



The Pensions
Regulator

Public service governance and administration survey 2017

Research report

Prepared for The Pensions Regulator

By OMB Research

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1. Executive summary

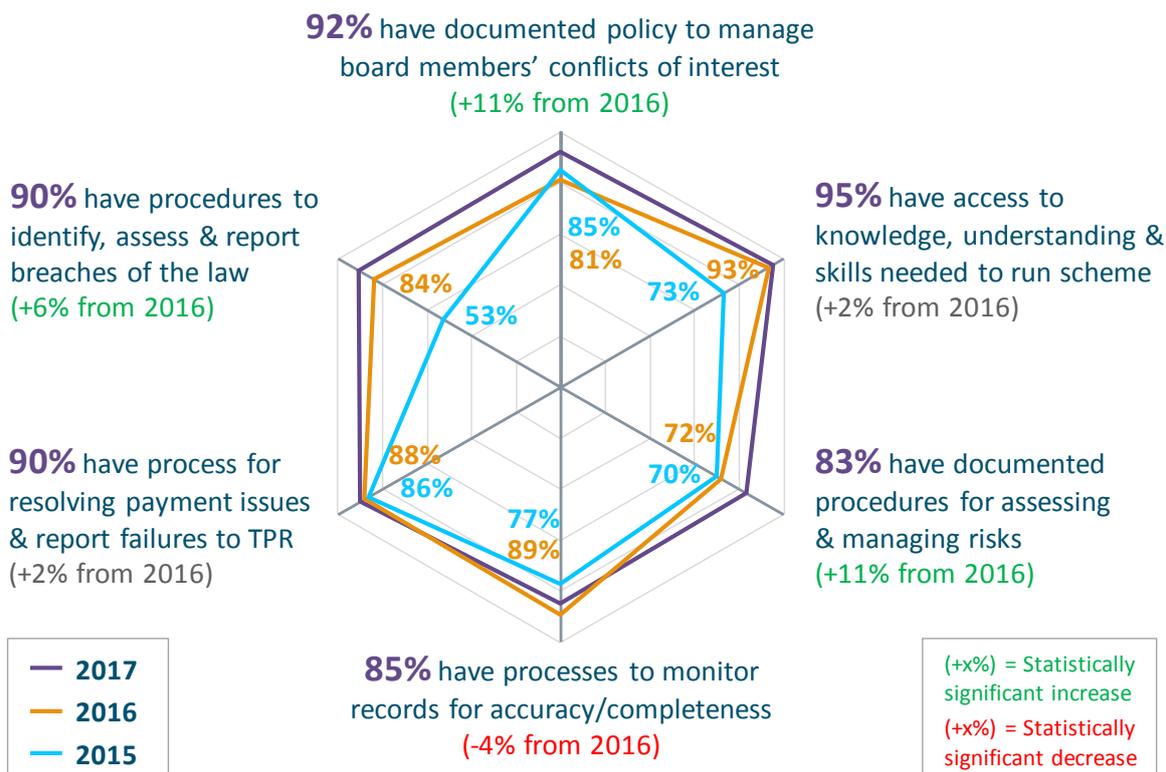
1.1 Key processes

Three of the six key processes that The Pensions Regulator (TPR) monitors as indicators of public service scheme performance have improved since 2016. Performance on all six processes has improved since 2015.

The greatest improvements were seen in the proportion of schemes with a policy to manage conflicts of interest (92%, compared to 81% in 2016) and documented procedures to assess and manage risks (83%, compared to 72% in 2016).

There was also an increase in the proportion of schemes with procedures to identify, assess and report breaches of the law (90%, compared to 84% in 2016). However, there was a fall in the proportion with processes to monitor member records for accuracy and completeness (85%, compared to 89% in 2016).

Figure 1.1.1 Schemes' performance on key processes¹



¹ The question wording for “access to knowledge, understanding and skills needed to properly run the scheme” was slightly different in 2015 and 2016, when schemes were asked if they had developed policies and arrangements to help pension board members acquire and retain the knowledge and understanding they require. The change over time has been shown as the overall sense of the question remained the same, but the different wording should be considered when interpreting these results.

Overall, 58% of public service schemes had all six of these key processes in place, representing 71% of all memberships.

Approaching three-quarters of the 'Other' (73%) and Local Government (70%) schemes had all six processes in place, compared to less than half of Firefighters' (41%) and Police schemes (47%).

1.2 Managing risk

Risk management procedures and registers were more consistently used than in 2016, but only half of schemes regularly review their risk exposure.

Most schemes had documented procedures for assessing and managing risks (83%, up from 72% in 2016) and had a risk register (88%, up from 70%). Around half (49%) reviewed their exposure to new and existing risks on at least a quarterly basis.

The most significant improvements since 2016 were seen in relation to Firefighters' and Police schemes, although the former were still less likely to have risk management processes than the other types of public service scheme.

1.3 Administrator controls

Administrator attendance at meetings and provision of reports by administrators was widespread, but penalties were used less.

The majority of schemes indicated that administrators regularly delivered reports to, and attended meetings with, the scheme manager or pension board (83% and 81% respectively).

A range of other processes were used to manage and monitor administrators, including the use of performance metrics in contracts or service level agreements (SLAs) (74%), reviews by independent auditors (63%) and the provision of independent assurance reports (28%). The use of SLAs was notably less prevalent where schemes were administered in-house (50%, compared to 94% of those administered by another public body and 96% of those administered by a commercial third party).

Penalties were less frequently used as a means of managing administrators than other methods, with 20% of schemes imposing these if contractual terms or service standards were not met.

1.4 Data quality and reviews

The mean proportion of employers that provided timely data was 89%, and the mean proportion providing accurate and complete data was 86%.

Nearly two-thirds (62%) of schemes reported that at least 90% of their employers provided timely data, and 55% reported that at least 90% of their employers provided accurate and complete data.

Training on data protection and arrangements for escalating breaches were widespread.

Around nine in ten schemes reported that key staff had training on the principles of the Data Protection Act (94%) and had a process for reporting breaches to the administrator/scheme manager (87%).

The majority of schemes had undertaken a recent data review, had identified issues and were taking action to address them.

Three-quarters (75%) of schemes had undertaken a data review in the previous 12 months, and a further 15% had done so but less recently.

Over two-thirds (69%) of those undertaking a review had identified issues, an increase on the 60% seen in 2016. This increase was largely driven by Police schemes (83% identified issues, compared to 52% in 2016).

All but 1% of those identifying issues had taken action or developed plans to address these, and almost a third (30%) had completed rectification work.

1.5 Communications

Over nine in ten active members were sent their Annual Benefit Statement (ABS) by the statutory deadline, a significant improvement since 2016.

The mean proportion of active members receiving their ABS by the deadline was 93%, up from 75% in 2016. Overall, 60% of schemes reported that it was sent to all members on time, with this more likely to be the case for Police and Firefighters' schemes (79% and 73%) and less likely for 'Other' and Local Government schemes (each 45%).

In the 2016 survey, 19% of schemes missed the ABS deadline for all their members, but this fell to 3% in 2017.

1.6 Resolving issues and reporting breaches

Almost 13,000 complaints were estimated to have been made to public service schemes in the last year, amounting to 0.1% of all memberships.

The types of complaints made varied by scheme type, but at an overall level the top complaints related to eligibility for ill health benefit (40%), disputes over pension value (31%) and poor communications (30%).

Nine in ten schemes had procedures to identify, assess and report breaches of the law. Overall, 39% of schemes had recently identified breaches, with almost half of these reporting a breach to TPR.

Most public service schemes had procedures in place to identify breaches of the law (92%) and to assess these and report them to TPR if required (91%).

In the previous 12 months 39% of schemes had identified breaches and almost half of this group (17% of all schemes) had reported these to TPR. The 'Other' schemes were most likely to have both identified (82%) and reported (73%) breaches, with Police schemes least likely to have done so (16% and 5% respectively).

1.7 Improving scheme governance and administration

The largest perceived barriers to improving scheme governance related to complexities of the scheme, legislation and available resources.

The complexity of the scheme was identified as a top barrier to improving governance by 61% of schemes, and was the most widely mentioned barrier among Firefighters', Local Government and Police schemes.

Nearly half of the schemes also identified the volume of legislative changes required to ensure compliance (48%) and lack of resources or time (44%) as key barriers. Issues with their systems (e.g. IT, payroll, administration) was the most widely quoted barrier among the 'Other' schemes (82%).

Improved governance and administration was attributed to a better understanding of expected standards and the risks facing the scheme, as well as improved engagement by TPR.

Over half of public service schemes felt that the improvements they had made over the last 12 months were down to better understanding of the legislation and expected standards (62%) and of the risks facing their scheme (55%). Overall, 43% also attributed this to improved engagement by TPR.

1.8 TPR products and engagement

TPR products were widely used and well-regarded.

Use of the TPR website was near universal (97%). Almost nine in ten schemes (86%) indicated that they typically got all or most of what they wanted when they visited the website.

TPR was generally felt to be effective at improving standards in public service pension schemes.

Overall 91% of schemes judged TPR to be very or fairly effective at improving standards of governance and administration, an increase on the 82% seen in 2016.

2. Introduction

2.1 Background

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

The 2013-2014 Acts also gave TPR an expanded role to regulate the governance and administration of these public service pension schemes from 1 April 2015. In January 2015, TPR published its draft code of practice for the governance and administration of public pension service schemes (the PSPS code), which sets out the standards of conduct and practice it expects of those responsible for public service schemes, as well as practical guidance about how to comply with the legal requirements. The code came into force by 1 April 2015.

As part of its expanded role, TPR is responsible for 207 public service schemes in respect of eight public service workforces, covering over 16.5 million memberships.

A survey was undertaken in 2015 to assess how schemes were meeting the new requirements, and the standards to which they were being run. Further surveys were run in 2016 and 2017 to provide a further assessment of performance, understand barriers to improvement, and delve deeper into the top risks of record-keeping, internal controls and communications.

2.2 Communications activities

TPR continues to engage with those acting in the Public Service Pension Scheme landscape. This includes:

- direct engagement through pension board meetings,
- presenting and holding workshops at cohort-wide training events and conferences,
- engagement with associated employers at training events and conferences, and
- regular proactive 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 training on topics such as data improvement and governance.

In addition to direct engagement we produced guidance products and conducted a range of associated communications campaigns focused on the key outcomes of the 2016 PSPS governance and administration survey.

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 in order 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 scheme chairs and scheme managers to explain the nature of the research, introduce OMB Research and warn schemes that their participation would be requested.
- **Stage 2:** OMB sent a tailored invitation email to each scheme manager identified on the TPR database. 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 scheme representative 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 (including offering alternative methods of completion such as email return of a hard copy, recording responses over the phone, etc).

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 (SCORE). The target audience was scheme managers of open public service schemes. 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 207 schemes.

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

3.2 Fieldwork

All surveys were completed between 8 November and 28 December 2017. In total, 191 of the 207 public service pension schemes completed the survey. This equates to a 92% response rate, covering 98% of all memberships.

Table 3.2.1 Interview numbers and universe

Scheme type	Interviews	Schemes		Memberships ²	
		Universe	Survey coverage	Universe	Survey coverage
Other	11	11	100%	9,978,735	100%
Firefighters	49	50	98%	114,024	97%
Local Government	88	100	88%	6,246,498	94%
Police	43	46	93%	372,312	97%
Total	191	207	92%	16,711,569	98%

71% of the surveys were submitted in response to the initial email and reminders, with the remainder completed during the telephone chasing phase.

3.3 Respondent profile

Scheme managers contributed to 85% of the completed surveys, and directly completed it in 70% of cases. Only 46% of the surveys were completed with input from the pension board chair, although other board members were involved in 17%. Over half (58%) of the surveys involved consultation with the scheme administrator.

Table 3.3.1 Respondent role

Respondent role	Completed by	Consulted with	Total (involved)
Scheme manager (or their representative)	70%	47%	85%
Pension board chair	4%	42%	46%
Pension board member	4%	14%	17%
Administrator	16%	42%	58%
Other	7%	12%	15%

² Membership figures refer to 2015 and connected schemes

3.4 Analysis and reporting conventions

Throughout the report, results are reported at an aggregate level for all respondents and by cohort: Local Government, Firefighters', Police and 'Other'³ 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 60% of all memberships. The narrative commentary in this report therefore typically focuses on the scheme-weighted findings.

Where available, comparable results from the 2015 and 2016 PSPS surveys have been included⁴.

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.

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 waves of the research have been tested for statistical significance, using finite population correction (i.e. reflecting the fact that 92% 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.

³ Centrally administered unfunded schemes excluding relevant Local Government, Firefighters' and Police schemes

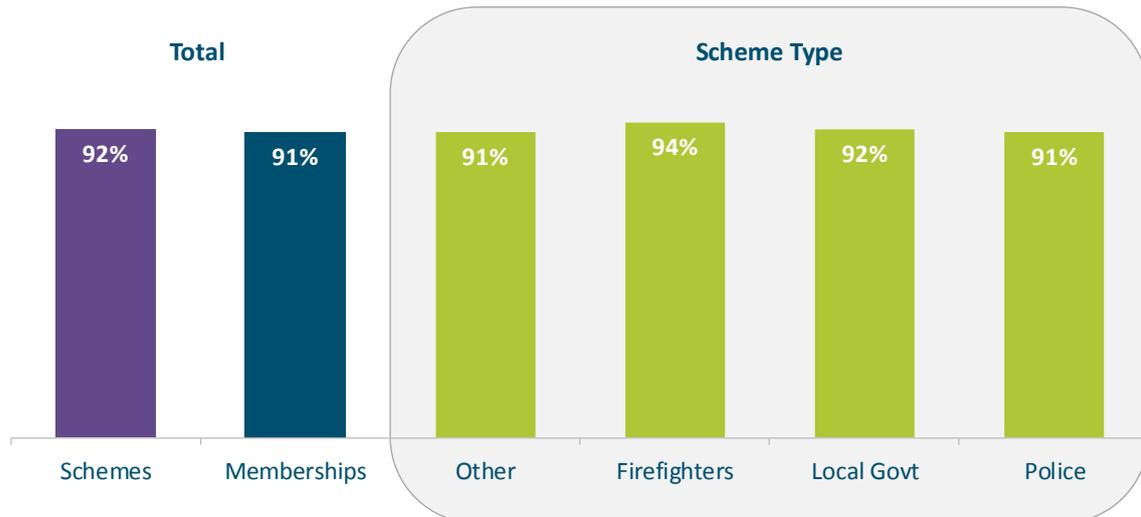
⁴ Although data was reported unweighted in the published 2015 report, weights have been retrospectively applied to this data to ensure direct comparability with the 2016 and 2017 results. For this reason, the 2015 figures may not exactly match those in the published 2015 report.

4. Research findings

4.1 Scheme governance

Overall, 92% of schemes had a documented policy to manage board members' conflicts of interest, representing 91% of public service pension scheme memberships.

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 (191, 2%, 1%), Memberships (191, 0%, 6%), Other (11, 0%, 9%), Fire (49, 2%, 0%), LG (88, 0%, 1%), Police (43, 7%, 0%)

The proportion of schemes with a conflicts policy was broadly similar across the different scheme types, ranging from 91% to 94%. Incidence increased with scheme size; 100% of schemes with over 100,000 memberships had a conflicts policy compared to 94% of those with 30,000-100,000 memberships and 90% of those with less than 30,000 memberships.

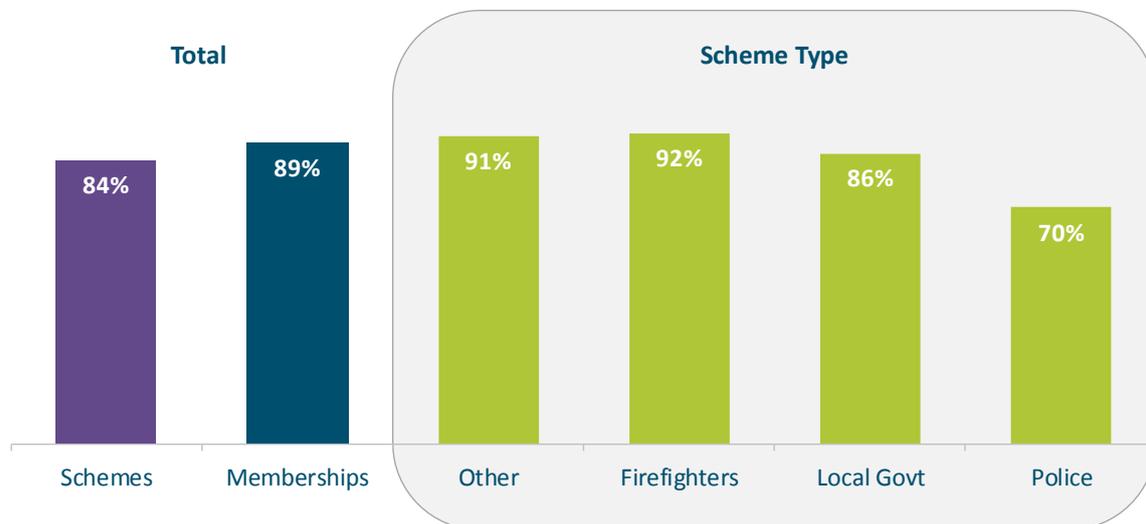
Use of conflicts policies has increased over time, from 81% in 2016 to 92% in 2017. This pattern was seen for Firefighters', Local Government and Police schemes. While the proportion of 'Other' schemes with a conflicts policy fell from 100% to 91%, this was due to one scheme not answering the question in 2017.

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 2017	92%	91%	94%	92%	91%
PSPS Survey 2016	81%	100%	80%	85%	71%
PSPS Survey 2015	85%	100%	79%	87%	86%

Over 4 in 5 schemes maintained a register of board members' interests (84%), although Police schemes were comparatively less likely to do so (70%).

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 (191, 4%, 0%), Memberships (191, 0%, 5%), Other (11, 0%, 9%), Fire (49, 2%, 0%), LG (88, 0%, 0%), Police (43, 14%, 0%)

As seen with conflicts of interest policies, use of registers was highest among the largest schemes, with every scheme of over 100,000 memberships having one in place.

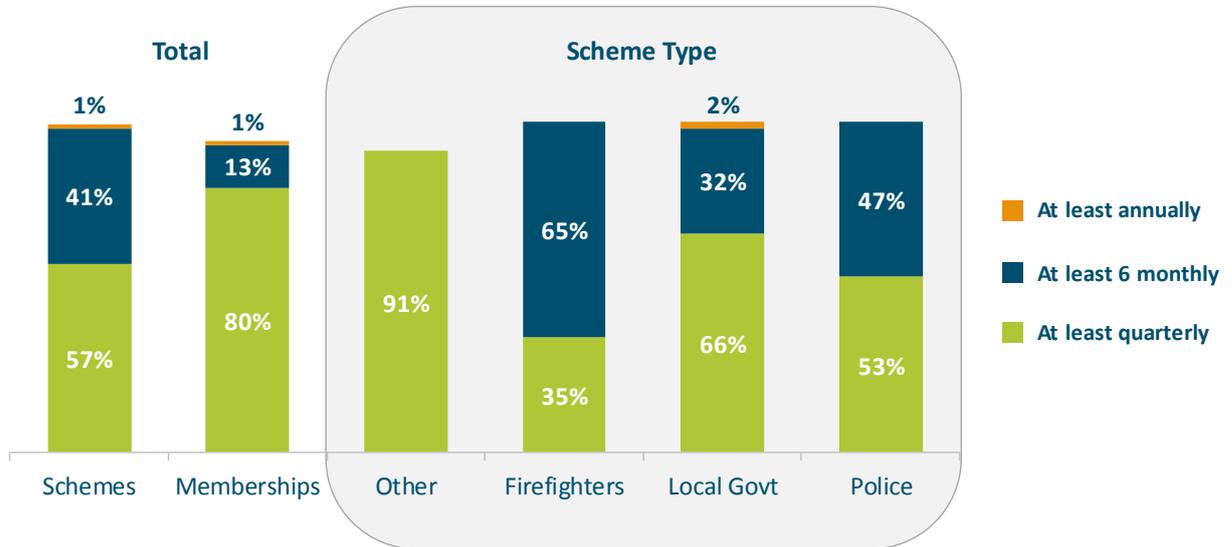
While there was an increase between 2015 and 2016 (from 75% to 85%), no change was seen at an overall level between 2016 and 2017. The proportion of Firefighters' and Local Government schemes with a register of interests has increased since 2015 (from 57% to 92% and from 77% to 86% respectively), but there has been a downward trend among Police schemes over this period (from 86% to 70%).

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 2017	84%	91%	92%	86%	70%
PSPS Survey 2016	85%	100%	86%	87%	74%
PSPS Survey 2015	75%	92%	57%	77%	86%

Over half (57%) of schemes had pension board meetings on a quarterly basis or more frequently⁵, with most of the remainder (41%) holding them at least every six months. The ‘Other’ schemes were most likely to have quarterly board meetings (91%), with Firefighters’ schemes least likely to do so (35%).

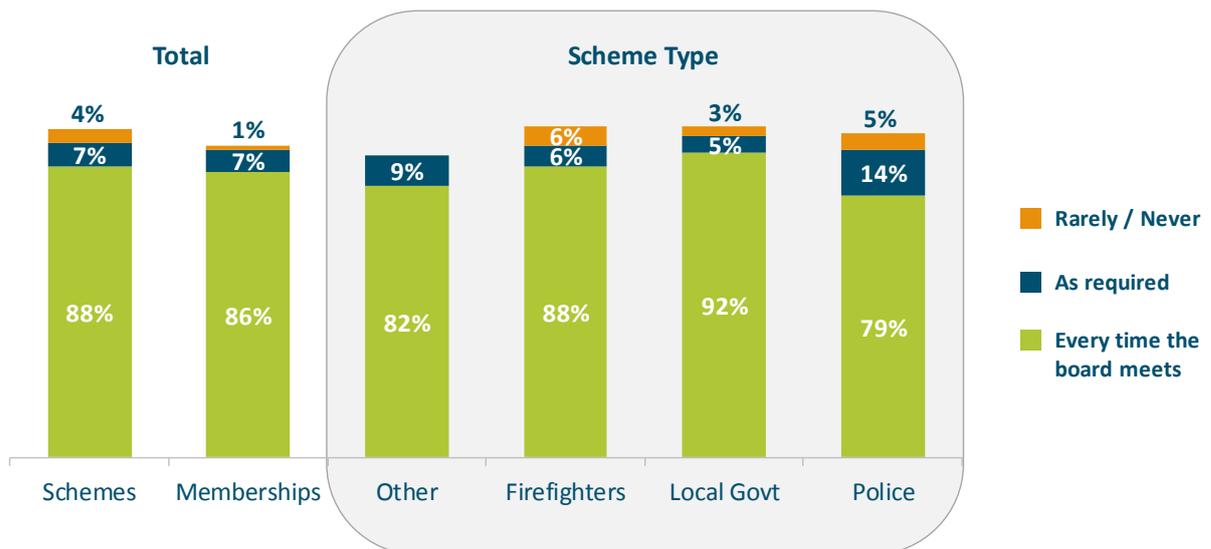
Figure 4.1.3 Frequency of pension board meetings



All respondents (Base, Did not answer question) - Schemes (191, 0%), Memberships (191, 5%), Other (11, 9%), Fire (49, 0%), LG (88, 0%), Police (43, 0%)

In the vast majority of cases (88%) the scheme manager or their representative attended every pension board meeting. Of the remainder, 7% attended as required and 4% never attended board meetings.

Figure 4.1.4 Frequency of scheme manager (or their representative) attending pension board meetings



All respondents (Base, Don't know, Did not answer question) - Schemes (191, 1%, 0%), Memberships (191, 0%, 5%), Other (11, 0%, 9%), Fire (49, 0%, 0%), LG (88, 0%, 0%), Police (43, 2%, 0%)

⁵ 1% of schemes reported that they held board meetings at least monthly, with 56% saying at least quarterly.

Firefighters' and Local Government scheme managers were most likely to attend every board meeting (88% and 92% respectively).

In comparison to 2016, a higher proportion of schemes reported that the scheme manager attended every board meeting (88% vs. 72%). This increase was greatest for Police and Firefighters' schemes. However, this may be because the 2017 question referenced 'the scheme manager or their representative' whereas in 2016 it only asked about 'the scheme manager'.

Table 4.1.3 Proportion of schemes where scheme manager (or their representative) attended every pension board meeting – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2017	88%	82%	88%	92%	79%
PSPS Survey 2016	72%	82%	68%	86%	43%

Two-thirds (64%) of pension board chairs had face-to-face meetings with the scheme manager. In addition, 40% of boards submitted reports to the scheme manager, and a similar proportion (39%) indicated that the scheme manager commissioned advice from the board.

Table 4.1.4 Interaction between pension board and scheme manager

	Total		Scheme Type			
	Schemes	Memberships	Other	Firefighters	Local Govt	Police
<i>Base: All respondents</i>	191	191	11	49	88	43
The pension board chair has face-to-face meetings with the scheme manager	64%	70%	73%	76%	66%	47%
The pension board submits written reports to the scheme manager	40%	47%	55%	24%	35%	63%
The scheme manager commissions advice from the pension board	39%	43%	45%	37%	39%	40%
Other ⁶	39%	44%	45%	39%	42%	33%
Don't know	1%	0%	0%	0%	0%	5%
Did not answer question	1%	1%	0%	0%	2%	0%

⁶ The most widely mentioned 'other' responses were regular/open communication (10%), scheme manager provides reports to pension board (9%), and other meetings between board members and scheme manager (5%).

When compared to 2016, there was more widespread engagement between the pension board and the scheme manager, particularly when it came to meetings with the chair. This pattern was evident across all scheme types.

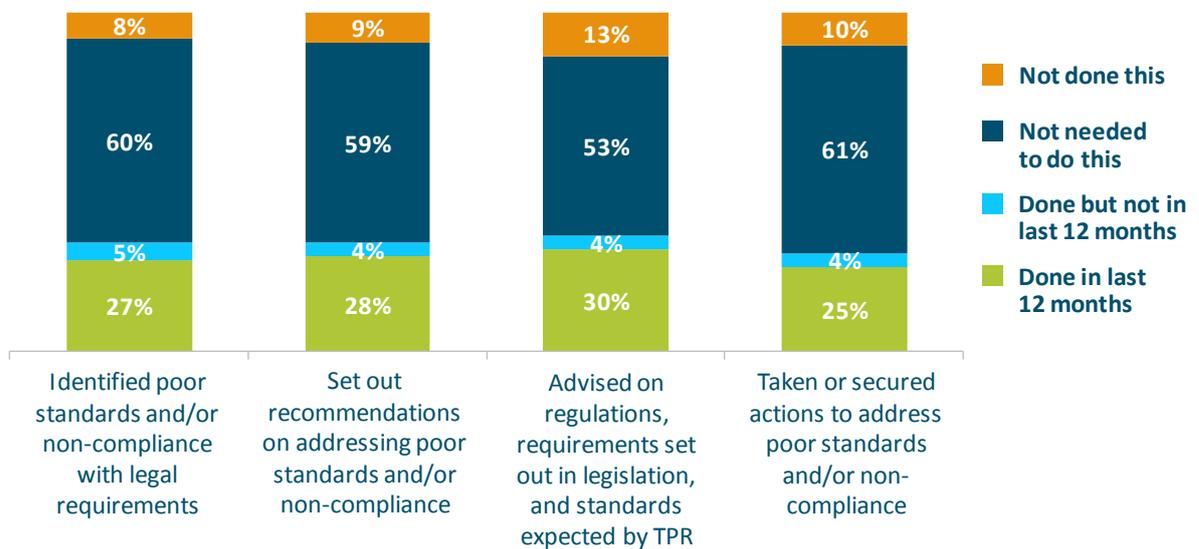
Table 4.1.5 Interaction between pension board and scheme manager – Time series

	Chair has face-to-face meetings with scheme manager	Board submits written reports to scheme manager	Scheme manager commissions advice from board	Other
PSPS Survey 2017	64%	40%	39%	39%
PSPS Survey 2016	50%	34%	31%	22%

Schemes were asked about the ways in which their pension board had advised and guided the scheme manager. Around a third of boards had identified poor standards or non-compliance (32%), made recommendations on addressing these (32%), provided advice on regulatory requirements and TPR’s standards (33%) and taken action to address poor standards or non-compliance (28%). Typically, such action had been taken in the last 12 months.

