



Public service governance and administration survey 2019

Research report

Prepared for The Pensions Regulator (TPR)

By OMB Research (OMB)

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1. Executive summary

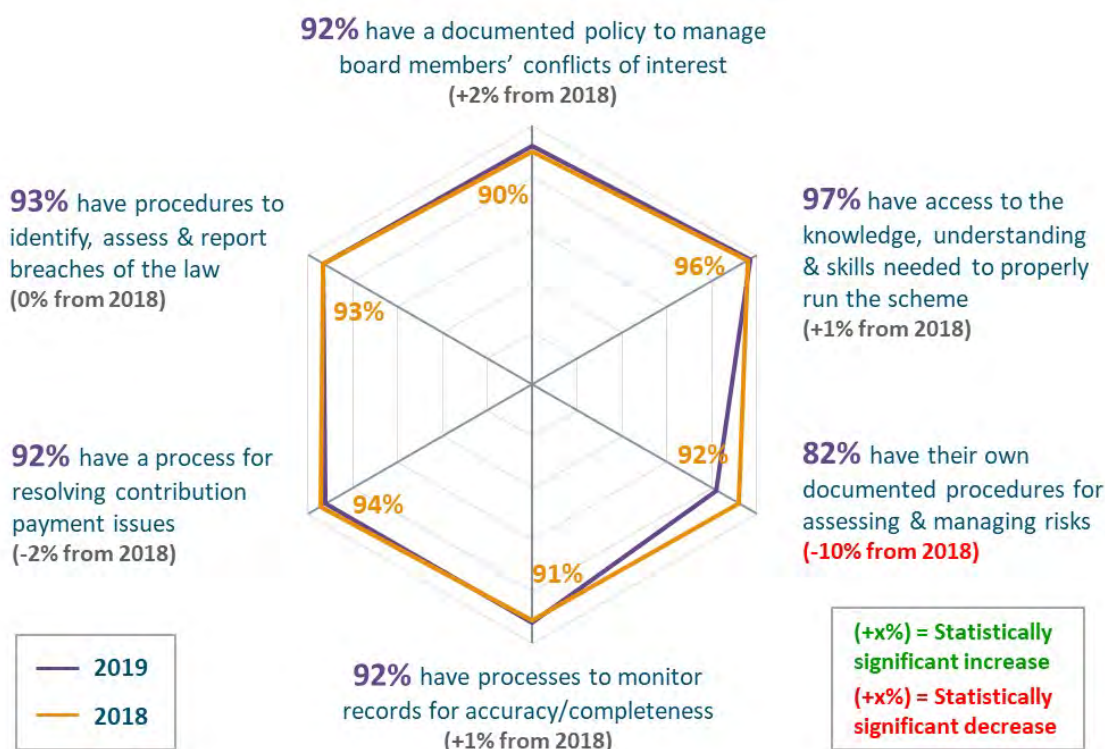
1.1 Key processes

Results for the key processes that TPR monitors as indicators of public service scheme performance were unchanged since 2018, aside from a decrease for risk management which was probably due to a change in the question. Approaching two-thirds (64%) of schemes had all six processes in place.

Results were consistent with the 2018 survey for five of the six key processes, with between 92% and 97% of schemes having these in place.

While the proportion of schemes with documented procedures for assessing and managing risks fell from 92% in 2018 to 82% in 2019, this was likely due to a questionnaire change in 2019. In previous years schemes were simply asked whether they had documented procedures for assessing and managing risk, whereas in 2019 they were asked if they had their 'own' documented procedures and were instructed to answer 'no' if they instead relied on their local authority's procedures.

Figure 1.1.1 Schemes' performance on key processes



Approaching two-thirds (64%) of schemes had all six of these key processes in place, together representing 71% of all memberships. This represents a decrease from 2018 (when 74% of schemes had all six), but this is again probably due to the change in the risk management question in 2019.

Approaching three-quarters (73%) of 'Other'¹ schemes and around two-thirds of Local Government (68%) and Police (64%) schemes had all six processes in place. This proportion was lowest for Firefighters' schemes (55%).

1.2 The pension board

Over half of schemes held four or more pension board meetings in the previous 12 months², an increase from 2018. The mean number of current board members at the time they completed the survey was 6.9.

Schemes held an average of 3.5 board meetings in the previous 12 months, with 57% reporting that they held four or more (+7 percentage points on 2018) and 17% that they met twice or less. 'Other' schemes were most likely to have held at least four board meetings in the previous 12 months (82% had) and Firefighters' schemes least likely (31% had).

On average 95% of board meetings were attended by the scheme manager or their representative, similar to 2018.

Two-thirds (67%) of schemes had more than five current board members at the time they completed the survey, and the mean number was 6.9. Just over a quarter (27%) of schemes had at least one vacant position on the board. Eight schemes (4%) reported that they had fewer current board members at the time they completed the survey than specified by their respective regulations³.

Over half (54%) of schemes had a succession plan for members of the pension board, rising to 80% of Police schemes.

In approaching two-thirds (61%) of schemes, the scheme manager had delegated responsibility for day-to-day decision making to another person. This was least likely to be the case for Local Government schemes (43%).

The majority of schemes (89%) felt that, over the previous 12 months, their pension board had been able to access all the information about the operation of the scheme that it needed to fulfil its functions. The vast majority also believed the board was able to obtain sufficient specialist advice on administration (99%) and legal matters (98%), but there was slightly less consensus on cyber-security (87%).

Three-quarters (76%) of schemes evaluated the board's knowledge, understanding and skills at least annually, a decline from the 82% seen in

¹ Centrally administered unfunded schemes, ie excluding relevant Local Government, Firefighters' and Police schemes.

² TPR sets an expectation that the governing boards of pension schemes should meet often enough to maintain effective oversight and control, which in most cases will be at least quarterly.

³ Six of these eight schemes reported that they had vacant positions on their board at the time they completed the survey. If these vacant positions were filled, then each of these six schemes would have met the minimum requirement for the number of pension board members for their type of scheme. The remaining two schemes that had fewer current board members at the time they completed the survey than required by their regulations were both Police schemes that did not report any vacant positions.

2018. This fall was driven by Police schemes, 60% of which evaluated the board at least annually (down from 82% in 2018). On average, pension board members received 11 hours of training per year in relation to their role on the board.

1.3 Managing risk

While the use of risk registers was consistent with the 2018 findings, the proportion with procedures for assessing and managing risks fell, probably due to a change to the question. A third of schemes had reviewed their exposure to new and existing risks at four or more board meetings in the previous 12 months.

Although most schemes (82%) said they had documented procedures for assessing and managing risks, this was lower than the 92% in 2018. This is probably due to a change in the survey question: in previous years schemes were simply asked whether they had documented procedures for assessing and managing risk, whereas this time they were asked if they had their 'own' documented procedures and were instructed to answer 'no' if they relied on their local authority's procedures. This is seen by the fall being primarily driven by Local Government schemes, where 80% said they had their own documented procedures compared with 96% in 2018 saying they had documented procedures.

Overall, 93% of schemes had their own risk register, consistent with the 94% seen in 2018. On average, schemes' exposure to new and existing risks had been reviewed at three-quarters (77%) of the pension board meetings held in the previous 12 months. Just over a third (35%) of schemes reported that risk exposure had been reviewed at four or more board meetings over this period.

Firefighters' schemes were less likely to have comprehensive risk management processes than the other types of public service scheme; 76% had their own documented procedures for assessing and managing risks, 86% had their own risk register and 20% had reviewed risk exposure at four or more board meetings in the previous 12 months.

1.4 Administration and record-keeping

Three-quarters of schemes had an administration strategy and, as in 2018, administration was included on the agenda at the majority of board meetings. Schemes typically used a range of approaches to measure administrator performance.

Most schemes (76%) had an administration strategy in place, although this was less widespread among Firefighters' schemes (57%). On average, administration was included on the agenda at 89% of the board meetings held in the previous 12 months (+3 percentage points on 2018), rising to 100% for 'Other' schemes.

The most common method used to measure administrator performance was comparing this against service level agreements or service schedules (85%).

The majority of schemes also assessed complaints volumes and trends (70%) and audited administration functions and systems (66%). 'Other' schemes used the widest range of measures, whereas Firefighters' schemes primarily relied on performance against service level agreements or service schedules and were less likely to also use other methods.

Most key administration processes were automated to at least some extent. The main barriers to further automation related to integration with existing systems, lack of technology and costs.

Full automation of key administration processes was relatively uncommon, but some degree of automation was more widespread. The production of benefit statements was most likely to be automated, with no schemes doing this entirely manually.

However, the reporting of complaints and issues was typically a manual process (73% of schemes did this entirely or mainly manually). In addition, two-fifths (40%) of schemes indicated that reconciliation of contributions was primarily done manually, and around a fifth said that verification and input of employer data (22%) and monitoring workload and resourcing (21%) were also primarily manual processes.

When asked what barriers they faced to automating more of the scheme's processes, the most common responses were difficulty in integrating it with their existing systems (39%), a lack of suitable technology (36%), the initial set-up costs (28%) and the poor quality of their data (20%).

Four in ten schemes (40%) said all their employers always provided timely data and a similar proportion (37%) said they always provided accurate and complete data, consistent with the 2018 results.

These proportions were lower for multi-employer schemes than single employer schemes. Less than one in ten (6%) multi-employer schemes said all their employers always provided timely data compared with nine in ten (89%) single employer schemes. Similarly, 3% of multi-employer schemes said all their employers always provided accurate and complete data compared with 84% of single employer schemes.

As in 2018, comparatively higher proportions reported that all their employers submitted data monthly (56%) and electronically (69%).

There were similar differences between multi-employer and single employer schemes, although to a lesser extent. Four in ten (39%) multi-employer schemes said all their employers submitted data monthly compared with eight in ten (80%) single employer schemes. Just over half (54%) of multi-employer schemes said all their employers submitted data electronically compared with nine in ten (92%) single employer schemes.

1.5 Cyber security

Schemes had a greater range of cyber risk controls in place than in 2018.

Schemes were asked about 14 specific cyber controls and four-fifths (82%) had at least half of these in place, up from three-quarters (74%) in 2018.

For 11 of the 14 cyber controls, the overall proportion of schemes with these in place was higher than in 2018. The greatest increases were seen for the pension board receiving regular updates (+23 percentage points), cyber risk being included on the risk register and regularly reviewed (+17 percentage points) and the scheme manager receiving regular updates (+13 percentage points).

Around four in ten schemes (42%) reported that they had experienced some kind of cyber breach or attack in the previous 12 months (compared with 49% in 2018). These incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (33%).

Most schemes that experienced any cyber breaches or attacks said that these had no impact, but 15% reported a negative impact (equating to 6% of all public service schemes). This was consistent with the 2018 survey.

Where negative impacts were reported, this tended to be loss of access to third-party services (10%) or the scheme's website or online services being taken down or made slower (5%).

1.6 Data reviews

The majority of schemes had completed a data review in the previous 12 months, had identified issues and were taking action to address them.

Nine in ten schemes (92%) had completed a data review in the previous 12 months (up from 83% in 2018). 'Other' and Local Government schemes were most likely to have completed a data review in this period (100% and 97% respectively), compared with 88% of Firefighters' and 82% of Police schemes.

Overall, 77% of schemes found issues during their most recently completed data review, most commonly with postcode (64%), first line of address (63%) or National Insurance (NI) number (56%).

Where schemes identified issues with postcode, first line of address or anticipated income at retirement these typically affected between 1-9% of memberships. Issues with other data items generally affected less than 1% of memberships.

A minority of schemes (4%) had put a data improvement plan in place and completed the rectification work. Most of the remainder had either put a data improvement plan in place but not yet completed rectification work (48%), were in the process of developing an improvement plan (15%) or had not identified any issues in their latest review (23%).

1.7 Annual benefit statements

Over nine in ten active members received their annual benefit statement by the statutory deadline in 2019, unchanged from 2018. However, fewer schemes achieved this for all their active members than in 2018.

Just over half (53%) of schemes reported that they met the statutory deadline for all their active members in 2019 (down from 66% in 2018). This proportion was highest for Firefighters' and Police schemes (67% and 60% respectively) but lower for 'Other' (45%) and Local Government (44%) schemes (both of which are primarily multi-employer schemes and typically have a greater number of members than Firefighters' and Police schemes).

Most schemes that missed the deadline for any active members did not report this to TPR (55%), while a third (33%) made a breach of law report. Both these results were consistent with those in 2018. Those schemes which did not report the missed deadline typically said this was because it was not seen as material because few statements were affected.

As in 2018, the vast majority of schemes (92%) reported that all of the statements they sent out contained all the data required by regulations.

1.8 Resolving issues

Around 12,000 complaints were estimated to have been made to public service schemes in the last year. This equated to 0.7 complaints per 1,000 members, the same ratio as in 2018.

On average, 54% of all complaints entered the Internal Dispute Resolution (IDR) process and 28% of these were upheld.

The types of complaints entering the IDR process varied by scheme type, but overall the most common complaints related to eligibility for ill health benefit (54%), disputes or queries about the amount of benefit paid (33%), and inaccuracies or disputes around pension value or definitions (27%).

1.9 Reporting breaches

As in 2018, over nine in ten schemes had procedures to identify breaches of the law (94%) and to assess the breaches and report them to TPR if required (96%).

A third of schemes (33%) identified breaches of the law in the previous 12 months (excluding those relating to annual benefit statements). Around a quarter of this group reported the breaches to TPR, equating to 8% of all schemes (down from 11% in 2018).

'Other' and Local Government schemes (which are typically larger and have a greater number of participating employers) were most likely to have identified breaches of the law (36% and 45%). In comparison, 13% of Police schemes identified any breaches, and none of these were reported to TPR.

1.10 Addressing governance and administration issues

Scheme complexity and the volume of changes required to comply with legislation were seen as the top barriers to improving scheme governance and administration in the next 12 months. The McCloud judgement was also a major (and new) concern.

The complexity of the scheme was identified as a main barrier to improving governance and administration by 63% of schemes. This was followed by the volume of changes required to comply with legislation (49%), the McCloud judgement (42%), lack of resources or time (39%) and the recruitment, training and retention of staff and knowledge (36%).

Almost all 'Other' schemes (91%) identified the McCloud judgement as one of their top barriers. This was also seen as a barrier by over half of Police (60%) and Firefighters' (51%) schemes, but fewer Local Government schemes (24%).

Improved governance and administration was primarily attributed to a better understanding of the risks facing the scheme and of the underlying legislation and standards expected by TPR.

Over half of schemes felt that the improvements they made to scheme governance and administration over the previous 12 months were down to an improved understanding of the risks facing the scheme (59%) and better understanding of the underlying legislation and the standards expected by TPR (57%).

1.11 Perceptions of TPR

More schemes agreed that TPR was 'decisive', 'respected' and 'evidence-based' than in 2018.

Schemes were most likely to agree that TPR was 'visible' and 'respected' (both 84%), and least likely to see it as 'decisive' and 'tough' (61% and 56% respectively).

As in 2018, TPR was widely felt to be effective at improving standards of governance and administration. It was also perceived to be effective at bringing about the right changes in behaviour among its regulated audiences and proactive at reducing serious risks to member benefits.

Overall, 87% of schemes judged TPR to be very or fairly effective at improving standards of governance and administration in public service pension schemes (consistent with the 88% seen in 2018). Around three-quarters agreed that it was effective at bringing about the right changes in behaviour among its regulated audiences (77%) and proactive at reducing serious risks to members' benefits (74%).

'Other' and Police schemes were more positive than Firefighters' and Local Government schemes for all of the above areas.

2. Introduction

2.1 Background

The Public Service Pensions Act 2013 and the Public Service Pensions Act (Northern Ireland) 2014 (together, the Public Service Acts) introduced new requirements for the governance and administration of public service pension schemes. Scheme managers must run their schemes according to these legal requirements, which generally came into force on 1 April 2015.

The Public Service Acts also gave TPR an expanded role to regulate the governance and administration of these schemes from 1 April 2015. TPR's code of practice for the governance and administration of public service pension schemes (the PSPS code) sets out the standards of conduct and practice it expects of those responsible, as well as practical guidance about how to comply with the legal requirements.

As part of its role, TPR is responsible for 206 public service schemes in respect of eight public service workforces, covering around 16.6 million memberships.

A survey was first undertaken in 2015 to assess how schemes were meeting the new requirements, and the standards to which they were being run. Further surveys have been run annually to provide a regular assessment of performance, understand barriers to improvement, and delve deeper into the top risks facing public service schemes.

2.2 Communications activities

TPR continues to engage with those acting in the public service pension scheme landscape. In 2019 this activity included:

- hosting and presenting at conferences, workshops and training events, and;
- regular pro-active engagement with scheme managers and scheme advisory boards.

The focus of this engagement is tailored to the audience and situation and ranges from overviews and summaries of scheme manager and pension board responsibilities and duties to focused presentations on key issues of importance such as cyber security, data improvement and governance.

3. Methodology

As with the previous surveys, an online self-completion approach was adopted for the following reasons:

- The large amount of data to collect would have made a telephone interview very long and burdensome for respondents.
- It was anticipated that many schemes would need to do some checking/verification to answer the questions accurately.
- The range of information requested meant that it was important to allow more than one person at the scheme to contribute.

Owing to the nature and the amount of information required, a carefully structured research approach was necessary, giving respondents early warning of the kinds of information that we were seeking to collect and allowing them to devote an appropriate amount of time and effort to providing accurate and reliable information, liaising with colleagues if needed. Therefore, a multi-stage approach was adopted:

- **Stage 1:** Pre-notification emails were sent by TPR to the pension board chairs and scheme managers to explain the nature of the research, introduce OMB, alert schemes that their participation would be requested and ask them to let OMB know whether the scheme manager or their representative would be completing the survey and, if necessary, provide their contact details.
- **Stage 2:** OMB sent a tailored invitation email to each scheme manager or their chosen representative. This contained a unique survey URL and a link to a 'hard copy' of the questionnaire (for reference when compiling information prior to completion).
 - In the case of referrals, sample details were updated so that the most appropriate person was contacted going forward.
- **Stage 3:** OMB sent a further two tailored reminder emails to schemes that had either not started the survey or had only partially completed it.
- **Stage 4:** OMB executives undertook a phase of telephone chasing with non-responders. These calls ensured that the invitation email had been received, confirmed the identity of the most appropriate individual to complete the survey and encouraged schemes to take part.

