

A man and a woman are sitting at a desk, looking at a laptop and documents. The man is holding a document and pointing at it. The woman is smiling and looking at the document. The background is a blurred office setting.

NORMAN BROADBENT

Non-Executive Director (NED) Candidate Brief

The logo for the Pension Protection Fund, featuring a white curved line above the text.

Pension
Protection
Fund

Who we are and what we do

We're a statutory public corporation led by our board and accountable to Parliament through the Secretary of State for the Department for Work and Pensions. We are responsible for the Pension Protection Fund (PPF) and the Fraud Compensation Fund (FCF). We also run the Financial Assistance Scheme (FAS) on behalf of the Government.

PENSION PROTECTION FUND (PPF):

Our purpose is to protect the future of millions of people who belong to defined benefit pension schemes. When these schemes fail or an employer becomes insolvent, we're ready to help.

We're proud of the work we do and the people who are committed to our mission. We manage £32.5 billion of assets for our 295,000 members, and without us, many people would face significant financial hardship. Whatever we do, we strive to do it well, with integrity and their future in mind.

FINANCIAL ASSISTANCE SCHEME (FAS)

FAS is funded by HM Treasury rather than a levy. We provide financial assistance to people who were members of certain DB pension schemes which are ineligible for compensation from the PPF – in particular, those schemes that began winding up between January 1997 and April 2005.

FRAUD COMPENSATION FUND (FCF)

Funded through a separate levy on all occupational defined benefit (DB) and defined contribution (DC) pension schemes, we are also responsible for the FCF. This funds compensation for members of eligible work-based pension schemes where the employer is insolvent and whose schemes have lost out financially as a result of dishonesty.





