

Pensions Dashboards Programme  
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31 August 2022

Dear Sir or Madam

**Pensions Dashboards Programme:**

**Consultation on standards, specifications and technical requirements**

**Call for Input on the Design standards**

Thank you for your consultation on the Pensions dashboards standards, specifications and technical requirements and your Call for Input on the Design standards.

I respond on behalf of the Local Government Association (LGA) and the Local Government Pensions Committee (LGPC) in respect of the Local Government Pension Scheme (LGPS).

The LGA is a politically led, cross-party membership organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government. 330 councils in England including district, county, metropolitan, unitary, London boroughs and the City of London are members of the LGA. There are 22 Welsh unitary authorities in membership via the Welsh Local Government Association (WLGA). The LGPC is a committee of councillors constituted by the LGA, the WLGA and the Convention of Scottish Local Authorities (COSLA). The LGPC considers policy and technical matters affecting the LGPS in England & Wales, a scheme which has approximately 6.2 million members. Of those 6.2 million members, approximately 4.4 million members are active and deferred members.

The response is set out on the following pages. I hope the content is helpful; if you have any questions, please do not hesitate to contact me.

Yours faithfully

*Joanne Donnelly*

Joanne Donnelly  
**Head of Pensions**

## Questions raised in the consultation and call for input

### Code of connection

We anticipate that almost all LGPS administering authorities will connect to the dashboard ecosystem using a third-party ISP provided by their existing software provider. For this reason, our responses in the section are limited. We expect the four software providers to the LGPS (Civica, Heywood Pension Technologies, Equiniti and Capita) to have submitted their own detailed responses.

Question 1. Do any of the proposed requirements pose a specific problem for your organisation, if so, what?

No comment.

Question 2. Are there any areas that you consider are missing from the code of connection?

No comment.

Question 3. Do the proposed service levels seem reasonable for a digital service?

No comment.

Question 4. CoCo 2.1.3 requires view request responses within 2 seconds. This prioritises a fast response for the consumer. It may, however, create a barrier to calculating real time values for some providers. We would be particularly interested in views on this approach.

No comment.

Question 5. Do the proposed steps for connecting to the dashboards ecosystem directly seem reasonable?

No comment.

Question 6. Do the proposed steps for connecting to the dashboards ecosystem (via a third-party connection) seem reasonable?

It would be useful to have a flow chart to show a logical order of the steps to be completed and an accompanying checklist.

Question 7. Does the proposed timeframe for completing these steps to connect seem reasonable?

We are concerned that the proposed timeframe of 30 working days for connecting via a third-party connection may be insufficient given the number of public service schemes that use the same software providers. The LGPS is made up of three locally administered public service pension schemes. The schemes are administered by 86 administering authorities in England and Wales, 11 administering authorities in Scotland and one administering authority in Northern Ireland.

The software providers to the LGPS are the same providers that also supply the Fire and Police pension schemes. Therefore, we are concerned that the third-party ISP providers will not have the capacity to carry out the steps on behalf of LGPS administering authorities within the proposed timeframe.

Question 8. Is it clear what pension providers/their third-party ISPs (Integrated Service Providers) or dashboard providers will need to do to connect?

It would be useful to have a flowchart setting out who is responsible for the different actions and by when.

Question 9. Is there any additional guidance you need in relation to connection? And if so, what?

No comment

## **Data standards and usage guidance**

Outside of the specified questions, we would like to make the following comments:

### **Find data – National insurance number**

We note that there appears to be a discrepancy between whether the provision of National Insurance Number under 1.004 is optional or conditional.

The data usage guide confirms that the find data sent to pension providers from the pension finder service, once the user has completed the identity service, will only contain the NINO (ref 1.004) if the user has input it. The data usage guide shows this field as optional as opposed to mandatory. However, page 22 of the data standards shows the presence of a NINO in field 1.004 as conditional – it states a NINO must be present unless 1.022 is false.

We understand the [PASA data matching convention \(DMC\)](#) guidance published on 7 December 2021 with industry wide support, is being used as the basis for integrated

service providers (ISPs) to program their DMCs. The guidance recommends matching on three core data elements: surname; date of birth; and national insurance number (NINO).

If a NINO is not present, it will cause a problem for the ISPs DMCs and it is likely to result in a 'maybe' match creating a poor experience for the user and unnecessary work for the administrator.

We request that the NINO data element 1.004 is conditional and must be present unless a user completes data element 1.022 indicating that they do not have a NINO. We understand not having a NINO is not the same as having one and not inputting it.

### **Estimated retirement income (ERI) data and Accrued pension data**

The specification for data elements '2.302 - ERI amount type' and '2.402 - Accrued amount type' do not work for the LGPS.

The description for both data elements states "For public service schemes, this field also indicates whether the value is calculated on the legacy, or new pension provider basis". The field is conditional. We mentioned in [our response to the consultation on the draft regulations](#), the LGPS is in a different position to the unfunded public service schemes in that it does not have a legacy scheme. The McCloud remedy is provided by an automatic underpin. Please clarify what the LGPS should enter in this field.

