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Committees: Council
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Dear Colleagues,

FOR CONSIDERATION AT YOUR MEETING ON NOVEMBER 27TH 2019: TRANSITION FROM THE SECRETARY TO THE CEO

As agreed at your September meeting, below is a draft plan for the transition from the Secretary to the CEO, prepared by the President, for consideration at your meeting on 27/11/19.

Regards

John Mortimer
Secretary

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Introduction

With a new CEO due to join us on 2 March 2020, it was agreed at Council Meeting on 25 September 2019 that a transition plan would be put in place to ensure a smooth handover.

This document captures that plan in draft, for discussion and improvement at the November 2019 Council Meeting, before being implemented from January 2020. Fred will also be asked for input to the document.

Overview and Timing

- Fred is due to start on 2 March 2020. John is due to retire on 24 April 2020. That gives us 8 weeks handover, including a Council Meeting assumed to be on 25 March 2020.
- It is important from outset everyone knows who is ultimately in charge. Fred is joining us as CEO from 2 March 2020, and therefore is in charge from that date. We have considered a handover of responsibilities later in the 8 week period, but have concluded that Fred may have ideas which he wants to implement immediately, and he should be given the authority to do so.
- In practice Fred may choose to delegate the day to day running of the Society to John for a period, giving him time to meet with relevant people and develop his ideas without having to manage the office. But that should be his decision rather than imposed by Council. And should there be a conflict of views, or where the team spend their time, then Fred's decision would take priority. John is fully supportive of this.
- We intend to make an announcement to the press in January 2020, a few weeks before Fred's start date. No announcement has been made yet, although it is also not a secret. We intend to arrange a "profile piece" of John as outgoing heart of the SPP and, once he has been in post for a little while, of Fred.

CEO Authority

- In appointing a CEO, the intention of Council was that the CEO would be more proactive and more directly engaged with this industry. The authority and autonomy of that role is undefined, so will need to develop. We do not propose to put in place any terms of reference or delegated authority at outset, but for Fred to develop and document that over time. In parallel we expect the role of President to adjust, reflecting the existence of a CEO.
- Attached to this document is the Job Description which we used when searching for a candidate. We also expect this to also evolve over time, but in the short term that Fred can use this as a basis of discussion with Council and representatives (see later).
- Amongst the things that we expect to change with a new CEO (and no Chairman) is the structure of SPP and how the various parts interact. We believe that Fred should set up his own structures for running SPP, subject to agreement of Council, but have agreed with Fred that we will put in place some interim structures (see below) and suggestions so that he is not entering a vacuum.
- We should need to put in place some periodic appraisal (*). The CEO will be responsible for appraisals of staff, but Council is responsible for appraisal of the CEO. We suggest an interim appraisal 6 months into the role (September 2020), moving to an annual review thereafter. The budget for staff salaries is considered each year in early January and individual salaries are decided at the March Council meeting.

() A note on appraisals : In a small organisation such as SPP any objectives set at the start of a year can quickly be overtaken by events, and discussions on performance, development and other issues should be taking place*

continuously. We expect appraisals to cover Performance (eg are staff doing the things that the Society wants and needs, whether that be known in advance or dealing with unexpected issues), Development (eg what opportunities are there, what training do you need), Communication (eg is the Society clear what it expects, is team functioning well) and Other (eg working environment). In a small office we expect much of this to be done informally, with the appraisal being a forum to take time out and discuss those issues.

SPP Structure

- The interim structure we propose is as follows:
 - **Council Meetings** to remain as planned, generally 4th Wednesday of odd months at 2:30pm.
 - Interim **Executive Committee (ExCo)** to meet by phone or in person 2 weeks before and after each Council Meeting, to fill the gaps between Council Meetings. Indicative timing as second Wednesday of every month, so two meetings take place between each Council Meeting

Core members of ExCo:

- CEO
- (Secretary until 24 April)
- President
- President-Elect or Immediate Past President

Possible additional members of ExCo:

- Treasurer
 - Chair of Member Services Committee
 - Representative from Smithfield (advisory capacity only)
- **Periodic PR meetings/calls** with Smithfield. These could be merged into the Executive Committee calls or kept separate, depending on availability.
- Longer term our ideas for future structures include the following:
 - Introduction of an **Honorary Chairman** to provide additional support to the President and CEO, as well as greater continuity. Drawn from former presidents or experienced council members, with a term that is out of cycle with presidential terms, and possibly for 4 years rather than 2 years to give greater continuity. Paul McGlone would be happy to take this role for a temporary period (say 12 months) to ensure continuity given the change in President and CEO, pending a longer term plan.
 - Periodic **Committee Chairs' call** to bring together the committee chairmen to co-ordinate the work that is taking place. Fred is not going to have the same relationship with committees as John, and his conversations with the chairs are probably going to be some of the most important. The committees are the heart of the SPP, far more so than Council, so Fred and the committees need to identify quickly what value they can create for each other. If they don't then they are at risk. A key risk is the DC Committee, which is a key part of what the Society does, but has not bought into "self-sufficiency". John is carrying that committee. Fred will need to decide how to deal with this.
 - More **ad-hoc working groups**, dealing with things such as multi-committee fast track consultation responses.
 - Possibility of taking some of the **internal SPP business** outside of Council Meetings, so that Council can focus on the issues which are most relevant to them. This is subject to the limitation that Council is the Board of Directors and therefore has certain duties.

Introductions

Before Fred arrives in March we will schedule a series of meetings with a number of key stakeholders. Discussion with the SPP team at Quantum House will happen naturally so is not referred to below. Suggested meetings and (very loose) timing are outlined below.

Week 1: (2-6 March)

- President and President-Elect
- Smithfield team
- Selection of Council Members and Committee Chairs

Week 2 (9-13 March)

- Selection of Council Members and Committee Chairs

Week 3 : (16-20 March)

- Selection of Council Members, Committee Chairs and selected Accredited Representatives

Week 4 onwards

- Industry Bodies
- Journalists

Within those groups:

- Council Members is a defined group, not all need to take place urgently, but 15-20 meetings over 3 weeks feels reasonable
- Committee Chairs – this is a smaller group, and we suggest Fred meet with them all in the first few weeks to understand their committees. We will also put committee meetings in his diary. In practice this group is probably more important than Council members.
- Accredited Representatives – we can offer a meeting to firms not on Council and arrangement meetings initially with those that express an interest.
- Industry Bodies – not all of these are urgent, but in due course we should have a plan to introduce Fred to:
 - PLSA
 - PMI
 - ACA
 - APL
 - TPR
 - PPF
 - DWP
 - PPI
 - ABI
 - IMA
- Journalists – Smithfield to advise, but to include:
 - Professional Pensions
 - Pensions Age
 - Pensions Expert
 - FT/FT Adviser

Practical issues

Various practical arrangements need to be made. These will be handled by John and the SPP team:

- Physical equipment - desk, chair, computer
- IT setup – email, calendar, network access etc
- Employment issues – setting up payroll, pensions, insurance

JOB DESCRIPTION

Job purpose:

To lead on representing and promoting the interests of the Society in the pensions industry; to provide strong and transformational leadership for the Society and its staff; to manage the Society's activities to support the achievement of the Society's mission and priorities set by the Council; and to administer the Society's finances and governance.

Key figures:

- Annual budget of the Society, currently around £400,000
- Primary income source is membership subscriptions paid on a size-related scale by member firms.
- Approximately 80-90 member firms, employing over 15,000 individual pension professionals

Staff structure:

- CEO (including role of Company Secretary)
- Support staff (2 full time staff)
- Executive Chairman (part time, with this role permanently ceasing to exist from 1 July 2019)

Society structure

- The Council is made up of representatives of approx. 20 member firms, meeting 6 times a year
- President, elected from and by the Council, holding position for 2 years
- Treasurer, elected from and by the Council, holding position indefinitely
- Approx. 10 specialist Committees each with chair and 5-20 individuals drawn from member firms

Job overview

The role of Chief Executive is both strategic and operational in nature, covering a number of areas:

- **Strategic:** Formulation and delivery of strategy is a requirement for the role. The primary purpose of the Society is to deliver value to members, and an essential part of any strategy development process will be to ensure that views are obtained both from the Council and wider members.
- **Member Services:** The primary purpose of the Society is to deliver value to its members. Ensuring that this is done effectively, and communicated to members, is a key requirement.
- **Governance and Co-ordination:** The job-holder is responsible for ensuring the effective running of the Society and ensuring that robust, informed and timely operational decisions are made in all areas of the Society. This will include co-ordination and liaison between the Council and Committees.
- **Representation:** The job-holder will be involved in influencing stakeholders including industry representatives and parliamentarians and presenting the Society's positions to the media. This involves operating in a wide-ranging, changing and specialist environment.
- **Financial:** The effective use of financial resources is critical to the Society's success. The job-holder will be held accountable, by the Council, for the financial performance of the Society.
- **Society and Pensions expertise:** While the role doesn't require pension expertise at outset, it is expected that the job-holder will have or develop sufficient expertise to undertake required tasks, including discussions with members and stakeholders and representation of the Society.
- **Decision making:** The job-holder is responsible for making decisions which will directly impact on the direction and the success of the Society. As this is a new role, the balance of decision-making between Council and CEO is likely to evolve.

Strategic leadership and management

- To work with the President and the Council to formulate and regularly review the Society's strategic priorities and objectives.

- To work with the President and the Council to ensure that a medium-term strategy is in place to guide the Society in achieving its objectives. A copy of the current strategy, prepared by the current President, will be provided to applicant who are invited to interview
- To ensure that an annual business plan for the Society is produced, approved and implemented, with clear and measurable objectives.
- To promote an appropriate culture for the staff of the Society, coaching and developing the staff to ensure they operate at the level of competency specified for their posts, setting targets and assessing and reviewing performance against them.
- To provide motivation and leadership to staff to foster good communications and working relationships throughout the Society.
- To ensure that the Society has the right management systems, structures, policies and resources to carry out its work effectively, accountably and safely, and that professional standards are maintained.

Member Services

- To ensure that appropriate mechanisms are in place to deliver value to members, including planning and delivery of member events.
- To progress current key areas of focus including enhanced communication to members, better use of digital resources and expanding member services outside of London.

Governance and Co-ordination

- To report to the Council on the Society's progress, providing information and reports on performance in delivering internal and external objectives, indicators and targets.
- To ensure arrangements are in place for the effective operation of the Council and Committees, recognising that members have limited time to devote to the Society.
- To be the primary liaison between the Council and Committees, working closely with the President and Treasurer.

Representation

- To seek opportunities to expand and promote awareness of the Society's work, overseeing the development of the Society's policy, research, parliamentary engagement, communications, campaigning and public affairs activities.
- To ensure that the Society is a representative of all members, with staff and individual pension professionals able to play a progressive role in delivering on the Society's aims and objectives.
- To ensure the Society forges strong and effective partnerships and positive relationships with policymakers, regulators, industry bodies and media to deliver its aims.
- To act as a key spokesperson and representative for the Society, ensuring that the Society is appropriately represented on all key forums and at relevant events.

Financial

- To be responsible to the Council for the overall financial performance of the Society; ensuring that expenditure is controlled and income targets met in line with approved budgets.
- To ensure that financial reserves are maintained to the appropriate level set by the Council.
- To seek out and develop new strategies for ensuring future revenue streams and resources.
- To manage the Society's property requirements, such as rent reviews and securing new space if necessary.
- To ensure that appropriate steps are taken to identify and manage risks that could significantly impact on the Society.

Society and Pensions expertise

- The job-holder is required to maintain sufficient breadth of knowledge of all the Society's activities in order to lead the Society effectively and to speak knowledgeably and with authority to both internal and external stakeholders.
- The job-holder is not expected to have pensions knowledge at outset, but is expected to have or accumulate sufficient knowledge to be able to undertake the required tasks, including discussions with members and stakeholders and representation of the Society to policymakers, regulators, industry bodies and the media.

Decision-making

- The job-holder will be responsible for making decisions which will directly impact on the direction and the success of the Society.
- However, as outlined above, the current senior employee at the Society is "Company Secretary" and this is largely an operational, reactive and internal role. The CEO job-holder is expected to be more strategic, proactive and visible outside of the Society. With that change we expect some changes to powers and responsibilities, with additional powers and responsibilities being taken by the CEO rather than resting solely with the Council.
- Part of this role will be to work with the Council to define those new arrangement ,which are likely to evolve over time.