

the pensions
advisory service

Free independent information and guidance on pensions

The Pensions Advisory Service Corporate Plan 2011- 2015

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1. Foreword by the Chairman

2010 was a year of change: a new management team and Board at TPAS; a newly elected coalition government; and fundamental reforms to state, private and public sector pensions. Change represents both opportunities and challenges.

The next four years are likely to be difficult. Our reduced financial settlement requires us to take some tough decisions. As people respond to the changes to the pensions system the demand for our services is likely to spike at a time when our resources will be diminished. Technology should aid us to help more people as well as making us work smarter. However, there is a danger that greater efficiency crowds out greater effectiveness.

To remain effective we must ensure that those who really need our help can access it easily. We shall be looking at how we can promote our services to those individuals and households that could benefit most. Targeting and prioritising our limited resources over the coming years will be an important aspect of continuing to demonstrate value for money and relevance.

The impact of auto-enrolment on the demand for our services is hard to forecast. At a time when many people will make decisions that will determine their welfare in the decades to come, our reputation as a provider of impartial and independent guidance places us in a position of trust. We are working closely with Government, other pensions bodies and the industry to ensure that we are prepared. However, we have been clear that additional work will need to be funded separately by Government, if it is not possible to cope within existing budgets.

Talking to ordinary folk in their workplace about their pensions has proved extremely successful. So far, everyone attending our talks has taken some direct action using the content provided. In the coming years, we aim to target our workplace visits at employees who work for micro employers – a group often overlooked but represent a significant proportion of the new entrants to pension savings. This should complement our work supporting auto-enrolment. We expect to work together with the FSB, HMRC, CFEB and others to maximise the impact of our activities.

Our founder Margaret Brand arguably pre-empted the “Big Society” more than a generation ago when she created TPAS. Volunteers remain at the heart of our approach: citizen helping citizen – a problem shared so to speak. Last year our advisers volunteered an estimated 52,000 hours of their personal or work time (equivalent to adding £9.5m of premium resources) that supplemented our £4m Government grant, ultimately also provided by pension schemes.

Our staff and volunteers continue to provide an exceptional service to the public. I thank them on behalf of those who have been helped now or will be in the future. I have no doubt that TPAS will rise to the challenge and continue to play a vital part in making pensions accessible.

2. Introduction by the Chief Executive

It is now just under a year since I joined TPAS and I am proud of how far we have come in such a short time. This corporate plan is another step on that path.

This plan covers the next four financial years. In this period we will continue to put in place the building blocks for longer term business transformation to sustain the progress we have made so far.

Our plan demonstrates how we will meet our purpose of making pensions accessible in a rapidly changing environment. I want this to be the starting point for all our work. To meet this purpose we must remain focused on the public we serve. This means listening more carefully to their concerns, involving them in our work, explaining clearly what we are seeking to do, and ensuring our services are accountable to the communities we serve.

The next stage in our development must be to ensure we are delivering our objectives as efficiently as possible. Like the rest of the public sector, we are making significant savings over the next four financial years, while continuing to improve the services we deliver to the public. This requires us to improve performance and to ensure that we have the capabilities to deliver our objectives in a challenging pensions and public sector spending environment.

We are being asked to deliver difficult objectives and meet an increasing demand on our service, whilst reducing our costs. Motivating, supporting and developing our people to meet these challenges will be central to our success. My focus goes beyond our immediate workforce. Many of our services are delivered by volunteer advisers. We will continue to engage with them, and help ensure that they can deliver with us our shared agenda.

3. The Context of our plan

Our heritage

The Pensions Advisory Service (TPAS) is an independent organisation, operating at arm’s length from The Department for Work and Pensions (DWP). We provide independent, non-regulated, one-stop information and guidance to members of the public on pensions matters.

We were formed in 1983 as a charity and were known as the Occupational Pensions Advisory Service. In 1990 OPAS was formed to assume and expand on the responsibilities of the Occupational Pensions Advisory Service 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 the Government and the pensions industry. In 2006 we were designated as a Non-Departmental Public Body which means that we operate at arms length from Government. Our services are provided free of charge.

Our track record

The use of our service has grown dramatically over the years and we expect this to continue to grow. The number of written enquiries has grown over the last few years. Our investment in the development of the website has strongly paid off as the trend for people seeking their own information continues to rise. We will capitalise on this resource as demand continues to increase in the plan period. The table below shows the workload over the three previous financial years.

Workload	2007/08	2008/09	2009/10
Written Enquiries	9,650	12,897	16,391
Written disputes	6,751	7,791	7,769
Helpline Calls	60,435	74,739	74,717
Website Visits	582,762	816,446	1,305,348

Our performance against set targets is also very strong. Having set ourselves demanding targets in past years, we achieved or went beyond them. Satisfaction levels with our service for case work are at 88% and 90% for the helpline.

