

# Our Strategy

**Business Plan**

**December 2022**

# Business Plan

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## 1. Executive Summary

PASA has grown and evolved in the 11 years since it was founded. It's progressed from a small volunteer-only association focused purely on setting standards and promoting Accreditation, to a larger structured organisation with a much wider reach. PASA is now at the forefront of industry Guidance and providing a voice for the administration sector and its issues. Regardless of how much has changed, what hasn't is PASA's focus on raising standards in pension administration to produce better outcomes for pension savers.

When considering the future strategy of PASA, the Board identified three scenarios of potential future behaviours which could impact on administration within the next 10 years. The scenarios had a number of common themes used to develop our strategic objectives, as set out in section 4 of the Business Plan below. The PASA Committees, the operational engines of the organisation, will use both the strategic objectives and the sub-objectives to consider and deliver their own Operational Plans to the Board, detailing their own tasks for the years ahead.

The PASA Board is proud of the impact and growth achieved by the organisation to date, but recognises there's more to be done and we must evolve alongside a rapidly changing industry. The Business Plan seeks to explore and cement the future of the organisation so we can continue to promote and raise the quality of pensions administration services in order to improve outcomes for savers in UK pension schemes.



Driving standards in pensions administration in the UK

## 2. Mission Statement & Objectives

While PASA is the only industry body focused solely on driving up the standard of pensions administration, this is simply a route to achieving better outcomes for the millions of people who save in to all UK pension schemes (DB, DC, trust-based and insured pensions). But this aim can't be realised without ensuring the interests and challenges of the previously unrepresented and undervalued administration sector are recognised and understood.

PASA is continually driving up standards of overall administration delivery through Codes of Conduct, Accreditation and Guidance. The innovative volunteer structure leverages the expertise of our members and industry specialists ensuring our output is clear, pragmatic and implementable. All PASA collateral is open-source and freely available to the pensions community providing support and education around specific pensions related topics.

### About PASA Accreditation

PASA Accreditation is open to all members delivering administration. It's granted following an independent evaluation and assessment process, which includes on-site visits and documentation reviews to evidence controls, procedures, process, employee development and contractual positions with clients.

Full details on PASA can be found by visiting [www.pasa-uk.com](http://www.pasa-uk.com) and full details on PASA Accreditation can be found by visiting <https://www.pasa-uk.com/accreditation/>

### Overall Objectives

PASA's overall objectives are:

- To maintain up to date Standards, setting out what fully competent pension administration looks like
- To maintain an independent Accreditation system through which pension schemes and providers can demonstrate satisfactory attainment of the agreed administration Standards
- To develop and publish freely available Guidance on specific administration related topics
- To work with other industry professionals and bodies to ensure our Standards and Guidance remain appropriate to the needs of all stakeholders
- To raise awareness of the crucial function of pensions administration to the wider pensions industry and promote the profile of administration as a meaningful career choice and business function through industry engagement, including published articles and social media
- Work with industry regulators and respond to consultations to ensure legislation supports efficient and high-quality administration processes appropriate to the needs of all stakeholders

### 3. Strategic Analysis

To fulfil PASA's objective we must understand how the sector could change over time. While there's no guarantees, we looked at how core behaviours could influence how administration may be delivered within the next 10 years. In exploring three possible scenarios, we found there were a number of common themes - these are the base to our strategic plans for the future:

1. **Rise of the Bot: Future customer behaviour:** Companies, pension scheme trustees and customers' relationships with their administrators will decline as they delegate services to artificial intelligence
2. **Relationships are king: Future customer behaviour:** Companies, pension scheme trustees and customers' loyalties are driven by the extent to which pension administrators anticipate their needs, operate with agility and provide highly tailored services and reflect their individual requirements
3. **Digital shadows: Future customer behaviour:** Companies, pension scheme trustees and customers are losing faith in the online and digital world and are unwilling to share data in the face of ongoing cyber security concerns

The common themes we identified were:

- Digital functionality and automation will be expected by schemes, scheme sponsors and savers alike
- Commercials will influence ability to invest in technology and this could split the market in the short to medium term
- Trust (in pensions/online security/providers) will remain an issue
- While DC will be the dominant form of pension saving, DB schemes will still need administering into the long term:
  - DC data quality is expected to be high enabling more functionality for both scheme managers and savers. With access to open data and automated data cleanse, there'll be an expectation of personalisation, online facilities, accessibility and speed. DC schemes will still require access to subject matter experts (SMEs) when needed. Advanced AI will enable administration by exception and bots will be able to deal with more complexity. We expect to see service delivery models standardised
  - DB data quality may never be 100% and levels of functionality and automation will be driven by this. There are likely to be less DB administrators, and this could drive a 'boutique' market for those not in master trusts, consolidators, buy-out providers and PPF whose collective

share of the market will grow. It's unlikely legacy platforms will be fit for use and they will need to be developed or replaced.

