



**The  
Pensions  
Regulator**

Making workplace pensions work

# 2020/21 G&A results - FPS

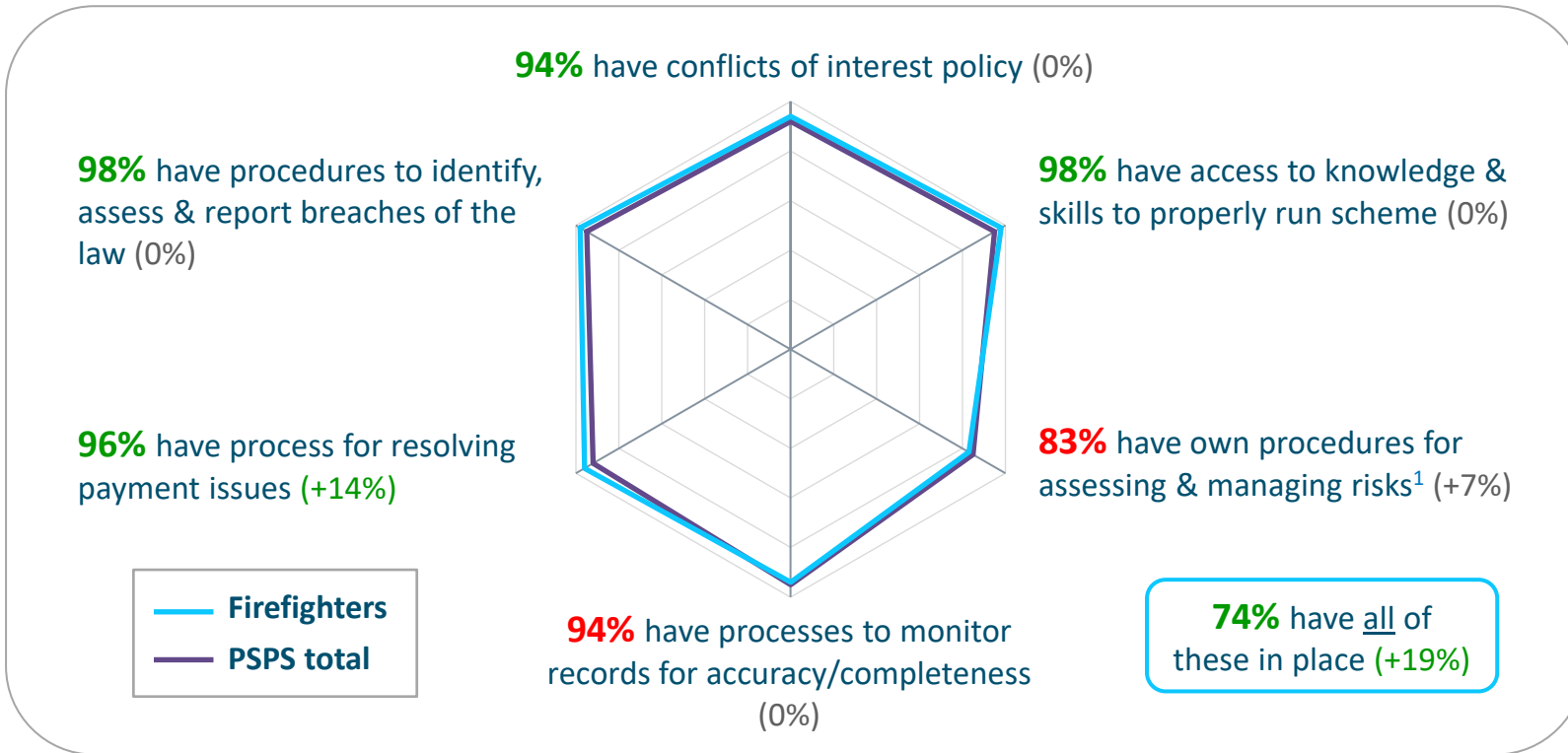
**Nick Gannon - Policy Delivery Lead**  
**June 2022**

# Methodology

- 193 public service pension schemes completed the survey, equating to a **94% response rate** and covering **99% of all memberships**
  - This compares with a response rate of 98% in 2019, 94% in 2018, 92% in 2017 and 90% in 2016

Scheme type	Interviews	Schemes		Memberships <sup>1</sup>	
		Universe	Survey coverage	Universe	Survey coverage
Other	11	11	100%	11,058,653	100%
Firefighters	47	50	94%	123,431	95%
Local Government	93	98	95%	6,791,973	98%
Police	42	46	91%	386,775	96%
<b>Total</b>	<b>193</b>	<b>205</b>	<b>94%</b>	<b>18,360,832</b>	<b>99%</b>

Green/red figures indicate result is higher/lower than PS total (any difference, not just statistically significant ones)  
 Figures in brackets on chart refer to % change from 2019 survey (with statistically significant changes highlighted green/red)



## Scheme governance

- 81%** believe scheme manager/board have sufficient time & resources to run scheme properly
- 32%** had at least 4 board meetings in last 12 months
- 92%** of board meetings were attended by scheme manager or their representative (mean)

## Annual benefit statements

- 83%** report that **all** active members received ABS on time
- 43%** of those missing ABS deadline reported it to TPR
- 96%** report that **all** ABS sent out contained all the data required

## Internal controls

- 83%** of schemes have their own risk register<sup>1</sup>
- 28%** reviewed risk exposure at 4+ board meetings in last 12 months
- 87%** have at least half of the recommended cyber risk controls in place
- 23%** identified breaches of the law in last 12 months (vs. 37% overall)<sup>2</sup>
- 2%** reported any breaches to TPR in last 12 months (vs. 5% overall)<sup>2</sup>