While most pension boards had not provided any of the specified types of guidance, this was generally because it had not been deemed necessary.

Figure 4.1.5 Pension board’s role in advising and guiding scheme manager



All respondents (Base) - Schemes (191)

As detailed in Table 4.1.6 below, the pension boards of 'Other' schemes were most likely to have taken each of these actions. Results were broadly similar for Firefighters', Police and Local Government schemes, although the latter were less likely to report that the board had advised the scheme manager on legislative requirements/standards and taken action to address poor standards or non-compliance.

Table 4.1.6 Proportion of schemes where pension board had provided each type of advice/guidance (at any time)

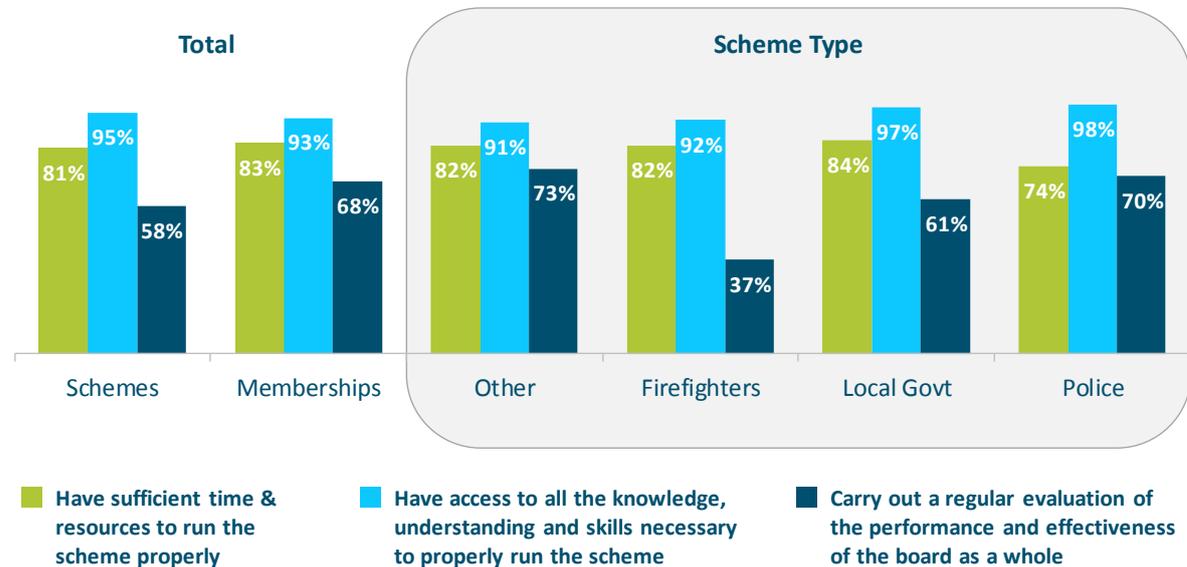
	Total		Scheme Type			
	Schemes	Memberships	Other	Firefighters	Local Govt	Police
<i>Base: All respondents</i>	191	191	11	49	88	43
Identified to the scheme manager where there are poor standards and/or non-compliance with legal requirements	32%	45%	55%	33%	30%	30%
Set out recommendations to the scheme manager on addressing poor standards and/or non-compliance with legal requirements	32%	50%	64%	31%	31%	28%
Advised the scheme manager on regulations, the governance and administration requirements set out in legislation, and standards expected by TPR	33%	38%	45%	39%	26%	40%
Taken or secured actions to address poor standards and/or non-compliance with legal requirements	28%	42%	55%	33%	23%	30%

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

Figure 4.1.6 shows that almost all public service schemes (95%) believed they had access to all the knowledge and understanding necessary to properly run the scheme. Schemes were less likely to report having sufficient time and resources however, with 4 out of 5 schemes (81%) agreeing this was the case. This pattern was evident across each type of scheme.

Over half of schemes (58%) carried out regular evaluations of the board’s performance, with Firefighters’ schemes least likely to do so (37%).

Figure 4.1.6 Scheme resources, knowledge and performance evaluation



All respondents (Base, Don't know, Did not answer question) - Schemes (191, 3-11%, 0-2%), Memberships (191, 1%, 1%), Other (11, 0-9%, 9%), Fire (49, 6-10%, 0%), LG (88, 3-7%, 0%), Police (43, 0-21%, 0%)

Equivalent data from 2015 and 2016 is only available for the proportion of schemes with access to all the knowledge, understanding and skills necessary. At an overall level, results are similar to these seen in 2016 but significantly higher than in 2015 (73%).

Table 4.1.7 Proportion of schemes with access to all necessary knowledge, understanding and skills – Time series⁷

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2017	95%	91%	92%	97%	98%
PSPS Survey 2016	93%	100%	94%	93%	89%
PSPS Survey 2015	73%	92%	36%	85%	82%

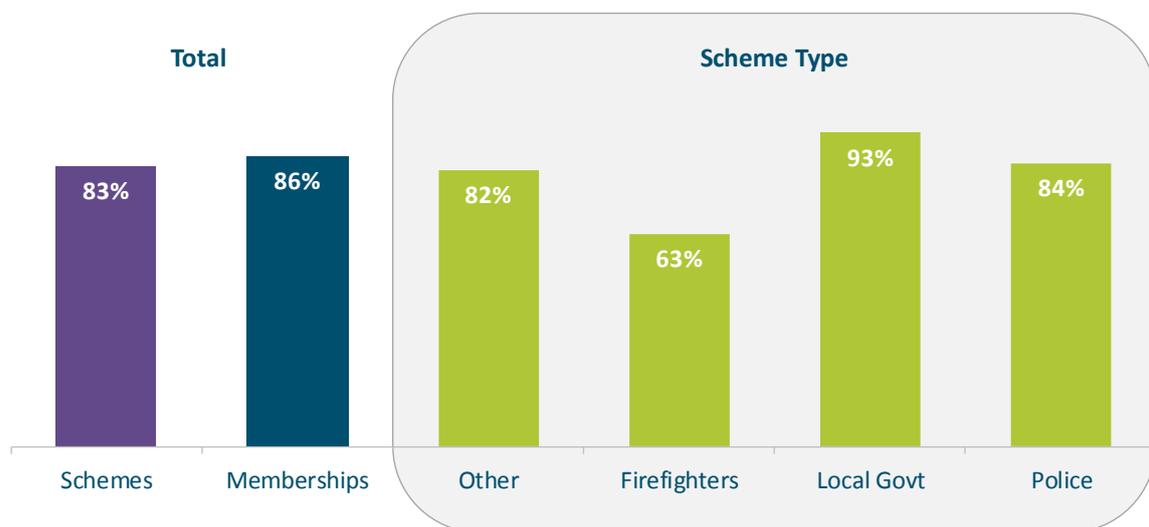
Firefighters’, Local Government and Police schemes were all more likely to believe they had sufficient knowledge and skills than was the case in 2015, with this increase most pronounced for Firefighters’ (from 36% to 92%).

⁷ In the 2015 and 2016 surveys the question wording was slightly different, with schemes asked if they had developed policies and arrangements to help pension board members acquire and retain the knowledge and understanding they require. The change over time has been shown as the overall sense of the question remained the same, but the different wording should be considered when interpreting these results.

4.2 Managing risk

Overall, 83% of schemes had documented procedures for assessing and managing risk. Local Government schemes were most likely to have these in place (93%), while Firefighters' schemes were least likely (63%).

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



All respondents (Base, Don't know, Did not answer question) - Schemes (191, 3%, 1%), Memberships (191, 0%, 5%), Other (11, 0%, 9%), Fire (49, 6%, 2%), LG (88, 0%, 0%), Police (43, 5%, 0%)

The presence of documented risk procedures was correlated with scheme size; 93% of those with over 5,000 memberships had these in place compared to 67% of smaller schemes.

When comparing findings from 2017 and 2016, there has been an increase in the proportion of schemes that have documented procedures for managing risk (from 72% in 2016 to 83% in 2017).

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 2017	83%	82%	63%	93%	84%
PSPS Survey 2016	72%	91%	44%	92%	51%
PSPS Survey 2015	70%	100%	36%	79%	82% ⁸

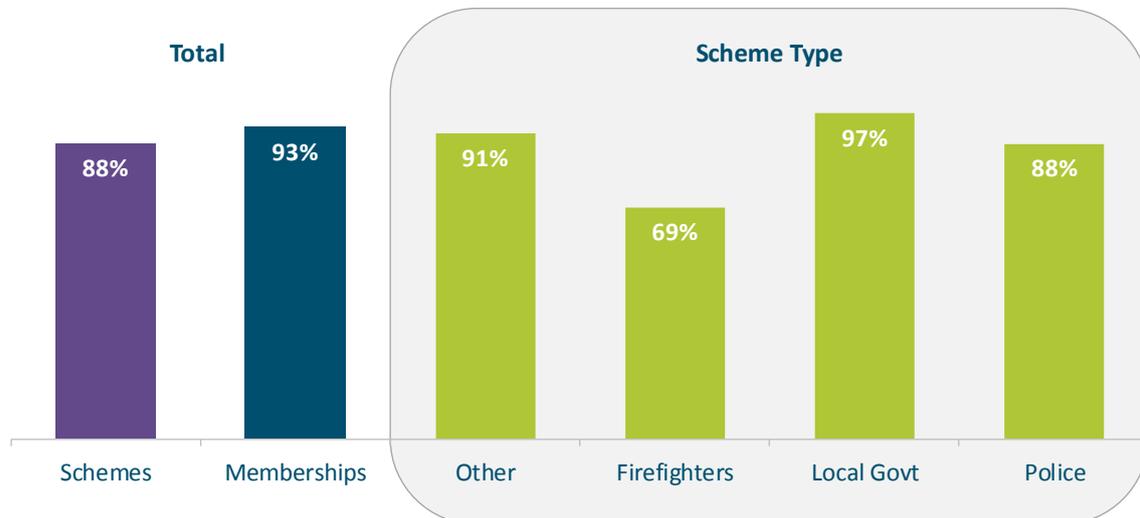
Firefighters' and Police schemes were both significantly more likely to have these procedures than in 2016, and for Firefighters' this continues the upward

⁸ The 82% recorded for Police schemes in 2015 was likely connected to the less comprehensive coverage of these schemes (49% completed the survey in 2015, compared to 76% in 2016 and 93% in 2017). As such, the increase from 51% in 2016 to 84% in 2017 is likely to be a true reflection of improved performance.

trend observed since 2015. There has been a continued fall in the proportion of 'Other' schemes with formal risk management procedures.

Around nine-in-ten schemes (88%) had a risk register, although this fell to 69% of Firefighters' schemes.

Figure 4.2.2 Proportion of schemes that had a risk register



All respondents (Base, Don't know, Did not answer question) - Schemes (191, 2%, 0%), Memberships (191, 0%, 5%), Other (11, 0%, 9%), Fire (49, 2%, 0%), LG (88, 0%, 0%), Police (43, 5%, 0%)

The likelihood of having a risk register was correlated with scheme size, ranging from 72% of those with less than 2,000 memberships up to 100% of those with over 100,000 memberships.

Schemes were significantly more likely to have a risk register than in 2016 (88% vs. 70%). The greatest changes in this regard were seen for Police and Firefighters' schemes, with increases of 37 and 31 percentage points respectively.

Table 4.2.2 Proportion of schemes that had a risk register – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2017	88%	91%	69%	97%	88%
PSPS Survey 2016	70%	91%	38%	91%	51%
PSPS Survey 2015	76%	100%	36%	91%	82% ⁹

⁹ Again, the 82% recorded for Police schemes in 2015 was likely connected to the less comprehensive coverage of these schemes (49% completed the survey in 2015, compared to 76% in 2016 and 93% in 2017). As such, the increase from 51% in 2016 to 88% in 2017 is likely to be a true reflection of improved performance.

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). A wide range of risks were reported, with the most prevalent being legislative compliance (45%), record keeping (39%), funding/investment (36%) and retention/recruitment of staff or knowledge (31%).

Table 4.2.3 Top governance and administration risks

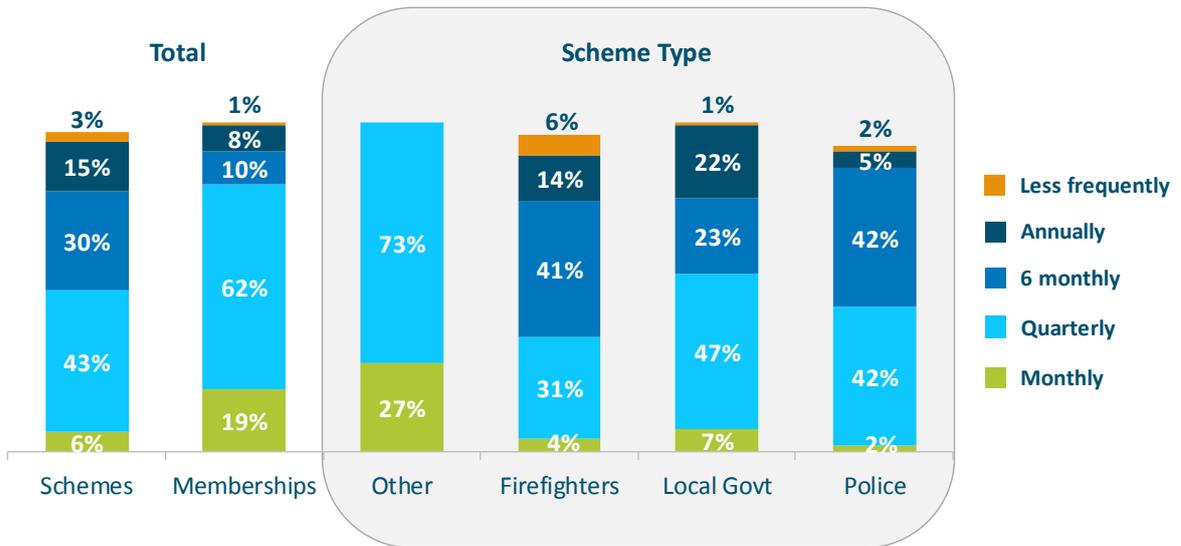
Top Mentions (5%+)	Total			Scheme Type		
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	191	191	11	49	88	43
Securing compliance with legislation	45%	32%	27%	57%	38%	53%
Record keeping	39%	34%	36%	37%	27%	67%
Funding or investment	36%	27%	0%	4%	72%	0%
Recruitment and retention of staff or knowledge	31%	23%	18%	33%	31%	33%
Employer compliance	23%	22%	9%	4%	43%	5%
Guaranteed minimum pension (GMP) reconciliation	19%	11%	9%	6%	13%	49%
Systems failures (IT, payroll, admin systems, etc)	18%	18%	18%	18%	18%	19%
Administrator issues (expense, performance, etc)	14%	30%	45%	22%	6%	16%
Lack of resources/time	12%	20%	27%	18%	10%	5%
Lack of knowledge, effectiveness, or leadership among key personnel	9%	8%	9%	10%	7%	12%
Failure of internal controls	7%	6%	9%	24%	1%	0%

The key risks differed by scheme type. ‘Administrator issues’ was identified as the top risk by the ‘Other’ schemes (45%), legislative compliance by Firefighters’, funding and investment by Local Government, and record keeping by Police schemes. The latter were also significantly more likely to identify GMP reconciliation as a top risk (49%).

As detailed in Figure 4.2.3, half of all public service schemes (49%) reviewed their exposure to new and existing risks at least quarterly, with these schemes accounting for 81% of all memberships.

Most of the remainder reviewed their risk exposure on at least an annual basis; 3% did so less frequently.

Figure 4.2.3 Frequency of reviewing risk exposure



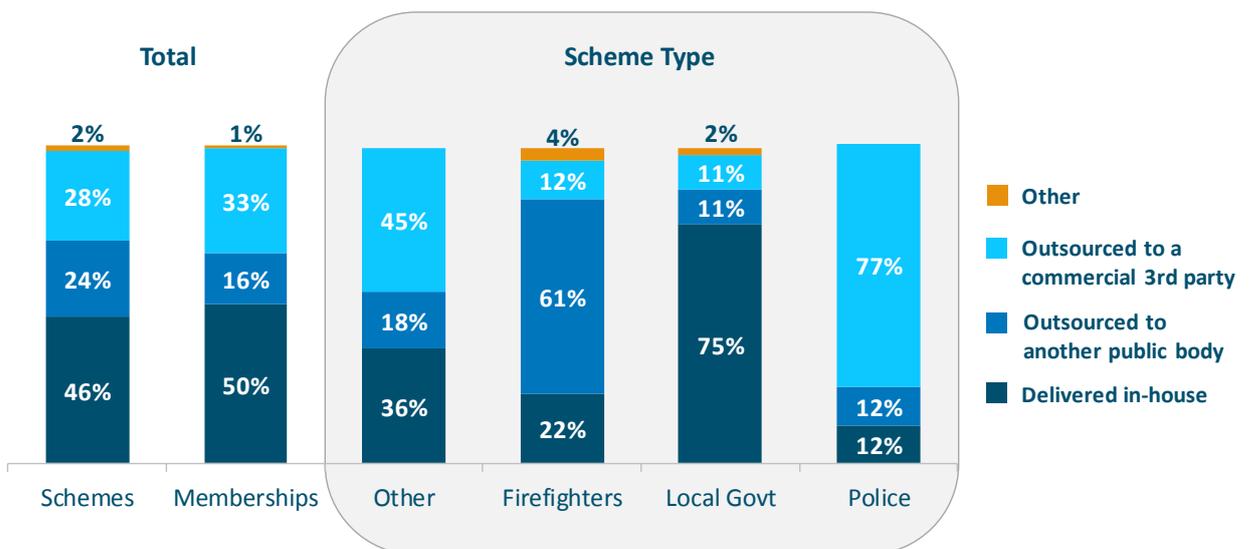
All respondents (Base, Don't know, Did not answer question) - Schemes (191, 2%, 1%), Memberships (191, 0%, 0%), Other (11, 0%, 0%), Fire (49, 4%, 0%), LG (88, 0%, 1%), Police (43, 5%, 2%)

All of the 'Other' schemes reviewed their exposure to risk at least quarterly, with 27% doing so every month. Firefighters' schemes were least likely to review risk on a regular basis, with just over a third (35%) doing so quarterly or monthly.

4.3 Administrator controls

There was a broadly equal split between schemes that were administered in-house (46%) and those where the administration was outsourced (52%). Among those that were administered externally, similar proportions used other public bodies (24%) and commercial third parties (28%).

Figure 4.3.1 Scheme administration arrangements



All respondents (Base) - Schemes (191), Memberships (191), Other (11), Fire (49), LG (88), Police (43)

There was some variation by scheme type in terms of the administrator arrangements. Three-quarters (75%) of Local Government schemes undertook scheme administration in-house, whereas 'Other', Firefighters' and Police schemes were comparatively more likely to outsource this (64%, 73% and 88% respectively). Of the latter groups, 'Other' and Police schemes were most likely to use a commercial third party, whereas Firefighters' schemes tended to outsource administration to a public body.

Larger schemes were significantly more likely to have in-house administration arrangements; 78% of schemes with over 30,000 memberships did this in-house, compared to 15% of those with less than 5,000 memberships.

As set out in Table 4.3.1, schemes use a range of methods to monitor the performance of their administrators. Administrators typically provided regular reports (83%) and attended meetings with the scheme manager/board (81%), and three-quarters of schemes specified performance metrics in contracts or service level agreements (SLAs).

Provision of independent assurance reports and the application of penalties were less common (28% and 20% respectively).

Table 4.3.1 Monitoring and managing administrator performance

	Total		Scheme Type			
	Schemes	Memberships	Other	Firefighters	Local Govt	Police
<i>Base: All respondents</i>	191	191	11	49	88	43
Administrators deliver regular reports to scheme manager or board on the service provided	83%	88%	91%	80%	85%	79%
Administrators attend regular meetings with scheme manager or board	81%	71%	64%	80%	82%	86%
Performance metrics are set out in contracts or SLAs	74%	76%	82%	73%	66%	88%
Independent auditors review performance of administrators	63%	89%	100%	55%	74%	37%
Administrators provide independent assurance reports	28%	47%	64%	33%	20%	33%
Penalties are applied where contractual terms or service standards are not met	20%	33%	45%	10%	13%	40%
Other	3%	7%	9%	2%	5%	0%
Don't know	1%	0%	9%	2%	5%	0%

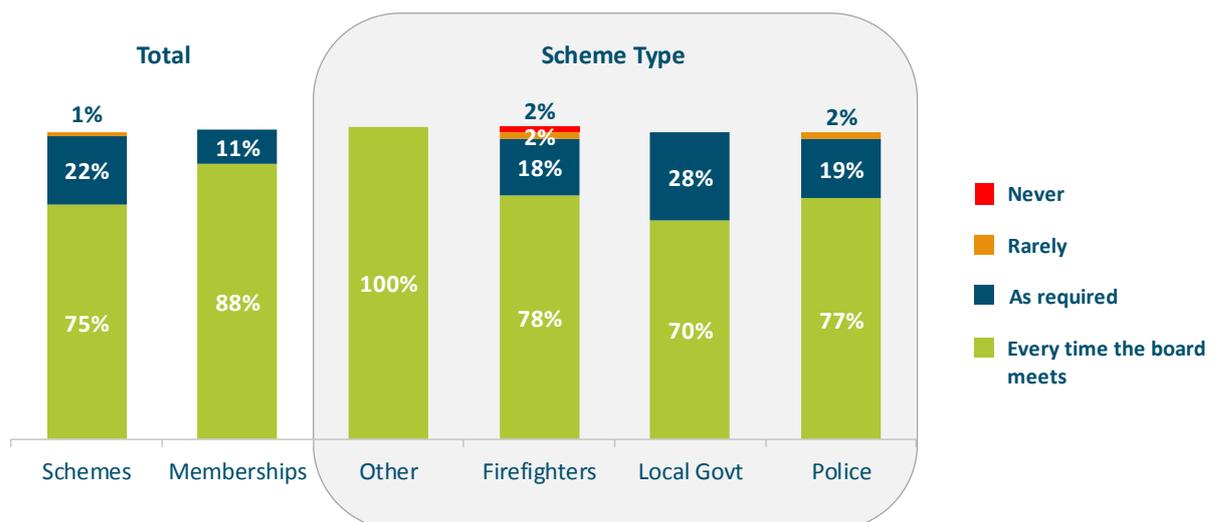
The proportion of schemes adopting each approach to monitor and manage their administrators differed by scheme type. In particular, 'Other' and Police schemes were comparatively more likely to apply penalties if terms/standards were not met (45% and 40% respectively). The former were also more likely to use independent auditors to review administrator performance (100%) and to receive independent assurance reports from the administrator (64%).

Schemes administered in-house were less likely than those administered externally to use SLAs (50% vs. 95%), to receive independent assurance reports from the administrator (18% vs. 38%) and to apply penalties (4% vs. 35%).

4.4 Data quality and reviews

Three-quarters of public service schemes (75%) included administration as a dedicated item on the agenda at every board meeting. Almost all of the remainder (22%) said that they did this as and when required.

Figure 4.4.1 Frequency of including administration as a dedicated item on the agenda at board meetings



All respondents (Base, Don't know) - Schemes (191, 1%), Memberships (191, 0%), Other (11, 0%), Fire (49, 0%), LG (88, 1%), Police (43, 2%)

All of the 'Other' schemes formally covered administration every time the board met. Results were broadly consistent across Firefighters', Local Government and Police schemes, with 70-78% including administration on the agenda at every board meeting. However, a minority of Firefighters' schemes (4%) indicated that this rarely or never happened.

The majority of schemes had processes in place to monitor administration and record keeping, ranging from 97% with processes to monitor the payment of contributions to 85% with processes to monitor the accuracy and completeness of scheme records for all membership types.

At the overall level, there has been a decrease since 2016 in the proportion of public services schemes with processes to monitor membership records and receive, check and review data (a fall of 4 percentage points in each case).

Table 4.4.1 Administration and record-keeping processes - Time series

Proportion with a process...		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	2017	191	191	11	49	88	43
	2016	188	188	11	50	92	35
To monitor records for all membership types to ensure they are accurate and complete	2017	85%	95%	100%	80%	88%	81%
	2016	89%	91%	91%	88%	90%	86%
With employers to receive, check and review data	2017	86%	96%	100%	78%	92%	77%
	2016	90%	98%	100%	76%	96%	89%
For monitoring the payment of contributions	2017	97%	94%	91%	94%	100%	95%
	2016	95%	94%	91%	88%	100%	94%
For resolving contribution payment issues and assessing whether to report to TPR	2017	90%	92%	91%	84%	94%	86%
	2016	88%	93%	91%	68%	97%	91%

There was relatively little variation in the prevalence of these administration and record keeping processes by scheme type. All of the 'Other' schemes had processes to monitor membership records and receive, check and review employer data. All Local Government schemes monitored the payment of contributions, and were also the most likely to have a process for resolving and reporting payment issues (94%).

Since 2016, there has been a significant improvement in the proportion of Firefighters' schemes with processes to monitor contributions and resolve/report payment issues (increases of 6 and 16 percentage points respectively). However, the proportion monitoring the accuracy and completeness of records has fallen (by 8 percentage points).

The proportion of Police schemes that have a process with employers to receive, check and review data is also lower than that seen in 2016 (by 12 percentage points).

Across all public service schemes, the mean proportion of employers providing timely and accurate/complete data was 89% and 86% respectively.

TPR considers 90% of employers providing good quality data to be an important threshold. Almost two-thirds (62%) of schemes reported that that at least 90% of their employers provided timely data and 55% reported that at least 90% of employers provided accurate and complete data.

Figure 4.4.2 Proportion of employers providing timely, accurate and complete data



All respondents (Base, Don't know, Did not answer question) - Schemes (191, 9-12%, 2%), Memberships (191, 2-14%, 0%), Other (11, 0-18%, 0%), Fire (49, 20-22%, 2%), LG (88, 6-7%, 0%), Police (43, 7-9%, 7%)

Reflecting the fact that they are single employer schemes, the mean proportion of employers providing timely and accurate/complete data was highest for Firefighters' schemes (94% and 93%) and Police schemes (96% and 95%).

Data protection training and processes to report data breaches were widespread (94% and 87% respectively), but fewer than three-quarters of schemes reviewed the credentials of staff able to access records and were familiar with protections against cyber threats (73% and 69% respectively).

