

Scheme Advisory Board (SAB)

Sent via email to: enforcementstrategy@tpr.gov.uk

10 November 2025

Scheme Advisory Board response to The Pensions Regulator Enforcement Strategy Consultation

This response is submitted on behalf of the Local Government Pension Scheme (LGPS) Advisory Board (England and Wales) which is a body set up under Section 7 of the Public Service Pensions Act 2013 and The Local Government Pension Scheme Regulations 110-113.

The Board's purpose is to:

- Provide advice to the Secretary of State and to administering authorities on "the desirability of changes to the scheme" and "in relation to the effective and efficient administration and management" of the LGPS
- Provide a framework to encourage best practice, increase transparency and coordinate technical and standards issues across the sector

Membership of the Board includes equal number of voting members representing employers and employees. Non-voting members and advisors also support the Board.

There are around 18,000 employers participating in the Scheme and therefore on the Board and its sub-committees there are representatives of some of the larger employer groups (further/higher education institutions and academy schools).

Secretariat services are provided by the Local Government Association (LGA) and separate Advisory Boards have been established for the LGPS in Scotland and in Northern Ireland.

This response was compiled by the Board Secretariat and agreed by the Board Chair, but the consultation has been discussed within the Board's Compliance and Reporting and Cost Management, Benefit Design and Administration Committees.

Yours sincerely,

Clair Alcock

Clair Alcock
Secretary to the Board

Scheme Advisory Board Secretariat

18 Smith Square, London, SW1P 3HZ

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GENERAL COMMENTS

The Board supports and echoes the responses to this consultation provided by Lorraine Bennett on behalf of the Local Government Association (LGA). More generally, we support TPR's aim to drive up governance standards across all pension schemes. However, any enforcement strategy must reflect the unique characteristics of LGPS and provide clarity on practical enforcement mechanisms across the scheme. We look forward to continued engagement with TPR to understand how the enforcement strategy will specifically be applied to the LGPS.

The Board understands that TPR's powers under the Public Service Pensions Act 2013 to request information, issue improvement and third-party notices and carry out inspections are (thankfully) rarely used within the LGPS. Generally, we feel that TPR should continue with an emphasis on support on education and enablement before enforcement measures.

LGPS funds operate with high standards of governance and administration (as demonstrated by TPR's 2023 research) statutory frameworks and respond positively to guidance and support. Specifically, TPR communicating key messages, mostly to scheme managers and pension boards, about expectations on certain issues, information and reports from administrators would be welcome.

The LGPS is experiencing a period of significant change and numerous challenges, (with Fit for the Future, implementing McCloud and responding to Government consultations) therefore it is generally welcome that prioritising enforcement based on impact, scale, and complexity is a sensible approach.

Responses to consultation questions

1. Do you agree with the overall direction of the proposed enforcement strategy?

Yes, we agree with the overall direction to make TPR's enforcement strategy more strategic and impactful, which in turn should benefit the LGPS members. However, the Board would welcome the opportunity to engage with TPR colleagues to understand how this updated strategy will be applied in the LGPS. It is essential that any enforcement framework reflects this distinct status and the governance of the LGPS.

Understandably, the draft enforcement strategy is presented at a very high level and focuses on the higher risk areas to scheme member benefits, but it would be beneficial to clarify how it will apply specifically to LGPS administering authorities and local pension boards. Greater differentiation or examples how it may apply between occupational schemes and public service schemes would be helpful.

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2. Is our approach sufficiently transparent and accountable?

The Board supports and strongly echoes the response to this question provided by Lorraine Bennett on behalf of the LGA:

Currently there is a lack of transparency around what happens when breaches and/or poor performance are reported/whistle blown where no enforcement action is taken.

There have been several occasions in recent years when the LGPS sector has collectively reported concerns to TPR, but no feedback has ever been received and no enforcement outcome published. We appreciate it is not always possible to share information when investigations are ongoing and there are often commercial sensitivities; however, not receiving any feedback about what intervention action was taken leaves whistleblowers feeling like they have been ignored and undermines confidence in the process.

We also encourage TPR to share insights from its supervisory activities, including thematic reviews and investigations into LGPS funds and how these might inform its enforcement priorities.

3. Does the strategy clearly explain how enforcement decisions will be made and prioritised from a strategic perspective?

Yes, it does and quite reasonably focuses on the greatest risks and harm to savers. While these are important, they are less relevant to LGPS. The Board agrees that acting early and using a risk-based approach is sensible.

4. Are there any areas where the proposed strategy could be clearer or more accessible?

The enforcement strategy is presented at a very high level and how its provisions will apply specifically to LGPS administering authorities and local pension boards are not distinguished.

With seven million beneficiaries, poor governance or administration in LGPS can have significant consequences, even if financial detriment is rare. Delays in processing benefits can erode confidence and create reputational risk. The forthcoming Independent Governance Review (IGR) will introduce additional governance expectations for LGPS funds. We understand that the outcomes of these reviews will be shared with TPR where issues are identified, and we would like to understand how TPR intends to treat the outcome of these reviews in relation to its general enforcement approach.

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We encourage TPR to share insights from its current supervisory activities, including any thematic reviews or investigations into LGPS funds and how these inform its enforcement priorities.

5. How well do you feel the strategy aligns with our broader shift toward a more prudential, risk-based regulatory model?

Prioritising enforcement based on impact, scale, and complexity is a sensible approach. However, it would be helpful to have assurance on how breaches or poor performance — particularly significant but isolated issues will continue to be addressed, and whether the funds will be supported when reports of breaches are made? Particularly when a fund is experiencing reoccurring poor performance from a scheme employer. While enforcement should rightly focus on systemic risks arising from governance and administration weaknesses, this should not result in isolated issues being overlooked or diluted.

6. Are there any risks or unintended consequences arising from our new strategy you think we should consider?

No further comments.

7. Are there additional safeguards or clarifications you would like to see?

As part of the overall support governance standards across the public sector, the Board would like TPR to update its Public Service Toolkit which many across funds use as part of training and induction programs for Committee and Board members. The Board would also like to express support for the continuation of the public service pension schemes governance and administration research (last undertaken in 2023).

8. How can we best measure the success of this strategy in delivering real-world outcomes for savers?

No further comments.

9. We expect to review and update our wider suite of enforcement policies in light of this strategy. Are there any specific areas or policies you believe should be prioritised for review?

No

10. Do you have any other comments, suggestions, or concerns about the draft enforcement strategy?

No

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