

# Corporate Strategy 2024 to 2027

***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.

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.

Because of this, our strategy over the next three years focuses on delivering improvements to the way in which we do things in addressing long standing challenges across the organisation 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.

Councillor Jayne Dunn  
Chair  
South Yorkshire Pensions Authority

## Background

South Yorkshire Pensions Authority came into being on 1<sup>st</sup> 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 pensions 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, City of Doncaster, Rotherham, and the City of Sheffield) roughly in proportion to their population.

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



In total the Authority directly employs around 136 people (126.6 FTE) based at the Authority’s offices at Oakwell House in Barnsley.

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

Number of Scheme Members (at 31/03/2023)	176,437
Number of Pensioners Paid (at 31/03/2023)	61,662
Number of Scheme Employers with active members (at 31/03/2023)	548
Proportion of employers that are local authorities	1.3%
Value of Assets under Management (at 31/03/2023)	£10.202bn
Annual Value of Investment Income (2022/23)	£298.1m
Annual Value of Contributions to the Fund (2020/21)	£210.1m
Annual Value of Benefits Paid from the Fund (2022/23)	£346.3m

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

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.

*“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.”*

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 to deliver its objectives. These form part of the appraisal process for managers and are shown below:

Management Behaviours	Demonstrated by:
<i>We model positive behaviours to each other and to all staff</i>	<ul style="list-style-type: none"> <li>• We consistently offer encouragement and praise for positive behaviours.</li> <li>• We challenge inappropriate and unacceptable behaviour.</li> <li>• We give and receive authentic feedback.</li> <li>• We hold staff to account for their performance</li> </ul>
<i>We take responsibility for improvement - within a clear framework</i>	<ul style="list-style-type: none"> <li>• 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 cannot).</li> <li>• We trust people to do their job, we do not micromanage.</li> <li>• We give a heads up when we plan something new, we speak up early when there is a problem or when things are not going well.</li> <li>• When something does not go well, we look for what we can learn and what we can do differently next time.</li> </ul>

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



## 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 several 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 sizeable proportion of scheme members.
- The need to address the long-standing backlogs and process issues within the administration service.
- The need to continually review the investment strategy and strategic asset allocation to properly address systemic risks to the value of the Fund's assets and respond to the requirements arising from the Government's consultation on LGPS investments.
- The need to comply with developing requirements around governance, such as the Regulator's General Code.
- Developments within the Local Government Pension Scheme and the wider pensions industry such as the Pensions Dashboard.
- Wider economic developments which can affect 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 and, in particular, the ongoing development of investment pooling 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.

In this year's update to the Corporate Strategy, we have taken a more focussed approach to the items which are included as corporate projects. As a result, some tasks previously included have been removed although they will continue to be undertaken within the work plans of individual teams. Other pieces of work have now been absorbed within other larger programmes and others have been removed as we reprioritise our resources to focus on the things that are most important and others because we have completed the relevant piece of work. We have also grouped the various projects differently because of the need to devote greater focus to improvements across the administration service. To provide an audit trail of these movements in the plan we have provided an appendix which shows how each task in the previous version of the Corporate Strategy has been dealt with.

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

- *Administration Improvement Plan* – A series of interlinked activities which are intended to address long standing issues which have affected the underlying performance of the administration service and place the service on a stable and sustainable basis.

- *Delivering the Investment Strategy* – A range of activities which support delivering the investment strategy including progress to Net Zero.
- *People* – Activities which are designed to ensure that the Authority has the right number of people with the right levels of skills and experience to enable it to effectively deliver services.
- *Organisation Wide* – Activities which affect all parts of the organisation, and which are intended to strengthen parts of the organisational infrastructure.
- *Governance* – Activities which are intended to strengthen the governance framework and ensure the demonstration of compliance with regulatory requirements.
- *ICT* – A programme of work designed to ensure that the Authority's ICT infrastructure is both up to date and being effectively utilised to improve the delivery of services.

For 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 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 based on either age or gender. These represent a significant volume of work 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.
- Which corporate objectives each task relates to.
- The risks in the Corporate Risk Register which each task addresses.

