

**THE PENSIONS ADVISORY SERVICE
CORPORATE PLAN**

1 APRIL 2010 – 31 MARCH 2013

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FOREWORD BY THE CHAIRMAN

As the newly appointed Chairman of The Pensions Advisory Service (TPAS) I am looking forward to leading the body through the next few years to meet the undoubted challenges that lie ahead of us. TPAS is one of the major pension success stories uniquely combining a professional volunteer work force with skilled staff to provide a first rate, highly cost effective service. The next few years are set to provide us with the most significant challenges we have faced since we broadened our remit in 1990 to incorporate information on personal pensions.

During 2009/10 we supported the Financial Services Authority (FSA) in their Pathfinder project designed to provide free impartial information and guidance on money matters, by taking enquiries on pensions passed to us by the Pathfinder Teams. We expect to continue to provide this service now that the full Moneymadeclear service was launched on 11th March 2010, though the indications are that this will have minimum impact on our workload. Longer term, and potentially, the more significant challenge facing us is the introduction in October 2012 of auto-enrolment into pension schemes. This is the duty that will be placed on employers to automatically enrol eligible workers into a pension scheme that meets certain criteria and to make a contribution into the scheme. We are ideally placed to provide support to those members of the public who will undoubtedly have a number of questions over whether to stay in or opt out of the scheme. Department for Work and Pensions (DWP) have estimated that as many as 5-9 million people will be newly participating in this. DWP are planning to establish a contact centre from 2010 both to provide information to those likely to be affected by the changes and where appropriate forward enquiries to specialist organisations. As the programme develops and 2012 comes ever nearer we expect to receive a significant number of queries, though the phasing in of auto-enrolment over four years will lessen the immediate impact. We are currently in discussion with DWP over the impact of auto-enrolment and our role in supporting it. We consider that many people will need the support of an organisation such as TPAS, versed in, and with the requisite expertise in, the giving of information and guidance on pensions to the public. We are the only non profit making organisation capable of providing this service. Although at present there is limited information available we have shown the impact of a number of different scenarios on our services. We shall revisit these as DWP plans for auto-enrolment become known.

These initiatives will help reinforce our position as the leading independent non profit making provider of both pension dispute resolution and information giving services. We expect our information and guidance service in particular to be an area of growth and our policies are designed to ensure that TPAS is in a position to give free pensions information to as many people as possible. During 2009/10 we introduced a number of changes to our corporate governance and management structure designed to put us in a position to meet the challenges ahead and bring us into line with other similar sized public bodies. The chairman is now appointed by the Secretary of State, all board members will be appointed following open competition and their appointment along with that of the chief executive will be approved by the Secretary of State. From mid 2010 we plan to introduce a new management structure as the final stage of our organisational review.

Our corporate plan incorporates a more detailed business plan for 2010/11 linking to our strategic objectives. We are confident that our plans will enable us to provide a much needed service to as many people as possible.

Partha Dasgupta
Chairman

FOREWORD BY THE CHIEF EXECUTIVE

As the new chief executive, having taken up post on 12 April 2010 I am both excited by, and greatly looking forward to, building on the success of this well-regarded organisation. One of the things that attracted me was the respect with which TPAS is held both by the public and those within the field of pensions.

The Chairman has referred to the forthcoming FSA Moneymadeclar and the Government's Auto-enrolment initiatives. Growth always brings with it a number of challenges and opportunities and I particularly welcome the opportunity for TPAS to show that it can rise to the opportunities that these initiatives provide while continuing to provide a high quality service as our workload evolves. As always we shall be looking to maximise the use of our volunteer workforce first. As a public body we are conscious that we cannot escape the impact of the recent downturn in the economy. The changes to the management structure, while improving the efficiency of the organisation will also, over the next five years, produce significant expenditure savings. We shall continue over the course of this plan to look at all areas of our operation to see whether further efficiency savings can be made. We need to make sure that we are as streamlined and efficient as possible against the backdrop of an expected growth in workload and resources. It can be a very difficult balancing act but one which I am very much looking forward to. While handling complaints against pension schemes have played, and continue to play, an important part in our service, we expect our main growth will be in the area of general information and guidance. Over the past five years we have seen a significant increase in the number of people contacting us needing generic information and while we are still working with DWP on the expected impact of auto-enrolment we would expect this number to grow as auto-enrolment is rolled out.

