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

To: Kent Local Pension Board – 3 September 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 May to 31 July 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

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1.   *Casework Performance*

1.1   Details of the administration casework performance can be found at **Appendix 1.**

1.2   During the period 1 May to 31 July 2024 a total of 11,029 cases were completed. This is a decrease of 1,915 cases completed from the previous period. The average performance across all casework has decreased from 85% to 78%. 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   Performance has been impacted during the period due to the extended processing times for cases affected by the abolition of the Lifetime Allowance, administration colleagues supporting on the end of year process, implementation of the new telephony system, introduction of the new member self-service platform and the team still carrying a number of vacancies.

1.4   Regular drop-in sessions have been arranged by the Technical Team to support colleagues through the changes resulting from the abolition of the Lifetime Allowance in order to speed up processing times. Recruitment is underway to increase capacity in the Communications and Support Team so that in future years resource does not need to be sourced from other teams to support the year end process. Whilst the implementation of the improved telephony and self-service systems will have a positive impact on customers and in turn the pensions administration team, change does take time to embed before benefits can be realised. Recruitment is also underway to fill a significant number of the outstanding vacancies.

2.   *Recruitment*

2.1   A summary of the recruitment activity over the period is show below:

Position	Team	Start Date	Number	External/ Internal
Pensions Assistant	Communications & Support Team	01/07/2024	1	12-month fixed term contract for former agency team member
Pensions Officer	Administration Team	01/07/2024	2	Commencement of internal secondment
Senior Pensions Administrator	Administration Team	01/07/2024	2	Commencement of internal secondment

2.2   A recruitment campaign for 12 vacancies was launched in July 2024, for roles within the Administration Team (7 posts at various grades), the Communication and Support Team (4 posts at various grades) and the Technical and Training Team (1 post). 7 of these vacancies are a result of backfilling (from previous internal promotions), the other 5 roles are new posts which have been created to support data management within the Communications and Support Team, and internal training requirements.

2.3   There are a further 4 vacancies which are scheduled for advertising later in 2024/25. These have been scheduled in a different phase to ensure business continuity within the service. Further backfilling recruitment is expected and is scheduled for 2025/26.

3.   *Complaints, Compliments and Comments*

3.1   For the period 1 May to 31 July 2024 a total of 4 complaints, 10 compliments and 22 comments were received into the corporate system called iCasework. These have been summarised below:

Month	Complaints	Compliments	Comments
May	**2** – Poor Communication	**6** – Good Communication (x5), Helpful Staff (x1)	**14** – Poor Communication (x13), Disagreement with Decisions or Policies Made (x1)
June	**2** – Poor Communication	**2** – Good Communication	**1** – Poor Communication
July	**0**	**2** – Good Communication & Helpful Staff	**7** – Poor Communication

4. *Project Updates*

4.1 **Insights –** is a new reporting tool from Heywood's being used to redesign the KPI reports, work is continuing to build the reports so that complete and accurate data can be extracted from them.

4.2 **Voice of the Customer –** this project relates to gathering customer feedback on various aspects of work carried out by KPF. The first survey issued is for Employers to gather their feedback on how they find the overall service KPF has provided to them. Planned surveys for telephony once the new system is in place, and member experience of various administration processes to follow later in the year. Results from the surveys will be included in the new Performance Dashboard that is being developed.

4.3 **MyPension Online –** The upgrade to the Member Self Service offering to provide several new features for members went live on 13 May 2024, the new 'Engage' service rebranded to 'MyPension Online' has seen an increase in registered members from 500+ per week, to 500+ per day. Work has started to make documents publishable online for members to view instantly.

4.4 **Telephony –** The new system brought in some new features such as:

- Call Queue Positions & Hold Music.

- Callback feature so callers do not have to stay holding on the call.

- Internal control over phone messages, Call flow changes (so the team can adapt to the current situation, get messages out if there needs to be an emergency closure on the phones etc.).

- Better Reporting and Statistics.

- Ability to tag calls so the team can report on what calls are relating to.

Over the 15 months prior to the new phone system being implemented (April 2023 – June 2024) 26,858 calls were received into the team. This averaged at around 1,790 calls per month. However, the team were only able to deal with 17,418 of those calls, meaning that they were only answering 65% of the calls.

The large number of missed calls can be attributed to a few factors:

- The old system did not have any hold music or call queue positions. The phone would just ring and callers would feel they were being ignored and would hang up before anyone was available to answer. The vast majority of callers would hang up before a "timeout" message played at 5 minutes.

- There were only 2 members of the team on the phones at any one time. With extremely limited statistics, a need to balance the work and the limitations of the previous phone system the team would not have been able to put more resource on the phones.