Challenges

The 2010 Comprehensive Spending Review (CSR) poses significant challenges for TPAS which will result in us making choices about how we prioritise our work with key target groups. The 2010-13 corporate plan had provided for staff increases in anticipation of the expected significant increase in our workload. CSR required us to propose significant reductions in our budget in real terms by 2015. The final outcome was an 18% reduction which will result in around a 20% reduction in our planned workforce. By changing the way in which office technology is supplied and supported, we have already made significant savings in running costs during 2010-11 which will generate further savings during the corporate planning period, but we will need to secure further efficiencies to deliver the reductions required. Our service is heavily dependent on having an adequate level of staff to meet workload demand, if we are

to meet our performance targets. The CSR will therefore significantly impact on the volume of calls, workplace visits and case work we can deliver over this plan's period, given that toward the end of the planning period, the required savings can only be met by reducing staff resources although we expect to mitigate some of this through implementing more efficient processes and prioritising key areas of our work.

We expect that automatic enrolment into workplace pension schemes may significantly add to our workload. As this is a significant Government policy initiative, we are aware that separate funds are to be made available as part of the spending review. And at this stage, any access TPAS might have to these funds to enable us to fully support this project is yet to be determined. In addition to this, the economic environment is likely to put additional pressure on employer and household budgets. We expect this to create a higher level of disputes relating to pensions which could result in more calls on this part of our service. The main challenge will therefore be the expectation to do more with less at a time of this and other major changes in the pensions world.

The combination of the current Government's spending and recruitment directions means that staff morale could decline. Our ability to recruit and retain voluntary advisers will be restricted by our inability to advertise and to take paid-for stands at pension professional shows. While it is possible to make the case for exemptions to the spending directions on advertising, the savings we are committed to delivering as part of CSR10 will also severely limit the funds available for this activity. In addition to this, the amount of time pension professionals can devote to TPAS work is constrained by their personal commitments. Finding ways to retain and motivate our staff and volunteers will present us with a significant challenge.

Our strengths

We have significant strengths to maintain and or build on:

- excellence in the provision of information, guidance and dispute resolution;
- free universal service provision; and
- recognised impartiality, independence and knowledge are our brand attributes.

There are five factors that will affect the scope of our work:

- a) The need to find cost savings in a response to a budget that is coming down year by year from 2011-12 until 2014-15, when the budget will have dropped by just over 18% in real terms.
- b) The pensions landscape is changing rapidly and more fundamentally.
- c) We are changing our ways of working in order to increase operational efficiency.
- d) We are renewing our technology and the way it is supported in order to achieve cash savings which are being reinvested into the service.
- e) We are targeting our resources to those people in the most need of our services, those who can not afford independent financial advice.

The future

During the recent past, a number of pensions initiatives have either been enacted or announced. The following is a summary of the key pension issues that we are already aware of which will take place over the next four years and which are more likely to generate high volumes of calls and written correspondence to us:

- Increase of female state pension age to 65 over the period April 2010 to November 2018; and increases to male and female state pension ages to 66 between December 2018 and April 2020 with further changes to state pension ages, details and effective dates are yet to be announced.
- Reduction in the Annual Allowance from £255,000 to £50,000 from 6 April 2011.
- Freeze in the maximum saving credit under the pension credit from April 2011.
- Abolition of the default retirement age from October 2011.
- Statutory indexation of deferred pensions and pensions in payment in line with CPI from April 2011.
- Reduction in the Lifetime Allowance from £1.8m to £1.5 million from 6 April 2012 and the protection of existing pensions funds forecast to be valued up to £1.8 million.
- Introduction of automatic enrolment and NEST from July 2012 for the largest employers.
- Possible introduction of a flat rate universal 'citizens' pension for new retirees from 2015.
- Changes to public service pensions. Effective date unknown.
- Removal of the requirement to buy an annuity from April 2011.
- Changes to the taxation of lump sum death benefits from 6 April 2011.
- Possible new rules on pension transfers and commutation of small pension funds for a lump sum and possible new legislation enabling early access to pension funds.

Given the pace of these changes, we can see an increased demand for our services. When new pensions issues emerge, the most immediate impact is felt on our helpline and in the email enquires we receive. Streamlining our business process to manage these demand peaks more effectively will be one of our key operational priorities.

4. Our Vision and Mission

Our vision is *To make pensions accessible*

and

Our mission is *To explain and resolve pensions issues for everyone.*

The vision and mission statements are supportive of one of the key Department for Work and Pensions' strategic objectives which is to

*Promote independence and well being in later life,
continuing to tackle pensioner poverty and
implementing pension reform.*

We contribute significantly to this objective by the work we do in explaining pensions and retirement planning matters to members of the public and assisting them with pensions complaints through the work of the disputes resolution team.

In carrying out our mission, we have considered what resources are available to members of the public when they have issues with retirement income and planning. Some information is available in a limited form from organisations like pension fund administrators, company human resource departments, the Citizens Advice Bureau, Age UK, and the Department for Work and Pensions PDCS provides information on state pensions. However, we believe that TPAS is uniquely placed to provide expert information, guidance and dispute resolution across both public and private pension arrangements. The market need we are expecting to address reflects this position.

