

Corporate Strategy 2022 to 2025

Commitment to Excellence

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Foreword

South Yorkshire Pensions Authority exists solely to meet the needs of its customers, whether they are scheme members or scheme employers. The purpose of this corporate strategy is to set out how we are going to approach that task over the next three years.

This update to our strategy reflects the continuing journey to build a stronger more resilient organisation focussed on delivering for our customers and reflects what we have learnt from having to adapt the way in which we operate to the Covid-19 pandemic, and also the fact that we have not been able to make as much progress as we might like on some projects because of the prolonged period during which all of our staff have been working at home.

While change and review are and must remain a constant, our core purpose remains the same as it has always been to act as stewards of the pension savings of our scheme members. But, in doing this we do not exist in a bubble. We are and must remain a part of the local government family in South Yorkshire and it is important that we do not lose sight of this connection. We are not immune as an organisation to financial constraints, they are just different to the constraints placed on a council or FE College, and it is right that we should face the same challenges around improving productivity and reducing costs that have faced and continue to face our largest employers.

As a consequence of this, our strategy over the next three years focuses on delivering improvements to the way in which we do things in order to ultimately improve the service received by our customers and our overall efficiency.

This is an ambitious agenda, but one that will move us to the next level in meeting the needs of our customers which after all is what we are here for.

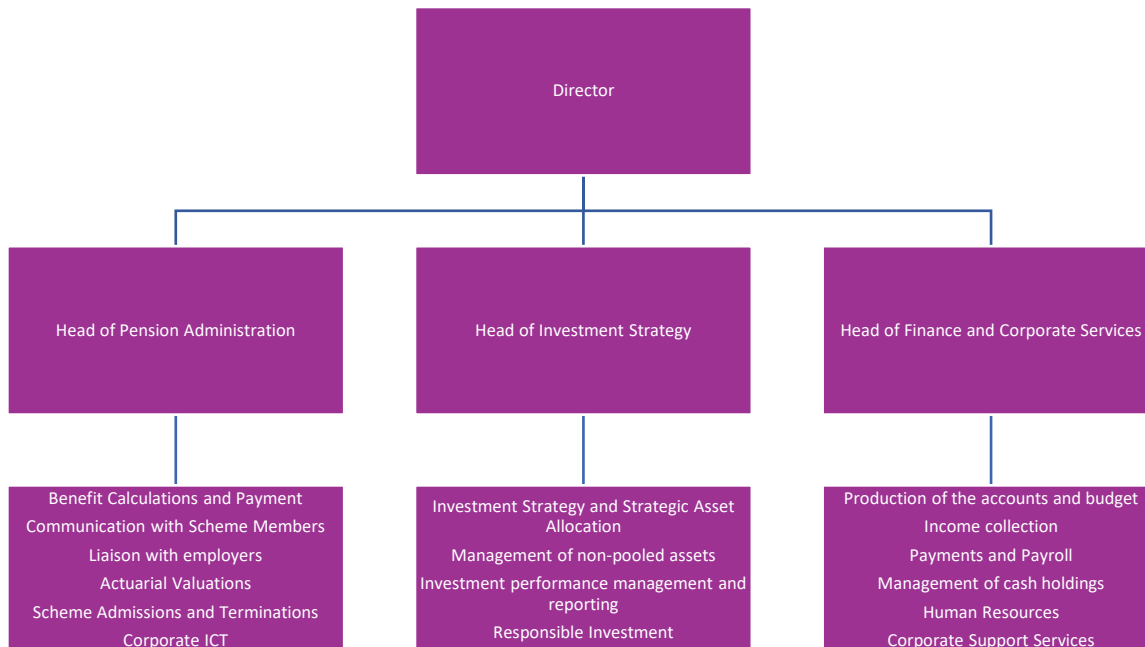
Cllr John Mounsey
Chair
South Yorkshire Pensions Authority

Background

South Yorkshire Pensions Authority came into being on 1st April 1988, following the abolition of South Yorkshire County Council and the winding up of the South Yorkshire Residuary Body. It is unique amongst the administering authorities in the local government pension scheme in that it is the only democratically accountable free standing pension's organisation in the UK. While a small number of other LGPS administering authorities are not councils their "boards" include appointed experts rather than being entirely made up of councillors.

