

BATH AND NORTH EAST SOMERSET

PENSION BOARD

Tuesday, 23rd May, 2023

Present:- Nick Weaver (Chair), Helen Ball, Steve Harman and Alison Wyatt

Also in attendance: Nick Dixon (Head of Pensions), Jeff Wring (Director - One West), Liz Woodyard (Group Manager for Funding, Investment & Risk), Anna Capp (Member Services Manager), Claire Newbery (Pensions Operations Manager), Carolyn Morgan (Governance and Risk Advisor), Charlotte Curtis (Governance & Risk Officer) and Yolonda Dean (Employer Services Manager)

47 EMERGENCY EVACUATION PROCEDURE

The Chair welcomed everyone to the meeting and asked the Democratic Services Officer to read out the Emergency Evacuation Procedure.

48 APOLOGIES FOR ABSENCE

Tony Whitlock and Stuart Anstead had sent their apologies to the Board.

49 DECLARATIONS OF INTEREST

There were none.

50 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

51 ITEMS FROM THE PUBLIC

There were none.

52 ITEMS FROM MEMBERS

There were none.

53 MINUTES OF PREVIOUS MEETING: 8TH DECEMBER 2022

The Board approved the minutes of the previous meeting and they were duly signed by the Chair.

54 PENSION FUND ADMINISTRATION - OVERVIEW & SUMMARY PERFORMANCE REPORT

The Pensions Operations Manager introduced this item to the Board and gave them a presentation. A copy of the presentation will be attached as an online appendix to these minutes and a summary is set out below.

She informed the Board that it had been a tough few months for the team as the Payroll Leader had resigned at the end of March. She said that this required some immediate decisions to be taken which included moving Team Leaders from Member Services across to Payroll.

She explained that seven payrolls take place every month alongside reporting to HMRC, which had all been completed properly and on time in both April and May. She said that a new Team Leader has been recruited and is currently in training. She wished to give thanks to the Member Services Manager and the team for all their work.

The Member Services Manager said that a lot of fast track training was given and that all payments had been made on time.

Steve Harman asked if the new Team Leader could be approached to stay on a permanent basis.

The Pensions Operations Manager replied that they had already been appointed on a permanent basis.

The Chair commented that he felt that this had been a very impressive achievement from everyone involved.

The Head of Pensions addressed the Board.

Current state of APF organisation

Service quality is below SLAs agreed with the Pensions Committee:

- 75% of members' service requests are completed within SLAs
- c.65% was achieved before the office return in Q4 2022 – since when further improvement has stalled

Service quality is limited by 4 key issues:

- high vacancy rate of c.16%
- elevated work load due to increased i-Connect data combined with a complex leaver-joiner process
- performance MI is insufficiently embedded in operational management
- there is limited digitisation with heavy manual processes

We have the ability to address all the above issues.

Improvement objectives - 2025 – what good looks like

Service

- Meet service standards set by CIPFA, plus TPR requirements
- Achieve SLAs agreed with APF Pensions Committee – 90% in 2025
- Easy digital experience – with substantial uptake of My Pension Online2

- All employer data exchanged electronically

Foundations

- Deliver all regulatory changes which benefit members, e.g. - McCloud, Dashboard, GMP
- Transformed digital platforms – for members, employers, APF staff
- MI drives insight and is embedded into operational decisions

People

- Pay rates are competitive for retention & recruitment of required talent
- Vacancy rate within normalised range of 4-8% within 12 months
- New operational structure embedded by year end
- Engaged workforce: keen to learn, keen to serve members

Steve Harman asked where the figure of achieving 90% of our targets comes from and why is it not 100%.

The Pensions Operations Manager replied that the figure was a legacy issue and had always been in place prior to her commencing her role. She added that in her opinion 100% would not truly ever be achievable.

The Head of Pensions added that he felt that 90% was achievable within 2.5 years and that he would be willing to evaluate the position after that time. He then returned to the presentation.

Key levers to improve people environment

- Improve salaries
 - We asked Aon to undertake an independent review of APF salaries comparing all roles vs similar public & private sector organisations. Aon recommended salary increases linked to roles – based on the external comparisons.
 - B&NES HR has approved the principle and aggregate of proposed salary increments. We now move into detailed implementation – with approval of each individual case. We expect salary changes to take effect from the July 2023 payroll.
- Fill vacant positions
 - Sorting Payroll - We have already hired the team leader – who has extensive private sector experience. We need to hire 1 Senior Officer & 1 Officer.
 - Hiring people with experience who can learn quickly and make a difference to service delivery, e.g. Officers & Seniors serving members and employers / Technical Leads.
 - Transformation - We need to hire a Change Programme leader who can drive digital transformation. We also need project leads who can work with the wider APF team.

Helen Ball asked if any consideration had been given to awarding staff bonuses or honorariums.

The Pensions Operations Manager replied that some of these measures had already been put in place.

- Leadership & communication
 - Regular leadership briefings.
 - People understand the APF strategy, how their team fits and how their own role contributes.
 - Input into APF strategy, e.g. climate change & net zero / change priorities.
- Organisation, Training, Development, and Career Progressions
 - New organisation structure to support digital future in place – December 2023.
 - Career development - Training plans / career families for progression.
 - Get the basics right - Clear personal objectives / 121s with line manager / team discussions.

Payroll

- Objectives
 - Fully resourced
 - Robust processes
 - MI on workflow – full transparency
- Actions
 - Recruit SPO & PO June - August 23
 - New TL to take over payroll running - Autumn 23
 - Review & create new processes - December 23
 - Create workflow to manage work - January 24

Leaver process

- Objectives
 - No backlogs > 60 days
 - Meet TPR & regulatory requirements
 - Meet SLA targets set in Admin Strategy (CIPFA) agreed by Pensions Committee
- Actions
 - Consider bulk digital processing to clear backlogs
 - Formation of Leaver Team
 - Streamline & digitalise 3 key processes
 - Leaver
 - Starter
 - Post changes
 - Support & Development - Employer training / People training & upskilling

Management Information (MI)

- Objectives
 - Transparency of work levels
 - Reporting to support pro-active achievement of KPIs and SLAs
 - Agile reporting, weekly, monthly
 - Team productivity
- Actions
 - Business Analyst in place to review reporting needs and develop new reports
 - Working with other funds to understand reporting capability
 - Review of workflows to in-bed new reporting with new processes and responsibilities
 - Create, design, test and deliver new reports

Day-to-day and backlogs

- Objectives
 - Fully resourced & trained team
 - No backlogs > 60 days
 - Self service & digital processes for members & employers
 - Satisfied members
 - Engaged workforce
- Actions
 - Regular weekly/monthly reviews of work – Agile working to focus on changing work loads
 - Operational focus on 2 key areas – Retirements / Death
 - Automate & digitalise processes and consider applying to backlogs
 - Website developments for Employers & Members (self service)

Alison Wyatt asked if there was any mileage in consolidating any work with other Funds.

