

Date: 31 July 2024

To: MEMBERS OF THE SOUTH YORKSHIRE
LOCAL PENSION BOARD

Oakwell House
2 Beevor Court
Pontefract Road
Barnsley
S71 1HG

www.sypensions.org.uk

This matter is being dealt with by: Governance Team: 01226 666448
Email: governanceteam@sypa.org.uk

Dear Member

SOUTH YORKSHIRE LOCAL PENSION BOARD
Thursday, 8 August 2024

A meeting of the South Yorkshire Local Pension Board will be held at **Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, S71 1HG on Thursday, 8th August, 2024 at 10.00 am.**

The agenda is attached.

Yours sincerely

Sarah Norman
Clerk

WEBCASTING NOTICE

This meeting may be filmed for live or subsequent broadcast via the Authority's website. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed.

You should be aware that the Authority is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Authority's published policy.

Therefore, by entering the meeting room, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

Distribution: Riaz Nurennabi (Chair), David Webster, Cllr Linda Beresford, Cllr Ken Richardson, Martin Badger, Sheldon McClure, Andrew Gregory, Nicola Gregory, Neil Mason and Debbie Carrington.

Terms of Reference

1. Compliance and Control

- 1.1 To review administrative governance and risk management processes and procedures in order to ensure they remain compliant with the Regulations and Regulators Code of Practice.
- 1.2 To assist with the development and review the implementation of the Authority's various policy documents and procedures.
- 1.3 To review the actions taken in response from internal and external review agencies (such as Internal and External Audit and the Pensions Ombudsman).

2. Administration

- 2.1 To monitor and review the performance of the Scheme administration from the scheme members' and employers' perspective including making any recommendations for changes to the Pensions Administration Strategy.
- 2.2 Assess the quality of service provided by the Pensions Administration Service and identify any areas for improvement.

3. Communications

- 3.1 To monitor and make recommendations as appropriate on the means and content of communication with scheme members and employers.
- 3.2 To produce an Annual Report upon the Board's activities to be submitted to the Pensions Authority.

4. Budget

- 4.1 To agree an annual budget for the operation of the Local Pension Board and submit it to the Authority for approval.

5. Reporting

- 5.1 To make such recommendations to the Authority with regard to the matters set out in these Terms of Reference as it sees fit.

SOUTH YORKSHIRE LOCAL PENSION BOARD

THURSDAY, 8 AUGUST 2024 AT 10.00 AM, OAKWELL HOUSE, 2 BEEVOR COURT,
PONTEFRACT ROAD, BARNSELEY, S71 1HG

AGENDA

	Item	Page
1	Welcome and Apologies	
2	Announcements	
3	Urgent Items	
4	Items to be Considered in the Absence of the Public and Press	
5	Declarations of Interest	
6	Appointment of Vice Chair	
7	Minutes of the meeting held on 25/04/2024	5 - 12
8	Review of Action Tracker	13 - 14
GOVERNANCE		
9	Governance, Regulatory and Policy Update	15 - 24
10	Independent Governance Review Report	25 - 76
11	Update on decisions made by Authority	77 - 80
12	Corporate Risk Register	81 - 94
13	Compliance with Pensions Regulator General Code of Practice (Bi-Annual update)	95 - 128
14	Draft Authority Annual Report for Local Pension Board Review	129 - 408
PENSIONS ADMINISTRATION		

15	Pensions Administration Quarterly Report	409 - 434
OTHER		
16	Planning of the Local Pension Board next meeting agenda	435 - 438
PART 2 - RESTRICTED		
*17	Private Papers from Authority Meeting held on 6 June 2024 (Exemption Paragraph 3)	439 - 456

SOUTH YORKSHIRE PENSIONS AUTHORITY**LOCAL PENSION BOARD****25 APRIL 2024**

PRESENT: R Nurennabi (Sheffield Hallam University) (Chair)
N Doolan-Hamer (Unison) (Vice Chair), D Gawthorpe (Unite), Cllr K Richardson
(Barnsley MBC), D Webster (Employee Representative), Cllr E Hoddinott
(Rotherham MBC), Andrew Gregory (Scheme Member Representative), G Warwick
(GMB) and N Gregory (Academy Representative)

C Scott (Independent Advisor to the Board)

Officers in Attendance: G Graham (Director), G Taberner (Assistant Director –
Resources), D Sharp (Assistant Director – Pensions), J Stone (Head of Governance
and Corporate Services), A Palmer (Team Leader – Governance), G Mulderrig
(Governance Officer)

K McWilliam (Aon) and L Robson (Aon)

1 WELCOME AND APOLOGIES

The Chairman welcomed everyone to the meeting. There were no apologies.

2 ANNOUNCEMENTS

The Chairman thanked Nicola Doolan-Hamer, Garry Warwick and Emma Hoddinott
for their service as they would be stepping down as Members of the Local Pension
Board at the end of the 2023-24 municipal year.

3 URGENT ITEMS

None.

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

Item 17 was considered in the absence of the public and press by virtue of
paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

5 DECLARATIONS OF INTEREST

None.

**6 MINUTES OF THE MEETING HELD ON 15.02.2024 AND ACTIONS AND
MATTERS ARISING**

**RESOLVED: That the minutes of the meeting of the Board held on 15
February 2024 be agreed as a true record.**

7 REVIEW OF ACTION TRACKER

Members noted Action 15 on the Action Tracker regarding service pressures was due to be closed with the agreement of the Board. It was posited that this was an ongoing piece of work and, as such, should remain an open Action.

The Chairman commented that Action 8, regarding succession planning for Board Membership, should remain open and be subjected to ongoing monitoring.

The value of Action 27, a Member Induction Session before the first meeting of the 2024-25 municipal year, was questioned given the experience ongoing Board Members already had.

The Director and the Head of Governance explained that the planned session was for all existing and new Members. It is scheduled to include contemporary information regarding SYPA and pension investment and administration as well as providing training and development opportunities.

8 GOVERNANCE, REGULATORY AND POLICY UPDATE (INCLUDING PROGRESS ON AUDIT ACTIONS)

The Head of Governance and Corporate Services presented Item 8 regarding governance and regulatory issues currently affecting SYPA including details of the Independent Governance Review being undertaken by AON, the imminent appointment of the Chief Finance Officer of South Yorkshire Police as an Employer Representative to the Board and succession planning for Union Representative and Independent Advisor vacancies and Chair and Vice Chair positions.

Members stated that they needed clarity on succession planning regarding the Chair and Vice Chair and were clear that these positions should be voted on by the Board each year rather than succession from Vice Chair to Chair being assumed or written into the Constitution.

The Head of Governance clarified that the Board could shape its own arrangements and no changes had been made to the Constitution regarding Chair and Vice Chair provision and election; the Board will continue to need to vote on these positions annually.

Members questioned whether they would be shown feedback from the final version of the Corporate Assurance Plan 2024-25 contained in Appendix A on Item 8 particularly the Performance Management Framework and the Pentana Risk System.

Senior Officers assured Members that the Board will be updated on the Corporate Assurance Plan 2024-25 and that there are plans to present the Pentana Risk System to Authority and Board Members as soon as practicably possible.

Members requested officers review the term and rotation arrangements for Board membership due to the lack of synchronisation with Board and Council terms of office resulting in the increased need for succession planning.

The Director expressed understanding of the situation and noted the issue for future review.

The Chairman queried how the Board would be supported in the period between the current Independent Advisor leaving and a new appointment being made.

The Director stated that the planned timeline for the appointment of a new Independent Advisor was intended to minimise time the Board was without an Advisor. The Director, the Chair of the Board and the Chair of the Authority are scheduled to interview candidates ahead of the next Board meeting and, if a suitable candidate is found, appoint them as soon as possible in line with the Constitution.

RESOLVED: Members noted the updates included in the report and verbal update.

9 UPDATE ON DECISIONS MADE BY AUTHORITY

The Head of Governance and Corporate Services presented the table of decisions made by the Authority and the Audit and Governance Committee in February and March 2024.

Members queried the significant rise in the budget detailed in the Review of the Corporate Strategy 2024 – 2027 considered at the 8 February 2024 Authority meeting and noted that investment management fees were not included in the budget.

The Director explained that the rise in planned spending was due to the cost of planned additional staffing needed to manage workload. It was also explained that investment management fees were not calculated as part of the budget as they are calculated by asset value which is variable and is therefore forecast as part of the Medium Term Financial Strategy which was approved by the Authority at the 8 February 2024 meeting.

The Board asked for clarity on what kind of debt had been written off in Item 15 at the Authority meeting on 8 February 2024.

The Director explained that the debt was made up of liquidation costs relating to the commercial property portfolio and in small part from historic overpayment to Scheme Members which was not possible to reclaim.

In response to a comment from the Chair, the Director explained that the Corporate Strategy is reviewed annually and also reviewed in depth every three years with the next review next due in March 2025. There will be a training and development session for Board Members in September 2024 to aid them in assisting the update of the Corporate Strategy.

RESOLVED: Members noted and commented upon the decisions included in

the report.

10 RISK REGISTER

The Team Leader – Governance presented the Risk Register and identified the revisions made since last reviewed by the Board. It was also reported that the Strategic Risk Register was now built on the Pentana Risk Management System and that this will be managed going forward to report accurately on risk.

RESOLVED: Members noted the revised corporate Risk Register at Appendix A.

11 BOARD EFFECTIVENESS REVIEW REPORT

The Independent Advisor to the Board presented the report and noted that findings were generally positive with evidence of continuous ongoing improvement. The report identified potential training requirements and the need for better resource provision for Members of the Board and the will of the Board to input into Authority business prior to Authority meetings rather than just giving feedback after decisions are made.

The Head of Governance and Corporate Services acknowledged the issues raised and explained that all comments to action would be entered into the LPB Action Tracker and monitored with progress fed back to the Board regularly. Further comments, requests, and feedback from the Board on areas for improvement was encouraged by Officers.

The Director picked up on the Board's request for the opportunity to give pre-decision scrutiny and explained that this was encouraged and identified the upcoming review of a number of policies where comment from the Board would be welcome. The Chair welcomed the idea of the involvement of the Board in consultations on issues and policies and accepted the depth of pre-decision scrutiny depended on the depth of Board engagement.

The Independent Advisor to the Board queried whether the Governance Review conducted by Aon had identified other options for sharing information between the Board and The Authority.

The Director explained that there had been a workshop for Board Members with the Centre for Governance and Scrutiny to examine different scrutiny techniques, including working groups to examine key reports prior to approval, and said SYPA would facilitate different methods of Scrutiny as requested by the Board.

The Director explained that the Authority did not require a Forward Plan but that the work programme for the Authority that set out the upcoming decisions and plans should be developed to build in more time for the Board to scrutinise reports and recommendations.

The Head of Governance and Corporate Services informed Members that there were plans to implement quarterly meetings between the Chair of the Authority and the Chair of the Board to improve communications and highlight any issues.

RESOLVED: Members agreed the Effectiveness Review report at Appendix A and the recommended actions therein.

12 2023/24 ANNUAL REPORT OF THE LOCAL PENSION BOARD

The Head of Governance and Corporate Services presented the draft Annual Report of the Local Pension Board 2023/24 and invited comments.

The Independent Advisor to the Board requested a correction to their term dates and this was noted. Members were asked to check the details of their training attendance in the report and inform the Governance Team of any discrepancies by 7 May 2024.

Members queried whether the training record data could communicate more obviously the past training of Members to make clear the Members has completed the training, just in a different municipal year. Officers acknowledged the need for this clarification and agreed to edit the training record design to reflect this.

RESOLVED:

- a. Members approved the Local Pension Board Annual Report 2023/24 in Appendix A of the report; and**
- b. Delegated to the Head of Governance & Corporate Services approval to update the annual report in consultation with the Chair before publication to reflect attendance at and outcomes of this meeting, including the final agreed outcomes of the Board's effectiveness review**

13 BENCHMARKING OF INVESTMENT AND PENSIONS ADMINISTRATION

The Director presented the results of Benchmarking exercises undertaken on both administration and investment activities by CEM as detailed in the report and noted the results were broadly positive reporting a low cost and high quality service despite having fewer staff and less money per Scheme Member than peer Funds. The areas for improvement were identified in the report and elaborated upon in the meeting.

Members asked for further explanation regarding the reasons behind performance in the areas for improvement, how SYPA was going to tackle these and what was the time frame for improving the metrics.

Officers explained there was a back log of work needing to be cleared and the lack of ability to prepare calculations in advance due to the implications of CARE pension schemes. It was expressed that not all metrics were equal and that the general result of the report was positive. The Director explained SYPA were investing to fund improvements in performance including funding to clear the back

log of work which would improve processes. The Assistant Director - Pensions assured Members that a Performance Officer was now in post and that increased and improved performance tracking could now take place which would identify priority areas to target. It was explained that this was ongoing work and timescales would depend on analysis of the data.

Members queried whether increase in staffing budget was linked to the back log of work that had negatively impacted certain areas in the benchmarking results and how long it would take new staff to become fully effectively trained.

The Director confirmed this was the case and that there had been a conscious decision to invest in staffing to improve service for Scheme Members. The Assistant Director Pensions stated it could take up to two years to fully train Pension Officers and acknowledged that this was an investment rather than a quick fix and that retention and succession planning would also need to be considered.

RESOLVED: Members noted the results of the most recent benchmarking of the Authority's activities undertaken by CEM.

14 QUARTERLY ADMINISTRATION UPDATE - INCLUDING PERFORMANCE REPORT

The Assistant Director - Pensions presented the report.

The Chair asked for further information on the Supplemental Pension Increase referenced in section 5.5. and also queried the age of the backlog and planned timescales for clearing the backlog of work.

