

APF Administration Strategy & New Operating Model



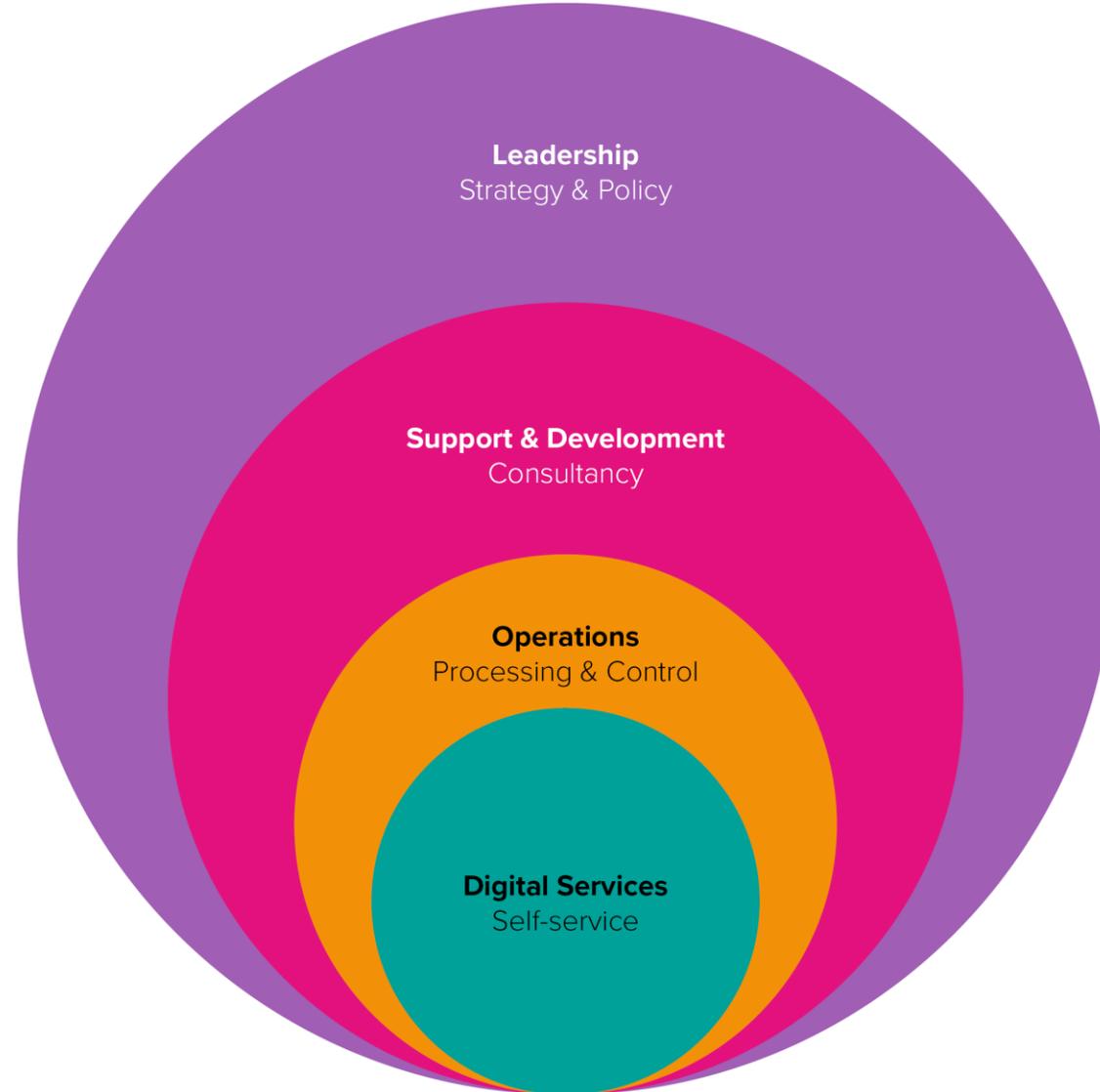
Geoff Cleak, Claire Newbery &
Carolyn Morgan

