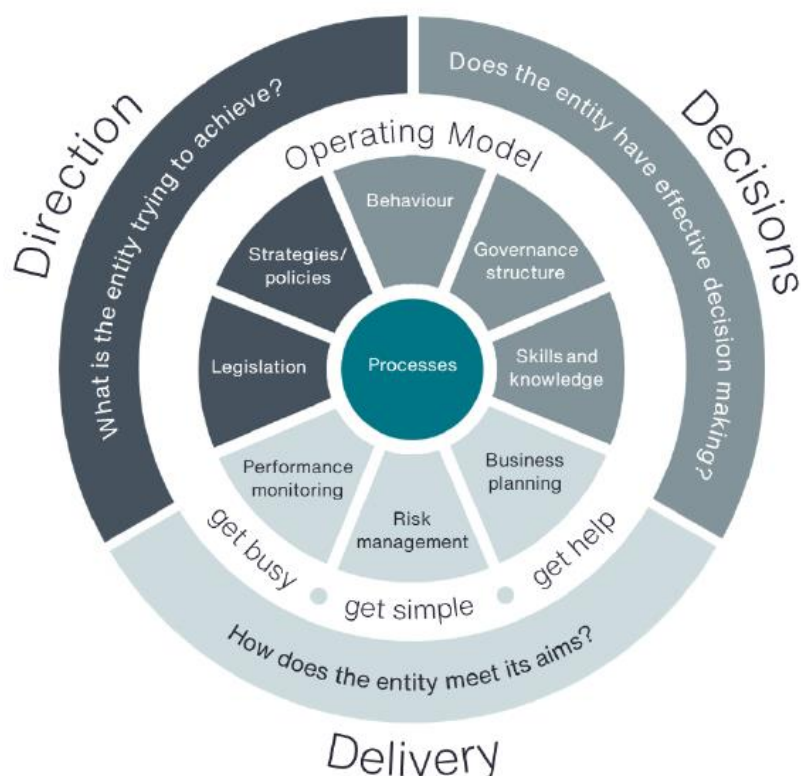


## Independent Governance Review

### Working Document – Findings and Action Planning

The report provided by Aon is structured around their model of a governance framework as follows:



#### Direction – What is the Fund trying to achieve?

- Legislation
- Strategies and Policies

#### Delivery – How does the Fund meet its aims?

- Business Planning
- Performance Measurement/Monitoring
- Risk Management

#### Decisions – Does the Fund have effective decision making?

- Governance Structure
- Behaviour
- Pensions Skills and Knowledge

The tables below set out a collated summary of the findings and recommendations taken from the full report provided by Aon, alongside an indicative RAG rating to indicate the level of relative significance and priority of each area and provide a note of the commentary from the working group’s discussion of each item and how that resulted in the proposed actions agreed by the group for inclusion in the draft action plan.

| Direction – What is the Fund trying to achieve?       |          |  |            |  |
|---|----------|--|------------|--|
| Cross-reference to main report                        | Our Ref. | Finding / Recommendation   | RAG Rating | Comments   |
| Strategies and Policies<br><br>Table on pages 14 - 17 | DIR 1    | <p><u>Investment Strategy Statement:</u><br/>It is not completely clear if and how consultation on the ISS has taken place – LGPS Investment Regulations include a requirement to ‘consult with persons it considers appropriate’.</p> <p>We would recommend updating the website, perhaps including the outcome, Financial Reporting Council feedback and the SYPA's ambitions in relation to the Stewardship Code.</p>   | Yellow     | <p>The review of the Investment Strategy takes place every 3 years and is due for review in March 2026.</p> <p>It was discussed that consultation should be wider if possible.</p> <p>The comments in the report were around achieving stewardship status – information in relation to this does already exist on our website.</p> |
|   | DIR 2    | <p><u>Governance Policy Statement / Governance Compliance Statement (GCS)</u><br/>The GCS provides the information that is required by the LGPS Regulations 2013 in relation to compliance with the Secretary of State’s guidance. However, we note there is no reference to delegations to officers nor the Border to Coast Pensions Partnership Joint Committee, which is expected under regulation 55(1)(a).</p> <p>We suggest it would be helpful to SYPA’s stakeholders to provide more information on the Authority’s functions in the initial section (perhaps by cross referring to the Constitution).</p> <p>When the SAB’s Good Governance new guidance is released, the existing compliance statement will require a thorough review to ensure its alignment with the updated requirements.</p> |            | Light Green  |

