

From:	Chairman Superannuation Fund Committee Corporate Director of Finance
To:	Superannuation Fund Committee – 23 June 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 Committee is recommended to note the report.

REPORT SUMMARY

- i) Number of tasks completed in the 2020/2021 has fallen when compared to previous years, mainly 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 and continue to be impacted
- iii) Our administration cost per scheme member for 2019/2020 remained just below the average when compared to other authorities

FOR INFORMATION

1. WORKLOAD POSITION

Tasks completed in key areas in 2020/2021 and comparison with previous 4 years

	TOTAL	Retirement Benefit	Correspondence	Estimate Retirement Benefit	Dependant Benefit	Deferred Benefit	Divorce	Transfer/ Interfund In	Transfer/ Interfund Out
2020 - 2021	14,320	2300	4540	3830	500	1750	320	310	770
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 -	14,290	2010	5340	3030	580	1720	330	420	860

2018									
2016	13,840	2240	5370	3150	410	1360	380	290	640
-									
2017									

Numbers rounded to the nearest 10 for clarity

1.1 The above table shows that during 2020/2021 the number of tasks completed across the key areas remained fairly constant, when compared to the previous years, with the exception of the number of deferred benefits completed. In the years 2018/2019 and 2019/2020 the amount of these increased, which in turn increased the overall total number of tasks completed. The main reason for the increase in the previous years was due to help from external companies with the backlog of these cases in preparation for the valuation of the Fund in 2019.

1.2 Another reason for the decline in the number of tasks completed during 2020/2021 was that there were 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. Although these issues improved throughout the year problems still exist with working from home due to systems and connectivity problems which are significantly impacting productivity and our KPIs.

2. ACHIEVEMENTS AGAINST KEY PERFORMANCE INDICATORS (KPIs)

KPIs in key areas in 2020/2021 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
2020/2021	93%	99%	58%	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 2020/2021 as detailed in paragraph 1.2.

2.2 Our KPIs continue to be impacted by these issues and are further impacted at this time of year as staff are also dealing with the year end process leading to the issuing of annual benefit illustrations later in the year.

3. CIPFA BENCHMARKING SURVEY RESULTS 2020

	Kent 2020	Kent 2019	Average of all participants 2020
Total administration costs per scheme member	£19.68	£17.40	£20.16
LGPS members per FTE staff	3,253	3,100	2,781
Payroll costs per pensioner	£8.42	£8.41	£6.05
Membership engagement cost per member	£0.57	£0.55	£2.04

Staff vacancies	16%	-	6%
Staff in training	2%	-	9%

1. The Kent Pension Fund participates in the annual CIPFA pension administration benchmarking survey.
2. The survey in 2020 compared our costs with those of 22 other administering authorities.
3. The table above shows the headline information captured in the survey with regard to our performance against other authorities in a range of administrative areas and 2 categories with regard to staff. I have shown Kent's performance in 2019 for comparison.
4. The results place Kent 8th of the 23 authorities (1st being the lowest) in terms of the cost of administration per member of the scheme. This cost would be above the average if we were fully staffed.
5. As a result of staff shortages each full time equivalent staff member has a higher number of pension scheme members to deal with than the average.
6. Membership engagement costs remain lower than the average. The payroll cost per pensioner is higher than the average and detailed discussions continue with Cantium Business Solutions, who provide the pension payroll function and who have frozen their charge for the last few years. The introduction of member self service, may bring down the costs of providing payslips and P60s to pensioners, which are included in these costs.
7. I believe the results reflect well on our achievements compared to other authorities particularly given, there is no 'quality' measure built into the survey.

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