Subject	**Compliance with The Pensions Regulator's General Code of Practice**	Status	For Publication
Report to	Local Pension Board	**Date**	07 August 2025
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
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1   Purpose of the Report

To provide Local Pension Board members with an update on the current status of compliance with the Pensions Regulator's (TPR's) General Code of Practice.

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2   Recommendations

Board Members are recommended to:

a. **Note the update on compliance with the TPR's General Code of Practice and actions identified; and**

b. **Consider if any further information or explanation is required from officers.**

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3   Link to Corporate Objectives

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

To develop our investment options within the context of a sustainable and responsible investment strategy.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

3.2   The contents of this report are part of the arrangements in place to ensure good governance.

4   Implications for the Corporate Risk Register

4.1   The actions outlined in this report relate to actions that will contribute to addressing risks around regulatory compliance.

5 Background and Options

5.1 The Pensions Regulator's (TPR) General Code of Practice (the Code) came into force on 27 March 2024; bringing together 10 existing codes of practice, including Code of Practice 14 (Governance and Administration of Public Service Pension Schemes), into a single modular code which applies to all UK pension schemes.

5.2 Following its introduction, officers undertook a full assessment of compliance with all of the areas of the Code that are relevant to Public Service Pensions Schemes – some of which are requirements, and some of which are good practice only. This initial assessment was carried out alongside the independent governance review with the support of Aon and making use of their compliance tool developed for this purpose.

5.3 There is now a rolling programme of reviews in place that ensures all modules within the Code are assessed and progress updates provided at least every six months, and the results are reported to the Board on this basis.

5.4 The review process involves officers undertaking a detailed review of compliance and updating on progress against planned actions.

5.5 This report presents the results of the reviews that have taken place since the last full report in February.

5.6 The Code has five overarching principles covering The Governing Body, Funding and Investments, Administration, Communication and Disclosure and Reporting to TPR, each of which is divided up into modules, and a series of questions within each.

5.7 The table below summarises the RAG status of each question in the modules – with the results from the previous review shown in grey for comparison.

Section	Green	Amber	Red	Total Questions	Green Status Percentage
The Governing Body	121	14	8*	**143**	84.6%
Previous review	115	18	10*		80.4%
Funding and Investment	30	4	3	**37**	81.1%
Previous review	29	5	3		78.4%
Administration	74	12	2	**88**	84.1%
Previous review	70	13	5		79.5%
Communications & Disclosure	29	4	3	**36**	80.6%
Previous review	28	4	4		77.8%
Reporting to TPR	8	3	3	**14**	57.1%
Previous review	7	3	4		50.0%

* Note:

7 of these questions rated as red relate to the 'Own Risk Assessment' module which has not been assessed yet.

5.8 Note that, as previously reported, the 'Own Risk Assessment' module is still deferred until further guidance for LGPS funds on the application of these requirements for public sector schemes is made available.

5.9 In response to information requested by members, the table below now gives further detail to indicate the split of the questions currently rated as either red or amber into those that are a requirement in the Code and those that are simply recommended as good practice.

Section	Amber	Red
The Governing Body of which:	14	8
Required	**2**	**0**
Good Practice	12	8
Funding and Investment of which:	4	3
Required	**1**	**0**
Good Practice	3	3
Administration of which:	12	2
Required	**12**	**2**
Good Practice	0	0
Communications & Disclosure of which:	4	3
Required	**3**	**3**
Good Practice	1	0
Reporting to TPR of which:	3	3
Required	**3**	**3**
Good Practice	0	0

5.10 The report at Appendix A shows the status of the actions planned to address all of these red and amber rated questions.

5.11 The current review shows continued good compliance overall as indicated by the number of green and amber ratings, and some progress achieved with a number of ratings on individual questions moving from a previous status of red to amber or amber to green.

5.12 In addition, there has been an increase in the number of fully compliant modules since the previous assessment, identified below.

Governing Body

Board Structure and activities: Now fully compliant in 4 out of 5 modules compared to 3 out of 5 previously.

Knowledge and understanding requirements: Now fully compliant in 2 out of 2 modules compared to 1 out of 2 previously.

Risk Management: Now fully compliant in 3 out of 6 modules compared to 2 out of 6 previously.

5.13   The report attached at Appendix A has been produced directly from the compliance toolkit and provides the results of the assessment, setting out for each of the five sections:

a. An 'at a glance' page showing a heat scale that indicates the overall RAG and compliance status for each of the modules assessed. (This page also includes a sidebar to show some of the essential actions extracted from the toolkit – this appears to cut off some of the content, but the actions are detailed fully in the rest of the report as explained below).

b. Following on from the 'at a glance' page for each section, a new section has been added to the report to capture any changes to the RAG status since the last review or to confirm that no changes have been made.

c. The next section sets out the actions in full, showing the module and question number to which they relate. These are split between:

     i.   Essential Actions – these are the actions identified to address questions that were answered as 'No' or only 'Partially' and are therefore rated as Red or Amber.

     ii. Other Actions – these are additional actions identified for the purposes of further improvement on questions that are already Green rated.

     At the request of Board members, an icon has been added against each of the essential actions to indicate if this relates to a requirement in the Code or a recommendation for good practice.

     The commentary shown for each of the actions has been updated to indicate any progress made and shows a target date for completion or confirms if the action has been completed since the previous assessment.

d. The final page for each of the five sections sets out a summary of each of the modules included within it and indicates the interpretation that Aon has provided as to the application or partial application of each of these to LGPS funds.

5.14   For reference if helpful for Board members, an additional appendix has been attached that lists all the questions within each module and shows the RAG status of each, with those questions that are for good practice only (rather than a requirement) shown in orange font. This is attached at Appendix B.

5.15   The process of reviewing the assessment continues to work well and the involvement of Service Managers has given them further understanding of the areas for focus that have been captured in their service level action plans. As reported previously, officers felt that it was reassuring that the questions rated as red concerned issues that on the whole were already known and actions either being planned or already in progress.

5.16   The main areas of progress to highlight from the review include:

The Governing Body – Board Structure and Activities and Knowledge and Understanding – the initial assessment highlighted a number of actions required in relation to recruitment and training which have now been progressed. These include:

a. The production of documented processes setting out recruitment and succession planning, beyond what is contained with the Constitution.

b. The development of a tailored induction specifically focused on the expectations and skills of Chairs.

c. Specific role profiles have now been drafted for both Chair and Vice-Chair

d. Individual training plans and skills assessments have now been rolled out to all members including Chairs and Vice-Chairs

Administration – Contributions – Resolving Overdue Contributions - the initial assessment highlighted areas that required documented procedures which have now been completed. These covered:

   a. The creation of a reporting dashboard for recording, monitoring and pursuing missing monthly schedules/contributions along with relevant documented procedures
   b. Ensuring that written procedures include clear escalation within SYPA, to identify whether a payment failure should be reported to TPR. The process is now in place as part of EPiC workflow.

5.17 Work continues to progress other key areas where actions have been identified and these will continue to be monitored as part of the regular assessments of compliance with the Code, ensuring that they are captured in the relevant strategies and action plans.

5.18 Reviews will continue to be carried out regularly with a twice yearly update reported to the Board at their August and February meetings each year.

6   Implications

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

Financial	There is a small annual cost for updating the compliance tool and this is included in existing budgets.
Human Resources	None
ICT	None
Legal	The assessment of compliance with TPR's General Code will enable the Authority to ensure it meets its legal obligations.
Procurement	None

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	**Place of Inspection**
The Pensions Regulator – General Code of Practice	TPR website: TPR General Code of Practice | The Pensions Regulator