



Service Improvement & Change Programme

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Service Improvement & Change Programme

Current State & Objectives

People

Service

Change Programme

Current state of APF organisation

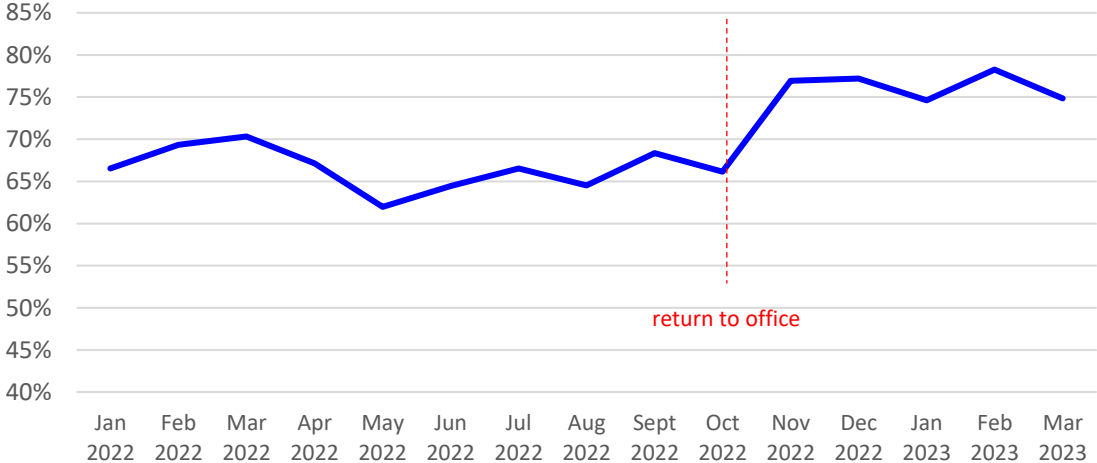
- ▶ **Service quality is below SLAs agreed with the Pensions Committee**
 - 75% of members' service requests are completed within SLAs
 - c.65% was achieved before the office return in Q4 2022 – since when further improvement has stalled
 - there are material backlogs in most areas
- ▶ **Service quality 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

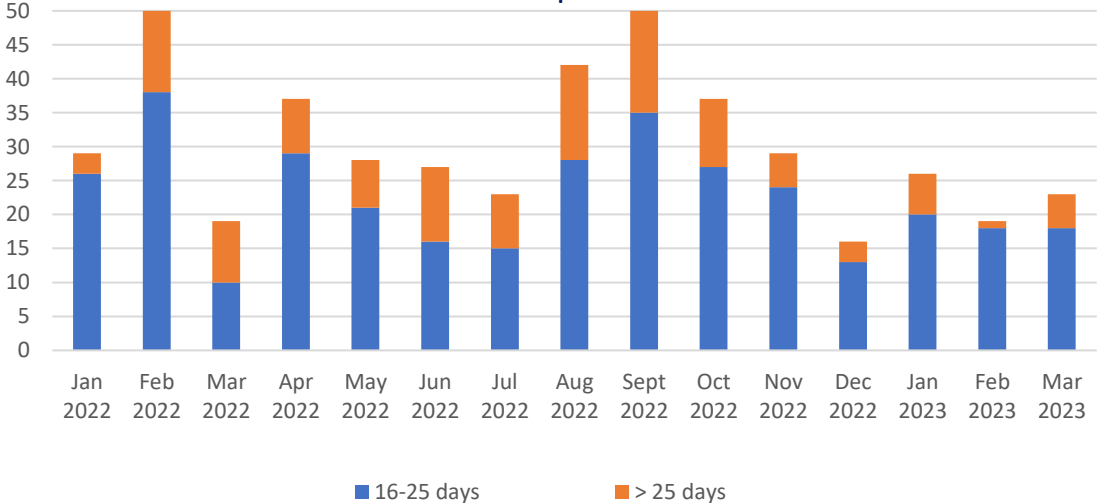
% cases completed within SLA

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

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

Service Improvement & Change Programme

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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

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				✓	✓	

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

- 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

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Key operational levers to meet service objectives

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

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

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

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

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

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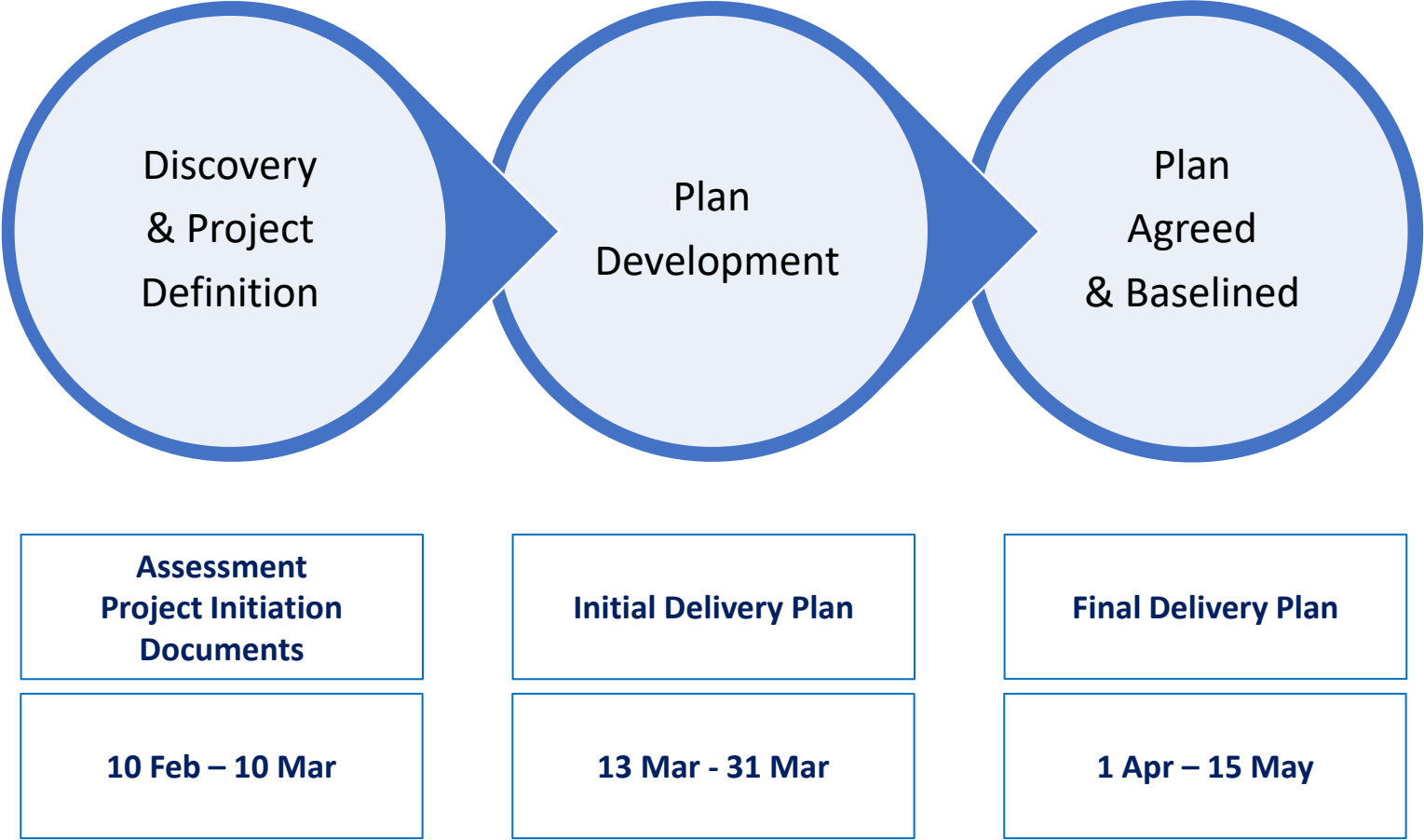
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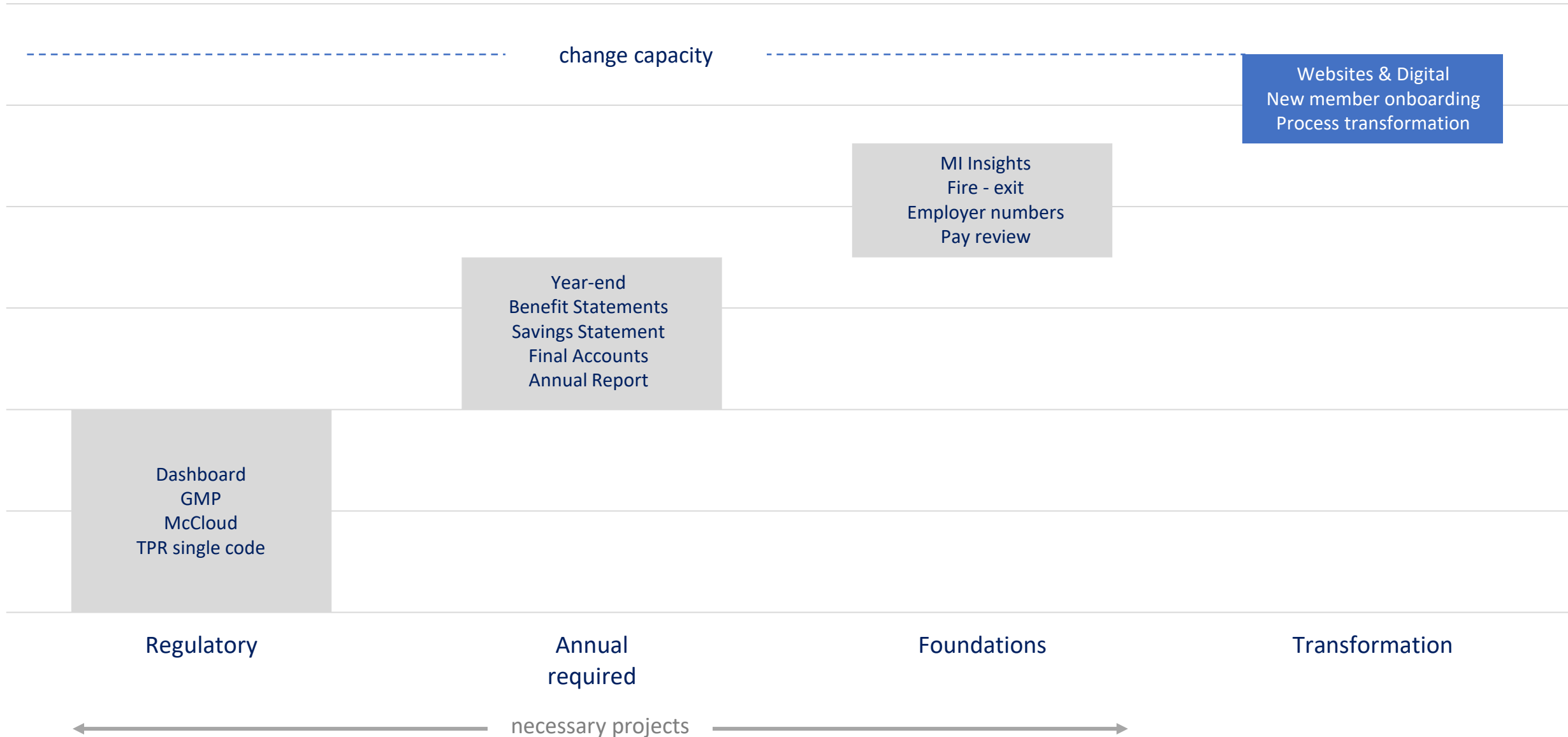
Change Programme

