



## Committee report

Committee	<b>PENSION BOARD</b>
Date	<b>17 OCTOBER 2017</b>
Title	<b>COMPAINTS AND INTERNAL DISPUTE RESOLUTION PROCESS (IDRP)</b>
Report of	<b>TECHNICAL FINANCE MANAGER</b>

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### EXECUTIVE SUMMARY

1. This report presents the revised complaints and internal dispute resolution process for the Isle of Wight Pension Fund, which sets out how complaints from pension scheme members about their pension decisions will be dealt with, and appoints the monitoring officer to be the adjudicator of stage two disputes.
2. Both the Fire Pension Board and the Local Pension Board are asked to recommend this process to the Pension Fund Committee for adoption at its meeting on 24 November 2017.
3. Following adoption of this process, it will be launched to all scheme members and employers via the council's website, and communication will be undertaken with scheme employers to ensure they are aware of, and comply with, the process.

### BACKGROUND

4. The Isle of Wight Council ("the council") is the administering authority for the Isle of Wight Council Pension Fund ("the fund"), part of the Local Government Pension Scheme ("LGPS"), as well as scheme manager for the Isle of Wight Firefighters' Pension Schemes ("FPS").
5. The council has delegated its duties as scheme manager for both the LGPS and the FPS to the Pension Fund Committee ("the committee") under section 101 of the Local Government Act 1972.
6. Following the enactment of the Public Service Pensions Act 2013, subsequent LGPS regulations and FPS regulations have given the Pensions Regulator ("the regulator") greater responsibilities for the oversight of all public service pension schemes (including both the LGPS and FPS).
7. In April 2015 the regulator published its code of practice no 14 *Governance and administration of public service pension schemes* ("the code").

8. One of the key requirements of the code is that scheme managers must make and implement dispute resolution arrangements that comply with the requirements of the law and help resolve pensions disputes between the scheme manager and a person with an interest in the scheme.
9. The council has a complaints policy which is in operation for all services, but there has never been a documented process set out for complaints specifically relating to decisions made about pensions. Reference is made to such an internal disputes resolution process (IDRP) in certain communications with members (for example in letters setting out pension quotes on retirement) but the process itself is not formally documented.
10. The process sets out:
  - (a) how decisions are made, and by whom;
  - (b) how a complaint may be made, and how it will be dealt with;
  - (c) what the IDRP is;
  - (d) who can use the process;
  - (e) how to register a dispute, and the two stage process for dealing with disputes;
  - (f) other sources of support.
11. Following the adoption of this process, it will be launched via the council's website, and communication will be undertaken with all scheme employers to ensure they are aware of their responsibilities under this process, and that they inform their members of the process.

## STRATEGIC CONTEXT

12. Good governance arrangements are essential to the delivery of the council's services. Having appropriate policies in place will improve the standards of governance for the pension schemes for which the council has responsibility.
13. It will also contribute to the fourth objective of the latest [Corporate Plan 2015-17](#), ensuring that all the resources available to the Island are used in the most effective way in achieving the island's priorities.

## CONSULTATION

14. No external consultation on this new policy has been carried out.
15. The policy has been drafted based on the Pensions Regulator's guidance, and using examples from two other pension funds within the ACCESS investment pooling group. It has been reviewed internally by the head of resources and the monitoring officer.
16. Following the adoption of this process, it will be launched via the council's website, and communication will be undertaken with all scheme employers to ensure they are aware of their responsibilities under this process, and that they inform their members of the process.

## FINANCIAL / BUDGET IMPLICATIONS

17. There are no direct financial implications in adopting this process.
18. Should disputes be raised under this process, resources will need to be prioritised to ensure they are dealt with in accordance with the process.

## LEGAL IMPLICATIONS

19. The Public Service Pensions Act 2013 gave greater responsibilities to the Pensions Regulator for the oversight of public service pension schemes, including the Local Government Pension Scheme and the Firefighters' Pension Schemes.
20. The Pensions Regulator's code of practice no 14 *Governance and administration of public service pension schemes* sets out the legal requirements for public service pension schemes in respect of the governance of those schemes, including the requirement for scheme managers to make and implement suitable dispute resolution arrangements.

## EQUALITY AND DIVERSITY

21. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
22. It is considered that the introduction of this new process will not have any impact on any of the protected groups.

## OPTIONS

23. Option 1 - The board agrees the contents of the Complaints and Internal Dispute Resolution Process (IDRP) and recommends the process to the Isle of Wight Pension Fund Committee for adoption.
24. Option 2 - The board reviews the Complaints and Internal Dispute Resolution Process (IDRP) and identifies any changes to be made. The board authorises the chairman of the board to finalise such changes with the technical finance manager and the monitoring officer, and recommends the amended policy to the Isle of Wight Pension Fund Committee for adoption.
25. Option 3 – The board does not accept the Complaints and Internal Dispute Resolution Process (IDRP) and does not recommend it to the Isle of Wight Pension Fund Committee for adoption.

26. Option 4 – The board agrees to recommend to the Pension Fund Committee that the monitoring officer (or deputy) be appointed as the adjudicator of stage two disputes.

### RISK MANAGEMENT

27. It is the responsibility of the Isle of Wight Council, as scheme manager for both the LGPS and FPS, to ensure that the Isle of Wight Pension Fund and the Isle of Wight Firefighters' Pension Schemes are properly governed and administered in compliance with relevant regulations and other requirements. The council has delegated this function to the Pension Fund Committee, under section 101 of the Local Government Act 1972.
28. Adopting and implementing this policy relevant to all pension schemes for which the council is responsible will ensure compliance with the requirements of the Pensions Regulator.
29. Should the council fail to ensure appropriate standards of governance and administration of the pension schemes for which it has responsibility, the Pensions Regulator has the powers to issue an improvement notice under section 13 of the Pensions Act 2004. This would have reputational issues for the council.

### EVALUATION

30. Adopting and implementing this process for all pension schemes for which the council is responsible will ensure compliance with the requirements of the Pensions Regulator.
31. Authorising the chairman of the board to agree any necessary changes to the policy with the technical finance manager and the monitoring officer, and recommending the process subject to those changes being made will reduce any delay in adopting the process, and ensure that any complaints or disputes received can be dealt with in a consistent manner.

### RECOMMENDATION

32. Option 2 - The board reviews the Complaints and Internal Dispute Resolution Process (IDRP) and identifies any changes to be made. The board authorises the chairman of the board to finalise such changes with the technical finance manager and the monitoring officer, and recommends the amended policy to the Isle of Wight Pension Fund Committee for adoption.
33. Option 4 – The board agrees to recommend to the Pension Fund Committee that the monitoring officer (or deputy) be appointed as the adjudicator of stage two disputes.

APPENDICES ATTACHED

34. [Appendix 1](#) – Complaints and Internal Dispute Resolution Process (IDRP)

BACKGROUND PAPERS

35. The Pensions Regulator's code of practice 14  
<http://www.thepensionsregulator.gov.uk/public-service-schemes/code-of-practice.aspx>
36. Isle of Wight Council complaints policy  
<https://www.iwight.com/documentlibrary/download/complaints-policy>

Contact Point: Jo Thistlewood, Technical Finance Manager, ☎ 821000  
e-mail [jo.thistlewood@iow.gov.uk](mailto:jo.thistlewood@iow.gov.uk)

CHRIS WARD  
*Director of Finance  
and Section 151 Officer*

CLLR ADRIAN AXFORD  
*Chairman of Pension Fund Committee*