The Pensions Operations Manager replied that they do meet quarterly with other Funds, but inevitably they will all have a different type of focus.

The Head of Pensions added that he was aware some collaborations are taking place, but felt that the Fund now needs to focus on solving the problems that have now been identified.

Helen Ball asked if the Board could be updated regularly on the Improvement Plan and said that she didn't feel the need to know if the KPIs haven't really changed.

The Head of Pensions and Steve Harman agreed with this proposal.

Change Programme

- 8 projects

- Objectives for each project
 - Criteria for prioritising
 - Clear delivery plan
- Necessary projects absorb common resources – limiting capacity for transformation.
 - Project prioritisation applied

Steve Harman asked why 'Rebrand' had been given a priority of 1.

The Communications and Marketing Manager replied that the current logo of the Fund was difficult to process digitally.

The Head of Pensions added that, as well as the logo change, the rebrand was about changing language and tone of voice used in communication to make understanding simpler for members.

The Pensions Operations Manager added that it was a priority as the website would not be supported from the end of October 2023.

Helen Ball asked if there were any external complications from the KPIs not being achieved.

The Pensions Operations Manager replied that they were not normally any longer than 5 days over their targets and had not felt the need to self-report themselves to the Pensions Regulator or been reported by them. She added that in the circumstances the year end had gone well overall and wanted to take this opportunity to provide a clear and honest account of where we are.

The Board **RESOLVED** to note:

- i) The presentation that had been given
- ii) The Fund performance for the three months to 31 March 2023.

55 TECHNICAL & COMPLIANCE UPDATE

The Pensions Operations Manager introduced the report to the Board and highlighted the following points from within it.

Pension Taxation

The Spring Budget in March saw a number of changes to the way pensions will be taxed, primarily an increase to the annual allowance, and removal of lifetime allowance charges from 6 April 2023 (and abolishment of the lifetime allowance from 2024/25 onwards).

Whilst the changes to the annual and lifetime allowance are favourable to members, the changes have led to administrative processes and member communications to be updated and may lead to an increasing number of queries in the short-term.

CARE Revaluation

On 9 March 2023 DLUHC published its response to the consultation setting out proposals to change the annual revaluation date for the LGPS from 1 April to 6 April. The response confirmed that the change would take place and on the same day the LGPS (Amendment) Regulations 2023 were laid (coming into effect on 31 March 2023).

Whilst the changes made will have reduced the number of members impacted by the 2022/23 annual allowance charge, the timing of the change had an impact on the administration team given software systems weren't updated prior to the change taking place (thus resulting in a greater level of manual calculations). Communications are also being updated and the team has also dealt with an increased number of queries from members.

The Board **RESOLVED** to note the current position regarding developments that could affect administration of the fund.

56 RISK MANAGEMENT UPDATE - RISK REGISTER

The Governance & Risk Advisor introduced the report to the Board. She explained that following feedback from Pensions Committee and Pension Board members, pre-mitigation scores have also been added to the risk register. She added that the risk register identifies risks which could have a material impact on the Avon Pension Fund in terms of service, value, reputation, or compliance.

She identified to the Board the most current critical risks:

NR01 – 'Ability to deliver admin service to members and employers within agreed standards' The current factors impacting this risk are set out in item 8 – Pension Fund Administration report.

NR12 – 'Failure to achieve decarbonisation targets in the required timescales in accordance with climate change priorities' Government climate policies not moving fast enough or sufficiently enforced.

NR05 – Failure to manage personal data in line with data protection regulations. Following an increase in the number of data breaches caused by enveloping errors and on the advice of Information Governance and Internal Audit the decision has been taken to stop all bulk printing and enveloping while the process is reviewed. Consultation with Information Governance & Internal Audit is also taking place to improve the process for providing members with activation keys for My Pension Online, following two data breaches.

Councillor Paul Crossley asked if officers were comfortable with the risks that have been reduced.

The Governance & Risk Advisor replied that they were and that mitigation was in place regarding them.

Councillor Crossley stated that he believed that the Fund needs to be prepared for challenges in terms of its decarbonisation targets and climate change priorities.

The Board **RESOLVED** to note the report.

57 INVESTMENT AND FUNDING STRATEGY UPDATE

The Group Manager for Funding, Investments & Risk introduced the report to the Board and highlighted the following points from it.

Actuarial Valuation 2022

The average deficit recovery for the Fund has reduced from 13 years in 2019 to 12 years in 2022 which is line with the medium-term target. The funding level has also improved from 94% in 2019 to 96% in 2022.

The discount rate used to value the past service a liability is based on the expected return on the assets relative to CPI. At 31 March 2019 the equivalent discount rate was CPI +1.75% p.a. This was reduced to CPI +1.50% in 2022 due to a fall in investment return expectations. This compares to a best estimate for investment returns of CPI+2.5% which shows the degree of prudence built into the assumptions.

Some smaller employers have had to leave the fund as their final member leaves. Still have around 450 employers and the valuation remains a resource intensive process.

Revised Investment Strategy

The 2022 strategic investment review was undertaken at a challenging time for investment markets. Therefore, the strategic focus re-examined the overall level of return and risk, the role of Risk Management Strategies in the overall policy framework and our net zero/climate targets.

The revised strategic allocation is based on the following:

- a) Risk Appetite: The Committee concluded that to maintain as stable as possible employer contributions, increasing returns and therefore risk was not warranted given the funding objective and funding level.
- b) Preferred strategic benchmark: The current strategic benchmark allocations between equities, liquid and illiquid growth assets, and fixed income achieves the appropriate balance of risk and return to provide stability of contributions.
- c) Diversification: The liquidity analysis concluded that the Fund was nearing its maximum allocation to illiquid assets. Therefore, alternative allocations between equities and other liquid growth assets did not improve the risk and return expectations sufficiently to warrant changing allocations.

The main asset allocation change is the initial target allocation of 3% to Local, Social Impact assets. This would be funded from the 32.5% already held in illiquid assets. The focus of the portfolio will be the South West which is a sufficiently local regional

footprint as restricting to the Avon area could be too narrow to have sufficient impact through a diversified portfolio. National opportunities would also be considered to provide greater flexibility to meet the investment objectives.

The Investment Panel will review the Hedging Strategy in July 2023 and the Fund's climate targets are due to be reviewed during September / October 2023 following an engagement exercise with stakeholders.

Steve Harman commented that it was positive to see the funding level had risen to 96% and asked how that compared with other Funds.

The Group Manager for Funding, Investments & Risk replied that historically the Fund would be placed around midway in comparison with others and that she felt this was probably still the case. She added that she was aware that some Funds were achieving funding levels of 110% - 115%, but would be asking them what they were doing to lock in their funding. She said that realistically the Fund would only want to be targeting a 100% funding level.

