

To: Pension Fund Committee

Meeting date: 19 December 2024

Report by: Joanne Kent
Systems and Projects Manager

Subject: Pensions Dashboards Update

Purpose of the report: This report provides an update on the progress made by the Fund in connecting to the Pension Dashboard infrastructure in time for the deadline of 31 October 2025.

Recommendations: The Pension Fund Committee is asked to note the contents of the report.

Enquiries to: Joanne Kent
Systems and Projects Manager
joanne.kent@westnorthants.gov.uk

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 There are a number of activities that Fund will need to undertake to connect to the pension dashboards infrastructure by 31 October 2025 and to make data available to users by 31 October 2026.
- 1.3 These activities and timelines are detailed in section six of this report.

2. Executive summary

- 2.1 The Fund is required to connect to the Pension Dashboards 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 Northamptonshire 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.
- 2.5 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. The Fund is working with the AVC providers to ensure this happens smoothly with different methodology for each AVC provider.
- 2.6 Guidance and additional information is continually being issued by the organisations involved in this initiative. The Fund will continue to revise its project plans and documentation to ensure compliance with all requirements.
- 2.7 The costs associated with connecting to the Pensions Dashboard infrastructure are detailed in section 5.1. There have been no changes to these costs since last presented to the Committee in October 2024.

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 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 was procured via a variation agreement to the re-tendered contract that commenced on 1 October 2024.
- 3.3 Connection of the pensions administration software to the ISP will begin in January 2025, followed by a period of testing of the matching data. The final part of the implementation of connecting the ISP to the Pensions Dashboards infrastructure will take place prior to the connection date of 31 October 2025.

Data – matching and quality

- 3.4 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."

- 3.5 The identity of the dashboard user will be independently verified by an identity service before it reaches the scheme. The Pensions Dashboard Programme (PDP) has recently confirmed that GOV.UK One Login will provide this function. GOV.UK One Login ensures users only have to prove their identity once and can use this proof to access other government services they use.
- 3.6 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).
- 3.7 The Fund will begin a period of testing of matching criteria in January 2025 to determine which data is most appropriate to use based on the scheme's data quality and availability, from which will form the matching policy. The matching policy will be presented to the Pensions Committee in March 2025 for approval.

Additional Voluntary Contributions

- 3.8 The Northamptonshire Pension Fund has two AVC suppliers, Prudential and Utmost Life and has a duty to make this data visible on the Pensions Dashboards.
- 3.9 Both Prudential and Utmost Life have confirmed that they will be adopting the 'single source' approach to providing members' AVC data to the dashboard. The AVC providers will send the data to the Fund once per year to be entered onto the Fund's administration system so that the AVC value data is displayed alongside the member's LGPS benefits.
- 3.10 Heywood, the Fund's administration system provider are developing a data view to store an individual member's AVC fund data on their existing pension record as it currently does not exist due to their being no prior need to store this information. This development will be at an additional cost, which once known, will be added to the costs detailed in section 5.1 of this report.
- 3.11 The provision of AVC view data to the dashboards is a significant workstream of the connection process. Both the Local Government Association (LGA) and Pensions Administration Standards Association (PASA) have issued detailed guidance to assist schemes in this area and this has been incorporated into the project plan and governance process where appropriate.
- 3.12 Data quality improvement work is being undertaken on the records of scheme members with AVCs to ensure that data from both providers can be accurately matched to members main schemes record held by the Fund.
- 3.13 This will ensure AVC data can be matched to the correct member and their record so that the annual supply of data can be uploaded to the member's record with ease.

Next steps

- 3.14 The project plan and RAID log is continually reviewed and updated to reflect updated or changing guidance from organisations such as the PDP, PASA, LGA, and the ISP and administration software provider.
- 3.15 In addition to the data improvement work for members with AVCs, the backlog of unprocessed leaver calculations continue to be completed as well as address tracing of members for whom the Fund no longer holds a current address. This will ensure increased quantities of members matching to their benefits and full details of their pension benefits

being returned instantly when using the Pension Dashboards. These activities have been detailed in the Fund's Data Improvement Plan.

- 3.16 At the next meeting, the Pension Committee will be provided with a further update on the progress made relevant updates to the overall initiative, including the Data Improvement Plan.

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 are currently as below:

Element	March 2024 Estimated	Current Estimated Cost
Non-recurring Costs		
ISP Implementation	£10,000	£7,500 to £13,500
Legal Fees	£1,000	TBC
Framework Fees	£Nil	£Nil
Recurring Costs		
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.

5.1.3 As referenced in paragraph 3.10, the Heywood development cost of creating the AVC data view on member records will be included once known.

5.1.4 All costs will be met by the Pension Fund and the Committee will be advised of any changes. There have been no changes since last reported to the Committee in October 2024.

5.2 Legal

5.2.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective. 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 is approved.

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