Our philosophy has always been that prevention is better than cure. This is reflected in our website. 2009/10 saw a complete overhaul of the site, making it more modern and easier to navigate. The site provides wide ranging information and guidance on all aspects of pension provision and we consider it to be an accessible source of invaluable information. The improved site has resulted in even greater numbers accessing it. For the year ended 31 March 2010 we are projecting the site will have received in excess of 1,000,000 visitors up from 816,000 last year. We expect that number to continue to rise over the next three years.

We have continued to provide a successful Information and Guidance in the Workplace service, where through a mix of volunteers and paid staff, we provide guidance to employees at their place of work. During 2009/10 we made nearly 200 presentations reaching 6,000 people. We shall be aspiring over the next three years to increase the number of presentations to 250 annually as we expect this service to play an increasingly important role as auto-enrolment approaches.

We are aware of the challenges facing both us and our customers over the next three years and I look forward to TPAS meeting these challenges in a flexible and responsive way.

Marta Phillip OBE
Chief Executive

EXECUTIVE SUMMARY

In recent years we have made considerable progress across all of our objectives. We

- successfully resolve between 85% and 90% of all complaints that we are asked to investigate via a mix of professional volunteers and paid staff;
- have increased the number of people using our services so that in excess of 1,000,000 people access our service annually;
- have, alongside a significant growth in workload, been successfully reassessed in 2008 for Investors in People accreditation providing public recognition of the investment we make in both our volunteers and paid staff;
- are recognised as an authoritative and independent voice in the world of pensions, offering reassurance to an increasingly sceptical public;
- achieve on average a 95% customer satisfaction rate over all areas of our service;
- have, from our questionnaire responses, achieved a good success rate (54%) from those to whom we provide information and guidance, who have acted on that information;
- have developed our website so that it provides an accessible and comprehensive source of free information and guidance;
- have successfully extended our information and guidance arm through our work place initiative to employees in the work place;
- have successfully expanded our volunteer workforce to recruit a team of dedicated volunteers to help provide our workplace service;
- have strengthened our board governance with the introduction of board performance measurement and monitoring processes;
- set up a highly successful seminar attended by key speakers and senior industry representatives.

We shall continue to build on these successes and have set a number of strategic objectives designed to ensure that we meet the challenges facing us so that as many people as possible have access to our free expert services. We set out our plans and goals for the three years 1 April 2010–31 March 2013. The major unknown factor during this period is the impact of auto-enrolment. Until more information is forthcoming on DWP's strategy for supporting this initiative we have not taken any account of the impact of auto-enrolment on our planned workload. However, we have deemed it useful to provide an assessment of the possible scenarios and the resource implications should we play a major role in supporting auto-enrolment.

The Work Place initiative where we provide talks in the workplace to employees on the need to save for retirement is currently under review by DWP. We believe this is an important service that provides, through the use of volunteers, a cost effective service. We consider its need will increase as auto-enrolment approaches and have assumed that this will continue.

1. INTRODUCTION

The Pensions Advisory Service (TPAS)

1.1 We have been in existence since 1983 providing an increasingly valuable service to any member of the public who either has a dispute or needs general information and guidance on any aspect of pensions. Our service is provided through a mix of paid staff and professional volunteers. See appendix A for further details.

Our Principles

1.2 Our policies and delivery of our service are governed by the following principles:

- Diversity and equality of opportunity, enabling us to identify, recruit and develop the best people available from a wide variety of backgrounds;
- Efficiency. Seeking to provide the most efficient and cost effective service possible;
- Service Quality. Seeking to provide the best service possible;
- Inclusiveness. Involving our staff, volunteers, customers and other stakeholders to ensure the best delivery of our service;
- Environmental Awareness. Being aware of the effect our services have on the environment and looking to be as environmentally friendly as possible.

2. OUR CORPORATE PLAN

Introduction

2.1 Our plan describes how we intend to approach our functions and activities during the next three years. It is a living document that embraces and updates the policies and strategies outlined in last year's plan. In particular for the next three years it:

- sets out our policies, strategies and objectives;
- examines the risks that we need to address; and
- sets out our priorities and planning assumptions.

2.2 The plan incorporates our 12 month business plan and resource requirements covering the period 1 April 2010 – 31 March 2011. In the business plan we describe in detail our specific action plans in support of our strategic objectives.

