



**2026 - 2029**

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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 Corporate Planning Framework sets out how we will approach that task and is fully reviewed every three years in line with the triennial cycle of valuations for the Fund. This was undertaken last year for the 2025 to 2028 period. In the interim, the Corporate Strategy is updated annually, and this 2026 to 2029 update is the first annual update of this cycle.

This update of the strategy takes place in the context of very significant and far-reaching reform in the LGPS – with the Pension Schemes Bill progressing through Parliament and expected to receive royal assent in the coming months, the forthcoming period will focus on moving from debating the changes to implementing them effectively.

As we move into the 2026/27 financial year, the Authority and the Fund start from a strong position. The 2025 valuation confirmed a healthy funding position resulting in reductions to employer contributions. The Border to Coast pooling partnership is increasing in size with the addition of seven new partner funds and making good progress on developing capabilities to deliver the changes required from the Bill. The Authority has robust governance arrangements in place as evidenced from conclusions of an independent review in 2024 and is well prepared for evolving these to meet the new requirements.

The challenges in the year ahead will encompass the need to work through how to deliver the changes from the Bill in practice, working with our partners and stakeholders and remaining focussed on ensuring long term Fund success for our scheme members and employers. At the same time, we will not lose sight of our core purpose and what we are here for – to act as stewards of the pension savings of our scheme members. The Authority's strategy and plans will therefore navigate attention to change and risk management whilst continuing to consolidate and build on the progress made in the last few years on our service delivery.

This Corporate Strategy update therefore represents an emphasis on core priorities – ensuring workload demands are met through well planned resourcing and optimal use of technology, achieving effective implementation of the investment strategy and responsible investment goals, and providing the organisational infrastructure to enable success and deliver excellence for all of our customers.

Councillor Donna Sutton  
Chair  
South Yorkshire Pensions Authority

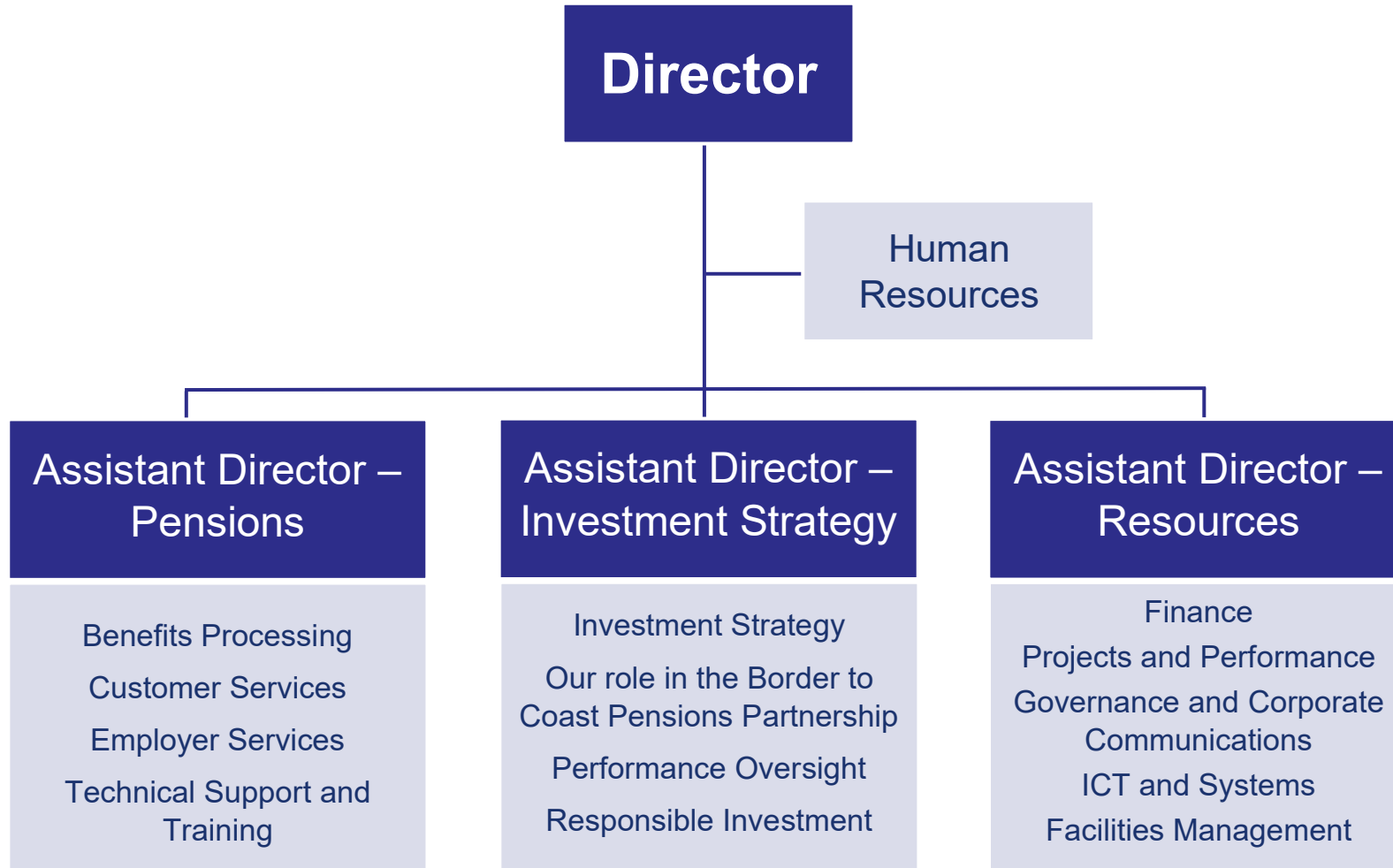
Gillian Taberner  
Director  
South Yorkshire Pensions Authority

## Our Organisation

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 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.