## Data & record keeping

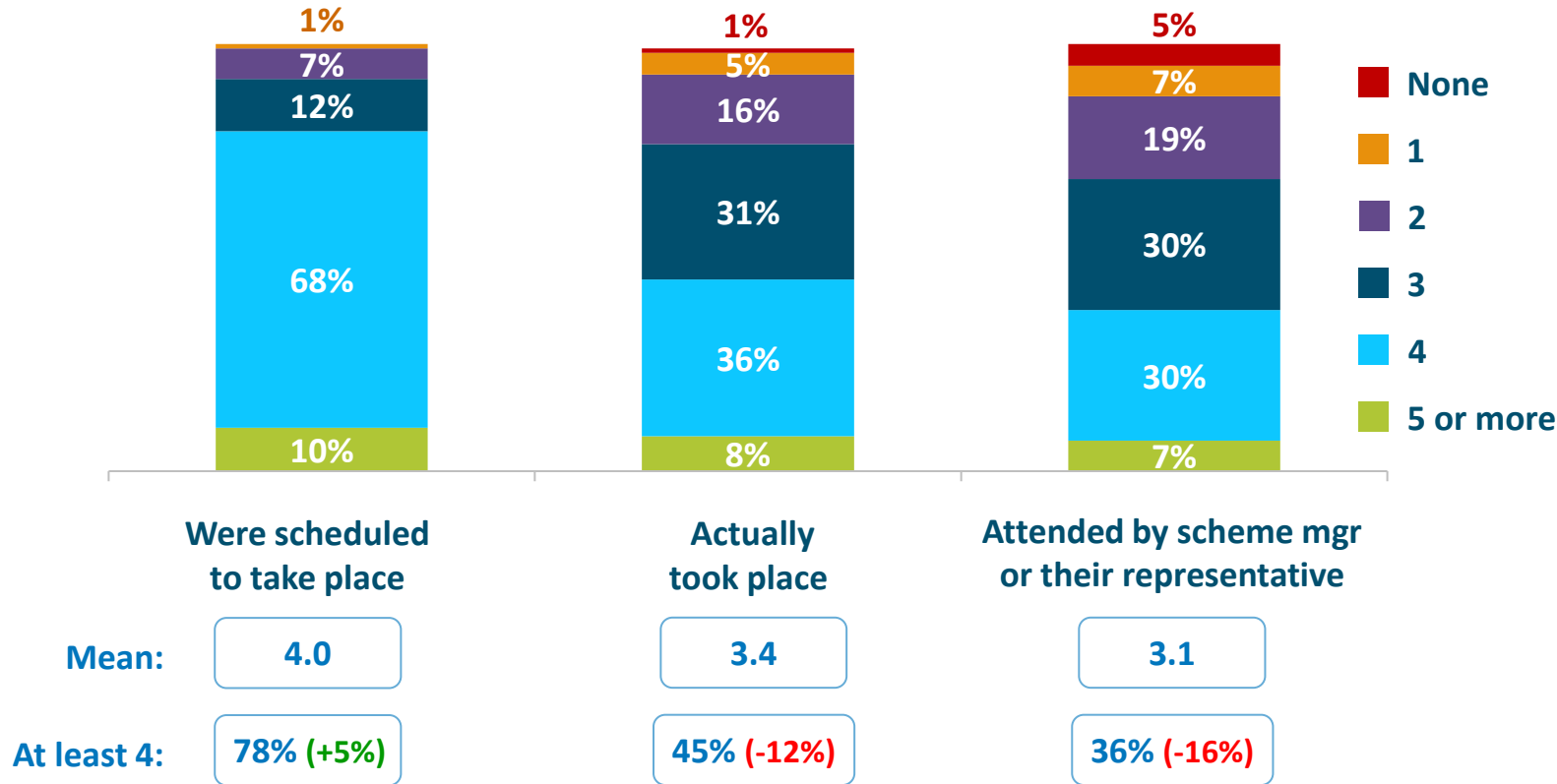
- 84%** of employers always provided **accurate & complete** data in last 12 months (mean)
- 84%** of employers always provided the required data **on time** in last 12 months (mean)
- 80%** of employers provided all data **electronically** in last 12 months (mean)

<sup>1</sup> Schemes were instructed to answer 'no' if they relied on their local authority's risk procedures/register

<sup>2</sup> Schemes were asked to exclude breaches of the law relating to ABS

(x%)  
= Change from 2019

## Number of pension board meetings in the last 12 months that...



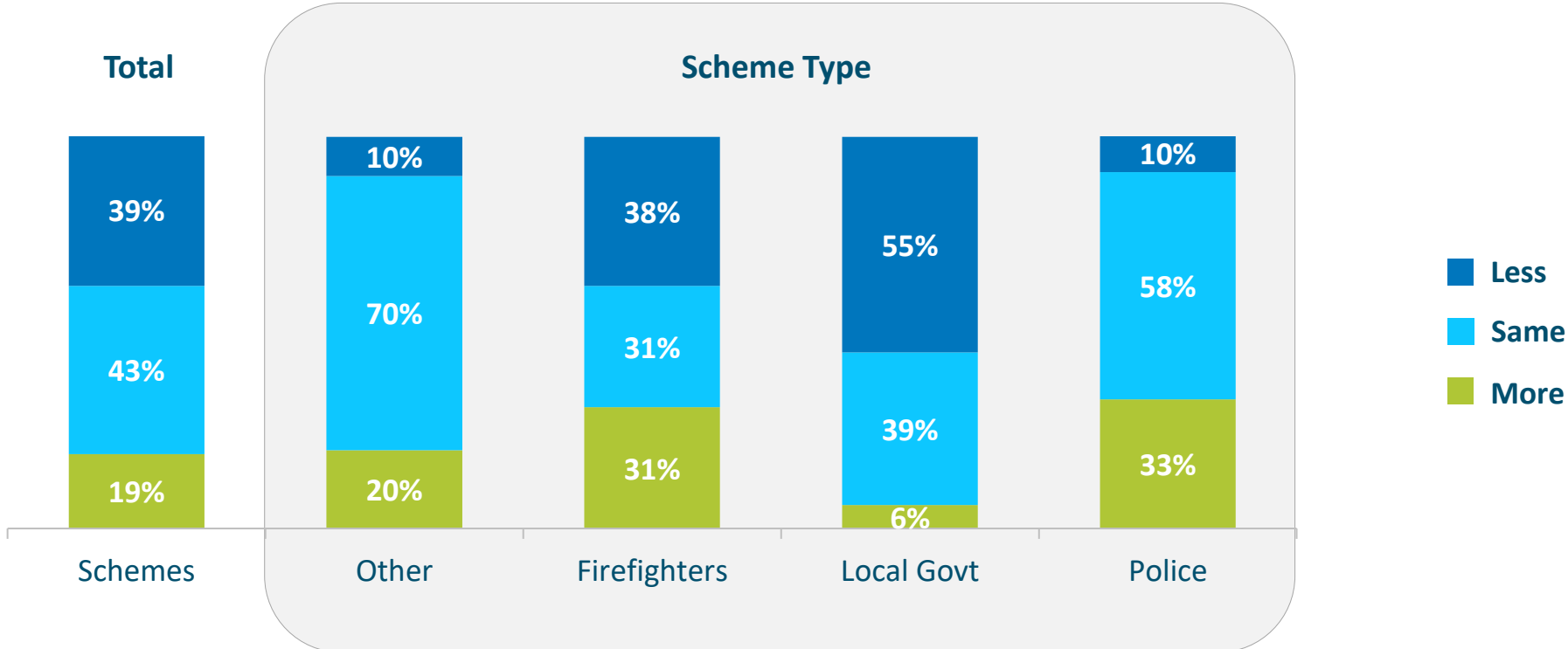
		Fire
Scheduled to take place	Mean	3.7
	At least 4	72% (+23%)
Actually took place	Mean	2.9
	At least 4	32% (+1%)
Attended by scheme manager or representative	Mean	2.7
	At least 4	26% (+2%)
% of scheduled meetings that took place (mean)		80%
% of meetings taking place attended by scheme manager/representative (mean)		92%