Members of schemes we protect
at 31 March 2022

 **9.6m**

Members in PPF assessment
at 31 March 2023

 **64,614**

Assets under management
at 31 March 2023

 **£32.5bn**

Number of employees
at 31 March 2023

 **441**

PPF members
at 31 March 2023

In payment  **193,218**

Deferred  **102,310**

295,528

FAS members
at 31 March 2023

In payment  **84,176**

Deferred  **57,951**

142,127

PPF reserves

£12.1bn

£11.7bn



Funding ratio

156%

137.9%



Assets under management

£32.5bn

2023

£39bn

2022



Return on growth assets

1.9%

2023

7.6%

2022



PPF levy collected

£386m

2023

£476m

2022



Probability of success

95%

2021

96%

2022



PPF benefits paid

£1.2bn

2023

£1.1bn

2022



Actuarial liabilities

£20.3bn

2023

£27.4bn

2022

Five-year annualised alpha

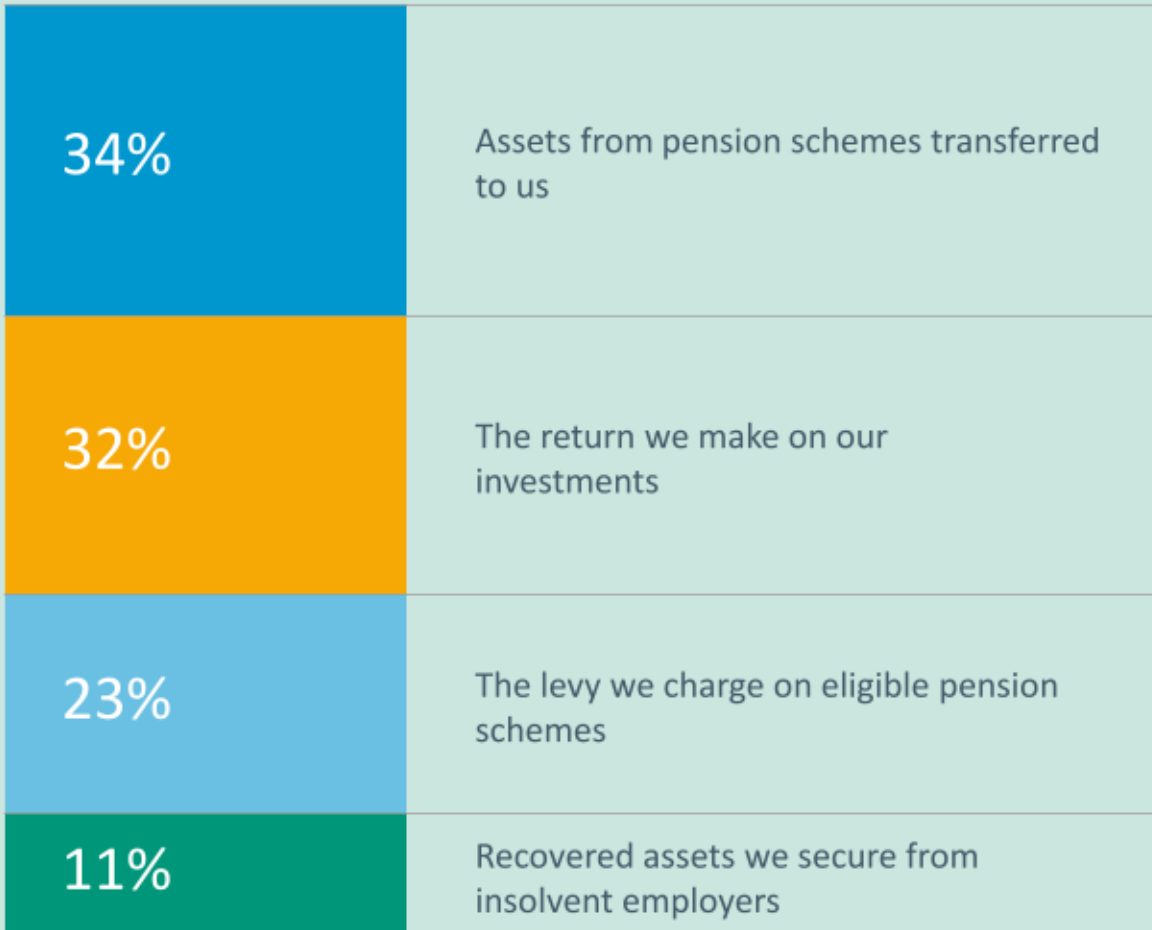
£270m

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Who we are and what we do

We raise the money we need to pay PPF benefits and the cost of running the PPF in four ways.



Meet Our Board

Non-Executive Members:



Kate Jones

Kate is our Chair. She's also Chair of the Non-Executive Committee, Nomination Committee and Decision Committee



Chris Cheetham

Chris is our Senior Independent Director, Chair of the Investment Committee and a member of the Risk and Audit Committee and Nomination Committee



Emmy Labovitch

Emmy is Chair of the Remuneration Committee and a member of the Investment Committee



Nailesh Rambhai

Nailesh is Chair of the Reconsideration Committee and a member of the Risk and Audit Committee.



Liz Woolman

Liz joined the Board in April 2022 and is a member of the Risk and Audit Committee, Reconsideration Committee and Remuneration Committee.



David Atkinson

David joined the Board in January 2023. He is Chair of the Risk and Audit Committee and a member of the Investment Committee and Reconsideration Committee.

Our Board helps hold us accountable and makes sure we meet our aims now and in the future. To help with its work, the Board has set up a number of committees, including:

Investment
Committee

Nomination
Committee

Non-executive
Committee

Reconsideration
Committee

Remuneration
Committee

Risk and Audit
Committee

Executive Members:



Oliver Morley
Chief Executive Officer.
Oliver oversees the development, direction and management of the organisation. He's a member of the Decision Committee and the Investment Committee.



Sara Protheroe
Chief Customer Officer.
Sara oversees our award-winning customer service, including paying members' PPF benefits.



David Taylor
General Counsel.
David looks after strategy and policy, oversees the levy and has ultimate responsibility for our legal affairs. He's also a member of the Decision Committee.



The Executive Committee

Led by the CEO, our Executive Committee are responsible for the day-to-day running of the organisation. As well as having specific senior management roles and duties, members of the committee work together to review key areas:

- Developing and implementing strategy, operational plans, policies and budgets
- Recommending financial plans and budgets to the Board and setting out how they can be achieved
- Assessing and controlling risk
- Making sure we're complying with relevant legislation and regulations
- Setting out how we prioritise and allocate resources



Oliver Morley
Chief Executive Officer. Oliver oversees the development, direction and management of the organisation. He's a member of the Decision Committee and the Investment Committee.



Katherine Easter
Chief People Officer. Katherine leads the HR, organisational development and communications directorate.