We believe that we:

- are an independent, impartial, free and trustworthy source of information and guidance about pensions;
- sign-post to other services such as the Tracing Service, the Pensions Ombudsman, the Pension Service, Citizens Advice and CFEB;
- facilitate the provision of higher retirement incomes to reduce pensioner poverty by encouraging retirement planning and saving;
- provide an independent, impartial, free and trustworthy dispute resolution service helping to resolve problems without recourse to the Pensions Ombudsman;
- provide information about planning for retirement and the benefits of joining an employer's workplace pension to enable the nation as a whole to have better later life provision; and
- are prepared to provide information about the benefits of auto-enrolment.

Because of the experience of our staff and volunteers, we are uniquely placed to deliver in-depth technical expertise on complex legislation, and are recognised as such by our key stakeholders.

5. Our Objectives

To realise our mission and meet the challenges facing us, the Board has set a number of strategic objectives which it periodically reviews. The deliverables for the corporate planning period are:

Deliverables	Milestones and targets - 2011 to 2015
<p>1. Optimising our business processes to deliver increased efficiency to meet increased demand with reduced resources.</p>	<p>Target</p> <ul style="list-style-type: none"> - Dealing with up to a 20% increase in Helpline calls, written queries and dispute cases within current staff resources taking 2010-11 as the base line year. <p>Stretch Target</p> <ul style="list-style-type: none"> - Dealing with a 30% increase in the number of helpline calls and written queries responded to within the staff resources in our budget compared with 2010-11. - 90% of office dispute cases dealt with and closed satisfactorily within 12 months.
<p>2. Targeting key priority groups and increasing the number of people we reach in delivering our workplace talks.</p>	<p>Target</p> <ul style="list-style-type: none"> - Increase the number of micro and SME workplace talks from 10% in 2010-11 to 30% of portfolio in 2011/12, 50% in 2012/13 and 60% in 2013/14 onwards. - Scope the cost of developing outcome performance measures; present options for decision by September 2011 and implement the decisions made in accordance with the agreed plan. <p>Stretch Target</p> <ul style="list-style-type: none"> - Increase the number of micro and SME workplace talks to 60% of the number of visits made by the end of 2012/13. - Demonstrate that at least 50% of the employees we are speaking to are in the wage bracket for auto-enrolment.
<p>3. Developing our support for auto enrolment and delivering the agreed plan in co-ordination with the Department's deadlines.</p>	<p>Milestones</p> <ul style="list-style-type: none"> - Develop auto-enrolment plan by August 2011 subject to the relevant information being available. - Secure appropriate funding for website development, workplace visits, helpline support. - Implement agreed plans in 2012/13 onwards.
<p>4. Increasing the number and quality of self-service products on our website to enable us to</p>	<p>Milestones</p> <ul style="list-style-type: none"> - Develop plan for self service tools for the website – October 2011.

<p>be more efficient.</p>	<p>- Implement agreed plan within resource available and the timeline in the plan in 2011/12 and 2012/13.</p> <p>Target</p> <p>- Fact sheets on significant hot topics to be available on the website within 3 working days of us recognising significant issues, subject to resources available in each year.</p>
<p>5. Maintain our skill base.</p>	<p>Milestone</p> <p>-Re-develop and implement the performance management system – March 2012.</p> <p>Target</p> <p>- All technical staff to attend three technical briefings each year.</p> <p>- Voluntary advisers to attend one workshop at least every three years.</p> <p>- Voluntary advisers to demonstrate by membership of an appropriate professional body, or by work experience, that their professional skills are up to date.</p>

In support of these objectives for the period of the plan, we will:

- i) continue to provide a free quality information and guidance service to members of the public, on all aspects of pensions and in doing so support The Department for Work and Pensions’ goal of ensuring that people have the information and opportunities to save for retirement;
- ii) continue to deliver an effective dispute resolution service;
- iii) increase the public’s awareness and usage of our services;
- iv) work with CFEB¹ on Moneymadeclear, other key stakeholders and The Department for Work and Pensions 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; continue to develop staff to help create 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.

¹ CFEB – Consumer Financial Education Body which will be renamed the Money Advice Service in April 2011.

6. Our Strategy for Delivery

Our strategy for delivery is driven by the following factors:

- understanding the needs that arise from gaps in the provision of independent pensions information;
- identifying priority groups who are most in need to focus our resources;
- refining and focusing our services to meet customer needs;
- identifying and improving the channels we use to reach our customers;
- articulating the benefits our customers will receive from using our service; and
- meeting the challenges and opportunities arising from the introduction of auto-enrolment.

Customer needs

Our experience over many years of operation is that there continues to be a strong need for an independent, trustworthy, accessible and affordable source of information on pensions. The market does not currently provide this and TPAS' fundamental reason for existing is to address this gap in what is available commercially or otherwise in the market.

We also know that both employers and employees prefer, wherever possible, to resolve any disputes over pensions in an environment that is not adversarial and prohibitively expensive.

We know that there is still a large part of our population which is either not providing for life after work, or not providing enough. There is therefore an urgent need for outreach in order to provide the necessary information to address this.

We know that there will be more demands on us over the period of this plan because of the major reforms being planned for state, private and public sector pensions. A number of these are already signposted and will take effect over the coming years. This will drive additional demand for our services putting extra strain on our day to day services.

