

**From:** Chairman – Kent Pension Board  
Corporate Director of Finance

**To:** Kent Pension Board – 28 November 2023

**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 August to 31 October 2023. 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 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.
- 1.3 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.

	<b>Nov 2022 to</b>	<b>Feb to Apr</b>	<b>May to July</b>	<b>Aug to Oct</b>
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	<b>Jan 2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
<b>Cases Open</b>	12,193	14,364	16,029	19,308
<b>Cases Received</b>	14,777	16,041	15,526	14,643
<b>Cases Completed</b>	11,878	13,792	11,423	13,499
<b>Cases Outstanding</b>	14,266	15,741	19,085	19,079
<b>Overall SLA Performance</b>	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 in 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 administering 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. 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 and 31 October 2018, 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 August to 31 October 2023 a total of 5 complaints, 22 compliments and 26 comments were received into the corporate system called iCasework. These have been summarised below:

	<b>Complaints</b>	<b>Compliments</b>	<b>Comments</b>
<b>August</b>	<b>1</b> (x1 poor communication)	<b>6</b> (x6 good communication)	<b>11</b> (x1 service delivery by third party X10 poor communication)
<b>September</b>	<b>2</b> (x1 disagreement with decision or policy) x1 poor communication)	<b>6</b> (x6 good communication)	<b>7</b> (x1 service delivery by third party x6 poor communication)
<b>October</b>	<b>2</b> (x1 poor communication x1 service delivery from third party)	<b>10</b> (x10 good communication)	<b>8</b> (x1 good communication x7 poor communication)

## 5. Project Updates

- 5.1 **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 are meeting 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 Board meeting in 2024.
- 5.2 **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.
- 5.3 **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.
- 5.4 **Overseas Existence Checks** - Crown Agents Bank (CAB) will be assisting The Fund with this process from November 2023. Procurement processes have been completed to onboard CAB, and Officers are working with CAB to commence project activity. Communication and messaging will be used to inform scheme members about CAB's assistance to Kent Pension Fund. Outsourcing this work to CAB will take some of the pressure off the in-house team. CAB use digital technology solutions to verify proof of life existence amongst overseas pensioners. The systems used by CAB also have an anti-fraud advantage, whereby compliance checks are designed to identify suspicious activity. Whilst use of these new systems is expected to make it easier for overseas scheme members to confirm their existence, paper-based options will continue to be made available to scheme members who do not wish to use the technology, or do not have an email address.
- 5.5 **Enhanced Admin to Pay and Immediate Payments** - this project automates benefit payments and the calculation of pension arrears, streamlining processes. The project commenced mid-September 2023 and system updates are expected to be implemented by Spring 2024.
- 5.6 **Telephony** - The Fund has been selected as early adopters of KCC's new telephony solution, Luware. The Luware system will enable use of a more sophisticated telephony solution, with the potential to offer improved customer service to scheme members. Luware's functionality enables easier monitoring

of calls and enquiries, so that call lines can be managed according to demand.

- 5.7 **Inbound Post Solution** - due to the number of other high-profile projects this quarter, it has been decided to pause this project activity. Recommencement of this project will be reconsidered in February 2024.
- 5.8 **Insights** - training and liaison with Heywood's has continued this quarter. Reporting using Insights is due to commence in 2024. The project has experienced some delays due to expanding the scope of areas to be reported.
- 5.9 **Process Reviews – Deaths** - this successful review has been looking at the initial part of the Death process, payment of Survivor Benefits and Death Grants, liaison with KCC's payroll team, recording deaths, mortality screening and governance. A workshop was held in November to gather feedback from the team. Another workshop is to be held in December 2023. The information collected at these workshops will be used to improve processes, training and communication.

## 6. Overpayment Recovery and Write Off Limits

- 6.1 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
<b>£200-£5,000</b>	1	£41.02	-	-	41	£13,627.91
<b>£5,000-£50,000</b>	2	£18,695.60	1	£8,701.69	-	-
<b>£50,000+</b>	-	-	-	-	-	-

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

- 7.1 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.
- 7.3 The team have started to send chasers to scheme employers for **McCloud** data and will continue to support employers throughout this project. Just over 50% of the data expected has been received from employers although the quality of this data has not yet been checked.
- 7.4 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.

- 7.5 The next **Employer Forum** has been scheduled for December 2023 and advertised to employers. To date 58 employers have registered to attend and reminders about this event will be issued.
- 7.6 The team hosted the first **member webinar** ‘Understanding Your Annual Benefit Illustration’. The session was fully booked, and excellent feedback was received. The next webinar ‘Member Self Service’ is scheduled for the end of November.
- 7.7 Three members of the C&S team attended school bursar meetings along with colleagues from the Treasury & Investments team to deliver a presentation regarding **employer responsibilities**. The feedback from these sessions was really positive.
- 7.8 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.
- 7.9 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.

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

## 8. Technical Updates

- 8.1 **SCAPE changes – updated actuarial factors** - since the last Pension Board 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 4 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.
- 8.2 **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.
- 8.3 **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 6 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.

- 8.4 **LGA working group for a LGPS qualification** - a member of the Technical Team is part of a working group chaired by the Local Government Association looking at setting up a LGPS specific qualification for pension administrators. The working group meets for the first time on 15 November with the aim to start the discussions on the design of the qualification.

## 9. Training and Development

- 9.1 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.

- 9.2 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

- 9.3 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.

- 9.4 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.

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**Appendix 1 – August to October 2023 Performance Report**  
**Appendix 2 – Breach of Law Register**

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