The Assistant Director - Pensions explained that the Supplemental Pension Increase affected the calculations needed to accurately award pensions to deferred Scheme Members and that the complexity of these calculations and the high number of Scheme Members affected contributed to a significant backlog of work. The Director added that further data was needed to process the Supplemental Pensions Increase data and to explore whether clearing this backlog could be automated for efficiency.

The Assistant Director - Pensions communicated that clearing the backlog was in progress and that setting targets for timescales was part of the ongoing monitoring that was now being tracked. The Assistant Director - Pensions acknowledged the significant age of some of the outstanding work and explained that this was down to queries to employers which have received no response or have not been actioned; these queries were now being targeted with officers using existing data and evidence to manually resolve them.

Members commented on the role of employers in preventing the clearing of the back log and that prompt and accurate information from them was crucial in improving performance. It was also posited that employers were not always made aware of issues and that better communication between SYPA and employers would prevent enquiries stalling and creating a backlog.

The Assistant Director - Pensions responded that the new Employer Engagement Team was formed to improve communications and relations between SYPA and employers to minimise the amount and the age of any outstanding work going forward and improve overall Scheme Member experience. It was stated that work was ongoing to update the efficacy with how problems and queries were communicated between employers and SYPA and how responses and resolutions were tracked and reported.

Members asked for a timescale for the implementation of dashboards once an ISP had been appointed.

The Assistant Director - Pensions stated that internal plans for implementation were being drafted and could be actioned once an ISP provider had been appointed. The timeline depended on the consultation period needed to find the optimum provider with the idea that one be appointed by the end of Summer 2024 if a suitable candidate was found. The Assistant Director - Pensions stated that the Local Pension Board would not be involved in the consultation but that the outcome and reasoning of any decision would be presented to the Board before implementation if practicable.

The Assistant Director - Pensions also suggested the scheduling of a presentation to the Board on the functionality of the proposed dashboards and how they aim to increase and improve Scheme Member engagement online.

RESOLVED: Members accepted the report and indicated the areas where they would like to receive further details.

15 REVIEW OF KEY COMMUNICATIONS

The Assistant Director - Pensions presented the report that updated Members on the information sent to Scheme Members on the Annual Benefit Statement and invited comments to inform a reorganisation of the information for the following year.

Members commented that certain key information could be summarised on page one to reach a maximum audience and avoid Scheme Members being mistakenly misled.

Members queried how e-comms was managed regarding Scheme Members who had no email or a deactivated email.

The Assistant Director - Pensions clarified that all Members needed a valid email address to access their account (unless they had opted out at a legitimate opportunity) and from there could view the Annual Benefit Statement. Scheme Members with no email or a deactivated email could not access their account or the key communications sent to them so needed to be identified and targeted regularly to add a valid address as part of a communications plan.

The Chair stated the need to reduce queries from Scheme Members to employers.

The Assistant Director Pensions stated that feedback from employers was welcomed and they will be consulted on the changes to how the Annual Benefit Statement is presented to Scheme Members to ensure minimum unnecessary queries in response to key communications. It was stated Scheme Member feedback was also welcomed and that various methods to acquire this feedback would be considered.

RESOLVED: Members accepted and commented on the report.

16 PLANNING OF LOCAL PENSION BOARD NEXT MEETING AGENDA

The Head of Governance and Corporate Services presented the draft agenda and noted the request for a presentation on the Pentana Risk Management System.

RESOLVED: Members accepted the draft agenda for the August meeting as set out in paragraph 5.1 of the report.

17 PRIVATE PAPERS (IF ANY) FROM AUTHORITY MEETINGS FEBRUARY & MARCH 2024

The Director answered any queries Board Members had on the reports consider by the South Yorkshire Pensions Authority in the absence of the public and press at meetings on 8 February 2024 and 14 March 2024.

RESOLVED: Members noted the reports.

CHAIR

South Yorkshire Pensions Authority Local Pension Board Action Tracker

Action Ref	Meeting Date When Action was Set	Agreed Action (Completed actions listed first)	Responsible Officer	Status	Date Closed	Update	Target Date for Completion
5	March 2023 Effectiveness Review	Shorter more succinct report on pensions administration for future meetings.	Assistant Director - Pensions	To be closed with Board agreement		Assistant Director Pensions is now using a new reporting format that will continue to evolve as necessary in agreement with the Board.	August 2024
7	March 2023 Effectiveness Review	Reflect on the Board's feedback re: online training and knowledge assessment when planning future activities.	Head of Governance	To be closed with Board agreement		A variety of training formats are being used and feedback sought from Members after each session. Fully incorporated into the L&D strategy and this year aiming to introduce individual training plans. Suggest this action can now be closed as superseded by the actions from the 2024 Effectiveness Review - Action Ref 34 below.	April 2024
8	March 2023 Effectiveness Review	Develop plan to improve succession planning for Board membership.	Head of Governance/Chair	To be closed with Board agreement		Succession planning is now being regularly monitored through coverage in the governance update report brought to every Board meeting.	August 2024
14	10 August 2023	Present Pentana Dummy report to LPB in the new year.	Head of Governance	To be closed with Board agreement		The Pentana risk register report has now been developed and is on the agenda for this August meeting.	August 2024
22	09 November 2023	Discuss persistent and vexatious complaints at a future meeting.	Director/Assistant Director - Pensions	To be closed with Board agreement		A policy on Vexatious Complaints and Unreasonable Behaviour was approved by the Authority at their June meeting.	April 2024
32	25 April 2024	Book quarterly meetings between the Chair and Vice Chair of the Authority and the Chair and Vice Chair of the Board to improve communications and highlight any issues	Governance Officer	To be closed with Board agreement		Meetings booked 12/8/2024 12/11/2024 24/2/2025 9/6/2025	July 2024
11	10 August 2023	More areas of governance to be included on 2024-2025 Audit plan.	Head of Governance	In progress		The internal audit plan for 2024/25 was included in the April Governance Update report showing the range of coverage planned. In addition, a separate independent governance review was completed by external consultants and a working group has been established to develop an action plan.	June 2024
15	10 August 2023	Project Plan which outlines the agreed actions to address the service pressures to be brought to the Board at the next meeting.	Assistant Director - Pensions	In progress		AD - Pensions now includes these areas in reporting on pensions administration for the Board. This action has been kept on the tracker at the request of the Board.	Ongoing
25	15 February 2024	Arrange a joint session for Members of the Local Pension Board and Authority in June to discuss the results of the Independent Governance Review to help shape the actions taken by the Authority.	Head of Governance	In progress		Independent Governance Review informal working group established, comprising 2 Board members and 3 Authority members, with 2 meetings scheduled in July and August 2024.	November 2024
31	25 April 2024	Audit report on Pentana Risk System Post Implementation Review to be brought to the Board when complete. Update on Audit work regarding performance management framework to be provided at a suitable stage.	Team Leader - Governance	Open		The audit on Pentana Risk System is scheduled to take place during Q3. Audit involvement on performance management framework is in advisory/ critical friend capacity and is ongoing.	February 2025

South Yorkshire Pensions Authority Local Pension Board Action Tracker

Action Ref	Meeting Date When Action was Set	Agreed Action (Completed actions listed first)	Responsible Officer	Status	Date Closed	Update	Target Date for Completion
33	25 April 2024	Presentation to the Board on the Pensions Dashboard Programme to be scheduled	Assistant Director - Pensions	Open			
34	2024 Effectiveness Review	Ensure that the training strategy links to needs identified in knowledge assessment.	Governance Officer	In progress		The L&D Strategy is informed by the knowledge assessment results and we will be participating in this again during this municipal year. Plans are also in place to develop and introduce individual training plans for members this year, to ensure that individual training needs are assessed and met.	This area is always ongoing. Re-assess progress in March 2025.
35	2024 Effectiveness Review	Provide training / briefings on issues facing LGPS nationally.	Governance Officer	In progress		The Authority aims to ensure the programme of internal training events / seminars and the away day includes current issues facing LGPS, there is a LOLA module on current issues which is regularly updated by Hymans, topical and national issues are included in the monthly member newsletters with links to webinars etc. and members are encouraged to attend conferences during the year including CIPFA LPB conference, LGA Governance conference, Border to Coast annual conference.	March 2025
36	2024 Effectiveness Review	Review and restructure the online Reading Room to make this more user friendly and easier to navigate	Governance Officer	In progress		Work has started on reviewing the contents and will continue over the next couple of months.	December 2024
37	2024 Effectiveness Review	Board to discuss with the Authority ways in which the Board could have greater input with Authority matters before decisions are made	Chair / Head of Governance and Corporate Services	In progress		Actions to progress this aim include a more structured agenda for the joint Chair and Vice Chair meetings and will be included in the Independent Governance Review action plan.	December 2024
38	2024 Effectiveness Review	Develop plan to improve the profile of the Board with members and employers		Open		Requires further discussion by the Board	

Subject	Governance, Regulatory and Policy Update	Status	For Publication
Report to	Local Pension Board	Date	08 August 2024
Report of	Head of Governance & Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance & Corporate Services	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide Local Pension Board members with an update on current governance related activity and regulatory matters.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. Note the updates 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 showing prudence and propriety at all times.

- 3.2 The contents of this report are part of the arrangements in place to ensure good governance.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to actions that will contribute to addressing risks around regulatory compliance.

5 Background and Options

- 5.1 This report provides updates on current activities and regulatory matters relevant to the Authority's overall governance framework.

Board Membership

5.2 The membership of the Board is now as follows:

Name	Date of joining	Nominated by/ Representing	Term of Office (to)
Employee Representatives			
David Webster	October 2019	Selected from active, deferred and pensioner members	June 2025 (2 nd Term)
Andrew Gregory	July 2019		September 2025 (2 nd Term)
Martin Badger	June 2024	Unison	June 2027 (1 st Term)
Sheldon McClure	August 2024	Unite	August 2027 (1 st Term)
Vacant	Vacant from June 2024	GMB	N/a [Currently vacant]
Employer Representatives			
Riaz Nurennabi (Chair)	August 2022	Sheffield Hallam University	November 2025 (1 st Term)
Cllr Ken Richardson	May 2022	Local Authority	May 2025 (1 st Term)
Cllr Linda Beresford	June 2024		June 2027 (1 st Term)
Nicola Gregory	January 2018	Academies	December 2026 (3 rd Term)
Debbie Carrington	June 2024	South Yorkshire Police	June 2027 (1 st Term)
Independent Adviser			
Neil Mason	August 2024	-	July 2027

5.3 Danny Gawthorpe, the former Unite union representative, stood down from the Board on 09 July due to a change in his role. We welcome Sheldon McClure to the Board to replace Danny as the Unite representative member from August 2024.

5.4 We also welcome other new members joining the Board since June – Martin Badger representing Unison, Cllr Linda Beresford from Rotherham MBC, and Debbie Carrington from South Yorkshire Police.

5.5 Work has been ongoing since November 2023 to try and secure a replacement representative from GMB in preparation for the expiry of the term of office of the previous representative, which came to an end in June. The Chair has now written to the GMB regional representative to seek an update and resolution for this vacancy.

Independent Adviser

5.6 Following a competitive recruitment process, Neil Mason has been appointed as Independent Adviser with effect from 1 August 2024. The appointment will be notified to the Authority at their September meeting.

Succession Planning

- 5.7 The process for succession planning for the Board continues to be developed with continuous monitoring taking place. Actions are planned to recruit replacements and provide advance notice of terms coming to an end to the Board.
- 5.8 Membership term end dates falling in 2025 are listed below and discussions will be held at a suitable stage regarding continuation of service for second or third terms where applicable as part of planning for any impact to the Board membership.
- Cllr Ken Richardson May 2025 (1st Term) elected member from Barnsley MBC; the seat will rotate to City of Doncaster Council next year.
 - David Webster June 2025 (2nd Term)
 - Andrew Gregory September 2025 (2nd Term)
 - Riaz Nurennabi November 2025 (1st Term)

Member Training and Development

- 5.9 The Members Learning and Development Strategy 2024/25 was approved at the Authority meeting on 06 June. It was agreed that core mandatory training will be completed every two years to ensure knowledge and skills are kept up to date.
- 5.10 To support this, a schedule to deliver the mandatory training requirements has been circulated to all members with the option of hybrid training sessions with officers on hand to support for anyone who would find this helpful. The first session took place on 12 July and a further two sessions are scheduled in August and September. The aim is to ensure all members will have completed the required training by 30 September 2024.
- 5.11 Following the success of last year's event, our second Member Development Away Day will take place on Thursday 28 November 2024 with a range of topics to be covered, including investment beliefs and strategy and pensions administration strategy. The event will be held in the centre of Barnsley at the DMC venue on County Way – full details will be circulated nearer the time.
- 5.12 Work is underway to develop individual training and development plans and a skills matrix for all LPB and Authority members. This will be implemented in the Autumn to pilot in the second half of this municipal year. In addition, the 12-month induction programme for new members is currently being embedded with new members who have joined since June 2024.
- 5.13 The table below provides the current position of compliance against the mandatory online training modules.

Target Date for Completion		Authority	LPB	Audit & Governance Committee Independent Member	Total Number	Percentage Compliant
	Total Number of Members	15	9	1	25	
15 July 2024	Module 1 - Committee Roles & Pensions Legislation	11	7	1	19	76%
	Module 2 - Pensions Governance	11	7	1	19	76%
	Module 3 - Pensions Administration	11	6	1	18	72%
15 August 2024	Module 4 - Pensions Accounting & Audit Standards	4	1	1	6	24%
	Module 5 - Procurement & Relationship Management	4	1	1	6	24%
	Module 6 - Investment Performance & Risk Management	4	1	1	6	24%
16 September 2024	Module 7 - Financial Markets & Knowledge	3	1	1	5	20%
	Module 8 - Actuarial Methods & Practices	3	1	1	5	20%
	TCFD Enhanced Module	1	1	1	3	12%

5.14 We last participated in the national knowledge assessment conducted by Hymans Robertson in February 2023. The results informed our member training programme in 2023/24 and 2024/25. Given the volume of changes to membership across the Authority and LPB since then, and as good practice to assess training needs on a regular basis, we will be asking members to complete the next national knowledge assessment which is due to be available later in 2024. The assessment will be closely aligned with the structure and content of the LOLA training.

Internal Audit - Progress on Agreed Management Actions

5.15 The latest progress update on agreed management actions arising from audit reviews was provided to the July meeting of the Audit & Governance Committee and is attached at **Appendix A**. The table in the appendix shows progress updates in regard to actions that are still ongoing and details of seven actions that have been fully completed since the last update report.

New Government and King's Speech

- 5.16 The new Government has appointed the following to ministerial positions relevant to pensions and the LGPS.
- Ministry of Housing, Communities and Local Government (MHCLG):
Secretary of State: Angela Rayner MP
Minister of State: Jim McMahon MP (with responsibility for LGPS policy)
 - Parliamentary Secretary at both HM Treasury (HMT) and Department for Work and Pensions (DWP): Emma Reynolds MP.
 - HMT:
Chancellor of the Exchequer: Rachel Reeves MP
Economic Secretary to the Treasury: Tulip Siddiq MP
 - DWP:
Secretary of State: Liz Kendall MP
- 5.17 The Chair of the Scheme Advisory Board (SAB) has written to welcome Jim McMahon to his role as Local Government minister and to request a meeting to discuss priorities. The letter is published on the SAB's website [here](#). The letter highlights the aim to understand and remedy the gender pensions gap, make changes around survivor benefits and implement the Good Governance recommendations given the progress already made in these areas. Climate risk reporting requirements and the "full pooling" target of 1 April 2025 are also mentioned as a priority to clarify for the LGPS.
- 5.18 The King's Speech on 17 July included the announcement of a Pension Schemes Bill. The initial proposals for this bill do not appear to have significant impact for the LGPS directly. The proposals include:
- a. Automatic consolidation of multiple small DC pension pots.
 - b. Ensuring trust-based DC schemes meet a standardised value for money test.
 - c. Ensuring trustees of occupational schemes offer a range of retirement income solutions to scheme members.
 - d. Creating superfunds for closed legacy Defined Benefit (DB) schemes.
 - e. Confirming that the Pensions Ombudsman is a "competent court" and that schemes will no longer have to take Ombudsman decisions to the courts to be enforced.
 - f. Amending end-of life rules to allow eligible members within the Pension Protection Fund and Financial Assistance Scheme to receive a lump sum payment at an earlier stage.
- 5.19 A National Wealth Fund bill was also announced, which will align the UK Infrastructure Bank and the British Business Bank "to invest in the new industries of the future". The National Wealth Fund (NWF) has a working group who will explore opportunities for investment which includes representatives from the Brunel Pension partnership and Universities Superannuation Scheme, as well as former Bank of England governor Mark Carney.
- 5.20 Following the speech, the Government announced a pensions review. Outlining that the review will be aimed at boosting UK investment, increasing pension pots and tackling perceived waste in the pensions system. This work will cut across key departments with HMT, DWP and MHCLG involved to ensure the review examines the whole breadth of the UK's pension landscape. Emma Reynolds MP will lead the review alongside the Chancellor of the Exchequer and Jim McMahon MP as the Minister responsible for the LGPS. The review will take place in two phases: the first phase will focus on investments while the second phase, starting later in the year, will consider

the further steps required to improve pension outcomes including assessing retirement adequacy.

- 5.21 The LGPS is a target of this review, with a stated aim ‘to make it an engine for UK growth’. The review appears to be taking forward the actions started by the previous Government to accelerate pooling, as reference is made to the (new) Government considering mandating of pooling if there is not enough progress by March 2025. Further consolidation will also be considered as part of the review, with the aim to reduce the £2bn spent each year across the LGPS in fees.
- 5.22 After the review was announced, an industry roundtable was held at Downing Street and the Chief Executive of our Border to Coast pool, Rachel Elwell, was one of the attendees invited to discuss the detail of the review. She said:
 “Our focus is on delivering a strong and sustainable LGPS to enable it to pay the pensions of the 6.6 million local government workers in an affordable and sustainable manner. Through the commitment and support of our Partner Funds, Border to Coast has developed innovative and cost-effective investments, while cutting Private Market fees by almost 30%. We welcome the opportunity to work with the Government on a co-ordinated review to consider how the LGPS can continue to deliver for hard-working members, generate even greater value to local taxpayers, and deliver productive investment in the UK”.

Response to Ministerial Letter

- 5.23 As separately notified to members, the Authority has written to the MHCLG on matters raised by Simon Hoare MP, then Minister for Local Government, in his letter to Local Government Pension Scheme Funds in May 2024. The Authority’s letter is published on our website at: [News & information \(sypensions.org.uk\)](https://www.sypensions.org.uk) and was circulated by e-mail to Board members.
- 5.24 Border to Coast Pensions Partnership has also sent a response to MHCLG on behalf of the 11 partner funds. Their letter is available on their website at: [Ministerial response: A shared vision for the LGPS - Border To Coast](#).

6 Implications

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

Financial	There are no direct financial implications arising from this report. Allowances for members, fees for the independent adviser and training costs are already incorporated in the LPB Budget for the year.
Human Resources	None.
ICT	None.
Legal	None.
Procurement	None.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection

Table 1: Progress Updates on Actions Agreed from Internal Audit Reviews

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
Budget Management and Monitoring- Documented Procedures and Training	March 2023	<p>A clearly defined process and appropriate training for budget management and monitoring will be implemented to avoid uncertainty of roles and responsibilities and inconsistencies in processes.</p> <p>An over reliance on the Assistant Director – Resources could result in budget managers and holders neglecting their specific responsibilities for financial management.</p> <p>Failure to implement robust financial management and monitoring arrangements resulting in a failure to effectively manage budgets, with variances identified and appropriate corrective actions not implemented in a timely manner. In addition, in the absence of key staff, this could impact on business continuity.</p>	<p>The agreed action was to increase the level of delegation of this work to the Head of Finance & Performance (HoFP) and the Finance Team Leader, to involve Senior Finance Officers as well, and to develop a procedure manual that will be kept under review on an on-going basis. This will be coupled with training for these officers in this area – primarily on-the-job training, supplemented by appropriate CPD training on the principles and practice of budget management.</p> <p>The majority of this action has already been achieved with the budget monitoring work for 2023/24 fully delegated to the HoFP supported by the FTL and the Senior Finance Officers who have received on-the-job training and development throughout 2023/24. This has been an iterative process through working on the four quarterly monitoring reports and the budget setting process for 2024/25.</p> <p>The final two tasks outstanding in this area are as follows:</p> <ul style="list-style-type: none"> •Full calendar of all Finance reporting deadlines in place to ensure workload is resourced correctly throughout the team. •Procedure manuals for the budget monitoring work to be fully documented. <p>The two tasks above are partially completed, but not yet finalised for review. The two tasks will be finalised for review through the Q1 budget monitoring process in July 2024.</p>	<p>Head of Finance and Performance</p> <p>Revised from March 2024 to July 2024</p>

Progress Update on Agreed Management Actions
Appendix A

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
Information Governance Records Management / Document Retention Policy	Updated by annual work programme of DPO	Although a Records Management Policy is in place, it is acknowledged that this is currently lacking a sufficient level of detail to make it a practical basis for determining document retention for the many different categories of records across the organisation. Office.	<p>This action is contained with the Information Governance Action Plan and forms part of the second phase of the plan, which is regularly reviewed with the Corporate Assurance Team.</p> <p>The work on Information Management and Governance is a very significant and large scale project covering a wide range of policies and therefore has been planned in phases over a longer period.</p> <p>As part of the second phase of implementation, a more detailed update of the Records Management / Document Retention Policy is currently being developed, this will be linked to the review of the data asset register. Therefore, to allow for the detailed review required and involvement / engagement across the different service areas across the organisation, the target date for completion has been moved to December 2024.</p>	<p>Head of Governance and Corporate Services</p> <p>Revised from March 2024 to December 2024</p>

Table 2: Actions Fully Completed Since Last Report

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
End to End Interfund Transfer In - Interfund Transfer Process Delays	May 2023	<p>Delays in the interfund process may impact on the member's ability to transfer their previous pension rights and impact on the benefits available to them when accessing their pension.</p> <p>A review of the reminder process is required which will consider the frequency of reminders issued, content within standard reminder documentation and how reminders are evidenced on the UPM system to provide for a complete audit trail.</p>	<p>Plans to message the Pension Manager of the fund we are awaiting the interfund from have been developed and will be implemented to avoid delays.</p> <p>A plan is now in place to make changes to the reminder letter and any subsequent chasers will be evidenced separately on the system.</p> <p>AMA Completed</p>	<p>Service Manager Benefits</p> <p>Completed April 2024</p>

Progress Update on Agreed Management Actions
Appendix A

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
End to End Interfund Transfer Process - Lack of Escalation Procedure	May 2023	Failure to establish a formal escalation route to report issues / concerns in relation to the receipt of pension contributions from the previous pension provider impacting on management's ability to address areas of concern and ensure that interfund transfers are processed in a timely manner.	<p>All Pensions Officers know to escalate any issues to their team leader or SP however and this process will be captured in our process guides. A formal system of reporting any backlogs to SMT is also now in place.</p> <p>AMA Completed</p>	<p>Service Manager Benefits</p> <p>Completed April 2024</p>
Online Retirement Tool - Added Voluntary Contributions	January 2021	Ensure that previously identified AVC concerns are resolved to prevent any issues having an impact on the successful delivery of the Online Retirement Tool.	<p>This action was originally around AVC provider delays causing issues with the launch of the deferred online retirement journey. The journey launched successfully and was not negatively impacted by AVC provider delays.</p> <p>AMA Completed</p>	<p>Service Manager – Benefits</p> <p>Completed April 2024</p>
Procurement Compliance (Follow Up) - Procurement Governance Framework	October 2023	Guidance requires updating to mitigate the risk of not complying with legislative requirements and ensure a consistent approach be applied to procurement processes undertaken.	<p>The Contract Standing Orders (CSOs) have now been updated to refer to the Gateway Approval Document and revised internal thresholds. These revisions are limited and within the delegated authority of the Chief Finance Officer, therefore not required to be taken to Authority for separate approval. However, the separately planned full review of the CSO's to take account of changes required as a result of the new procurement bill will be taken to the Authority for approval in September.</p> <p>The scope of this agreed action was solely on the limited updates for referring to the gateway approval and internal thresholds, therefore this action can now be closed off.</p> <p>AMA Completed</p>	<p>Team Leader – Governance</p> <p>Completed June 2024</p>

Progress Update on Agreed Management Actions
Appendix A

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
Actuarial Transition - Project Management	March 2023	The absence of a Project Management Framework to effectively manage the actuarial transition may result in a lack of clarity with regards to roles and responsibilities, inability to manage / monitor / mitigate risks relating to transfer of the actuary and failure to meet project objectives.	<p>Following the appointment of the Service Manager - Programmes and Performance, appropriate project management arrangements are now in place and have been rolled out. These will be used for any future actuarial transfers.</p> <p>AMA Completed</p>	<p>Assistant Director – Pensions</p> <p>Completed April 2024</p>
Risk Management - Operational Procedures	November 2022	Lack of operational procedures and relevant training may result in uncertainty of roles and responsibilities, inconsistencies in processes, failure to adhere to requirements and/or a lack of appropriate approvals. In addition, in the absence of key staff, this could impact on business continuity.	<p>Risk Management training was delivered in September 2023 for all managers and officers with relevant responsibilities, including SMT and middle managers.</p> <p>The Risk Management Framework was updated and approved by the A&G Committee in December 2023. This was a comprehensive update that included incorporating improvements based on the risk management training received and expanding on the processes and guidance for managers in implementing risk management, that will be complemented with direct support from the Governance team when setting up new operational risk registers.</p> <p>AMA Completed</p>	<p>Head of Governance</p> <p>Completed April 2024</p>
HR Appraisals Process - Appraisals Process - Line Managers	March 2024	Failure of Managers to consistently apply the HR Appraisals process to ensure the consistent and fair monitoring of Line Managers across the Authority, impacting on the effectiveness and efficiency of the organisation.	<p>Middle managers and SMT were informed/reminded of the requirements when completing PDR's and 1:1's at a Leadership Team meeting in January 2024.</p> <p>The current 1:1 form has been adapted to include a new section around People Management for Line Managers – requiring their line manager to ask them if all 1-1s, probationary reviews and appraisals (as relevant) have been completed as required and this is now in use.</p> <p>AMA Completed</p>	<p>HR Business Partner</p> <p>Completed June 2024</p>

Subject	Independent Governance Review Report	Status	For Publication
Report to	Local Pension Board	Date	08 August 2024
Report of	Head of Governance & Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance & Corporate Services	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To present to the Local Pension Board members the Governance Review undertaken by Aon.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. Note the report and actions being taken.**

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 showing prudence and propriety at all times.

- 3.2 The contents of this report are part of the arrangements in place to ensure good governance.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to actions that will contribute to addressing risks around regulatory compliance.

5 Background and Options

- 5.1 Members will be aware that the Authority commissioned an independent governance review that was carried out by Aon between February and June 2024. This is

something that will be required for all LGPS funds to carry out every two years when the Scheme Advisory Board's good governance proposals are implemented.