Our customers

Given our expectations for the change in demographics, we expect that more of our workplace talks to target a younger generation of people, those working for small employers and low to medium earners. Our helpline and dispute resolution services will fulfil the needs of people who are already contributing to occupational pensions in one form or another, and those affected by the changes in the pensions landscape. We would also expect that as more people become aware of us, there will be more demand for our website, helpline and dispute resolution services, although it is not possible to estimate this growth. This leads us to believe that we will need to further develop tools and delivery channels using the internet, as this will enable us to reach more people, in particular the younger generation.

While we offer a universal free service, our resources are limited. Criteria will be needed to enable us to prioritise where our resources should be targeted. We are

therefore proposing the following for 2011/12, but these will be reviewed and subject to further refinement in future years.

Workplace talks on retirement planning

We will be prioritising people earning less than the upper threshold for automatic enrolment, currently £33,540. Within this group, we will prioritise people working for micro and SME employers, and after these, people working for larger employers.

Helpline calls

- Anyone who calls except for paid pension professionals who earn their living by giving advice to their clients.

Dispute resolution casework

- We have not suggested any priority for this service as we currently expect to be able to respond to the demand placed on us, however, if resources need to be directed to other services or demand increases significantly, priorities will be established.

Our products

TPAS has three core services that it offers to individuals free of charge:

- information and guidance – we give general information on all pension matters, except investment advice;
- dispute resolution – we endeavour to resolve specific problems an individual may have with their pension provider, except the state pension; and
- workplace visits - we undertake visits to the workplace to provide information on retirement planning.

In addition to this, we bring to the attention of Government departments and the pensions industry some of the issues and concerns arising from our experience.

The three core services are supported by a small Corporate Services team, which is responsible for the finance function, IT and telephony, procurement, Board and general governance support, human resources, facilities and office support, audit and risk, compliance with The Department for Work and Pensions and wider government requirements, and other regulatory requirements including those set by Companies House, etc.

Channels to our service

We deliver our service through a variety of channels:

- a national telephone helpline;
- written enquiries and complaints, received via the post and/or e-mail;
- an accessible website;
- leaflets; and
- face to face via workplace presentations.

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During the period covered by this plan, we will continue to improve our IT and workflow systems to ensure that we can serve more customers at a time when our financial resources are decreasing.

We will explore how we can use modern media to reduce the need for travel and personal visits. We also envisage the need to develop our website as a key tool for reaching people in the younger age groups as well as managing demand for our services. We will estimate the cost of these developments during the next year and use this information to choose the most efficient means of managing the expected growth in demand.

Benefits to our customers

By correctly articulating the market needs, we believe that the following benefits, both tangible and intangible, can be achieved by the people we assist:

- increase in savings for the people who benefit from this;
- better incomes for people in retirement through increased saving;
- fewer people reliant on pension credit, giving a cost saving to the public purse;
- a better informed public, meaning more people receive the retirement income they are entitled to, whether it is secured through open market options or by claiming pension credit if they are eligible to do so;
- a free dispute resolution service, saving employers money in legal fees and the Pensions Ombudsman costs;
- customers have more confidence and the right knowledge to make their own decisions about retirement planning;
- customers are re-assured, empowered and have a sense of well-being. This in turn affects the well-being of their families and dependants;
- social inclusion for the lower paid who cannot afford independent financial advice; and
- better informed policy development on pensions matters.

Volunteer recruitment and retention

The volunteer adviser network enables us to tap into an additional £9.5 million of resources to deliver our work. We will continue to provide adequate resources to support these volunteers. Our aim will be to at least maintain this level of added value during the planning period.

Volunteer advisers are a vital resource to enable us to deliver our service. We will continue to take every opportunity to recruit new case work and London Office volunteer advisers by writing articles for appropriate periodicals and exploiting our stakeholder networks. Once recruited, we support our advisers by providing them with access to our technical resources including our internal technical website, briefings, workshops and access to our technical staff. We provide training on handling dispute cases and support through the regional organiser network. We also hold appropriate events to demonstrate that we appreciate their contribution and securing publicity of advisers who make an outstanding contribution through our Adviser of the Year awards.

Capacity

Our main activities are helpline calls, written queries by letter or email, workplace talks, dispute resolution case work and access to our website information base. The table below shows workload trends in the recent past as well as the projected outturn for 2010/11. For 2011/12 onwards, the table shows our estimated capacity based on the headcount reductions we will have to make to deliver the savings required to deliver the agreed spending limits. While we will continue to seek efficiencies, we will need to discuss any significant increases above this with the Department for Work and Pensions.