We have developed a change programme of 8 projects

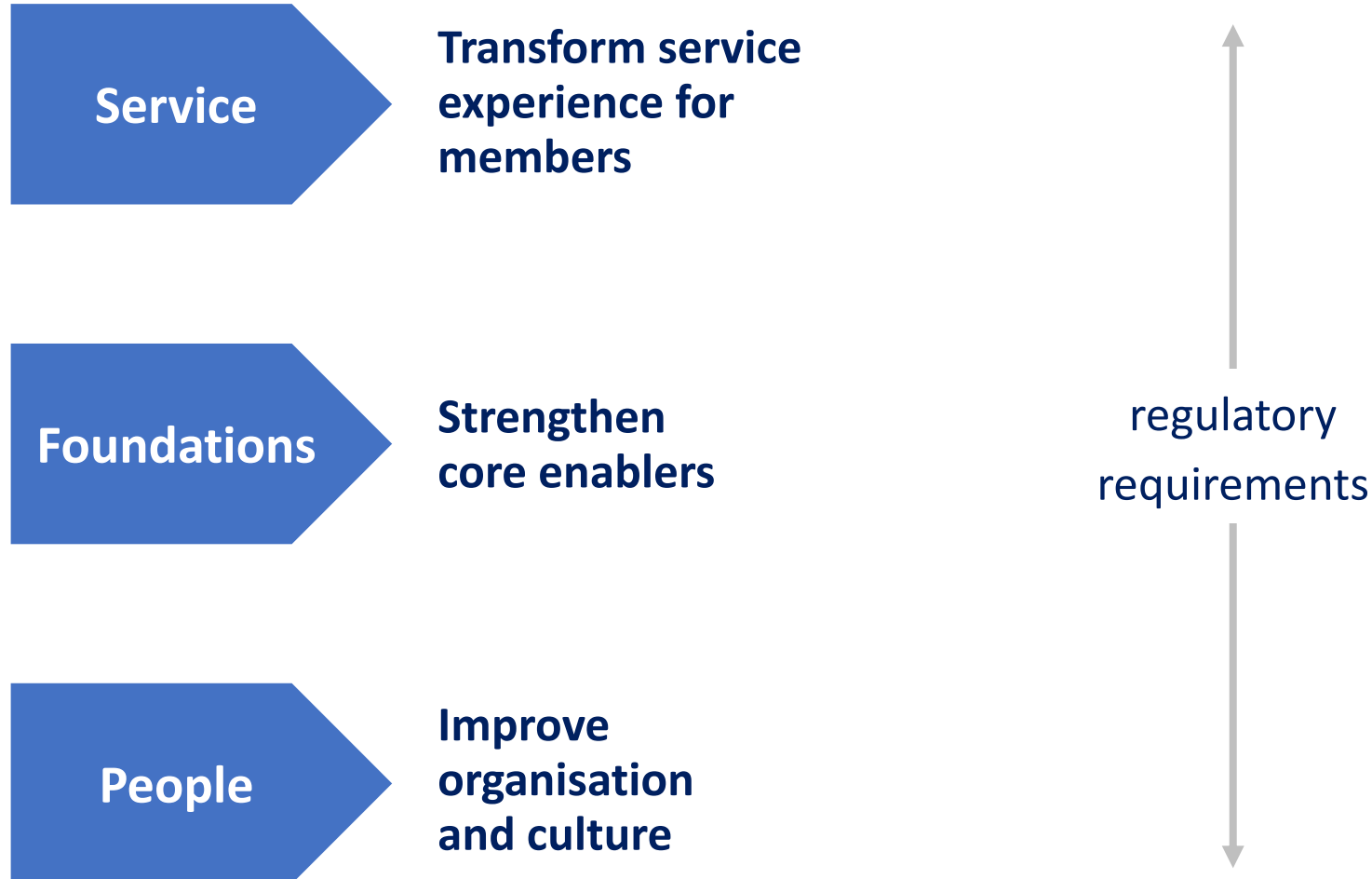


- Clarity of scope – in or out
- Objectives for each project
- Criteria for prioritising
- Clear delivery plan
- Options :
 - scope
 - pace of delivery
 - resource and costs
- Project management skills – training and toolkit

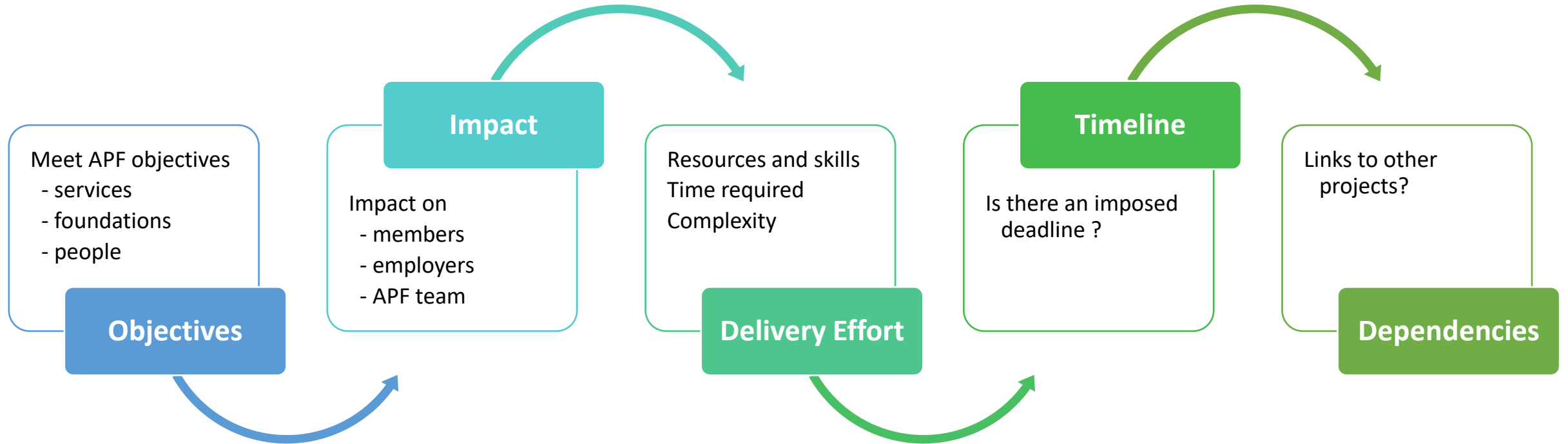
Necessary projects absorb common resources – limiting capacity for transformation