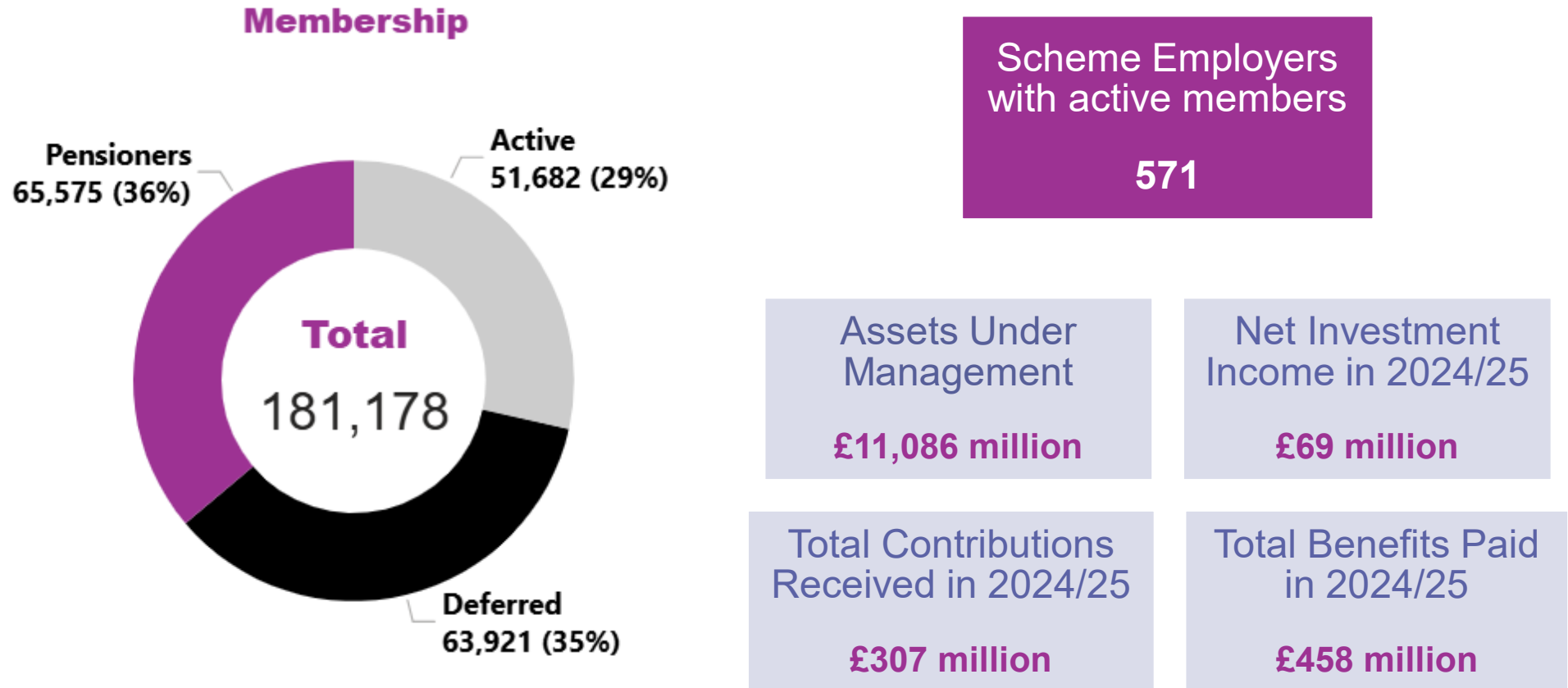
The Authority has 12 members drawn from the four South Yorkshire districts (Barnsley, City of Doncaster, Rotherham, and City of Sheffield) roughly in proportion to their population. There also 3 non-voting members co-opted onto the Authority to represent scheme members – these are nominated by three trades unions – UNISON, GMB and Unite.

The Authority is organised conventionally for a pension fund as set out in the following diagram.



The Authority employs around 140 people (131 FTE) in total who work in a hybrid model, from our Oakwell House office in Barnsley.

The following summary provides an indication of the size and scope of our operations.