- 5.2 Aon attended the member development morning held on 6 June to present the findings of their review to both Authority and Board members in attendance. Their full report is attached at Appendix A.
- 5.3 The review highlighted many positive findings and concluded that the governance in place is of an excellent standard in the vast majority of areas, meets nearly all legal requirements in scope of the review, and demonstrates best practice in a number of areas. It is noted that the review did not highlight any significant issues but includes some recommendations for improvements or further consideration.
- 5.4 Many of the areas highlighted for improvement had previously been identified from other work including the assurance process for the Annual Governance Statement, the Board's effectiveness review, the Audit & Governance Committee's effectiveness review and the assessment of compliance with the Pensions Regulator's new General Code of Practice that was undertaken alongside this review.
- 5.5 Aon's report refers to the General Code of Practice and the compliance assessment undertaken with officers, highlighting the key elements that relate to other aspects of their review. A separate report with further detail on the compliance assessment results for the Board is included elsewhere on this agenda.
- 5.6 Following the presentation on 6 June, it was agreed to establish a small, informal working group comprising both Board and Authority members alongside officers to collaborate on the creation of a draft action plan to address the findings and recommendations arising from the review report.
- 5.7 Members were asked to volunteer for the group, and it was established as follows.
- | | |
|-----------------------------------|---|
| <u>Authority and LPB Members:</u> | <u>Officers:</u> |
| Councillor James Church | Gillian Taberner, Assistant Director – Resources |
| Councillor David Fisher | |
| Councillor David Nevett | Jo Stone, Head of Governance & Corporate Services |
| Nicola Gregory | Annie Palmer, Governance Team Leader |
| David Webster | |
- 5.8 The aim is for the group to complete their task over the course of two meetings in July and August so that a proposed action plan will be drafted ready for Board consideration at their next meeting in November for comment and recommendation to the Authority.
- 5.9 The group met on 12 July and the second meeting is scheduled for 23 August.
- 5.10 Once approved, the action plan will be monitored and regular updates on progress will be presented to the Board and to the Authority.

6 Implications

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

Financial	There are no direct financial implications arising from this report. The costs of the Governance Review were included in the budget.
Human Resources	None.
ICT	None.
Legal	No direct implications.
Procurement	None.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection
None	

This page is intentionally left blank

Governance Review 2024

South Yorkshire Pension Fund

Prepared for: South Yorkshire Pensions Authority
Prepared by: Karen McWilliam, Liam Robson and Mary Lambe
Public Sector Team, Aon Wealth Solutions

20 May 2024

Private & confidential

At a glance...

The purpose of this review is to consider whether South Yorkshire Pensions Authority, the Administering Authority for the South Yorkshire Pension Fund, is meeting good practice in relation to the governance of the Fund and also recommend any potential areas for improvement.

The last review of governance was completed in September 2020 by Hymans Robertson.

The approach taken when carrying out this latest review has been to compare the Authority's current practices (at a high level) against the Aon governance framework.

The framework considers the following key areas:

Direction – What is the Fund trying to achieve?

- Legislation
- Strategies and Policies

Delivery – How does the Fund meet its aims?

- Business Planning
- Performance Measurement/Monitoring
- Risk Management

Decisions – Does the Fund have effective decision making?

- Governance Structure
- Behaviour
- Pensions Skills and Knowledge

Conclusions and Recommendations

Our overall conclusion is that the governance of the SYPA is of an excellent standard in the vast majority of areas, meets nearly all legal requirements in the matters we have considered, and is demonstrating best practice in a number of areas. In our view, the governance of the SYPA is of much higher quality than the majority of other LGPS funds, and we believe much of this is driven by the fact the organisation is a single purpose Local Authority.

Our review has not highlighted any significant issues. However, we have made some recommendations for areas of improvement and/or points to consider or revisit. These are explained in detail throughout our report and some of the key areas are summarised below:

- Review and update the Authority terms of reference regarding co-opted members and the duplication of membership between the Authority and the Local Pension Board
- Ensure all legal deadlines are being monitored, particularly relating to administration procedures (and these in turn should feed into the breaches log)
- As part of forthcoming review of the Performance Management Framework, ensure performance measures align with the SYPA's aims and objectives contained within its various strategies and policies, and aim to develop some consistency in the format of reporting across the various areas
- Review the structure and content of Authority, Committee and Board reporting to provide assurance that key matters are being highlighted and understood, national developments are not being missed and the level of detail is appropriate
- Review how the risk relating to the level of change relating to key investment officers and advisers is considered within the risk register (which in turn should ensure the key mitigating factors are considered)
- Consider how to achieve greater continuity of membership, particularly in relation to the Local Pensions Board
- Look for ways to expand Authority and Board members' knowledge through increased attendance at external events
- Improve the effectiveness of the relationship between the Local Pension Board and the Authority, for example, by attendance of Board members at Authority meetings and increasing opportunities for the Board to consider and comment on matters prior to them being taken to the Authority
- Finalise work on the SYPA's Business Continuity Plan and expand on how the risk of cybercrime is being managed.



Next steps

We recommend that the Administering Authority considers and discusses the recommendations set out in this report. We further suggest that an action plan is developed in relation to implementing these recommendations, in order that progress can be monitored on an ongoing basis.

Contents

At a glance.....	2
Introduction	5
Governance Framework.....	7
Direction – What are you trying to achieve?	13
Delivery – How do you meet your aims?.....	24
Decisions – Do you have effective decision making?	28
Conclusions	42
Appendix	43
Appendix A – Reference Material	44
Appendix B – TPR General Code of Practice Module Interpretation for PSPS (Aon’s view)	45
Appendix C – Interview Schedule	47



Introduction

Purpose and Scope

This paper sets out the findings of Aon's governance review of South Yorkshire Pension Fund (the "Fund"). South Yorkshire Pensions Authority, as the Administering Authority¹ ("SYPA") is responsible for managing and administering the Fund, which is part of the Local Government Pension Scheme ("LGPS").

The purpose of this review is to consider whether the Administering Authority for the Fund is meeting good practice in relation to the governance of the Fund and recommend any potential areas for improvement. We have compared the Administering Authority's practices against the Aon governance framework which considers areas such as the role of the Pensions Committee ("the Authority") and Local Pension Board, how the SYPA takes advice, and the key documents and policies that govern the Fund. The Aon governance framework is explained further in the next section of this report.

As part of our review, we have also had regard, at a strategic level, to the expected requirements arising from the Scheme Advisory Board's ("SAB") Good Governance² project and the Pension Regulator's ("TPR") new General Code of Practice³ and have made reference to these documents throughout this report as appropriate.

The review has generally been carried out at a high level and has not involved any detailed investigation into services such as administration, communications, funding, or investments. Accordingly, it does not provide any technical comment in relation to any of these areas.

The review does include consideration, at a high level, of the legal requirements relating to governance, for example, the requirement to publish certain policies and strategies under LGPS legislation. Although it includes some legal elements, these are presented by us in our capacity as pension consultants and not as legal experts, and as such nothing in this report should be considered as legal advice.

Research

The information upon which this review has been based has been gathered through:

- Desk-top review of key reports, strategies and policies governing the Fund and web information. The documents considered are listed in Appendix A.

We hope the information contained within this report is useful to South Yorkshire Pensions Authority in considering how best to govern the Fund in the future. As you can see, the findings are extremely positive in most places.

We look forward to answering any questions in relation to the report, and particularly any areas where we have highlighted that improvements could be made.

¹ Also known as the Scheme Manager.

² LGPS Advisory Board - Good Governance <https://lgpsboard.org/index.php/good-governance>

³ The Pensions Regulator <https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice>

- Papers and minutes of meetings of the Authority, Audit and Governance Committee, Staffing Committee and Local Pension Board over the past 12 months.
- Observations of meetings and interviews with the senior management team and several Authority and Local Pension Board members.

Governance Framework

This section describes Aon’s best practice framework against which this review was conducted.

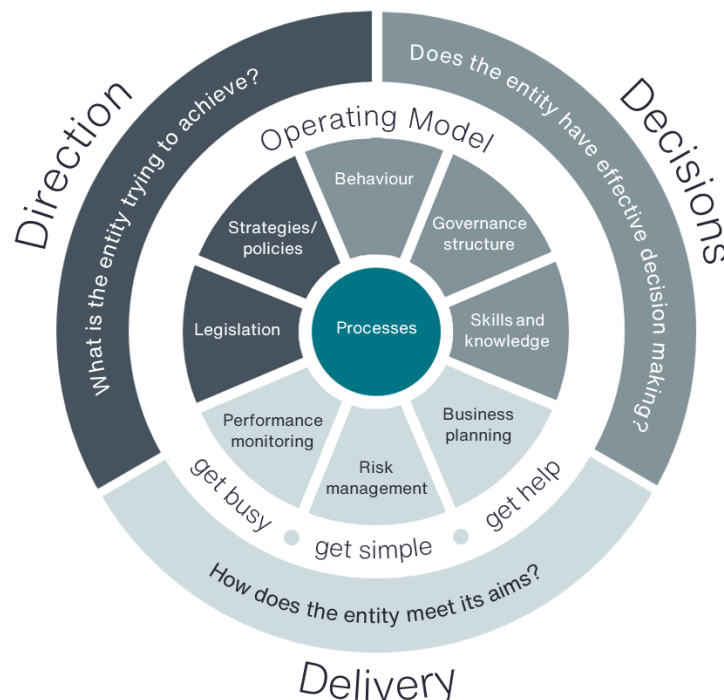
There are some key benefits from having effective governance in place, including:

- Robust risk management that can assist in preventing issues from arising, or at least reducing their impact should they arise
- Ensuring resources and time are appropriately focussed
- Timely decision making and implementation of change
- A clear view of how the Fund is being operated and making use of the Pensions Committee (which in this case is the Authority).

At Aon, we have a number of beliefs when it comes to achieving good governance including:

- Direction – having clear strategies and policies that also meet legislative requirements are fundamental
- Delivery – having a clear plan for implementing the Fund's strategies and policies, together with appropriate monitoring as to whether they are being achieved, and good risk management ensure effective and efficient delivery
- Decisions – having an appropriate governance structure, involving the right people, with the right attitude and the appropriate skills and knowledge is key.

These beliefs are shown in the following diagram and described in more detail below.






Aon governance framework

Direction – What are you trying to achieve?	
Legislation, Code and guidance	The Fund's strategies and policies should be in line with legislative requirements, Pensions Regulator General Code of Practice and any related statutory and non-statutory guidance.
Strategies and policies	<p>The Fund's strategies and policies should clearly set out the aims, principles, protocols and environment for how the Fund is managed. The strategies and policies:</p> <ul style="list-style-type: none"> • should be wide ranging covering all key areas including funding, investments, finance, administration, communications and governance itself • should be clearly articulated, to provide a framework within which those managing the Fund are able to operate • should provide the focus for all future decisions and plans • should be agreed by those responsible for governing the Fund.
Delivery – How do you meet your aims?	
Business Planning	<p>The Fund should have an approved business plan, with associated budget, setting out required activities in the forthcoming period. Those activities:</p> <ul style="list-style-type: none"> • should be driven by the Fund's strategies and policies • will include activities driven by changes in overriding legislation.
Performance Measurement	<p>Those responsible for governing the Fund should be provided with appropriate performance information. Measurements should:</p> <ul style="list-style-type: none"> • demonstrate whether the Fund's aims are being achieved • cover the full range of key areas (e.g. investments, funding, governance, communications and administration) • demonstrate whether the Fund's business plan is being achieved • be updated in accordance with appropriate timescales • be presented in a manner that is easy to follow and understandable to those governing the Fund • assist in identifying changes to the Fund's business plan, strategies, policies and aims.
Risk Management	<p>Effective risk management is critical to minimise the impact and/or probability of unfortunate events and to maximise the realisation of opportunities. It should be:</p> <ul style="list-style-type: none"> • aligned with the Fund's aims • a key consideration in decision making • systematic or structured • an integral part of the Administering Authority's processes and procedures on a daily basis.

Decisions – Do you have effective decision making?	
Governance structure	<p>There is no one 'correct' governance structure. The Administering Authority's structure should:</p> <ul style="list-style-type: none"> • have clear terms of reference • have a clearly documented scheme of delegation • allow decision making at the appropriate level and quick decision making where appropriate • include appropriate representation from stakeholders • ensure there is sufficient diversity of thought/approach amongst those tasked with making decisions • involve well-presented information/reports • allow sufficient time for discussion where necessary • have good quality (committee) administration (e.g. issuing papers in good time) • involve a process for managing conflicts • provide transparency to stakeholders where appropriate.
Behaviour	<p>A good governance structure will not be effective unless it involves the right people with the right attitude. Individuals should:</p> <ul style="list-style-type: none"> • have a high level of attendance at meetings and training • demonstrate integrity in relation to their Fund role • be engaged and provide appropriate challenge • be accountable for the decisions made • highlight any potential conflicts they may have • prepare adequately for meetings • for a Chair, manage the meetings fairly without any bias to individuals or self and enable all attendees to express their views or opinions openly.
Knowledge and skills	<p>A critical element is the need for those managing the Fund to have the appropriate level of knowledge and skills. Administering Authorities should:</p> <ul style="list-style-type: none"> • clearly articulate the knowledge and skills requirements in a Fund policy • provide ongoing training in an effective and suitable manner to meet those requirements • regularly review whether knowledge aspirations are being met • ensure they rely appropriately on officers and advisers to provide expert knowledge.

RAG rating

Throughout this report we have included comments which we hope are useful to the Administering Authority in highlighting areas of good practice but also identifying areas for potential improvement. To provide some greater clarity on the intention of our comments and allow these areas to be quickly identified, we have included graphics to illustrate whether they are:

-  – meets legal requirements, national guidance and good practice
-  – meets legal practice, in the main, but could be improved to meet good practice or national guidance.
-  – requires improvement as it does not appear to meet legal requirements or practices we consider key to good governance.

