

To: Kent Pension Board – 4 June 2026

From: Chair – Kent Pension Board
Corporate Director of Finance

Subject: Pensions Administration

Classification: Unrestricted

Executive 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 January to 31 March 2026.

The report covers updates on the following areas:

1. Operations Team
2. Engagement and Systems Team
3. Technical and Training Team
4. IDRPCs, Complaints, Compliments and Comments
5. Overpayment Recovery and Write Off Limits

	Key Highlights	Risks & Areas to Monitor
Operations Team	<ul style="list-style-type: none"> • Consistently high demand across all channels (emails ~5k/month; calls ~1,250/month). • Excellent customer satisfaction (95.6%–98.5%) and strong first-contact resolution (92.7%–98.4%). • Retirements and estimates processing largely meeting KPIs, with notable improvement in deferred estimates. • Strong positive member feedback on service quality and professionalism. 	<ul style="list-style-type: none"> • Callback performance dip in March (79% vs ~100% previously). • Resource constraints and reliance on overtime, particularly in retirement processing. • Transfers & interfunds performance remains weak (often <60% KPIs). • Deaths and survivor case processing below target due to resource gaps and regulatory complexity. • Aggregation backlog due to system “blackout” – significant future KPI impact expected.
Engagement and Systems Team	<ul style="list-style-type: none"> • Stable and strong engagement levels across channels; continued shift to digital. • Growth in MyPension Online (MPO) registrations, particularly among deferred and pensioners. • High website usage (~13–14k 	<ul style="list-style-type: none"> • Scheme-specific data quality fell sharply (97.82% → 83.15%) – requires remediation. • Continued high dependency on member contact channels (digital self-service not yet reducing demand significantly). • MPO query volumes remain high, indicating usability or access

	<p>visits/month).</p> <ul style="list-style-type: none"> • Successful delivery of webinars, workshops, and in-person engagement events. • Year-end processing ahead of schedule with strong return rates (only 2 outstanding). 	<p>challenges.</p> <ul style="list-style-type: none"> • Large-scale iConnect onboarding (147 employers) presents delivery and capacity risk.
Technical and Training Team	<ul style="list-style-type: none"> • Continued progress toward McCloud implementation, including training expansion. • Proactive work on process documentation and system testing. • Creation of Training & Development Manager role to strengthen capability. 	<ul style="list-style-type: none"> • McCloud delays and system dependency (Lumera/Heywood) impacting processing. • Manual calculations increasing processing times and operational pressure. • Ongoing system blackout affecting aggregations and complex case types. • New regulatory changes (survivor benefits & death grants) create: <ul style="list-style-type: none"> • Significant retrospective workloads • Long-term resource and capacity pressure • Dependency on software providers and cross-fund agreement delaying implementation.
IDRP's, Complaints, Compliments and Comments	<ul style="list-style-type: none"> • Very low complaint volumes (only 2 formal complaints). • IDRP activity remains limited and well managed. 	<ul style="list-style-type: none"> • Complaints highlight: <ul style="list-style-type: none"> • Communication gaps • Third-party provider performance issues • Potential for increased disputes linked to McCloud and regulatory changes.
Overpayment Recovery and Write Off Limits	<ul style="list-style-type: none"> • No overpayment write-offs during the period. 	

Recommendation:

The Board is recommended to:

- i. Note and comment on the report

1 Operations Team

1.1 Member Communications Activity (Appendix 1)

- a) Email volumes remain high and stable, with around 4,900 to 5,200 emails triaged monthly.
- b) Outbound email responses are consistent (around 1,700 to 2,000 per month).
- c) Call handling volumes are steady at around 1,250 per month (February figure appears anomalously low).
- d) Returned post remains low (26 to 44 items monthly), with an increase expected in April following the Pensioner newsletter issue

Overall: Demand across all channels remains consistently high, with no significant spikes or declines.

1.2 Telephony Survey – Voice of the Customer (Appendix 1)

- a) Strong engagement levels with around 1,300 to 1,400 qualifying calls monthly.
- b) Around 500+ survey tasks created each month, with around 130 to 150 responses returned.
- c) Customer satisfaction remains very high, with positive feedback between 95.6% and 98.5%.
- d) Queries resolved at first contact are consistently strong (92.7% to 98.4%).
- e) Callback performance dipped in March (79%), compared to near full completion in prior months (99% to 100%).

Overall: Customer experience remains excellent, though March shows a reduction in callback completion that may require monitoring.

