From:	Corporate Director of Finance
To:	Local Pension Board – 24 November 2022
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 (LGPS) for the period 1 August to 31 October 2022.

Recommendations:

The Board is recommended to note the report.

REPORT SUMMARY

1. Performance Update
2. Staffing
3. Compliments & Complaints
4. Internal Dispute Resolution Procedure (IRDP) Appeals
5. Communications & Support
6. Projects
7. Common & Scheme Specific Data
8. Administration Strategy

For Information

1. Performance

1.1 During the period 1 August to 31 October 2022 a total of 17,334 new cases were received by the Pensions team, with 16,385 cases completed during the same period. The number of cases outstanding at the end of the period increased from 13,226 to 13,448. The majority of these related to the processing of the new scheme joiners and leavers that were cleared from the backlog following the influx at year end. This resulted in a considerable number of Aggregation cases where members are transferring benefits from another LGPS fund or employer, Refunds and Early Leavers.

1.2 The total number of cases completed within the service level agreement was 84% and performance against some targets was of a high standard. Initial Death Notifications (97%), Balance of Death Payments/Recovery of Death Overpayments (92%), Provision of Retirement Estimates (92%), Pension Sharing

on Divorce (100%), General Correspondence (98%), Change of Details (99%) and Opt Outs (96%).

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

1.4 The Board will note that a RAG system has been added to the report to easily identify areas of good and poor performance, as well as areas where backlog has increased or decreased. Therefore, making it clearer where attention needs to be focussed (either via increased resource or improved processes). It is important to note though that some of the outstanding cases could be on 'Reply Due' status, meaning that responses are awaited from a member, employer or third party before the team are able to proceed. The new style reporting (using a new system; Insights), which should be implemented in due course, will allow the breakdown of which of the outstanding cases are on Reply Due.

1.5 Further detail on performance can be found at **Appendix 1**.

2. Staffing

2.1 At the meeting of the Pension Fund Committee on 28 September 2022, it was highlighted that due to the workloads of the team a number a review of the level of resource was ongoing. The Committee endorsed this approach. This review has concluded, and a number of additional roles have been highlighted and agreed by the Head of Pensions and Treasury and the Corporate Director of Finance.   The recruitment of the agreed additional posts has commenced. This includes a Senior Pensions Programme Manager to support the team with the considerable number of ongoing and upcoming internal and externally driven projects. A Business Support Officer to relieve the team of all non-Pensions Admin related to tasks. Plus, an expansion to the Communications & Support Team including a Team Manager and 4 Pension Assistants to support the self-service drive for employers (iConnect) and members (Member Self Service), and to expand on the engagement with Active and Deferred members.

2.2 In addition, the team are currently recruiting 5 Pensions Administrators which are filling for current vacancies.

2.3 With effect from 1 November, the way work is allocated to the team was changed so that each administration team spends a minimum of 1 month on a given subject area. These are split between Benefits, Estimates and Transfers. Previously teams only spent 1 week on each area before moving on. It is hoped that this new arrangement will allow team members (especially those in training) to become more knowledgeable and experienced in each area as they spend a

longer period of time processing each case type. In addition, it will allow for more focus on backlog projects to work through outstanding, aged cases. The team will also be dedicating a minimum of 1 day per month working purely on backlog cases. The first of which took place on 31 October where the team worked on clearing down e-mails in the Pensions mailbox and leaver pack queries with employers. Significant progress was made on each area.

3. Compliments & Complaints

3.1 Compliments and complaints are received via two methods. One is the corporate system called i-Casework and the second is logging a case via the pensions administration database in the same manner as all other received casework. The corporate system allows for satisfactory management information and tracking of all ongoing cases, whereas more work is needed on the internal method so that cases can be properly recorded, tracked and responded to. Standard response templates are being created as well as a log to record root causes and outcomes so that the data can be used to ascertain where improvements to processes, documents etc may be required.

3.2 The corporate complaints system recorded a total of 16 complaints in the calendar year to date, with the majority of these relating to Delays.

Root Causes for cases received at Stage One

Case type	Total	%
Delay in contacting customer	5	31%
Delay in doing something	5	31%
Disagree with policy or procedure	1	6%
Quality of communications	5	31%
Total	**16**	

4. Internal Dispute Resolution Procedure (IDRP) Appeals

4.1 A total of 3 new IDRP Stage 1 applications were received during the period. These all related to the payment of Death Grants. All applications have been sent to the independent adjudicator and responses are awaited.

5. Communications & Support

5.1 **Member Self Service (MSS)** – As at 31 October there were a total of 6,352 members registered for member self-service. During the period 1,938 new members registered. The team answered 751 registration queries and sent out 1,464 activation code letters. In addition, there were 11,292 visitors to the MSS page on the Fund website.

5.2 **Telephone Calls** – During the period August to October, the team answered 3,421 telephone calls. However, 7,439 calls were attempted resulting in 4,018 having to be abandoned. This is due to the lack of sophistication with the phone system which results in a limited number of agents being available to take calls and ultimately a poor level of service being provided to customers. Please see below 'Projects' section for an update on the new telephony solution.

5.3 **E-mails and Website** – A total of 4,807 e-mails were received into the Pensions mailbox during August, September and October. During the same period, there were 40,646 visitors to the website with the most popular page being Member Self Service.

