



Report to Pension Fund Board

Date: 13 December 2023

Title: Internal Administration Benchmarking

Author and/or contact officer: Sam Price, Assistant Pensions Administration Manager

Recommendation: The Board is asked to **NOTE** the content of this report.

Executive summary

1.1 This report is to provide this Board with an annual comparison against measures including; staffing, scheme membership, costs & workload. These comparisons are year on year against the performance of the Buckinghamshire Pension Fund itself.

This report covers the 2022/2023 year along with the previous 2 years.

Content of report

1.2 This report will cover the following sections

Section 1: [Staff Related Measures](#)

Section 2: [Scheme Membership](#)

Section 3: [Cost Measures](#)

Section 4: [Workload Measures](#)

Staff Related Measures

This section covers measures relating to the analysis of staff numbers by team, salary, pensions work experience & sickness.

Current team structure

The Pensions & Investments team structure was reviewed, and a new structure was in place from April 2019 with two functions: Pensions Administration & Investments.

The Pension Administration team is headed up by the Pensions Administration Manager & Assistant Pensions Administration Manager and then split into 4 sub-teams with one further stand-alone roles. Each of the four sub-teams are led by Senior Officers.

Benefit Administration – This team is responsible for the processing of all member benefits including responding to general queries, creating & maintaining member records and all calculations.

Employer Liaison – The Employer Liaison team are the first point of contact for all employer queries & training. The team is also responsible for monthly reconciliation of data submitted by employers via i-Connect and ensuring that data on records is accurate so that annual benefit statements can be issued.

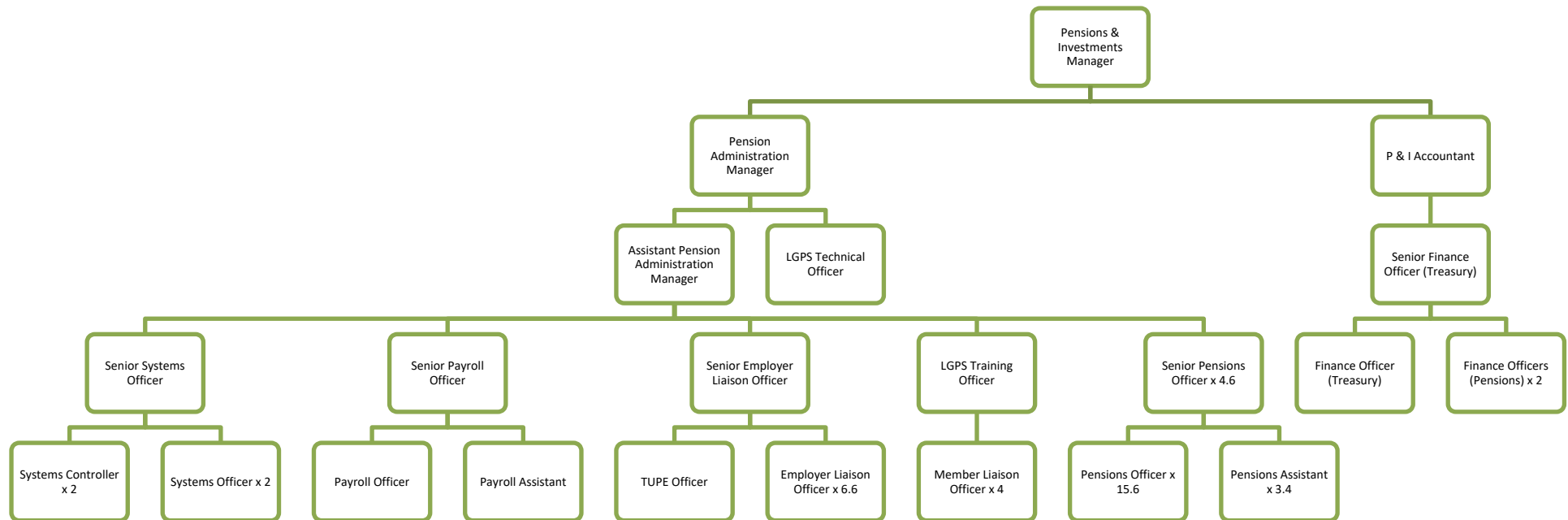
Systems – The systems team are responsible for the pensions software system including maintaining, updating and development. They are also heavily involved in the uploading of annual returns, issuing annual benefit statements, i-Connect & triannual valuations.

Payroll – this sub-team is responsible for creating & processing payments including the monthly pensioner payroll & immediate payments. The payroll team also deal with any queries relating to pensions in payment as well as processing any changes.

Stand-alone roles – LGPS Technical Officer

The following page provides the current Pensions & Investment Team structure.





The following table gives a breakdown of staff FTE levels within each sub-team for the past three years'. There only change to the structure over 2022/23 was the removal of a fixed term post covering maternity leave.

	2020/2021	2021/2022	2022/2023
<i>ADMIN</i>			
Management	2	2	2
Benefit Administration	23.6	29.6	28.6
Employer Liaison	7.6	7.6	7.6
Systems	5	5	5
Payroll	3	3	3
Stand-alone posts	1	1	1
Total Admin	42.2	48.2	47.2
<i>NON-LGPS ADMIN</i>	0.9	0.9	0.9
Total	43.1	49.1	48.1
Agency Staff			

The table below provides details of staffing changes over 2022/2023.