| Direction – What is the Fund trying to achieve? |          |   |            |  |
|---|----------|---|------------|--|
| Cross-reference to main report                  | Our Ref. | Finding / Recommendation  | RAG Rating | Comments   |
|   | DIR 3    | <u>Administering Authority Discretion Policy</u><br>The Policy Statement is clear in its layout but may benefit from a contextual introduction.   |            | Straightforward action to update the policy and add a contextual introduction.   |
|   | DIR 4    | <u>Administration Strategy</u><br>We would suggest that this Strategy is reviewed every three years (rather than five years) given the challenges of administration, such as timely service delivery, complexity of benefits and employer data transmission.<br><br>Although the current Strategy includes a wealth of information, we believe it would benefit from a major review when next being considered to make it more intuitive and user friendly (and as mentioned later in this report, the service standards should be reviewed). |            | It seems sensible to bring this in line with the three-year review of the Investment Strategy.<br><br>The AD – Pensions has already recognised that the strategy requires a full review.<br><br>The working group discussed the timescales and if three years was too long a period when changes to systems can happen in a short space of time.<br><br>The general review cycle would be 3 years minimum, but that doesn't preclude review and update earlier than this if required to respond to changes – this is the case for all policies / strategies. |
|   | DIR 5    | <u>Knowledge &amp; Skills Strategy – i.e., Member Learning &amp; Development Strategy</u><br>The document is dated June 2023, but there did not appear to be an effective from or review date.  |            | The 2023 document has subsequently been replaced by the 2024/25 Member Learning and Development Strategy which makes clear the period it is effective for is the 2024/25 municipal year.   |
|   | DIR 6    | <u>Conflicts of Interest Policy</u><br>The Authority could consider an overarching Fund-wide policy that includes both Authority and Local Pension Board members and provides greater consistency.<br><br>We would also recommend cross referring to the SYPA's Conflicts of Interest Policy in the various Constitutional documents (including Codes) where Local Authority requirements relating to interests are being referenced. This would remind members and   |            | We currently have separate (but very similar) Conflicts of Interest policies for the Authority in the Constitution and for the Local Pension Board in the LPB Constitution.<br><br>Although separate documents, it is a similar policy that applies to both – a discussion took place around the LPB and Authority having different remits. Ensure this is considered when carrying out the work to combine into one.  |

| Direction – What is the Fund trying to achieve?      |          |   |            |  |
|--|----------|---|------------|--|
| Cross-reference to main report                       | Our Ref. | Finding / Recommendation  | RAG Rating | Comments   |
|  |          | officers that the SYPA has a policy that goes beyond Local Authority requirements. The need for training in this area should be regularly reviewed.   |            |  |
| Page 18  | DIR 7    | <p><u>Document Structure / Key Contents</u><br/>           During our review we noticed some inconsistencies in the presentation of effective and approval dates, consulted parties (or not), and review schedules, with some of this information missing from some documents.</p> <p>To address this, we recommend ensuring you incorporate your Document Control Information table and Version History schedule into all policies and strategies, as well as using the list above as a check list of other areas to incorporate. This will ensure uniformity and clarity across all policies and strategies, both current and future ones.</p>  |            | New policy tracker will ensure that standard template will be applied.   |
| Evaluation Against the New Code<br><br>Pages 19 - 20 | DIR 8    | <p><u>Cybercrime Risk</u><br/>           Key areas identified include:</p> <ul style="list-style-type: none"> <li>• Developing a (wider) Cyber Security Risk Policy</li> <li>• Developing cyber security hygiene guidance</li> <li>• Reviewing data and asset mapping to identify the potential magnitude of cyber security risks from third party suppliers/providers and</li> <li>• Carrying out a programme of ongoing specialist assessments against suppliers and providers (which can be prioritised relating to the potential risk).</li> <li>• We would recommend a more detailed review against the Pensions Regulator’s Cyber Guidance given the potential impact of a cyber-attack.</li> </ul> |            | <p>The evaluation of compliance with the General Code is a separate project – a report on which was brought to both the Board and the Authority in August and September respectively.</p> <p>However, this issue is such a key area that it is also highlighted by Aon in the main governance review.</p> <p>Actions are being planned to address these points as part of the General Code Compliance action plan. The IGR action plan will cross-refer.</p> |

