

## Chief Executive's review



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Oliver Morley

The last several years seem to have been characterised by uncertainty in the wider world, but never more so than this year.

The COVID-19 crisis has brought challenge for all of us – members, employees, levy payers and other stakeholders – and tragedy for many. We have all worried about our families, our health and how our world might change. Very sadly, we have lost many of our members to this disease.

These have been worrying times indeed, but a crisis often brings out the best in many of us. The PPF's ability to withstand instability since 2005 is a strength; we will never be complacent but I am glad to say that we have – so far – weathered this particular storm well.

Our Emergency Response Team acted swiftly and effectively, and our IT team worked hard to get everyone working from home without delay. Our member and employee payrolls were uninterrupted and we have managed to maintain very high levels of customer satisfaction throughout the crisis.

Thanks to our long-term, low-risk investment strategy and our hedging programme, the Protection Fund has been protected to a far greater degree than many pension schemes.



We have seen a good recovery in the first quarter of the current financial year; we expect the macroeconomic situation to be tough for the foreseeable future but we are confident in our robust strategy.

It has been a challenging time to say the least, with our work and personal lives inevitably more interlinked than usual. It makes us more determined to harness the positives that have arisen from this experience, so we are looking to change our future ways of working for the better, giving our people the flexibility to work effectively in a way that suits them, and allowing us to attract previously inaccessible talent.

Despite the obvious challenges at the end of the financial year, I am pleased to say that we made very good progress on our objectives in 2019/20, the first year of our Strategic Plan. We are on track in our work to make sure we have a sustainable and appropriate funding strategy. We are setting new standards for the industry in customer service, innovation and efficiency. We have published our first Responsible Investment (RI) report, setting out our approach and focus areas. Our compelling offer to employees is attracting high-calibre talent and diversity, which will continue to improve. The Strategic

Plan is building capability in the organisation where it intended, and gives us the focus we need to succeed in our mission.

In January, the transfer of the 1,000th scheme marked a significant milestone in protecting more than 275,000 members who have come to the PPF following the collapse of their pension scheme. While the arrival of the 1,000th scheme represents a great deal of insolvencies and change for our members, it shows the value of the PPF and that the legislation put in place to protect our members makes a real difference to people's lives. We take pride and encouragement from the fact that there is strong consensus on the value the PPF brings, across all facets, from our role in the pensions industry to our position in the community; as a corporate entity and as an employer.

During 2019/20 some major questions on PPF compensation were largely answered. Legal cases have specified that PPF compensation should be no less than 50 per cent of an individual's retirement benefits and should not put the member below the poverty line. While there is a lot of work to do operationally, we now have some clarity which will allow us to direct

our focus on the risk of future claims from the schemes we protect.

There is still a great deal of uncertainty in the universe of schemes we protect and in the wider world – a recurring theme of the last few years. The work we did last year to prepare for Brexit remains valid, although the future is somewhat uncertain, compounded by the macroeconomic situation.

I would like to take this opportunity to thank Lisa McCrory acting first as interim Chief Finance Officer, and then taking the role on permanently.

I, and the Board, are profoundly grateful to all our employees for the way they have all stepped up, and know that as we ease slowly back to normality, the PPF will continue to work to the high standards we always set.

**Oliver Morley**  
Chief Executive