Vacant posts at 31 st March 2022	2
Total FTE posts in the structure at 31 st March 2022	49.1
New posts created during 2022/23	0
Posts removed during 2022/23	1
FTE changes to existing posts in the structure	0
Total FTE posts in structure at 31st March 2023	48.1
Vacant posts at 31 st March 2023	1.4

The following tables provide details of staffing in terms of salary, experience and sickness levels.

Salary	2020/2021	2021/2022	2022/2023
Less than £20,000	0	0	0
£20,000 - £25,000	22.8	16.2	7
£25,000 - £30,000	9.6	17.2	25.4
£30,000 - £40,000	8.6	13.6	13.6
£40,000 - £50,000	1	0	0
£50,000 - £70,000	1.1	2.1	2.1
More than £70,000	0	0	0
Total	43.1	49.1	48.1

We are highly focused on staff training to increase knowledge and also ensuring staff are motivated in order to retain staff and increase staff experience in terms of the number of years within the team. The experience of the team in terms of years is increasing & we hope that this will continue.

Experience	2020/2021	2021/2022	2022/2023
Less 1 year	2	10.8	3
1 year – 5 years	23.8	18.4	20.8
5 years – 10 years	9	12.2	16.6
10 years – 15 years	3.4	2.4	1.4
More than 15 years	4.9	5.3	6.3
Total	43.1	49.1	48.1

Staff sickness levels had been a concern in previous years but have been improving overall over the past 3 years in particular with the long-term absence. There was an increase in the average short term sickness absence and the management team has continued to address any issues and manage staff sickness in line with the Buckinghamshire Council Health & Attendance policy.

Average days per FTE	2020/2021	2021/2022	2022/2023
Short-term sickness	2	2	4
Long-term sickness	6	5	2

Scheme Membership

Three-year analysis of scheme membership

Type of Membership	2020/2021	2021/2022	2022/23
Active	25,577	25,816	25,127
Deferred	30,881	32,192	33,082
Pensioners	18,509	19,309	20,006
Dependants	2,508	2,658	2,762
Frozen refunds*	4,690	5,241	5,230
Undecided leavers**	1,388	594	566
Total	83,553	85,810	86,773

*Frozen refunds are where a member holds an entitlement to a refund, have been advised of this but a yet to claim payment

**Undecided leaver is where we are aware that a member has left employment, but we are yet to receive the necessary information from the employer to calculate the deferred benefit.

The following table provides a staff to fund member ratio based on the pensions administration team. The number of scheme members per FTE admin staff member reduced in 2021/22 due to the additional posts added to the structure and increased slightly in 2022/23 due to the removal of a fixed term post.

Type of Membership	2020/2021	2021/2022	2022/2023
Active	1:599	1:536	1:523
Deferred	1:866	1:789	1:824
Pensioners	1:493	1:455	1:482
TOTAL	1:1959	1:1780	1:1838

Cost Measures

The table below provides an analysis of cost per member of administering the Local Government Pension Scheme. This is further broken down to show the costs of staff costs and Heywood (software provider) as these are the highest two costs.

Based on Administration costs (excluding investment & Oversight and Governance costs)

Type of Membership	2020/2021	2021/2022	2022/2023
Total	£26.64	£27.93	£32.17
Active	£8.15	£8.40	£9.31
Deferred	£11.78	£12.38	£14.41
Pensioners	£6.70	£7.15	£8.45

Staffing costs –These costs include all staff who administer the scheme

	2020/2021	2021/2022	2022/2023
Total staffing costs	£1,553,127	£1,658,010	£1,814,479
Total cost per scheme member	£18.59	£19.32	£20.91

Heywood Costs – Heywood costs include all costs incurred from Altair (pensions software system) including fees for maintenance, development & consultancy along with charge's for i-Connect.

	2020/2021	2021/2022	2022/2023
Total pensions software system costs	£408,237	£513,695	£713,668
Total cost per scheme member	£4.89	£5.99	£8.22

Workload Measures

The Pension Administration team work from a workflow-based system with each piece of work being an individual workflow called a case. Cases are created on a daily basis as a result of a member request or being advised by an employer that a member is leaving/retiring. The team works through outstanding tasks on a daily basis in order to complete within the relevant turnaround times.

The following table provides an overview of all cases that were created & completed during 2022/23 in comparison to the previous two years.

	2020/2021	2021/2022	2022/2023
Cases outstanding at the beginning of the year	5,481	4,547	2,395
New cases created during the year	38,797	41,473	61,030
Cases complete in the year	39,731	43,625	60,769
Cases outstanding at the end of the year	4,547	2,395	2,656
Cases complete as a percentage of cases due	90%	95%	96%

From the information above, the new cases created during the year has continued to increase, although the increase was significantly higher than previous years. This is as a result of employer data being submitted via i-Connect and procedures within the team being reviewed to implement monthly data reconciliation.

We also find it useful to keep track of the average number of cases per admin staff member. In previous years, this figure was quite high and had reduced over 2019/20 to what we feel is a more manageable level. This did increase over 2020/21 which was the basis for an additional Pensions Officer post which was added to the structure in 2021/22. A further increase can be seen over 2022/23. This increase is as a result of new monthly reconciliation checks that now take place following employer monthly submissions via i-Connect and other changes to procedures.

	2020/2021	2021/2022	2022/2023
Average cases per admin staff member	1,049	955	1,344

Other options considered

1.3 N/A

Legal and financial implications

1.4 N/A

1.5 N/A

Consultation and communication

1.6 N/A

Next steps and review

Board policies are reviewed annually.

Background papers

N/A

Your questions and views (for key decisions)

If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk]

