

From: Corporate Director of Finance  
 To: Pension Board – 18 November 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 months to 30 September 2021 have returned to levels achieved prior to the pandemic.
- ii) Key Performance Indicators in some areas have been severely impacted by the system problems experienced during the 6 months
- iii) System problems stabilise
- iv) Update on Annual Benefit Illustrations and reportable breach
- v) Introduction of Member Self Service

**1. WORKLOAD POSITION**

Tasks completed in key areas in 6 months to 30 September 2021 and comparison with previous 4 years

	<b>TOTAL</b>	<b>Retirement Benefit</b>	<b>Correspondence</b>	<b>Estimate Retirement Benefit</b>	<b>Dependant Benefit</b>	<b>Deferred Benefit</b>	<b>Divorce</b>	<b>Transfer/ Interfund In</b>	<b>Transfer/ Interfund Out</b>
<b>6 mths to 30/09/21</b>	<b>10,070</b>	1290	3710	2480	230	1760	200	60	340
<b>2020 -2021</b>	<b>14,320</b>	2300	4540	3830	500	1750	320	310	770
<b>2019 - 2020</b>	<b>19,520</b>	2480	4280	3900	450	6680	350	490	890
<b>2018 - 2019</b>	<b>18,120</b>	2590	5790	3680	530	3910	400	430	790
<b>2017 - 2018</b>	<b>14,290</b>	2010	5340	3030	580	1720	330	420	860

Numbers rounded to the nearest 10 for clarity

1.1 As at 30 September 2021 the total number of tasks completed was 10,070. If workloads continue at the same level for the remainder of 2021/22 then the total number of tasks completed during the year will exceed those completed in 2020/21 and will be on a par with 2019/20. The reason for the fall in the number of cases completed in 2020/21 was mainly due to staff being unable to work for periods during that year due to the lack of IT equipment.

1.2 During the 6 months to 30 September 2021 there has been a marked increase in the amount of correspondence and requests for estimates of retirement benefits. This could be due to scheme members considering lifestyle changes following the pandemic. The number of deferred benefits completed has already exceeded the amount completed in the previous year. This is mainly due to the assistance we are receiving from ITM limited with dealing with this category of work.

1.3 The number of transfers of pension rights both into and out of the scheme have fallen as these categories of work were not prioritised at the start of the pandemic however a project has now commenced to deal with these cases.

## 2 ACHIEVEMENTS AGAINST KEY PERFORMANCE INDICATORS (KPIs)

### KPIs in key areas in 6 months to 30 September 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
6 mths to 30/09/21	59%	98%	77%	17%
2020/2021	93%	99%	58%	100%
2019/2020	97%	100%	90%	93%
2018/2019	96%	100%	72%	97%
2017/2018	98%	99%	72%	99%

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

2.2 The table of our performance against our target key performance indicators, especially with regard to retirement benefits and dependant benefits, reflects the problems we have experienced during the 6 months to 30 September with connectivity to our hosted pension administration service. Members will recall that I have reported over several meetings the problems that staff were experiencing culminating in a 10 day period in August when productivity slowed considerably. Although these system issues have eased and stabilised at this time we are still suffering the consequences of these earlier disruptions when completing these areas of work within the KPI timeframe.

### **3 SYSTEM AND CONNECTIVITY PROBLEMS**

3.1 Members will recall at the last meeting that I detailed the problems that staff had been experiencing with regard to the slowness of connection to the hosted service.

3.2 Since that time certain staff have been piloting different ways of connecting to the service with the aid of KCC's IT department and Aquila Heywood. The results show that 2 of the 3 methods being trialled are providing the best results with the added advantage that it would appear using these methods means that pension administration staff will be able to access the service from any area in a KCC building rather than being restricted to especially configured areas.

3.3 A decision with regard to the preferred method of connecting will be decided shortly with the agreement of KCC's IT department with all staff moving to this method after this.

### **4 ANNUAL BENEFIT ILLUSTRATIONS**

4.1 Members will recall that at the last meeting I detailed that as the administering authority we had not been able to fulfil our statutory responsibility to provide the non uniformed staff, approximately 3,100 scheme members, employed by Kent Police and the Police and Crime Commissioner, with Annual Benefit Illustrations by the 31 August. The reason that we were unable to provide the Illustrations was that we had not received the data required from Kent Police despite providing extended deadlines for the receipt of this data.

4.2 It was decided by members at the last Pension Board meeting, and agreed at the subsequent Superannuation Committee meeting, that this was a material breach of the pension scheme regulations and as such should be reported to the Pensions Regulator.

4.3 Following the meetings dialogue continued with Kent Police to resolve outstanding issues with regard to the data that was provided and to provide a timetable for the receipt of this data in order that arrangements could be made with our printers to provide Illustrations. Provided all queries are resolved Illustrations will be provided before the Christmas break.

4.4. Letters were sent to both the Chief Constable and the Police and Crime Commissioner explaining the situation and asking them to respond to questions raised by the Board and Committee with regard to what circumstances had caused the data not to be submitted in a timely fashion in 2021 and the steps that would be put in place to ensure that the situation did not occur again.

4.5 When the situation regarding the Illustrations for 2021 has been finalised I will then be in the position to report the breach to the Pensions Regulator and provide an explanation as to how the position has now been resolved.

### **5 MEMBER SELF SERVICE**

5.1 Member Self Service (MSS) is an online secure facility for scheme members to access their individual pension account where they are able to see the current value

of their pension and using pension projectors can model different potential scenarios to see what pension savings they could receive at retirement.

5.2 They can also use MSS to go online to inform us of a change of address or a change to their wishes with regard to any death grant that may become payable.

5.3 Details of how to register for MSS were provided in the deferred benefit updates provided earlier in the year and in the Annual Benefit Illustrations provided at the end of August.

5.4 Currently 786 scheme members have registered to use the service, made up of 425 current members and 361 deferred members. Although this number may appear disappointing a deliberate decision was made to start slowly in order to gauge the impact on team members in resolving registration problems etc however this has proved to be manageable and so in future more prominence will be given to this new service both on our website and in future communications.

5.5 MSS is not currently available to pensioner members but we are looking to introduce this in the future with these members being able to view their payslips and P60s online.

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**November 2021**

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