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| From: | Chairman Pension Fund Committee Corporate Director of Finance |
| To: | Pension Fund Committee – 8 December 2022 |
| 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) for the period 1 August to 31 October 2022.

Recommendations:

The Committee is recommended to note the report.

REPORT SUMMARY

1. Performance Update
2. Staffing
3. Projects
4. Administration Strategy

For Information**1. Performance**

- 1.1 Standards of service levels against some priority cases continues to be high: Death Notifications – 97%, Balance of Death Payments/Recovery of Death Overpayments – 92%, Provision of Retirement Estimates – 92%, Pension Sharing on Divorce – 100%.
- 1.2 The team continue to be impacted by the additional work created at year end from employers submitting late notifications of new joiners and scheme leavers. This has resulted in the number of outstanding cases at the end of the period being higher than at the start.
- 1.3 However, a change to the way in which work is allocated is allowing for the focus of resource on backlog areas which we hope will become evident in future reporting.
- 1.4 Although some lower priority areas continued to struggle to meet minimum targets, the average service level against all targets was 84%.

1.5 The team are continuing to work through the backlog of unclaimed Death Grants which is impacting the service level attainment for these cases. With Payment of Retirement and Survivor Benefits, although not all cases are completed within target, the team always strive to ensure new pensions are set up for the next available payroll run.

2. Staffing

2.1 Recruitment to four Pension Administrator vacancies has been successful and the team are pleased with the standard of candidates that have been successful. The new recruits will join the team on 9 January 2023.

2.2 Phase 1 of the additional recruitment previously discussed with Committee has started in earnest. This includes a Business Support Officer, Team Manager and Pensions Assistants on the Communications & Support Team, a Senior Pensions Programme Manager, a Technical Consultant and two Training Officers. The Committee will be updated at the next meeting of progress, which should be more or less complete by then.

3 Projects

3.1 **Administration System Contract** – A proposal has now been received from the current system provider. The Fund is now taking procurement and legal advice to ensure that we have a practical and pragmatic solution in place well ahead of May 2023 when the current contract expires.

3.2 **Guaranteed Minimum Pension (GMP) Rectification** – The Fund is seeking support for the GMP rectification project, and the tender was recently issued. It is anticipated that evaluation of any submissions will take place on 9 December with Intention to Award letters issued 9 January 2023. The contract will be awarded 23 January with the service due to commence on 1 February.

3.3 **Printing Solution** – Costs have been agreed and a proposal approved by IT colleagues to implement the new printing solution with an external mailing house. We now await the implementation of a print driver to the network so the new service can commence.

3.4 **Telephony Solution** – In evaluating the best solution for the telephony system, a number of quick wins have been identified (and some implemented) which will significantly improve the service which is currently offered to customers calling the team. This should see a reduction in the number of e-mails received as customers have enquiries dealt with more efficiently. There remains a longer-term ambition to develop the offering more, but the team will assess the solutions currently being implemented before reaching any definitive conclusions.

- 3.5 **Annual Allowance** – All Pension Saving Statements were dispatched by the statutory deadline of 6 October 2022. This year saw a 65% increase in the number of statements issued, however the team still delivered all in the same timeframe, which is very pleasing.
- 3.6 **Pensions Dashboard** – Following its earlier consultations, the Department for Work and Pensions has now laid before Parliament its regulations for pensions dashboards. As well as setting out the details of how dashboards will operate and the obligations on schemes, the regulations confirm the staging deadlines where all Public Service Pension Schemes will be required to connect to the initial dashboard by 30 September 2024.

4 Administration Strategy

- 4.1 At the previous Committee meeting, the draft Administration Strategy was presented and agreed as a basis for consultation with Scheme Employers. As a reminder, the document has been created to bring together the employer and pensions team performance expectations in one document.
- 4.2 The document will be presented to employers at the Annual Employer Forum being held on 9 December at Ashford International Hotel. Following this there will be a period of formal consultation with all scheme employers.
- 4.3 After the consultation, the Strategy will be brought back to the Committee for ratification at the next meeting in March 2023. Subject to agreement in March, it is anticipated that the strategy will be implemented from 1 April 2023.
- 4.4 This will also allow the team a period of time to consider and plan how the strategy will be managed and reported on.

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September 2022