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	Link to Objectives	Link to Risks
		Start	Finish	Manager		
<b>A</b>	<b>Administration Improvement Plan</b>			<b>AD-P</b>		
A1	Deliver ongoing improvements in data quality	Apr 24	Mar 26	SM-T	Customer Focus Scheme Funding	O2 Data Quality O4 Regulatory Compliance
A2	Implement changes to the organisation approved during 2023	Feb 24	Sept 24	AD-P	Customer Focus Valuing Employees	O6 Backlogs P2 Technical Knowledge P3 Single Point of Failure
A3	Implement system improvements to ensure that the Authority is making the best use of technology.	Apr 24	Mar 25	SM-B/ TL-S	Customer Focus Listening to Stakeholders	O2 Data Quality O6 Backlogs
A4	Clear backlogs of casework	Feb 24	Dec 25	SM-B	Customer Focus	O6 Backlogs
A5	Implement the McCloud Remedy	Apr 24	Mar 26	AD-P	Customer Focus Scheme Funding	O3 Data Quality O4 Regulatory Compliance
A6	Implement the Pensions Dashboard	Apr 24	Oct 26	Hd ICT/ SM-CS	Customer Focus	O3 Data Quality O4 Regulatory Compliance
<b>I</b>	<b>Deliver the Investment Strategy</b>			<b>AD-IS</b>		
I1	Implement 2023 Asset Allocation Changes	Mar 23	Mar 26	AD-IS	Investment Returns Responsible Investment Scheme Funding	I1 Market movements I2 Climate I3 B2C Strategic Plan I4 Cashflow I5 Contribution Affordability
I2	Progress the Authority's Net Zero Ambition	Apr 24	Ongoing	Dir	Investment Returns Scheme Funding	I1 Market Movements I2 Climate
I3	Deliver the Place Based Impact Investment Strategy	Mar 23	Mar 25	IM	Investment Returns	I1 Market Movements I4 Cashflow
I4	Plan and deliver 2026 Strategy Review	Nov 24	Mar 26	AD-IS	Investment Returns Responsible Investment Scheme Funding	I1 Market movements I2 Climate I3 B2C Strategic Plan I4 Cashflow I5 Contribution Affordability

Ref	Project / Action	Timescale		Responsible	Link to Objectives	Link to Risks
		Start	Finish	Manager		
<b>P</b>	<b>People</b>			<b>AD-R</b>		
P1	Develop and implement a new organisation wide Learning and Development Strategy	Apr 24	Sept 25	AD-R/ HR BP	Valuing Employees	P2 Technical Knowledge P3 Single Point of Failure
P2	Develop and implement a corporate policy to ensure consistency of career grade schemes across the organisation	Apr 24	Jun 25	AD-R/HR BP	Valuing Employees	P1 Vacancies P2 Technical Knowledge
<b>O</b>	<b>Organisation Wide</b>			<b>AD-R</b>		
O1	Develop a fully revised and updated Business Continuity Strategy	Apr 24	Dec 24	Hd ICT	Customer Focus Effective Governance	O1 Cyber Security O4 Regulatory Compliance
O2	Develop and implement a Sustainability Strategy for the organisation	Jan 25	Mar 26	Hd ICT	Responsible Investment Effective Governance	I2 Climate Change
O3	Procure and implement a new HR and Payroll system	Mar 24	Dec 24	Hd Fin	Effective Governance Valuing Employees	G4 Project Delivery
O4	Develop and implement a new Performance Management Framework	Apr 24	Dec 24	SM-PP	Effective Governance	G4 Project Delivery
<b>G</b>	<b>Governance</b>			<b>Hd G</b>		
G1	Implement the results of the Independent Governance Review	Jul 24	Mar 25	Hd G	Listening to Stakeholders Effective Governance	G1 Member Knowledge & Understanding
G2	Complete and embed the updated suite of Information Governance policies and procedures	Apr 24	Sept 25	TL-G	Customer Focus Effective Governance	O3 Data Protection
G3	Ensure compliance with the new TPR General Code of Practice	Apr 24	Mar 25	Hd G	Effective Governance	O4 Regulatory Compliance

Ref	Project / Action	Timescale		Responsible	Link to Objectives	Link to Risks
		Start	Finish	Manager		
<b>T</b>	<b>ICT</b>			<b>Hd ICT</b>	<i>All the ICT actions below also underpin and support all the SYPA Objectives by providing the infrastructure for whole organisation and our services.</i>	
T1	Complete M365 Roll Out	Apr 24	Jun 24	Hd ICT	Effective Governance Valuing Employees	G4 Project Delivery
T2	Adoption and exploitation of available M365 tools and functionality	Jul 24	Mar 26	Hd ICT	Effective Governance Valuing Employees	G4 Project Delivery O3 Data Protection
T3	Maintain the Authority’s cyber defences	Apr 24	Mar 26	SM-Inf	Customer Focus Effective Governance	O1 Cyber Security O3 Data Protection O4 Regulatory Compliance
T4	Deliver ongoing improvements to the Authority’s ICT infrastructure	Apr 24	Mar 26	SM-Inf	Effective Governance Valuing Employees	O1 Cyber Security

Key:

AD-IS	Assistant Director – Investment Strategy
AD-P	Assistant Director – Pensions
AD-R	Assistant Director – Resources
Dir	Director
Hd Fin	Head of Finance
Hd G	Head of Governance
Hd ICT	Head of ICT
HR BP	HR Business Partner
IM	Investment Manager
SM-B	Service Manager – Benefits
SM-CS	Service Manager – Customer Services
SM-Inf	Service Manager – ICT Infrastructure
SM-PP	Service Manager – Programmes and Performance
SM-T	Service Manager – Technical Support and Training
TL-G	Team Leader - Governance
TL-S	Team Leader – Pension Systems Development

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

All 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 significantly below target. 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. This position is unlikely to improve significantly until key elements of the Administration Improvement Plan have been delivered.*
- 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 is still extremely 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. The largest causes of complaints seem to be correlated with the backlogs resulting from the current level of processing performance.*
- 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 extremely low.*

### **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 2022 valuation with a funding level of 119%. Later estimates indicate that this is being maintained and that the underlying funding level may have increased due to the impact of rising interest rates on the value of liabilities.*
- Achievement of stability in employer future service contribution rates.  
*This was achieved for major employers at the 2022 valuation and will be a key goal for the 2025 valuation.*

### **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.  
*Market conditions saw a reduction in overall fund value during 2022/23 which has recovered in the next period. Longer term performance remains above benchmark and actuarial assumption, but shorter-term performance is below target in part as a result of higher levels of inflation and the interest rate environment. However, at the same time the interest rate environment has reduced the forecast level of liabilities significantly.*
- 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 compared 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 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 last valuation gave a funding level of 119% and the estimated position is currently that the position has improved from this.*



### **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 CEM reports show that this is broadly being achieved.*

- 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 but is higher than would be desirable.*

- Aim to show an improving trend in staff engagement from staff survey data.

*The results of the Staff Survey conducted during 2023 show a significant improvement on the 2020 position although there remains work to do in terms of training, development and career paths for some 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 supply comprehensive information on this indicator. Sample data from Internal Audit work shows 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?

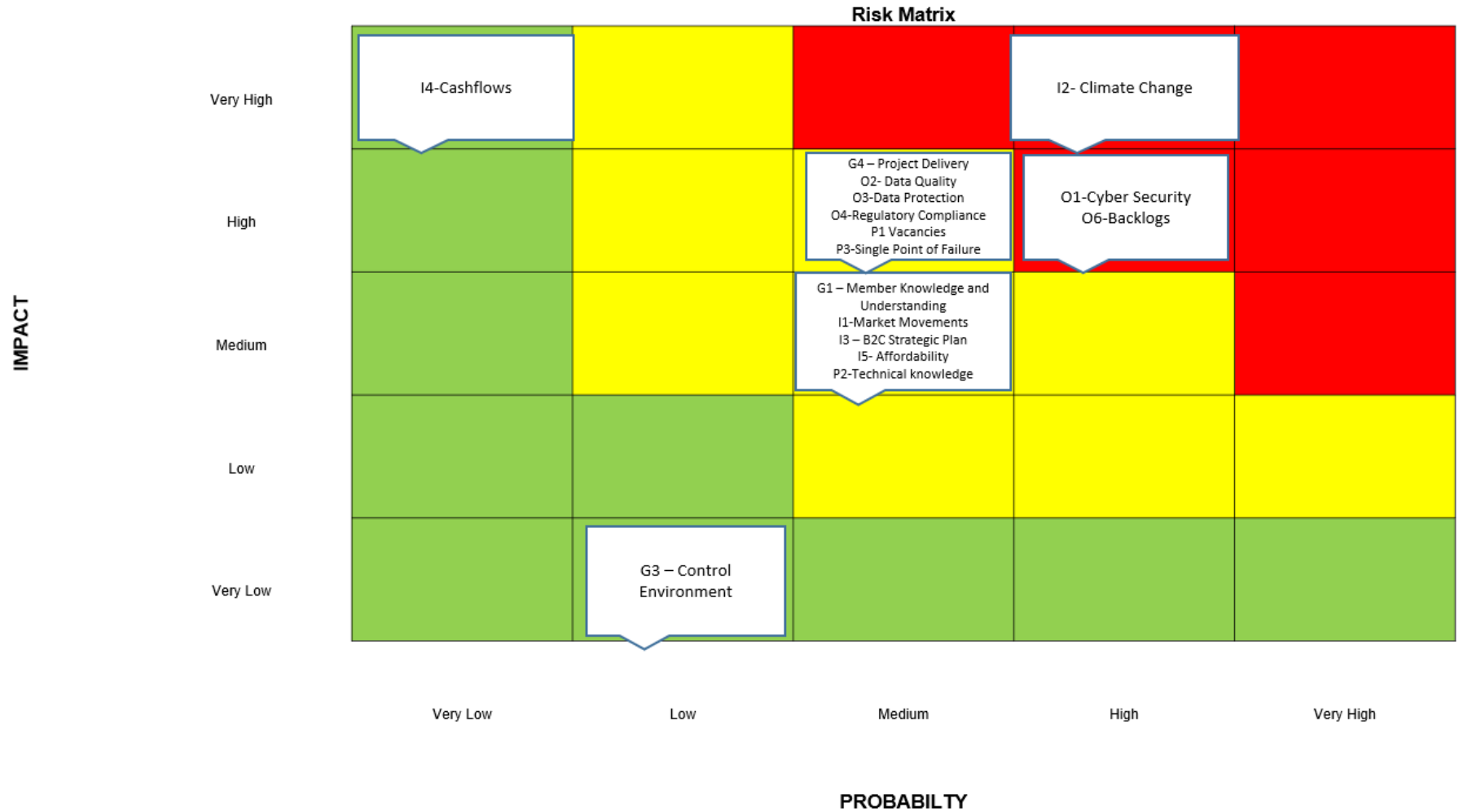
These are the risks that something might go wrong. The chart below shows each of the risks included on our Corporate Risk Register as at December 2020 mapped on to the risk matrix which we use to understand how significant each risk is. The further towards the top right of the matrix a risk is the greater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

We use four categories to classify risks:

- Governance – These are risks that affect the soundness of our overall control and decision-making framework.
- Investment and Funding – These are risks that affect 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 keep a suitably qualified, experienced and engaged workforce.

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

The Risk Register has been comprehensively reviewed as part of the work to introduce a new risk management system and update the overall risk management framework which has resulted in a clearer understanding of the nature of the various risks across the whole of the Leadership Team. A summary of the register is shown below. The full risk register is available with the quarterly performance reports on the Authority's website.



## 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 work 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 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 is 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 gives a summary of the budget for 2024/25 and forecasts for future years.

