

Warwickshire Local Pension Board

The Pension Regulator consultation on a new Code of Practice

13 April 2021

Recommendation(s)

1. That the Local Pension Board notes and comments on the report.

1. Executive Summary

- 1.1 The Pension Regulator (TPR) has published a consultation document on a new code of practice. The period of consultation ends on 25th May 2021.
- 1.2 The code has been introduced to incorporate changes by the 2018 governance regulations (which do not apply to public service pension schemes) and to encourage increased member engagement, public scrutiny of pension schemes and those who run them, and growing concerns about climate change
- 1.3 The new code is aimed at all pension schemes, defined benefit and defined contribution, across both the private and public sector.
- 1.4 The code comprises of five core sections; The governing body, Funding and investment, Administration, Communications and disclosure and Reporting to TPR.
- 1.5 A number of existing codes of practice will continue to apply but significantly not Code of Practice 14 which covers public service pension schemes.
- 1.6 The modules are designed to be presented online and will be interlinked. A web based version of the draft Code has been published as part of the consultation. Below is the link:

<https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice>

2. Financial Implications

- 2.1 No direct costs occur immediately, but the recommendations would have resourcing implications, both in terms of how resources are organised and the total cost.

3. Environmental Implications

3.1 None

4. Supporting Information

4.1 There are a number of areas applicable to the Local Government Pension Scheme within the five core sections of the new Code:

The Governing Body:

- Meetings and decisions (**new**)
- Remuneration policy (**best practice**)
- Managing Adviser and service providers (**new**)
- Continuity planning (**best practice**)
- Assurance of governance and internal controls (**new**)

Funding and Investment

- Investment governance (**best practice**)
- Investment monitoring (**best practice**)

Administration

- Administration (**new**)
- Financial transactions (**new**)
- Transfers (**new**)
- Scheme records (**new**)
- Data monitoring (**new**)
- Maintenance of IT (**new**)
- Cyber controls (**new**)

Communications and disclosure

- General principles for member communications (**new**)
- Scams (**new**)

Reporting to TPR

- Registrable information and scheme returns (**new**)

5. Timescales associated with the decision and next steps

5.1 It is anticipated that the new code will come into effect later this year.

5.2 Officers will ensure that the new code is part of the business planning cycle.

Appendices

1. None

Background Papers

1. None

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The report was circulated to the following members prior to publication:

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Other members: