

Regulatory and Other Committee

Open Report on behalf of Executive Director of Finance and Public Protection

Report to:	LGPS Local Pension Board
Date:	23 September 2016
Subject:	The Pension Regulator's Code of Practice

Summary:

This paper presents a checklist for the Pensions Regulator's (TPR) Code of Practice, and highlights how the Lincolnshire Pension Fund meets the requirements.

Recommendation(s):

That the Board consider the checklist and agree any actions and training needs arising.

Background

1. From 1st April 2015, all public sector pension schemes are regulated by The Pensions Regulator (TPR). To understand the Regulator's requirements, TPR produced a Code of Practice no.14, published in January 2015 (attached at appendix B). This Code outlines how to approach the administration and governance of a public service scheme.
2. Codes of practice are not statements of the law and there is no penalty for failing to comply with them. It is not necessary for all the provisions of a code of practice to be followed in every circumstance. Any alternative approach to that appearing in the code of practice will nevertheless need to meet the underlying legal requirements, and a penalty may be imposed if these requirements are not met. When determining whether the legal requirements have been met, a court or tribunal must take any relevant provisions of a code of practice into account.
3. The code is structured as a reference for scheme managers and pension boards to use to inform their actions in four core areas of scheme governance and administration: governing your scheme, managing risks, administration and resolving issues.
4. Each core section includes practical guidance to help scheme managers and pension boards to discharge their legal duties. The regulator recognises that there may be alternative and justifiable actions or approaches that

scheme managers or pension boards may wish to adopt, provided these meet the minimum legal requirements. The language of the code identifies what is a legal requirement and what is guidance:

Must – in the code the term ‘must’ is used where there is a legal requirement.

Should – in the code the term ‘should’ is used to refer to practical guidance and the standards expected by the regulator.

5. To assist in identifying how the Lincolnshire Pension Fund measures against the Code of Practice, a checklist was drawn up and is attached at Appendix A. This was first brought to the Board at the meeting in October 2015, and is updated regularly. It is presented to the Pensions Committee at each quarterly meeting, as part of the Fund Update report.
6. The changes in the Fund's compliance position against the code since October are detailed below:

Reporting Duties

A2 – Grey to Green – data held on tPR's website is correct

Knowledge and Understanding

B8 – Amber to Green – PB members understand their training requirements

B10 – Red to Amber – training a standing item on the agenda, but self-assessment not yet undertaken

Conflicts of Interest

C1 – Amber to Green – policy on place for Fund

C3 – Amber to Green – all declarations received

Maintaining Accurate Member Data

F8 – Amber to Green – monthly and annual checks in place

Maintaining Contributions

G5 – Amber to Green – within monthly contribution monitoring process

G7 – Amber to Green – within monthly contribution monitoring process

G8 – Amber/Red to Green – within monthly contribution monitoring process

Providing Information to Members and Others

H2 – Blank to Green – format in line with requirements

H4 – Blank to Green – format in line with requirements

H8 – Blank to Green – meets legal requirements

H9 – Blank to Green – meets legal requirements

H10 – Blank to Green – meets legal requirements

H11 – Blank to Green – meets legal requirements

Internal Dispute Resolution

I5 – Amber to Green – timescales adhered to

I7 – Blank to Green – requirements adhered to

I8 – Red to Green – reported quarterly to PC
I9 – Blank to Green – reported quarterly to PC

Scheme Advisory Board Requirements

K5 – Amber to Green – training shared with PC and standing agenda item

K6 – Amber to Green – documents on website and covered in induction

K12 – Amber to Green – FOI policy sent to all PB members

Conclusion

7. The Lincolnshire Pension Fund falls under the regulation of the Pension's Regulator, and must look to comply with the TPR's Code of Practice no. 14, for public service pension schemes. The checklist attached assists the Board in understanding the requirements of the Code and identifying how the Lincolnshire Pension Fund meets those requirements.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	TPR Code of Practice Checklist
Appendix B	TPR Code of Practice no.14

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jo Ray, who can be contacted on 01522 553656 or jo.ray@lincolnshire.gov.uk.

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