The Chair asked if the Fund was coping in terms of having enough cash available within it.

The Group Manager for Funding, Investments & Risk replied that the Fund was in a good position in this regard currently as all pre-payments had just come in. She added that annual cash management was becoming more important as they were not always in control of specific draw downs for private market portfolios.

Helen Ball asked what was hoped to be achieved through the Local, Social Impact investing.

The Group Manager for Funding, Investments & Risk replied that they were seeking to achieve an overall positive return for the Fund. She said, for example, that investing could take place in Housing, Climate Solutions and Renewables (Infrastructure). She added that investment would be carried out at arm's length through external managers and that they would report back to the Board on progress in due course.

The Board **RESOLVED** to note:

- i) The outcome of the actuarial valuation
- ii) The revised investment strategy.

58 PENSION BOARD - TRAINING AND WORK PLAN UPDATE

The Governance & Risk Advisor introduced the report to the Board. She explained that a workshop had been held in March 2023 to look at the Administration Strategy & Service Plan update (including KPIs). She added that officers would look to meet with Board members informally or through workshops in between their scheduled meetings.

She informed members that the SAB's Good Governance Review is expected to include additional knowledge and skills requirements for Committee, Pension Board

and Officers. She added that Hymans Robertson have been working with the SAB to develop these requirements and have produced an LGPS Online Learning Academy (LOLA).

She stated that a second version of the Learning Academy will launch in July 2023 and that the training was split into a number of modules covering the CIPFA Knowledge & Skills Framework.

Councillor Paul Crossley asked if the relaunch would result in additional charges to the Fund.

The Governance & Risk Advisor replied that it would not as they pay an annual charge for the licence. She added that currently Board members were asked to refresh their training on a yearly basis and that Committee members were asked to refresh their training every three years.

The Head of Pensions added that any new Committee member would be asked to complete the training within a year and then refresh every three years.

Councillor Crossley stated that he wanted to make the training compulsory for all new Councillors on the Committee.

The Board **RESOLVED** to:

- i) Note the workplan & training plan for 2023/24
- ii) Note the dates for future meetings.

The meeting ended at 4.03 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services



Service Improvement & Change Programme



Service Improvement & Change Programme

Current State & Objectives

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People

Service

Change Programme

Current state of APF organisation

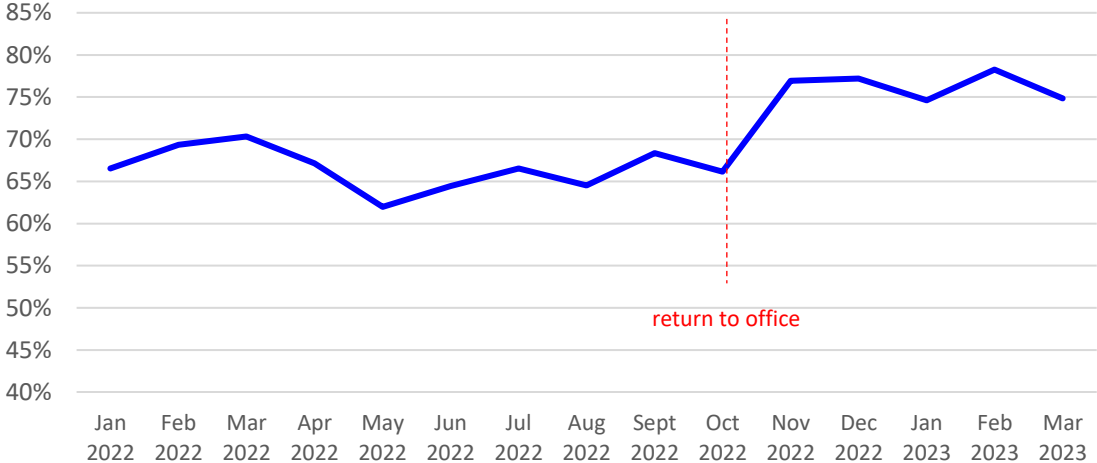
- ▶ **Service quality is below SLAs agreed with the Pensions Committee**
 - 75% of members' service requests are completed within SLAs
 - c.65% was achieved before the office return in Q4 2022 – since when further improvement has stalled
 - there are material backlogs in most areas
- ▶ **Service quality is limited by 4 key issues**
 - high vacancy rate of c.16%
 - elevated work load due to increased i-Connect data combined with a complex leaver-joiner process
 - performance MI is insufficiently embedded in operational management
 - there is limited digitisation with heavy manual processes
- ▶ **Payroll has experienced specific challenges – the team leader and key officers resigned**
 - compounded by limited workflow or documented processes
- ▶ **Employers**
 - data volume is increasing due to uptake of i-Connect vs quality of data
 - knowledge & understanding among employers is limited – and requires regular training
- ▶ **We have the ability to address all the above issues**

