

Subject	TPR Code of Practice 14	Status	For Publication
Report to	Local Pension Board	Date	15 July 2021
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To update members on current levels of compliance with TPR Code of Practice 14 and the outcome of the TPR Survey on Governance and Administration.
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2 Recommendations

- 2.1 Members are recommended to:
- a. **Review the latest update on compliance levels and highlight any potential areas which may require more focus.**
 - b. **Note the outcomes of the TPR Survey**
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3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objective:

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision making processes. The Board has a significant role to play in assisting the Scheme manager with ensuring compliance with the Regulations and reviewing compliance with the code of practice is an important part of this.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times. The code of practice is currently the key set of guidance in the Pensions Regulator's oversight of public service pension schemes.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report have the following implications for the Corporate Risk Register. In order to ensure the Board can be effective in carrying out its role (Risk G2), it needs to have oversight of compliance with the code of practice.

5 **Background**

- 5.1 The Public Services Pensions Act 2013 introduced the framework for the governance and administration of public service pension schemes such as the LGPS and provided an extended regulatory oversight to the Pensions Regulator.
- 5.2 The Regulator is required to issue codes of practice covering specific matters relating to public service schemes. Codes of practice set out the standards of conduct and practice expected from those who are responsible for public service pension schemes.
- 5.3 Although codes of practice are not statement of law, and there is no penalty for failing to comply with the codes, they are intended to provide practical guidance in relation to the governance and administration of the scheme. The Regulator indicates that the code of practice 14 is directed particularly at scheme managers and members of pension boards.
- 5.4 A copy of the code of practice has been placed in the SYPA Reading Room (under Local Pension Board special interest). The document itself covers the following four main areas:-
- Governing the Scheme
 - Managing Risks
 - Administration
 - Resolving Issues
- 5.5 Members will be aware that the Regulator has recently consulted on introducing a single code of practice that will apply to all pension schemes and this will replace the existing code of practice 14 later in the year. In the meantime, the code remains in place and it is timely for members to be provided with an update of progress made against the code.
- 5.6 **Appendix A** is based on a document presented to members last year which had been constructed by extracting the individual subject areas covered by the code of practice and providing commentary on SYPA levels of compliance. Where possible, the cross referencing to the relevant section of the code of practice was included. The Appendix has been updated with an update of progress made to date and details of any further actions still to be followed up.
- 5.7 The actions outstanding will continue to be pursued as the majority of the requirements are expected to be carried through to the new single code of practice following the outcome of the consultation. The intention is for a new Action Plan to be drawn up by the Governance Risk and Compliance Officer incorporating the existing actions and any further changes identified once the new single code is launched.
- 5.8 With the co-operation of the Chair of the Board, SYPA previously contributed to the annual TPR Governance and Administration Survey and TPR have now published the results of the Survey. The SYPA responses are shown in **Appendix B** and the survey results are included as **Appendix C**.

5.9 In response to the survey, the LGA have commented that for the LGPS in general the results show improvements in risk management processes, cyber controls and the proportion of members receiving their annual benefit statement on time. Unsurprisingly, most schemes identified implementing the McCloud remedy as a significant risk. Governance has generally stood up well given the unique challenges the last year has presented.

6 **Implications**

6.1 The proposals outlined in this report have the following implications:

Financial	None
Human Resources	None – Governance and Risk Officer now in post
ICT	None
Legal	None
Procurement	None

George Graham

Director

Background Papers	
Document	Place of Inspection
Code of Practice 14	SYPA Reading Room