

Subject	Review of the Authority's Constitution	Status	For Publication
Report to	Authority	Date	13 March 2025
Report of	Director Clerk Monitoring Officer		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

To secure approval for updates to the Constitution, which have been made to address recommendations arising from the independent governance review and to implement changes regarding the role of Clerk as approved at the Authority's meeting in December 2024.

2 Recommendations

2.1 Members are recommended to:

- a. Approve the updated Constitution at Appendix A; and**
 - b. Approve the Terms of Reference for the Investment Advisory Panel, and the Appointments and Appeals and Staffing Committees at Appendices B to D.**
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3 Link to Corporate Objectives

3.1 This report links to the delivery of the following corporate objectives:

Effective and Transparent Governance

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

Maintaining an up-to-date Constitution which reflects the actual operation of the Authority's governance and control framework is an important contributor to this objective.

4 Implications for the Corporate Risk Register

The actions outlined in this report address a number of governance-related risks set out in the Corporate Risk Register.

5 Background and Options

- 5.1 It is good practice to carry out a regular review of the Authority's Constitution to ensure that it is up-to-date and fit for purpose. Members will recall that the Authority last completed a full and comprehensive review of the Constitution, supported by legal advice, in June 2023.
- 5.2 After that review, an update of the Contract Standing Orders within the Constitution was approved by the Authority in September 2024 – this was required to place into effect the provisions of the new Procurement Act 2023, which was originally due to come into force from October 2024 but was delayed until 24 February 2025.
- 5.3 A further review of the remaining sections of the Constitution has now been undertaken for 2025 informed by recommendations made in the findings from the Independent Governance Review carried out in 2024 – which included recommendations to clarify and update several specific areas within the Constitution.
- 5.4 The changes made to the Constitution arising from the Independent Governance Review as reflected in the action plan approved by the Authority include amendments to:
- a. Prohibit dual membership of Authority and Local Pension Board
 - b. Increase quoracy for Authority meetings from 3 to 4
 - c. Combine the Conflict of Interests policies for Authority and LPB into one policy that applies to both
 - d. Add cross-referencing to the Conflicts of Interest Policy in the various Constitutional documents (including Codes) where Local Authority requirements relating to interests are being referenced. This is to remind members and officers that the SYPA has a policy that goes beyond Local Authority requirements.
 - e. Clarify in Authority Constitution that LPB members can observe, including private papers (with certain exceptions)
 - f. Make other minor textual updates and clarifications.
- 5.5 Additionally, as approved by the Authority in December 2024, the statutory role of Clerk is to be brought in-house with effect from 1 April 2025, and the Constitution and Scheme of Delegation have therefore been updated accordingly for this change.

Terms of Reference

- 5.6 The findings of the governance review also recommended that further detail and a separate Terms of Reference be added for the Investment Advisory Panel. This has been developed by officers in consultation with the Panel members (comprising the Director, Assistant Director – Investment Strategy, and the independent investment advisers) and is attached at Appendix B.
- 5.7 The opportunity has also been taken as part of this year's review to update the terms of reference of both the Staffing Committee and the Appeals & Appointments Committee to ensure consistency across the organisation. These are attached at Appendices C and D.

Local Pension Board Constitution

- 5.8 The Local Pension Board Constitution will also be reviewed and updated as required to address the recommendations from the independent governance review. The updated document will be presented to the Board in April for their approval.

6.Implications

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

Financial	No direct financial implications arising from the review.
Human Resources	No specific HR implications; the main provisions of the Officer Code of Conduct remain unchanged.
ICT	None
Legal	The review of the Constitution has a sound legal basis and minimises the risk of any legal breaches.
Procurement	None directly; the Contract Standing Orders within the Constitution were updated previously in September 2024 to ensure compliance with the Procurement Act 2023.

George Graham
Director

Sarah Norman
Clerk

Jo Stone, Head of Governance
Monitoring Officer

Background Papers	
Document	Place of Inspection
None	