Service standards are below SLA and no longer improving

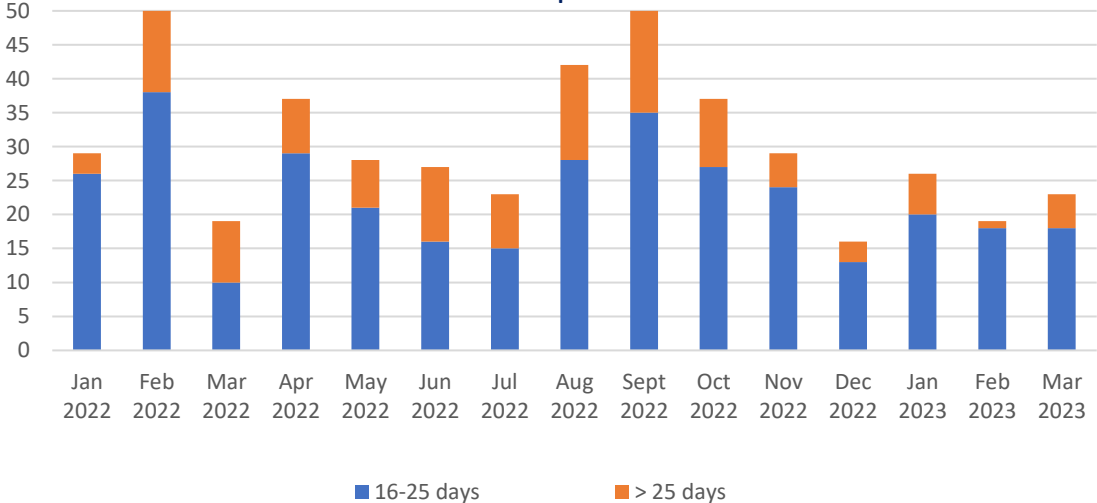
% cases completed within SLA

Service	SLA	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Retirement (active)	Quote - 5 / 15 days	62%	67%	76%	77%
	Payment - 5 / 15 days	68%	92%	94%	92%
Retirement (deferred)	Quote - 30 days	35%	50%	36%	38%
	Payment - 5 / 15 days	75%	90%	94%	93%
Deaths	Notification - 5 days	51%	81%	97%	89%
	Payment - 5 / 10 days	67%	82%	85%	94%
Refund of contributions	Quote - 10 days	16%	13%	20%	46%
	Payment - 10 days	52%	78%	84%	72%
Deferreds	Notification - 20 / 30 days	75%	57%	72%	59%
Transfers In	Quote - 10 days	11%	33%	68%	59%
	Payment - 10 days	15%	52%	64%	61%
Transfers Out	Quote - 10 days	25%	30%	57%	53%
	Payment - 10 days	24%	42%	81%	73%
Estimates	Member - 10/15 days	80%	81%	90%	82%
	Employer - 15 days	70%	67%	88%	87%
Divorce	Quote - 45 days	50%	85%	89%	97%
	Actual - 15 days	100%	100%	50%	100%
Starters	40 days	100%	99%	96%	100%

% cases completed within SLA
weighted average across all member services



Retirement Cases
active cases completed outside SLA



Improvement objectives

2025 – what good looks like

Service

Transform service experience for members

- Meet service standards set by CIPFA, plus TPR requirements
- Achieve SLAs agreed with APF Pensions Committee – 90% in 2025¹
- Easy digital experience – with substantial uptake of My Pension Online²
- All employer data exchanged electronically

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Foundations

Strengthen Core enablers

- Deliver all regulatory changes which benefit members, e.g.
 - McCloud, Dashboard, GMP
- Transformed digital platforms – for members, employers, APF staff
- MI drives insight and is embedded into operational decisions

People

Improve organisation and culture

- Pay rates are competitive for retention & recruitment of required talent
- Vacancy rate within normalised range of 4-8% within 12 months
- New operational structure embedded by year end
- Engaged workforce: keen to learn, keen to serve members

Notes: 1) retirements and deaths at 99%
2) targets to be confirmed before end-2023

Service Improvement & Change Programme

Current State & Objectives

People

Service

Change Programme

Key levers to improve people environment

- ▶ Improve salaries
- ▶ Fill vacant positions
- ▶ Leadership & communication
- ▶ Organisation, Training, Development, and Career Progressions

People – improve salaries

- We asked Aon to undertake an independent review of APF salaries
 - comparing all roles vs similar public & private sector organisations¹
 - Aon recommended salary increases linked to roles – based on the external comparisons

- The critical pinch point where we can make the biggest impact is in salaries for experienced individuals serving members and employers, e.g. senior pension officers and team leaders

- B&NES HR has approved the principle and aggregate of proposed salary increments
 - We now move into detailed implementation – with approval of each individual case
 - We expect salary changes to take effect from the July 2023 payroll

- Costs are accommodated within the 2023-24 budget agreed by the Pensions Committee

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People – identify vacancies

Identify the gaps

	assistant pension officer	pension officer	senior pension officer	Team heads Technical leads	Managers	TOTAL
Roles	7	28	27	26	7	95
Vacancies	1	2	6	4	2	15
Vacancy %	29%	7%	22%	15%	14%	16%
Key Gaps						
Payroll		✓	✓			
Member Services			✓			
Employer Services			✓	✓		
Transformation				✓	✓	

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Focus on

- Sorting Payroll
 - We have already hired the team leader – who has extensive private sector experience
 - We need to hire 1 Senior Officer & 1 Officer

- Hiring people with experience who can learn quickly and make a difference to service delivery, e.g.
 - Officers & Seniors serving members and employers
 - Technical Leads

- Transformation
 - We need to hire a Change Programme leader who can drive digital transformation
 - We also need project leads who can work with the wider APF team to deliver

People – recruit to fill vacancies

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- Focus on improved recruitment process
- Working with Aon to elevate position in the market
- Use B&NES recruitment team to support best practices
- Routes to market: Agency, Website, Social
- Underpinned with effective training and development plans



- Vacant permanent roles, Priority roles
- Payroll, Member Services, McCloud remedy, Training Officer
- Managers: Change, Digital Services

50%



- Structure review & staff consultation
- Ring fenced roles for internal only recruitment
- Vacancies created by new structure (external)

30%



- Remaining roles

20%

People – leadership and organisation

Leadership & Communication

- Regular leadership briefings
- People understand
 - APF strategy
 - how their team fits
 - how their own role contributes
- Input into APF strategy, e.g.
 - climate change & net zero
 - change priorities

Organisation

- New organisation structure to support digital future in place – December 2023
 - move from multiple temporary positions and ‘acting up’ to permanent roles
- Career development
 - training plans
 - career families for progression
- Get the basics right
 - clear personal objectives
 - 121s with line manager
 - team discussions

Service Improvement & Change Programme

Current State & Objectives

People

Service

Change Programme

Key operational levers to meet service objectives

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Operational
Priorities

- ▶ Payroll: rebuild team and hire to fill vacancies
- ▶ Leaver process: fix and simplify
- ▶ MI: drive deeper insight and embed operationally
- ▶ Backlogs: identify and resolve

Change
Programme

- ▶ Digital change & system investment

Payroll ...

CURRENT STATE

- 2 of 4 post filled (1 on LTS)
- Limited documented processes
- No workflow or MI

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OBJECTIVES

- Fully resourced
- Robust processes
- MI on workflow – full transparency



ACTIONS

- New TL recruited, training underway
- Recruit SPO & PO June - August 23
- New TL to take over payroll running - Autumn 23
- Reduction of support - Autumn 23
- Review & create new processes - December 23
- Create workflow to manage work - January 24
- Workflow reporting - March 24

Leaver process

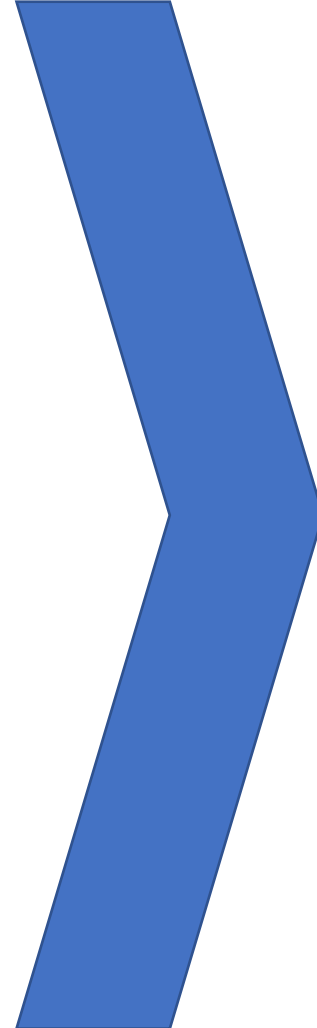
CURRENT STATE

- c.2000 backlog (under 55)
- 2 stage process with work duplication
- Increasing workload due to i-Connect and employer trends

