


Essex Pension Fund Advisory Board	PAB 06	
Date: 15 December 2021		

The Pensions Regulator (TPR) Code of Practice 14 Compliance

Report by the Compliance Manager

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This Report is for noting

Executive Summary

This report provides the Board with the Fund's self-assessment compliance check against TPR's Code of Practice 14. The Fund has achieved 100% compliance for the second consecutive year.

1. Purpose of the Report

- 1.1 To provide the Board with the results of the Fund's self-assessment compliance check against TPR's Code of Practice 14 assessment tool for Public Service Pension Schemes.

2. Recommendation

- 2.1 The Board to note the content of the report.

3. Background

- 3.1 TPR state that it is important for Scheme Managers to assess how they are running their public service pension scheme so that they can identify any areas in need of improvement.
- 3.2 It is expected that all schemes will carry out a thorough review of their scheme against legal requirements and the guidance in Code of Practice 14 and acknowledge that this requirement is a significant piece of work.
- 3.3 TPR's Code of Practice 14 provides Scheme Managers and Pension Board Members with their key governance and administration duties, standards of conduct and practice that TPR expect in relation to those duties, and practical guidance on how they can comply. A guide to the Public Service Code is provided at Appendix A which contains information where to find the full version of Code 14.
- 3.4 To enable Scheme Managers to assess their level of compliance to the Code, TPR have produced a tool which sets out some processes, tools and actions they expect to see in a well-run scheme.
- 3.5 The tool provides an indicative risk rating for the scheme in certain key areas, as well as guidance and links to further information. It also provides a template for the Scheme Manager to create a plan to address any issues identified and to help the Scheme Manager achieve best practice.

4. Assessment

- 4.1 Fund Officers provided the Board with the Fund's 2020 self-assessment at their 16 December 2020 meeting. During that time the Fund's results were 100% compliant in all areas.
- 4.2 Fund Officers have conducted the 2021 self-assessment, again using the Assessment Tool provided by TPR and have attached the Results at Appendix B along with an Action Plan at Appendix C of this report. The Board should note that the Fund has once again achieved 100% compliance in all areas.
- 4.3 The report will also be shared with the PSB as part of the PAB Quarterly Report update at their March 2022 meeting.

5. The Singular Modular Code

- 5.1 Due to the delays in the publication of the new Singular Modular Code, which is now not expected until early 2022, the Fund have used the current Code of Practice 14 to undertake this year's assessment but envisage that this is likely to be the last assessment against this Code. It is expected that due to the nature and complexity of the new Code, the next assessment will be far more comprehensive and time consuming for Fund Officers to complete.
- 5.2 As and when more information in relation to the new Singular Modular Code becomes available the Fund will notify the Board.

6. Link to Essex Pension Fund Objectives

- 6.1 Conducting a self-assessment against TPR Code of Practice 14 will assist the Board in achieving the following Fund objectives:
- Act with integrity and be accountable to our stakeholders;
 - Ensure the Fund is managed and its services delivered by people who have the appropriate knowledge and expertise; and
 - Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.

7. Risk Implications

- 7.1 Failure to comply with TPR Code of Practice 14 could result in:
- Failure of governance arrangements to match up to statutory requirements and recommended best practice leads to financial loss and reputational damage;
 - A lack of expertise, insufficient knowledge and maintenance of the PSB, ISC and PAB arising out of high turnover and/or changes within the LGPS benefit structure, regulations and associated directives/deliverables; and
 - 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. Communication Implications

- 8.1 Other than ongoing reporting to the Board, there are no communications implications.

9. Finance and Resources Implications

- 9.1 None.

10. Background Papers

- 10.1 The Pensions Regulator: Code 14: Governance and Administration of Public Service Pension Schemes.
- 10.2 TPR Code of Practice 14 Compliance, PAB 06, 16 December 2020.
- 10.3 TPR Code of Practice 14 Compliance, PAB 05, 15 January 2020.