Defined Contribution trust-based pension schemes research

Report of findings from the 2021 survey

Prepared for the Pensions Regulator by OMB Research
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Contents

1. Executive summary

This report summarises results from The Pensions Regulator's (TPR's) annual survey of trust-based occupational defined contribution (DC) pension schemes[1], carried out between October and December 2021. The survey was conducted by OMB Research, an independent market research agency, on behalf of TPR.

1.1 Introduction

The growth in DC pension provision driven by automatic enrolment into pension schemes led to new legislative requirements with respect to scheme governance coming into force in April 2015. TPR regulates compliance with these requirements, while continuing to work to raise standards of governance and administration across all areas of DC scheme management.

TPR's revised code of practice for DC schemes ('the code'), which came into force in July 2016, sets out the standards that TPR expects trustees of DC schemes to meet when they are complying with the legal requirements.

1.2 Research objectives and methodology

The survey comprised quantitative interviews with individuals (such as trustees, scheme managers or in-house administrators) involved in managing 305 schemes of differing sizes, 21 of which were master trusts[2]. In this report, actions taken by the trustees or managers are referred to as being taken by the scheme.

The objectives of the research were:

- To monitor the extent to which DC schemes were meeting the key governance requirement (KGR) relating to value for members, as follows;
  - KGR 2: Trustee boards must assess the extent to which member-borne charges and transaction costs provide good value for members
- To measure awareness of the new value for members assessment that will apply to all schemes with less than £100 million of assets under management, and assess the extent to which schemes have prepared for this;
- To explore the extent to which trustee boards scrutinise and challenge reports provided by the pension scheme administrator, and whether they have dedicated budgets for administrative improvements;
- To measure awareness of pensions dashboards among schemes with 100+ members, and identify the actions they have taken (or planned) to prepare for the dashboards;
- To better understand the processes used by schemes to manage climate-related risks and opportunities;

[1] The survey population included relevant hybrid pension schemes with DC members. A hybrid pension scheme includes both DB and DC benefits. For the purposes of the survey, hybrid schemes were instructed to answer questions only in relation to the DC sections of their scheme, excluding any sections offering DB benefits or DB benefits with a DC underpin.

[2] Relevant small schemes (broadly similar to the former small self-administered schemes), executive pension plans and schemes that were wound up or in the process of winding up were all excluded from the research.

- To measure awareness, use and perceptions of current TPR Codes of Practice, and explore awareness and perceptions of the new Single Code of Practice[3];
- To explore perceptions of TPR's supervision of master trusts;
- To assess the extent to which schemes record diversity data in relation to their trustees.

Where available, the analysis compares results with previous DC Schemes surveys.

1.3 Key findings

1.3.1 Since 2020 there has been an increase in the proportion of members in schemes that met the key governance requirement on assessing value for members (KGR 2).

Nine in 10 members (91%) were in a scheme that met KGR 2 (value for members assessment), an increase from 58% in 2020[4]. The proportion of schemes that met this requirement also increased from 14% to 21%.

The likelihood of meeting this requirement increased in line with scheme size. Four-fifths of master trusts (81%) and over half of large (57%) and medium (52%) schemes met KGR 2, compared with 15% of small and 14% of micro schemes.

For all scheme sizes, the primary reason for not meeting KGR 2 was that they did not research the characteristics, preferences and needs of members and take account of this when assessing value for members. Overall, 28% of schemes met this aspect of the requirement, ranging from 86% of master trusts to 20% of micro schemes.

1.3.2 Most schemes that were subject to the new value for members assessment were unaware of it.

New legislation requires schemes with less than £100 million of assets under management to carry out a more prescriptive 'value for members' assessment, and TPR expects schemes that are not offering value to wind up[5].

At the time of the survey, which was conducted before the new requirement came into force, a third (33%) of schemes with less than £100 million of assets were aware of the new assessment. Awareness was highest among relevant master trusts (100%) and large schemes (90%), and lowest among micro schemes (24%).

Half (51%) of those aware of the new assessment had carried out a self-assessment of the scheme's governance and administration, whereas relatively few had compared net investment returns (10%) or costs/charges (17%) with three other schemes.

[3] TPR is planning to replace most of its existing Codes of Practice with a new Single Code, in order to provide a common set of expectations for those involved in the running of all types of scheme.
[4] The member-weighted results are heavily influenced by master trusts, who account for 89% of all DC memberships, and the increase since the previous survey was partly because one of the larger master trusts met KGR 2 in 2021 but not in 2019. However, the 91% seen in 2021 was the highest proportion since this research began in 2016.
[5] This came into effect as of the first scheme year end that fell after 31st December 2021.

1.3.3 In comparison to larger schemes, micro and small schemes were less equipped to scrutinise and challenge administrator reports, were less likely to have a dedicated budget for administrative improvements and were more likely to hold member records non-electronically.

The vast majority of larger schemes believed they were well equipped to scrutinise and challenge reports received from their administrator (master trusts 95%, large 99%, medium 85%), but this fell to 59% of small schemes and 38% of micros.

A minority of micro (5%) and small (12%) schemes had a dedicated budget for administrative improvements such as data cleaning, compared with 52% of medium schemes, 67% of large schemes and 52% of master trusts. This is unlikely to change in the short term as very few (2%) of those without a budget planned to introduce one in the next two years.

Half (51%) of all schemes still held at least some member records on paper or microfiche. This was more prevalent among micro schemes (61%), but also applied to two-fifths of small schemes (39%) and a fifth of medium (18%) and large (21%) schemes.

1.3.4 The majority of schemes with 100+ members were aware of pensions dashboards and the requirement to provide data to savers through the dashboards. While most were yet to take action to prepare for the dashboards, many planned to do so in the next six months.

Overall, 94% of schemes with 100+ members had heard of pensions dashboards and 83% were aware of the legal requirement for schemes to provide data to savers through the dashboards. Around two-thirds (64%) had heard of the Pensions Dashboards Programme (PDP) team established by the Money and Pensions Service to develop the technological infrastructure behind the dashboards.

Across all three of these areas, awareness was higher among master trusts and large schemes (who are likely to be the first to have duties). This was particularly the case for the PDP team where 95% of master trusts and 76% of large schemes were aware, compared with 46% of medium schemes.

At the time of the survey, most schemes had yet to take action to prepare for the dashboards, but many were planning to do so within the next six months. The most widespread actions were speaking to the scheme's administrator about their data (44% already done, 31% planning in the next six months), discussing dashboards at their pension board (37% done, 40% planning) and undertaking work to clean or update their data (36% done, 27% planning). Master trusts and large schemes were more likely than medium schemes to have taken action or be planning to do so in the next six months.

1.3.5 Action on climate change was widespread among large schemes and master trusts, but few small and micro schemes had devoted time or resources to this.

Every master trust (100%) and nine in ten large schemes (92%) had allocated time or resources to assessing any financial risks and opportunities associated with climate change. This proportion fell to just over half of medium schemes (55%) and fewer than one in ten small (9%) and micro (5%) schemes.

Overall, 13% of schemes included climate-related issues as a regular agenda item at trustee meetings, 12% had added climate-related risks to their risk register, 9% had assigned responsibility for climate-related issues to a trustee/sub-committee and 9% included, monitored and reviewed targets in the scheme's climate policy. However, results again varied widely by scheme size. The vast majority of master trusts used each of these processes (86-100%), and over two-thirds of large schemes covered climate-related issues at trustee meetings (69%) and had added climate-related risks to their risk register (70%). In contrast between 2 and 3% of micro schemes and between 4 and 6% of small schemes had these processes in place.

1.3.6 Two-fifths of micro schemes and a third of small schemes were either unaware that TPR had codes of practice or had never used them. While the balance of opinion was favourable, a minority found them difficult to use.

The majority (84%) of schemes were aware that TPR had codes of practice, increasing to 100% of master trusts and large schemes. However, 43% of micro schemes and 31% of small schemes were either unaware of TPR's codes or had never used them.

Perceptions of TPR's codes were mixed but more respondents gave positive ratings than negative ones. Overall, 39% felt that it was easy to find what they were looking for in the codes (vs. 18% difficult), 53% that it was easy to understand the legal obligations placed on trustees (vs. 12% difficult), 59% that it was easy to understand TPR's expectations (vs. 15% difficult), and 41% that it was easy to act upon these expectations (vs. 23% difficult).

1.3.7 A third of schemes were aware of the new Single Code of Practice. Most felt it would make TPR's expectations easier to understand, but also believed it would lead to extra work for them.

A third (32%) of schemes knew that TPR would soon introduce a new Single Code of Practice, but this varied widely by scheme size (master trusts 100%, large 94%, medium 65%, small 28%, micro 20%).

Approaching two-thirds (62%) of those aware of the Single Code believed this would make it easier to understand TPR's expectations. However, a similar proportion (60%) felt it would increase the work required to meet these expectations, and comparatively few (29%) thought it would improve how their scheme was governed.

1.3.8 Perceptions of TPR's supervision of master trusts were broadly positive, although fewer than half felt that it had helped them to consider and manage their key risks[6].

Approaching three-quarters (71%) of master trusts agreed that TPR's supervision of their scheme was focussed on the most important processes, risks and controls.

Similar proportions also agreed that TPR's supervision team had an approach that helped build a constructive working relationship with them (76%), understood their scheme well (71%) and was responsive (71%).

[6] These results are against a background of reduced regular TPR engagement with master trusts in 2021 due to resource constraints and a significant increase in the amount of work required to respond to triggering events.

However, less than half (43%) felt that the supervision team had helped them consider the key risks and how to manage them, and there was also slightly less consensus that TPR provided appropriate guidance/recommendations (62%).

1.3.9 Most schemes did not formally capture diversity data in relation to their trustees, typically because there was no perceived need or they had not considered it[7].

One in seven schemes (14%) formally obtained and recorded any diversity data in relation to their trustees. This was higher among master trusts (31%) but similar across other scheme sizes (10-16%).