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



Project prioritisation framework

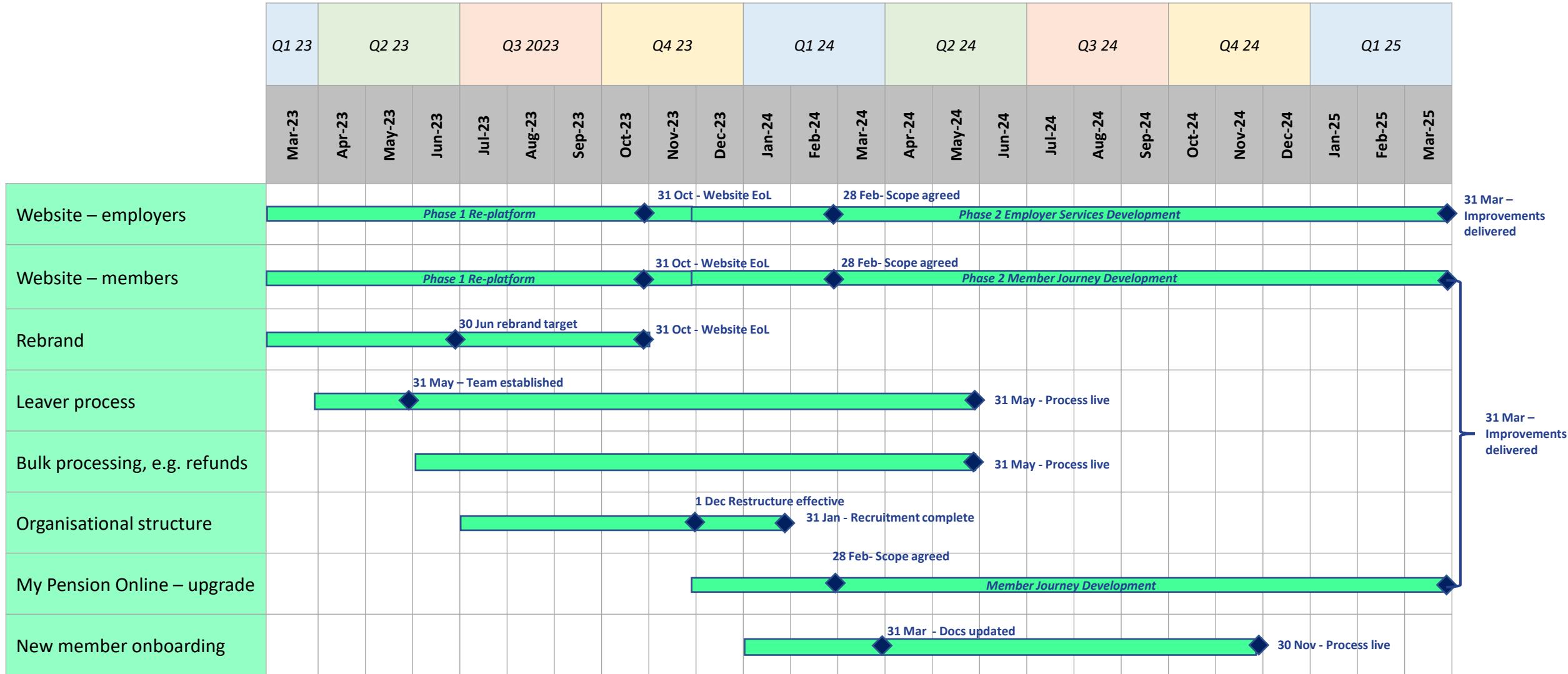


Project prioritisation applied

	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

Plan 2023-25

Transformation projects

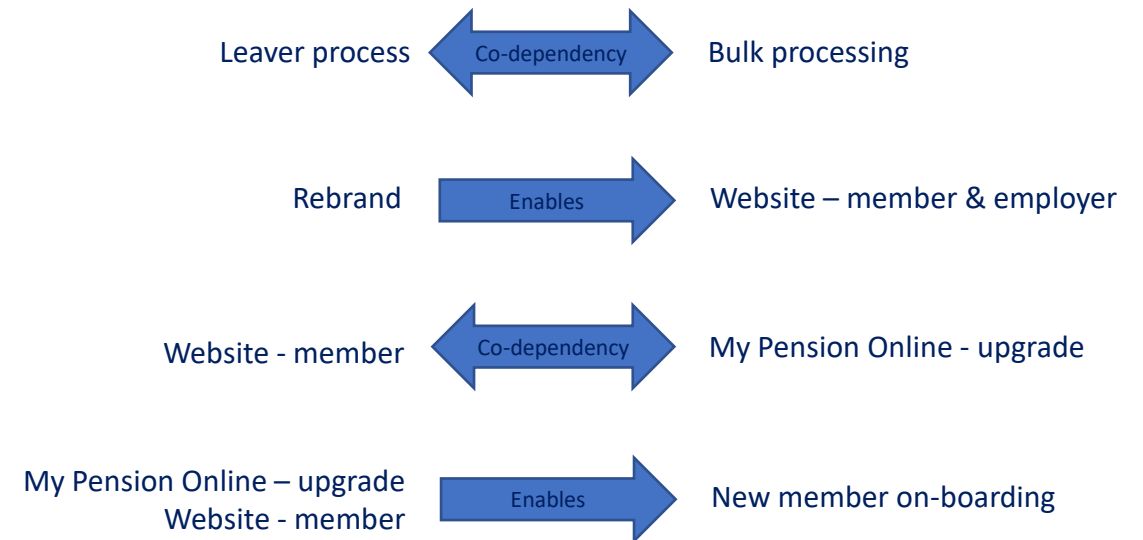


Delivery has dependencies & risks....

