

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

To: Kent Pension Board – 11 June 2024

Subject: Pensions Administration

Classification: Unrestricted

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 February to 30 April 2024. The report covers the following areas:

1. Casework Performance
2. Recruitment
3. Complaints, Compliments and Comments
4. Project Updates
5. Overpayment Recovery and Write Off Limits
6. Communications and Support Update
7. Technical and Training Updates

Recommendations:

The Board is recommended to note the report.

FOR INFORMATION

1. Casework Performance

- 1.1 Details of the administration casework performance can be found at **Appendix 1**. Members will note this contains less data than previous reports due to issues that have been discovered with the accuracy of some of the reports as part of the investigative work being carried out in order to build a new style performance report and dashboard. Therefore, until this is rectified, only data where the accuracy can be guaranteed will be reported.
- 1.2 During the period 1 February to 30 April 2024 a total 12,944 cases were completed. With the average performance across all casework increasing from 79% to 85%. Performance has been categorised into red (below 80% SLA), amber (80-90% SLA) and green (above 90% SLA) in order to help Members and Officers identify where performance improvements are required.

- 1.3 Members will note that performance on the priority cases (Deaths, Retirements and Refunds) is of a high standard, however performance on lower priority areas such as Deferred Benefits and Transfers/Interfunds requires improvement. Officers are confident that performance will improve as bulk processing increases, member self-service processes are embedded, and outstanding vacancies are filled.
- 1.4 The changes to the Lifetime Allowance have impacted on performance due to the manual checks and calculations that are now required whilst legislation is clarified, and the administration system is updated to automate these additional checks.
- 1.5 Officers reported to Members at the last meeting of the Board that three projects regarding the recording and reporting of service levels/performance had commenced. Below is an update on these three projects:
- i) The review of all Workflow task creation, service level targets and completion has been finalised. This project revealed that not all Administrators are using the system in a consistent and accurate manner and highlighted the need for training. Bite size videos are currently being produced by the Project Manager for Continuous Service Improvement.
 - ii) The transition of the current style performance report from the current manual method to an automated method within the Heywood's reporting tool (Insights) is still in progress. This project has also highlighted issues with the way in which the system is being used to manage casework, specifically around instances where additional information is being sought before cases can be progressed. This has resulted in cases being missed from the performance report and therefore inaccurately reporting demand on the team. Again, training is being provided to ensure a consistent and accurate approach to casework management.
 - iii) The development of a standard performance dashboard which presents information to Members including trends is being developed and will be finalised once step 2 above has been completed. The Continuous Service Improvement team are investigating ways of automating the production of this report.

2. Recruitment

- 2.1 A summary of the recruitment activity over the period (including those due to start in new roles after 30 April) is show below:

Position	Team	Start Date	Number	External/ Internal
Pensions Administrator	Administration Team	01/04/2024	3	Internal promotion following successful

				secondment
Deputy Team Manager	Administration Team	01/05/2024	1	Internal promotion following successful secondment
Technical and Compliance Lead Manager	Technical and Training Team	01/06/2024	1	Internal promotion to newly created role

2.2 In addition to the above, there are current recruitment campaigns to strengthen the Communications and Support Team in order to support the ongoing requirement for cleansing data. Plus, two Senior Pensions Administrators and two Pensions Officers within the Administration Team to backfill vacancies and help cope with the additional demands as a result of the McCloud Remedy and other legislative changes. There will be further campaigns at the end of the Summer to recruit a Deputy Team Manager and Pensions Assistants on the Administration Team, plus a Technical Officer on the Technical and Training Team. All of these roles will help to improve the service offering to scheme members and employers, increase resilience and future proof the team.

