

Corporate Plan 2020-2023

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1.

Introduction

Introduction from the Pensions Ombudsman

Our priorities for the coming year have one common purpose; to continue to make improvements to the customer journey, making it quicker and easier for people to resolve their pension complaints. We have already made significant progress in resolving issues at the earliest stage; last year only 5% of complaints required an Ombudsman's Determination. This is a complete reversal from 5 years ago when 95% of complaints required an Ombudsman Determination, a much longer and slower process.

Quality will remain at the forefront of the delivery of our service, as we expand our Quality Framework. The development and publication of service standards by the end of this year, will provide additional assurance that we put our customers firmly at the heart of everything we do.

We are transforming the way we measure customer satisfaction; making it easier for our customers to provide feedback and ensuring their feedback effectively impacts on the future planning of our service delivery.

We believe it is far more effective to deliver our service by working in collaboration with key strategic partners and stakeholders from across the pensions industry, so it is another major priority for us. By pooling our knowledge and expertise and continuing to work closely with other pension bodies and stakeholders we can influence the sector to raise dispute resolution standards and shorten the complaints process.

Any service is only as good as the people responsible for carrying out the work. I consider myself to be extremely fortunate to have such a hard-working, dedicated and knowledgeable team at The Pensions Ombudsman (TPO). Our staff, together with our volunteers, are our greatest resource. We want to repay their dedication by continuing with the improvements that will make TPO a great place to work and volunteer.

I am incredibly proud of the way staff and volunteers have adapted to the 'new normal'. One of the main challenges during the Covid-19 pandemic has been engaging with a remote workforce to promote staff well-being. I am delighted that we have been able to exploit the available technology to host a range of events to maintain that feeling of team spirit which is now more important than ever.

This year our focus will be on developing additional key performance indicators (KPIs) that will help us to measure performance against our stated aims. Not only will this give us a clear indication of our progress, but it will also enhance the transparency of our service. We will be developing a new three-year strategy to take effect from April 2021 and will be consulting with key stakeholders later in the year to ensure that our priorities are meeting the needs of our customers, stakeholders and staff.

We know there are more changes ahead. Already this year, we have said goodbye to Karen Johnston, our Deputy Pensions Ombudsman. For an interim period, there

will not be a standalone Deputy Pensions Ombudsman. This is to reflect the decrease in the number of complaints requiring an Ombudsman's Determination. Contingent plans have been put into place in the event that I am unavailable to make a Determination. The Legal Director, Claire Ryan, has been given authority to act as the Deputy Pensions Ombudsman and make Determinations if this were to occur. The situation will be kept under review over the coming year.

We have also welcomed our new Chief Operating Officer, Alex Robertson. Careful consideration has been given to streamlining the executive senior leadership team in respect of the size of our organisation and the recommendations implemented as a result of the Tailored Review. It has been decided that we will no longer have Casework and Corporate Services Directors. Further changes will be made to our Corporate Board in addition to the appointment of a permanent Chair and additional Non-Executive Directors.



Anthony Arter
Pensions Ombudsman and Pension Protection Fund Ombudsman
July 2020

Foreword from the interim Chair

I have now been at TPO for 10 months and have seen for myself the transformation that is taking place. Following our Tailored Review last year, we have continued to work hard on implementing the recommendations contained therein and I am very pleased to report that excellent progress is being made.

My interim appointment in September 2019 was the first step in evolving a full Board structure in line with Cabinet Office principles. The new Corporate Board focuses on strategic matters including risks, finances and performance against KPIs.

As a Board, we have carried out a robust risk assessment of the principal risks facing TPO and have developed a consistent scoring system for assessing risk. The development of a balanced scorecard, setting out high-level performance and a risk matrix, enables the Corporate Board to assess TPO's progress against strategic aims and identified risks.

Although much has been achieved, TPO's transformational journey continues. Ongoing improvements to our management information will lead to an increased ability to track efficiencies and forecast trends. This will put us in a stronger position to adapt to changes in the pensions complaints landscape as well as increasing transparency.

The evolution of the Corporate Board will continue with the appointment of additional Non-Executive Directors including a Permanent Chair.

This Corporate Plan sets out our priorities for the coming year and how we will measure progress against them.

There are a number of uncertainties facing us as a result of the Covid-19 pandemic. At TPO we have carried out a robust risk assessment following official government guidelines to protect our staff's health and well-being. However, the majority of our staff will continue to work from home until the government decide that it is safe to lift the remaining restrictions. It is looking like being another busy year.

A handwritten signature in black ink that reads "Caroline Rookes". The signature is written in a cursive style with a large, looped initial 'C'.