| Direction – What is the Fund trying to achieve?                 |          |   |            |   |
|---|----------|---|------------|---|
| Cross-reference to main report                                  | Our Ref. | Finding / Recommendation  | RAG Rating | Comments  |
| Monitoring Compliance Against Legal Requirements<br><br>Page 21 | DIR 9    | <p><u>Breach Reporting</u></p> <p>Whilst there is a Breach Reporting Policy and Procedure and log in place, there did not appear to be records of all breaches we would expect. Not all legal deadlines are being monitored, particularly relating to administration procedures.</p> <p>We recommend this is incorporated, noting this should be focussed on legal requirements, regardless of whether data has been received.</p> <p>We understand this was an area that had already been identified by the officers and improved performance measures are being developed.</p>  | Red        | <p>This had been previously identified as a required improvement and an action is included in the Annual Governance Statement (AGS) Action Plan to address this.</p> <p>Procedures on the ground meant that only material breaches were being noted but we should be recording and tracking all breaches.</p> |
|   | DIR 10   | <p><u>Breach Reporting – Additional Recommendations</u></p> <p>The information contained within the breaches log relating to each breach should be expanded as it does not quite cover all areas expected such as a RAG status to understand severity of breach and dates of actions taken/updates.</p> <p>Reviewing clause 3 of the Pension Board Constitution regarding powers and the explanation of breaches of the law processes to ensure it is consistent with (a) the SYPA Breaches procedure and (b) doesn't restrict, or imply to restrict, the personal requirement to report breaches of the law that could be considered significant to the Pensions Regulator. As part of this review, we would also suggest checking quoted timescales. These should be short enough to avoid missing strict deadlines for reporting significant breaches.</p> <p>Further training on monitoring and responsibilities across all Authority areas relating to breaches of law requirements, as during our review we did observe</p> |            | Yellow  |

| Direction – What is the Fund trying to achieve? |          |  |            |  |
|---|----------|--|------------|--|
| Cross-reference to main report                  | Our Ref. | Finding / Recommendation   | RAG Rating | Comments   |
|   |          | some lack of awareness amongst both officers and Authority and Local Pension Board members.  |            |  |
| Good Governance Recommendations<br>Page 22      | DIR 11   | <u>Roles and Responsibilities Matrix</u><br>Partially compliant – we know the Authority has well defined roles and responsibilities and delegations within its Constitution. However, these would need to be amalgamated into a separate matrix. |            | It was agreed that a separate matrix that sets out all roles – Officers, Authority, LPB etc. would be useful |

| Delivery – How does the Fund meet its aims? |          |   |            |  |
|---|----------|---|------------|--|
| Cross-ref to main report                    | Our Ref. | Finding / Recommendation  | RAG Rating | Comments   |
| Business Planning<br>Page 24                | DEL 1    | <u>Policy and Strategy Reviews</u><br>Some other specific areas we would expect to see (or linked to) within the Corporate Strategy include a detailed breakdown of all policy and strategy reviews (when they are individually due for review and delegation) – it includes some but not all; and key tender exercises due to take place within the planning period (or the procurement forward plan included as an appendix). |            | Aligns with work already in progress on a ‘policy tracker’ – this could be included in the Corporate Strategy as an appendix.<br><br>The Procurement Forward Plan was produced for approval a month after the Corporate Strategy last year. In 2025, it will be taken to the February Authority alongside the Corporate Strategy and could be inserted as an Appendix. (Although we would continue to publish it as a separate document on our website in addition). |
| Performance Measurement<br>Pages 25 - 26    | DEL 2    | <u>Performance Management Framework</u> It is important that any objectives and specific measures set out in strategies and policies are continually monitored to ensure the Authority’s aims are being met, and this happens across all policy/strategy areas.   |            | As noted in Aon’s report, work is already underway on developing a framework and the recommendations noted here will be taken into account.<br><br>There is an action on this already included in the AGS Action Plan.   |