Base: All respondents (Base, Don't know, Did not answer question) - Schemes (193, 1-2%, 2%)

While slightly more board meetings were scheduled than in 2019, there was a fall in the proportion that actually went ahead (45% held at least 4, down from 57% in 2019) – presumably due to the COVID-19 pandemic. The vast majority (93%) of meetings were attended by the scheme manager or their representative.

# Change in number of pension board meetings

Thinking about the number of pension board meetings that took place, was this more, the same or less than in the previous 12 month period?

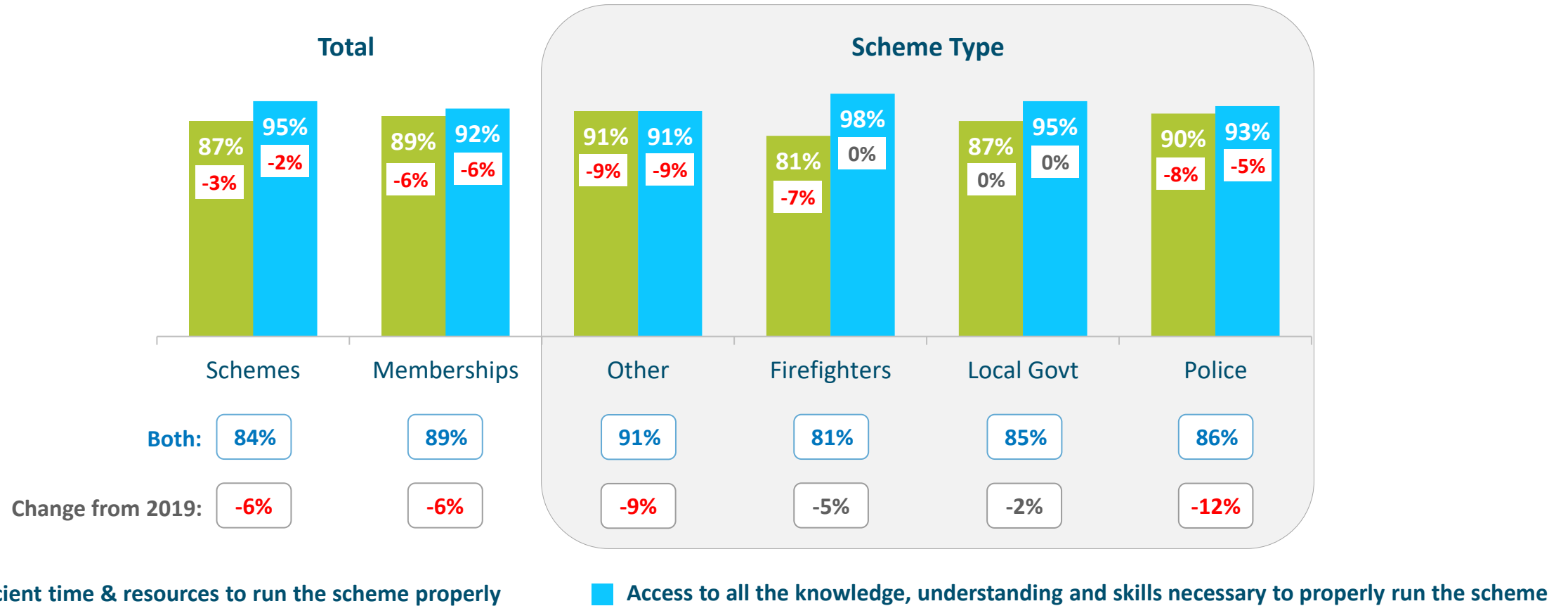


Base: All that knew number of board meetings in last 12 months (Base, Don't know, Did not answer question)  
Schemes (188, 0%, 0%), Other (10, 0%, 0%), Firefighters (45, 0%, 0%), Local Govt (93, 0%, 0%), Police (40, 0%, 0%)

39% of schemes reported a decrease in number of board meetings compared with the previous 12 months (vs. only 19% reporting an increase). This fall was particularly evident for Local Government schemes.

x%  
= Change from 2019

## Do the scheme manager and pension board have...?



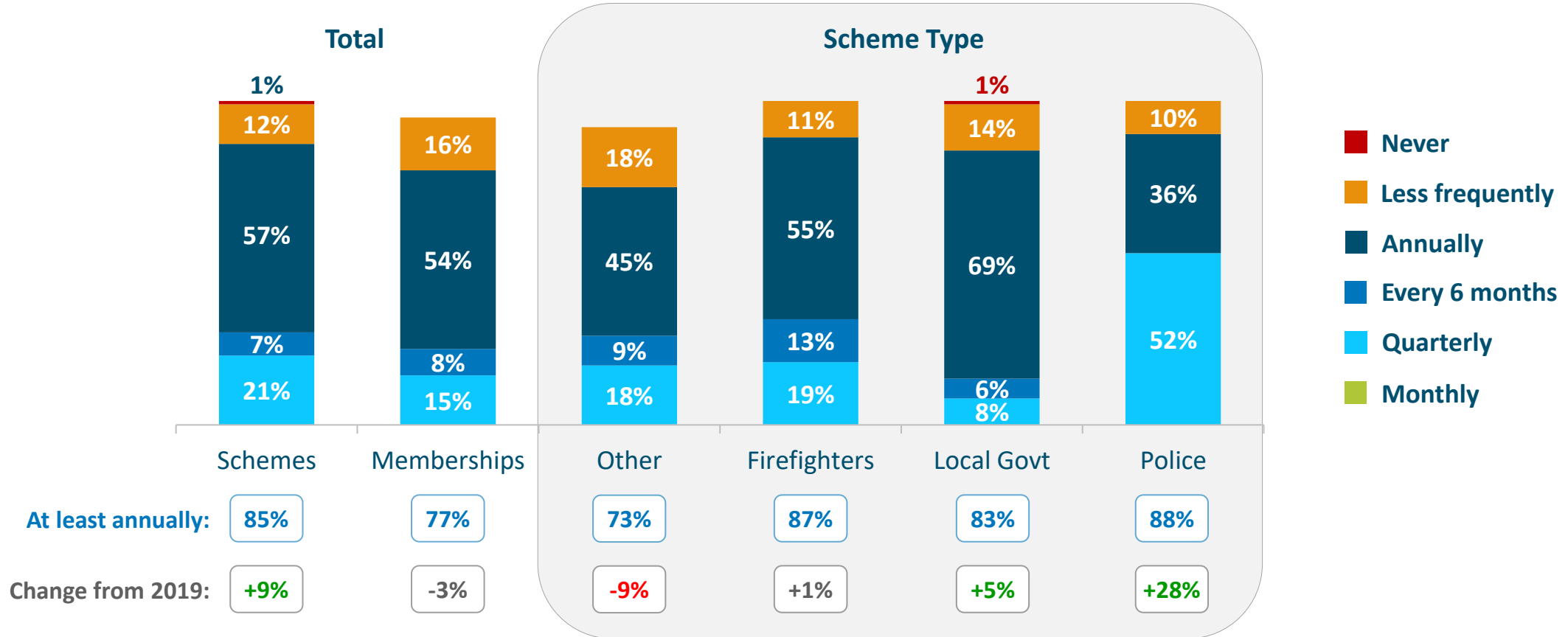
Base: All respondents (Base, Don't know, Did not answer question)