For the 8 working days in July (at the time of writing this update) that the new system has been implemented, 557 calls were received. When rounded up to a month (working on 22 working days average in a month), this comes to 1,531 calls.

Out of the calls received, only 22 were not handled meaning that the team answered 96% of calls. Of those 22 calls, 4 callers hung up before they even entered a call flow – so while they were either listening to menu options or one of the personalised messages directing callers to online services. The other 18 callers hung up while they were holding on in the queue. With that in mind the average queue time over those 8 days was just under 33 seconds. So, while some callers may have waited longer than others, in general calls were answered very quickly.

The average amount of time each agent spends on a call is around 6 minutes 17 seconds.

So far, the call handling has improved and has risen by 31%. This is down to 2 factors:

- Callers now know they are in a queue – callers get hold music and call queue position, plus have the option to call back, so they are not hanging up because they think they are being ignored. While the average wait time is only seconds, In the first few days the team have seen some callers holding for 10 minutes+. The longest hold time so far seen was about 18 minutes, but the member on the phone was happy when their call was answered. The team would not have had anyone holding on for 18 minutes under the previous system as they would have given up.

- There are more colleagues available on the phones – by having a more sophisticated system, more options for routing calls and real-time monitoring of the lines the team have been able to trial having a larger group of colleagues on the phones. This means there are more members of the team able to answer the phones, so callers get through first time rather than ringing back repeatedly.

Impact on the Pensions team:

- With more colleagues on the phones during the day, the management team have been monitoring the impact on completing daily casework.

Previously the administration team would have been on the phones for 2 hours in a day, which would be very busy on with constant calls. This would wipe out 2 hours of the working day and management would get updates that work was not completed due to "busy phones". As the team have only been working with the new system for 8 days (at the time of writing this update) and colleagues are adapting to the new system and a new way of working. However, so far there has been no detrimental impact on the volume of casework.

- By having a more sophisticated system the team have been able to ensure that calls are spread out more evenly and are able to tweak as they go to ensure no one individual is overwhelmed by calls.

4.5 **Service Improvement Plan -** a service improvement plan is being developed to document where the Fund is, how it has changed over the last 10 years, and where the Fund aim 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 was put on hold whilst the telephony system was being tested, as the new system is now in place, work will recommence in August.

4.7 **Enhanced Admin to Pay and Immediate Payments –** this project automates benefit payments and the calculation of pension arrears, streamlining processes.   Implementation and user acceptance testing (UAT) was delayed due to year end and telephony projects. A planning meeting has been arranged for August for a potential Autumn implementation and UAT.

4.8 **Process Improvements and Automations in Altair –** there are plans to investigate automating the new starter process and the team have contacted Heywood's for support so that work can begin on this shortly.

4.9 **Overseas Proof of Life Verification** – 795 proof of life verifications have been completed. Of which, only 98 were paper submissions. There are 44 overseas pensioners still to compete the proof of life verification, and their pensions remain suspended.

5. *Pension Overpayment Write Offs*

5.1 The number of pension overpayment write offs for the period 1 May to 31 July 2024 are set out below:

	May 2024		June 2024		July 2024	
	Number	**Total**	**Number**	**Total**	**Number**	**Total**
£200-£5,000	14	£7,164.85	17	£7,063.65	-	-
£5,000-£50,000	-	-	-	-	-	-
£50,000+	-	-	-	-	-	-

6.   Communications and Support (C&S) Update

6.1   **Appendix 2** shows the scheme employers currently onboarded to **iConnect** and their total active members. Meetings are taking place to plan the next tranche of employers that will be onboarded.

Since the last board meeting, the following employers have been onboarded onto iConnect:

- Ashford Borough Council,

- Folkestone & Hythe D C

- Tonbridge and Malling Borough Council

- Suez Recycling & Recovery UK

- Herne Bay High School (Academy)

- Beyond Schools Trust. This trust includes:

    – Thomas Aveling

    – Fort Pitt Grammar

    – Robert Napier

    – Phoenix Academy

    – Balfour Juniors

    – Beyond Schools Trust Central

- RMET – Rainham Mark Education Trust. This trust includes:

    – Rainham Mark Grammar School

    – Twydall Primary School

    – Riverside Primary School

    – Rainham Mark Central

The team are still working with other employers to onboard mid-year. Now that year end has finished, the project is planned to increase in pace. Other members of the C&S team are being trained to increase the team numbers.

This will enable the team to have capacity to onboard a greater number of employers simultaneously.