| Delivery – How does the Fund meet its aims? |                  |  |            |  |
|---|------------------|--|------------|--|
| Cross-ref to main report                    | Our Ref.         | Finding / Recommendation   | RAG Rating | Comments   |
|   |                  | As part of the Performance Management Framework review work that is planned for this year, we would therefore recommend that further measures are developed that align with the Authority's agreed objectives, and as part of this, aiming to develop some consistency in the format of reporting to provide more 'joined up' presentation and understandable information.   |            |  |
| Risk Management<br>Pages 26 - 27            | DEL 3            | <u>Risk Management – Matters to Consider</u><br>- Within the risk register, the term "operational" could cause confusion as this could mean Fund administration and communication matters or SYPA organisational operations. We suggest having a specific risk category for Fund specific administration and communications, to differentiate from SYPA organisational operational matters.  |            | This is already being looked at and will change moving forward – completed as part of the September review.  |
| Risk Management<br>Pages 26 - 27            | DEL 3<br>(cont.) | <u>Risk Management – Matters to Consider</u><br>Whether (a) the governance risk relating to lack of continuity of Authority (and Board) members, and (b) risk inherent with the level of change expected relating to key investment officers and advisers, are sufficiently covered within the risks on the register.<br><br>- From the assessment against the TPR General Code requirements, it was noted that risk modelling of investment and funding monitoring information was light. The Regulator suggests that analysis of monitoring information includes a stress test, scenario test, or other risk assessment information. |            | There are risks in place for these areas already. There may be a need to have a separate risk for the AD - Investment role but this has largely been mitigated now by successful recruitment of appropriately experienced individual (previously worked at Border to Coast) who will join on 7 Oct and have a handover period with the current AD.<br>On the second point, there would be associated costs with engaging a specialist to carry out a review and the risk modelling work outlined is undertaken when carrying out the investment strategy review. |

| Decisions – Does the Fund have effective decision making? |          |   |            |  |
|---|----------|---|------------|--|
| Cross-reference to main report                            | Our Ref. | Finding / Recommendation  | RAG Rating | Comments   |
| Authority Constitution<br><br>Pages 30 - 31               | DEC 1    | <u>Investment Advisory Panel</u><br>The Authority Constitution, Part 2, provides the provision for the Director to Chair meetings of an Investment Advisory Panel, but this is the first time the Panel is mentioned. We therefore suggest that the Constitution is clearer what the Panel is, who its members are and its terms of reference, and how decisions and advice are documented.   |            | This will be actioned as part of updates to the Constitution.<br><br>The Terms of Reference for the Panel will be documented – the new Assistant Director – Investment Strategy will lead on this when in post from October.   |
|   | DEC 2    | <u>Delegated Decision Making</u><br>In relation to delegated decision making, we did find that the published decisions on the website appeared quite light in some areas and during our review we became aware of some decisions being dealt with in a slightly less formal/less documented manner (albeit the substance of those decisions isn't in question). We recommend officers review how all decisions are being made across all areas including: <ul style="list-style-type: none"> <li>• Ensuring a clear process with a template form outlining the delegation and decision making</li> <li>• Reviewing which decisions should be published on the website.</li> </ul> |            | There is already a process in place for publishing officer decisions.<br><br>The process can be reviewed can discuss any particular issues with Aon. This will need to link to what is set out within the Constitution.<br><br>The review of the publishing process will need to cover all stakeholders and also what is published to members. |
|   | DEC 3    | <u>Reference to Roles and Responsibilities</u><br>The Authority Constitution, Part 1 (page 6) states “The Authority has a fiduciary duty to the contributors and beneficiaries of the Fund to ensure contributions are collected, that benefits are calculated correctly and paid promptly, and that any surplus monies are properly invested.” This is not reflected in Part 4.1 relating to the Authority’s roles and responsibilities, and we think it is important to be included within that.  |            | This is a relatively minor textual update to the Constitution.   |