Our Mission Statement

2.3 Our Mission Statement is:

To be the centre of excellence for the provision to members of the public, of a broad range of free information and guidance on pension matters, and to help resolve pension complaints and disputes.

Challenges

2.4 There are a number of challenges facing us as we seek to achieve our mission. These are to:

- i) increase both the number of volunteers and seek to make broader use of them. In a period when people are leading increasingly busy lives, it is becoming more and more challenging to recruit new volunteers with the required skills. We have, through our workplace initiative, begun to widen the use of volunteers by using them to make presentations to employees;
- ii) play our part as experts in the provision of pensions information and guidance in assisting the FSA-led strategy to build financial capability, in particular through their Moneymadeclear initiative;
- iii) to support DWP in rolling out auto-enrolment through providing information and guidance to those affected by auto-enrolment and Personal Accounts;
- iv) continue to promote our services to a wider audience thereby increasing the number of callers while at the same time both maintaining our high standards and providing value for money to the levy payers;
- v) recruit and maintain high quality staff who share the values of TPAS in providing the highest level of customer service;
- vi) continue to work with trustees, administrators and pension providers to help improve the handling of disputes;
- vii) continue to implement and monitor the corporate governance and modernisation changes undertaken in 2009/10;
- viii) continue to look at processes and procedures to ensure we are achieving maximum efficiency savings.

Strategic Objectives

- 2.5 To realise our mission, and meet the challenges facing us the Board has set a number of strategic objectives which it regularly reviews. The objectives for the period of the plan are to:
- i) provide a free quality information and guidance service to members of the public, on all aspects of pensions and in doing so support DWP's goal of ensuring that people have the information and opportunities to save for retirement;
 - ii) continue to deliver an effective dispute resolution role;
 - iii) increase the public's awareness and usage of our services;
 - iv) work with the FSA on Moneymadeclar and DWP on auto-enrolment to ensure that we are in a position to support these initiatives and to expand the number of customers served;
 - v) help improve service standards within the industry through bringing to providers attention areas of concern arising out of our experiences, thereby encouraging the industry to reduce the incidence of dispute cases;
 - vi) emphasise our commitment to equality and diversity through ensuring we have a flexible workforce appropriate to the size of TPAS that is committed to the delivery of our objectives; and
 - vii) maintain our high standard voluntary service thereby providing excellent value for money.
- 2.6 The major unknown factor in meeting our objectives is the impact of auto-enrolment. We are currently in discussion with DWP on our role in this initiative and until government decisions are finalised as to how auto-enrolment is to be introduced and supported, we cannot be certain how this will impact on our workload. However an independent report commissioned in 2008 by DWP found that we were well positioned to provide a leading role in supporting auto – enrolment.

Risk Management

- 2.7 We have identified a number of risks that could prevent us from achieving our objectives. A risk grid has been produced and is monitored and reviewed by our Audit and Risk Management Committee. The grid, in identifying the risks, quantifies the likelihood of the risk occurring and the impact upon our services. Policies and procedures are in place to minimise the impact of the risks identified.
- 2.8 The four most significant risks and the action taken to reduce the risks are:

Loss of business continuity due to a loss of IT and/or accommodation: Mitigating factors: Production and testing of risk register. IT contract in place with service level agreements. Disaster Recovery insurance in place. Production of business continuity plan which is tested annually.

Reduction in volunteers: Mitigating factors: Recruitment plan in place. Regular review of adviser numbers and appropriate action taken if adviser recruitment targets not being met. Ensure sufficient resources are dedicated to recruitment.

We are not given a full role in respect of giving information and guidance on Auto-Enrolment and the delivery of Moneymadeclar thereby adversely impacting demand for our information and guidance service: Mitigating

factors: Continue to provide a first rate service. Work closely with DWP, FSA and PADA and demonstrate the value of our information and guidance service.

Introduction in 2010 of a new management structure and loss of experienced personnel: Mitigating factors: Phasing in of changes, rather than big bang approach. Right people appointed that reflect the requirements of the new posts. Ensure appropriate succession planning is in place.

Planning Assumptions

- 2.9 We are a demand led organisation and external activities over which we have no control e.g. publicity on pension issues, can result in an unanticipated increase in our workload. However, based on previous experience and activity, alongside known future activities and the need to reach as many people as possible, we detail below our planning assumptions outlining our expected workload for the next three years. These are kept under constant review and adjustments made where necessary. We show the trends over the last three years alongside the projected workload for the next three years.
- 2.10 Following the pilot scheme in 2009 we do not expect the introduction of Moneymadeclar to have a major impact on our workload. However, we do expect a greater impact when auto-enrolment is rolled out in 2012. We consider we are well positioned to play a significant role in supporting this initiative, especially in the provision of information and guidance.
- 2.11 While there may be a small impact in 2010 and 2011, the major impact is likely to be felt from 2012/13 onwards and much will depend upon how auto enrolment is publicised and whether its introduction is given a high or low profile. The fact that its introduction is to be staged will ease the impact on services supporting it. For TPAS there are three possible scenarios:
- i) The status quo is maintained and we are not given a prominent support role;
 - ii) We are given a prominent support role and auto-enrolment is given a low key introduction;
 - iii) We are given a prominent support role and auto-enrolment is given a high profile introduction.
- 2.12 While we believe scenario i) to be unlikely, we have, for current planning purposes and until further information is forthcoming, used this scenario. We consider either scenario ii) or iii) to be the more likely scenario, but we are awaiting further information from DWP and are unable to provide an accurate forecast until more detail becomes available. However, we do provide an indication of the impact on our resources should either option ii) or iii) be implemented.
- 2.13 The report on our future capability estimated that on a low key scenario we might receive an additional 140,000 calls annually resulting in a need for an additional 19 staff from 2012/2013 onwards. Under the high profile scenario it was estimated that we might receive an additional 305,000 calls annually resulting in a need for an additional 37 staff from 2012/2013 onwards. We acknowledge that since this report was produced the announcement that auto-enrolment will be phased in may affect these assumptions. However, without additional information as to how this will be supported, these are the latest available figures and we have deemed it prudent to show the possible impact.

2.14 The table below shows the workload trends over the last three years alongside our projected workload for the next three years with no provision made for the impact of auto-enrolment. Once government strategy on auto-enrolment is known, we shall revisit these projections.

	2007/08	2008/09	2009/10 projection	2010/11 projection	2011/12 projection	2012/13
Helpline	60,435	74,700	74,000	77,000	77,000	77,000
% Increase/ Decrease	15	24	(1)	4	0	0
Written Enquiries	9,374	12,800	15,000	15,750	17,300	19,000
% Increase/ Decrease	39	36	17	5	10	10
Written Disputes	7,027	7,800	7,800	7,600	7,600	7,600
% Increase/ Decrease	3	11	(0)	(3)	0	0
Website Visitors	523,270	816,000	1,020,000	1,275,000	1,600,000	2,000,000
% Increase/ Decrease	30	56	25	25	25	25
Workplace visits	N/A	91	200	250	250	250

Assumptions

There are a number of activities that are likely to impact on our workload:

- i) a growing awareness of pension issues could lead to further increases in written enquiries throughout the period of the plan especially assuming an increase in publicity as auto-enrolment approaches. However, it is possible that the introduction of the FSA's Moneymadeclear will impact on our helpline as some callers are likely to use this service as opposed to ours;
- ii) changes to the State Pension in 2010;
- iii) the greater use of the internet, e-mail and the development of our web site;
- iv) the impact of the economic downturn on pension schemes;

The effect of the above on our activities is:

Helpline calls: Our working assumption is that while calls will continue to rise in 2010/11, once Moneymadeclear is established the number of callers is likely to level out.

Written enquiries: Greater awareness of pensions coupled with the increased use of email as a quick form of communication has seen an increase in the number of enquiries received. We expect this trend to continue and increase as auto-enrolment approaches regardless of the role we ultimately play in supporting it.

Written disputes: Historically these have increased year on year, but as the economy continues to recover this is expected to lead to an initial reduction in the number of cases received, before levelling out.

Workplace visits: This initiative first took off in 2008/09. Since then it has gone from strength to strength and we expect to make in the region of 250 visits annually.

Website visitors: Visitors to our website continue to grow. A revamp of the site in 2009 has, as expected, generated further activity. There is no reason to suspect that this will not continue at its present growth as we continue to adapt to the needs of our customers.

Financial Plans

2.15 Our financial plans and expenditure for the three years of the plan are shown at Appendix A. We have based these on the above workload assumptions and known activities. Our income consists entirely of grant in aid from DWP and bank interest. The largest single expenditure is for staff salaries.

