



Planned activities and milestones

Foreword



Oliver Morley
Chief Executive

Our purpose is to protect the future of millions of people throughout the UK who belong to defined benefit pension schemes. When these schemes fail, we're ready to help.

We do this by paying our members, by charging a levy and by investing sustainably.

Our work has a real impact on people's lives, so whatever we do, we strive to do it well, with integrity and with their future in mind.

We made good progress on our objectives in 2020/21, despite the challenges caused by the COVID-19 pandemic.

In the third and final year of our Strategic Plan we'll complete our review of our funding strategy to ensure a sustainable future for PPF members.

Our IT transformation programme will enter its third phase and we'll continue to focus on continually improving services for members and levy payers while ensuring value for money. Through our work on diversity, governance and risk management we're making sure our culture combines the best of public and financial services.

Throughout this Strategic Plan period, our five strategic priorities have guided us on our path through major challenges. I look forward to delivering the final stage of this Strategic Plan as we look ahead to the next three years.

Sustainable funding in volatile times



Planned Activity / Milestone

1

We will complete an in-depth review of how our funding strategy should evolve as we grow and mature. This will include:

- Defining how our investment and levy strategy should evolve over time;
- Enhancing our current funding framework to better support the Board in monitoring funding and making decisions to maximise our chances of meeting our long-term goals; and
- Utilising our enhanced modelling and risk analysis capabilities to better understand the risks we face and refining the plan for how the PPF might respond if they materialise.



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We will consider further opportunities for investment insourcing, where we can demonstrate the portfolio management is best managed and supported internally.

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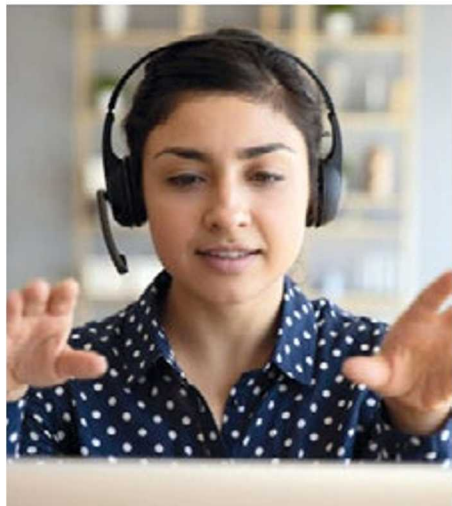
We will demonstrate a robust and effective approach to responsible investment by:

- Pursuing risk management approaches to mitigating Environmental, Social and Governance (ESG) and climate-related financial risk exposure within our investments, across all markets where possible;
- Participating in the Principles of Responsible Investment annual reporting assessment; and
- Continuing to report on our activities and progress, in line with the Task Force on Climate-related Financial Disclosures guidelines.

4

We will maintain a probability of success of at least 90 per cent, subject to macroeconomic conditions.

Built for innovation



Planned Activity / Milestone

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We will complete the third phase of the transformation programme that will deliver more cloud-based solutions, delivering efficiencies, improved service, ensuring appropriate resilience and stability of the IT estate.

We will deliver more digitised solutions that will provide better integration of critical services, supporting our multichannel member communication strategy.

At the end of the three-year IT transformation plan we will have delivered:

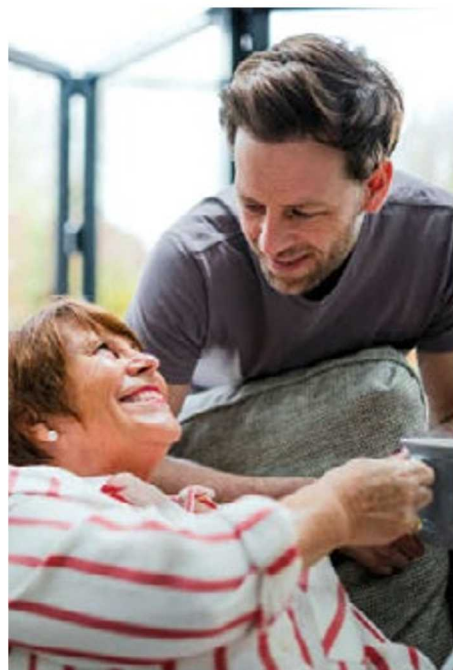
- A 65 per cent reduction in the number of Priority 1 and Priority 2 incidents compared with the 2017/18 financial year; and
- A 150 per cent increase in the number of project and programme deliveries against the 2017/18 financial year.



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We will further enhance our security services by introducing appropriate technical solutions to enhance our security pillars and enforce our FCA Plus emulation.

Brilliant service for members and schemes



Planned Activity / Milestone

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We will implement an agreed set of principles for dealing with our vulnerable customers

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PPF and FAS members' satisfaction with the service they receive is at 90 per cent or above.