Caroline Rookes
Interim Chair
July 2020

Who we are and what we do

The Pensions Ombudsman combines in one organisation the Pensions Ombudsman and the Pension Protection Fund Ombudsman. Our primary function is handling pension complaints. We act impartially and our service is free.

Pensions Ombudsman

The Pensions Ombudsman investigates and determines complaints and disputes concerning occupational and personal pension schemes. Our governing primary legislation is Part X of both the Pension Schemes Act 1993 and Pension Schemes (Northern Ireland) Act 1993.

We operate an early resolution service and a formal adjudication service. Wherever possible we resolve complaints informally at an early stage, frequently before the issues have been formally considered by the parties. At adjudication stage we investigate and determine complaints that were not resolved by the parties or by us at early resolution stage.

Our Determinations are final, binding and enforceable in court.

Pension Protection Fund Ombudsman

The Pension Protection Fund Ombudsman determines complaints and reviewable matters concerning the Pension Protection Fund; and also appeals against it in respect of its decisions as manager of the Financial Assistance Scheme. Our governing primary legislation is sections 209 to 218 of the Pensions Act 2004 and sections 191 to 197 of the Pensions (Northern Ireland) Order 2005. Our Determinations are final, binding and enforceable in court.

Status and funding

We are a non-departmental public body and are funded by the Department for Work and Pensions (DWP). The grant-in-aid that funds us is largely recovered from the general levy on pension schemes that is administered by The Pensions Regulator.

Our principal place of business is 10 South Colonnade, Canary Wharf, London E14 4PU.

Our vision

A trusted, fair, impartial service that makes it easy for everyone to resolve pension complaints.

Our aims

- Get the right outcome every time and in good time – by being proportionate, efficient and consistent.
- Make it easier to resolve complaints about pensions – by ensuring more people know where to go for help and by working closely with our stakeholders and partners.
- Provide a trusted, accessible service – by listening, delivering on promises and being honest about what we can and cannot do.
- Deliver value for money – by making a difference to how pension schemes are run and by continually reviewing and improving the way we work.
- Ensure everyone who works here is supported to succeed – by being a good employer and helping people develop their potential.

Our values

We are: Fair – we look at the facts, without taking sides and we are always impartial. We take our responsibilities seriously.

Collaborative – we share what we know so everyone can do a better job. We seek out opportunities to work with others and then take action to make it happen.

Open – we are approachable and make it easy for people to get the help they need. We are honest and transparent about how and why we make our decisions.

We: Show respect – we are considerate and take people's needs into account. We believe in treating people with dignity and we welcome different points of view.

Build trust – we take pride in our work and do our best to get it right. We always do what we say we will.

And we: Keep learning – we are open to change and want to find better ways of doing things. We stay positive, take charge of our own development and support people trying something new.

2.

Overview



Overview

Our focus over the coming year is simple, we will continue to make improvements to the customer journey by resolving complaints at the earliest possible stage, making it easier and quicker for all parties.

We have already come a long way in this respect, last year:

- Around 2,000 issues were resolved without any need to approach the persons responsible for the pension arrangements.
- A further 2,300 issues were resolved early before any internal dispute resolution procedure (IDRP) was completed.
- 95% of all pension issues raised with us were completed without the need for an Ombudsman Determination.

For our complainants, this means that we are resolving complaints much earlier in the process, making it quicker and less stressful for them. It is also less costly in terms of time and process for the respondents.

But there is still more to do. During 2020/21, we will prioritise:

- Our customers – to ensure we deal with cases in a timely and efficient manner and meet customers' expectations.
- Our stakeholders – to help them handle their own complaints without the need for TPO to be involved.
- Our staff and volunteers – to continue to work towards making TPO a great place to work and volunteer.

A great deal of the infrastructure has already been put into place to help us achieve this, including the second phase of our Casework Reorganisation Programme which was implemented on 4 May 2020. The new casework structure introduces improved triaging and offers us greater flexibility to redeploy resources to where they are most needed at any given time. Something that will stand us in good stead for the year ahead as we face potential increases in complaints as a result of the Covid-19 pandemic. The reasons for which are explained in this plan. We also expect to see increased cost-efficiencies as the new structure beds in.

Our Digitalisation Programme continues to go from strength to strength. Our website has been redeveloped to make it more user-friendly and easier to navigate. This year we will be introducing further improvements both in functionality and content to make it easier for our customers and stakeholders to find the information they need. A customer portal due to be launched this year will transform the way in which customers contact us by facilitating the completion of online forms and enquiries which will be directed to the relevant teams for action straight away. Enhancements continue to be added to our case management system to automate many internal processes and enable us to retrieve improved management information (MI). The recruitment of a MI analyst this year will enable us to further develop our

management information leading to an increased ability for us to forecast trends to share with the industry as well as enabling us to respond to spikes in demand.