| Decisions – Does the Fund have effective decision making? |          |   |            |  |
|---|----------|---|------------|--|
| Cross-reference to main report                            | Our Ref. | Finding / Recommendation  | RAG Rating | Comments   |
|   | DEC 4    | <p><u>Quorum for Authority meetings</u></p> <p>The Quorum for the Authority is only three (out of 12) as per Part 4 of Constitution, paragraph 5. We were advised that the current quorum is the statutory minimum. From a best practice perspective, and particularly having regard to the size of the Fund, and the number of stakeholders decisions can impact, this quorum seems low, and we would suggest increasing to a third which is generally considered as a good practice minimum for many public bodies.</p> <p>We do recognise that in a voting situation where this was tied, it could result in the Chair being provided with the casting vote, so that should be considered in any review.</p>   |            | <p>Working group members agreed that, based on Authority attendance records, an increase to the quorum should not be an issue.</p> <p>Aon suggests that 4 out of 12 would be best practice – with the caveat of considering that a casting vote by the Chair would be needed if vote was tied.</p> <p>It was confirmed that virtual attendance was not currently an option for Authority meetings under the legislation.</p> |
| Local Pension Board Constitution<br>Pages 31 - 32         | DEC 5    | <p><u>Textual Amendments and References</u></p> <ul style="list-style-type: none"> <li>- Section 2.1 (Purpose and Role) should be reviewed to ensure it is consistent with the responsibilities outlined in the Public Service Pensions Act clause 5.</li> <li>- Reference to the “Code of Practice on the Governance and Administration of Public Service Pensions Schemes” (2.1.3) will now need to be updated in line with the Pensions Regulator General Code or kept more general as per the legislation.</li> <li>- In Leaving the Board (7.1.6) we would suggest that the reference to a conflict of interest occurring should be updated to read potential conflict. As drafted, the implication is that potential conflicts cannot be managed to avoid them becoming actual conflicts.</li> <li>- In 5.1.3 relating to membership, there is not much detail on how membership is agreed (i.e. nominations and application processes). We would suggest including more detail, for example, this could be by stating this is</li> </ul> |            | <p>These are all corrections and clarifications that can be incorporated – and some of which were already identified in the most recent update to the Governance Compliance Statement.</p> <p>These will be straightforward to amend and bring back to the Board for review and to Authority for approval as part of the next scheduled review of the LPB Constitution.</p>  |

**Decisions – Does the Fund have effective decision making?**

| Cross-reference to main report                          | Our Ref. | Finding / Recommendation  | RAG Rating | Comments   |
|---|----------|---|------------|--|
|   |          | <p>by process agreed between the Chair of the Board, the Director and the independent adviser.</p> <p>- Under Variations (15) there is reference to “scheme manager” for this purpose (i.e. changing the Constitution). “Authority” is a defined term, but Scheme Manager is not so this should be reviewed.</p>  |            |  |
|   | DEC 6    | <p><u>Independent Adviser</u><br/>                     The independent adviser role on the Pension Board appears to have been a strong addition, example of best practice and has worked well for the Board and Authority. However, the Local Pension Board Constitution does not mention the role of Independent Adviser.</p> <p><i>We would recommend keeping the option of whether to have an Independent Chair (rather than an Independent Adviser) under review, as while the current Chair’s experience and background has been very beneficial, Chair expertise is a risk due to the reasonably regular changes in that role. Given that, we suggest an amendment to the Constitution that allows for either an Independent Adviser or Independent Chair</i></p> |            | <p>The Board’s Constitution can be updated to refer to the role of Independent Adviser.</p> <p>The issue of an Independent Chair has previously been fully considered and debated and the model decided upon for the Authority’s and Board’s circumstances is to retain an Independent Adviser, not an independent chair. Therefore, this suggestion of allowing for either will not be taken forward.</p> <p>Discussion took place around the potential of not needing an Independent Adviser in the future. Concern raised that if contained within the Constitution then we may not have the option to change the position in future – however the Board’s constitution is reviewed annually by the Board providing an opportunity for consideration of any changes such as this and can make associated recommendations to the Authority for approval.</p> |
| Membership and Succession Planning<br><br>Pages 32 - 33 | DEC 7    | <p><u>Possible Suggestions to Consider</u></p> <p>- Appoint senior officers rather than elected members for some or all existing local authority councillor positions.</p> <p>- Councillor members could be increased from one term up to two terms for each appointment to allow each individual to have at least three years but up to a maximum of six years or eight years relating to that appointment (assuming re-elected/allowed to stay on by</p>  |            | <p>Continuity of membership is a recognised challenge, and we will consider potential further mitigation actions. The suggestions in Aon’s report as stated are not necessarily achievable / practically feasible in our circumstances but officers will also bring further suggestions to the group to discuss.</p> <p>Bullet 1 – This is not likely to be deemed acceptable by the councils.</p>   |