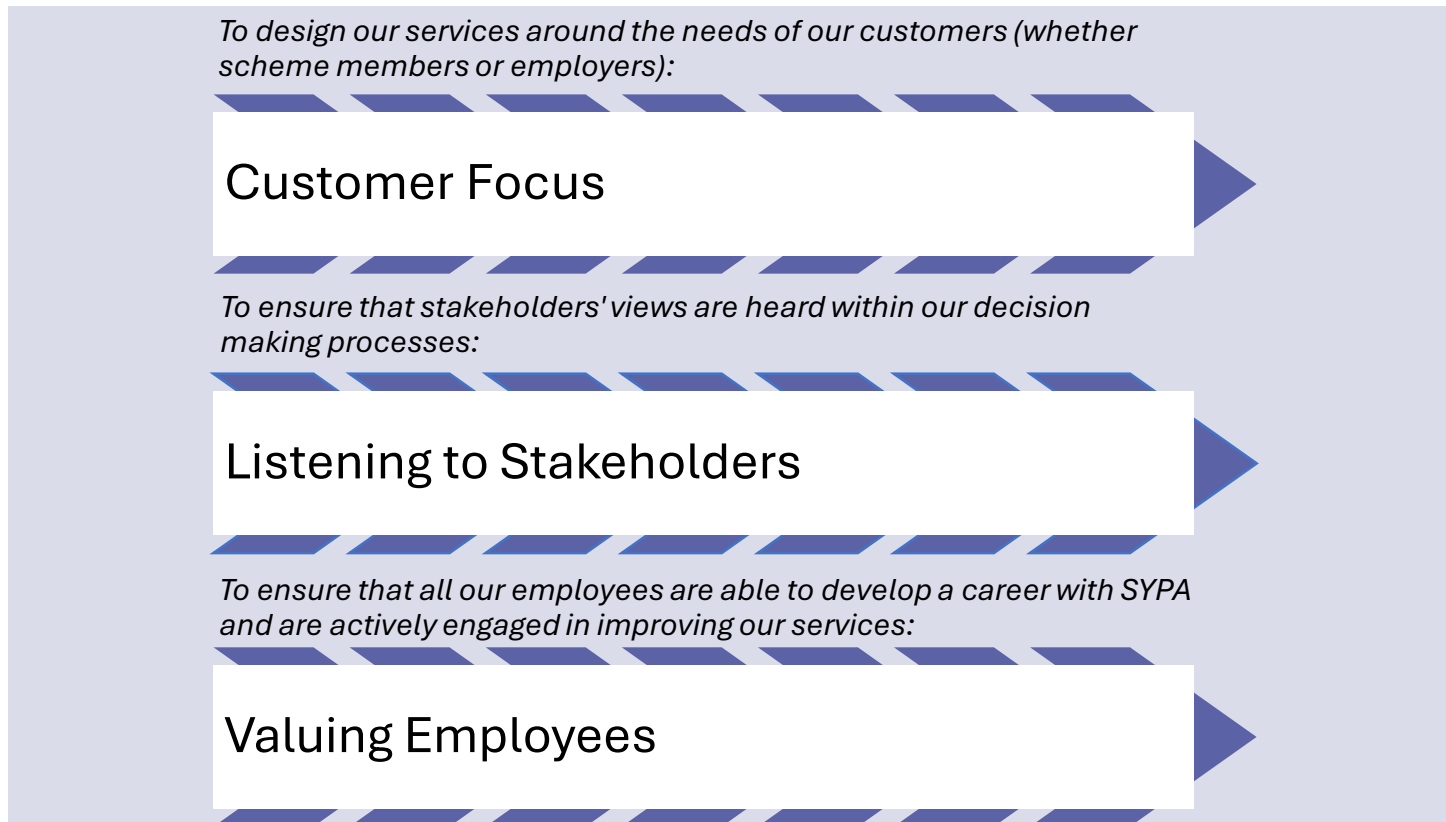
All figures shown are as at 31 March 2025 unless otherwise stated.

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

Our mission:

***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.***

Our objectives – the things we must do in order to achieve our mission – are as follows:



*To uphold effective governance, showing prudence and propriety at all times:*

## Effective Governance

*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:*

## Investment Returns

*To develop our investment options within the context of a sustainable and responsible investment strategy:*

## Responsible Investment

*To maintain a position of full funding (for the Fund as a whole) combined with stable and affordable employer contributions on an ongoing basis:*

## Scheme Funding

## How we go about fulfilling our objectives

The way in which we act when carrying out our work is important. At the heart of how we operate and embedded throughout our organisation are our SYPA values and behaviours:

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.

In addition to these values and behaviours which apply to all our people, we have a range of management behaviours which support the values, and which set out how we want to manage the organisation to deliver its objectives:

Management Behaviours	Demonstrated by:
We model positive behaviours to each other and to all staff	<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>

**Management Behaviours Demonstrated by:**

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We take responsibility for improvement - within a clear framework

- 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).
- We trust people to do their job, we do not micromanage.
- 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.
- When something does not go well, we look for what we can learn and what we can do differently next time.

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We all get behind a common goal

- We have a clear vision that sets out our goals 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.

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We involve and engage people in decisions that will affect them

- 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

### **The Planning Context**

In setting out the plan below of our priorities and goals over the period of this strategy, it is important to explain the context in which the plans have been prepared and how this has informed those plans.

Broadly, the context for developing the Corporate Strategy is defined by the policy and regulatory environment alongside operational plans and considerations.

### The Policy and Regulatory Environment

During 2025/26, the policy landscape for the LGPS has moved from high-level proposals to concrete legislative and regulatory change with the introduction of the Pension Schemes Bill, currently working its way through the legislative process with Royal Assent expected in early 2026.

The Government carried out a consultation in December 2025 on two draft statutory instruments that will implement the Fit for the Future proposals including those in the Pension Schemes Bill. These are the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 and the Local Government Pension Scheme (Amendment) Regulations 2026. These regulations will be supported by statutory guidance and require compliance from 1 April 2026, subject to passage of the Bill. The main requirements in these regulations include the following.

