

# TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 7

## PENSION FUND COMMITTEE REPORT

13 MARCH 2024

DIRECTOR OF FINANCE – DEBBIE MIDDLETON

Pensions Regulator General Code of Practice

### 1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide the Members of the Pension Fund Committee (the Committee) with details of the Pensions Regulator's recently published General Code of Practice, expected come into force from 27 March 2024.

### 2. RECOMMENDATION

- 2.1 That the Committee notes this report and that information on compliance with the General Code of Practice will be provided to future Pension Fund Committee meetings.

### 3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications resulting from this report.

### 4. BACKGROUND

- 4.1 The Pensions Regulator (TPR) is the UK regulator of workplace pension schemes. It has a wide range of responsibilities in relation to regulating trust-based (private sector) pension schemes and plays a more limited but still very significant, role in regulating public service pension schemes such as the Local Government Pension Scheme (LGPS).
- 4.2 The TPR produces guidance in relation to the governance and administration (but not the investment or funding) of public service pension schemes. Much of this up to now has been contained within a separate 'code to practice' document – "Code 14: Governance and administration of public service pension schemes".
- 4.3 TPR has been through an exercise to merge its existing codes of practice into a single new code, the General Code of Practice. Consultation on the creation of the general code took place on 2021 and the new General Code of Practice was laid in Parliament on 10 January 2024, expected to come into force after 40 days on 27 March 2024.

- 4.4 The General Code of Practice is a 171-page document that can be found on TPR's website at the following link:

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/general-code-laid-january-2024.ashx>

(Hard copy available on request).

## 5. THE GENERAL CODE OF PRACTICE

- 5.1 The following ten codes have been consolidated into the General Code of Practice:

- Reporting breaches of the law
- Early leavers
- Late payment of contributions (occupational pension schemes)
- Late payment of contributions (personal pension schemes)
- Trustee knowledge and understanding
- Member nominated trustees/member-nominated directors putting arrangements in place
- Internal controls
- Dispute resolution reasonable periods
- DC code
- Public service code

- 5.2 The General Code of Practice is divided into five sections (shown in bold below). Also shown below are the new modules included in the General Code of Practice (not present in the existing codes of practice). Some of these (asterisked and shown in italics) will not directly apply to the LGPS but where this is the case, compliance will usually be viewed as 'best practice' by TPR.

### **The governing body**

- Meetings and decision-making
- *Remuneration and fee policy \**
- *Managing advisers and service providers \**
- *Scheme continuity planning \**
- *Own risk assessment \**

### **Funding and investment**

- *Investment governance \**
- *Investment monitoring \**
- *Climate change \**

## **Administration**

- Planning and maintaining administration
- Financial transactions
- Transfers out
- Record-keeping
- Data monitoring and improvement
- Maintenance of IT systems
- *Cyber controls* \*

## **Communications and disclosure**

- General principles for member communications
- Scams

## **Reporting to TPR**

5.3 The Local Government Association (LGA) and LGPS Scheme Advisory Board (SAB) have provided the following initial comments in relation to the General Code of Practice:

“The SAB’s Secretariat is studying the Code closely to identify any new requirements for administering authorities and how the Code’s requirements align with items on the SAB workplan, such as the SAB’s 2021 Good Governance recommendations.

[TPR’s research on governance and administration](#) shows that the LGPS already has high standards of governance in place. The Code provides an opportunity for funds to review current practices, but also presents challenges during what is already a busy time for the LGPS. Clarity is required on which parts of the Code apply to the LGPS, what these mean for administering authorities and how they should be applied in practice. The SAB will support authorities in understanding any new requirements in the Code and, where needed, will produce new or update existing guidance to help authorities with their responsibilities.

The SAB’s LGPS live webinar taking place on 6 March 2024 at 3.30pm will focus on the Code and the requirements and challenges it presents for the LGPS.”

5.4 Although the General Code of Practice is expected to take effect before the end of March, TPR has indicated that it does not expect schemes to be able to demonstrate full compliance with all the provisions of the Code from that date. However, what is expected that schemes will have an awareness of where there are potential gaps in compliance and, ideally, a plan setting out how and when these gaps will be filled.

## **6. NEXT STEPS**

- 6.1 The Fund already had a good level of compliance with TPR's governance and administration requirements set out in the existing 'old' codes of practice. An exercise is underway to consider to what degree the Fund complies with the new elements of the code, including those deemed 'best practice' for the LGPS. Updates, including a plan for achieving full compliance with all relevant elements of the General Code of Practice will be shared with future Committee meetings.

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