Recap - New Admin Strategy 2022

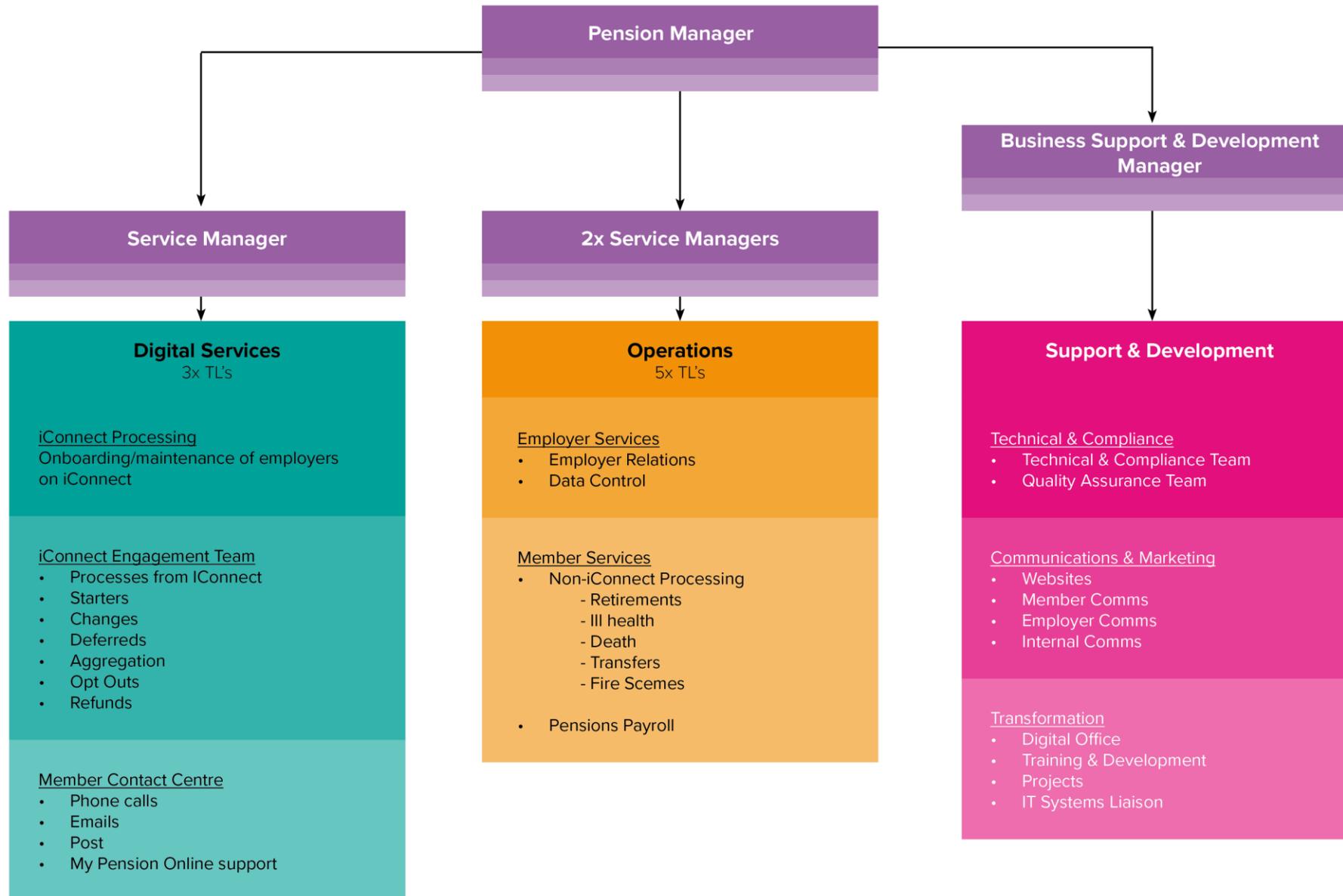


- New strategy introduced to Pension Board March 22
- Included in service plan taken to Committee in March 22
- Introduces New Operating Model
- Part of concept is to maximise digital services
- Achieve greater focus on workloads
- Extend support and development functions
- Create new posts & career grades