#### Pooling and Investment:

- Administering authorities (AAs) required to delegate the implementation of their investment strategy to their asset pool.
- AAs required to take principal investment advice from their pool.
- All assets to be controlled and managed by the relevant asset pool.
- Minimum standards for pools, including FCA authorisation and capacity to manage local investments.
- AAs required to co-operate with the relevant strategic authority to identify and develop appropriate local investment opportunities. This requirement may be delegated to the AA's asset pool company.

### Governance:

- AAs required to have regular independent governance reviews aligned with valuation cycles.
- AAs to have a Governance Strategy, Training Strategy and Conflicts of Interest Policy – these may be combined into one document.
- Requirement to appoint / designate a Senior LGPS Officer by 1 October 2026.
- Requirement to appoint an Independent Person by 1 October 2026, who will be a non-voting member, to advise on all matters relating to investment, administration and governance.

During 2025, the Government also carried out two consultations focused on LGPS benefits and administration, Access and Fairness and Access and Protections. The main proposals from these two consultations are summarised as follows.

### Access and Fairness:

- Survivor benefits – proposals to reform survivor benefits to address inequalities that have arisen over a number of years. This will include equalising survivor benefits and the retrospective removal of the age limit (75) for death grant eligibility. The retrospective nature of the proposed changes will present significant administrative complexity challenges.
- Gender Pensions Gap – proposals to better understand the gender pensions gap and steps to try and reduce this. The proposals include a requirement for each fund to report on the whole fund gender pensions gap and on the gap for applicable employers. Additionally, changes are proposed to how pension contributions apply to certain breaks in service, including to make unpaid additional maternity leave pensionable at employer cost.
- Opt-outs – proposals aimed at addressing a general LGPS lack of information and understanding about which scheme members are opting out and why. This includes proposing that AAs will be required to report on opt-outs in annual reports and that a new Opt-out form will be developed by the Scheme Advisory Board to capture better information on reasons for and circumstances of opt-outs.
- Various other proposals to address and correct technical issues.

#### Access and Protections:

- Normal Minimum Pension Age (NMPA) – the Finance Act 2022 increased the NMPA from age 55 to 57 to take effect from 1 April 2028. This consultation sets out proposals for how this will be applied and implemented in the LGPS, including protections measures.
- LGPS access for councillors and mayors – Proposals to re-instate access to the LGPS for councillors in England and to offer access to the LGPS for mayors.
- Academy consolidation – Academy schools currently participate in the fund in which the school is located. Multi-Academy Trusts (MATs) can run academy schools across several different LGPS fund areas and the 2013 regulations allow for them to apply for a direction from the Secretary of State (SoS) to substitute a different administering authority as their appropriate administering authority. The consultation contains proposals to put criteria for applications for directions into legislation, and to remove the requirement for SoS consent where all criteria are met.
- New Fair Deal – Proposals that aim to bring pension protections for outsourced workers in local government in line with the government’s Fair Deal guidance of 2013.

The breadth and impact of all these changes in policy and regulation across all of the Authority’s workstreams presents a challenging and demanding agenda, alongside delivering on business as usual.

There are clearly risks arising from all of this to the Authority’s ability to achieve its objectives. These risks are reflected in the risk register included in this strategy and will remain subject to regular and careful scrutiny to proactively plan mitigations as circumstances evolve.

In preparing ourselves for the challenges ahead, the Authority will continue to rely on the core strengths of the organisation, our pooling partnership, and the LGPS sector more widely – collaboration and sharing of best practice, commitment to innovation and learning from others, and using our experience and influence to help shape how policy intent can best be delivered in practice.

### Operational Considerations

These are the things that the Authority must do because they are of benefit to stakeholders or represent the adoption of good practice or improve efficiency, or because they are part of the normal business cycle, such as the valuation and investment strategy review. This includes key corporate objectives around addressing casework processing performance and adopting new ways of communicating with scheme members. These tasks require the focused allocation of resources often in project teams to deliver specific pieces of activity.

The process of prioritisation undertaken to arrive at the areas of work included in the plan below has focused on balancing the need to deal with the issues which deliver the most immediate impact on our corporate objectives, maintaining the momentum achieved in the last two years, with the need to prepare for and implement the reforms arising from the Pension Schemes Bill and regulations, which are likely to require significant attention and time over the coming year.

## The Plan

The corporate strategy plan set out in the table below therefore reflects a continued focus on completion and embedding of many of the improvements already in progress, as well as clear plans around priorities in the forthcoming three-year cycle of work and steps to drive forward new developments in ensuring we maintain our commitment to continuous improvement and to placing the organisation on a sound footing for the future, whatever that may bring.

The plan is organised around the following six themes.

- 1. Pension Administration**
- 2. Investment Strategy**
- 3. Corporate Organisation**
- 4. Governance and Partnerships**
- 5. Our People**
- 6. Information Technology**

Underpinning this Corporate Strategy are the other elements of the overall corporate planning framework – the Medium Term Financial Strategy, the People Strategy, the ICT Strategy and our Diversity, Equality and Inclusion (DEI) Scheme. These each contain a range of specific plans and are referenced within the corporate plans below for delivery over the relevant period. Annual progress updates on each of the People, ICT and DEI strategies are presented separately for information.