	Actual Workload		Estimate	Available Capacity				Projected
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2011/12
Helpline	74,739	74,717	60,200	64,200	62,500	60,800	57,500	64,200
% inc / - dec	24%	-1%						
Written Queries	12,897	16,391	17,200	18,300	17,800	17,400	16,400	18,300
% inc / - dec	36%	27%						
Dispute cases	7,791	7,769	5,700	6,000	5,900	5,700	5,400	6,000
% inc / - dec	11%	-1%						
Website visits	816,446	1.3 m	1.8m	2.0 m	2.2m	2.3m	2.5m	2.0 m
% inc / - dec	56%	60%						
Workplace Visits	91	261	320	330	350	350	350	340

	2009/10	2010/11 Base	2011/12 Forecast	2012/13 Forecast	2013/14 Forecast	2014/15 Forecast
Permanent staff (full time equivalents)	39.5	39.7	38.5	37.5	36.5	34.5
Dispute Resolution volunteers	387	300	300	300	300	300
Workplace visits volunteers	156	150	150	150	150	150
London Office helpline volunteers	12	7	8	8	8	8
Legal Panel volunteers	5	5	5	5	5	5
Central Panel volunteers	12	12	12	12	12	12

During the current year, we have seen a switch from helpline calls to email queries, and we expect this to continue as the changes in the pensions environment affects younger people. The exception is when hot issues cause sudden increases in calls; we manage this by reassigning staff from dealing with casework to answering telephone calls, but this results in short term deteriorations in our service levels for dealing with written queries and case work. We also expect to use our website to make information on hot issues available rapidly as a means of relieving some of the pressures on helpline calls and written queries. We therefore expect to see a continuing increase in the use of the information and tools provided there.

There has also been a reduction in the number of dispute cases received in 2010/11, which has been reflected in the projections for future years. There have been fewer complaints about delays, which we believe results from the improvement in the stock market. In the coming year, we expect to see an increase in the number of overpayment cases following the recent work being done by the Pensions Regulator on getting pension funds to clean up their data. This may cause an increase in dispute cases.

The available capacity for 2011/12 included the corporate plan objective to increase our capacity through efficiencies by 10% and then it reflects the reduction in staff resources shown in the table immediately below the workload table.

Auto-enrolment

Our understanding is that the Department's plans for how it expects us to be involved in auto-enrolment are still at an early stage. Once we get better clarity of our role, in discussion with The Department for Work and Pensions, we should be able to develop our plans for the effect that auto-enrolment will have on our service. However, our current expectations are that there will be an increase in demand over and above what we envisage being able to support from the resources allocated to us as part of the Comprehensive Spending Review 2010.

We anticipate that auto-enrolment will have a significant impact on how we deploy our resources. We will fully engage with the Department to determine the extent of that impact and to address the resource issues that arise from this major policy change. At this stage, we expect the main impact of auto-enrolment to be increases in the number of visitors to our website, telephone calls and written queries. When we are clearer about any additional capacity requirements, we will discuss with the Department whether and how these will be met.

7. Resources available for the planning period

Our overall cash limit was set by the 2010 Comprehensive Spending Review process where the outcome was real cash savings of just over 18% by 2014/15. The budget below is based on achieving those savings over the next four years.

Resources for 1 April 2011 to 31 March 2015

Expenditure	2010/11 Base Budget	2011/12 Forecast Budget	2012/13 Forecast Budget	2013/14 Forecast Budget	2014/15 Forecast Budget
	£000	£000	£000	£000	£000
Staff Costs	2,445	2,365	2,288	2,291	2,241
Staff related costs	101	104	96	99	101
Accommodation & General Office Costs	532	534	521	527	542
IT & Telecoms	592	479	428	413	429
Promotional	69	70	45	32	31
Professional fees	109	80	78	80	82
Volunteer Expenses	57	58	60	61	63
Total Revenue costs	3,905	3,690	3,516	3,503	3,489
Capital costs	216	15	15	15	15
Depreciation	109	136	92	89	84
Total expenditure	4,230	3,841	3,623	3,607	3,588

Assumptions and key risks

This plan is underpinned by a number of assumptions and our capacity to manage a number of key risks.

The assumptions and dependencies are set out below:

- We are not required to find savings over and above those already planned in the Spending Review.
- The implementation of the spending directions has resulted in some additional administrative procedures for how we manage our resources. Any significant increase in this could affect our ability to deliver our objectives.
- No currently unforeseen pensions policy or administrative changes which cause a sustained increase in demand that we are unable to meet.
- We are able to maintain and develop the website as a key tool in managing demand for our services.
- We will secure a key role for the organisation in the delivery of the Government’s auto-enrolment initiative.

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- We will secure any additional funding through our grant-in-aid to enable us to support any specific requirements for automatic enrolment.
- Small employers will be required to participate in automatic enrolment as stated in the Government's Spending Review and the outcome of the Department for Work and Pensions Review of automatic enrolment.
- We retain key personnel, staff and volunteer advisers, who are well motivated.
- We can build and manage our volunteer adviser network to a scale needed to delivery our corporate plan objectives.
- We maintain our knowledge base and retain the confidence of the Department and other key stakeholders.
- We maintain a business continuity plan which is reviewed and tested at appropriate intervals.

In 2010-11, we overhauled our approach to corporate risk management and updated the corporate risk profile. The Chief Executive as the Accounting Officer has put in place a risk management framework with a strategically focused approach. At Board level, the Board considers key corporate risks regularly and the Audit and Risk Management Committee is responsible for the assurance framework. The key risks in relation to this planning period are:

- The rapid changes in pensions rules and regulations will make it challenging for our technical staff and advisers to keep their skills up to date, increasing the risk of us giving inappropriate information and guidance and damaging our reputation;
- Constraints on staff recruitment mean that any staff who leave will reduce our capacity in the short term while we go through the Civil Service Job process;
- Uncertainty regarding our role and the workload that will be generated by auto-enrolment;
- Workload outstripping our reducing resources over this period; and
- Events that may mean that our small Corporate Services Team will be under capacity in some areas.

Efficiency plan

The outcome of the 2010 Comprehensive Spending Review in October 2010 means that TPAS was asked to deliver real budgetary savings amounting to just over 18% by 2014-15. To achieve this, our efficiency plan is built around protecting frontline staff, investing in new technology to improve our ways of working and undertaking more work in-house as a direct consequence of our investment in improved technology.

2011-12 to 2014-15 Planned Savings

Savings Category	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>Salaries, on-costs and pensions</u> Restructure savings plus not filling vacancies in the back office and frontline and likely redundancies in frontline staff in 2013-14 and 2014-15)	141,307	290,813	351,763	468,058
<u>Information Technology</u> Retendering savings plus stopping further network and website developments and bringing some work in-house following investment & training	127,950	193,700	224,100	224,100
<u>Promotional</u> Cancellation of stands at retirement and similar conferences	0	27,000	42,000	45,000
<u>General Office Expenses</u> includes bringing work in-house following investment and training	10,550	37,750	45,750	45,750
<u>Professional Fees</u> bringing work in-house	0	4,000	4,000	4,000
Total Planned Savings	£279,807	£553,263	£667,613	£786,908

We are planning to improve the way we work in order to mitigate the impact of these budget reductions, but given the size of TPAS' budget, there will still be residual risks which we will have to manage to deliver these budget reductions.

The identified risks are:

- We will need to lose around 7.5 posts made up of 5.5 current posts and 2 planned growth technical posts. If this needs to be done through redundancies, we have estimated this cost to be around £100,000. However, this will impact on our capacity when demand is likely to be high due to the introduction of the Government policy of automatic enrolment.
- Loss of back office posts will have a knock-on effect as some of the administrative work load will shift to frontline staff, further reducing the level of service to the public.

Where possible, we will manage the reduction in staff numbers through natural staff turnover. Where gaps open in one service area, we will seek to redeploy staff from another service area which might otherwise be subject to redundancies. Workloads will be carefully monitored to ensure that staff are not overloaded, and our service will be carefully targeted to those who most need it.

8. Our Governance Structure

In 2010/11 TPAS implemented a new governance structure that was agreed following a capability review. It now operates with a Board of nine members including the Chair and Chief Executive. The Senior Management Team is made up of four Heads of Services and is led by the Chief Executive.

With effect from 4 January 2010, the TPAS Chair was appointed by the Department for Work and Pensions Secretary of State following an open competition. The Chair's term of office is three years, and can be reappointed for a further three years by the Secretary of State.

The appointment of the Chief Executive and other Board members is subject to the Secretary of State's approval. The size of the Board will be reviewed during 2011/12 to establish whether its size is appropriate for the range of functions it undertakes.

The TPAS Board has also put in place two committees to which it has delegated specific responsibilities: The Audit and Risk Management Committee reviews the completeness of assurances, designed to meet the Board and the Accounting Officer's assurance needs; reviews the reliability and integrity of these assurances; and advises the Board and Accounting Officer about these assurances, consequently supporting them in decision taking and discharging their accountability obligations. The Remuneration and Appointments Committee determines the terms of service, the performance and appraisal arrangements, pay and pension policies; undertakes the recruitment of senior staff; and monitors equality and other staff related policies.

The Chief Executive is the designated Accounting Officer for TPAS. She takes responsibility for safeguarding the public funds for which she has charge; for ensuring propriety and regularity in the handling of those public funds and TPAS' day-to-day operations.

Part 2 Business Plan for 2011/2012

This part of the plan sets out the actions we will take to deliver our objectives in the first year of the Corporate Plan, 2011/12 analysed under the following areas:

- The key deliverables for the year and how we will measure our performance;
- The resources available and how they will be deployed; and
- The risks affecting our ability to deliver against our budget reductions and how they will be managed.

1. Measuring our performance

- We will take a balanced approach to achieving our vision and measuring our performance and are proposing a number of key performance indicators which are currently a mixture of inputs, activities and outputs. We do not currently routinely collect and evaluate information on outcome measures. During 2011/12, we will scope the cost of delivering this information and make proposals for the implementation options available, subject to being able to find the resources needed for this from within our current budget.

The following indicators have been selected as the key measures which will help us to measure our success in achieving our vision.

Customer Satisfaction		
Action	Measures	Target
Run regular surveys via our helpline to inform the delivery of our service and provide feedback.	Satisfaction rate for response to the survey of calls received.	85%
Collate the information from the website survey and use it to inform the delivery of our service; this information will be available once the feedback form on the website has been developed.	Satisfaction rate for responses for the survey of website usage.	85%
Provide an expert helpline providing information and guidance on all aspects of pensions to members of the public.	Number of complaints of misinformation on the part of the helpline or wrong guidance given.	0%
Provide an expert information and guidance service in response to written enquires.	Satisfaction rate with written response to enquiries.	85%
Achieve a high satisfaction rating from the people who attend presentations.	Satisfaction rate of those who attend presentations.	85%
Provide an expert dispute resolution service through a mix of volunteers and paid staff. Maintain the benchmark set for quality of advice.	Satisfaction rate with case work.	85%

Communications		
Action	Measures	Target
Inform members of the public of the role we play in providing information on pensions matters and in helping with dispute resolution.	<ul style="list-style-type: none"> - Publish Casework report - Workplace talks - Radio and TV interviews - Articles for periodicals and response to journalists requests 	<ul style="list-style-type: none"> - by 31 July 2011 - 330 employers - at least 6 - at least 4

Maintain a high standard operational processes		
Action	Measures	Target
Clear written enquiries within 20 working days.	Percentage of enquiries cleared within 20 days.	90%
Clear written enquiries within 25 working days.	Percentage of enquiries cleared within 25 days.	99%
In respect of dispute cases, we aim to acknowledge receipt of each case and issue form of authority within 2 weeks.	Percentage of acknowledgement and forms issued within 2 weeks.	85%
In respect of dispute cases, take positive action within 4 weeks of allocation the case.	Percentage of cases on which positive action has been taken within 4 weeks.	85%
Keep enquirers informed of progress at regular intervals not exceeding 2 months.	Percentage of case updates within 2 months.	85%
Clear complaint cases	Percentage of cases cleared within:	
	6 months	70%
	12 months	85%
	18 months	90%
	24 months	95%
	30 months	100%
Answer helpline calls promptly	Percentage of calls answered within:	
	20 seconds	90%
	30 seconds	95%
	60 seconds	99%

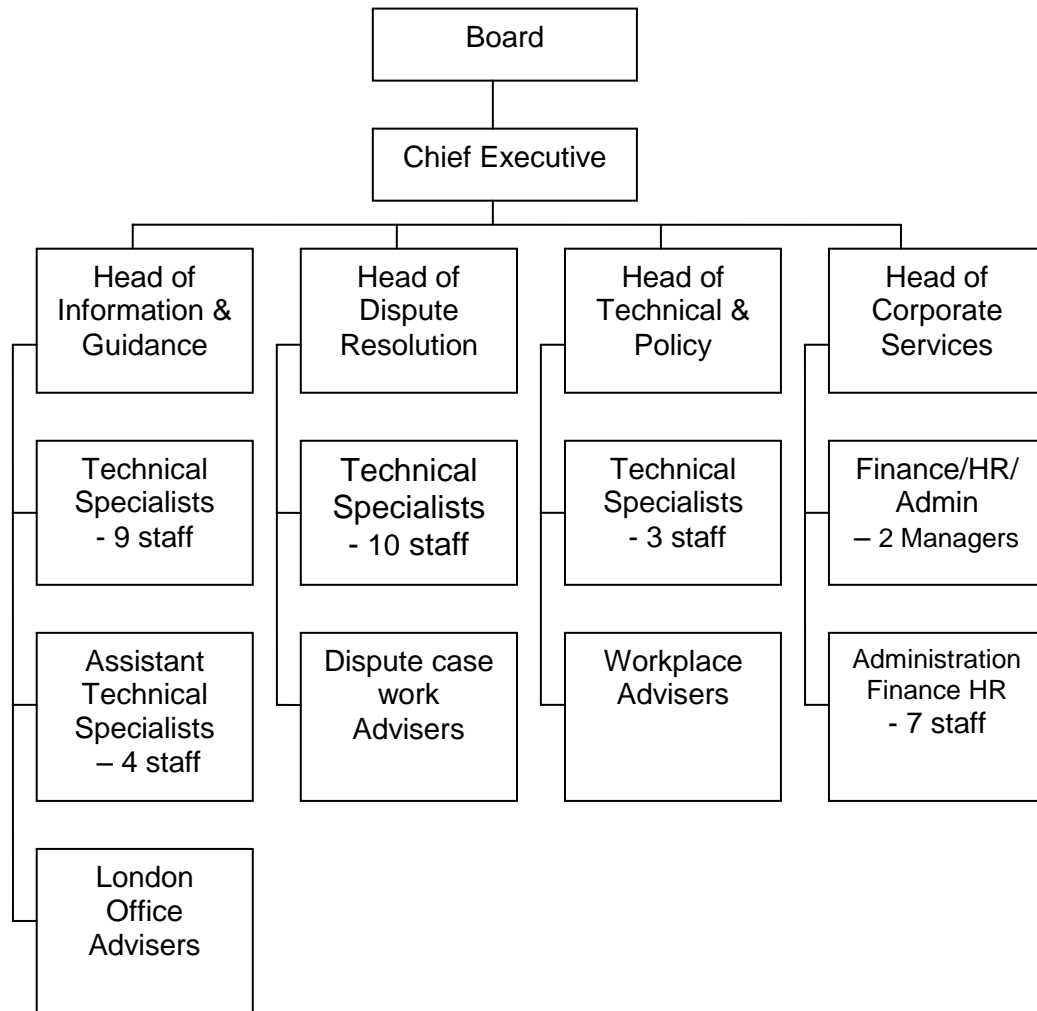
Employee and volunteer engagement and satisfaction		
Action	Measures	Target
Recruit London Office volunteer advisers.	Net number of advisers	7
Recruit Workplace volunteer advisers.	Net number of volunteers	150
Recruit Dispute resolution volunteer advisers.	Net number of volunteers	300
Develop a framework for setting objectives/performance appraisal.	Milestone for new framework.	31 March 2012
Hold adviser workshops to keep knowledge base up to date.	Attendance frequency by each adviser	1 in 3 years
Hold staff technical briefings to keep knowledge base up to date.	Number of briefings	1 per quarter
Successfully renew our Investors in People accreditation.	IIP accreditation	Second Quarter
Hold Chief Executive staff briefings.	Number of briefings	5 each year
Consult staff on significant new policies.	Number of consultations per new policy	At least 1

