# Annual Report and Accounts

2025-26

HC 368

The Pensions Regulator

# The Pensions Regulator's Annual Report and Accounts
2025-26

Report presented to Parliament pursuant to Section 11(5) of the Pensions Act 2004.

Accounts presented to Parliament pursuant to paragraph 27 of Schedule 1 to the Pensions Act 2004.

Ordered by the House of Commons to be printed on 30 June 2026.

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# Performance report

**Kirstin Baker**
Interim Chair, The Pensions Regulator

## Chair's foreword

"This report sets out the progress we have made over the past year in fulfilling our statutory objectives and in delivering the ambitions articulated in our Corporate Plan."

It reflects a regulatory environment that is evolving rapidly driven by consolidation in the market, the increasing scale of pension assets, continued pressure on governance standards, and the growing importance of digital capability and high-quality data. Against this backdrop, our work has focused on protecting members, strengthening the pensions system and encouraging innovation where it supports better long-term outcomes.

Throughout the report, you will see evidence of a regulator adapting to a more complex and fast-moving environment: from integrating more data-driven approaches into our oversight, to deepening our scrutiny of governance and investment decision-making, to supporting the development of frameworks that will deliver greater value for members. You will also see the impact of our work with government during a period of heightened policy focus on pensions and productive investment.

Across all of this, our guiding principle remains unchanged: the pensions system must operate in the interests of members, and it is our role to ensure that happens. This has been a year of significant activity and change for The Pensions Regulator (TPR), for the pensions industry, and for members who rely on a well-run system to secure their future.

It has also been a year of transition for the organisation's leadership. During the year, we were delighted to welcome Richard Knox as Executive Director of Strategy, Policy and Analysis, and Julian Lyne as interim Executive Director of Market Oversight, succeeded by Ben Gunnee from February this year. Alison Hatcher, one of our highly valued Non-Executive Directors, left TPR's Board in April 2025.

I have been honoured to serve as Interim Chair following Sarah Smart's departure earlier in the year. Sarah's contribution to TPR over many years has been substantial, and I would like to pay tribute to the clarity of purpose and focus on members' interests that characterised her tenure.

As we look ahead, we are preparing to welcome Emma Douglas as our permanent Chair, and I know the organisation will benefit greatly from her deep experience and strong commitment to value for members.

I will be stepping down from TPR's Board, after nine years, as Non-Executive Director and as interim Chair, and I have been delighted to have seen the incredible progress made through the organisation and across the pensions market.

I would like to thank my fellow Board members, our CEO Nausicaa Delfas, and the wider TPR team for their combined commitment over the course of the past year, and as we continue to work towards of better outcomes for members.

**Kirstin Baker**
Interim Chair, The Pensions Regulator
18 June 2026

**Nausicaa Delfas**
Chief Executive Officer, The Pensions Regulator

# Chief Executive Officer's introduction

"The workplace pension system exists to deliver a social good – a sustainable income in retirement. With around 22 million people saving into a workplace pension and £1.8 trillion of assets under management, pension schemes have a large say not only on people's living standards in retirement but also economic growth."

That is why our mission is to protect members' interests, enhance the pensions system and support growth and innovation in the interests of members. Our Annual Report and Accounts for 2025–26 is published at a time of rapid change. It sets out the progress we have made to make the workplace pension system work well for members.

Consolidation is accelerating, schemes are operating at greater scale, and expectations of governance, administration and retirement support are rising. The Pension Schemes Act 2026 has reinforced and accelerated that shift, with a clear focus on higher standards and better outcomes. A structural shift is underway, towards fewer, larger schemes which have the potential to deliver in the interests of members.

Over the past year, we have focused on preparing for and shaping that change. We have strengthened our regulatory approach, increased our use of digital, data and technology, and targeted our efforts where risks to members are greatest.

We have advanced the value for money framework, implemented the new defined benefit (DB) funding regime, and reformed our supervisory approach to be more forward-looking, system-wide and outcome focused. Our interventions continue to have real impact, with £1.7 billion recovered for members since 2022 and employer compliance with automatic enrolment remaining above 97%.

More than 1,300 schemes and providers are now connected to pensions dashboards, covering over 40 million memberships, and new models such as collective defined contribution (CDC) schemes emerging and beginning to scale. These changes will shape how members experience the system for years to come.

The system is stronger as a result but more needs to be done, as the Pensions Commission's interim report shows. Too many people are still not on track for a sustainable income in retirement, and risks remain most stark as members approach retirement, where decisions are complex and more support is required.

Our focus now is on delivery, preparing the market for the changes to come whilst delivering for members today. We have clear priorities to raise standards of governance, drive better value for money and ensure greater support at-retirement. And to see this come to pass we must continue to evolve our approach becoming more efficient and effective as a regulator.

I would like to thank all my TPR colleagues for their steadfast commitment and delivery for pensions members in an ever-changing market. I would also like to express my sincere gratitude to both Sarah Smart, who left her role as Chair in July 2025, for her outstanding stewardship and unwavering commitment to TPR during a period of significant transformation, and to Kirstin Baker, who took over as Interim Chair, providing steady and thoughtful leadership at a pivotal moment for both the organisation and the wider pensions landscape.

To deliver on the social purpose of pensions and provide a sustainable income in retirement, we will continue to work in partnership with government, industry and other regulators. Together, as we enter the next phase of reform, we will build a pensions system that is stronger, fairer and more resilient.

**Nausicaa Delfas**
Chief Executive Officer, The Pensions Regulator
18 June 2026

Around
**22 million**
individuals are saving into a workplace pension

# Performance overview

This section provides an overview of TPR performance including our priorities and statutory objectives, the risks we managed during 2025-26, and a summary of our financial performance.

## Workplace pensions are vital for millions of people saving for later life, supporting people's living standards in retirement and contributing to economic growth.

With around 22 million individuals saving into a workplace pension, our mission is to protect pension members' money, enhance the pensions system, and support innovation and growth in their interests.

We are a non-departmental public body, established by Act of Parliament, and sponsored by the Department for Work and Pensions (DWP). Our role is set out in statute to: protect members' benefits; reduce the risk of calls on the Pension Protection Fund (PPF); promote, and to improve understanding of, the good administration of work-based pension schemes; maximise employer compliance with automatic enrolment duties; and minimise any adverse impact on the sustainable growth of an employer (in relation to the exercise of the regulator's functions under Part 3 of the Pensions Act 2004 only).

Our Board approve a corporate strategy and annual corporate plan, which is agreed with the Secretary of State for work and Pensions. This sets out our high-level outcomes and the 2025-26 version is published at: **https://www.thepensionsregulator.gov.uk/document-library/corporate-information/corporate-plans**

Our corporate plan for 2025-26 is different from previous years and so no direct comparison on performance is presented.

Our outcomes for 2025-26 are summarised below, along with our performance against each outcome sought.

Table 1: Performance against outcomes 2025-26

| **Corporate regulatory priority 1: Good outcomes – joining a scheme**<br>We will ensure that employers' compliance with their automatic enrolment (AE) duties remain high. | | |
|---|---|---|
| **Performance assessment** | | **Description** |
| ✓ | **Green rating** reflects compliance rates remaining consistently high and above target throughout the year. | Performance against automatic enrolment compliance has remained strong, with compliance consistently exceeding target. |
| **Corporate regulatory priority 2: Schemes are well run**<br>We expect the capabilities of those running schemes to improve over time and for this to be reflected in improvements in governance and an increased emphasis on improving the quality of scheme administration. | | |
| **Performance assessment** | | **Description** |
| ✓ | **Green rating** reflects delivery being on track across governance, dashboards preparedness, and financial stability. While monitoring of climate related risks continues, there is still further work to establish a scalable assessment of the Task Force on Climate-related Financial Disclosures (TCFD) reporting quality, but this does not impact the overall performance status. | We are well positioned to track standards of governance over time, having baselined a new scheme governance indicator for defined benefit (DB) and defined contribution (DC) schemes which is a standardised, repeatable indicator of governance in workplace pension schemes quality. |

**Table 1: Performance against outcomes 2025-26** continued...

| **Corporate regulatory priority 3: Fewer schemes delivering good outcomes**<br>We expect pensions schemes to offer value to members and invest in productive assets and innovative products, where it is in members' interests to do so. | | |
|---|---|---|
| **Performance assessment** | | **Description** |
| − | **Amber rating** reflects the scale and significance of external dependencies (such as legislative milestones) which impact our performance against the Value for Money initiative. However, internal planning, governance and policy development continue to progress well. | Work on capital reserving has largely progressed as planned internally, including publication of updated capital reserving guidance and continued engagement with schemes. Market consolidation continues, with falling scheme numbers and a growing proportion of members and assets held in master trusts.<br><br>Consolidation in the market continues and we supported smaller DC schemes in exiting the market by publishing consolidation guidance and refreshed DC winding up guidance on 31 March 2026.<br><br>We continued developing our work on the value for money framework, including consultation analysis, building our supervisory approach and Beta testing. |

| Corporate regulatory priority 4: Good outcomes at retirement<br>We will encourage the development of safe pathways for members in their retirement; ensure that DB member's benefits remain safe; and call on the industry to protect members from scams. | | |
|---|---|---|
| **Performance assessment** | | **Description** |
| ✓ | **Green rating** reflects no issues or slippage in performance. | Delivery against this priority concludes the year on track with good progress made in implementing the new funding regime, valuations now being received via our Submit a Scheme Valuation service alongside early engagement underway with higher risk schemes. A baseline for decumulation options has been established, and industry activity on pension scams remains strong, with high levels of scheme participation. |

| Corporate enabling priority 1: Developing our people and culture:<br>We will promote an engaged, skilled and motivated workforce who enable a high performing organisation and who can bring their whole selves to work and be treated equally, fairly and professionally. | | |
|---|---|---|
| **Performance assessment** | | **Description** |
| ✓ | **Green rating** reflects that although the stability index remains above the healthy range, there is no material impact on TPR. | Our strategic workforce is in place and on track, and organisation design work is complete.<br><br>Our stability index has increased further, reaching its highest level in Q4 at 88.3% which is above the healthy range of 75-85% and is indicative of a low level of organisational turnover. Our staff survey was delivered in May 2026, with results due to be assessed during early part of 2026-27.<br><br>Our work on the reduction of pay-gaps has progressed well with our report published in March 2026. Our reward strategy is in place, which has implemented policies to reduce the pay-gaps further on both salary and bonus gaps. |

**Table 1: Performance against outcomes 2025-26** continued...

| **Corporate enabling priority 2: A data-led, digital-enabler underpinned by modern technology:**<br>Harnessing the power of digital, data and technology to drive innovation, efficiency and regulatory excellence in the best interests of members, whilst minimising the regulatory burden on schemes. | | |
|---|---|---|
| **Performance assessment** | | **Description** |
| − | Amber rating reflects some delays in the delivery of the automatic enrolment re-declaration journey for low-risk employers. This delivery is designed to reduce regulatory burden for employers and will take effect during 2026-27 when we have the appropriate solution tested and in place. | A number of core technology services and capabilities have been delivered and are in place with some enhancements still progressing. Our review of the scheme return is complete, and we have developed a number of 'quick wins' to reduce our data requirements on schemes. This will reduce burden for approximately 22,000 schemes and will provide TPR with re-usable capabilities in the longer-term. Our programme of IT system updates and improvements has delivered on our plans, modernising core infrastructure, strengthening cyber resilience and enabling TPR to be more efficient and sustainable in 2026-27 and beyond.<br><br>Stakeholder perception of our regulatory engagement is positive, and we are continuing to develop new ways to monitor our interventions. However, the delivery of the new re-declaration journey for low-risk employers has been delayed, which means we have not yet been able to deliver our planned reductions in employer burden which is now planned for delivery in 2026-27. |

| Corporate enabling priority 3: Ensuring environmental sustainability: We will reduce our environmental impact and progress towards the delivery of our net zero carbon emissions targets. | | |
|---|---|---|
| **Performance assessment** | | **Description** |
| ✓ | Green rating reflects there have been no performance related issues to report, but one of our corporate KPIs cannot be reported against because 2025-26 is the baseline year against which progress towards 2030 GGC targets will be measured. | Our work is ongoing against this priority outcome and overall progress is good with a minimum 90% reduction expected by 2030 against those emissions in scope for our 2030 target. We have not reported progress against any GGC targets as 2025-26 is the baseline year for 2030 GGC targets. We have not put specific interim targets in place because development is not linear, but overall progress is on track. |

| Corporate enabling priority 4: Ensuring robust financial controls, efficiency and effectiveness. We will ensure robust financial controls, seek continual improvements in our efficiency and effectiveness and measure the impact of our regulatory interventions. | | |
|---|---|---|
| **Performance assessment** | | **Description** |
| ✓ | Green rating reflects the final outturn is within tolerance. | No significant issues of control have occurred in the financial year or been raised by internal audit. We were within 1% of our September forecast, with an underspend of 0.9%. |

## Our risks

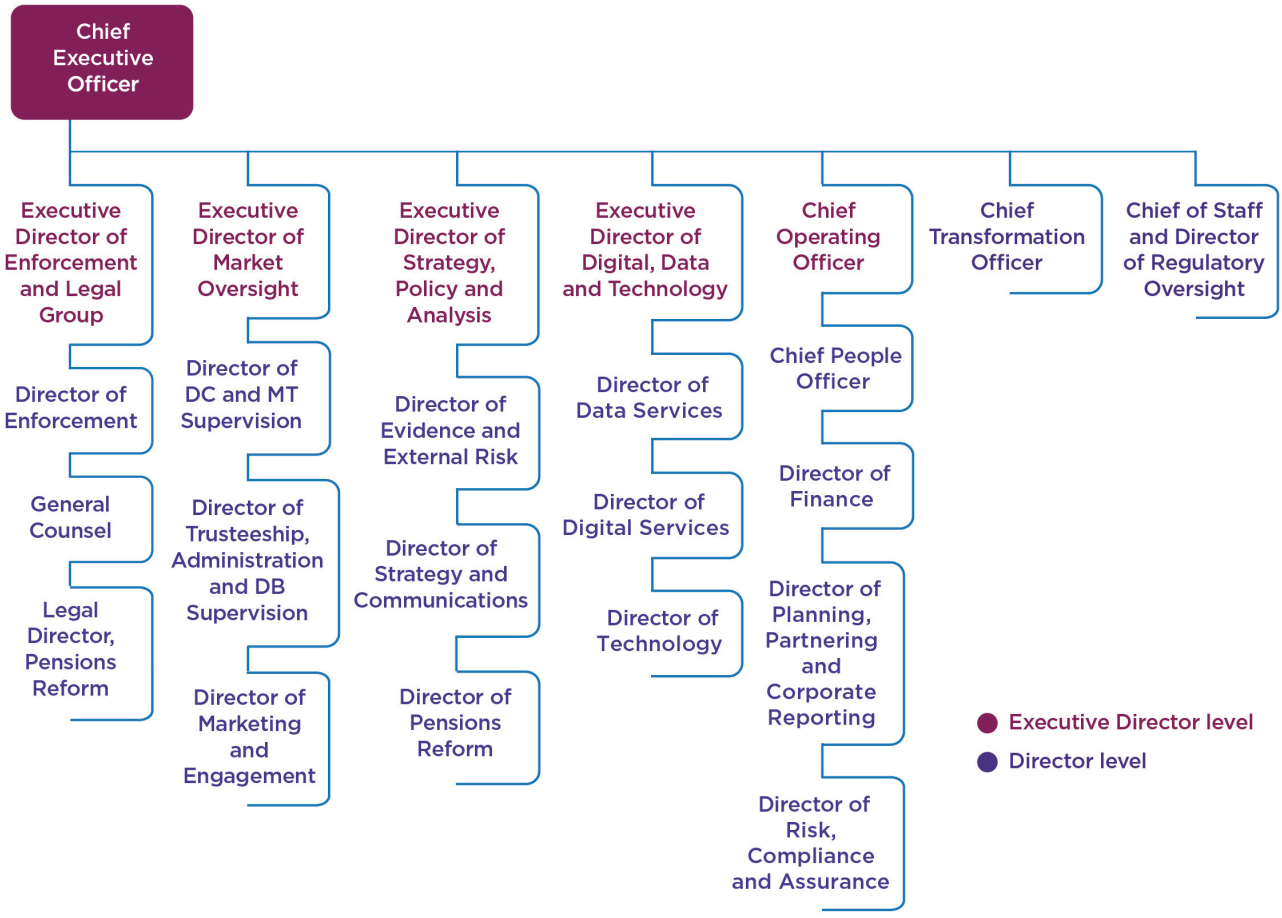
The TPR board considers risk as part of their regular consideration of performance and management. We have a developed risk management framework which ensures active mitigation of the risks we face and regular reassessment of the risk appetite for TPR. During the year we agreed a three-year funding settlement with the Department of Work and Pensions, allowing us to financially plan with some certainty over the next two years. This includes a 2% efficiency target in each of the spending review years, which has been incorporated into our planning.

We continued to build our capability through development and implementation of our strategic workforce planning and finalising a revised organisational design. Further detail on the principal risks (referred to as enterprise risks) identified from improved or resolved in 2025-26 is in the Accountability section of this report on page 71.

## Our organisational design

Throughout 2025-26, we continued to make several changes to our organisational design to support delivery of our vision. Our main intention was to ensure we are best placed to respond to changes in the workplace pensions sector, including moving our compliance work alongside our other oversight work within our Market Oversight Group, and bringing our Legal and Enforcement teams under a single Executive Director in the Legal and Enforcement Group.

**Figure 1: Our organisational structure**
(illustrated to Director level as at 31 March 2026)



# Performance analysis

In this section, we provide a detailed analysis of our performance over the past year, reflecting the risks and priorities set out in our 2025–26 Corporate Plan and our statutory objectives.

During 2025–26 we continued to evolve our regulatory approach while delivering against our Corporate Plan. We remained responsive to shifts in the market and major policy developments, including the wide-reaching reforms in the Pensions Act 2026.

Despite economic uncertainty, global instability and a rapidly changing pensions landscape, we maintained a clear focus on protecting members' money, strengthening the pensions system and supporting innovation.

## Key achievements and developments

Our Corporate Plan focused on three priority areas: that members get off to a good start when they join a pension scheme; ensuring that schemes are well-run and deliver value and improving outcomes at retirement. Our delivery focus has remained aligned with these commitments, against which we have tracked our performance over the financial year. At the same time, we have delivered key organisational changes to strengthen and improve our regulatory approach, setting ourselves up to make the pensions system work for everyone.

## Supporting economic growth

In March 2025, we set out how we would support the government's commission on growth via five key commitments designed to:

- increase the value of pension funds
- enable productive investment
- reduce regulatory burden
- drive digital enablement
- support market innovation.

We tracked and reported against our delivery commitments via our regulatory action plan through 2025-26, and we published our supporting key performance indicators (KPIs) on our website. From January 2026 we also began making quarterly updates to the regulator's dashboard on GOV.UK.

We have delivered a regulatory capital reserving review for master trusts, leading schemes to re-consider their arrangements. We have also taken steps to reduce regulatory burden in our scheme return, employer compliance regime and supervisory approach. In addition, we launched an innovation service to engage with the market on new ideas and test-and-learn activity, and encouraged eligible schemes to assess their value and take action on poor performance. We are also building an evidence base to inform future approaches including master trust asset allocation data and scheme economies of scale.

The changing pensions landscape, alongside the Pensions Bill (Now the Pension Schemes Act 2026), provides the opportunity for the market to deliver long-term value for members and a secure income at retirement. Schemes should start preparing for the significant changes ahead. We have communicated throughout the year on these developments, including in our March 2026 statement setting out that trustees of master trusts should prepare for forthcoming requirements across areas such as scale, value for money, small pots consolidation and guided retirement, while continuing to act in members' best interests.

## Engaging with the market

It is our job to make the workplace pension system work. To support this, we continue to help 2.7 million employers automatically enrol eligible workers into a pension and pay what members are due, on time and in full. Employer compliance with automatic enrolment (AE) duties reached 97.8% as at 3 March 2026, ensuring over 11.4 million workers have started saving into a workplace pension since 2012.

Over the year, we strengthened our enforcement approach to be more targeted and risk-based. Enforcement continues to play a vital role in securing outcomes for members, with £1.7 billion recovered since April 2022. Efficiencies in targeting are expected to reduce the number of enforcement notices issued next year by 25,000 without compromising compliance standards.

We continue to make sure that schemes are well-run and well-governed by high-quality trustees. In April 2025 we published a market oversight report, exploring areas where risks to member outcomes may arise. As part of our new risk-based, outcome-focused approach, we have also extended our engagement with professional trustee firms to identify and mitigate any risks to members. We established supervisory relationships with these firms over the course of the year, seeking to maintain these over the long term as just 10 firms govern more than £1 trillion of members' retirement income.

While developing our risk-based regulatory approach, we have taken steps to reduce regulatory burden. This includes moving from process-driven assessments to more targeted, risk-based engagement with master trusts, and reducing the evidence we request related to scheme governance. We have reviewed the mandatory data items we require in our scheme return and have made changes to the AE communications cycle for employers, reducing administration while maintaining high levels of compliance.

**97.8%**

Employer compliance with automatic enrolment (AE) duties was reached on 3 March 2026

**>11.4 million**

Our continuing support to make the workplace pension system work has ensured that workers have started saving into a workplace pension since 2012.

We have continued to challenge trustees on poor performance, including completion of the value for members assessment for eligible defined contribution (DC) schemes. This has led to some schemes improving areas of poor value, or winding up and transferring benefits to a better-performing arrangement in the interests of members.

We concluded enforcement action in several key cases, including penalties against scheme providers for failing to correctly report significant events and breaches of law, and action resulting in millions of pounds being returned to a pension scheme after a court ruling. Over 2,000 victims of pension scams have received more than £81.5 million in compensation to help them rebuild their lives, with more payments to follow.

In November we also concluded one of our longest running cases, successfully transferring all 2,800 members of the Boxclever Group Pension Scheme to the ITV Pension Scheme, where they will now receive full scheme benefits and back payments.

The government has set out its intentions for value for money in DC schemes in the Pension Schemes Bill 2025. This includes new requirements for the majority of schemes providing DC benefits. We have worked to engage industry over recent years with the potential design of a value for money framework and how it could work across DC trust and contract-based schemes, in collaboration with the DWP and the FCA. Following earlier consultations, in January 2026 we published a joint package with the FCA, including a consultation response, discussion paper and further consultation. We have encouraged trustees, their administrators and advisers to engage and contribute to the development and design of this framework.

Engaging with the market continued...