Ref	Strategic Action	Timescale		Responsible Manager	Link to Objectives	Link to Risks
		From	To			
<b>Pension Administration</b>			<b>AD – Pensions</b>			
PA1	Ensure the Benefits Team is equipped with the appropriate resourcing capacity and capabilities to effectively <b>manage outstanding, current and future casework volumes</b> to meet agreed performance expectations.	01/02/2026	31/03/2028	SM - Benefits	Customer Focus Scheme Funding Effective Governance Listening to stakeholders	ADM-002 Backlogs in workflows
PA2	Implement the outcomes from the <b>Access &amp; Fairness and Access &amp; Protections</b> Government consultations.	01/04/2026	31/03/2028	AD - Pensions	Customer Focus Scheme Funding Effective Governance Listening to stakeholders	ORG-004 Compliance with Regulations
PA3	Implement the <b>McCloud Remedy</b> successfully.	01/04/2024	31/08/2026	AD – Pensions	Customer Focus Scheme Funding	ADM-003 Failure to deliver McCloud rectification ORG-004 Compliance with Regulations

Ref	Strategic Action	Timescale		Responsible Manager	Link to Objectives	Link to Risks
		From	To			
PA4	Further develop the <b>Data Quality Improvement Plan</b> to comply with TPR, Dashboard, Valuation & McCloud.	01/04/2026	31/03/2027	SM – Technical Support and Training	Customer Focus Scheme Funding Effective Governance	ADM-001 Poor data quality ADM-003 Failure to deliver McCloud rectification ORG-004 Compliance with Regulations
PA5	Ensure <b>Pensions Administration software system</b> is developed, and its functionality used to optimal effect for achieving efficiencies, to the extent possible.	01/04/2024	31/03/2029	AD – Pensions and Head of ICT	Customer Focus Effective Governance	ADM-001 Poor data quality ADM-002 Backlogs in workflows
PA6	Implement the <b>Pensions Dashboard</b> to required timescales.	01/09/2024	31/10/2026	SM – Customer Services and Head of ICT	Customer Focus Effective Governance	ORG-004 Compliance with Regulations
<b>Investment Strategy</b>				<b>AD – Investment Strategy</b>		
IS1	Ensure 2026 <b>Strategic Asset Allocation</b> changes are implemented effectively by Border to Coast.	01/04/2026	31/03/2029	AD – Investment Strategy	Listening to Stakeholders Investment Returns Responsible Investment	IAF-001 Market movements IAF-002 Climate Change IAF-003 B2C Strategic Plan

Ref	Strategic Action	Timescale		Responsible Manager	Link to Objectives	Link to Risks
		From	To			
					Scheme Funding	ORG-004 Compliance with Regulations
IS2	Continue to develop and deliver our <b>Place Based Impact Investment</b> approach.	Ongoing throughout 2026 to 2029		Investment Manager	Investment Returns Listening to stakeholders	IAF-001 Market movements IAF-004 Cashflows
IS3	Continue the progress towards the Authority's ambition of <b>Net Zero 2030</b> .  <i>[This strategic objective will be reviewed and updated if necessary following outcomes of ISS review in March 2026]</i>	Ongoing throughout 2026 to 2029		Investment Manager	Investment Returns Responsible Investment Listening to Stakeholders Scheme Funding	IAF-001 Market movements IAF-002 Climate Change
IS4	Complete the <b>transition of legacy assets</b> portfolio to <b>Border to Coast</b> .	01/04/2025	30/06/2026	AD – Investment Strategy	Investment Returns	IAF-003 B2C Strategic Plan IAF-010 Policy environment

Ref	Strategic Action	Timescale		Responsible Manager	Link to Objectives	Link to Risks
		From	To			
IS5	Contribute to the development of new collective <b>Oversight Model of Border to Coast</b> .	01/01/2026	31/12/2026	AD – Investment Strategy	Investment Returns Responsible Investment Listening to Stakeholders Scheme Funding Effective Governance	IAF-003 B2C Strategic Plan IAF-010 Policy environment ORG-004 Compliance with Regulations
<b>Corporate Organisation</b>				<b>AD – Resources</b>		
CO1	Develop and deliver an <b>Environmental Sustainability plan</b> for our operations.	01/01/2026	31/03/2027	Head of ICT and Operations Management Officer	Effective Governance	IAF-002 Climate Change GOV-003 Delivery of Corporate Strategy
CO2	Ensure the <b>Diversity, Equality and Inclusion Scheme</b> is delivered effectively.	01/04/2025	31/03/2028	AD – Investment Strategy	Customer Focus Valuing Employees Effective Governance	ORG-004 Compliance with Regulations

Ref	Strategic Action	Timescale		Responsible Manager	Link to Objectives	Link to Risks
		From	To			
CO3	Deliver the <b>Social Media Strategy</b> to communicate and promote the Authority's work and achievements.	01/04/2025	31/03/2028	Director and Communications Business Partner	Effective Governance Valuing Employees	GOV-003 Delivery of Corporate Strategy  IAF-010 Policy environment  PEO-002 Employee vacancy level
CO4	Develop the reporting and usage of management information within the <b>Performance Management Framework</b> , to empower staff to improve efficiency and effectiveness across the Authority.	01/04/2026	31/03/2029	Head of Finance & Performance and SM – Programmes & Performance	Effective Governance Customer Focus Valuing Employees	GOV-003 Delivery of Corporate Strategy  ORG-004 Compliance with Regulations
<b>Governance and Partnerships</b>				<b>Director and AD – Resources</b>		
GP1	Implement changes to <b>Fund Governance</b> required under the <b>Pension Schemes Act</b> and associated regulations and statutory guidance.	01/04/2026	31/10/2026	AD – Resources and Head of Governance & Corporate Services	Effective Governance	GOV-003 Delivery of Corporate Strategy  IAF-010 Policy environment  ORG-004 Compliance with Regulations

