



Report to Pension Fund Board

Date: 27 March 2024

Title: TPR – General Code of Practice

Author and/or contact officer: Claire Lewis-Smith, Pensions Administration Manager

Recommendations: **The Board are asked to NOTE the report.**

1. Executive summary


1.1 The Pensions Regulator's (TPR) General Code of Practice was laid in Parliament on 10 January 2024 and is expected to come into force on 27 March 2024. The new code brings 10 of the TPR's existing codes of practice into 1 code consisting of 51 modules. The new code sets out TPR's expectations regarding an Effective System of Governance (ESoG). Schemes will be expected to demonstrate they have the mandatory policies and procedures in place to meet regulatory requirements, whether they are meeting TPR's expectations and where not regulatory, whether they are meeting best practice.

2. Content of report

2.1 The General Code of Practice can be found at the TPR's website using the following link: <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/general-code-laid-january-2024.ashx>

2.2 The General Code of Practice is divided into 5 sections:

- **The governing body**
 - **Board structures and activities**
 - Role of the governing body; Recruitment and appointment to the governing body; Arrangements for member-nominated trustee appointments; Appointment and role of the chair; Meetings and decision making; Remuneration and fee policy*

- **Knowledge and understanding requirements**
 - Knowledge and understanding; Governance of knowledge and understanding
 - **Value for scheme members**
 - Value for members
 - **Advisers and service providers**
 - Managing advisers and service providers*
 - **Risk Management**
 - Identifying, evaluation and recording risks; Internal controls; Assurance reports on internal controls; Scheme continuity planning*; Conflicts of interest; Own risk assessment*; Risk management function
 - **Scheme governance**
 - Systems of governance
 - **Funding and Investment**
 - **Investment**
 - Investment governance*; Investment decision-making; Investment monitoring*; Stewardship; Climate change*; Statement of investment principles; Default arrangements and charge restrictions
 - **Administration**
 - **Scheme administration**
 - Planning and maintaining administration
 - **Information handling**
 - Financial transactions; Transfers out; Record-keeping; Data monitoring and improvement
 - **IT**
 - Maintenance of IT systems; Cyber controls*
 - **Contributions**
 - Receiving contributions; Monitoring contributions; Resolving overdue contributions
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- Communications and disclosure
 - **Information to members**
 - General principles for member communications; Benefit information statements; Retirement risk warnings and guidance; Notification of right to cash transfer sum or contribution refund; Chair’s statement; Scams; Audit requirements
 - **Public information**
 - Publishing scheme information; Dispute resolution procedures
- **Reporting to TPR**
 - **Regular reports**
 - Registrable information and scheme returns
 - **Whistleblowing – reporting breaches of the law**
 - Who must report; Decision to report; How to report; Reporting payment failures

Those asterisked above do not directly apply to the LGPS but compliance will be deemed best practice.

2.3 It is recognised that the LGPS already has high standards of governance in place [Pensions research and analysis | The Pensions Regulator](#). However, clarification on exactly which sections of the code affect the LGPS is awaited from the Scheme Advisory Board (SAB) via new or updated guidance. Although the introduction of the code is imminent, TPR have indicated at various webinars that they do not expect schemes to be fully compliant on the date the code comes into force. Their expectation is that schemes start to look at where the code is not being met and devise a plan to fill the gaps.

3. Other options considered

3.1 N/A

4. Legal and financial implications

4.1 Section 90(1) or 90(A(1)) of the Pensions Act 2004 (the Act) confers power on TPR to issue codes of practice. In addition, section 90(2) or 90A(2) of the Act requires TPR to issue a code of practice in relation to specified matters. Further, section 90(3) or 90A(3) of the Act confers power on TPR to revise the whole or part of a code of practice issued under section 90(1) or 90A(1) and issue that revised code. Section 91 of the Act outlines the procedure for bringing a code of practice into force.

An assessment of certain existing codes of practice issued by TPR was carried out to take account of recent legislative changes introduced by the Occupational Pension Schemes (Governance)(Amendment) Regulations 2018. That assessment identified issues related to outdated content, duplication, poor user experience and lack of user awareness.

5. Corporate implications

5.1 N/A

6. Consultation and communication

6.1 TPR consulted on the single code from 17 March to 26 May 2021 and issued an interim response on 24 August 2021

7. Next steps and review

7.1 The Fund will review the code to see what mandatory requirements have already been met by existing policies/procedures. Where gaps exist, a plan will be put in place to ensure these requirements are met within a six month period. Stage 2 will be to review those requirements that are deemed best practice and to put plans in place where necessary.

