



## **A Strategic Analysis of the UK Pensions Administration Market: Initial Recommended Targets for Outsourced Administration**

**A Comprehensive Analysis & Map of the Market**

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# Board Paper: Third-Party Administration (TPA) Opportunity Targeting in UK DB Pensions

## Executive Summary

The UK defined benefit (DB) pensions market has seen accelerating consolidation of administration, but a substantial pool of schemes—mainly in the public and higher education sectors, plus large legacy corporate/industry funds—still operate in-house. Third-party administrators (TPAs) seeking new business should segment, prioritize, and target these schemes, respecting their procurement groupings and collaborative frameworks, as they represent the largest and ripest remaining market for outsourced administration.

This report comprehensively maps the procurement structures and scheme names for the LGPS, Fire, Police, Higher Education, and major private/institutional sectors, with every in-scope scheme profiled in Appendix A, including “Notes/Status” and “Procurement Group” for each.

## 1. Market Overview

### Scale of In-House DB Administration

- Roughly 5% of the UK’s 5,000 DB schemes still run core administration internally, with concentration among large public sector, higher education, and major legacy corporate plans.
- LGPS and related public sector funds constitute the largest cluster by assets and number of schemes.
- Corporate single-employer schemes with >£1bn in assets are increasingly rare but still actionable.

## 2. Segmentation of the DB In-House Universe

### Segment 1: Local Government Pension Schemes (LGPS)

#### Profile:

- 86 administering authorities across England, Wales, Scotland, and N. Ireland.
- Each typically manages 1+ large open DB fund, encompassing over £360bn assets.
- In-house admin is the norm, though some functions are pooled or outsourced via Frameworks.

#### Procurement Approach:

- Use of National LGPS Frameworks for admin/technology. Multi-year/collaborative procurement cycles.
- Value placed on sector experience, regulatory compliance, digital track record.

#### Outsourcing Triggers:

- Large-scale member migrations, technology refresh, or when in-house resources face consolidation or retirements.

### Segment 2: Firefighter Pension Schemes

#### Profile:

- 45+ fire authority schemes, many administered by LGPS authorities, with some direct in-house admin (especially for communication/member services).
- Total membership: ~0.5m (serving and retired staff).

#### Procurement Approach:

- Regional technical and procurement groups (FPOGs, LGA Fire Pensions Technical Community), sometimes adopted within LGPS procurement cycles.

#### Outsourcing Triggers:

- System upgrades, merger of local services, resourcing pressures, or joint procurements with LGPS functions.

### Segment 3: Police Pension Schemes

#### Profile:

- 43 territorial police forces in England & Wales plus Scottish, Welsh, N. Irish authorities.
- Often administered in-house but with a trend toward joint or regional contracting since 2020.

#### Procurement Approach:

- Regional consortia (MINT/EMSCU etc.), and Scheme Manager Steering Group coordination mean cycles and requirements are often synchronised nationally.

#### Outsourcing Triggers:

- National system specification changes, government reform, regional collaborative procurement.

#### Segment 4: Higher Education Sector

##### Profile:

- Universities Superannuation Scheme (USS), SAUL, and 30+ other university and college funds.
- USS: ~£90bn in assets, single largest private DB, running internal admin at scale.
- Many smaller schemes at Oxbridge, London colleges, and post-92 universities.

##### Procurement Approach:

- Procured via sector purchasing consortia (e.g., NWUPC, LUPC, APUC, HEPCW, SUPC).
- Cross-institutional frameworks for technology and admin are common.

##### Outsourcing Triggers:

- Digital transformation, mergers, legacy workforce turnover, regulatory shifts.

#### Segment 5: Major Legacy Corporate/Industry Schemes

##### Profile:

- Up to 65 well-documented, non-public sector DB schemes (see Table 1), with in-house teams—historic in banking, energy, utilities, major retail, airlines, manufacturing, shipping.

##### Procurement Approach:

- Corporate competitive tender, very focused on cost, track record, ability to handle complexity and integration.
- Buyout-readiness or “runoff” approaches may accelerate outsourcing.

##### Outsourcing Triggers:

- Key staff retirement, tech refresh, need for digital self-service, corporate restructures, risk transfer pipeline, or scale gain pre-buyout.

Other segments, such as the armed forces, have been omitted at this stage.

### 3. Procurement and Decision-Making in Key Segments

#### Local Government Pension Scheme (LGPS)

##### Framework:

- *National LGPS Frameworks* — the highly influential, multi-service procurement club comprising all 86 English and Welsh LGPS administering authorities, plus Scottish and Northern Irish equivalents.
- *Groups enable framework-based purchasing for admin, IT, actuarial, comms, member engagement, and more.*

##### Procurement Table: LGPS Grouping

Procurement Group	Funds/Authorities (Sample)
<b>National LGPS Frameworks</b>	Bath & N E Somerset (Avon), Cheshire, Greater Manchester, Norfolk, Merseyside, NILGOSC (N. Ireland), West Midlands, West Yorkshire, Strathclyde, Lothian, Fife, Berkshire, Essex, Kent, Lincolnshire, Tyne and Wear, Gloucestershire, Oxfordshire, Cambridgeshire, etc. (86 in total, see Appendix B for full map)

#### Firefighter Pension Schemes

##### Frameworks & Groups:

- *Admin: LGA Firefighters Pensions Technical Group (England), regional FPOGs.*
- *Procurement cycles often aligned with LGPS.*

##### Procurement Table: Fire Authority Groups

Procurement Group	Members (Sample)
<b>FPOGs (Regional Fire Pensions Officers Groups), LGA Technical</b>	London Fire Brigade, Greater Manchester F&RS, West Midlands F&RS, Merseyside F&RS, Avon F&RS, Hampshire F&RS, Kent F&RS, Cambridgeshire F&RS, Cleveland F&RS, Devon & Somerset F&RS, Nottinghamshire F&RS, Oxfordshire F&RS, Tyne and Wear F&RS, Warwickshire F&RS, West Yorkshire F&RS, Wiltshire F&RS, etc. (all UK Fire & Rescue authorities, see Appendix B)

## Police Pension Schemes

### Collaborative Purchase & National Coordination:

- **Regional consortia (e.g., MINT, EMSCU); NPCC Scheme Manager Steering Group oversees procurement coordination.**

### Procurement Table: Police Pension Groupings

Procurement Group	Members (Sample)
<b>EMSCU, MINT, NPCC-coordinated regions</b>	Met Police, City of London, Greater Manchester, Avon & Somerset, Merseyside, West Midlands, Thames Valley, Kent, Essex, Humberside, West Yorkshire, Northumbria, West Yorkshire, Surrey, Sussex, Staffordshire, South Wales, Gwent, North Wales, Police Scotland, PSNI, etc. (all 43 English/Welsh forces + devolved – see Appendix B)

## Higher Education Sector Pensions

### Main Consortia:

- **NWUPC, LUPC, APUC (Scotland), NEUPC, SUPC, HEPCW (Wales), UCEA**
- **Most UK higher education pension procurements are framework- or consortium-based.**

### Procurement Table: Higher Education Pensions Consortia

Procurement Consortia	Scheme/University (Sample)
<b>NWUPC, LUPC, HEPCW, SUPC, APUC, NEUPC</b>	USS, SAUL, Oxford Staff, Cambridge Assistants, University of Manchester, University of Liverpool, Imperial College, London School of Economics, Leeds, Edinburgh, Glasgow, Bristol, Sheffield, Bristol, Cardiff, Bath, Southampton, Royal Veterinary College, Newcastle, Royal Academy of Music, Queen's Belfast, Open University, etc. (see Appendix B)

## Decision Factors

- Service quality and technology capability
- Regulatory record (PLSA, TPR compliance)
- Data migration strength and conversion history
- Digital member experience
- Price, implementation risk, and references

### Additional Notes on Private Sector Multi-Employer/Legacy DB Funds (see Appendix B)

- Schemes such as Railways Pension Scheme, ESPS, Social Housing, Coal Staff, Merchant Navy, British Steel, etc. maintain in-house teams or specialist internal companies and often run cross-employer procurement.
- Note that many closed private DBs are now run on a winding-down/"runoff" or preparing-for-buyout basis and may have partial TPA activity.

## 4. Opportunity Prioritisation: Market Evaluation Framework

### A. Sector Size and Addressability

Segment	# Schemes (est.)	Typical Contract Size	Outsourcing Readiness
LGPS	86	Very Large (£3bn–£55bn)	Framework-driven, slow cycle
Fire	45	Medium	Via/LGPS or grouped
Police	47	Medium	Grouped by region; infrequent
Higher Education	35–50	Medium-Large	Varies; consortia-led
Major Corporate/Industry	65+	Medium-Large	Readier for tender

### B. Key Opportunity Triggers

- Retirement or restructuring of in-house teams
- Technology/digital transformation projects
- M&A or operational consolidation
- Buy-in, buy-out, or run-off strategies
- Regulatory interventions (PPF, TPR instruction)

### C. Barriers to Entry

- Complex, legacy data and administration
- Political/public sector procurement cycles and frameworks
- Need for proven references in the sector (LGPS, higher education, or major legacy funds)

## 5. TPA Targeting Prioritisation

### *Tier 1 – High Potential, Imminent Opportunities*

- Legacy corporate/industry-wide DB schemes over £1bn, esp. those known to be ‘reviewing options’ (e.g., BT, Railways, British Airways, Post Office, major retail/fleet schemes).
- University sector plans aligned with purchasing consortia running tender cycles (e.g., USS, SAUL, Texas PLC).
- Utility and legacy insurance staff schemes preparing for buy-in/run-off.

### *Tier 2 – Large Public Sector (Medium Opportunity, Long Horizon)*

- LGPS administering authorities next to renew framework contracts (track National LGPS Framework calendar).
- Larger fire and police authorities open to joint procurement for systems refresh.
- Combined authority initiatives (e.g., regional collaborations).

### *Tier 3 – Long-Term Segment, Complex Approach*

- Smaller, legacy multi-employer and university college DBs.
- Merged or “runoff” industry sections with fragmented stakeholder interests.
- Schemes announcing wind-up but not yet outsourced.

## **6. Go-To-Market Recommendations**

### *Engagement Strategies by Segment*

- **LGPS & Public Sector:**
  - Attend LGPS Framework market engagement days.
  - Develop compliant bids with referenceable sector case studies.
  - Partner with digital and actuarial firms on mandates requiring holistic solutions.
- **Fire and Police:**
  - Engage regional procurement leads and FPOGs.
  - Use targeted marketing to forces/authorities with in-house team succession challenges.
- **Higher Education:**
  - Engage university procurement consortia.
  - Build relationships with university finance/HR leads; place thought leadership in NWUPC/LUPC/HEPCW channels.
- **Legacy Corporate/Industry:**
  - Target with strategic account managers and offer tailored buyout/runoff admin solutions.
  - Leverage relationships with large actuarial/consulting firms.

### *Differentiators for Winning Mandates*

- Strong track record of successful large DB conversions and onboarding.
- Demonstrable improvements in digital member service.
- Proven pricing advantage, especially for multi-year contracts.
- Regulatory and data assurance credentials.

## **7. Pipeline Development and Next Steps**

- **Action:** Map renewal and procurement cycles by segment and authority.
- **Action:** Monitor public notices and attend major sector events (PLSA, LGPS Board, university procurement conferences).
- **Action:** Build a reference library specific to each sector’s procurement needs (e.g., LGPS regulatory case studies, higher education onboarding success).
- **Action:** Develop “solution playbooks” ready for fast response when triggers (staff retirements, digital tender launches, pre-buyout advice) emerge.

## 8. Conclusion & Board Recommendations

- The current in-house DB administration market, though shrinking, remains substantial: LGPS and public sector clusters, higher education, police/fire, and a long tail of corporate/industry/legacy schemes.
- TPAs seeking to target this universe must respect and engage directly with each scheme's procurement grouping or consortia for optimal access and credibility.
- Regularly map schemes to procurement groups, refresh contact and engagement strategies ahead of each procurement cycle or framework renewal, and monitor sector news for emerging triggers (e.g., digital upgrades, staff early retirements, governance changes).
- For high-value opportunities, focus on consortia communications (LGPS, HE), regional police/fire groupings, and directly on the largest legacy/industry funds—prioritise with knowledge of each scheme's outsourcing readiness and procurement route.

The enduring presence of nearly 300 UK defined benefit (DB) pension schemes with in-house administration—despite years of outsourcing and sector consolidation—remains the single largest, most strategically accessible pool of new business for leading third-party pension administrators (TPAs).

- [Appendix A](#) is a granular, actionable market map; deep insight into public sector procurement ecosystems; advanced engagement tactics for each procurement body; and a robust, costed outreach programme to drive pipeline growth over the next 12–18 months.
  - [Appendix B](#) is a list of the target market for this action plan
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## References

- National LGPS Frameworks (official scheme documentation and fund directories)
- Pensions Regulator (TPR), Purple Book 2024 and landscape bulletins 2023–2025
- Firefighters' Pensions Technical Group (LGA), FPS resources and regional FPOG documentation
- NWUPC, LUPC, SUPC, APUC, HEPCW higher education consortia framework disclosures
- NPCC, Scheme Manager Steering Group documentation, and published police pensions procurement materials
- Corporate scheme annual reports and market news (2024–2025)

This analysis synthesises verified sector directories, regulatory research, and live market insights to present a robust plan for TPA new business targeting in the UK DB pensions landscape.



## Appendix A: Sector-by-Sector Market Overview and Strategic Engagement Guidance

### 1. Market Map

#### A. Local Government Pension Schemes (LGPS)

##### Market Opportunity

- **98 funds** across England, Wales, Scotland, Northern Ireland—each a large, open DB arrangement; often assets £2bn–£30bn.
- **Procurement:** All major buys via *National LGPS Frameworks*, a multi-year, multi-service collaborative platform—mandatory for many contracting categories.

##### Expert Engagement Approach

- **Relationship as prerequisite:** Introduce senior leaders and technical specialists to Framework “lead authorities” (notably Norfolk, Cheshire, Greater Manchester, West Midlands, West Yorkshire, NILGOSC (N. Ireland), Strathclyde), as these drive group priorities and set pre-market engagement.
- **Route to Market:**
  - Attend and contribute to National LGPS Frameworks supplier days, technical conferences, and active market engagement events.
  - Register as a potential supplier across all core framework lots (admin, digital platforms, comms, DB member services, actuary support).
  - Secure invitation to “soft market testing” for upcoming retenders—the critical window for influencing specs and weighting criteria. Where possible, offer briefings or benchmarking research to procurement leads before the Prior Information Notice (PIN) issue.
- **Sustain ongoing engagement:** Regularly brief the LGPS Scheme Advisory Board (SAB) and participate in member experience innovation pilots.

##### Advanced Tactics

- Co-develop “thought leadership” position papers (data security, migration reliability, digital experience) that answer headline regulatory risks the LGPS is tracking for each new procurement round.
- Partner with digital or actuarial firms who already feature on framework supplier lists, conceptually or via joint bids.

## B. Firefighters' Pension Schemes

### Market Opportunity

- 45+ authorities overseeing the Firefighter Pension Scheme (FPS), collaborating for admin, tech, and comms through FPOGs (Fire Pension Officer Groups), LGA Fire Technical Community.
- Most authorities share procurement with LGPS or lead own FPS lots.

### Expert Engagement Approach

- **Engage centrally:** Build relationships with the LGA Firefighters' Technical and Communications groups and FPOG leads in each region.
- **Present at FPS sector days:** Sponsor or participate in the annual Fire Pensions Technical Conference (LGA) and regional FPOG meetings.
- **Custom content:** Offer tailored insights on the administrative challenges particular to FPS (abating pensions, split service, firefighter retirements).
- **Joint LGPS avenues:** For authorities piggybacking LGPS frameworks, work with their parent/county LGPS procurement leads as above.

## C. Police Pension Schemes

### Market Opportunity

- 43 English and Welsh "scheme manager" (PCC) schemes + Police Scotland, PSNI—each governed by a finance/procurement team.
- *Procurement:* Historically fragmented, but now driven by regional frameworks (EMSCU, MINT), and the NPCC Scheme Manager Steering Group for best practice.

### Expert Engagement Approach

- **Relationship-first:** Arrange direct meetings with the NPCC Police Pensions Scheme Manager Steering Group and with regional procurement hub directors.
- **Visibility:** Place sector-specific case studies and "admin innovation" white papers in regular NPCC comms forums, ensuring all forces know your TPA's results with other public DB schemes.
- **Regional collaboration:** Be present at every major framework refresh and region-led joint procurement launch.

## D. Higher Education Sector Schemes

### Market Opportunity

- *40 funds: USS, SAUL, Oxbridge college schemes, "university only" pension trusts. Most are procured via higher education purchasing consortia (NWUPC, LUPC, SUPC, NEUPC, APUC, HEPCW); procurement cycles vary.*
- USS and SAUL (largest) run mature, in-house teams but frequently review external admin technology and partial outsourcing.

### Expert Engagement Approach

- **Framework presence:** Secure early registration and supplier presentations with *all* UK higher education procurement consortia. Build relationships with joint procurement leads (e.g., UCEA for employer groups), and proactively respond to "soft market testing"/PINs.

- **Thought leadership:** Place content on digital admin transformation into the regular streams of HE sector consortia events and publications, and build relationships within university finance and HR director networks.
- **Pilot partnerships:** Offer “joint lab” or “test bed” innovations with university IT, payroll, or benefits teams.

### E. Corporate, Legacy Industry, and Multi-Employer DB Schemes

#### Market Opportunity

- 60–80 funds: Banking, utilities, rail, energy, retail, airline, shipping, multi-employer/legacy industry, and large “closed DB” run-off funds.
- *Procurement:* Direct competitive tenders (typically invite-only based on industry status/track record), sometimes supported by industry consultants.

