

Subject	Administration Policy Update	Status	For Publication
Report to	Authority	Date	7 September 2025
Report of	Assistant Director Pensions		
Equality Impact Assessment	Not Required	Attached	
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1 Purpose of the Report

- 1.1 To update members on the changes required to the core Funding Strategy Statement, Policy (J) Academy Funding and Policy (L) on Pre Payments in line with the 2025 triennial Valuation to comply with Regulation 58 of the Local Government Pension Scheme Regulations 2013. The Authority must maintain and publish a written statement setting out its funding strategy. The Pension Administration Strategy and the Breaches Procedure also required updating and there is need to introduce a Complaints Procedure. This is to ensure the Authority is compliant with the Regulations and acting in a fair and transparent way for all employers and members within the Fund.

2 Recommendations

- 2.1 Members are recommended to:
- a. **Agree with or without comment that the Funding Strategy Statement, Academy Funding Policy and the Pre Payments Policy be updated in line with this report, as shown in Appendix A; and**
 - b. **Agree with or without Comment the Pensions Administration Strategy at Appendix B**
 - c. **Agree with or without comment the Complaints Procedures attached at Appendix C; and**
 - d. **Agree with or without comment the Breaches Procedure attached at Appendix D**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:

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. The report includes information about the engagement with the employers exiting from the Fund.

Effective and Transparent Governance

To uphold effective governance always showing prudence and propriety. The report ensures the Authority deals with employers leaving the Fund fairly whilst protecting the remaining employers.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report seek to address operational risks around the Authority failing to comply with relevant Regulations (O4) and IAF – 005. The key mitigant of this risk is ensuring the wording in the Funding Strategy Statement and supporting Policies takes the regulations into account. And

5 Background and Option

Funding Strategy Statement

- 5.1 This report seeks to update the Board on how the Fund complies with its statutory obligation to maintain the Funding Strategy Statement (FSS) and the supporting Policies.
- 5.2 The Authority must keep the statement under review and, after consultation with such persons as it considers appropriate, make such revisions as are appropriate following a material change in its policy set out in the statement, and if revisions are made, publish the statement as revised.
- 5.3 Please find attached at **Appendix A**, the updated Funding Strategy Statement (FSS) for the South Yorkshire Pension Fund, which has been updated in preparation of the 2025 valuation FSS consultation and in response to recent updated guidance provided by SAB/MHCLG/CIPFA.
- 5.4 This is an update of the core FSS together with two of the supporting funding policies which are appended to the FSS, Policy on Academy Funding and the Policy on Pre Payments. The current Policy on Pass Through is to be deleted as it is now covered elsewhere. The FSS as a whole will go out to full consultation with Fund employers following approval by the Board.
- 5.5 The 'effective date' of the revised FSS is 1 April 2026. This means that all employer work from this date will be carried out in line with the requirements of this FSS document, and all existing employer work will be carried out in line with the existing FSS. This is consistent with current practice; this point is explicit in the FSS. This is consistent with a valuation date of 31 March 2025, as this valuation determines contribution rates payable from 1 April 2026 to 31 March 2029, which is the period covered by this FSS.

- 5.6 There are two parts to the new FSS, to align with the structure of the FSS guidance: 1- Key Funding Principles, and 2 – Employer events. The subheadings within these parts are unchanged relative to the previous FSS.
- 5.7 The new guidance includes a requirement for funds to set out how often the FSS is reviewed. The authority is happy to follow the recommended annual review, and wording has been added to section 1 to recognise this.
- 5.8 Links to other documents (held on our website) will be checked prior to final publication of the FSS to ensure they remain appropriate and add any new links that may be required.
- 5.9 Final changes to the section on the contribution stability parameters will need to be updated following the conclusion of the current discussions with major employers.
- 5.10 No changes have been made to the sections of the FSS relating to pooling. These will need to be updated prior to the FSS consultation once the post 2025 valuation pooling arrangements have been finalised.
- 5.11 The FSS will be updated throughout the valuation process as we agree assumptions and the funding parameters as they apply to each employer.