Operating Model Concept



Proposed High Level Structure Chart



Progress Against Project Plan – Phase 1



Project Steps

Target Date

RAG

Phase 1

Set up temporary Member Contact Team

Jun-22

My Pension Online queries & support calls

Jun-22

Triage email inbox

Jun-22

Review functionality of My Pension Online

Review starter process from Iconnect

Oct-22

Send My Pension Online activation key in stat notice letter

Oct-22

Analysis of workload & resources

Jun-22



Progress Against Project Plan – Phase 2



Project Steps	Target Date	RAG
Phase 2		
Set up temporary Digital Services Team		
Customer Contact Team expanded		
Take all phone calls	Dec-22	
Triage email inbox	Dec-22	
Sort, scan & task post	Dec-22	
Iconnect Project		
Rollout of document portal to all existing employers	Dec-22	
Rollout of Iconnect to non IC employers	Apr-23	
Set up Iconnect Processing Team		
Review of leaver process & leaver hold letters	Jan-23	
Aim is to process cases to end status eg deferred, refund, aggregation	Jan-23	
Use of bulk processes where possible	Jan-23	

Progress Against Project Plan – Phase 3



Project Steps

Target Date

RAG

Phase 3

Consultation & Implementation of new operating model

Review, write and approve new Job Descriptions

Dec-22

Consultation Exercise with staff

Apr-23

Slot staff into new structure

Apr-23

Recruit for vacant & additional posts

Apr-23

Review all processes and workflows across Teams

Apr-23

Update Administration Strategy

Apr-23



Any Questions?

CIPFA Benchmarking



Geoff Cleak

CIPFA Benchmarking



- Have taken part in exercise for 15 years +
- Back then >90% Funds took part, now only app 20
- However the data does include SF3 data for those who do not take part
- The cost of participating in the exercise is app £2,700 (supplier £1k / APF resource £1.7k)
plus officer time – app 74hrs across admin

CIPFA Benchmarking - Nearest neighbours by size



Pensions Administration - Key Findings

Pension Fund: All | CIPFA Nearest Neighbours: Bath & North East Somerset | Year: 2020-21

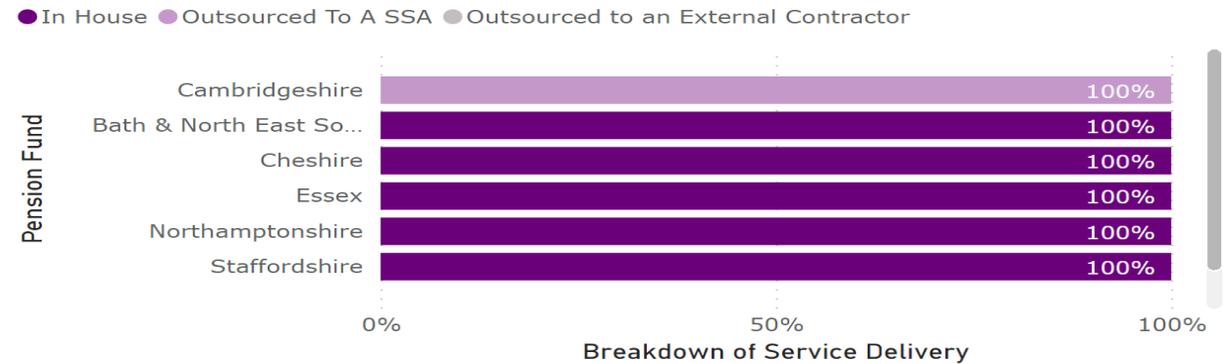
Summary of Key Findings (inc. SF3 data)

Pension Fund	Admin Cost per Member	Net Admin Cost per FTE	LGPS Members per FTE	% of Pensioner Members
Bath & North East Somerset	£19.62	£47,782	2,006	27.9%
Bedfordshire	£20.83	£60,080	2,885	25.2%
Cambridgeshire	£23.58	£76,881	2,417	21.3%
Cheshire	£21.06	£53,030	2,221	29.4%
Essex	£20.57	£81,236	3,007	25.8%
Gloucestershire	£27.40	£77,413	2,825	29.7%
Hampshire	£12.57	£43,509	3,461	24.3%
Average	£19.36	£53,841	2,432	26.8%