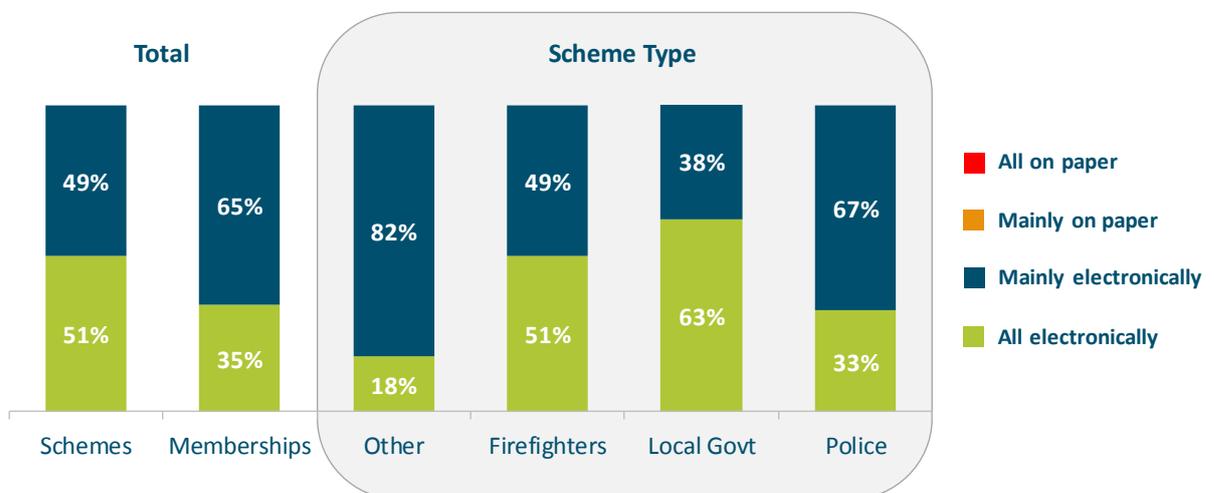
Table 4.4.2 Controls to ensure the security of members’ data

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	191	191	11	49	88	43
Have training in the principles of the Data Protection Act	94%	98%	100%	94%	94%	93%
Process to ensure data breaches are reported	87%	96%	100%	84%	92%	74%
Credentials of staff accessing records are regularly reviewed	73%	77%	82%	78%	68%	77%
Are familiar with how to protect against cyber threat	69%	70%	73%	78%	65%	70%
Don't know	2%	0%	0%	2%	0%	5%
Did not answer question	1%	0%	0%	0%	1%	0%

Local Government schemes were the least likely to review staff credentials (68%) and be familiar with cyber protections (65%), while Police schemes were the least likely to have a process to ensure data breaches are reported (74%).

All schemes used electronic data storage, although half (49%) reported that a proportion of their records were paper-based.

Figure 4.4.3 Storage of records



All respondents (Base) - Schemes (191), Memberships (191), Other (11), Fire (49), LG (88), Police (43)

'Other' and Police schemes were least likely to have transferred all their records to an electronic format, with 82% and 67% respectively indicating that at least some records were still on paper.

Survey respondents were asked how familiar they were with the terms 'common data' and 'scheme specific (conditional) data'. There was widespread knowledge of each term, with 85% very or quite familiar with common data and 82% very or quite familiar with scheme-specific data.

Table 4.4.3 Familiarity with 'common data' and 'scheme-specific data'

	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	191	191	11	49	88	43
Common data						
Very familiar	63%	83%	91%	41%	74%	56%
Quite familiar	22%	13%	9%	27%	17%	30%
Not very familiar	10%	4%	0%	20%	9%	5%
Not at all familiar	5%	0%	0%	10%	0%	9%
Don't know	0%	0%	0%	2%	0%	0%
Scheme specific (conditional) data						
Very familiar	57%	71%	73%	35%	72%	44%
Quite familiar	25%	24%	27%	29%	19%	35%
Not very familiar	13%	4%	0%	24%	9%	12%
Not at all familiar	5%	0%	0%	10%	0%	9%
Don't know	0%	0%	0%	2%	0%	0%

All of the 'Other' schemes surveyed indicated that they were at least quite familiar with each of these terms. Knowledge was less consistent among Firefighters' schemes, with around a third indicating they were not very familiar or not at all familiar with each term.

Approaching half (46%) of public service schemes were measuring their common data score, and a quarter were measuring their scheme-specific data score (26%). A quarter (25%) of schemes measured both scores.

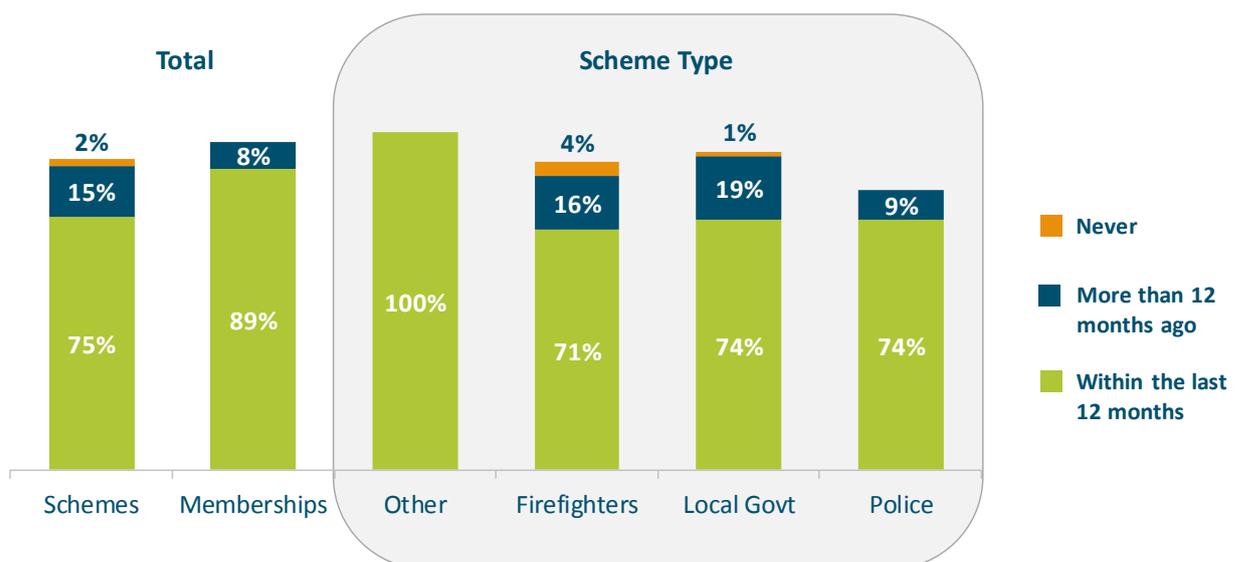
Table 4.4.4 Proportion of schemes measuring common and scheme-specific data scores

	Total			Scheme Type		
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	191	191	11	49	88	43
Measure common data	46%	75%	91%	22%	52%	49%
Measure scheme specific data	26%	46%	55%	18%	34%	9%
Neither	30%	14%	0%	39%	35%	16%
Don't know	22%	10%	9%	39%	9%	35%
Did not answer question	1%	1%	0%	0%	2%	0%
Net: Measure both	25%	45%	55%	18%	33%	9%

The extent to which schemes measured their data scores varied widely by scheme type. Over half of the 'Other' schemes (55%) measured both their common and scheme-specific scores, compared to a third of Local Government (33%), a fifth of Firefighters' (18%) and around 1 in 10 Police schemes (9%).

Three-quarters (75%) of schemes had carried out a data review in the last year, and a further 15% had done so but less recently.

Figure 4.4.4 Most recent data review



All respondents (Base, Don't know, Did not answer question) - Schemes (191, 7%, 1%), Memberships (191, 2%, 1%), Other (11, 0%, 0%), Fire (49, 8%, 0%), LG (88, 3%, 2%), Police (43, 16%, 0%)

Overall, 2% of schemes had never conducted a data review. A further 7% did not know if or when they had done this, with this group almost entirely consisting of schemes that used a third party administrator.

In comparison to 2015, there has been a significant increase in the proportion of 'Other' and Firefighters' schemes conducting data reviews. While there was generally little change between 2016 and 2017, the proportion of Local Government schemes carrying out a data review in the previous 12 months fell from 83% to 74%.

Table 4.4.5 Proportion of schemes that had carried out a data review in last 12 months – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2017	75%	100%	71%	74%	74%
PSPS Survey 2016	79%	100%	68%	83%	77%
PSPS Survey 2015	70%	58%	50%	77%	77%

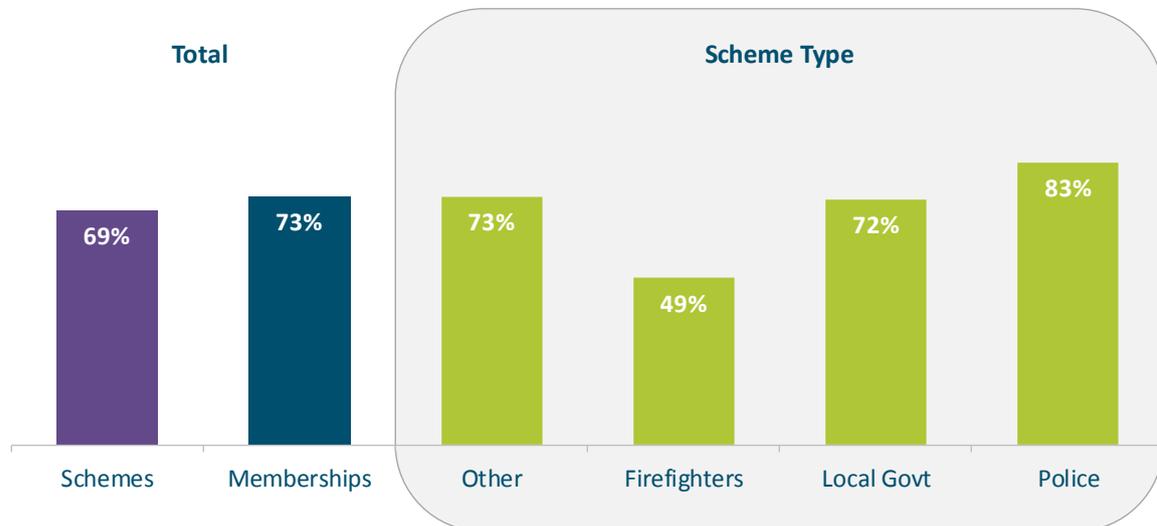
All schemes that had carried out a data review were asked the types of data the review had looked at. Reviews were most likely to have covered members' basic details (89%) and salary or earnings data (80%).

Table 4.4.6 Coverage of most recent data review

	Total		Scheme Type			
	Schemes	Memberships	Other	Firefighters	Local Govt	Police
<i>Base: All carrying out a data review</i>	172	172	11	43	82	36
Members' basic details	89%	95%	100%	86%	88%	92%
Salary or earnings data	80%	86%	91%	84%	77%	81%
Address data	75%	79%	82%	67%	76%	78%
Member benefit data	72%	78%	82%	65%	71%	81%
Key dates held on member records	68%	85%	100%	72%	60%	72%
Contracted out data	62%	68%	73%	51%	61%	72%
Existence checks	61%	76%	82%	60%	67%	42%
Other	9%	4%	0%	12%	10%	8%
Don't know	5%	2%	0%	9%	5%	0%

Over two-thirds (69%) of schemes that had carried out a data review identified issues or problems while doing so.

Figure 4.4.5 Proportion of schemes where most recent data review identified issues



All that have carried out data review (Base, Don't know) - Schemes (172, 3%), Memberships (172, 1%), Other (11, 0%), Fire (43, 2%), LG (82, 4%), Police (36, 3%)

Police schemes were the most likely to have identified data issues (83%), with Firefighters' schemes least likely to have done so (49%).

In 2017 schemes were more likely to have identified issues than in 2016 (69% vs. 60%). This was particularly true of Police schemes, where 83% identified issues in 2017 compared to 52% in 2016.

Fewer of the 'Other' schemes identified issues in 2017 (73% vs. 100% in 2016). However, it should be considered that all 'Other' schemes carried out data reviews in both 2016 and 2017, and hence may have been less likely to identify new issues in the latest review.

Table 4.4.7 Proportion of schemes where most recent data review identified issues – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2017	69%	73%	49%	72%	83%
PSPS Survey 2016	60%	100%	45%	66%	52%

Schemes that had identified issues during their data review were asked what action had been taken to address these. As detailed in Table 4.4.8, almost a third (30%) had completed rectification work; 7% had implemented a data improvement plan and 23% had completed this work without an improvement plan.

Of the remainder that had not completed rectification work, most had either put a data improvement plan in place (30%) or were in the process of developing one (18%). A fifth of schemes (21%) had taken some 'other' type of action (e.g. a process of continuous improvement, still developing an improvement plan but some work undertaken without this being finalised). Overall, 1% of schemes indicated that they had not developed a plan and had not undertaken any rectification work.