Question 10. Are you confident that the proposed data standards adequately cover the benefit structure of all pension providers? Can it express the correct values to all savers? If not, please share a brief description of the relevant benefit structure?

The Department for Work and Pensions has recently confirmed that frozen refunds ie where an individual leaves a pension scheme without an accrued right, are not in scope for initial dashboards but could potentially be included at a future date. There are tens of thousands of frozen refunds in the LGPS and we would like to see these addressed within the exclusions in [Paragraph 9 of the Data usage guide](#) and [paragraph 12 of the Data standards](#).

We would also like the limitations of service text that appears on dashboards to confirm that frozen refunds are not included. This will help manage user expectations and prevent unnecessary queries being raised with LGPS administering authorities.

### **Pension credit members**

Some of the administrative data is not relevant for pension credit members, eg date of employment and name of employer. We note that these fields are optional but question whether pension credit members should be identified separately on pension dashboards,

subject to clarification of the policy intent about whether they are to be included.

For background, we set out on page two of [our response to the consultation on draft regulations](#) that we are not clear whether pension credit information should be displayed on pensions dashboards. We understand that pension credit members are included when determining the size of a scheme for connection purposes; however, pension credit members do not fall within the definition of a deferred member under section 124(1) of the Pensions Act 1995. As currently drafted, the dashboard regulations do not require that view data be submitted for them. In our view, pension credit members would expect to see their data included on dashboards. This was not addressed in DWP's response to the consultation.

Question 11. Are the values allowed for the accrued (2.3xx) and ERI (Estimated Retirement Income) (2.4xx) warnings sufficient? Are there any other common reasons or scenarios you think these warnings should cover (bearing in mind we cannot support scheme-specific warnings).

We would like the additional warning codes below:

- DEB - where a member has a scheme pays debit against their pension to cover an annual allowance tax charge that has been paid by the scheme on the member's behalf
- DIV - pension entitlement has arisen from a pension sharing order ie it is a pension credit
- VAR - for ERI where members work on zero or variable hours contracts and projections are not meaningful
- EAR - where an earmarking order is held against the record. Earmarking Orders are different to Pension Sharing Orders (which already has its own warning code of PSO).

On a more general point, the explanatory text to 2.313 and 2.413 states:

*"The flag has the effect of suggesting to a user that they should not act or make decisions on the value presented without first understanding more about the factors that may affect the number shown."*

However, we would strongly recommend that members do not make financial decisions based on dashboard data alone and to request a dedicated quotation from their pension scheme administrator if they are considering retirement. We would expect that dashboards will be appropriately caveated to caution that the values displayed should not be used in isolation for retirement planning.

Question 12. Would the ability to add a short piece of free text to cover pension provider specific issues be workable for you, or introduce a new burden? If so, how many characters would be required and what topics would it cover?

Yes, this would be helpful. The topics that it would cover could be:

- McCloud benefit calculation required
- Benefit recalculation being processed – could be due to change in scheme rules or a notification that member has left but full information to calculate benefits not yet received
- Suspended tier 3 ill health pension – benefits paid and now suspended

We think 200 characters would be sufficient.

Question 13. Without a new unique reference to link two pension elements together, the benefit values may get presented separately in a dashboard. Would the requirement for a scheme to create that new reference and share it with their other administrators be more onerous than dealing with any potential downside from not presenting the benefit values together onscreen?

In the LGPS this would be used to link the main scheme LGPS benefits with an in-house AVC arrangement provided by an AVC provider. This would be useful as members have certain in scheme options with AVCs that are not available outside of the Scheme. In addition, most members are required to take payment of their in-house AVC at the same time as they take their main scheme pension.

We do not think the requirement to create a new reference will be onerous for pension software suppliers, although there may be a cost implication.

There are approximately nine AVC providers that work with the LGPS; however, given the short length and timing of this consultation, we have not had time to engage with them to find out whether adding a new reference will be onerous for them.

Consideration will need to be given to how effective this will be if the AVC provider does not carry out the same matching process as the main scheme.

### **Design standards: Call for input**

Our responses to the Call for Input on design standards are limited but we will submit a full response to the forthcoming consultation.

Question 14. Do you have any challenges (or support) in relation to our developing policy on design standards?

Central Digital Architecture (CDA) functions - states that users will be encouraged to supply their national insurance number (NINO), though this information is voluntary. Please see our previous response to question 9 on this.

Question 15. Do you have any evidence to support your input?

No comment

Question 16. Have we omitted any issues in developing our policy on design standards?

No comment

Question 17. Do you agree with our approach to design standards principles and assumptions?

Central Digital Architecture (CDA) functions - we agree that services should be uniform irrespective of which qualifying pensions dashboard service (QPDS) the user accesses. Also, the wording should be mandated to explain the CDA's functions and what the user will be expected to do at the CDA, to ensure consistency across all QPDS.

