

From: Corporate Director of Finance
 To: Pension Board – 12 February 2021
 Subject: Pensions Administration
 Classification: Unrestricted

Summary:

This report brings members up to date with a range of issues concerning the administration of the Kent Local Government Pension Scheme (LGPS).

Recommendations:

The Board is recommended to note the report.

REPORT SUMMARY

- i) Number of tasks completed in the 6 month period to the end of September 2020 has fallen when compared to previous years due to changes in working conditions as a result of Covid-19
- ii) Key Performance Indicators in some areas have also been impacted by the change in working conditions.
- iii) The section met its' statutory requirement to send updates to deferred and current members of the scheme by the statutory deadline.
- iv) A contract with an external company to help with backlogs of work is now in place.

1. WORKLOAD POSITION

Tasks completed in key areas between April and September 2020 and comparison with previous 4 years

	TOTAL	Retirement Benefit	Correspondence	Estimate Retirement Benefit	Dependant Benefit	Deferred Benefit	Divorce	Transfer/ Interfund In	Transfer/ Interfund Out
April-Sept 2020	6,770	1090	2200	1840	230	860	150	100	300
2019 - 2020	19,520	2480	4280	3900	450	6680	350	490	890
2018 - 2019	18,120	2590	5790	3680	530	3910	400	430	790
2017 - 2018	14,290	2010	5340	3030	580	1720	330	420	860
2016	13,840	2240	5370	3150	410	1360	380	290	640

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2017									

Numbers rounded to the nearest 10 for clarity

- 1.1 The above table shows that in the 6 months to September 2020 the number of tasks completed has fallen. This is due to the change in working conditions due to Covid-19, periods when staff were unable to work due to lack of IT equipment to work from home and other staff unable to work from home due to caring responsibilities.
- 1.2 The areas of work highlighted as priority, calculation and payment of retirement benefits and dependant benefits, dealing with correspondence and estimates of retirement benefits show levels comparable with previous years however the other categories have fewer cases completed.
- 1.3 During the 6 month period we met our statutory requirement to send annual updates to 38,260 deferred members and Annual Benefit Illustrations to 48,600 current members of the scheme.

2. ACHIEVEMENTS AGAINST KEY PERFORMANCE INDICATORS (KPIs)

KPIs in key areas between April and September 2020 and comparison with previous 4 years

	Calculation and payment of retirement benefit	Response to correspondence	Calculation of retirement benefit estimate	Calculation and payment of dependant benefit
KPI	20 days	15 days	20 days	15 days
April-September 2020	94%	99%	64%	100%
2019/2020	97%	100%	90%	93%
2018/2019	96%	100%	72%	97%
2017/2018	98%	99%	72%	99%
2016/2017	95%	99%	67%	95%

NB. All target turnaround times commence when we have all the necessary documentation to complete the particular task. Requirement to complete 95% of the recorded KPI tasks, within the agreed target turnaround times

- 2.1 The table of our performance against our target key performance indicators also reflects the problems we have experienced during the 6 month period to September 2020 as detailed in paragraph 1.1.

3. CLEARANCE OF UNPROCESSED CASES

- 3.1 As reported previously to the Board due to various issues since the introduction of the CARE scheme in 2014 backlogs of certain areas of pension work have built up. Agreement was given by the Superannuation Committee for a call-off from the Norfolk framework to contract with an external company to help with the clearance of the backlog. The need for this was further highlighted by a letter from the Government Actuary Department in April 2020, following the submission of our data for the whole LGPS scheme valuation in 2019, highlighting that in some areas Kent's data compared unfavourably against other

funds and they were seeking to see an improvement in the Kent Fund's unprocessed leavers.

3.2 On 4 August 2020 a contract was signed with Independent Transition Management Limited (ITM) to clear 17,000 tasks in a 17.5 month period ending January 2022.

3.3 ITM have assigned 6 of their team to work on the project exclusively together with supervisors, a project manager and a data analyst.

3.4 The ITM staff have received training remotely from KCC staff and are progressing well. Their preliminary work has largely revolved around the review of the 17,000 tasks to quantify the numbers of cases that cannot progress due to missing data from employers and to liaise with employers regarding the submission of the data.

3.5 As at 31 January 2021 ITM had completed 1,700 tasks

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