Barry Kenneth Chief Investment Officer. Barry is responsible for our investment strategy and leads our Restructuring and Insolvency team.



Simon Liste
Chief Technology Officer. Simon is accountable for the technology, change and information security services at the organisation.



Shalin Bhagwan
Chief Actuary. Shalin is responsible for the PPF's actuarial financial management.



Sara Protheroe
Chief Customer Officer. Sara oversees our award-winning customer service, including paying members' PPF benefits.



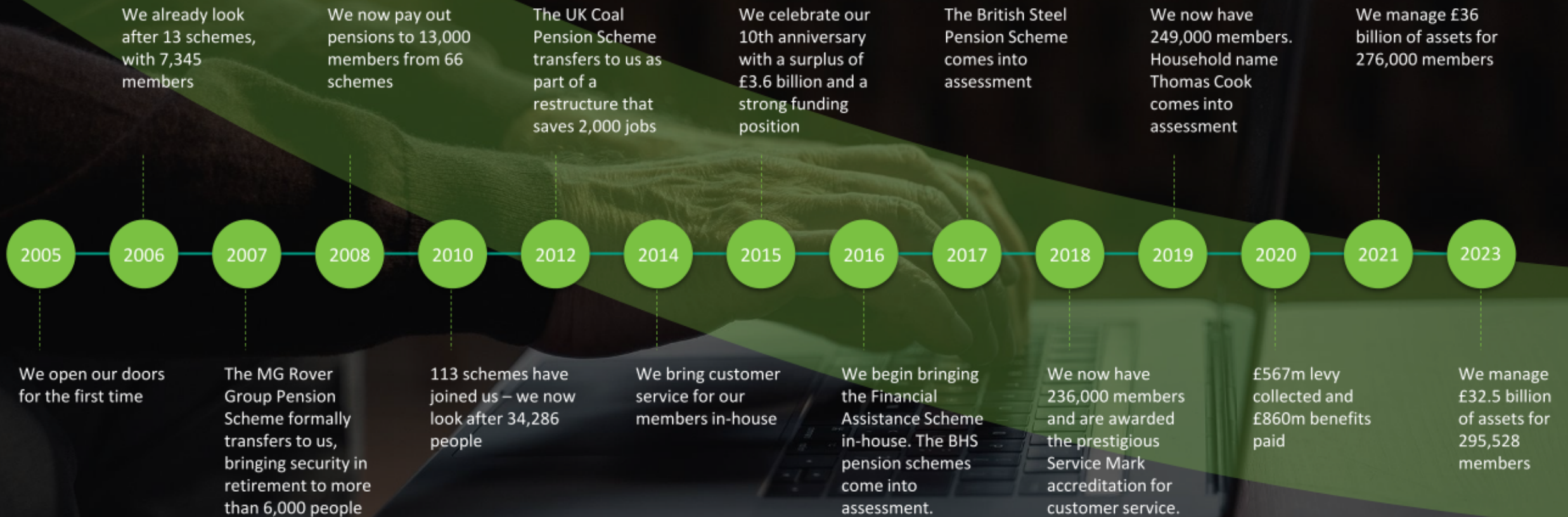
David Taylor
General Counsel. David looks after strategy and policy, oversees the levy and has ultimate responsibility for our legal affairs. He's also a member of the Decision Committee.



Dana Grey
Chief Risk Officer. Dana is responsible for all of our risk functions and overseeing compliance, ethics and data protection.

Our History and Track Record

Despite a record number of schemes transferring to us in recent years, we remain on track to reach our funding targets while giving our members award-winning service.



Awards and Recognition

We're proud to have been honoured with multiple awards over the years – which can be seen on our website by following this link.

[Hold Control and Click Here](#)



Last Strategic Plan and Priorities

What we've achieved in the last three years:

We set ourselves the goal of setting new standards for innovation, assurance and service, and we have achieved the goals of our 2019–22 Strategic Plan. This success has created a strong foundation to drive forward our ambitions on behalf of members and solidify our status as a role model for best practice in the industries we operate in.