Expected Changes to Governance in the LGPS

We are going through a period of fundamental change in the LGPS driven by changes made by Government or other bodies. There are three specific areas that are expected to impact on the governance of the LGPS that we have tried to have some regard to within our review, particularly as many of the expected requirements align with Aon's governance framework. We highlight throughout the report within our comments many of the specific elements of these changes, which will allow the Administering Authority to make further progress in these areas in advance of final guidance or regulations. Further information on the three areas is as follows:

Scheme Advisory Board – Good Governance report

The SAB published its final report on the Good Governance project in February 2021 and has made a formal request to the Department of Levelling Up, Housing and Communities (“DLUHC”) - MHCLG at the time - and other bodies to implement the recommendations from the project. It's somewhat frustrating that expected statutory guidance and regulations from DLUHC haven't yet materialised, and the latest position appears to be that there will be more to follow hopefully in the summer of 2024.

We note that the Authority is already compliant with the majority of these regulations and we provide more information relating to this later in the report.

The Pensions Regulator's General Code

The Pensions Regulator published its new consolidated General Code of Practice (“Code”) which replaced Code of Practice 14 on 28 March 2024.

There are aspects of the Code that directly apply to the LGPS, some that partially apply, some that are considered good practice for the LGPS, and those that do not apply. These are driven by overriding legislation and the SYPA is expected to meet the standards and practice within the Code, even though the Code itself is not a statement of the law.

The Pensions Regulator's General Code brings together 10 existing codes of practice, including Code of Practice 14 (Governance and Administration of Public Service Pension Schemes), into a single modular (on-line) code which will apply to all UK pension schemes. It is more challenging to interpret how the requirements of the new Code apply to Public Service Pension Schemes given it covers all pension schemes.

Commentary is provided later in this report on how the SYPA has assessed and can demonstrate compliance with all the Code's requirements, which was a separate piece of work carried out alongside this governance review.

Governance of Pooling and Investment

In July 2023, DLUHC published its long-awaited consultation on pooling and investments titled "LGPS England and Wales: Next steps on investment" following the Chancellor's Mansion House speech. This was followed by the Government's response to the consultation⁴ published in November 2023. Revised guidance is expected from DLUHC in summer 2024 which is expected to include:

- driving greater scale through fewer, larger pools and increasing pool in-house investment management
- setting a statutory deadline in the guidance on the Investment Strategy Statement for funds to transition all listed assets, as a minimum, to the pools "within a reasonable timeframe" considered to be by 31 March 2025
- requiring funds to explain within their Investment Strategy Statement why they have concluded that any assets should not be transitioned, including value for money considerations
- producing revised guidance on pooling to "confirm and strengthen existing guidance on delegation of manager selection and strategy implementation", and "revised guidance on governance, including member representation, transition of assets and new investments outside the pool"
- increasing reporting on the progress on pooling (and asset allocation) in funds' annual reports and the Scheme Advisory Board's annual report
- an expectation of investing up to 5% in "levelling up" investments
- expectations that funds should have ambitions to invest 10% of their assets in private equity, including growth equity and venture capital
- a proposed requirement for funds to have a training policy for pension committee members and report against that policy.

There is a strong emphasis throughout the consultation on strengthening governance. Notwithstanding the importance of the technical investment related matters, governance matters appear central to suggested changes in the consultation. Moves to accelerate pooling come with governance risks, and issues such as the conflict of interest relating to local investments will be challenging. The SYPA will need to consider the impact of final

⁴ <https://www.gov.uk/government/consultations/local-government-pension-scheme-england-and-wales-next-steps-on-investments>

changes when they are implemented on its governance arrangements, engagement with the Border to Coast Pool as well as the technical investment matters.

Direction – What are you trying to achieve?

In this section, we consider whether the Fund has clear strategies and policies which meet the requirements set out in the box below as well as considering how the Fund is monitoring compliance with legislative requirements and the Pensions Regulator’s General Code of Practice.

In the table that follows, we summarise the key policies and strategies which we would expect to be in place for a well governed LGPS Fund, considering both legal requirements and best practice. Note that we have not considered the principles or methodology within these documents, given that this review is focussed on governance matters and not, for example, on the quality of actuarial or investment matters.

We have indicated in the table whether the documents are:

- legally required under the LGPS, or
- expected in accordance with CIPFA, LGPS Scheme Advisory Board ("SAB") or The Pensions Regulator's ("TPR") Codes (many of which have some element of statutory backing) or Guidance,

and we then consider whether they are currently in place for the Fund and whether they meet these legal requirements, or any requirements laid out in Codes or Guidance.

We also consider, at a high level, the quality and structure of these policies and strategies. For example, it is important that the Authority is fully engaged in the development of all strategies and policies, whilst receiving appropriate advice and expertise from the officers and advisers of the SYPA as well as the Local Pension Board. It must therefore be clear that strategies and policies are part of the Authority and Local Pension Board business and are subject to ongoing review.

Strategies and policies should:

- be in line with legislative requirements and any related professional guidance
- clearly set out the aims, principles, protocols and environment for how the Fund is managed and
- be wide ranging covering all key areas including funding, investments, finance, administration, communications and governance itself
- be clearly articulated, to provide a framework within which those managing the Fund are able to operate
- provide the focus for all future decisions and plans
- be agreed by those responsible

Information

When reviewing these policies and strategies, we consider both legal requirements and best practice. Note that we have not generally considered the principles or methodology within these documents, given that this review is focussed on governance matters.

Strategies and policies – meeting key requirements

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
Funding Strategy Statement (FSS)	Yes – Effective March 2023	LGPS Regulations CIPFA FSS Guidance DLUHC Guidance SAB guidance (which is advisory only)	<p>😊 FSS meets requirements and appears to follow the current CIPFA guidance. SAB received an update from the Compliance and Reporting Committee (CRC) in March 2024 that the working group has already identified the high-level prospective changes to current FSS guidance. As a result, it will be necessary to review the FSS to align it with the forthcoming guidance (expected summer 2024, following annual report guidance)</p>	<p>😊 The FSS was considered by the Authority at its 16 March 2023 meeting and formally adopted from 17 March 2023. The report sets out the approach to consultation.</p> <p>😊 It is also clear that appropriate advice has been taken from the Fund’s Actuary.</p>
Investment Strategy Statement (ISS)	Yes – Effective March 2023	LGPS Investment Regulations CIPFA/DLUHC guidance on preparing and maintaining an ISS	<p>😊 Meets requirements in the Regulations.</p> <p>😊 TPR’s General Code module - Funding and Investment – Statement of Investment Principles (which is best practice for the LGPS) states that ‘governing bodies must obtain and consider professional advice, and consult any sponsoring employer’, which the Authority has undertaken.</p>	<p>😊 It is clear that the Authority has taken advice from suitably qualified persons including an investment consultant.</p> <p>😐 It is not completely clear if and how consultation on the ISS has taken place – LGPS Investment Regulations include a requirement to ‘consult with persons it considers appropriate’.</p> <p>😊 The Authority has developed separate Responsible Investment Policy documents (March 2024) and completed projects including Sustainable Development Goal mapping, Impact reporting, Task Force on Climate-related Financial Disclosures (TCFD) and Climate Change policy. We would regard this as particularly industry leading.</p> <p>😊 The website refers to the SYPA’s submission for signatory status to the UK Stewardship Code 2020 in 2022.</p> <p>😐 We would recommend updating the website, perhaps including the outcome, Financial Reporting Council feedback and the SYPA’s ambitions in relation to the Stewardship Code.</p>

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
Governance Policy Statement and Governance Compliance Statement	Yes – Governance Compliance Statement updated in March 2024 Local Code of Corporate Governance updated December 2023	LGPS Regulations Compliance Statement against Secretary of State guidance. CIPFA/SOLACE Delivering good governance in Local Government	<p>☹️ The Governance Compliance Statement provides the information that is required by the LGPS Regulations 2013 in relation to compliance with the Secretary of State’s guidance. However, we note there is no reference to delegations to officers nor the Borders to Coast Pensions Partnership (“BCPP”) Joint Committee, which is expected under regulation 55(1)(a). We suggest it would be helpful to the SYPA’s stakeholders to provide more information on the Authority’s functions in the initial section (perhaps by cross referring to the Constitution).</p> <p>😊 The Local Code of Corporate Governance describes how the Authority complies with the seven principles of the CIPFA/SOLACE guidance.</p> <p>😊 We also note the authority has a policy on representation which is best practice, meeting the requirements of the SAB Good Governance review recommendations.</p>	The SAB’s Good Governance includes several recommendations likely to impact this document. Consequently, when the new guidance is released, the existing compliance statement will require a thorough review to ensure its alignment with the updated requirements.
Communications Policy Consultation, Communications and Engagement Strategy	Yes – Consultation, Communications and Engagement Strategy - January 2023 (approval appears to be June 2023, this should be clarified given it is dated January 2023)	LGPS Regulations	😊 Meets all requirements.	Given the continuing need to focus on equality, diversity and inclusion (EDI), we recommend further considering how this strategy, and your engagement and communications with your stakeholders, meets your EDI principles when you next review it, as we believe EDI could be more considered within it. As part of this, we also recommend consideration TPR’s guidance on EDI (issued March 2023).
Administering Authority Discretionary Policy	Yes – approved at June 2023 meeting, but next review date not clear	LGPS Regulations	😊 The Administering Authority Discretionary Policy is comprehensive, covering an extensive range of discretions. It is also worded appropriately to ensure	☹️ The Policy Statement is clear in its layout but may benefit from a contextual introduction.

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
			that it does not fetter future discretion in relation to these powers.	
Administration Strategy	Yes - Effective from April 2020	LGPS Regulations (as an optional strategy)	<p>😊 Meets all requirements.</p> <p>Whilst having an Administration Strategy is currently optional, SAB Good Governance recommends that this Strategy is a mandatory document with performance measured against an agreed set of measures. It is recommended that it is reviewed again following any updates to requirements (expected later in 2024).</p>	<p>😊 It's a positive development to have this policy and consultation with employers in its development, in particular.</p> <p>😬 We would suggest that this Strategy is reviewed every three years (rather than five years) given the challenges of administration, such as timely service delivery, complexity of benefits and employer data transmission.</p> <p>😬 Although the current Strategy includes a wealth of information, we believe it would benefit from a major review when next being considered to make it more intuitive and user friendly (and as mentioned later in this report, the service standards should be reviewed).</p>
Risk Management Policy & Strategy / Risk register	Risk Management Framework - Yes, dated December 2023 Risk register – Yes, ongoing	CIPFA Guidance TPR General Code of Practice	<p>😊 A Fund specific Risk Management Framework in place.</p> <p>😊 A Risk Register is available, reviewed by the Authority quarterly.</p>	<p>😊 The Corporate Strategy 2024 to 2027 also clearly sets out the risk philosophy of the SYPA and the process for monitoring and managing risk/obstacles to achieving objectives. Risk management is considered further later in this report.</p>
Annual report and accounts	Yes – 2022/2023	LGPS Regulations CIPFA Guidance "Preparing the Annual Report" (from April 2024, "Preparing the Pension Fund Annual Report Guidance for Local Government Pension Scheme Funds April 2024" – CIPFA/SAB/DLUHC)	<p>😊 Appears to meet all LGPS Regulatory requirements.</p> <p>Please note that, due to the detailed nature of CIPFA's accounting guidance, we have not considered adherence to the guidance that applied. We expect this will have been considered by the SYPA's auditors.</p>	<p>😊 This was considered and approved at the meeting of the Audit and Governance Committee of 21 September 2023 (published 30 October 2023).</p> <p>New guidance on Preparing the Pension Fund Annual Report was published on 28 March 2024 to apply for 2023/2024 reports which are due for publication by 1 December 2024.</p> <p>We have not reviewed the 2022/2023 annual report against the new guidance, but would not anticipate any issue in complying.</p>

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
Knowledge and Skills/Training Strategy	Yes – Members Learning and Development Strategy - June 2023	CIPFA & SAB TPR General Code of Practice	<p>😊 Learning and Development Strategy in place and it appears that all key elements are considered.</p> <p>😊 The Strategy includes requirements for the Authority and Local Pension Board. Officers' development is considered as part of the HR Strategy.</p> <p>😊 The SYPA's policy reflects CIPFA's Code and Framework for Knowledge and Skills.</p>	<p>Knowledge and skills are considered further later in this report.</p> <p>😬 The document is dated June 2023, but there did not appear to be an effective from or review date.</p>
Conflicts of Interest Policy	Yes – Authority Code and Protocols (June 2023)	LGPS and overriding regulations TPR General Code of Practice CIPFA Guidance	<p>😊 The SYPA's Conflicts of Interest Policy meets best practice guidelines.</p>	<p>The new Conflicts of Interest Policy is pension fund focussed (i.e. beyond local authority legislative requirements) which aligns with the recommendations of the SAB Good Governance project.</p> <p>😬 The Authority could consider an overarching Fund-wide policy that includes both Authority and Local Pension Board members, and provides greater consistency.</p> <p>We would also recommend cross referring to the SYPA's Conflicts of Interest Policy in the various Constitutional documents (including Codes) where Local Authority requirements relating to interests are being referenced. This would remind members and officers that the SYPA has a policy that goes beyond Local Authority requirements. The need for training in this area should be regularly reviewed.</p>

😊 We observed there are a number of other policies and strategies that you have beyond these LGPS regulatory and statutory guidance requirements, including Anti-Fraud Policy, Policy Statement on Representation and the Equality and Diversity Scheme. The Authority is evidencing best practice by having these in place. We refer to a number of other policies and strategies in the section relating to the Pensions Regulator's General Code.

