

SMR impacts following the decision to combine the role of General Counsel within the ED of ELG role

The purpose of this paper is to set out the impact to the organisation through the lens of Senior Manager Regime (SMR) and make recommendation for mitigations to the presented impacts and risks.

Context

The tailored SMR accountability framework adopted by TPR, establishes a framework of clear individual accountability for senior leaders within the organisation. During the design process the accountability framework looked to combine the guiding principles of the SMCR and the Civil Service Functional Skills and the 7 Principles of Public Life (Nolan 7).

As part of this the roles that would become Senior Manager Function Holders (SMFs) within the organisation were identified:

- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)
- Executive Director of Digital, Data and Technology (DDaT)
- Executive Director of Market Oversight (MO)
- Executive Director of Strategy, Policy and Analysis (SPA)
- Executive Director of Enforcement and Legal Group (ELG)
- General Counsel (GC)
- Head of Internal Audit
- Chair of the Board
- Non-Executive Director (NED) – ARAC
- Non-Executive Director (NED) – RaPCo
- Senior Independent Person (SID)

Each of them has a Statements of Responsibilities (SoR) that clearly define their remit, which outlines accountabilities and key decision-making ownership. This creates the Management Responsibility Map (MRM) and gives transparency to the organisation of the accountabilities and where they sit, ensuring robust governance structures that ensure effective internal controls.

At TPR, the Board's responsibilities include overseeing strategic direction, maintaining effective internal controls, and ensuring statutory and administrative compliance. TPR also holds significant enforcement powers, spanning regulatory, civil, penalty, and criminal actions, reflecting the requirement for independence and impartiality in enforcement decision-making.

Against this background, combining the roles of General Counsel and Executive Director of Enforcement creates a series of impact within the expectations of SMR

Impacts

Risks to Independence and Objectivity: Combining these roles may create perceived or actual conflicts of interest—for example, where the GC is effectively advising on the legality of decisions, they themselves initiated. This tension may undermine confidence in enforcement objectivity and public trust in TPR's governance.

Concentration of Accountability Under the SMR: The SMR requires senior managers to have clearly defined, non-overlapping responsibilities to ensure accountability is traceable and meaningful. Merging these functions risks creating a single point of regulatory exposure, where one individual holds a wide remit covering legal advice, regulatory interpretation, and enforcement action. If a breach occurred, it may be harder to evidence that the individual took "reasonable steps" across such a broad and complex portfolio, increasing personal and organisational risk.

Risks to the Integrity of Enforcement Processes: Given TPR's enforcement powers, including regulatory notices, civil actions, criminal prosecutions, and fines. There is a heightened need for transparent, independent decision-making. A combined role may give rise to:

- perceived bias, as the same leader oversees both legal interpretation and enforcement outcomes
- challenges during litigation, where defence arguments might exploit perceived structural conflicts

Cultural and Operational Risks: The Enforcement function is typically investigative and adversarial, while the GC function is advisory and risk balancing. Combining the two risks cultural tension or role confusion, with potential chilling effects where staff perceive reduced independence in case escalation or internal challenge. It may also reduce the capacity for each function to pursue its agenda effectively, especially given the increasing complexity of pension regulation and enforcement demands.

Strategic Risks Under Evolving Enforcement Expectations: As TPR continues its journey to implement and embed a more strategic, risk-based enforcement model focused on saver outcomes and earlier intervention, distinct strategic leadership in the Enforcement function becomes more important. Blending this with the GC role could dilute strategic focus or stretch capability, particularly where enforcement and legal priorities diverge.

Mitigations

While combining the GC role and accountabilities into the ED of ELG role introduces notable risks, particularly around conflicts of interest, concentration of responsibility, and governance. These risks can be significantly mitigated through clear allocation of responsibilities, strong governance structures, independent oversight, and robust procedural safeguards. Together, these mitigations help ensure TPR maintains transparency, objectivity, and compliance with SMR expectations.

Strengthen Role Clarity and Accountability: Develop the Role Description (RD) and Statement of Responsibilities further, to give distinct, granular details to demonstrate how advisory and enforcement duties remain separately governed. This could look like:

- A separate SoR for the Director of Enforcement, calling out the enforcement accountabilities on the MRM
- A schedule of Delegated Authorities, if the accountability was to all be held in the same role. We can relook at a 'schedule of delegated authorities' to support the clarity of how the ELG SLT will be responsible for certain decision making to be put in place.

These options aligns with SMR expectations for clearly allocated responsibilities. This will enable TPR to utilise and maintain a robust MRM to document mitigations, reporting lines, escalation routes, and separation of key decision points.

Implement Structural and Procedural Safeguards: Establish a formal separation of decision-making powers, such as requiring independent review panels or committees for major enforcement decisions. This preserves objectivity where conflicts might otherwise arise. Making powers, such as requiring independent review panels or committees for major enforcement decisions. This preserves objectivity where conflicts might otherwise arise.

Enhance Governance Oversight: Strengthen oversight by the TPR Board, which is responsible for ensuring effective internal controls and proper public body governance. This could look like a regular Board or Audit & Risk Committee reporting on how separation of duties risks is being managed, including periodic audits of enforcement and legal processes or commission periodic independent reviews of enforcement and legal integration to ensure continued alignment with public body good governance standards.

Create Conflict-of-Interest Frameworks: Ensure all conflicts are logged and reported transparently through governance documentation and utilise a detailed conflicts-management protocol. This will set out when the dual-role holder must recuse themselves, for example, if there are cases involving significant strategic enforcement actions, or matters where legal advice and enforcement direction materially intersect.

Strengthen Operational Independence within Enforcement: Within the role of the Enforcement Director, ensure there are delegated senior decision-making responsibilities. This role is then able to hold defined authority levels, reducing concentration of decision-making power and enabling operational independence.

Build Organisational Capability and Culture: Provide staff with clear guidance on escalation routes, ensuring concerns about impartiality or procedural integrity can be raised independently. Ensure there is clear understanding of professional boundaries between legal advisory work and enforcement activity and how to maintain them, reinforcing a culture of challenge and independence.

Increase Transparency and External Scrutiny: Publish summaries of governance safeguards in TPR's Annual Report TPR's commitment to transparency in line with its statutory duties.

Conclusion

Within the SMR framework, which emphasises clear accountability, separation of duties, and robust governance. Combining the General Counsel and Executive Director of Enforcement and Legal roles at TPR presents significant impacts and to ensure that the organisation can balance those impacts, clear mitigations will need to be established and embedded.