Highlights of our last strategic plan include:

- A Probability of success towards our funding target that has moved from 89% to 95%
- Annualised return on growth assets of 5.9% over the three years up to and including November 2021
- Successful insourcing of:
 - Our IT estate, with significant savings and increased performance
 - Our investments, with the majority now managed in-house which gives us greater control
- Our first Responsible Investment reports and Task Force on Climate-related Financial Disclosures (TCFD) report
- Continued growth in customer service with member satisfaction now over 97% and levy payer satisfaction at 92%
- Significant increase in use of our digital services with 82% of member transactions online, and new customer service functions and portal for levy payers
- We've implemented (on a voluntary basis) the Senior Managers and Certification Regime, as is appropriate to us, and reflect the FCA's conduct rules in our own organisational values
- We've been accredited as a Disability Confident Leader and 88% of our employees say we encourage all aspects of diversity
- Our investment team have successfully implemented a new performance and attribution platform, giving real time insight in to the performance of our investment managers. This is particularly important at a time when investment fees are higher due to really strong performance



Strategic Priorities 2022-2025

Over the next three years we'll face significant challenges, and significant changes are necessary to the compensation we pay. Technology, the impact of the pandemic and the growing centrality of ESG issues means expectations on us – as an asset manager, service provider and employer – are changing.

Our priorities for the next three years are designed to ensure we meet these challenges and achieve our ambitions. They are:

Priorities	Areas of focus
Meeting new challenges with brilliant service	<ul style="list-style-type: none">• Provide high standards of service to our members, maintaining current levels of efficiency as member numbers increase• Continue to achieve high levels of levy payer satisfaction• Successfully amend our compensation regime to meet the requirements of recent court rulings and subsequent legislation• Progress claim applications to the Fraud Compensation Fund, providing certainty to victims of scam pension schemes• Progress schemes through assessment, getting clarity of outcomes for members in a timely fashion
Excellence in asset and liability management	<ul style="list-style-type: none">• Complete our review of our funding strategy and begin implementation• Demonstrate best practice in asset management• Review levy methodology
Making a difference	<ul style="list-style-type: none">• Develop a holistic sustainability strategy• Aim to set the standard in our approach to responsible investment• Drive forward our diversity and inclusion strategy• Reduce our own environmental footprint as an organisation• Influencing others to do the right thing• Corporate social responsibility
Transforming how we work	<ul style="list-style-type: none">• Completing our move to cloud-based services• Develop and implement a data strategy• Best practice data exchanges with our stakeholders• Making the best use of digital technology to transform and evolve business processes• Developing our approach to hybrid working• Continued focus on information, data and cyber security

Our Investment Team

Our Investment team is made up of experienced professionals from across the asset management, insurance and banking communities, and has evolved tremendously over the last five years, both in terms of size and sophistication. The senior team includes:

- Barry Kenneth – Chief Investment Officer
- Ian Scott – Head of Investment Strategy
- Evan Guppy – Head of LDI and Credit
- Clare Raymond – Director of Investment Operations
- Eddie Doyle – Director of Operations Investment

The team manages our members' funding under the guidance and stewardship of the Board and our Investment Committee.

From previously focusing on allocating monies to external fund managers, the current operating model sees us manage around half of our overall assets internally.

Asset allocation:

Our asset portfolio largely consists of cash and bonds. The chart to the right shows exactly how we allocate our different assets.

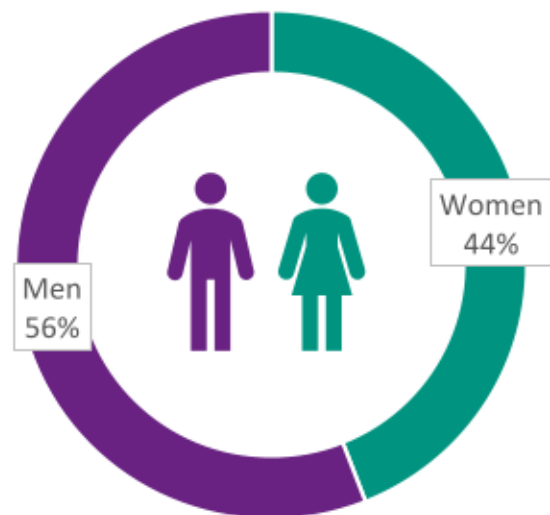
Permitted Asset Class	Strategic allocation	Asset benchmark index
Liability hedging instruments <ul style="list-style-type: none"> – UK conventional and index-linked Gilts – Interest rates and inflation swaps – UK gilt repurchase agreements – Exchange Traded Derivatives – Sterling corporate bonds from government backed institutions and Sterling corporate bonds from systemically important institutions with very high financial and/or operational linage to government 	40%	Liability benchmark
Return-seeking assets <ul style="list-style-type: none"> – Global Government Bonds – Global Aggregate Bonds (including global government, government-related, corporate and securitised debt from developed and emerging market issuers of investment grade category) – Developed and emerging markets debts of sub-investment grade category – Public Equity – Alternatives (including property, private equity, alternative credit, farmland and timberland, absolute return strategies) 	41.5%	JP Morgan Government Bond Index (ex-UK). Barclays Global Aggregate Bond Index; Suitable indices will be specified for particular credit market sub-sectors. FTSE All World Minimum Variance Index. Cambridge Associates Performance Indices.
Hybrid assets (assets with return-seeking and liability hedging characteristics)	12.5%	Will vary according to the asset class
Cash	6%	SONIA & UK 3 month LIBOR