Table 4.4.8 Action taken to address data issues identified

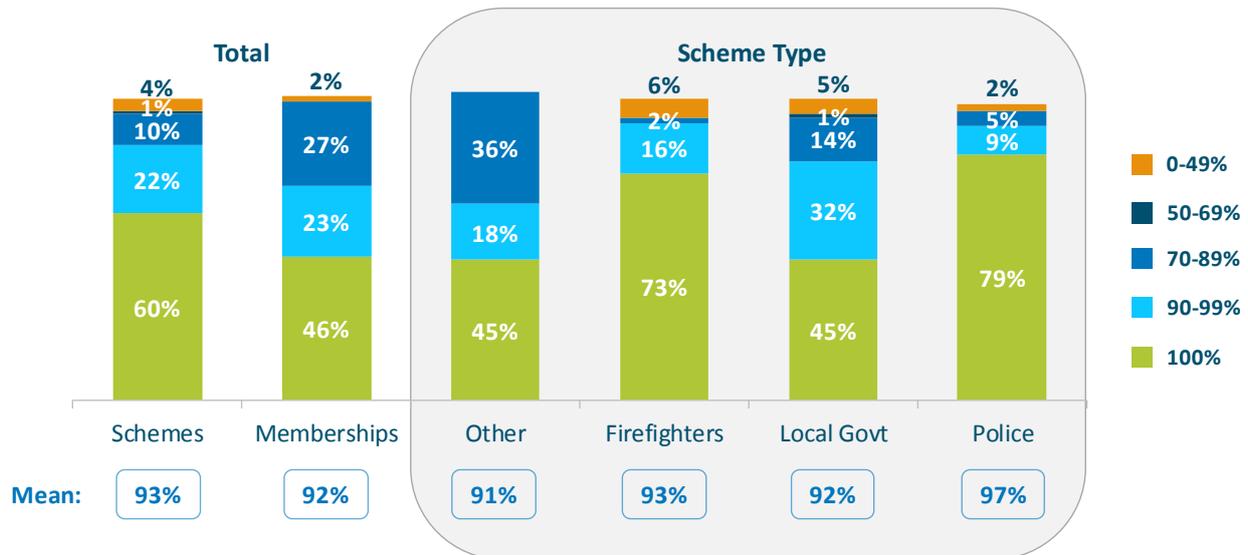
	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All identifying issues during review</i>	118	118	8	21	59	30
An improvement plan is in development	18%	39%	50%	14%	22%	3%
An improvement plan is in place, but rectification work is not yet complete	30%	38%	38%	14%	41%	17%
An improvement plan has been put in place and rectification work has been completed	7%	9%	13%	29%	3%	0%
Rectification work has been undertaken without an improvement plan	23%	9%	0%	33%	22%	23%
No plan has been developed and no work has taken place	1%	0%	0%	0%	0%	3%
Other	21%	5%	0%	10%	12%	53%

Firefighters' schemes were the most likely to have already completed rectification work, with 29% first putting in place a data improvement plan and 33% undertaking work without a formal plan.

4.5 Communications

On average, 93% of active members received their annual benefit statement (ABS) by the statutory deadline. Overall, 60% of schemes reported that they met the deadline for all of their members.

Figure 4.5.1 Proportion of active members receiving annual benefit statement by statutory deadline



All respondents (Base, Don't know, Did not answer question) - Schemes (191, 2%, 2%), Memberships (191, 0%, 1%), Other (11, 0%, 0%), Fire (49, 2%, 0%), LG (88, 1%, 2%), Police (43, 2%, 2%)

Around three-quarters of Firefighters' and Police schemes met the ABS deadline for all of their members (73% and 79% respectively). This proportion fell to 45% among 'Other' and Local Government schemes, both of which are multi-employer schemes and typically have a greater number of members.

There has been a significant improvement since 2016 in the mean percentage of members receiving their ABS by the deadline (from 75% to 93%), and in the proportion of schemes meeting the deadline for all of their members (from 43% to 60%).

Table 4.5.1 Proportion of active members receiving annual benefit statement by statutory deadline – Time series

		Total schemes	Scheme Type			
			Other	Firefighters	Local Govt	Police
Mean	2017	93%	91%	93%	92%	97%
	2016	75%	75%	46%	87%	82%
100% received by deadline	2017	60%	45%	73%	45%	79%
	2016	43%	36%	32%	45%	54%
0% received by deadline	2017	3%	0%	6%	2%	0%
	2016	19%	18%	48%	7%	14%

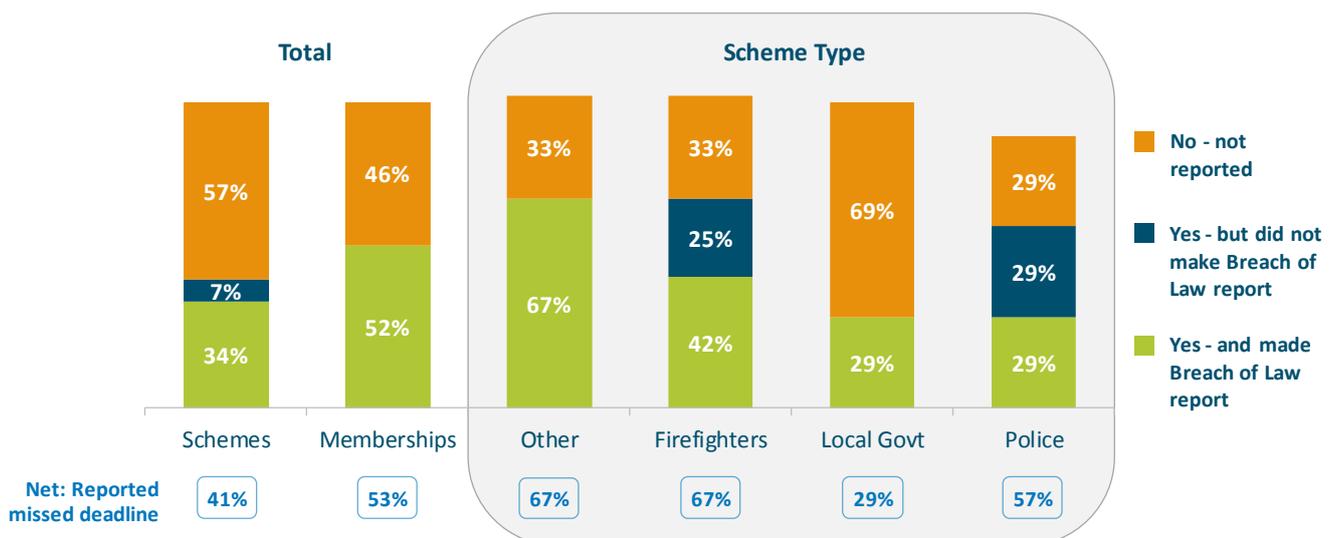
The improvements in meeting the ABS deadline were seen for all scheme types other than Local Government, who reported similar results to 2016.

A fifth of schemes (19%) did not meet the ABS deadline for any of their members in 2016, but this proportion fell to 3% in 2017. While this pattern of improvement was seen for all scheme types, it was particularly evident for Firefighters' (48% missing the deadline for all members in 2016, compared to 6% in 2017).

The schemes that had missed the ABS deadline for any of their members were asked whether they had reported this to TPR. The majority of the 'Other' (67%), Firefighters' (67%) and Police (57%) schemes reported the missed deadline, and in most cases they made a Breach of the Law report.

In contrast, two-thirds of the Local Government schemes that missed the deadline did not inform TPR, although all of those that did report it made a formal Breach of the Law report.

Figure 4.5.2 Proportion of schemes reporting missed ABS deadline to TPR

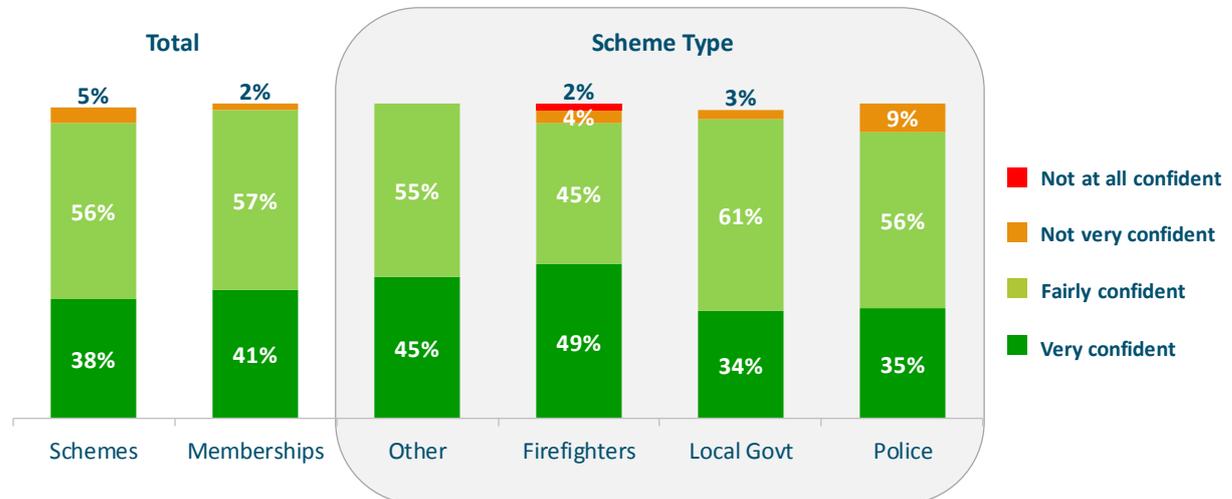


All where deadline was missed for any members (Base, Don't know) - Schemes (70, 3%), Memberships (70, 1%), Other (6, 0%), Fire (12, 0%), LG (45, 2%), Police (7, 14%)

Further analysis shows that those schemes that did not inform TPR generally only missed the deadline for a small proportion of members. Three-quarters (75%) of this group missed the deadline for no more than 10% of members.

Over nine-in-ten schemes (94%) believed that their communications were fit for purpose, with over a third (38%) 'very confident' of this.

Figure 4.5.3 Confidence in accuracy, clarity and relevance of member communications



All respondents (Base, Don't know) - Schemes (191, 1%), Memberships (191, 0%), Other (11, 0%), Fire (49, 0%), LG (88, 1%), Police (43, 0%)

4.6 Resolving issues

The table below uses the survey data to estimate the total number of complaints received by public service schemes and presents this as a proportion of all memberships. Overall, an estimated 12,753 complaints were made to public service schemes in the last year, equating to 0.08% of all memberships.

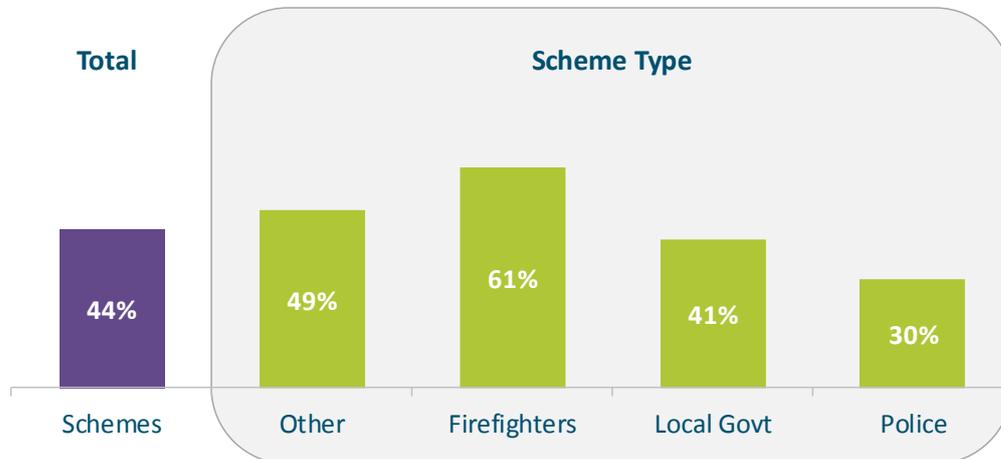
Table 4.6.1 Estimated total complaints received in last 12 months

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Total memberships	16,711,569	9,978,735	114,024	6,246,498	372,312
Mean number of complaints	65	823	3	21	31
Total complaints (grossed up)	12,753	9,052	136	2,120	1,446
Share of memberships	100%	60%	1%	37%	2%
Share of complaints	100%	71%	1%	17%	11%
Complaints as % of memberships	0.08%	0.09%	0.12%	0.03%	0.39%

Local government schemes were proportionally least likely to generate complaints, with this group accounting for 37% of all public service memberships but 17% of all complaints. In comparison, Police schemes accounted for 2% of memberships but an estimated 11% of all complaints.

On average, 44% of complaints entered the internal dispute resolution (IDR) process. This ranged from 61% for Firefighters' down to 30% for Police schemes. There has been no significant change since 2016, when the mean was 43%.

Figure 4.6.1 Mean proportion of complaints that entered the IDR process



All that received complaints and knew the number received in the last year (Base, Don't know, Did not answer question).

Schemes (135, 4%, 1%), Other (9, 22%, 0%), Fire (30, 3%, 3%), LG (73, 1%, 0%), Police (23, 4%, 0%)

In terms of the types of complaints received, the most common were ill health eligibility disputes (40%), incorrect estimates of benefits (31%) and slow or ineffective communication (30%).