Continuing to build meaningful relationships with our stakeholders and key strategic partners remains key to achieving our aims. Our new stakeholder engagement strategy gives this vital work increased focus. By working closely together and setting up systems to share knowledge we can raise standards in dispute resolution across the industry and be more effective in protecting pensions.

Our staff and volunteers are our greatest resource. Our volunteer strategy has been developed to ensure we have the right number of volunteers in the right roles and that we can continue to offer them the support and training that helps them to carry out their work.

Work on the new People Strategy will be completed by the end of August and implemented over 2020/21. It will include organisational design and development, leadership and management development, learning and development, recruitment and retention, reward and recognition, and diversity and inclusion.

We have an ambitious programme of work to deliver this year and have introduced new KPIs against which we can measure our progress. The new KPIs reflect our focus on the quality of our service to customers as well as staff and volunteer engagement. In addition, over the coming year we will conduct surveys with our customers, stakeholders, volunteers and staff. This will establish a baseline for measuring our progress over the remainder of this year and to develop KPIs for 2021/22.

This Corporate Strategy is the last in our planning cycle before we produce a new three-year strategy which will involve reviewing our existing KPIs. We plan to consult with stakeholders on our new strategic aims and priorities later in the year.

Strategic aims

These are our overarching aims under our current three-year strategy.

Strategic aim one	Providing one centre for our customers for the resolution of occupational and personal pension complaints to improve the customer journey	<ul style="list-style-type: none"> • customers having a ‘one stop shop’, with the overall journey being considerably shorter and simpler • making our service a straightforward, easy, fair and impartial alternative to the courts • continuing to seek changes to legislation and signposting customers and stakeholders where necessary • review our process and procedures for those cases that are appropriate for early resolution.
Strategic aim two	Supporting and influencing the pensions industry and the wider alternative dispute resolution sector to deliver effective dispute resolution	<ul style="list-style-type: none"> • extending our Stakeholder Engagement Programme • influencing and shaping policy in the pensions industry and government • influencing industry to adopt a one stage IDRPs.
Strategic aim three	Transforming and improving our services and processes	<ul style="list-style-type: none"> • continuing our Digitalisation Programme • continuing to improve our service in terms of time, quality and value for money • strengthening our governance in line with Cabinet Office guidelines • improving management information to assist decision-making and for identifying and tracking efficiencies • monitoring and developing our staff resources.

Progress review – 2019/20

What we did in 2019/20

The table below outlines our KPIs for 2019/20 and our performance against them.

Pensions Ombudsman	
What we said we would do	What we did
Close investigations at a rate equivalent to 90% of the number taken on in the year	We closed investigations at a rate of 96.5% (representing 107% of our target)
Have no more than 10% of open investigations aged more than 12 months	We had 11% of open investigations aged more than 12 months
Deal with enquiries at a rate equivalent to 90% of new enquiries received in the year	We dealt with enquiries at a rate of 98.1% (representing 109% of our target)

Investigations

Our experience in the last three years is that complaints handled using our adjudication route have not increased in volume, but early resolution, which has been part of our service since March 2018, has increased by 16% between 2018/19 and 2019/20. Despite these increases in volume, we exceeded our KPI in this area.

Enquiries (in writing and by phone)

We have seen an increase in incoming written enquiries equivalent to 12% per year in the last three years. In the 'First Contact Resolutions' workstream, we took on 43% more pensions issues in 2019/20 than 2018/19. Despite these increases in volume, we exceeded our KPI in this area.

Alongside written enquiries, we saw an increase in telephone enquiries in 2019/20 of around 40% when compared with the previous year.

Investigations aged more than 12 months

Cases aged 12 months or more now represent just over 11% of open adjudication investigations, excluding those related to early resolution. We always have a small proportion of cases that we cannot progress due to circumstances beyond our control, for example, awaiting the outcome of court proceedings.

3.

What we expect in
2020/21

What we expect in 2020/21

The table below outlines our forecasts for incoming complaints for 2020/21 along with data from the previous three years for comparative purposes.

	Forecast 2020/21	Trend	Actual 2019/20	Actual 2018/19	Actual 2017/18
Enquiries					
In writing	11,830		10,969	7,215	6,319
By phone	13,862		11,552	8,205	N/A
Investigations					
Early resolution	2,779		2,400	2,073	N/A
Adjudication	1,192		1,192	1,528	1,666

Enquiries (in writing and by phone)

During 2020/21 we are forecasting a less significant increase in demand for written and phone enquiries than in previous years.

