

## Report of the Section 151 Officer

Local Pension Board – 23 March 2017

### THE PENSION REGULATOR CODE OF PRACTICE - GOVERNANCE AND ADMINISTRATION OF PUBLIC SERVICE PENSION SCHEMES -FORWARD CORE WORKPLAN

<b>Purpose:</b>	To approve a core workplan agenda for the Local Pension Board.
<b>Reason for Decision:</b>	To agree a schedule of information and reports to be considered by the Local pension Board.
<b>Consultation:</b>	Legal, and Finance
<b>Recommendation</b>	It is recommended that the forward core workplan for the Local Pension Board be approved.
<b>Report Author:</b>	J Dong
<b>Finance Officer:</b>	M Hawes
<b>Legal Officer:</b>	S Williams
<b>Access to Services Officer:</b>	N/A

#### 1 Background

- 1.1 The Pensions Regulator has issued draft code of practice guidance note no.14 “ Governance and Administration of Public Service Pension Schemes”.
- 1.2 The Public Service Pensions Act 2013 introduces the framework for the regulatory oversight of the governance and administration of public service pension schemes by the regulator, expanding its role.

The regulator is issuing this code of practice relating to those specific matters about which it is required to issue a code in relation to public service pension schemes<sup>6</sup>. This code of practice sets out the legal requirements for public service pension schemes in respect of those specific matters. It contains practical guidance and sets out standards of conduct and practice expected of those who exercise functions in relation to those legal requirements.

The practical guidance sections in this code are not intended to prescribe the process for every scenario. They do, however, provide principles, examples and benchmarks against which scheme managers and members of pension boards can consider whether or not they have understood their duties and obligations and are reasonably complying with them.

If scheme managers and the members of pension boards are, for any reason, unable to act in accordance with the guidance set out in this code, or an alternative approach that meets the underlying requirements, they should consider their statutory duty under section 70 of the Pensions Act 2004 to assess and if necessary report breaches of the law<sup>7</sup>. Further information can be found in the section of this code on reporting breaches of the law.

## **2 Using the Code of Practice to inform the core agenda for the work of the Local Pension Board**

2.1 The draft code of guidance contains the following main topic areas:

### **Governing your scheme**

- Knowledge and understanding required by pension board members
- Conflicts of interest
- Information to be published about schemes

### **Managing risks**

- Internal controls

### **Administration**

- Scheme record-keeping
- Maintaining contributions
- Information to be provided to members

### **Resolving issues**

- Internal dispute resolution
- Reporting breaches of the law

2.2 It may be useful to adopt these outline areas as the core agenda items for consideration by the Local Pension Board work agenda. It can be seen from analysing the above that the Local Pension Board has received reports outlining the governance about the scheme and it shall receive a number of reports at this meeting about managing risks.

2.3 It is proposed to report to Local Pension Board at its next meeting on Scheme Administration and Resolving issues processes and procedures.

2.4 It is recognised that the Local Pension Board shall include topical and relevant items as appropriate in addition to the above.

**3 Additional Items for Workplan Consideration**

3.1 Working in tandem with The Pension Fund Committee:

Investment Beliefs Workshop

3.2 Working in tandem with The Pension Fund Committee:

Carbon Investment Policy

**4 Legal Implications**

4.1 The legal implications are outlined in the Code

**5 Financial Implications**

5.1 There are no financial implications arising from this report

**6 Equality Impact Assessment Implications**

6.1 N/A

**Background Papers:** None.

**Appendices:** None.