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

Project sequencing dependencies

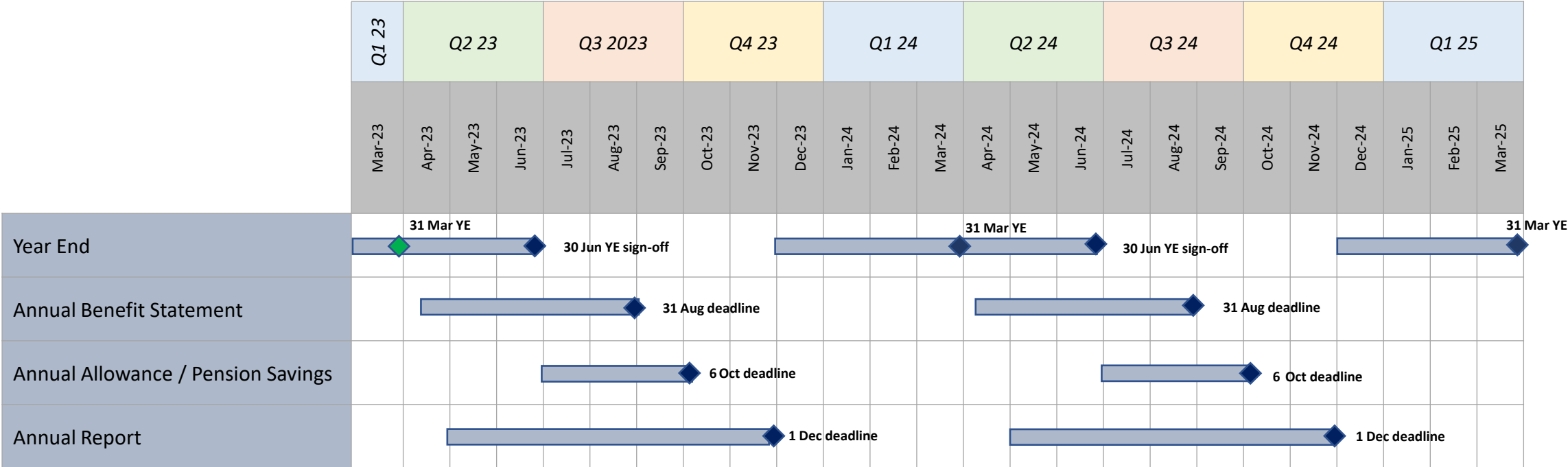


Operational Restructure enables and is a pre-requisite for all transformation projects.

APPENDIX

Plan 2023-25

Obligatory annual projects



Plan 2023-25

Obligatory regulatory projects and foundations