The introduction of an online customer portal and further functional enhancements to our website during 2020/21 will significantly change the way in which we deal with incoming enquiries. Members of the public will be able to refer their enquiries to us through the customer portal and this, along with improved functionality and information on our website, will lead to a reduction in demand. But in the meantime, challenging times are ahead as our very small team will be dealing with high volumes of incoming work.

The new casework structure, developed as part of the second phase of our Casework Reorganisation Programme, has been aligned with the portal and we expect some efficiencies to emerge in the second half of 2020/21. The reorganisation has also given us the ability to flexibly deploy staff across telephone and written enquiries and First Contact Resolutions, dependent on needs and demand.

Investigations

We expect the upward trend in early resolution investigations to continue over 2020/21. Users of the service, and the industry in general, have readily adopted the early resolution approach, which we have facilitated through a focused promotion exercise.

At the same time as the increase in early resolution, we expect there to be a corresponding flattening in adjudications. We believe there will always be a demand for adjudications; but the next year or so will show if there is a continued downward trend associated with this more traditional approach.

The second phase of the Casework Reorganisation Programme, following the first phase when The Pensions Advisory Service disputes resolution team transferred to us, has redirected resource to ensure that complaints reaching an Adjudicator or Resolution Specialist are ready for the investigation to begin. Further, each Adjudicator or Resolution Specialist should receive only the complaints that they are suited to; we are matching complaints to skills more carefully. This has reduced the number of our people who directly contribute to producing output on complaints. However, the flexibility of the new structure means that we expect to be able to move staff from administrative roles to more outcome-focused ones (in other words, those that directly assist with producing outcomes on complaints).

In the short term, during 2020/21, we expect to see output similar to previous years. But by 2021/22 we expect an increase in output as the efficiencies of the reorganisation are realised and the need for preparatory tasks is reduced. It is likely that the benefit of the change in our casework processes will be gradual and begin to come to fruition in late 2020/21.

Pension Protection Fund Ombudsman

The small caseload of the Pension Protection Fund Ombudsman does not warrant detailed monitoring in the same way. We usually aim to close in a year the same number of complaints as are opened.

Assumptions made

Covid-19

Much of our business planning had already been carried out before the outbreak of the Covid-19 pandemic. Given the economic uncertainties and people's changing financial circumstances as a result of the Covid-19 pandemic, over 2020/21 we are prepared for a potential increase in complaints relating to:

- the application of the furlough scheme and its ending, for example, payment of contributions, salary sacrifice and death cover
- delays in providing information, processing requests and carrying out transfers due to remote working, redundancies and volumes of requests
- pension benefit claims especially those concerning ill health or redundancy
- and potentially scams.

The initiatives outlined elsewhere in this Corporate Plan, such as the Casework Reorganisation Programme, website and portal developments, will help us to meet any increases in demand. Like other organisations, we are waiting to see exactly what impact this will have on our core business. We remain optimistic that in spite of unknown challenges we will be able to meet the ambitious programme of deliverables for 2020/21, as set out in this Corporate Plan.

Our forward-thinking Smarter Working Policy, introduced in April 2018, provides complete flexibility in allowing staff to work away from the office, and with no core hours, meant that we were able to mobilise our staff to work from home with very little disruption to our service. Following the guidelines on the easing of 'lockdown', we have carried out a robust risk assessment to enable a gradual and safe return to the office. Our first priority was to allow a small volunteer team to return to deal with the post that we have not been able to access during lockdown. We will be closely monitoring the situation and will ensure our response follows official government guidelines to protect the health and safety of our staff.

Casework Reorganisation

The way in which we handle casework has gone through a rigorous reorganisation and we have made sure that the new structure has flexibility built in. This will enable us to respond to any spikes in demand and ensure the necessary resources are deployed where needed. Our customers will certainly benefit from our new streamlined process.

We have planned for the upward trend in the number of early resolution investigations to continue through our casework reorganisation. This will:

- introduce better filtering and triaging of complaints
- enable complaints to be prepared in advance of being passed to a Resolution Specialist or Adjudicator
- provide flexible administrative support across the casework function so that support can be directed to where it is needed most

- introduce closer monitoring and control of complaints using improved management information.

These initiatives are anticipated to enable us to better meet demand. But improvements in 2020/21 are likely to be incremental as the new structure needs time to properly embed; the changes will take time to show their benefits and there are a significant number of complaints still being processed using our former approach. As the restructured function, and other initiatives, take effect we will begin to see more efficiencies in the second half of 2020/21. Others will emerge in the slightly longer term (18 to 24 months) allowing us to redeploy staff from purely administrative roles, to more outcome-focused roles.