As a Board, we'll keep a watching brief on how the themes develop, and monitor:



How the DC market evolves over time



How the DB market reacts to schemes reaching their end game



The sector's vulnerability to cyber attacks



The administration platform market and participants



Consumer research for saver expectations



The impact of dashboards on the market and savers

## 4. Business Strategy

PASA's agreed strategic objectives are:

- Create and maintain industry standards to support good pensions administration
- Broadening awareness and influence of PASA and administration throughout the industry
- Driving the digital journey to define best practice
- Embed PASA into the wider financial & wellbeing environment to deliver the right outcomes for savers
- Promote pensions administration as a profession and support future SMEs development
- Ensure the Board has the skills so PASA can adapt and react to a changing environment

And finally PASA must have sufficient financial strength to fulfil its objectives.

### Sub-objectives and Committee Operational Plans

We intend to achieve PASA's strategic objectives by focusing on the sub-objectives set out below. PASA's Committees will use both the strategic objectives and the sub-objectives to consider and deliver their individual Operational Plans.

- A.** Build digital expertise to understand modern and future tech and how it can be applied
  - Acquiring or developing the requisite skills for the Board
  - Understanding the expertise needed for balance of SMEs and technology
  - Understanding the impact on communications
- B.** Engage more broadly with the wider industry to drive growth of PASA members
- C.** Articulate what both best practice and compliance looks like in a digital environment
  - Investigate the implications for PASA in terms of accountability for articulating and driving compliance
  - Understand more about Identity verification and information exchange and create guidance/tools for people and scheme managers
- D.** Drive standards on what high levels of good digital capability looks like. Support transition to administration by exception through identifying skills/processes required to integrate this with AI (chatbots etc)

- Understand the deeper supplier environment – boutique providers (complex DB), fintech companies, software suppliers, insurers, consolidators etc
  - Recruit technology/Fintech companies as members and build a succession plan for Board with appropriate skill sets
- E.** Build understanding of how to integrate pensions with financial wellbeing and wider environment
- Become more saver focused
  - Help articulate what it is to be saver centric
  - Ensure the digitally disengaged are not left behind
  - Design initiatives to help savers be confident they're engaging with legitimate pensions providers
- F.** Strengthen PASA's voice on cyber risk. Provide guidelines on what's necessary to ensure good cybersecurity and IT resilience, and how to manage ransomware risk
- Make output from Cybercrime & Fraud Working Group more deployable
  - Draft Good Practice Guidance
  - Create standards on resilience and recovery
  - Support industry in demonstrating alignment with Scams Pledge

### **Developing our achievements**

We'll remain focused on assessment of good practice in pension administration through the PASA Standards, evidenced through Accreditation. The Accreditation process involves a detailed submission and independent audit through site visits and ensures successful administrators meet minimum required standards. The process also assesses the effectiveness of underlying administration practices to ensure they meet the expectations of sponsoring employers, trustees, scheme managers and savers. The Board will monitor the Accreditation evaluation criteria closely and ensure both these and the Standards maintain currency as PASA evolves to meet its strategic objectives.

Guidance from our Working Groups will continue to be an important area of focus. Working Groups are created to address specific topics and issues and provide clear, open-source collateral for the industry. We currently have 12 active working groups, and will add further groups on Endgame and Communications in 2023. We'll continuously review the pensions landscape for developing issues impacting on good quality pensions administration and consider how PASA can support our members in navigating providing the best possible service to savers.

We'll promote PASA's objectives, Guidance and Accreditation through our website, press and events. We aim to help administrators realise their own value, as well as helping sponsoring employers and trustees understand the value of investment in people, procedures and technology. Our focus covers all aspects of administration impacting on members, including contract and trust based arrangements, inhouse, third party administrators, buy-out providers, consolidators and master trusts.

We'll work closely with The Pensions Regulator (TPR) and the Financial Conduct Authority (FCA) to ensure administration remains a high regulatory requirement.