Table 4.6.2 Top types of complaints received

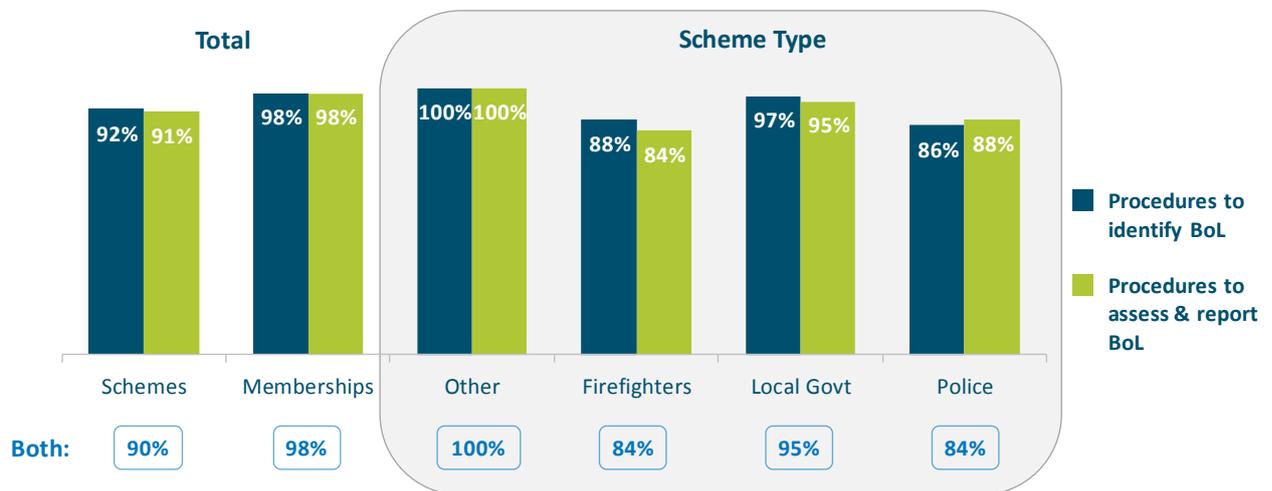
Top Mentions (5%+)	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All that received complaints</i>	162	10	37	84	31
Eligibility for ill health benefit	40%	40%	16%	60%	10%
Inaccuracies or disputes around pension value or definitions	31%	30%	30%	29%	39%
Slow or ineffective communication	30%	50%	22%	29%	39%
Delays to benefit payments	23%	20%	11%	33%	10%
Delay or refusal of pension transfer	23%	10%	8%	31%	19%
Disputes or queries about the amount of benefit paid	22%	30%	24%	23%	16%
Inaccurate data held and/or statement issues	16%	20%	19%	12%	23%
Pension overpayment and recovery	9%	30%	8%	8%	6%

There was significant variation by scheme type in the nature of the complaints received. The ‘Other’ schemes were comparatively more likely to receive complaints about slow or ineffective communication (50%), and complaints about eligibility for ill health benefit were most prevalent among ‘Other’ and Local Government schemes (40% and 60% respectively). Local Government schemes were also comparatively more likely to receive complaints about delays to benefit payments (33%) or delayed/refused transfers (31%).

4.7 Reporting breaches

More than nine-in-ten schemes had procedures in place to identify breaches of the law (92%) and to assess these and report them to TPR if required (91%).

Figure 4.7.1 Proportion of schemes with procedures to “identify breaches of the law” and “assess breaches of the law and report them to TPR if required”



All respondents (Base, Don't know if procedures to identify, Don't know if procedures to assess and report) Schemes (191, 4%, 4%), Memberships (191, 1%, 1%), Other (11, 0%, 0%), Fire (49, 4%, 4%), LG (88, 1%, 2%), Police (43, 9%, 7%)

All of the ‘Other’ schemes had procedures to identify and report breaches, as did 95% of Local Government and 84% of Police and Firefighters’ schemes.

Over time there has been a significant increase in the proportion of schemes with processes to identify, assess and report breaches (53% in 2015, 84% in 2016 and 90% in 2017). All scheme types have seen an increase since 2015.

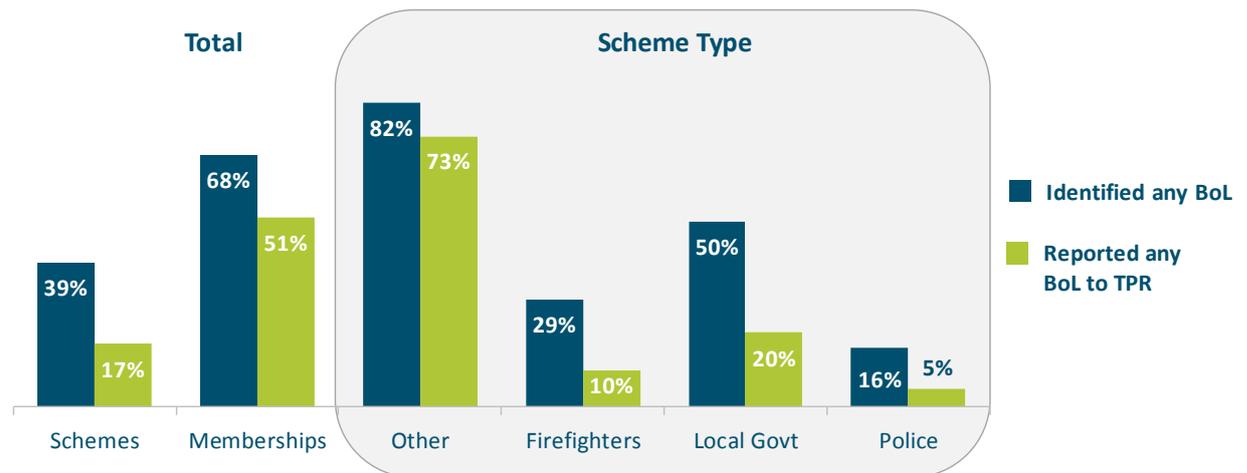
Table 4.7.1 Proportion of schemes with procedures to both identify and assess and report breaches of the law – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 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 processes to identify and report breaches of the law, the survey also captured data on the proportion that had done so in the previous 12 months.

Overall, 39% of public service schemes had identified breaches in the last year, and 17% had reported breaches to TPR in this period (i.e. 44% of those identifying breaches reported a breach to TPR).

Figure 4.7.2 Proportion of schemes that had “identified any breaches of the law” and “reported any breaches to TPR” in last 12 months



All respondents (Base, Don't know if identified any breaches) - Schemes (191, 2%), Memberships (191, 0%), Other (11, 0%), Fire (49, 0%), LG (88, 0%), Police (43, 7%)

The majority of the ‘Other’ schemes had identified breaches of the law (82%) and reported breaches to TPR (73%).

While the vast majority of breaches identified by the ‘Other’ schemes were reported, this proportion fell to around a third for Firefighters’, Local Government and Police schemes (e.g. 29% of Firefighters’ had identified breaches and 10% had reported them). Police schemes were least likely to have both identified and reported breaches of the law (16% and 5% respectively).

As might be expected, schemes that did not have processes in place to identify breaches were significantly less likely to have found any breaches in the last 12 months (12%, compared to 42% of those that had procedures in place).

Larger schemes were more likely to identify breaches than smaller schemes, ranging from 17% of those with less than 2,000 memberships up to 86% of those with over 100,000 memberships. The proportion reporting breaches followed a similar pattern.

While in-house and externally administered schemes were equally likely to have processes in place to identify breaches, the former were more likely to have found breaches in the last 12 months (51%, compared to 29% of those using an external administrator).

At the total level, there were no statistically significant changes from 2016 to 2017 in the proportion of schemes identifying and reporting breaches. However, there has been an increase in both of these measures for 'Other' schemes (of 18 and 28 percentage points respectively), and a decrease for Firefighters' schemes (of 29 and 28 percentage points).

Table 4.7.2 Proportion of schemes that had “identified any breaches of the law” and “reported any breaches to TPR” in last 12 months – Time series

		Total schemes	Scheme Type			
			Other	Firefighters	Local Govt	Police
Proportion of schemes identifying breaches	2017	39%	82%	29%	50%	16%
	2016	42%	64%	58%	45%	11%
Proportion of schemes reporting breaches to TPR	2017	17%	73%	10%	20%	5%
	2016	21%	45%	38%	15%	9%

Where breaches were identified, they were most commonly attributed to employer failings in providing good quality or timely data (mentioned by 57% of schemes) or to issues with the schemes' systems or processes (mentioned by 41%).

Table 4.7.3 Causes of breaches identified

Top Mentions (5%+)	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All identifying breaches of the law</i>	74	74	9	14	44	7
Failure of employers to provide timely, accurate or complete data	57%	67%	67%	29%	70%	14%
Systems or process failure	41%	65%	78%	36%	32%	71%
Failure to maintain records or rectify errors	18%	5%	0%	29%	18%	14%
Management of transactions	16%	13%	11%	0%	18%	43%
Late/non-payment of contributions (by employers)	15%	22%	22%	0%	20%	0%
Annual benefit statement compliance	7%	2%	0%	7%	7%	14%
Data validations required (for employer data)	5%	16%	22%	7%	0%	14%

Reflecting the fact that they are multi-employer schemes, 'Other' and Local Government schemes were comparatively more likely to identify employer failings as one of the causes of the breaches they had identified (60% and 70% respectively). The 'Other' schemes were also more likely to highlight systems or process failures (78%), as were Police schemes (71%).

4.8 Addressing governance and administration issues

All schemes were asked to identify the top three barriers to improving their scheme governance and administration. The most widely mentioned were the complexity of the scheme (61%), the volume of legislative change (48%) and lack of resources or time (44%).

Table 4.8.1 Barriers to improved governance and administration

Top Mentions (5%+)	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	191	191	11	49	88	43
Complexity of the scheme	61%	44%	36%	78%	56%	60%
The volume of changes that are required to comply with legislation	48%	46%	45%	57%	48%	37%
Lack of resources or time	44%	41%	36%	45%	49%	35%
Recruitment, training and retention of staff and knowledge	30%	25%	18%	29%	38%	19%
Issues with systems (IT, Payroll, admin systems, etc)	28%	60%	82%	27%	27%	16%
Employer compliance	28%	41%	36%	2%	52%	2%
There are no barriers	10%	2%	0%	6%	3%	30%

Complexity of the scheme was the most commonly identified barrier for Firefighters', Local Government and Police schemes (78%, 56%, and 60% respectively). For the 'Other' schemes the top reported risk was issues with their systems (82%).

Local Government schemes were also comparatively more likely to highlight employer compliance (52%).

Overall, 10% of schemes indicated there were no barriers to improving their governance and administration, with this rising to 30% of Police schemes. A quarter (26%) of schemes administered by a commercial third party also believed there were no barriers, compared to 4% of those administered in-house or by another public body. These findings are likely to be inter-linked, as 77% of all Police schemes used a commercial third party administrator (compared to 28% of all public service schemes).

All schemes were 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 legislative requirements and standards (62%), better understanding of risks (55%), and improved engagement by TPR (43%).

Table 4.8.2 Drivers of improvements to governance and administration

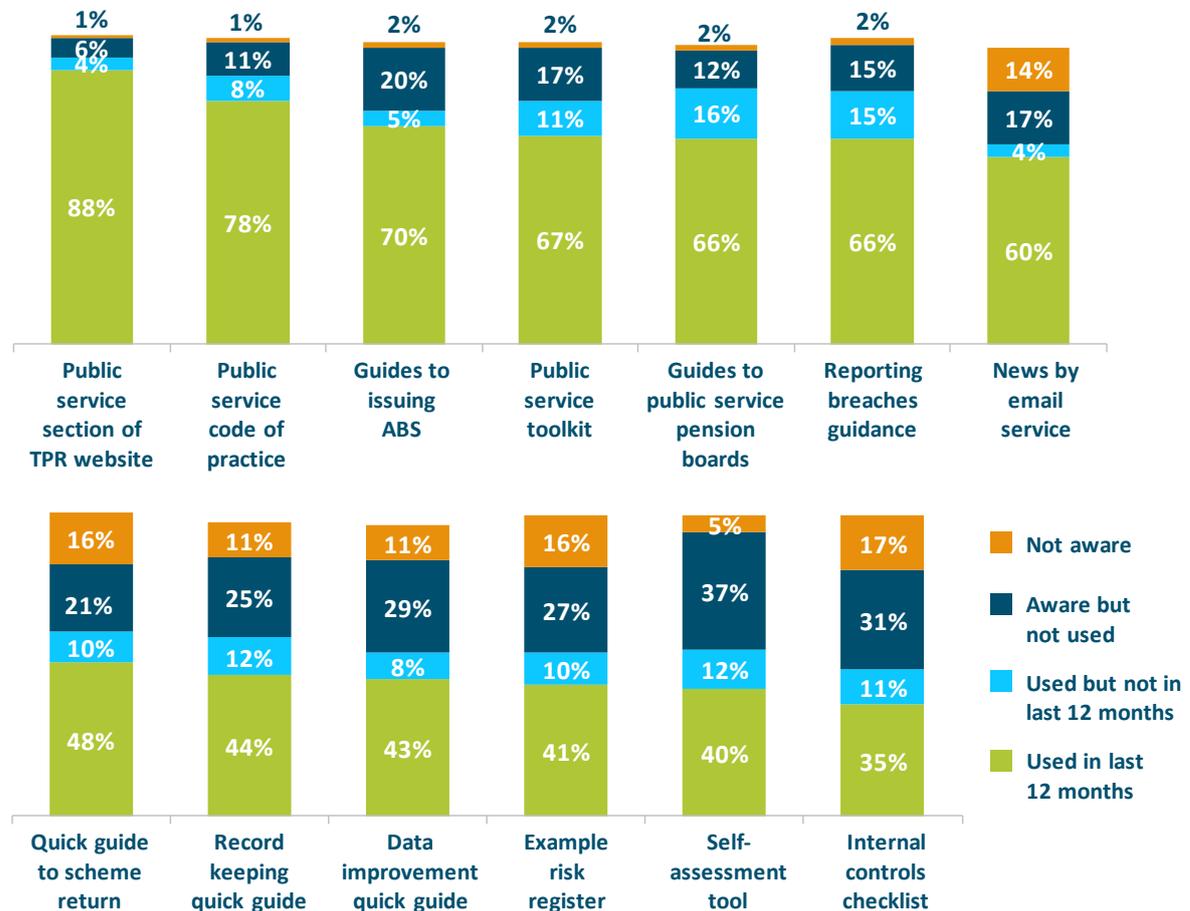
	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	191	11	49	88	43
Improved understanding of underlying legislation and standards expected by TPR	62%	73%	53%	65%	63%
Improved understanding of risks facing scheme	55%	64%	51%	51%	67%
Improved engagement by TPR	43%	36%	57%	30%	58%
Administrator action	34%	45%	29%	38%	28%
Pension board action	30%	45%	31%	31%	26%
Resources increased or redeployed to address risks	30%	64%	10%	39%	23%
Scheme manager action	23%	36%	24%	28%	5%
Other	14%	18%	16%	5%	30%
No improvements made	4%	0%	4%	5%	5%

Improved TPR engagement was comparatively more likely to be mentioned by Firefighters' and Police schemes (57% and 58% respectively). The 'Other' schemes were most likely to identify increased or redeployed resources as a key driver of recent improvements.