6.2 ITM are still contacting employers requesting any missing **McCloud** data. The team are still experiencing a few employers contacting them as a result of ITM requesting data and are assisting with any queries. The team are in close contact with ITM who are assisting very quickly and efficiently when needed.

6.3 The number of **MyPension Online (MPO)** queries received remain fairly high, but this is likely to be due to the recent webinars and the Deferred Benefit Statements being issued. The current sign-up number to MPO is over 10,000 since the launch in May.

Since the launch of MPO, the team have:

- answered 1,680 registration queries
- sent out 838 activation code letters
- input 1,803 personal e-mail addresses
- seen 24,619 visitors to the MPO page on the Kent Pension Fund website

As at 31 July migration to MPO statistics are:

- Total registered via key – 388
- Total registered via e-mail – 1,364
- Total members migrated – 7,865
- Total on MPO – 9,617

6.4 The team is continuing to offer and deliver **training** to employers and their payroll providers.

6.5 There are 4 out of the 562-year **end** returns left to process. The team are in close communication with these employers. The team are now working on year-end tidying up projects.

6.6 The **'Remuneration Comparison'** project is ongoing, and the team is working on the responses received from the employers.

6.7 The team have now started working on the **No Care Pay** project which involves investigating why active members of the scheme do not have Care Pay figure ending on 31 March 2024. It could be that the member left the scheme/employment, and the team were not advised, or a casual member who did not work. Investigations are required to ensure that the Annual Benefit Statement is correct.

6.8 The **Employers Forum** was held on 13 June. This was an online event and was attended by 80 people. The feedback received from employers has been positive.

6.9 A series of **member webinars** on various subjects have been arranged, and they are advertised on the website. Since the previous Board meeting, the

team have delivered 1 webinar a month for June, July and August. Total number of members attending 474.

6.10   The **Deferred Member newsletter** has been published and is available online. Paper copies are being sent to those members that requested to opt out of digital communications (x123). The **Active Member** newsletter is in final review and will be published to coincide with the Annual Benefit Statement publication.

6.11   The team have received a few enquiries regarding the **Teacher Excess Service** Project but no submissions of data to date.

6.12   Preparations are underway for the **Pension Awareness week** in September (webinars and visits to employers).

7.   Technical and Training Updates

7.1   **McCloud Remedy** - While the final data for the McCloud remedy is awaited, the Technical Team are dealing with manual calculations to ensure compliance with the remedy. This is primarily around calculations for pension transfer values.

7.2   **Process Reviews** – Legal advice has been received regarding payments of Death Grants to minors. This will feed into the process review in this area of work.

7.3   **Abolition of the Lifetime Allowance (LTA)** - The Government has opened a short consultation on amendments to the legislation around the abolition of the LTA. While it is not expected any significant work will be caused by this, the team are monitoring the outcome as part of plans to meet the disclosure requirements from 2025, of which plans are currently in progress.

7.4   **Annual Allowance exercise** - The Technical Team are continuing to work on the Annual Allowance exercise for 2023/24.

Due to changes to the tax limits, it is expected that less members will exceed the limit this year, which should make the exercise shorter.

7.5   **Pension Transfer Referrals** - During the last quarter, the Technical Team have experienced a higher volume of technical referrals relating to the transfer out of benefits. This has been caused by manual calculations required for the McCloud remedy. In addition, the ongoing requirements around pension scam checks have also increased the complexity of the information that must be requested before authorising a transfer. These checks have the effect of slowing down transfers as there is often a back and forth of information between the scheme member and the team.

7.6   **Training and Development** – Training figures for the period 01/04/2024 – 30/06/2024:

In house training sessions	35
Sessions led by Training Officers	27
External LGA training courses attended	11

7.7   From April 2024 the Training Team have now built in 3 protected weeks into the schedule therefore any training postponed can now be rescheduled within the protected weeks. Colleagues will not have to wait (potentially up to 3 months) for training to be rescheduled onto the next schedule. If no training needs to be rescheduled, the team will switch focus towards the new SharePoint area containing procedure notes, regulations and how to videos for staff on a variety of subjects.

7.8   2 Members of staff have commenced the pilot intake of students for the PMI Award in Pensions Essentials (level 2). The Award in Pensions Essentials (APE) is a level 2 qualification aimed at those new to pensions. Level 2 qualifications are equivalent to GCSE. The qualification is delivered by Barnett Waddingham. They will provide online learning materials for each unit and the examinations. The course is 12 months duration.

Clare Chambers – Pensions Administration Manager – Kent Pension Fund

T: 03000 414773
E: clare.chambers@kent.gov.uk

September 2024

Appendix 1 – May to July 2024 Performance Report
Appendix 2 – iConnect Onboarded Employers and Active Member Numbers