SURREY COUNTY COUNCIL

SURREY LOCAL PENSION BOARD

DATE: **16 FEBRUARY 2024**

LEAD OFFICER: **ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL**

SUBJECT: **THE PENSIONS REGULATOR – GENERAL CODE OF PRACTICE**

SUMMARY OF ISSUE:

The Pensions Regulator (tPR) has published its new General Code of Practice ('the Code'). This is the final response to the consultation on a new code of practice that brings together and updates the existing codes of practice into a single set of clear, consistent expectations on scheme governance and administration. The Code was laid before Parliament on 10 January. The new code replaces the Code of Practice (no.14) for Public Service Pension Schemes.

The code is expected to come into force on 27 March 2024.

RECOMMENDATIONS:

It is recommended that the Board notes the content of this report.

REASON FOR RECOMMENDATIONS:

The Board needs to be aware of changes to the scheme governance and administration.

DETAILS:

1. The General Code of Practice consolidates the previous tPR codes into a single code. It also introduces new topics such as Cyber Security and Pension Scams.

2. The five main areas of the code are: -

   a) The Governing Body (Scheme Manager for LGPS funds i.e., the Administering Authority and its 'delegates'.)
   b) Funding and Investment
   c) Administration
   d) Communications and disclosure
   e) Reporting to tPR.

3. The code makes explicit the need for an "effective system of governance" (ESOG), setting out in detail the expectations around this. Pension Schemes, including LGPS Funds, will also be required to produce an "own risk assessment" (ORA) to review how well their system of governance is working.

4. The Surrey Pension Fund responded to the 2021 consultation and the response Is available as a background paper.

5. The response specifically addressed tPR's proposed designation of a pension scheme's governing body to accommodate either a scheme manager, a local pension board, a committee or a composite of all three in the public sector. tPR has recognised that combining the roles of scheme manager and pension board made the obligations placed on the parties difficult to disentangle and as such has removed the pension board from the definition of governing body.

6. Paragraph 14 sets out the next steps to measure and action compliance with the new general code of practice.

CONSULTATION:

7. The Chairs of the Local Pension Board and Committee have been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

8. There are no risk related issues.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

9. The performance of administration and governance presents potential financial and value for money implications to the Pension Fund. There are no financial or risk related issues.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

10. The Director of Finance, Corporate and Commercial is satisfied that all material, financial and business issues have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

11. Any legal implications or legislative requirements have been considered.

EQUALITIES AND DIVERSITY

12. There are no equality or diversity issues.

OTHER IMPLICATIONS

13. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

14. Officers to work with advisors to consider the changes from the previous code and understand tPR's expectation in relation to the new code.

15. Consider the modules and areas that the administering authority /scheme needs to action,

16. Commence plans to determine how to assess and demonstrate compliance with the general code of practice.

Contact Officer:
Adele Seex – Governance Manager

Consulted:
Local Pension Board Chair

Annexe:

Sources/background papers:

1. AON Spotlight tPR \General Code Jan 2024

2. Response to Consultation on a new Single Code for the Pensions Regulator – May 2021

3. Single code of practice consultation | The Pensions Regulator

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