Financial performance		
Action	Measures	Target
Keep expenditure within agreed budget.	Percentage expenditure above agreed budget	0%
Pay agreed invoices within 10 days of receiving them.	Percentage of agreed invoices paid within 10 days	95%
Deliver audited accounts with no significant unsighted issues to DWP	Date accounts delivered to DWP	30 June
Technology performance		
Maintain the availability of the Core IT Network	Percentage of availability	99%
Maintain the availability of telephony	Percentage of availability	99%
Maintain the availability of the website	Percentage of availability	98% ²

² Achieving this target is subject to the contractual arrangements with the website contractor.

2. Organisation structure and human resources

Our Organisational Structure for 2011-12 is set out in the following diagram:



The table below shows the number of full time equivalent staff and volunteer advisers we have at the end of 2010/11. It also shows the forecast for these resources for the planning period. In line with the savings we are required to make, there will be a gradual reduction in permanent staff, but we expect to maintain the number of volunteer advisers.

3. Budget

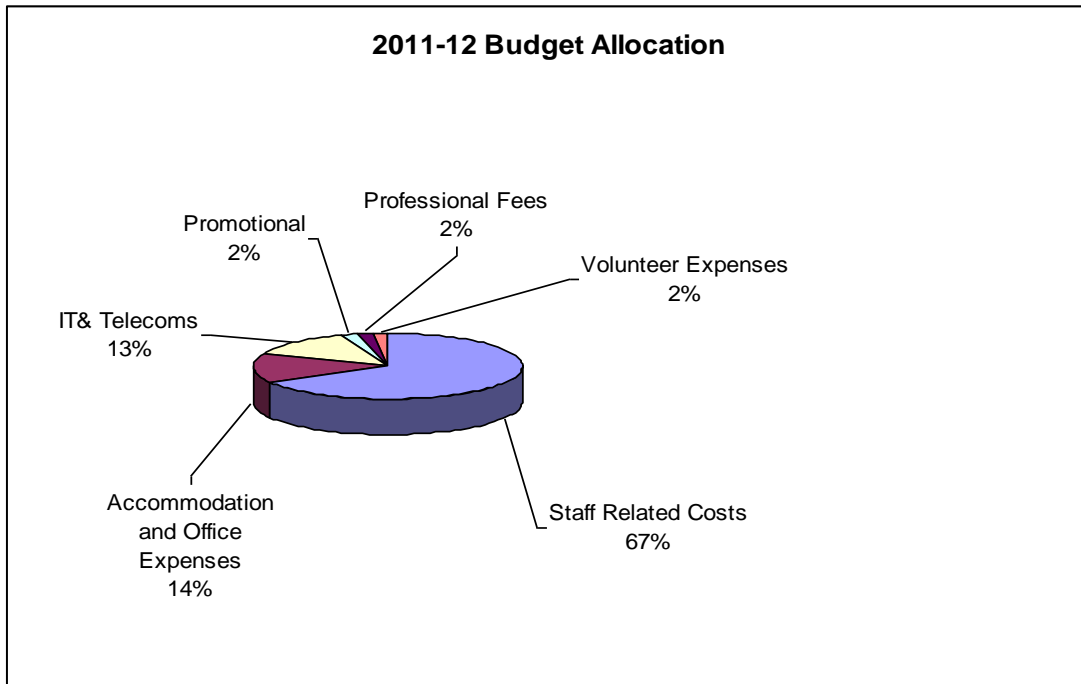
Our overall cash limit was set by the 2010 Comprehensive Spending Review process. Of this, our budget for the year is as follows:

Expenditure	2010/11 Base Budget	2011/12 Forecast Budget
	£000	£000
Staff Costs	2,445	2,365
Staff related costs	101	104
Accommodation & General Office Costs	532	534
IT & Telecoms	592	479
Promotional	69	70
Professional fees	109	80
Volunteer Expenses	57	58
Total Revenue costs	3,905	3,690
Capital costs	216	15
Depreciation	109	136
Total expenditure	4,230	3,841

In allocating our resources, we have identified the following priorities, around which our strategic objectives are built:

- Auto-enrolment
- Dispute resolution
- Skills and personnel resource
- Keeping up-to-date with and maintaining technical knowledge
- Adviser recruitment and retention
- Support for and engagement of advisers
- Current information needs of customers

As can be seen from the diagram below, most of our expenditure is allocated to staffing. Most of them are professional staff who respond to our customers' enquiries.



The staff and Volunteer costs are further allocated as follows:

