

The Pensions Regulator
pensionsdashboards@tpr.gov.uk

14 February 2023

Dear Ms Sarah Harvey

Dashboards compliance and enforcement policy consultation

Thank you for your consultation on the Dashboards compliance and enforcement policy.

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) in England & Wales – a public sector pension scheme.

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. 331 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.

Our 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 sincerely

Joanne Donnelly

Joanne Donnelly
Head of Pensions

Questions raised in the consultation

Question 1. Do you agree with the policy principles we have set out in this compliance and enforcement policy?

Yes, we agree with the policy principles. We particularly welcome the risk based approach and the acknowledgement that schemes are highly dependent on third parties in order to comply with their duties. The LGPS has around 15,000 employers and is locally administered by 86 administering authorities in England and Wales. The employers include large local authorities as well as smaller organisations such as academies, charities, higher and further education establishments and admitted bodies. This presents a huge data collection challenge.

Question 2. Do the key risk areas, within our regulatory remit, align to your understanding of where risks may exist for the saver? Are there any which are missing?

Yes, we agree with the key risk areas identified. However, we think there are two other areas that should also be considered.

As mentioned in our response to question 1, collecting complete and accurate data in a timely fashion is a huge challenge in a locally administered scheme with over 15,000 employers. If employers fail to meet their obligations this will impact on administering authorities' ability to return view data to dashboards in a timely fashion.

Another area of risk we think should be considered in the current climate is the scheme not having the appropriate resources to deal with the additional workload dashboards will entail. Until dashboards go live, it is not possible to quantify the amount of resource a scheme will need to operate 'business as usual', which makes resourcing difficult to quantify. The average vacancy rate across LGPS administering authorities is 10.77 per cent or five full time posts per authority. We anticipate recruiting and retaining staff to deal with the inevitable increase in queries will be a significant challenge and therefore poses a risk in this context.

Question 3. Does the policy provide sufficient clarity on our expectations of governance bodies (trustees and scheme managers) and third parties?

Yes, regarding governance bodies. However, it would be helpful if you would provide more clarity on what you expect from third parties. For example, the requirement for employers to supply regular accurate data to schemes is crucial for LGPS administering authorities to provide view data to dashboards within the prescribed timescales. We would not expect administering authorities to be accountable for failures on the part of an employer.

Question 4. Does the policy provide sufficient clarity on how we will monitor compliance?

Yes, although it would be helpful to know what method you will use to determine the appropriate number of matches based on a scheme's size.

Question 5. Does the policy provide sufficient clarity on our approach to non-compliance?

Yes, no further comment.

Question 6. Does the policy provide sufficient clarity on the elements we may take into consideration?

Yes, no further comment.

Question 7. Does the policy provide sufficient clarity on the regulatory options and powers available to us?

Yes, no further comment.

Question 8. Do you find the scenarios we have included assist with your understanding of our approach to compliance and enforcement?

Yes, these are very helpful, particularly the scenario concerning the third party.

Question 9. Are there any other key scenarios which you feel we need to include to provide additional clarity (bearing in mind we cannot give scheme specific advice)?

No, the examples appear to cover a wide range of typical scenarios.

Question 10. Are there any aspects of our expectations you think would discriminate against, disadvantage or present an additional or exceptional challenge to anyone with a protected characteristic?

Not that we are aware of.

Question 11. Do you have any other comments on our draft compliance and enforcement policy?

No.