In support of the shift to fewer, larger schemes, around 110,000 members have gained access to the UK's first CDC scheme at Royal Mail and we see new models continuing to emerge across the system, with over 22,000 DB members now benefiting from a superfund arrangement. We remain ready to assess superfunds and new models for the market through our interim regime and have launched a consultation on a new multi employer CDC code. During the year we also began planning further supervisory engagement with schemes on their decumulation offers and supported the government's decumulation working group.

Our oversight of pension administration markets deepened further, with engagement across 15 administrators and the publication of a well received market report. We also advanced the pensions dashboards programme significantly: more than 1,300 of the largest schemes and providers are now connected to the central digital architecture – representing over 40 million memberships.

## Embracing data, digital and technology

Our Data, digital and technology (DDaT) strategy and data strategy (published in October 2024 and March 2025 respectively) set out our priorities over five years, to strengthen our digital, data and technology capabilities, adopt new ways of working and drive efficiency, automation and innovation.

We continue to deliver against these plans and have developed common design, technology, and data standards to support more efficient re-use across our work. This has included a 'Submit a Scheme Return' service and passed the DWP Beta service assessment demonstrating it has been designed to meet user needs. In addition, our newly proposed Value for Money platform has passed its Alpha assessment in relation to the Government Service Standard, meaning it can now move forward with delivery.

We have also made progress in modernising our internal systems through the development of platform teams supporting case management and data services, alongside improvements in data governance, cyber resilience, access management, AI and master data management.

## Performance measurement

Our 2024-27 Corporate Plan introduced a new performance measurement framework to provide a clear line of sight between our strategic ambitions and how we assess our work and its impact. We continue to measure our performance in year against 32 corporate priorities, using a suite of 35 indicators to track performance, which includes our five growth commitments. We have identified which performance indicators track these commitments specifically.

**Table 2: RAG status definitions**

**Green**
denotes a KPI where the target was achieved or is on track to be achieved in a future year.

**Amber**
denotes a KPI where the target was marginally missed. The result was likely to be within the margin of error for the target or, in the case of a KPI target with multiple parts, the majority or average of parts were achieved.

**Red**
denotes a KPI where the target was missed by a significant degree.

We also advanced the pensions dashboards programme significantly: more than 1,300 of the largest schemes and providers are now connected to the central digital architecture representing over

**40 million memberships**

## Our performance against each of our corporate priorities for the 2025-26 year

### Regulatory priority 1: Good outcomes – joining a scheme

We will ensure that employers' compliance with their AE duties remain high.

✓ **Compliance with AE duties**

The percentage of employers ultimately compliant with their AE enrolment/re-enrolment duties remains above target at 97.8% (target 90%). This is an increase from the previous financial year, where compliance was 97.1%. Performance against this indicator has improved year on year indicating that it forms part of normal business process for the majority of eligible employers.

✓ **Maintaining contributions**

The percentage of employers making timely and accurate pensions contributions remains above target at 97.1%. The target is 94% of employers making contributions before they become late by three months or more. This is broadly consistent with the previous financial year (97.0%).

✓ **Green** KPI target achieved or on track to be achieved in future year.

− **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

## Regulatory priority 2: Schemes are well run

We expect the capabilities of those running schemes to improve over time and for this to be reflected in improvements in governance and an increased emphasis on improving the quality of scheme administration.

✓

**Administrative preparedness for pensions dashboards**

Schemes have demonstrated readiness for pensions dashboards in a timely manner (timely in terms of the date in guidance pertaining to that scheme) from April 2025, when the large schemes started connecting.

Our target was that scheme connections were at least 70% of expected volumes during the staging profile, to avoid a significant connection 'bottleneck' towards the deadline, which we tracked quarterly.

In quarters 2, 3 and 4 our target was exceeded with connections at 82%, 86% and 99% respectively. The 99% recorded in Q4 is a slight anomaly as it represented the period in which the final connection provider serving occupational pension schemes connected, and a large number of schemes originally due to stage in Q3 connected.

For the year overall we have achieved 85% of expected schemes connected. Our engagement activity and guidance played a key role in achieving these targets, and uptake and satisfaction were very high, supporting scheme readiness and administrative capability. Overall, our results indicate that schemes are increasingly well run from an administrative perspective and that the sector is demonstrating improving capability and governance in preparation for pensions dashboards.

✓ **Green** KPI target achieved or on track to be achieved in future year.

− **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

| Regulatory priority 2: Schemes are well run continued... | |
|---|---|
| – | **Improved environmental, social and governance (ESG) recognition**<br><br>Across 2025–26, we shifted focus from compliance with the Task Force on Climate-related Financial Disclosures (TCFD) compliance towards improving the quality of reporting and depth of understanding of climate related financial risks, engaging extensively with schemes through supervision activity, publications and events, and completing an initial review of TCFD reports.<br><br>While this has strengthened awareness of best practice and informed the development of our revised ESG, Climate and Sustainability Strategy, work to establish a statistically robust, scalable assessment of reporting quality continues. |
| ✓ | **Embed financial stability**<br><br>Over 2025-26 there have been no material resilience headroom breaches across any types of leveraged liability driven investment (LDI) mandates and the evidence gathered throughout the year demonstrates that LDI funds remain well capitalised, with robust collateral management and recapitalisation processes operating effectively under both normal and stressed market conditions.<br><br>Ongoing supervisory engagement, data analysis, and market intelligence collectively support a positive assessment against this measure. |

✓ **Green** KPI target achieved or on track to be achieved in future year.

– **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

## Regulatory priority 3: Fewer schemes, delivering good outcomes

We expect pensions schemes to offer value to members and invest in productive assets and innovative products, where it is in members' interests to do so.

**DC schemes offer value**

We tracked our performance to ensure we were responding to the requirements of the Pensions Bill before Parliament (subsequently enacted), and working collaboratively with the DWP and the FCA to develop value for money criteria in a way that would provide industry with a robust understanding of value for money.

Our work on value for money is building as we seek feedback on the design of the framework from industry, but we have made strong progress setting out our plan and building out governance and resourcing, and discovery within our data, digital and technology function. Consultation analysis had commenced during March 2026, and progress has been made scoping our future supervisory approach.

Our continued delivery is dependent on key external decisions and a legislative timetable, and these dependencies are the main factors that lead to our amber status at 2025-26 year-end. They are being mitigated by close collaboration and communication on an ongoing basis.

**Green** KPI target achieved or on track to be achieved in future year.

**Amber** KPI target marginally missed.

**Red** KPI target missed by significant degree.

| Regulatory priority 3: Fewer schemes, delivering good outcomes continued... | |
|---|---|
| ✓ | **Growth in the consolidation market**<br><br>71% of workplace pension members are in master trusts, CDC schemes and superfunds. Furthermore, our 2025 DC landscape report shows the number of DC schemes has decreased by 15% to 790 in 2025, which is consistent with 2024's decline when the number of schemes fell below 1,000 for the first time. The decrease in the number of schemes is primarily driven by those with fewer than 5,000 memberships exiting the market.<br><br>At the same time, assets have continued to grow – from £205 billion in 2024 to £249 billion in 2025 – an increase of 22%, while memberships are up by 7% on last year. Our engagement with the largest single employer trusts (SETs) shows that a significant amount of consolidation is underway. We anticipate that we will continue to see the market consolidate, with a particular spike anticipated just ahead of the pensions dashboards connection deadline in October 2026. To continue to drive schemes to consider their performance and the value they provide their members, we published consolidation guidance and refreshed our DC winding up guidance to support smaller DC schemes in exiting the market on 31 March 2026. |
| ✓ | **Reducing capital reserving requirements for master trusts to generate growth**<br><br>We have successfully completed our regulatory capital review, and in March 2026 we published updated guidance around regulatory capital reserving requirements as part of our ambition to reduce regulatory burden and enable master trusts to unlock investment for innovation in the future. The cash release estimate to 31 March 2026 is £15 million.<br><br>Significant scheme engagement was undertaken to inform our review, and the guidance was received positively by the market. |

✓ **Green** KPI target achieved or on track to be achieved in future year.

− **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

### Encourage consolidation and consideration of investment in productive assets

We measured the number and proportion of small schemes (those with assets under management of less than £100 million) challenged by us, which were assessed as not offering value for money and subsequently went on to consolidate.

Across 2025-26 we engaged with 126 schemes on their value for members assessments. We concluded our engagement with 70 of these, with 17% becoming compliant, 33% having since wound up or consolidated, 3% required use of our enforcement powers and 47% were out of scope.

We have tracked the number of DC schemes in the market and the proportion of assets and members in master trusts. As at 31 March 2025, there were 24,720 DC schemes and 430 hybrid schemes in the landscape:

- When considering only pure DC schemes, 96% of members and 83% of assets are in master trusts.
- When considering DC and hybrid schemes, 92% of members and 67% of assets are in master trusts.

We also sought to quantify the economies of scale benefits from consolidating small schemes into master trusts based on the evidence presented by government in its recent analysis which can be found at: **https://assets.publishing.service.gov.uk/media/673f3ca459aab43310b95a8d/pension-fund-investment-uk-economy.pdf**. The methodology to measure this KPI was approved in February 2026 and we published our corresponding report which can be found at: **https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/dc-consolidation-and-economies-of-scale-emerging-evidence** on 7 May 2026.

Finally, we have looked at the level of voluntary disclosure of asset allocation data from master trust schemes. In early January 2026, we asked master trusts to provide asset allocation data as of 31 December 2025 (c. £280 billion assets under management) to better understand investment performance and prepare for the launch of the value for money framework. We requested this from all master trusts with a focus on main default strategies and investment performance. All schemes have now responded, with the data undergoing analysis and review. The assessment confirms that the data received provides high quality submissions covering asset allocation for 73% of master trust assets.

### We will develop an innovation framework

We launched our innovation service in June 2025 to provide a mechanism to build awareness of the opportunities of innovation and engage with the market to discuss and trial pensions innovation ideas and potential services, ahead of the target of autumn 2025.

As at 31 March 2026 we had undertaken 26 discussion sessions, 22 of those are complete and four remain in progress with 'test and learn' being a key feature of our engagement.

| | | |
|---|---|---|
| ✓ | **Green** | KPI target achieved or on track to be achieved in future year. |
| − | **Amber** | KPI target marginally missed. |
| ✗ | **Red** | KPI target missed by significant degree. |

## Regulatory priority 4: Good outcomes at retirement

We will encourage the development of safe pathways for members in their retirement, ensure that DB members' benefits remain safe, and call on the industry to protect members from scams.

**DB members get their pensions**

As schemes submit their valuations under the new funding regime, we have sought to ensure that every scheme has a clear plan to achieve low dependency by the relevant date.

Although we are still awaiting all valuation submissions, we have made good progress to establish the framework required to support DB schemes' transition towards low-dependency funding. We are now receiving all valuations under the new regime, with our new digital Submit a Scheme Valuation service now live.

As at 31 March 2026, we received 468 submissions (compared to around 1,500 submissions in a typical year). We are already engaging proactively with the highest-risk schemes and will continue this targeted engagement focusing on good outcomes, governance, and consolidation where appropriate.

In parallel, we have been discussing our approach to the wider sector through conferences, seminars and other events. Implementation has presented some challenges, particularly in embedding the internal systems needed to process valuations and engage effectively with schemes. The limited volume of submissions to date means we do not yet have a full year of data, and a full three year cycle is required to have the data under the new funding code for all DB schemes. At that point we can evidence whether every scheme has a clear plan to achieve low dependency by the relevant date. Our indicator is therefore rated amber.

**Green** KPI target achieved or on track to be achieved in future year.

**Amber** KPI target marginally missed.

**Red** KPI target missed by significant degree.

| Regulatory priority 4: Good outcomes at retirement continued... | |
|---|---|
| ✓ | **Availability of decumulation pathways**<br><br>We sought to baseline and track the percentage of scheme members approaching retirement who are offered two or more decumulation products by their scheme, beyond full or partial cash withdrawal.<br><br>Our baseline confirms that 53% of members approaching retirement have access to at least one regular income in-scheme decumulation product. |
| ✓ | **Protection from pension scams**<br><br>Using the pension scams pledge as a mechanism to drive scheme commitment to protecting people from pension scams, as of 31 March 2026, 162 pension schemes had taken the first step by pledging to protect members. 331 pension schemes also self-certified to confirm their scheme's scam prevention standards. 238 of those schemes have completed both steps of the journey. The total number of pledged and self-certified schemes equates to 31.1 million memberships – a fall of approximately 400,000 from mid-year.<br><br>Over the year, we successfully delivered a multi-channel communications campaign to mark the fifth anniversary of the pledge. The paid campaign aimed to raise awareness of the pledge and reached over 6 million impressions and generated 8,588 clicks. |

✓ **Green** KPI target achieved or on track to be achieved in future year.

– **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

| Enabling priority 1: Developing our people and culture<br>We will promote an engaged, skilled and motivated workforce who enable a high performing organisation and who can bring their whole selves to work and be treated equally, fairly and professionally. | |
|---|---|
| – | **We maintain a stable and healthy workforce**<br><br>We measure our workforce stability through an industry standard workforce stability measure. This measures the percentage of employees who remain with an organisation over a specific period. As at 31 March 2026 our stability index remains outside of the healthy parameters of between 75%-85%, at 88.3%. |
| – | **We will work towards high levels of employee satisfaction**<br><br>We have committed to track employee satisfaction through our annual 'MyTPR' all-staff survey in a way that is broadly comparable with previous years, using the annual engagement score. We completed a full survey in March 2025, and a shorter pulse survey in October 2025. The results suggested we may not have achieved the improvements we wanted to see. Our 2026 survey was completed in May 2026 and shows an improvement in scores across the main indicators of engagement.<br><br>The outcome of both the 2025 and 2026 surveys are lower than comparable organisations, which is driving the amber RAG rating. While lower scores are expected when organisations go through significant change, we have implemented action plans throughout the year to address the issues raised. |

✓ **Green** KPI target achieved or on track to be achieved in future year.

– **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

| Enabling priority 1: Developing our people and culture continued... | |
|---|---|
| ✓ | **We will promote an equal, diverse and inclusive workspace**<br><br>We monitor our progress in supporting Equality, Diversity and Inclusion (EDI) through recruitment, pay and senior management representation and baselining our progress against key EDI measures through reporting and explaining variances where they occur.<br><br>We published our pay gaps report in March 2026, which showed good progress to reduce pay gaps. Our reward strategy is in place, which has implemented policies to reduce the pay gaps further on both salary and bonus.<br><br>We launched a new system for tracking applications to jobs that we advertise, enabling us to monitor the protected characteristics of those that apply for our roles. Our workforce diversity data response rates have increased over the past year. High-level representation data is regularly reported to our EDI Steering Committee and senior leaders. Our annual 'MyTPR' survey is analysed by characteristic to identity and action any themes. |
| ✓ | **Strengthen our foundations**<br><br>We have made demonstrable progress building on our skills, talent, capability and capacity, directing resources where they are most needed. Strategic workforce plans are in place and we continue to track progress against the plans alongside reviewing year-end data to assess resourcing and succession implications. |

✓ **Green** KPI target achieved or on track to be achieved in future year.

− **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

## Enabling priority 2: A data-led, digital-enabler underpinned by modern technology

Harnessing the power of digital, data and technology to drive innovation, efficiency and regulatory excellence in the best interests of members, whilst minimising the regulatory burden on schemes.

✓ **Deliver key improvements to regulatory services**

We successfully delivered the Submit a Scheme Valuation service, supporting schemes to adopt our DB funding code, with guidance published to help them comply. The service now enables end-to-end submission, with automated risk assessment and core case management in place. We also reviewed scheme return and supervisory return data collection requirements to identify options to reduce unnecessary burdens on schemes. The initial review and original discovery included around 22,000 relevant small schemes, where the required data fields were reduced from 211 to 74 – a 64% decrease.

The development of quick wins and low burden scheme return commenced in 2026-27 and continues into 2026-27. This includes delivering a streamlined scheme return from July 2026 to September 2027. The changes will reduce burden on schemes and create a set of re-usable capabilities that can be applied to other segments, such as large DC schemes, master trusts and DB schemes. The first rollout will be for relevant small schemes in July 2026.

Our data review and digital and data working group continues to define current and future needs, focusing on reducing data requirements while supporting risk-based regulation in support of new legislative requirements.

✓ **Improve system hygiene**

We have continued to invest in keeping our core infrastructure modern, secure and robust. We have delivered strongly against our system hygiene programme, achieving commitments agreed at the start of the year and successfully taking on and delivering a significant volume of additional in-year priorities. This work has modernised core systems, strengthened cyber resilience, and positioned TPR for more efficient and sustainable delivery in 2026-27 and beyond.

✓ **Green** KPI target achieved or on track to be achieved in future year.

− **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

### Design and deliver new standards

We have developed common design, technology, data rules and building blocks, including the Submit a Scheme Valuation service which progressed to Beta readiness and passed the DWP Beta service assessment. The value for money Alpha phase was successfully completed.

In addition, data, digital and technology frameworks and standards progressed. An initial cross-framework maturity assessment is now complete, providing a baseline view of current capability and areas for further development. Functional Standards attestation was delivered alongside this work and will be built into the quarterly framework check-ins from Q1 2026-27.

We have also explored standards for APIs to support data sharing with other organisations as well as machine-readable formats such as XBRL. XBRL enables data in reports to be read and processed by systems as well as people. It is widely used for regulatory and financial reporting but is being assessed at TPR for the potential to support annual returns.

**Green** KPI target achieved or on track to be achieved in future year.

**Amber** KPI target marginally missed.

**Red** KPI target missed by significant degree.

| Enabling priority 2: A data-led, digital-enabler underpinned by modern technology continued... | |
|---|---|
| | **This comprises three KPIs: two are green and one is amber:**<br>**Reduce unnecessary regulatory burdens and improved data and data-sharing** |
| ✓ | A new segment-based, expert-led supervision model is driving more focused and proportionate engagement with schemes, while reducing unnecessary regulatory burden. External research (40+ interviews) shows strong stakeholder confidence, with respondents noting TPR is moving in the right direction, particularly industry and professional bodies. Internal evidence confirms the model is operating as intended, enabling deeper understanding of scheme risks, earlier informal engagement, and better targeted regulatory activity. This has improved the efficiency and effectiveness of supervision while maintaining high standards of compliance and governance. |
| ✓ | We have monitored our regulatory interventions against a member-focused outcomes framework, using metrics of efficiency and effectiveness. We have progressed evaluation in the trusteeship and governance space, establishing a governance baseline and strengthening our approach to monitoring and assessing future activities. We continue our evaluation of the Innovation Service, which covers efficiency, effectiveness and impact measures, including a series of in-depth interviews. We continue to work in partnership with the DWP on metrics for monitoring pension reforms (specifically value for money, CDC development, superfunds, dashboards and deferred small pots). |
| − | Delivery of the new low-risk AE employer re-declaration journey has been delayed due to increased complexity and changes to the proposed business solution, with a subsequent slippage in the technical solution that is required to support the revised communications to employers for AE re-declaration. This has impacted our ability to realise the planned reductions in administrative burden for employers over the course of 2026-27. We intend to implement the solution as soon as possible in 2026-27, with a backstop date of realising the reduced administrative burden from February 2027.<br><br>We have reduced intervention by improving the standard AE communications journey. Changes made in 2025 and continuing through 2026 reduced the use of physical mail sent by post by 50% for 'engaged' employers (those with a track record of meeting their duties). These improvements reached around 30,000 employers and resulted in 30,000 fewer letters being sent. |

✓ **Green** KPI target achieved or on track to be achieved in future year.

− **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

| Enabling priority 3: Ensuring environmental sustainability<br>We will reduce our environmental impact and progress towards the delivery of our net zero carbon emissions targets. | |
|---|---|
| | **Greening Government Commitment (GGC) targets**<br><br>The targets for the last round of GGC (2021-2025) expired in March 2025, and we met all those relevant to us.<br><br>The Department for Environment, Food and Rural Affairs has set out that the 2025-26 financial year will establish the baseline for 2030 targets. While we reported in full against all material GGC measures in 2025-26, progress towards any quantitative targets cannot be reported until next year. |
| ✓ | **Net Zero by 2030**<br><br>Progress towards our 2030 net zero target continues to be on track. We have removed most scope 1 emissions, and scope 2 purchased electricity is secured via a REGO-backed green tariff. This has resulted in a more than 90% reduction against our baseline (using the market-based approach to carbon accounting).<br><br>Further information can be found on the environmental data page on our website at: **https://www.thepensionsregulator.gov.uk/document-library/corporate-information/climate-change-and-environment/environmental-data** |

✓ **Green** KPI target achieved or on track to be achieved in future year.

− **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

| Enabling priority 4: Ensuring robust financial controls, efficiency and effectiveness<br>We will ensure robust financial controls, seek continual improvements in our efficiency and effectiveness and measure the impact of our regulatory interventions. | |
|---|---|
| ✓ | **Ensuring robust financial controls**<br><br>Our financial controls are robust, and we have systems in place which are subject to regular review to ensure we meet the requirements contained within 'Managing Public Money'. No significant issues of control have occurred in the financial year or been raised by internal audit. We were within 1% of our September forecast, with an underspend of 0.9%. |
| ✓ | **Improving our efficiency**<br><br>Over the course of 2025-26 we had a number of planned efficiencies through our Continuous Improvement initiatives, which have been achieved to the value of £857k. These initiatives include test automation, a new service desk system, process improvements and a new data storage solution. |
| ✓ | **Evidencing our effectiveness**<br><br>To support our measure to embed evaluation into assessments of performance against regulatory priorities, we have strengthened our evaluative approach across regulatory priorities by improving data, metrics and indicators. Data collection for the Governance Quality Metric (GQM) is complete and the metric was finalised by the end of April 2026, providing a baseline to assess governance capability and track improvement over time.<br><br>While regulatory interventions focused on scheme governance have been limited in 2025-26, governance consultation outputs have improved our understanding of what drives good governance and will inform future assessment and intervention activity. We have also agreed strategic outcome indicators and aligned our measurement approach with our operations, establishing a clearer link between priorities, delivery and evaluation ahead of further enhancements in 2026-27. |

✓ **Green** KPI target achieved or on track to be achieved in future year.

− **Amber** KPI target marginally missed.

✗ **Red** KPI target missed by significant degree.