In most cases this diversity data covered gender (13%) and age (13%), compared with 8-10% for other metrics such as ethnicity, religion or belief, sexual orientation and highest educational qualification.

Among the small number of schemes who collected this diversity data, 32% used it for monitoring purposes, 29% for trustee recruitment and 24% for developing training for trustee board members.

Where trustee diversity data was not recorded, the primary reasons were that there was no perceived need (43%) and they had not thought about doing so (30%).

[7] These questions on trustee diversity were not asked to schemes who either only had a single trustee or used a corporate trustee company.

2. Introduction and methodology

2.1 Background and research objectives

This report summarises the results from TPR's annual research survey of trust-based occupational defined contribution (DC) pension schemes.

Unlike defined benefit (DB) schemes, where risks are shared between the employer and the member and additional protection is given by the funding regime and compensation arrangements, in DC schemes it is members that bear the risk. Therefore, it has been a key focus for TPR to promote and improve the quality of DC arrangements.

The growth in DC pension provision driven by automatic enrolment into pension schemes led to new legislative requirements with respect to scheme governance coming into force in April 2015. TPR regulates compliance with these requirements, while continuing to work to raise standards of governance and administration across all areas of DC scheme management.

TPR's code of practice for DC schemes ('the code'), which came into force in July 2016, sets out the standards that TPR expects trustees of DC schemes to meet when they are complying with the legal requirements.

The key objectives of the 2021 research were:

- To monitor the extent to which DC schemes were meeting the key governance requirement (KGR) relating to value for members, as follows;
  - KGR 2: Trustee boards must assess the extent to which member-borne charges and transaction costs provide good value for members
- To measure awareness of the new value for members assessment that applies to all schemes with less than £100 million of assets under management[8], and assess the extent to which schemes have prepared for this;
- To explore the extent to which trustee boards scrutinise and challenge reports provided by the pension scheme administrator, and whether they have dedicated budgets for administrative improvements;
- To measure awareness of pensions dashboards[9] among schemes with 100+ members, and identify the actions they have taken (or planned) to prepare for the dashboards;
- To better understand the processes used by schemes to manage climate-related risks and opportunities;

[8] New legislation requires schemes with less than £100 million of assets under management to carry out a more prescriptive 'value for members' assessment. TPR expects schemes that are not offering value to wind up. This came into effect as of the first scheme year end that fell after 31st December 2021 so was not yet in force at the time of the survey.

[9] A pensions dashboard will show a user their pensions information online, securely and all in one place. The Pensions Schemes Act 2021 contains provisions to require trustees and scheme managers to provide data to savers through pensions dashboards. The staged implementation of dashboard duties is expected to start from Spring/Summer 2023.

- To measure awareness, use and perceptions of current TPR Codes of Practice, and explore awareness and perceptions of the new Single Code of Practice[10];
- To explore perceptions of TPR's supervision of master trusts;
- To assess the extent to which schemes record diversity data in relation to their trustees.

Where available, the analysis presented here compares results with those from the previous DC Schemes surveys.

2.2 Methodology

2.2.1 Sampling approach

The sample frame for this research was a comprehensive list of DC pension schemes, including master trusts, that was extracted from TPR's database.

The survey population included relevant hybrid pension schemes with DC members[11]. A hybrid pension scheme includes both DB and DC benefits and for the purposes of the survey hybrid schemes were instructed to answer questions only in relation to the DC sections of their scheme, excluding any sections offering DB benefits or DB benefits with a DC underpin.

The survey covered open, closed and paid-up schemes but those that were wound-up or in the process of winding up were excluded from the sample. Relevant small schemes (broadly similar to the former small self-administered schemes) and executive pension plans (EPPs) are not subject to the key governance requirements so were also excluded.

The survey sample consisted of five distinct sub-groups of DC schemes, namely micro schemes (those with fewer than 12 members), small schemes (12-99 members), medium schemes (100-999 members), large schemes (1,000+ members) and master trusts. A disproportionate stratified sampling approach was adopted, and quotas were set on scheme type (DC and hybrid) and size. Micro schemes were intentionally under-sampled as they accounted for the majority of the scheme universe. All other scheme sizes were over-sampled to ensure they were adequately represented and to allow more robust sub-analysis. The final data was weighted to account for the disproportionate sampling approach, as described in section 2.3.

In some cases an individual can be involved with several different pension schemes, so the sample was de-duplicated to ensure that any such individual this was applicable to was only contacted/surveyed about one specific scheme.

2.2.2 Data collection

The survey was conducted between 7 October and 10 December 2021[12] by OMB Research, on behalf of TPR. The majority of the interviews were conducted via CATI

[10] TPR is planning to replace most of its existing Codes of Practice with a new Single Code, in order to provide a common set of expectations for those involved in the running of all types of scheme.
[11] Dual section hybrid schemes (i.e. those with separate DB and DC sections) were included in this research.
[12] Previous DC Schemes Surveys took place earlier in the year (January-March) but this was changed in 2021 to fit around other TPR surveys and avoid burdening schemes with several research requests in a short space of time.

(Computer Assisted Telephone Interviewing) by a team of experienced business-to-business interviewers. However, due to their limited number and high importance (in terms of member numbers), the master trust interviews were conducted by OMB Research executives.

Where an email address was provided, potential respondents were sent an introductory email by TPR prior to being telephoned for the survey. This explained the purpose of the research, provided reassurances about its bona fide and confidential nature and introduced OMB Research as an independent market research agency that had been appointed by TPR to conduct the survey. The email was signed by the Executive Director of Regulatory Policy, Analysis and Advice at TPR.

Interviews lasted an average of 22 minutes and each respondent completed the survey in relation to a pre-specified pension scheme. To qualify for interview, respondents had to have a good knowledge of how the scheme was run and be in particular roles (chair of trustees, lay trustee, professional trustee, secretary to the board of trustees, in-house administrator, scheme manager, or external adviser involved in running the scheme).

A total of 305 interviews were completed, including 21 with representatives of master trusts. Table 2.2.2.1 shows the final number of interviews achieved with each type and size of scheme.

Table 2.2.2.1 Interview profile

Scheme Type & Size		Interviews	
		Number	%
DC single employer schemes	Micro (<12 members)	64	21%
	Small (12-99 members)	35	11%
	Medium (100-999 members)	25	8%
	Large (1000+ members)	30	10%
Hybrid single employer schemes	Micro (<12 members)	1	<0.5%
	Small (12-99 members)	9	3%
	Medium (100-999 members)	42	14%
	Large (1000+ members)	78	26%
Master trusts		21	7%
Total		**305**	**100%**

Hybrid schemes were allocated to the above size bands based on the total number of members in the scheme.

The largest master trusts were targeted to ensure coverage of a high proportion of the member universe. The 21 master trusts interviewed represented 62% of all in-scope master trusts but 88% of all master trust DC members.

2.3 Analysis and reporting conventions

Throughout this report results have been analysed by scheme size (based on their total members), and DC and hybrid scheme results have been combined.

To account for the disproportionate sampling approach and ensure results are representative of the overall scheme population, all data has been weighted based on the total number of schemes in each size category and of each type (i.e. DC/hybrid). Where member analysis has been shown, the data has been weighted to reflect the proportion of DC members accounted for by each type of scheme. Unweighted bases (the number of responses from which the findings are derived) are displayed on tables and charts to give an indication of the robustness of results.

The data presented in this report is from a sample of trust-based occupational DC schemes rather than the total population. This means the results are subject to sampling error. Only differences which are statistically significant are mentioned in the report commentary. For example, if a percentage is said to have increased that means that it is a statistically significant increase. All significance testing referred to in this report was carried out at a 95% confidence level ($p < 0.05$)[13]. This means that we can be at least 95% confident that the change is 'real' rather than a function of sampling error.

Where available, equivalent results from the 2020 survey have been shown. In most cases this has been shown as the percentage point change, so an increase from 40% in 2020 to 50% in 2021 would be displayed as +10%. Any statistically significant differences over time have been highlighted in green (increase since 2020) or red (decrease since 2020) in the charts and tables.

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

Five key governance requirements (KGRs) were introduced for DC schemes in 2015 and since that point this survey has been used to measure the extent to which schemes were meeting these requirements. The 2021 survey covered one of these KGRs, namely that relating to value for members (KGR 2). This was done through the use of proxy measures based on responses to relevant survey questions. For KGR 2 to be met in the survey, a particular answer had to be provided to a combination of these questions. The constituent elements used to calculate the presence of this KGR are shown in Section 3.3.1 of this report.

[13] Strictly speaking, calculations of statistical significance apply only to samples that have been selected using probability sampling methods. However, in practice it is reasonable to assume that these calculations provide a good indication of significant differences in quota surveys like this one.

3. Research findings

3.1 Value for members

3.1.1 KGR 2: Value for members assessment

One of the five key governance requirements for DC schemes is that trustee boards must assess the extent to which member-borne charges and transaction costs provide good value for members. The 2021 DC Schemes Survey sought to measure the extent to which this requirement (KGR 2: value for members assessment) was being met.

Figure 3.1.1.1 shows that 91% of DC members were in a scheme that met KGR 2, an increase from 58% in 2020 and the highest proportion since the research began in 2016.

