

By: Deputy Leader and Cabinet Member for Finance & Procurement
Corporate Director of Finance & Procurement

To: Superannuation Fund Committee – 10 February 2017

Subject: **PENSIONS ADMINISTRATION**

Classification: Unrestricted

Summary: To set out the planned restructure of the Pensions Administration section.

FOR DECISION

INTRODUCTION

1. KCC Finance and Procurement (F&P) is required to deliver at least £1.7m of savings on a net budget of £12.2m over the next two financial years (2017-18 and 2018-19). To meet this a new service design and operating structure will be implemented from 3 April 2017. This report sets out the impact for the Pensions Administration section.

SERVICE REDESIGN

2. To achieve the scale of the savings required within F&P a significant amount of thought has been given to how to make the function fit for the very significant challenges it will face over the next few years. This means taking into account:
 - Compliance with KCC organization design principles;
 - The need for strong leadership roles at management level, not just strong technical roles;
 - Increased opportunities for job rotation;
 - Implementing recommendations from Staff Working Groups on different aspects of the Vision for the F&P Division.
3. At the heart of the Vision is an aspiration for behavior change which emphasizes the need for outcome focused approaches and different ways of engaging with staff to achieve these outcomes.
4. Overall there will be a reduction in headcount from 250 FTE to 213 FTE.
5. As the Pensions Section is funded entirely from the Superannuation Fund there is no savings requirement on it as part of the restructure. However, the restructure is

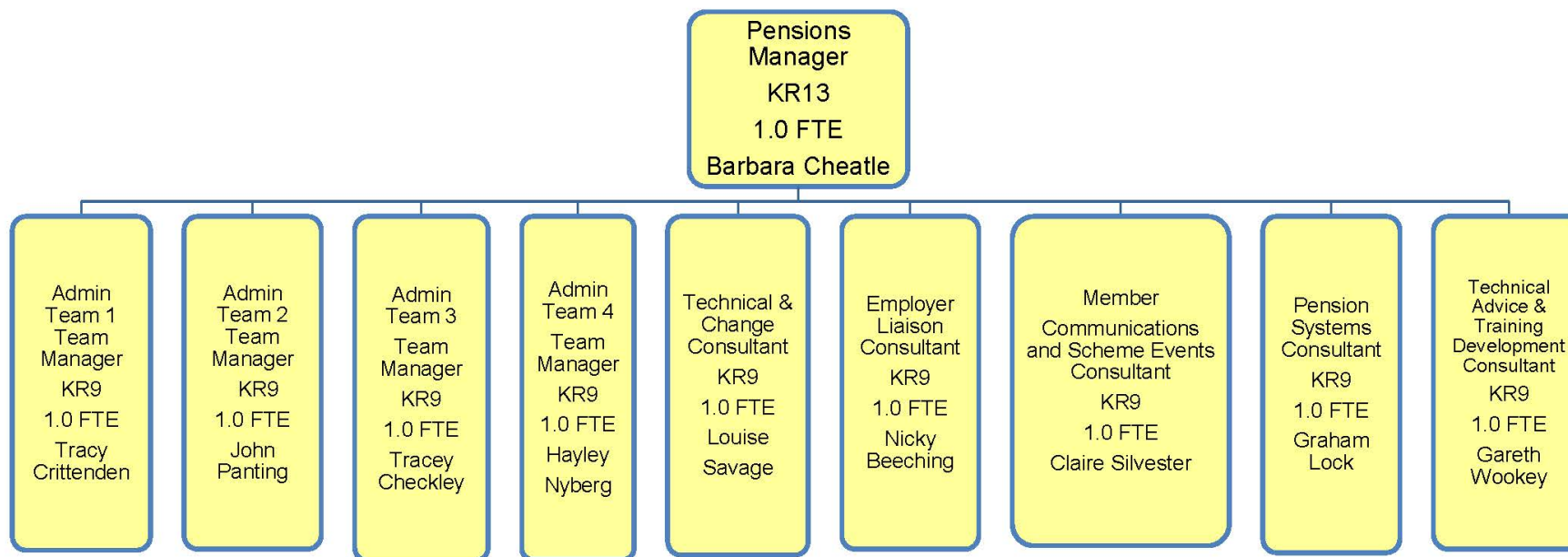
about much more than making savings and in this regard the Pensions Manager felt strongly that this was a time to look fundamentally at how the section works and how it can be improved.

6. Members will be aware that over the last couple of years the section has been under very considerable work pressures. The LGPS itself has become far more complex to administer and this has increased workloads substantially. Through this period the headcount has stayed fairly constant at around 55 FTE, the section has been able to recruit Pension Support Assistants but not experienced Pensions Officers and we have seen an increase in experienced officers moving into the private sector.
7. The current Pensions Manager was appointed in May 2014 on the retirement of the previous postholder. She had previously been Deputy Pensions Manager, this post was not replaced and the other Deputy Pensions Manager post was deleted in October 2010. The current structure chart is attached in Appendix 1.
8. In designing the new structure (Appendix 2) the main considerations have been:
 - (1) The need for new management posts to drive operational issues and technical issues. This is reflected in the structure by the creation of two new KR11 posts. These are senior posts which will work very closely with the Pensions Manager.
 - (2) The other direct report posts to the Pensions Manager have been re-graded from KR9 to KR10. This reflects in the need for all of the management posts to be team managers not senior technicians and for the consultant posts the greater complexity they are dealing with. Appointments to all these posts will put a strong emphasis on behavioral competencies not just technical skills.
9. Overall the new structure will add £112,000 to the section's staffing budget of £1,845,000 in a full year.

RECOMMENDATION

10. Members are asked to:
 - (1) Note the restructure.
 - (2) Agree the increased charge to the Superannuation Fund.

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PENSIONS ADMINISTRATION MANAGEMENT TEAM before reorganisation

PENSIONS ADMINISTRATION MANAGEMENT TEAM proposal

