BOARD : LOCAL PENSIONS BOARD
DATE : 19 April 2021
TIME : 10am
VENUE : Virtual meeting using Microsoft Teams

LOCAL PENSION BOARD MEETING
10.00 – 12.30
AGENDA

PART A

1. PROCEDURAL MATTERS
The Board will: Consider any Declarations of interest

2. THE PENSIONS REGULATOR MODULAR CODE OF PRACTICE CONSULTATION
Board members will receive a presentation on the Pensions Regulator's new modular code of practice and will consider draft responses to the questions posed in the consultation.

3. AOB

The Pensions Regulator Modular Code of Practice Consultation

Heidi Catherall
Operations Manager

Overview

- Consultation published 17 March /closing date 26 May
- Covers all PSPS - no requirement to respond to every question
- Current codes of practice:
  - Separate and discrete
  - Outdated and duplicated
  - Inconsistent expectations
  - Ease of navigation
- Opportunity to clarify and modernise code
- Interactive web based code
- New expectations – 'effective system of governance'

Modular Code Consultation

- Modular code consultation:
- https://www.thepensionsregulator.gov.uk/en/document-library/consultations/new-code-of-practice#a9cf5479852043f9877aba5d278e3de0
- 51 modules replacing 10 (of 15) existing Codes of Practice – including Code of Practice 14
- New Code covers five key areas:
  - Governing Body
  - Funding and Investment
  - Administration
  - Communication and Disclosure
  - Reporting to TPR
- Phased transition

Presentation of Expectations

- Current CoP difficult to find
- New code – fresh approach
  - Expectations appear in lists
  - Lists separate legal duties and expectations of how funds should meet them
- Adopted gov language:
  - Must = legal duty
  - Should = expectation
  - Need = no legal requirement or expectation but process necessary to operate effectively

'The Governing Body'

- New term to provide consistency
  - The Governing Body – collective term
- Single term such as 'trustee' disengaging
- No LGPS Specific version of the code

Modules outlined in Consultation

- Effective systems of governance

- Internal Controls
  - Cyber security

- Own Risk Assessment

- ESG:
  - Stewardship – governance responsibilities
  - Climate change – risk and opportunities

- Financial Transactions

Consultation – Appendix 1

	Existing	Best Practice	Does not apply	New
The Governing Body	10	2	4	2
Funding and Investment	0	2	6	0
Administration	3	0	0	7
Comms and Disclosure	4	0	5	2
Reporting to TPR	3	0	0	1
Total	**20**	**4**	**15**	**12**

12 New Modules - PSPS

Theme	Modules
The Governing Body	TGB006 – Meetings and decision making TGB010 – Managing advisers and service providers
Administration	ADM001 – Administration ADM002 – Financial transactions ADM003 – Scheme records ADM006 – Data monitoring ADM014 – Transfers ADM015 – Maintenance of IT systems ADM016 – Cyber controls
Comms and Disclosure	CAD001 – General principles for member communication CAD005 - Scams
Reporting to TPR	RTT001 – Registerable information and scheme returns

Next Steps

- Board to consider the questions posed in the consultation
  - No requirement to answer all questions
  - Focus on:
    - generic questions
    - 12 new areas
    - Modules in consultation