

Pensions Committee

22 June 2016

Report title	Internal Dispute Resolution Process – Review	
Originating service	Governance	
Accountable employee(s)	Rachel Howe	Head of Governance
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Report to be/has been considered by	Geik Drever	Strategic Director of Pensions

Recommendation(s) for action or decision:

The Committee is recommended to:

1. Approve the new process for handling Internal Dispute Resolutions
2. Approve the selection and appointment of external reviewers where appropriate
3. Delegate to officers to implement any amendments as a result of consultation with employers.

1.0 Purpose

- 1.1 To update Committee on the work undertaken in the IDRPs process and present the new format for handling these disputes.

2.0 Background

- 2.1 A report was presented to December's committee meeting which detailed the proposals to review the Fund's IDRPs process ensuring it is compliant with the Pensions Act 2004 and the Pension Regulator's Code of Practice.
- 2.2 Following the report to December's committee meeting, officers have undertaken work to implement the proposals as outlined.

3.0 Key Changes

- 3.1 A review of recent cases highlighted that there was scope to develop existing procedures and processes to enhance member experience and improve audit trail. It was identified that additional support materials for employers and further monitoring by the Fund is likely to avoid prolonged disputes and reduce the potential for decisions to be challenged.
- 3.2 Proposed changes included:
 - A requirement for the Fund's compliance team to be notified as soon as a request under IDRPs was received by the employer under Stage one and for every step thereafter up to issuing a decision. Enabling the Fund to keep track of appeals and trigger a review under Stage two, if the employer does not decide and confirm the Stage one outcome to the member within a specified period.
 - Template documents, letters and decision notices for use by all of our employers which will present a consistent and documented approach to decision making across the scheme.
 - Guidance on the appointment (and review of) the "adjudicator" nominated to review decisions under Stage one.
- 3.3 All Stage two appeals presented to the Adminstrating Authority will be reviewed by Mark Taylor (as Section 151 officer) before issue of responses from Keith Ireland, Managing Director, City of Wolverhampton Council as the specified person to investigate and respond to Stage two appeals. The Fund will continue to support the Adminstrating Authority in the investigation of Stage two appeals but will also use other Local Government pension Scheme (LGPS) schemes (by agreement) and professional advisers (as required) to obtain guidance and opinion in certain cases.

- 3.3 The revised process also requires any external reviewer to show competency when dealing with pension matters as well as a requirement to sign a data sharing agreement protecting our members' personal data.

4.0 Implementation

- 4.1 Following the Fund's proposed changes a pilot scheme was undertaken with Birmingham City Council with the process due to be presented to the Fund's Employer Peer Group on 27 June 2016 for formal consultation and adoption.

- 4.2 The Fund has also trialled the use of an external reviewer, both with a partner LGPS Fund and with an external legal professional and have found this to be a useful tool to the Fund when conflicted on matters (due to previous involvement in the complaints process). It is proposed to continue using this tool as part of our adopted process.

- 4.3 The new process will be launched at our Mid-Year Review on 14 July 2016.

5.0 Financial implications

- 5.1 There are no financial implications; the work undertaken has been incorporated into normal workloads. There may be a potential for work in this area to increase and this will be monitored.

6.0 Legal implications

- 6.1 The Administering Authority of a pension scheme must ensure they have a procedure in place to enable any person with an interest in the scheme to make an application to them for a decision on a matter in dispute. Failure to meet this requirement would subject the Fund to scrutiny and potential Judicial Review.

- 6.2 Measures have been put in place to protect member data in the event that this needs to be transferred outside of the Fund to enable an appeal to be investigated.

7.0 Equalities implications

- 7.1 The process has been drafted in accordance with the Equalities Act principles.

8.0 Environmental implications

- 8.1 There are no implications

9.0 Human resources implications

- 9.1 There are no implications

10.0 Corporate landlord implications

10.1 There are no implications

11.0 Schedule of background papers

11.1 Report to Pensions Committee 9 December 2015

<http://wolverhampton.moderngov.co.uk/documents/s18316/Internal%20dispute%20resolution%20process.pdf>

11.2 Pensions Act 1995

<http://www.legislation.gov.uk/ukpga/1995/26>

11.3 Pension Regulator's Code of Practice

<http://www.thepensionsregulator.gov.uk/codes/code-dispute-resolution.aspx#s1072>

11.4 Current IDR process (guide for members)

<http://www.wmpfonline.com/CHttpHandler.ashx?id=4593&p=0>