# Financial summary

Our financial budget is agreed with the DWP each year and is set out in Table 3 below. During this financial year we continued to realign our work to meet the priorities set out in our corporate plan, reflecting our response to the growing complexity of the pensions landscape and our move towards a more proactive, proportionate regulation. In 2025–26, we prioritised spend towards:

- data and digital transformation to enable more data-led regulation
- targeted market oversight, improving trustee standards and value for money in DC schemes
- delivery of major change programmes, particularly pension dashboards and DB regime implementation
- building organisational capability for effective long-term regulation

Our spend for the year was £3.9 million lower than budget, reflecting underspends on our digital work and a reduction in the amount of research we commissioned. Whilst we realised reduced spending in these areas, we did not see a significant knock-on effect on performance. Where spend has rolled forward into the 2026-27 financial year, plans have been amended to ensure they remain affordable.

During the year we agreed a three-year funding settlement with the Department of Work and Pensions, allowing us to financially plan with some certainty over the next two years. This includes a 2% efficiency target in each of the spending review years, which has been incorporated into our planning.

**Table 3: Actual expenditure vs budget**

| £m | 2025-26 | | | 2024-25 | | |
|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Total TPR* | 115.2 | 119.1 | 3.9 | 104.8 | 111.9 | 7.1 |

*All figures exclude capital expenditure

# Sustainability report

## Overview of sustainability performance

We are tenants occupying 1.5 floors (30%) of a shared tenancy building in Brighton. As such, we face limitations on levels of data granularity and the sustainability interventions we can deliver. Despite this, we continue to make good progress in relation to both accuracy of data and mitigation of environmental impacts that arise from our operations. This is due to:

- continued engagement with our value chain in relation to material emissions
- sustainability being a key aspect of the office fit out when we moved to smaller premises in 2023
- ongoing net-zero interventions such as switching to 100% electric heating
- external factors such as greening of the National Grid

## TCFD Compliance statement

We've reported climate-related financial disclosures following HM Treasury's TCFD guidance for the UK public sector. We comply with TCFD recommendations on governance, risk management, metrics and targets, and strategy, in line with central government implementation timelines. The following report is set out according to these four pillars, within which specific topics are covered as per the UK Government's Sustainability Reporting Guidance 2025-26.

## Governance

The Board retains overall oversight of climate-related risks and opportunities in line with TCFD governance expectations, supported by the Executive Committee and two accountable executive directors with defined responsibility for climate strategy. Governance is reinforced through three cross-functional committees overseeing sustainability delivery, with climate considerations embedded within business case development and committee paper guidance. Progress against climate objectives and related KPIs is monitored through quarterly reporting to the Board and the Delivery Assurance Committee, enabling informed challenge, oversight, and decision-making.

## Risk management

The tracking of our climate risks is fully integrated into our corporate risk management processes, which are described in our governance statement from page 48. Our framework identifies both physical climate impacts and transition risks, with responses including treatment, tolerance, transfer, or termination. The systems have been in place for the year to 31 March 2026 and are continuing.

In April 2025 we published our Climate Change Adaptation Strategy which can be found at: **https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/climate-change-and-environment/climate-change-strategy-2025**, setting out a risk assessment of climate impacts on our operations and an action plan addressing resilience gaps. While this strategy sets out that we are currently well-adapted to climate risks, we will regularly review the risks and update the strategy accordingly.

Since publication of the strategy, measures have been implemented to address identified gaps, including updated working conditions and business continuity processes.

## Metrics and targets

The Greenhouse Gas Protocol categorises greenhouse gas emissions within the following scopes:

- Scope 1: Direct emissions from sources owned or controlled by the organisation
- Scope 2: Indirect emissions from purchased energy
- Scope 3: All other indirect emissions across the value chain

The categories reported on here are scope 1 (natural gas and fugitive emissions) and scope 2 (electricity). Data on scope 3 emissions relating to our 2030 net zero target can be found on the environmental data page on our website at: **https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/climate-change-and-environment/environmental-data** and includes business travel, water, waste, and fuel and energy related activities. Purchased goods and services, capital goods, employee commuting, working from home emissions and leased assets are included for our 2050 target.

We report on all mandatory emissions categories for the Greening Government Commitments, consisting of scope 1, scope 2 and business travel. We do not report on the other scope 3 emissions listed here as they are not a mandatory requirement. Emissions data on supply chain, commuting, and leased assets for 2025-26 will be published online later this year. Calculations for purchased goods and services and capital goods also include emissions relating to upstream transportation and distribution.

## Greenhouse Gas (GHG) Emissions: Scope 1 and 2

In March 2024, we published our Pathway to Net Zero report which can be found at: **https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/climate-change-and-environment/net-zero-report**, which outlines our accounting approach, using UK government and Greenhouse Gas Protocol methodologies within a boundary comprising the operations associated with our leased office building. The report also sets out our two net zero targets:

- **2030:** 90% reduction in operational emissions (scope 1, scope 2, and partial scope 3) against a 2017-18 baseline
- **2050:** 90% reduction in all remaining emissions, primarily supply chain, against a 2022-23 baseline

Table 4: Scope 1 and 2 emissions

| Emissions source | Scope | Years | kWh | tCO2e* |
|---|---|---|---|---|
| Natural gas | 1 | 2017-18 | 157,462 | 29.00 |
| | | 2023-24 | 172,179 | 31.50 |
| | | 2024-25 | 49,126 | 8.99 |
| | | 2025-26 | 0 | 0 |
| Fugitive emissions | 1 | 2017-18 | – | 1.86 |
| | | 2023-24 | – | 10.41 |
| | | 2024-25 | – | 8.66 |
| | | 2025-26 | – | – |
| Electricity | 2 | 2017-18 | 956,794 | 336.37 |
| | | 2023-24 | 255,531 | 52.92 |
| | | 2024-25 | 133,447 | 27.63 |
| | | 2025-26 | 150,552 | 26.65 |

*tCO2e is tonnes of carbon dioxide equivalent. CO2e is a standard way of measuring all greenhouse gases by converting amounts of other gases to the equivalent amount of carbon dioxide based on their global warming potential.

Greenhouse Gas (GHG) Emissions: Scope 1 and 2 continued...

Natural gas has been removed from our inventory as we switched to 100% electric heating in October 2024. In addition, our landlord switched to a REGO-backed renewables tariff in April 2025 (the emissions above are reported as gross).

Gross expenditure for the 2025-26 financial year was £0 for natural gas and £46,309.25 for electricity.

## Greenhouse Gas (GHG) Emissions: Scope 3

In our 2030 target we include scope 3 emissions arising from the use of our offices (waste, water, fuel and energy related activities) and business travel.

While scope 3 emissions included in our 2030 net target represent less than 2% of our entire carbon footprint, emissions arising from our supply chain represents around 85% (based on 2024-25 data).

Sustainability is addressed in our procurement process through a comprehensive impact assessment that ensures impacts are being addressed in a proportionate way. In addition, we have undertaken an engagement campaign focused on the top 20% of high emitters in our supply chain, to improve accuracy of emissions data and our understanding of supply chain risk.

We are not currently purchasing any carbon offsets. We have not established a carbon pricing mechanism, but this is an element included for consideration within our draft Transition Plan. However, this plan is due to be published later this year and, as such, a decision has not yet been made on the inclusion of a carbon pricing mechanism.

## Waste

We are continuing to review the waste we produce from our operations, to ensure that we are minimising waste production while increasing our recycling rates wherever possible. There has been a decrease in municipal recycling due in part to the fact that our shredded waste in 2024-25 was based on estimates; we have now moved to more accurate measurement. We report on waste activity data in the GGCs.

**Table 5: Municipal waste streams in tonnes**
(Total gross expenditure on municipal waste disposal is £8,962.31)

| Waste stream | 2017-18 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|
| Recycling (t) | 18.77 | 4.99 | 14.25 | 5.43 |
| Incineration with energy recovery (t) | 2.35 | 5.91 | 4.38 | 3.74 |
| Incineration without energy recovery (t) | 0 | 0 | 0 | 0 |
| Anaerobic digestion (t) | 0 | 0 | 0.25 | 3.47 |
| Composting (t) | 0 | 0 | 0 | 0 |
| Landfill (t) | 39.80 | 0 | 0 | 0 |
| **Total waste** | **60.92** | **10.9** | **18.89** | **12.64** |

**Table 6: ICT waste streams for 2025-26**
(Total gross expenditure on ICT waste disposal is £9,964.52)

| Waste stream | Number (units) | Mass (tonnes) | Value returned (£) |
|---|---|---|---|
| Reuse | 621 | 1.23 | 28,665 |
| Incineration with energy recovery | 0 | 0 | 0 |
| Incineration without energy recovery | 0 | 0 | 0 |
| Recycling | Data not available | 0.062 | 0 |
| Landfill (t) | 0 | 0 | 0 |

Greenhouse gas emissions from waste can be found on the environmental data page on our website at: **https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/climate-change-and-environment/environmental-data**

## Finite resource consumption, including water use

Water scarcity is an identified risk in our Climate Change Adaptation Strategy, and we will continue to work towards creating a culture of efficient water use. We report on water use activity data in the GGCs.

Table 7: Purchased water (scope 2)

| Waste stream | 2017-18 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|
| Water (m3) | 8,284 | 711 | 472 | 527 |

There are no other sources of water consumption data and no other material forms of finite resource consumption have been identified. Gross expenditure for the 2025-26 financial year for water was £9,575 (estimated).

## Other climate and sustainable development reporting

We are a registered signatory of the United Nations Global Compact, which provides a voluntary platform for us to align our strategies on global issues such as anti-corruption, human rights issues, labour and environmental problems.

We have undertaken extensive work in better understanding the environmental impacts that arise from our supply chain and have begun to engage with suppliers to explore mitigation (see the section on Greenhouse Gas (GHG) Emissions: Scope 3 above).

While we have no natural estate, we are exploring ways in which we might support nature recovery as an organisation.

## Strategy

We recognise climate change as a source of material financial risk that may affect delivery of our corporate strategy through impacts on our estate, supply chain, workforce resilience, and delivery of organisational objectives. In response, we are embedding climate considerations into business planning, facilities management, procurement, and operational resilience, including measures to adapt to physical risks and support the transition to a lower carbon organisation and the UK government's 2050 net zero commitment.

While short-term direct financial impacts are expected to be modest, climate factors may influence cost pressures and long-term resource allocation. In our Climate Change Adaptation Strategy, we assessed the potential impacts of physical and transition risks on our operations using publicly available climate scenarios, including pathways aligned to +2°C and +4°C global temperature outcomes (as per those set out in the Climate Change Committee's third Climate Change Risk Assessment (CCRA3), with a medium- and long-term focus (2050s and 2080s respectively) against a reference baseline of 1981-2010 (in future iterations of the strategy, we will also include a near-term focus as well as a scenario that aligns with the UK government's net zero policies, such as a 1.5°C scenario).

These assessments are based on key assumptions regarding policy implementation, energy system decarbonisation, technology uptake and transition timing, enabling TPR to evaluate potential impacts and inform proportionate, adaptive corporate responses.

**Nausicaa Delfas**
Chief Executive Officer, The Pensions Regulator
18 June 2026

# Accountability report

## Corporate governance report

In this report, we explain the composition and organisation of our governance structures and how these arrangements have supported the achievement of our objectives.

## Director's report for the year ended 31 March 2026

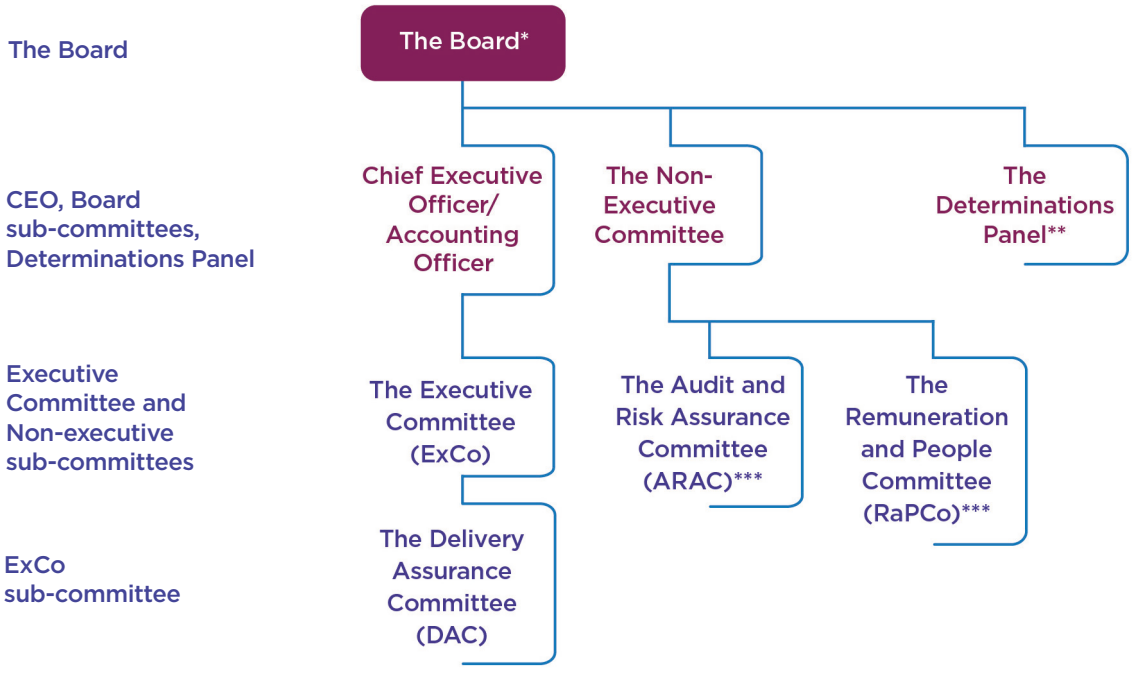
In this section, the Board of TPR set out the details of the composition and activities of our governance committees throughout 2025-26. This includes an overview of TPR's governance structure and the details of our Board members and their attendance at Board meetings throughout the year. You will also find a report on the activities of the following TPR committees:

- Non-Executive Committee (NEC)
- Remuneration and People Committee (RaPCo)
- Audit and Risk Assurance Committee (ARAC)
- Determinations Panel

TPR's corporate governance is overseen by:

- Board
- Board's non-executive subcommittees
- The Executive Committee
- Delivery Assurance Committee (DAC)

Figure 2: TPR's Governance structure




* The Pensions Act 2004 (PA04) requires TPR to have a Board.
** Whilst the Determinations Panel reports to the Board, it is independent and impartial.
*** Whilst the ARAC and RaPCo report to the Non-Executive Committee, as set out in legislation, in practice they report to the Board.

# Report of the activities of the Board 2025-26

TPR's Board is accountable for setting the strategic direction of the organisation and ensuring that it is well governed, financially sustainable and effectively managed. It establishes the organisation's objectives and risk appetite, oversees delivery of the corporate strategy, and holds the executive to account for performance, always with a clear focus on the interests of members.

Between 1 April 2025 and 31 March 2026, the Board met regularly in line with its agreed schedule. Meetings were held in both strategic and transactional formats, with in-person and virtual arrangements.

## Overall contribution

Throughout the period, the Board provided effective leadership, constructive challenge and robust oversight. It supported delivery of organisational objectives, responded to government priorities and pensions reform, and upheld strong standards of governance and accountability, with the interests of members central to its decisions.

## Key areas of business

The Board provided strategic direction on the organisation's response to government pensions reform and wider external priorities, ensuring these were reflected in corporate planning, regulatory approach and delivery activity. It maintained a clear focus on the impact of policy, regulation and operations on member outcomes.

The Board monitored performance against strategic objectives and key programmes, including transformation activity. It sought assurance that delivery plans were achievable and aligned with organisational priorities.

It received assurance from its committees and the executive team on governance, risk management, internal control, financial stewardship and organisational capability. This supported effective scrutiny and informed decision-making.

The Board oversaw financial performance and sustainability and considered matters relating to the Annual Report and Accounts, drawing on assurance from the Audit and Risk Assurance Committee to support transparency and value for money.

It also considered people, culture and organisational capability at a strategic level, supported by the Remuneration and People Committee, to ensure the organisation had the leadership, workforce and culture required to deliver its responsibilities effectively.

Finally, the Board oversaw its forward work programme and meeting structure, ensuring an appropriate balance of strategic discussion, decision-making and assurance. Board development and training supported continued effectiveness.

## Details of Board attendance

**Table 8: Board and committee attendance 2025-26**

| Board | 2025 | | | | | | 2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 24 Apr | 18 Jun | 24 Jul | 2 Oct | 13 Nov | 18 Dec | 5 Feb | 26 Mar | No. of meetings attended | Overall attendance % |
| Sarah Smart (Chair) | ✓ | ✓ | ✓ | | | | | | 3/3 | 100 |
| Nausicaa Delfas | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8/8 | 100 |
| Andrew Baigent | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8/8 | 100 |
| Alison Hatcher | ✓ | | | | | | | | 1/1 | 100 |
| Kirstin Baker CBE | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8/8 | 100 |
| Chris Morson | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8/8 | 100 |
| Katie Kapernaros | ✓ | ✓ | × | ✓ | ✓ | ✓ | ✓ | ✓ | 7/8 | 88 |
| Mandy Clarke | ✓ | ✓ | × | ✓ | ✓ | ✓ | ✓ | ✓ | 7/8 | 88 |
| George Walker | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | × | 7/8 | 88 |
| Paul Neville | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8/8 | 100 |
| Gaucho Rasmussen | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8/8 | 100 |
| Neil Bull | × | × | | | | | | | 0/2 | 0 |
| Nina Blackett | × | × | | | | | | | 0/2 | 0 |
| Richard Knox | | | | | | | | ✓ | 1/1 | 100 |

## Report of the activities of the Non-Executive Committee (NEC) 2025-26

The Non-Executive Committee is a statutory committee established under section 8 of the Pensions Act 2004. Its purpose is to keep the regulator's internal financial controls under review and to determine the terms and conditions for the Chief Executive's remuneration (subject to the approval of the Secretary of State).

The Committee's accountabilities also include advising the Board on senior staff remuneration, leadership and succession planning, and matters relating to Board composition, capability and effectiveness. In undertaking this role, the Committee supports compliance with legislative and regulatory requirements and promotes high standards of governance and decision-making.

The Non-Executive Committee met twice during 2025-26, on 9 April 2025 and 15 December 2025.

Key matters considered during the year included senior staff remuneration and the Board skills matrix. A review of senior pay arrangements was undertaken to ensure that these remained appropriate, proportionate and aligned with the organisation's statutory objectives and leadership requirements. This reflected the importance of periodic assessment of remuneration structures and career progression pathways across senior roles, to support effective organisational leadership.

The Committee also agreed to update and expand the Board skills matrix to reflect current Board membership and to provide a more comprehensive view of members' skills, experience and expertise. Members noted that maintaining an accurate and up-to-date skills matrix is an important element of good governance and supports effective succession planning, including the recruitment of the Chair and Non-Executive Directors.

Table 9: Non-Executive Committee attendance 2025-26

| Non-Executive Committee | 9 April 2025 | 15 Dec 2025 | No. of meetings attended | Overall attendance % |
|---|---|---|---|---|
| Sarah Smart | ✓ | | 1/1 | 100 |
| Kirstin Baker CBE | ✓ | ✓ | 2/2 | 100 |
| Katie Kapernaros | ✓ | ✓ | 2/2 | 100 |
| Chris Morson | ✓ | ✓ | 2/2 | 100 |
| Alison Hatcher | ✓ | | 1/1 | 100 |
| Mandy Clarke | ✓ | ✓ | 2/2 | 100 |
| George Walker | ✓ | ✓ | 2/2 | 100 |

# Report on the activities of the Remuneration and People Committee (RaPCo) 2025-26

## Role and remit

The Remuneration and People Committee (RaPCo) is a sub-committee of the Non-Executive Committee. It supports the Board and the Accounting Officer by providing independent oversight and advice on the organisation's people strategy, workforce planning, culture, and reward frameworks, ensuring these align with organisational objectives and support effective delivery.

The RaPCo met six times in 2025-26, holding ordinary and extraordinary meetings in May, June, September and December 2025, and February 2026. These meetings ensured consistent oversight of people related matters.

## Committee overview

During the year, the Committee provided independent oversight, challenge and assurance to management and the Board on workforce, culture and organisational capability. Progress on agreed actions was monitored through regular reporting.

## Key areas of focus

The Committee reviewed organisational culture, engagement and leadership, including the MyTPR 2025 staff survey and management's response. It considered the reward framework and senior remuneration within its delegated authority, convening extraordinary meetings where needed.

RaPCo monitored strategic workforce planning, including workforce capability, succession planning and leadership development, to ensure alignment with organisational needs. The Committee also received updates on people policies and on equality, diversity and inclusion, including workforce data and actions to support fairness and consistency.

As part of the annual governance cycle, RaPCo reviewed its Terms of Reference and completed an effectiveness review.

Table 10: RaPCo attendance 2025-26

| RaPCo Committee | 23 May 2025 | 3 Jun 2025 | 13 Jun 2025 | 17 Sept 2025 | 8 Dec 2025 | 17 Feb 2026 | No. of meetings attended | Overall attendance % |
|---|---|---|---|---|---|---|---|---|
| Mandy Clarke | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 | 100 |
| Katie Kapernaros | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 | 100 |
| George Walker | × | ✓ | × | ✓ | ✓ | ✓ | 4/6 | 67 |
| **Attendees:** | | | | | | | | |
| Nausicaa Delfas | ✓ | ✓ | ✓ | ✓ | × | ✓ | 5/6 | 83 |
| Andrew Baigent | ✓ | ✓ | N/A | ✓ | ✓ | ✓ | 5/5 | 100 |

# Report of the activities of the Audit and Risk Assurance Committee (ARAC) 2025-26

## Role and remit

The Audit and Risk Assurance Committee (ARAC) is a sub-committee of the Non-Executive Committee. It supports the Board and the Accounting Officer by providing independent oversight and advice on the effectiveness of the organisation's arrangements for governance, risk management, internal control, and assurance, including internal and external audit.

Between 1 April 2025 and 31 March 2026, the Committee met four times, June, September, November and March.

## Overview of activity

Throughout the period, ARAC provided independent challenge and assurance to support effective governance, risk management and internal control. Its work formed a key part of the organisation's assurance framework and informed preparation of the Annual Report and Accounts.

## Key areas of focus

ARAC oversaw the organisation's governance, risk and internal control framework, receiving regular reports that enabled monitoring of risk trends, emerging issues and the effectiveness of mitigations.

It considered quarterly internal audit updates, reviewed audit findings and management responses, and ensured the internal audit plan remained aligned to principal risks. The Committee also approved internal audit plans in line with the audit cycle.

ARAC engaged with the National Audit Office on external audit planning and progress, supporting effective oversight of financial reporting and external assurance.

As part of the annual reporting cycle, the Committee reviewed matters relevant to the preparation of the Annual Report and Accounts, including elements underpinning the Governance Statement, helping to inform assurance to the Board and Accounting Officer.

The Committee received regular updates on key areas of the control environment, including compliance, counter fraud activity, information risk and procurement. This provided assurance that core controls and oversight arrangements were operating effectively. ARAC also maintained oversight of its governance arrangements, including approval of minutes, tracking of actions, oversight of its forward plan and deep dive programme, and review of its Terms of Reference.

**Table 11: ARAC attendance 2025-26**

| ARAC Committee | 4 Jun 2025 | 24 Sept 2025 | 26 Nov 2025 | 11 Mar 2026 | No. of meetings attended | Overall attendance % |
|---|---|---|---|---|---|---|
| Chris Morson | ✓ | ✓ | ✓ | ✓ | 4/4 | 100 |
| Kirstin Baker CBE | ✓ | | | | 1/1 | 100 |
| Katie Kapernaros | | ✓ | ✓ | × | 2/3 | 67 |
| George Walker | ✓ | ✓ | ✓ | ✓ | 4/4 | 100 |
| **Attendees:** | | | | | | |
| Nausicaa Delfas | × | ✓ | × | ✓ | 2/4 | 50 |
| Andrew Baigent | ✓ | ✓ | ✓ | ✓ | 4/4 | 100 |

# Report on the activities of the Determinations Panel 2025-26

## Legislative framework

TPR is required by the Pensions Act 2004 to maintain the Determinations Panel, whose purpose is to exercise certain regulatory functions to safeguard the interests of pension scheme members. In particular, the Panel can appoint and remove trustees and can order parties to make contributions to schemes where there is a risk to members' benefits.

The Determinations Panel membership is separately appointed and has its own legal support. This enables it to make decisions independently from TPR teams that investigate cases, considering all the evidence before it and providing each party with reasonable opportunity to present their case. Members of the Determinations Panel are not involved in the investigative process, and any decisions reached make clear to the affected parties the reasons and evidence on which they are based.

## Membership

TPR's Chair appoints a Chair to the Panel, who then nominates at least six other members. Panel members are usually appointed for a four-year term and can reapply through open competition to be reappointed for a further four-year term. Members hold a wide range of experience in the fields of regulation, law, pensions, accountancy and public policy.

The Panel's membership unexpectedly dropped in September 2025 after a member stepped down prior to the end of their term. A recruitment process is underway to appoint a replacement panel member and additional members for those whose terms will expire in 2026.

Table 12: Determinations panel membership 2025-26

| Name | Date appointed | Date term expires/ended | Term |
|---|---|---|---|
| **Current membership** | | | |
| Antony Townsend (Chair) | 7 April 2025 | 6 April 2029 | 2nd |
| Pauline Wallace | 13 March 2025 | 31 August 2026 | 2nd |
| Sarah Chambers | 1 September 2022 | 31 August 2026 | 2nd |
| Anthony Arter | 22 September 2022 | 21 September 2026 | 1st |
| Anne Fletcher | 1 January 2025 | 31 December 2028 | 2nd |
| Stephen Mount | 1 January 2025 | 31 December 2028 | 2nd |
| Rachel Onikosi | 2 January 2025 | 31 December 2028 | 1st |
| **Members ceasing membership since last report of 30 March 2025** | | | |
| Margaret Obi | 22 September 2022 | 30 September 2025 | 1st |

## Casework in 2025-26

The Determinations Panel's procedures, published on our website at: **https://www.thepensionsregulator.gov.uk/en/document-library/regulatory-and-enforcement-policies/enforcement-procedures/determinations-panel-procedure**, set out the process by which cases reach the Panel. The number of cases heard by the Panel continues to be low, with fewer cases than in 2024-25. Details of the three cases heard by the Panel, all under the standard procedure, are set out in Table 13 on page 61.

Parties who are dissatisfied with a case panel decision can refer the decision to the Upper Tribunal. A substantive hearing was held in the Upper Tribunal in April/May 2025 in relation to a Panel's previous determination to issue a Contribution Notice. The Upper Tribunal agreed that a Contribution Notice be issued, albeit for a higher amount.

## Panel training and meetings

The Panel maintains its independence while engaging constructively with TPR through structured training, regular meetings, and strategic discussions. A core training programme ensures members' knowledge remains current, covering areas such as pensions law and trustee duties. This year there has also been a focus on the Pension Schemes Act 2026.

The Panel meets quarterly to discuss its work and receives regular updates from the Chief Executive and senior leadership. The Panel Chair also holds regular meetings with TPR's Chair, Chief Executive, and senior leaders. Panel members contribute to policy discussions via TPR's Policy Liaison Group and strategic forums, offering insights and views whilst maintaining separation from investigations and enforcement activity. Over the last year, the Panel has engaged with the executive on the enforcement strategy, the Pension Schemes Act 2026 and what can be learnt from previous cases to ensure prompt and effective enforcement where required.

## Conclusion

There have been fewer cases over the past year than the preceding year and case volumes are still low. Nevertheless, the Panel continues to offer independent scrutiny in the exercise of some of TPR's most important and wide-ranging powers, as required by law.

**Table 13: Types of determinations requested, number of powers exercised and outcomes**

| Type of determination requested | Number of powers exercised | Outcome |
|---|---|---|
| Prohibition of an individual | 1 | Individual prohibited from acting as a trustee of trust schemes in general. |
| Contribution Notice | 1 | Contribution Notice issued following direction from the Upper Tribunal (UT).* |
| Vesting order | 2 | Order issued under section 9 Pensions Act 1995 to vest assets in an independent trustee. |
| Appointment of an independent trustee | 1 | Appointment under section 7(3)(a) and (c) with exclusive powers. |

*This followed a reference heard by the UT in May 2025. The UT agreed with the Panel's previous determination to impose a Contribution Notice, albeit deciding that it should be issued for a higher amount.

**Antony Townsend**
Chair, Determinations Panel
January 2026

## Statement of Accounting Officer's responsibilities

Under paragraph 27 of Schedule 1 to the Pensions Act 2004, TPR is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Secretary of State for Work and Pensions, with the approval of HM Treasury (HMT). The accounts are prepared on an accruals basis and are required to give a true and fair view of TPR's state of affairs at the period end and of its income, expenditure, Statement of Financial Position and cash flows for the financial period.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual, and in particular to:

- Observe the accounts direction issued by the Secretary of State for Work and Pensions, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards have been followed in accordance with the Government Financial Reporting Manual and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the entity will continue in operation.
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary in their role as Principal Accounting Officer (PAO) of the DWP has appointed the Chief Executive as Accounting Officer of TPR. Their relevant responsibilities as Accounting Officer, including propriety and regularity of the public finances and for the keeping of proper records and for safeguarding TPR's assets, are set out in the Non-Departmental Public Bodies Accounting Officers' Memorandum issued by HMT and published in 'Managing Public Money'.

I was appointed Accounting Officer by the Permanent Secretary with effect from 1 April 2023. Under the terms of my appointment, I am responsible for safeguarding the public funds for which I have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds and for the day-to-day operations and management of TPR.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that TPR's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

**Nausicaa Delfas**
Chief Executive Officer, The Pensions Regulator
18 June 2026

# Governance statement

This section provides an overview of TPR's leadership and our internal controls, risk management and assurance approach.

## Our governance framework and management structure

TPR's Board is accountable for setting the strategic direction of the organisation and ensuring that it is well governed, financially sustainable and effectively managed. It establishes the organisation's objectives and risk appetite, oversees delivery of the corporate strategy, and holds the executive to account for performance, always with a clear focus on the interests of members.

The Board is responsible for ensuring that the statutory objectives are carried out. The Board has three sub-committees:

- Non-Executive Committee
- Remuneration and People Committee
- Audit and Risk Assurance Committee

The purpose, objectives, membership and meeting attendance has been detailed above in the Corporate Governance Report on pages 48 to 61. You can see a diagram of our governance framework on page 49.

We also have an independent Determinations Panel, as required by Section 9 of the Pensions Act 2004. The panel's purpose is to exercise certain regulatory functions to safeguard the interests of pension scheme members. The Determinations Panel is appointed separately, enabling decision-making that is independent from TPR investigation teams and ensuring full consideration of the evidence and fair opportunity for all parties to be heard. There is a full report on the activities of the panel in 2025-26 on pages 58 to 61.

## The Board

The key responsibilities of the Board are set out in the Standing Orders which can be viewed at: **https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/board-information/standing-orders**

The Board publishes and regularly reviews these documents, which also cover aspects such as the terms of reference of the Board committees and the management of conflicts of interest. It has an ongoing system for managing any conflicts of interest that may arise. The Board's register of interests can be viewed at: **https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/board-information/code-of-conduct-for-board-members**

As TPR is an arm's length body of the DWP, the Board has considered the principles of the government's Corporate Governance Code (July 2024) as part of its own governance framework, and those of 'Managing Public Money'. Over the course of the year, the Board was provided with detailed, high-quality information including executive directors' reports and quarterly corporate performance reports.

The Board is responsible for setting the strategic direction of the organisation and ensuring that it is well governed, financially sustainable and effectively managed. It establishes the organisation's objectives and risk appetite, oversees delivery of the corporate strategy, and holds the executive to account for performance, always with a clear focus on the interests of members.

## Board structure

The Board structure at the end of the reporting period comprised the Chair (non-executive director), five Non-Executive Directors, and five Executive Directors (including the CEO). Their key responsibilities include:

- Overseeing TPR's strategic direction and making key decisions on policy
- Ensuring TPR is properly run as a public body and has effective internal controls
- Ensuring that statutory and administrative requirements for the use of public funds are complied with.

**Table 14: Board membership 2025-26**

| Name | |
|---|---|
| Sarah Smart (Chair) | Resigned 31 July 2025 |
| Nausicaa Delfas (Chief Executive Officer) | |
| Kirstin Baker CBE | Appointed Interim Chair 1 August 2025 |
| Andrew Baigent | |
| Alison Hatcher | Resigned 30 April 2025 |
| Katie Kapernaros | |
| Richard Knox | Appointed 23 February 2026 |
| Chris Morson | |
| Paul Neville | |
| Gaucho Rasmussen | |
| George Walker | |
| Nina Blackett | Resigned 30 June 2025 |
| Neil Bull | Resigned 30 June 2025 |

## Board evaluation

Following the comprehensive external review completed in 2024, the Board Effectiveness Review in 2025 was undertaken internally as a proportionate, light touch assessment.

The review concluded that the Board continues to operate effectively, supported by strong governance arrangements, well-structured meetings, improved quality of papers, clearly defined roles, and effective Secretariat support.

A small number of areas for further development were identified. These included strengthening assurance over transformation activity, improving the consistency of strategic and performance reporting, addressing limitations in the flow of information from the Department for Work and Pensions (DWP), and formalising arrangements for Board development and training.

The review also highlighted key risks, in particular the Board's need to remain well informed about the DWP's priorities, policy development and roadmap plans. These actions will be taken forward through the Board's forward work programme, with clear ownership and regular progress reporting to the Board. Improvements to the quality of Board papers will be supported by strengthened internal guidance and review processes. Enhanced oversight of strategic risk and horizon scanning will be embedded through more structured reporting and dedicated Board time. The Board development programme will be introduced on a planned basis, aligning with identified skills and capability needs, and will be kept under review to ensure it remains effective.

## The Chair and Chief Executive

The role of the chair is set out in the Framework Agreement between TPR and the DWP. The framework agreement can be viewed at: **https://www.thepensionsregulator.gov.uk/document-library/corporate-information/memoranda-of-understanding**

As Accounting Officer, our Chief Executive is accountable to Parliament.

## DWP partnership

The Framework Agreement, agreed between TPR and the DWP, sets out the broad governance and accountabilities framework within which TPR and the DWP operate. This agreement can be found on our website at: **https://www.thepensionsregulator.gov.uk/media/bpufo4ju/tpr-dwp-framework-document-2025.pdf**. The DWP holds quarterly accountability review meetings with senior TPR leaders, where we report on financial and operational performance.

## Executive Committee

We have an Executive Committee (ExCo), which supports the Chief Executive and the Board, ensuring our functions are exercised efficiently and effectively. ExCo members provide assurance to the Chief Executive in her role as the Accounting Officer for decision-making and for recommendations made to the Board. This includes ensuring that the Board and each of its sub-committees are provided with appropriate and timely information and support.

This Committee, chaired by the Chief Executive, coordinates the operational management and business planning functions to deliver our strategies and objectives as set out in the Corporate Plan. ExCo also has oversight of corporate performance and governance, manages risk and provides a point of escalation for issues arising from our internal departments.

## Delivery Assurance Committee

Reporting into our Executive Committee, membership of our Delivery Assurance Committee comprises all executive directors apart from the Chief Executive. The committee meets monthly to provide strategic oversight and operational management across the business. Through regular reviews of performance metrics and risk assessments, the Committee plays a vital role in identifying potential issues and implementing corrective measures to keep the organisation's priority delivery on track and aligned to our key corporate objectives.

## Senior Managers Regime

The aim of TPR's Senior Managers Regime (SMR) is to improve decision-making via a transparent streamlined accountability framework. It assigns clear accountabilities to individual senior executive leaders and some non-executive Board members, which, along with controls and KPIs help empower teams and support successful delivery of our goals. TPR's SMR includes annual attestations of adherence to 'fit and proper' principles and the 'Seven principles of Public Life' to provide assurance around ethical standards of its leaders.

## Risk management

Our approach to risk management is central in helping us to achieve our strategic objectives. Our Risk Management Framework is based on the Orange Book, a government publication which provides the core principles and concepts for managing risk in the public sector.

The framework helps provide clarity, using the three lines model, in terms of defining clear responsibilities for risk management across the organisation. As a result, our approach ensures we remain aware of the types of risks we face, especially where they may affect the achievement of our strategy.

We monitor a suite of 'Enterprise Risks' which capture those risks that pose the greatest threat to TPR ie those with the largest cross-TPR impacts on delivery and reputation. These risks are routinely reviewed and assessed by ExCo to ensure they align with our Strategy. Each Enterprise Risk is owned at executive director level to ensure appropriate oversight and regular discussion of our Enterprise Risks takes place at the Delivery Assurance Committee (DAC), with outputs reported to ExCo on a quarterly basis, with onwards reporting to our Audit and Risk Assurance Committee (ARAC) and the Board.

On pages 71 to 74, we provide details of the Enterprise level risks we have identified, including details of how we have managed these throughout the year.

ARAC ensures that our Risk Management Framework and associated assurance activity remain effective, providing oversight and assurance to the Board on the effectiveness of our strategic processes and approach to risk management.

## Risk appetite

Our risk appetite is owned, set and reviewed by the Board via our Risk Appetite Statement (RAS), which demonstrates how we balance risk and reward in pursuit of our statutory objectives. In setting and applying the RAS, we take account of our role and obligations as a public body, including in respect of the Regulators' Code and the principles of good regulation.

The RAS enables the Board to provide an approved steer on how the organisation should manage decision-making when considering different types of risk based on resource, strategy and our risk landscape.

It is the role of ARAC to provide assurance to the Board that TPR is operating within its stated appetite, and report instances where we are outside of it.

## Enterprise risks

Table 15: Risk management status as at 31 March 2026

| Risk description | Risk update including details of key mitigations |
|---|---|
| **1. We are unable to secure sufficient funding and resources to regulate effectively and to maintain effective core systems** | TPR's budget is agreed with the DWP and the risk has improved this year and is now within appetite. This has been driven by confirmation of a three-year funding settlement ensuring stability.<br><br>Key mitigations include Robust financial planning; early warning indicators; and contingency measures, supported by the annual business planning cycle. |
| **2. We are unable to operate as our internal IT systems and infrastructure fail due to obsolescence or under-investment** | Our mix of legacy and new systems create a complex environment. Because our transformation is moving us towards becoming a more digitally enabled prudential regulator, the risk in this area remains high.<br><br>We have made progress in mitigating risk and there is a comprehensive programme set out in our published Digital, Data and Technology strategy which will bring this risk within appetite in a medium-term time horizon. |
| **3. We are unable to use our core systems because of cyber-attack** | TPR operates in an environment of heightened and evolving cyber threat, primarily driven by sophisticated threat actors, increasing complexity and emerging technologies. A diverse set of controls has been implemented, following international standards and best practice. While this risk remains outside appetite, good progress has been made in strengthening our controls with further improvements to be delivered next year. |
| **4. We cannot deliver our objectives as our staff are not sufficiently skilled or lack motivation** | Our staff are our key asset, but challenges set by adopting a new approach to regulation led to a heightened risk that we would not have the right skills to operate in the new environment and that the changes could demotivate staff. This risk has been brought within appetite through mitigating actions which include leadership and culture development; enhanced performance management and rewards; and implementation of the Strategic Workforce Plans. Recruitment into key roles and cultural initiatives underpin these efforts. |

Table 15: Risk management status as at 31 March 2026 continued...

| Risk description | Risk update including details of key mitigations |
|---|---|
| **5. Members suffer poor outcomes due to Pensions Administration Market failure** | The consolidation of Pensions Administration and market conditions mean there is an enhanced risk that market failure could occur in this part of the pensions sector, leading to adverse outcomes for members and pensioners and as such, this risk is outside of appetite.<br><br>We have built capability in this area by establishing a dedicated administrator relationship team. We continue to conduct engagement with administrators and key market players to better understand this risk and design appropriate regulatory work to protect members. |
| **6. The organisation is not able to respond to threats and opportunities as they arise as we are not sufficiently agile** | TPR faces a number of areas where an agile and timely response is required and there is a risk that TPR's organisation, structures and resourcing model is unable to deliver the required response.<br><br>Good progress has been made to bring this risk within appetite, and our organisational design is close to completion, providing a better basis to respond to threats and opportunities. Our redesigned strategic cycle allows for better anticipation of opportunities and threats, whilst increasing our ability to respond using agile approaches and methodologies to speed up decision-making. |
| **7. We cannot operate as a data-enabled regulator due to insufficiencies in the way we capture, use, manage and/or share data** | TPR's objective is to become a data-enabled regulator, but we recognise there is a lot to do to improve how we capture, use, manage and share data. We have made progress in strengthening our data capabilities and have identified key areas for continued development.<br><br>We have recruited a number of key roles and made improvements in how we govern and manage our data estate. Our assessment is that the risk remains out of appetite as we continue to implement the published data strategy. |

Table 15: Risk management status as at 31 March 2026 continued...

| Risk description | Risk update including details of key mitigations |
|---|---|
| **8. Increased member engagement as a result of Pension Dashboards has unintended consequences for members, industry or TPR** | The introduction of Pensions Dashboards is a significant change in how members will engage with their pensions. The Board sees that there is a risk that, in addition to the positive impact of the Dashboards, certain unintended consequences could see members negatively impacted.<br><br>This risk is outside of appetite, however we continue to work closely with the DWP, the FCA and MaPS to ensure that members can reap the benefits of Pensions Dashboards and remain protected from harm. Our work is particularly focused on consumer protection via user testing and operational readiness, and making sure members are able to see a complete and accurate picture of their pensions. |
| **9. There is a negative impact on members, the market or confidence in TPR caused by our failure to identify and address a key external risk** | Some external risks affecting the pensions market are unpredictable and beyond TPR's control, which is why this risk is always rated as high and remains outside of appetite. We continuously monitors these risks and now has a dedicated external risk team focused on identifying threats to schemes and members, wider socio economic risks to retirement income, and financial stability risks where pension scheme actions could worsen market stress.<br><br>This approach embeds risk at the core of TPR's regulatory activity, helping to target interventions, whether through policy or legislative change or more intensive market monitoring and engagement. |
| **10. Members suffer financial losses or disruption in payments due to cyber-attack in the sector** | We continue to assess the risks of cyber-attack for schemes and are working with experts to understand the risks to members as well as closely monitoring how we align with other government bodies and industry partners. The prevailing heightened cyber risk environment means this risk remains outside appetite. |

Table 15: Risk management status as at 31 March 2026 continued...

| Risk description | Risk update including details of key mitigations |
|---|---|
| **11. We fail as a regulator as we do not strike the right balance between regulatory independence and operating as a public body** | There is a risk to TPR if it fails to balance its independence as an arm's length body with its responsibilities as a public body, especially during periods of sector, market, or geopolitical change. To manage this risk, TPR relies on strong governance, decision making guided by the Nolan and Hillsborough principles, adherence to statutory duties, and ongoing engagement with government and industry stakeholders.<br><br>This risk is currently outside of appetite, however we are continuing to develop a more evidence based, risk focused regulatory approach, ensuring its decisions and priorities align with statutory objectives and support good outcomes for members. |

## Assurance on our system of internal controls

The DWP has designated the Chief Executive of TPR as Accounting Officer, with clear responsibility and accountability for maintaining a sound system of internal control within the organisation.

ARAC reviews the comprehensiveness of assurances on governance, risk management, the control environment and the integrity of our financial reporting.

Our assurance framework and details of our main sources of assurance are described on pages 75 to 81.

## Our assurance framework

**Fig 3: Our three lines of defence approach to assurance**

## Internal audit and annual audit opinion

One of our sources of assurance comes from our internal audit service, which is provided by an in-house team led by a TPR Head of Internal Audit, supplemented by BDO, an external accountancy and business advisory firm. The Internal Audit team worked to an annual plan agreed with our Executive Committee and ARAC.

Internal audit provides the Accounting Officer with an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The internal audit programme is closely linked to the enterprise risks for our organisation and arrangements are in place to make sure our Accounting Officer is made aware of any significant issues which indicate that main risks are not being effectively managed.

It is the role of the ARAC Chair to ensure the internal audit function meets the necessary professional and quality standards. While internal quality assessments are in place, the Chair ensures the function undertakes an External Quality Assessment (EQA) at least every five years. This is to independently assess:

- Achievement of the mandatory requirements within the Global Internal Audit Standards (GIAS) (2024), which form a significant part of the International Professional Practices Framework (IPPF), issued by The Institute of Internal Auditors (IIA Global).
- Conformance with the Chartered IIA Internal Audit Code of Practice (2024) (IA Code), which replaced the UK Financial Services IA Code of Practice (FS Code) and is supported by the UK financial services regulators.
- Examples of good practice that could benefit the internal audit team and the wider organisation.

The assessment was undertaken by the IIA in December 2025 and their overall opinion was that TPR internal audit activity "generally achieves" the GIAS and has applied the Internal Audit Code appropriately. This is a good level of achievement which demonstrates a clear and proportionate intent and commitment to achieving the Purpose of Internal Auditing and 15 Principles and to conforming to the 52 Standards of the Global Internal Audit Standards.

The Head of Internal Audit provided an annual overall opinion of Level 2 of 4 levels (where level 1 is the highest rating). This means 'there is some risk that management's objectives may not be fully achieved. Improvements are required in those areas to enhance the adequacy and/or effectiveness of governance, risk management and internal control.

## Whistleblowing arrangements

There is a policy for staff whistleblowing that applies to all employees and sets out how any concerns about wrongdoing or malpractice in TPR can be raised by our staff. This policy is published and accessible to all staff.

During 2025-26 we refreshed the whistleblowing policy to include oversight from the Chair of TPR's Audit and Risk Committee and to update contact details of the Chair of the Board and the DWP's partnership division directly, for occasions where staff would prefer to report outside line management. We are committed to ensuring every employee is aware of our policy and how to raise concerns. This is in addition to colleagues being able to raise concerns externally, should they choose, with either the Civil Service Commission or the Comptroller and Auditor General at the National Audit Office (NAO).

During 2025-26, TPR received 5 referrals of staff whistleblowing. None of these referrals fell under the whistleblowing policy, and so were responded to by Management. (2024-25: 4).

## Codes of conduct

TPR has a Board Code of Conduct and a Staff Code of Conduct, which includes agency and contractors. Both codes of conduct set out expectations of behaviour and the policy framework for declaring and managing conflicts of interest, compliance requirements such as gifts and hospitality, ensuring data protection and information security, and countering the risk of fraud. The staff code of conduct can be found at on our website at: **https://www.thepensionsregulator.gov.uk/about-us/work-for-us/code-of-conduct** and the Board reviews and reaffirms its commitment to its Code regularly, as part of its adherence to good governance practices.

## Compliance with Government Functional Standards

Government Functional Standards are a suite of 15 management standards that set expectations for functional work across all government bodies and provide a stable basis for assurance, risk management and capability improvement. These standards are intended to form a framework to support the efficient and effective delivery of public services. TPR reviews its compliance against the relevant Functional Standards annually through a centralised process, underpinned with attestations from Executive Directors and Functional Leads. In line with government guidance, Functional Leads were required to assess their areas and highlight any areas where TPR is not currently compliant with 'mandatory' elements and include plans or actions underway to strengthen compliance and demonstrate continuous improvement. These attestations were reviewed by the Chief Operating Officer.

For 2025-26, TPR complied with all the mandatory requirements of these standards relevant to our operations, with consideration and plans in place to increase overall compliance over the next year.

## Information and data security

TPR's Chief Operating Officer has been appointed as the Senior Information Risk Owner (SIRO) and is accountable for advising the board on security matters and maintaining an effective framework of assurance. Individuals have been delegated information security roles and responsibilities, including ownership of risks and controls. Appropriate policies, procedures, and oversight are in place to ensure the ongoing effective management of information security risks within a defined risk appetite.

We actively monitor the effectiveness of our information security risk management and compliance with relevant government policies, standards, and legislative obligations, such as the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018, through our ISO 27001:2022 certified Information Security Management System (ISMS) and the ICO's accountability framework. The SIRO reports to ARAC on effectiveness and any issues on a quarterly basis.

For the period from 1 April 2025 to 31 March 2026, we reported one personal data breach to the Information Commissioner's Office. The incident did not pose a high risk to the individual affected and was fully investigated and remediated. To date, no response has been received from the Information Commissioner's Office.

## Complaints to the Parliamentary and Health Service Ombudsman

The TPR complaints team provides quarterly reporting to its Board and ARAC on the complaints received, root causes and improvements identified. TPR uses a two-stage formal complaints process, with 'stage 1' where TPR investigates the complaint, and a 'stage 2' review of TPR's management of the stage 1 complaint, which can be requested by a complainant. Following TPR's conclusion of the 'stage 2' complaint, members of the public can escalate their complaint to the Parliamentary and Health Service Ombudsman (PHSO) via their MP.

At the time of writing, the PHSO data for 2025-26 had not yet been published and no new enquiries or complaints were received by TPR from PHSO in this financial year. In 2024-25, three enquiries were received from PHSO, two of which were not upheld following PHSO's primary investigation. There was no outcome regarding the third complaint. This continues the trend of 2023-24, during which time TPR also received two PHSO complaints both of which were not upheld following primary investigation.

## Financial assurance

Our organisation implements comprehensive financial assurance processes to safeguard public funds through robust control mechanisms. We continuously monitor finance and banking compliance through key control checks and financial delegations, allowing us to promptly identify and address any potential vulnerabilities. This approach ensures the integrity of our financial operations and maintains public trust in our stewardship of resources.

## Fraud

TPR maintains a vigilant approach to fraud risk, aligned with TPR's risk appetite statement. Our Counter Fraud function addressed 22 financial irregularity allegations this year, 16 of which were generated though proactive work focussed on both identifying fraud and fraud risk within internal systems of control. Where potential criminality is identified, we work with the Police to pursue criminal investigations. The function ensures compliance with the Government Functional Standard and actively collaborates with cross-government partners to ensure we are at the forefront of the public sector fight against fraud, bribery and corruption.

## Health and safety

Our organisation is dedicated to maintaining the highest standards of health and safety. We are committed to continuous improvement of workplace safety measures, with the primary goal of minimizing the risk of accidents and reducing the potential for personal injury, property damage, and environmental harm.

Our health and safety policy and supporting documentation, including comprehensive risk assessments, are reviewed regularly and published on our internal staff intranet. We ensure these critical documents are updated as necessary to reflect current best practices and legislative changes. This includes specific focus on full compliance with the Health and Safety at Work Act 1974.

We recognise that effective health and safety management requires a collective effort. Our employees are expected to take personal responsibility for their own safety, and the safety of their colleagues. This means actively participating in implementing and maintaining our health and safety standards and completing mandatory training programs designed to enhance workplace safety.

## Human rights

TPR is committed to upholding human rights through all our work. As a public body, TPR has a duty under the Equality Act 2010 to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a relevant protected characteristic and those who do not

We subscribe to the DWP's Modern Slavery statement with our own action plan. This includes vetting suppliers and considering the social value of procurement.

We have policies and procedures in place relating to safeguarding, health and safety, equal opportunities, respect at work, and both internal and external whistleblowing, to ensure we can uphold human rights and identify and respond to any potential issues.

We are guided by excellent in-house expertise in the fields of Legal, Human Resources, Equality, Diversity and Inclusion, and Environmental, Social and Governance, to ensure we uphold human rights through our work

## Publicity

Our Corporate Strategy forms the foundation of all our activities, with members' interests central to our mission. We strive to deliver strong consistent messages about our work to protect members' money, enhance the pension system and support innovation and growth in members' interests. Our Communications function is a vital connection to our diverse stakeholders, including pension schemes, employers, advisers, and ultimately the members themselves.

We use a range of channels to communicate our expectations and the market behaviours we want to see: media relations, direct campaigns, public engagement initiatives, digital platforms, internal communications, and targeted engagement with our stakeholders. All communication activities are informed by research and rigorous evaluation.

## Conclusion

I am satisfied that there were no significant control issues or data losses during the year and that we had appropriate governance, risk management and assurance arrangements in place to mitigate any control challenges and issues that arose during the year.

Arrangements are kept under continuous review to adapt to our changing environment. Improving our processes and managing risk is of utmost importance. It will continue to be prioritised in the upcoming year as the organisation evolves into a new structure and embraces new ways of working.

**Nausicaa Delfas**
Chief Executive Officer, The Pensions Regulator
18 June 2026

# Remuneration and staff report

This report sets out TPR's remuneration policy for directors, how that policy has been implemented and the amounts awarded to directors including where there is a link between performance and remuneration. In addition, the report provides details on staff numbers and related costs. Also, information on progress against TPR's equality objectives and gender pay gap action plan.

## The Remuneration and People Committee (RaPCo)

Details of the activities of the remuneration committee during the period ended 31 March 2026 are set out on page 54.

## Service contracts

The length of service contracts is determined by the Secretary of State for Work and Pensions for non-executive members of the Board (including the Chair) and the Chief Executive. The length of service contracts for other executive members of the Board and for members of the Determinations Panel is determined by TPR and approved by the Secretary of State for Work and Pensions.

The notice periods of the Board members' contracts are set out in Table 16 on page 84.

Table 16: Length of service contracts for Board members

| Board member | Notice period |
|---|---|
| Kirstin Baker CBE (Interim Chair)[1] | 3 months |
| Sarah Smart (Chair)[2] | 3 months |
| **Non-executive members** | |
| Kirstin Baker CBE[1] | 1 month |
| Mandy Clarke | 1 month |
| Alison Hatcher[3] | 1 month |
| Katie Kapernaros | 1 month |
| Chris Morson | 1 month |
| George Walker | 1 month |
| **Executive members** | |
| Nausicaa Delfas (CEO) | 6 months |
| Andrew Baigent | 3 months |
| Nina Blackett[4] | 3 months |
| Neil Bull[5] | 3 months |
| Benjamin Gunnee[6] | 3 months |
| Richard Knox[7] | 3 months |
| Julian Lyne[8] | 3 months |
| Paul Neville | 3 months |
| Gaucho Rasmussen | 3 months |

Other than as shown above TPR would have no other contractual liability on termination of a Board member's appointment.

1 Kirstin Baker became Interim Chair on 1 August 2025, having previously been a non-executive director
2 Sarah Smart left TPR on 31 July 2025.
3 Alison Hatcher left TPR 30 April 2025.
4 Nina Blackett left TPR on 30 June 2025.
5 Neil Bull stepped down as Executive Director of Market Oversight on 30 June 2025.
6 Benjamin Gunnee joined TPR on 9 February 2026 (joining the Board as a non-voting member on 21 February 2026).
7 Richard Knox joined TPR on 23 February 2026.
8 Julian Lyne joined TPR on 14 April 2025 (as a non-voting member of the Board) and left TPR on 20 February 2026.

## Remuneration policy

In accordance with Part 1 of Schedule 1 to the 2004 Pensions Act, the current and future remuneration of all non-executive members of the board of TPR (including the Chair) is determined by the Secretary of State for Work and Pensions.

Approval of the remuneration of the CEO is determined by the Secretary of State for Work and Pensions. In practice, the Secretary of State has delegated approval to the Remuneration and People Committee, subject to the terms of that delegation which change from time to time.

The current and future remuneration of the other executive members of TPR's Board is determined by TPR and approved by the Secretary of State for Work and Pensions.

Additionally, the Secretary of State for Work and Pensions determine the fees of the Determinations Panel for current and future periods.

The Chief Executive is eligible for a bonus capped at the lower of 10% of salary or £25,000. All other executive members of the Board are eligible for an annual bonus capped at the lower of 10% of salary or £12,500. Non-executive members of the board, the Chair and the Determinations Panel are not entitled to receive a bonus.

The Chair is responsible for reviewing annually the performance of the Chief Executive and reporting the results of this review to TPR's remuneration committee. The remuneration committee will decide the amount of any performance-related bonus payments due under the terms of the Chief Executive's contract.

## Remuneration (including salary) and pension entitlements

(subject to audit)

The following sections provide details of the remuneration of senior management.

**Table 17: Remuneration of senior management**

| Executive members | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Salary** (£'000) | | **Bonus payments** (£'000)* | | **Benefits-in-kind** (to nearest £100) | | **Pension benefits** (to nearest £1,000)** | | **Total** (£'000) | |
| **2025-26** | 2024-25 | **2025-26** | 2024-25 (restated) | **2025-26** | 2024-25 | **2025-26** | 2024-25 | **2025-26** | 2024-25 (restated) |
| **Official:** N Delfas (Chief Executive Officer) | | | | | | | | | |
| 230-235 | 215-220 | 20-25 | 15-20 | – | – | 89,000 | 84,000 | 340-345 | 315-320 |
| **Official:** A Baigent (Chief Operating Officer)[9] | | | | | | | | | |
| 155-160 | 120-125 | 10-15 | – | – | – | 18,000 | 26,000 | 185-190 | 150-155 |
| **Official:** B Gunnee (Interim Executive Director of Market Oversight)[10] | | | | | | | | | |
| 20-25 | – | – | – | – | – | – | – | 20-25 | – |
| **Official:** R Knox (Executive Director of Strategy, Policy and Analysis)[11] | | | | | | | | | |
| 15-20 | – | – | – | – | – | 34,000 | – | 50-55 | – |
| **Official:** P Neville (Executive Director of Digital, Data and Technology) | | | | | | | | | |
| 160-165 | 155-160 | 10-15 | 10-15 | – | – | 62,000 | 61,000 | 235-240 | 230-235 |
| **Official:** G Rasmussen (Executive Director of Enforcement and Legal)[12] | | | | | | | | | |
| 155-160 | 70-75 | 10-15 | 10-15 | – | – | 62,000 | 29,000 | 230-235 | 115-120 |

* The prior year bonus and total remuneration figures have been restated to align with the 2025-26 bonus disclosure due to the earlier approval of 2025-26 bonuses by RaPCo. Bonuses relate to the performance in the year in which they become payable to the individual. 2024-25 bonuses were paid in the 2025-26 financial year. Bonuses relating to 2025-26 have not yet been paid.

** Pension benefits information is calculated and provided by the Administrators of the CSPS. Pension benefits accrued during the year calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum, less the contributions made by the individual. The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights. Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

9. A Baigent joined TPR on 4 June 2024. His full year basic equivalent salary in 2024-25 was £145k-£150k.
10. B Gunnee joined TPR on 9 February 2026. His full year basic equivalent salary in 2025-26 is £160k-£165k. He is a member of the Partnership Pension Scheme. This is a stakeholder pension scheme with an employer contribution. During the year, the employer contribution to the scheme was £4k (2024-25: nil). The employer contributions are paid to the appointed stakeholder pension provider, which is a DC scheme. There are no accrued pension benefits under the Alpha scheme for this director.
11. R Knox joined TPR on 23 February 2026. His full year basic equivalent salary in 2025-26 is £155k-£160k.
12. G Rasmussen joined TPR on 1 October 2024. His full year basic equivalent salary in 2024-25 was £145k-£150k.

**Table 17: Remuneration of senior management** continued...

| Executive members | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Salary** (£'000) | | **Bonus payments** (£'000)* | | **Benefits-in-kind** (to nearest £100) | | **Pension benefits** (to nearest £1,000)** | | **Total** (£'000) | |
| **2025-26** | 2024-25 | **2025-26** | 2024-25 (restated) | **2025-26** | 2024-25 | **2025-26** | 2024-25 | **2025-26** | 2024-25 (restated) |
| **Official:** N Blackett (Executive Director of Strategy, Policy and Analysis)[13] | | | | | | | | | |
| 85-90 | 105-110 | – | – | – | – | 15,000 | 43,000 | 100-105 | 150-155 |
| **Official:** N Bull (Executive Director of Market Oversight)[14] | | | | | | | | | |
| 35-40 | 110-115 | – | – | – | – | 15,000 | 44,000 | 50-55 | 155-160 |
| **Official:** M Charles (Interim Executive Director of Regulatory Compliance)[15] | | | | | | | | | |
| – | 75-80 | – | – | – | – | – | 91,000 | – | 165-170 |
| **Official:** J Lyne (Interim Executive Director of Market Oversight)[16] | | | | | | | | | |
| 135-140 | – | – | – | – | – | 56,000 | – | 195-200 | – |
| **Official:** C Thayer (Interim Chief Operating Officer)[17] | | | | | | | | | |
| – | 25-30 | – | – | – | – | – | 11,000 | – | 35-40 |

* The prior year bonus and total remuneration figures have been restated to align with the 2025-26 bonus disclosure due to the earlier approval of 2025-26 bonuses by RaPCo. Bonuses relate to the performance in the year in which they become payable to the individual. 2024-25 bonuses were paid in the 2025-26 financial year. Bonuses relating to 2025-26 have not yet been paid.

** Pension benefits information is calculated and provided by the Administrators of the CSPS. Pension benefits accrued during the year calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sumless the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

13. N Blackett left TPR on 30 June 2025. Her full year basic equivalent salary in 2025-26 was £145k-£150k. She was appointed on 8 July 2024. Her full year basic equivalent salary in 2024-25 was £145k-£150k.
14. N Bull stepped down as Executive Director of Market Oversight on 30 June 2025. His full year basic equivalent salary in 2025-26 was £150k-£155k. He was appointed on 1 July 2024. His full year basic equivalent salary in 2024-25 was £145k-£150k.
15. M Charles' interim appointment ceased on 30 September 2024. His full year basic equivalent salary in 2024-25 was £155k-£160k.
16. J Lyne joined TPR on 14 April 2025 and left on 20 February 2026. His full year basic equivalent salary in 2025-26 was £155k-£160k.
17. C Thayer's interim appointment ceased on 3 June 2024. Her full year basic equivalent salary was £155k- £160k.

## Salary

Salary includes both pensionable and non-pensionable amounts and includes, but may not necessarily be confined to, gross salary, overtime, recruitment and retention allowances, paid annual leave, payment in lieu of notice and any other allowance to the extent that it is subject to UK taxation. The figures shown do not include amounts that are a reimbursement of expenses directly incurred in the performance of an individual's duties.

## Benefits–in kind

The monetary value of benefits–in kind covers any benefits provided and treated by HM Revenue & Customs as a taxable emolument.

### Bonuses

Bonuses are based on performance levels and are made as part of the appraisal process. Bonuses relate to the previous year to that in which they were paid.

## Fair Pay Disclosure (subject to audit)

In according with reporting requirements, we are required to disclose the ratio between the remuneration of the highest paid director and the lower quartile, median and upper quartile remuneration of its workforce.

The banded remuneration (remuneration includes salaries and bonus) of the highest-paid director in the organisation in the financial year 2025-26 was £250k-£255k (2024-25: £235k-£240k). This equates to 3.8 times (2024-25: 3.9 times) the average remuneration of the workforce, which was £66,373 (2024-25: £61,559).

**Table 18: 25th, 50th and 75th percentile remuneration ratios comparing all staff to the midpoint of the banded remuneration of the highest paid director.**

| | 2025-26 | | | 2024-25 | | |
|---|---|---|---|---|---|---|
| **Total remuneration** | **Lower quartile** (25%) | **Median** (50%) | **Upper quartile** (75%) | **Lower quartile** (25%) | **Median** (50%) | **Upper quartile** (75%) |
| Ratio | 6.1:1 | 4.3:1 | 3.3:1 | 6.2:1 | 4.6:1 | 3.3:1 |
| Remuneration £'000 | 41 | 58 | 78 | 38 | 52 | 73 |
| Salary £'000 | 41 | 58 | 78 | 38 | 52 | 68 |

The rise in median pay, together with the slight reduction in the median pay ratio is consistent with the pay, reward and progression policies for the entity's employees taken as a whole. These year-on-year changes reflect our continued progress towards narrowing salary dispersion across pay bands and the introduction of a standard pay point.

Our annual pay review is governed by the Civil Service pay remit guidance. Although we are not civil servants, as an arms-length body we operate under the same remit. Each year, we implement the annual pay remit award to increase our staff's consolidated pay. In 2025-26, we transitioned from a performance-based pay model to a role-based approach to reward. This means that roles, as determined by role evaluation and market benchmarking, as being comparable in size, weight and market value, will ultimately be remunerated on a consistent basis, in line with their assigned grade and pay group.

Table 19 below shows the percentage change from the previous year in total salary and allowances and bonuses relating to performance for the highest paid director and for staff average.

**Table 19: Percentage change in total salary, allowances and bonuses**

| | 2025-26 £'000 | 2024-25 £'000 | Movement % |
|---|---|---|---|
| **Highest paid director** | | | |
| Salaries and allowances | 230-235 | 215-220 | **6.90** |
| Bonuses | 20-25 | 15-20 | **28.57** |
| **Average (mean) remuneration of other employees** | | | |
| Salaries and allowances | 65,006 | 60,353 | **7.71** |
| Bonuses | 1,366 | 1,206 | **13.27** |

The increase in the salary of the highest paid director is calculated as a % increase from the midpoint of the salary band. Increases are in line with those permitted per the Government senior pay controls guidance.

The 7.71% increase in the mean salary of staff reflects our change in reward approach in 2025-26 as discussed above. The overall bonus percentage available to TPR is a fixed percentage of the pay bill and this percentage has remained unchanged from the previous year. The increase in the average staff bonus of 13.27%, reflects a change in our approach to distribution, ensuring that we continue to recognise the value of exceptional performance towards TPR's mission.

In 2025-26, one agency contractor (2024-25: nil) received remuneration more than the highest-paid director on a full year equivalent basis. Remuneration ranged from £25,425 to £260k-£265k per FTE (2024-25: £20,821 to £235k-£240k per FTE). In line with fair pay disclosure guidance, remuneration for agency workers has been annualised to arrive at the figures disclosed and does not reflect actual remuneration payments made to agency staff in 2025-26. No permanent staff received remuneration more than the highest paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Executive members' pension benefits (subject to audit)

**Table 20: Executive members' pension benefits as at 31 March 2026**
The below information has been calculated and provided by the Administrators of the CSPS

| Executive members* | Accrued pension at pension age as at 31/3/2026 (£'000) | Real increase in pension and related lump sum at pension age (£'000) | CETV at 31/3/2026 (£'000) | CETV at 31/3/2025 (£'000) | Real increase in CETV (£'000) |
|---|---|---|---|---|---|
| N Delfas | 15-20 | 5-7.5 | 250 | 160 | 65 |
| A Baigent | 95-100 | 0-2.5 | 1883 | 1779 | -2 |
| B Gunnee[18] | – | – | – | – | – |
| R Knox | 45-50 plus a lump sum of 100-105 | 0-2.5 plus a lump sum of 2.5-5 | 958 | 922 | 32 |
| P Neville | 10-15 | 2.5-5 | 170 | 112 | 42 |
| G Rasmussen | 5-10 | 2.5-5 | 79 | 25 | 42 |
| N Blackett | 5-10 | 0-2.5 | 85 | 73 | 10 |
| N Bull | 20-25 | 0-2.5 | 312 | 301 | 9 |
| J Lyne | 0-5 | 2.5-5 | 47 | – | 41 |

18. B Gunnee is a member of the Partnership Pension Scheme, no CETV or 'Real Increase in Pension' figures are included in Table 20 above.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022.

The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS). This is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the pensions increase legislation. Instead of the DB arrangements, employees may opt for a DC pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HMT. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements that treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the 'McCloud judgment').

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, Cash Equivalent Transfer Value (CETV) and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy, have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022

The partnership pension account is an occupational DC pension arrangement which is part of the Legal & General master trust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension scheme can be found on the Civil Service pension scheme website at: **www.civilservicepensionscheme.org.uk**

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Remuneration for Board members (subject to audit)

### Non-executive members

The following sections provide details of the remuneration of TPR's Board and the members of the Determinations Panel. Non-executive part-time members of the Board receive non-pensionable remuneration as set out in Table 21 below.

**Table 21: Non-executive part-time Board member remuneration (non-pensionable 2025-26)**

| | 2025-26 | | | 2024-25 | | |
|---|---|---|---|---|---|---|
| **Board member** | **Remuneration** (£'000) (FYE = Full Year Equivalent ) | **Benefits-in-kind** (to nearest £100) | **Total** (£'000) | **Remuneration** (£'000) | **Benefits-in-kind** (to nearest £100) | **Total** (£'000) |
| S Smart (Chair)* | 20-25 (70-75 FYE) | 900 | 25-30 | 70-75 | 3,300 | 75-80 |
| K Baker CBE (Interim Chair)** | 55-60 | – | 55-60 | 15-20 | – | 15-20 |
| M Clarke | 20-25 | 800 | 20-25 | 20-25 | 800 | 20-25 |
| A Hatcher*** | 0-5 (15-20 FYE) | – | 0-5 | 15-20 | 600 | 15-20 |
| K Kapernaros | 20-25 | 700 | 20-25 | 15-20 | 1,100 | 15-20 |
| C Morson | 20-25 | 3,900 | 20-25 | 20-25 | 3,800 | 20-25 |
| G Walker | 20-25 | 2,800 | 20-25 | 15-20 | 2,100 | 20-25 |

* S Smart stepped down as Chair of the Board on 31 July 2025.
** K Baker was appointed Interim Chair of the Board on 1 August 2025.
*** A Hatcher left TPR on 30 April 2025.

The total amount paid to non-executive directors (including the Chair) during the 2025-26 period was £170k-£175k (2024-25: £215k-£220k). The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The benefits shown above represent the payment of expenses for travel and subsistence. None of the non-executive members received pensions benefits in the current or previous year.

## Determinations Panel

Members of the Determinations Panel receive a daily allowance for the time they devote to the work of the panel. The rate for the Chair is £710 per day and for the other members is £692 per day.

Table 22: Allowance rates for members of the Determinations Panel

| **Total allowance** (2025-26) | |
|---|---|
| **Range** | **Panel members in band** |
| £10k-£15k | A Townsend (Chair) |
| £5k-£10k | S Mount, P Wallace |
| £0k-£5k | A Arter, S Chambers, A Fletcher, M Obi, R Onikosi |

Members of the Determination Panel may be removed from office at any time by the Chair of the Panel with the approval of TPR. The Chair can be removed from office at any time by TPR. Members who wish to leave the Panel are required to give the Chair two months' notice and the Chair is required to give TPR three months' notice.

# Staff report

Table 23: Staff costs (subject to audit)

| 2025-26 | Non-Levy £'000 | Levy £'000 | Total TPR £'000 |
|---|---|---|---|
| **Permanent employed staff** | | | |
| Salaries and wages* | 16,438 | 39,483 | 55,921 |
| Social security costs | 2,404 | 5,434 | 7,838 |
| Other pension costs | 4,453 | 10,643 | 15,096 |
| | **23,295** | **55,560** | **78,855** |
| **Temporary and other staff**** | | | |
| Salaries and wages* | 3,950 | 7,857 | 11,807 |
| Social security costs | 120 | 286 | 406 |
| Other pension costs | 230 | 550 | 780 |
| | **4,300** | **8,693** | **12,993** |
| Less recoveries in respect of outward secondments | (11) | (210) | (221) |
| **Total costs** | **27,584** | **64,043** | **91,627** |
| **Charged to staff budgets** | **27,584** | **64,043** | **91,627** |
| **Charged to capital budgets** | **-** | **54** | **54** |
| **Total staff expenditure** | **27,584** | **64,097** | **91,681** |

**Table 23: Staff costs (subject to audit)**

| 2024-25 | Non-Levy £'000 | Levy £'000 | Total TPR £'000 |
|---|---|---|---|
| **Permanent employed staff** | | | |
| Salaries and wages* | 14,759 | 34,919 | 49,678 |
| Social security costs | 1,855 | 4,096 | 5,951 |
| Other pension costs | 4,041 | 9,532 | 13,573 |
| | **20,655** | **48,547** | **69,202** |
| **Temporary and other staff**** | | | |
| Salaries and wages* | 4,219 | 7,427 | 11,646 |
| Social security costs | 112 | 263 | 375 |
| Other pension costs | 254 | 601 | 855 |
| | **4,585** | **8,291** | **12,876** |
| Less recoveries in respect of outward secondments | - | (100) | (100) |
| **Total costs** | **25,240** | **56,738** | **81,978** |
| **Charged to staff budgets** | **25,240** | **56,738** | **81,978** |
| **Charged to capital budgets** | **-** | **241** | **241** |
| **Total staff expenditure** | **25,240** | **56,979** | **82,219*** ** |

A summary of the staff costs shown on page 99 is included in Note 3 to the accounts set out on page 144. Total staff expenditure has increased by £10.5 million (approx. 12.9%). This is due to our revised approach to pay and reward as discussed above, roles at higher grades being filled across the organisation, and an increase in average FTE numbers.

* Salaries and wages for 2025-26 includes staff holiday accrual 979k (2024-25: £952k) for levy and £395k for non-levy (2024-25: £406k).

** Temporary and other staff refers to agency contractors and payroll staff employed on a fixed term contract basis. Further breakdown of temporary staff costs is in Table 24 on page 102.

*** The prior year figure has been restated to reflect a change in presentation of staff costs associated with capital projects.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as alpha - are unfunded multi-employer DB schemes. However, it is not possible to identify our share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2020. Details can be found at: **https://www.civilservicepensionscheme.org.uk/AboutUs/scheme-valuations/**

For 2025-26, employers' contributions of £15,625k were payable to the PCSPS (2024-25: £14,263k) at a rate of 28.97% (2024-25: 28.97%) of pensionable pay. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised from 1 April 2024. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, an occupational DC pension arrangement which is part of the Legal and General master trust, with an employer contribution. Employers' contributions of £243k (2024-25: £160k) were paid to the Civil Service Partnership scheme. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay from 1 October 2015.

Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £9k, 0.5% (2024-25: £6k, 0.5%) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

No individuals retired early on ill-health grounds during 2025-26 (2024-25: two). The total additional accrued pension liabilities in the year amounted nil (2024-25: £24k).

The outstanding pensions contributions as at 31 March 2026 equates to £1,721k (31 March 2025: £1,551k) are included in current liabilities in Note 9 on page 154.

## Average number of persons employed (subject to audit)

**Table 24: The average number of whole-time equivalent persons employed during the year**

| 2025-26 | Non-Levy | Levy | Total TPR |
|---|---|---|---|
| Permanently employed staff | 295 | 600 | 895 |
| Other | 32 | 67 | 99 |
| Staff engaged on capital projects | – | 1 | 1 |
| **Total** | **327** | **668** | **995** |
| **2024-25** | **Non-Levy** | **Levy** | **Total TPR** |
| Permanently employed staff | 290 | 557 | 847 |
| Other | 35 | 89 | 124 |
| Staff engaged on capital projects | – | 3 | 3 |
| **Total** | **325** | **649** | **974** |

The average turnover of all payrolled staff for 2025-26 was 10.7% (2024-25: 12.6%).

## Consultancy and temporary staff

We occasionally use professional service providers to help with specialist work, including consultancy and contingent labour where it is necessary and prudent to do so. Off-payroll staff numbers have decreased from 83 in the previous year to 62 in 2025-26. In the previous year, we completed our strategic transformation. We invested in specialist expertise across digital, data and technology capabilities, brought in additional skills to support our new risk-based supervision approach, and established three new regulatory directorates focused on delivering enhanced member outcomes. This additional transformation activity was completed in 2025–26. As we move forward with our now embedded risk-based regulatory approach, our reliance on temporary staff has reduced.

**Table 25: Consultancy and temporary staff**

| 2025-26 | Non-Levy £'000 | Levy £'000 | Total TPR £'000 |
|---|---|---|---|
| Consultancy | 17 | 33 | 50 |
| Temporary (off-payroll staff) | 3,100 | 5,827 | 8,927 |
| **2024-25** | **Non-Levy** | **Levy** | **Total TPR** |
| Consultancy | 66 | 134 | 200 |
| Temporary (off-payroll staff) | 3,289 | 5,233 | 8,522 |
| **Full time equivalent off-payroll staff*** | **AE** | **Levy** | **Total TPR** |
| 31 March 2026 | 23 | 39 | 62 |
| 31 March 2025 | 23 | 60 | 83 |

*The full time equivalent off-payroll staff numbers relate to the position at the end of the year.

## Reporting of Civil Service and other compensation schemes – exit packages (subject to audit)

**Table 26: Exit packages** (subject to audit)

| Exit package cost band | Number of other departures agreed | Total number of exit packages by cost band* |
|---|---|---|
| <£10,000 | - (-) | - (-) |
| £10,000-£25,000 | 2 (-) | 2 (-) |
| £25,000-£50,000 | 1 (-) | 1 (-) |
| £50,000-£100,000 | 4 (-) | 4 (-) |
| £100,000-£150,000 | - (-) | - (-) |
| £150,000-£200,000 | 1 (-) | 1 (-) |
| **Total number of exit packages by type** | **8 (-)** | **8 (-)** |
| Total cost/£'000 | 564 (-) | 564 (-) |

*Figures in brackets denote the prior year.

Of the above, £375k was not paid as at 31 March 2026 but the cost has been accounted for in the financial statements.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Where TPR has agreed early retirements, the additional costs are met by TPR and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

## Off-payroll engagements

**Table 27: Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater.**

| Number of existing engagements as at 31 March 2026 of which: | 54 |
|---|---|
| the number that have existed for: | |
| less than one year at time of reporting | 43 |
| between one and two years at time of reporting | 5 |
| between two and three years at time of reporting | 3 |
| between three and four years at time of reporting | 3 |
| four or more years at time of reporting | 0 |

**Table 28: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater.**

| Number of engagements between 1 April 2025 and 31 March 2026 of which: | 116 |
|---|---|
| were not subject to off-payroll legislation | 116 |
| were subject to off-payroll legislation and determined as in-scope of IR35 | 0 |
| were subject to off-payroll legislation and determined as out-of-scope of IR35 | 0 |
| **Number of engagements reassessed for compliance or assurance purposes during the year of which:** | **0** |
| number of engagements that saw a change to IR35 status following review | 0 |

**Table 29: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026.**

| Number of off-payroll engagements during the financial year | 0 |
|---|---|
| Total number of individuals on payroll and off-payroll that have been deemed 'Board members, and/or, senior officials with significant financial responsibility', during the financial year. This figure includes both on payroll and off-payroll engagements. | 9* |

*All Board members with significant responsibility are on payroll and include those listed in Table 16 on page 84.

# Equality, Diversity and Inclusion

## Report of progress against TPR's Equality, Diversity and Inclusion Strategy 2021-2025

Our 2021-2025 EDI strategy set out three strategic aims:

1. To be a fair, diverse and inclusive employer.
2. To build a collective understanding of why pensions inequalities occur and, within our regulatory remit, work in partnership with others seeking to reduce them
3. To promote high standards of diversity and inclusion among our regulated community.

Each of these aims included specific objectives and success measures, enabling us to take an evidence-based approach to monitoring and evaluating impact. We achieved a 70% success rate, with an additional 10% partially achieved.

We have taken some time to evaluate our previous EDI strategy, reflecting on what worked well and what we could learn from, reviewing relevant internal and external data, and benchmarking ourselves against external comparators. This has helped to ensure we take an evidence-based and targeted approach in the development of our next EDI strategy.

The refresh of our corporate strategy in 2026 presented an opportunity to embed EDI in our organisational DNA, and we have also awaited the publication of the Civil Service EDI Strategy to ensure alignment. Therefore, we aim to publish our next EDI strategy during 2026.

During this transition phase, we have continued with business-as-usual activities and ongoing projects established in our 2021-2025 EDI Strategy.

## The Public Sector Equality Duty

As a public body, TPR has a specific duty under the Equality Act (2010) to publish our equality objectives, gender pay gap information, and equality information about our employees and service users. TPR ensures organisational compliance with the Public Sector Equality Duty through:

- Requiring all new employees and contractors to complete mandatory e-learning on 'Civil Service Expectations' which covers PSED at a high-level
- Providing guidance and templates on our intranet, including Equality Impact Assessments
- Requiring colleagues to confirm they have given due regard for PSED in all committee papers and commercial business cases
- The User Centred Design Team undertakes user research, design and testing to ensure products and services meet the needs of diverse users
- Conducting internal reviews to continuously improve ways of working to ensure ongoing compliance.

## Diversity pay gap

Our latest diversity pay gap report was published in March 2026. This brings together our gender, disability, ethnicity, and sexual orientation pay and bonus gaps, and the actions we are taking to maintain or reduce them.

While it is only mandatory to report on information on gender, we voluntarily include information on disability, ethnicity and sexual orientation as we are committed to a holistic approach for treating and rewarding all colleagues fairly and creating an inclusive place where people at TPR can be at their best.

Our latest report shows some positive signs of progress, including maintaining our 3.9% gender mean pay gap, decreasing our ethnicity pay gaps and sexual orientation mean, and maintaining a disability pay gap favourable towards disabled employees. We continue to compare favourably to the Civil Service.

We recognise that we have further to go to reduce our gender median and sexual orientation median pay gaps, and this is an ongoing effort.

Our full diversity pay gap report and action plan is available to view on our website: **https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/diversity-and-inclusion/diversity-pay-gap-report-2025**

## Workforce equality information

The Public Sector Equality Duty requires TPR to publish information related to people who share a protected characteristic.

**Table 30: Workforce equality data, by year 2023-2026**
All figures are rounded up or down for ease of reading and interpretation

| | 2025-26 | 2024-25 | 2023-24 |
|---|---|---|---|
| **Age** | Average age of staff is **46** | 45 | 43 |
| | **6%** of people aged 17 to 29 | 10% | 11% |
| | **86%** of people aged 30 to 59 | 83% | 84% |
| | **7%** of people aged 60 to 69 | 7% | 5% |
| **Disability** | We hold data on disability for **77%** of our people | 75% | 74% |
| | **8%** of our people have a declared disability | 7% | 7% |
| | **65%** of our people did not have a declared disability | 64% | 67% |
| | **4%** of our people selected 'prefer not to say' for disability | 4% | 3% |
| **Ethnicity** | We hold data on ethnicity for **80%** of our people | 78% | 75% |
| | **11%** of our people declared they are from a minority ethnic background | 10% | 9% |
| | **65%** of our people declared they are of white origin | 64% | 66% |
| | **4%** of our people selected 'prefer not to say' for ethnicity | 4% | 3% |

**Table 30: Workforce equality data, by year 2023-2026** continued...

| | 2025-26 | 2024-25 | 2023-24 |
|---|---|---|---|
| **Gender pay gap**[19] | **12%** median | 8% | 6% |
| | **4%** mean | 4% | 3% |
| **Marriage and civil partnership** | We hold data on marriage and civil partnership for **81%** of our people | 78% | 77% |
| | **42%** of our people declared they are married or in a civil partnership | 39% | 39% |
| **New parents** | **26** new parents taking leave | 24 | 35 |
| | **10** people on maternity leave | 13 | 21 |
| | **1** person on adoption leave | 0 | 0 |
| | **13** people on paternity leave | 10 | 11 |
| | **6** people taking shared parental leave | 4 | 4 |
| **Religion or belief** | We hold data on religion and belief for **75%** of our people | 73% | 70% |
| | **37%** of our people declared a religion or belief | 36% | 35% |
| | **33%** of our people declared as having no religion or belief | 38% | 35% |
| | **6%** of our people selected 'prefer not to say' for religion or belief | - | - |

19. Further information on our gender, disability, ethnicity and sexual orientation pay gaps ia available in our diversity pay gap report at: **https://www.thepensionsregulator.gov.uk/en/document-library corporate-information/diversity-and-inclusion/diversity-pay-gap-report-2025**

**Table 30: Workforce equality data, by year 2023-2026** continued...

| | 2025-26 | 2024-25 | 2023-24 |
|---|---|---|---|
| **Sex** | We hold data on sex for **100%** of our people | 100% | 100% |
| | **50%** of our people are female | 51% | 51% |
| | **50%** of our people are male | 49% | 49% |
| **Sexual orientation** | We hold data on sexual orientation for **78%** of our people | 73% | 69% |
| | **10%** of our people identified as gay, lesbian, bisexual or other | 9% | 7% |
| | **62%** of our people identified as heterosexual | 59% | 61% |
| | **6%** of our people selected 'prefer not to say' for ethnicity | – | – |
| **Sickness** | **9** average days lost per head due to sickness absence | 9 | 8 |
| **Working pattern** | **15%** of the workforce work part-time | 15% | 14% |

Table 31: Sex of our staff

| | As at 31 March 2026 | | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| Chair | - | 1 | - | 1 | - | 1 |
| CEO | - | 1 | - | 1 | - | 1 |
| Executive Directors incl COO | 5 | - | 4 | 1 | 2 | 1 |
| Directors | 10 | 11 | 7 | 10 | 3 | 9 |
| Managers* | 107 | 112 | 117 | 114 | 118 | 129 |
| Other employees | 380 | 387 | 357 | 390 | 353 | 366 |
| Total | 502 | 512 | 485 | 517 | 476 | 507 |

*The figures for the manager cohort include the Directors as above, as all hold management roles.

## Executive and Board level workforce data

Our Board (made up of Executive and Non-Executive members combined) is 36% women, 11% minority ethnic, 33% LGBT+, and 0% declared as disabled. Our Executive Committee is 33% women, 11% minority ethnic, 11% LGBT+, and 0% declared as disabled.

## Equality information: our service users

When considering the impact of our activities on people with different protected characteristics, TPR draws on publicly available data, such as demographic data published by the Office for National Statistics and reports produced by other bodies such as the Money and Pensions Service, the Financial Conduct Authority, and the Pensions Policy Institute. TPR maintains an internal Regulatory Evidence Bank with evidence to support our corporate priorities, decision-making, policy development and regulatory impact.

In 2025, TPR established a User-Centred Design team who conduct user research, design, testing and performance analysis to ensure we design impactful and accessible services.

Our 2023 trustee diversity and inclusion survey includes the diversity data we captured for trustees: **https://www.thepensionsregulator.gov.uk/media/4pthsxzb/trustee-diversity-and-inclusion-survey-2023.pdf**

Our Customer Support team does not hold any data related to the protected characteristics of their service users.

## Disability inclusion

As a Disability Confident Employer, we're committed to the recruitment, employment, retention, and development of people with disabilities, and to improving their employment opportunities.

Candidates who declare that they have a disability and meet the essential criteria for the job are offered an interview and can request a reasonable adjustment at any stage of the recruitment process to ensure that there are not disadvantaged because of their disability.

Existing employees who require reasonable adjustments due to disabilities or health conditions are supported through the process with a 'reasonable adjustments process map' and 'seek to understand questionnaire'. Managers also complete e-learning which covers their responsibilities to support employee health, wellbeing and safety.

Improving the experience of candidates and employees who live with a disability remains a priority in our EDI strategy, and this year we renewed our membership with the Business Disability Forum to provide us with access to specialist advice and resources.

## Mental health and wellbeing

We offer a wide range of wellbeing and mental health support including occupational health, an Employee Assistance Programme, mental health and stress awareness training, and access to emotional resilience sessions. We also have Mental Health First Aiders comprised of trained volunteers from across the business who promote positive mental health, listen to colleagues who are experiencing mental health issues or emotional distress, and provide guidance on accessing appropriate support.

All employees and managers are asked to complete e-learning on stress awareness and office health and welfare, with optional training on mental health awareness.

Our six employee diversity networks also play an important role in supporting an inclusive culture and providing a safe space for employees to have real, honest conversations on work-life experience and highlighting areas for improvement.

## Other

TPR recognises Public Communications Services as their recognised Trade union and there have been no formal consultations with staff during 2025-26 and therefore nothing to disclose. No issues have been raised related to Health and Safety, social matters, Human rights or anti-corruption or antibribery.

# Financial review

The funding of regulation is derived from two main sources: a grant-in-aid from the DWP, which is recoverable from a levy on pension schemes and covers activities relating to the Pensions Act 2004 and the Pensions Act 2008, and a separate grant-in-aid from general taxation that funds Auto Enrolment Activities. This year, a third funding stream was received from DWP for Continuous Improvement initiative work.

Expenditure on activities is accounted for separately to prevent cross subsidy. The accounting policies under which income and expenditure are recognised, are set out in Note 1 to the accounts on page 136.

## Expenditure for year ended 31 March 2026

In the year ended 31 March 2026, TPR had comprehensive net expenditure of £115.2 million, of which £76.0 million related to levy-funded activities, £39.2 million was attributable to non-levy activities. Our net expenditure has been transferred to our general reserve and is offset by contributions from the DWP of £74.8 million for our levy activities, £38.3 million for non-levy activities.

Staff costs have increased by £9.6 million to £91.6 million. This includes permanent staff costs (less outbound secondments) of £78.6 million which were £9.5 million higher than the previous year due to our revised approach to pay and reward and an increase in the average FTE numbers (increase in average permanent staff numbers from 847 to 895). Temporary staff costs have increased compared to the previous year by £0.1 million due to higher proportion of higher cost roles offset by a reduction in temporary staff numbers from 124 to 99.

Other expenditure has remained broadly in line with previous year, with higher managed contract costs, higher training expenditure and higher software maintenance offset by lower professional fees.

## Property, plant and equipment and intangible assets

Capital expenditure of £0.4 million was incurred during the year which included new laptops and phones, office furniture and internally developed software. This was £1 million less than last year due to a reduction in internally generated software.

## Payments to suppliers

We are committed to the prompt payment of invoices for goods and services received. Payments are normally made as specified in individual contracts. If there is no contractual provision or understanding, invoices are deemed due within 30 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. During the year ended 31 March 2026, we paid 97.53% of invoices in line with this policy.

## Long-term expenditure trends

Expenditure remained relatively flat from 2021 to 2023 with savings made from the completion of the AE Transformation programme in October 2021 offsetting the continued growth in the TPR workforce during this period. The increases from 2023-24 to 2025-26 were primarily driven by pay inflation and rising FTE numbers. This growth is anticipated to continue into 2026-27.

**Table 32: Long-term financial analysis**

| (£m) | Actual 2021-22 | Actual 2022-23 | Actual 2023-24 | Actual 2024-25 | Actual 2025-26 | Budget 2026-27 |
|---|---|---|---|---|---|---|
| Total TPR* | 96.8 | 96.4 | 100.4 | 104.8 | 115.2 | 118.9 |

*All figures exclude capital expenditure.

# Other activities

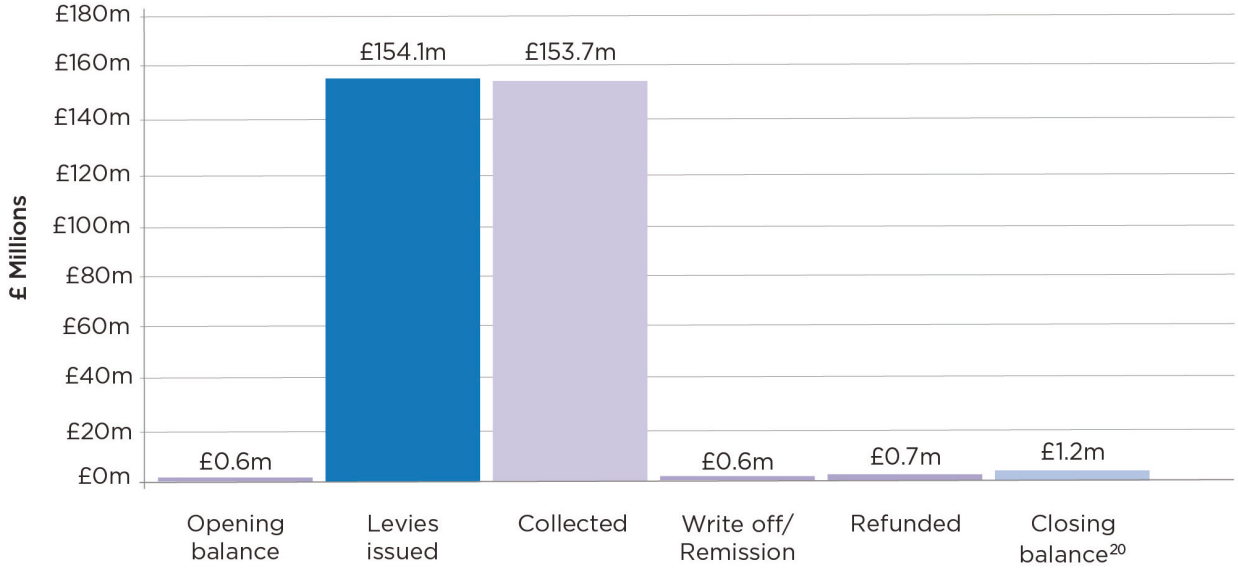
## Levies account

During the year ended 31 March 2026, we invoiced and collected levies on behalf of the DWP (the general and PPF Administration levy) and the PPF (the fraud compensation levy). These figures do not feature in our audited accounts they will be reported in the audited financial statements of those organisations.

The opening debt balance as of 1 April 2025 was £0.6 million and during the year 2025-26 we invoiced £154.1 million, of which £98.6 million related to the general levy, £17.3 million PPF administration levy and £38.2 million to the PPF Fraud Compensation levy. £153.7 million has been collected, write offs and remissions totalled £0.6 million. The closing debt position as of 31 March 2026 at £1.2 million.

Of £152.8 million transferred during the year, £114.8 million relates to the DWP and £38 million to the PPF. At the year-end there was £252k still to be transferred.

**Figure 4: Levy debt**



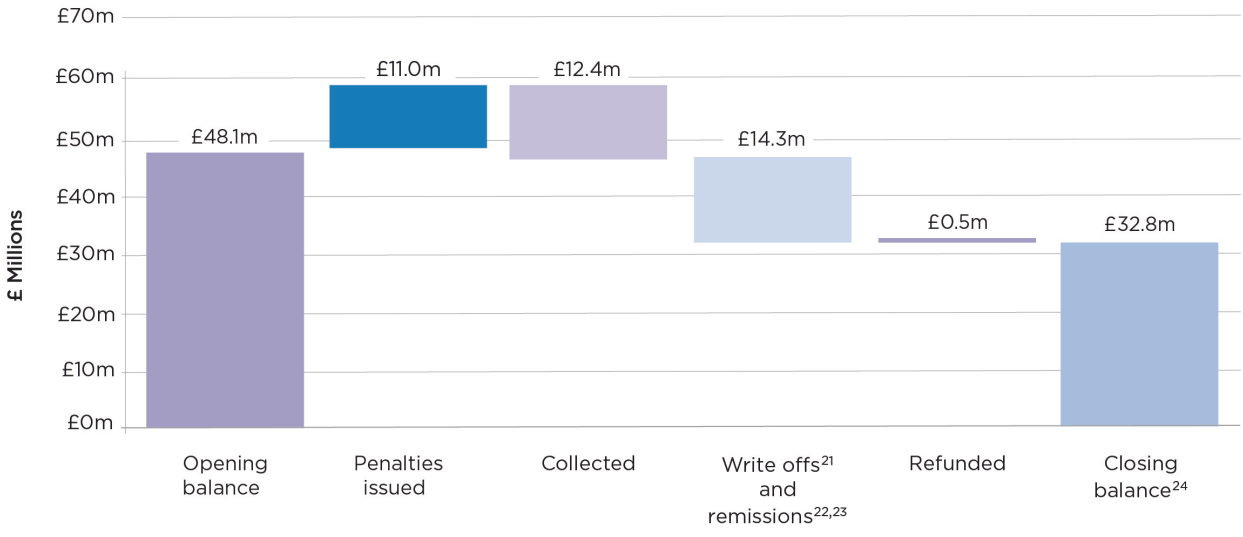

20. Closing balance is £1.2 million. Numbers are rounded for all categories which causes a rounding difference of £0.1 million.

## Automatic enrolment penalty notices

During the year ended 31 March 2026, we issued penalty notices under section 40 and 41 of the Pensions Act 2008. These figures do not feature in our audited accounts. We collect and hold penalties on behalf of HM Treasury and transfer it over to the consolidated fund via the DWP.

The opening debt balance as of 1 April 2025 was £48.1 million. During the year 2025-26, we issued Fixed Penalty Notices (FPN) and Escalating Penalty notices (EPN) totalling £11 million, £12.4 million has been collected, and write offs and remissions totalled £14.3 million. Several penalties were refunded in the year, leaving the closing debt position as of 31 March 2026 at £32.8 million.

**Figure 5: AE penalty notices debt**




21. Write-offs are debts that are irrecoverable because there is no practical means for pursuing the liability.
22. Debt 'remission' is where we decide not to pursue a debt primarily on the grounds of value for money, ie the cost of pursuing it would be greater than the benefit or is not the most efficient use of limited resources.
23. There is £28.8 million of discharged debt, this is where we amend and reissue or cancel a penalty as further information is received which reduces the liability or confirms that it is not legally due, ie where a change of the employer's address has occurred. Discharged debt is not included in the chart above as it is deducted from the balance of penalties issued in year.
24. Closing balance is £32.8 million. Numbers are rounded for all categories, which causes a rounding difference of £0.1 million.

Automatic enrolment penalty notices continued...

£11.9 million was transferred to the consolidated fund via the DWP during the year. At the year-end there was £1.1 million still to be transferred.

We have proactively sought payment of any outstanding penalties, and this work will continue with a view of seeking prompt payment of any penalties when due. Much of the closing debt has yet to fully progress through our debt recovery process.

The debt recovery process differs based on the type of enforcement action we have taken against an employer and in some cases where multiple notices have been issued the recovery process can take over a year.

## Levy fines penalty notices

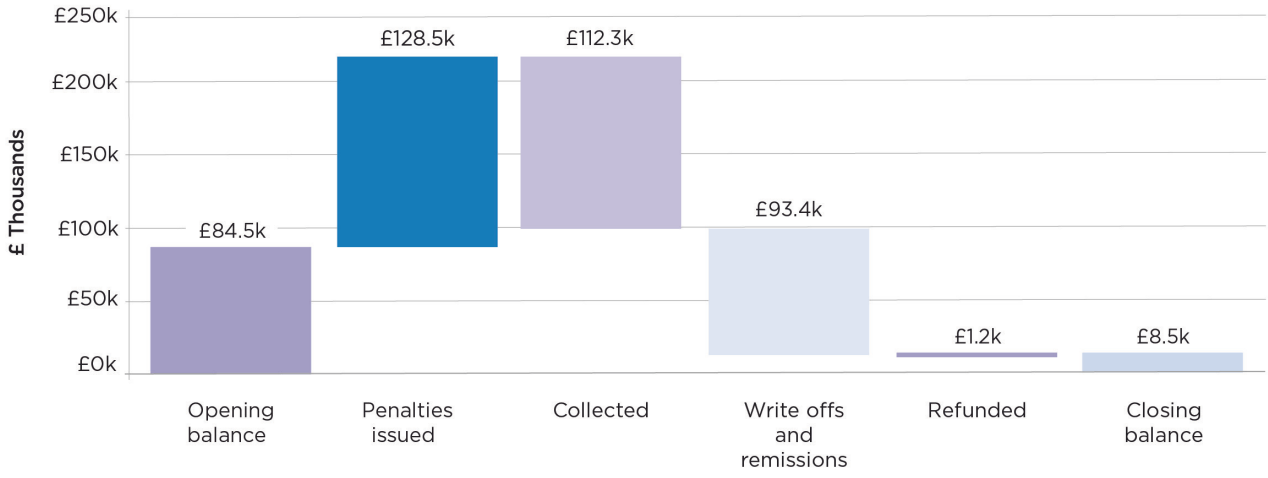
During the year ended 31 March 2026, we issued penalty notices under:

- Section 10 of the Pension Act 1995 for failures to provide a scheme return
- Regulation 28 of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 for failures to prepare a chair's statement
- Regulation 25 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 for failure to complete a detailed value for members assessment
- Section 72 of the Pensions Act 2004 (Information Notice)
- Regulation 6(1)(b) Climate Change Governance and Reporting.

These figures do not feature in our audited accounts. We collect penalties on behalf of HMT and transfer them over to the consolidated fund via the DWP. Regulation 25 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 for failure to complete a detailed value for members assessment

The opening debt balance as of 1 April 2025 was £84.5k. During the year 2025-26, we issued Penalty Notices totalling £128.5k. £112.3k has been collected, £1.2k has been refunded, and write offs and remissions totalled £93.4k, leaving the closing debt position as of 31 March 2026 at £8.5k.

Figure 6: Levy fines penalty notices debt




£108k was transferred to the consolidated fund via the DWP during the year, with £3.1k awaiting to transfer.

## Master trust authorisation fees

No authorisation fees were received in the current year.

**Nausicaa Delfas**
Chief Executive Officer, The Pensions Regulator
18 June 2026

# Parliamentary accountability and audit report

## Overview

The sections below reflect the best practice outlined in the Government Financial Reporting Manual. The information complies with HM Treasury's Code of Good Practice for corporate governance in central government departments and demonstrates how we have met our responsibilities to Parliament.

The disclosures in this Parliamentary Accountability Report along with the Statement of Accounting Officer's Responsibilities and the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament bring together the key documents demonstrating TPR's accountability to Parliament in relation to the Annual Report and Accounts.

The Chair and Chief Executive meet regularly with ministers and senior officials from the DWP in addition to quarterly accountability review meetings. The DWP approves the Corporate Plan, and the Board delivers its Annual Report and Accounts to Parliament through the Secretary of State.

The Chief Executive of TPR is also its Accounting Officer. Compliance with Accounting Officer responsibilities is supported through the Board's risk management procedures and through a shared objective for senior management to support the Accounting Officer in fulfilling her responsibilities.

## Regularity of expenditure

### Losses, special payments and gifts (subject to audit)

There were no losses, special payments or gifts during the current or prior year either individually or in aggregate above the £0.3 million limit prescribed by 'Managing Public Money'.

## Further parliamentary accountability disclosures

### Fees and charges (subject to audit)

There are no fees and charges to disclose.

### Remote contingent liabilities (subject to audit)

There are no remote contingent liabilities to disclose.

**Nausicaa Delfas**
Chief Executive Officer, The Pensions Regulator
18 June 2026

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of The Pensions Regulator for the year ended 31 March 2026 under The Pensions Act 2004.

The financial statements comprise The Pensions Regulator's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of The Pension Regulator's affairs as at 31 March 2026 and its comprehensive net expenditure for the year then ended; and
- have been properly prepared in accordance with The Pensions Act 2004 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of The Pensions Regulator in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Pensions Regulator's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Pensions Regulator's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for The Pensions Regulator is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under The Pensions Act 2004.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under The Pensions Act 2004; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of The Pensions Regulator and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by The Pensions Regulator or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within The Pensions Regulator from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under The Pensions Act 2004;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under The Pensions Act 2004; and
- assessing The Pensions Regulator's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by The Pensions Regulator will not continue to be provided in the future.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with The Pensions Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of The Pensions Regulator's accounting policies, key performance indicators and performance incentives.
- inquired of management, The Pensions Regulator's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to The Pensions Regulator's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Pensions Regulator's controls relating to The Pensions Regulator's compliance with The Pensions Act 2004 and Managing Public Money.
- inquired of management, The Pensions Regulator's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within The Pensions Regulator for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of The Pensions Regulator framework of authority and other legal and regulatory frameworks in which The Pensions Regulator operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Pensions Regulator. The key laws and regulations I considered in this context included The Pensions Act 2004, Managing Public Money, employment law, pensions legislation and tax legislation.

## Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of my certificate.

## Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP
24 June 2026

# Financial statements and Notes to the accounts

# Statement of comprehensive net expenditure for the year ended 31 March 2026

| | Note | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|---|
| **Expenditure** | | | |
| Staff costs | 3 | **91,627** | **81,978** |
| Depreciation and amortisation and impairment charges | 4 | **1,433** | **1,584** |
| Other operating expenditure | 4 | **22,545** | **21,585** |
| Finance charge on the lease liability | 4 | **43** | **146** |
| **Total operating expenditure** | | **115,648** | **105,293** |
| Finance (income) | | **(507)** | **(634)** |
| **Net expenditure after interest, before taxation** | | **115,141** | **104,659** |
| Taxation | | **109** | **158** |
| **Comprehensive net expenditure for the year** | | **115,250** | **104,817** |

All income and expenditure is derived from continuing operations.
The accounting policies and notes on pages 136 to 157 form part of these financial statements.

# Statement of financial position as at 31 March 2026

| | Note | At 31 March 2026 £'000 | At 31 March 2025 £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 5a | 4,985 | 5,759 |
| Right of use assets | 5a | 2,935 | 3,933 |
| Intangible assets | 6a | 1,033 | 1,085 |
| Trade and other receivables | 7 | 77 | 13 |
| **Total non-current assets** | | 9,030 | 10,790 |
| **Current assets** | | | |
| Trade and other receivables | 7 | 2,181 | 2,315 |
| Cash and cash equivalents | 8 | 1,023 | 638 |
| **Total current assets** | | 3,204 | 2,953 |
| **Total assets** | | 12,234 | 13,743 |
| **Current liabilities** | | | |
| Trade and other payables | 9 | (11,208) | (9,601) |
| Lease liabilities | 9 | (385) | (453) |
| **Total current liabilities** | | (11,593) | (10,054) |
| **Total assets less current liabilities** | | 641 | 3,689 |
| **Non-current liabilities** | | | |
| Lease liabilities | 9 | (2,306) | (3,221) |
| Provisions | 10 | (245) | (245) |
| **Total non-current liabilities** | | (2,551) | (3,466) |
| **Assets less liabilities** | | (1,910) | 223 |
| **Taxpayers' equity** | | | |
| General fund | | (1,910) | 223 |
| **Total equity** | | (1,910) | 223 |

The financial statements on pages 132 to 135 were approved and authorised for issue by the Board on 18 June and were signed on its behalf by:

**Nausicaa Delfas**
Chief Executive Officer, The Pensions Regulator, 18 June 2026

The accounting policies and notes on pages 136 to 157 form part of these financial statements.

# Statement of cash flows for the year ended 31 March 2026

| | Note | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Total operating expenditure | | (115,648) | (105,293) |
| Interest received | | 507 | 634 |
| Adjustments for non-cash transactions | 4 | 1,490 | 1,760 |
| Decrease in trade and other receivables | 7 | 69 | 34 |
| Increase in trade and other payables | 9 | 1,626 | 1,150 |
| Cash outflow due to taxation | | (158) | (176) |
| **Net cash outflow from operating activities** | | (112,114) | (101,891) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 5b | (170) | (702) |
| Purchase of intangible assets | 6b | (150) | (898) |
| **Net cash outflow from investing activities** | | (320) | (1,600) |
| **Cash flows from financing activities** | | | |
| Grant-in-aid to cover ongoing operations of Levy | | 74,844 | 68,556 |
| Grant-in-aid to cover ongoing operations of Non-levy | | 38,273 | 34,833 |
| Capital element of payments in respect of leases | | (255) | (436) |
| Interest payments in respect of leases | | (43) | (146) |
| **Net financing** | | 112,819 | 102,807 |
| **Net increase/(decrease) in cash and cash equivalents in the period** | 8 | 385 | (684) |
| **Cash and cash equivalents at the beginning of the period** | | 638 | 1,322 |
| **Cash and cash equivalents at the end of the period** | 8 | 1,023 | 638 |

The accounting policies and notes on pages 136 to 157 form part of these financial statements.

# Statement of changes in taxpayers' equity for the year ended 31 March 2026

| | General Reserve | Total Reserves |
|---|---|---|
| | £'000 | £'000 |
| **Balance at 31 March 2024** | 1,651 | 1,651 |
| **Changes in taxpayers' equity 2024-25** | | |
| Grants from the DWP | 103,389 | 103,389 |
| Comprehensive net expenditure for the year | (104,817) | (104,817) |
| **Balance at 31 March 2025** | 223 | |
| **Changes in taxpayers' equity 2025-26** | | |
| Grants from the DWP | 113,117 | 113,117 |
| Comprehensive net expenditure for the year | (115,250) | (115,250) |
| **Balance at 31 March 2026** | (1,910) | (1,910) |

The accounting policies and notes on pages 136 to 157 form part of these financial statements.

# Notes to the accounts

## 1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2025-26 government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FReM lets us choose an accounting policy, we have picked the one that we believe is the most appropriate to our circumstances and which gives a true and fair view. The policies we have adopted are set out below. We have applied them consistently in dealing with items that we consider are material to the accounts.

These accounts have been prepared pursuant to section 145(8) of the Pension Schemes Act 1993 and Section 212A(1) of the Pensions Act 2004, and in accordance with the Accounts Direction issued by the Secretary of State for Work and Pensions (with the consent of HM Treasury).

### 1.1 Accounting standards, interpretations and amendments

We have adopted all IFRS, International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments to published standards that were effective at 31 March 2026.

The following has been issued but is not yet effective:

**IFRS 18 Presentation and disclosure in financial statements:** IFRS 18 replaces the current standard IAS 1 Presentation of financial statements but retains the current requirements with limited changes, adding three new requirements. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date. TPR will review the requirements of the standards and ensure compliance once implementation date is agreed.

**IFRS 19:** IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date. We do not expect this standard to have any impact on our financial statements in future years.

## 1.2 Accounting convention

We have prepared these financial statements on an accruals basis under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and some financial assets and liabilities. These financial statements are prepared in £ sterling, which is our functional currency.

### a) Property, plant and equipment

Property, plant and equipment are stated at fair value. However, as permitted by the FReM, TPR has adopted a depreciated historical cost basis as a proxy for fair value where non-property assets have a short useful life or are of relatively low value. Any permanent impairment in the value of property, plant and equipment is charged to the Statement of Comprehensive Net Expenditure when it occurs.

The threshold for treating expenditure on single or pooled items of property, plant and equipment fixed assets as capital expenditure is £5,000 with the exception of IT hardware, which is £1,000. Pooling is applied where appropriate but generally low value items (less than £250) would not be capitalised.

### b) Depreciation and amortisation

Depreciation is provided on property, plant and equipment and amortisation is provided on intangible assets at rates calculated to write down the cost or valuation (less any estimated residual value) of each asset evenly over its expected useful life as follows:

| | | |
|---|---|---|
| Leasehold improvements/ Right of use asset | – | the shorter of 10 years or the remainder of the lease term |
| Furniture, fixtures and office equipment | – | 10 years |
| IT hardware | – | 3 to 7 years |
| Internally generated software | – | 3 to 7 years |
| Software acquired | – | 3 to 7 years |

Depreciation is charged on a straight-line basis to reflect the consumptions of economic benefits.

Assets are not depreciated until they are commissioned or brought into use.

### c) Intangible assets

The costs of purchasing major software licences and software built in-house are capitalised as intangible fixed assets provided they meet the definition of an intangible asset as stipulated in IAS 38. Ongoing software maintenance costs are written off in the period in which they are incurred.

Intangible assets: Whether we acquire intangible assets externally or generate them internally, we measure them initially at cost. Effective 1 April 2025, the Government Financial Reporting Manual (FReM) removed the option to measure intangible assets using the revaluation model. As a result, TPR has updated its accounting policy for intangible assets from the revaluation model to the cost model. All intangible assets are now measured at cost less accumulated amortisation and impairment losses.

This change has been applied prospectively from the transition date in line with FReM requirements, however, there has been no impact on the financial statements as due to the materiality of TPR's intangible assets, no revaluation of assets occurred in prior years.

Multi-year software as a service agreement, comprising software licence and service elements paid for on a subscription basis, are reviewed individually to determine the extent of the service provision. Any licencing component in the agreement is assessed against IAS 38 (Intangible Assets) to determine whether it meets the criteria for recognition as an intangible asset and where it does; a threshold of £1 million is applied.

The threshold for treating expenditure on single items or pooled items of intangible fixed assets as capital expenditure is £5,000.

Internally developed software is capitalised if it meets the criteria in IAS 38 (Intangible Assets). We classify development costs software under development until the asset is available for use. At that point, we transfer it to the relevant asset class.

### d) Impairment

In line with IAS 36, TPR carries out an impairment review on an annual basis to evaluate whether the carrying value of the assets is less than the recoverable amount.

### e) Other income and expenditure

Other income and expenditure is recognised on an accruals basis. Where income received relates to a period of time covering more than one accounting period, that part extending beyond the current accounting period is treated as deferred income. Corporate overheads are split between Non-levy and Levy on the basis of headcount. A breakdown of other income and expenditure is provided in note 2.

### f) Value Added Tax (VAT)

TPR's main activities are exempt under the terms of the VAT legislation and therefore input VAT is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase of non-current assets as appropriate.