Digitalisation Programme

There will be other significant changes this year as our ongoing Digitalisation Programme will transform the way in which people contact us.

Our newly developed website went live on 28 May 2020 with further developments due later this year. As part of the discovery process in Phase 1, customers identified further enhancements that would help them to decide if they had a valid complaint and where it should be directed. We envisage that, on completion of Phase 2, the number of general enquiries both in writing and by phone will decrease as customers use the website to get the information they need.

We will also be introducing a customer portal where people will be able to submit general enquiries and online applications as well as upload supporting documentation. Later phases of the customer portal will extend the functionality to respondents and our volunteers; to be followed by the ability to track progress on an investigation via the portal.

Our priorities and key performance indicators for 2020/21

We have updated our KPIs this year to ensure we focus on three key areas:

- our customers
- our stakeholders
- our staff.

<p>Customer satisfaction</p> <p>To ensure we deal with cases in a timely and efficient manner and meet customers' expectations.</p>	Casework performance	<ul style="list-style-type: none"> • Close investigations at a rate equivalent to 90% of the number taken on in the year. • Deal with enquiries at a rate equivalent to 90% of new enquiries received in the year. • Have no more than 10% of open investigations aged more than 12 months.
	Quality assurance	<ul style="list-style-type: none"> • Keep scores from the Quality Assurance Framework above 80%.
	Customer survey	<ul style="list-style-type: none"> • Establish a baseline by September 2020 against which we can measure customer satisfaction for the remainder of the year.
<p>Stakeholder satisfaction</p> <p>To help stakeholders handle their own complaints without the need for TPO to be involved.</p>	Engagement	<ul style="list-style-type: none"> • Conduct a stakeholder survey to establish a baseline for measuring stakeholder satisfaction. • Increase the amount of information provided to customers and stakeholders to help customers to decide on next steps and to help stakeholders to resolve complaints without the need for TPO to be involved.
<p>Staff and volunteer satisfaction</p> <p>To make TPO a great place to work and volunteer.</p>	Staff engagement	<ul style="list-style-type: none"> • Annual staff turnover to not exceed 12%. • Average number of days sickness per staff member to not exceed seven days. • Conduct a staff satisfaction survey to establish a baseline against which we can measure performance for the remainder of the year.
	Volunteer engagement	<ul style="list-style-type: none"> • Volunteer numbers are maintained (currently 214) with the aim of increasing the number to 300. • Conduct a volunteer survey to establish a baseline for measuring volunteer satisfaction.

4.

Finance



Finance

Our budget is set by our sponsoring department, DWP. Our estimated costs over the next three years are detailed below, along with spend from the last two financial years for comparative purposes.

The agreed business-as-usual budget for 2020/21 is £8.11 million. The additional £0.59 million is for one-off projects and staff exit costs.

Over the last three years we have seen a significant increase in our staffing levels, workload and funding. All of these were necessary to be able to meet the increasing demand for our services. We started 2019/20 with 82.7 full-time equivalents and we start 2020/21 with 98.4. This figure is expected to increase to around 110 by 31 March 2021. This is a direct reflection of the increase in workload.

	2018/19 Spend £'000	2019/20 Spend £'000	2020/21 Forecast spend £'000	2021/22 Forecast spend £'000	2022/23 Forecast spend £'000
Staff salaries	4,406	5,470	6,281	6,230	6,350
Other staff costs inc training and recruitment	162	495	245	250	253
IT/Telecommunications	467	674	653	665	678
Professional services	99	170	78	80	81
Subscriptions	90	89	96	98	99
Legal costs	110	53	143	145	148
Accommodation	462	465	489	499	508
Printing and stationery	39	27	32	32	33
Insurance	27	21	26	18	20
Postage /courier	25	15	18	20	22
Other	22	13	27	28	29
One off funding for 2020/21					
Additional Projects			210		
Staff exit costs			263		
Total operating costs	5,909	7,492	8,561	8,065	8,221
Non cash items	136	155	186	190	290
Total comprehensive expenditure	6,045	7,647	8,747	8,255	8,511

Forecast of resource allocation across the organisation 2020/21

A pie chart of the resource allocation for 2020/21 is included below. Costs include salaries, which make up 76% of total costs, and other costs including, IT, professional services, subscriptions, rent and office costs such as insurance and stationery, and depreciation and amortisation. These costs have been allocated to the various business areas of TPO on the basis of total salary costs per directorate.



