

Future paths for Money and Pensions

Coin Street Community Builders - 108 Stamford Street - SE1 9NH.

8 April 2019

Plenary: The future path for money and pensions – John Govett (Chief Executive, Money and Pensions Service)

Introduction

- Good afternoon everybody.
- I'm John Govett, Chief Executive of the Money and Pensions Service.

Today is a significant day for us:

1. For me personally and for my team of colleagues as it represents the end of 6 months of setting up our new organisation. We've already:
 - merged 3 bodies into one over the last 3 months.
 - handed over Debt advice responsibility to Scotland, Wales & NI.
 - been given responsibility for the Pensions Dashboard by the Minister.
 - Today we're launching our new identity... our new Business Plan for 19/20 (for our Transitional year).... built with zero based budgets across the four levy pots.... and also launching today our UK wide listening events.
2. But more importantly for the customer, because it marks a new chapter for progressing financial capability.

... We want to be the place to go to for combined money guidance, debt support, pensions guidance, pension freedoms and then also a pensions non-commercial dashboard.

... Not forgetting of course, our role regarding consumer protection, as per the ACT that set us up.

Financial wellbeing is increasingly recognised as one of the biggest socio-economic challenges that our society needs to crack.

Helping people manage their finances – from pocket money to pensions – has a huge number of benefits for the economy, business, communities our customers and employees.

However, there are many complex financial wellbeing challenges that people face from the link between e.g. money worries and mental health, to the widespread scale of lost pensions and pension scams.

We know that

- **8.3m people are over-indebted** but less than a quarter seek help,
- **11.5m people have less than £100 in a savings account** to fall back on
- **22m working-age people say they don't know enough to plan for their retirement.**

Turning to our new vision:

- One of the first things we did as a Board was to agree our Vision
- “Everyone making the most of their Money and Pensions”

We're shifting ourselves to be more customer orientated and a shift in our focus too

Everything we do now will have the customer at the heart of our thinking

We're moving our focus from "thinking" to a balance of more "doing", and as such... we are currently reviewing our internal structure to help move more back office costs towards the front line.

We needed a new unified organisational identity too

After all, it wasn't really that clear to everyone what the Single Financial Guidance Body did?

The Money and Pensions Service will work with industry and key stakeholders, as we plan to build a single access point for...

... helping people's financial education, financial confidence and financial guidance.

We want to be the shop window (or an ear) for learning & understanding about financial products.... but we're not a shop to purchase products.

Our goal is to help people understand what an annuity *is*, not sell them one.

We want people at their own life-stage circumstances or events to know they can depend on us for independent guidance and information on money and pension issues.

It's tempting to think this should all be done digitally, however, we all know the channels of support people need are wide and varied (web, webchat, phone, face to face) and we need our new services going forward to be simple, easy to

use and accessible by individuals, key stakeholders, employers and partners too.

The task is to make us distinctive as a unified guidance entity across money and pensions.

We have still to work out what we do with the current 3 brands, which we know customers are familiar with, but that will become clearer, as we go through this year.

By the way...Did you spot the M and P initials in the new logo design icon?

As for the name...and as someone once said: "It does what it says on the tin."

You will also see from today a compact www.MoneyAndPensionsService.org.uk website. This is purely at this stage a corporate website that will give key stakeholders a place to go to find out more about us, who we are, what we do and how to engage on the Listening Events around the UK.

and as some of you might have already guessed Yes, we also have in our new brand palette www.MAPS.org.uk So no doubt, that will help show the path of the journey ahead for us.

So...our journey so far

- **2018:** Financial Guidance & Claims Act established SFGB.
- **1st Oct 2018** Set-up preparations begin behind the scenes ...
- **1st Jan 2019:** SFGB formally took on its duties and all the staff

- **As for Today – 8 April 2019:**
 - a. Launch of our Business plan for 19/20.
 - b. Launch of our new name

- c. Launch of our *listening phase*, across the UK.
- d. Start of our transition year (1st April).
- e. Pensions Dashboard was also assigned to us.

- **Working towards November 2019:**

- a. Our goal is to have an industry agreed National Strategy to announce this year, along with our own 3 year Corporate Plan.

So 2019/20: is our transition year

This is an exciting and challenging time where we are creating something new, where truly “the whole is more than the sum of our parts”.

As I’ve said, today we are launching our [new business plan for 2019/20](#) ... and laying down the core foundation stones of our new organisation.

But equally we are building on those successes achieved by the legacy organisations, whilst learning lessons from what could have gone better, and also stopping some activities and re-purposing others.

This business plan sets out five priorities for our transition year:

1. Listen and engage:

We are from today running a series of “listening events” in ten cities around the UK and talking to up to 1,000 people from all sectors.

2. Streamline and simplify:

Realising the benefits of bringing three organisations into one, converting organisational efficiencies into front-line impact.

So we will see cost efficiencies through this which will be invested in frontline customer delivery and we're looking for 10% minimum of efficiencies in our first year across the back-office.

3. Invest and grow: our aim is to improve the capacity, quality and efficiency of front-line delivery and increasing investment in key areas.

Four examples...

Children and young people

- We'll test five ways to scale up priority services we know can work from the previous "What Works" campaign.

Working age adults:

- Establish foundations in each nation to support target groups to achieve two budgeting outcomes:
 - better debt/credit management
 - to build a savings buffer.

Invest in our front-line delivery:

- **60,000 more pensions guidance sessions (to 290k)**
- **35,000 more pensions freedoms sessions (to 205k)**
- **85,000 more debt advice sessions (to 560k)**
- **5,000 more money guidance sessions (to 170k)**
- **Combined over a 1m customer sessions on Money & Pensions guidance**

- As such we are investing in more front-line staff in our Pension Guidance/Freedoms contact centre (we're moving the team soon to Holborn and

vacating the previous office in Victoria) and investing in more Pension Freedoms field based face to face support across the county.

- **A new regional partnerships team**, to support translating £1 of any levy funding we have into £10 of impact through collaboration with employers and key networks etc

With this in mind, we are converting a **12% increase in overall levy spending** to a circa **20% increase in customer guidance sessions**.

4. Innovate and test:

We'll develop new insights to understand consumer needs at different life stages. For example we will:

- commission Behavioural Insights research
- initiate collaborative working with other bodies to tackle children's financial education (bringing together a more unified proposition in to schools).

5. Build & strengthen: driving a customer focused culture amongst our people.

We'll be an ambitious, creative, collaborative and customer-centric partner to you, in everything we do.

Future Collaboration

We cannot improve people's financial capability alone.

We know that tackling the UK's deep-rooted financial capability issues requires collaboration and a joined-up approach between Government, the public and private sectors to address these challenges.

I believe our organisation is uniquely placed to bring these groups together, to help show leadership, to improve financial wellbeing by working in collaboration.

The National Strategy: As we build together our strategy during 2019, we want to gather your views and then build our future 3 year Corporate Plan.

We want to collaborate with a much wider cross-section of society. We want to engage employers, local authorities, schools, housing associations, groups that represent communities, and customers themselves; so that each £1 we spend has £10 of impact.

We want you to engage with us, and that is why we are starting our listening phase today.

But first I would like to invite to the stage our Strategy and Insights Director, Sarah Porretta, to discuss the listening phase with you which will help shape the Strategy.

The accompanying documentation we have released today will be put on to our new website www.MoneyAndPensionsService.org.uk or if you want a shorthand route use www.MAPS.org.uk.

Thank you