Document structure / key contents

As a general principle we also recommend that any strategy or policy document should include the following elements in addition to the main contents/purpose of the document:

- Introduction including any relevant legislation and guidance
- The SYPA's aims / objectives in this area
- What measurement / monitoring will be carried out in relation to those aims / objectives
- The key risks relating to the strategy and how they are being managed / monitored
- Who was consulted on the drafting of the strategy / policy
- When / how it was approved
- The effective date of the strategy / policy
- When it will next be reviewed
- The roles and responsibilities of the key parties responsible for delivering the strategy (e.g. Authority, officers, advisers etc.).

😊 It's pleasing to find most of this information is included on recently approved policies and strategies. In particular, we would highlight the excellent presentation, within the ICT and HR strategies, of each priority and then also how success will be measured against each of these priorities. The Document Control Information and Version History that is included in a number of the policies and strategies is excellent. We also note the key documents are available on the SYPA's website.

😬 During our review we noticed some inconsistencies in the presentation of effective and approval dates, consulted parties (or not), and review schedules, with some of this information missing from some documents. To address this, we recommend ensuring you incorporate your Document Control Information table and Version History schedule into all policies and strategies, as well as using the list above as a check list of other areas to incorporate. This will ensure uniformity and clarity across all policies and strategies, both current and future ones.

The Pensions Regulator's General Code of Practice

In addition to the LGPS regulations, CIPFA and SAB guidance, there are a number of key requirements relating to the management and operations of public service pensions schemes which are outlined in the Pensions Regulator's new General Code of Practice.

The Pension Regulator's General Code brings together 10 existing codes of practice, including Code of Practice 14 (Governance and Administration of Public Service Pension Schemes), into a single modular code which applies to all UK pension schemes. Not all areas of the Code fully apply to public service pension schemes; some are just good practice and others do not apply at all. There are also modules that partially apply and/or are partially good practice.

The titles of the modules that we have interpreted as fully or partially applying or are best practice to public service pension schemes are listed in Appendix 2.

The Pensions Regulator carries out regular surveys of public service pension schemes' compliance with the Code and has stated that it expects all schemes to have assessed themselves against the law and its Code of Practice within a reasonable, but not specified, timeframe.

As a matter of best practice, we would expect all administering authorities to carry out a regular review of their approach against:

- the areas in the Code that “apply”, which are generally due to legal requirements underpinning the Code, with a view to ensuring that these are being adhered to, and
- the areas in the Code that are good practice, to consider whether the expectations should be adhered to or an alternative and justifiable approach should be taken.

This will also be an area of particular interest to the Local Pension Board as it is part of their statutory responsibility to assist in ensuring compliance with the Pensions Regulator's requirements.

Evaluation against the new Code

Working with us, to provide an element of independence, a formal check against the Pensions Regulator's General Code of Practice was undertaken by the Authority on 21 March 2024 and 22 March 2024. We believe the Authority was one of the first LGPS administering authorities to complete this exercise. The exercise looked at all areas that applied or are good practice to public service pension schemes, with the exception of the Own Risk Assessment* (which we recommended to defer to allow focus on the other modules). The output from this exercise forms a baseline and basis for an action plan of activity to be developed. Officers have confirmed that they are now developing the action plan and will be carrying out further compliance checks against the General Code at least annually.

*Own Risk Assessment

The Own Risk Assessment module is good practice for public service pension schemes but relates to requirements that must be followed by private sector schemes. As the requirements are extremely onerous, we believe it is worth waiting to see whether public sector industry guidance emerges on this area (for example, from the LGPS SAB)

Results

The results of the review were generally of very high standard, as can be seen by the number of questions shown as green or amber in the table below;

Section	Green	Amber	Red	Total Questions
The Governing Body	115	18	*10	143
Funding and investment	29	5	3	37
Administration	65	17	6	88
Communications and disclosure	23	8	5	36
Reporting to TPR	7	2	5	14

***Note:**

Seven of these questions relate to the Own Risk Assessment module which we recommended should be deferred for a period.

The Authority will be provided with more detail relating to these results and particularly the areas of improvement, but some key elements we would draw out that relate to this part of our governance review include:

- A key area of interest for the Pensions Regulator is **cybercrime risk** (both in the Code and separate Guidance). From a high level review against the Code some good controls appear to already be in place including having cyber specialists on retainer, training for Authority and Local Pension Board members, monthly staff training, and Cyber Security Incident Monitoring and Reporting Policies in place. Key actions identified include:

- developing a (wider) Cyber Security Risk Policy
- developing cyber security hygiene guidance
- reviewing data and asset mapping to identify the potential magnitude of cyber security risks from third party suppliers/providers and
- carrying out a programme of ongoing specialist assessments against suppliers and providers (which can be prioritised relating to the potential risk).

We would recommend a more detailed review against the Pensions Regulator’s Cyber Guidance given the impact of a cyber attack.

- improving on monitoring of administration process timescales to ensure regulatory compliance. This would enable closer monitoring of employers on information timeliness and improve the member experience.
- In relation to internal controls, with much information on different systems, there would be benefit in appraising current information infrastructure so that it is easier to


manage, find and be more transparent. As an example, the central ‘contract register’ holds high level specifics on Authority contracts, but contract management details, responsibilities and review dates lie with individual officers.

- Further on internal controls, ensuring that all processes and procedures are documented (and then regularly reviewed).
- Formalising and documenting the SYPA’s Data Improvement Strategy with key actions and timescales within a Data Improvement Plan.
- Finalising work on the SYPA’s Business Continuity Plan (albeit there has been a lot of work in relation to disaster recovery relating to ICT).

The Authority’s officers should ensure that they remember, when reviewing policies, strategies and other documentation or processes, to refer to the Pensions Regulator’s General Code requirements.

Monitoring compliance against legal requirements

A key area of ensuring compliance is monitoring against legal requirements and having a breaches of the law procedure in place where breaches are recorded, and where appropriate, reported to the Pensions Regulator. This is also an area covered within the General Code, which is underpinned by legal requirements to report any breach of the law that is likely to be of material significance to the Pensions Regulator.

 Whilst there is a Breach Reporting Policy and Procedure and log in place, there did not appear to be records of all breaches we would expect. Not all legal deadlines are being monitored, particularly relating to administration procedures. We recommend this is incorporated, noting this should be focussed on legal requirements, regardless of whether data has been received. We understand this was an area that had already been identified by the officers and improved performance measures are being developed.

 In addition, we would recommend:

- The information contained within the breaches log relating to each breach should be expanded as it does not quite cover all areas expected such as a RAG status to understand severity of breach and dates of actions taken/updates.
- Reviewing clause 3 of the Pension Board Constitution regarding powers and the explanation of breaches of the law processes to ensure it is consistent with (a) the SYPA Breaches procedure and (b) doesn’t restrict, or imply to restrict, the personal requirement to report breaches of the law that could be considered significant to the Pensions Regulator. As part of this review, we would also suggest checking quoted timescales. These should be short enough to avoid missing strict deadlines for reporting significant breaches.
- Further training on monitoring and responsibilities across all Authority areas relating to breaches of law requirements, as during our review we did observe some lack of awareness amongst both officers and Authority and Local Pension Board members.

Compliance with SAB Good Governance recommendations

As mentioned earlier, we expect the majority of the recommendations from the SAB’s final report on the Good Governance project in February 2021 to be taken forwards by DLUHC either through statutory guidance or changes to legislation. We expect to see

draft regulations and statutory guidance for consultation sometime in 2024 and the SYPA will need to review its approach in line with the new requirements. The table below sets out the Good Governance recommendations and our assessment of how the SYPA currently complies with them, noting that the final position may well vary from the original recommendations.

Good Governance Recommendations	Evidence of Fund compliance
<p>Each administering authority must have a single named officer who is responsible for the delivery of all LGPS related activity for that fund. (“the LGPS senior officer”).</p>	<p> Compliant – There are clear and comprehensive delegations to the Director in the Authority Constitution.</p>
<p>Each administering authority must publish an annual governance compliance statement that sets out how they comply with the governance requirements for LGPS funds as set out in the Guidance. This statement must be co-signed by the LGPS senior officer and S151.</p>	<p>The contents of the new statement are not yet known and so it is not possible to comment on this, other than to note the existing requirements are being met.</p>
<p>Each fund must produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund, with specific reference to key conflicts identified in the Guidance.</p>	<p> Compliant - The SYPA has a Conflicts of Interest policy which meets the expected requirements. It may need to be updated once the Good Governance statutory guidance is published to ensure it meets any requirements set out in that guidance.</p>
<p>Each fund must produce and publish a policy on the representation of scheme members and non-administering authority employers on its committees, explaining its approach to voting rights for each party.</p>	<p> Compliant – the Authority has a Policy Statement on Representation.</p>
<p>Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.</p>	<p> Compliant - The SYPA has a Learning and Development Policy which meets the expected requirements. It may need to be updated once the Good Governance statutory guidance is published to ensure it meets any requirements set out in that guidance.</p>
<p>Each administering authority must document key roles and responsibilities relating to the LGPS and publish a roles and responsibilities matrix setting out how key decisions are reached. The matrix should reflect the host authority’s scheme of delegation and constitution and be consistent with role descriptions and business processes.</p>	<p> Partially compliant – we know the Authority has well defined roles and responsibilities and delegations within its Constitution. However these would need amalgamated into a separate matrix.</p>
<p>Each administering authority must publish an administration strategy.</p>	<p> Compliant - The SYPA has an administration strategy which is regularly reviewed.</p>
<p>Each administering authority must report the fund’s performance against an agreed set of indicators designed to measure standards of service.</p>	<p>It is not possible to comment as it is not clear what nationally agreed KPIs will be. However we note that the SYPA does carry out a range of performance monitoring (and is developing this further) so it would be reasonable to</p>

Good Governance Recommendations	Evidence of Fund compliance
	assume the SYPA could be compliant without much further work.
Each administering authority must ensure their committee is included in the business planning process. Both the committee and LGPS senior officer must be satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year.	😊 Compliant – the Business Plan (i.e. Corporate Strategy) and budget are taken to the Authority each year for comments and approval, and information is also shared with the Board. The Director is involved in the development of these.
Each administering authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified. IGR reports to be assessed by a SAB panel of experts.	😊 Not yet applicable. However, SYPA are already demonstrating best practice, in our view, by having carried out two independent governance reviews (including this one).

Source - the recommendations are taken from the SAB final report on the Good Governance Project which can be found here: https://lgpsboard.org/images/Other/Good_Governance_Final_Report_February_2021.pdf

Delivery – How do you meet your aims?

In this section we consider whether the Fund has (i) a business plan in place and how effective that plan might be, (ii) performance measurement and (iii) risk management.

Business Planning

A Fund's business plan should set out all planned activities in the forthcoming period. Those activities:

- should be driven by objectives of the Fund's strategies and policies
- will include activities driven by changes in overriding legislation.

The Good Governance review recommendations included: "Each administering authority must ensure their committee is included in the business planning process. Both the committee and LGPS senior officer must be satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year."

■ The SYPA has a Corporate Strategy (which is their business plan) in place, and it is available on the SYPA's website. The 2024 to 2027 Strategy was approved by the Authority, but timing permitting, we would suggest the Local Pension Board could be consulted before/during the next update.

■ The Corporate Strategy is clear, includes a budget, and sits alongside other strategies (such as HR and ICT). The Authority has a clear corporate planning approach where the strategy is reviewed annually with a more in-depth review every three years, and the strategy covers a three-year time frame.

■ The Corporate Strategy clearly sets out the aims and objectives for the management of the Fund and includes high level details of ongoing activities and key challenges and influences. It then provides details of the key tasks and work plan, and changes since the previous Strategy as an appendix.

☹ Some other specific areas we would expect to see (or linked to) within the Corporate Strategy include a detailed breakdown of all policy and strategy reviews (when they are

Business plans – Guidance:

CIPFA – A medium term business plan should be created for the pension fund.

The **LGPS Myners Principles** published by CIPFA explicitly states:

"The CFO should ensure that a medium term business plan is created for the pension fund, which should include the major milestones and issues to be considered by the committee. The business plan should contain financial estimates for the investment and administration of the fund and include appropriate provision for training. Key targets and the method of measurement should be stated, and the plan should be submitted to the committee for consideration."

The business plan should review the level of internal and external resources the committee requires to carry out its functions effectively and contain recommended actions to put right any deficiencies or to anticipate changing requirements in the future."

individually due for review and delegation) – it includes some but not all; and key tender exercises due to take place within the planning period (or the procurement forward plan included as an appendix).

Performance Measurement

Those responsible for governing the Fund should be provided with appropriate performance information. Measurements should:

- demonstrate whether the Fund's aims are being achieved
- cover the full range of key areas (e.g. investments, funding, governance, communications and administration)
- demonstrate whether the Fund's business plan is being achieved
- be updated in accordance with appropriate timescales
- be presented in a manner that is easy to follow and understandable to those governing the Fund
- assist in identifying potential changes to the Fund's business plan.

☺ At each Authority meeting, the following performance measures are provided:

- Corporate Performance report – which covers:
 - progress against the Corporate Strategy and
 - other key measures (including staff absence, key investment and administration measures and budget/financial monitoring).
- Investment Performance report – which covers a range of investment (pooled and legacy assets) and funding measures
- Responsible Investment update – which covers provides progress against various Responsible Investment Policy objectives

These reports are also included on the SYPA's website.

At each Board meeting, an additional quarterly update report is provided for administration with more detailed performance metrics and Key Performance Indicators (KPIs) than those provided to the Committee, which provides a lot of very useful information. The scorecard type approach used on the quarterly investment report is also an appealing means of representing information.



