

Subject	Governance Update	Status	For Publication
Report to	Local Pension Board	Date	25 April 2024
Report of	Head of Governance & Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To provide Local Pension Board members with an update on current governance related activity and regulatory matters.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. Note the updates included in this report.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objective:

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

- 3.2 The contents of this report are part of the arrangements in place to ensure good governance.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to actions that will contribute to addressing risks around regulatory compliance.

5 Background and Options

- 5.1 This report provides updates on current activities and regulatory matters relevant to the Authority's overall governance framework.

Regulatory Update: The Pensions Regulator (TPR) – General Code of Practice

- 5.2 Further to the update provided to the Board in February, the TPR's new **General Code of Practice** came into effect on 27 March.
- 5.3 A full review and assessment of compliance with all the requirements and the good practice elements of the new Code has been undertaken by officers with the team from Aon (alongside the wider independent governance review work) using a tool that they have developed for this purpose. The results and an action plan will be developed and reported to the Board at the next meeting.
- 5.4 Ensuring compliance with the General Code has also been added as an objective in the Corporate Strategy. Progress against this objective will be reported regularly throughout the year to both the Authority and the Local Pension Board.

Independent Governance Review

- 5.5 The independent governance review work is well in progress and on track to be completed and the results presented to Authority and Local Pension Board members in June 2024.

Internal Audit Plan and Progress on Agreed Management Actions

- 5.6 The Internal Audit plan for 2024/25 was approved by the Audit & Governance Committee on 07 March 2024 and a copy is attached at **Appendix A** for information for the Board to show the range of coverage planned in the forthcoming year. (Please note that our internal audit service is provided by Barnsley MBC under a service level agreement and the team who provide this service have recently been re-named as Corporate Assurance, so have used this term throughout their report and plan).
- 5.7 The latest progress update on agreed management actions arising from previous audit reviews was provided to the March meeting of the Audit & Governance Committee and is attached at **Appendix B**.
- 5.8 Further explanation regarding some of the individual items is provided below.
- 5.9 End to End Interfund Process: The Service Manager – Benefits has extended the target date to the end of March 2024 to complete the final stage of the process review.
- 5.10 Comments on some of the completed items:
- 5.11 Information Governance Action Plan: A plan is in place that will be implemented between now and the end of this calendar year and this is regularly reviewed with internal audit colleagues from the Corporate Assurance team.
- 5.12 Pensions Administration System: The two actions around the improvement plan and user acceptance testing have been completed. The Service Manager – Pensions Systems has implemented an enhanced system for tracking and monitoring outstanding issues with the provider. The provider is now ensuring that an agreed timeline is in place to enable timely testing.
- 5.13 Pensions Savings Statements: Two actions around the pensions savings statements improvement plan and data from employers have been completed resulting in reduced levels of backlogs and an expectation of a positive impact on the number of employer queries raised.
- 5.14 Procurement Compliance: This was a long-standing action in relation to training to facilitate compliance with the Contract Standing Orders, which has now been delivered to key officers.

Training and Development

- 5.15 Following the request made at the February Board meeting to confirm accuracy of days / dates and to clarify target audience for different events, an updated copy of the training and development calendar is now attached for information at **Appendix C**.

Board Membership

- 5.16 Work has been ongoing since November 2023 to try and ensure that the employer representative vacancy is filled and to undertake succession planning for the two trades union representatives coming to the end of their terms in June 2024.
- 5.17 Discussions took place recently with a potential candidate for the employer representative position, unfortunately the candidate had to subsequently withdraw their interest in the position due to other work commitments. The role continues to be advertised and promoted through our employer newsletter and it was also raised at the Financial Director Summit held on 9 April with senior finance officers from employers in the Fund, asking for any expressions of interest or to share within their networks as way of trying to obtain any wider interest. We have had one response to this that is now being followed up.
- 5.18 The third term of membership of two of the trades union representatives (from UNISON and from GMB) are due to expire at the end of June 2024. Officers have been in regular contact for a few months now with the relevant regional offices of both unions to seek details of representatives to replace the current role holders. It was hoped this would be in place in time for a handover and shadowing with the current representatives, but this has not proved possible. Both regional union offices are aware of the timeframe and importance of securing replacement representatives and SYPA officers are following up with contact and requests for any progress on a weekly basis currently.

Appointment Process for Vice Chair and Rotation of Chair and Vice Chair Roles

- 5.19 During 2022/23, a voting process for the Chair and Vice Chair roles was introduced. The rotation of Chair and Vice Chair roles between employer and employee representatives every two years was also introduced as part of the changes to the LPB Constitution and Terms of Reference agreed by the Board on 10 August 2023 and subsequently approved by the Authority in September 2023.
- 5.20 The current Vice Chair's third membership term expires in June 2024 resulting in the need to appoint a new Vice Chair – which would be for a one-year term to align with the current Chair's term of office to enable the required rotation.
- 5.21 Communication will be issued over the coming weeks to provide all Board members with a voting slip and a candidate statement document to submit an expression of interest if they wish to be considered for the Vice Chair position. Further details will be circulated shortly of the process that will be followed this year and which has been improved based on Board feedback and lessons learned from the previous election process.
- 5.22 Members will recall that a discussion was previously held regarding the terms of office for each role and a proposal made that to support succession planning and continuity, the Vice Chair should take the role of the Chair once their term expires. This is a matter for the Board to discuss further as raised in their effectiveness review report elsewhere on this agenda.

Independent Adviser Recruitment

- 5.23 The role of the Independent Adviser will be vacant from May 2024 and work has commenced to plan recruitment for a new Independent Adviser to be completed over the summer with the expectation of the successful candidate being appointed by autumn and in time to attend the November meeting of the Board.

Succession Planning

- 5.24 The process for succession planning for the Board will continue to be developed with the regular monitoring now taking place, planning actions to recruit replacements and providing advance notice of terms coming to an end within the next six months to the Board that will all continue. In addition, it is intended that further work will be progressed in the coming months on developing role profiles for the Board membership and other promotional information that may be used for recruitment campaigns. Officers will also work with the Board as required in relation to increasing the profile with employers and members that may support strategies for member recruitment and succession planning.

6 Implications

- 6.1 The proposals outlined in this report have the following implications:

Financial	There are no direct financial implications arising from this report. The costs of the Governance Review are included in the budget.
Human Resources	None.
ICT	None.
Legal	The Authority will ensure compliance with TPR's General Code in line with its legal requirements.
Procurement	None.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection
The Pensions Regulator – General Code of Practice	TPR website: www.thepensionsregulator.gov.uk The General Code of Practice