, followed by a period of testing of the matching data. The final part of the implementation of connecting the ISP to the pensions dashboard infrastructure will take place prior to the connection date of 31 October 2025.

### Data – matching and quality

- 3.5 When a scheme member uses a pensions dashboard the scheme will receive certain personal data from the digital architecture. This data will be used to locate the member within the Fund’s pensions administration system through an automated process known as “matching.”
- 3.6 The identity of the dashboard user will be independently verified by an identity service before it reaches the scheme. It is understood that the identity service will check the first name, last name, date of birth and current address.
- 3.7 The scheme member will also be encouraged to provide other data to help match to their pension records (national insurance number, alternative first and last name, previous last name and address, email address and mobile phone number).
- 3.8 Pension schemes must decide what data to use to match members to their pensions (‘matching criteria’) based on the scheme’s data quality and availability.
- 3.9 A record of the Fund’s matching policy must be kept for at least six years from the end of the scheme year in which the decision is taken, and it is anticipated that a scheme may want to change its criteria over time.
- 3.10 The industry expects that many pension schemes will use last name, date of birth and national insurance numbers for matching as a minimum. However, it may be advisable to widen the criteria to include further personal details such as first name and postcode to increase confidence in matching data to the right person without increasing the risk of failing to find someone when it is possible to.
- 3.11 An exercise needs to be undertaken to ensure that quality of the data is good enough to match to users. If data is not reliable there is a risk that data will be returned for the wrong person or not finding a record that exists. The result of the matching process is monitored and reportable to the TPR who may issue enforcement action from themselves or the Information Commissioners Office (ICO).
- 3.12 The following table details what happens when an individual attempts to match with their pension details:

Match is found	ISP will create and register a unique identifier, known as a Pension Identifier (Pel) with the digital architecture, which acknowledges a match. The member can then ask to view their information, and the data will be returned directly to the dashboard. The Pel needs to be deleted when the member leaves the scheme or retires.
Possible match	The member does not match on all the matching criteria. The ISP will still create a Pel but no data is returned to the member. The member will receive a message to inform the member that they may have a pension, but that they need to provide more information via the given contact details. If they do not make contact within 30 days their personal information must be deleted from the ISP and the Pel deregistered. If a match is subsequently

	confirmed, MaPS need to be notified that the match is now confirmed and provide the relevant data to the dashboard when prompted.
Match cannot be found	If it is determined that no pension is held for the member the personal information provided must be deleted.

### Information to provide to members

- 3.13 Schemes will have to supply the following information to scheme members via pensions dashboards:

Administrative data	Scheme name, dates of membership, name and contact details of the administrator, and employers name, length of time to the members retirement. This data must be made available immediately after a view request is received. If new scheme members request data within the first 3 months of joining, administrative data will need to be provided no later than 3 months after the member's date of joining.
Signpost data	Hyperlinks to websites so the member can see useful information about the scheme, including the scheme's statement of investment principles.
Value data	How much pension has already been accrued and the estimated retirement income. Data must be provided immediately if it is based on a statement provided to a member in the last 13 months. Otherwise, schemes will have 10 working days to return value data (3 working days for AVCs). For new scheme members data should be provided no later than when the scheme first produces an annual statement or 12 months from the end of the first full scheme year they have been in the scheme, whichever is soonest.
Contextual information	Information that helps members make sense of the value data. This includes the date to which the value relates, the date the benefit is payable from, whether there are survivor benefits attached to the pension, whether the benefits would increase in payment and why a value is not available.

### Ongoing connection and record-keeping requirements

- 3.14 Once connected to the pensions dashboards digital architecture, the scheme will need to remain connected.
- 3.15 The MaPS code of connection states that the scheme will need to be available at least 99.5% of the time and provide MaPS with at least five days' notice of any planned downtime or as soon as possible if the scheme disconnects unexpectedly.
- 3.16 Schemes will also need to update systems when MaPS make any changes or updates to their standards and will need to keep the scheme's information on the Governance Register up to date. Failure to comply with MaPS standards and requests could result in schemes being automatically disconnected which may result in TPR taking compliance and enforcement action.
- 3.17 Schemes must keep records of complaints related to pensions dashboards for six years. This includes volumes, the nature of complaints (particularly whether they relate to a missing pension or inaccurate value information) and the outcomes. This information must be accessible to MaPS or TPR upon request. In addition, schemes need to document the steps taken within relevant guidance on connection, or other steps taken to achieve connection.

## Reporting requirements

3.18 Schemes will need to report certain information through the digital architecture to enable MaPS monitor compliance with legal requirements and the performance of the digital architecture as detailed in the MaPS reporting standards. Schemes must work with their ISP to ensure the system can generate, record, and report the data as required. The reporting data must be retained for six years.

3.19 The types of reporting are:

Interruptions to connection of the ISP to the infrastructure	Immediate reporting
Number of view requests received, and the time taken to respond to each one	Daily reporting
Number of value data items that were unavailable and explanations	Daily reporting
Number of value data items that are not provided within the deadline set out in the regulations	Daily reporting

3.20 All breaches of the legal requirements of Pension Dashboard will need to be logged and reported accordingly. The Fund's Reporting Breaches of the Law policy will be reviewed to accommodate the additional requirements from Pension Dashboards closer to the Data Available Point.

3.21 The ISP provides a suite of integrated reporting that will enable the Fund to closely monitor all Pensions Dashboard activity to assist with regular reporting and to prevent any potential breaches of the standards required.

### Failing to comply with pensions dashboard duties

3.22 TPR has powers to issue compliance notices and penalties where schemes fail to comply with requirements. These include connecting and maintaining connection with dashboards and complying with standards set by MaPS. Schemes will be expected to demonstrate how they have had regard to guidance, for example schemes;

- Should not make final decisions about connecting and whether to follow the 'connect by' date without engaging with the guidance
- Must demonstrate that there is adequate governance and processes in place for decision making. The reasoning for decisions should be clearly considered and documented, along with how relevant risks are identified, evaluated, and managed.
- Should ensure they have access to all relevant information before making and acting on decisions and to keep clear and accurate audit trails to demonstrate decisions, reasoning and actions taken.

3.23 TPR have powers to issue compliance notices and penalties to third parties (ISPs, administrators, and employers) where they have caused non-compliance. Penalties can be up to £5,000 to individuals and up to £50,000 in other cases for any instance of a single compliance breach.

3.24 TPR has discretion over if any how they use their powers, whilst recognising that delivering pension dashboards is a huge challenge for the industry.

### Additional Voluntary Contributions (AVCs)

3.25 The Cambridgeshire Pension Fund has two AVC suppliers, Prudential and Utmost Life and has a duty to make this data visible on the pensions dashboards.

3.26 There are three methods to send AVC view data to the dashboards infrastructure.

- Multiple source linked – AVC data is sent directly to the infrastructure by the AVC provider and is linked to the member's main scheme benefits by a unique code.
- Multiple source not linked – AVC data is sent directly to the infrastructure without a link to the member's main scheme benefits.

- Single source – the scheme sends a member’s AVC view data to the infrastructure using the ISP. For this to be effective, AVC provider will need to provide the scheme with members AVC view data at agreed intervals.

- 3.27 The Fund remains responsible for the accuracy and provision of AVC view data and that records held by the AVC provider can be quickly and accurately matched to the main scheme records.
- 3.28 The provision of AVC view data to the dashboards is a significant workstream of the connection process. The LGA issued detailed guidance in August 2024 to assist schemes in this area and this will be incorporated into the governance processes over the coming months.
- 3.29 The Fund has already engaged with Prudential and Utmost Life to discuss the routes to the infrastructure and data quality improvement work is being undertaken on the records of scheme members with AVCs (as detailed in the Fund’s Data Improvement Plan).

### Next steps

- 3.30 A project plan has been drafted and is being amended to consider the recent guidance issued by the LGA and will need to be continually reviewed as the organisations involved (PDP, MaPS, PASA, TPR and Heywood Pension Technologies Ltd) release further information on this evolving initiative.
- 3.31 A RAID (Risks, Actions, Issues, Decisions) log has been created and will also require continual review and updating.
- 3.32 Concurrently, officers will be working on the activities detailed in 2.8, 2.11, 2.20, 2.22, and 2.29.
- 3.33 All data improvement activities have been captured in the Fund’s data improvement plan and are being progressed.
- 3.34 At the next meeting, the Pension Fund Committee will be provided with a further update on the progress made and be provided with all relevant updates to the overall initiative.

## 4. Relevant Pension Fund objectives

- 4.1 To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies, and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- 4.2 To provide scheme members with up-to-date information about the scheme in order that they can make informed decisions about their benefits.

## 5. Implications (including financial implications)

### 5.1 Resources and financial

- 5.1.1 The estimated budget for the various elements of ISP and Dashboard reporting costs have been revised as follows from that set out in the 2024/25 Business Plan:

Element	March 2024 Estimated	Current Estimated Cost
<b>Non-recurring Costs</b>		
ISP Implementation	£10,000	£7,500 to £13,500
Legal Fees	£1,000	TBC
Framework Fees	£Nil	£Nil
<b>Recurring Costs</b>		
ISP Maintenance	£56,000 per annum	£30,225 per annum
Insights Reporting	£11,000 per annum	£4,912.50 per annum

5.1.2 The implementation costs will be charged across 2024/25 and 2025/26. Costs relating to the connection to the ISP in January 2025 will be charged in 2024/25. Costs relating to the connection of the ISP to the pensions dashboard infrastructure prior to the connection date of 31 October 2025, will be charged in 2025/26. The split of the costs is not currently known.

## 5.2 Legal

5.2.1 Failure to take all the necessary steps to connect to the pension dashboards infrastructure by 31st October 2025 will be considered a breach of the law unless an extension was approved (see 1.7).

## 5.3 Risk management

5.3.1 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below –

Risk	Residual risk rating
Incorrect/poor quality data held on the Pension Administration and Payroll platforms or delays with receiving information leading to incorrect information/delayed provision of information to members and stakeholders (risk 14).	Amber
Failure to administer the scheme in line with regulations and guidance (risk 17).	Green
The Pension Fund fails to comply with legal duties in connection with Pension Dashboards (risk 31).	Green

5.3.2 The executive summary of the Cambridgeshire Pension Fund risk register can be found [here](#).

## 5.4 Consultation

5.4.1 No consultation has been required arising from the proposals within this report.

## 6. Background papers

6.1 None

## 7. Appendices

7.1 None