### g) Employee benefits

In accordance with IAS 19 Employee benefits, accruals have been made for short-term employee benefits, such as salaries, paid absences and general staff bonuses. Bonuses in relation to senior Civil Service employees are not recognised until payments to individuals have been determined and notified. The holiday accrual is an estimate of the total leave owed to staff at the reporting date.

### h) Leases

In order to determine whether an arrangement is or contains a lease, TPR looks at the substance of the arrangement and follows the guidance under IFRS 16 (leases) and the FReM.

The lease liability is initially measured as the present value of future lease payments, discounted using the interest rate published by HMT at the time of valuation. For leases entered into after 31 January 2023 this rate was 3.51%.

The right-of-use (ROU) asset is initially measured at cost, comprising the initial value of the lease liability, any lease payments made (net of any incentives received from the lessor) before the commencement of the lease, any initial direct costs and any restoration costs. The ROU asset is subsequently measured at cost under the FReM approach as a proxy for revaluation.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property plant and equipment assets.

Operating lease payments under operating leases is charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease.

TPR hold no sub-leases.

## i) Financial instruments

TPR does not hold any complex financial instruments, ie long-term loans or equity investments.

### Receivables and prepayments

Receivables are recognised at amortised cost and relate mainly to reimbursement of seconded staff costs. Prepayments occur where payment for operating costs (mainly IT and facilities) have been incurred in advance of the goods or services which they relate to. Prepayments are only recognised where is the value of the goods or services paid in advance is in excess of £10k.

### Cash and cash equivalents

Cash and cash equivalents comprise current balances with banks. For the purpose of the Statement of Cash Flows, cash and cash equivalents are net of outstanding bank overdrafts. We include bank overdrafts in current liabilities in the Statement of Financial Position.

TPR collects fines, penalties and levies on behalf of the DWP and the PPF. This income is not accounted for in the TPR accounts nor are any related cash balance.

### Trade and other liabilities

Trade and other payables are generally not interest bearing and are stated at their invoice value on initial recognition. Subsequently they are measured at amortised cost. Accruals are recognised for items/invoices not yet received, where their value exceeds £5k. Automatic accruals (case costs, temps, purchase orders) all have no de-minimus.

## j) Grant-in-aid

Grant-in-aid received is used to finance activities and expenditure which support the statutory and other objectives of the entity are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party.

All grant-in-aid is reported on a cash basis in the period in which it is received.

### k) Early retirement and severance costs

Compensation payments are charged to the Statement of Comprehensive Net Expenditure when an early retirement or severance arrangement has been agreed.

### l) Provision for liabilities

Provision is made for early retirement and redundancy costs when a constructive obligation is created. A provision for dilapidations is held to cover the cost of remedial works when the lease terminates.

### m) Reserves

#### General Reserve

Grant-in-aid received from TPR's sponsoring organisation and the total costs included in the Statement of Comprehensive Net Expenditure are transferred to this reserve.

### n) Going concern

These financial statements are prepared on a going-concern basis.

### o) Segmental analysis

To comply with IFRS 8 Operating Segments, note 2 summarises the financial transactions and balances of the two separate activity streams: Levy and Non-levy. Segmental reporting is not required for assets and liabilities as this information is not regularly reported to the chief operating decision maker.

### p) Critical Accounting judgements

The preparation of accounts statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts in the accounts. Areas of judgement include non-current asset revaluations, depreciation and amortisation periods, provisions and impairment. We consider there to be no other areas of critical judgment used in applying the accounting policies.

### q) Key sources of estimation uncertainty

#### IT software internally generated

In identifying what software development work should be capitalised under IAS 38, internal procedures have been developed which include an ongoing review to ensure accuracy and consistency of capitalised amounts as disclosed in Note 6.

#### Useful economic lives of software assets

Given the history of rapid changes in technology, computer software is susceptible to technological obsolescence. Therefore, it will often be the case that their useful life is short. TPR review the assets in line with the guidance provided by IAS 38 and will continue to review the remaining life each year.

#### Dilapidations

A dilapidation provision is held for the office TPR occupies in Brighton to cover the requirements of the lease (expires March 2033). The provision is to cover remedial works required on the lease termination. The provision calculation is based on the actual amount paid in relation to the lease for the previous office occupied by TPR in Brighton.

## 1.3 Pensions

The majority of past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a multi-employer defined benefit scheme and is unfunded and contributory, except in respect of dependents' benefits. TPR recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' service by payment to the PCSPS of amounts calculated on an accruing basis.

Liability for the payment of future benefits is a charge on the PCSPS. As described more fully in the Staff Report, certain employees can opt for a stakeholder pension. Employer contributions for the financial year to 31 March 2027 are expected to be around £17m. Liability for the payment of future benefits is a charge on the PCSPS.

## 2 Statement of operating costs by operating segment

| | Non-levy £'000 | Levy £'000 | Total TPR £'000 |
|---|---|---|---|
| **2025-26** | | | |
| Staff costs | 27,584 | 64,043 | 91,627 |
| Other operating expenditure | 11,783 | 12,238 | 24,021 |
| Taxation | 36 | 73 | 109 |
| Income | (167) | (340) | (507) |
| **Net expenditure** | **39,236** | **76,014** | **115,250** |
| **2024-25** | | | |
| Staff costs | 25,240 | 56,738 | 81,978 |
| Other operating expenditure | 10,727 | 12,588 | 23,315 |
| Taxation | 52 | 106 | 158 |
| Income | (213) | (421) | (634) |
| **Net expenditure** | **35,806** | **69,011** | **104,817** |

TPR comprises of two distinct operating segments: Levy and Non-levy. Levy activity relates to the regulation of new and existing DB, DC, master trust and public sector schemes while Non-levy supports compliance of automatic enrolment in addition to continuous improvement initiatives across TPR, including technology and process improvements.

Levy activity is funded by grant-in-aid payments from the DWP which is recovered through the general levy charged on pension schemes in the United Kingdom. Non-levy activity is tax-payer funded through a separate grant-in-aid stream from the DWP and resources are charged and treated separately to the correct funding stream.

Non-levy related work is separately accounted for and strict protocols are adhered to in order to avoid cross subsidy. Reporting is provided to the Executive Committee and the Board on both Non-levy and Levy expenditure. Corporate overheads are split between Non-levy and Levy based on headcount. Regular reporting of the assets of each segment is not provided to the Executive Committee and this information is therefore excluded from the financial statements.

Further breakdown of the operating expenditure is provided in note 4.

## 3 Staff costs

| | Non-Levy £'000 | Levy £'000 | Total TPR £'000 |
|---|---|---|---|
| **2025-26 Permanent** | | | |
| Salaries and wages | 16,427 | 39,273 | 55,700 |
| Social security costs | 2,404 | 5,434 | 7,838 |
| Other pension costs | 4,453 | 10,643 | 15,096 |
| **Subtotal** | **23,284** | **55,350** | **78,634** |
| **2025-26 Temporary and other** | | | |
| Salaries and wages | 3,950 | 7,857 | 11,807 |
| Social security costs | 120 | 286 | 406 |
| Other pension costs | 230 | 550 | 780 |
| **Subtotal** | **4,300** | **8,693** | **12,993** |
| **Total costs** | **27,584** | **64,043** | **91,627** |
| **2024-25 Permanent** | | | |
| Salaries and wages | 14,759 | 34,819 | 49,578 |
| Social security costs | 1,855 | 4,096 | 5,951 |
| Other pension costs | 4,041 | 9,532 | 13,573 |
| **Subtotal** | **20,655** | **48,447** | **69,102** |
| **2024-25 Temporary and other** | | | |
| Salaries and wages | 4,219 | 7,427 | 11,646 |
| Social security costs | 112 | 263 | 375 |
| Other pension costs | 254 | 601 | 855 |
| **Subtotal** | **4,585** | **8,291** | **12,876** |
| **Total costs** | **25,240** | **56,738** | **81,978** |

# 4 Other operating expenditure

| | Non-levy £'000 | Levy £'000 | Total TPR £'000 |
|---|---|---|---|
| **2025-26** | | | |
| **Running costs** | | | |
| Chair and part-time Board members' fees and expenses* | 65 | 130 | 195 |
| Consultancy, contracted-out and other professional services | 2,558 | 4,708 | 7,266 |
| Business process outsourced services | 2,594 | 1,565 | 4,159 |
| Training and recruitment costs | 608 | 870 | 1,478 |
| Staff travel and expenses | 133 | 357 | 490 |
| General expenses including accommodation expenses | 263 | 1,914 | 2,177 |
| Computer systems development and maintenance | 5,089 | 1,602 | 6,691 |
| Auditor's remuneration | 25 | 50 | 75 |
| Loss on disposal of fixed assets | – | 14 | 14 |
| | **11,335** | **11,210** | **22,545** |
| Finance charge on lease liability | **14** | **29** | **43** |
| **Depreciation and impairment charges** | | | |
| Depreciation on right of use assets | 89 | 182 | 271 |
| Other depreciation | 268 | 697 | 965 |
| Amortisation | 77 | 125 | 202 |
| Impairment of fixed assets | – | (5) | (5) |
| | **434** | **999** | **1,433** |
| **Total** | **11,783** | **12,238** | **24,021** |

*Includes fees of £164k (2024-25: £189k), social security costs of £22k (2024-25: £19k) and expenses of £9k (2024-25: £11k), due to rounding these amounts may not total to the value disclosed above. Details of the remuneration and pension benefits of the Chair and all other members of the Board are given in the Remuneration Report on page 97. Tax and NI are due on expenses, TPR ensures compliance via grossing up of relevant expenses.

## 4 Other operating expenditure continued...

| | Non-levy £'000 | Levy £'000 | Total TPR £'000 |
|---|---|---|---|
| **2024-25** | | | |
| **Running costs** | | | |
| Chair and part-time Board members' fees and expenses* | 73 | 147 | 220 |
| Consultancy, contracted-out and other professional services | 1,757 | 5,840 | 7,597 |
| Business process outsourced services | 3,948 | – | 3,948 |
| Training and recruitment costs | 427 | 807 | 1,234 |
| Staff travel and expenses | 85 | 131 | 216 |
| General expenses including accommodation expenses | 584 | 1,252 | 1,836 |
| Computer systems development and maintenance | 3,256 | 3,176 | 6,432 |
| Auditor's remuneration | 24 | 48 | 72 |
| Loss on disposal of fixed assets | 10 | 20 | 30 |
| | **10,164** | **11,421** | **21,585** |
| Finance charge on lease liability | **48** | **98** | **146** |
| **Depreciation and impairment charges** | | | |
| Depreciation on right of use assets | 164 | 333 | 497 |
| Other depreciation | 243 | 700 | 943 |
| Amortisation | 90 | – | 90 |
| Impairment of mixed assets | 18 | 36 | 54 |
| | **515** | **1,069** | **1,584** |
| **Total** | **10,727** | **12,588** | **23,315** |

## 5a Property, plant and equipment

| 2025-26 | Assets under construction £'000 | Right of use asset £'000 | Leasehold improve-ments £'000 | Furniture, fixtures and office equipment £'000 | IT hard-ware £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| **At 1 April 2025** | **–** | **4,967** | **4,677** | **1,217** | **2,766** | **13,627** |
| Additions | – | – | – | 19 | 181 | 200 |
| Transfers in asset class | – | – | – | (16) | 16 | – |
| Impairments* | – | – | – | – | 5 | 5 |
| Disposals | – | – | – | – | (434) | (434) |
| Adjustment** | – | (727) | – | – | – | (727) |
| **At 31 March 2026** | **–** | **4,240** | **4,677** | **1,220** | **2,534** | **12,671** |
| **Depreciation** | | | | | | |
| **At 1 April 2025** | – | **1,034** | **861** | **513** | **1,527** | **3,935** |
| Charged in year | – | 424 | 482 | 100 | 383 | 1,389 |
| Disposals | – | – | – | – | (420) | (420) |
| Transfers in asset class | – | – | – | (8) | 8 | – |
| Adjustment** | – | (153) | – | – | – | (153) |
| **At 31 March 2026** | – | **1,305** | **1,343** | **605** | **1,498** | **4,751** |
| **Carrying amount at 31 March 2025** | **–** | **3,933** | **3,816** | **704** | **1,239** | **9,692** |
| **Carrying amount at 31 March 2026** | **–** | **2,935** | **3,334** | **615** | **1,036** | **7,920** |

* In line with IAS 36, TPR recognised an impairment of £5k relating to laptops which were decommissioned from use that had not yet been disposed of as at 31 March 2026 (31 March 2025: £54k).

** The adjustment to the ROU asset cost (£727k) and ROU depreciation (£153k) relates to an update in the calculation of the asset value to ensure that assets recognised under IFRS 16 do not include non-refundable VAT on lease payments. The payment of VAT is not included in the definition of a lease payment in IFRS 16, instead, VAT elements are levies imposed by the government that the lessor collects as agent for the government (therefore IFRIC 21 applies). The impact on the financial statements as a result of this adjustment is not material, as the value of the lease liability, note 11, has also reduced.

## 5a Property, plant and equipment continued...

| 2024-25 | Assets under construction £'000 | Right of use asset £'000 | Leasehold improve-ments £'000 | Furniture, fixtures and office equipment £'000 | IT hard-ware £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| **At 1 April 2024** | **–** | **4,967** | **4,628** | **1,127** | **2,657** | **13,379** |
| Additions | – | – | 49 | 90 | 393 | 532 |
| Transfers in asset class | – | – | – | – | – | – |
| Impairments | – | – | – | – | (54) | (54) |
| Disposals | – | – | – | – | (230) | (230) |
| **At 31 March 2025** | **–** | **4,967** | **4,677** | **1,217** | **2,766** | **13,627** |
| **Depreciation** | | | | | | |
| **At 1 April 2024** | **–** | **538** | **384** | **420** | **1,353** | **2,695** |
| Charged in year | – | 496 | 477 | 93 | 374 | 1,440 |
| Disposals | – | – | – | – | (200) | (200) |
| **At 31 March 2025** | **–** | **1,034** | **861** | **513** | **1,527** | **3,935** |
| **Carrying amount at 31 March 2024** | **–** | **4,429** | **4,244** | **707** | **1,304** | **10,684** |
| **Carrying amount at 31 March 2025** | **–** | **3,933** | **3,816** | **704** | **1,239** | **9,692** |

In March 2023, TPR commenced a new 10-year lease for the new premises at Telecom House in Brighton. Construction work to fit out the new premises was completed in July 2023.

| Significant tangible assets (£k) | Purchase cost | Expiry date | NBV |
|---|---|---|---|
| Right of use asset: Telecom House | 4,240 | 2 March 2033 | 2,935 |

## 5b Cash flow reconciliation

| | 2025-2026 | 2024-25 |
|---|---|---|
| | £'000 | £'000 |
| Capital payables and accruals at 1 April | 92 | 262 |
| Capital additions (excluding right of use assets) | 200 | 532 |
| Less Capital payables and accruals at 31 March | (122) | (92) |
| **Purchase of property, plant and equipment as per Statement of cash flows** | 170 | 702 |

This reconciliation relates to property, plant and equipment owned by TPR and therefore excludes right-of-use assets recognised in accordance with IFRS 16 'Leases', for which cash flows relating to the associated lease liabilities are included within repayment of borrowings and interest paid in the statement of cash flows.

## 6a Intangible assets

| 2025-26 | Software under development £'000 | Software internally generated £'000 | IT software acquired £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| **At 1 April 2025** | **898** | **1,629** | **29** | **2,556** |
| Additions | 150 | – | – | 150 |
| Transfers in asset class | (1,048) | 1,048 | – | – |
| Impairments | – | – | – | – |
| Disposals | – | – | – | – |
| Revaluations | – | – | – | – |
| **At 31 March 2026** | **–** | **2,677** | **29** | **2,706** |
| **Amortisation** | | | | |
| **At 1 April 2025** | **–** | **1,442** | **29** | **1,471** |
| Charged in year | – | 202 | – | 202 |
| Disposals | – | – | – | – |
| Revaluations | – | – | – | – |
| **At 31 March 2025** | **–** | **1,644** | **29** | **1,673** |
| **Carrying amount at 31 March 2025** | **898** | **187** | **–** | **1,085** |
| **Carrying amount at 31 March 2026** | **–** | **1,033** | **–** | **1,033** |

## 6a Intangible assets continued...

| 2024-25 | Software under development £'000 | Software internally generated £'000 | IT software acquired £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| **At 1 April 2024** | **-** | **1,629** | **2,717** | **4,346** |
| Additions | 898 | - | - | 898 |
| Transfers in asset class | - | - | - | - |
| Impairments | - | - | - | - |
| Disposals | - | - | (2,688) | (2,688) |
| Revaluations | - | - | - | - |
| **At 31 March 2025** | **898** | **1,629** | **29** | **2,556** |
| **Amortisation** | | | | |
| **At 1 April 2024** | **-** | **1,366** | **2,703** | **4,069** |
| Charged in year | - | 76 | 14 | 90 |
| Disposals | - | - | (2,688) | (2,688) |
| Impairment | - | - | - | - |
| Revaluations | - | - | - | - |
| **At 31 March 2025** | **-** | **1,442** | **29** | **1,471** |
| **Carrying amount at 31 March 2024** | **-** | **263** | **14** | **277** |
| **Carrying amount at 31 March 2025** | **898** | **187** | **-** | **1,085** |

## 6b Cash flow reconciliation

| | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|
| Capital payables and accruals at 1 April | – | – |
| Capital additions | 150 | 898 |
| Less Capital payables and accruals at 31 March | – | – |
| Purchase of intangible assets as per Statement of Cash Flows | 150 | 898 |

## 7 Trade receivables and other current assets

| | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|
| **Amounts falling due within the year** | | |
| Trade receivables | – | 13 |
| Other receivables | 49 | 66 |
| Prepayments | 2,132 | 2,236 |
| | **2,181** | **2,315** |
| **Amounts falling due after more than one year** | | |
| Prepayments | 77 | 13 |
| | **77** | **13** |

Due to rounding, amounts may not correspond to values in the Cash Flow Statement.

## 8 Cash and cash equivalents

| | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|
| Balance at 1 April | 638 | 1,322 |
| Net change in cash and cash equivalent balances | 385 | (684) |
| **Balance at 31 March** | **1,023** | **638** |
| At 31 March, the following balances were held: | | |
| **Commercial banks and cash in hand** | **1,023** | **638** |

Cash at bank and short term investments represents the only funds held by TPR. These funds are held at HSBC within two accounts. We also hold five further accounts with HSBC. Any funds held in these accounts are not available for TPR's use.

## 9 Trade payables and other current liabilities

| | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Other taxation and social security | 2,003 | 1,679 |
| Trade payables | 432 | 787 |
| Capital accruals | 122 | |
| Lease liabilities | 385 | 453 |
| Accruals | 8,651 | 7,043 |
| | **11,593** | **10,054** |

| | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|
| **Amounts falling due after more than one year** | | |
| Other taxation and social security | – | – |
| Trade payables | – | – |
| Capital accruals | – | – |
| Other creditors | – | – |
| Lease liabilities | 2,306 | 3,221 |
| Accruals | – | – |
| | **2,306** | **3,221** |

There is no deferred income due in less than one year or greater than one year at the end of the current year or prior year. Due to rounding, amounts may not correspond to values in the Cash Flow Statement.

## 10 Provisions for liabilities and charges

| 2025-26 | £'000 |
|---|---|
| **Balance at 1 April 2025** | 245 |
| Provided in the year | – |
| Provision not required written back | – |
| Provisions utilised in the year | – |
| **Balance at 31 March 2026** | **245** |

### Analysis of expected timing of discounted flows

| | |
|---|---|
| Not later than one year | – |
| Later than one year and not later than five years | – |
| Later than five years | 245 |
| **Balance at 31 March 2026** | **245** |

| 2024-25 | £'000 |
|---|---|
| **Balance at 1 April 2024** | 245 |
| Provided in the year | - |
| Provision not required written back | - |
| Provisions utilised in the year | - |
| **Balance at 31 March 2025** | **245** |
| **Due within one year** | - |
| **Greater than one year March 2025** | - |

### Analysis of expected timing of discounted flows

| | |
|---|---|
| Not later than one year | – |
| Later than one year and not later than five years | – |
| Later than five years | 245 |
| **Balance at 31 March 2024** | **245** |

The provision is to cover expected dilapidations costs and reflects the expected liability to cover the cost of restoring Telecom House which expires in March 2033.

## 11 Lease liabilities

Lease liabilities during the year relate to the lease of space at Telecom House, Brighton which commenced in March 2023. Lease obligations associated with this lease have been based on future commitments to March 2033. The interest rate used to discount the Telecom House lease for IFRS 16 purposes is 3.51% HMT discount rate.

| | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|
| **Lease liability – quantitative disclosure under IFRS 16** | | |
| Buildings: | | |
| Not later than one year | 487 | 584 |
| Later than one year and not later than five years | 2,217 | 2,676 |
| Later than five years | 334 | 1,022 |
| Less interest element | (347) | (608) |
| Present value of obligations | 2,691 | 3,674 |

## 12 Financial and capital commitments

There were no material capital or financial commitments at the year end (2024-25: nil).

## 13 Contingent assets and liabilities disclosed under IAS 37

TPR has not entered into any unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort.

From time to time we will be subject to legal challenge and judicial review of decisions made in the normal course of our business as regulator of workplace pensions. Legal judgements could give rise to liabilities for legal costs but these cannot be quantified as the outcome of proceedings would be unknown and there is therefore considerable uncertainty as to the nature and extent of any subsequent liability.

As at 31 March 2026 there were no ongoing cases which would result in liabilities for the regulator.

## 14 Related party transactions

TPR is a Non-Departmental Public Body (NDPB) accountable to the Secretary of State for Work and Pensions. During the year TPR had a small number of immaterial transactions relating to seconded employees to the Money and Pensions Service, another NDPB of the DWP.

TPR received grant in aid from DWP amounting to £113m (disclosed within the Statement of Changes in Taxpayers Equity and referenced in note 1.2(j). As disclosed in note 1.2(i), TPR collects fines, penalties and levies on behalf of the DWP and the PPF. This income is not accounted for in the TPR accounts nor are any related cash balance.

Details of remuneration for key management personnel can be found in the remuneration and staff report within the Accountability report on pages 86 to 89.

## 15 Events after the reporting date

IAS 10 requires TPR to disclose the date on which the financial statements are authorised for issue by the Accounting Officer. The Annual Report and financial statements were authorised by the accounting officer for issue on the date of the Comptroller and Auditor General's audit certificate.

## How to contact us

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