

Administration Strategic Roadmap 2024-25

Claire Newbery

Pensions Operations Manager



Avon
Pension
Fund



Your pension, your future

Agenda



Look back over last 12 months – and progress made

Next 12 months 2024-25

Strategic Roadmap

Look back over last 12 months



2023 state and what we have achieved



2023 State

Service quality below standards and backlogs



High vacancy rate c.16%



Multiple planned projects



Limited MI



Increasing volumes of data (i-Connect)



Limited digitalisation



What we have achieved

- ✓ Stabilised service and building enablers for future improvement
- ✓ Focus on backlog resolution and oldest cases
- However service quality remains materially below target standards

- ✓ Salary review with Aon complete – market supplements applied
- ✓ Improved recruitment process (support from Aon & BANES)
- ✓ Key posts recruited for – and temporary positions made permanent
- ✓ Extended training team from 1 to 2 FTE's
- ✓ Vacancy rate in Q1 2024 of 9%

- ✓ Launched new member website and new brand in Q1 2024
- ✓ Exited from Avon Fire Scheme – team now fully LGPS focused
- ✓ Moved AVC Provider from Aviva to L&G

- Improved MI which is now informing operational decisions
- Now embedded in day-to-day decisions

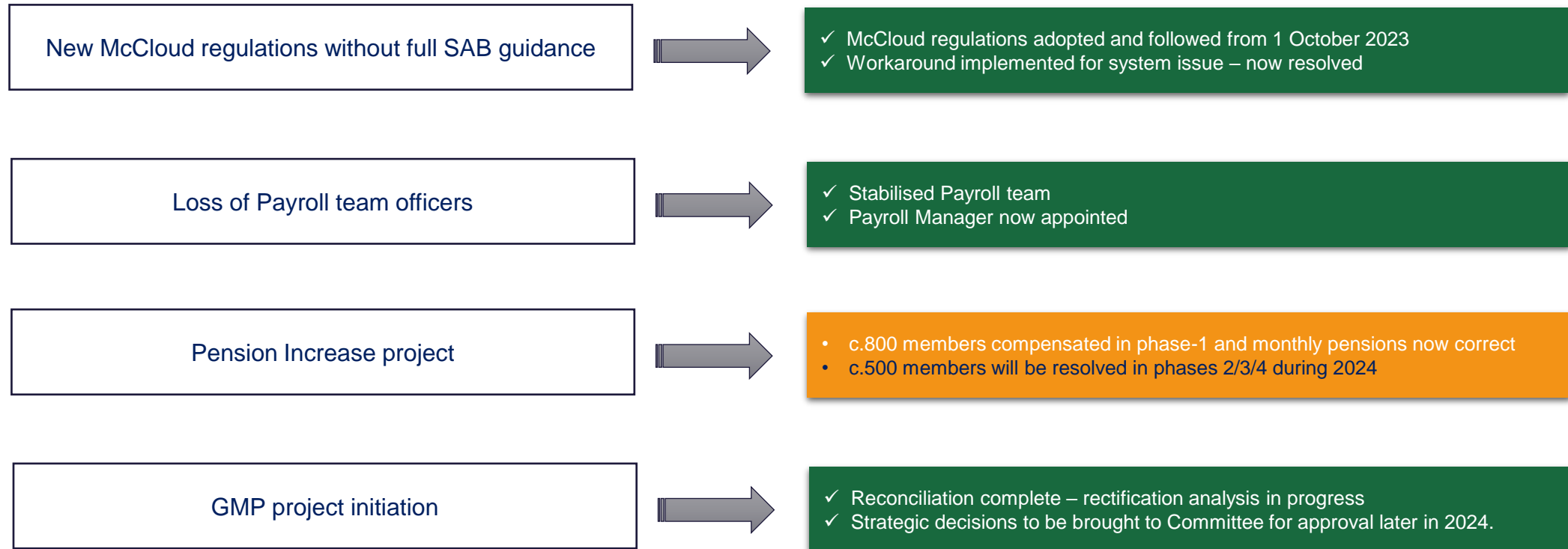
- ✓ Digital Services team created
- Though iConnect data not fully automated with significant manual work

- ✓ New member website has improved webforms for member contact
- ✓ Removed duplication from leaver process
- ✓ Much more to do – but we have started the digital journey

New challenges in 2023 and what we have achieved

New Challenges in 2023

What we have achieved



Work in progress

- Service levels have stabilised – but remain well below required standards
 - though good progress addressing older backlogs and using improved MI.
- Resource constraints prevented Employer website and Bulk processing projects from progressing.
- The Fund continues to build service enablers: people capacity, skills, technology

Next twelve months 2024-25



Objectives



- Compliant with regulations
- Enablers for future service improvement
- Improve members' service experience
- Greater operational efficiency

Compliant with regulations

| | |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pension Increase issue | <ul style="list-style-type: none">▪ Ensure annual PI run is operating correctly▪ Complete phases 2-4 to resolve remaining c.500 members |
| McCloud | <ul style="list-style-type: none">▪ Continue to apply McCloud rules to new retirements▪ Remedy historic cases (existing retirements) |
| Guaranteed Minimum Pension | <ul style="list-style-type: none">▪ Analyse and rectify GMP cases to finalise affected members' income |
| Pensions Dashboard | <ul style="list-style-type: none">▪ Cleanse APF member records▪ Procure ISP data hub required to link with Dashboard |
| Annual obligations | <ul style="list-style-type: none">▪ Annual Benefit Statements▪ Pensions Savings Statement▪ Annual Report |

Enablers for future service improvement

| | |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capacity & Skills | <ul style="list-style-type: none">▪ Recruit to full capacity in current structure of 87 FTEs▪ Train all new recruits to maximise their skills and effectiveness |
| Organisational Structure | <ul style="list-style-type: none">▪ Complete pay review and new pay framework with Korn Ferry▪ Build new teams, e.g. Business Change▪ Recruit and implement 5 FTE increase in capacity to 92 FTEs |
| Controls | <ul style="list-style-type: none">▪ Review controls and reconciliations across administration▪ Implement proportionate controls to improve efficiency and reduce operational risks |
| Admin Strategy | <ul style="list-style-type: none">▪ Review service targets – to ensure alignment with member needs▪ Gain Committee approval for any changes and implement before end-2024▪ Service Level Agreement with Employers |

Improve members' service experience

| | |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service levels | <ul style="list-style-type: none">▪ Use additional capacity to drive service improvements |
| New members to Avon Pension Fund | <ul style="list-style-type: none">▪ Shorten new joiner letter and apply 'plain English' principles |
| Digitalise key member events & tasks | <ul style="list-style-type: none">▪ Regularly improve capability of avonpensionfund.org.uk▪ Develop My Pension Online – focused on improvements with greatest member impact and gain for operational efficiency |

Greater operational efficiency ...

| | |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New employer website | <ul style="list-style-type: none">▪ Upgrade employer website – to remain supported and resilient▪ Improve capability to automate and enable greater self-serve |
| Payroll | <ul style="list-style-type: none">▪ Implement 'admin-to-pay' to automate all data exchanges between the Altair admin and payroll systems |
| Develop bulk processes for data | <ul style="list-style-type: none">▪ Automate key processes and aggregate tasks into groups which can be managed in bulk |
| i-Connect¹ | <ul style="list-style-type: none">▪ Improve efficiency of data exchange between iConnect and Altair admin system▪ Automate same day post changes for members, e.g. those who change role through promotion in same employer |

Strategic Roadmap



Context for strategic roadmap



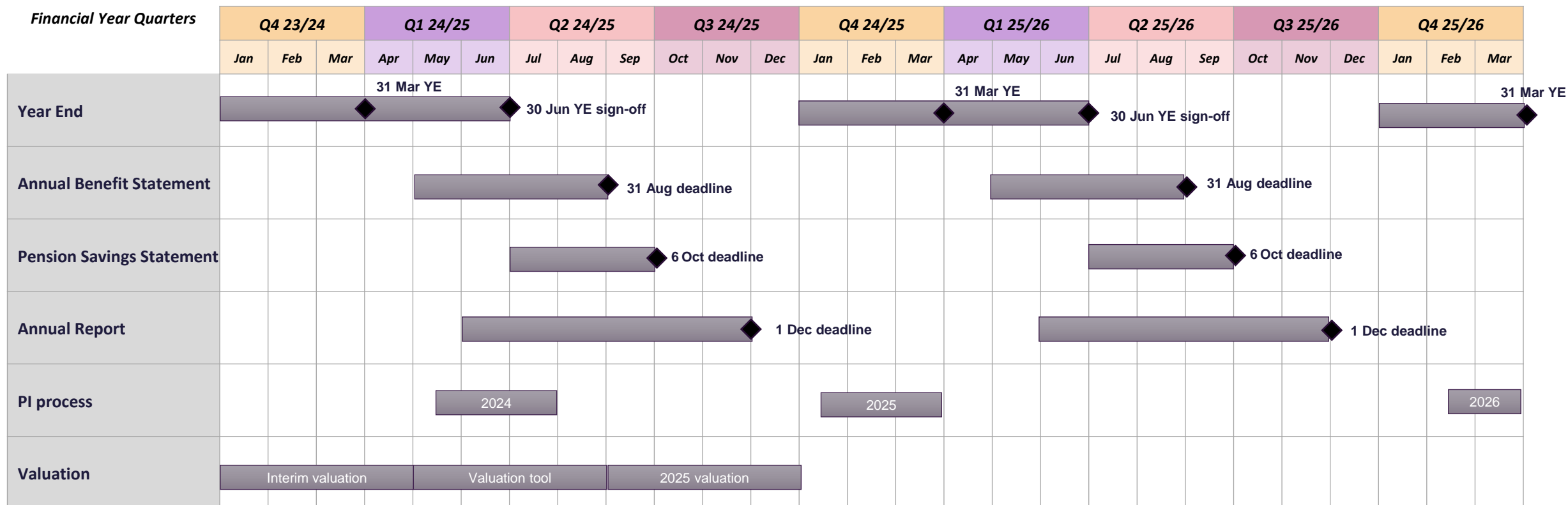
- During 2024 the Administration team will need to deliver regulatory projects – e.g. McCloud, GMP – along with obligations such as Annual Benefit Statements:
 - such projects absorb capacity of experienced resource and limit capacity for transformational change
- New teams – Business Change, Payroll, Digital Services – will progress digital projects starting in the second half of 2024.
- Focus will be on ‘key member events’ – such as joining the fund, retirement – seeking to drive self-serve to improve member experience and the Fund’s operational efficiency.
- For each event, we will assess the end-to-end process and how we transform the whole process across different systems: Altair, iConnect, My Pension Online, Employer website, etc.

Roadmap dependencies



1. Administration team capacity
2. Availability of Financial Systems' team support
3. B&NES Finance improvement programme
4. Organisational Restructure
5. Process control framework