The approach was supported by other TPR communications and engagement (including promotion by key stakeholders such as scheme advisory boards).

3.1 Sampling

The sample for this research was extracted from TPR's scheme registry database. The target audience was scheme managers of open public service schemes or their representatives.

For the purpose of the survey, each locally-administered section of relevant Firefighters', Police and Local Government schemes was treated as a separate scheme, forming a total universe of 206 schemes.

Scheme managers or their representatives were asked to work with the pension board chair to complete the survey and, where necessary, seek input from others with specialist knowledge (eg the scheme administrator).

3.2 Fieldwork

All surveys were completed between 6 November 2019 and 9 January 2020. In total, 202 of the 206 public service pension schemes completed the survey. This equates to a 98.1% response rate, covering 99.8% of all memberships.

Table 3.2.1 Interview numbers and universe

Scheme type	Interviews	Schemes		Memberships	
		Universe	Survey coverage	Universe	Survey coverage
Other	11	11	100.0%	9,528,824	100.0%
Firefighters	49	50	98.0%	119,356	97.5%
Local Government	97	99	98.0%	6,614,407	99.7%
Police	45	46	97.8%	374,136	98.7%
Total	202	206	98.1%	16,636,723	99.8%

Approaching three-quarters (70%) of the completed surveys were submitted in response to the initial email and reminders, with the remainder submitted during the telephone chasing phase.

3.3 Respondent profile

Scheme managers or their representatives contributed to 85% of submitted surveys, and directly completed it in 70% of cases. Over half (54%) of the surveys were completed with input from the pension board chair, with other board members involved in 26%. Two-thirds (66%) involved consultation with the scheme administrator.

Table 3.3.1 Respondent role

Respondent role	Completed	Consulted	Total
Scheme manager	28%	17%	45%
Representative of the scheme manager ⁴	42%	30%	60%
Pension board chair	4%	50%	54%
Pension board member ⁴	5%	22%	26%
Administrator	13%	53%	66%
Other	8%	14%	21%
Net: Scheme manager/representative	70%	43%	85%
Net: Pension board chair/member	9%	55%	60%

3.4 Analysis and reporting conventions

Throughout this report, results are reported at an aggregate level for all respondents and by cohort: Local Government, Firefighters', Police and 'Other'⁵ schemes. The cohorts are grouped in this way to reflect the different governance structures, funding methods and employer profiles.

To ensure that results are representative of all public service pension schemes, the data throughout this report is shown weighted. **Scheme** data has been weighted based on the number of public service schemes of each type. **Membership** data has been weighted based on the total number of memberships in each scheme type. It should be noted that the membership-weighted results are heavily influenced by the 'Other' schemes, which account for 57% of all memberships. The narrative commentary in this report therefore typically focuses on the scheme-weighted findings.

Where available and comparable, the results from previous PSPS governance and administration surveys have been included⁶.

When interpreting the data presented in this report, please note that results may not sum to 100% due to rounding and/or due to respondents being able to select more than one answer to a question.

⁴ For 'representative of the scheme manager' and 'pension board member', the **total** percentage is lower than the sum of the **completed by** and **consulted with** percentages. This is because there can be more than one person at the scheme in these roles, and in some cases, one completed the survey, and another consulted on it, so they appear in both these columns (but only count once in the total column).

⁵ Centrally administered unfunded schemes, ie excluding relevant Local Government, Firefighters' and Police schemes.

⁶ Although data was reported unweighted in the published 2015 report, weights have been retrospectively applied to this data to ensure direct comparability with the results from subsequent surveys. For this reason, the 2015 figures do not always exactly match those in the published 2015 report.

Data presented in this report are from a sample of public service schemes rather than the total population. This means the results are subject to sampling error.

Differences between cohorts and different years of the research have been tested for statistical significance, using finite population correction (ie reflecting that 98% of the total public service scheme universe completed the survey).

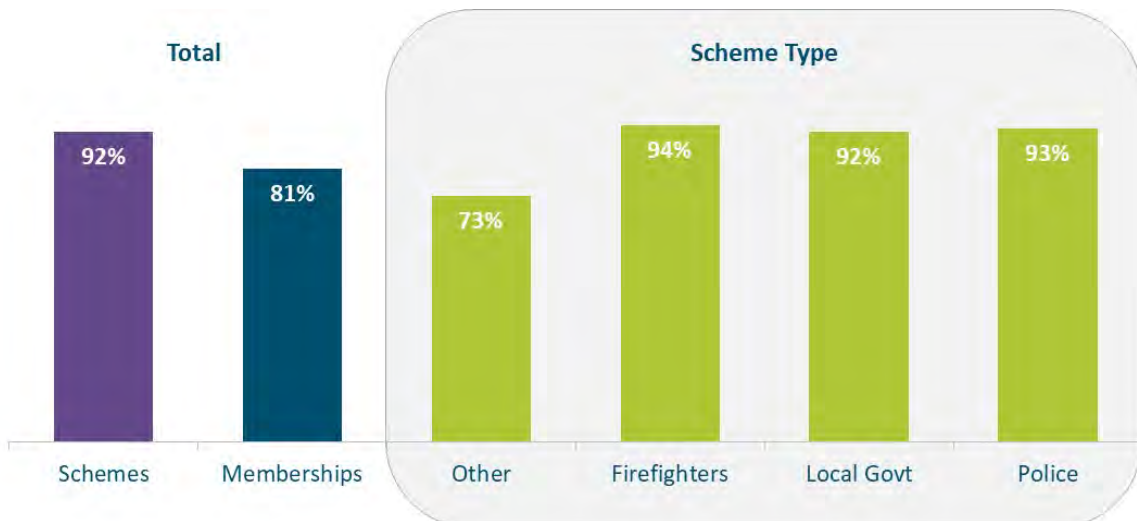
Differences are commented on in the text only if they are statistically significant at the 95% confidence level. This means there is no more than a 5% chance that any reported differences are not real but a consequence of sampling error.

4. Research findings

4.1 Scheme governance

Overall, 92% of schemes had a documented policy to manage board members' conflicts of interest, representing 81% of memberships. 'Other' schemes were least likely to have a conflicts of interest policy in place (73%).

Figure 4.1.1 Proportion of schemes with a documented policy to manage pension board members' conflicts of interest



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 1%), Memberships (202, 0%, 6%), Other (11, 0%, 9%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 2%, 2%)

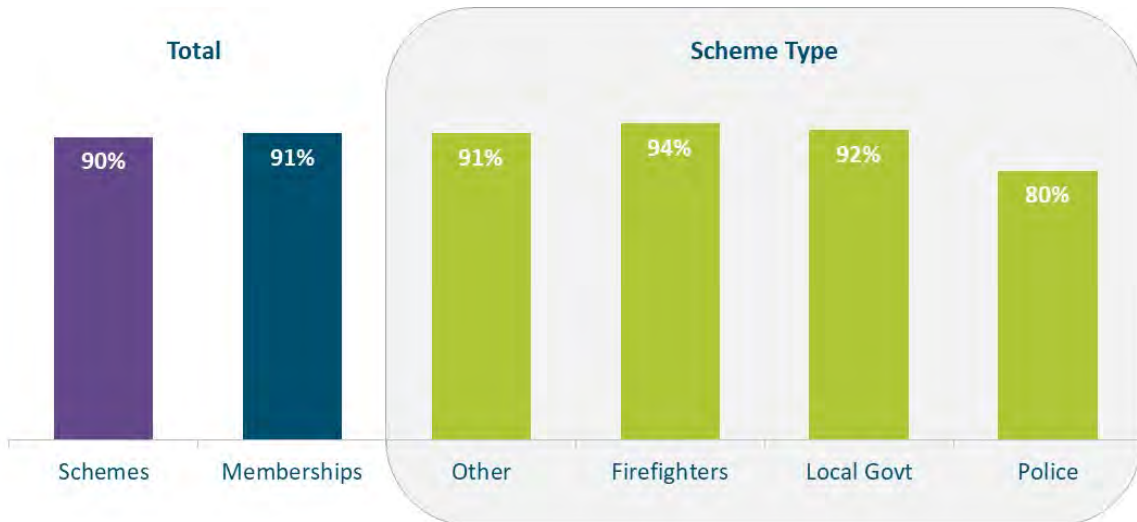
The overall proportion of schemes with a documented policy to manage conflicts of interest was unchanged compared with 2018 (92% in 2019 and 90% in 2018). There was an increase for Firefighters' schemes over this period (+9 percentage points) and a decrease for 'Other' schemes (-9 percentage points). However, the latter change related to just one of the 11 'Other' schemes.

Table 4.1.1 Proportion of schemes with a documented policy to manage pension board members' conflicts of interest – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	92%	73%	94%	92%	93%
PSPS Survey 2018	90%	82%	85%	93%	91%
PSPS Survey 2017	92%	91%	94%	92%	91%
PSPS Survey 2016	81%	100%	80%	85%	71%
PSPS Survey 2015	85%	100%	79%	87%	86%

As detailed below, 90% of schemes maintained a register of pension board members' interests. This was lowest among Police schemes (80%).

Figure 4.1.2 Proportion of schemes that maintained a register of pension board members' interests



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 2%), Memberships (202, 0%, 6%), Other (11, 0%, 9%), Firefighters (49, 0%, 2%), Local Government (97, 0%, 1%), Police (45, 11%, 2%)

The proportion of schemes with a register of interests was the same as in the 2018 survey (90% in each case). There was a decrease among 'Other' schemes (-9 percentage points) but this related to just one scheme that indicated they had a register of interests in 2018 but did not answer the question in 2019.

Table 4.1.2 Proportion of schemes that maintained a register of pension board members' interests – Time series

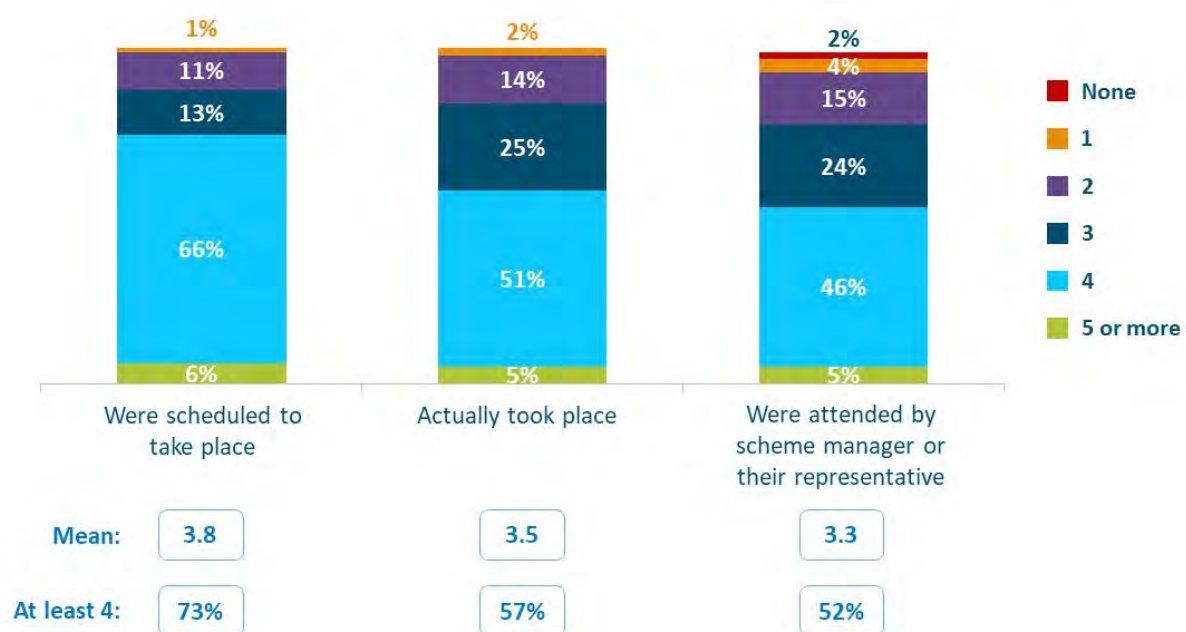
	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	90%	91%	94%	92%	80%
PSPS Survey 2018	90%	100%	93%	89%	86%
PSPS Survey 2017	84%	91%	92%	86%	70%
PSPS Survey 2016	85%	100%	86%	87%	74%
PSPS Survey 2015	75%	92%	57%	77%	86%

On average, schemes had scheduled 3.8 pension board meetings in the previous 12 months, with three-quarters (73%) of schemes scheduling four or more board meetings over that period.

However, not all the scheduled meetings went ahead; schemes reported that they held an average of 3.5 board meetings in the previous 12 months, with 57% holding four or more. A minority of schemes (17%) reported that their pension boards had met twice or less in the previous 12 months.

Most pension board meetings were attended by the scheme manager or their representative. On average they had attended 3.3 meetings in the previous 12 months. Just over half (52%) of schemes indicated that the scheme manager or their representative had attended at least four board meetings during that period.

Figure 4.1.3 Number of pension board meetings in last 12 months



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%-1%, 1%)

Across all schemes, the mean proportion of scheduled pension board meetings that actually took place was 94%. On average, 95% of the meetings that took place were attended by the scheme manager or their representative.

Table 4.1.3 Proportion of pension board meetings that went ahead and were attended by scheme manager/representative

	Total schemes
Base: All respondents	202
% of scheduled meetings that took place (mean)	94%
% of meetings taking place attended by scheme manager/representative (mean)	95%

Every 'Other' scheme (100%) had scheduled at least four board meetings in the previous 12 months, and they were most likely to have held at least four meetings over this period (82%). The pension boards of Firefighters' schemes met least frequently, with 31% holding four or more meetings in the previous 12 months (and a mean of 2.9 meetings).

Table 4.1.4 Number of pension board meetings in last 12 months - by scheme type

		Scheme Type			
		Other	Firefighters	Local Govt	Police
<i>Base: All respondents</i>		11	49	97	45
Scheduled to take place	Mean	4.0	3.2	3.9	4.1
	At least 4	100%	49%	74%	89%
Actually took place	Mean	3.7	2.9	3.7	3.6
	At least 4	82%	31%	67%	58%
Attended by scheme manager/representative	Mean	3.7	2.7	3.7	3.3
	At least 4	82%	24%	65%	47%
% of scheduled meetings that took place (mean)		93%	91%	97%	90%
% of meetings taking place attended by scheme manager/representative (mean)		100%	93%	98%	92%

Larger schemes typically held a greater number of board meetings; 74% of schemes with over 30,000 memberships had at least four meetings in the previous 12 months, compared with 58% of those with 5,001-30,000 memberships, 47% of those with 2,001-5,000 memberships and 31% of those with 2,000 or fewer memberships.

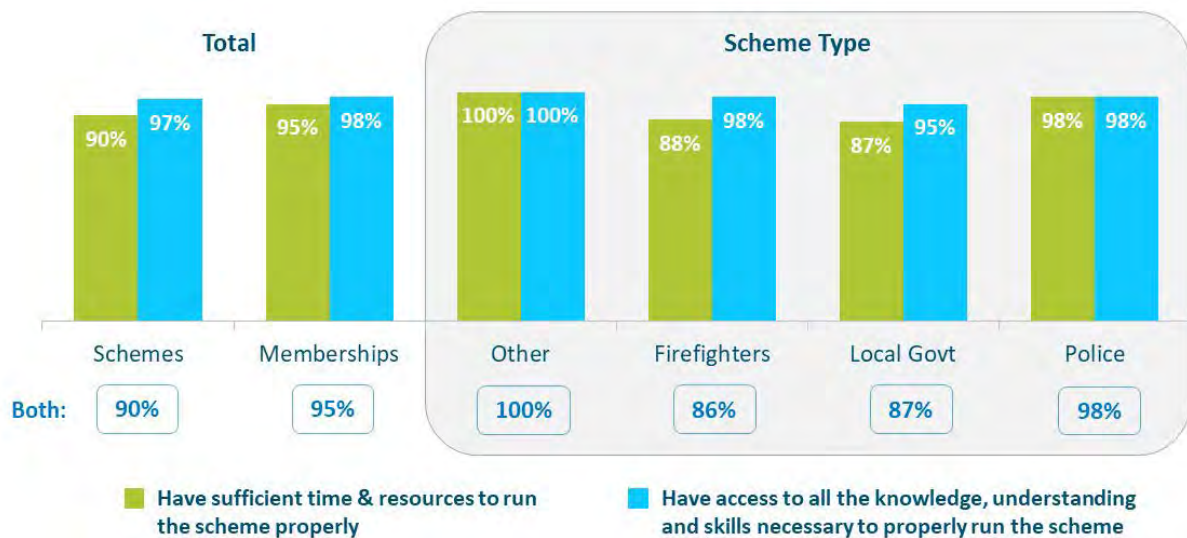
The smallest single employer schemes (with 2,000 or fewer memberships) held board meetings least frequently; 28% had four or more in the previous 12 months.

Schemes were asked whether the scheme manager and pension board had sufficient time and resources to run the scheme properly, and whether they had access to all the necessary knowledge, understanding and skills.

Figure 4.1.4 shows that 97% believed the scheme manager and pension board had access to all the knowledge and skills necessary to properly run the scheme. Schemes were comparatively less likely to report that they had sufficient time and resources, but 90% still agreed this was the case.

Every 'Other' scheme felt they had sufficient knowledge, understanding and skills, and sufficient time and resources.

