



Charles Counsell

**▶ Jack Gray sits down with TPR CEO, Charles Counsell, to discuss the regulator's priorities for the coming year, professional trustee authorisation and his plans for when he steps down from the role**

**▶ What are TPR's aims and priorities in the DC space for 2023/24?**

What you can expect from TPR is a continuation of the journey that we are on and that is reflected in our corporate strategy. In that respect, it is about putting the savers at the heart of what we do. A good example of that is the value for money (VFM) consultation we've just launched alongside the DWP and FCA. That is fundamental for the future. We know that the majority of people that are being auto-enrolled are being auto-enrolled into DC schemes and the majority of those are going into master trusts. For DC schemes to therefore demonstrate they are delivering VFM and that savers can expect good outcomes is hugely important. What we expect with the VFM framework,

# Past, present and future

once it's in place and we start to see the publication of assessments schemes are making around VFM, is to see schemes beginning to drive their own VFM. We would expect to see the people around schemes, such as advisers and influencers, beginning to drive improvements in VFM. To an extent we would expect to see employers looking at the VFM that schemes are offering and making buying decisions on that, but I will be realistic and I don't think that will be true if you are a very small employer. However, I hope larger employers will look at the VFM framework.

You will have heard us talking about improving standards of governance and trusteeship in pension schemes. One of the things we will be exploring is how we want to take that forward. We'd like to see a professional trustee on every trustee board. Of course, the maths doesn't work, there aren't enough professional trustees for the number of schemes we have. As we see further consolidation, the numbers start to come into balance. If we can get to the point where we have a professional trustee on every board, what sort of regime should we have to make sure professional trustees are able to do their job as well as they possibly can? We've already got a system of accreditation, and it's a good system, but we know that not all professional trustees are accredited, so there is a question as to whether all professional trustees should be accredited. But then, should we be going further? Should we be looking at the authorisation of professional trustees? There's a bit of work to be done to do that assessment as to whether that's the right answer, and we will carry that out during next year.

On consolidation, we know that we already have the value for member assessments in place through the legislation, and schemes will be carrying out that value for member assessment. One of the things you'll expect to see from us next year is looking at those value for member assessments to see whether they make sense, and at the commitments schemes are setting out. We'll start taking a much more active role in that.

**▶ Do you see the industry having a role in making the job of a professional trustee making more attractive?**

Yes, it absolutely does. The role of a professional trustee is exciting and important, so I think everything the industry can do to promote what it means to be running a scheme is what should be happening. Pensions are important products and, fundamentally, this is about helping savers having a good standard of living in retirement. There is a real opportunity here for the industry to promote that. There's also the opportunity to bring a more diverse set of trustees into the industry. That's something you'll be seeing shortly, the guidance we'll be publishing around diversity of trustee boards and guidance for employers to improve diversity. We've got some way to go to improve the diversity of trustee boards. One of the ways of doing that is through professional trustees and another is through member-nominated trustees, who play an important part in the landscape. It may well be that having some sort of authorisation regime may make it more attractive, because there is a bit of substance to the idea of being



a professional. I can see there's also an argument for the opposite.

### ➤ What are TPR's aims and priorities in the DB space for 2023/24?

The DB Funding Code is crucial. We published our consultation on the funding code at the beginning of the calendar year. We'll be assessing that consultation and the responses we get. We've been doing a lot of work during the consultation period to explain the details of the code and we continue to do that. We're also working with the DWP on the regulations. We would expect to get both the regulations and the code out during 2023. It's a significant change in terms of the regulatory framework to make sure everyone has long-term goals in place and that the investment strategies etc that sit below that support those long-term goals. Good schemes already have them of course, and rolling that out across the industry is really important.

### ➤ How has progress on the Single Code of Practice been?

We're planning to launch the single code, which will be called the General Code, in spring 2023. In terms of putting it in place, it has taken a little while and it has been a massive undertaking, both for us and for those who have been responding to our consultations. It will be time well

spent at the end of it, because the single code will be so much easier to use than it has been. What we have been trying to do in putting the single code together is update it with things where legislation has moved on. So, not only will it be easier to use, it will be up to date, and going forward, it will be easier to keep up to date.

### "There is a questions as to whether all professional trustees should be accredited"

### ➤ How have the recent changes and announcements on pension policy and TPR's initiatives changed the way TPR works?

We must become a data-led, digital-enabled organisation. We've already started to make significant changes. All of the things we've talked about require us to have the ability to collect data and be able to use that data as a regulatory tool in a way that perhaps we haven't in the past. Being able to utilise that data as a regulatory tool will enable us to really help the outcomes that savers get. The funding code is an example; there's data requirements that sit under the funding code, and we're working on that at the moment and we'll have that in place in

parallel with the funding code. Also, having data that means we understand what schemes are doing around climate change is fundamental to driving the improvements we need. Being able to be data led and digital enabled is what we need to be; we've got a long way to go but we're getting there.

### ➤ You are leaving your role at the end of March, how have you found the job and what's next for you?

This is a great job, and I've loved doing it and I'm honoured to have had the opportunity to do it for the past four years, being in a position where you are able to make such a difference to so many people. It's very difficult for us to look at what we do today and be able to project forward to real people getting a better standard of living, but you can. You can see it in auto-enrolment, you can see people saving who weren't saving before. It's a fantastic role, I've really enjoyed it. The time is now right for me to step down; I'm very excited that Nausicaa [Delfas] is joining us and I'm sure she'll do a fantastic job.

I will be looking to take up non-exec roles, and what I hope to be able to do is to contribute across several organisations with a focus on organisations that help to make people's lives better.

➤ Written by Jack Gray