### Stakeholders

There are a broad range of stakeholders where PASA will be an important source of information and reassurance:

- |  |   |
|--|---|
| 1. Trustees                                | 14. Pension and Lifetime Savings Association (PLSA)                               |
| 2. Sponsoring employers                    | 15. Pension Protection Fund (PPF)   |
| 3. Pension savers                          | 16. Pensions Policy Institute (PPI)   |
| 4. Governance committees                   | 17. Society of Pensions Professionals (SPP)                                       |
| 5. In house administrators                 | 18. Association of British Insurers (ABI)   |
| 6. Third party administrators              | 19. Association of Pensions Lawyers (APL)   |
| 7. Insurance companies                     | 20. Pensions Management Institute (PMI)   |
| 8. Pension consultants/actuaries           | 21. Professional trustee firms  |
| 9. TPR                                     | 22. Pensions Ombudsman Early Resolution Team                                      |
| 10. Department for Work and Pensions (DWP) | 23. Journalists with an interest in pension administration and financial services |
| 11. FCA                                    |   |
| 12. Money and Pensions Service (MAPS)      |   |
| 13. Pensions Dashboard Programme (PDP)     |   |

We'll continually engage with these groups to make sure we're viewed as a positive force in the pensions community.

## 5. Achieving the Strategic Objectives

Our objectives will develop over time. We'll maintain our main Committees with responsibility for delivering key management objectives for PASA. Each will develop an Operational plan to meet the Board's strategic objectives set out here. The following Committees are currently in place:

- Standards – to keep the Standards underlying Accreditation relevant and up to date
- Accreditation – to ensure the Accreditation process is straightforward and well managed
- Membership & Funding – to ensure our reach across the industry provides a broad range of members and supporters, generating revenues to support our activities
- PR – to ensure our activities are publicised and understood across the industry
- Industry Policy – to identify and respond to 'hot topics' in the industry

All Committees and Working Groups have a Board Sponsor to ensure their work has a direct line of sight through to PASA's overall objectives.

### Key tasks to meet the objectives

During 2022 we have/will:

	Objective	Responsibility
a)	Create Operational plans for each of the Committees and share them across the Committees	All Committees
b)	Establish oversight of the Operational plans by the Board through formal Quarterly reporting by Committees. This will ensure performance is measured against plans	Board Executive
c)	Create standards for compliance with Pensions Dashboards as legislation and practice emerges	Dashboards Working Group
d)	Work with Pension Organisations and Government offices to broaden the awareness and influence of PASA in pension administration	Board
e)	Organise PASA annual conference to raise and consider industry issues and to increase awareness of PASA in the pensions industry. Ensure Guidance, blogs and articles are reviewed and issued so they have the best opportunity to land well with our stakeholders, members and industry participants. Run ad hoc webinars when the subject matter lends itself to this medium	PR Committee
f)	Create working groups focused on Endgame and Communications	Board and Board Executive
g)	Maintain sufficient cash at bank through membership and other means to fund operations for at least 6 months without further income	Membership & Funding Committee, Board and Board Executive

h)	Identify new areas for Expert Partners to add value to PASA and our members and broaden the reach of the key messages created by our partners	Board
i)	Strengthen governance around the PASA Codes of Conduct by establishing a committee to measure and improve adherence by corporate members	Board and Codes of Conduct Committee
j)	Publish Guidance on Exits, to strengthen and re-emphasise the PASA Code of Conduct on administration provider transfers	Exits Working Group
k)	Support the industry in demonstrating alignment with the Scams Pledge	Industry Policy Committee
l)	Develop a plan to become 'saver focused' in our collateral to specifically benefit and support the saver as the end user	Communications Working Group and Board Executive
m)	Continually review the PASA Standards as new Guidance is published to ensure continuity and quality	Standards Committee
n)	Develop new member collateral to succinctly define the benefits of membership and define a plan to expand membership into the wider retirement industry	Membership & Funding Committee

## 6. Funding

Funding will come from the following sources:

1. Membership fees
2. Expert Partners and other sponsors

### Membership Fees

There are two membership types, corporate and individual. Membership costs are reviewed on an annual basis in April. To recognise the challenges faced by administration providers during the Coronavirus pandemic, the fee review was postponed and shall be reviewed again in 2023.

**Individual** membership is a closed status to which new members will only be admitted by prior Board agreement. We expect this status to wind down over time, as we believe corporate membership can more accurately deliver PASA's aims and objectives. Individual membership is £100 a year. Individual members may be invited to join a Committee at the discretion of the Committee Chair and Board.