| Decisions – Does the Fund have effective decision making?             |          |   |            |   |
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| Cross-reference to main report  | Our Ref. | Finding / Recommendation  | RAG Rating | Comments  |
|   |          | <p>the district council). However, the practicalities of this will need to be considered given the different election dates and terms, including when (on early termination) it would result in the appointment moving to another Council.</p> <p>- To help with continuity, you could consider allowing the other councils observer seats whilst not being actual members. This would allow them to feel more involved and help with succession planning.</p>                        |            | <p>Bullet 2 – This is not considered practically feasible – the terms were increased from 2 to 3 years in the last review and any further extension to this is not achievable unfortunately – out of our control and subject to electoral cycles that differ in each of the constituent councils.</p> <p>We will continue to encourage as little change as possible as part of succession planning.</p> <p>All agreed that turnover will be inevitable. The skills matrix currently being worked on will help to strengthen future planning.</p> <p>It was noted that in relation to political balance, proportionality can change mid-term with by-elections, again not something we can control.</p> <p>Multi academy trusts would benefit from continuity, and it might be more feasible to implement the observer / shadowing suggestion – this could be explored further in consultation with Nicola Gregory as the current employer rep from a MAT.</p> |
| <p>Overlap in Authority &amp; LPB Membership</p> <p>Pages 33 - 34</p> | DEC 8    | <p><u>Overlap in Authority &amp; LPB Membership</u></p> <p>We became aware during this review that two of the three co-opted members on the Authority are also Local Pension Board members. Neither the Authority nor the Local Pension Board Constitutions highlight the possibility of overlap in membership. This is an unusual situation and not something we are aware of that is replicated elsewhere in the LGPS. We believe this is not a situation that should continue.</p> |            | <p>This part of the report contains a detailed consideration of this issue which sets out the reasons why an overlap of membership on Authority and Local Pension Board should be prohibited in the Constitution.</p> <p>The practical issue has since been resolved as terms on the Board of the Union representatives came to an end – meaning that there is now no actual overlap of membership.</p>   |

**Decisions – Does the Fund have effective decision making?**

| Cross-reference to main report                                     | Our Ref.     | Finding / Recommendation  | RAG Rating | Comments  |
|--|--------------|---|------------|---|
|  |              | <p>We do not think it is appropriate for there to be overlapping membership between the Authority (including its committees) and the Local Pension Board and we strongly recommend that the Authority should update the Constitution to prohibit this from taking place and take steps to ensure members of the Authority are not on the Pension Board.</p>   |            | <p>Therefore, implementing this recommendation would now simply require updating the Authority Constitution to prohibit this going forward.</p>   |
| <p>Authority and LPB Inter-Relationship<br/><br/>Pages 34 - 35</p> | <p>DEC 9</p> | <p><u>Authority and LPB Inter-Relationship</u><br/>                     Good relations between the two bodies were observed. However, we believe this could be improved further. Some suggestions:</p> <ul style="list-style-type: none"> <li>- Ensuring that all Authority and Committee papers, including part 2 exempt papers, are issued to the Board as the same time as Authority members.</li> <li>- We would also highly recommend Local Pension Board members are strongly urged to attend Authority meetings, in person or virtually, or view recordings. This could be made a clear requirement in relation to their role, for example attending a minimum number of meetings a year. The Chair of the Authority/Committee should be open to welcoming comments by the Board during the meeting (whilst noting that Board members would need to recognise, they are not members of the Authority/Committee and the Chair would need to manage this if participation was too frequent, hence holding up business). By participating in meetings and discussions, and seeing governance in action, Board members will be able to add more value.</li> <li>- Ensuring that the Authority’s Constitution clarifies that Local Pension Board members can remain as observers in Authority and Committee meetings during any items that are exempt from press and public (obviously</li> </ul> |            | <p>Bullet 1 – Options are being reviewed to enable secure sharing of the Authority papers. We were trying to use Mod.Gov in order to have everything together on same system – but this proved unachievable, therefore the papers will be published in the online reading room at the time of publishing the Authority agenda and an alert email sent to LPB members.</p> <p>Bullet 2 – Some LPB members have already attended Authority meetings. We will look at how to encourage / support this further.</p> <p>It was also suggested that the Authority would benefit from having a better understanding of the LPB role.</p> <p>It would need to be clear that observers do not have voting rights.</p> <p>Joint Chair and Vice Chair meetings should encourage sharing of knowledge – the Members update will share discussion topics of the joint chair &amp; vice chair meetings.</p> <p>It was suggested that the links to the live streams and recordings could be shared prior to the meetings.</p> <p>Discussion took place on how to measure challenge in meetings – qualitative rather than quantitative.</p> |