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OBJECTIVES

- No backlogs > 60 days
- Meet TPR & regulatory requirements
- Meet SLA targets set in Admin Strategy (CIPFA) agreed by Pensions Committee
- Employers providing timely & accurate data



ACTIONS

- Consider bulk digital processing to clear backlogs
- Formation of Leaver Team
- Streamline & digitalise 3 key processes
 - Leaver
 - Starter
 - Post changes
- Support & Development
 - Employer training
 - People training & upskilling

Management Information (MI)

CURRENT STATE

- Data accuracy
- Clunky to run and requires manual manipulation
- MI doesn't cover all business needs
- Limited reports available for Employer performance

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OBJECTIVES

- Transparency of work levels
- Reporting to support pro-active achievement of KPIs and SLAs
- Agile reporting, weekly, monthly
- Employer performance
- Team productivity

ACTIONS

- We have already taken "Insights" tool from Heywoods
- Business Analyst in place to review reporting needs and develop new reports
- Clear understanding of business needs and reporting
- Working with other funds to understand reporting capability
- Review of workflows to in-bed new reporting with new processes and responsibilities
- Create, design, test and deliver new reports

Day-to-day and backlogs....

CURRENT STATE

- Reduced resource & people allocated to support payroll
- Increased workload - last 3 years
- New legislation creating extra work
- No digitalised processes
- C.5000 cases outstanding

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OBJECTIVES

- Fully resourced & trained team
- No backlogs > 60 days
- Self service & digital processes for members & employers
- Satisfied members
- Engaged workforce



ACTIONS

- Regular weekly/monthly reviews of work – Agile working to focus on changing work loads
- Operational focus on 2 key areas
 - Retirements
 - Death
- Automate & digitalise processes and consider applying to backlogs
- Website developments for Employers & Members (self service)

Plan & timetable

	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Salaries	<ul style="list-style-type: none"> Aon review finalised Revised pay approved 	<ul style="list-style-type: none"> Changes in monthly pay 		
Payroll	<ul style="list-style-type: none"> Stabilise – temporary resources Recruit team leader 	<ul style="list-style-type: none"> Recruit PO and SPO 		
Organisation	<ul style="list-style-type: none"> Design and shape agreed 	<ul style="list-style-type: none"> Job descriptions complete 	<ul style="list-style-type: none"> Consultation Completion 	
Leaver process	<ul style="list-style-type: none"> Form new leaver team 	<ul style="list-style-type: none"> Review processes and workflow 	<ul style="list-style-type: none"> Start to apply new processes Employer training 	
MI	<ul style="list-style-type: none"> Template design 	<ul style="list-style-type: none"> Collect data Produce reports 	<ul style="list-style-type: none"> Industrialise process Embedded in ops management 	
Vacancies		<ul style="list-style-type: none"> Phase 1 	<ul style="list-style-type: none"> Phase 2 	<ul style="list-style-type: none"> Phase 3
Backlogs		<ul style="list-style-type: none"> Review BAU and backlogs Set priorities and targets 	<ul style="list-style-type: none"> Focus resolution on level-1 services: <ul style="list-style-type: none"> retirement death 	<ul style="list-style-type: none"> Focus on level-2 services

Service Improvement & Change Programme

Current State & Objectives

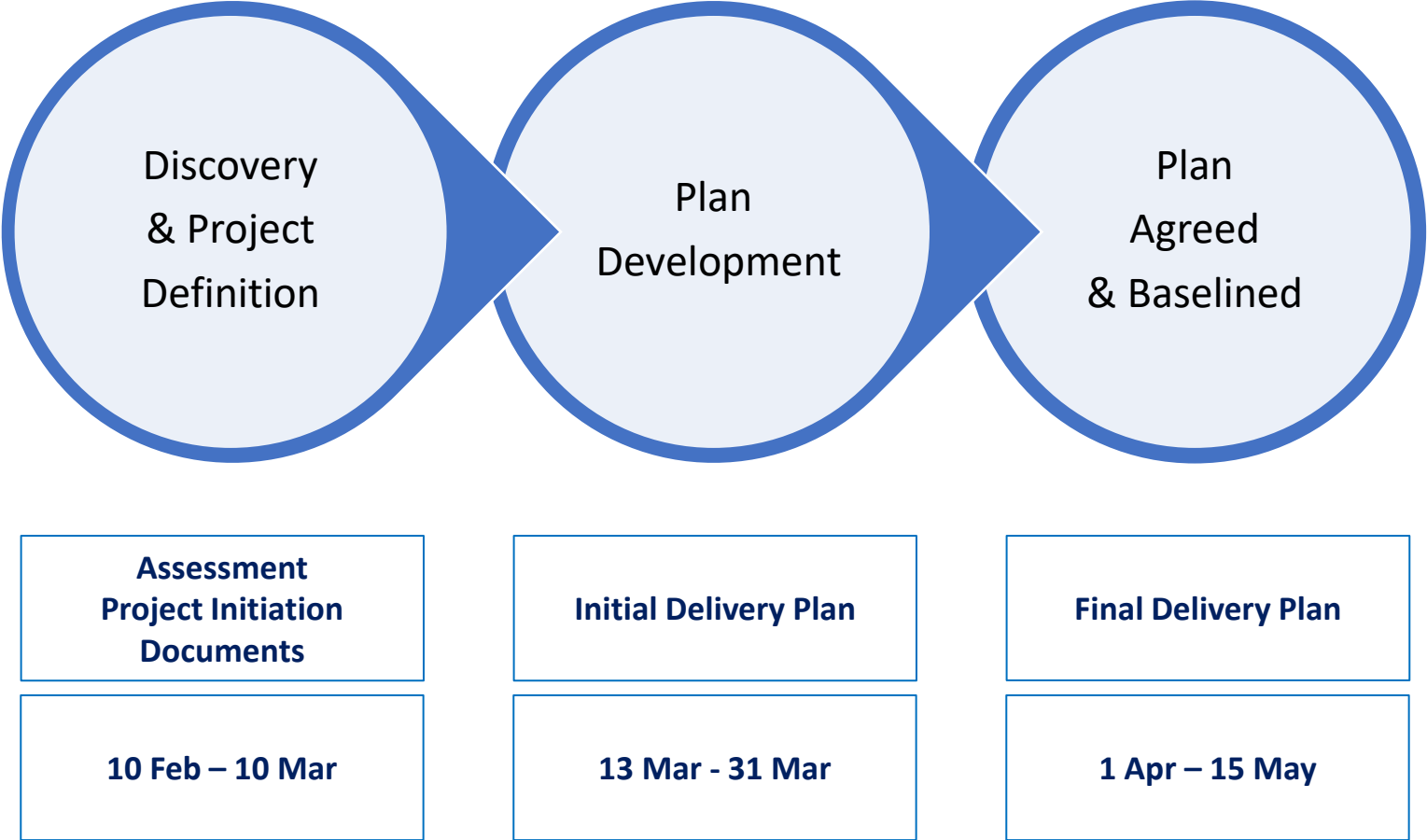
People

Service

Change Programme

We have developed a change programme of 8 projects

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- Clarity of scope – in or out
- Objectives for each project
- Criteria for prioritising
- Clear delivery plan
- Options :
 - scope
 - pace of delivery
 - resource and costs
- Project management skills – training and toolkit

