



Committee Report

ISLE OF WIGHT COUNCIL

Meeting	ISLE OF WIGHT LOCAL PENSION BOARD
Date	6 MARCH 2024
Title	COMPLAINTS AND INTERNAL DISPUTE RESOLUTION PRODEDURE
Report of	PENSION FUND MANAGER

Executive Summary

1. This report presents the updated Complaints and Internal Dispute Resolution Procedure for the Isle of Wight Council Pension Fund, following the delayed scheduled review of the current policy.
2. Following review and agreement by the Local Pension Board, the policy will be presented to the Pension Fund Committee at its meeting in May 2024 for adoption.

Recommendation

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| <ol style="list-style-type: none">3. THAT the process followed for consultation on the proposed changes to the original procedure is noted.4. THAT the draft revised Complaints and Internal Dispute Resolution Procedure be agreed and recommended for adoption by the Pension Fund Committee at its meeting on 22 May 2024. |
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Background

5. The Isle of Wight Council Pension Fund originally published a Complaints and Internal Dispute Resolution Procedure (IDRP) in 2017, with a scheduled review date of 2020. Due to officer capacity issues and other work priorities, the scheduled review did not take place, resulting in an area of non-compliance in the fund's governance compliance statement for the last three years.

6. Working with the fund's governance consultants, Hymans Robertson LLP, the existing IDRPs document was reviewed to ensure it remained fit for purpose and in compliance with the requirements of the Pensions Regulators codes of practice.
7. The revised document was then reviewed by Council and fund officers to ensure consistency as far as possible with the council's own complaints policy, and to ensure that named individuals were up to date and were aware of their responsibilities under the updated policy.
8. The most significant change from the previous policy is to remove all references to the Fire Pension Schemes, the council's responsibility for which ceased in March 2021 following the creation of the combined Hampshire and Isle of Wight Fire Authority.
9. The initial complaints process (section 4 of the revised procedure) has been revised to reflect the council's processes, as administering authority for the fund.
10. The wording for both stage one and stage two of the IDRPs process (sections 7 and 8 respectively of the revised procedure) has been updated to provide greater clarity for users of the process on timescales for responses and what will happen if the appeal against the original decision is upheld.
11. The help and support section (section 9) has updated the initial source of external support to Money and Pension Service (MAPS) who have replaced the Pensions Advisory Service. This section also makes reference to the Pensions Ombudsman as the final point of appeal should all other avenues not provide a satisfactory outcome for the process user.

Corporate Priorities and Strategic Context

12. There is nothing contained in this report which directly contributes to the priorities contained in the Isle of Wight Council [Corporate Plan 2021 – 2025](#). This updated procedure supports the Council's core value "Being fair and transparent", making decisions based on data and evidence and in an open and accountable way.

Pension Fund Strategic Aims

13. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.
14. The fund has also agreed the following objectives, which are supported by information in this report:
 - (a) Ensure compliance with the LGPS Regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.

- (b) Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and evidence based.
- (c) Communicate in a friendly, expert and direct way to our stakeholders, treating each equally according to their needs.
- (d) Develop successful partnership working between the Fund and its employers.

Consultation

- 15. Following internal reviews of the updated procedure by Council colleagues, the procedure was circulated to all external employers within the fund.
- 16. An initial email was sent to 32 external employers on 4 January 2024, seeking employers' comments and confirmation of the processes outlined in the updated procedure. Employers were also asked to provide contact details for a nominated individual to whom complaints received about employer decisions could be addressed, and we asked to provide a copy of their own complaints policies, or a link to their website where this could be found.
- 17. Employers were given until 2 February 2024 to respond to this request. A second reminder email was sent to all employers on 23 January 2024 to chase responses.
- 18. By the closing date, 13 employers had responded to the email, 12 of whom provided a named contact, and 10 provided their complaints policies.
- 19. Two employers who responded stated that they did not have a local complaints policy, and one stated that their current policies were being update following an internal restructure.
- 20. A summary of the consultation responses by employer is provided as appendix 2 to this report.
- 21. The consideration of this policy by the Local Pension Board forms part of the consultation process.

Financial / Budget Implications

- 22. The cost of reviewing and updating the procedure by Hymans Robertson was consistent with prices quoted when the governance consultancy contract was awarded in 2018, and is consistent with other recently draft policies.
- 23. It is not anticipated that the implementation of the revised procedure will incur any additional costs.

Legal Implications

24. Isle of Wight Council is the administering authority for the Isle of Wight Council Pension Fund. An administering authority is defined in the Local Government Pension Scheme Regulations 2013 as “a [local authority] required to maintain a pension fund under the local government pension scheme regulations”.
25. 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.
26. The Pensions Regulator’s General Code, laid before Parliament on 10 January 2024, and expected to come into force on 27 March 2024, sets out the legal requirements for public service pension schemes in respect of the governance of those schemes, including the requirement to have formal procedures and processes in place to investigate and decide upon pension scheme disputes quickly and effectively.

Equality and Diversity

27. 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.
28. The implementation of this updated procedure will have no impact on any of the protected characteristics.

Risk Management

29. It is the responsibility of the Isle of Wight Council, as administering authority for the Local Government Pension Scheme (LGPS) to ensure that the Isle of Wight Council Pension Fund is properly governed and administered in compliance with relevant regulations and other requirements.
30. Adopting and implementing this policy will ensure compliance with the requirements of the Pensions Regulator.
31. 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.

Appendices Attached

32. Appendix 1: Draft updated Complaints and Internal Dispute Resolution Procedure v2.3
33. Appendix 2: Employer consultation outcomes
34. Appendix 3: extract from The Pensions Regulator's general code – dispute resolution procedures

Background Papers

35. Isle of Wight Council Pension Fund Complaints and Internal Dispute Resolution Procedure 2017
<https://www.isleofwightpensionfund.org/resources/idrp-guide/>
36. The Pensions Regulator's General Code (laid in Parliament January 2024)
<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/general-code-laid-january-2024.ashx>
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