| Decisions – Does the Fund have effective decision making?                |          |  |            |   |
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| Cross-reference to main report   | Our Ref. | Finding / Recommendation   | RAG Rating | Comments  |
|  |          | <p>recognising that in exceptional circumstances this may not be appropriate).</p> <p>- Board members had good awareness of strategies and policies, access to them and involvement in wider stakeholder consultation. However, we believe it could add value to the SYPA if the Board were involved as part of their meetings in considering more of these prior to them being presented to the Authority. For example, by including the Local Pension Board at an earlier stage in drafting the Corporate Strategy (business plan).</p>  |            |   |
| <p>Ongoing Consideration of Effectiveness</p> <p>Page 36</p>             | DEC 10   | <p><u>Effectiveness Surveys / Reviews</u></p> <p>This is something we think the Authority could also benefit from on a regular basis.</p>  |            | <p>The Audit &amp; Governance Committee and LPB both carry out annually, but the Authority as a whole does not currently do this.</p> <p>The group agreed that the Authority would benefit from this and agreed an action to implement.</p>   |
| <p>Focus of Meetings &amp; Structure of Reports</p> <p>Pages 36 - 37</p> | DEC 11   | <p><u>Focus of Meetings &amp; Structure of Reports</u></p> <p>We would recommend the SYPA review and develop their reporting - including:</p> <p>Developing a template for all “quarterly update” reports which should be used across all Fund areas (administration, communications, investments, funding, governance) which covers:</p> <ul style="list-style-type: none"> <li>- Update against the Corporate Strategy</li> <li>- Risk</li> <li>- Performance measures against objectives</li> <li>- Other SYPA matters relating to that area including implementation and monitoring of policies/strategies and also operational matters such as recruitment.</li> <li>- Other non-SYPA specific developments – such as national consultations and developments.</li> </ul> |            | <p>The report includes further detail on Aon’s observations that resulted in these suggestions.</p> <p>The group agreed that reports can sometimes be lengthy and too wordy. It was discussed if a high-level briefing would be useful but considered in context that this creates additional work and may risk a focus on that rather than the papers themselves. The group agreed the action should simply be to ensure that covering reports include the key points that need highlighting and to have consistent reporting templates as recommended.</p> <p>Members have found the pre meets with the Independent Adviser useful.</p> |

**Decisions – Does the Fund have effective decision making?**

| Cross-reference to main report | Our Ref. | Finding / Recommendation   | RAG Rating | Comments   |
|--------------------------------|----------|--|------------|--|
|                                |          | <p>Ensuring all reports on the agenda have a covering report, even if it is very brief.<br/>Ensuring all covering reports quite clearly set out the key points in the “purpose”.</p> <p>Considering that the officers prepare and issue a high-level briefing update (maximum two pages) that is sent round to Authority / Committee / Board members when the meeting pack is published highlighting the key items on the agenda, with a very brief summary in relation to each agenda item. This will assist members to understand what they should particularly focus on in their preparation for the meeting.</p> |            |  |
|                                | DEC 12   | <p><u>Presentation of Papers at Meetings</u><br/>One final bit of feedback we received was in relation to the presentation of papers at meetings. Some members highlighted they would benefit from information being shared on the main screen. Others mentioned they sometimes struggled to follow where in the pack officers were referring to (not necessarily from lack of signposting). You could consider greater use of the large screen and / or software that follows presenters’ screens on connected devices.</p>   |            | The group agreed that the reference to pages can be confusing. |