The Authority has 12 members drawn from the four South Yorkshire districts (Barnsley, Doncaster, Rotherham, and the City of Sheffield) roughly in proportion to their population.

The Authority is organised fairly conventionally for a pension fund as set out in the diagram below:



In total the Authority directly employs around 118 people (101.0 FTE) based at the Authority's recently acquired and refurbished offices at Oakwell House in Barnsley.

The core dimensions of the Authority’s operations are set out below:

Number of Scheme Members (at 31/03/2021)	166,869
Number of Pensioners Paid (at 31/03/2021)	57,308
Number of Scheme Employers with active members (at 31/03/2021)	533
Proportion of employers that are local authorities	1.3%
Value of Assets under Management (at 31/03/2021)	£9.862bn
Annual Value of Investment Income (2020/21)	£169m
Annual Value of Contributions to the Fund (2020/21)	£283m
Annual Value of Benefits Paid from the Fund (2020/21)	£314m

South Yorkshire is a big pension fund by any dimensions (within the top 10 LGPS funds by both assets under management and membership) and historically this has meant that it has been able to realise significant economies of scale, being one of the lowest cost funds within the local government pension scheme.

The Fund has also delivered successful investment performance over a long period and is now estimated to be more than fully funded.

What we are here for and what we need to do to achieve it

Our mission, or what SYPA as an organisation is here for, is

“To deliver a sustainable and cost-effective pension scheme for members and employers in South Yorkshire delivering high levels of customer service and strong investment returns which facilitate stable contributions.”

We only exist because of our customers and given that we only do one thing, run the pension scheme, we owe it to them to provide the best possible performance while maintaining costs within reasonable levels.

In order to achieve this mission, there are a number of things we need to do or, our objectives, which are:



How are we going to go about fulfilling our objectives?

How we go about doing our job is also important. The way we go about doing our job reflects a series of values which are outwardly reflected as behaviours, as shown below:

Values	Behaviours
Honest and Accountable	Telling it like it is, and taking responsibility for our actions even when we have made a mistake
Progressive	Welcoming of change, while taking sensible risks and learning from our mistakes and from others
Professional	Being highly skilled and competent and managerially applying rationality to decision making processes
Empowering	Providing the freedom for individuals to identify and implement solutions to problems

These values and behaviours reflect how we wish others, whether customers or professional peers to see us and the degree to which each member of staff reflects these values in carrying out their role forms part of the appraisal process. These values also significantly influence the culture of the organisation, which in essence is how it feels to work for SYPA.

In addition to these values and behaviours which apply to all staff we have developed a range of management behaviours which support the values and which set out how we want to manage the organisation in order to deliver its objectives. These form part of the appraisal process for managers and are shown below:

Management Behaviours	Demonstrated by:
We model positive behaviours to each other and to all staff	<ul style="list-style-type: none"> • We regularly offer encouragement and praise for positive behaviours • We challenge inappropriate and unacceptable behaviour • We give and receive authentic feedback • We hold staff to account for their performance
We take responsibility for improvement - within a clear framework	<ul style="list-style-type: none"> • We get on with making improvements and changes rather than wait for permission (within a clear advice frame that sets out what we can get on with and what we can't). • We trust people to do their job, we don't micromanage. • We give a heads up when we plan something new, we speak up early when there is a problem or when things aren't going well. • When something doesn't go well, we look for what we can learn and what we can do differently next time.

<p>We all get behind a common goal</p>	<ul style="list-style-type: none">• We have a clear vision that sets out what our goals are and clear priorities which set out what our most important changes are.• We make the time to understand what we need to do to contribute to that vision.• We work together across the organisation and contribute to the organisation as a whole.• We challenge and question rumours and use discretion in sharing what gets discussed amongst managers.
<p>We involve and engage people in decisions that will affect them</p>	<ul style="list-style-type: none">• We keep people in the loop about things that will affect them.• We seek and value the opinion of the people we manage and of other teams.• We take the time to set out plans, then listen to the concerns and recommendations of those involved as to how we can strengthen those plans.• We communicate regularly and clearly to all staff.

What we are going to do over the next three years

Our planning process looks over three years because that is the period between valuations of the Pension Fund and the valuation is the event that initiates many of our major processes, such as reviews of the investment strategy.

The content of our plan is influenced by a number of things including:

- Changes in the nature of the scheme caused by regulatory changes which will require the recalculation of benefits in payment and entitlements for a large number of members.
- The need to address the long-standing issue of outstanding data processing tasks which do not immediately impact member benefits
- The need to complete a number of “in flight” projects which will deliver longer term productivity improvements including process automation and “retire online” as well as the process of pooling investments.
- The need when reviewing the investment strategy to properly address systemic risks to the value of the Fund’s assets.
- The need to comply with changes in regulation around the Fund’s investments in particular the introduction of mandatory climate reporting.
- The need to comply with developing requirements around governance.
- Developments within the Local Government Pension Scheme and the wider pensions industry such as the Pensions Dashboard.
- Wider economic developments which can impact the investment strategy and the affordability of contributions for employers.
- Technological developments.
- Feedback from stakeholder groups, including scheme members, employers and our staff.

A number of these will put us in a place where we are more able to develop new and deeper forms of collaboration with other LGPS funds should the opportunity arise.

Over the next three years we will be making a range of changes and improvements over the whole range of the Authority’s activities. In order to manage these more easily and provide clear accountability we have divided these up into programmes of work covering:

- Data – which focuses on a range of data related projects including the valuation and a number of statutory exercises such as GMP rectification and the implementation of the McCloud remedy.
- Process Improvement – which particularly focuses on getting the most out of our investment in technology including automating processes and improving reporting.
- Investment – which focuses on activity to develop and refine the investment strategy to support the overall funding of the pension scheme.
- Organisational Infrastructure – which focuses on all those things that make the business work.

For some areas of work (such as HR and ICT) the work included here summarises the more detailed plans contained in the relevant enabling strategies, rather than replicating the full detail.

This programme of work incorporates the need to address a number of things over which we have no choice such as the need to implement the changes in the pension regulations arising from various legal challenges related to discrimination on the basis of either age or gender. In themselves these represent a very significant volume of work which will run over a number of years.

The pages that follow set out for each of these:

- The specific things we want to do;
- The timescale for delivering each task.
- Who the lead officer is for each task.

We will also be introducing new arrangements for managing and reporting on progress with delivering projects which will ensure that the scope and objectives of projects are clearly defined at the start and that a monthly update on the progress of each project is provided to the Senior Management Team so that necessary actions can be taken to ensure that projects are completed to the intended timescale.

Ref	Project / Action	Timescale		Responsible Manager
		Start	Finish	
	Data			
D01	Complete Valuation 2022 – <i>Data Submission</i>	11/21 04/22	03/23 05/22	Dir TA
	<i>Employer Engagement</i>	02/22	03/23	S&E
	<i>Funding Strategy</i>	11/21	03/23	Dir / HPA
D02	Guaranteed Minimum Pension – Completion of Rectification process	11/21	05/22	HPA
D03	McCloud Remedy-	03/22	04/24	HPA
	<i>System Upgrades</i>	09/22	03/23	Sys
	<i>Processing and Case Reviews</i>	04/23	03/24	Ben
	<i>Member Communications</i>	04/22	03/24	Cus
	<i>Employer Communications</i>	10/21	03/24	S&E
D04	Complaints – Undertake root cause analysis of complaints which occur on multiple occasions	04/22	09/22	Ben
D05	Pensions Dashboard – Provision of data in line with regulatory requirements	04/23	03/25	Sys
D06	Deliver annual data improvement plan	04/22	03/25	TA
	Process Improvement			
P01	Implement contractual improvements to the Core UPM Pension Administration System –	02/22	03/25	HPA
	<i>Review of compliance with the new contract and effectiveness of delivery</i>	12/22	03/23	HPA
	<i>Review and updating of processes</i>	04/22	03/24	Ben / Sys
	<i>Retire Online</i>	01/21	04/22	Sys
	<i>Automation of Joiners</i>	09/21	04/22	Sys
	<i>Automation of leavers / deferred members</i>	06/21	06/22	Sys
	<i>Implement dynamic homepage and improve the log in / sign up process for mypension</i>	04/22	03/23	ICT
	<i>mypension App</i>	04/24	03/25	ICT
	<i>Feasibility/Pilot of Chatbots</i>	04/24	03/25	Sys / Cus
	<i>Online ID Verification for pension claims</i>	04/24	03/25	Sys / Ben
	<i>Improve functionality of employer hub</i>	04/23	03/24	Sys

Ref	Project / Action	Timescale		Responsible Manager
		Start	Finish	
P02	Monthly Data Collection-	03/22	03/25	ICT
	<i>Validator App enhancements</i>	03/22	03/25	ICT
	<i>Automate the processing of direct debit instructions from data submissions</i>	11/21	06/22	ICT / Fin
P03	Reporting – Implement improvements to the completeness and degree of automating of reporting across the organisation –	04/22	03/25	Dir
	<i>Statutory Disclosures</i>	04/22	03/23	Ben
	<i>Pension Administration Regular Management Information</i>	04/22	03/24	Ben/Sys/ICT
	<i>UPM Finance Reports</i>	04/22	03/24	Fin / Sys
	<i>Customer Centre Management Information</i>	04/22	03/23	Cus
	<i>Employer Performance</i>	04/22	03/24	S&E
	<i>Financial Reporting</i>	04/22	03/25	HFCS / Fin
	<i>HR Reporting</i>	10/22	09/23	HFCS / HR
P04	Financial Processes	04/22	03/24	HFCS
	<i>Review debt recovery processes</i>	04/23	03/24	Fin
	<i>Review of processes following implementation of new financial systems to capture benefits</i>	04/22	03/23	HFCS / Fin
	<i>Complete the review of the VAT Special Method</i>	06/22	12/22	Fin
	<i>Review custodian arrangements and procure as necessary</i>	02/22	09/22	HFCS
	<i>Review banking arrangements and procure as necessary</i>	04/22	09/22	Fin
	<i>Review arrangements for Treasury Management advice and procure as necessary</i>	09/22	03/23	HFCS
<i>Reprocure commercial property insurance if required</i>	07/24	03/25	Fin	

Ref	Project / Action	Timescale		Responsible Manager
		Start	Finish	
P05	Certifications aimed at embedding process improvements across the organisation – <i>Maintain Customer Services Excellence</i>	04/22	03/24	Cus
	<i>Achieve initial Investors in People accreditation</i>	04/23	03/25	HR
	<i>Achieve initial Pensions Administration Standards Association (PASA) accreditation</i>	04/22	03/25	Ben
Investment				
I01	Strategic Issues – <i>Conduct an Investment Strategy review following the 2022 Valuation and update the Investment Strategy Statement</i>	04/22	03/23	HIS
	<i>Address systemic risks to the fund's investments resulting from climate change through progressing annual updates to the Net Zero action plan</i>	03/22	03/25	Dir
	<i>Implement new requirements related to TCFD Reporting</i>	04/22	Ongoing	Dir / HIS
I02	Tactical and Transactional Issues – <i>Implement revisions to the Strategic Asset allocation</i>	04/22	Ongoing	HIS
	<i>Determine the approach to the Border to Coast property proposition and transition assets as necessary</i>	03/22	12/24	Dir / HIS
	<i>Conclude Project Chip</i>	09/21	09/22	Director
	<i>Review legacy portfolios and determine the ultimate exit routes in each case</i>	04/22	12/22	HIS
	<i>Continue to develop stewardship reporting in response to regulatory feedback</i>	04/22	Ongoing	HIS

Ref	Project / Action	Timescale		Responsible Manager
		Start	Finish	
Organisation				
001	Governance –			
	<i>Review and update information governance arrangements</i>	06/22	03/23	Gov
	<i>Complete roll out of workflows etc within Modern.gov and implement paperless meetings</i>	04/22	06/22	G&R
	<i>Implement new statutory officer arrangements and internalise committee and member support activity</i>	04/22	03/23	Dir / HFCS
	<i>Update procurement arrangements processes and systems including the implementation of the Yortender replacement</i>	12/21	06/23	G&R
	<i>Update process and procedure documentation across all aspects of Pension Administration to allow regulatory compliance to be demonstrated through the Portal</i>	04/22	03/25	S&E
	<i>Demonstrate compliance with the relevant TPR codes</i>	09/22	08/23	Gov
002	People –			
	<i>Procure and implement a new HR and Payroll System</i>	01/22	03/23	HFCS / HR / Fin
	<i>Consolidate the new finance team structure and capture benefits</i>	04/22	Ongoing	HFCS / Fin
	<i>Address currently identified recruitment and retention risks</i>	01/22	12/22	Dir / HR
	<i>Develop a staff Health and Wellbeing Strategy</i>	01/23	04/24	HFCS / HR
	<i>Develop an Apprenticeship framework to support existing and future apprentices</i>	01/22	04/23	HR
	<i>Create structured learning paths for different job roles using the different learning support technologies available</i>	01/22	04/23	HR
	<i>Implement actions from the 2022 staff survey</i>	Ongoing	Ongoing	SMT / HR
	<i>Undertake 2022 staff survey and identify appropriate responses to the results</i>			
	<i>Enhance collaborative working across the organisation</i>	01/22	Ongoing	All Managers

Ref	Project / Action	Timescale		Responsible Manager
		Start	Finish	
O03	ICT – <i>Complete the roll out of Microsoft 365 tools and the migration to 365 infrastructure</i>	06/21 06/21	03/25 09/22	ICT ICT
	<i>Agree and implement a revised hardware replacement programme</i>	04/22	04/23	INF
	<i>Implement the updated corporate website</i>	11/21	Ongoing	ICT
	<i>Review and update ICT policies, including specifically a review of password management arrangements</i>	04/22	Ongoing	ICT
	<i>Undertake annual ICT security health checks</i>	04/22	Ongoing	ICT
O04	Project and Programme Management –			
	<i>Determine a stripped down and appropriately scale project management process</i>	06/22	03/23	PM
	<i>Initiate a clearly defined process for prioritising and agreeing development and other system change requests</i>	06/22	03/23	HPA
O05	Business Continuity –			
	<i>Produce revised corporate business continuity plan</i>	04/22	09/22	INF
	<i>Reinstate annual testing of ICT Disaster Recovery arrangements.</i>	09/22	Ongoing	INF

Key to Responsible Managers:

Dir	Director
HFCS	Head of Finance and Corporate Services
HIS	Head of Investment Strategy
HPA	Head of Pensions Administration
Gov	Corporate Manager – Governance
ICT	Corporate Manager – ICT and Digital
Ben	Team Manager – Benefits
Cus	Team Manager – Customer Services
Fin	Team Manager – Financial Services
INF	Team Manager – ICT Infrastructure
S&E	Team Manager – Support and Engagement
PM	Programme Manager
TA	Technical Adviser
G&R	Governance and Risk Officer

How will we know if what we have done has had an impact?

All of the tasks that we need to undertake over the next three years are intended to make SYPA a better organisation and make us better at delivering our mission, but we need to know that doing these things has had an impact on how good we are at what we do.

Changes in the following indicators will be used to help us understand whether the changes we have made have had an impact. Each indicator has been linked to one of the corporate objectives.

Customer Focus

to design our services around the needs of our customers (whether scheme members or employers).

- Deliver an upward trend in customer satisfaction with the administration service.
Customer satisfaction is measured through surveys looking at a range of interactions (e.g. retirement, telephone contact etc.). While there are periodic up's and downs all these measures give a combined satisfied and very satisfied score over 90%.
- Meeting targets for the processing of transactions within specified timescales.
Current processing performance is below target at around 80% of the Authority's own standards which are generally more stretching than industry norms. While efforts are being made to improve this there is no evidence from increasing complaints or satisfaction surveys that the current position is causing an issue for customers.
- Retention of Customer Service Excellence accreditation
This has been achieved for the next review cycle and the report is available on the Authority's website.
- Numbers of complaints and compliments
The number of complaints remains very low in the context of both the number of scheme members and the number of customer interactions. Details are reported to each meeting of the Local Pension Board. There is no discernible trend in the numbers of complaints.
- Numbers of appeals against Authority decisions and the proportion upheld.
Again the numbers of appeals against the Authority's decisions (as opposed to those of employers) is very low with none upheld.

Listening to our stakeholders

to ensure that stakeholders' views are heard within our decision-making processes.

- Achieve a rising trend in the actuarial funding level.
This was achieved at the 2019 valuation with a funding level of close to 100%. Subsequent estimates indicate that full funding has been achieved and is being maintained.
- Achievement of stability in employer future service contribution rates.
This will be measurable at the 2022 valuation. However, measurement will be complicated by the impact of scheme changes on the valuation process and setting of contribution rates.

Investment Returns

to maintain an investment strategy which delivers the best financial return, commensurate with appropriate levels of risk, to ensure that the Fund can meet both its immediate and long-term liabilities.

- Fund level investment returns v benchmark and actuarial assumption.
The Fund saw a significant increase in value during 2020/21 and has delivered positive returns in excess of the benchmark and CPI over 3, 5 and 10 years.
- Investment returns by asset class v the asset class specific benchmark
This detail is included in the Authority's annual report and as would be expected there is variation across asset classes, although in general there is a positive picture.
- An increasing trend in the level of investment income achieved relative to assets under management (Note this indicator will require adjustment to reflect changes resulting from the move to holding assets within pooled vehicles).
After adjusting for the fact that equity dividends are now reinvested directly within pooled funds the overall level of income is increasing.

Responsible Investment

to develop our investment options within the context of a sustainable and responsible investment strategy.

- Achieve a downward trend in the level of carbon emissions from the equity portfolios, and a position better than reflected in the benchmark indices
This data is included in the Annual Report and there is a downward trend, albeit one that fairly closely mirrors the trend of the broader index.
- Achieve a rising ESG score from the equity portfolios and a position better than reflected in the benchmark indices.
This is being achieved and data is now included in quarterly reports.
- Rate of progress towards achieving Net Zero Carbon emissions from the portfolio.
This is reflected in the Annual Report and in quarterly reporting. There is positive progress but not yet at a rate that will achieve the agreed Net Zero goal.

Scheme Funding

to maintain a position of full funding (for the fund as a whole) combined with stable and affordable employer contributions on an ongoing basis.

- Achievement and maintenance of full funding
This is formally measured at the actuarial valuation every three years. The estimated position is currently that there is a surplus at fund level.

Effective and Transparent Governance

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

- Aim to maintain costs below the CEM peer group median and below the CEM benchmark median.
The latest final CEM report is not yet available, but this has been achieved in previous years.
- Aim to maintain administration costs per member at a level less than the England Average (as measured in SF3)
This is being achieved.
- Aim to maintain the total cost of running the Fund as a proportion of assets below the England and UK averages.
This is not being achieved based on the comparison using SF3 data, however this is likely to be due to the significant inconsistencies in accounting practices relating to non-invoiced investment costs. The CEM benchmarking information which makes estimates in relation to under-reporting has previously indicated a relatively low-cost position when adjusting for this under-reporting and should be regarded as more reliable.

Valuing and engaging our Employees

to ensure that all our employees are able to develop a career with SYPA and are actively engaged in improving our services.

- Levels of sickness absence
The overall level of sickness absence has declined during 2020/2, although there has been some increase subsequently in line with wider trends.
- Aim to show an improving trend in staff engagement from staff survey data.
The results of the Staff Survey carried out during 2020 show an improved level of engagement over 2018 but point to the need to address issues around career paths and role stimulation particularly for more experienced pension administration staff.
- Volume of training per member of staff (days).
It is currently not possible to comprehensively measure this indicator. Comprehensive measurement will be available when the new HR system is implemented.
- Aim for 100% of staff to receive an appraisal.
Due to the absence of an effective HR system, it is currently not possible to provide comprehensive information on this indicator. Sample data from Internal Audit work indicates some inconsistencies in approach.

In addition to these indicators which we will use to understand the impact the work we are doing is having we continue to monitor a range of process indicators for the administration service which are used to facilitate national comparisons and ensure compliance with regulatory requirements.

What are the things which might stop us from achieving our objectives?

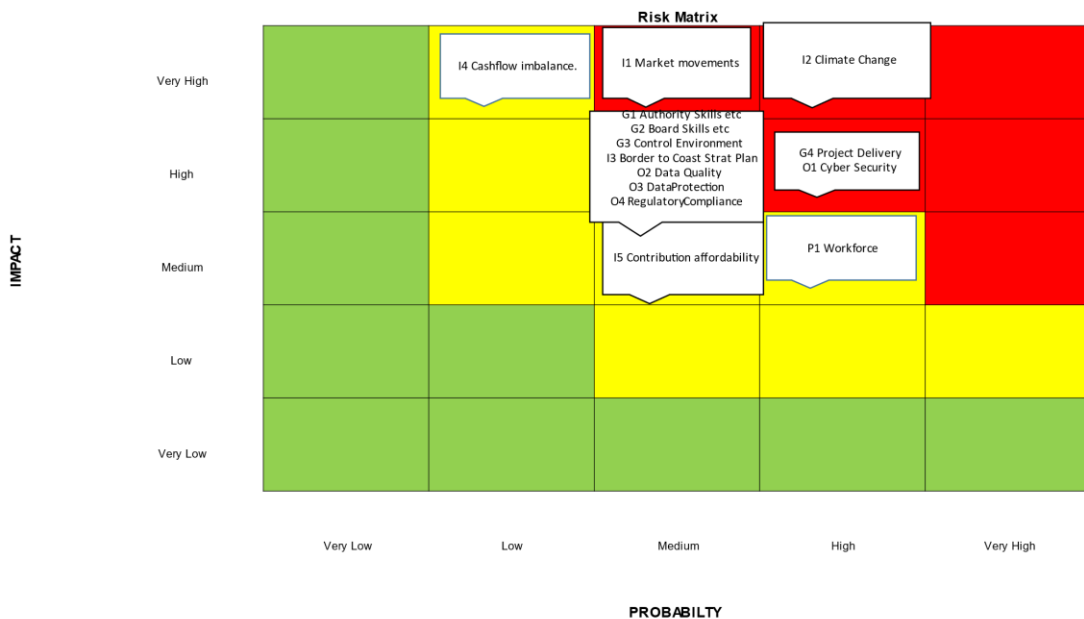
These are the risks that something might go wrong. The chart below shows each of the risks included on our Corporate Risk Register as at December 2020 mapped on to the risk matrix which we use to understand how significant each risk is. The further towards the top right of the matrix a risk is the greater its significance for us.

We use four categories to classify risks:

- Governance – These are risks that impact the soundness of our overall control and decision making framework.
- Investment and Funding – These are risks that impact the balance between the fund’s assets and liabilities and the ability to pay pensions when they become due.
- Operational – These are risks to the effective running of the business and to efficient and effective service delivery.
- People – These are risks to our ability to maintain a suitably qualified, experienced and engaged workforce.

The risk register is reviewed on a monthly basis by the Senior Management Team and is also reviewed by the Authority as part of the quarterly performance reporting process. Additional oversight of the Authority’s risk management arrangements is provided by the Audit Committee and Local Pension Board.

The Risk Register has been comprehensively rebased as part of the work to prepare the Corporate Strategy. A summary of the register is shown below. The full risk register is available with the quarterly performance reports on the Authority’s website.



Given changes in the external environment, there has been a noticeable increase in some risk scores despite previous mitigation. In addition, the delivery of many of the projects identified within this Corporate Strategy will address the identified risks.

What's it all going to cost?

SYPA's budget is not like that of a local authority in that it is not funded from council tax and business rates, and any costs that are incurred can be charged to the pension fund. However, that does not mean that we can operate free of financial constraints, we have a responsibility to spend as little as we can to ensure that stakeholders benefit to the maximum degree possible from the performance of the pension fund.

Our medium-term financial strategy (available on our website), which has been produced alongside this corporate strategy sets out our overall financial forecasts and a series of self-imposed rules which we will use to minimise the impact of our costs on the Fund. Equally, though we need to accept that in order to deliver some of the improvements we want to see we will need to invest up front in some projects.

Operating Budget

The Operating Budget represents the cost of running the Authority's activities including Pension Administration, oversight of the investment strategy and the costs of governance. These costs, like a council budget, are controllable and the Director is accountable to the members of the Authority for spending within the budget. The table below provides a summary of the budget for 2022/23 and forecasts for future years.

South Yorkshire Pensions Authority Operating Budget	2021/22 Forecast Outturn	2022/23 Budget	2023/24 Estimate	2024/25 Estimate
	£	£	£	£
Pensions Administration	2,562,540	2,717,850	2,710,340	2,763,860
Investment Strategy	541,510	572,750	507,180	521,850
Finance & Corporate Services	738,330	818,800	818,590	834,780
ICT	655,930	738,710	686,490	698,770
Management & Corporate	364,580	911,160	846,410	857,860
Democratic Representation	124,470	137,090	182,230	185,810
Unfunded Liabilities	342,000	350,000	351,750	353,510
Subtotal Revenue Expenditure:	5,329,360	6,246,360	6,102,990	6,216,440
Capital Expenditure	1,671,000	0	0	0
Contribution to Reserves	(1,212,760)	(66,360)	50,000	50,000
Levy on District Councils	(342,000)	(350,000)	(351,750)	(353,510)
Total Charge to Pension Fund	5,445,600	5,830,000	5,801,240	5,912,930
Membership	168,000	169,680	172,230	174,810
Cost Per Member	£32.41	£34.36	£33.68	£33.82

