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| <b>Essex Pension Fund<br/>Strategy Board</b> | <b>PSB 08</b> |
| <b>Date: 20 March 2023</b>                   |               |

## **The Pensions Regulator's (TPR's) General Code**

Report by the Head of Fund Compliance and Governance in Consultation with the Independent Governance and Administration Adviser (IGAA)

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**This Report is for noting**

### **Executive Summary**

#### **Report Type: Governance**

The Pensions Regulator (TPR) laid the new General Code of Practice in Parliament on 10 January 2024 and it is expected to become effective from 27 March 2024.

The report provides the Board with a high level overview of the new code and the next steps to be taken by the Fund to ensure compliance with the new requirements.

## **1. Purpose of the Report**

- 1.1 To provide the Board with an update on the publication of The Pension Regulator's (TPR's) General Code of Practice and its implications for Essex Pension Fund.

## **2. Recommendations**

- 2.1 That the Board should note the content of the report.

### **3. Background**

- 3.1 On 10 January 2024, TPR laid its long-awaited General Code of Practice, formerly known as the Single Code of Practice, (“the Code”) before Parliament. This replaces ten of the previous Codes of Practice, and for the LGPS and all Public Service Pensions Schemes replaces Code of Practice<sup>14</sup> (Governance and Administration of Public Service Pension Schemes).
- 3.2 The Code is expected to become effective from 27 March 2024.
- 3.3 Aon’s “Spotlight”, attached at Appendix A, sets out further detail of the new Code and its application to the LGPS and all Public Service Pension Schemes.

### **4. TPR’s General Code**

- 4.1 The Code sets out what governing bodies should do or must do in order to meet their legal responsibilities and regulatory expectations. (Appendix A provides commentary on what the term “governing bodies” means for Public Service Pension Schemes.)
- 4.2 The new Code includes many of the requirements of the current Code of Practice 14 together with a host of new areas, such as (among others) elevating cyber controls to TPR Code status and additional expectations relating to managing advisers and service providers, maintenance of IT systems and scams.
- 4.3 The 171 page document, together with a press release, is available on TPR’s website.
- 4.4 Aon also hosted a webinar with Nick Gannon from TPR in January 2024 which was attended by Fund Officers and the Chairman of the Board and discussed the changes from the previous Code and TPR’s expectations in relation to the Code.
- 4.5 The move from a dedicated code for Public Service Pension Schemes to one new General Code for all schemes will require fresh thinking in how to interpret requirements and how best to assess and demonstrate compliance.

## **5. Next Steps and Action Plan**

- 5.1 Fund Officers have signed up to numerous webinars to obtain as much information as possible to assist in the impact assessment on the Fund.
- 5.2 Fund Officers will also assess the Fund's compliance against the code, identify gaps and develop an action plan to ensure compliance. In areas such as Cyber Controls, work to assess compliance is already underway as part of the current Risk Review activity being undertaken by the Essex Pension Fund Advisory Board (PAB).
- 5.3 The outcome of the action plan will be reported through the PAB as part of their Annual Workplan, which will be reported to the PSB through the PAB Quarterly Update report.

## **6. Link to Essex Pension Fund Objectives**

- 6.1 Ensure compliance with the LGPS regulations, other relevant legislation, and the Pensions Regulator's Codes of Practice.

## **7. Risk Implications**

- 7.1 Non-compliance with regulations caused by lack of knowledge by staff, changes in government policy/LGPS reforms and systems not kept up-to-date leading to reputational damage and financial loss.

## **8. Background Papers**

- 8.1 TPR's General Code of Practice [Single code of practice consultation | The Pensions Regulator](#)
- 8.2 TPR's press release regarding the General Code of Practice [Pension trustees challenged on TPR's general code | The Pensions Regulator](#)