

PPI Nineteenth Annual General Meeting (AGM)

Monday 7th September 2020

Chair of Council's Remarks

Lawrence Churchill CBE

Thank you Sally.

Good morning everyone – it's great to see so many of you – over 100 people registered to attend – at the PPI's very first Virtual AGM.

I normally use my slot at the AGM to supplement the Annual Report with a more personal emphasis on some of the highlights of the previous year and the shape of the emerging challenges ahead.

Let me confess that last year I did NOT predict a Global pandemic which would re-set social norms and economic performance so drastically. Just over a decade on from the largest recession in two generations, we have the largest decline in economic performance in 300 years. The change has been sudden and very brutal for many families.

Chris and Andrew will speak to PPI's internal experience of managing through the changes and risks posed to the PPI. So far, we seem to be managing well thanks to the continuing support of our Sponsors. And I would like to emphasise my own thanks to our supporting members and sponsors.

There is no doubt that the shockwaves of the pandemic will reverberate for some time in pensions, social welfare and funding for later life both at the system level and, for sure, for individuals across the income and wealth spectrum.

It was somewhat fortuitous therefore that the PPI itself has concluded its own Strategic Review of whether and how it was equipped to play its part in a changing landscape, and I would like to spend a few minutes on our emerging thoughts which we are documenting in a new Prospectus.

First of all, many of the challenges articulated by Tom Ross 20 years ago remain in front of us. PPI's work is a marathon, not a sprint. But in the last 20 years, there have been as many significant changes to the Retirement system as there have been years!

PPI's strategic refresh is evolutionary, not revolutionary, covering:

SCOPE – where we see our core as expanding beyond just “Pensions” to overall funding for later life. We will continue to grow the international dimension for research while centring on

the UK. Importantly we see our modelling capability as a key part of our proposition and a differentiator from other research bodies.

I will mention two key strategic projects to illustrate the change in scope;

- first Building a longitudinal database of exactly how individuals' saving patterns are emerging post Auto-enrolment – we see this as critical in informing future policy development;
- and secondly, PPI intends to build an ideal Model Framework for the UK pension system to provide a consistent reference point to measure how well we are doing at any point in time: such a reference point will facilitate an OBR style report and have the potential to illuminate the trade-offs implicit in future policy development.

PARTNERSHIPS – We think more of our work will involve co-operation with others. This could take many forms beyond the well-established co-operation with universities for multi-year research grants. For example, permanent alliances with bodies whose charitable objects or social purpose are focused on later life issues, or again alliances with overseas bodies to facilitate access to research in other countries could be of mutual benefit. A specific initiative here is to facilitate an Academic Network to encourage researchers in the UK academic space. And we would like to tap into the energy and experience of Governors who would like to be more active in our work.

DISSEMINATION AND OUTREACH – One of the permanent problems we face is that most members of the public do not know enough about whether their later life finances will be adequate for their needs and aspirations. We do NOT see the PPI majoring on financial education, but we do see partnerships, perhaps with MAPS, Age UK or PLSA building on our research outputs and modelling capability. To help, we might even write a short “plain English” summary of our research papers to make them more accessible to a broader church!

FUNDING – To do more, we need access to more funding from more diverse sources, ideally longer-term funding. Our Funding Committee, ably led by Margaret Snowden, is busy grappling with this issue. Margaret would love to hear from all of you with a desire to contribute – in every sense of the word!

Our overall conclusion is that PPI is needed even more today than it was 20 years ago, and stands ready to play its part in making the UK a better place for living later life. Where the evidence supports it, we intend to be a little more directive in our reports as well – independence does not mean being mealy-mouthed when the evidence points strongly in one direction.

We have already begun to mobilise on the strategy –

- The Pensions Data Project has passed proof of concept and is now in beta testing.
- We have strong interest for a multi-year sponsorship for the development of the PPI model leading to an OBR style report, and are already in discussions with potential founding sponsors.
- We are in discussions with some other organisations, including CfAB and ILC, on how we might work more closely together.

- The clarity of our recent report on Master Trust charging structures seems to have generated strong interest and traction
- And you will forgive me, I hope, if I trail an advert for the upcoming series of lectures from international speakers starting tomorrow at 11.30am from Nick Sherry.

Away from the strategy, PPI's Council continue with the succession plan set out three years ago, and it is with our enormous thanks and appreciation that Jo Segars, David Yeandle and Paul Stannard are standing down, and, subject to your approval later in the meeting, I would like to welcome Katie Banks and Lynda Whitney as members of Council.

Finally, may I also take the opportunity to thank Chris and the staff for the excellence of their research output. It is fair to say that we have missed Chris, when he spends his two days a week at MAPS on the Pensions Dashboard, but it is also fair to say that Sarah and the rest of the staff have stepped up magnificently in the most trying of circumstances.

So, thank you everybody for attending the PPI's first virtual AGM. There is an opportunity now to ask me questions on anything I have covered today or on PPI more broadly, and I will now pass back to Sally to chair the Q&A.