South Yorkshire Pensions Authority Operating Budget	2023/24 Forecast Outturn	2024/25 Budget	2025/26 Estimate	2026/27 Estimate
	£	£	£	£
Pensions Administration	3,370,220	3,646,910	3,705,860	3,781,910
Investment Strategy	585,140	656,400	669,000	681,610
Resources	1,081,630	1,434,760	1,461,520	1,490,540
ICT	973,840	1,495,590	1,535,000	1,547,490
Central Costs	876,560	840,180	856,990	874,120
Democratic Representation	175,840	127,060	129,600	132,190
Unfunded Liabilities	353,000	332,000	343,620	355,650
<b>Subtotal Revenue Expenditure:</b>	<b>7,416,230</b>	<b>8,532,900</b>	<b>8,701,590</b>	<b>8,863,510</b>
Capital Expenditure	72,000	98,500	65,000	65,000
Contribution to/from Reserves	(285,000)	(28,000)	135,000	145,000
Levy on District Councils	(353,000)	(332,000)	(343,620)	(355,650)
<b>Total Charge to Pension Fund</b>	<b>6,850,230</b>	<b>8,271,400</b>	<b>8,557,970</b>	<b>8,717,860</b>
Membership	179,970	183,570	185,410	187,260
<b>Cost Per Member</b>	<b>£38.06</b>	<b>£45.06</b>	<b>£46.16</b>	<b>£46.55</b>

The budget requirement in 2024/25 has increased by £1.416m on the previous year. This reflects the significant investment agreed by the Authority in increased staffing to ensure the ongoing resilience of the organisation and to provide the ability to address the performance issues being experienced in Pensions Administration. More detail is available in the Medium-Term Financial Strategy and the Budget report presented to the February 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	Actual	Forecast	Forecast	Forecast	Forecast
Financial Forecast	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
<i>Dealings with members, employers and others directly involved in the scheme:</i>					
Contributions receivable & transfers in from other pension funds	-236	-405	-266	-277	-286
Benefits payable and payments to or on account of leavers	366	426	345	355	369
<b>Net (additions) / withdrawals from dealings with members</b>	<b>130</b>	<b>21</b>	<b>79</b>	<b>78</b>	<b>83</b>
Management expenses	69	80	85	87	97
Net returns on investments	273	-599	-640	-662	-700
<b>Net (increase)/decrease in the Fund during the year</b>	<b>472</b>	<b>-498</b>	<b>-476</b>	<b>-497</b>	<b>-520</b>
Net Assets of the Fund at 1 April	-10,674	-10,202	-10,700	-11,176	-11,673
<b>Net Assets of the Fund at 31-Mar</b>	<b>-10,202</b>	<b>-10,700</b>	<b>-11,176</b>	<b>-11,673</b>	<b>-12,193</b>
Management Expense Ratio	0.68%	0.75%	0.76%	0.75%	0.80%

This forecast reflects actual investment performance in the current year, and 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 shows that based on the underlying assumptions it should be possible to maintain full funding at whole fund level, although this is significantly dependent on the level of interest rates which affects the valuation of the Fund's liabilities.

## 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 126.6 full time equivalents (equating to around 136 people) distributed across our services as shown below.

Service Area	2023/24 Funded Establishment FTE	2024/25 Funded Establishment FTE
Pensions Administration	72.2	76.3
Investment Strategy	4.0	4.0
Resources (Including ICT)	33.9	45.3
Central Costs	5.0	1.0
<b>Total</b>	<b>115.1</b>	<b>126.6</b>

The significant growth between years reflects the investment agreed by the Authority to ensure continued organisational resilience and to address the workload pressures within the administration service. There is also the impact of the movement of some teams between services which makes it look like Resources has increased significantly whereas the underlying increase is in Pension Administration.

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

The last 12 months has seen significant progress in these areas with a fundamental review of the pay and benefits package being undertaken which is designed to provide a platform for the more detailed workforce planning that is required to ensure that we have the right balance of skills and experience across the organisation on a consistent basis.

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 2023 we conducted our regular staff survey, which was delivered for us by an external organisation.

