Pensions Dashboard team
Department for Work and Pensions
Level 1
Caxton House
Tothill Street
SW1H 9HA

28 January 2019

Dear Sir or Madam

Pensions Dashboards consultation

Thank you for the Department's consultation seeking views on a range of questions in relation to the creation of pensions dashboards.

I respond on behalf of the Local Government Association (LGA) and the Local Government Pensions Committee (LGPC).

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. In total, 415 local authorities are presently members of the LGA. The Local Government Pensions Committee (LGPC) is a committee of councillors constituted by the Local Government Association (LGA), the Welsh Local Government Association (WLGA) and the Convention of Scottish Local Authorities (COSLA). The LGPC considers policy and technical matters affecting the Local Government Pension Scheme (LGPS) in the UK, a scheme which has over 5 million members.

This letter sets out the LGA's view, where appropriate, on the questions posed in the consultation.

I.   What are the potential costs and benefits of dashboards for:

a)   individuals or members?;

b)   your business (or different elements within it)?

a)   dashboards are likely to be beneficial for Local Government Pension Scheme (LGPS) members because of the way the scheme is constructed and the membership profile. There are 88 different LGPS administering authorities in England and Wales, 11 in Scotland and one in Northern Ireland. Because of this, and the fact that people move jobs /careers more frequently than in other public service pension schemes, members often have multiple records within the LGPS itself, in addition to other pension arrangements outside of the LGPS.

b) the potential benefits for LGPS administering authorities are:

- more people claiming deferred refunds (as long as these are included). A deferred refund is a refund that is payable to a member because they have not met the qualifying period in the scheme rules to qualify for a pension benefit.
- members updating addresses / name changes etc – although there is an administration cost that would need to factored in.

The potential costs for LGPS administering authorities are:

- the cost of uploading data to either an integrated service provider (ISP) or the Pension Finder Service (PFS) directly. There are four pension software suppliers in the LGPS – two have confirmed that there will be a cost to all LGPS administering authorities although they are unable to state what the cost is likely to be until the specifics of what data the dashboards will hold are confirmed.
- separate costs in relation to any software system changes - these are likely to be less if the LGPS is compelled to participate by legislation.

any additional costs are unwelcome at this time due to the continued financial restraint being faced by local authorities. The costs of the LGPS ultimately fall back on the local tax payer and the LGA would welcome any support that could be provided centrally.

II.   Do you agree with:

a)   our key findings on our proposed architectural elements; and

b)   our proposed architectural design principles?

If not, please explain why.

a) Yes, but the LGA's preference would be for the PFS to have access to data from an ISP only rather than being able to access live systems. We would also like to seek assurance that sufficient cyber security measures will be put in place to protect members' personal and financial interests.

The LGA agree that the dashboards should include State Pension data.

b) No comment

III. Is a legislative framework that compels pension providers to participate the best way to deliver dashboards within a reasonable timeframe?

Yes, the LGA agrees that pension providers should be mandated by a legislative framework.

VII. Do you agree that 3-4 years from the introduction of the first public facing dashboards is a reasonable timeframe for the majority of eligible schemes to be supplying their data to dashboards?

Yes – although the LGA would prefer that the LGPS be given as long a lead in time as possible in order that LGPS administering authorities can ready their data and the appropriate software system changes can be made.

VIII. Are there certain types of information that should not be allowed to feature on dashboards in order to safeguard consumers? If so, why? Are there any other similar risks surrounding information or functionality that should be taken account of by government?

Yes, cash equivalent transfer values for defined benefit schemes should not be included as members may be unduly encouraged to transfer these benefits when it may not be in their best interest to do so. The LGA would prefer that the dashboard does not include forecasted data, but that a facility for the user to go offline and use a modeller to forecast future benefits be provided.

XV. Do you have any other comments on the proposed delivery model and consumer offer?

The LGA would like to be involved in the developmental stage as soon as possible. We would welcome the opportunity to take part in the working groups and any pilots. In the LGA's view the dashboard will only provide a complete picture for users if it includes deferred refund data – an explanation of what a deferred refund is provided on our answer to question I.

I hope the above is helpful; if you have any questions, please do not hesitate to contact me.

Yours faithfully

Jeff Houston
Head of Pensions