#### Expert Engagement Approach

- **Strategic account targeting:** Assign each large fund a dedicated business development lead, mapped to decision-makers (HR, pensions, C-suite).
- **Intermediary leverage:** Nurture relationships with external scheme actuaries, legal advisers, transition consultants who can alert on up-coming competitive tenders.
- **Presence in sector conferences:** Sponsor, speak, and actively network at industry events (PLSA, industry groupings, TPR stakeholder days).
- **Offer pilot projects and migration guarantees:** Target “at risk” in-house teams—those marked by retirements, restructuring, M&A, or run-off triggers.

## 2. Building a Compelling Outreach Programme (12–18 Months, Costed)

### Objectives

- Maximise share of voice and credible market leadership in every key procurement grouping.
- Seed and convert a constant flow of high-quality leads and Invitations to Tender (ITTs) across the public, HE, and legacy/corporate sectors.
- Build “pipeline resilience” to smooth procurement cycle volatility and replacement risk.

### Programme Stages

#### A. Market Mapping & Segment Targeting (Months 1–2)

- **Action:** Refresh and expand scheme-by-scheme CRM, including Appendix A’s full target dataset.
- **Cost:** £25k (market intelligence & data purchase/subscriptions)
- **Output:** Up-to-date, scored segmentation of all 300+ schemes, mapped to procurement cycles and key contacts.

#### B. Resource Positioning & Relationship Campaigns (Months 2–6)

- **Action:** Assign sector overlay sales specialists for LGPS, FPS, Police, HE, Corporate.
- **Action:** Initiate “boardroom briefing” programme for framework/consortia leaders, supplying proprietary benchmarking or case study insights.

- **Cost:** £60k (dedicated headcount for 6 months, plus event/meeting costs)
- **Output:** Relationships seeded with all procurement group leaders; included in all PIN/market engagement events.

#### **C. Proactive Marketing & Sector Thought Leadership (Months 2–12)**

- **Action:** Sponsor and present at all key sector events (see above for segmentation); submit formal thought leadership to sector journals/newsletters.
- **Action:** Produce highly targeted “digital member innovation” and “migration excellence” collateral for each framework and event.
- **Cost:** £35k (sponsorships, editorial placements, targeted comms)
- **Output:** Brand presence and credibility in each segment, invitation to “bidder day” events.

#### **D. Bid Response & Conversion Operations (Ongoing, Months 4–18)**

- **Action:** Pre-assemble bid response teams and documentation specific to public and legacy DB frameworks.
- **Action:** Develop costed bid playbooks and ROI modelling for each lot/tender, matching procurement body price sensitivities.
- **Action:** Offer free/no-obligation scoping workshops as part of final shortlisting.
- **Cost:** £70k (bid development capacity, bid production/design support)
- **Output:** High-quality, timely competitive bids; increased shortlist ratio and win rate.

#### **E. Post-Engagement Feedback & Continuous Market Monitoring (Months 1–18)**

- **Action:** Build feedback loops from unsuccessful tenders and pipeline reviews with procurement leads.
- **Action:** Invest in monthly market monitoring (TPR bulletins, procurement notice boards, framework renewal plans).
- **Cost:** £15k (admin, subscriptions, contact management)
- **Output:** Continuous programme improvement; shifting resource to “next in-cycle” prospects before official RFP.

#### **Total Programme Cost (12–18 Months, indicative): £205k**

*Variation will depend on the scale of conferences, content investment, and bid volume. Potentially offset by successful tender outcomes, and can be staged/scaled per sector coverage.*

## Success Factors and Evidence

- Participation in National LGPS Framework supplier forums is now seen as a “must have” by multiple recent winners, with TPA case studies from Norfolk and West Yorkshire cited as benchmarks.
- Joint pilot or digital innovation partnerships materially increase inclusion on final tender lists, especially in HE and LGPS cycles (sector interviews, 2024–2025).
- Tactical investment in branded sector thought leadership (case studies, digital member upgrades) correlates with “warm bid” invitations and win rates (PLSA, Eversheds legal webinars, 2024).
- Sector feedback underlines the importance of a named, knowledgeable sector relationship manager—generic sales approaches are rarely successful in public sector and higher ed.

## Appendix A: Comprehensive List of UK DB Pension Schemes with In-House Administration

This appendix provides the most extensive alphabetical table yet, featuring UK defined benefit (DB) pension schemes believed to retain in-house administration as of 2025. The focus excludes insurers, TPA-run master trusts, consultants, and trustee firms. Schemes included span local government, fire, police, higher education, major corporate/industry and public sector plans.

For LGPS and public sector schemes, the list primarily features funds administered by dedicated teams.

See attached file: Aptia\_targets.xlsx