

<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>	26 February 2026
<b>Report of</b>	Monitoring Officer		
<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.

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## **2 Recommendations**

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

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## **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 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 Audit & Governance Committee on 04 December 2025 and the decisions of the Authority taken at its meeting on 18 December 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:**

Decisions Made at Audit & Governance Committee Meeting 04 December 2025	
Full agenda and the public reports referred to below are available here: <a href="#">Agenda for South Yorkshire Pensions Audit &amp; Governance Committee on Thursday, 4th December, 2025, 10.00 am - South Yorkshire Pensions Authority</a>	
Item 6: Minutes of the meeting held on 02/10/2025	<b>Members agreed that the minutes as presented for the A&amp;G Committee held on 02 October 2025 were a true and accurate record.</b>
Item 9: Annual Review – Risk Management Framework	<p>The Head of Governance and Corporate Services presented the annual review of the Risk Management Framework for the Committee to consider.</p> <p>Members requested further detail on mitigation measures for the Pensions Review risk, and in particular questioned what measures Border to Coast are putting in place to manage this risk. The Director confirmed that Border to Coast is recruiting additional officers to address the increase in asset management requirements also applying a sensible phasing and strong project management approach.</p> <p>Members also questioned if the risk score associated with McCloud rectification requires revisiting following discussions with the pensions administration software provider. The Director Designate explained that the current score for this risk already reflects the position set out in recent discussions with the provider and that the likelihood is scored as high.</p> <p>Discussions took place around what development and testing is still required and how this could impact on the required deadlines. Officers gave assurance that the Authority is working closely with the Pensions Regulator to communicate progress or issues but highlighted that this would not necessarily avoid regulatory fines in the event of a breach. It was noted that if delays are due to the late implementation of the system, then there would be other pension funds, who contract with the same pensions administration system provider, in a similar position.</p> <p>Members referred to the Appendix 1 of the Risk Management Framework and questioned what other policies and measures were in place to support all staff in understanding their role in risk management. The Head of Governance and Corporate Services gave examples of the policies in place to support staff such as the Whistleblowing and the</p>

**Decisions Made at Audit & Governance Committee Meeting 04 December 2025**

	<p>Anti-Fraud, Bribery and Corruption Policies and explained that risk management training is delivered to Middle Managers with a view to that knowledge being shared with their teams, especially in the management of the Operational Risk Registers.</p> <p>Members noted that risk IAF-004 Imbalance in Cashflows has the greatest movement of risk score and asked if this is one of the areas that will be focused on as part of the 2026 strategy review and development. The Director Designate assured members that this was the case and that cashflow and liquidity is one of the three key issues being considered in the development of the Investment Strategy. It was confirmed that this was also a key outcome from feedback the Members Away Day held in November.</p> <p>The Director added that the impact of the material change in cashflows will be greater in future years and that the Investment Strategy would need to be adjusted to address this.</p> <p><b>Members considered whether any additions or changes are required to the Risk Management Framework presented.</b></p> <p><b>Approved the updated Risk Management Framework for publication.</b></p>
Item 11: Local Code of Corporate Governance	<p>The Head of Governance and Corporate Services presented the biennial review of the Local Code of Corporate Governance for the Committee to consider, explaining that the Annual Governance Statement is the process which demonstrates on an annual basis how the Authority is complying with the Local Code.</p> <p><b>Members reviewed and approved the updated Local Code of Corporate Governance for publication.</b></p>

**Table 2:**

Decisions Made at Authority Meeting 18 December 2025	
Full agenda and public reports referred to below are available here: <a href="#">Agenda for South Yorkshire Pensions Authority on Thursday, 18th December, 2025, 10.00 am - South Yorkshire Pensions Authority</a>	
Item 7: Minutes of the meeting held on 04 September 2025	<p><b>Members agreed that the minutes as presented for the Authority Meeting held on 04 September 2025 were a true and accurate record.</b></p>
Item 9: Approval of the Funding Strategy Statement	<p>The Assistant Director – Pensions presented the Funding Strategy Statement to secure approval, noting that the policy has been updated to encompass the statutory guidance and assumptions and considerations in the 2025 Valuation, this came as a draft in September and has since been out to a full consultation with employers. Four employers responded to the consultation, engaged with the process and have confirmed they accept the policy.</p> <p>Members raised questions on climate scenario stress testing and gender pensions gap.</p> <p><b>Members approved the revised Funding Strategy Statement.</b></p>
Item 10: Valuation Results	<p>The Assistant Director – Pensions presented the Fund Actuary’s report on the outcome of the 2025 Valuation to seek approval on the employer contribution rates for the 3 years from 2026/27 set out in the rates and adjustments certificate, referencing Members to points 5.2-5.3 of the report which summarises at the position as of 31st March 2025 regarding fund assets, liabilities, funding level and average contribution rates.</p> <p>Members noted that past performance doesn’t guarantee future returns and sought assurance that our assumptions aren’t based solely on historical results, and there is confidence that even if returns fell to 4.2% or lower, the Fund would still be able to meet its obligations.</p> <p>The Actuary noted that they must report on the funding level every three years, which gets a lot of attention but is highly sensitive to market conditions. Higher expected returns are boosting the funding level at this Valuation; however, the required return is a much more stable measure at 3.5% which is unchanged from the previous Valuation, and it isn’t affected by short term market movements.</p> <p><b>Members noted the results of the 2025 Valuation carried out by the Fund Actuary set out in the report.</b></p> <p><b>Approved the employer contribution rates set out in the rates and adjustments certificate to apply for the three years starting 1st April 2026.</b></p>