Further information

CIPFA guidance – Pension Committee, Pension Board and Senior Officers should ensure monitoring of aims and objectives and legal requirements is taking place

TPR guidance –

The General Code modules Planning and maintaining administration⁵ and Investment monitoring⁶ set expectations for performance measurement

⁵ <https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice/administration/planning-and-maintaining-administration>

⁶ <https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice/funding-and-investment/investment/investment-monitoring>

We note that a project has started to develop and implement a new Performance Management Framework across the organisation.

Our observations are, that whilst it is very positive to see a range of performance measures being reported to the Authority and Local Pension Board:

- the structure of reports across business areas varies
- in places it can be difficult to see direct links between the objectives within the Authority's various strategies and policies, and the measures that are being provided
- the Authority's reports do feel quite top heavy on investment related reporting in comparison to governance, administration and communications matters

It is important that any objectives and specific measures set out in strategies and policies are continually monitored to ensure the Authority's aims are being met, and this happens across all policy/strategy areas. As part of the Performance Management Framework review work that is planned for this year, we would therefore recommend that further measures are developed that align with the Authority's agreed objectives, and as part of this, aiming to develop some consistency in the format of reporting to provide more 'joined up' presentation and understandable information.

As mentioned earlier, when reviewing strategies and policies, we would recommend ensuring they include clear success measures within them.

Risk Management

Effective risk management is critical in minimising the impact and/or probability of undesirable events and in maximising the realisation of opportunities. Risk Management should be:

- **aligned with the Fund's aims**
- **a key consideration in decision making**
- **systematic or structured**
- **an integral part of the Administering Authority's processes and procedures on a daily basis.**

■ It is positive to see that Risk Management is being reported at the appropriate level to the Authority and Local Pension Board. We were pleased to learn that operational level risk registers are being developed which will feed into the main risk register of the Authority.

We also noted that the Risk Management Framework included Fund specific descriptions in the impact ratings, as well as clear roles and responsibilities, all of which is key to successful risk management.

The risk register sets out information clearly with the key elements which we consider best practice including a "target" risk rating (in addition to the "current" risk rating), which we believe is particularly important given there are areas where an element of risk is beneficial when managing a pension fund.

☺ We recommend the following matters are considered:

- Within the risk register, the term “operational” could cause confusion as this could mean Fund administration and communication matters or SYPA organisational operations. We would suggest having a specific risk category for Fund specific administration and communications, to differentiate from SYPA organisational operational matters.
- Whether (a) the governance risk relating to lack of continuity of Authority (and Board) members, and (b) risk inherent with the level of change expected relating to key investment officers and advisers, are sufficiently covered within the risks on the register.
- From the assessment against the Pensions Regulator General Code requirements, it was noted that risk modelling of investment and funding monitoring information was light. The Regulator suggests that analysis of monitoring information includes a stress test, scenario test, or other risk assessment information.

Decisions – Do you have effective decision making?

In this section we consider whether the Fund (i) has an appropriate governance structure, (ii) has people with the appropriate level of knowledge and skills and (iii) has people with appropriate behaviours needed to make the governance effective. This section includes consideration of the governance of meetings, including presentation of information.

Our findings in this section are based on both a high-level desktop review of meeting minutes and papers, and observations. These observations were at:

- meetings of the Audit and Governance Committee (7 March 2024), Authority (14 March 2024) and Local Pension Board (25 April 2024) and
- interviews with some of the Authority and Local Pension Board members, and senior officers during April 2024. A full interview schedule is shown in Appendix 3.

We have tended not to comment on aspects mentioned by only one individual (unless it aligned with our own observations) but have included general comments where consistent themes have been articulated.

Appropriate behaviours

A good governance structure will not be effective unless it involves the right people with the right attitude. Individuals should:

- **have a high level of attendance at meetings and training**
- **demonstrate integrity in relation to their Fund role**
- **be engaged and provide appropriate challenge**
- **be accountable for the decisions made**
- **highlight any potential conflicts they may have**
- **prepare adequately for meetings**
- **for a Chair, manage the meetings fairly without any bias to individuals or self and enable all attendees to express their views or opinions openly.**

The function of the Authority

 All Authority members appeared engaged and focussed on matters in hand.

Officer presentations were comprehensible and delivered with proficiency, and discernibly signposted. The pace of the meeting was balanced, questions and debates were kept brisk and to the point. The meeting was chaired (and attended) with respect, fairness, competence, and professionalism.

The Chair's awareness of public context and appropriate level of background demonstrated excellent skill in guiding focus on agenda items. Time was also spent facilitating discussion and checking understanding before reaching consensus/agreement.

All officers played a role in answering member questions and explaining points of detail.

There were no signs of political parties or agenda. The purpose of the Authority and importance of fiduciary duty were evident. This can be difficult to achieve in the LGPS, so should be commended.

The function of the Audit and Governance Committee

■ The observed meeting was short, but typically served as an update meeting without significant decision points. The reports and papers were robust, and the meeting was well chaired, with opportunities for questions and discussion. Reports were overall well presented by officers including good signposting.

The function of the Local Pension Board

■ All Local Pension Board members appeared engaged and focussed with very good questions on more technical details (such as managing the administration backlogs) and governance issues (such as challenges around the disparity of terms of office).

Enhancements to administration performance reporting were included in the reports and the officers presented and explained these extremely well and sought feedback on the format of the new information which is to be commended.

The independent adviser highlighted areas of insight that may have been overlooked without their expertise. Their role within the Local Pension Board appears to be a great success and, in our view, the adviser's presence at meetings has provided more assistance and value to the Authority than would have otherwise been the case.

The chairing was excellent, ensuring appropriate discussion, as well as adding their own helpful views to the discussions and ensuring that all decisions and follow on actions were clearly captured.

Appropriate governance structure

There is no one 'correct' governance structure. The Administering Authority's structure should:

- **have clear terms of reference**
- **have a clearly documented scheme of delegation**
- **allow decision making at the appropriate level**
- **allow quick decision making where appropriate**
- **include appropriate representation from stakeholders**
- **ensure there is sufficient diversity of thought/approach amongst those tasked with making decisions**
- **involve well-presented information/reports**
- **allow sufficient time for discussion where necessary**

- **have good quality (committee) administration (e.g. issuing papers in good time)**
- **involve a process for managing conflicts**
- **provide transparency to stakeholders where appropriate.**

Authority Constitution

Overall we found the Authority Constitution clear and very comprehensive covering the areas we would expect, including setting out:

- how meetings are run
- membership, including co-opted members requirements/expectations, and
- roles and responsibilities of designated office holders Chairs.

We were pleased to see delegations to senior officers included. Again, these are extremely clear and appear to have been well thought out and considered. It is pleasing to see areas such as urgent decision-making specifically covered as well as precise officer sub-delegation provisions, the Scheme of Delegation to Border to Coast, and requirements relating to publishing of decisions.

There are small number of improvements that we recommend the Authority consider making as follows:

- As part of ongoing review, all decisions should be appropriately documented and consistent across the SYPA.
- The Authority Constitution, Part 2, provides the provision for the Director to Chair meetings of an Investment Advisory Panel, but this is the first time the Panel is mentioned. We therefore suggest that the Constitution is clearer what the Panel is, who its members are and its terms of reference, and how decisions and advice are documented.
- In relation to delegated decision making, we did find that the published decisions on the website appeared quite light in some areas and during our review we became aware of some decisions being dealt with in a slightly less formal/less documented manner (albeit the substance of those decisions isn't in question). We recommend officers review how all decisions are being made across all areas including:
 - Ensuring a clear process with a template form outlining the delegation and decision making
 - Reviewing which decisions should be published on the website.
- The Authority Constitution, Part 1 (page 6) states “The Authority has a fiduciary duty to the contributors and beneficiaries of the Fund to ensure contributions are collected, that benefits are calculated correctly and paid promptly, and that any surplus monies are properly invested.” This is not reflected in Part 4.1 relating to the Authority’s roles and responsibilities, and we think it is important to be included within that.
- The Quorum for the Authority is only three (out of 12) as per Part 4 of Constitution, paragraph 5. We were advised that the current quorum is the statutory minimum. From a best practice perspective, and particularly having regard to the size of the Fund, and the number of stakeholders decisions can impact, this quorum seems low and we would suggest increasing to a third which is generally considered as a good

practice minimum for many public bodies. We do recognise that in a voting situation where this was tied, it could result in the Chair being provided with the casting vote, so that should be considered in any review.



Good Governance recommendation

It is worth, at this point, highlighting the following recommendation from the Good Governance review:

“Each administering authority must document key roles and responsibilities relating to the LGPS and publish a roles and responsibilities matrix setting out how key decisions are reached. The matrix should reflect the host authority’s scheme of delegation and constitution and be consistent with role descriptions and business processes.”

If this requirement is included in the final outcomes which are expected later this year, the Authority will be well-placed in developing this given the comprehensive information already included within the Constitution

Local Pension Board Constitution


■ As with the Authority’s Constitution, the Local Pension Board Constitution is also clear and comprehensive with good information relating to areas such as knowledge and skills, management of meetings and where members shall cease holding office.


😊 There are a few areas where we recommend reviewing the Constitution which are outlined below (noting any amendments, if made, may also need to be reflected in the Governance Compliance Statement):

- Section 2.1 (Purpose and Role) should be reviewed to ensure it is consistent with the responsibilities outlined in the Public Service Pensions Act clause 5:
 - First of all, legally the Board exists to “assist” the scheme manager (as per clause 5(1)). The responsibilities in 2.1.1 and 2.1.3 of the Pension Board Constitution are missing the word “assist”. Without this qualifier, there is an implication that the Board is directly responsible, which is not the case.
 - Secondly, the purpose and role is missing assisting with “securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it” which is explicit in regulation 106 of the LGPS Regulations 2013, made under the provisions of the Act. Indeed, may be easier for Section 2.1 to refer to those regulations instead of the Act.
- Reference to the “Code of Practice on the Governance and Administration of Public Service Pensions Schemes” (2.1.3) will need updated in line with the Pensions Regulator General Code, or kept more general as per the legislation.

- In Leaving the Board (7.1.6) we would suggest that the reference to a conflict of interest occurring should be updated to read potential conflict. As drafted, the implication is that potential conflicts cannot be managed to avoid them becoming actual conflicts.
- In 5.1.3 relating to membership, there is not much detail on how membership is agreed (i.e. nominations and application processes). We would suggest including more detail, for example, this could be by stating this is by process agreed between the Chair of the Board, the Director and the independent adviser.
- Under Variations (15) there is reference to “scheme manager” for this purpose (i.e. changing the Constitution). “Authority” is a defined term, but Scheme Manager is not so this should be reviewed.
- As mentioned previously, the independent adviser role on the Pension Board appears to have been a strong addition, example of best practice and has worked well for the Board and Authority. However, the Local Pension Board Constitution does not mention the role of Independent Adviser. We would recommend keeping the option of whether to have an Independent Chair (rather than an Independent Adviser) under review, as while the current Chair’s experience and background has been very beneficial, Chair expertise is a risk due to the reasonably regular changes in that role. Given that, we suggest an amendment to the Constitution that allows for either an Independent Adviser or Independent Chair.

Membership and succession planning considerations


 We noted there is promotional material and succession planning improvements being taken forward which we were very pleased to see given the difficulties in ensuring continuity of membership for both the Local Pension Board and the Authority.

 Specifically in relation to the Local Pension Board, we note securing and maintaining tenure of office for Board members (as is Authority members) is a challenge, but experience and skills gained through training and building pension knowledge benefit the SYPA enormously. We can make a number of suggestions for the SYPA to consider:

- appoint senior officers rather than elected members for some or all existing local authority councillor positions. As councillors can change every three years or four years with election cycles, this approach could provide more continuity (and less loss of investment in training/knowledge). In our view, this would not take away from the overall ownership by the Councils given all decision-making responsibilities sit with the Authority and not the Local Pension Board.
- councillor members could be increased from one term up to two terms for each appointment to allow each individual to have at least three years but up to a maximum of six years or eight years relating to that appointment (assuming re-elected/allowed to stay on by the district council). However the practicalities of this will need to be considered given the different election dates and terms, including when (on early termination) it would result in the appointment moving to another Council.
- to help with continuity, you could consider allowing the other councils observer seats whilst not being actual members. This would allow them to feel more involved and help with succession planning.

- We noted that the Chair is elected every municipal year. We would recommend this is reviewed to allow for more flexibility for longer terms, for example, three years, to provide greater continuity of knowledge.

Overlap in Authority and Local Pension Board Membership

 We became aware during this review that two of the three co-opted members on the Authority are also Local Pension Board members. Neither the Authority nor the Local Pension Board Constitutions highlight the possibility of overlap in membership. This is an unusual situation and not something we are aware of that is replicated elsewhere in the LGPS. We believe this is not a situation that should continue for the following reasons.

- The role and responsibilities of Authority members (as decision makers in relation to the SYPA's strategies etc) is quite different from Local Pension Board members. The role of the Board is to “assist the Scheme Manager” (i.e. in this case, the Authority) in various matters.
- Given these quite different roles which could be conflicting, it does seem sensible that there should be some element of separation and independence. There could be situations where the two roles do merit differing views. For example, a potential situation that the Local Pension Board is considering escalating a situation to the Authority, but is being considered confidentially at the Board. The same subject matter might be discussed at the Authority meeting, before the Board has come to a conclusion, putting the members in a difficult position. In this situation we cannot comprehend how the member can professionally carry out both roles; they would be wearing two hats if they contributed to the discussion.
- Appendix A of the SAB Pension Board guidance⁷ does suggest a range of responsibilities where the Local Pension Board “review” various areas (and indeed Appendix A of the Pension Board Constitution has some similarities), which again we believe is better done with an element of independence.
- Although the LGPS Regulations don't appear to explicitly say this is not permitted, there is a provision to have a joint Committee and Board under regulation 106(2). This is only permitted with the express permission of the Secretary of State. This is different to the situation here where we are considering a small overlap in membership. That being said, the fact there is need for Secretary of State approval for a joint Committee/Board highlights the need for careful consideration. It could also be perceived that the overlap is not in the spirit of legislation.
- There is the legal advice from the Local Government Association (LGA) on Pension Boards⁸ which we have considered. This opinion does focus on the “combined” route mentioned in the previous bullet but a lot of the commentary does throw caution to this, including highlighting the potentially conflicting roles. It does also state “An administering authority should think long and hard before choosing to go down the combined role route”. Given the overlap of two individuals results in overlap in roles, we think there is some relevance to the points highlighted in this legal advice to your situation.