Schemes (193, 2-3%, 3%), Memberships (193, 1%, 6%), Other (11, 0%, 9%), Firefighters (47, 0-2%, 2%), Local Govt (93, 3%, 1-2%), Police (42, 0-5%, 5%)

While the majority still felt they had sufficient resources and knowledge, schemes were less confident of this than in 2019 (particularly true of 'Other' and Police schemes).

# Evaluating the pension board

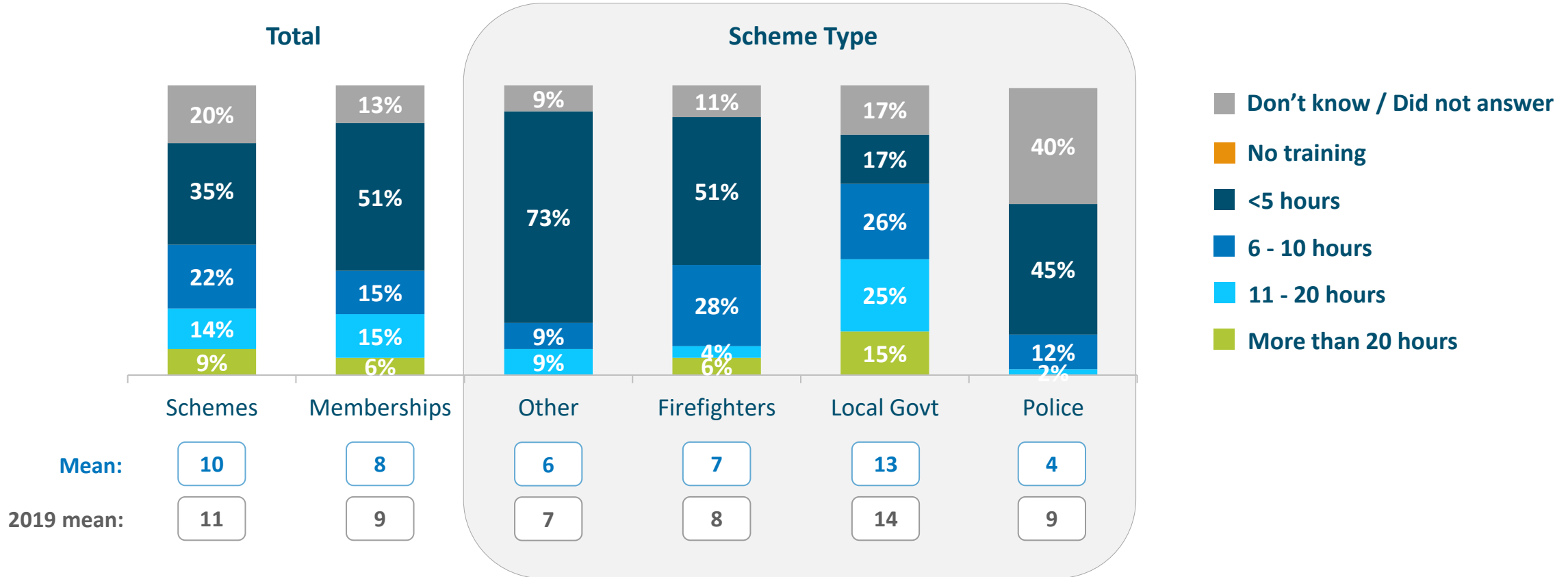
How often does the scheme manager or pension board carry out an evaluation of the knowledge, understanding and skills of the board as a whole in relation to running the scheme?



Base: All respondents (Base, Don't know, Did not answer question)  
Schemes (193, 1%, 2%), Memberships (193, 1%, 6%), Other (11, 0%, 9%), Firefighters (47, 0%, 2%), Local Govt (93, 2%, 0%), Police (42, 0%, 2%)

Improvement since 2019 in proportion evaluating the board at least annually (from 76% to 85%). Driven by increases among Police and (to a lesser extent) Local Government schemes.

On average, how many hours of training per year does each pension board member have in relation to their role on the pension board?



Base: All respondents  
Schemes (193), Memberships (193), Other (11), Firefighters (47), Local Govt (93), Police (42)

Pension board members received an average of 10 hours training per year (rising to 13 for Local Government schemes). Some indication that training provision has slightly fallen over the last year, which could again be due to COVID-19.