Ref	Strategic Action	Timescale		Responsible Manager	Link to Objectives	Link to Risks
		From	To			
GP2	Maintain Authority's level of influence as a <b>partner fund within</b> the expanded <b>Border to Coast</b> partnership - including implementation of the 2030 strategy and monitoring effective delivery of changes required under the Pension Schemes Act.	Ongoing throughout	2026 to 2029	Director	Effective Governance Listening to Stakeholders Investment Returns Responsible Investment	IAF-003 B2C Strategic Plan IAF-010 Policy environment ORG-004 Compliance with Regulations
GP3	Ensure continuous improvement of the Authority's <b>Governance arrangements</b> to meet good practice – including compliance with TPR General Code and commissioning next independent governance review.	Ongoing throughout	2026 to 2029	AD – Resources and  Head of Governance & Corporate Services	Effective Governance Listening to Stakeholders	IAF-010 Policy environment ORG-004 Compliance with Regulations
GP4	Support <b>Authority and LPB members</b> to develop the <b>knowledge and skills</b> required to perform their roles effectively.	Ongoing throughout	2026 to 2029	Head of Governance & Corporate Services	Effective Governance	GOV-001 Member knowledge and understanding

Ref	Strategic Action	Timescale		Responsible Manager	Link to Objectives	Link to Risks
		From	To			
<b>Our People</b>				<b>Director</b>		
OP1	Produce and implement a separate <b>Workforce Plan</b> to identify and plan how to meet future people resourcing needs, including succession planning.	01/09/2026	31/03/2027	Director and HR Business Partner	Valuing Employees Effective Governance	PEO-002 Employee vacancy level PEO-003 Single person risk
OP2	Ensure the effective delivery of <b>Our People Strategy</b> .	01/04/2025	31/03/2028	Director and HR Business Partner	Valuing Employees Effective Governance Listening to Stakeholders	PEO-002 Employee vacancy level PEO-003 Single person risk ORG-004 Compliance with Regulations
<b>Information Technology</b>				<b>AD – Resources and Head of ICT</b>		
IT1	Maintain and continually strengthen our cyber security defences – including embedding and continued development of the <b>Cyber Security Strategy</b> .	Ongoing throughout 2026 to 2029		Head of ICT and SM – ICT Infrastructure	Effective Governance	ORG-002 Cyber security attack ORG-004 Compliance with Regulations

Ref	Strategic Action	Timescale		Responsible Manager	Link to Objectives	Link to Risks
		From	To			
IT2	Ensure the effective delivery of the <b>ICT Strategy</b> .	01/04/2025	31/03/2028	Head of ICT and SM – ICT Infrastructure	Effective Governance Customer Focus Valuing Employees Listening to Stakeholders	GOV-003 Delivery of Corporate Strategy  ORG-002 Cyber security attack ORG-004 Compliance with Regulations

## How we'll assess if what we've 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 our outcomes.

The progress against the objectives and plans set out in the table above will be reported on a quarterly basis to the Authority as part of the Corporate Performance Reporting process – these reports are also published separately on our website at: [Quarterly Corporate Performance Reports](#).

Over the coming year, the performance management framework will be further embedded to enhance the corporate performance reports with a wider range of performance indicators across our services and information presented in dashboards that will assist in providing a clear view to enable and inform decision making and identification of areas where action is needed to improve.

The performance management work will also continue to be used in further developing the separate reports produced quarterly for the Authority and the Local Pension Board that provide a more in-depth and detailed progress review of Investment Performance and Pensions Administration Performance respectively.

The following section sets out a summary of the range of measures and sources of evidence that will be used to monitor and report back on progress within each of the 6 themes set out in the plan.

## 1. Pension Administration

Success in this area will be measured and evidenced through:

- ◆ Performance indicators and quantitative measures evidencing incoming work being completed within agreed timescales, updates through quarterly reports to Local Pension Board and regular reports to the Authority.
- ◆ Key projects for Access & Fairness and Access & Protections changes, McCloud Remedy, Pensions Dashboard, System developments and Data Quality improvement plan – delivered to target timescales, with progress throughout being reported.
- ◆ Outcomes will be measured through:
  - ◇ Regular surveys of scheme membership.
  - ◇ Complaints – numbers received, resolved, amounts paid in customer compensation.
  - ◇ Numbers of breaches recorded and reported.
  - ◇ Annual benchmarking exercise undertaken with CEM and reported on in February each year.

## 2. Investment Strategy

Success in this area will be measured and evidenced through:

- ◆ The performance indicators on investment returns set out in the quarterly investment performance reports, and in the annual report including:
  - ◇ Fund level investment returns compared to the benchmark and actuarial assumption.
  - ◇ The trend in investment income achieved compared to assets under management.
  - ◇ Investment returns by asset class and the asset specific benchmark.
- ◆ Development of the oversight model of the Pool will inform the measures to be used in relation to how well the strategic asset allocation is being implemented, the effectiveness of delivery of other investment management services including as principal source of advice. However this is developed, it will form a core part of the quarterly reporting to the Authority.