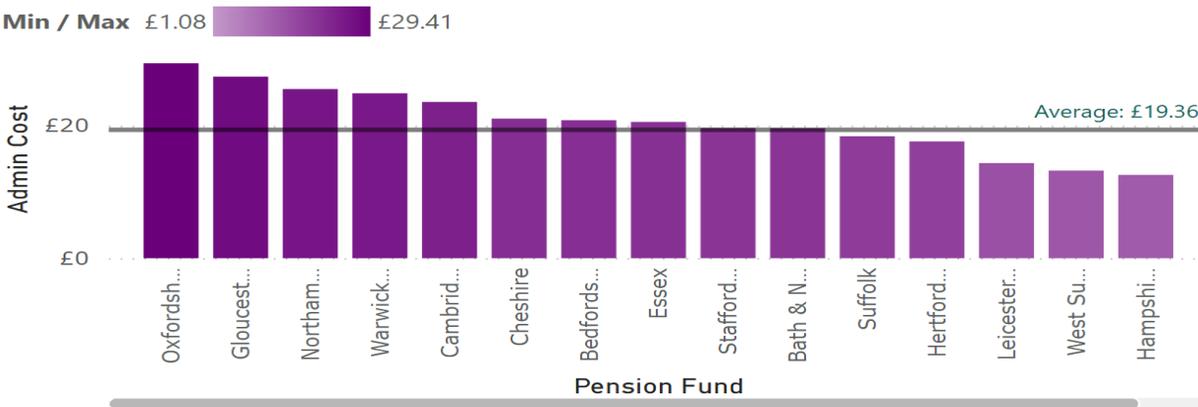
£29.41
Max. Admin Cost per Memb...

£1.08
Min. Admin Cost per Member

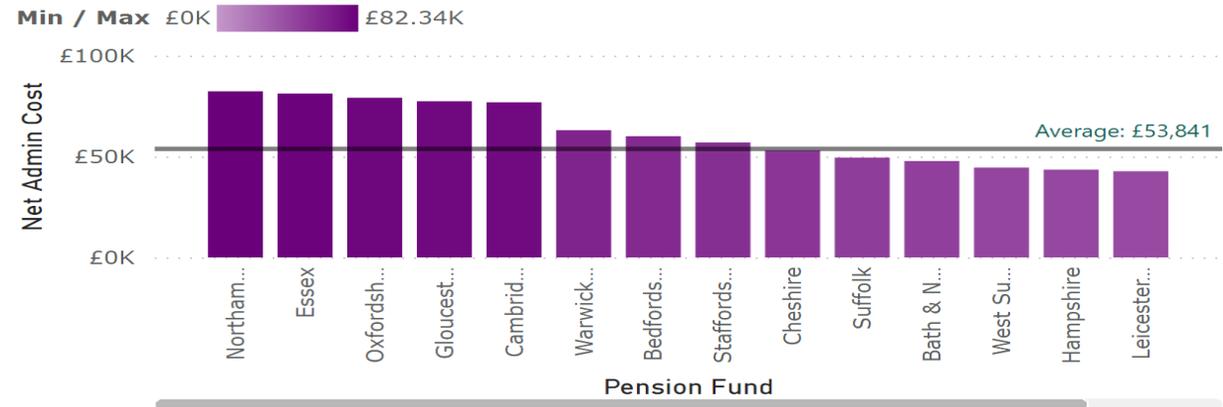
Service Delivery



Administration Cost per Member (inc. SF3 data)



Net Administration Cost per FTE (inc. SF3 data)



CIPFA Benchmarking - National Average



Filters

CIPFA Pensions Administration - Key Findings

Pension Fund: CIPFA Nearest Neighbours: Year:

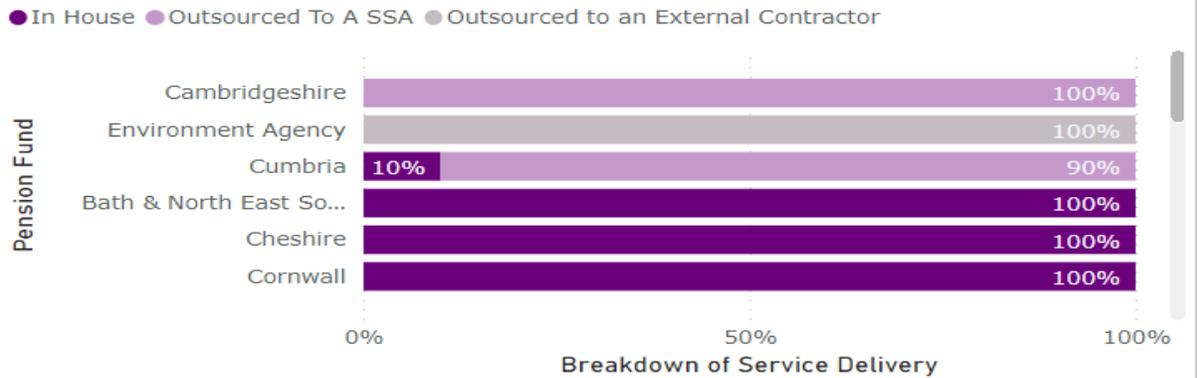
£158.29
Max. Admin Cost per Memb...

£1.08
Min. Admin Cost per Member

Summary of Key Findings (inc. SF3 data)

Pension Fund	Admin Cost per Member	Net Admin Cost per FTE	LGPS Members per FTE	% of Pensioner Members
Barking & Dagenham	£37.51	£101,429	2,103	32.2%
Barnet	£38.91	£260,750	3,350	28.4%
Bath & North East Somerset	£19.62	£47,782	2,006	27.9%
Bedfordshire	£20.83	£60,080	2,885	25.2%
Bexley	£31.52	£251,500	3,990	36.1%
Brent	£82.88	£440,250	3,035	32.3%
Bromley	£26.97	£505,000	18,724	30.2%
Average	£31.90	£135,958	3,038	30.0%

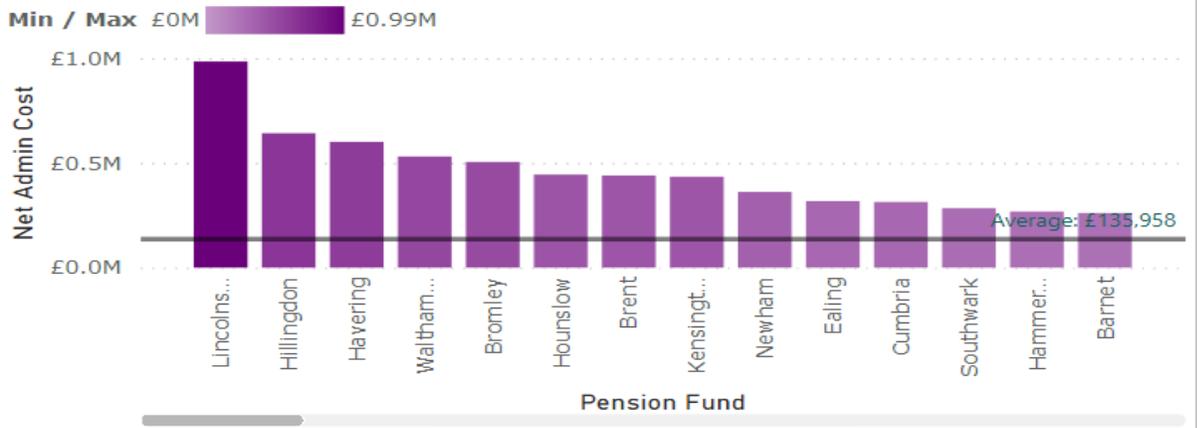
Service Delivery



Administration Cost per Member (inc. SF3 data)



Net Administration Cost per FTE (inc. SF3 data)



