

SURREY COUNTY COUNCIL**LOCAL PENSION BOARD****DATE: 11 NOVEMBER 2021****LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL****SUBJECT: COMPLIANCE WITH THE PENSION REGULATOR'S CODE OF PRACTICE no. 14****SUMMARY OF ISSUE:**

This report considers compliance with the Pension Regulator's Code of Practice 14.

RECOMMENDATION:

1. The Board is asked to note the content of this report.

DETAILS:**Summary**

1. A paper was presented to Local Pension Board in February 2021 which outlined how Surrey County Council (SCC) Pension fund complies with the Pensions Regulator's (TPR) Code of Practice 14, which sets out of the requirements and expected standards for the governance associated with the administration of public sector pension schemes. The Board requested data to be compliant with applicable code, evidence of compliance with the Code is included in Annexe 1 with changes highlighted provided in red.
2. The Board also requested an annual update.

Background

3. From 1st April 2015 TPR assumed responsibility for the governance and administration of all public sector pension schemes.
4. To assist schemes in understanding TPR's expectations they have issued a Code of Practice No. 14 (1) which provides guidance and sets out standards of conduct and practice expected from Authorities that manage public service pension schemes.
5. Compliance with the Pension Regulator's Code of Practice 14 gives assurance that the Fund has effective processes and practices in place associated with the administration of the Pension Fund.

6. Although tPR consulted on introducing a Single Code of Practice in 2021, it has been paused following mixed feedback and it is not expected to be implemented until late summer 2022.
7. It should be noted that tPR has enhanced enforcement powers following the passage of the Pensions Act 2021.

The Compliance Checklist

8. The Compliance checklist in Annex 1 shows Surrey Pension Fund progress on 'Partially' complete sections of TPR Code of Practice no 14 and if further actions are required. As can be seen in most areas, the Fund is making good progress. However, there are a number of areas where the Fund is in the process of being able to demonstrate compliance and will prioritise accordingly.
 - New Board members should aim to complete tPR Induction training.
 - Board members to advise if they attend training, to allow officers to accurately maintain training log.
 - Officers will review and update applicable policies.
 - The Fund is currently undergoing an Internal Audit and Board will be updated regularly on the progress.
9. The checklist relates to the administration of pension schemes and focusses on requirements and expected standards for public sector pension funds in:
 - I. Governing the scheme;
 - Knowledge and understanding
 - Conflicts of interests and representation
 - Publishing information about the scheme
 - II. Managing risks;
 - Internal controls
 - III. Pensions administration
 - Scheme record keeping
 - Maintaining contributions
 - Providing information to members
 - IV. Resolving issues
 - Internal Dispute Resolution
 - Reporting Breaches of Law

<u>CONSULTATION:</u>

10. The Chairman of the Local Pension Board has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

11. We need to be adhere to tPR requirements in order to avoid enforcement fines and reputational damage.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

12. There are no direct implications.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

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

LEGAL IMPLICATIONS – MONITORING OFFICER

14. None.

EQUALITIES AND DIVERSITY

15. There are no equality or diversity issues.

OTHER IMPLICATIONS

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

WHAT HAPPENS NEXT

17. The compliance checklist will be updated regularly and reported every six months to the Board. The next report being produced for the May 2022 meeting.

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Consulted:

Local Pension Board Chairman

Annexes:

1. Compliance statement.

Sources/background papers:

1. None.

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