2.16 The resource requirements for the period of the plan are:

Year	Amount - £
2010/11	4,229,500
2011/12	3,737,000
2012/13	3,808,000

See Appendix B for more details.

Corporate Governance

2.17 Following an external report into our future capabilities we undertook with DWP a review into our corporate governance and management structure. The aim of this review was to ensure both that we had in place a structure comparable with other public sector bodies and one that was appropriate to our needs. The major recommendations emanating from the review, all of which have been incorporated into our resource requirements are:

- The Chairman will be a paid appointment, appointed by the Secretary of State for Work and Pensions, following open competition;
- The current board of 12 will be reduced to 9 from mid 2010;
- All board appointments, including the Chief Executive will be made by the board following open competition and approved by the Secretary of State;
- All board appointments will be paid appointments;
- A flatter management structure is to be introduced in 2010. The two Directors' posts and current middle management posts will be replaced by four Executive posts reporting directly to the Chief Executive.

Personnel Requirements

2.18 During 2009/10 we expanded our workplace initiative. Subject to research being carried out on the effectiveness of the presentations, we plan to increase the number of presentations over the next three years to 250 annually and to deliver this within our existing resources.

2.19 The number of staff and volunteers needed to deliver our services will depend largely upon whether our projections in workload are borne out and we can continue to make maximum use of volunteers. The more volunteers we can recruit, the more we can absorb increases in workload at no additional cost. We have an established complementing system and this has been used as the basis to calculate future staff increases and then adjusted for improvements in productivity. We have during 2009/10 due to increased efficiency absorbed an

increase in helpline calls (4,000) and correspondence (600) over the workload projected for 2009/10 as part of last year's corporate plan. Our commitment to ongoing improvement has meant that we have not had to recruit an additional member of staff that would otherwise have been warranted by this increase. Over the next three year period the workload projections indicate a need to recruit an additional 4.5 technical staff. However, we have limited the increase to two, one in 2011/12 and one in 2012/13 and shall be taking active measures to continue productivity increases to ensure any increase in staff numbers is kept to the absolute minimum needed to maintain our service. These requirements will be reviewed as further information on the impact of auto-enrolment becomes known.

2.20 The designation of TPAS as a Non Departmental Public body has resulted in a significant increase in administrative work to ensure we comply with all the requirements of a public sector body. This has resulted in the need for an additional administrative support post from 2010/11.

2.21 While we are projecting a large increase in the number of visitors to our website, this should not impact upon staffing resources. We already devote resources to the website and these should be sufficient to continue to update and expand the website. The number of staff and volunteers is shown below.

Staffing and Volunteer Requirements

	Full time staff posts and volunteers in post at 1 January 2010	Projected full time staff posts and volunteers required in 2010/11	Projected full time staff posts and volunteers required in 2011/12	Projected full time staff posts and volunteers required in 2012/13
	09/10	10/11	11/12	12/13
Chief Executive	1	1	1	1
Directors	2	2 ¹	0	0
Managers	3	3 ¹	0	0
Executives	0	4 ¹	4	4
Technical Staff	25.5	25.5	26.5	27.5
Team Leaders	2	2	2	2
Admin/Finance/HR	6	7	7	7
Total Staff (full time equivalents)	39.5	39.5	40.5	41.5
Staff in Post		38.5	39.5	40.5
New Staff Needed		1	1	1
London Office ² Advisers (full time equivalents)	1.5	1.5	1.5	1.5
Total FTE	41	41	42	43
Volunteers	411³	411	411	411

¹ the directors and management posts are due to be replaced on 1 August 2010 by four executive posts.

² there is a pool of 12 volunteer advisers who assist on the helpline. This equates to 1.5 full time staff equivalents.

³ the volunteers include advisers who deal with casework and other volunteers who provide free advice e.g. a panel of pension lawyers.

3. Business Plan 1 April 2010 - 31 March 2011

- 3.1 Our three-year plan sets out our high level objectives. We now describe our specific action plans for the first year of the three-year plan. We also detail our Key Performance Indicators which show how we intend to measure the success of the action plans. The actions are designed to ensure we are in a position to provide our core tasks of dispute resolution and giving advice and information to as many people as possible through our helpline and website.

In support of our strategic objectives

- 3.2 We will in support of our strategic objectives initiate a number of actions as detailed below.

