

SOUTH YORKSHIRE PENSIONS AUTHORITY

7 June 2018

Report of the Fund Director

Workforce Issues

1) Purpose of the Report

To provide members with information relating to the profile of the Authority's workforce in order to initiate consideration of a range of workforce risks which face the Authority and necessary mitigation issues, and to seek approval for the Authority's Pay Policy Statement.

2) Recommendations

Members are recommended to:

- a) **Note the Workforce Profile set out in Appendix A.**
 - b) **Approve the Pay Policy Statement set out in Appendix B.**
 - c) **Approve the adding of workforce issues to the Authority's risk register.**
 - d) **Instruct the Fund Director to develop proposals to address the risks and issues arising from the information contained in this report for inclusion in the refreshed Corporate Strategy.**
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3) Background Information

- 3.1 As a small organisation, governed by a unique statutory framework SYPA is not formally required to produce many of the formal documents and reports relating to its workforce that larger organisations like the District Councils have to publish. However, the Authority is a public body and is committed to openness and transparency in relation to its activities, meaning that there is a case for generating and publishing information of this sort even if not required to do so. In addition generating information about the characteristics of the workforce allows the Authority to consider more of the potential staff related risks which it faces.
- 3.2 Appendix A provides a detailed analysis of the workforce in post at 31st March 2018. Key highlights from this are as follows:

- 66% of the workforce are aged over 40, and 21% are 55 or over. The latter is significant because it is possible for these staff to access their pension benefits at any point.
 - The average length of service with SYPA is 14.2 years.
 - 62% of the workforce are women and 38% men, and within the 25% of highest paid roles women represent 48.1% of the workforce.
 - The Authority has no staff from BME backgrounds and 4.6% of the workforce has a disability.
- 3.3 The broad conclusion from this is that over the next few years the Authority can expect to lose through retirement a significant number of experienced staff, potentially at fairly short notice. Clearly this is a significant risk to our ability to maintain the quality of service delivery and it would therefore be appropriate to include this on the Corporate Risk Register.
- 3.4 Mitigating this risk, while also addressing the other issues which the workforce profile highlights, will require actions to:
- Achieve a workforce more reflective of the population of the area;
 - Achieve a more balanced age distribution across the workforce;
 - Be able to replace retiring staff with trained staff rather than having to train replacement staff from scratch.
- 3.5 These issues will be central to the Human Resources and Organisational Development Strategy which will form part of the refreshed corporate strategy framework discussed elsewhere on the agenda. Given the significance of these issues to the overall work of the Authority the actions required are likely to feature within the Corporate Strategy.
- 3.6 As the Authority has fewer than 250 employees it is not required to produce information on the Gender Pay Gap. However, on grounds of openness and transparency it is desirable to produce this information. This is not an entirely simple process and the data is currently being worked on and will be reported to the next meeting of the Authority for information.
- 3.7 Attached at Appendix B is the Authority's proposed Pay Policy Statement. Members will be familiar with documents of this type which are usually approved by the District Councils as part of the budget process. The document is a statement of the current approved position and sets out the pay, terms and conditions of those officers within the Authority's senior management (the Fund Director and the 3 Heads of Service) and how their remuneration relates to the rest of the workforce. The latter is intended to highlight levels of pay inequality. The ratio of 6.3:1 between the highest and lowest salaries is significantly below the 20:1 identified as a maximum in the Hutton

report on fair pay. Comparison is difficult given the unique nature of SYPA as an organisation but such a ratio is slightly below local authorities in the area, which is probably a result of a what is a much smaller organisation having a more compressed grading structure.

4) Implications and risks

- Financial – There are no immediate financial implications arising from this report. However, it is likely that addressing the risks around the loss of a significant number of experienced staff will require some up-front investment, although this will need to be considered by members on a business case basis once proposals have been developed.
- Legal – There are no immediate legal implications. However, by producing and analysing data of this sort the Authority is better able to ensure that it is meeting its legal obligations.
- Diversity – The workforce analysis indicates that there are a number of diversity issues that the plans suggested in this report will need to address.
- Risk – As indicated in the body of the report the potential for a large number of staff to leave the organisation through retirement in the next few years is a significant risk to service delivery which merits inclusion in the corporate risk register.

George Graham
Fund Director

01226 772887

ggraham@sypa.org.uk

Background papers used in the preparation of this report are available for inspection at the offices of the Authority in Barnsley.