

Non-Executive Report of the: PENSIONS BOARD 22 March 2021	 TOWER HAMLETS
Report of Kevin Bartle, Interim, Corporate Director, Resources	Classification: unrestricted
Employer Internal Dispute Resolution Procedure	

Originating Officer(s)	Miriam Adams, Interim Head of Pensions & Treasury
Wards affected	All

Introduction

This report provides the Board with the Policy for Scheme Employers to follow should they have disputes. As similar policy is available for scheme members in respect of pensions related disputes with their employers and the Fund.

Recommendations:

The Board is asked to

- note the contents of this report.
- note and comment on the Procedure for scheme employers to follow in respect of internal disputes with the scheme (Appendix 1).

1. REASONS FOR THE DECISIONS

- 1.1 Recent legislation changes to employer exit and contributions flexibility has made the need to have a dispute procedure necessary to ensure all employers are dealt with correctly.
- 1.2 It is important to appreciate that you cannot abdicate responsibility to report a employer disputes by relying on any other parties to do so.

2. ALTERNATIVE OPTIONS

- 2.1 There are no alternative options to this report.

3. FINANCIAL IMPLICATIONS

- 3.1 Ensuring compliance with the Code may result in additional work for the Fund's officers and advisers, bringing an associated increase in costs to be met by the Fund; however, and such costs will be immaterial in the context of the Fund value of £1.7bn.

4. LEGAL COMMENTS

- 4.1 Section 70 of the Pensions Act 2004 obligates trustees, managers, employers, persons involved in the administration of the scheme and professional advisors to report breaches of the law to the Regulator. This must be done in writing as soon as reasonably practicable.

5. ONE TOWER HAMLETS CONSIDERATIONS

- 5.1 The employer's contribution is a significant element of the Council's budget and consequently any improvement in costs management will reduce the contribution and increase the funds available for other corporate priorities.

6. BEST VALUE (BV) IMPLICATIONS

- 6.1 Effective management of breaches in legislation can in the long-term result in great cost saving to the Fund.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 There is no direct Sustainable Action for A Greener Environment implication arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The rigorous robust management of LBTH Pension Fund results in better quicker and more effective decision making which can lead to better Fund performance and reduction in the contribution required from the Council towards the Fund.
- 8.2 Lack of robust governance inevitably involves a degree of risk. Not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Pension Fund. In addition, where scheme managers or pension boards fail to address poor standards and non-compliance with the law, TPR will consider undertaking further investigations and taking regulatory action.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 There are no crime and disorder reduction implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

There are no linked reports to this agenda item

Appendices

Appendix 1 – Employer Internal Dispute Resolution Procedure

Local Government Act, 1972 Section 100D (As amended)**List of “Background Papers” used in the preparation of this report**

Good Governance in the LGPS

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