3.3 ***Strategic Objective i):***

Provide a free quality information and guidance service to members of the public, whether they have a pension or not, on all aspects of pensions and in doing so support DWP's goal of ensuring that people have the information and opportunities to save for retirement.

Action Plans:

- i) Continue to provide an expert helpline providing information and guidance on all aspects of pensions to members of the public.
- ii) Continue to run regular surveys both via our helpline and website to inform the delivery of our service and provide feedback.
- iii) Continue to provide an expert information and guidance service in response to written enquires.
- iv) Seek to increase the number of presentations made at employers sites to 250 annually.
- v) Continue to achieve a high satisfaction rating from the people who attend presentations.
- vi) Continue to develop and improve our website to meet the needs of our customers. Carry out a survey to ensure the website continues to meet the needs of our customers.
- vii) Continue to provide access to, where appropriate, relevant professional qualifications to improve staff's skills e.g. PMI, Payroll Alliance. Provide relevant training courses for staff and volunteers.

Measurement/ KPI:

Helpline continues to function and we continue to meet our service levels of:

- i) 90% satisfaction rate with calls received.
- ii) Zero complaints of misinformation on the part of the helpline or wrong advice given.
- iii) Service level of 85% satisfaction with written enquiries maintained.
- iv) By 31 March 2011, 250 talks will have been made to employers.
- v) 85% of employees satisfied with the presentation.
- vi) The number of visitors to our website increases from 1,020,000 to 1,275,000. Survey carried out and any remedial action implemented.
- vii) 75% success rate in all examinations taken;
Skill levels improve – less referrals to managers for advice.

3.4 *Strategic Objective ii):*

To continue to deliver an effective dispute resolution role.

Action Plans:

- i) Continue to provide an expert dispute resolution service through a mix of volunteers and paid staff. Maintain the benchmark set for quality of advice.
- ii) Ensure schemes are aware of the role we play in disputes.
- iii) Through engagement with FOS and the PO ensure dispute cases are referred to us where appropriate.

Measurement/KPI:

- i) At least 50% of all complex complaint cases are dealt with by volunteers. Appropriate advice given in 95% of cases.
- ii) General publicity produced emphasising our role and annual casework produced and issued to major schemes by 16 July 2010.
- iii) 7,600 dispute cases received and successfully handled

3.5 *Strategic Objective iii):*

Increase awareness and usage of our service.

Action Plans:

- i) Increase our presence at relevant retirement planning conferences for the public.
- ii) Continue with current media activities e.g. Working Lunch and Money Box Live while continuing to cement links with both local and national media resulting in increased media coverage.

Measurement/KPI:

- i) Attend and present at a minimum of four conferences throughout the year.
- ii) Workload increases as follows: 4% increase in calls to the helpline (74,000 to 77,000); 5% increase in the number of written enquires received (15,000 to 15,750);

3.6 *Strategic Objective iv):*

Work with the FSA on Money Guidance and DWP on auto-enrolment to ensure that we are in a position to support these initiatives and to expand the number of customers served;

Action Plans:

- i) Work with the FSA and DWP so that they can understand what we do enabling decisions as to our participation in Money Guidance and Auto-Enrolment to be as informed as possible to ensure we have a major role to play in both of these initiatives.

Measurement/KPI:

- i) Cases are referred to us once Money Guidance is rolled out; We are chosen to play a major role in the provision of information and guidance to support auto-enrolment.

3.7 *Strategic Objective v):*

Help improve service standards within the industry through bringing to providers attention areas of concern arising out of our experiences, thereby encouraging the industry to reduce the incidence of dispute cases received.

Action Plans:

- i) Continue to produce our annual casework review highlighting areas of concern.
- ii) Meet quarterly with the FSA to discuss specific instances and practices we come across.
- iii) Regularly liaise with TPR especially when we come across something which we believe would be of interest to them.

Measurement/KPI:

- i) The % of cases reported in the annual review concerned with poor administration decrease from the % previously reported. (For 2009/10 this stood at 44% of the cases received)
- ii) Annual review produced and launched by 16 July 2010.

3.8 *Strategic Objective vi):*

Emphasise our commitment to equality and diversity through ensuring we have a flexible workforce appropriate to the size of TPAS that is committed to the delivery of our objectives;

Action Plans:

- i) Complete the management changes through the creation of a new Executive team;
- ii) Produce a succession plan identifying potential leaders;
- iii) Continue with appraisals identifying current skills and capabilities required within TPAS.