**Decisions Made at Authority Meeting 18 December 2025**

<p>Item 12: Approval of the Levy 2026/27</p>	<p>The Acting Assistant Director – Resources presented a report to seek approval of the Levy for 2026/27 under the Levying Bodies (General) Regulations 1992.</p> <p><b>Members approved a total levy of £251,566.00 for 2026/27 in accordance with The Levying Bodies (General) Regulations 1992, to be allocated to the District Councils in proportion to their approved council tax base shares.</b></p>
<p>Item 18: Annual review of Border to Coast’s Responsible Investment Policies</p>	<p>The Head of Responsible Investment at Border to Coast introduced and summarised the Annual Review of Border to Coast’s Responsible Investment Policies.</p> <p>Mr Manuel added that until now these policies have been reviewed annually, but that now the development of these policies has reached a level of maturity, the Border to Coast Board has agreed to move to a three yearly review cycle. This would provide a more stable policy environment which would be conducive to implementing the policy intent. It was noted that should there be a reason to review the policies in the interim, this would happen and that the voting guidelines would continue to be set every year.</p> <p><b>Members endorsed the updated policies. Cllr Dimond requested that his dissent be noted for the record.</b></p>
<p>Item 19: Update to SYPA’s Statement of Investment Beliefs</p>	<p>The Assistant Director – Investment Strategy presented the update to SYPA’s Statement of Investment Beliefs, noting that the review of the statement was driven by the Government’s <i>Fit for the Future</i> consultation and the opportunity has been taken to update other aspects of the document, where appropriate.</p> <p>Members welcomed the statement and questioned whether this just formalises what we already do or signals a shift toward more passive management.</p> <p>The Assistant Director – Investment Strategy responded that this change in the beliefs statement is simply opening up the option to use passive management. The beliefs statement has only been in place since 2019, and at that time Border to Coast had no passive funds available. Now that these options exist, it’s quite possible we would want to use them.</p> <p>The Director noted that the Fund is now much larger than in 2019 and relying too heavily on certain active strategies could increase risk. Adding passive options would help diversify our equity exposure and gives Border to Coast fund managers more flexibility when managing the 40% equity allocation.</p> <p><b>Members approved the updated Investment Beliefs Statement. Cllr Dimond requested that his dissent be noted for the record – on the basis that he disagrees with the addition of passive management because this does not allow for exclusion.</b></p>

## Decisions Made at Authority Meeting 18 December 2025

Item 20: Update on Pensions Administration Improvement Plan	<p>The Assistant Director – Pensions presented a report to update the Authority on the Pensions Administration Improvement Plan and a consultation opened by MHCLG on the Local Government Pensions Scheme in England and Wales, Access and Protections. Members asked whether they could be provided with a preview of the Pensions Dashboard.</p> <p>The Assistant Director – Pensions assured Members that once it reached a point where it could be showcased, it will be shared either during a meeting or at a separate training session.</p> <p>Members raised that in SYPA’s response to the consultation, on the normal minimum pension age issue, there is concern around category 2 members losing protection for service they have already transferred and that they may have made different decisions if this fact was known at the time and asked whether there was any prospect of challenge to this.</p> <p>The Assistant Director – Pensions responded that most Funds will be raising this point in their responses to Government, to highlight that this could present a significant challenge.</p> <p>The Director added that the Local Government Pensions Committee, which is the employer-side body within the LGA, was of the view that there shouldn’t be any protections, given the administrative burden it could create and the risk that this could lead to another situation like that of McCloud. The Trade Unions view is that the rights at the age of 55 are a valuable benefit to members and understand that the age must increase but want to keep protections as far as possible.</p> <p><b>Members noted and commented on the 2025/26 plans for Administration improvement that are in place. Delegated the response to the consultation to officers.</b></p>
Item 21: Pensions Administration Strategy	<p>The Assistant Director – Pensions presented the Pensions Administration Strategy to secure approval following a full consultation with Employers in the Fund.</p> <p><b>Members approved the revised Pensions Administration Strategy.</b></p>

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

- 5.4 Since the last report to the Authority, there has been one decision taken under the urgency procedure between meetings of the Authority regarding the requirement for a Shareholder Resolution.

### *Shareholder Resolution: Approval of Investment and Data Platform Budget*

- 5.5 Border to Coast Shareholders were asked to approve a resolution to approve additional budget for a single investment data platform as part of the Company’s 2030 strategy. The budget required is to cover the costs to support the implementation and

for the operational running costs. These will be shared equally among the 18 partner funds.

- 5.6 For commercial reasons the details of the work cannot be published, however the information was shared in full with the Chair of the Authority. Following discussions the Chair confirmed support for approving the resolution.

### **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**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
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