Sustainability - Diversity & Inclusion

Our challenges from a distance

Senior managers by gender



■ Women ■ Men

Senior managers by ethnicity



Proportion of female and male employees receiving bonus pay

Data was taken at 31 March 2022.

2022

Men

85%



Women

82%



	Men	Women
2022	85%	82%
2021	82%	81%
2020	71%	74%
2019	66%	74%
2018	71%	74%
2017	38%	39%

Diversity & inclusion

What we've achieved

“Diversity brings a richness and wealth of thought, which will help us grow as an organisation and as individuals.”

Simon Liste, Chief Technology Officer

We've made D&I intrinsic to our strategic plan, our organisational KPIs and in each member of our Executive Committee's personal objectives.

Focused on raising awareness of our D&I agenda and challenging mindsets across the organisations.

Communicated our key messages, promoted our current initiatives and created opportunities for employees to share ideas.

Reviewed and identified areas of improvement to our current recruitment process, to make sure it supports our ambitions and attracts diverse candidates.

Given line managers the tools needed to make effective changes in decision making and ways of working, such as unconscious bias training, inclusive leadership and introducing mental health first aiders and mental health training for all line managers.

We've achieved Disability Confident Leader Status; role modelling best practices for other organisations.

Promoted and encouraged a diverse range of employee-led groups and networks including the Working Families Alliance and Kaleidoscope, a group for LGBTQ+.

Delivered support at appropriate times, such as during recruitment and development planning to make sure we learn and improve our ways of working.

We've succeeded in retaining valued members of staff living with disabilities or health conditions and achieved Disability Confident employer status.

We signed the Women Finance Charter in 2018 and met our 40% target early.

Identified opportunities to create a speak-up, listen-up culture across the organisation.

Provided our member-facing employees with Dementia Friends training to better understand the support we can provide.

Committed to a flexible working environment by offering a variety of options for how, when and where our employees work.

Offered coaching to those returning to work after an extended period.

We've chosen to offer enhanced maternity, paternity and shared parental leave pay.

Became a signatory to the Government's Race At Work Charter in 2019.

Became a member of The Diversity Project and Investment 20/20, initiatives that champion a more inclusive culture in the savings and investment profession.

Flexible working/return to work/shared parental leave.

Achieved 50% female representation on the board and 20% ethnic minority representation.

Our Diversity and Inclusion Goals and Activities for 2020 – 2025

“I'm passionate about creating a culture that makes us appealing to people from a wide range of backgrounds and I'll be sharing the best practices I see across the global financial industry.”

Kate Jones, Non-Executive Director



Goals

Year-on-year we'll see an increase in our representation across all areas of diversity.

85% of our staff will report a strong belief that we are a diverse employer that supports inclusion.

We'll be recognised externally as innovating in this area by doing more than just support established initiatives.

We'll look for ways to increase participation from under represented groups at all points in their journey with us.

Our strength in this area will become a 'unique selling point' that supports our ability to both attract and retain people and continue to deliver excellent customer service to our members.

As our membership grows and diversifies we'll continue to review our processes and services to make sure we're meeting our member's needs.



Sustainability – Community Impact and Volunteering

How we give back to the community

We aim to make a difference through volunteering in our community and fundraising for our local charity partner.

WE SUPPORT LIVES NOT KNIVES

Lives Not Knives work in Croydon and London to educate, empower and engage young people affected by youth crime and violence. They're dedicated to supporting young people create positive futures through providing tailored mentorship and advice.