Figure 4.1.4 Scheme manager and pension board resources and knowledge



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1-2%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 2-3%, 1%), Police (45, 0%, 2%)

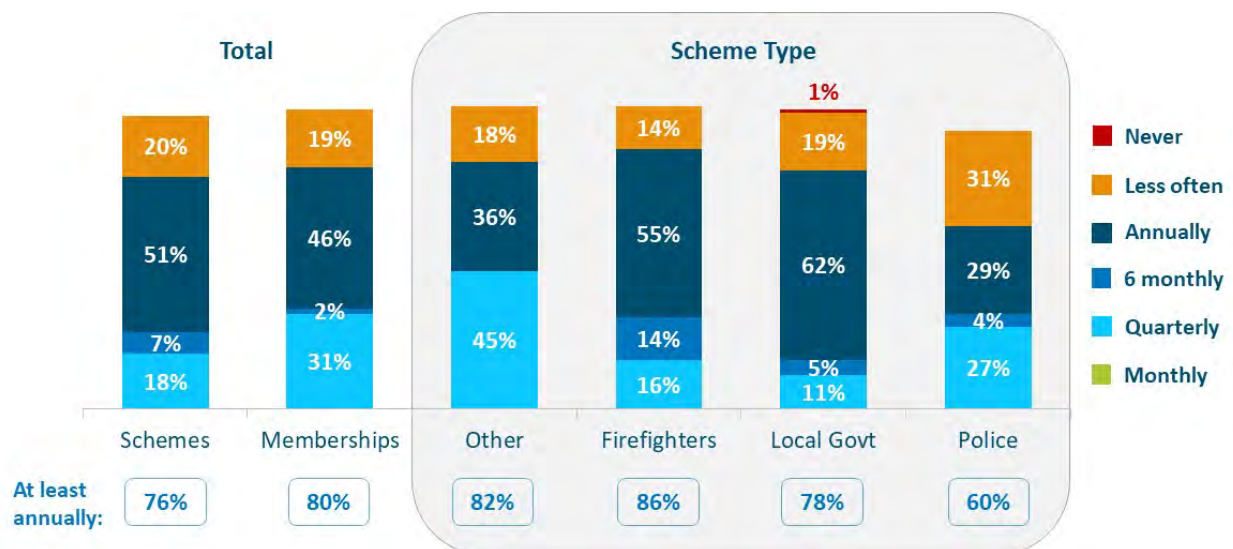
The proportion of schemes reporting that their scheme manager and pension board had sufficient time and resources increased between 2017 and 2018 (for all types of scheme), but there was no change between 2018 and 2019.

Similarly, there was no change since 2018 in the overall proportion indicating that their scheme manager and pension board had access to all the necessary knowledge, understanding and skills. However, there was an increase for Police schemes (+5 percentage points), returning to the levels seen in 2017.

Table 4.1.5 Scheme manager and pension board resources and knowledge – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Sufficient time and resources to run the scheme properly ⁷					
PSPS Survey 2019	90%	100%	88%	87%	98%
PSPS Survey 2018	91%	100%	87%	89%	95%
PSPS Survey 2017	81%	82%	82%	84%	74%
Access to all the knowledge, understanding and skills necessary to properly run the scheme					
PSPS Survey 2019	97%	100%	98%	95%	98%
PSPS Survey 2018	96%	100%	98%	96%	93%
PSPS Survey 2017	95%	91%	92%	97%	98%
PSPS Survey 2016	93%	100%	94%	93%	89%
PSPS Survey 2015	73%	92%	36%	85%	82%

In the majority of cases (76%) the scheme manager or pension board carried out an evaluation of the board's knowledge, understanding and skills at least annually. This proportion was lowest for Police schemes, where almost a third (31%) did not evaluate their board at least annually.

Figure 4.1.5 Frequency of scheme manager or pension board carrying out an evaluation of the knowledge, understanding and skills of the board in relation to running the scheme

All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 1%, 1%), Police (45, 7%, 2%)

⁷ This question was not asked in 2015 or 2016 so no comparable data is available.

There was a decline since 2018 in the proportion of schemes that evaluated their board at least annually, from 82% to 76%. This was driven by a fall for Local Government and Police schemes (-8 and -22 percentage points respectively). In comparison, there was an increase for both 'Other' and Firefighters' schemes (+18 and +10 percentage points respectively).

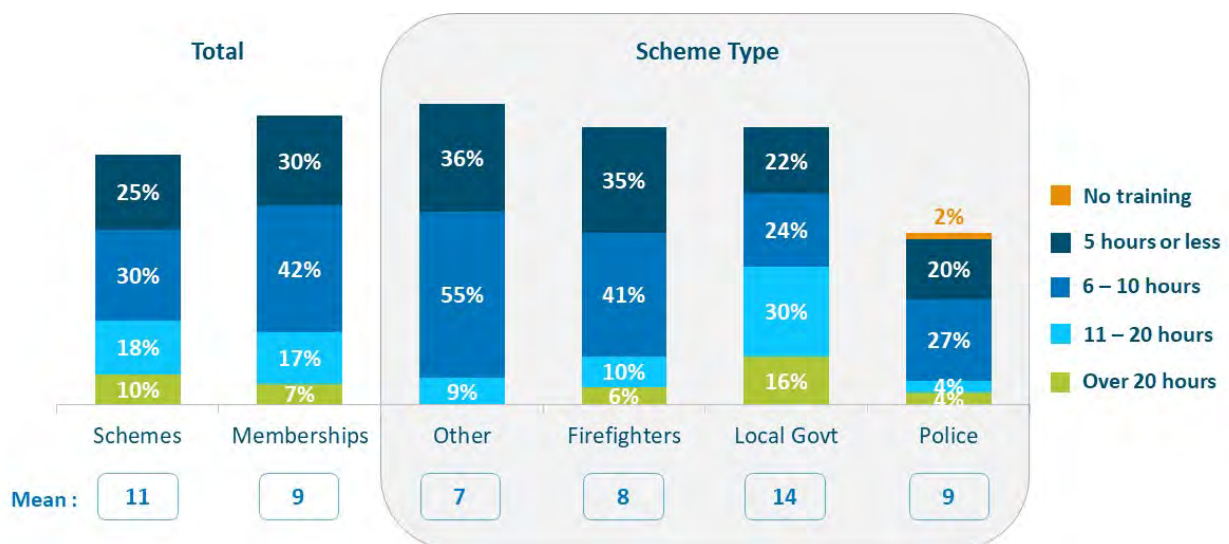
Table 4.1.6 Proportion of schemes that carried out an evaluation of the knowledge, understanding and skills of the board at least annually – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	76%	82%	86%	78%	60%
PSPS Survey 2018	82%	64%	76%	86%	82%

As shown in Figure 4.1.6, pension board members received an average of 11 hours training per year in relation to their role on the board. Training levels varied widely, with 10% of schemes reporting that board members received over 20 hours per year but 25% indicating that it was five hours or less.

Local Government schemes had the highest number of hours of training, with an average of 14 hours per board member. While the mean for Police schemes was nine hours, a large proportion (40%) of this cohort did not know how many hours of training their board members received.

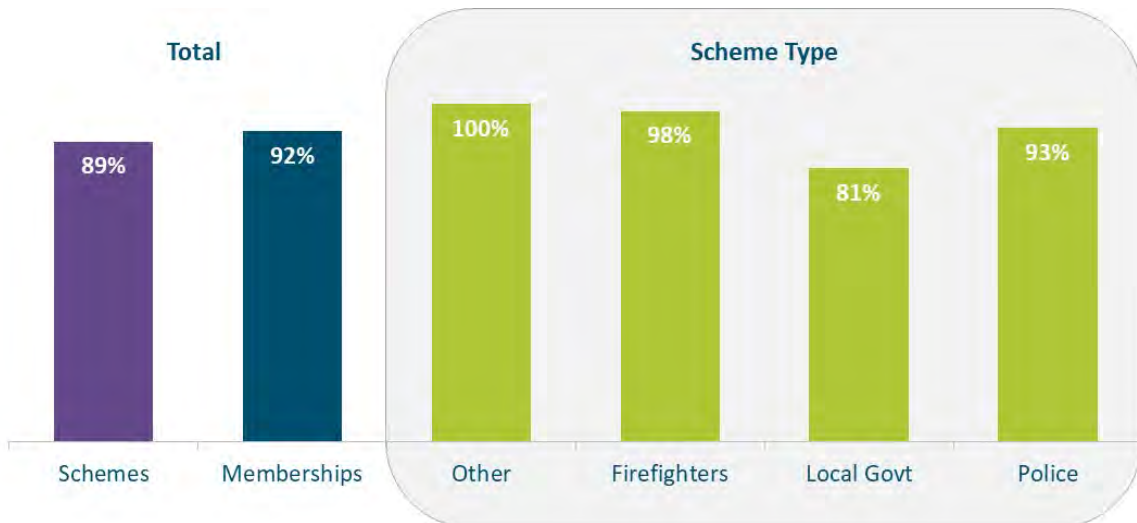
Figure 4.1.6 Hours of training per year for each pension board member in relation to their role on the board



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 13%, 2%), Memberships (202, 3%, 1%), Other (11, 0%, 0%), Firefighters (49, 8%, 0%), Local Government (97, 5%, 3%), Police (45, 40%, 2%)

Most schemes (89%) believed that their pension board had access to all the information about the operation of the scheme it had needed to fulfil its functions in the previous 12 months. While Local Government schemes were least likely to report this (81%), 13% of this group either did not know if the board had access to all the information needed or did not answer the question.

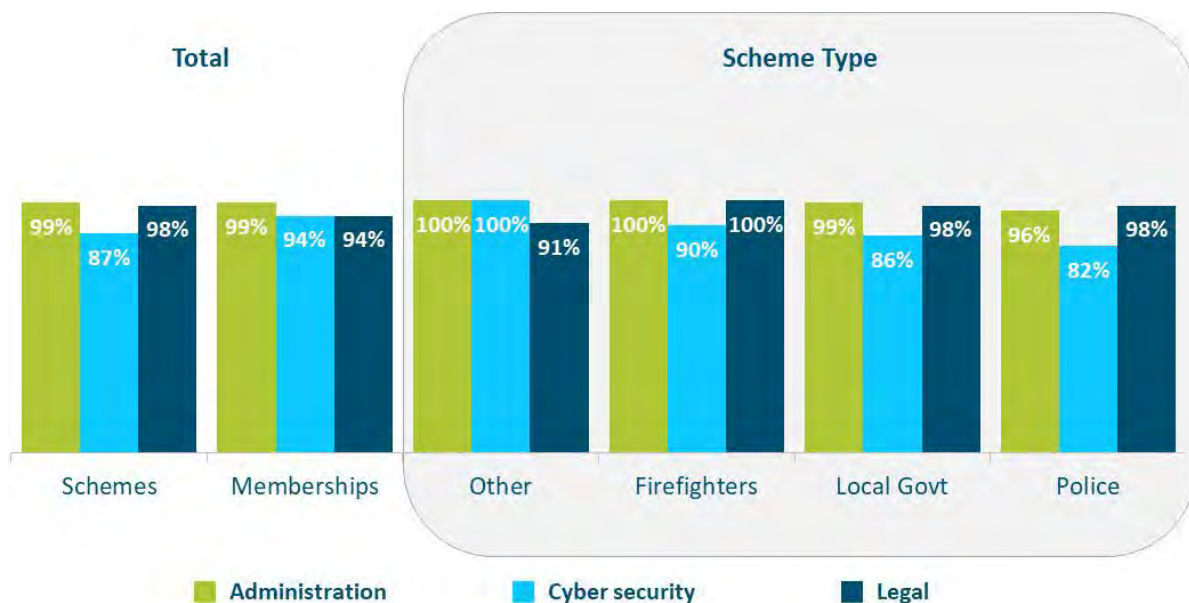
Figure 4.1.7 Proportion of schemes where pension board had access to all the information about the operation of the scheme it needed to fulfil its functions in last 12 months



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 7%, 1%), Memberships (202, 5%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 12%, 1%), Police (45, 4%, 2%)

Almost all schemes felt that, when needed, their pension board was able to obtain sufficient specialist advice on administration (99%) and legal matters (98%). While most also felt the board could access the necessary specialist advice on cyber security, this proportion was comparatively lower (87%).

Figure 4.1.8 Proportion of schemes where pension board was able to obtain sufficient specialist advice on administration, cyber security and legal matters when needed



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1%-7%, 0%), Memberships (202, 0%-5%, 0%), Other (11, 0%-9%, 0%), Firefighters (49, 0%-4%, 0%), Local Government (97, 0%-8%, 1%), Police (45, 2%-11%, 0%)

As shown in Table 4.1.7, two-thirds (67%) of schemes had more than five current members on their pension board at the time they completed the survey. The mean number of current board members was 6.9 (compared with 6.8 in the 2018 survey).

Table 4.1.7 Number of current pension board members

	Total schemes
<i>Base: All respondents</i>	202
2-3 current board members	2%
4-5 current board members	30%
6-7 current board members	29%
8-9 current board members	21%
10+ current board members	17%
Mean number of current board members	6.9
Don't know	0%
Did not answer question	0%

Eight schemes (4%) reported that they had fewer current board members at the time they completed the survey than specified by their respective regulations. Of these, four were Local Government and four were Police schemes.

Schemes were also asked to provide details of the number of vacant positions on their board, the number of board members that had left in the previous 12 months and the number of members appointed in this period.

While the majority of schemes (75%) reported that one or more board members had left in the previous 12 months, 74% indicated that at least some of these had been replaced with new appointments. Just over a quarter (27%) of schemes had any vacant positions on the board at the time they completed the survey.

Table 4.1.8 Turnover of pension board members

	Vacant positions	Members that left in last 12 months	Members appointed in last 12 months
<i>Base: All respondents</i>	202	202	202
0	71%	22%	24%
1	19%	38%	30%
2	5%	21%	29%
3	2%	11%	8%
4+	0%	5%	6%
Net: 1+	27%	75%	74%
Mean	0.4	1.4	1.5
Don't know	1%	1%	1%
Did not answer question	1%	1%	1%

Further analysis was conducted to assess the total number of board positions in each scheme. The number of 'total positions' on the board was calculated by combining the number of current board members and number of vacant positions.

As shown in Table 4.1.9, the mean number of total positions was 7.2. On average, schemes reported that 20% of the total positions on their board had left in the previous 12 months and 21% had been appointed in the previous 12 months. The mean proportion of total board positions that were vacant at the time the schemes completed the survey was 5%.

Table 4.1.9 Number of total pension board positions (current members plus vacant positions)

	Total schemes
<i>Base: All respondents</i>	202
Mean number of total positions on board (current + vacant)	7.2
Mean % of total positions that are vacant	5%
Mean % of total positions that left in last 12 months	20%
Mean % of total positions appointed in last 12 months	21%

'Other' schemes tended to have the greatest number of current board members (a mean of 11.1) and Firefighters' schemes had the fewest (a mean of 5.4). Police schemes had the fewest vacant board positions (a mean of 0.1).

Table 4.1.10 Number and turnover of pension board members – by scheme type

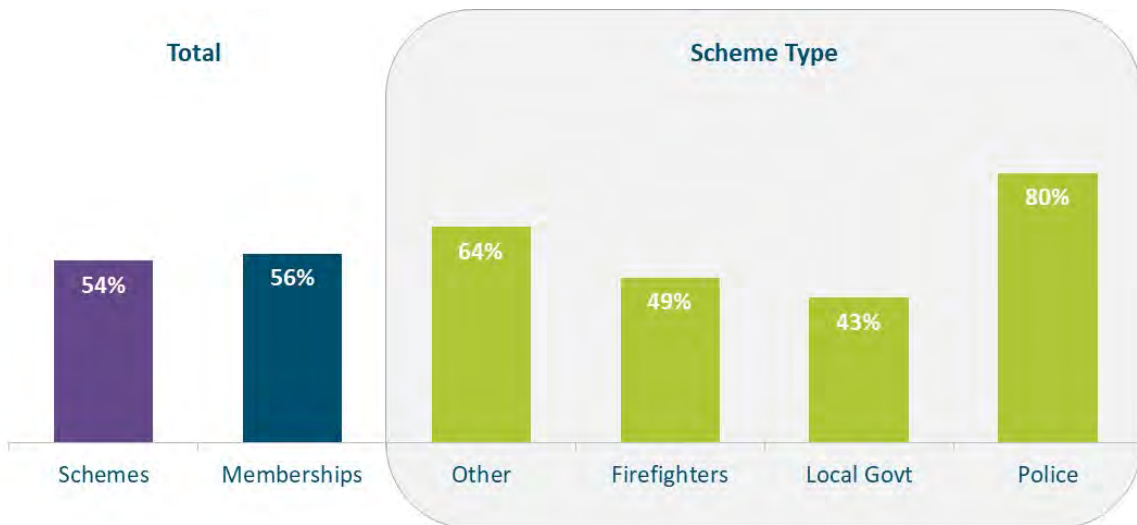
	Scheme Type			
	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	11	49	97	45
Mean no. of current board members	11.1	5.4	6.4	8.7
Mean no. of vacant positions	0.6	0.3	0.5	0.1
Mean no. of board members that left in last 12 months	1.9	1.1	1.3	1.7
Mean no. of board members appointed in last 12 months	1.8	1.3	1.3	2.0
Mean % of total positions that are vacant	6%	5%	7%	1%
Mean % of total positions that left in last 12 months	18%	20%	19%	21%
Mean % of total positions appointed in last 12 months	17%	22%	19%	23%

As mentioned previously, eight schemes had fewer current board members at the time they completed the survey than specified by their respective regulations. Six of these schemes had vacant positions on their board. If these vacant positions were filled, each of these six schemes would have met the minimum requirement for the number of pension board members for their type of scheme.

The remaining two schemes that had fewer current board members than required by their regulations were Police schemes that did not report any vacant positions.

Over half (54%) of schemes had a succession plan in place for members of the pension board. This differed widely by scheme type, ranging from 80% of Police schemes to 43% of Local Government.

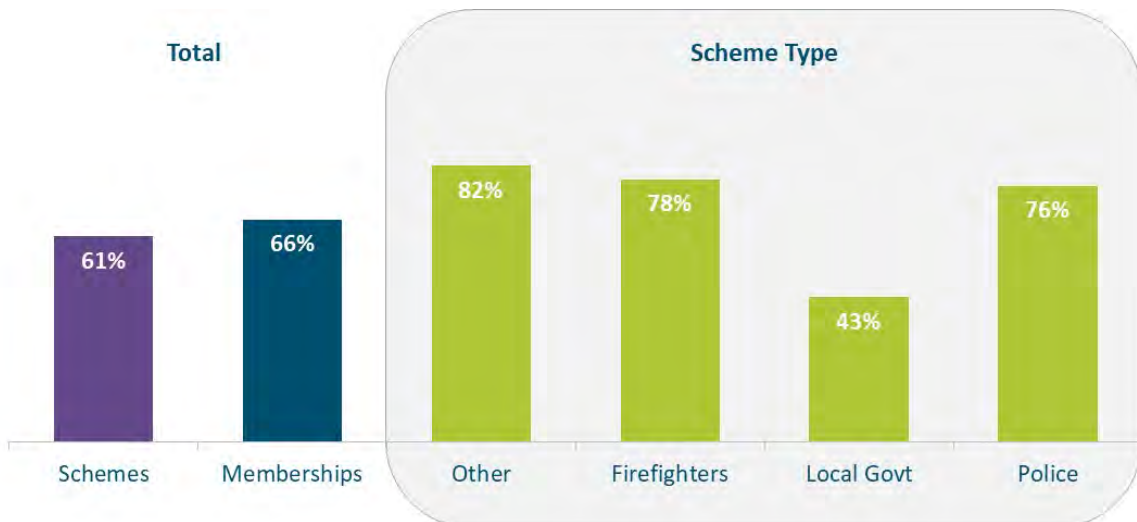
Figure 4.1.9 Proportion of schemes with a succession plan in place for pension board members



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 4%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 2%, 1%), Police (45, 9%, 2%)

Overall, 61% of schemes reported that the scheme manager had delegated responsibility for making the day-to-day decisions needed to run the scheme to another person. This was least likely to be the case among Local Government schemes (43%).

Figure 4.1.10 Proportion of schemes where scheme manager delegated responsibility for making day-to-day decisions to another person

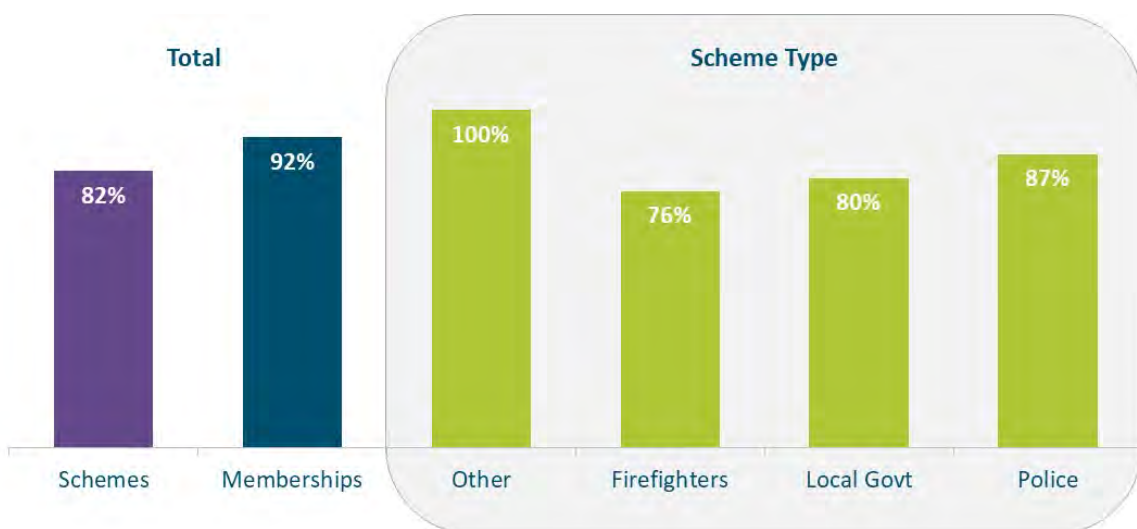


All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 2%, 0%)

4.2 Managing risk

Around eight in ten schemes (82%) had documented procedures for assessing and managing risk. Every 'Other' scheme had these in place (100%), but Firefighters' schemes were least likely to do so (76%).

Figure 4.2.1 Proportion of schemes with their own documented procedures for assessing and managing risk



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 0%, 0%)

Following a pattern of improved risk management between 2015 and 2018, there was a decline on this measure in 2019 (from 92% to 82%). However, this is likely to be due to a change made to the questionnaire in 2019. Previously schemes were just asked if they had documented procedures for assessing and managing risk, but in 2019 they were asked if they had their 'own' procedures for this and were specifically instructed to answer 'no' if they relied on their local authority's risk procedures. The fall in the proportion of schemes meeting this criteria was most evident for Local Government schemes (-16 percentage points).

Table 4.2.1 Proportion of schemes with documented procedures for assessing and managing risk – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	82%	100%	76%	80%	87%
PSPS Survey 2018	92%	100%	80%	96%	93%
PSPS Survey 2017	83%	82%	63%	93%	84%
PSPS Survey 2016	72%	91%	44%	92%	51%
PSPS Survey 2015	70%	100%	36%	79%	82%

The vast majority (93%) of schemes had a risk register, although this was least likely to be the case for Firefighters' schemes (86%).

Figure 4.2.2 Proportion of schemes with their own risk register



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 0%, 0%)

As with procedures for assessing and managing risk, this survey question was also changed in 2019 to ask whether schemes had their 'own' risk register and instruct them to answer 'no' if they relied on their local authority's register. However, for this measure the questionnaire change had no impact on the results, which were consistent with those seen in 2018.

Table 4.2.2 Proportion of schemes with a risk register – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	93%	100%	86%	96%	93%
PSPS Survey 2018	94%	100%	87%	98%	93%
PSPS Survey 2017	88%	91%	69%	97%	88%
PSPS Survey 2016	70%	91%	38%	91%	51%
PSPS Survey 2015	76%	100%	36%	91%	82%

All schemes were asked to identify the top three governance and administration risks on their register (or facing the scheme if they did not have a risk register). As detailed in Table 4.2.3, a wide range of risks were reported. The most prevalent was record-keeping (50%), followed by funding or investment (33%), regulatory compliance (28%) and cyber risk (25%).

The key risks differed by scheme type. For 'Other' schemes the top risk was systems failures (64%), for Firefighters' it was record-keeping and securing

compliance with regulatory changes (both 53%), for Local Government it was funding or investment (63%)⁸, and for Police it was record-keeping (73%).

Table 4.2.3 Top governance and administration risks

Top Mentions (5%+)	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Record-keeping (ie receipt and management of correct data)	50%	34%	27%	53%	40%	73%
Funding or investment	33%	25%	0%	8%	63%	2%
Securing compliance with changes in scheme regulations	28%	15%	9%	53%	22%	20%
Cyber risk	25%	14%	9%	20%	19%	47%
Recruitment and retention of staff or knowledge	23%	18%	9%	24%	32%	4%
Systems failures (IT, payroll, administration systems, etc)	20%	44%	64%	22%	16%	16%
Administrator issues (expense, performance, etc)	16%	27%	36%	18%	13%	13%
Lack of resources/time	14%	22%	27%	14%	16%	7%
Production of annual benefit statements	12%	24%	36%	16%	6%	13%
Failure of internal controls	11%	18%	27%	10%	4%	22%
Guaranteed Minimum Pension (GMP) reconciliation	10%	8%	9%	2%	6%	27%
Lack of knowledge, effectiveness or leadership among key personnel	9%	4%	0%	12%	8%	9%
McCloud judgement	7%	8%	9%	2%	6%	16%
Receiving contributions from the employer(s)	5%	4%	0%	0%	10%	0%
Don't know	2%	0%	0%	6%	0%	2%
Did not answer question	1%	1%	0%	0%	2%	0%

⁸ Only Local Government schemes are funded so this risk is not relevant to the other scheme types.

As detailed in table 4.2.4, around a third of schemes (35%) had reviewed their exposure to new and existing risks in at least 4 board meetings over the previous 12 months. Most of the remainder had reviewed their risk exposure in 2-3 meetings (42%) but 16% had done so on only one occasion and 5% had not reviewed their risk exposure at any board meetings in the previous 12 months.

On average, schemes reviewed their risk exposure at 2.7 board meetings in the previous 12 months. This equated to 77% of all board meetings held.

Table 4.2.4 Number of pension board meetings held in last 12 months that reviewed the scheme's risk exposure

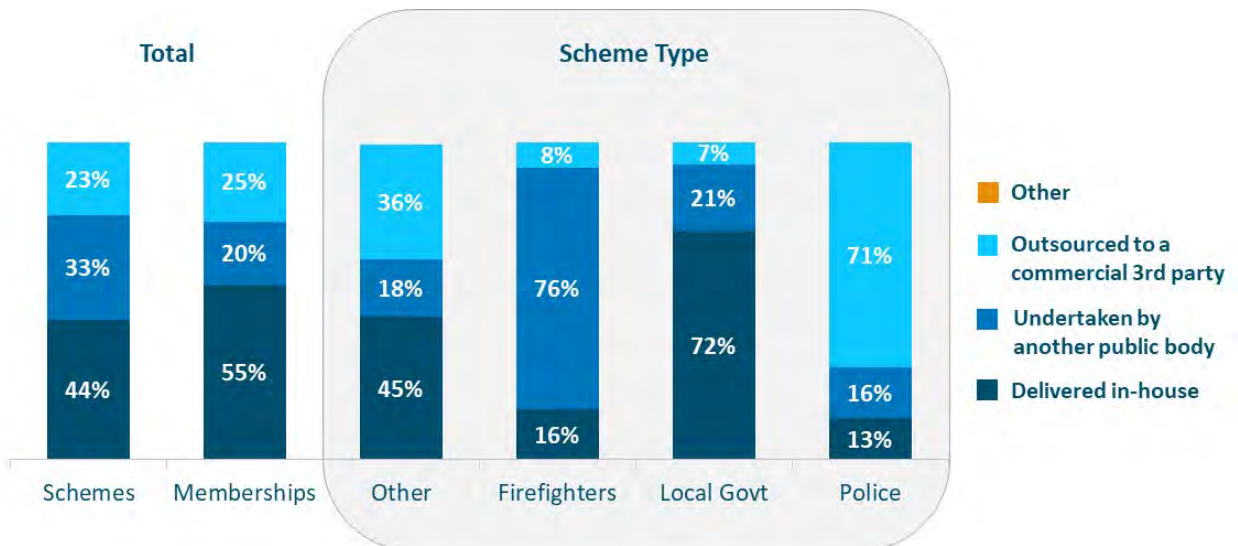
	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
None	5%	0%	6%	6%	4%
1	16%	0%	18%	23%	2%
2	21%	9%	37%	24%	2%
3	20%	18%	18%	13%	38%
4	34%	73%	20%	30%	47%
5+	1%	0%	0%	2%	0%
Net: 4 or more	35%	73%	20%	32%	47%
Mean number of board meetings that reviewed risk exposure	2.7	3.6	2.3	2.5	3.3
Mean % of board meetings that reviewed risk exposure	77%	98%	78%	68%	92%

Firefighters' schemes were least likely to have reviewed their risk exposure on a regular basis; 20% had done so in at least four board meetings in the previous 12 months. In comparison, 73% of 'Other' schemes had reviewed their risk exposure in four or more board meetings (and it was covered at 98% of all board meetings).

4.3 Administration and record-keeping

The majority of schemes (56%) used an external administrator. This included 33% where the administration was undertaken by another public body under a shared service agreement or outsource contract and 23% where the administration was outsourced to a commercial third party. The remaining 44% were administered in-house.

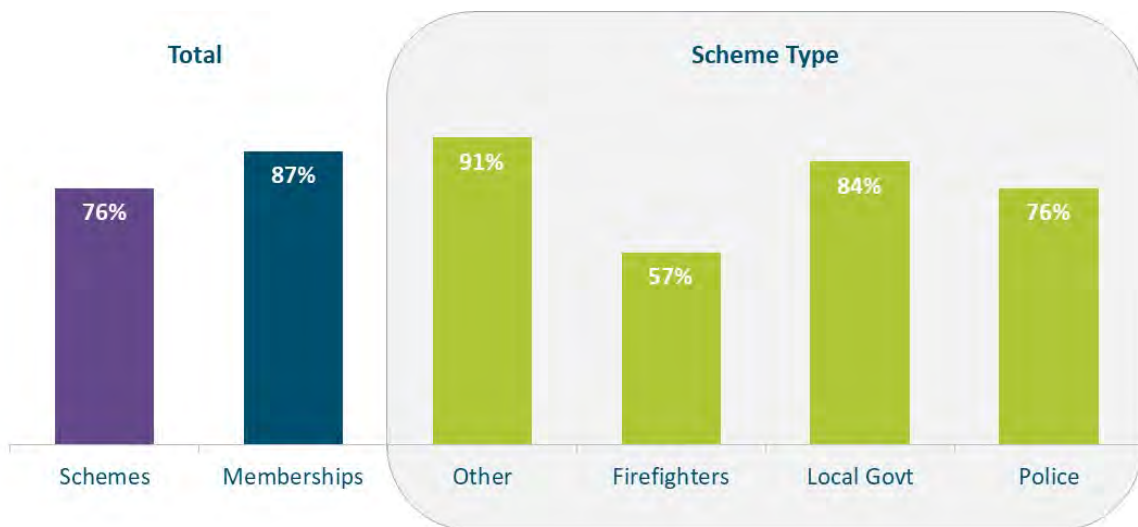
Figure 4.3.1 Scheme administration arrangements



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 0%), Police (45, 0%, 0%)

There was some variation by scheme type in terms of the administration arrangements. Just under three-quarters (72%) of Local Government schemes undertook scheme administration in-house, whereas 'Other', Firefighters' and Police schemes were more likely to outsource it (55%, 84% and 87% respectively). Of the latter groups, Firefighters' schemes tended to outsource administration to another public body whereas Police and 'Other' schemes were more likely to use a commercial third party.

As shown in Figure 4.3.2, three-quarters (76%) of schemes had an administration strategy. This ranged from 91% of 'Other' schemes down to 57% of Firefighters'. Overall, 87% of all memberships were in a scheme which had an administration strategy.

Figure 4.3.2 Proportion of schemes with an administration strategy

All respondents (Base, Don't know, Did not answer question) - Schemes (202, 5%, 0%), Memberships (202, 5%, 0%), Other (11, 9%, 0%), Firefighters (49, 12%, 0%), Local Government (97, 0%, 0%), Police (45, 9%, 0%)

There was no difference in this respect between schemes that were administered in-house and those that outsourced administration to either a commercial third party or another public body (Table 4.3.1).

Table 4.3.1 Whether had an administration strategy – by administration arrangement

	Administration arrangement		
	In-house	Another public body	Commercial 3 rd party
<i>Base: All respondents</i>	89	66	47
Administration strategy	79%	71%	77%
No administration strategy	20%	21%	13%
Don't know	1%	8%	11%
Did not answer question	0%	0%	0%

Schemes measured the performance of their administrators in a variety of ways (Table 4.3.2). The most common method was checking performance against service level agreements or service schedules (85%). The majority of schemes also used complaints volumes and trends (70%) and auditing administration functions and systems (66%).

The approaches employed to monitor and manage their administrators differed by scheme type. 'Other' schemes used the widest range of measures, whereas Firefighters' schemes primarily relied on performance against service level agreements or service schedules and were generally less likely to use other methods.

Table 4.3.2 Methods used to measure administrator performance

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Performance against a service level agreement or service schedule	85%	93%	100%	84%	82%	89%
Complaints volumes and trends	70%	84%	91%	57%	74%	71%
Auditing administration functions and systems	66%	84%	91%	55%	76%	51%
Testing the accuracy of calculations	45%	58%	64%	20%	49%	56%
Benchmarking against the market	37%	41%	36%	16%	49%	33%
Assessing project delivery against initially agreed time and cost	32%	39%	45%	18%	31%	44%
Member satisfaction ratings	31%	54%	64%	18%	44%	9%
Analysis of errors	31%	43%	45%	22%	41%	16%
Volumes of rework required	14%	34%	45%	6%	21%	2%
'Right first time' statistics	8%	25%	36%	2%	9%	4%
None of these	1%	0%	0%	2%	1%	2%
Don't know	0%	0%	0%	0%	0%	2%
Did not answer question	0%	0%	0%	0%	1%	0%

Table 4.3.3 shows that there were some differences in the methods used to measure administrator performance between schemes that were administered in-house and those where this was conducted externally.

The use of service level agreements or service schedules was less prevalent where schemes were administered in-house (72%, compared with 92% of those administered by another public body and 100% of those administered by a commercial third party). The former were instead most likely to measure performance by auditing administration functions and systems (82%, compared with 52% of those administered by another public body and 57% of those administered by a commercial third party).

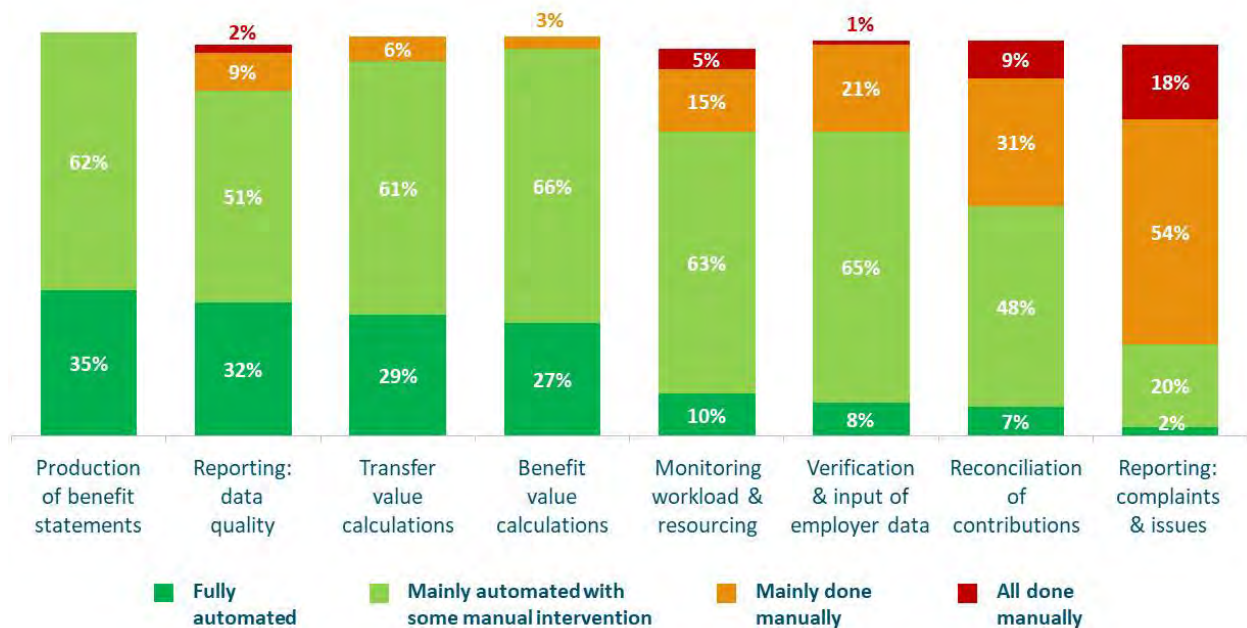
Table 4.3.3 Methods used to measure administrator performance – by administration arrangement

	Administration arrangement		
	In-house	Another public body	Commercial 3 rd party
<i>Base: All respondents</i>	89	66	47
Performance against a service level agreement or service schedule	72%	92%	100%
Complaints volumes and trends	71%	61%	83%
Auditing administration functions and systems	82%	52%	57%
Testing the accuracy of calculations	54%	20%	62%
Benchmarking against the market	49%	21%	36%
Assessing project delivery against initially agreed time and cost	27%	23%	53%
Member satisfaction ratings	38%	30%	19%
Analysis of errors	43%	29%	13%
Volumes of rework required	21%	8%	11%
‘Right first time’ statistics	11%	5%	6%
None of these	2%	2%	0%
Don’t know	1%	0%	0%
Did not answer question	0%	2%	0%

The 2019 survey included several questions around automation. In this context, a process was defined as automated if it was completed through the use of technology (e.g. a software platform) with minimal human intervention.

