



## **LOCAL PENSION BOARD**

**17 JUNE 2019**

### **JOINT REPORT OF THE DIRECTOR OF CORPORATE RESOURCES AND DIRECTOR OF LAW AND GOVERNANCE**

#### **LOCAL GOVERNMENT PENSION SCHEME COMPLAINTS PROCEDURE**

##### **Purpose of the Report**

1. The purpose of this report is to seek the agreement of the Board of the proposed changes to arrangements in place to manage complaints (known as the Internal Dispute Resolution Procedure (IDRP)), in connection with the operation of the Leicestershire Local Government Pension Scheme (the Scheme). The report also provides a summary of IDPR complaints the Scheme has received since January 2018.

##### **Background**

2. Decisions with regard to pension entitlement under the Scheme are initially a matter for individual Scheme employers. In cases of dispute the Internal Dispute Resolution Procedure provides a formal two stage process prescribed by the Local Government Pension Scheme Regulations. Before the formal process is enacted there is often an informal stage dealt with by the Pension Section, or as appropriate Corporate Human Resources, that often resolves the issue.
3. For cases that are not resolved informally, the Stage 1 process is usually considered by the member's Scheme employer or previous employer (the employing authority). It is for the employing authority to make its own arrangement how to deal with Stage 1 complaints by appointing an adjudicator.
4. Sometimes complaints are brought by members of the Fund, against the decision of the Pension Manager and in these instances the Stage 1 process is considered by an officer of Leicestershire County Council.
5. If a complaint is not resolved at Stage 1 a scheme member can choose to take their case to Stage 2.

6. All Scheme Stage 2 complaints are considered by the “specified person” of Leicestershire County Council (as the Scheme Administering Authority) or a nominated substitute. In all cases, anyone who has had any dealings at Stage 1 cannot consider the Stage 2 complaint.
7. If complaints are not resolved at Stage 2, scheme members can choose to take their cases to Pensions Advisory Service (PAS) followed by the Pensions Ombudsman. The Ombudsman’s decision is final and binding although in extremely rare instances, cases can proceed to the Courts.

### **Complaints since January 2018**

8. Since January 2018 there have been 5 IDRPs Stage 1 cases that the administering authority is aware of:-
  - In one case the Stage 1 decision is pending.
  - Four cases proceeded to Stage 2. Two of these cases have been referred back to the Stage 1 decision maker to reconsider. Another case was not upheld by the Stage 2 decision maker and it is likely to proceed to PAS and the Ombudsman.
  - The final case reached the Ombudsman and was rejected in favour of the Fund.
9. Where applicable the specified person will direct that compensation be payable to the employee bringing the complaint for the time and trouble caused. It is important to note that the IDRPs proceed as a “review of the decision the subject of complaint”. This means that the specified person does not have the power to substitute his or her decision or require, for example an increased pension payment

### **Leicestershire County Council’s arrangements and appointments**

10. Stage 1 complaints can arise from non County Council and County Council members of the Leicestershire Local Government Pension Scheme. The adjudicator dealing with these complaints at Leicestershire County Council is the Director of Law and Governance and/or the Head of Law. Following a restructure in Legal Services it is proposed that there may be occasions when the Director delegates complaints either to other County Council Solicitors with suitable experience, external Solicitors (e.g. from another pension administering authority) or the Leicestershire Pension Fund Manager.
11. Matters that proceed to Stage 2 are then dealt with by any of the above who has not dealt with the matter at Stage 1.
12. Where the circumstances of the complaint, or matter, are such that the Director of Law and Governance, Head of Law, other delegated County

Solicitors or the Pensions Manager are for whatever reason not able to deal with a Stage 2 matter, arrangements have been made for another Local Government Pension Fund to assist.

### **Recommendation**

13. It is recommended that the:-

- a. Board notes the Internal Dispute Resolution Procedure complaints the scheme has received since January 2018;
- b. Director of Law and Governance (or in her absence the Head of Law) be authorised in appropriate circumstances to delegate the adjudication of Stage 1 Complaints or matters referred to her at Stage 2 to a suitably qualified experienced internal or external decision maker as outlined in this report.

### **Equality and Human Rights Implications**

None specific

### **Background Paper**

Local Government Pension Scheme Complaints Procedure – Local Pensions Board - 4<sup>th</sup> December 2017

<http://politics.leics.gov.uk/documents/s133625/Local%20Pension%20Board%20-%20Complaints.pdf>

### **Officers to Contact**

Ian Howe – Pensions Manager - telephone (0116) 305 6945

Lauren Haslam – Director of Law and Governance (0116) 305 6240

Anthony Cross – Head of Law - telephone (0116) 305 6169

Declan Keegan – Assistant Director of Strategic Finance and Property  
telephone (0116) 305 6199

This page is intentionally left blank