As our charity partner, we use our skills, fundraising activities and volunteering to support their mission of preventing youth violence in our local community.

If you'd like to support their important work, you can do so on the [Lives Not Knives donation page](#).

OUR VOLUNTEERING AND PARTNERSHIPS

Our colleagues have five days of volunteering leave every year which they can use to support charities and local organisations. This financial year, we have a goal of reaching 500 volunteering days across the organisation.

We share volunteering opportunities where our employees can use their skills and experience in different ways, with a focus on supporting underrepresented groups and the environment.

We build partnerships and volunteer with industry and local organisations that:

- Promote financial literacy and IT skills in the community
- Give us ways of boosting the pipeline of talent from underrepresented groups in the financial services industry and related professions
- Support the transition to Net Zero

SUSTAINABILITY

Our sustainability strategy sets out how we aim to achieve our ambition for catalysing the growth of a sustainable pensions industry. It outlines the four key sustainability goals that we've identified in areas where we can make a real difference. These are:

- Demonstrating excellence in responsible investment
- Ensuring effective stakeholder engagement with integrity and respect
- Championing collaboration and leading by example
- Being accountable for minimising our own environmental impacts
- The strategy also covers how we plan to reach Net Zero for our operations by 2035 or sooner and how, through our investment activities, we seek to contribute to the global transition to Net Zero

Sustainability – Net Zero and Responsible Investment

We've been responsible stewards since we opened our doors in 2005, and this continues to be a key priority for us.

We pride ourselves on being a stable organisation with strong principles and values, and we strive to act responsibly in our day-to-day activities.

By encouraging responsible practices, we aim to better serve our members and levy payers by protecting our investments.

"We've come a long way since becoming a PRI signatory in 2007, but the challenges of climate risks are more real than ever. It's vital to keep a prudent steer on our investments for the benefit of members and stakeholders, and to use our influence for the greater good."

Kate Jones, Chair of the Board

Our responsible investment strategy

Responsible investment (RI) is an important part of our overall [strategic plan](#) and our [core investment principles and strategy](#).

The goal of our RI strategy is to enhance the long-term value of our investments by managing environmental, social and governance (ESG) risks and exploiting opportunities.

We have identified three main priorities for our RI strategy – [climate change](#), [stewardship](#) and [reporting](#).

Climate change

We're committed to assessing and managing climate-related risks and opportunities across our investment portfolio, in alignment with leading disclosure frameworks.

Stewardship

As an active owner, we believe in strong and transparent corporate governance practices. We use share voting and engage with our investments, to make sure boards and companies are accountable.

Reporting

We're a strong supporter of clear and relevant reporting across the investment chain. Read our annual RI reports, our climate change report and our engagement and voting reports to see our RI strategy in action.

Strong Governance

Senior Managers and Certification Regime

Demonstrating our commitment to best practice in organisational arrangements, governance and senior accountability.

In 2016, the PRA and FCA introduced a new individual accountability regime for banks – the Senior Managers and Certification Regime (SMCR). It was later adopted for insurers and was extended to all other regulated firms in December 2019.

The regime is designed to make sure there's clear accountability at the senior levels of an organisation. The aim is to make individuals more accountable for their responsibilities, conduct and competence.

We're not obliged to do so, but we've chosen to create our own version of the regime. Individual accountability is one of our core values so implementing and publishing an SMCR is in line with that and supports our strategic aim to emulate best practice within financial services.

What we've included in our SMCR

We've chosen to implement all aspects of the accountability regime that are relevant to us rather than directly replicate the FCA or PRA rules.

This includes producing a map of responsibilities to show where responsibilities lie at a senior level. Alongside this are statements of responsibilities that set out each senior manager's individual responsibilities and our processes for certifying key people.



The Role

This role is a Non-Executive Member of the Board.