As set out in Figure 4.3.3, full automation of key administration processes was relatively uncommon, but some degree of automation was more widespread. The production of benefit statements was most likely to be automated to at least some extent, with no schemes doing this entirely or mainly manually. However, the reporting of complaints and issues was typically a manual process (73% of schemes did this entirely or mainly manually).

Figure 4.3.3 Automation of key processes



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%-4%, 1%-3%)

Table 4.3.4 shows that schemes administered in-house were comparatively more likely to carry out several of these processes manually: reporting – data quality (17%), monitoring workload and resourcing (34%), and reconciliation of contributions (53%).

Table 4.3.4 Proportion completing each process all/mainly manually – by administration arrangement

Proportion reporting process is 'all done manually' or 'mainly done manually'	Administration arrangement		
	In-house	Another public body	Commercial 3 rd party
<i>Base: All respondents</i>	89	66	47
Production of benefit statements	1%	0%	2%
Reporting – data quality	17%	8%	6%
Transfer value calculations	6%	8%	6%
Benefit value calculations	4%	2%	4%
Monitoring workload and resourcing	34%	12%	9%
Verification and input of employer data	26%	14%	28%
Reconciliation of contributions	53%	32%	28%
Reporting – complaints and issues	75%	68%	75%

As set out in Table 4.3.5, when asked what barriers they faced to automating more of the scheme's processes the most common responses were difficulty in integrating it with their existing systems (39%), a lack of suitable technology (36%), the initial set-up costs (28%) and the poor quality of the data (20%).

Table 4.3.5 Barriers to automating the scheme's processes

Top Mentions (5%+)	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Difficulty in integrating it with the scheme's existing systems	39%	55%	64%	35%	44%	27%
Lack of suitable technology	36%	38%	36%	33%	42%	24%
The initial set-up costs involved	28%	39%	45%	24%	30%	22%
Poor quality of the data	20%	31%	36%	12%	26%	13%
Lack of knowledge/expertise about how to implement this	11%	7%	0%	4%	16%	9%
Resource issues	9%	4%	0%	16%	10%	0%
Time issues	7%	1%	0%	22%	3%	0%
Securing the necessary internal approval	6%	8%	9%	2%	5%	11%
Complexity of scheme/scheme rules	5%	18%	27%	2%	6%	0%
Issues working with/coordinating with other parties	5%	3%	0%	6%	7%	0%
No barriers to automating more of the schemes processes	18%	10%	9%	14%	10%	40%
Don't know	4%	1%	0%	6%	1%	9%
Did not answer question	0%	0%	0%	0%	1%	0%

For each type of scheme, the most widely mentioned barrier to automation was difficulty integrating it with the scheme's existing systems. This was a particular issue for 'Other' schemes (64%).

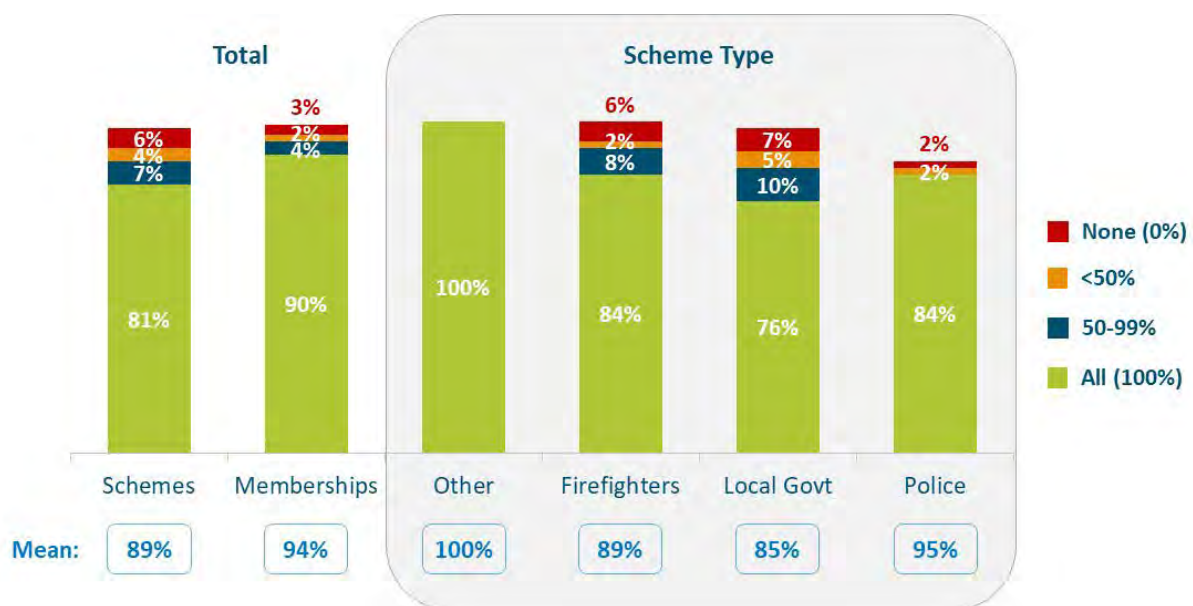
'Other' schemes were also comparatively more likely to identify set-up costs (45%), poor data quality (36%) and scheme complexity (27%) as barriers. Firefighters' schemes were more likely than other scheme types to highlight

time issues (22%) and resource issues (16%), Local Government schemes were more likely to mention lack of suitable technology (42%) and Police schemes were more likely to feel that there were no barriers to further automation of their processes (40%).

As shown in Figure 4.3.4, most schemes (81%) included administration as a dedicated item on the agenda at every pension board meeting. A further 7% covered it in at least half of their board meetings, but 4% did so at fewer than half of their meetings and 6% never included it on the agenda.

All the 'Other' schemes formally covered administration every time the board met. Local Government schemes were the least likely to report this (76%).

Figure 4.3.4 Proportion of pension board meetings held in last 12 months that had administration as a dedicated item on the agenda



Base: All that held any board meetings in the last 12 months (Base, Don't know, Did not answer question) - Schemes (200, 3%, 1%), Memberships (200, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (96, 0%, 1%), Police (44, 11%, 0%)

As shown in table 4.3.6, there was an increase since 2018 in the proportion of schemes that included administration on the agenda at every board meeting (+5 percentage points). This was most evident among Police schemes (+9 percentage points).

Table 4.3.6 Proportion of schemes that had administration on the agenda at every board meeting in last 12 months - Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	81%	100%	84%	76%	84%
PSPS Survey 2018	76%	100%	80%	71%	75%

As set out in Table 4.3.7, the vast majority of schemes had processes in place to monitor administration and record-keeping. Overall, 96% had a process for monitoring the payment of contributions, 92% had a process for resolving contribution payment issues, 92% had a process to monitor records on an ongoing basis to ensure they are accurate and complete, and 91% had a process with the scheme's employer(s) to receive, check and review data.

'Other' schemes were most likely to have these processes in place (100% in each case). Police schemes were least likely to have a process to monitor records for accuracy and completeness (82%) and to receive, check and review data (82%). Firefighters' schemes were least likely to have a process for resolving contribution payment issues (82%).

Table 4.3.7 Administration and record-keeping processes - Time series

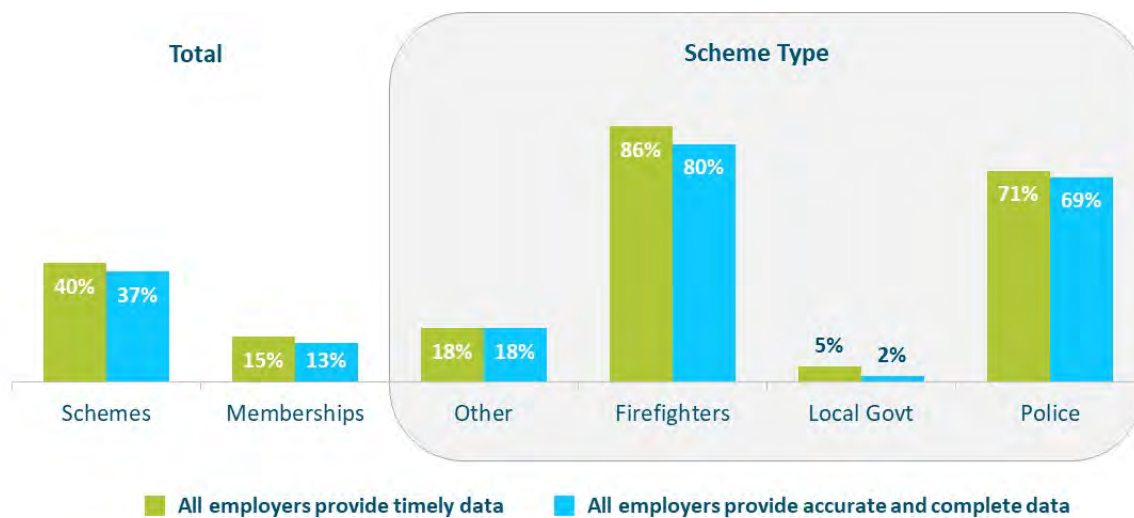
Proportion with a process...		Total		Scheme Type			
		Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
To monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	2019	92%	97%	100%	94%	94%	82%
	2018	91%	92%	91%	85%	95%	89%
	2017	85%	95%	100%	80%	88%	81%
	2016	89%	91%	91%	88%	90%	86%
With the employer(s) to receive, check and review data	2019	91%	96%	100%	94%	92%	82%
	2018	92%	93%	91%	87%	98%	86%
	2017	86%	96%	100%	78%	92%	77%
	2016	90%	98%	100%	76%	96%	89%
For monitoring the payment of contributions	2019	96%	100%	100%	90%	100%	93%
	2018	98%	100%	100%	96%	100%	95%
	2017	97%	94%	91%	94%	100%	95%
	2016	95%	94%	91%	88%	100%	94%
For resolving contribution payment issues	2019	92%	99%	100%	82%	98%	89%
	2018	94%	99%	100%	85%	98%	95%
	2017	90%	92%	91%	84%	94%	86%
	2016	88%	93%	91%	68%	97%	91%

The proportion of schemes with these processes in place was very similar to that seen in 2018. However, there were some changes by scheme type, including increases in the proportion of 'Other' and Firefighters' schemes that had a process to monitor scheme records for accuracy and completeness and a process with the employer(s) to receive, check and review data.

Schemes were asked the extent to which the employer(s) provided timely, accurate and complete data. Single employer schemes were asked whether their participating employer always provided timely, accurate and complete data, whereas multi-employer schemes were asked to give the proportion of their employers that always did this. The analysis in Figure 4.3.5 combines the results from both questions.

Four in ten (40%) schemes reported that all their employers always provided timely data. A slightly lower proportion (37%) reported that all their employers always provided accurate and complete data. However, this differed by scheme type and was lower among 'Other' (18% for each) and Local Government (5% and 2%) schemes, which are typically multi-employer.

Figure 4.3.5 Proportion of schemes where all employers always provided timely, accurate and complete data



All respondents (Base, Don't know timely, Did not answer timely, Don't know accurate/complete, Did not answer accurate/complete) - Schemes (202, 3%, 2%, 4%, 2%), Memberships (202, 1%, 2%, 1%, 2%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 2%, 0%), Local Government (97, 1%, 4%, 2%, 4%), Police (45, 11%, 2%, 13%, 2%)

As shown in Table 4.3.8, on average 88% of scheme employers always provided timely data, and 84% always provided accurate and complete data. The mean proportions of employers that always provided timely and accurate/complete data were highest for Police schemes (96% for each).

Table 4.3.8 Mean proportion of employers that always provided timely, accurate and complete data

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Mean % of employers that always provide timely data	88%	86%	87%	87%	85%	96%
Mean % of employers that always provide accurate and complete data	84%	82%	83%	82%	80%	96%

Table 4.3.9 shows that the proportion of schemes reporting that all their employers always provided timely, accurate and complete data was very similar to that seen in 2018. The only change was for Police schemes, where there was a fall on both of these measures (-11 percentage points for timely data and -13 percentage points for accurate and complete data).

At the total level, there was also no change since 2018 in the mean proportion of employers that always provided timely or accurate and complete data. However, the mean fell for Firefighters' schemes on both these measures (-8 and -7 percentage points respectively). For Police schemes the mean proportion of employers providing accurate and complete data increased since 2018 (+6 percentage points).

Table 4.3.9 Provision of timely, accurate and complete data by employers – Time series

		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
All employers (100%) always provide timely data	2019	40%	15%	18%	86%	5%	71%
	2018	42%	16%	18%	80%	6%	82%
	2017	37%	23%	27%	57%	11%	72%
Mean % of employers that always provide timely data	2019	88%	86%	87%	87%	85%	96%
	2018	87%	85%	86%	95%	81%	92%
	2017	89%	87%	88%	94%	84%	96%
All employers (100%) always provide accurate and complete data	2019	37%	13%	18%	80%	2%	69%
	2018	39%	15%	18%	72%	4%	82%
	2017	30%	15%	18%	49%	7%	60%
Mean % of employers that always provide accurate and complete data	2019	84%	82%	83%	82%	80%	96%
	2018	84%	82%	84%	89%	79%	90%
	2017	86%	81%	80%	93%	80%	95%

As shown in Table 4.3.10, the proportions of employers that always provided timely, accurate and complete data were much lower for multi-employer schemes than single employer ones. Among multi-employer schemes, 6% said their employers always provided timely data and 3% said they always provided accurate and complete data (compared with 89% and 84% respectively for single employer schemes).

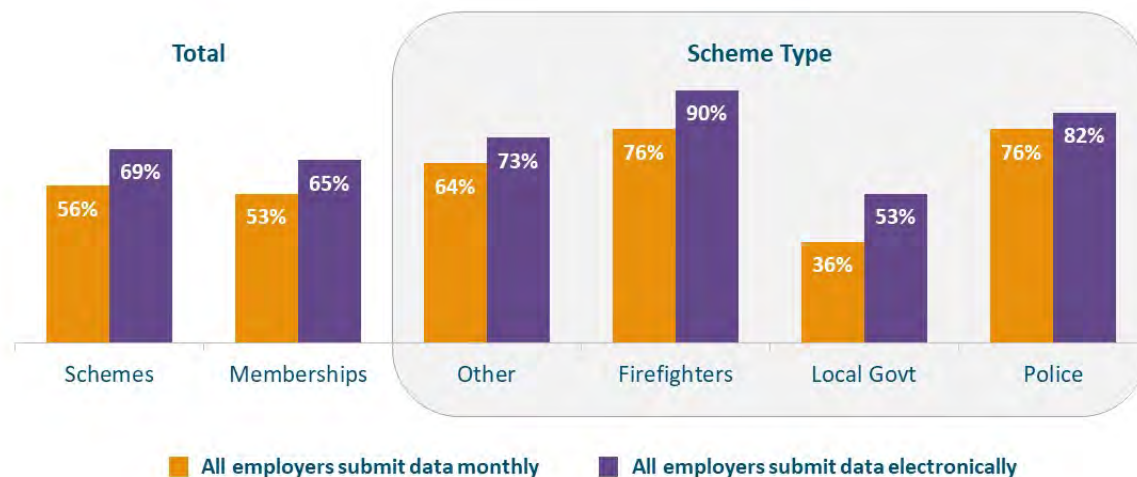
Table 4.3.10 Provision of timely, accurate and complete data by employers – analysis by single and multi-employer schemes

	Single employer schemes	Multi-employer schemes
<i>Base: All respondents</i>	83	119
All employers (100%) always provide timely data	89%	6%
All employers (100%) always provide accurate and complete data	84%	3%

Schemes were also asked the extent to which the employer(s) submitted data monthly and electronically. Single employer schemes were asked whether their participating employer submitted data monthly and electronically, and multi-employer schemes were asked to give the proportion of their employers that did this. The analysis in Figure 4.3.6 combines the results from both questions.

Over half (56%) of schemes reported that all their employers submitted data monthly and just over two-thirds (69%) reported that all their employers submitted data electronically. These proportions were lowest for Local Government schemes (36% and 53% respectively).

Figure 4.3.6 Proportion of schemes where all employers submitted data monthly and electronically



All respondents (Base, Don't know monthly, Did not answer monthly, Don't know electronically, Did not answer electronically) - Schemes (202, 4%, 2%, 3%, 2%), Memberships (202, 2%, 2%, 1%, 2%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 0%, 0%), Local Government (97, 4%, 4%, 1%, 4%), Police (45, 11%, 0%, 11%, 0%)

Table 4.3.11 shows that, on average, 80% of scheme employers submitted data monthly and 90% submitted data electronically. For monthly data, the mean was lower for Firefighters' (76%) and Local Government (78%) schemes.

Table 4.3.11 Mean proportion of employers that submitted data monthly and electronically

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Mean % of employers that submit data monthly	80%	89%	96%	76%	78%	87%
Mean % of employers that submit data electronically	90%	90%	93%	90%	86%	100%

There was no change since 2018 in the overall proportions of schemes reporting that all employers submitted data monthly and submitted data electronically, or in the mean proportions of employers doing so.