5.4 **Website Accessibility** – An accessibility audit was carried out on the Pension Fund website. In total, it received 44 Passes and 0 Not Met scores. The website was given the rating of 'Low Risk' overall. As there were 0 Not Met scores, the website is fully compliant. Further detail can be found at **Appendix 2.**

5.5 **Newsletters** – The Autumn edition of the Open Lines newsletter for Pensions was dispatched on 10 October. The Open Lines newsletter is sent bi-annually to circa 40,000 by post in Spring and Autumn. The Spring edition includes information on Pensions Increase, P60's and April payslip information. An external consultant is used to provide information about government benefits and also provides a helpline. The Autumn edition can be found at **Appendix 3.**

5.6 **Employer Forum** – The Annual Employer Forum is being held at Ashford International Hotel on 9 December where the Fund Actuary will be presenting the results of the 2022 Triennial Valuation and the draft Administration Strategy will be presented to employers. Employers will also have the opportunity to book individual sessions with the Actuary which will take place after the forum.

6. Projects

6.1 **Administration System Contract** – A proposal has now been received from the current system provider and details will be included in the paper being drafted for the attention of an appointed legal firm so that options can be considered ahead of May 2023 when the current contract expires.

6.2 **GMP Rectification** – The commercial case has been written and the tender is live. The procurement is intended to follow the timeline below:

1	Further Competition Issued	26/10/2022
2	Deadline for Clarification questions	10/11/2022
3	Issue responses to clarifications	18/11/2022

3	Deadline for Further Competition responses	05/12/2022
4	Evaluation	09/12/2022
7	Issue intention to award letters	09/01/2023
8	Standstill Period End	19/01/2023
9	Contract Award	23/01/2023
10	Service Commencement	01/02/2023

6.3 **Printing Solution** – Costs have been agreed and a proposal approved by KCC IT to implement a new printing solution with an external mailing house. This will release approximately 12 hours per week to be re-focussed on pensions administration work whilst the majority of printing is redirected to the mailing house for printing and dispatch.

6.4 **Telephony Solution** – Meetings have been taking place between representatives from the Pensions Team and IT to implement a much-improved telephony system via the existing contract with Microsoft Teams. Some quick wins have been identified with regard to updating recorded messages (greeting, out of hours, holding and line busy messages), as well as updating the telephone operating times, call timeout times and maximum call queue levels. However, the main solution being developed is the call routing via call queues so that customers have options to select relating to their enquiry and the calls are answered by agents who are experts in that subject area. This will increase customer satisfaction and also allow the number of agents assigned to call queues to be increased as they will be assigned based on each person's level of knowledge and experience.

6.5 **Annual Allowance** – All Pension Saving Statements were dispatched in time for the statutory deadline of 6 October. The total number of statements dispatched for 2021/22 was 275. This represents a 65% increase from 2020/21.

6.6 **Pensions Dashboard** – Following its earlier consultations, the DWP 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. As expected, there is still no confirmation of when members will be given access to dashboards, but the regulations confirm that at least 6 months' notice will be given. Please see **Appendix 4** for a summary the main points.

6.7 **iConnect** – The team are continuing to on-board two of the larger employers on to iConnect, and the majority of new employers who join the Fund are onboarded to iConnect as a matter of course from the outset. The intention will be to make this the mandatory process for employers submitting data, however this date is yet to be decided. At which point a robust plan will be required for the order of

on-boarding all employers, but it is likely these will be grouped by payroll provider as many schools and academies use the same providers. As they will have to develop reports to extract the data, it makes sense to do this for all the employers they provide a payroll service for.

7. Common & Scheme Specific Data

7.1 Further to an extract of data being taken by the system provider on 3 October, the Pensions Regulator measure of data quality for inclusion in the scheme return is as follows:

Common   95.0% (2021 score was 95.6%)

Scheme-specific   93.8% (2021 score was 92.4%)

7.2 The benchmarks applied to the results were agreed between Kent and Heywood. The thresholds are as follows:

Category	Pass Threshold
Blue	Pass rate >= 98%
Green	95% <= Pass rate < 98%
Amber	90% <= Pass rate < 95%
Red	Pass rate < 90%

7.3 TPR have set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created beforehand. Heywood's state in the report that the general quality of the common data tested at Kent is of a high standard.

7.4 The Data Quality Reports can be fund at **Appendix 5(i)** and **(ii)**, with the data errors from these reports plus those from the valuation data cleansing will be used alongside a data accuracy report being developed by the system provider to inform the Fund's Data Improvement Plan.

8.Administration Strategy

8.1 At the Pension Fund Committee meeting held on 28 September 2022, a first draft of the new Administration Strategy was presented to members. The documents have been created to bring together the employer and pensions team performance expectations in one document.

8.2 Following presentation of the document to employers at the December forum, there will be a formal period of consultation with all scheme employers before the definitive version is implemented from 1 April 2023.

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November 2022

Appendix 1 – Admin Update August to October 2022
Appendix 2 – Kent Pension Fund Accessibility Audit Report
Appendix 3 – Open Lines Newsletter Autumn 2022
Appendix 4 – AON In Touch Dashboards Regulations
Appendix 5(i) – Kent LGPS Common Data Report 2022
Appendix 5(ii) – Kent LGPS Scheme Specific Data Report 22