**Corporate** membership is for organisations wishing to have an opportunity to participate in our Committees and Working Groups, subject to PASA skills' requirements. They'll also benefit from sponsorship opportunities and can propose individuals for appointment to the governing Board of PASA.

### Accreditation Fees

Accreditation fees are set at a level:

- Ensuring costs of the service are met
- Seen as value for money by administrators
- Sufficient to ensure a professional approach and independent impartial audit

We appointed an external Accreditation firm to ensure these audits are independent. The audit firm was appointed through a full market tender and is reviewed regularly. The exact level of Accreditation fees is determined by the Accreditation Committee on advice from the independent auditor. Accredited providers are able to extend their Accreditation through a self-certification process as we have moved from re-accreditation being required every two years to every three years. The costs of this self-certification is commensurately lower than the full Accreditation process. PASA doesn't make a profit from the Accreditation programme and all fees are purely to cover audit costs.

## **Event Fees and Sponsorship**

Event sponsorship of the PASA Annual Conference has raised an increased level of funds and we expect the event to be self-funding over time. We aim to ensure access to the Annual Conference for attendees will remain free.

We will engage as appropriate with corporate members to host other events, such as webinars flowing from Guidance launches, etc. Attendees at all PASA open events won't be limited to PASA members.

## 7. Marketing

The Board Executive and the PR Committee manages PASA's marketing and PR. Along with the Board they'll continue to improve awareness of PASA and its work to drive up membership. Activities PASA will undertake from within its revenues may include:

- Stakeholder research/surveys
- Hosting webinars
- Events/Exhibitions
- Managing Press and Advertorials
- Branding and Collateral
- Content (Guidance, articles and blogs)
- PR contact
- Website development

Our Board Executive and PR Committee will manage all PASA's PR activities. This will ensure continued traction in the press and among pensions professionals. In 2021, we invested in a webinar platform to enable to us to host PASA webinars for our Working Groups, Expert Partners and associates.

We'll continue to promote PASA's content which will be published as free, open source material on our website.

## 8. Structure and Management Team

The legal structure of PASA is a Community Interest Company.

PASA is managed by a governing body of seven directors including a Chair, together with an Honorary Treasurer. All are pension professionals with many years' experience in the industry. Current Board directors are:



**Kim Gubler**  
Chair



**Chris Tagg**  
Director



**David Pharo**  
Director



**Emma Watkins**  
Director



**Gary Evans**  
Director



**Girish Menezes**  
Director



**Paul Sturgess**  
Director

Emma Watkins was appointed to the Board in 2021, bringing invaluable expertise in the buyout and contract based sector.

Our President is Margaret Snowden and the Honorary Treasurer is Karen Mackenzie.

The appointment process for Board Directors is by formal application, skills match and interview. The Board Chair and Committee Chairs are appointed by the Board. The Board is responsible for the legal governance of the organisation, ensuring it always acts in accordance with its articles. The Board will suggest and receive adequate training to ensure they know their responsibilities as Directors. PASA meets the requirements of a Community Interest Company (being set up as a not for profit organisation and a membership only organisation) as well as clearly demonstrating good governance to its members and the industry. The Board appoints its Honorary Treasurer and President.

