



Looking ahead

▶ PMI president, Lesley Alexander, explains to Laura Blows the institute's future goals for the training and development of the pensions industry

How did the PMI adapt its original goals for the past 12 months in response to the pandemic?

We really had to ask ourselves how we move forward as a body that delivers face-to-face education and qualifications, including rigorous exams and continuing professional development for our members, along with events and networking. All of those things that normally we would do in the course of the year, how so we move them from a live to a virtual event successfully, at the same time as asking all our staff within PMI to deal with their own personal issues of how they are affected by the pandemic. I really must applaud the PMI team as they have made the most fantastic efforts in adapting to a new way of working and delivering webinars and training and networking opportunities online and still being able to continue with planned launches, for example our group in Northern Ireland – so not everything we had originally planned to do this past year went out of the window.

Covid-19 actually accelerates our progression to putting our exams online. Like every organisation that's trying to do these new things at speed with the backdrop of a global pandemic, we are honest in saying there were one or two teething problems, but these things have

been ironed out and getting better. Some of our stakeholders have needed more time to adapt with getting their students into the online environment with exams but we are now seeing that take up being back where it should be with the exams.

This is the way we have to move forward as it is much more representative of the education system that our younger members have come from. We want to be able to build on the skills that they already have when they come out of education and develop their careers to provide the kind of training/development/qualification in which they feel comfortable.

So will the PMI's future offerings be a mix of face-to-face and online support?

I'm a fan of using a mixture of different methods; I don't think there is a one-size-fits-all. I know there are many people who are absolutely itching to get back face-to-face with people. They 'zoom in and zoom out' where they are exhausted by the constant online presence that we all currently have and they want the ability to interact with someone one-on-one and ask questions. But for people that may not find it easy to get to the face-to-face meetings they require, enabling them to share the same standards of input, information and education, is a good thing.

How is the PMI helping drive the trend for the increasing professionalism of trustees?

I would like to draw out the distinction between professionalism and professionalisation. Professionalism

is about having all of the skills and competencies around your trustee board to ensure that people are doing a good job in the best interests of their members. I am a big fan of that. What I am less in favour of is increasing professionalisation. This is because I think it might potentially create a narrowing of the people that are actually involved in the governance of UK pension schemes.

The qualification that we have for professional trustees is a really good qualification. It came out of the professional standards working group that we worked with, the Association of Professional Trustees, and we are proud of it. It is an independent qualification coming from an accredited, regulated organisation. It's about testing technical competence and it goes alongside the trustee knowledge and understanding from The Pensions Regulator's (TPR) trustee toolkit, but really importantly, it has a module on soft skills. I don't think we should underestimate the importance of soft skills in a trustee board environment. In the past maybe there's been an assumption that technical competence translates into a full skillset, that someone is able to chair and contribute fully and encourage others to contribute fully. My experience tells me that there are some trustee boards where that does not always happen. So there is definitely a need to harness the benefits of that additional coaching and training.

Along with soft skills, are there any other 'internal' areas of focus for trustees to consider, or 'external' factors to be aware of?

TPR has recently issued its consultation on the new consolidated code of practice, where it is going to move from many differentiated codes over the past 15 years and put them into a combined code. The proposed new code of practice has different modules within it, including one called 'the governing body'. This will be I think quite new for some DB schemes. So this may well be a stepping stone for some changes in behaviour and looking at how trustee boards themselves operate. From an internal perspective they will be expected to have things like a remuneration policy. I think perhaps the regulator is aiming for the same kind of standards that apply to a corporate board in the UK to trustee boards as well.

And then with the Pension Schemes Act and other legislation, these will be looking externally at how trustees deal with climate change reporting, for example, and ESG. While trustees have had to say in their Statement of Investment Principles what their policy is and how they actively look at ESG factors when making investment decisions, it's now become much broader. This will be a big area of additional training, not just for trustees, but for other pension professionals who have only been dealing with ESG issues in the periphery. ESG is no longer just an investment piece but also a communications one, regarding the information that is given to members, as this is an issue that people do care about and will engage with.

On the note of engagement, what more can the industry do to encourage people to enter the pensions industry as a career, instead of falling into it, as so many do?

We do not perhaps sell ourselves as well as we could. As when people do get into pensions, no matter in what way, they always say how they didn't realise there was so much to the area and how interesting it is. We do not show that it is an intellectually stimulating career and at the same time dealing with something that is vital to the wellbeing of society.

Perhaps if we got that over to people we might find that we attract people more easily into the profession.

Please could you provide a progress update about the PMI's mentoring programme?

As 'older' people in the industry, we have a responsibility to share what we have learnt, to pass on our wisdom to those that are following in our footsteps. At the same time, we are learning from new members of the industry, about what their challenges are and how they are coping with the technical learning. I'm very pleased that we had good feedback from both the mentors and the mentees of last year's programme and we doubled the size of the programme this year.

Looking ahead, how would you describe the evolving nature of the industry?

What will the future look like? Tony Blair famously said 'education, education, education'. TPR has gone for 'consolidation, consolidation, consolidation'. I imagine that the trend we have seen towards consolidation, particularly the move from single

employer DC trusts to master trusts, will continue. Also, with the recent Pension Schemes Act and other regulations that have come in, the consolidation on the DB side may well start to happen soon.

If I look at the skillsets on trustee boards, I'm asking myself if we could bring in more expertise, such as environmental scientists or people with backgrounds in medicine or social care; a broader scope to enable the best investment decisions to be made.

In my brave new world, we are going to have dashboards that are delivered on time, that speak the language consumers speak and help them engage personally with their savings. We really could be harnessing technology to get all of their savings in one place so that they can be more comfortable around decision making. And then they would be in a better position to get one-to-one guidance or advice at retirement. So in the next five years I would like to see much more help for people as they come to draw their money down at retirement.

And what will be the future plans for the PMI and for yourself as president?

Lesley Carline is such a hard act to follow as president. She set in train some great initiatives for PMI, of which we are all immensely proud. We are still in a consolidation phase and working through the last year of our strategy we set up nearly five years ago. This year, with our advisory council, in the summer, we will be looking at our next three-to-five year strategy, looking at how we can continue to meet the needs of our members and have that voice for the professionals that work in pensions as far as their professional development concerns and how we can support trustees with their training and development needs. As for me, in my own small way I just want to make a difference to the way in which the institute is viewed and how we support all of our stakeholders.

Written by Laura Blows