- ◆ Indicators for success in responsible investment will include the trend in level of carbon emissions and in the ESG score from equity portfolios compared to benchmark indices.
- ◆ Annual benchmarking exercise undertaken with CEM and reported on in February each year.

### **3. Corporate Organisation**

Success in this area will be measured and evidenced through:

- ◆ The indicators and progress updates on the key projects for Environmental Sustainability, Performance Management Framework development and Social Media Strategy as reported in the quarterly corporate performance reports.
- ◆ The range of measures set out in the separate Diversity, Equality and Inclusion Scheme 2025 – 2028.
- ◆ Outcomes reported each year in the Authority's Annual Report.

### **4. Governance and Partnerships**

Success in this area will be measured and evidenced through:

- ◆ Progress updates and measures included in regular reporting on Governance and Regulatory matters to the Authority and the Local Pension Board.
- ◆ Assessment of compliance with the Pensions Regulator's General Code of Practice – reported on twice per year; to show delivery of actions planned and outcomes in the numbers of modules with a green rating.
- ◆ Results of biennial National Knowledge Assessment exercises provide an indication of member knowledge and understanding and the trend in this over time.
- ◆ Annual process of effectiveness reviews, internal audit programme of work, external audit, and assurance process for production of the Annual Governance Statement and the Governance Compliance Statement.
- ◆ Results and outcomes of Independent Governance Reviews undertaken once every three years.

## 5. Our People

Success in this area will be measured and evidenced through:

- ◆ The range of measures set out in the separate People Strategy 2025 – 2028, and the annual progress update report presented to the February Authority meeting.
- ◆ Outcomes reported each year in the Authority's Annual Report.

## 6. Information Technology

Success in this area will be measured and evidenced through:

- ◆ The indicators and progress updates on the key projects as reported in the quarterly corporate performance reports.
- ◆ Assessment of compliance – including annual Cyber Essentials Plus accreditation.
- ◆ The range of measures set out in the separate ICT Strategy 2025 – 2028, and the annual progress update report presented to the February Authority meeting.

## What are the things that might stop us achieving our objectives?

These are the risks that something might go wrong. The Authority manages risk in line with our risk management framework that is reviewed annually by the Audit and Governance Committee and published on our website. Risks are classified and scored on a matrix comprising the likelihood of the risk event to materialise and the anticipated impact of that risk event.

We use five categories to classify risks on the corporate risk register:

- ◆ Administration – These are risks to delivery of our administration service to scheme members.
- ◆ 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.
- ◆ Organisational – 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 quarterly by the Authority as part of the corporate performance reporting process. Additional oversight of the Authority's risk register and risk management arrangements is provided by the Local Pension Board and the Audit & Governance Committee.

A summary of the register as at the latest review of the Authority in December 2025 is shown below. The first table lists each risk on the register, and this is followed by a summary matrix showing the relative scores and rating of each risk. The full risk register is available with the quarterly performance reports on the Authority's website.

<b>Risk Reference</b>	<b>Risk</b>
<b>ADM-001</b>	Poor data quality
<b>ADM-002</b>	Backlogs in workflows
<b>ADM-003</b>	McCloud rectification
<b>GOV-001</b>	Local Pension Board and Authority Members knowledge and understanding
<b>GOV-003</b>	Delivery of key objectives in Corporate Strategy
<b>GOV-004</b>	Failure to apply data protection requirements
<b>IAF-001</b>	Material changes to the value of investment assets and/or liabilities
<b>IAF-002</b>	Failure to mitigate the impact of climate change
<b>IAF-003</b>	Border to Coast Strategic plan
<b>IAF-004</b>	Imbalance in cashflows
<b>IAF-005</b>	Employer contributions become unaffordable
<b>IAF-010</b>	The Pensions Review
<b>ORG-002</b>	Cyber Security attack
<b>ORG-004</b>	Failure of the Authority to comply with relevant Regulations
<b>ORG-009</b>	Major ICT failure
<b>PEO-002</b>	High level of vacancies within the organisation
<b>PEO-003</b>	Single points of failure in specialist knowledge roles

**Corporate Risk Register Matrix at December 2025**

<b>Impact</b>	5 Very High			IAF-004	IAF-002	
	4 High		GOV-003	ADM-001 GOV-004 ORG-004 ORG-009	ADM-002 ADM-003 IAF-001 ORG-002	
	3 Medium			IAF-003 IAF-005 IAF-010 PEO-002 PEO-003	GOV-001	
	2 Low					
	1 Very Low					
		1 Very Low	2 Low	3 Medium	4 High	5 Very High
		<b>Likelihood</b>				

## What is 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 outcomes we want to see and to ensure we can meet regulatory requirements, 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 2026/27 and forecasts for future years.

The budget requirement in 2026/27 has increased by £0.350 million on the previous year. This reflects the impact of the 2026/27 estimated pay award costing £0.226 million. The total increase is offset by a decrease in employer pension contributions resulting in a decrease in pension costs of (£0.121 million). The remaining increase in the budget for 2026/27 relates to the general increase in staffing and running costs based on assumptions around contractual indexation alongside plans for specific projects and work required to be delivered in the year. This equates to a 2.5% increase in cost per scheme member. More detail is available in the Medium-Term Financial Strategy and the Budget report presented to the February Authority meeting each year.