Necessary projects absorb common resources – limiting capacity for transformation

change capacity

Websites & Digital
New member onboarding
Process transformation

MI Insights
Fire - exit
Employer numbers
Pay review

Year-end
Benefit Statements
Savings Statement
Final Accounts
Annual Report

Dashboard
GMP
McCloud
TPR single code

Regulatory

Annual
required

Foundations

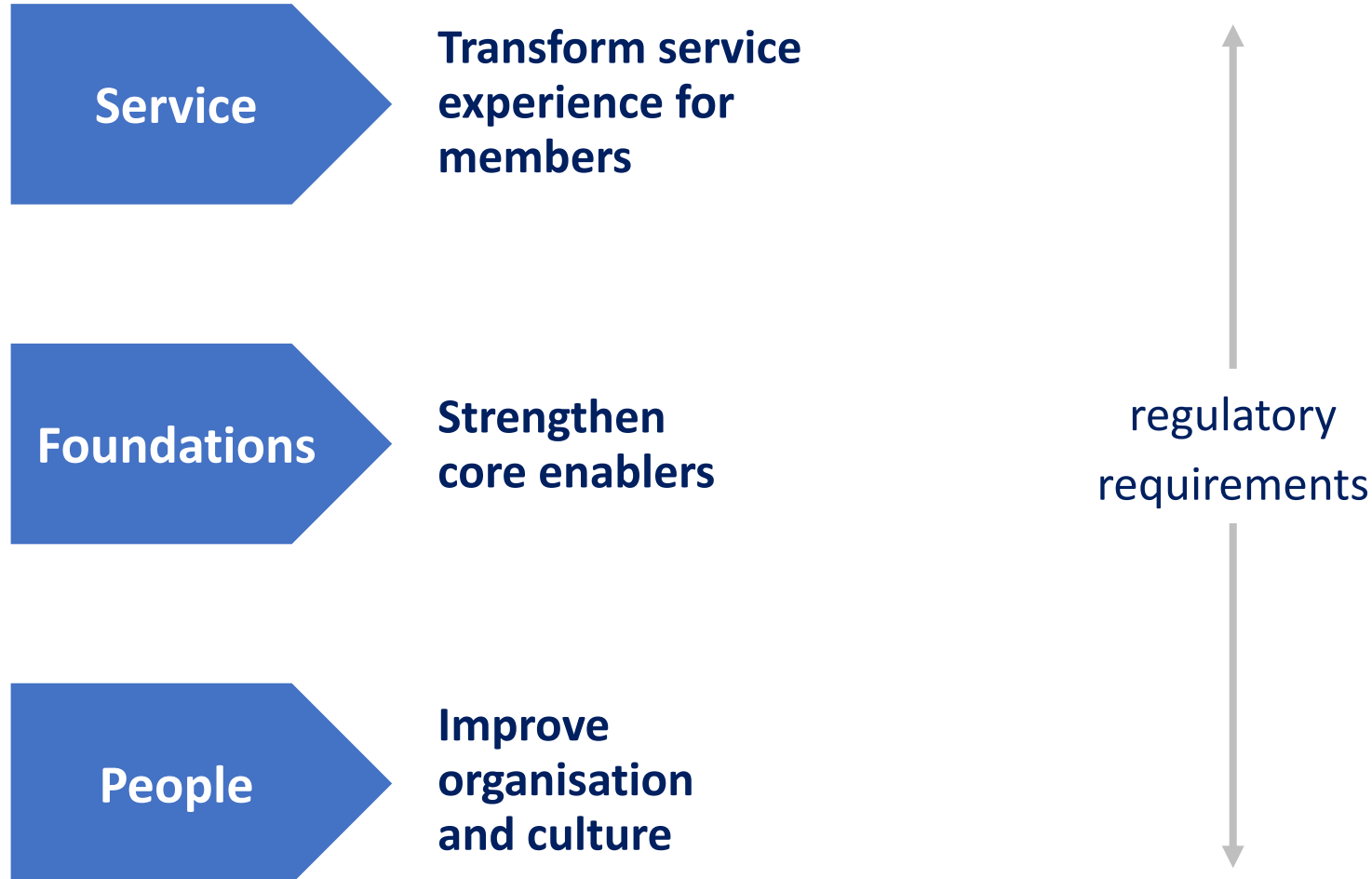
Transformation

necessary projects

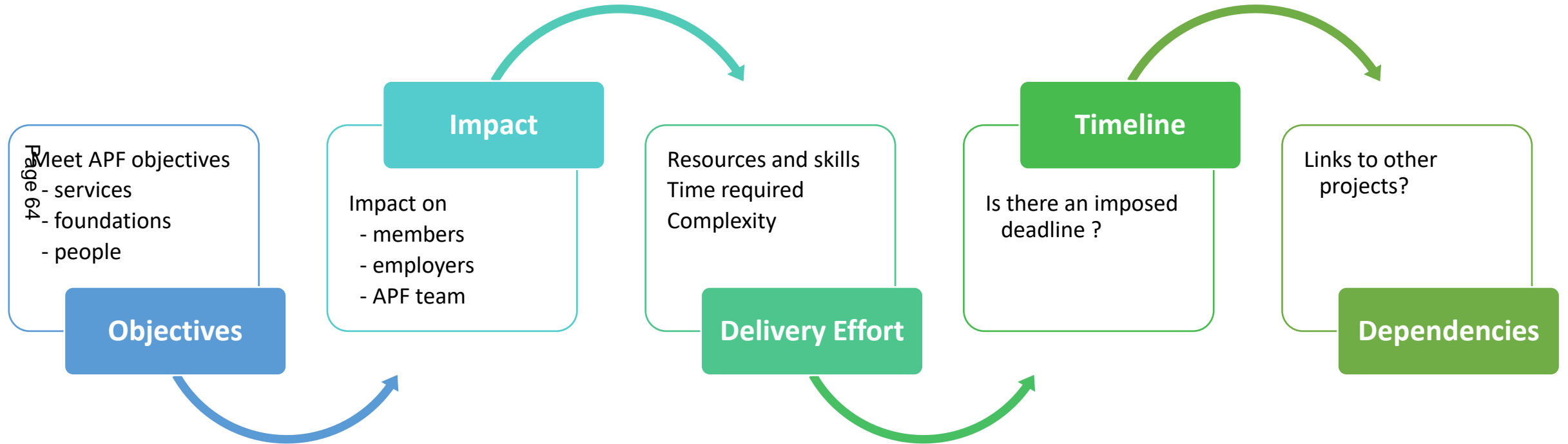
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We referenced core objectives – along with regulatory requirements – to inform priorities