Pensions Administration Strategy

- 5.12 The discretion for an administering authority to prepare and publish a pension administration strategy document was first introduced into the Local Government Pension Scheme Regulations on 30th June 2007. The Regulation include a list of matters that, as a minimum, must be included in the pension administration strategy document. The document is a vehicle to formalise the administrative arrangements between the Authority and our Employers participating in the Fund. The Authority introduced its Pensions Administration strategy in 2016. It was last reviewed and published in in April 2020
- 5.13 Before making any changes, the Authority must consult the Fund employers, and any other persons considered appropriate. A comprehensive review has been undertaken to ensure the Strategy reflects current practice and current legislation.
- 5.14 Matters to be covered by the Strategy are;
 - (a) procedures for liaison and communication with Scheme employers in relation to which it is the administering authority ("its Scheme employers");
 - (b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions by-
 - (i) the setting of performance targets,
 - (ii) the making of agreements about levels of performance and associated matters, or
 - (iii) such other means as the administering authority considers appropriate;
 - (c) procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;

- (d) procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;
 - (e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);
 - (f) the publication by the administering authority of annual reports dealing with-
 - (i) the extent to which that authority and its Scheme employers have achieved the levels of performance established under sub-paragraph (b), and
 - (i) such other matters arising from its pension administration strategy as it considers appropriate; and
 - (g) such other matters as appear to the administering authority after consulting its Scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.
- 5.15 The Authority and the employers have to have regard to the strategy document when carrying out their functions under the Scheme regulations. The Revised Pension s Administration Strategy is attached at **Appendix B**. Once the Board has agreed the revised strategy the Authority will consult all Fund Employers. The final version will need to then be published.

Complaints Procedure

- 5.16 The Authority welcomes feedback from customers because it helps to improve the way we do things and to learn from things that have gone wrong. This document sets out our procedure for working with customers who have a complaint about the actions, decisions, or apparent failings of the services we provide. One of the ways in which we acquire comments and opinions to influence service planning and delivery is through our customers' feedback
- 5.17 Please find the new Resolving Complaints and Improving Services Procedure at **Appendix C** for approval.

Breaches Procedure

- 5.18 A breach of the law is when a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with. It can encompass many aspects of the management and administration of the scheme, including failure to do anything required under overriding legislation, applicable statutory guidance or codes of practice. Examples include but are not restricted to;
- Failure to maintain accurate records.
 - Failure to act on any fraudulent act or omission that is identified.
 - Failure of an employer to pay over member and employer contributions on time.

- Failure to pay member benefits either accurately or in a timely manner.
- Failure to issue annual benefit statements on time or non-compliance with the Regulator's General Code of Practice.

Non-compliance with the Local Government Pension Scheme (LGPS) regulations can encompass many aspects of the management and administration of the scheme, including failure:

- To abide with the LGPS Regulations.
- To comply with the Funds policies and procedures (e.g. the Funds Statement of Investment Principles, Funding Strategy Statement, Administration Strategy or Communications Policy).

Who is responsible for reporting breaches? The following are responsibility to report breaches (known as Reporters):

- Members of the Authority.
- Members of the Local Pension Board.
- Any person who is otherwise involved in the administration of the scheme: including all officers of the Authority.
- All participating employers in the scheme.
- Professional advisers: including auditors, actuaries, legal advisers and fund managers
- Any other person otherwise involved in advising the managers of the scheme.

Reporters are required to take a pro-active approach to the identification, management and reporting of all breaches that have occurred, or are likely to occur.

5.19 Please find the updated Reporting Breaches Procedure at **Appendix D** for approval.

6 Implications

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

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

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Background papers	
Document	Place of Inspection
Funding Strategy Statement	Funding Strategy Statement (sypensions.org.uk)
Pension Administration Strategy	adminStrategy2020.pdf