

From: Chairman – Kent Pension Fund Committee
Corporate Director of Finance

To: Kent Pension Fund Committee – 12 December 2023

Subject: Pensions Administration

Classification: Unrestricted

Summary:

This report brings Members up to date with a range of matters concerning the administration of the Kent Local Government Pension Scheme for the period 1 August to 31 October 2023.

Recommendations:

The Committee is asked to note the report.

REPORT SUMMARY

1. Performance
2. Recruitment
3. Project Updates
4. Overpayment Recovery and Write Off Limits
5. Communications and Support Update
6. Technical Updates
7. Training and Development

FOR INFORMATION

1. Performance Update

- 1.1 During the period 1 August to 31 October 2023 a total of 14,643 new cases were received by the Pensions team. This is a decrease of 883 from the previous period. 13,499 cases were completed during the period August to October. An increase of 2,076 compared to the previous period. This is mainly attributed to the processing of cases that were previously on hold due to changes to the SCAPE factors.
- 1.2 The average performance across all casework has decreased from 82% to 62%, which can be attributed to the number of outstanding cases decreasing from 19,308 to 19,079 as the teamwork through backlogs created by the changes to the SCAPE factors.

	Nov 2022 to Jan 2023	Feb to Apr 2023	May to July 2023	Aug to Oct 2023
Cases Open	12,193	14,364	16,029	19,308

Cases Received	14,777	16,041	15,526	14,643
Cases Completed	11,878	13,792	11,423	13,499
Cases Outstanding	14,266	15,741	19,085	19,079
Overall SLA Performance	86%	79%	82%	62%

2. Recruitment

- 2.1 The last quarter has involved much recruitment activity, which saw a combination of several internal moves (mainly promotions) and the appointment of external applicants. Whilst these appointments are vital for the long-term success of Kent Pension Fund and have been undertaken as per the planned Phase 2 Recruitment schedule, they have brought a period of unavoidable unsettlement and change, particularly to the Communications & Support team. Phase 3 Recruitment will begin in 2024 to allow some stability and settling into new roles. There remain vacancies within the Pensions section, most notably at the grades of Senior Pensions Administrators and Pensions Officers (KR7 and KR8); the team are confident that these vacancies will be filled in 2024. The details below summarise the Phase 2 recruitment activity between August and October 2023.
- 2.2 In September 2023 the team concluded the Pensions Assistant (KR5) recruitment campaign. The team will be welcoming four new Pension Assistants to the Pension Administration teams between December 2023 and January 2024. In addition, the team are pleased to welcome back a previous colleague to Kent Pension Fund, who will be joining the Pensions Communication & Support Team as a Pensions Assistant. They will be joined by an existing team member, who is moving as a Pensions Assistant from the Pensions Administration team to the Pensions Communication & Support team.
- 2.3 The Pensions Assistant recruitment campaign was needed to backfill positions made vacant due to successful internal promotions. Further to training and experience gained within the Fund during secondments, two promotions to Pensions Administrator were confirmed in September 2023. In response to an invitation for Expressions of Interest, three other Pension Administrator secondments were awarded in October which will start in January 2024. The team are proud to support colleagues in their career journeys and to provide opportunities through secondment placements.
- 2.4 The team are pleased to confirm two Deputy Team Manager secondments to support the Pensions Administration teams. These placements have been filled by existing colleagues from the Communication & Support team. These Deputy Team Manager secondments are due to commence in December

2023 and February 2024 to allow a smooth handover period. Five other Communication & Support Officers were appointed in August 2023, one of whom was an external candidate.

- 2.5 Since October, the newly formed Projects team has been strengthened by the internal move of a Senior Administrator who had previously worked on administrating the Kent Police Pension scheme. The officer will strengthen resilience within Kent Pension Fund to work on a range of different projects and initiatives.

3. Project Updates

- 3.1 **Benchmarking** - CEM have reviewed the information provided by the Fund during the Summer. A draft report which outlines the key findings has been prepared by CEM and sent to Kent Pension Fund. Officers met with CEM at the end of November to review the draft report provided. An initial review of the draft report findings suggests a fair reflection of progress-to-date. Where management action has been suggested by CEM, action is already underway or is being planned. A full outline of the CEM benchmarking assessment will follow at the next Pension Fund Committee meeting in 2024.

- 3.2 **Police Pension Scheme Administration Exit** – the administration of the Police Pension Scheme successfully transitioned to XPS on 1 October 2023. To date there have been no queries raised by the new provider and very few communications from affected members.