# Pension board composition (by scheme type)

## Number and turnover of pension board members

	Scheme Type			
	Other	Firefighters	Local Govt	Police
Current board members (mean)	12.0	5.9	6.6	8.3
Vacant positions (mean)	1.6	0.2	0.5	0.4
Board members that left in last 12 months (mean)	1.4	1.0	0.8	1.3
Board members appointed in last 12 months (mean)	1.5	1.2	0.9	1.3
Mean % of total positions that are vacant	8%	2%	7%	5%
Mean % of total positions that left in last 12 months	10%	17%	11%	16%
Mean % of total positions appointed in last 12 months	11%	20%	12%	16%

Proportion of schemes that have “a succession plan in place for the members of the pension board”



Base: All respondents (Don't know, Did not answer question)  
Other (11, 0%, 9%), Firefighters (47, 0%, 2%), Local Govt (93, 1%, 0-1%), Police (42, 0%, 2%)

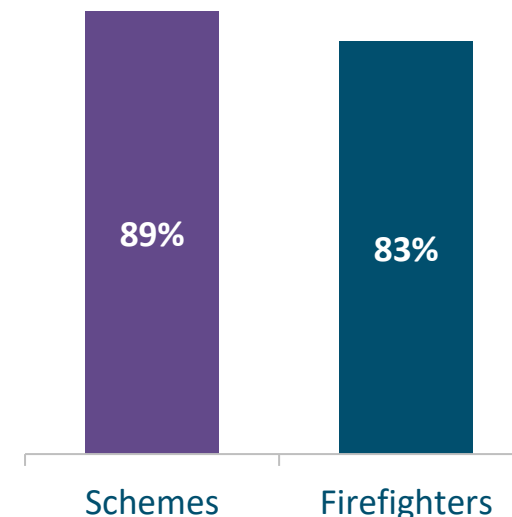
Reflecting their greater membership numbers, ‘Other’ schemes had the largest pension boards. A significant proportion of board members left in the last 12 months (10-17%) but most had been replaced with new appointments. Firefighters’ schemes had the lowest number of board vacancies (2% of total positions on average).

(x%)  
= Change from 2019

## Does your scheme have any of the following?

	Total		Firefighters
	Schemes	M'ships	
Its own documented procedures for assessing and managing risk	85% (+3%)	83% (-9%)	83% (+7%)
A documented policy to manage the pension board members' conflicts of interest	92% (0%)	92% (+11%)	94% (0%)
Processes to monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	95% (+3%)	93% (-4%)	94% (0%)
A process for monitoring the payment of contributions	89% (-7%)	88% (-12%)	96% (+6%)
A process for resolving contribution payment issues	92% (0%)	88% (-11%)	96% (+14%)
Procedures to identify breaches of the law	95% (+1%)	87% (-9%)	98% (0%)
Procedures to assess breaches of the law and report these to TPR if required	97% (+1%)	93% (-5%)	98% (0%)

Proportion of schemes with their own risk register (excluding those that rely on their local authority's risk register)



Base: All respondents (Base, Don't know, Did not answer question) - Schemes (193, 0-2%, 2-3%), Memberships (193, 0-1%, 6-7%), Other (11, 0%, 9%), Firefighters (47, 0-2%, 2%), Local Govt (93, 0-2%, 1-3%), Police (42, 0-5%, 0-2%)

These processes and procedures were widespread (85-97%), but notably fewer 'Other' schemes had these in place than in 2019. Comparatively few Police schemes had processes for monitoring/resolving contribution payments (both lower than 2019).

# Frequency of reviewing risk management processes & procedures (by scheme type)

## Proportion of schemes that had reviewed each process/procedure in the last 12 months (All with each process/procedure)

Reviewed in last 12 months	Firefighters
	Own documented procedures for assessing and managing risk
Documented policy to manage the pension board members' conflicts of interest	45%
Processes to monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	86%
Process for monitoring the payment of contributions	62%
Process for resolving contribution payment issues	60%
Procedures to identify breaches of the law	54%
Procedures to assess breaches of the law and report these to TPR if required	54%

Base: All schemes with each process or procedure (Other/Firefighters/Local Govt/Police)

Assessing & managing risk (9/39/78/38), Manage conflicts of interest (10/44/87/37), Monitor records to ensure accurate & complete (10/44/90/40), Monitoring payment of contributions (9/45/92/27)

Resolving contribution payment issues (9/45/91/32%), Identify breaches (9/46/87/42), Assess & report breaches (10/46/89/42)

Firefighters' schemes reviewed many of these processes/procedures less frequently than other scheme types.

# Governance & administration risks

To what do the top three governance and administration risks on your register / facing your scheme relate?

	Schemes	Firefighters
Remediation (McCloud judgement)	61%	74%
Record-keeping (i.e. receipt & management of correct data)	36%	43%
Securing compliance with changes in scheme regulations	30%	45%
Funding or investment	28%	6%
Cyber risk	26%	26%
Recruitment and retention of staff or knowledge	22%	30%
Lack of resources/time	17%	15%
Systems failures (IT, payroll, administration systems, etc)	15%	15%
Administrator issues (expense, performance, etc)	14%	23%
Guaranteed Minimum Pension (GMP) reconciliation	10%	2%
Production of annual benefit statements	8%	6%
Lack of knowledge, effectiveness or leadership among key personnel	6%	6%
Receiving contributions from the employer(s)	5%	2%
Failure of internal controls	2%	4%
Other	15%	4%

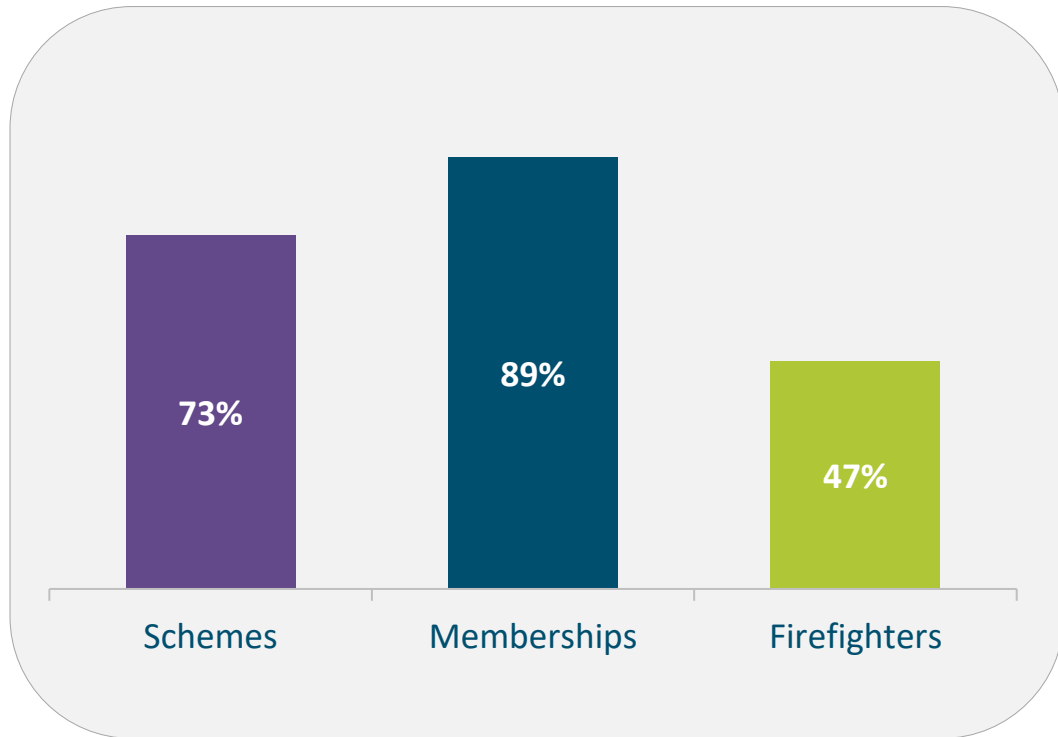
The most common **other risks** mentioned were: COVID-19 (5%), Pooling (2%), External factors (e.g. economy, leaving EU) (2%), Employer issues (e.g. compliance, employer covenant) (2%), GDPR compliance (2%)

