

Subject	Funding Strategy Statement	Status	For Publication
Report to	Authority	Date	18 December 2025
Report of	Assistant Director - Pensions		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To secure approval of the Funding Strategy Statement which has been updated following the 2025 valuation.

2 Recommendations

- 2.1 Members are recommended to:
- a. Approve the revised Funding Strategy Statement at Appendix A.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
- Listening to our stakeholders**

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

Effective and Transparent Governance

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

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to the identified Corporate Risks ORG 004 around the Authority failing to comply with relevant Regulations and IAF 005 Employer contributions becoming unaffordable.

5 Background and Options

- 5.1 The Funding Strategy Statement (FSS) is a statutory document which sets out the Authority's policies with regard to a range of issues concerned with achieving and maintaining full funding of the scheme and about the way in which a range of key

issues concerning employers which might affect the Fund's liabilities should be dealt with. The regulations require an LGPS administering authority to produce a statement setting out the processes it will use to:

- establish a clear and transparent Fund-specific strategy identifying how employers' pension liabilities are best met going forward
- support the regulatory framework to maintain as nearly constant employer contribution rates as possible
- ensure the Fund meets its solvency and long-term cost efficiency objectives
- take a prudent longer-term view of funding those liabilities.

5.2 The FSS is routinely reviewed at each valuation and more frequently if there are changes in regulations. Given the technical nature of the FSS its production and review involve close liaison with the actuary. The most recent review is in line with latest guidance provided by SAB/MHCLG/CIPFA.

5.3 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 and 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.

5.4 The LGPS regulations require that employers are consulted on changes to the FSS. A full consultation was undertaken and closed at the end of November. This consultation ran alongside the consultation on the revised Employer contribution rates from the 2025 Valuation.

5.5 The consultation elicited 4 responses (one from a F/HE institution, one from the DFE, one from a MAT and one from a Resolution body). None of the responses indicated significant opposition to the proposed policies set out in the draft FSS. Wording was added to clarify the treatment of MATs. The DFE thanked the Authority for considering their points. While this scale of response to the consultation process might be regarded as disappointing it is not untypical in exercises of this sort.

5.6 Given that there is no fundamental opposition to the proposed FSS, members are asked to approve its adoption with immediate effect

6 Implications

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

Financial	None directly, although the FSS represents the framework through which risks to the overall funding level are managed.
Human Resources	None
ICT	None
Legal	Production of the FSS and consultation on changes to it are requirements of the LGPS regulations and this report demonstrates compliance with the regulations.
Procurement	None

Debbie Sharp

Assistant Director Pensions

Background Papers	
Document	Place of Inspection
Administration Policy update item 15 Authority 04.09.2025	Agenda for South Yorkshire Pensions Authority on Thursday, 4th September, 2025, 10.00 am - South Yorkshire Pensions Authority