

<b>Subject</b>	<b>Update on Decisions Made by the Authority</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	07 August 2025
<b>Report of</b>	Head of Governance and Corporate Services		
<b>Equality Impact Assessment</b>	Not Required	Attached	No
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## **1 Purpose of the Report**

- 1.1 To provide Local Pension Board members with an update on decisions made by the Authority and its Committees, and any decisions taken under the urgency procedure between meetings of the Authority.

## **2 Recommendations**

- 2.1 Board Members are recommended to:
- a. Note and comment upon the decisions included in this report.**

## **3 Link to Corporate Objectives**

- 3.1 This report links to the delivery of the following corporate objective:  
**Effective and Transparent Governance**
- To uphold effective governance always showing prudence and propriety.
- 3.2 The contents of this report are part of the arrangements in place to ensure good governance and that the Local Pension Board is enabled to fulfil its duties to scrutinise the decision making of the Authority in relation to the administering of the South Yorkshire Pension Fund.

## **4 Implications for the Corporate Risk Register**

- 4.1 The contents of this report will contribute to addressing risks around regulatory compliance.

## **5 Background and Options**

- 5.1 This report provides an update for the Local Pension Board on decisions taken by the Authority in the period since the last meeting of the Local Pension Board. (Excluding any substantive items already included in reports elsewhere on the Board's agenda).
- 5.2 There has been one meeting of the Full Authority and one meeting of the Authority's Audit & Governance Committee since the last report to the Board.



- 5.3 The tables below set out the decisions of the Authority taken at its meetings on 05 June 2025 and the decisions of the Audit & Governance Committee on 17 July 2025. Any reports that the Authority or the Committee simply noted / commented upon are not listed separately in the table but are available to view on the relevant meeting on the website using the links provided.

**Table 1:**

<b>Decisions Made at Authority Meeting 05 June 2025</b>	
<b>Full agenda and public reports referred to below are available here: <a href="#">Agenda for South Yorkshire Pensions Authority on Thursday, 5th June, 2025</a></b>	
Item 5: Urgent Items	<p>The Director gave an update to make members aware of the content of the Government's response to the "Fit for the Future" consultation published on 29th May 2025</p> <p><b>Members noted the Government's final proposals for changes to pooling and governance within the Local Government Pension Scheme.</b></p>
Item 6: Items to be considered in the absence of the public and press	<p><b>It was resolved that Item 26 was to be considered in the absence of Public and Press by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.</b></p>
Item 7: Appointment of the Chair and Vice Chair	<p>The Director invited nominations for the role of Chair. Councillor Donna Sutton was nominated for the position by Councillor Dunn and seconded by Councillor Sangar. There being no other nominations, Councillor Sutton was confirmed as Chair of the Authority for the 2025/26 Municipal Year and assumed the Chair. The Chair invited nominations for the position of Vice-Chair. Councillor Roy Bowser was nominated by Councillor Dunn and seconded by Councillor Fisher. There being no other nominations, Councillor Bowser was confirmed as Vice Chair.</p> <p><b>Councillor Donna Sutton was elected Chair of the Authority for the municipal year 2025/26.</b></p> <p><b>Councillor Roy Bowser was elected Vice Chair of the Authority for the municipal year 2025/26.</b></p>
Item 8: Membership, Political Balance and Appointments to Committee's	<p>The Director delivered a report on the appointments to the Authority's Committees for the 2025/26 Municipal Year in line with the political balance rules applying to the Authority.</p> <p><b>Members noted the members appointed to the Authority by the District Councils.</b></p> <p><b>Noted the members appointed to answer questions in the meetings of the Full Council of the District Councils and approved the appointments to Committees for the year.</b></p>
Item 10: Section 41 feedback from District Councils	<p>The Chair shared that several questions regarding SYPA had been asked and answered at meetings of Rotherham Metropolitan Borough Council and that she would keep the Authority updated on any future queries or issues that may arise.</p>



## Decisions Made at Authority Meeting 05 June 2025

	<p>Members requested further detail on the Sheffield City Council Motion Regarding "Ethical Investment of Pension Funds" that had been presented to SYPA. The Director agreed to schedule a meeting for Authority members to further discuss the motion.</p>
Item 11: Minutes of the meeting held on 13 March 2025	<p><b>Members agreed that the minutes as presented for the Authority Meeting held on 13 March 2025 were a true and accurate record.</b></p>
Item 12: Quarter 4, Corporate Performance Report 2024/25	<p>The Assistant Director – Resources presented the Q4 Corporate Performance Report for members to consider and approve. The Head of Finance and Performance added specific commentary on Q4 Provisional Outturn for 2024/25 – showing the total expenditure for the year, including that the outturn before transfers from reserves was an under-spend of (£382k), with an under-spend of (£138k) after the transfers to reserves.</p> <p>Members queried the Corporate Risk Register and asked whether reputational damage to SYPA due to investment in Israeli Government bonds and weapons manufacturers should be considered and if there was any risk members of the Authority could be found legally accountable for the outcome of any such investments.</p> <p>The Director explained that legal advice on the issue was clear and that members of the Authority were not liable for the outcome of investment decisions and that this was not a risk that needed consideration. It was explained that the Corporate Risk Register was constantly under review but that it was not considered necessary to add reputational damage as a specific risk at this point having considered the Authority's position in the industry and the duty to scheme members.</p> <p><b>Members approved the budget virements as set out in paragraph 4.25 of the report.</b></p> <p><b>Approved the transfers to earmarked reserves as set out in the table in paragraph 4.71; amounting to a net total transfer to reserves of £216,290.</b></p>
Item 16: Pensions Administration Improvement Plan Update	<p>Members welcomed the improvements on data quality and the Administration Improvement Plan in general and asked for further detail on the backlog and when it was expected to be cleared.</p> <p>The Assistant Director – Pensions explained that clearing the backlog had slowed due to lack of staffing resource and available overtime. This issue was now to be tackled by one of the Benefits teams targeting the backlog on a monthly rota, with the aim of completing the task by the end of 2025. The Assistant Director – Pensions also explained that as well as processing the backlog, the Benefits team also had to ensure incoming work was promptly dealt with to avoid creating a new backlog and that several very complex cases may also affect the team's ability to meet the planned completion date. Third party help may need to be sought.</p>



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	<p>Members asked for an update on the installation of software needed to implement the McCloud Remedy and whether all members who require the rectification have been identified.</p> <p>The Assistant Director – Pensions explained that the software development/installation was still delayed due to the software supplier. It was explained that the members that needed to be checked to see if they required the rectification had been identified but that the developments currently still awaited were required before the software could perform the calculations required to identify any members with an underpin. There may be manual rectifications required for cases the software can't calculate, and it was explained that this work was not identified as part of the backlog but was a separate process, yet to be started.</p> <p><b>Members noted and commented on the 2024/2025 plans for Administration improvement that are in place and agreed the Data Quality Strategy.</b></p>
Item 17: Determination relating to McCloud Implementation	<p>The Assistant Director – Pensions presented the report to update the Authority on the McCloud Implementation Plan. It was explained that because the next phase of the required software developments had been delayed by the supplier, it was necessary to move the implementation deadline to 31 August 2026.</p> <p>Members accepted the rationale for moving the deadline but asked how many other administering authorities were affected and whether all such delays were caused by the same software provider.</p> <p>The Assistant Director – Pensions explained that some alternative software suppliers had allowed some administering authorities to start analysing their data but that all were at different stages. It was explained that around 27% of administering authorities had commissioned the software from the same provider used by the Authority and that all of these were delayed in the same way as SYPA.</p> <p>Members asked whether the delay would have a practical effect on scheme members and the Authority and whether there maybe any financial costs or penalties to award affected scheme members and whether these could be passed on to the supplier.</p> <p>The Assistant Director – Pensions explained that once scheme members affected are identified, they will be informed on their Annual Benefits Statement that their account will be reviewed in line with the McCloud remedy in the near future when the software functionality required is delivered. The Assistant Director – Pensions explained that very few members are expected to be awarded a net increase in pension and the majority of arrears built up for those that do, will have come from years prior to the McCloud ruling rather than as a result of the software delays this year.</p> <p>Members asked for more explanation on the reasons for the delays by the supplier and the Assistant Director – Pensions explained that the reasons given were around internal resourcing and allocation issues</p>



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	<p>which they say that they have now put measures in place to address. The Assistant Director assured members that SYPA and other administering authorities are continually engaging with and exerting pressure as appropriate on the supplier and the onus is on them to now rebuild the confidence of their users.</p> <p><b>Members determined that the implementation date for the McCloud Remedy be delayed to 31 August 2026 for all classes of member.</b></p>
<p>Item 18: Consultation on LGPS Administration Regulation Changes – Access and Fairness</p>	<p>The Assistant Director – Pensions presented the report to update the Authority on a consultation opened by MHCLG on the Local Government Pensions Scheme in England and Wales; Access and Fairness.</p> <p>Members asked whether the consultation response would be shared with Trade Unions before submission. The Assistant Director – Pensions explained that it was an open and transparent consultation which had also been shared with LGPS employers.</p> <p><b>Members delegated the response to the consultation to Officers in consultation with the Chair and s41 Members.</b></p>
<p>Item 20: Effectiveness Review Report 2024/25</p>	<p>The Head of Governance and Corporate Services presented the results of the Authority's first annual review of its effectiveness in 2024/25.</p> <p><b>Members agreed the Effectiveness Review report.</b></p>
<p>Item 23: Annual Governance Statement 2024/25</p>	<p>The Director presented the Authority's Annual Governance Statement to members for approval.</p> <p>Members asked for clarity on the area for improvement identified regarding further strengthening the governance of the partnership arrangements with Border to Coast in light of emerging developments from Government legislation and policy in respect of pooling and governance in the LGPS.</p> <p>The Director explained that there were several areas for improvement including how the Authority oversees Border to Coast Pensions Partnership performance (in collaboration with other partner funds) and how the Authority can address areas of single person dependency with relation to senior officers. It was explained that there will be large, multiple and far-reaching changes regarding pooling and partnership arrangements driven by the Government's reforms and that the scope and detail of such changes is not yet fully clear.</p> <p>Members asked for information on the regulations regarding receiving petitions. The Director explained that the Authority had not received a petition before 05 June 2025 so did not have a procedure in place. It was explained that democratic services guidelines were different for the Authority than for Local Authority Councils and that members were able to ask for a petition procedure to be drafted for approval, but that the Authority could only consider the requirements and opinions of scheme members and were not in a position to enact any changes as a direct</p>



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	<p>result of a petition, unless such changes were in the best interests of scheme members.</p> <p><b>Members approved the Annual Governance Statement for 2024/25 and authorised its signature by the Chair and Director.</b></p> <p><b>Noted the provisional conclusion of the Head of Internal Audit which will be revised if required by the content of the Internal Audit Annual Report.</b></p> <p><i>(The conclusion has since been confirmed as Positive – Reasonable assurance – no revision required).</i></p>
Item 25: Consultation, Communication and Engagement Strategy	<p>The Assistant Director - Pensions and the Service Manager – Customer Services presented the report to secure approval by the Authority of the updated Consultation, Communications and Engagement Strategy which supports the Corporate Strategy.</p> <p>Members asked whether the Engagement and Accessibility principle listed in the strategy related to scheme members only or included members of the public speaking at meetings held in public.</p> <p>The Director explained that this strategy related only to scheme member engagement and that public engagement at Authority meetings was a different issue which would be reviewed and reported to members separately.</p> <p>Members noted the recent Responsible Investment survey sent to scheme members and asked how often such a survey will be circulated.</p> <p>The Director explained that it is expected that a Responsible Investment survey would be circulated every 3 years in line with the review of the Investment Strategy. It was explained that customer satisfaction surveys and single-issue surveys were being continually rolled out to scheme members to gain their opinions and feedback. It was also explained that running the 2025 AGM as a video was successful in terms of convenience and the number of views, questions and engagement and that this would be repeated going forward.</p> <p>Members expressed that good, comprehensive update to scheme members in easy-to-understand language was key to a good communications strategy and praised the developments SYPA had made in this area. The Director added that it was due to investment in a communications professional, as supported by the Authority, and a strong Customer Services team that such positive progress had been made.</p> <p>Members asked what the future of digital communications looked like. The Service Manager – Customer Services explained that it was recognised that increased digital communications was needed, but that SYPA will also continue to provide for alternatives for scheme members that prefer not to engage in that way. It was explained that SYPA aim to</p>



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	<p>improve their online services and log in processes to make them more user friendly and facilitate moving the bulk of communications online.</p> <p><b>Members approved the revised Consultation, Communications and Engagement Strategy.</b></p>
Item 26: Update on Pooling (Restricted item)	<p>The Director updated the Authority on the process concerning funds that may wish to join Border to Coast, and the development of new capabilities as part of the Border to Coast 2030 Strategy and in response to the Government's Local Government Pension Scheme (LGPS) – Fit for the Future consultation.</p> <p>Members discussed potential implications and costs involved with admitting new funds to Border to Coast Pensions Partnership and acknowledged the deadline of March 2026 to enact any changes.</p> <p><b>Members noted the position on the potential growth of the Border to Coast Pensions Partnership set out in the body of the report.</b></p> <p><b>Noted the positive progress with the development of new capabilities by the Border to Coast operating company.</b></p> <p><b>Commented on any concerns that may arise because of the expansion of the Border to Coast Pensions Partnership.</b></p>

**Table 2:**

Decisions Made at Audit & Governance Committee Meeting 17 July 2025	
Full agenda and the public reports referred to below are available at: <a href="#">Agenda for Audit &amp; Governance Committee on Thursday, 17th July, 2025</a>	
Item 6: Minutes of the meeting held on 06/03/2025	<b>Members agreed that the minutes as presented for the Audit &amp; Governance Committee held on 06 March 2025 were a true and accurate record.</b>
Item 10: Internal Audit Charter and Mandate 2024-2026	<p>The Head of Corporate Assurance presented to the Committee the Corporate Assurance Mandate and Charter &amp; Strategy for approval as required by the Global Internal Audit Standards UK (GIAS).</p> <p><b>Members considered and approved the Corporate Assurance Mandate and Charter &amp; Strategy and were assured that the Corporate Assurance function operates in accordance with the relevant standards.</b></p>
Item 11: External Auditors VFM Risk Assessment to 31-03-2025 and Verbal Progress	<p>Representatives from the external auditor, KPMG presented the external auditor's Value for Money Risk Assessment for the year ended 31 March 2025 and gave a verbal update on the audit status for the 2024/25 audit.</p> <p><u>Value for Money Risk Assessment</u></p> <p>Richard Lee, Director at KPMG and engagement lead, gave a positive overview explaining that there were no financial sustainability concerns, and no significant risks identified regarding improving economy,</p>



Decisions Made at Audit & Governance Committee Meeting 17 July 2025	
Update on the Audit	<p>efficiency and effectiveness and that this position was not expected to change.</p> <p><u>Progress Update:</u> It was explained that the vast majority of work had been completed on the Authority audit and that the Fund audit was progressing well with no significant issues or concerns identified as yet. The auditor explained that it was the second year of KPMG working with SYPA and positive developments to fully understand and support SYPA continued.</p> <p>Elizabeth Wharton, Senior Manager at KPMG with responsibility for the Fund audit, agreed that work was progressing very well. It was explained that the work to obtain direct confirmations from investment managers, which can be a time consuming process with requirements to chase up and prompt for their responses, was being actively pursued and with a clear list of required information that was outstanding to help with monitoring and involving management where needed to escalate or assist in obtaining the responses.</p> <p><b>Members received and noted the external auditor's value for money risk assessment for the year ended 31 March 2025, attached at Appendix A and noted the verbal update on the audit status for the 2024/25 audit.</b></p>
Item 12: Draft Statement of Accounts 2024-25	<p>The Assistant Director – Resources presented the draft Statement of Accounts 2024/25 to the Committee, explaining that this was the draft pending completion of the external audit. The audited accounts will be presented to the Committee at their next meeting for approval.</p> <p><b>Members noted the draft Statement of Accounts 2024/25 at appendix A of the report, subject to the audit currently in progress.</b></p>

#### *Decisions Taken Between Meetings Under the Urgency Procedure*

- 5.4 Since the last report to the Local Pension Board, there has been one decision taken under the urgency procedure between meetings of the Authority, regarding Border to Coast annual general meeting.
- 5.5 In accordance with Section 307 of the Companies Act 2006, a general meeting of a private company must be called by notice of at least 14 clear calendar days. A general meeting may be called by shorter notice if it is agreed by shareholders who together hold not less than 90% in nominal value of the shares giving a right to attend and vote at the meeting.
- 5.6 The Company's annual general meeting ("AGM") was scheduled on 16 July 2025. The Company was in the final stages of appointing its next Board Chair following a competitive search. The Board considered the preferred candidate at its meeting on 24 June 2025 and shareholder officers were briefed on the candidate at an informal shareholder meeting on 2 July 2025.
- 5.7 To facilitate this process, it was proposed to issue the Notice of AGM and associated reports on 2 July 2025, being 13 clear calendar days prior to the AGM.
- 5.8 Agreement to delay circulation of the Notice of AGM was confirmed for and on behalf of South Yorkshire Pensions Authority.



## Implications

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

Financial	No direct implications.
Human Resources	No direct implications.
ICT	No direct implications.
Legal	No direct implications.
Procurement	No direct implications.

6.2 Implications of each of the items on which a decision was made are listed in the relevant reports for those items.

**Jo Stone**

**Head of Governance and Corporate Services & Monitoring Officer**

Background Papers	
Document	Place of Inspection