

## PPI Twentieth Annual General Meeting (AGM)

Wednesday 30<sup>th</sup> June 2021

### Chair of Council's Remarks

#### Lawrence Churchill CBE

Thank you Sally

Good morning everyone – it's great to see so many of you at the PPI's second Virtual AGM, which we are holding just 10 months after the previous one, and I'm delighted that we are now back at our normal time after the Covid delays of last year.

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, but as this is our 20th anniversary year, it is fitting to cast our minds back over the 21st century, as it has unfolded so far. So perhaps I can add to Paul's comments.

The economic backcloth has been challenging. This century opened with the implosion of the technology boom, and pervasive pressure on credit, until an ephemeral advance exploded into the largest recession experienced in two generations with the Global Financial Crisis; and just a decade on from that, we have seen the largest decline in UK economic performance in 300 years, driven by the pandemic. The change has been sudden and very brutal for many families. And after clawing our way back to par, HMT is forecasting below trend growth, supported by a lower for longer interest rate environment.

Never have the issues of financing our longer later lives been both more pertinent and more intractable.

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.

I'd like to pay a big tribute to the far-sightedness of PPI's supporters in this environment. Because you demonstrated by your actions in this pivotal year, that you believed the issues of Later life and pensions had become **more** important not less, and where other sources of funding such as academic grants became scarcer, you more than offset the downturn with sponsored research.

As you will have seen from the financial statements, and you will hear from Andrew later, PPI's income rose by 7% last year and we delivered a modest surplus which has helped boost our reserves back to around the mid-point of Council's preferred range. When the first

lockdown happened, like many charities, PPI went into contingency planning mode, looked over the precipice and identified what we would have to do if the full downside risks crystallised. We were delighted though to see the continued support for further research both on Covid driven impacts and more broadly on the urgency of mobilising the ESG agenda.

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 - as Paul so eloquently reminded us.

As the French say, "Le plus c'est change, le plus c'est le meme chose"

PPI's strategic refresh has been 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, and I hope many of you valued the excellent series of international speakers which MSF sponsored last year.

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 which we see 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. Such a model will provide the basis for a stable and structured debate of the form so well illustrated in the earlier Q&A following Paul's talk.

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, such as the strategic alliance we have formed with the Centre for Ageing Better who sponsored the excellent report on Adequacy published a couple of weeks ago.
- and we are seeing the growth in demand for multi-year research programmes with sponsors such as The DC Future Book sponsored by Threadneedle, and The Pensions framework sponsored by Aviva.

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.

FUNDING - To do more, we need access to more funding from more diverse sources, ideally longer-term funding. Our Funding Committee, now chaired by Darren Philp, is busy grappling with this issue. Darren 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.

Looking internally, PPI's Council continue with the succession plan set out four years ago, and it is with our enormous thanks and appreciation that Margaret Snowden, Andrew Evans and Duncan Brown are standing down, and, subject to your approval later in the meeting, I would like to welcome Natasha Wilson and John Chilman as members of Council.

Governors with a legal background will have noticed the Supreme Court's judgement that Members of a charitable institution - as Governors are for the PPI - have a Fiduciary Duty to the charitable objects. I wrote to you a couple of weeks ago mentioning this and setting out the PPI's charitable objects, just in case you didn't have your copy of our Articles to hand! Katie Banks continues to advise Council on any practical implications for Governors.

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 while we miss Chris, when he spends his two days a week at MAPS on the Pensions Dashboard, Sarah and the rest of the staff have stepped up magnificently in the most trying of circumstances.

So, thank you everybody for attending the AGM to mark PPI's 20th anniversary. 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.