South Yorkshire Pensions Authority Operating Budget	2025/26 Forecast Outturn	2026/27 Budget	2027/28 Estimate	2028/29 Estimate
	£	£	£	£
Pensions Administration	4,001,960	4,230,590	4,351,570	4,476,070
Investment Strategy	660,990	546,480	560,800	575,500
Resources	1,438,440	1,649,490	1,698,240	1,748,440
ICT	1,638,970	1,813,960	1,860,840	1,908,970
Central Costs	809,820	838,540	858,270	878,480
Democratic Representation	150,100	173,870	178,690	183,640
Unfunded Liabilities	312,000	289,000	299,980	311,380
<b>Subtotal Revenue Expenditure:</b>	<b>9,012,280</b>	<b>9,541,930</b>	<b>9,808,390</b>	<b>10,082,480</b>
Capital Expenditure	130,000	45,000	45,900	46,820
Financing Expenditure	36,910	34,450	31,430	28,260
MRP Charge	3,450	48,480	59,370	62,540
Contribution to/from Reserves	175,000	20,000	20,000	(40,000)
Levy on District Councils	(312,000)	(289,000)	(299,980)	(311,380)
<b>Total Charge to Pension Fund</b>	<b>9,045,640</b>	<b>9,400,860</b>	<b>9,665,110</b>	<b>9,868,720</b>

## Pension Fund Forecast

The table below sets out a financial forecast for the Pension Fund. This includes, within 'management expenses', the total of the operating budget above charged to the Fund, and all other costs incurred in the running of the Fund, such as investment management fees which are charged directly to the Fund.

Fund Financial Forecast	Actual 2024/24 £m	Forecast 2025/26 £m	Forecast 2026/27 £m	Forecast 2027/28 £m	Forecast 2028/29 £m
<i>Dealings with members, employers and others directly involved in the scheme:</i>					
Contributions receivable & transfers in from other pension funds	-307	-332	-259	-266	-274
Benefits payable and payments to or on account of leavers	458	473	408	410	424
<b>Net (additions) / withdrawals from dealings with members</b>	<b>151</b>	<b>141</b>	<b>149</b>	<b>144</b>	<b>150</b>
Management expenses	103	122	125	128	131
Net returns on investments	-382	-1,270	-1,002	-1,043	-1,098
<b>Net (increase)/decrease in the Fund during the year</b>	<b>-128</b>	<b>-1,007</b>	<b>-728</b>	<b>-771</b>	<b>-817</b>
Net Assets of the Fund at 1 April	-10,984	-11,112	-12,119	-12,847	-13,618
<b>Net Assets of the Fund at 31 March</b>	<b>-11,112</b>	<b>-12,119</b>	<b>-12,847</b>	<b>-13,618</b>	<b>-14,435</b>
Management Expenses as Percentage of Average Net Assets	0.93%	1.05%	1.00%	0.97%	0.93%

The above is a forecast only and is susceptible to wider variations and volatility than the operating budget due to the difficulty in predicting many of the drivers, such as the numbers of members retiring in any year, the number of deaths, etc. The forecast for returns on investments can be equally uncertain.

The important message in the above forecast, that we can be quite certain about, is that there is an anticipated net withdrawal from the Fund in each year for dealings with members, as a result of the fact that there is an imbalance between the contributions being paid in and the benefits being paid out each year going forward. This results in a significant increase in the requirement for the harvesting of investment income. This trend will be an ongoing challenge for the Fund now that we have matured, and it is not anticipated that this scenario will reverse.

The Medium Term Financial Strategy sets out further analysis of the forecast, including the key risks and uncertainties within it.

## What part will our people play?

SYPA never loses sight of the fact that our people are our most valuable asset. The entirety of the plans in our Corporate Strategy and the underpinning strategies will simply not be achieved without their engagement and commitment.

We now employ just over 131 Full Time Equivalentents (around 140 people) across our services as shown in the table below.

	2024/25 Establishment FTE	2025/26 Establishment FTE	2026/27 Establishment FTE
Pensions Administration	77.7	77.2	77.3
Investment Strategy	4.0	4.0	3.0
Resources (including ICT)	47.3	47.7	47.1
Central Costs (Director and HR)	1.0	1.0	3.8
<b>Total</b>	<b>130.0</b>	<b>129.9</b>	<b>131.2</b>

Following a period of expansion, 2025/26 marked a shift towards consolidation, with changes to the establishment kept deliberately limited. The focus moved to embedding new roles, developing skills, and maximising the effectiveness and performance of the existing workforce. This stabilising approach continues into 2026/27, with only minor adjustments planned. During this period, workforce planning will be undertaken to ensure the Authority is strategically positioned for the future. This will take account of increasing regulatory demands and growing volumes of incoming work, balanced against anticipated efficiencies from technology and performance improvements.

This is reflected in the plans in our People Strategy 2025 – 2028, which sets out our aim to ensure the organisation is equipped with a sustainable and resilient workforce of people who will be developed and supported through excellent leadership to succeed in delivering the Authority's objectives.

There are great challenges ahead and equally great ambitions of the Authority as an organisation and of the people within it to rise to these successfully and continue to deliver on our core mission in all we do over the next three years and beyond.

## Document Control Details

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