

Subject	Corporate Planning Framework	Status	For Publication
Report to	Authority	Date	10 th February 2022
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
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1 **Purpose of the Report**

- 1.1 To provide the opportunity to approve the 3 yearly detailed update of the various elements of the corporate planning framework.
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2 **Recommendations**

- 2.1 Members are recommended to:
- a. **Approve the updated Corporate Strategy covering 2022-25 at Appendix A**
 - b. **Approved the updated supporting strategies at Appendices B to E**
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3 **Link to Corporate Objectives**

- 3.1 This report links to the delivery of all seven corporate objectives set out below:

Customer Focus

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

Listening to our stakeholders

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

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.

Responsible Investment

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

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.

Effective and Transparent Governance

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

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.

4 Implications for the Corporate Risk Register

- 4.1 The actions set out in the corporate planning framework are designed to mitigate the major risks set out in the updated corporate risk register. The work to update the risk register indicates that the level of risk facing the Authority has increased.

5 Background and Options

- 5.1 The Authority's Corporate Planning Framework has a number of components, as shown below:



- 5.2 While elements of the framework are updated annually the whole framework is subject to an in depth review every three years, immediately prior to the triennial valuation of the Fund, meaning that the time for the next in-depth review has now come round.
- 5.3 Attached as appendices to this report are updated versions of the key strategic documents. The key focus for the next three years set out in the proposed corporate strategy is:
- Data – focussing 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, including the delivery of the Net Zero Goal.
 - Organisational Infrastructure – which focuses on all those things that make the business work.
- 5.4 A key element of the projects identified is to finish what we have already started in order to deliver the greatest possible benefits to the quality of service to scheme members and employers, while reducing pressure on capacity within the organisation.
- 5.5 The Medium-Term Financial Strategy shows that the Authority is forecast to be able to continue to adhere to the financial limits which it has set for itself. However, the movement of more assets into alternative asset classes which are more expensive to manage is manifesting itself in an upward pressure on investment management costs. This is an area that has to be focussed on through cost benchmarking exercises and the results of these will be reported when available. The other key issue which will have a significant impact on the review of the Investment Strategy is the increasing need to harvest income to support the payment of benefits to scheme members, which is forecast to increase significantly over the planning period.
- 5.6 The HR and ICT strategies which are the key enablers for delivery of the overall strategy concentrate on continuing to progress the current direction of travel which focuses on improving organisational resilience and broader organisational health as the foundation for future organisational success. This involves the completion of a number system replacement and upgrade projects as well as other major policy and process review projects. The scale of activity here is likely to have resource implications some of which are already identified within budget plans, and reserves are available to deal with one off issues, but further resources may be required in future budgets as the outcomes of particular pieces of work become clear.
- 5.7 It is fair to say that over the last three years work to progress the Equality and Diversity Scheme has not been as great as would have been desired, although some progress has been made. The updated Scheme concentrates on a smaller range of more achievable actions and maintaining ongoing activities which tend to be demand responsive (such as providing large print publications on request). This is in line with the broader approach of setting our ambition in line with our capacity to deliver.

- 5.8 To support this more detailed review of the Corporate Strategy a more fundamental review of the Corporate Risk Register has been carried out, and the full register is attached as an appendix. This fundamentally “rebases” the register. While there has not been a significant change in the nature of the risks faced the current level of risk has increased with a greater number of “red” risks facing the Authority. This is reflective of the more fragile economic and market environment and a ratcheting up of the regulatory environment. In general, the projects outlined in the Corporate Strategy seek to address the “red” risks and successful delivery will mitigate these to a significant degree.
- 5.9 In summary the Strategy for the next three years is intended to maintain momentum while seeking not to overload the organisation, allowing us to embed some of the changes that have taken place over the last few years. The intention of this is to provide the space to deal with the major externally imposed workloads such as McCloud.

6 **Implications**

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

Financial	The projects and other proposals outlined in the Corporate Planning Framework are reflected in both the budget and medium-term financial strategy.
Human Resources	There are no direct HR implications, however, the HR strategy is designed to ensure that the workforce is able to deliver the overall Corporate Strategy.
ICT	The overall strategy requires the delivery of a significant number of ICT related projects, as well as the ongoing maintenance and upgrading of systems and infrastructure. This will continue to place a high level of demand on the resources of the ICT Team which may well require the allocation of additional resources in this area through the budget process.
Legal	None apparent
Procurement	The delivery of the Corporate Strategy will require a number of procurements which will be undertaken in line with the Authority’s Contract Standing Orders.

George Graham

Director

Background Papers	
Document	Place of Inspection