1.3 Customer Feedback – feedback continues to be overwhelmingly positive, highlighting

- Staff professionalism, friendliness, and empathy
- Clear and detailed explanations
- Supportive and reassuring approach
- Strong reputation for high-quality service delivery

Overall: The team is highly regarded by members, with consistent praise for service quality.

1.4 Team Performance (Appendix 2)

a) Retirements Team

- Strong KPI performance for core case types:
 - Active/Deferred retirements: 94 to 97%
- Weaker areas: Refund notifications and opt-outs (volatile and below target at times)
- Key issues:
 - Reliance on overtime
 - Resource constraints for checking
 - Processing delays linked to Pensions Increase timing

Trend: Stable but resource-sensitive

b) Estimates Team

- KPI's in a strong position overall
 - Most areas above 90%
 - Deferred Benefit estimates improved significantly (from 69% to 91%)
 - Training and additional resource improved output
 - Reduction in resource may impact sustainability

Trend: Most cases now performing at or above target, although Lost Pension remains a key area for ongoing monitoring

c) Deaths Team

- Mixed performance:
 - Initial death processing strong (around 89% to 94%)
 - Survivor cases below target (from 70% to 86%)
 - Resource shortages (due to annual leave and promotions)
 - New Regulations increasing processing time
 - Pensions Increase downtime disruption

Trend: Under pressure due to structural and regulatory factors

d) Transfers and Interfunds Team

- Consistently weakest KPI area
 - Many measures significantly below target (often <60%)
 - Reduced staffing
 - Complexity of cases and dependencies
 - Reporting issues affecting KPI accuracy (being corrected from April)
 - New Starter performance improved significantly (to around 100%)

Trend: Performance remains a concern, though some improvement areas identified

e) Aggregation Team

- Major operational disruption due to “blackout” (from February onwards)
 - No processing of Aggregation Actuals
 - Case backlog increased significantly
 - Estimates remain strong
 - Actuals and Reversals impacted
 - Ongoing backlog expected to negatively affect future KPIs
 - Some work (C Aggregation) paused due to complexity and manual calculations

Trend: Blackout has distorted all metrics, so whilst performance appears better due to low volumes, KPIs will be negatively impacted once processing resumes.

Backlog Update (Appendix 3) – the backlog support project has a total of 23,013 cases in scope, of which 4,036 cases have been completed and billed, representing 17.54% of the total. Additionally, 4,367 cases have been processed, accounting for 18.98% of the tender. Progress is ongoing across various case types, with the highest completion rate observed in “Leaver – Deferment” cases at 28.07%. However, the blackout period is currently preventing the processing of Aggregation cases, except for certain priority cases.

2 Engagement and Systems Team

2.1 Member Engagement (Appendix 4)

a) Demand remains consistently high across the quarter with:

- Emails: peaked in February (2,073) before a slight dip in March (1,980)
- Calls: stable at c.1,300 per month
- Website visits: steady at around 13,400 to 14,100 per month, with a March peak
- 1:1 visits were minimal (2 across the quarter)
- MyPension Online (MPO) queries averaged around 530 per month, highest in January (586), suggesting continued need for support with digital access

Overall: Engagement levels remain strong and stable, with a continued shift towards digital interaction.

2.2 MyPension Online Registrations (Appendix 5)

- Active members: broadly stable (around 19,200 to 19,900)
- Deferred and Pensioner: show consistent month-on-month growth, indicating improving digital uptake among these groups

Overall: Gradual but positive growth in MPO registrations, particularly among deferred and pensioner members, indicating improving digital engagement.

2.3 Data Quality (Appendix 6)

- Common data: remains strong and slightly improved (98%), exceeding regulatory expectations
- Scheme specific data: has declined significantly from 97.82% to 83.15%. Due to the McCloud blackout, employers submitting data via iConnect couldn't load data until after 31 March 2026. Normally, they would have uploaded their submissions by this date. This has resulted in a significant amount of CARE data not being loaded on 31 March 2026. It will take a couple of months to recover the position and for these scores to improve back to the level seen in the last period. In addition, as Annual Allowance has not yet been run, the 'Pension Input Period' date is not as expected. This position will recover once the Annual Allowance project has been completed.

Overall: While common data quality is stable and high, the drop in scheme specific data requires remediation as detailed above.

2.4 **Webinars and Training Sessions** – since January the team have delivered 3 scheme member webinars and 3 employer workshops. The team also delivered a ‘Lunchtime with Pensions’ in-person session for KCC scheme members. The event was a great success, and the team are now considering extending this to other locations and employers. The team also provided a workshop at a HR Connect Breakfast briefing, and following excellent feedback, have been invited to the next events in June and November.