However, there were some changes for different types of scheme. The proportions of Firefighters' schemes reporting that all their employers submitted data monthly and submitted it electronically increased since 2018 (+15 and +14 percentage points respectively). The latter also increased for 'Other' schemes (+18 percentage points). In contrast, Police schemes were less likely to report that all employers provided data monthly and submitted it electronically (-13 and -9 percentage points respectively).

Table 4.3.12 Submission of data monthly and electronically by employers – Time series

		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
All employers (100%) submitted data monthly	2019	56%	53%	64%	76%	36%	76%
	2018	56%	55%	64%	61%	38%	89%
Mean % of employers that submitted data monthly	2019	80%	89%	96%	76%	78%	87%
	2018	77%	81%	86%	70%	72%	93%
All employers (100%) submitted data electronically	2019	69%	65%	73%	90%	53%	82%
	2018	66%	54%	55%	76%	51%	91%
Mean % of employers that submitted data electronically	2019	90%	90%	93%	90%	86%	100%
	2018	88%	91%	95%	88%	83%	99%

As with timeliness of data and its accuracy and completeness, these proportions were lower for multi-employer schemes than single employer schemes. Overall, 80% single employer schemes said all their employers submitted data monthly compared with 39% of multi-employer schemes. Similarly, 92% of single employer schemes said all their employers submitted data electronically compared with 54% of multi-employer schemes.

Table 4.3.13 Submission of data monthly and electronically by employers – analysis by single and multi-employer schemes

	Single employer schemes	Multi-employer schemes
<i>Base: All respondents</i>	83	119
All employers (100%) submit data monthly	80%	39%
All employers (100%) submit data electronically	92%	54%

4.4 Cyber security

Schemes were asked about 14 specific cyber controls and four-fifths (82%) had at least half of them in place, up from three-quarters (74%) in 2018.

No schemes stated that they had none of these cyber controls in place, although 5% either answered “don’t know” or did not provide a response.

Table 4.4.1 Proportion of schemes with controls to protect their data and assets from ‘cyber risk’ – Time series

	Total schemes	
	2019	2018
<i>Base: All respondents</i>	202	195
System controls (e.g. firewalls, anti-virus/malware, software updates)	90%	82%
Controls restricting access to systems and data	89%	83%
Critical systems and data regularly backed up	88%	80%
Policies on data access, protection, use and transmission in line with data protection legislation and guidance	87%	81%
Policies on the acceptable use of devices, passwords/other authentication and on home/mobile working	87%	80%
Cyber risk is on the risk register and regularly reviewed	84%	67%
Scheme manager assured themselves of 3rd party providers’ controls	71%	66%
Incident response plan to deal with any incidents which occur	71%	67%
Access to specialist skills and expertise to understand and manage risk	68%	66%
Roles and responsibilities on cyber resilience clearly defined and documented	65%	62%
Assessment of vulnerability to a cyber incident of key functions, systems, assets and parties involved in running the scheme	63%	57%
Assessment of likelihood of different types of breaches occurring	53%	49%
Scheme manager receives regular updates on cyber risks, incidents and controls	52%	39%
Pension board receives regular updates on cyber risks, incidents and controls	49%	26%
None of these	0%	0%
Net: At least half of these cyber controls in place (7+)	82%	74%
Mean number of cyber controls in place	10	9
Don’t know	4%	6%
Did not answer question	1%	1%

The most common types of cyber protection were system controls such as firewalls, anti-virus products and regular software updates (90%), controls restricting access to systems and data (89%), regular back-ups of critical systems and data (88%), policies on data access, protection, use and transmission in line with data protection legislation and guidance (87%), policies on acceptable use of devices, passwords, other authentication and

home and mobile working (87%), and cyber risk being included on the scheme's risk register and regularly reviewed (84%).

In comparison, around half of schemes indicated that the scheme manager or pension board received regular updates on cyber risks, incidents and controls (52% and 49% respectively) or assessed the likelihood of different types of breaches occurring (53%).

For 11 of the 14 cyber controls, the proportion of schemes with these in place was higher than in 2018⁹. The greatest increases were seen for the pension board receiving regular updates (+23 percentage points), cyber risk being included on the risk register and regularly reviewed (+17 percentage points) and the scheme manager receiving regular updates (+13 percentage points).

Table 4.4.2 shows 42% of schemes had experienced some kind of cyber breach or attack in the previous 12 months (down from 49% in 2018).

Table 4.4.2 Proportion of schemes experiencing any cyber security breaches or attacks in last 12 months (including at their administration provider) – Time series

	Total schemes	
	2019	2018
<i>Base: All respondents</i>	202	195
Staff receiving fraudulent emails or being directed to fraudulent websites	33%	42%
Attacks that try to take down website or online services	10%	10%
People impersonating scheme in emails or online	8%	9%
Unauthorised use or hacking of computers, networks or servers by people outside scheme	3%	0%
Unauthorised use of computers, networks or servers by staff, even if accidental	1%	1%
Computers becoming infected with other viruses, spyware or malware	1%	5%
Computers becoming infected with ransomware	0%	2%
Hacking or attempted hacking of online bank accounts	0%	1%
Any other types of cyber security breaches or attacks	4%	2%
None of these	49%	41%
Net: Any cyber incidents reported in last 12 months	42%	49%
Don't know	8%	9%
Did not answer question	1%	1%

⁹ The increases shown in Table 4.4.1 were statistically significant for all controls except 'Access to specialist skills and expertise to understand and manage risk', 'Roles and responsibilities on cyber resilience clearly defined and documented' and 'Assessment of likelihood of different types of breaches occurring'.

As was the case in 2018, these incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (33%).

Those schemes that had experienced any cyber breaches or attacks in the previous 12 months were asked what, if anything, had happened as a result. Most (81%) said that there had been no impact but 15% reported a negative impact. This equates to 6% of all public service schemes (ie including those that did not experience any cyber incidents or breaches), similar to the 7% seen in the 2018 survey.

The negative impacts reported tended to be either the loss of access to any third-party services relied on (10%) or the scheme's website or online services being taken down or made slower (5%).

Table 4.4.3 Impact of cyber security breaches or attacks experienced in last 12 months

	Total schemes	
	2019	2018
<i>Base: All experiencing cyber security breaches or attacks</i>	84	95
Lost access to any third-party services relied on	10%	1%
Website or online services taken down or made slower	5%	9%
Temporary loss of access to files or networks	2%	7%
Personal data altered, destroyed or taken	1%	1%
Money stolen	1%	0%
Software or systems corrupted or damaged	0%	0%
Permanent loss of files (other than personal data)	0%	0%
Lost or stolen assets, trade secrets or intellectual property	0%	0%
None of these	81%	85%
Net: Any impact reported in last 12 months	15%	14%
Don't know	1%	0%
Did not answer question	2%	1%

Table 4.4.4 provides a summary based on memberships, showing the proportion of all members in a scheme with at least half of the cyber risk controls in place, in a scheme experiencing any cyber breaches or attacks in the previous 12 months, and in a scheme reporting a negative impact of any such incidents.

Table 4.4.4 Summary of cyber controls and breaches/attacks by memberships – Time series

	Total memberships	
Proportion with at least half of the cyber risk controls in place (ie 7 or more) <i>(All schemes)</i>	2019	92%
	2018	92%
Proportion experiencing any cyber breaches/attacks in last 12 months <i>(All schemes)</i>	2019	40%
	2018	42%
Proportion reporting any impact of cyber breaches/attacks in last 12 months <i>(All experiencing breaches/attacks)</i>	2019	21%
	2018	5%

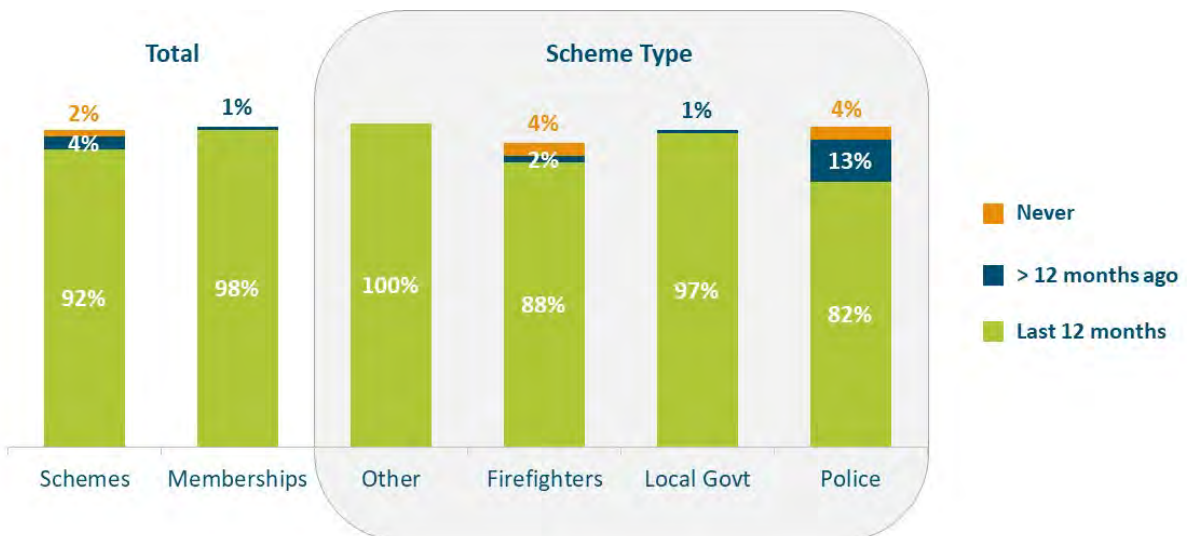
Overall, 92% of memberships were in a scheme that had at least half of the cyber controls in place, unchanged from 2018. There was also no change in the proportion of memberships in a scheme that had experienced any cyber breaches or attacks in the previous 12 months (40%, compared with 42% in 2018).

However, there was an increase in the proportion of memberships in a scheme which reported a negative impact of any cyber incidents (21% of those in a scheme that had experienced breaches or attacks, compared with 5% in 2018). As detailed in Table 4.4.3, the negative impacts typically involved the loss of access to third-party services relied on or the scheme's website or online services being taken down or made slower.

4.5 Data reviews

Most schemes (92%) had completed a data review within the previous 12 months, a further 4% had done so more than 12 months previously and 2% reported that they had never completed a data review.

'Other' and Local Government schemes were most likely to have completed a data review in the previous 12 months (100% and 97% respectively), but this fell to 88% of Firefighters' and 82% of Police schemes.

Figure 4.5.1 Timing of last completed data review

All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1%, 1%), Memberships (202, 0%, 1%), Other (11, 0%, 0%), Firefighters (49, 6%, 0%), Local Government (97, 0%, 2%), Police (45, 0%, 0%)

The proportion of schemes that had completed a data review in the previous 12 months was higher than in 2018. This increase was evident for all scheme types.

Table 4.5.1 Proportion of schemes that completed a data review in last 12 months – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	92%	100%	88%	97%	82%
PSPS Survey 2018	83%	82%	78%	93%	68%
PSPS Survey 2017	75%	100%	71%	74%	74%
PSPS Survey 2016	79%	100%	68%	83%	77%
PSPS Survey 2015	70%	58%	50%	77%	77%

Schemes were asked whether their most recently completed data review exercise had identified any issues or problems with various data items. As set out in Table 4.5.2, the most common issues related to postcode (64%), first line of address (63%) and NI number (56%).

The proportions reporting problems with the other data items were lower (ranging from 32% for membership start date down to 13% for anticipated income at retirement). However, it is not possible to ascertain whether this is because schemes did not find issues in these areas or because they did not include them in their data review. To illustrate, 26% of schemes did not answer or said "Don't know" when asked if they had identified issues with anticipated income at retirement, which might suggest they did not cover this in their most recent review.

Almost a quarter (23%) of schemes reported that they had found no issues at all in their most recently completed data review.

Table 4.5.2 Proportion of schemes identifying issues or problems in most recently completed data review

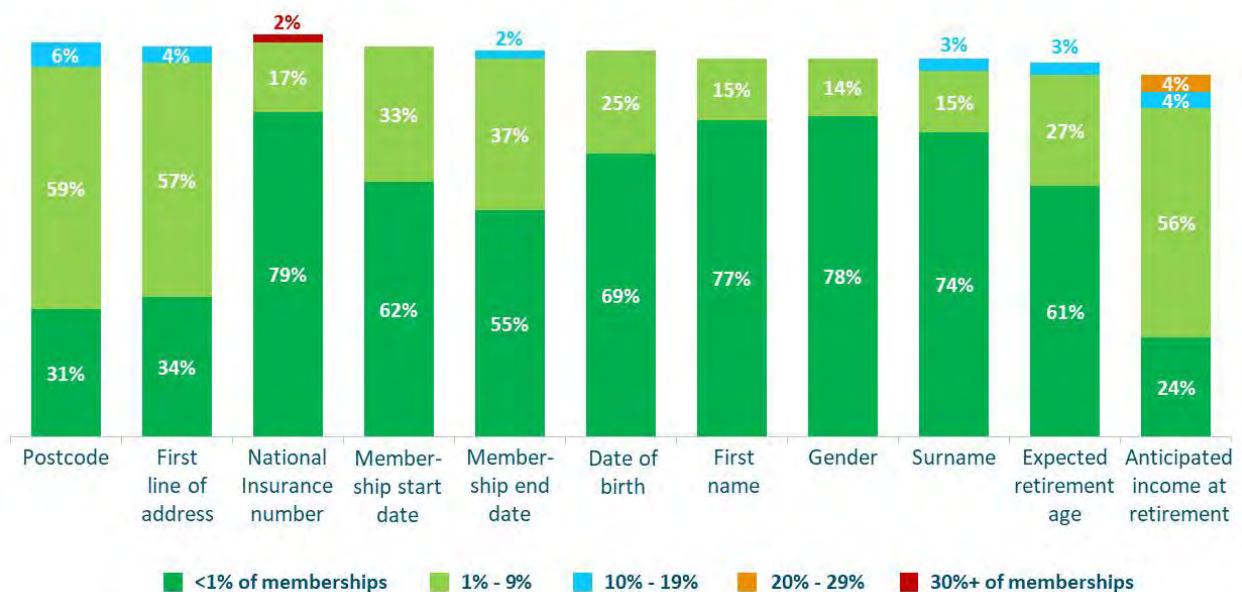
	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All ever completing a data review</i>	193	11	44	95	43
Postcode	64%	45%	61%	79%	37%
First line of address	63%	45%	55%	78%	42%
NI number	56%	55%	48%	68%	40%
Membership start date	32%	64%	30%	36%	16%
Membership end date	26%	55%	14%	34%	16%
Date of birth	25%	27%	7%	31%	30%
First name	20%	27%	9%	22%	26%
Gender	19%	18%	9%	24%	16%
Surname	18%	18%	9%	18%	26%
Expected retirement age	17%	36%	5%	22%	14%
Anticipated income at retirement	13%	27%	7%	19%	2%
Other data items	37%	36%	39%	51%	7%
No issues identified	23%	18%	20%	14%	49%

Postcode, first line of address and NI number were the three most widely identified data issues for Firefighters', Local Government and Police schemes. For 'Other' schemes it was membership start date, membership end date and NI number.

Almost half (49%) of Police schemes did not identify any issues or problems in their most recent data review.

For each data issue identified, schemes were asked the proportion of memberships that were affected. As shown in Figure 4.5.2, in most cases these issues applied to less than 1% of the scheme's memberships. However, where schemes identified problems with postcode, first line of address and anticipated income at retirement these typically affected 1-9% of memberships.

Figure 4.5.2 Proportion of memberships affected by data issues identified in latest review



All identifying issues with each item (Base, Don't know, Did not answer question) - Postcode (123, 2%, 2%), First line of address (121, 2%, 2%), NI number (109, 1%, 2%), Membership start date (61, 3%, 2%), Membership end date (51, 4%, 2%), Date of birth (48, 2%, 4%), First name (39, 3%, 5%), Gender (36, 3%, 6%), Surname (34, 3%, 6%), Expected retirement date (33, 3%, 6%), Anticipated income at retirement (25, 8%, 4%)

This question was only asked to those schemes that had identified issues with each data item, which limits the scope for robust comparisons across different types of scheme. However, the following highlights all cases where over 10% of a scheme's memberships were affected by issues with a data item.

Other:

- No schemes reported that any of the data issues affected 10%+ memberships

Firefighters:

- 5% said issues with NI number affected 10%+ memberships

Local Government:

- 11% said issues with anticipated income at retirement affected 10%+ memberships
- 9% said issues with postcode affected 10%+ memberships
- 7% said issues with first line of address affected 10%+ memberships
- 5% said issues with expected retirement date affected 10%+ memberships
- 3% said issues with membership end date affected 10%+ memberships

Police

- 9% said issues with surname affected 10%+ memberships
- 6% said issues with NI number affected 10%+ memberships

As shown in Table 4.5.3, a minority of schemes (4%) had put a data improvement plan in place and completed the rectification work. Most of the remainder reported that work was underway or planned, although 2% had not developed an improvement plan or undertaken any work (and a further 23% had not identified any data issues).

Table 4.5.3 Action taken to address issues or problems with data

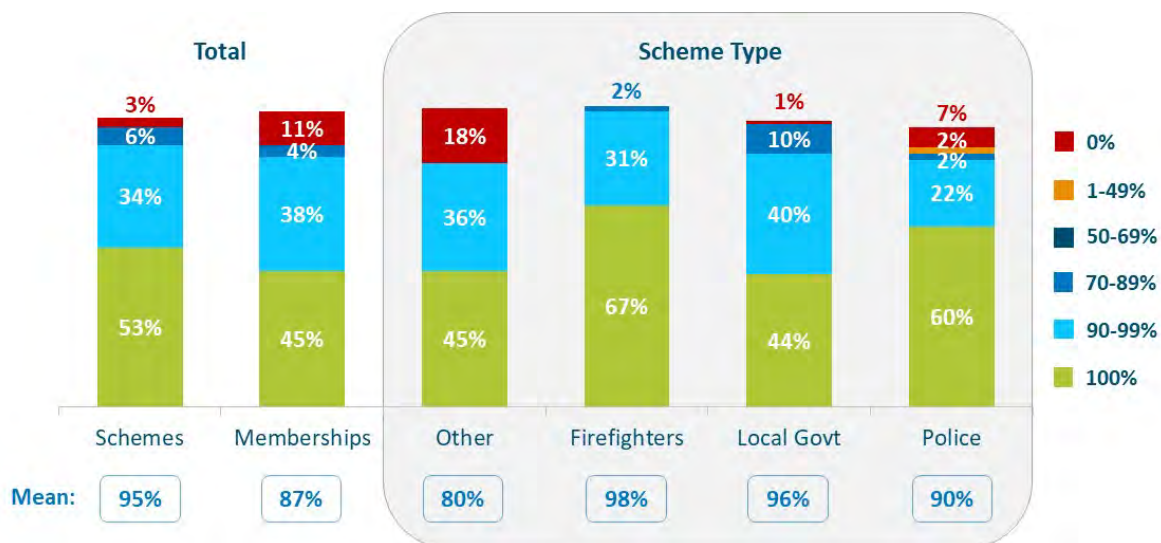
	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All ever reviewing data</i>	193	193	11	44	95	43
Identified issues with data	77%	83%	82%	80%	86%	51%
An improvement plan has been put in place and rectification work has been completed	4%	2%	0%	5%	5%	2%
An improvement plan is in place, but rectification work is not yet complete	48%	60%	64%	50%	56%	26%
An improvement plan is in development	15%	17%	18%	14%	17%	9%
Rectification work has been undertaken without an improvement plan	6%	3%	0%	9%	6%	2%
No improvement plan has been developed and no work has been undertaken	2%	0%	0%	2%	1%	2%
Did not identify issues with data	23%	17%	18%	20%	14%	49%
Don't know action taken	2%	0%	0%	0%	0%	9%
Did not answer action taken	1%	0%	0%	0%	1%	0%

4.6 Annual benefit statements

On average, 95% of each scheme's active members received their annual benefit statement (ABS) by the statutory deadline in 2019. When the data is weighted to reflect the number of memberships in each scheme, this shows that 87% of all active members received their ABS by the deadline.

Just over half (53%) of schemes reported that they had met this deadline for all their active members.

Figure 4.6.1 Proportion of active members receiving ABS by statutory deadline in 2019



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 1%, 3%), Police (45, 7%, 0%)

The mean proportion of active members that received their ABS by the deadline was highest for Firefighters' (98%) and Local Government (96%) schemes.

Firefighters' were also most likely to have met the ABS deadline for all their active members in 2019 (67%), followed by Police schemes (60%). This proportion was lower for 'Other' (45%) and Local Government (44%) schemes, both of which are primarily multi-employer schemes and typically have a greater number of memberships.

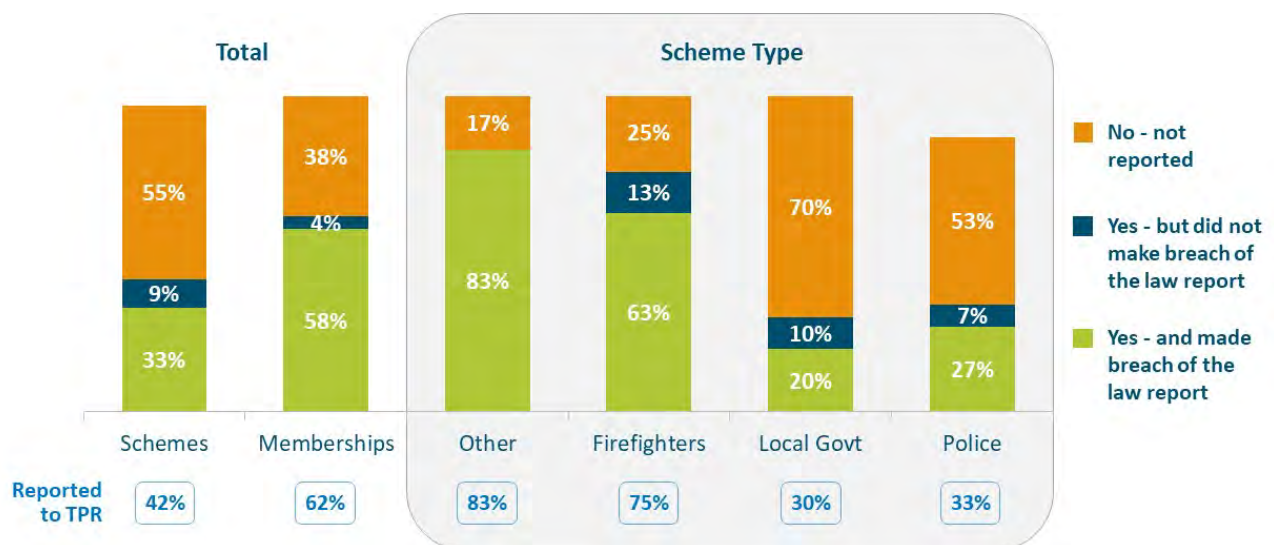
As shown in Table 4.6.1, there was no change since 2018 in the overall mean percentage of active members who received their ABS by the deadline (95% in both cases). However, this fell for 'Other' and Police schemes (-16 and -5 percentage points respectively) but increased for Local Government schemes (+3 percentage points).

There was also a decrease in the proportion of schemes reporting that they met the ABS deadline for all their active members, from 66% in 2018 to 53% in 2019. This pattern was evident for all types of scheme.

Table 4.6.1 Proportion of active members receiving annual benefit statement by statutory deadline – Time series

		Total schemes	Scheme Type			
			Other	Firefighters	Local Govt	Police
Mean	2019	95%	80%	98%	96%	90%
	2018	95%	96%	97%	93%	95%
	2017	93%	91%	93%	92%	97%
	2016	75%	75%	46%	87%	82%
100% received by deadline	2019	53%	45%	67%	44%	60%
	2018	66%	55%	78%	56%	75%
	2017	60%	45%	73%	45%	79%
	2016	43%	36%	32%	45%	54%

The schemes that missed the ABS deadline for any of their active members were asked whether they reported this to TPR. Just over two-fifths (42%) had done so, with most of these making a breach of the law report (33%).

Figure 4.6.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements

All where deadline was missed for any active members (Base, Don't know, Did not answer question) - Schemes (87, 2%, 0%), Memberships (87, 0%, 0%), Other (6, 0%, 0%), Firefighters (16, 0%, 0%), Local Government (50, 0%, 0%), Police (15, 13%, 0%) – **Caution: Low base sizes for individual scheme types**

Most 'Other' (83%) and Firefighters' (75%) schemes reported the missed deadline, and every 'Other' scheme made a breach of the law report. However, the majority of Local Government (70%) and Police (53%) schemes that missed the deadline did not report it to TPR.

As detailed in Table 4.6.2, Firefighters' schemes who missed the ABS deadline were notably more likely to report this to TPR than in 2018 (75%, compared with 11% in 2018). However, it should be noted that the 2018 figure was based on just 9 Firefighters' schemes that missed the deadline for any of their active members.

Table 4.6.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	42%	83%	75%	30%	33%
PSPS Survey 2018	34%	80%	11%	33%	40%
PSPS Survey 2017	41%	67%	67%	29%	57%

The majority (71%) of the schemes that did not report the missed ABS deadline to TPR indicated that this was because it was not considered material as few statements were affected. A further 13% stated that it was not material as there was a very short delay.

As detailed in Figure 4.6.3, 92% of schemes reported that all the annual benefit statements they sent out to members in 2019 contained all the data required by regulations. The mean was 100%¹⁰.

Figure 4.6.3 Proportion of annual benefit statements sent out in 2019 that contained all data required by regulations



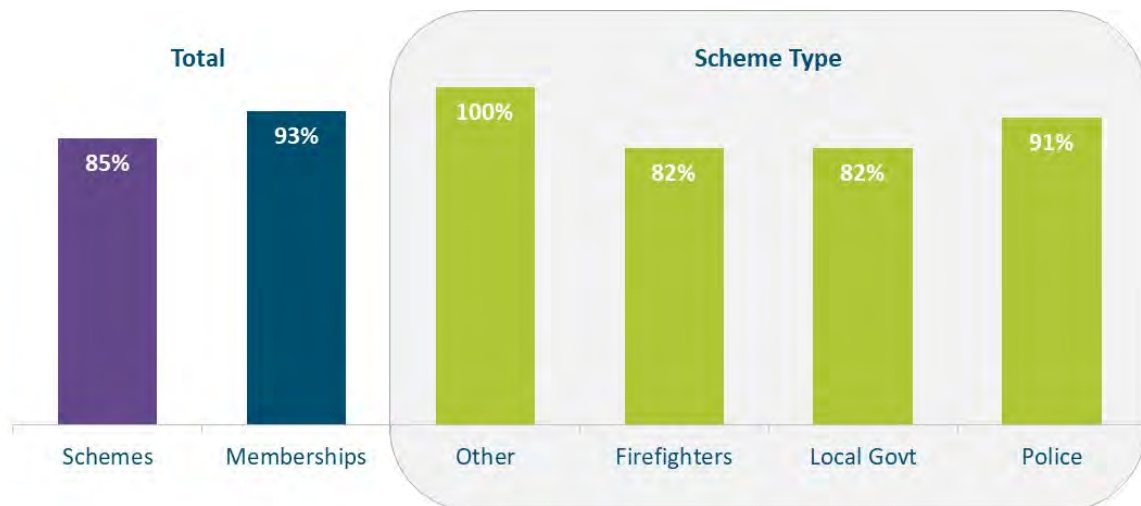
All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 1%, 3%), Police (45, 7%, 0%)

¹⁰ 99.8% when shown to 1 decimal place.

4.7 Resolving issues

The majority (85%) of schemes had a working definition of what constitutes a complaint.

Figure 4.7.1 Proportion of schemes with working definition of a complaint



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 4%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 3%, 2%), Police (45, 9%, 0%)

Every 'Other' scheme and 91% of Police schemes had a definition, but this was less widespread among Firefighters' and Local Government schemes (both 82%).

There was no change since 2018 in the overall proportion of schemes that had a working definition of a complaint, although there was an increase among 'Other' schemes (+9 percentage points).

Table 4.7.1 Proportion of schemes with working definition of a complaint – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	85%	100%	82%	82%	91%
PSPS Survey 2018	86%	91%	83%	85%	91%

Schemes were asked to provide details of the number of complaints they had received in the previous 12 months. This data has been used to estimate the total number of complaints received by public service schemes and show the number of complaints per 1,000 members, as set out in Table 4.7.2.

Table 4.7.2 Estimated total complaints received in last 12 months

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Total memberships	16,636,723	9,528,824	119,356	6,614,407	374,136
Mean number of complaints	58	850	2	24	3
Total complaints (grossed up)	11,925	9,354	77	2,343	151
Share of all memberships	100%	57%	1%	40%	2%
Share of all complaints	100%	78%	1%	20%	1%
Complaints per 1,000 members	0.7	1.0	0.6	0.4	0.4

Overall, an estimated 11,925 complaints were made to public service schemes in the previous 12 months, equating to 0.7 complaints per 1,000 members. This was the same ratio as seen in the 2018 survey.

‘Other’ schemes were proportionally most likely to generate complaints. They accounted for 57% of all public service pension scheme memberships but 78% of all complaints and received 1.0 complaints per 1,000 members. In comparison, Firefighters’ schemes received 0.6 complaints per 1,000 members, and Local Government and Police schemes both received 0.4.

Schemes were also asked to provide details of the number of complaints entering and upheld by their Internal Dispute Resolution (IDR) process in the previous 12 months. On average, 54% of all complaints entered the IDR process and 28% of these were subsequently upheld. This means that 15% of all complaints entered the IDR process and were upheld.

Table 4.7.3 Proportion of complaints that entered the IDR process and proportion upheld

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Proportion of complaints that entered the IDR process (mean)	54%	51%	67%	44%	77%
Proportion of those complaints entering the IDR process that were upheld (mean)	28%	63%	30%	19%	42%
Proportion of all complaints that entered the IDR process and were upheld (mean)	15%	32%	20%	8%	32%

Complaints made to Police and Firefighters’ schemes were most likely to enter the IDR process (77% and 67% respectively). However, the proportion of complaints that were upheld by the IDR process was highest for ‘Other’ schemes (63%).

When the above data is combined, it shows that around a third (32%) of all complaints received by 'Other' and Police schemes entered the IDR process and were upheld, compared with 20% for Firefighters' and 8% for Local Government schemes.

As detailed below, the most common types of complaints that entered the IDR process related to eligibility for ill health benefit (54%), followed by disputes or queries about the amount of benefit paid (33%) and inaccuracies or disputes around pension value or definitions (27%).

Table 4.7.4 Most common types of complaints entering IDR process

Top Mentions (5%+)	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All with complaints entering the IDR process</i>	137	10	23	80	24
Eligibility for ill health benefit	54%	60%	39%	71%	8%
Disputes or queries about the amount of benefit paid	33%	40%	26%	33%	38%
Inaccuracies or disputes around pension value or definitions	27%	20%	39%	23%	33%
Pension overpayment and recovery	17%	60%	9%	14%	21%
Inaccurate data held and/or statement issued	17%	50%	9%	14%	21%
Delay or refusal of pension transfer	15%	0%	4%	21%	8%
Slow or ineffective communication	9%	10%	4%	13%	0%
Delays to benefit payments	8%	10%	0%	13%	0%
Death grants	5%	0%	4%	6%	4%
Don't know	7%	10%	13%	3%	17%
Did not answer question	1%	0%	4%	0%	0%

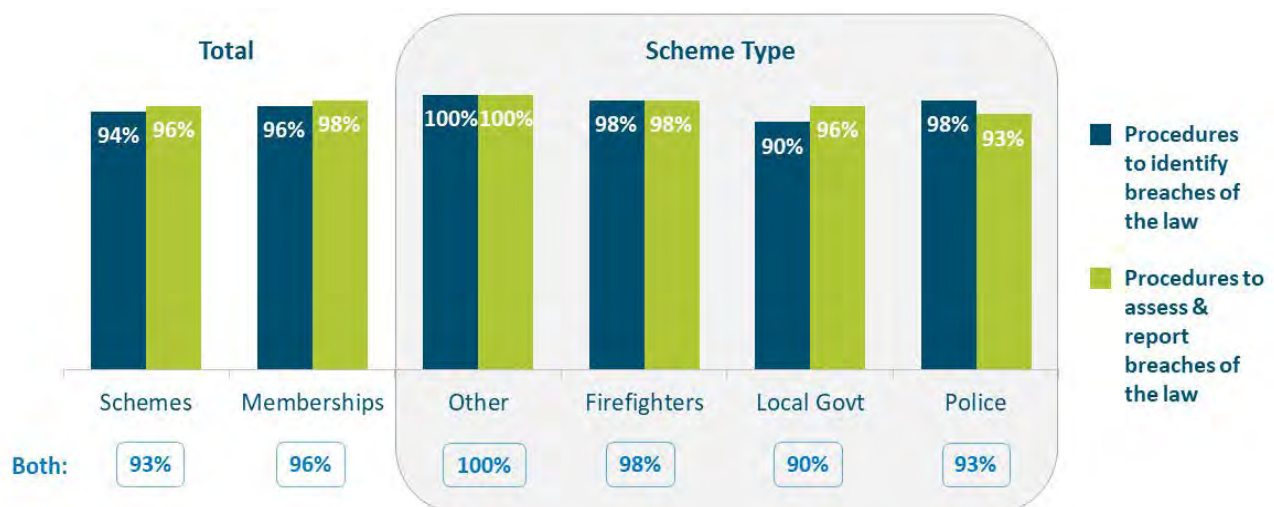
Eligibility for ill health benefit was the most common type of complaint that entered the IDR process for 'Other', Firefighters' and Local Government schemes (60%, 39% and 71% respectively). 'Other' schemes also identified pension overpayment and recovery as a common complaint (60%), and inaccuracies or disputes around pension value or definitions was a common complaint for Firefighters' schemes.

Police schemes were considerably less likely to put ill health benefit complaints into the IDR process (8%); their most common complaints instead related to disputes or queries about the amount of benefit paid (38%) and inaccuracies or disputes around pension value or definitions (33%).

4.8 Reporting breaches

The vast majority of schemes had procedures in place to identify breaches of the law (94%) and to assess these and report them to TPR if required (96%). All of the 'Other' schemes had both procedures in place, but Local Government schemes were least likely to have procedures to identify breaches of the law (90%) and Police schemes were least likely to have procedures to assess and report breaches (93%).

Figure 4.8.1 Proportion of schemes with procedures to identify breaches of the law and to assess breaches of the law and report these to TPR if required



All respondents (Base, Don't know if procedures to identify, Did not answer if procedures to identify, Don't know if procedures to assess and report, Did not answer if procedures to assess and report) - Schemes (202, 1%, 1%, 0%, 1%), Memberships (202, 1%, 1%, 0%, 1%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 0%, 0%), Local Government (97, 2%, 2%, 0%, 2%), Police (45, 2%, 0%, 2%, 0%)

The proportion of schemes with both procedures in place increased from 53% in 2015 to 93% in 2018 but did not change between 2018 and 2019.

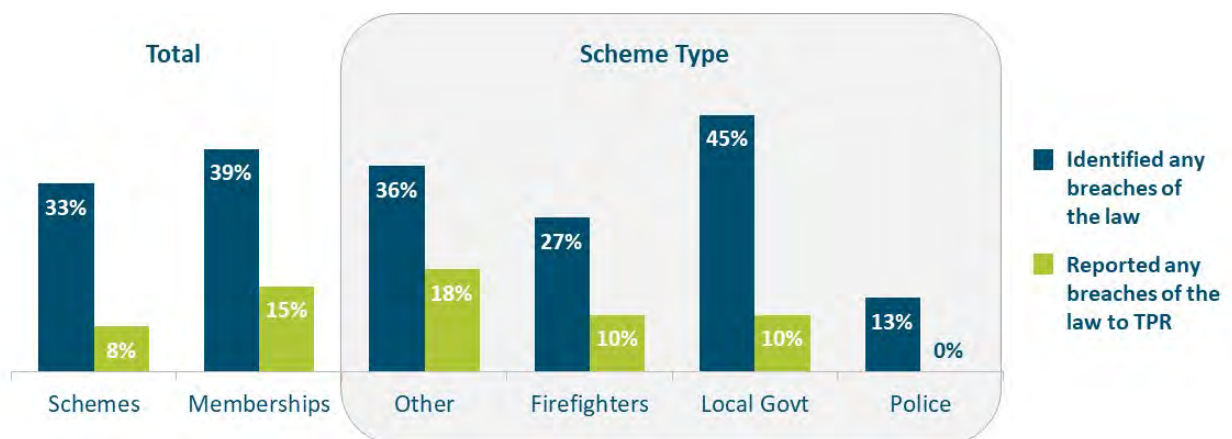
However, there were some changes since 2018 at a scheme type level. The proportion of Firefighters' schemes with both procedures in place increased (+9 percentage points) but there was a fall for Local Government schemes (-4 percentage points).

