



**The  
Pensions  
Regulator**

Making workplace pensions work

# Update from TPR

**Fiona Frobisher – Head of Policy**

**June 2019**

# Contents

- TPR's new approach to regulation
- Trusteeship: – what next for poorly run schemes?
- Consolidation

# 1. TPR's new approach

# New Approach: Clearer, Quicker, Tougher

## Setting Clear Expectations

- clear about expectations
- measurable standards

## Identifying risk early

- prioritisation, monitoring, supervision
- early proactive intervention

## Driving compliance through supervision and enforcement

- wider range of interventions
- systematic & escalating interactions

## Working with others

- regulatory partners, stakeholders, advisers
- comprehensive & consistent framework

# Driving compliance through supervision



Initial intervention gateway

L

M

H

Enforcement gateway

Enforcement



## 2. Future of Trusteeship

# What we know...

## 21<sup>st</sup> C campaign

- Lack of engagement particularly amongst small and micro DC schemes
- Engagement generally better amongst DB schemes

## VFM thematic review

- A significant minority non-compliant - no Value for Members assessment
- Vast majority of VFM assessments did not meet the standard set

## DB and DC surveys

- General poor performance of small and micro DC schemes has not improved significantly since last year
- A significant majority of trustees from DC schemes (65%) felt expectations set out in 21<sup>st</sup> C campaign did not apply to them

*An education campaign can only go so far in improving governance and protecting members' benefits*

# Future of Trusteeship

Will be consulting on a range of areas of trusteeship

- Trustee knowledge and understanding, skills and ongoing learning and development
- Scheme governance structures for effective decision making
  - Diverse boards and trustee pipeline
  - An accredited trustee on every board
  - Sole trusteeship
- Driving DC scheme consolidation



# 3. Consolidation

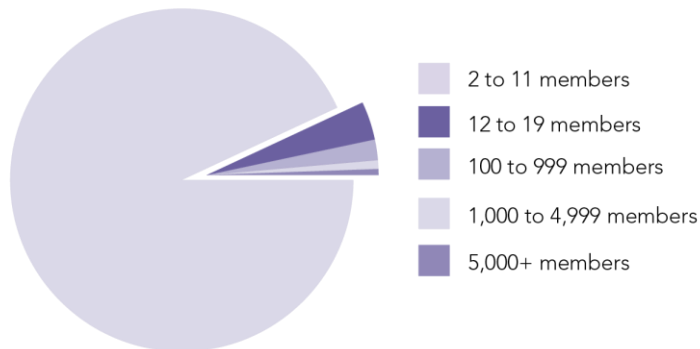
# The pensions landscape

**6,000**  
**DB schemes**  
12m members



A vast majority of assets and liabilities are concentrated in schemes with more than 10,000 memberships

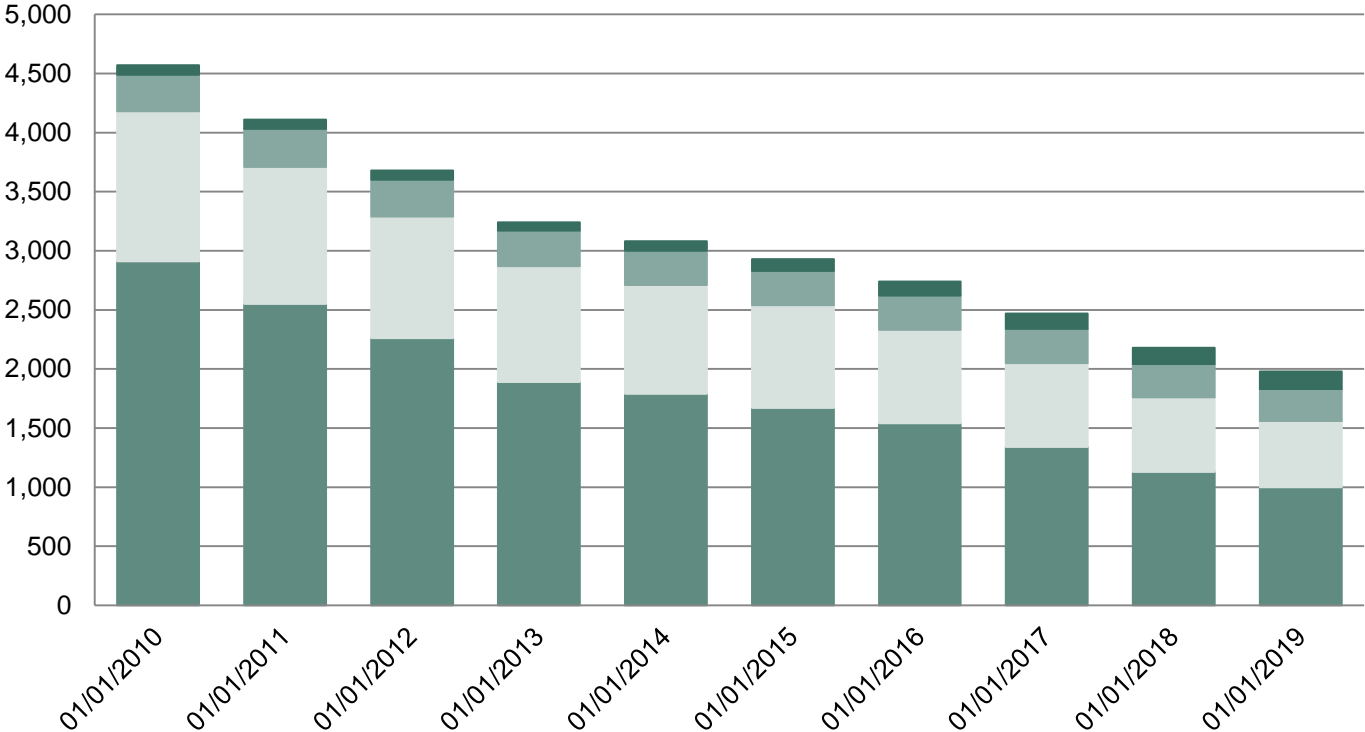
**31,500**  
**DC schemes**  
11.5m members



3,670

**3,670**  
**Non-SSAS**  
**Micro DC**  
**14,000 members**

# Occupational Schemes with 12 or more DC Members by size since 2010



**Since the beginning of 2010 the number of schemes with 12 or more DC members has declined by 56% (including hybrids) (from 4,560 to 2,010) (Table 1.2).**

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