Base: All respondents (Base, Don't know, Did not answer question) - Schemes (193, 1%, 0%), Memberships (193, 0%, 0%), Other (11, 0%, 0%), Firefighters (47, 0%, 0%), Local Govt (93, 1%, 0%), Police (42, 0%, 0%)

61% identified remediation as one of their greatest risks. This was the top risk for all scheme types aside from Local Government (who identified funding or investment as the greatest concern).

x%  
= Change from 2019

Proportion of pension schemes with an administration strategy



Proportion of schemes rating each administration objective as very/fairly important

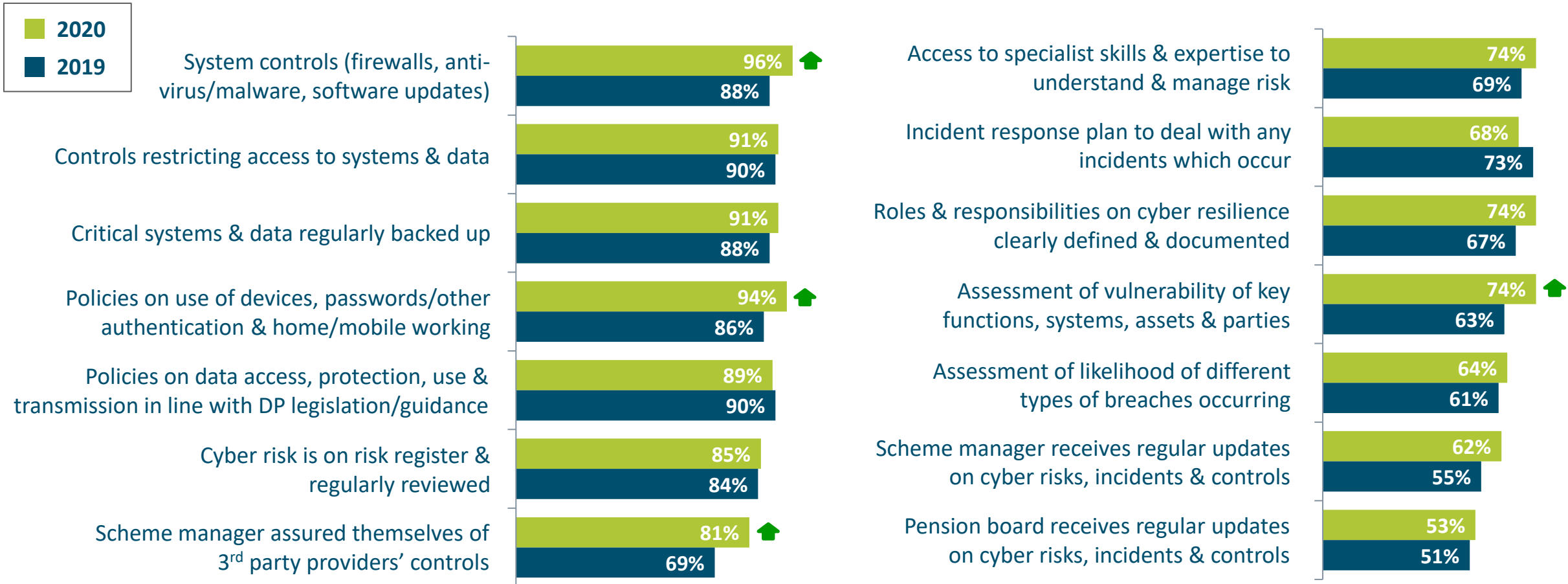
% rating as very/fairly important	Firefighters
	Addressing issues which impair your ability to run your scheme effectively
Implementing legislative change	98%
Meeting TPR’s expectations	98%
Improving members’ experience	98%
Increasing automation or administrator efficiency	91%
Reducing costs	57%
Moving to a new administration system or a new administrator	30%

Base: All respondents (Base, Don’t know, Did not answer question)  
 Schemes (193, 6%, 0%), Memberships (193, 1%, 0%), Other (11, 0%, 0%), Firefighters (47, 2%, 0%), Local Govt (93, 0%, 0%), Police (42, 24%, 0%)

Administration strategies were widespread among Other and Local Government schemes, but less common among Firefighters’ and Police schemes where this fell since 2019 (although 24% of Police schemes answered “Don’t know”).

▲ = Sig. higher than 2019  
▼ = Sig. lower than 2019

## Which of the following controls does your scheme have in place to protect your data and assets from 'cyber risk'?



(Results for Fire schemes only)