2.5 **Year End** - the team is working to an earlier deadline for year-end (31 May instead of 30 June) to allow additional time for McCloud data to be included in the production of Annual Benefit Statements. As at 11 May 2026, 365 returns have been received with 2 outstanding. 75.2% of returns received have been processed.

2.6 **iConnect** – The following employers have onboarded during this reporting period:

01/01/2026	Weald of Kent Grammar School (Academy)
01/01/2026	Edenbridge Academy - PAT
01/01/2026	Halstead Primary Academy - PAT
01/01/2026	Ightham Primary Academy - PAT
01/01/2026	Shoreham Village Academy
01/01/2026	Brompton Westbrook Primary School (Academy) - WBT
01/01/2026	Byron Primary Academy - WBT
01/01/2026	St Margarets Infant Academy - WBT
01/01/2026	Oaklands Primary Acad - WBT

A further 147 employers are due to onboard from 1 April 2026.

3 Technical and Training Team

3.1 **McCloud** – the final interface file containing membership data to be uploaded to the administration system is due from Lumera by 12 May 2026. Further training has been provided to more colleagues to assist with the manual calculations. This is causing increased processing times. There has been a ‘blackout’ on certain case types (aggregations and concurrent “combinings”) since February whilst awaiting the final data to be uploaded. The team continue with software testing and are working on processes and procedure notes to assist the operations team once McCloud is implemented.

3.2 **Local Government Pension Scheme in England and Wales: Scheme improvements (access and fairness) regulations laid 1 April 2026:**

- a) The equalisation of survivor pensions retrospective to 2005. This will involve, as well as changes to new cases from 1 April 2026, an extensive exercise to locate and recalculate any cases back to 5 December 2005 which may now come into scope to receive a survivors’ pension or to receive a higher survivors’ pension.
- b) The removal of the age 75 cut off for payment of death grants, again, retrospective to 1 April 2014. This will involve, as well as changes to new cases from 1 April 2026, an extensive exercise to locate and recalculate any cases back to 1 April 2014 which may now come into scope for payment of a death grant.

- c) The section is now processing the above current cases manually in line with the new regulations. The section has to wait for the software provider (Heywood's) to agree a cost for the calculation changes. They must also ensure agreement from all funds using the system on how fees are spent on the updates to the pension administration system. This process is required but creates a delay between the regulations being laid and the software being updated. Administrators are currently calculating these cases manually to ensure compliance with the new regulations. This leads to longer per case administration time.
- d) Retrospective recalculations are currently being identified. The exercises to retrospectively find and recalculate survivors pensions and death grants will be a large amount of work over a long period of time.

3.3 **Training and Development (Appendix 7)**

- a) External course attendance: 2 colleagues attended a LGA Transfer course.
- b) Following a review of staffing levels and training, a new role of Training and Development Manager has been created to increase the focus on training across the section. The recruitment for this role will be undertaken in May 2026.

4 IDRPs, Complaints, Compliments and Comments (Appendix 8)

- 4.1 Over the three-month period, complaint levels remained low, with a total of 2 formal complaints recorded. These primarily related to disagreements with decisions/policies and service delivery issues involving third-party providers.
- 4.2 Overall, while complaint volumes remain low, the data indicates an ongoing need to improve communication standards and monitor third-party service delivery performance.
- 4.3 One new Stage 1 IDRPs was received relating to an appeal against an employer not awarding an ill health retirement.
- 4.4 Four IDRPs were concluded; two were related to employer Ill Health Retirement appeals. One was referred to Stage 2, and one was referred back to the employer. Two related to the administering authority; both were turned down. One was complaining about the impact of taking redundancy in 2014 now that the McCloud ruling has been made, and one was complaining that MyPension Online didn't reflect all contributions paid.

5 Overpayment Recovery and Write Off Limits

- 5.1 There were no pension overpayment write offs for the period.

Appendices:

Appendix One	Operations Team - Communication Updates
Appendix Two	Operations Team - Casework Updates
Appendix Three	Backlog Progress Update
Appendix Four	Engagement and Systems Team – Communications from members
Appendix Five	Engagement and Systems Team – MyPension Online Registrations
Appendix Six	Engagement and Systems Team – Data Quality
Appendix Seven	Technical and Training Team – Training Figures
Appendix Eight	IDRPs, Complaints, Compliments and Comments

Clare Chambers – Head of Pensions Administration – Kent Pension Fund

T: 03000 414773

E: clare.chambers@kent.gov.uk

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