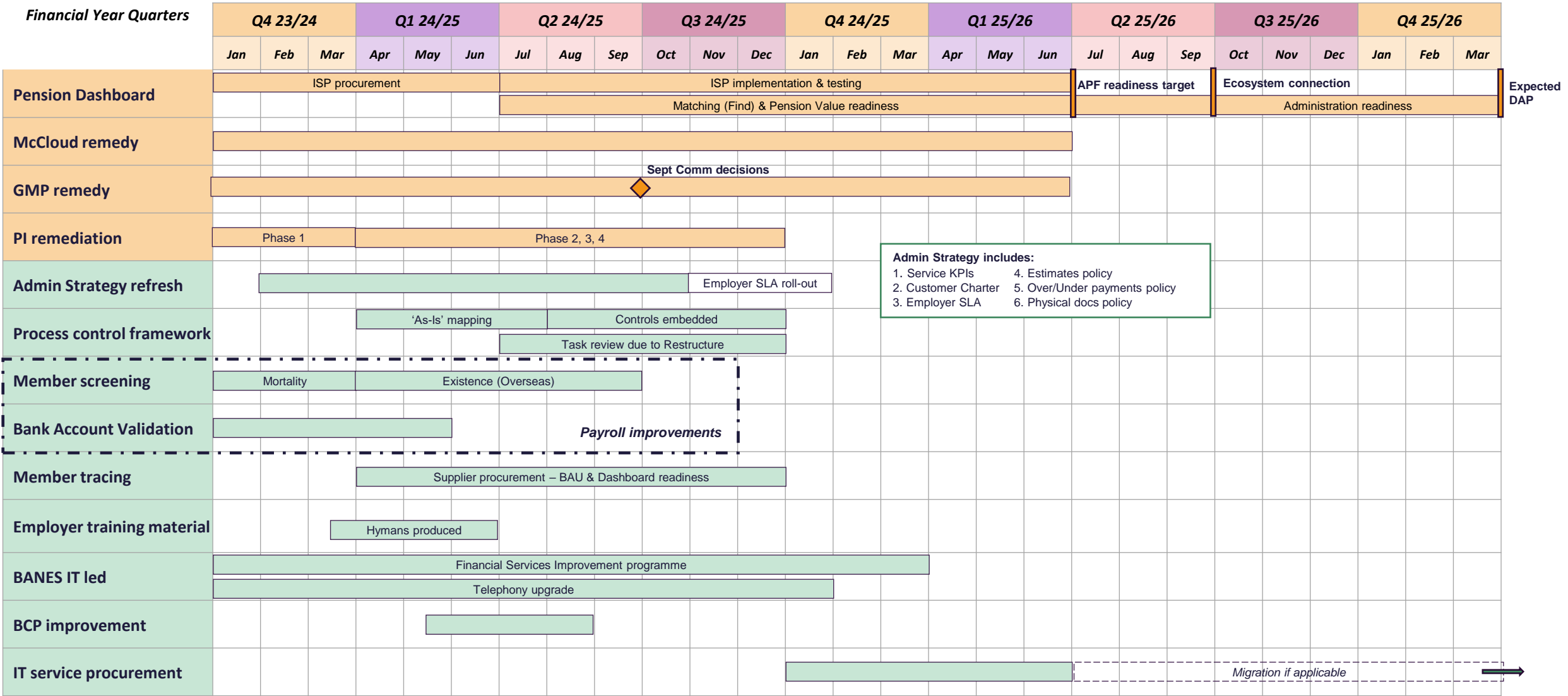
Annual obligatory projects



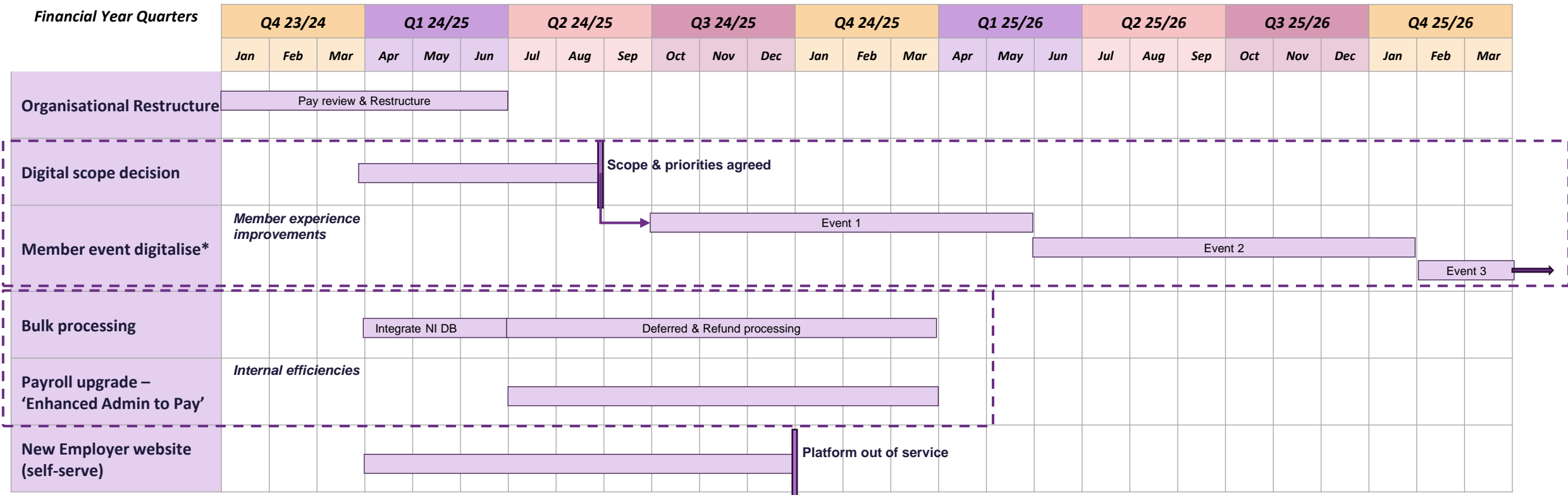
Regulatory & key enablers

Key:

- Regulatory
- Enablers



Transforming

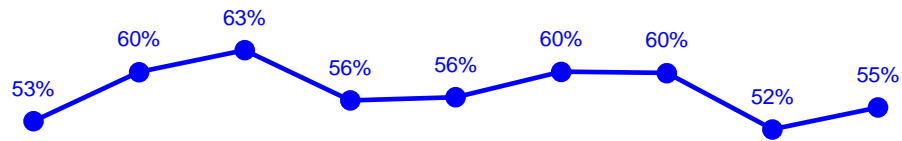


* Tools to be assessed and implemented based on best fit with APF digitalisation approach:

- New Altair & MPO improvements
- Enhanced member website functionality

Aggregate SLA performance is broadly stable – though we have been challenged with deaths & retirements

All KPI Cases
% completed within target times¹

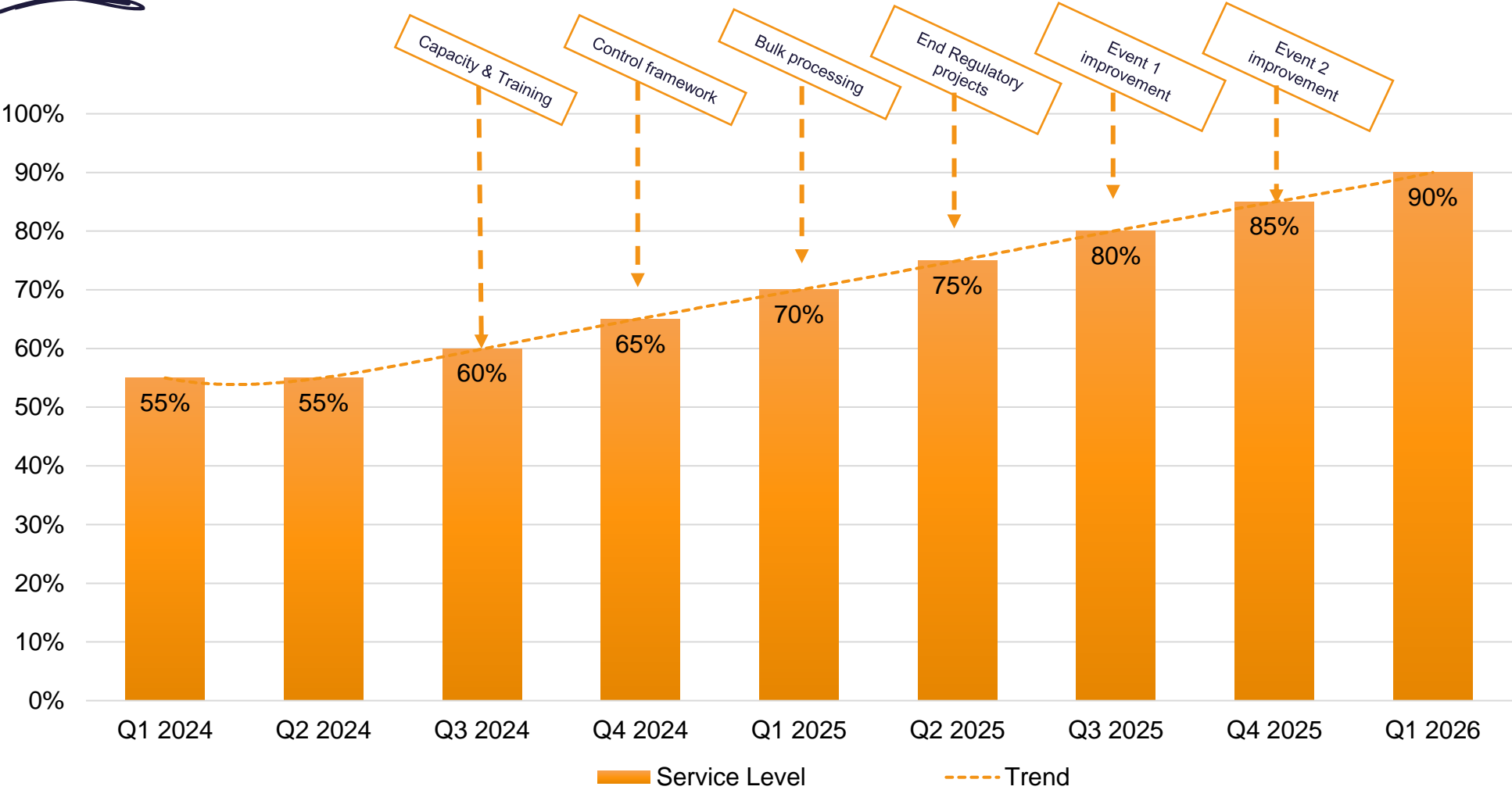


Jun-23 Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24

Individual KPI Cases
% completed within target times

| | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 |
|-------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Death Notification | 25% | 25% | 59% | 68% | 74% | 64% | 92% | 57% | 20% |
| Death - Act/Def/Pen - Payment | 76% | 67% | 87% | 47% | 77% | 79% | 84% | 76% | 68% |
| Retirement (Active) - Quote | 58% | 72% | 37% | 37% | 30% | 25% | 39% | 32% | 37% |
| Retirement (Active) - Actual | 64% | 86% | 60% | 91% | 68% | 73% | 83% | 77% | 76% |
| Retirement (Deferred) - Quote | 83% | 97% | 62% | 36% | 34% | 28% | 38% | 17% | 30% |
| Retirement (Deferred) - Actual | 54% | 78% | 71% | 50% | 90% | 83% | 73% | 52% | 33% |
| Divorce - Quote | | 82% | 100% | 92% | 100% | 67% | 84% | 39% | 78% |
| Divorce - Actual | | 0% | | | 100% | | | 100% | |
| Refund - Quotes | 0% | 24% | 24% | 25% | 5% | 26% | 15% | 31% | 66% |
| Refund - Actual | 50% | 19% | 62% | 89% | 72% | 93% | 37% | 12% | 31% |
| Deferred Benefits | 50% | 72% | 64% | 44% | 34% | 73% | 35% | 35% | 50% |
| Transfer In (Active) - Quote | 0% | 50% | 6% | 50% | 0% | 9% | 19% | 20% | 17% |
| Transfer In (Active) - Actual | | 50% | 56% | 67% | 18% | 54% | 50% | 0% | 29% |
| Transfer Out (Active/Deferred) - Quote | | 45% | 41% | 0% | 22% | 4% | 29% | 14% | 17% |
| Transfer Out (Active/Deferred) - Actual | | 44% | 40% | 0% | 55% | 94% | 100% | 100% | 100% |
| Employer Estimate - Quote | 74% | 67% | 100% | 79% | 60% | 54% | 50% | 93% | 89% |
| Member Estimate - Quote | 78% | 99% | 98% | 81% | 83% | 92% | 88% | 94% | 99% |
| Joiner | 82% | 98% | 98% | 98% | 96% | 99% | 99% | 93% | 100% |
| SLA Performance - average | 53% | 60% | 63% | 56% | 56% | 60% | 60% | 52% | 55% |
| SLA Performance - death & retirement | 65% | 75% | 55% | 48% | 49% | 57% | 65% | 40% | 39% |

Service performance – plan SLA improvements over 2024-26



Thank you



If you have any questions please contact:

Claire Newbery

Pensions Operations Manager

Claire_Newbery@bathnes.gov.uk

Avon
Pension
Fund



Your pension, your future