The budget requirement in 2022/23 has increased by 7% having been frozen in cash terms for the previous three years, thus there is a degree of catch up driven in part by increased levels of inflation and new pressures such as the increase in National Insurance contributions. We have, however, continued to invest in improving our services and infrastructure, in part through the redirection of resources and in part through growth in the overall budget. More detail is available in the Medium-Term Financial Strategy and the Budget report presented to the January Authority meeting each year.

The Pension Fund

The table below sets out a financial forecast for the Pension Fund including the Operating Budget and all other costs incurred in the running of the Fund, such as investment management fees which are charged directly to the Fund.

South Yorkshire Pension Fund Financial Forecast	Actual 2020/21 £m	Forecast 2021/22 £m	Forecast 2022/23 £m	Forecast 2023/24 £m	Forecast 2024/25 £m
<i>Dealings with members, employers and others directly involved in the scheme:</i>					
Contributions receivable & transfers in from other pension funds	(304)	(200)	(300)	(315)	(216)
Benefits payable and payments to or on account of leavers	331	343	354	362	371
Net (additions) / withdrawals from dealings with members	27	143	54	47	155
Management expenses	65	70	77	84	92
Net returns on investments	(1,784)	(943)	(544)	(561)	(693)
Net (increase)/decrease in the Fund during the year	(1,692)	(730)	(413)	(430)	(446)
Net Assets of the Fund at 1 April	(8,170)	(9,862)	(10,592)	(11,005)	(11,435)
Net Assets of the Fund at 31 March	(9,862)	(10,592)	(11,005)	(11,435)	(11,881)
Management Expenses as Percentage of Average Net Assets	0.72%	0.68%	0.71%	0.75%	0.79%

This forecast reflects the on-going strong performance so far in 2021/22, while still reflecting the increasing imbalance between contributions and benefits payable (although this is somewhat distorted by the impact of prepayments following each actuarial valuation). Currently management expenses are forecast to change reflecting a change in the balance of the fund's investments towards alternatives which attract higher levels of fees. Based on current estimates of the funding level, this forecast indicates that based on the underlying assumptions it should be possible to maintain full funding at whole fund level.

What about our people?

While they do not appear on our balance sheet our people are SYPA's most valuable asset, we will deliver none of the projects outlined in this corporate strategy without their engagement and commitment. At the same time while rewarding staff fairly and treating them with respect and compassion we do need to continually review our employment policies to ensure that they support us in being the sort of organisation we want to be.

We employ 101.0 full time equivalents (equating to around 118 people).

A number of the actions set out in the Action Plan within this corporate strategy reflect our continuing focus on the development of our workforce and more detail is set out in the Human Resources Strategy which sets out much more detail both on the challenges we face and the specific actions we propose to take, across three themes:

- Developing the current workforce to meet the needs of the organisation
- Recruiting a workforce for the future
- Retaining a high quality workforce

How staff feel about working for SYPA is also an important driver of the likelihood that we will be successful in delivering the various projects that are set out in this plan. During 2020 we carried out our bi-annual staff survey. For the first time this was carried out by an external organisation in order to create a robust baseline so that we can better measure progress in this area.

Overall, the results of the survey were positive with comparisons to the last survey in 2018, where possible, generally showing improvement and a range of positive comments about some of the more recent developments in terms of, for example, our approach to health and wellbeing. There are, though areas for improvement including the need to develop clearer career paths for more experienced staff within pension administration coupled with the need to involve this group in a more varied and interesting range of work, while not losing track of our core function of ensuring pensions are paid correctly and on time. There is also a clear need to continue to work on improving communication within the organisation.

The degree of change which we face over the planning period means that ensuring that this work is an extremely high priority if we are to successfully achieve the broader objectives set out in this Corporate Strategy as an engaged and motivated workforce will assist us in delivering better services for our customers.