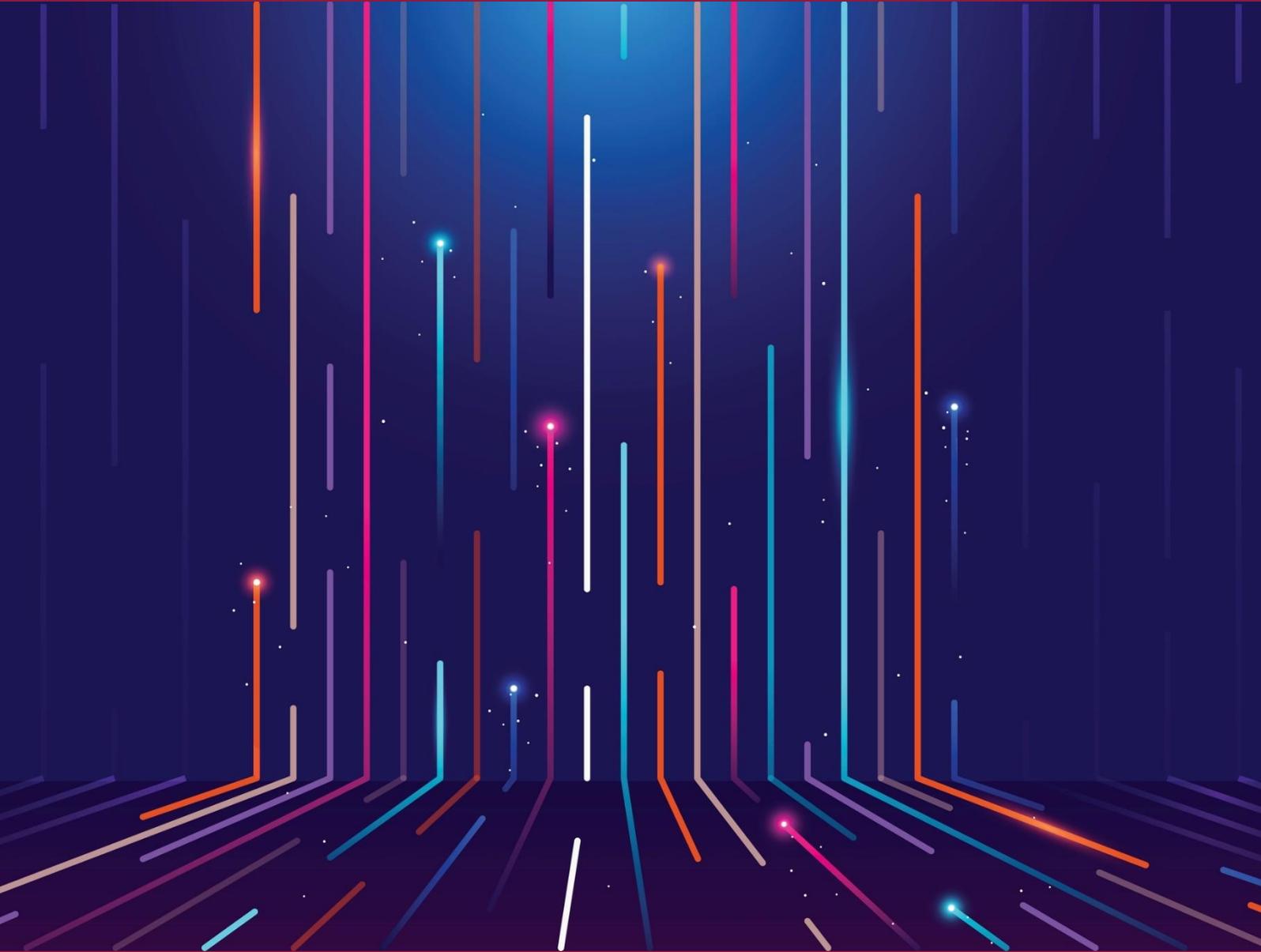
The Board is responsible for setting up Committees and Working Groups and will select members according to skills and experience required.

Day to day management and support is provided by a salaried part time Board Executive and Business Support Manager. The holders of these positions are annually appraised in accordance with the job specification and objectives.

Volunteers produce PASA deliverables and their roles are recognised on our website. The quality of PASA output is vital and all volunteers on Committees and Working Groups must sign a Statement of Obligations to the level of commitment required.

## Appendix 1 – Key Objectives and tasks beyond 2022

	Objective	Responsibility
a)	Create operational plans for each of the Committees and share them across the committees	All Committees
b)	Organise annual PASA administration conferences to raise and consider industry issues and to increase awareness of PASA in the pensions industry	PR Committee
c)	Work with pension organisations and Government offices to broaden the awareness and influence of PASA in pension administration	Board
d)	Develop a framework to launch an industry-wide Information Sharing Network to combat fraud	Cybercrime & Fraud Working Group
e)	Maintain sufficient cash at bank through membership and other means to fund operations for at least six months without further income	Membership & Funding Committee, Board and Board Executive
f)	Annually review new areas for knowledge/Expert Partners to add value to PASA and our members and broaden the reach of the key messages created by our partners	Board
g)	Develop a person and skill specification for future Board members in a digital world, taking into account the market analysis	Board and eAdministration Working Group
h)	Investigate the implications for PASA in moving from a ‘guidance’ stance to ‘compliance’ and consideration of a stronger voice in future.	Codes of Conduct Committee
i)	Consider how to integrate PASA into the wider pensions, savings and financial wellbeing environment, strengthened the development of our ‘saver’ focus	Communications Working Group
j)	Review the PASA membership fee structure	Membership & Funding Committee



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