Measurement/KPI:

- i) New Executive team in place by 1 August 2010.
- ii) Succession plan prepared and in place by 31 March 2011.
- iii) Annual appraisal exercise held by 31 October 2010.

3.9 *Strategic Objective vii):*

Maintain our high standard voluntary service thereby providing excellent value for money.

Action Plans:

- i) Continue with current recruitment policies – stands at conferences, talks, magazine articles, writing to schemes, etc Consider visits to schemes and companies to convince them of the benefits of volunteering for TPAS.
- ii) Make use of the advisers in employer talks.
- iii) Continue to use volunteers on our helpline.

Measurement/KPI:

- i) 40 new advisers recruited with the total number of volunteers remaining at their current level of 411.
During the year we have a stand at a minimum of one major pension's conference.
- ii) Maintain a group of 50 advisers available to deliver talks.
- iii) Maintain a minimum number of 12 advisers to help run the helpline.
Meet customer satisfaction targets of 90%.

Performance targets

- 3.10 To ensure that we meet our high standards we have set a number of performance targets and bench marks in relation to the following areas:

Finance
Written casework
Helpline calls
Satisfaction surveys
Volunteer performance

These targets are reviewed annually to make sure that they are still stretching but achievable. These are reported on in our Annual Report and Accounts which can be viewed on our website www.pensionsadvisoryservice.org.uk

Efficiency plans

- 3.11 We aim to deliver a cost-effective service by ensuring that both staff and volunteers have the skills necessary to deliver our service through:

- providing personal development plans for staff to ensure they meet their maximum potential;
- ensuring that all volunteers are fully inducted as to what is required of them before they take on a case.

- 3.12 By continuing to provide our service through a mix of volunteers and paid staff to provide excellent value for money. The annual savings to the public purse of our volunteers has been estimated at £6.5m. The use of volunteers has enabled us without having to increase the number of staff to:

- Increase the number of workplace visits;
- Handle additional calls to the helpline;
- Deal with additional written cases.

Although the number of staff employed is set to increase there has been no corresponding increase in back office staff as a result of increases in staff elsewhere.

- 3.13 We shall review all aspects of the delivery of our service to ensure that it is being delivered in the most cost effective way possible.
- 3.14 We shall investigate whether there is any merit in sharing services, specifically back-office support services, with other organisations, thereby reducing our overheads
- 3.15 We shall continue to monitor performance against the performance standards and benchmarks we have set.
- 3.16 We shall continue to further develop our website to make it more informative to enable visitors to get the answer to their query on line. Without this development we would expect the projected increase in workload to be even higher with a potential need for additional staff to meet this demand
- 3.17 We shall continue to review all our contracts when they come up for renewal to ensure they are providing value for the public funds we are entrusted with. All suppliers will continue to be vetted to ensure the supplier is financially sound.
- 3.18 In view of the current economic climate we shall be keeping a close watch on the investment of our grant in aid. In 2008 we reviewed our banking arrangements and switched banks to Lloyds TSB. We have closely monitored their performance and as part of ensuring value for money will be conducting a full review of the service provided during 2010.
- 3.19 We shall continue to review and revise our disaster recovery plan and risks to ensure that in the event of a disaster we are in a position to continue to provide our service in the most cost effective way possible.
- 3.20 We have, alongside DWP, undertaken a thorough review of our corporate governance and management structure and will implement in 2010 a number of modernisation changes emanating from this review. While there are initial upfront restructuring costs of £237,000 these will be more than recouped over the next three years as from 2011/12 savings of over £100,000 annually will be realised.
- 3.21 Financially we shall endeavour to continue to restrict the cost of handling casework in 2010/11 to:
 - Less than £15 per call (calculated as actual expenditure/total calls);
 - Less than £90 per written enquiry (calculated as actual expenditure/no of enquires);
 - Less than £205 per written dispute (calculated as actual expenditure/no of enquiries).

Because of the uniqueness of our helpline it is very difficult, if not impossible, to get an accurate comparison with other organisations. Our helpline is operated by experienced pension professionals. However, a 2009 report on the Scottish Helpline for Older People reveals that similar specialist advice costs in the region of £17 per call. We have been unable to find a similar comparator for handling written casework.