3. Complaints, Compliments and Comments

3.1 For the period 1 February to 30 April 2024 a total of 4 complaints, 17 compliments and 16 comments were received into the corporate system called iCasework. These have been summarised below:

	Complaints	Compliments	Comments
February	1 – poor communication	2 – good communication	5 – poor communication (x2), service delivery from third party/contracted service provider (x1), disagreement with decisions or policies (x ¹¹)
March	2 – service delivery (third party supplier, contracted service provider)	4 – helpful staff (x2), good communication (x2)	4 – poor communication
April	1 – disagreement with decisions or policies made	11 – good communication	7 – good communication (x2), poor communication (x5)

4. Project Updates

- 4.1 **Voice of the Customer** – this project relates to gathering customer feedback on various aspects of work carried out by Kent Pension Fund. The first survey that has been issued is for Employers to gather their feedback on how they have found the overall service Kent Pension Fund has provided to them. Planned surveys for telephony once the new system is in place, and member experience of various administration processes will follow later in the year. Results from the surveys will be included in the new Performance Dashboard that is being developed.
- 4.2 **MyPension Online** – this project relates to an upgrade to the Member Self Service offering to provide a number of new features for scheme members. After an extended period of testing and refinement with the service providers at Heywood, Member Self Service has been re-branded as MyPension Online and upgraded to the new platform effective from 13 May 2024.
- 4.3 **Telephony** – the fund’s work as early adopters of this new system for Kent County Council has continued. Despite delays arising from work required between the system designers at Resonate and ICT administrators at Cantium Business Solutions, the project is progressing rapidly. Training is being delivered to a cohort of champions who will aid colleagues in the transition, and User Acceptance Testing is expected to begin imminently.
- 4.4 **Training support videos for colleagues** – this project relates to providing support to administration staff for various aspects of their work, including the Workflow system within Altair, to ensure that they have the tools available to be able to use the system efficiently.
- 4.5 **Service Improvement Plan** - a service improvement plan is being developed to show where the Fund is now, how demands have changed over the last 10 years, and where the Fund aims to be in the future, so that the digital by default ethos is fully adopted.
- 4.6 **Performance Dashboard** - by refining the ways performance data is collected and pooling this into a single Business Intelligence system, this project aims to gather meaningful insights into performance across several areas and produce a single dashboard from which all elements can be tracked. The project is currently in the design & data-gathering stages, and it is hoped to have initial reports ready in the near future.
- 4.7 **Enhanced Admin to Pay and Immediate Payments** – this project automates benefit payments and the calculation of pension arrears, streamlining processes. Implementation and UAT is to begin late May/early June.
- 4.8 **Process Improvements and Automations in Altair** - Heywood’s have introduced many new automation facilities within their Workflow system, the Fund are now starting to look at implementing these changes and incorporating them into the workflows.
- 4.9 **Overseas Proof of Life Verification** - approximately 80% have been completed via digital authentication and 20% via paper ‘wet signature’ format.

Around 90 pensioners that have not responded to letters and emails have been suspended, as they have not completed the verification process.

5. Overpayment Recovery and Write Off Limits

5.1 The number of pension overpayment write offs for the period 1 February to 30 April 2024 are set out below:

	February 2024		March 2024		April 2024	
	Number	Total	Number	Total	Number	Total
£200- £5,000	-	-	5	£1,244.85	21	£6,118.93
£5,000- £50,000	-	-	-	-	-	-
£50,000+	-	-	-	-	-	-

5.2 As detailed in previous Board reports, Officers have now drafted a Pension Overpayment and Write Off Policy (see **Appendix 2**).

5.3 The policy objectives aim to ensure the Fund:

- has robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- manages the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- ensures benefits are paid to, and income collected from, the right people at the right time with the right amount.
- identifies errors as soon as possible.
- rectifies overpayments with the co-operation of the individual.
- encourages individuals to take an active role in checking payslips/payments for obvious errors.
- avoids the Internal Dispute Resolution Procedure (IDRP), where possible, by managing the process effectively.

5.4 The policy is designed to provide assurance to the Fund's stakeholders that:

- all overpayments are treated in a fair and equitable manner.
- the Fund seeks to recover overpayments that have occurred but acknowledges that there may be legal reasons and/or other circumstances which mean that an overpayment may not, in practice, be able to be recovered (in whole or in part).
- has steps in place to prevent and also investigate potentially fraudulent activity.