| Decisions – Does the Fund have effective decision making?                          |                |   |            |  |
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| Cross-reference to main report   | Our Ref.       | Finding / Recommendation  | RAG Rating | Comments   |
| Knowledge and Skills Policy, training and regular assessments<br><br>Pages 39 - 40 | DEC 13         | <p><u>Knowledge and skills – suggestions for further enhancements</u></p> <p>Continue to look for opportunities where joint sessions could be rolled out further to Authority members if or when specific training sessions are held exclusively for the Board members (or vice versa).</p> <p>While training is recorded at individual level and a SYPA level training plan is in place, we are aware of intentions, as per the Pensions Regulator's General Code, to develop individual training plans.</p> |            | <p>Will continue to provide opportunities for joint sessions.</p> <p>Work is already in progress to develop individual training plans for members – ongoing during 2024/25.</p>  |
| Knowledge and Skills Policy, training and regular assessments<br><br>Pages 39 - 40 | DEC 13 (cont.) | <p>Attendance at external events provide an element of knowledge which provides much greater ability to understand and discuss key issues, including alternative approaches which other Funds may be pursuing. We would recommend introducing a target number of days/hours at external events to enhance wider knowledge.</p> <p>In addition, further clarity on which conferences, seminars and events are essential/desirable for Authority/Local Pension Board members would be welcome.</p>              |            | <p>We'll encourage more attendance at external events where possible – this is subject to member willingness / availability.</p> <p>We do this already but when preparing monthly member updates during the year and the L&amp;D programme for next year, will consider how to make the target audience and essential / desirable categories even clearer.</p> |

| Decisions – Does the Fund have effective decision making?                          |                |  |            |   |
|--|----------------|--|------------|---|
| Cross-reference to main report   | Our Ref.       | Finding / Recommendation   | RAG Rating | Comments  |
| Knowledge and Skills Policy, training and regular assessments<br><br>Pages 39 - 40 | DEC 13 (cont.) | Feedback on training also alerted us to concern that the training needs assessment might not give a true reflection on knowledge as some prefer or perform better in test environment than others. Furthermore, the assessment is quite limited in relation to what it covers. We suggest that you continue to look for further ways to help identify training needs including an evaluation of understanding of papers, effectiveness reviews at an individual level, and ensuring feedback after meetings and training sessions.<br><br>Consider providing training for new chairs, both on soft skills and specifically for Authority meetings (rather than more general local authority meetings). |            | We will once again provide the feedback to Hymans regarding the assessment in LOLA and we will further evaluate when undertaking the national knowledge assessment this year.<br>In addition, will consider ways to incorporate more tailored assessment as part of work on individual training plans and skills matrix.<br>Individual training plans and skills matrix are in development and Chair and Vice Chair training has been identified.<br>Hybrid support is offered for the Hymans modules.<br><br>It was noted that the Reading Room still not working well – this is under review. |
|  | DEC 14         | <u>Governance Map</u><br>Developing a governance manual that considers the various documents in place as an overview 'map' with hyperlinks could be incorporated into Governance Policy or as an appendix/separate document.   |            | A version of this is currently being developed for operating procedures for governance. Would need further consideration as to potential for developing something that would work as an overview.   |
| Expert Knowledge<br><br>Page 40  | DEC 15         | <u>Risk from Loss of Advisers and Assistant Director – Investment Strategy</u><br>The timing of this review has highlighted a key risk in relation to senior officers and advisers. The Authority has appointed two Independent Investment Advisers to advise on investment matters. Both these advisers are leaving during 2024.<br>Furthermore, the Assistant Director – Investment Strategy is also due to retire soon. Even though there is a long-term plan to ensure early recruitment to this post, and a transitional arrangement where the Director will  |            | Issues around potential single points of failure are already reflected in the risk register – although this will be reviewed to consider if a more specific risk and mitigation actions relating to the turnover in investment officers / adviser panel would be appropriate.<br><br>Events have developed since the time of the review – one of the two investment advisers is now remaining in role which mitigates a great deal of this risk.  |



**Decisions – Does the Fund have effective decision making?**

| Cross-reference to main report | Our Ref. | Finding / Recommendation   | RAG Rating | Comments   |
|--------------------------------|----------|--|------------|--|
|                                |          | cover and assist with this post as necessary, we believe this is a massive loss to, and risk for, the SYPA.<br>We believe that the Authority could benefit from reviewing the Investment Advisory Panel – and investment governance - more holistically. |            | Aon’s recommended solution of a retained consultant is not in line with the Authority’s approach to the use of investment consultants. |