4.9 TPR products and perceptions

All schemes were asked about their use and awareness of various TPR products.

Figure 4.9.1 Use of TPR products



All respondents (Base, Don't know, Did not answer question) - Schemes (191, 0-2%, 0-8%)

Nine in ten schemes (88%) had used the public service section of the TPR website in the last 12 months, and three-quarters (78%) had used the code of practice.

The guides to issuing the ABS, the public service toolkit, the guides to pension service boards and the reporting breaches guidelines had all been used by around two-thirds of schemes in the past year.

In most cases where schemes had not used these products in the last 12 months, they were still aware of them. However, awareness levels were lower for some of the more specific or recently created products such as the internal controls checklist, example risk register and quick guide to the scheme return.

As detailed in Table 4.9.1, for those products where time series data is available, the proportion of public service schemes using each one has increased since 2016.

Table 4.9.1 Proportion of schemes that had used each TPR product (at any time) – Time series

	Public service section of TPR website	Public service code of practice	Guides to issuing ABS	Public service toolkit
PSPS Survey 2017	93%	87%	76%	78%
PSPS Survey 2016	81%	77%	67%	66%
	Guides to public service pension boards	Reporting breaches guidance	News by email service	Self-assessment tool
PSPS Survey 2017	82%	81%	64%	52%
PSPS Survey 2016	80%	62%	49%	41%

Schemes were also asked to rate the usefulness of each product that they had used.

Figure 4.9.2 Perceptions of TPR products



All using each product (Base, Don't know, Did not answer question) - Schemes (87-177, 0-5%, 0-5%)

Perceptions were overwhelmingly positive, with at least 89% of users judging each product to be very/fairly useful and no more than 4% describing each one as not very/not at all useful.

The public service section of the website and the code of practice were rated most highly, with almost two-thirds of users describing them as very useful (61% and 63% respectively).

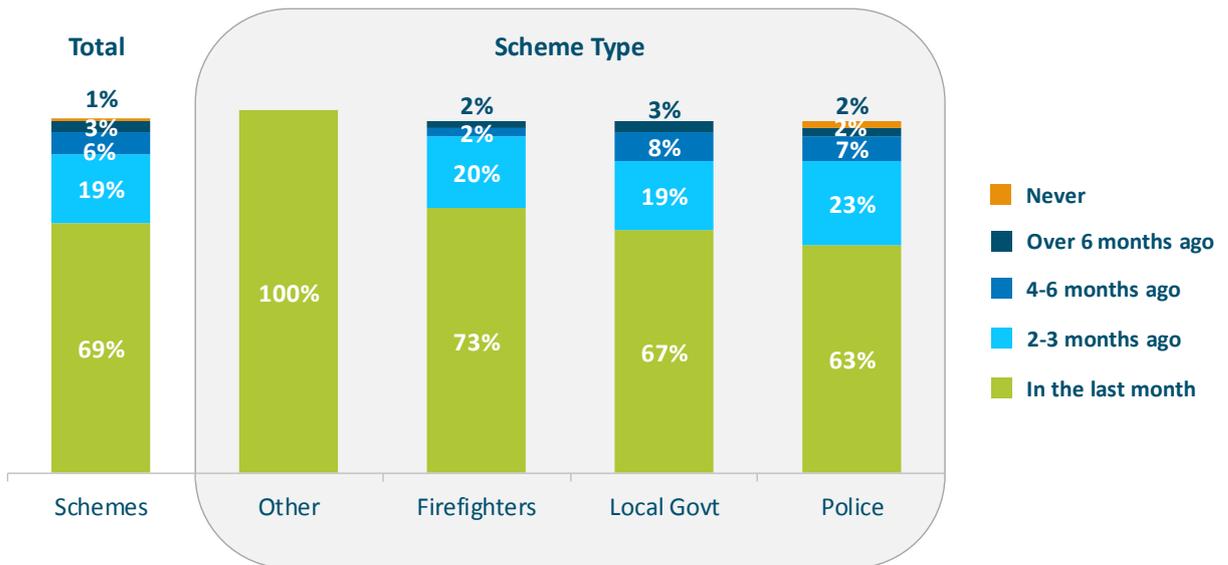
For those products where time series data is available, there has been little change in perceptions since 2016. The only statistically significant change was a fall in the proportion viewing the public service code of practice as useful (from 99% to 96%).

Table 4.9.2 Proportion of users rating each TPR product as very or fairly useful – Time series

	Public service section of TPR website	Public service code of practice	Guides to issuing ABS	Public service toolkit
PSPS Survey 2017	98%	96%	95%	95%
PSPS Survey 2016	97%	99%	98%	96%
	Guides to public service pension boards	Reporting breaches guidance	News by email service	Self-assessment tool
PSPS Survey 2017	94%	96%	97%	89%
PSPS Survey 2016	97%	94%	96%	91%

Almost all public service schemes had visited TPR’s website (97%), with two-thirds (69%) having done so in the previous month. Every ‘Other’ scheme (100%) had used the website in the last month, compared to three-quarters of Firefighters’ (73%) and around two-thirds of Local Government (67%) and Police (63%) schemes.

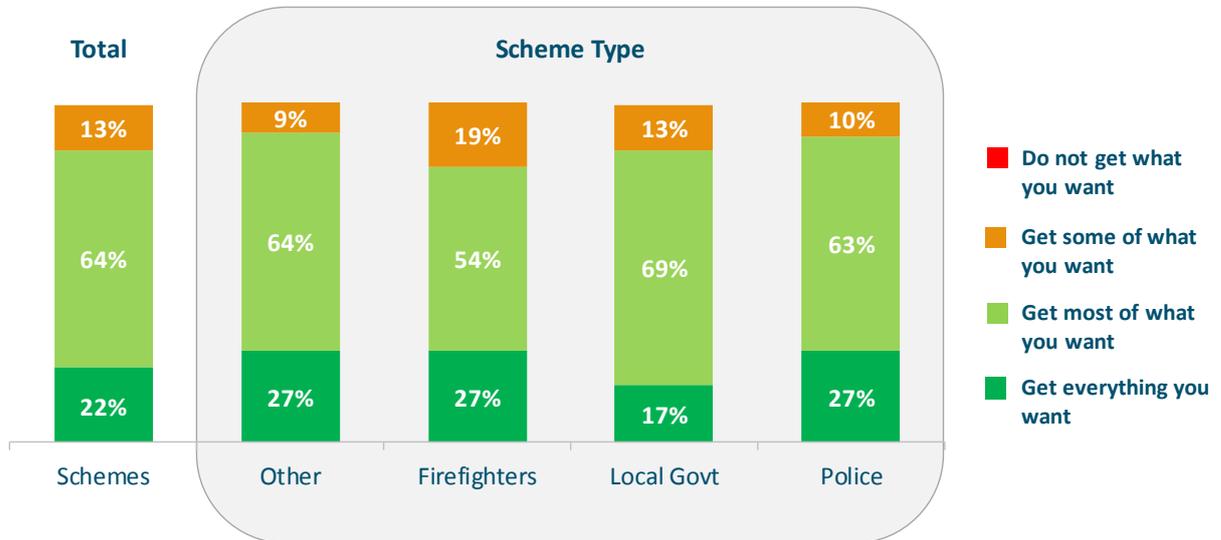
Figure 4.9.3 Frequency of visiting the TPR website



All respondents (Base, Don't know/can't remember) - Schemes (191, 2%), Other (11, 0%), Fire (49, 2%), LG (88, 2%), Police (43, 2%)

Among those who had visited TPR’s website, a fifth (22%) indicated that they typically they got everything they wanted and two-thirds (64%) got most of what they wanted. Strength of satisfaction was lowest for Local Government schemes, with 17% reporting that they got everything they wanted when visiting the website.

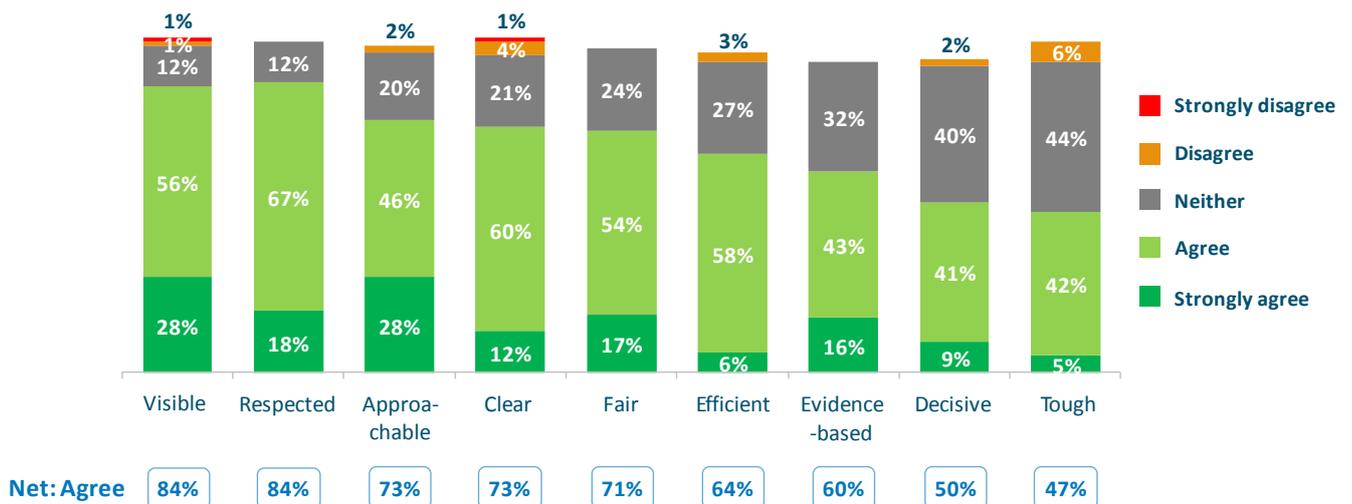
Figure 4.9.4 Satisfaction with the TPR website



All that have visited TPR’s website (Base, Don’t know) - Schemes (186, 1%), Other (11, 0%), Fire (48, 0%), LG (86, 1%), Police (41, 0%)

When asked for their perceptions of TPR, schemes were most likely to agree that the organisation is visible and respected (84% for each) and least likely to agree that it is tough and decisive (47% and 50% respectively).

Figure 4.9.5 Perceptions of TPR



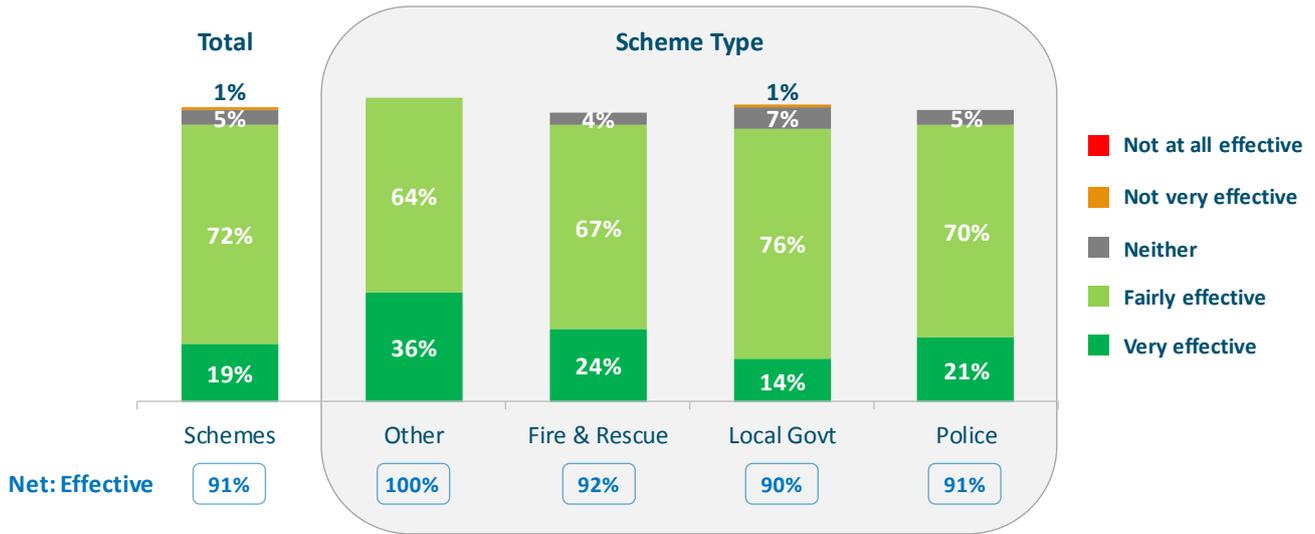
All respondents (Base, Don’t know, Did not answer question) - Schemes (191, 3-8%, 0-1%)

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.

Comparable time series data is only available for two of the descriptors: ‘respected’ and ‘approachable’. In each case there was no statistically significant change from 2016 in the proportion agreeing.

Schemes were also asked how effective they believed TPR to be at improving standards of governance and administration in public service pension schemes. Nine-in-ten schemes (91%) judged TPR to be effective, with a fifth (19%) describing it as very effective.

Figure 4.9.6 Overall perception of TPR’s effectiveness



All respondents (Base, Don't know) - Schemes (191, 3%), Other (11, 0%), Fire (49, 4%), LG (88, 2%), Police (43, 5%)

The ‘Other’ schemes were most positive in this respect, with over a third rating TPR as very effective (and all believing it to be at least fairly effective).

Perceptions of TPR’s effectiveness have improved over the last year, with 82% judging it to be effective in 2016 compared to 91% in 2017. This picture was seen across all scheme types, most notably for ‘Other’ and Police schemes (increases of 18 and 17 percentage points respectively).

Table 4.9.3 Proportion of schemes rating TPR as very or fairly effective – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2017	91%	100%	92%	90%	91%
PSPS Survey 2016	82%	82%	82%	85%	74%