Question 18. In you or your organisation's experience (please provide evidence if you are able), are there any important principles or assumptions missing in our approach?

We are not clear on the benefits of providing pension value information weekly. LGPS pensions are paid monthly and all communication is supplied in a monthly and annual format. We do not see the value of changing this approach.

### **Step 3: search results**

The call for input mentions that you are considering requiring QPDS to ensure there is a logical and neutral approach to the sequence in which pensions provider holder name descriptions will be displayed. We agree that the State Pension should be the first displayed item and suggest that other returned pensions are grouped into pension types eg occupational defined benefit, personal pensions etc. This will help the user understand the different benefits they hold.

### **Displaying of view request: pensions information – mandating warnings for public sector schemes**

We understand the need to mandate the display of explanation when providers return alternative values to comply with the McCloud judgment. However, we ask that when you

write the explanation text you take account of the fact that LGPS is in a different position to the unfunded public service schemes in that it does not have a legacy scheme. The McCloud remedy is provided by an automatic underpin. We will be happy to assist you with any specific wording required for the LGPS.

Question 19. Are we right to favour the user over the QPDS where there is any conflict between their needs?

Yes, we agree with this approach.

## **Reporting standards**

As we understand that third-party ISPs will apply the reporting standards and guidance on behalf of their clients in practice, our comments in this section are limited. We anticipate that LGPS software suppliers will submit detailed responses based on their more refined technical understanding and expertise.

Question 20. Please provide comments on our overall breadth of information required.

We believe the overall breadth of information is reasonable given the exposure to risk. Members must be confident that pensions dashboards are safe and that their data will be processed securely. We expect that robust management information will support this confidence and expose weaknesses quickly.

Question 21. Are there any technical barriers to you in supplying the reporting data?

The Reporting standards indicate that the data provider must supply complaint data daily. We need more information about how the complaints procedure will work before we can comment if this is achievable.

Question 22. Are there any barriers to providing both the auditing and monitoring data feeds in mostly near real time?

We expect the ISP to provide this data automatically in line with the legislative requirements.

Question 23. Management information and oversight data is to be provided daily. Do you have any alternative suggestions which would achieve our aims?

No comment

Question 24. The transport method for data is to push data to an API housed on the central data architecture API gateway. Do you perceive any risks with this approach?

No comment.



## **Technical standards and documentation**

Question 25. Do any of the proposed requirements pose a specific challenge for your organisation?

No comment.

Question 26. Are there any areas where further detail is needed?

No comment

Question 27. Do the proposed service levels seem deliverable for your organisation?

No comment.

Question 28. Do the proposed timeframes seem reasonable?

No comment.

Question 29. Is there any more guidance you need in relation to these requirements?

No comment.

## **Early connection**

We have not answered these questions as we do not expect LGPS administering authorities to be in a position to pursue early connection due to the conflicting priority of implementing the McCloud remedy.

Question 30. Do you consider the notification requirement to be reasonable?

No comment.

Question 31. Do you consider the minimum requirement for at least a month's extension (for schemes with an existing date) to be reasonable?

No comment.

## **Governance: setting standards**

Question 32. Do you have any comments on the change process and timeframes?

We appreciate that dashboards will be iterative and that there could be a wide range of drivers for change. We agree that amending the standards no more frequently than once a year, and at around the same time each year seems a reasonable approach for major changes, and bi-annually for minor changes. However, all LGPS software administration

providers and LGPS integrated service providers must also be able to meet these timescales.

Question 33. Do you agree with our definitions of major and minor changes to the standards?

We agree with your definition of major changes and that these will be developed in collaboration with industry, consulted on and approved by the Secretary of State. We note that the '[Approach to governance standards](#)' indicates that the notification period of any major change will be 12 months. We agree with the notification period providing all LGPS software administration providers and LGPS integrated service providers can meet this notification period.

We also agree with your definition of minor changes as long as any new optional element is easily reportable within LGPS software. If major programming changes are required, we may not be able to meet the notification requirements.

We note that the '[Approach to governance standards](#)' indicates that the notification period of any major change will be six months. We agree with this change providing LGPS software administration providers and LGPS integrated service providers can meet this notification period.

Question 34. Are you clear on the differences between standards, statutory guidance and recommended practice?

While we understand what the difference is and the standards are clear, the documentation does not in itself clearly set out which guidance is statutory or recommended. Appendix B to the consultation document is clear but does not set out why some guidance is deemed both statutory and recommended.

We would additionally comment that the consultation was not clearly laid out with all the documentation available to access via a single webpage, which made the task of collating all relevant information more onerous than it needed to be. In addition, some of the links within the main consultation document did not work or pointed to the wrong information.

The timing of the consultation period and the length of time given to reply was also unhelpful. A longer response time, avoiding the peak holiday period would have allowed us to consult with stakeholders and provide a more considered response.