# Protection against cyber risk (number of controls in place)

(x%)  
= Change from 2019

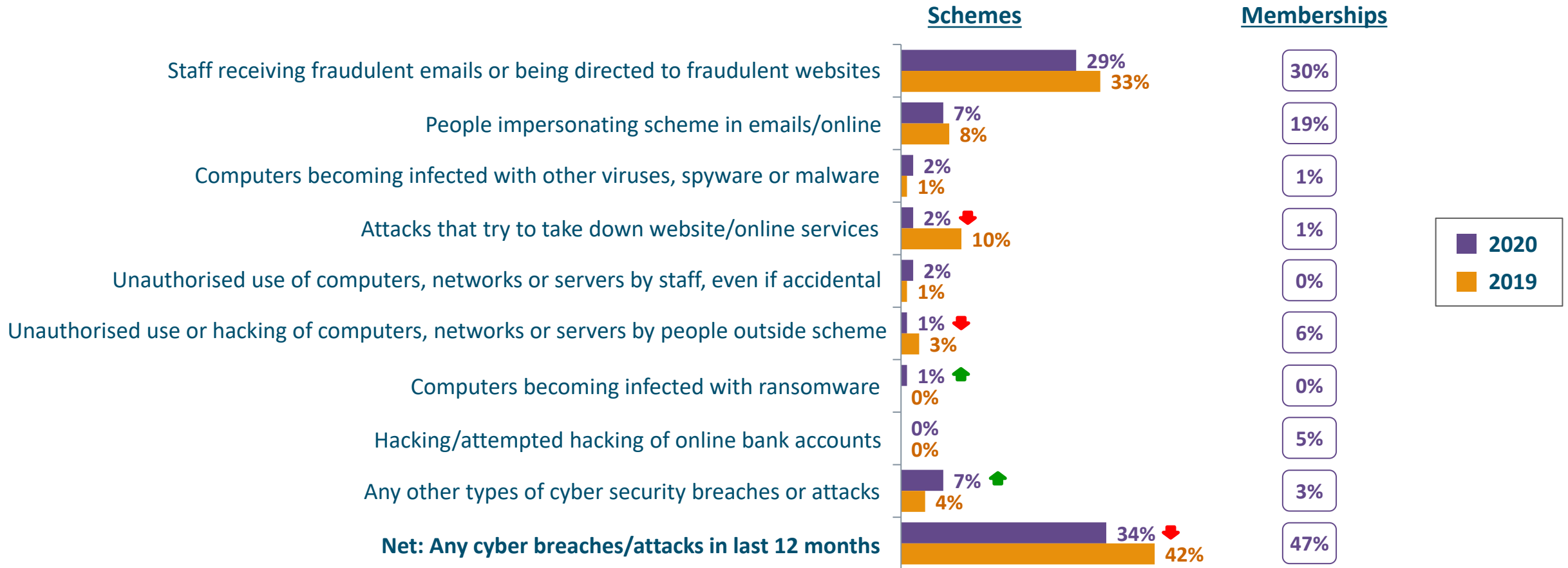
Number of cyber risk controls in place	Total	
	Schemes	Firefighters
<b>All 14 controls in place</b>	<b>32% (+3%)</b>	<b>38% (+1%)</b>
At least 13	42%	49%
At least 12	54%	55%
At least 11	64%	66%
At least 10	74%	72%
At least 9	79%	74%
At least 8	83%	83%
<b>At least 7 (i.e. half)</b>	<b>90% (+8%)</b>	<b>87% (+5%)</b>
At least 6	93%	91%
At least 5	94%	91%
At least 4	96%	96%
At least 3	97%	98%
At least 2	97%	98%
At least 1	99%	98%
Don't know/no response	1%	2%
<b>Mean number of controls in place</b>	<b>11</b>	<b>11</b>

Base: All respondents - Schemes (193), Memberships (193), Other (11), Firefighters (47), Local Govt (93), Police (42)

A third (32%) of schemes had all of the controls in place and 90% had at least half of them (up from 82% in 2019). Three-quarters of 'Other' schemes had all 14 controls (a notable increase from 37% last year)

▲ = Sig. higher than 2019  
▼ = Sig. lower than 2019

Have any of the following happened to your scheme (including at your administration provider) in the last 12 months?



Base: All respondents (Base, None of these, Don't know, Did not answer question) - Schemes (193, 60%, 5%, 2%), Memberships (193, 44%, 2%, 6%)

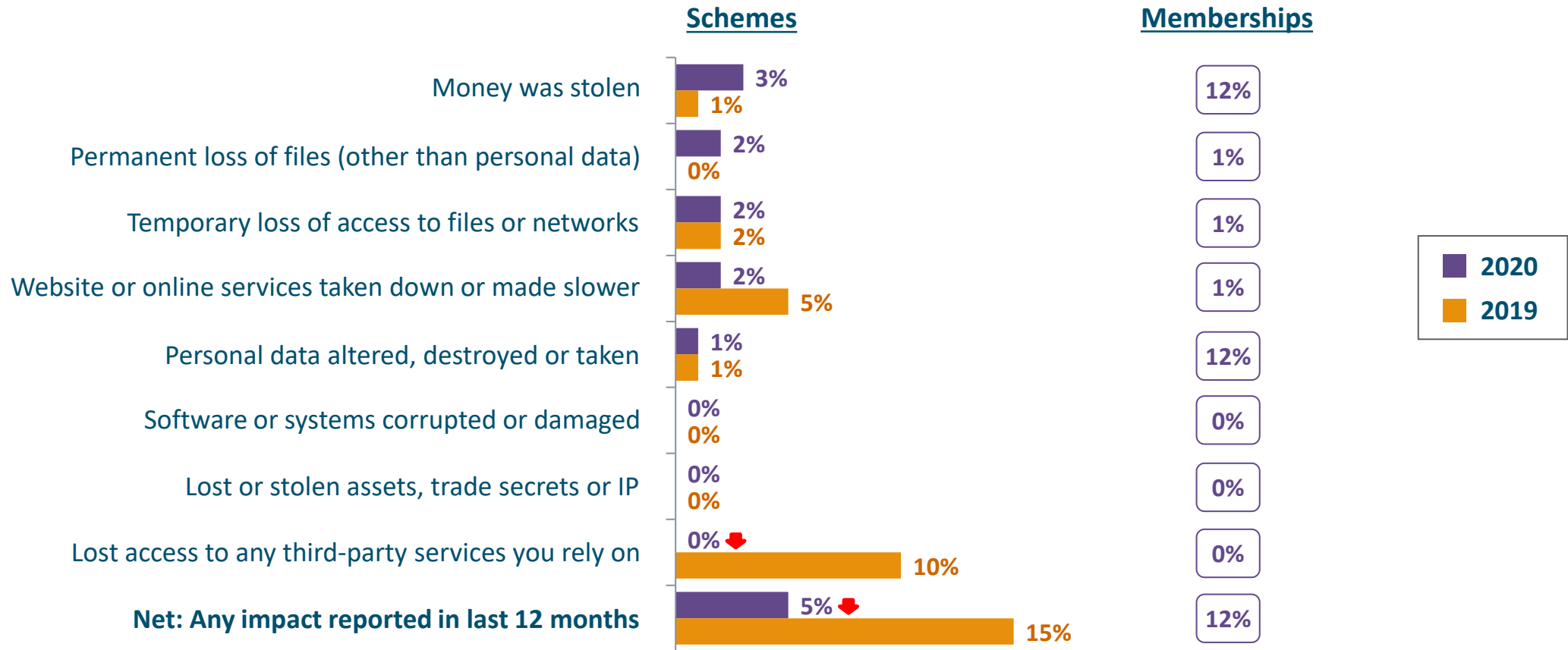
34% of schemes had experienced cyber breaches/attacks in the last 12 months, down from 42% in 2019. These schemes account for 47% of memberships.