Table 4.8.1 Proportion of schemes with procedures to both identify and assess and report breaches of the law – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	93%	100%	98%	90%	93%
PSPS Survey 2018	93%	100%	89%	94%	93%
PSPS Survey 2017	90%	100%	84%	95%	84%
PSPS Survey 2016	84%	100%	78%	91%	69%
PSPS Survey 2015	53%	67%	36%	51%	73%

In addition to asking whether schemes had procedures to identify, assess and report breaches of the law, the survey also captured data on the proportion that had done so in the previous 12 months. For these questions, schemes were asked to exclude any breaches relating to their annual benefit statements.

A third (33%) of schemes had identified non-annual benefit statement breaches of the law in the previous 12 months, and 8% had reported breaches to TPR in this period as they thought they were materially significant (ie around a quarter of those identifying breaches reported them to TPR).

Figure 4.8.2 Proportion of schemes that identified breaches of the law and reported any breaches to TPR in last 12 months (excluding those relating to annual benefit statements)

All respondents (Base, Don't know if identified, Did not answer if identified, Don't know if reported, Did not answer if reported) - Schemes (202, 1%, 1%, 0%, 1%), Memberships (202, 0%, 1%, 0%, 1%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 2%, 0%, 0%, 0%), Local Government (97, 0%, 2%, 0%, 2%), Police (45, 4%, 0%, 0%, 0%)

The proportion identifying breaches in the previous 12 months was highest for Local Government and 'Other' schemes (45% and 36% respectively). 'Other' schemes were also most likely to have reported breaches to TPR (18%) followed by Firefighters' and Local Government schemes (10% for both). Police schemes were the least likely to identify breaches (13%), and none of these were reported to TPR.

Larger schemes were more likely to have identified non-ABS breaches than smaller schemes; 53% of those with over 30,000 memberships had done so in the previous 12 months, compared with 29% of those with 5,001-30,000 memberships and 17% of those with 5,000 or fewer memberships. The proportion reporting breaches to TPR followed a broadly similar pattern with 12% of those with over 30,000 memberships reporting a breach, compared with 5% of those with 5,001-30,000 memberships and 7% of those with 5,000 or fewer memberships.

Where breaches of the law were identified, they were most commonly attributed to the scheme's employers. Approaching half (45%) of those identifying breaches stated that these were caused by late or non-payment of contributions by the employer(s), 42% cited failure of the employer(s) to provide timely, accurate or complete data and 21% mentioned other employer-related issues.

Table 4.8.2 Causes of breaches identified (excluding those relating to annual benefit statements)

	Total	
	Schemes	Memberships
<i>Base: All identifying breaches of the law (not related to ABS)</i>	<i>67</i>	<i>67</i>
Late or non-payment of contributions by the employer(s)	45%	56%
Failure of the employer(s) to provide timely, accurate or complete data	42%	51%
Systems or process failure	24%	14%
Other employer-related issues	21%	44%
Management of transactions (e.g. errors or delays in payments of benefits)	16%	22%
Failure to maintain records or rectify errors	13%	6%
Other	21%	10%
Don't know	0%	0%
Did not answer question	0%	0%

4.9 Addressing governance and administration issues

All schemes were asked to identify the top three barriers to improving their governance and administration over the next 12 months. The most widely mentioned was the complexity of their scheme (63%), followed by the volume of changes required to comply with legislation (49%), the McCloud judgement (42%), lack of resources or time (39%), and the recruitment, training and retention of staff and knowledge (36%).

Table 4.9.1 Barriers to improving governance and administration over next 12 months

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
Complexity of the scheme	63%	27%	84%	56%	64%
The volume of changes that are required to comply with legislation	49%	27%	55%	38%	69%
The McCloud judgement	42%	91%	51%	24%	60%
Lack of resources or time	39%	27%	35%	47%	27%
Recruitment, training and retention of staff and knowledge	36%	9%	31%	42%	33%
Employer compliance	21%	9%	0%	42%	0%
Issues with systems (IT, payroll, administration systems, etc.)	11%	18%	2%	16%	9%
Lack of knowledge, effectiveness or leadership among key personnel	3%	0%	6%	4%	0%
Poor communications between key personnel	3%	0%	2%	4%	2%
Other barriers	7%	36%	8%	5%	4%
There are no barriers	2%	9%	2%	1%	2%
Don't know	0%	0%	2%	0%	0%
Did not answer question	1%	0%	0%	2%	0%

Complexity of the scheme was the most commonly identified barrier for both Firefighters' (84%) and Local Government (56%) schemes, but for Police schemes it was the volume of changes that are required to comply with legislation (69%).

The vast majority of 'Other' schemes (91%) identified the McCloud judgement as one of their top barriers. This was also seen as a major barrier by Police (60%) and Firefighters' (51%) schemes, but fewer Local Government schemes (24%).

Schemes were also asked to what they would attribute any improvements made to their governance and administration in the last 12 months. A variety of improvement drivers were identified, but the major ones were better understanding of the risks facing the scheme (59%) and better understanding of the underlying legislation and standards expected by TPR (57%). A further 38% attributed improvements to resources being increased or redeployed to address risks.

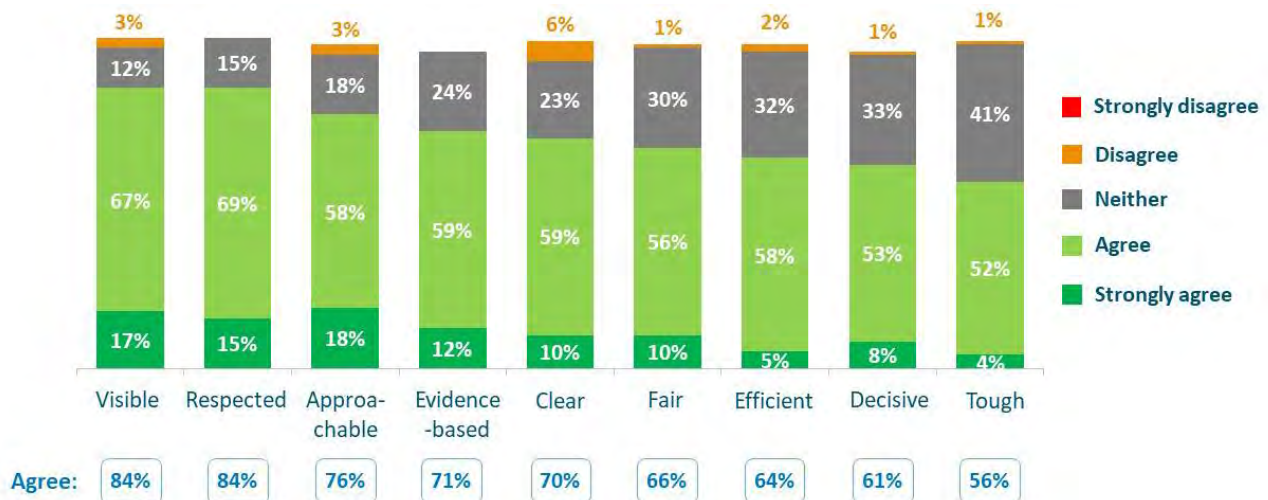
Table 4.9.2 Drivers of improvements to governance and administration in last 12 months

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
Improved understanding of the risks facing the scheme	59%	64%	57%	52%	76%
Improved understanding of underlying legislation and standards expected by TPR	57%	36%	57%	53%	73%
Resources increased or redeployed to address risks	38%	45%	27%	49%	22%
Pension board action	33%	45%	37%	28%	36%
Administrator action	30%	18%	43%	34%	9%
Improved engagement by TPR	24%	36%	14%	26%	27%
Scheme manager action	17%	27%	24%	20%	2%
Other	5%	0%	10%	5%	2%
No improvements made in the last 12 months	2%	0%	6%	1%	2%
Don't know	2%	0%	4%	2%	2%
Did not answer question	1%	0%	0%	3%	0%

4.10 Perceptions of TPR

When asked for their perceptions of TPR, schemes were most likely to agree that it was visible and respected (both 84%) and least likely to agree that it is decisive and tough (61% and 56% respectively). Few schemes actively disagreed with each of the descriptors of TPR, with those that did not agree typically indicating that they neither agreed nor disagreed with each one.

Figure 4.10.1 Perceptions of TPR



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0-4%, 0%)

'Other' schemes typically had the most positive perception of TPR, with 100% agreeing that TPR was respected and approachable. Police schemes were more likely to see TPR as tough (71%) compared with the other three scheme types (52%-55%).

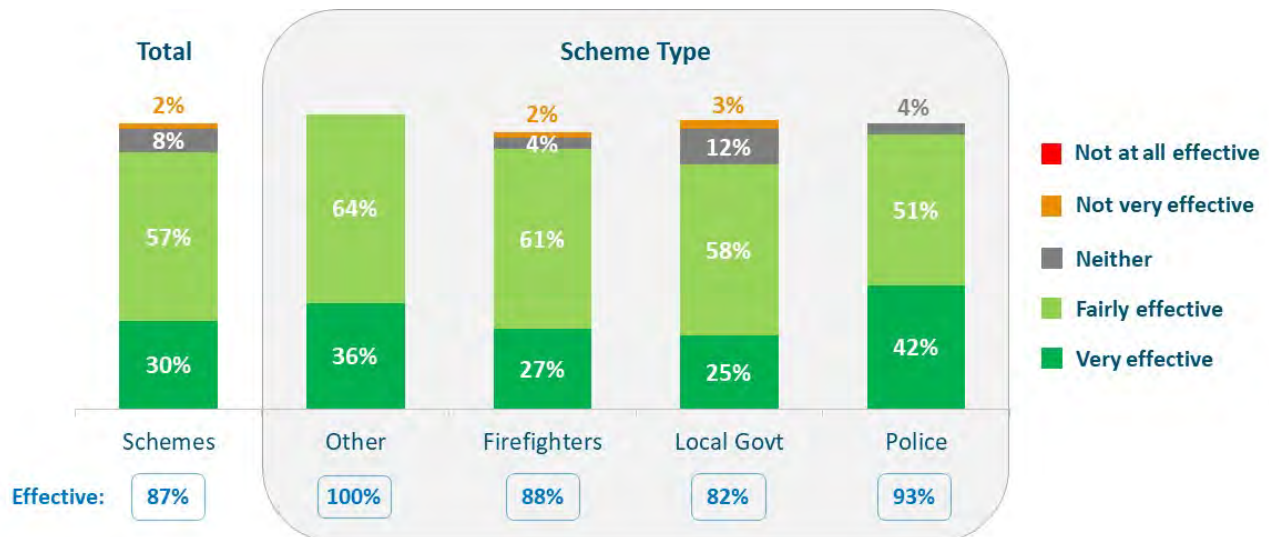
There were increases since 2018 in the proportion seeing TPR as decisive (+8 percentage points), respected (+6 percentage points) and evidence-based (+4 percentage points). However, there was a decrease in the proportion seeing TPR as visible (-5 percentage points).

Table 4.10.1 Proportion of schemes agreeing with descriptors of TPR – Time series

	Visible	Respected	Approachable	Evidence-based	Clear
PSPS Survey 2019	84%	84%	76%	71%	70%
PSPS Survey 2018	89%	78%	73%	67%	70%
PSPS Survey 2017	84%	84%	73%	60%	73%
	Fair	Efficient	Decisive	Tough	
PSPS Survey 2019	66%	64%	61%	56%	
PSPS Survey 2018	66%	60%	53%	55%	
PSPS Survey 2017	71%	64%	50%	47%	

Schemes were also asked how effective they believed TPR to be at improving standards of governance and administration in PSPS. Overall, 87% judged TPR to be effective, with 30% describing it as very effective.

Figure 4.10.2 Perception of TPR's effectiveness at improving standards of governance and administration in PSPS



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 0%), Other (11, 0%, 0%), Firefighters (49, 6%, 0%), Local Government (97, 1%, 1%), Police (45, 2%, 0%)

Every 'Other' scheme rated TPR as either very or fairly effective in this regard. Police schemes were the most likely to perceive TPR as very effective (42%).

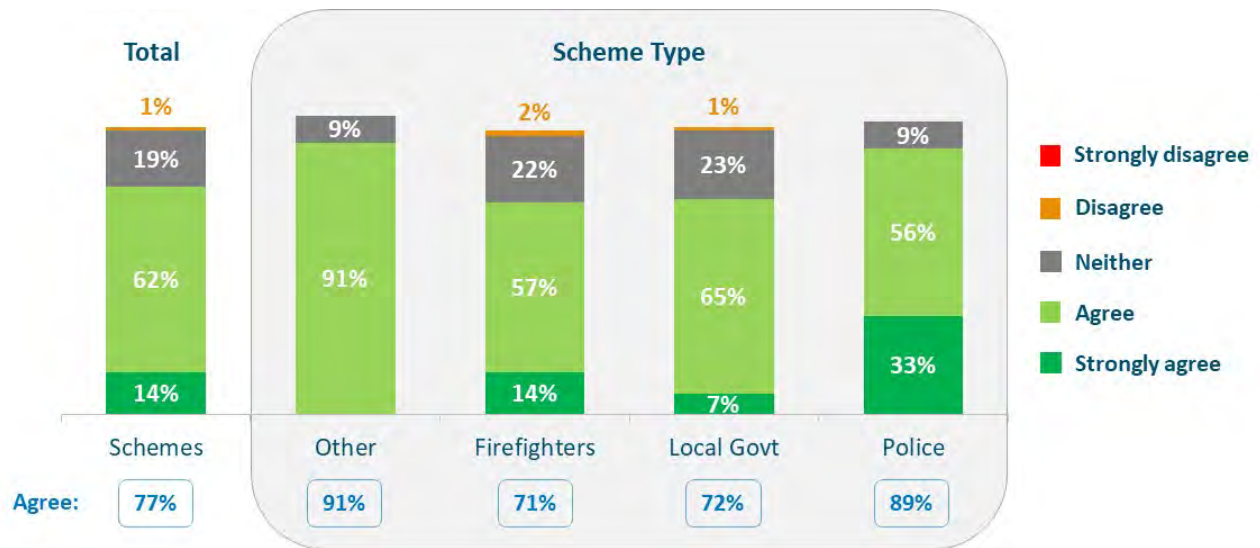
There was little change in perceptions since 2018, although the proportion of Local Government schemes describing TPR as effective fell (from 89% to 82%).

Table 4.10.2 Proportion of schemes rating TPR as very or fairly effective – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	87%	100%	88%	82%	93%
PSPS Survey 2018	88%	100%	83%	89%	89%
PSPS Survey 2017	91%	100%	92%	90%	91%
PSPS Survey 2016	82%	82%	82%	85%	74%

Schemes were also asked the extent to which they agreed that TPR is effective at bringing about the right changes in behaviour among its regulated audiences. As shown in Figure 4.10.3, three-quarters of all schemes (77%) agreed with this statement, rising to around nine in ten 'Other' (91%) and Police (89%) schemes.

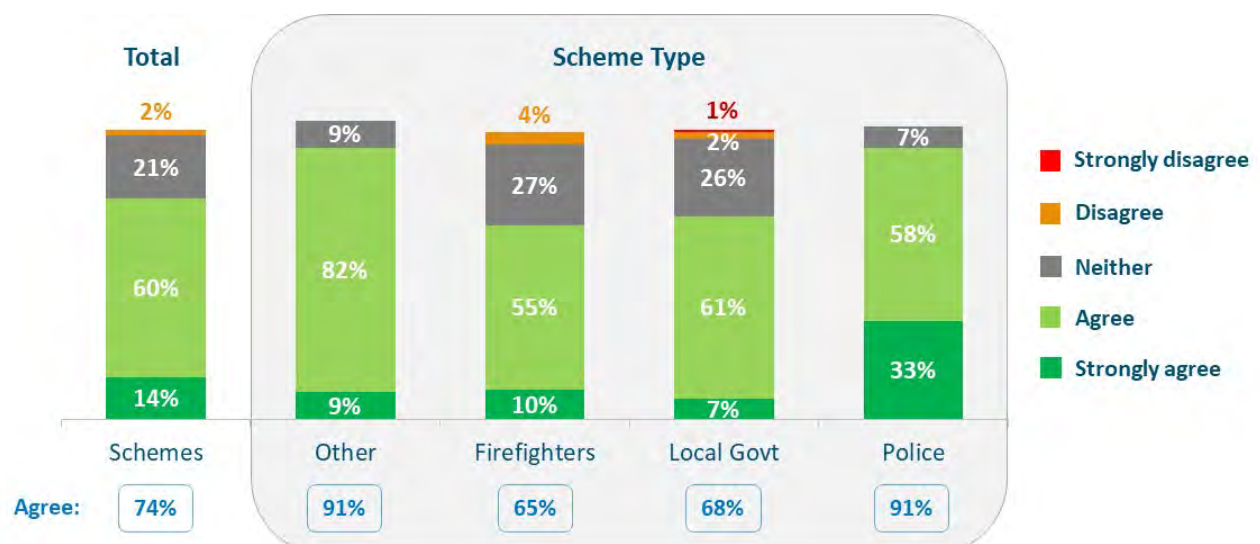
Figure 4.10.3 Proportion agreeing that TPR is effective at bringing about the right changes in behaviour among its regulated audiences



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 3%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 3%, 1%), Police (45, 2%, 0%)

When asked the extent to which they agreed that TPR is proactive at reducing serious risks to member benefits, the results were similar. Three-quarters (74%) of schemes agreed with this, and again agreement levels were higher among 'Other' and Police schemes (both 91%) than Firefighters' and Local Government schemes (65% and 68% respectively).

Figure 4.10.4 Proportion agreeing that TPR is proactive at reducing serious risks to member benefits



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 2%, 1%), Police (45, 2%, 0%)

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