

Report for: Pensions Committee and Board – 5 March 2024

Item number:

Title: LGPS Update – The Pensions Regulator: General Code of Practice

Report authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury
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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Not applicable

1. Describe the issue under consideration

1.1. This report provides the Pensions Committee and Board (PCB) with an update on the Pensions Regulator's (TPR) new General code of practice which was published on 10 January 2024. The Fund's Independent Advisor has prepared a paper to update the PCB on the main outcomes.

2. Cabinet Member Introduction

2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note the Independent Advisor's The Pensions Regulator: General code of practice paper, appended as Appendix 1 of this report.
- 3.2. To agree to commission the Independent Advisor to undertake a Governance Review of Fund's governance arrangements.

4. Reason for Decision

4.1. The Pensions Committee and Board must regularly review its performance in respect of the expectations set by the regulator in the General Code of Practice and take the necessary steps to demonstrate compliance.

5. Other options considered

5.1. While an alternative source could potentially carry out the governance review, it is deemed practical to commission this work from the Independent Advisor. This recommendation is based on the relatively low costs involved, the Independent Advisor's experience with conducting similar reviews for other Pension Funds, and his existing knowledge of the Haringey Pension Fund specific arrangements.

6. Background information

- 6.1. The Pensions Regulator (TPR) has extended responsibilities for public service pension schemes, which include the Local Government Pension Scheme (LGPS), focusing particularly on governance and administration matters.
- 6.2. However, TPR's role does not extend to funding and investment issues within the LGPS. In 2021, TPR published a consultation on a new Code of Practice, which was published on 10 January 2024. This General Code, which is shorter but includes updated and new content, is due to come into force on 27 March 2024.
- 6.3. TPR's General Code seeks to introduce comparable standards across all types of Pension Schemes in five areas:
- The governing body
 - Funding and investment
 - Administration
 - Communications and disclosure
 - Reporting to TPR
- 6.4. However, not all parts of the General Code will apply to all pension schemes. The General Code makes a distinction between the governance requirements for occupational pension schemes and public service schemes, with the former required to establish an "effective" system of governance and the latter an "adequate" one.
- 6.5. The Independent Advisor has prepared a paper for the PCB which provides additional analysis on the General Code. The paper covers how the General Code is anticipated to apply to the LGPS and outlines the actions the Fund should take to ensure its compliance with the General Code.
- 6.6. To ensure that the Fund complies with the General Code, it is recommended to conduct a governance review. This review will assess the Fund's current compliance arrangements against the General Code and suggest necessary changes to maintain compliance.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Carbon and Climate Change

- 8.1. Not applicable

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities) Finance and Procurement

- 9.1. There are no immediate financial implications arising from this report.

Head of Legal and Governance [Patrick Uzice, Principal Lawyer]

9.2. The Assistant Director for Legal and Governance (Monitoring Officer) has been consulted on the contents of this report. As mentioned in this report a new Code of Practice will come into force. This sets out practical guidelines on how to comply with the legislations relating to the Pension Fund.

9.3. Members should note that the administering authority will need to comply with the Code of Practice to the extent that applies to the LGPS. Further advice will be provided when this happens.

Equalities

9.4. Not applicable.

10. Use of Appendices

10.1. Appendix 1: The Independent Advisor's report on The Pensions Regulator:
General code of practice

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.