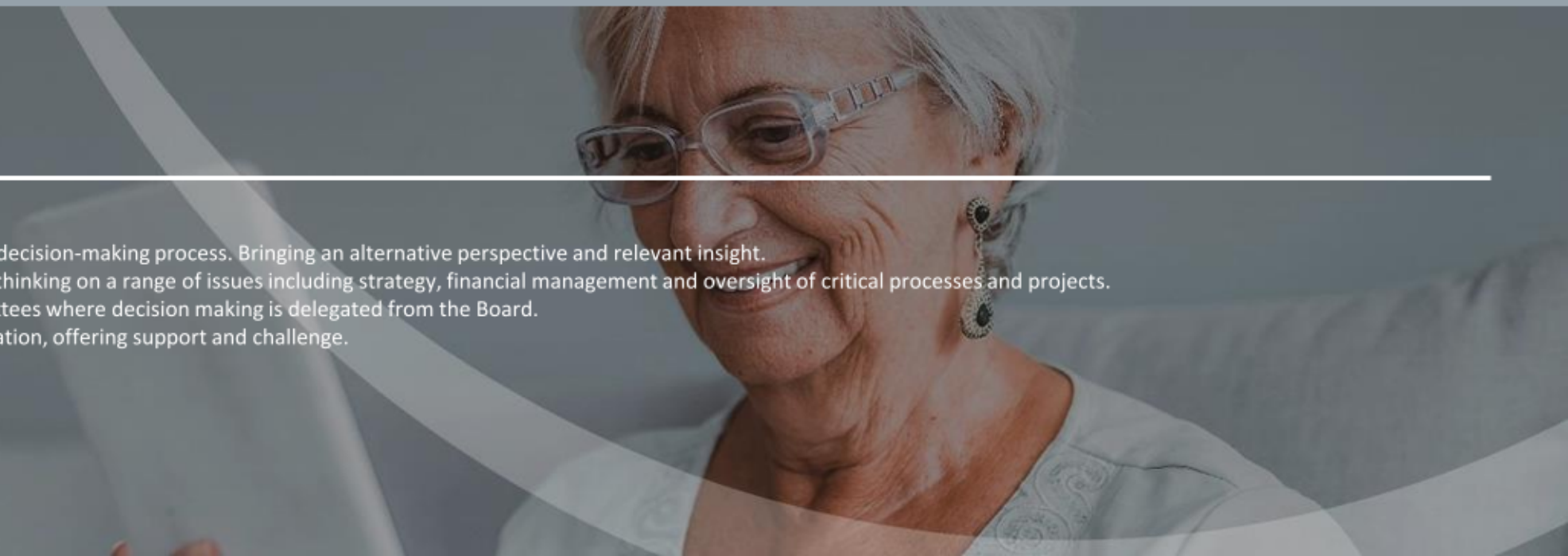
Non-Executive Members make up the Non-Executive Committee of the Board. The role provides a degree of independence in overseeing the governance and strategy of the organisation and is expected to play an active role in ensuring that the PPF operates effectively and efficiently. The Board and its members are accountable for the discharge of the responsibilities set out in the legislation. This includes the duty to monitor the organisation's financial controls, and to contribute to the strategy of the Board. In addition, it has input into the appointment of Executive Directors and to setting their remuneration, subject to the approval of the Secretary of State for Work and Pensions.

The PPF is keen to hear diverse perspectives to facilitate the highest quality decision making.

Non Executives are typically expected to commit around 26 days work with 8 Board meetings plus committee meetings in a year. In addition to attending meetings, meeting papers are read in advance and there may be correspondence between meetings.

Main Duties

- Contributing to Board discussion and decision-making process. Bringing an alternative perspective and relevant insight.
- Using skills and experience to inform thinking on a range of issues including strategy, financial management and oversight of critical processes and projects.
- Attending and contributing to committees where decision making is delegated from the Board.
- Mentoring leaders within the organisation, offering support and challenge.



Person Specification

In this section are the details of the essential qualifications, skills, and knowledge that are required by the job holder to do the job successfully at this level.

Qualifications or equivalent experience

Experience working with or within Central Government in a strategic, policy capacity

Proven ability in decision making at the highest level

Skills (technical and soft skills)

Ability to provide meaningful contribution in large meetings

Ability to influence both internal and external stakeholders

Political sensitivity and ability to shape strategy in a political environment

Strength in decision making in complex situations.

Knowledge

A good understanding of Public Sector strategic operations

Clear understanding and knowledge of UK pensions environment

Clear understanding (not necessarily experience of being in) the non-executive role



Our Purpose and Values

Our purpose is to protect people's futures

Integrity
Doing the right thing

Collaboration
Working as one

Accountability
Owning our actions
and their outcomes

Respect
Valuing every voice

Excellence
Being our best

Values and Behaviours

This sets out the behaviours expected of all roles in the PPF in line with our values and the conduct rules set by the FCA.

The ICARE behaviours	What it looks like in the PPF
<p>Integrity – Do the right thing</p> <p>Doing the right thing for our customers and managing our resources well to ensure we deliver the right solutions in the right way</p>	<p>Is transparent and consistent and able to explain the decisions we have made and the actions we have taken Delivers on promises and commitments and if unable to, explains why we can't achieve what we set out to deliver Takes an organisational view, considers any risks we take with a clear understanding of the risk appetite of the organisation Uses resources wisely ensuring the solutions we offer are value for money and cost efficient Is fair and reasonable, balancing the needs of all stakeholders in decision making and delivering solutions Respects the PPF processes, working within agreed boundaries whilst suggesting improvements Takes responsibility for personal and team decisions</p>
<p>Collaboration – Work as one</p> <p>Collaborating across the organisation to achieve the appropriate outcomes for our customers, contributing to the continued growth and success of the PPF by taking an active role in how we deliver and how we work together to make a difference to an individual's financial landscape</p>	<p>Takes an organisational view - is able to articulate the purpose of the PPF, the outcomes it aims to achieve and their role within it Creates an environment that ensures differences are appreciated and add to the creation of innovative, enhanced ways of working and effective customer solutions Listens to understand and asks questions appropriately in order to increase their knowledge and expertise Adapts their style in order to influence positively and to develop effective relationships across and beyond the PPF Shares their expertise and knowledge willingly in order to develop others and add value to the organisation Takes the time to understand the goals and priorities of the teams they work with across the PPF to achieve effective outcomes Uses their skills, knowledge or experience to add value outside of their immediate team</p>
<p>Accountability – Own your own actions</p> <p>Taking personal ownership for the outcomes we have been asked to deliver, being responsible for the quality of those deliverables and ensuring that we perform at our best for our customers and each other</p>	<p>Is clear about what is expected, how their work fits with the goals of the PPF, and how to deliver against those expectations Manages the workload in order to meet performance expectations and honour commitments to others Is open when things go wrong, learning from and acting upon any mistakes Is realistic in what they can commit too, challenging priorities appropriately and able to re-prioritise workload when required Acts promptly to resolve any customer or peer issues or concerns Contributes outside of their immediate area of responsibility when appropriate in order to add value to the PPF</p>

The ICARE behaviours

What it looks like in the PPF

Respect – Value every voice

Valuing the contribution others bring, allowing everyone to contribute and being fair and inclusive to those we work with in order to deliver the most effective solutions for our customers

Balances their own needs with the needs of customers and the organisation when considering how they wish to work
Acknowledges the value all job roles bring to the outcomes we are aiming to achieve as an organisation
Treats people consistently across the organisation whatever their level or role
Values every contribution and displays a genuine interest in the opinions and ideas from others
Meets the standards of the team in how they work with others
Treats the privileged information we have access to with respect and confidentiality
Engenders commitment and loyalty from those they work with

Excellence – Be your best

Always ensuring we are delivering the best solution to the best of our ability for our customers, taking the time to reflect on what we deliver and how we work and acting on lessons learnt

Looks for the best solution always, balancing the needs of our customers, levy payers and the organisation in what and how we deliver
Looks for excellence, not perfection, prioritising those things that will ensure we achieve the best outcomes for our stakeholders
Reflects on how things have gone and acts on lessons learnt
Sets realistic expectations of what can be delivered to ensure quality outcomes for our customers and the best way of working for our teams
Takes responsibility for their own personal development, showing a determination to improve the way they do things through learning
Creates an environment where ideas are welcomed to continuously improve processes, working practices and behaviours
Is open to change, appreciating the reasons why we sometimes need to do things differently to meet changing requirements of our stakeholders

A man and a woman are sitting at a desk, looking at a laptop and papers. The man is on the right, wearing a blue denim shirt, and the woman is on the left, wearing a dark blue shirt. They are both looking at a laptop screen. The man is holding a piece of paper. The background is a blurred office setting with framed pictures on the wall.

NORMAN BROADBENT

Contact

Kevin Davidson

Chief Executive Officer

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Ben Berry

Senior Associate

ben.berry@normanbroadbent.com

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