# Impact of cyber security breaches/attacks

▲ = Sig. higher than 2019  
▼ = Sig. lower than 2019

Thinking of all the cyber security breaches or attacks experienced by your scheme in the last 12 months, which, if any, of the following happened as a result? *(All who experienced any cyber security breaches/attacks)*



Base: All experiencing cyber security breaches/attacks (Base, None of these, Don't know, Did not answer question) - Schemes (65, 92%, 2%, 2%), Memberships (65, 86%, 1%, 1%)

Just 5% of the schemes that experienced a cyber attack reported a negative impact, down from 15% in 2019. This equates to just 2% of all public service schemes (together covering 6% of memberships).

# Number of complaints received (grossed up)

Schemes were asked to provide the number of complaints received from members or beneficiaries in the last 12 months. These results are heavily influenced by scheme size, so to enable more meaningful comparisons across different scheme types the following analysis was undertaken:

- Calculation of estimated total number of complaints for each scheme type (by multiplying the mean by the total number of schemes)
- Comparison between the share of the total complaints accounted for by each scheme type and their share of all memberships
- Calculation of number of complaints per 1,000 members (i.e. total complaints divided by total memberships, multiplied by 1,000)

	Total schemes	Firefighters
Total memberships	18,360,832	123,431
Mean number of complaints	52	2
Total complaints (grossed up)	10,466	124
Share of all memberships	100%	1%
Share of all complaints	100%	1%
<b>Complaints per 1,000 members</b>	<b>0.6</b>	<b>1.0</b>
<b>Complaints per 1,000 members (2019)</b>	<b>0.7</b>	<b>0.6</b>

Scheme type	Mean % of complaints entering IDR
Firefighters	77% (+10%)
<b>Total</b>	<b>50% (-4%)</b>

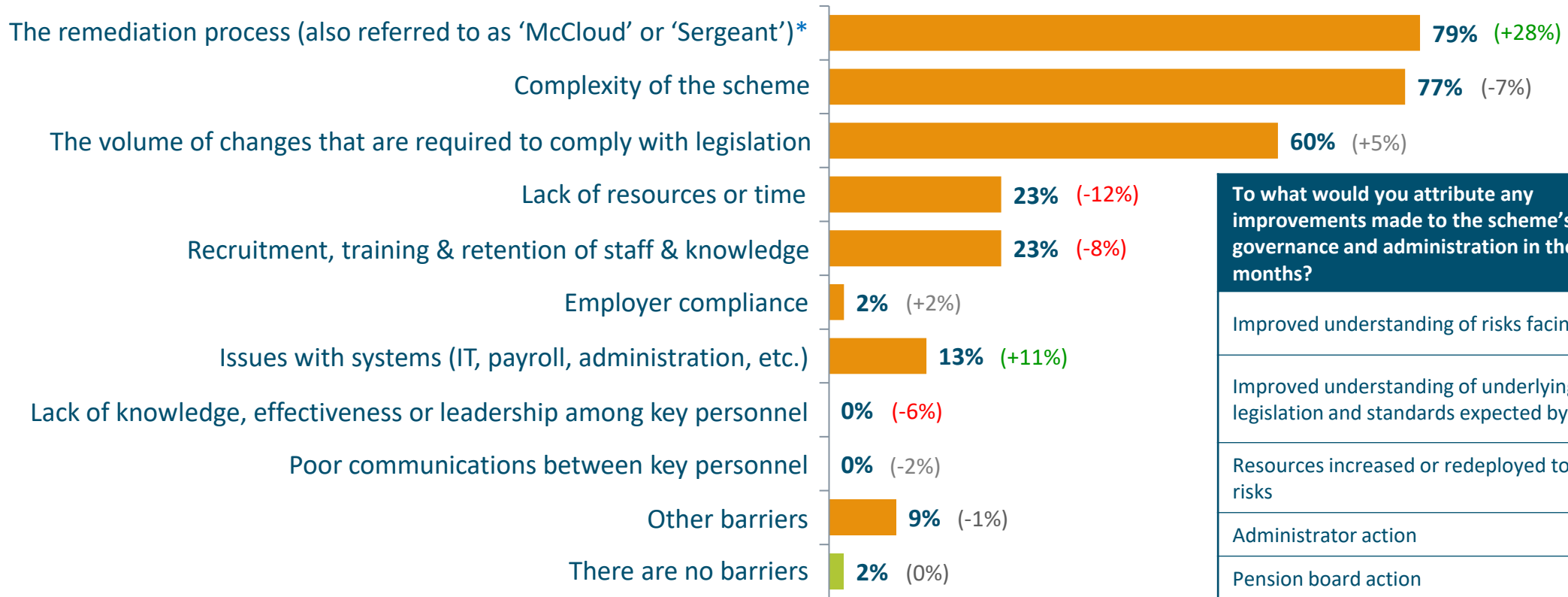
Scheme type	Mean % of complaints entering IDR that were upheld
Firefighters	25% (-5%)
<b>Total</b>	<b>22% (-6%)</b>

Base: All respondents (Base, Don't know, Did not answer question) - Schemes (193, 9%, 1%), Other (11, 9%, 0%), Firefighters (47, 4%, 2%), Local Govt (93, 9%, 1%), Police (42, 17%, 0%)

While 'Other' schemes received the greatest number of complaints, Firefighters' schemes had the highest ratio of complaints to memberships (although this was still just 1 per 1,000 members). Results broadly similar to 2019.

(x%)  
= Change from 2019

## What are the main three barriers to improving the governance and administration of your scheme over the next 12 months?



To what would you attribute any improvements made to the scheme's governance and administration in the last 12 months?	Firefighters
	Improved understanding of risks facing scheme
Improved understanding of underlying legislation and standards expected by TPR	43% (-14%)
Resources increased or redeployed to address risks	23% (-4%)
Administrator action	26% (-17%)
Pension board action	21% (-16%)
Scheme manager action	15% (-9%)
Improved engagement by TPR	13% (-1%)
Other	6% (-4%)
No improvements in last 12 months	17% (+11%)

\*The 2019 survey just asked about 'The McCloud judgement' whereas in 2020 this was expanded to 'The remediation process (also referred to as McCloud or Sergeant)'

**(Results for Fire schemes only)**