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Project prioritisation framework



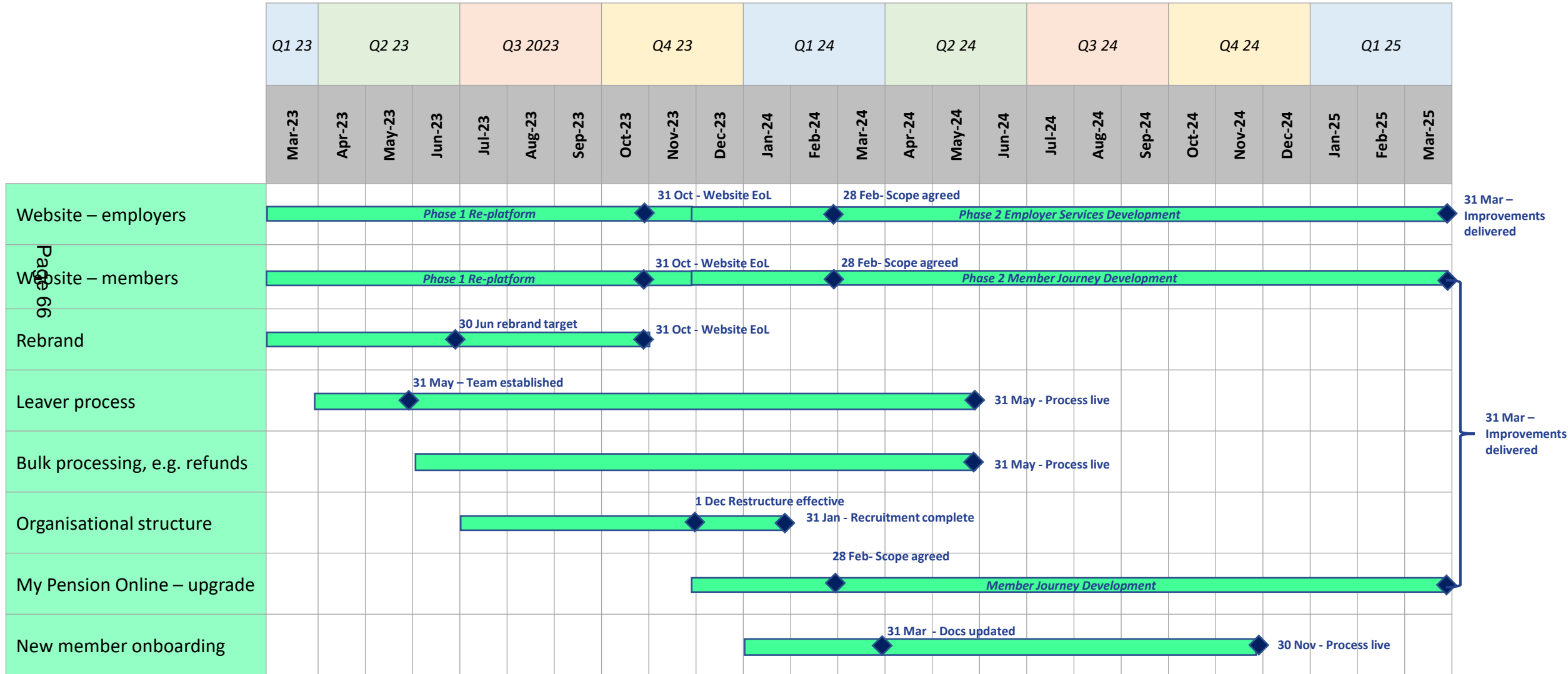
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Project prioritisation applied

	Objectives			Other Criteria			Priority	
	Service	Foundations	People	Impact	Delivery Effort	Initial Deadline	Priority	Priority rationale
Website – employers	✓	✓		High	High	31-Oct-23	1	Website – end of life 31-Oct-23
Website – members	✓	✓		High	Medium	31-Oct-23	1	Website – end of life 31-Oct-23
Rebrand	✓	✓		Low	Low	31-Oct-23	1	Critical enabler for website developments
Leaver process	✓		✓	High	High	Flexible	2	Raise ops efficiency to drive service
Bulk processing, e.g. refunds	✓		✓	High	Medium	Flexible	2	Raise ops efficiency to drive service
Organisational structure	✓		✓	High	High	Flexible	2	Raise ops efficiency to drive service
My Pension Online – upgrade	✓			High	Medium	Flexible	2	Enabler for member self-service
New member onboarding	✓			Medium	High	Flexible	3	Raise ops efficiency and self-serve

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Transformation projects



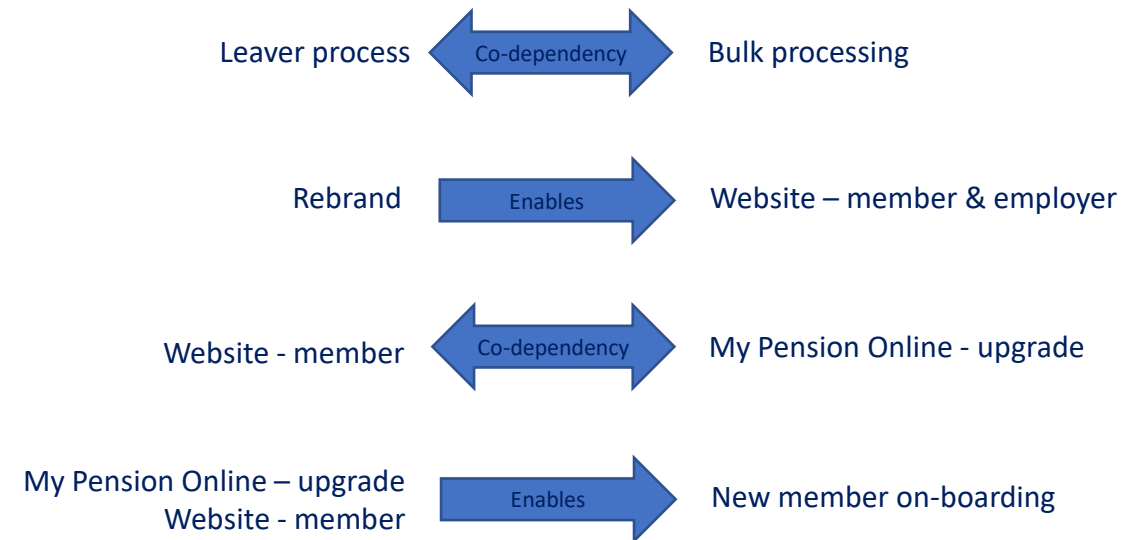
Delivery has dependencies & risks....