Overall, the results of the survey were positive with comparisons to the last survey in 2020 generally showing improvement across all the areas of focus. There are, though areas for improvement including the need to develop clearer career paths for more experienced staff within pension

administration and to create sufficient space in workloads to deliver our aspirations for learning and development. While improvements in communication were acknowledged this is an area that will need to continue to be addressed going forward.

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 aims set out in this Corporate Strategy as an engaged and motivated workforce will assist us in delivering better services for our customers.



## Appendix – Changes to Projects Included in the Corporate Strategy

The table below sets out the projects identified in the previous version of the Corporate Strategy and identifies how they are reflected in the current strategy or how they are now being dealt with.

Ref	Project	Comment
D01	Valuation 2022	Removed as now complete
D02	Guaranteed Minimum Pension	Included within the Data stream of the Administration Improvement Plan
D03	McCloud Remedy	Included within the Data stream of the Administration Improvement Plan
D04	Complaints	Will form part of the Team Plan for the new Technical Support Team and the objectives of the Service Manager – Technical Support when in post.
D05	Pensions Dashboard	Data elements included within the Data stream of the Administration Improvement Plan. ICT elements included in the ICT Team Plan.
D06	Annual Data Improvement Plan	Will form part of the Team Plan for the new Technical Support Team as this should now be business as usual. Any major data improvement exercises are reflected in the Data stream of the Administration Improvement Plan.
P01	UPM System Improvements	Compliance with the contract and the supplier relationship are now business as usual. Retire online has been completed for deferred members and is now business as usual and subject to continuous improvement. Automation of Joiners / Leavers forms part of the System Improvements stream of the Administration Improvement Plan. The dynamic homepage is complete and has been removed. Examination of an App, the use of Chatbots and online ID verification have been removed as these are not priorities in the supplier's development pathway. Employer Hub forms part of the System Improvements stream of the Administration Improvement Plan.
P02	Monthly Data Collection	Work on the validator app is complete. Further improvements to the timeliness and quality of submissions is required before automation of direct debits is addressed and therefore this has been removed.

		Any further improvements to systems in this area will be driven from relevant streams within the Administration Improvement Plan.
P03	Reporting	This work forms part of the project focussed on the creation of a comprehensive Performance Management Framework.
P04	Financial Processes	Debt recovery is complete and will be removed. Benefits realisation will form part of the Finance Team plan. VAT Special Method will form part of the Finance Team plan and will be timed for post the transfer of all investment properties. Custodian is part of the Investment Strategy delivery theme as it involves more than one team and potentially has significant impact on the operating model. Banking will form part of the Finance Team plan. Treasury Management has been removed as it is now complete. Commercial Property Insurance will form part of the Finance Team plan.
P05	Certifications	Customer Service Excellence will form part of the Customer Services Team Plan The other elements of this work stream have been de-prioritised and will be looked at again following progress on the remainder of the Corporate Strategy.
I01	Strategic Issues	Strategy Review is complete, and this task has been removed. Remaining projects are significant pieces of work that form part of the Implement the Investment Strategy delivery theme.
I02	Tactical and Transactional Issues	These form part of the Investment Strategy Team plan.
O01	Governance	Where not completed these tasks have been absorbed in the Governance Team plan
O02	People	HR& Payroll System forms part of the People theme. Consolidation of Finance Structure forms part of the Finance Team plan Health and Wellbeing strategy forms part of the People theme. Apprenticeship Framework and learning paths form part of the HR team plan. Staff Survey actions are complete. Collaborative working is ongoing but is business as usual.
O03	ICT	Microsoft 365 is part of the ICT Theme Hardware replacement policy is completed and is business as usual.

		Corporate Website has been completed. ICT policies forms part of the ICT Team plan. Cyber security is still a priority but has been operationalised and forms part of the ICT Team plan.
O04	Project and Programme Management	Project Management Methodology – partially completed remaining work forms part of the Programmes & Performance Team plan. Prioritisation process for developments completed.
O05	Business Continuity	Forms part of the Organisation Wide theme
O06	Pay and Benefits Review	Completed remaining implementation issues considered in the HR and Finance Team plans (policies and Salary Sacrifice schemes)