



Local Pension Board

Title	The Pensions Regulator's new General Code of Practice
Date of meeting	11 March 2024
Report of	Executive Director of Strategy & Resources (S151 Officer)
Wards	All
Status	Public
Urgent	No
Appendices	None
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Summary

This paper provides the Local Pension Board with an update on the new general Code of Practice recently published by The Pensions Regulator.

Recommendations

That the Local Pension Board note the update on the new general Code of Practice and the future actions to be undertaken by the LBB Pensions Team.

1. Reasons for the Recommendations

Introduction

- 1.1 On 10 January 2024, The Pensions Regulator (TPR) published its new general code of practice (the “Code”). The new code consolidates 10 of the current 15 existing codes of practice into one code setting out TPR’s expectations on scheme governance and administration. This includes the current Code of Practice 14 that applies to public sector schemes, including the Local Government Pension Scheme (LGPS).
- 1.2 The new code is around 170 pages as opposed to 460 pages of the current 15 existing codes.
- 1.3 The new code is expected to come into force on **27 March 2024**.
- 1.4 The new Code provides increased clarity on the definition of the governing body for public sector schemes. The new Code recognises that the governance of such schemes needs to consider the differing responsibilities of a ‘Scheme Manager’, Local Pensions Board and where appropriate, the Pension Fund Committee.
- 1.5 There are also several areas of good practice which sit alongside the core modules in the new Code. Whilst compliance with these good practice modules will not be a legal requirement, it is expected that schemes consider all these areas of the new Code.

Key Updates in the new Code

1.6 Governance Requirements

- The new code emphasizes the importance of robust governance frameworks within pension schemes, including the LGPS.
- LGPS funds must ensure effective decision-making processes, with a clear description of roles and responsibilities, and regular assessments of performance and risk management procedures.

1.7 Administration Standards

- Enhanced standards for pension scheme administration aim to ensure accuracy, efficiency, and security of member records and transactions.
- LGPS administrators must adopt best practices in data management, cybersecurity, and member communication.

1.8 Investment Principles

- The new code includes updated guidance on investment principles, including considerations for environmental, social, and governance (ESG) factors.
- LGPS funds are encouraged to incorporate ESG considerations into their investment strategies alongside financial considerations.

1.9 Communication and Transparency

- Improved communication and transparency requirements aim to provide LGPS members with clear and accessible information about their rights and benefits.
- LGPS administering authorities must engage with members regularly, provide meaningful updates, and address any concerns or queries promptly.

Next Steps

- 1.10 The LBB Pensions Team are currently waiting for guidance from the Scheme Advisory Board (SAB) on the implications of the new code for the LGPS.
- 1.11 Once this guidance is received, the LBB Pensions Team will determine the actions required for the Barnet Fund and arrange training for Board and Pension Fund Committee members.

2. Alternative Options Considered and Not Recommended

- 2.1 Not applicable in the context of this report.

3. Post Decision Implementation

- 3.1 Not applicable in the context of this report.

4. Corporate Priorities, Performance and Other Considerations

Corporate Plan

- 4.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

Corporate Performance / Outcome Measures

- 4.2 Not applicable in the context of this report.

Sustainability

- 4.3 Not applicable in the context of this report.

Corporate Parenting

- 4.4 Not applicable in the context of this report.

Risk Management

- 4.5 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance and data is essential to managing the risks of the pension fund.

Insight

- 4.6 Not applicable in the context of this report.

Social Value

- 4.7 Not applicable in the context of this report.

5. Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)

- 5.1 Not applicable in the context of this report.

6. Legal Implications and Constitution References

- 6.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.
- 6.2 Under the terms of reference for the Local Pension Board, the role of the Board is to assist with:
- compliance with LGPS Government regulations.
 - compliance with the requirements imposed by the Pensions Regulator.
 - such other matters as the LGPS regulations may specify to ensure the effective and efficient governance and administration.
 - ensure the Pension Fund's strategy and policy documents are maintained in accordance with the LPS Regulations.
 - ensure the Pension Fund's internal Risk Register is reviewed at least annually.
 - review the Pension Fund's performance in complying with the requirements of the LGPS Regulations

7. Consultation

- 7.1 Where relevant, consultation and engagement is discussed in the paper.

8. Equalities and Diversity

- 8.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.
- 8.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The [Public Sector Equality Duty](#) requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

9. Background Papers

- 9.1 Link to the new Code: <https://www.gov.uk/government/publications/the-pensions-regulator-general-code-of-practice>