

From: Chairman – Kent Pension Board  
Corporate Director of Finance

To: Kent Pension Board – 12 March 2024

Subject: Pensions Administration

Classification: Unrestricted

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**Summary:**

This report brings Members up to date with a range of matters concerning the administration of the Kent Pension Fund for the period 1 November 2023 to 31 January 2024. The report covers the following areas:

1. Performance
2. Recruitment
3. Breaches of Law
4. Complaints, Compliments and Comments
5. Project Updates
6. Overpayment Recovery and Write Off Limits
7. Communications and Support Update
8. Technical Updates
9. Training and Development

**Recommendations:**

The Board is asked to note the report.

**FOR INFORMATION**

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**1. Performance Update**

- 1.1 Details of the administration casework performance can be found at **Appendix 1.**
- 1.2 During the period 1 November 2023 to 31 January 2024 a total of 14,731 new cases were received by the Pensions team. This is a slight increase of 88 from the previous period. 14,026 cases were completed during the period November to January. An increase of 527 compared to the previous period. This can be attributed in the main to the creation of the 5<sup>th</sup> administration team – the Focus Team – who have been able to dedicate their time to focussing on clearing historic cases or carrying out housekeeping of cases that were open unnecessarily.
- 1.3 The average performance across all casework has increased from 62% to 79% and the number of outstanding cases at the end of the period reduced

from 19,079 to 18,991. This can be attributed in part to newer members of the team increasing and improving their knowledge which increases their confidence and results in them being more productive and effective in their roles.

	<b>Feb to Apr 2023</b>	<b>May to July 2023</b>	<b>Aug to Oct 2023</b>	<b>Nov 2023 to Jan 2024</b>
<b>Cases Open</b>	14,364	16,029	19,308	19,321
<b>Cases Received</b>	16,041	15,526	14,643	14,731
<b>Cases Completed</b>	13,792	11,423	13,499	14,026
<b>Cases Outstanding</b>	15,741	19,085	19,079	18,991
<b>Overall SLA Performance</b>	79%	82%	62%	79%

- 1.4 Officers would like to update Members on three projects regarding the recording and reporting of service levels/performance.
- i) A complete review of all Workflow task creation, service level targets and completion in order to ensure all work is being measured from the correct start and end point.
  - ii) The transition of the current style performance report from the current manual method to an automated method within the Heywood's reporting tool – Insights.
  - iii) The development of a standard performance dashboard which presents information to Members relating to a variety of member outcomes such as inbound calls, service levels, customer satisfaction levels, self-serve levels, first point fix, complaints and Internal Dispute Resolutions.

## **2. Recruitment**

- 2.1 As planned, the five new Pension Assistants mentioned in the previous Pensions Board paper have now joined the Pensions Section. They are being supported by more experienced members of the section and are settling in well.
- 2.2 The secondments reported in November's paper are progressing well. Two colleagues that were on secondment have now accepted permanent roles (one to the role of Communication & Support Officer, the other to the role of Deputy Team Manager). It is intended that should the four other secondments also be successful, permanent appointments will also be offered to these candidates; this would permanently fill vacancies at the level of Pensions Administrator (x3) and Admin Deputy Team Manager (x1).

- 2.3 A permanent Admin Team Manager appointment has been made via the promotion of an internal candidate. This candidate backfills a vacancy that arose because of the movement of a colleague to the newly formed Projects Team.
- 2.4 A handful of vacancies remain in the Communications & Support Team and the Administration Teams that are not currently being covered by secondments. Recruitment campaigns for these roles are proposed for 2024, starting with campaigns to fill the most senior of the roles first, as the number of backfills is likely to increase for the less senior roles, due to internal promotions.
- 2.5 Recruitment activity is also proposed in 2024 to fill new posts created in the Communications & Support Team and Technical & Training Team. These new posts are intended to future-proof the section and are partly in response to regulatory changes where action is required both now and in the future.
- 2.6 A summer recruitment campaign is planned for 2024 to bring in the next cohort of Pension Assistants that demonstrate potential and a willingness to learn. The timing of this campaign is intended to coincide with the release of exam results, where the strongest candidates may not choose to go to university but join Kent Pension Fund instead. As illustrated above, the importance of routinely bringing-in new candidates at this entry level has been hugely beneficial to the Fund. Many of the internal promotions and secondments made over the last 18 months, relate to candidates that joined the Fund in the last 4 years initially as Pension Assistants.
- 2.7 A summary of the recruitment activity over the period (including those due to start in new roles after 31 January) is shown below:

<b>Position</b>	<b>Team</b>	<b>Start Date</b>	<b>Number</b>	<b>External/ Internal</b>
Communications & Support Officer	Communications & Support Team	01/11/2023	1	External
Deputy Team Manager	Administration Team	01/12/2023	1	Internal Promotion
Pensions Assistant	Communications & Support Team	04/12/2023	1	External
Pensions Assistant	Administration Team	04/12/2023	3	External
Pensions Administrator	Administration Team	01/01/2024	3	Internal Secondment
Pensions Assistant	Administration Team	08/01/2024	1	External
Communications & Support	Communications & Support Team	01/02/2024	1	Internal Promotion

Officer				
Deputy Team Manager	Administration Team	01/02/2024	1	Internal Secondment
Pensions Project Manager – Continuous Service Improvement	Projects Team	01/03/2024	1	Internal Promotion
Team Manager	Administration Team	01/03/2024	1	Internal Promotion

### 3. Breaches of Law

- 3.1 Details of identified breaches of scheme Regulations can be found in **Appendix 2**.
- 3.2 B2 has been updated to include the number of members who left the scheme between 1 April 2018 and 31 January 2019, and are yet to claim payment of their refund.
- 3.3 There have been no new breaches reported.

### 4. Complaints, Compliments and Comments

- 4.1 For the period 1 November 2023 to 31 January 2024 a total of 2 complaints, 14 compliments and 25 comments were received into the corporate system called iCasework. These have been summarised below:

	<b>Complaints</b>	<b>Compliments</b>	<b>Comments</b>
<b>November</b>	<b>0</b>	<b>6</b> (x5 good communication x1 helpful staff)	<b>11</b> (x11 poor communication)
<b>December</b>	<b>2</b> (x1 disagreement with decision or policy) x1 service delivery – third party/contracted service provider)	<b>2</b> (x2 good communication)	<b>4</b> (x4 poor communication)
<b>January</b>	<b>0</b>	<b>6</b> (x10 good communication)	<b>10</b> (x1 good communication x1 disagreement with decisions or policies)

			x7 poor communication x1 service delivery – third party/contracted service provider)
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## 5. Project Updates

- 5.1 Projects now successfully concluded include: CEM Benchmarking, Guaranteed Minimum Pension (GMP) Rectification, and the Police Pension Scheme administration exit. CEM will be presenting the results of the benchmarking at a separate item on this agenda.
- 5.2 **Overseas Existence Checks** - Crown Agents Bank (CAB) have been assisting the Fund with this process since November 2023, as part of a pilot exercise. Kent Pension Fund is trialling the use of CAB's digital technology solution to verify proof of life existence amongst overseas pensioners. Since the project began, 400+ overseas scheme members have used the biometric service to verify their proof of life. A further 100+ scheme members have registered to use the new online portal but have not completed the process yet. The option of completion by paper form (and counter signature) is still being offered to scheme members. However, the uptake for paper form completion has been low, with a clear preference for the digital option so far. Chaser emails and letters have been sent to scheme members that have not responded yet. The deadline set is 22 March 2024, after which pension payments will be suspended from April 2024, if no response received. It is expected that a sizable cohort of scheme members will take action to use the online portal and provide proof of life existence after pensions are suspended in April 2024. A helpline number and email has been setup to assist overseas members.
- 5.5 **Enhanced Admin to Pay and Immediate Payments** - this project automates benefit payments and the calculation of pension arrears, streamlining processes. Work on this project has continued as planned. Implementation is scheduled for Spring 2024.
- 5.6 **Telephony** - the Fund's work to be KCC's early adopters has continued. The set-up of technological infrastructure to enable User Acceptance Testing (UAT) is planned for March, whereby a digital test environment will be created. A small project testing team has been established to carry out the UAT. If all goes well with the UAT phase work, implementation of the new telephony system is expected later this year. The telephony solution will enable easier data monitoring and a better call experience for scheme members (i.e. the provision of updates on call queue position, the option for call backs and the provision of signposting for online self-service).

## 6. Overpayment Recovery and Write Off Limits

- 6.1 The number of pension overpayment write offs for the period 1 November 2023 to 31 January 2024 are set out below:

	November 2023		December 2023		January 2024	
	Number	Total	Number	Total	Number	Total
<b>£200-£5,000</b>	36	£17,809.79	15	£6,175.22	26	£10,480.12
<b>£5,000-£50,000</b>	-	-	-	-	-	-
<b>£50,000+</b>	-	-	-	-	-	-

## 7. Communications and Support (C&S) Update

- 7.1 All of the **McCloud** data collected from employers has been transferred to ITM, together with the details of the employers who have not provided a return. ITM will now validate the information and continue to work with the employers who have yet to provide the data.
- 7.3 The team have commenced the testing phase of a project to transition from the current **member self-service** platform to a new and improved platform which will streamline member registrations and account access, provide more robust security, and allow the team to automate more processes.
- 7.4 Member registrations to the current platform are still steadily increasing and the team will progress at speed with the promotional plans once onboarded to the new platform.