- 3.3 **Guaranteed Minimum Pension (GMP) Rectification** – upon completion of this project, letters were issued to 296 members who had an adjustment to their pension. To date the team have received less than 30 calls from affected members and less than 20 have requested further information and/or copies of the calculations. The team have received a Stage 1 Internal Dispute Resolution Procedure (IDRP) application which has been referred to the Fund’s independent adjudicator.

4. Overpayment Recovery and Write Off Limits

- 4.1 The number of pension overpayment write offs for the period 1 August to 31 October are set out below:

	August 2023		September 2023		October 2023	
	Number	Total	Number	Total	Number	Total
£200-£5,000	1	£41.02	-	-	41	£13,627.91

£5,000-£50,000	2	£18,695.60	1	£8,701.69	-	-
£50,000+	-	-	-	-	-	-

5. Communications and Support (C&S) Update

- 5.1 Following the launch of the new **Kent Pension Fund logo**, the C&S team have commenced a project to add the new logo to all member and employer forms on the pension fund website. As there are over 400 forms to amend, this is expected to run for a few months. The pension fund website has also been updated in line with the new branding.
- 5.2 The team are progressing well with the onboarding of the Fund's second largest employer on to **iConnect** and have also received some training from Heywood's in preparation for the significant scale of the project as more employers are due to onboard from April 2024.
- 5.3 The next **Employer Forum** has been scheduled for 13 December 2023 and advertised to employers. To date 58 employers have registered to attend and reminders about this event will be issued.
- 5.4 The team have commenced 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.
- 5.5 Member registrations to the current platform are steadily increasing and the team will progress at speed with the promotional plans once onboarded to the new platform.

	30 April 2023	31 July 2023	31 October 2023
Active	3,790	4,384	4,659
Deferred	2,217	2,687	2,815
Pensioner	2,410	2,984	3,221

6. Technical Updates

- 6.1 **SCAPE changes – updated actuarial factors** - since the last Pension Fund Committee meeting in September, the team have now received all updates to the actuarial factors, which were necessitated by the change to the SCAPE rate in March 2023. These revised factors were received over four separate batches between April and September. This impacted almost all work from retirement benefits to transfer calculations and caused a number of areas of work to be put on hold or dealt with manually until the software could be updated.
- 6.2 **Annual Allowance** - at the start of October, the Technical Team, with help from the Administration Team, completed the annual exercise of notifying scheme members of their Pension Input Amount. This is a statutory

requirement on the scheme to notify scheme members where they have exceeded the Standard Annual Allowance in the LGPS for the previous tax year. In total, calculations were undertaken on 204 members. From these, 103 letters were issued to members who had exceeded the Annual Allowance in 2022/23. Follow up work continues to be undertaken to deal with elections to use Scheme Pays.

- 6.3 **McCloud ruling and the Remedy in the LGPS** - the Government laid The Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023 on 8 September 2023, which set out the framework for the remedy in the LGPS. The remedy in the LGPS will have a major impact on many different areas of work. Interpretation of the legislation is on-going; however, decisions have been made at a national level to continue processing pension transfers between LGPS funds. A further decision was made to enable the team to continue processing transfer quotes (for transfers outside of the LGPS) although this is just an interim solution that may require the team to revisit cases in future. The technical team have so far delivered six training sessions to colleagues regarding the remedy. These sessions have focussed on background information. Plans are in place to deliver more detailed sessions over the coming months once all software and data requirements in place. Administrator guidance from the Local Government Association is still outstanding.

7. Training and Development

- 7.1 The Training Officers have produced learning pathways for the Pension Assistants and Pension Administrators. The two pathways are now live and are actively being used to plan and schedule the training development for all colleagues at these grades. The pathways ensure pension knowledge is built upon from subject to subject.

- 7.2 Training figures for the period 01/08/2023 – 31/10/2023

In house training sessions	51
Sessions led by Training Officers	40
External LGA training	11

- 7.3 The numbers appear lower than for last period due to the pause on training during the month of August to ensure adequate available resource for the increase in workload from leaver packs and member queries due to the number of schools/academies/colleges in the fund and to prepare for the dispatch of Annual Benefit Illustrations.

- 7.4 This training schedule has also been impacted by the SCAPE factor changes. When factors are changed training must be cancelled or rearranged at very short notice awaiting guidance of when case processing can recommence.

Clare Chambers – Pensions Administration Manager – Kent Pension Fund

T: 03000 414773

E: clare.chambers@kent.gov.uk