Critical dependencies & risks

- Operational Restructure is delivered
 - Vacancies are filled
 - Team members are bedded down into roles
- Project resource forecasts and timelines are robust
 - If resource forecasts change or new requirements emerge, this may impact ability to deliver
 - Timelines may change after scoping and impact assessment complete
- If new priority 1 regulatory or foundation projects emerge
 - Resource would need to be reallocated from transforming projects to ensure ongoing compliance

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Project sequencing dependencies



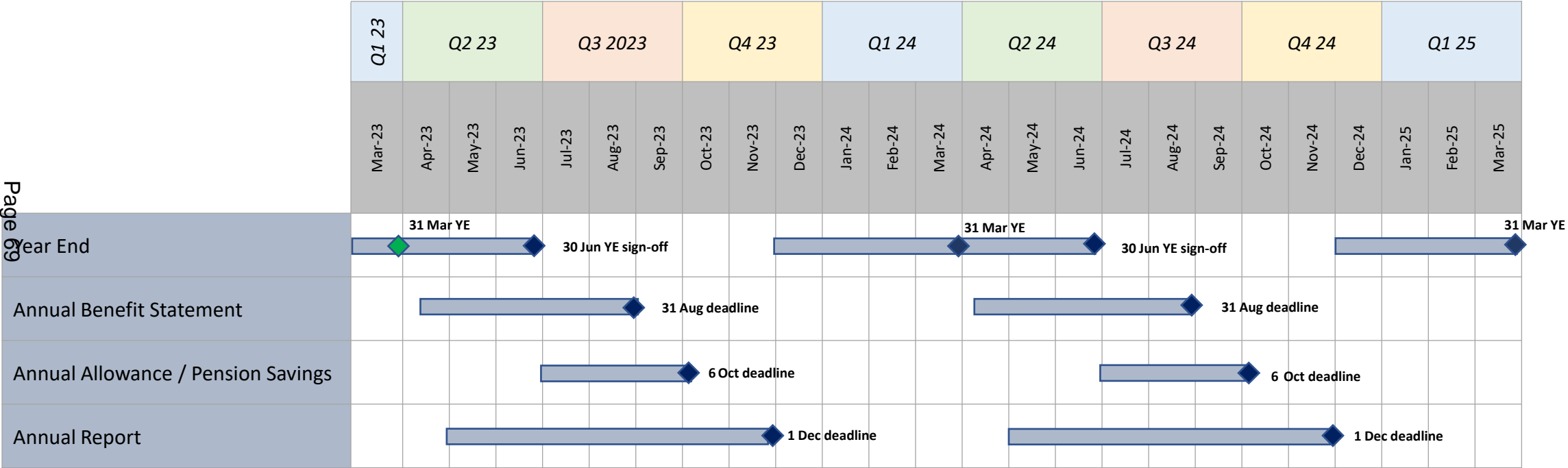
Operational Restructure enables and is a prerequisite for all transformation projects.

APPENDIX

Plan 2023-25

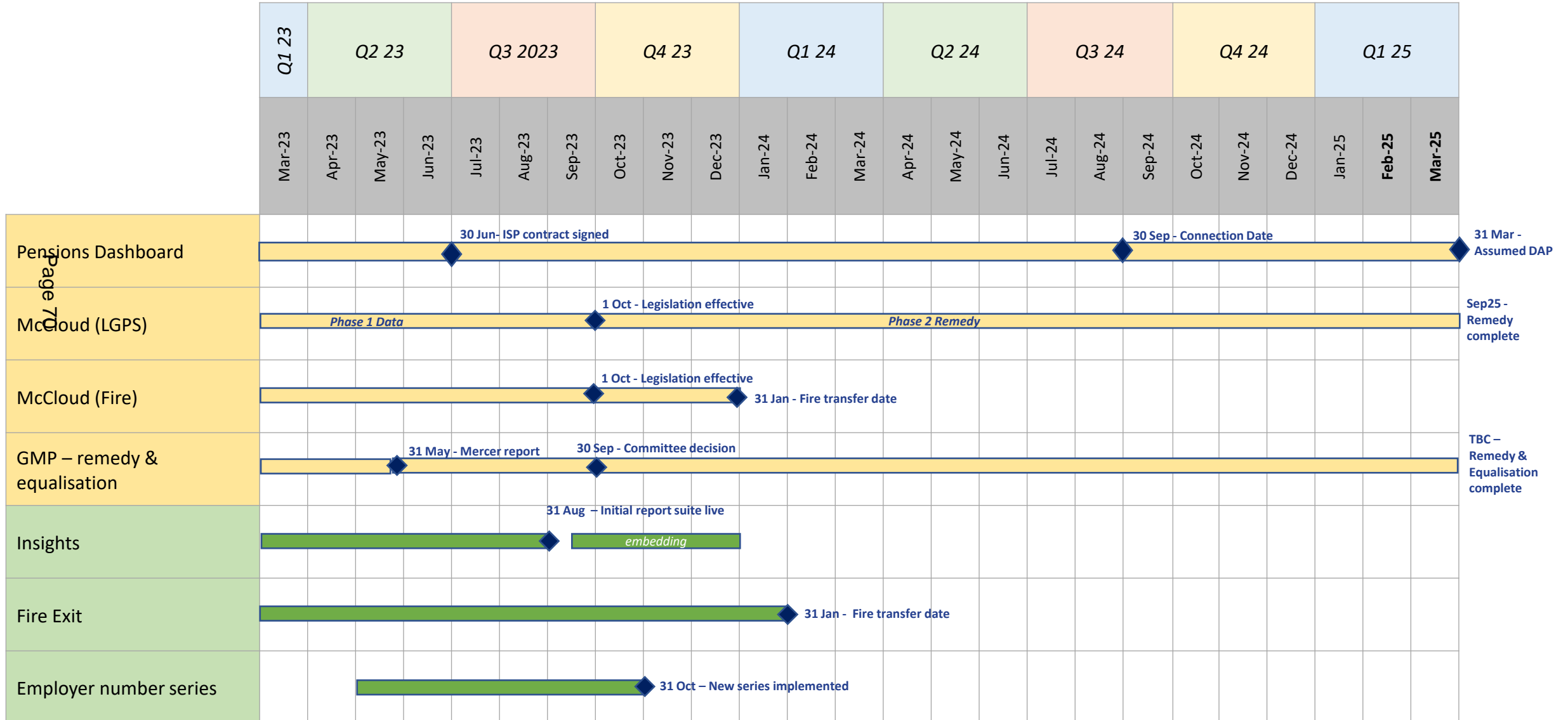
Obligatory annual projects

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Plan 2023-25

Obligatory regulatory projects and foundations



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