	30 Nov 2023	31 Dec 2023	31 Jan 2024
<b>Active</b>	4,813	4,886	5,055
<b>Deferred</b>	2,936	2,993	3,149
<b>Pensioner</b>	3,378	3,479	3,647

- 7.5 A member mailing was sent to all members, advising them of the changes to the regulations due to the **McCloud** ruling. The letter reminded active and deferred members that the Fund will be changing to **digital methods** as default for communication in the future. The final notification to active members will be issued in March, with the 2024 Annual Benefit Illustrations (ABIs) being issued electronically. The final notification to deferred members will be issued with the 2024 ABI. All members have been reminded that they can request to remain receiving paper communications, if they wish to do so.
- 7.6 The team attended the **Beyond Schools Trust Wellbeing Inset Day** on 24 November.
- 7.7 The team hosted a webinar on '**Member Self Service**' to members on the 28 November. Future webinars will be arranged for the upcoming period.

- 7.8 The team started preparation for the **Year End** exercise, the updated training videos were recorded, and all website information was updated in preparation.
- 7.9 The team provided a series of **training sessions** to employers.
- 7.10 **i-Connect** onboarding of Kent Schools is going well, and the team are assisting other employers with their ongoing queries.
- 7.11 Discussions are continuing with employers with the aim to onboard them onto i-Connect in April 2024.

## **8. Technical Updates**

- 8.1 **McCloud Ruling and the remedy in the LGPS** - The main focus of the Technical Team over the period has been the implementation of the McCloud remedy.
- 8.2 Since November 2023 there has been further guidance issued by the Local Government Association (LGA) in the form of administrator guides and online workshops. The Technical Team have also engaged with Heywood to learn about the progress with software updates.
- 8.3 On the 8 February the full administration team attended a training day in Maidstone to learn more about how the remedy will impact scheme members and to look at how the administration software will deal with calculating member benefits.
- 8.4 The day was led by the Technical Team and comprised two parts; the morning was spent listening to a presentation on the McCloud remedy by Aon. The team then spent the afternoon working through practice scenarios on the pensions database to understand the calculations and output that the software will use to deliver the remedy.
- 8.5 In preparation for this day a significant amount of work had to be done by the Technical Team to configure and understand the software updates.
- 8.6 **Lifetime Allowance** - In the Spring Budget 2023 the government announced its intention to abolish the Lifetime Allowance from 6 April 2024.  
  
Following consultations during 2023, the legislation to fully abolish the Lifetime Allowance is now passing through Parliament as part of the Finance Bill 2023-24.  
  
The Technical Team are currently reviewing the draft legislation and preparing for the expected changes from April 2024, which includes updating letters and forms as well as staff training. It is anticipated that the final legislation will not be in place until close to April which will present a challenging timescale.
- 8.7 **Review of Additional Pension Contributions (APC)** - Following the updated actuarial guidance that was issued in 2023, the Technical Team have had to undertake a review of all APC contracts being paid by scheme members. This review must be completed ready for 1 April 2024.

8.8 Due to the guidance in place, adjustments have had to be made to any active APC contract and this has seen the rate of contributions increase in all cases. This exercise requires a manual calculation to be undertaken in each case.

## 9. Training and Development

9.1 Four members of the team have commenced the **CIPP- Certificate in Pensions Administration**. This is a 9-month course consisting of 7 modules with 6 assignments and 1 exam using an online learning platform. The course covers an overview of UK pension schemes, providing pension scheme information, creating and maintaining pension scheme member records, transferring into and out of pension schemes, handling changes in members' circumstances, payment of scheme benefits to pensioners, working as a member of a pension team.

9.2 Training figures for the period 1 November 2023 to 31 January 2024:

In house training sessions	41
Sessions led by Training Officers	28
External LGA training	6 members of staff

9.3 The numbers appear lower than for last period due to the seasonal break, and priority had to be given for the following areas:

- Pension Assistants appointed on secondment to Pension Administrator roles commenced from 1 January 2024.
- external appointments to Pension Assistant roles; 4 commenced in December and 1 in January 2024.

9.4 **National LGPS qualification led by the LGA** - Following the working groups attended by the Technical Team last year, a first cohort are due to start the Level 2 'Award in Pensions Essentials' qualification in April 2024. The qualification is being delivered by Barnet Waddingham, and the Fund has two staff members who are joining the first cohort. As this is a pilot group, the Technical Team will be monitoring and feeding back to the LGA during the course of the year on the progress our staff make with this.

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March 2024

Appendix 1 – November 2023 to January 2024 Performance Report

Appendix 2 – Breach of Law Register

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