THE PENSIONS ADVISORY SERVICE

Our Origins

We were formed in 1983 as a charity and were known as the Occupational Pensions Advisory Service. In 1990 a separate company OPAS was formed to assume and expand on the responsibilities of the charity and our status changed to that of a voluntary organisation. From this date we have been in receipt of government funding. In December 2004 we changed our name, to reflect our increasingly wider role, to The Pensions Advisory Service. We are a company limited by guarantee and are independent of both Government and the pensions industry. In 2006 we were designated as an Executive Non Departmental Public Body which means that while part of the public service, we operate at arms length from Government. Our services are provided free of charge. We are funded by means of a grant in aid from DWP which is recoverable from a General Levy charged to eligible Occupational and Personal Pension schemes.

What We Do

We provide free of charge a one-stop pensions information and guidance service through:

- resolving, via a mix of conciliation, mediation and explanation, specific problems an individual is experiencing with a private pension provider. This covers all types of private pension provision;
- giving information and guidance on all pension matters, including generic information on state pensions;
- bringing to the attention of government departments, the public and the pensions industry areas of concern about the delivery of pensions, gained through our unique position in the industry.

We deliver our service through a mix of volunteers divided into regions and paid staff. Overseeing our activities is a Board of Directors. Details of our regional structure and Board of Directors can be found on our website www.pensionsadvisoryservice.org.uk

**FINANCIAL PLAN AND ESTIMATE:
1 APRIL 2010 – 31 MARCH 2013**

The costs for the final two years are indicative costs.

Sub-Head	Forecast Expenditure 09/10	Forecast Expenditure 10/11	Forecast Expenditure 11/12	Forecast Expenditure 12/13	Notes of explanation
<i>I Manpower</i>	£	£	£	£	
Salaries, on-costs and pensions	2,062,000	2,445,000	2,281,000	2,358,000	1
<i>Sub-total</i>	2,062,000	2,445,000	2,281,000	2,358,000	
<i>II Running Costs</i>					
Other Staff costs	94,000	101,000	94,000	96,000	2
Accommodation and General Office Expenses	515,000	532,000	561,000	584,000	3
IT and Telecommunications	482,000	592,000	470,000	480,000	4
Promotional	52,000	69,000	70,000	71,000	5
Professional Fees	139,000	109,000	53,000	54,000	6
Volunteer Expenses	52,000	57,000	58,000	59,000	
<i>Sub-total</i>	1,334,000	1,460,000	1,306,000	1,344,000	
<i>III Fixed Assets</i>					
IT/Furniture/Equipment	8,000	216,000	15,000	15,000	7
<i>Sub-total</i>	8,000	216,000	15,000	15,000	
<i>IV Depreciation</i>	93,000	109,000	136,000	92,000	8
<i>Sub-total</i>	93,000	109,000	136,000	92,000	
Total	3,497,000	4,230,000	3,738,000	3,809,000	
Less Income (bank interest)	(500)	(500)	(1,000)	(1,000)	9
Total Expenditure	3,496,500	4,229,500	3,737,000	3,808,000	

(on a resource accounting basis)

NOTES TO APPENDIX B

1. There are initial one off restructuring costs before the effect of the restructuring exercise realises savings from 2011/12. Ignoring the restructuring costs manpower costs for 2010/11 would equal £2,208,000. To meet the increased workload there is an increase to the staff complement of one post in each of the three years of the plan. Existing staff costs have been increased by 1% year on year.
2. In 2010/11 there will be residual costs in respect of existing board members. These will cease in 2011/12. Costs for the new board are shown in salaries.
3. The above inflation increases in 2011/12 and 2012/13 are due to the need to renew subscription contracts.

4. The increase in 2010/11 is a result of the costs of the IT refresh scheduled for 2010 which is required to update old equipment.
5. The budget for the Workplace Team has been removed from Accommodation and General Office expenses and relocated here, thereby reducing the Accommodation budget and increasing the Promotional budget.
6. The costs for 2009/10 included one-off costs associated with our corporate governance and management modernisation programme. Further costs in connection with this programme of change are also included in 2010/11.
7. The hardware costs where the majority of the old IT equipment will need to be replaced are shown here.
8. As items are fully depreciated, depreciation costs reduce. When new equipment is purchased in 2010/11 depreciation costs will increase before reducing as the item gets to the end of its useful life.
9. We expect the Bank of England base rate to remain low in 2010/11 but as inflation starts to rise begin to increase from 2011/12 resulting in increased income from bank interest.