5.5 The draft policy will be taken to the June Pension Fund Committee for approval.

6. Communications and Support (C&S) Update

- 6.1 ITM have now started contacting scheme employers requesting any missing/erroneous **McCloud** data.
- 6.2 The switch to **MyPension Online** ([MyPension Online - Kent Pension Fund](#)) has now been completed and the team are dealing with a large number of enquiries resulting from this transition.
- 6.3 The team are continuing to offer and deliver **training** to employers and their payroll providers.
- 6.4 The **End of Year** process is now well underway. 562 End of Year returns are expected, the majority of which have now been received and are being processed. Those that are still outstanding are being chased on a regular basis and escalated where necessary.
- 6.5 As part of the year end exercise, the team have started the project of '**Remuneration Comparison**' which aims to ensure that the Whole Time Equivalent Pay provided by employers on their year-end returns looks reasonable compared to previous years. This task is vital to ensure Annual Benefit Statements are accurate.
- 6.6 Preparations have started for the next **Employer Forum** which is being held via MS Teams on 13 June.
- 6.7 Capita have now been fully onboarded to **iConnect**. As one of the largest payroll providers, this will have a significantly positive impact on the collection of accurate data. Leigh Academy Trust (one of the largest Trusts) and Kent Fire and Rescue are in the pipeline to onboard in the next few months.
- 6.8 A number of **webinars** have been arranged regarding various subjects and are being advertised via the Kent Pension Fund website ([Webinars for members - Kent Pension Fund](#)).
- 6.9 Preparations have commenced for the next scheme member **newsletter**, which is published to coincide with the Annual Benefit Statements. All newsletters are published on the Kent Pension Fund website ([News - Kent Pension Fund](#)).
- 6.10 Work has begun on the **Teachers Excess Service** project whereby there are approximately 100 employers the team will need to contact to collect data from for over 500 employees and create pension records for them.
- 6.11 The digital **pensioner payslips and P60s** have now been amended to incorporate the new Kent Pension Fund branding. Payslips are currently published online and P60s will go live next year.

7. Technical and Training Updates

- 7.1 **Abolition of the Lifetime Allowance (LTA)** - the Government issued legislation in late February 2024 to fully abolish the LTA from 6th April 2024. The LTA has been replaced by a new pension tax regime from this date.

The Technical Team have reviewed the new legislation along with supporting information issued by HM Revenue and Customs and the Local Government Association. Due to the complexity and late roll out, implementation of these changes has taken a considerable of time.

To implement the change, staff training has recently been carried out. It has also been necessary to review all processes and literature that have any relation to a relevant tax-free payment to ensure the correct application of the new tax rules.

There are several issues that require further correcting legislation to be issued, and the team are continuing to review information issued by HMRC, as further clarification is still being given in some areas.

- 7.2 **McCloud ruling and remedy in the LGPS** – following the team training day that took place on 8 February, the Technical Team have continued to work on the implementation of the McCloud Remedy.

The specification of the remediation exercise has been reviewed and fed back to ITM.

In addition, the team are continuing to deal with one-off cases that require review against the new McCloud methodology until the permanent remediation exercise is completed.

- 7.3 **National LGPS qualification led by the LGA** - in late April, two staff from the Kent Pension Fund enrolled onto the 'Award in Pension Essentials' qualification (level 2). They will be studying over the next 12 months towards this.

This level 2 qualification is part of a pilot, which has been set up by the LGA. The Technical Team have also been involved in recent meetings around the creation of a level 3 qualification that is due to come online from April 2025.

The introduction of these qualifications is a response to administering authorities feedback on staff recruitment and retention.

- 7.4 **Annual Allowance exercise** - work has started on the yearly Annual Allowance exercise, in which pension accrual is measured against the limits in place for the tax year.

The Technical Team will be reviewing accrual for all scheme members for the 2023/24 tax year.

There have been changes to the limits for this tax year, which will require some changes to processes. Account has also had to be made for the fact more employers are submitting data for their annual returns through iConnect, and new processes are being developed to validate this data.

7.5 Training and Development – Training figures for the period 01/02/2024 – 30/04/2024:

In house training sessions	50
Sessions led by Training Officers	32
External LGA training courses attended	3 members of staff

7.6 12 training sessions were postponed due to sickness or staff availability. From April 2024 the team have now built in three protected weeks into the schedule therefore any training postponed can now be rescheduled within the protected weeks within the current schedule and staff will not have to wait (potentially up to three months) for training to be rescheduled onto the next schedule.

Clare Chambers – Pensions Administration Manager – Kent Pension Fund

T: 03000 414773

E: clare.chambers@kent.gov.uk

June 2024

Appendix 1 – February to April 2024 Performance Report

Appendix 2 - Pension Overpayment and Write Off Policy (Draft)