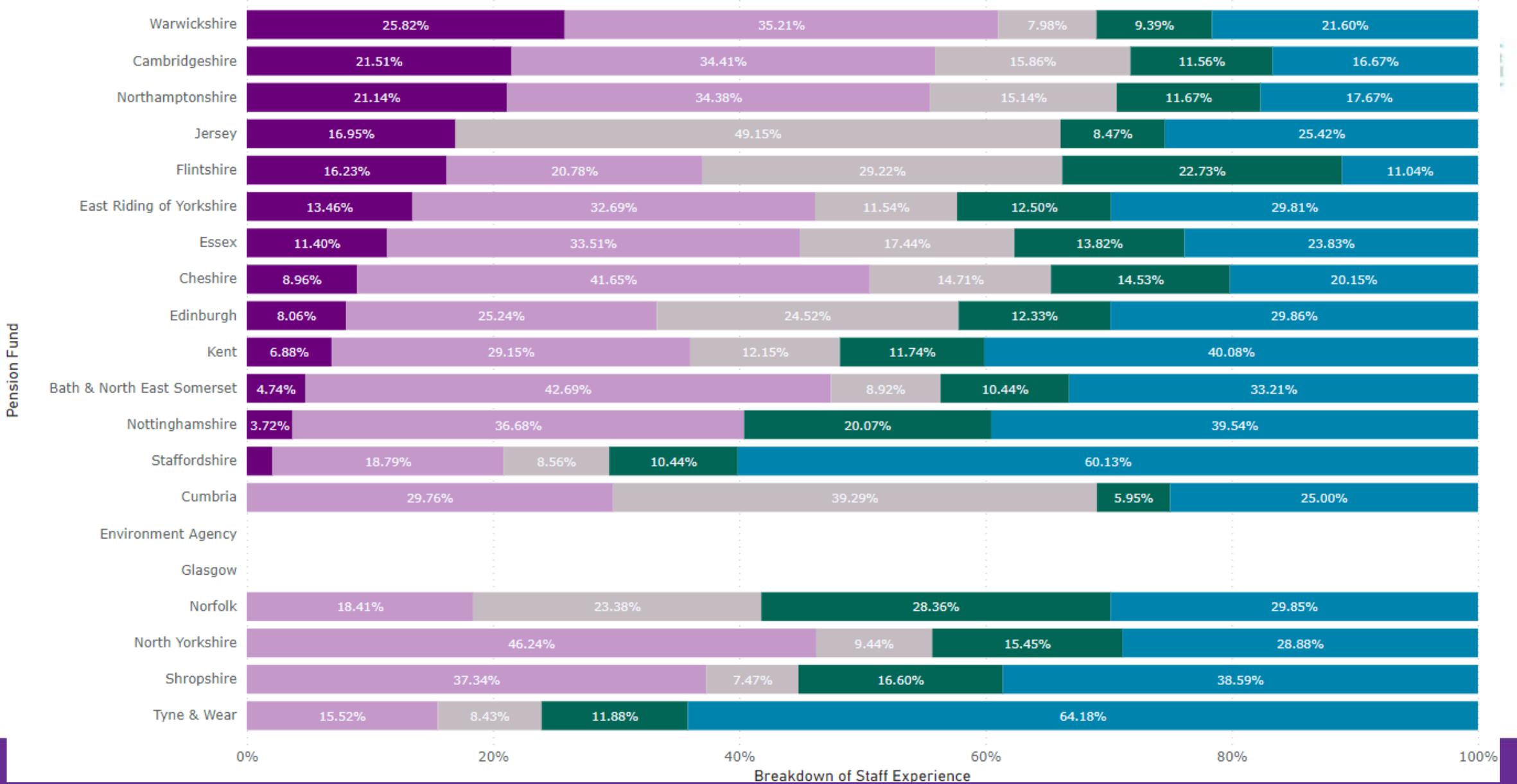
CIPFA Benchmarking – Performance KPIs



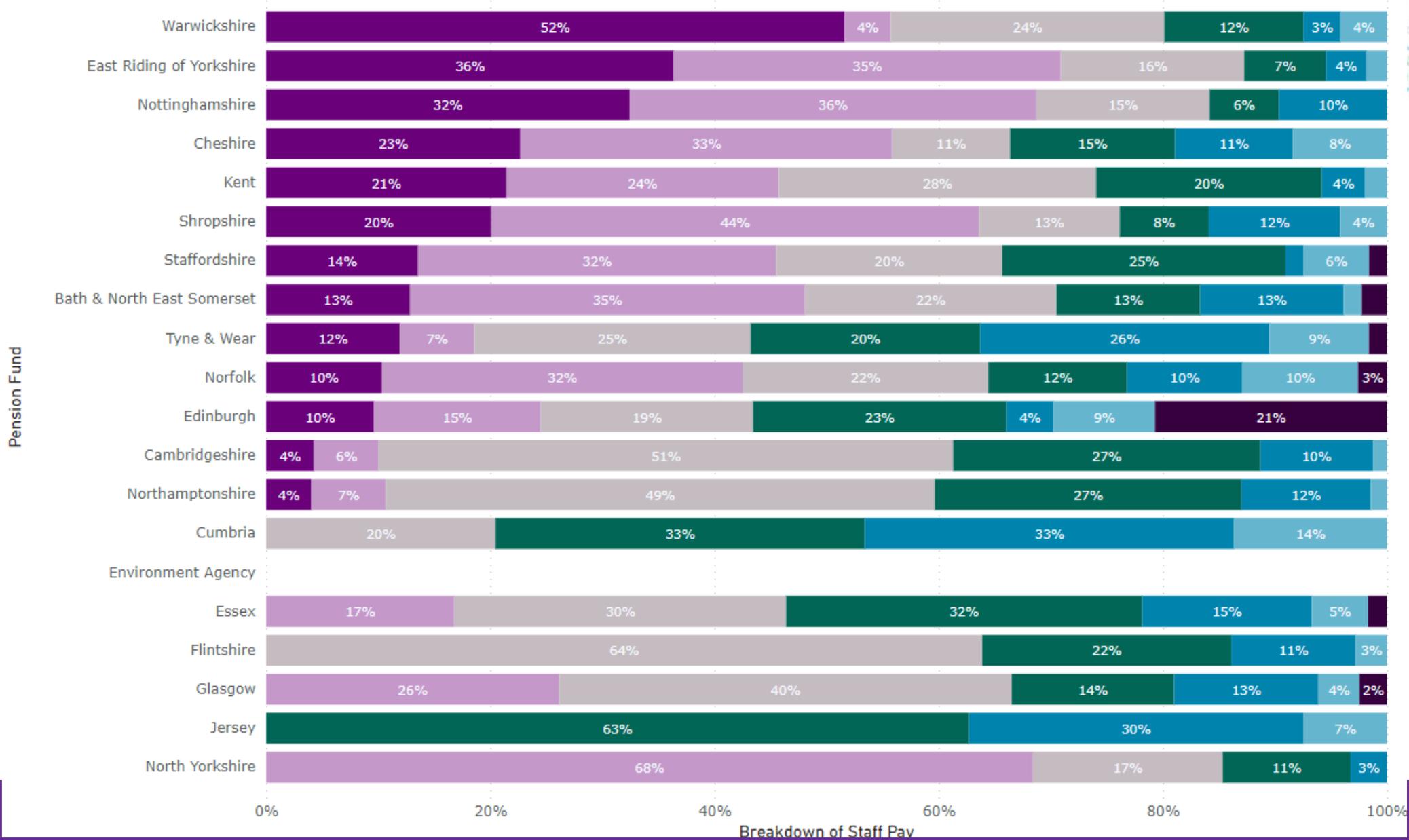
TASK	BANES	National Average
Notify actual retirement benefits (active)	84.8%	90.90%
Notify Actual retirement benefits (deferred)	90.5%	93.50%
Retirements - process and pay lump sum retirement grant (active)	84.8%	91.9%
Retirements - process and pay lump sum retirement grant (deferred)	90.5%	93.50%
Estimate of retirement benefits (active)	76.8%	91.90%
Estimate of retirement benefits (deferred)	66.8%	75.90%
Death in service / preserved / pensioner member acknowledgement	97.4%	81.70%
Notification amount of dependants benefits	90.8%	84.40%
Letter detailing transfer in quote	47.1%	79.10%
Letter detailing transfer out quote	14.1%	79.30%
Refund - process and pay refund	72.6%	90.90%
Calculate and notify deferred benefits	39.8%	84%

BREAKDOWN OF STAFF EXPERIENCE (FTE %)

● < 1 year
 ● 1-5 years
 ● 6-10 years
 ● 11-15 years
 ● > 15 years



● Under £20k ● £20-25k ● £25-30k ● £30-40k ● £40-50k ● £50-75k ● Over £75k



Summary & Further Questions



- Resource demanding exercise
- Should we take part in future exercises?
- Data from different sources – CIPFA & SF3
- Consistency of way data is provided
- Accessibility of results data from CIPFA