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Levy payers' satisfaction with the service they receive is at 80 per cent or above.

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We will collect 95 per cent of the outstanding uncontested 2021/22 levy by 31 December 2021.

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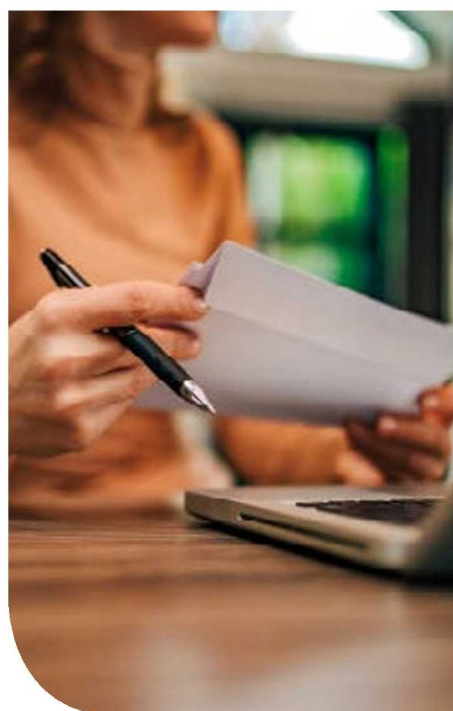
We will monitor and assess key trends affecting our levy methodology, including: changes in the risks faced by the PPF; the impact of Covid-19; and developments in the consolidator market. By the end of October we will set out our conclusions in a consultation on the levy rules for 2022/23. We will publish the final rules before the end of January 2022.

12

We will set a target for completion of the process of increasing compensation in line with the Hampshire and Hughes rulings within two months of the appeal outcomes being handed down, assuming clarity is given and no further appeals are set in train.

13

We will progress claims made to the Fraud Compensation Fund (FCF) following the Court ruling on scam scheme eligibility. We will continue to work with the Department for Work and Pensions and other bodies to ensure the FCF has the funds necessary to meet the claims on it.



The best of financial and public services culture



Planned Activity / Milestone

14

We will deliver metrics that confirm the PPF culture is 'the best of public and financial services' reflecting the FCA's culture measurements of purpose, governance, leadership and people policies.

We will carry out the 2021/22 review of the Senior Managers and Certification Regime using external expertise to ensure we are fully compliant with external expectations. In addition, we will continue to fulfil yearly expectations of annual conduct rules training, supported by output from the Culture Index.

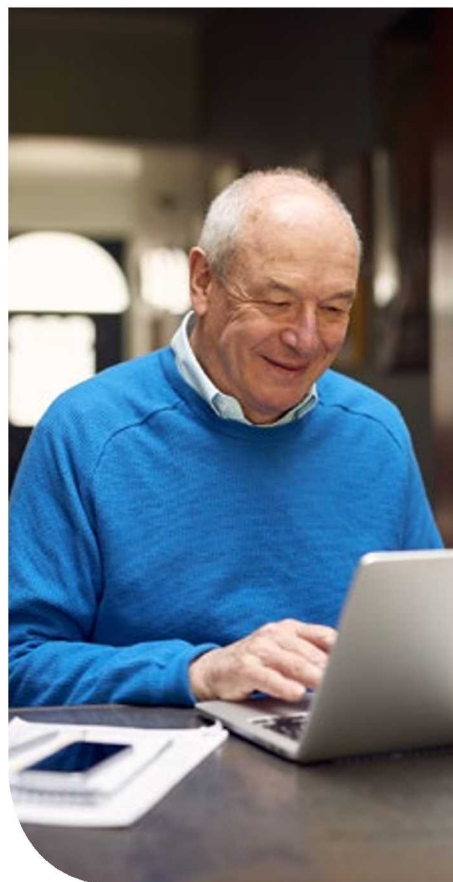
15

We will benchmark our risk framework to ensure that it meets good practice expected of regulated financial service firms.

16

We will make progress towards the targets set out as part of our Diversity and Inclusion Strategy including addressing under-representation of women in senior roles and ethnic minority employees at every level of the organisation.

Clear value for money



Planned Activity / Milestone

17

At the end of the three-year IT transformation plan we will have delivered a 20 per cent operational saving against the 2017/18 cost.

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We will deliver investment performance consistent with targets set by the Board and consistent with our long-term investment objectives within our strategic risk budget.

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We will improve the service and efficiency in our Member Services operation by:

- 70 per cent of member services transactions being completed online, including 25 per cent of retirements; and
- Implementing at least five initiatives to increase automation and efficiency.

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We will improve the productivity of Scheme and Member Services over the Strategic Plan period by more than five per cent, measured as the ratio of member records to full-time equivalent employees.



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