Figure 3.1.1.1 Proportion of members in a scheme that met KGR 2

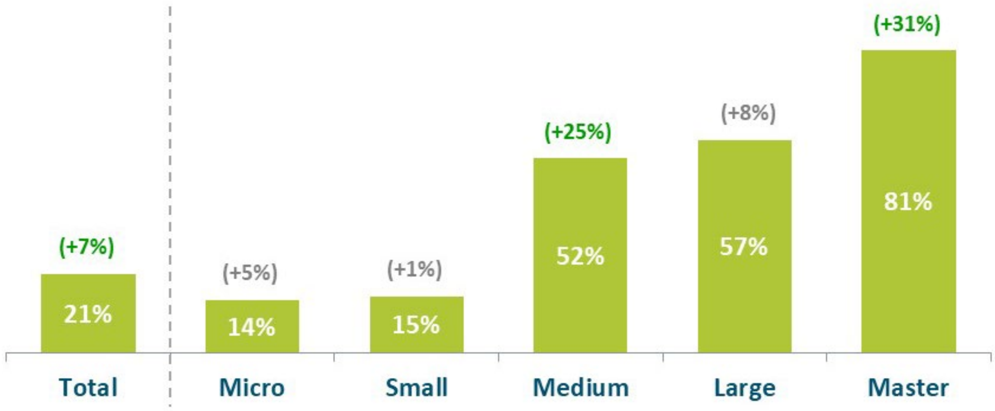
Base: All schemes (305)
Statistically significant differences from 2020 are highlighted in red or green

Figure 3.1.1.2 shows the proportion of schemes that met KGR 2, analysed by scheme size. The percentage point change from the 2020 survey result is shown in brackets (as '+x' or '-x') above the relevant 2021 data.

At the overall level, a fifth (21%) of schemes met the requirements of KGR 2, an increase from 14% in 2020.

The likelihood of meeting the requirements increased in line with scheme size, from 14% of micro schemes to 81% of master trusts. The results for medium schemes and master trusts represented a significant increase since 2020 (of 25 and 31 percentage points respectively).

Figure 3.1.1.2 Proportion of schemes that met KGR 2



Base: All schemes - Total (305), Micro (65), Small (44), Medium (67), Large (108), Master trusts (21)
Statistically significant differences from 2020 are highlighted in red or green

Table 3.1.1.1 provides a breakdown of each of the measures making up KGR 2 (value for members assessment) and the proportion of schemes that met each one. The percentage point change from the 2020 survey is shown as '+x' or '-x' under the relevant 2021 data.

Table 3.1.1.1 Proportion of schemes reporting that they met each constituent element of KGR 2

	Total	Micro	Small	Medium	Large	Master
Base: All schemes	*305*	*65*	*44*	*67*	*108*	*21*
Good understanding of investment transaction costs	57% -2%	50% -1%	50% -17%	86% +6%	91% +1%	95% +7%
Good understanding of costs/ charges deducted from members' funds in default arrangements *(All with a default arrangement)*	61% -4%	52% -3%	66% -2%	87% -5%	97% +1%	100% 0%
Good understanding of costs/charges deducted from members' funds in self-select options *(All offering self-select options)*	81% +15%	74% +24%	71% +19%	89% +1%	98% +4%	100% 0%
Assesses annually that charges/costs represent value	53% -7%	44% -9%	60% +2%	84% -5%	94% +2%	100% 0%
Researches members and takes into account when assessing VFM[14]	28% -4%	20% -8%	21% -7%	61% +22%	65% +3%	86% +23%
Able to obtain information needed for VFM assessment	82% 0%	80% +1%	77% -4%	89% -9%	97% +5%	100% +6%

Base: All schemes - Total (305), Micro (65), Small (44), Medium (67), Large (108), Master trusts (21)
Statistically significant differences from 2020 are highlighted in red or green

[14] This element was constructed from responses to several different survey questions.

Around eight-in-ten schemes (82%) felt they could obtain the information required to carry out a value for members assessment, and half (53%) assessed and reported at least annually the extent to which charges and costs represent value for members.

The majority also believed that the trustee board had a good understanding of investment transaction costs (57%), costs/charges deducted from members' funds in default arrangements (61%) and costs/charges deducted from members' funds in self-select options (81%). The latter represents an increase from the 66% seen in 2020.

However, the main barrier to meeting KGR 2 was that schemes did not research the characteristics, preferences and needs of members and take account of this when assessing value for members. This requirement was met by 28% of schemes. For all sizes of scheme, this was the KGR 2 requirement that was least likely to be met. The percentage meeting it ranged from 20% of micro schemes to 86% of master trusts.

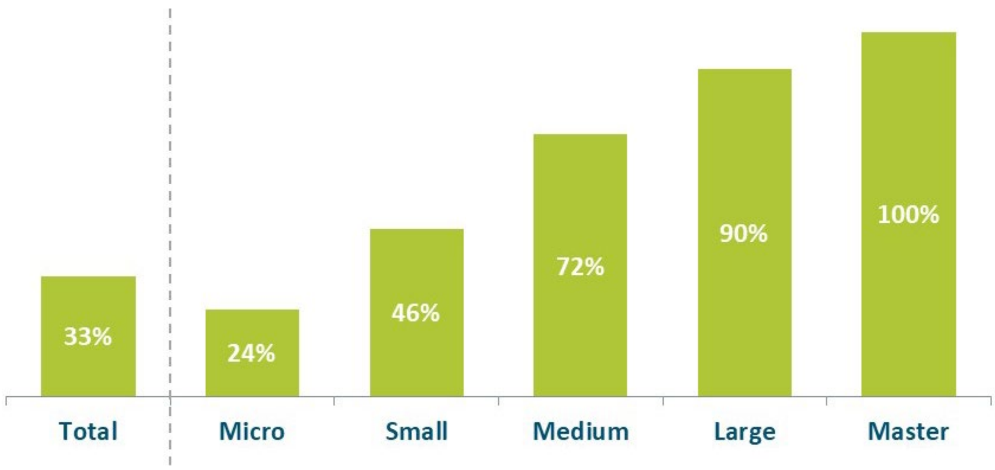
Master trusts, large and medium schemes were consistently more likely to meet each of the KGR 2 requirements than small and micro schemes. Results for each scheme size were broadly consistent with those seen in the 2020 survey, and the only statistically significant change was an increase in the proportion of medium schemes who researched members and took this into account when assessing value for members (from 39% to 61%).

3.1.2 New value for members assessment

New legislation requires schemes with less than £100 million of assets under management to carry out a more prescriptive 'value for members' assessment, and TPR expects schemes that are not offering value to wind up. This came into effect as of the first scheme year end that fell after 31st December 2021.

Schemes with less than £100 million of assets were asked whether they were aware of the new value for members assessment (Table 3.1.2.1). At the time of the survey, which was before the requirement came into force, overall awareness stood at 33% but this increased among larger schemes (ranging from 24% of micro to 100% of master trusts[15]).

Figure 3.1.2.1 Proportion aware of the new VFM assessment



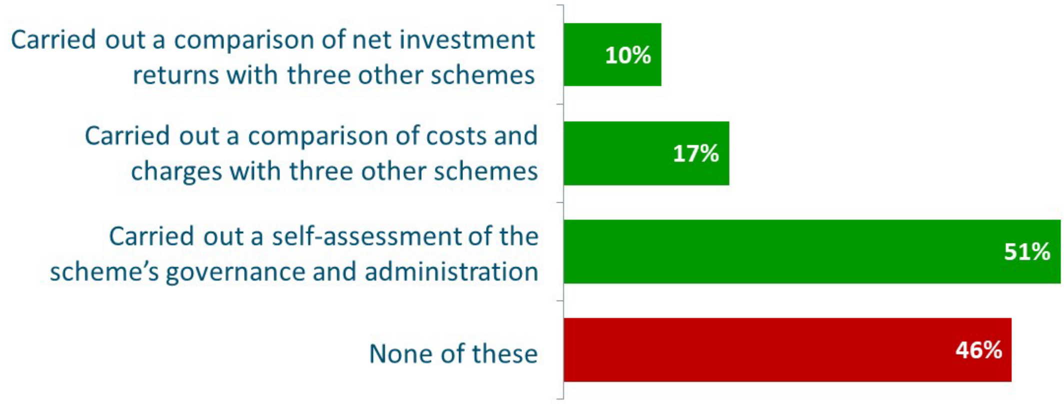
Base: All schemes with <£100m assets
Total (212), Micro (64), Small (44), Medium (62), Large (40), Master trusts (2)

[15] The master trust results are based on just two schemes, as the remainder all had assets of £100m+.

Schemes who were aware of the new value for members assessment were also asked what they had done to prepare for it, and the results are summarised in Figure 3.1.2.2 below. Please note that base sizes are too low for robust analysis by scheme size.

Half (51%) of these schemes had carried out a self-assessment of their governance and administration, but fewer had compared costs and charges or net investment returns with three other schemes (17% and 10% respectively).

Figure 3.1.2.2 Actions taken to prepare for the new VFM assessment



Base: All schemes with <£100m assets & aware of new VFM assessment (118, Don't know 1%)

Approaching half (46%) of relevant schemes had not taken any of these actions to prepare for the new assessment. When asked for their reasons, the most common responses were that the scheme was very small/had few members (33%), the scheme's year end was still some way off (14%), the scheme was considering whether to wind up (10%) and the scheme was paid up (10%).

Those schemes who had undertaken any preparations for the new assessment were asked whether they had encountered any barriers while doing this. As detailed in Table 3.1.2.1, a quarter (27%) reported barriers. The most widespread barrier related to a lack of guidance on how to self-assess scheme governance and administration (14%).

Table 3.1.2.1 Barriers to preparing for the new VFM assessment

	Total
Yes, encountered barriers	**27%**
- Need more guidance on how to self-assess governance and administration	14%
- Time consuming / lack of time	4%
- Wating for data/advice from other sources (e.g. administrators)	4%
- Unable to find a scheme for our members to transfer into	2%
- Cost involved	2%
- Struggling to assess value because the scheme has guarantees	1%
- Other barriers	4%
No barriers encountered	**73%**

Base: All schemes with <£100m assets who had taken action to prepare for the new VFM assessment (71)

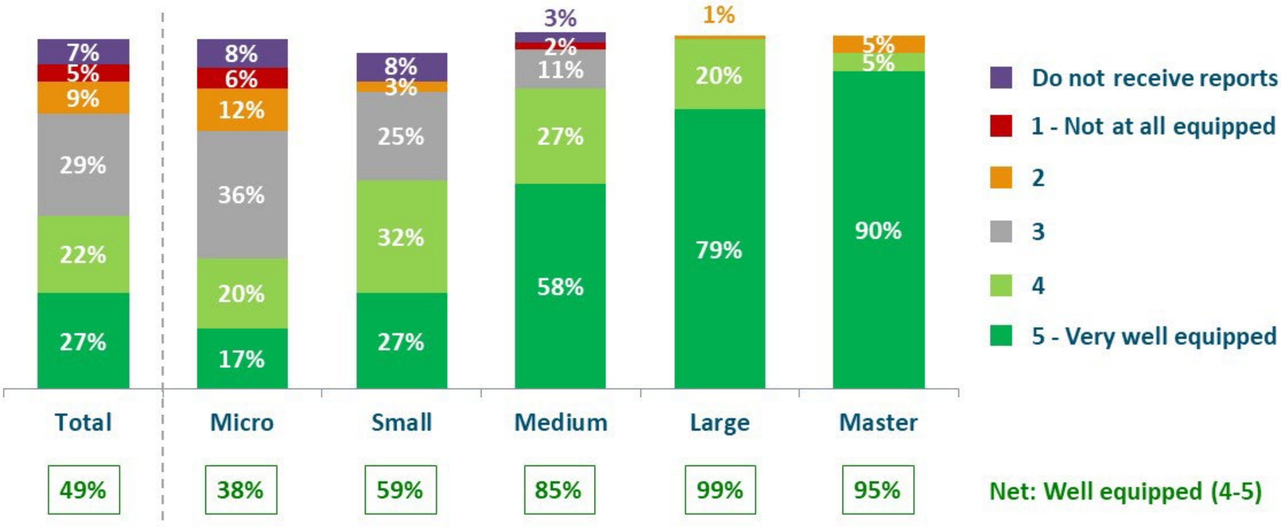
3.2 Administration

Respondents were asked how well equipped they felt the trustee board was to scrutinise and challenge the reports provided by the scheme's administrator, with results shown in Figure 3.2.1.

Around half (49%) of schemes believed the trustee board was well equipped to scrutinise and challenge administrator reports. This proportion was highest among large schemes (99%) and master trusts (95%) but fell to 38% of micro schemes.

A minority of schemes (7%) did not receive any reports from their administrator. This applied to 8% of micro and small schemes, and 3% of medium schemes.

Figure 3.2.1 Extent to which the trustee board is equipped to scrutinise and challenge administrator reports



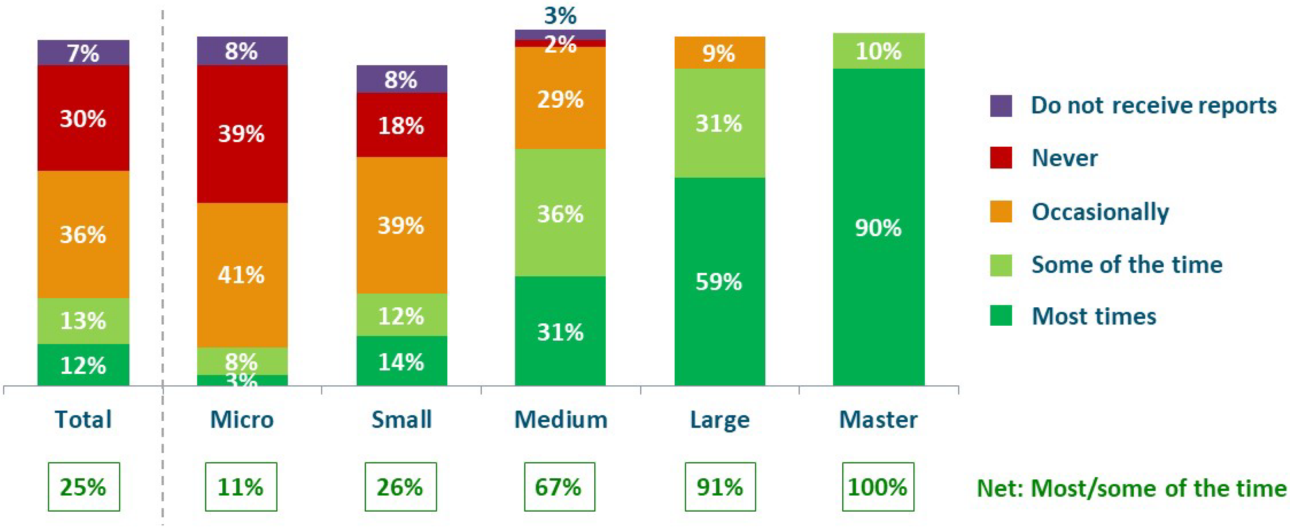
Base: All schemes (Base, Don't know)
Total (305, 1%), Micro (65, 0%), Small (44, 5%), Medium (67, 0%), Large (108, 0%), Master trusts (21, 0%)

Overall, 98% of members were in a scheme where the trustee board was felt to be well equipped to scrutinise and challenge administrator reports. This reflects the fact that master trusts and large schemes together account for 99.5% of all DC memberships.

Respondents were also asked how frequently the trustee board challenged or questioned the reports provided by their administrator. As detailed in Figure 3.2.2 overleaf, 12% reported that the trustees challenged or questioned administrator reports most of the time, and a similar proportion (13%) indicated that this happened some of the time. While most of the remainder did this occasionally (36%), approaching a third (30%) of trustee boards never challenged or questioned the reports provided by the scheme's administrator.

There was again a high degree of variation by scheme size. Every master trust (100%) and the vast majority of large schemes (91%) challenged administrator reports most or some of the time, this proportion fell to two-thirds (67%) of medium, a quarter (26%) of small and around one in ten (11%) micro schemes.

Figure 3.2.2 Frequency of challenging or questioning administrator reports

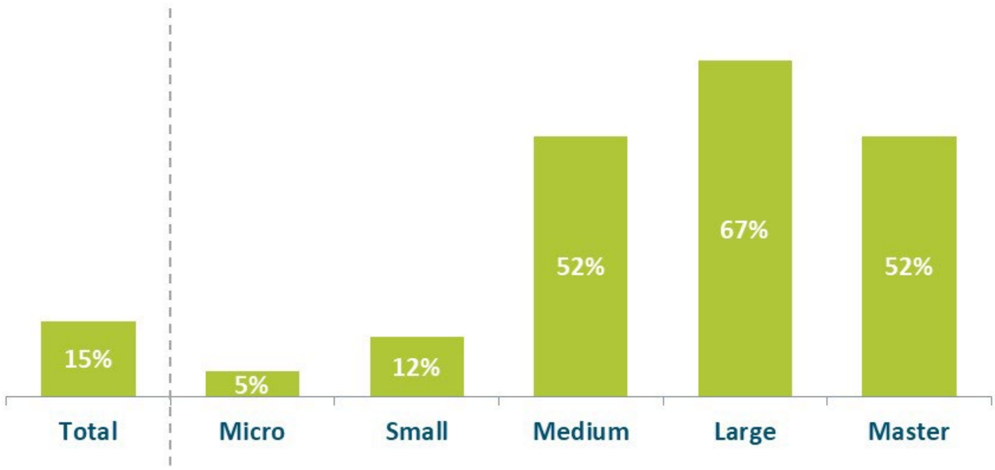


Base: All schemes (Base, Don't know)
Total (305, 2%), Micro (65, 2%), Small (44, 9%), Medium (67, 0%), Large (108, 0%), Master trusts (21, 0%)

Overall, 99% of members were in a scheme where the trustee board challenged or questioned administrator reports most or some of the time.

Figure 3.2.3 shows that 15% of schemes had a dedicated budget set aside for administrative improvements such as data cleaning. This applied to two-thirds (67%) of large schemes and around half of master trusts and medium schemes (both 52%). However, it was much less common among small (12%) and micro (5%) schemes.

Figure 3.2.3 Proportion with a dedicated budget for administrative improvements



Base: All schemes (Base, Don't know)
Total (305, 2%), Micro (65, 2%), Small (44, 3%), Medium (67, 3%), Large (108, 1%), Master trusts (21, 0%)

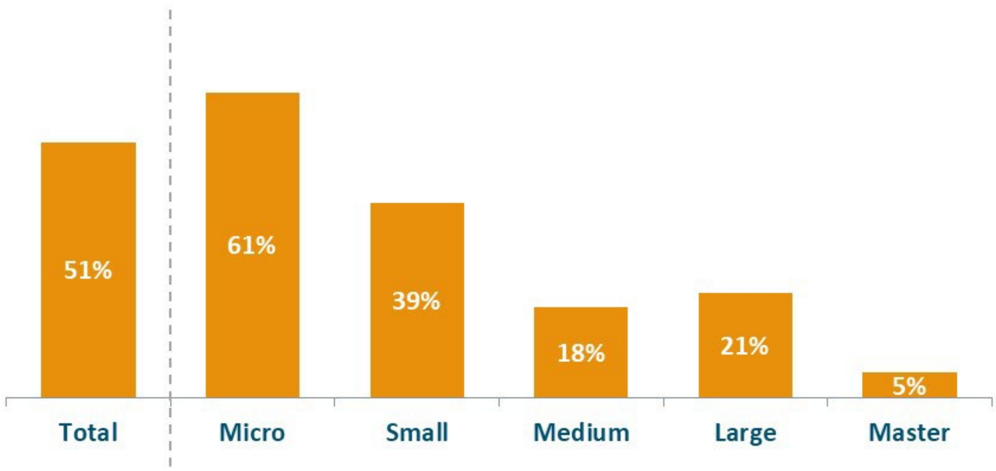
Around two-thirds (64%) of those with a dedicated budget for administrative improvements indicated that this budget had increased in the last two years, and just over a third (36%) planned to increase it over the next two years. There was little difference by scheme size in this respect.

However, very few (2%) of those schemes that did not currently have a budget for administrative improvements intended to introduce one in the next two years. This was primarily down to micro and small schemes, with 0% and 2% respectively planning to introduce a budget. In contrast, around a quarter of medium schemes (23%) and large schemes (28%) and nearly a third of master trusts (30%) who did not have a budget for administrative improvements planned to introduce one in the next two years.

Respondents were also asked whether any of their member records were held on paper or microfiche rather than being held electronically. As set out in Figure 3.2.4, half (51%) of all schemes still held at least some records non-electronically.

This was most likely to be the case for micro schemes (61%), but also applied to two-fifths of small schemes (39%) and around a fifth of medium (18%) and large schemes (21%). In contrast, 5% of master trusts held any member records on paper or microfiche.

Figure 3.2.4 Proportion that held any member records on paper or microfiche



Base: All schemes (Base, Don't know)
Total (305, 3%), Micro (65, 2%), Small (44, 11%), Medium (67, 6%), Large (108, 3%), Master trusts (21, 0%)

3.3 Pensions dashboards

The survey included a number of questions about the pension dashboards. Dashboard duties are expected to be introduced in stages, with larger schemes having to meet the requirements first, so these questions were only asked to schemes that had 100 or more members.

Respondents were first asked a series of questions about their awareness of the pensions dashboards, the Pensions Dashboards Programme (PDP) at the Money and Pensions Service (MAPS) and the legal requirement to provide data to savers through the dashboards, as follows:

- Government has been working on legislation to enable the development of pensions dashboards. Pensions dashboards are digital interfaces such as websites or apps, etc. which will enable a person to see all their pensions in one place. Before today, had you **heard about pensions dashboards**?
- The Money and Pensions Service has established the Pensions Dashboards Programme team to develop the technological infrastructure behind the pensions dashboards. Before today, had you **heard about the Pensions Dashboards Programme team**?
- The Pensions Schemes Act 2021 contains provisions to require trustees and scheme managers to provide data to savers through pensions dashboards. Before today, were you **aware of this change to pensions law**?

Table 3.3.1 summarises the responses to these questions. Overall, 94% had heard of pensions dashboards and 83% were aware of the change to pensions law requiring trustees and scheme managers to provide data to savers through the dashboards. However, awareness of the PDP was lower, at 64%.

For all three measures awareness was highest among master trusts, followed by large schemes and then medium schemes. This difference was most apparent when it came to awareness of the PDP, ranging from 95% of master trusts to 46% of medium schemes.

Table 3.3.1 Awareness of pensions dashboards, the PDP and the requirement to provide data to savers through pensions dashboards

	Total	Medium	Large	Master
Aware of pensions dashboards	**94%**	88%	99%	100%
Aware of the PDP team	**64%**	46%	76%	95%
Aware of the change to pensions law (requiring trustees/scheme managers to provide data to savers through pensions dashboards)	**83%**	73%	90%	95%

Base: All schemes with 100+ members - Total (196), Medium (67), Large (108), Master trusts (21)

Those respondents who were aware of pension dashboards were asked about the ways in which they had personally accessed information about them. As shown in Table 3.3.2, over a third (37%) had attended an industry event about dashboards and the majority (85%) had heard of pension dashboards through another source such as the trade press.

Fewer had accessed information via the PDP; 20% had visited their website, 9% had received their newsletter, 8% had attended a webinar hosted by them, and 11% had engaged with any other material put out by the PDP. However, reflecting their higher awareness of the PDP (95%), master trust respondents were more likely than those from large and medium schemes to have done each of these.

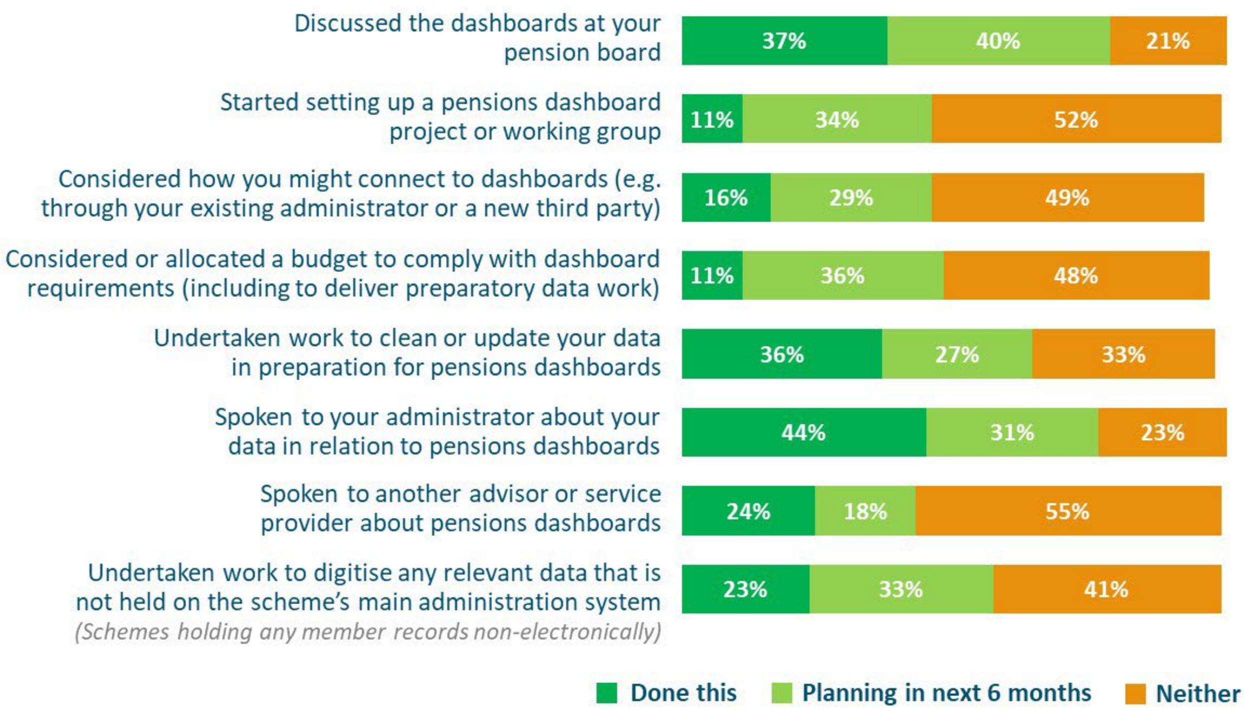
Table 3.3.2 Sources of information about pensions dashboards

	Total	Medium	Large	Master
Visited the PDP website	**20%**	10%	24%	48%
Received the PDP newsletter	**9%**	5%	9%	38%
Attended a webinar hosted by the PDP	**8%**	8%	7%	19%
Engaged with any other material put out by the PDP	**11%**	12%	9%	33%
Attended an industry event about pensions dashboards	**37%**	29%	43%	48%
Heard of pensions dashboards through any other source, e.g. trade press	**85%**	79%	88%	100%
None of these	**11%**	19%	7%	0%

Base: All schemes with 100+ members & aware of pensions dashboards (Base, Don't know)
Total (187, 0%), Medium (59, 0%), Large (107, 0%), Master trusts (21, 0%)

Respondents aware of the dashboards were then read a list of various actions and asked whether the scheme had already done this, was planning to do it in the next six months, or neither (Figure 3.3.1).

Figure 3.3.1 Preparation for pensions dashboards



Base: All schemes with 100+ members & aware of pensions dashboards (Base, Don't know)
All schemes (187, 1-6%), All holding any member records non-electronically (30, 3%)

The most widespread actions were speaking to the scheme's administrator about their data (44% already done, 31% planning in next six months), discussing dashboards at their pension board (37% done, 40% planning) and undertaking work to clean or update their data (36% done, 27% planning).

Among the schemes with 100 or more members who were asked the pensions dashboards questions, eight in ten (79%) held all of their member records electronically so were not asked whether they had undertaken work to digitise any relevant data. Among those who held at least some records on paper or microfiche, 23% had already undertaken work to digitise relevant data and 33% planned to do this in the next six months. Please note the low base size when interpreting these results.

Around a quarter (24%) of schemes had already spoken to another advisor or service provider (i.e. aside from their administrator) about pensions dashboards and 18% planned to do this in the next six months. The most widely mentioned advisers/service providers in this context were pensions consultants/advisors, legal advisors/lawyers and investment consultants/advisors/managers.

Table 3.3.3 provides a summary by scheme size, showing the proportions that had either already done each action or were planning to do it in the next six months. This demonstrates that master trusts were typically most likely to have taken/planned each action, with medium schemes generally least likely to have done so.

Table 3.3.3 Proportion that had already done each action or were planning to do it in the next six months

	Total	Medium	Large	Master
Discussed the dashboards at your pension board	**77%**	68%	82%	90%
Started setting up a pensions dashboard project or working group	**45%**	34%	50%	76%
Considered how you might connect to dashboards	**45%**	34%	51%	81%
Considered or allocated a budget to comply with dashboard requirements	**47%**	42%	49%	62%
Undertaken work to clean or update your data in preparation for pensions dashboards	**64%**	54%	72%	52%
Spoken to your administrator about your data in relation to pensions dashboards	**76%**	68%	80%	86%
Spoken to another advisor or service provider about pensions dashboards	**42%**	27%	53%	33%
Schemes holding any member records non-electronically Undertaken work to digitise any relevant data that is not held on the scheme's main administration system	56%	57%	55%	100%

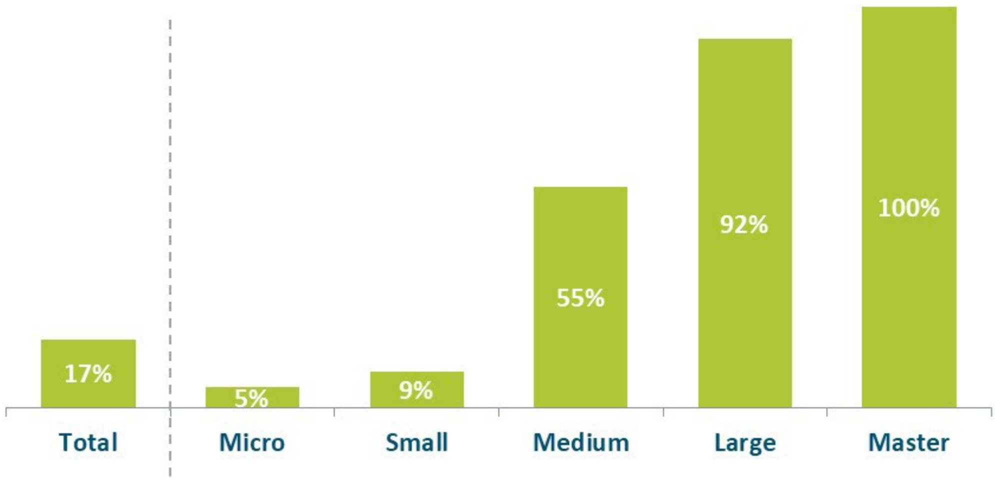
Base: Schemes with 100+ members & aware of pensions dashboards (Base, Don't know)
All schemes - Total (187, 1-6%), Medium (59, 2-7%), Large (107, 1-7%), Master trusts (21, 0-10%)
All holding any member records non-electronically - Total (30, 3%), Medium (7, 0%), Large (22, 5%), Master trusts (1, 0%)

3.4 Climate change

Figure 3.4.1 shows that 17% of schemes had allocated time or resources to assessing any financial risks and opportunities associated with climate change.

Every master trust (100%) and 92% of large schemes had done this, as had over half (55%) of medium schemes. However, it was much less common among small (9%) and micro (5%) schemes.

Figure 3.4.1 Proportion that had allocated time or resources to assessing any financial risks and opportunities associated with climate change



Base: All schemes (Base, Don't know)
Total (305, 2%), Micro (65, 2%), Small (44, 5%), Medium (67, 3%), Large (108, 1%), Master trusts (21, 0%)

Schemes were then asked whether they used various processes to manage climate-related risks and opportunities, with results shown in Table 3.4.1. Please note that the 83% of schemes that had not allocated time or resources to assessing the financial risks/opportunities associated with climate change (or were unsure if they had done this) were not asked this question but have been included in the analysis base and are shown separately in the table.

Around one in ten schemes used each of the four processes; 13% included climate-related issues as a regular agenda item at trustee meetings, 12% had added climate-related risks to their risk register, 9% had assigned responsibility for climate-related issues to a trustee or sub-committee, and 9% included, monitored and reviewed targets in the scheme's climate policy.

However, these figures were heavily influenced by the comparatively low proportion of micro and small schemes that used these processes (between 2 and 3% and 4 and 6% respectively), and they were more widespread among larger schemes. The majority of master trusts had each of these processes in place (86-100%), and over two-thirds of large schemes included climate-related issues as a regular item at trustee meetings (69%) and had added climate-related risks to their risk register (70%).

Table 3.4.1 Processes used to manage climate-related risks and opportunities

	Total	Micro	Small	Medium	Large	Master
Include climate-related issues as a regular agenda item at trustee meetings	**13%**	3%	6%	37%	69%	86%
Add climate-related risks to risk register	**12%**	2%	6%	47%	70%	95%
Assign responsibility for climate-related issues to a trustee or sub-committee	**9%**	3%	4%	18%	45%	86%
Include, monitor and review targets in the scheme's climate policy	**9%**	2%	4%	31%	46%	100%
None of these (or don't know)	**2%**	2%	0%	0%	6%	0%
Not allocated any time or resources to climate change	**83%**	95%	91%	45%	8%	0%

Base: All schemes - Total (305), Micro (65), Small (44), Medium (67), Large (108), Master trusts (21)

Schemes were also asked whether they had taken various actions on stewardship in order to help with their management of climate risks (Table 3.4.2). They were most likely to have talked to advisers and asset managers about how this is built into their engagement and voting policies (16%) and asked prospective new asset managers how they include these factors in engagement and voting behaviour (13%), and least likely to have signed the UK Stewardship Code (4%).

Again, the likelihood of taking these actions was highest among master trusts, followed by large and medium schemes, but few micro and small schemes had taken them.

Table 3.4.2 Stewardship actions taken on climate risk

	Total	Micro	Small	Medium	Large	Master
Talked to advisers and asset managers about how climate-related risks and opportunities are built into their engagement and voting policies	**16%**	5%	6%	50%	82%	95%
When appointing new asset managers, asked the prospective manager how they include climate factors in engagement and voting behaviour	**13%**	3%	1%	36%	77%	95%
Where relevant when outsourcing activities, set out in legal documents your expectations on climate stewardship and approaches	**7%**	2%	1%	24%	40%	81%
Joined collaborative engagement efforts on climate change	**7%**	2%	4%	22%	35%	81%
Signed the UK Stewardship Code	**4%**	2%	1%	13%	13%	48%
None of these (or don't know)	**1%**	0%	3%	2%	5%	0%
Not allocated any time or resources to climate change	**83%**	95%	91%	45%	8%	0%

Base: All schemes - Total (305), Micro (65), Small (44), Medium (67), Large (108), Master trusts (21)

3.5 TPR codes of practice

Respondents were asked whether they were aware that TPR has codes of practice and, if so, when they last used or consulted any of these.

Table 3.5.1 shows that the majority (84%) of respondents were aware of TPR's codes, ranging from 100% of master trusts and large schemes to 80% of micro schemes.

Around two-fifths (39%) had consulted a TPR code within the last twelve months (with 16% doing in the last three months), a quarter (24%) had used them but more than twelve months ago, and over a third (36%) had either never consulted any TPR codes or were unaware of them.

Frequency of using the codes increased in line with scheme size. Every master trust respondent had consulted one in the last three months, and most large and medium scheme respondents had used one in the last twelve months (87% and 80% respectively). In contrast, 43% of micro and 31% of small scheme respondents were unaware of the codes and/or had never used them.

Table 3.5.1 Awareness and use of TPR's codes of practice

	Total	Micro	Small	Medium	Large	Master
Aware of Codes of Practice	**84%**	**80%**	**90%**	**92%**	**100%**	**100%**
- Used in the last 3 months	16%	8%	17%	40%	56%	100%
- Used 3-6 months ago	6%	3%	10%	18%	17%	0%
- Used 6-12 months ago	16%	16%	25%	18%	7%	0%
- Used in last 12 months (unspecified)[16]	1%	0%	1%	4%	7%	0%
- Used over 12 months ago	24%	30%	16%	7%	6%	0%
- Never used	20%	23%	21%	4%	6%	0%
Not aware	**16%**	**20%**	**10%**	**8%**	**0%**	**0%**

Base: All schemes - Total (305), Micro (65), Small (44), Medium (67), Large (108), Master trusts (21)

As set out in Table 3.5.2, two-fifths (41%) of respondents had consulted Code 13 (Governance and administration of occupational trust-based schemes providing money purchase benefits). This applied to every master trust (100%), almost three-quarters of large schemes (72%), two-thirds of medium schemes (66%), half of small schemes (49%) and a third of micro schemes (33%).

Master trust respondents were also asked if they had used Code 15 (Authorisation and supervision of master trusts), and all of these had done so (100%).

Around a third of respondents (35%) had used any other TPR codes and again the likelihood of doing so increased with scheme size, ranging from 23% of micro schemes to 95% of master trusts.

[16] In the survey pilot respondents were only asked whether they had used any codes of practice within the last 12 months.

Table 3.5.2 TPR codes of practice used or consulted

	Total	Micro	Small	Medium	Large	Master
Governance and administration of occupational trust-based schemes providing money purchase benefits (code number 13)	**41%**	33%	49%	66%	72%	100%
Authorisation and supervision of master trusts (code number 15) *(only asked of master trusts)*	**1%**	-	-	-	-	100%
Any other TPR codes of practice	**35%**	23%	48%	65%	80%	95%
Not aware of or used any TPR codes	**36%**	44%	31%	12%	6%	0%

Base: All schemes (Base, Don't know, None of these)
Total (305, 11%, 1%), Micro (65, 14%, 2%), Small (44, 1%, 0%),
Medium (67, 3%, 1%), Large (108, 4%, 1%) Master trusts (21, 0%, 0%)

Those respondents that had consulted any TPR codes of practice were asked to rate various aspects of these codes, with results shown in Figure 3.5.1.

While opinions were divided, more respondents gave positive ratings for these aspects than negative ones. Two-fifths (39%) felt that it was very or quite easy to find what they were looking for in the codes, whereas a fifth (18%) found this very or quite difficult. Over half (53%) said it was easy to understand the legal obligations placed on trustees and a slightly higher proportion found it easy to understand TPR's expectations (59%), with 12% and 15% respectively finding these difficult. Slightly fewer (41%) felt it was easy to act upon TPR's expectations, but around a quarter (23%) rated this as difficult.

Figure 3.5.1 Perceptions of TPR codes of practice

Base: All who had ever used a TPR code of practice (Base, Don't know)
Total (250, 2-5%)

Table 3.5.3 summarises these results by scheme size, showing the proportion who rated each aspect as very or quite easy.

Micro schemes were consistently least likely to find each of these aspects easy, with this difference particularly apparent for the ease of finding what they were looking for (25%, compared with 52-70% of larger schemes). Master trusts were more likely than other schemes to say it was easy to understand and act upon TPR's expectations (81% and 90% respectively).

Table 3.5.3 Perceptions of TPR codes of practice (proportion rating each aspect as very/quite easy)

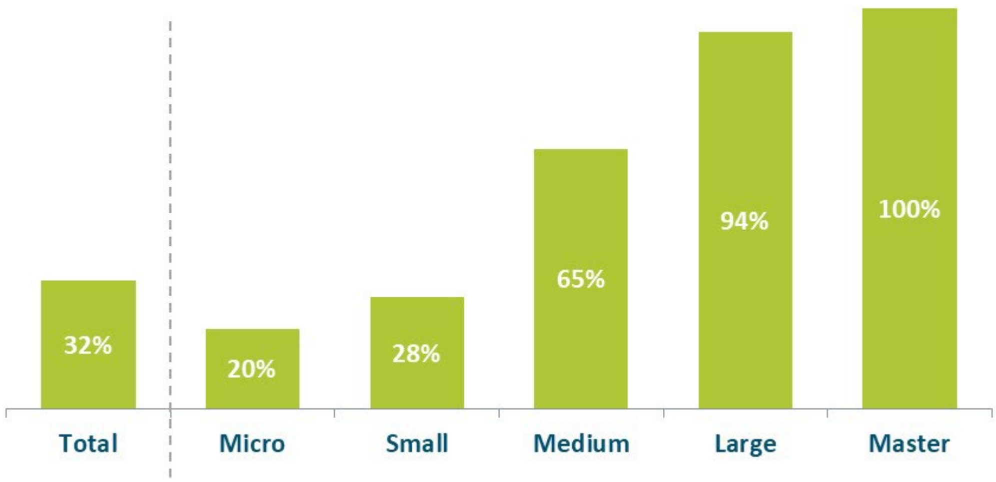
Proportion rating it as very/quite easy to…	Total	Micro	Small	Medium	Large	Master
Find what you are looking for	**39%**	25%	54%	70%	69%	52%
Understand the legal obligations placed on trustees	**53%**	44%	58%	75%	69%	71%
Understand TPR's expectations	**59%**	53%	65%	78%	70%	81%
Act upon TPR's expectations	**41%**	36%	46%	46%	55%	90%

Base: All who had ever used a TPR code of practice (Base, Don't know
Total (250, 2-5%), Micro (37, 3-8%), Small (32, 0-9%), Medium (59, 0-2%), Large (101, 0-1%) Master trusts (21, 0%)

Respondents were informed that most of TPR's codes of practice would soon be replaced by a new 'Single Code', which aims to improve scheme governance by being easily accessible and providing a common set of expectations for those involved in the running of all types of scheme. They were then asked whether, prior to the survey, they were aware of the introduction of the Single Code of Practice.

As shown in Figure 3.5.2, awareness of the Single Code stood at 32%. However, this varied widely by scheme size; it was highest for master trusts (100%) and large schemes (94%), but lowest for micro (20%) and small (28%) schemes.

Figure 3.5.2 Proportion aware of the Single Code

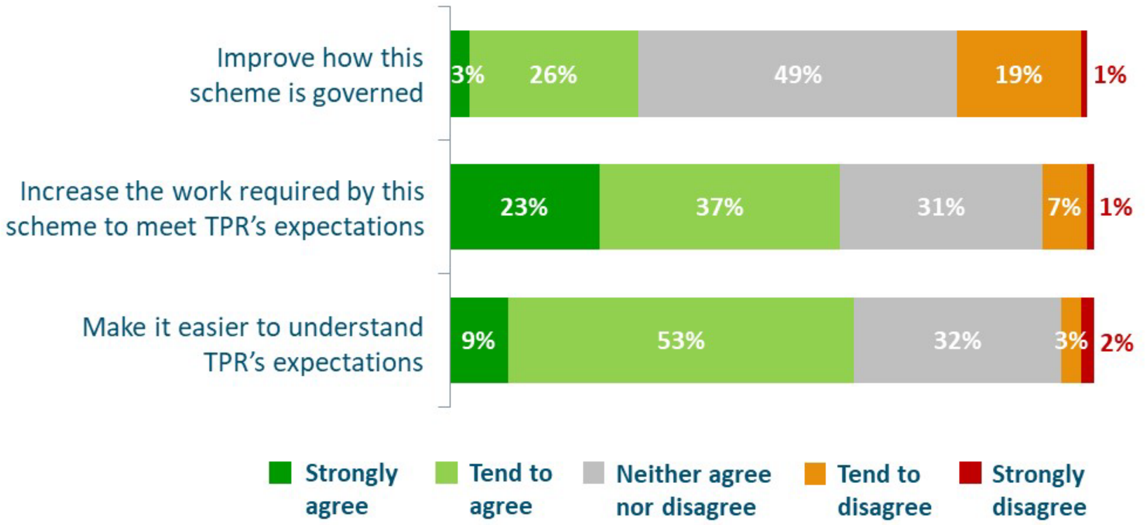


Base: All schemes
Total (305), Micro (65), Small (44), Medium (67), Large (108), Master trusts (21)

Those respondents aware of the Single Code were asked the extent to which they agreed or disagreed that it would improve how their scheme was governed, increase the work required by schemes to meet TPR's expectations, and make it easier to understand TPR's expectations (Figure 3.5.3).

Approaching two-thirds (62%) agreed that the Single Code would make it easier to understand TPR's expectations, and comparatively few (5%) disagreed with this. However, a similar proportion (60%) agreed it would increase the work required by the scheme to meet these expectations (with 8% disagreeing). Respondents were least likely to feel that it would improve how their scheme was governed (29% agreed and 20% disagreed).

Figure 3.5.3 Perceptions of the Single Code



Base: All aware of Single Code of Practice (Base, Don't know) - Total (193, 1-2%)

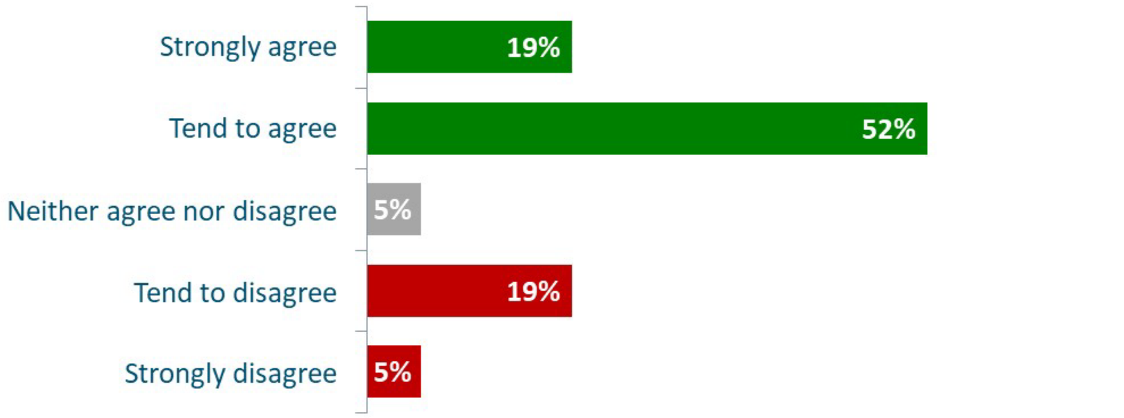
There were no statistically significant differences by scheme size in this respect.

3.6 Master trust supervision

This section of the report focusses on master trusts' perceptions of TPR's supervision of their scheme. These results are against a background of reduced regular TPR engagement with master trusts in 2021 due to resource constraints and a significant increase in the amount of work required to respond to triggering events.

Master trusts were first asked the extent to which they agreed or disagreed that TPR's Supervision Team was focused on the most important processes, risks and controls, given TPR's statutory objectives, in its supervision of their scheme. As detailed in Figure 3.6.1, 71% of master trusts agreed that this was the case, and 24% disagreed.

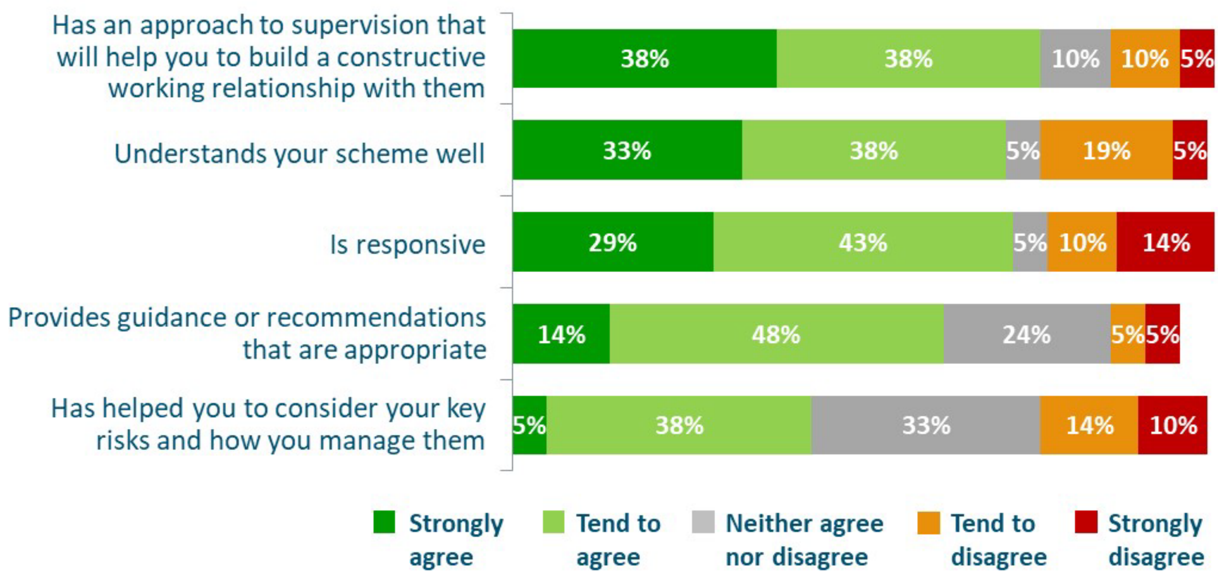
Figure 3.6.1 Extent to which master trust supervision is focussed on the most important processes, risks and controls



Base: All master trusts (Base, Don't know) - Total (21, 0%)

Master trusts were also asked the extent to which they agreed or disagreed with several statements about TPR's supervision of their scheme (Figure 3.6.2).

Figure 3.6.2 Perceptions of TPR's master trust supervision team



Base: All master trusts (Base, Don't know) - Total (21, 0-5%)

Around three-quarters of master trusts agreed that TPR's supervision team had an approach that would help to build a constructive working relationship with them (76%), understood their scheme well (71%) and was responsive (71%). Approaching two-thirds felt that the team provided appropriate guidance or recommendations (62%), but less than half agreed the team had helped them to consider their key risks and how they managed them (43%).

3.7 Diversity and inclusion of trustees

Schemes were asked whether they formally obtained and recorded any diversity data in relation to the trustees and, if so, what type of data was collected[17]. As detailed in Table 3.7.1, 14% recorded any form of trustee diversity data. This was broadly consistent by scheme size (10-16%) but increased to 31% of master trusts.

Gender and age were the most widely collected data (13%), with the other types of trustee diversity data captured by between 8 and 10% of schemes.

Table 3.7.1 Proportion that formally obtain and record trustee diversity data

	Total	Micro	Small	Medium	Large	Master
Yes, formally record diversity data	**14%**	**14%**	**10%**	**15%**	**16%**	**31%**
- Gender	13%	14%	10%	13%	15%	31%
- Age	13%	14%	10%	13%	14%	8%
- Education	10%	11%	4%	13%	8%	15%
- Disability	9%	11%	4%	6%	7%	15%
- Ethnicity	9%	11%	2%	8%	7%	23%
- Gender identity	9%	11%	4%	4%	6%	0%
- Religion or belief	8%	11%	0%	2%	2%	0%
- Sexual orientation	8%	11%	0%	2%	5%	0%
No, do not record diversity data	**82%**	**83%**	**87%**	**77%**	**78%**	**62%**

Base: All with >1 trustee excluding those using a corporate trustee company (Base, Don't know)
Total (215, 4%), Micro (37, 3%), Small (30, 4%), Medium (47, 9%), Large (88, 6%), Master trust (13, 8%)

Those who did not record any trustee diversity data were then asked why this was the case. Table 3.7.2 shows that the most common reasons were that there was no perceived need to collect this data (43%) and they had not thought about doing so (30%).

Table 3.7.2 Reasons for not capturing trustee diversity data

Top mentions (3%+ at total level)	Total	Micro	Small	Medium	Large	Master
No need to collect this data	**43%**	43%	49%	39%	39%	38%
Hadn't thought about collecting this data	**30%**	33%	14%	25%	35%	0%
No interest in collecting this data	**9%**	13%	0%	0%	1%	13%
No need as small number of trustees	**8%**	3%	27%	14%	9%	0%
No need as small scheme	**7%**	7%	20%	6%	0%	0%
Considering doing it in future	**3%**	3%	0%	3%	4%	0%
Closed scheme	**3%**	3%	0%	3%	1%	0%

Base: All who did not record trustee diversity data (Base)
Total (170), Micro (31), Small (26) Medium (36), Large (69), Master trust (8)

[17] These questions were not asked to schemes who either only had a single trustee or used a corporate trustee company.

Schemes that collected trustee diversity data were asked how this was used. As detailed in Figure 3.7.1, 32% used it for monitoring purposes, 29% for trustee recruitment and 24% for developing training for trustee board members. However, half (47%) did not identify any ways in which this data was used by the scheme.

Figure 3.7.1 How trustee diversity data is used

Base: All who recorded trustee diversity data (33)

Those schemes who recorded any trustee diversity data were asked to provide the breakdown of their trustee board for each type of data they captured. The bases sizes were extremely low so results have not been shown in this report.

4. Appendix: Underlying data for all figures/charts

This annex provides the underlying data for each of the figures/charts shown in the main body of this report.

Where comparisons with the 2020 survey are available, these have been shown as the percentage point change (i.e. an increase from 40% in 2020 to 50% in 2021 would be displayed as +10%). Any statistically significant differences over time have been highlighted in green font (increase since 2020) or red font (decrease since 2020).

Data for 'Figure 3.1.1.1 Proportion of members in a scheme that met KGR 2'

	Total
Members in a scheme that met KGR 2	91%
Change from 2020	+33%

Data for 'Figure 3.1.1.2 Proportion of schemes that met KGR 2'

	Total	Micro	Small	Medium	Large	Master
Schemes that met KGR 2	21%	14%	15%	52%	57%	81%
Change from 2020	+7%	+5%	+1%	+25%	+8%	+31%

Data for 'Figure 3.1.2.1 Proportion aware of the new VFM assessment'

	Total	Micro	Small	Medium	Large	Master
Aware of new VFM assessment	33%	24%	46%	72%	90%	100%

Data for 'Figure 3.1.2.2 Actions taken to prepare for the new VFM assessment'

	Total
Carried out a comparison of net investment returns with three other schemes	10%
Carried out a comparison of costs and charges with three other schemes	17%
Carried out a self-assessment of the scheme's governance and administration	51%
None of these	46%

Data for 'Figure 3.2.1 Extent to which the trustee board is equipped to scrutinise and challenge administrator reports'

	Total	Micro	Small	Medium	Large	Master
5 – Very well equipped	27%	17%	27%	58%	79%	90%
4	22%	20%	32%	27%	20%	5%
3	29%	36%	25%	11%	0%	0%
2	9%	12%	3%	0%	1%	5%
1 – Not at all equipped	5%	6%	0%	2%	0%	0%
Do not receive reports	7%	8%	8%	3%	0%	0%
Net: Well equipped (4-5)	**49%**	**38%**	**59%**	**85%**	**99%**	**95%**

Data for 'Figure 3.2.2 Frequency of challenging or questioning administrator reports'

	Total	Micro	Small	Medium	Large	Master
Most times	12%	3%	14%	31%	59%	90%
Some of the time	13%	8%	12%	36%	31%	10%
Occasionally	36%	41%	39%	29%	9%	0%
Never	30%	39%	18%	2%	0%	0%
Do not receive reports	7%	8%	8%	3%	0%	0%
Net: Most/some of the time	**25%**	**11%**	**26%**	**67%**	**91%**	**100%**

Data for 'Figure 3.2.3 Proportion with a dedicated budget for administrative improvements'

	Total	Micro	Small	Medium	Large	Master
Dedicated budget for administrative improvements	15%	5%	12%	52%	67%	52%

Data for 'Figure 3.2.4 Proportion that held any member records on paper or microfiche'

	Total	Micro	Small	Medium	Large	Master
Any member records on paper or microfiche	51%	61%	39%	18%	21%	5%

Data for 'Figure 3.3.1 Preparation for pensions dashboards'

	Discussed the dashboards at your pension board	Started setting up a pensions dashboards project or working group	Considered how you might connect to dashboards (e.g. through your existing administrator or a new third party)	Considered or allocated budget to comply with dashboard requirements (including to deliver preparatory data work)
Done this	37%	11%	16%	11%
Planning in next 6 months	40%	34%	29%	36%
Neither	21%	52%	49%	48%
	Undertaken work to clean or update your data in preparation for pensions dashboards	**Spoken to your administrator about your data in relation to pensions dashboards**	**Spoken to another advisor or service provider about pensions dashboards**	**Undertaken work to digitise any relevant data that is not held on the scheme's main administration system** ***(schemes holding any member records non-electronically)***
Done this	36%	44%	24%	23%
Planning in next 6 months	27%	31%	18%	33%
Neither	33%	23%	55%	41%

Data for 'Figure 3.4.1 Proportion that had allocated time or resources to assessing any financial risks and opportunities associated with climate change'

	Total	Micro	Small	Medium	Large	Master
Allocated time or resources	17%	5%	9%	55%	92%	100%

Data for 'Figure 3.5.1 Perceptions of TPR codes of practice'

	Find what you are looking for	Understand the legal obligations placed on trustees	Understand TPR's expectations	Act upon TPR's expectations
Very easy	6%	7%	8%	7%
Quite easy	33%	46%	51%	34%
Neither easy nor difficult	38%	30%	24%	34%
Quite difficult	12%	10%	15%	17%
Very difficult	6%	2%	0%	6%

Data for ‘Figure 3.5.2 Proportion aware of the Single Code’

	Total	Micro	Small	Medium	Large	Master
Aware of Single Code	32%	20%	28%	65%	94%	100%

Data for ‘Figure 3.5.3 Perceptions of the Single Code’

	Improve how this scheme is governed	Increase the work required by this scheme to meet TPR’s expectations	Make it easier to understand TPR’s expectations
Strongly agree	3%	23%	9%
Tend to agree	26%	37%	53%
Neither agree nor disagree	49%	31%	32%
Tend to disagree	19%	7%	3%
Strongly disagree	1%	1%	2%

Data for ‘Figure 3.6.1 Extent to which master trust supervision is focussed on the most important processes, risks and controls’

	Master trusts
Strongly agree	19%
Tend to agree	52%
Neither agree nor disagree	5%
Tend to disagree	19%
Strongly disagree	5%

Data for 'Figure 3.6.2 Perceptions of TPR's master trust supervision team'

	Has an approach to supervision that will help you build a constructive relationship with them	Understands your scheme well	Is responsive
Strongly agree	38%	33%	29%
Tend to agree	38%	38%	43%
Neither agree nor disagree	10%	5%	5%
Tend to disagree	10%	19%	10%
Strongly disagree	5%	5%	14%

	Provides guidance or recommendations that are appropriate	Has helped you to consider your key risks and how you manage them
Strongly agree	14%	5%
Tend to agree	48%	38%
Neither agree nor disagree	24%	33%
Tend to disagree	5%	14%
Strongly disagree	5%	10%

Data for 'Figure 3.7.1 How trustee diversity data is used'

	Total
Monitoring purposes	32%
Trustee recruitment	29%
Developing training for trustee board members	24%
Other: To improve diversity/representation	2%
Other: Something else	2%
None of these	47%