⁷ https://lgpsboard.org/images/Guidance/LGPS_Board_Guidance_FINAL_PUBLISHEDv1%201clean.pdf

⁸ https://www.lgpsboard.org/images/Guidance/Pension_Boards_opinion.pdf

- As members of the Local Pension Board can attend Authority meetings there seems no need for overlap.

For the avoidance of doubt, we do not believe the fact these members are non-voting on the Authority removes the issue we are highlighting, particularly given it's quite rare for voting scenarios to arise at the Authority. By virtue of attendance and membership of the Authority, they can have an influence on outcomes and setting the strategic direction of the SYPA whilst separately tasked with 'assisting the scheme manager to assess compliance' in their Pension Board roles.

In summary, we do not think it is appropriate for there to be overlapping membership between the Authority (including its Committees) and the Local Pension Board and we strongly recommend that the Authority should update the Constitution to prohibit this from taking place and take steps to ensure members of the Authority are not on the Pension Board. We understand this could be done this summer when the existing members terms come to an end.

We should also highlight our separate recommendations below about enhancing engagement between the Authority and the Board.

Representation on the Authority

■ Related to this point, we include some observations relating to representation on the Authority. First of all we should highlight how positive it is that the Authority has a Policy Statement on Representation; this is something that very few LGPS administering authorities have and it is expected to be required as a result of the SAB Good Governance review.

We therefore support having scheme member representatives on the Authority (voting or non-voting).

By removing the overlap in membership, it could provide you with an opportunity to reconsider the scheme member representation on Authority. In particular we would encourage you to consider whether some of the existing scheme member representative positions could be for a non-union representative and a pensioner representative to encourage wider representation of your scheme membership. When reviewing membership this is also an opportunity to consider diversity as part of this (which is considered in the Equality, Diversity and Inclusion section later in this report). During our interviews a number of members highlighted the wish for wider diversity including areas such as disability and younger people.

We recognise the reasons why there is currently no wider employer representation and trust you will continue to review this over time.

Authority and Local Pension Board inter-relationship


■ We learned that joint meetings were held with Chairs and vice chairs of both the Authority and Local Pension Board. This is very encouraging to note and should continue. As the Board and Authority have adept and capable chairs, officers could take more of a supporting and facilitating role, instead of leading, but we appreciate that with short terms of office, this would be an ideal rather than attainable aim.

😊 Good relations between the two bodies were observed. However, we believe this could be improved further. From our conversations, and from what we observed, there appears to be lack of awareness in relation to the role of the Board and the work they are

doing. The Board also appeared quite detached from the Authority compared to what we have seen work well elsewhere. Some suggestions we have to improve this, which would then allow the Board to better carry out their statutory role, are:

- Ensuring that all Authority and Committee papers, including part 2 exempt papers, are issued to the Board as the same time as Authority members.
- We would also highly recommend Local Pension Board members are strongly urged to attend Authority meetings, in person or virtually, or view recordings. This could be made a clear requirement in relation to their role, for example attending a minimum number of meetings a year. The Chair of the Authority/Committee should be open to welcoming comments by the Board during the meeting (whilst noting that Board members would need to recognise, they are not members of the Authority/Committee and the Chair would need to manage this if participation was too frequent, hence holding up business). By participating in meetings and discussions, and seeing governance in action, Board members will be able to add more value.
- Ensuring that the Authority's Constitution clarifies that Local Pension Board members can remain as observers in Authority and Committee meetings during any items that are exempt from press and public (obviously recognising that in exceptional circumstances this may not be appropriate).
- Board members had good awareness of strategies and policies, access to them and involvement in wider stakeholder consultation. However, we believe it could add value to the SYPA if the Board were involved as part of their meetings in considering more of these prior to them being presented to the Authority. For example, by including the Local Pension Board at an earlier stage in drafting the Corporate Strategy (business plan).

Equality, Diversity and Inclusion (EDI)

 The Authority and Local Pension Board have excellent examples of best practice with an Equality Scheme and beginning to consider staff demographics and representation of fund membership.

Delivery of training, meeting attendance (time commitments) and remuneration are all considered through an inclusive lens. Feedback received acknowledged differing preferences in terms of face to face/hybrid and online training, therefore the varied approach should be maintained in our view.

The Authority highlighted the wish to do further work on EDI and we welcome that.

We would also suggest carrying out an assessment that considers current diversity (noting underrepresentation of young and disabled) and existing skills of the Authority and Local Pension Board. This would identify strengths and weakness (for example Authority and Local Pension Board member experience in finance, HR, IT etc) but could also include personality type analysis (e.g. herd mentality, analytic, devil's advocate). Understanding types of thinker / contributor could help identify gaps, assist with communication, support psychological diversity, avoid and resolve conflicts, and enable more informed decision making. This could be completed as part of an effectiveness questionnaire.

Ongoing consideration of effectiveness

■ The Local Pension Board had conducted effectiveness surveys, which have been very positive. In our view, this fits with CIPFA guidance on Myners principles and would be considered best practice.

😊 This is something we think the Authority could also benefit from on a regular basis.

Focus of meetings and structure of reports

■ We have a number of positive observations relating to the focus of meetings and structure of reports including:

- There is an extremely wide range of subject matter across multiple fund areas
- Reports being provided for key matters ensuring ongoing progress updates
- Various quarterly updates including performance statistics, progress against the Corporate Strategy and the latest risk register
- Feedback from member interviews and our observations confirmed that information presented at meetings was coherent, well structured and articulated in a way that was easy to understand.
- Further, the support of officers more generally was extremely positive, with time and support given to answering questions and providing further information.
- We noted a good balance in Local Pension Board papers across governance and administration, which is important given local pension board responsibilities.

😊 Our observations in relation to areas where we think improvements could be made are as follows:

- In relation to the agenda items and content for the Authority, it felt slightly skewed; there is a high proportion of investment content which appears overly detailed for the level of decision making the Authority makes, with both performance and responsible investment updates necessitating separate reports. We would suggest questioning the level of detail needed for investment (and conversely, apparent lightness on administration and governance matters). For example, responsible investment reporting for all stakeholders published on the website and/or in the reading room could help reduce meeting paper volume, whilst still providing sufficient oversight through less detailed reporting.
- As mentioned previously measures against objectives were provided in a number of areas, but there are some areas where performance measures are not being provided (and the Authority is carrying out a full review of performance measurement already).
- We would normally expect to see more details included in reports on national developments impacting the SYPA. We noted monthly updates are circulated to members between meetings which include a lot of this information, but in our view, it is still important to at least refer to key developments at meetings.
- There were a number of reports where there was no covering report, key elements were unclear such as the purpose of the report, what the recommendation was and who the author was.

- One of our observations, which was also highlighted by several members we interviewed, was it can sometimes be difficult to identify what the key areas are within a report or within the agenda as a whole.
- More generally we felt the format of reports was quite inconsistent with different styles of reporting being used across various areas and it was generally difficult for us to reflect on whether all areas we would expect to see presented at meetings were being provided.

We would recommend the SYPA review and develop their report including:

- Developing a template for all “quarterly update” reports which should be used across all Fund areas (administration, communications, investments, funding, governance) which covers:
 - Update against the Corporate Strategy
 - Risk
 - Performance measures against objectives
 - Other SYPA matters relating to that area including implementation and monitoring of policies/strategies and also operational matters such as recruitment.
 - Other non-SYPA specific developments – such as national consultations and developments.

Obviously some of these are covered in current quarterly reports (such as risks and the updates against the Corporate Strategy) and in our view it is fine to continue with this as long as all areas of the Fund are appropriately covered.

- Ensuring all information on the agenda have a covering report, even if it is very brief in the main body of the report.
- Ensuring all covering reports quite clearly set out the key points in the “purpose”.
- Considering that the officers prepare and issue a high-level briefing update (maximum two pages) that is sent round Authority/Committee/Board members when the meeting pack is published highlighting the key items on the agenda, with a very brief summary in relation to each agenda item. This will assist members to understand what they should particularly focus on in their preparation for the meeting.

These improvements should result in ensuring the Authority/Committee/ Board are receiving updates and information in relation to all key areas (with nothing falling between the gaps), making reports easier to read and key points/areas of focus clearer as well as greater efficiencies (for example allowing the Local Pension Board reporting to be more aligned with the Authority).

One final bit of feedback we received was in relation to the presentation of papers at meetings. Some members highlighted they would benefit from information being shared on the main screen. Others mentioned they sometimes struggled to follow where in the pack officers were referring to (not necessarily from lack of signposting). You could consider greater use of the large screen and / or software that follows presenters' screens on connected devices.

Knowledge and Skills

A critical element is the need for those managing the Fund to have the appropriate level of knowledge and skills. Administering Authorities should:

- clearly articulate the knowledge and skills requirements in a Fund policy
- provide ongoing training in an effective and suitable manner to meet those requirements
- regularly review whether knowledge aspirations are being met
- ensure they rely appropriately on officers and advisers to provide expert knowledge.

Before considering this further, it is worth summarising the overriding legal and guidance requirements in this area.

Pension Committee – requirements

The current requirements relating to training Pension Committee members and officers of LGPS Funds are included in the following:

- CIPFA Knowledge and Skills Framework for LGPS committee members and LGPS officers (2021)
- CIPFA Code of Practice on LGPS Knowledge and Skills (2021).

In 2016 CIPFA issued Investment Pooling Governance Principles for LGPS Administering Authorities and incorporated additional competencies relating to the introduction of pooling in the LGPS. These competencies (or alternatives) should be integrated into knowledge and skills policies and these competencies should be achieved and maintained going forward.

In January 2018 there was the introduction of Markets in Financial Instruments Directive (MiFID II) where the Fund, as a collective, must be able to demonstrate sufficient expertise, experience and knowledge to satisfy financial institutions that it is capable of making investment decisions and understanding the nature of potential risks. This requires that levels of expertise, experience and knowledge are maintained to satisfy the MiFID II requirements.

In addition, SAB's Guidance and the Pensions Regulator's General Code of Practice highlight the need for the Administering Authority to have appropriate policies and procedures in place to ensure a high level of knowledge and skills. The Code highlights a number of expectations in relation to how this is practically achieved. The SAB Good Governance Review also recommends that there is a requirement in LGPS guidance for key individuals within the LGPS, including LGPS officers and pensions committees, to have the appropriate level of knowledge and understanding to carry out their duties effectively and this is expected to be taken forward in legislation later in 2024. There may also be requirements as a result of the outcome of the LGPS pooling consultation.

Pensions Board – requirements

The Public Service Pensions Act 2013 requires Pensions Board members to:

- be conversant with the rules of the scheme and any document recording policy about the administration of the scheme, and


- have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the Pensions Board.

These requirements have been incorporated and expanded on within the Pensions Regulator's General Code of Practice which Administering Authority. The Code highlights a number of expectations in relation to how this is practically achieved.

There is also CIPFA Knowledge and Skills Framework for LGPS board members (2015) which the Board should aim to comply with.

Knowledge and Skills Policy, training and regular assessments

 Our observations in relation to this area are overwhelmingly positive, particularly given the challenges of regular changes in Authority and Local Pension Board membership and the complexity of the LGPS. The SYPA demonstrates best practice in a number of areas including:

- A comprehensive Learning and Development Policy
- Strict minimum training and attendance requirements of Authority and Members
- Use of a variety of training methods including on-line core modules, SYPA specific training sessions, webinars and access to external events
- Excellent record keeping of attendance at events and results of training assessments
- Training plans are well developed, training well organised and attendance rates are very impressive, evidencing the commitment by Authority and Board members. Joint training events for Authority and Board members are especially pleasing to see.
- We highly commend the reading room and the comprehensiveness of information held within its folders (albeit we understand it will be reviewed to consider how files are organised and how members can navigate the site to make it easier to use).
- From interviews and observations, it was clear that all members understand the primacy of fiduciary responsibility and sovereignty of the pension fund. We also noted that despite a range of political representation, politics or alternative agenda did not feature to any degree that worried us.

The feedback from members on training was also extremely positive. The specific SYPA sessions and the Border to Coast Pension Partnership annual event particularly were highlighted as being excellent.

 There are a few areas which the SYPA should consider further enhance this area:


- We suggest that you continue to look for opportunities where joint sessions could be rolled out further to Authority members if or when specific training sessions are held exclusively for the Board members (or vice versa).
- While training is recorded at individual level and a SYPA level training plan is in place, we are aware of intentions, as per the Pensions Regulator's General Code, to develop individual training plans. This may help address feedback that we received that, whilst online training modules are invaluable, they are intensive and potentially quickly


forgotten, and individual plans could prompt refreshers in areas not visited over time, linking to aims and objectives of what is trying to be achieved.

- While we recognise budgetary requirements and desire for a maximum number of attendees at conferences, we believe that strict limits on numbers could stifle autonomy and ownership of individual member's training and development. Attendance at external events provide an element of knowledge which provides much greater ability to understand and discuss key issues, including alternative approaches which other Funds may be pursuing. We would recommend introducing a target number of days/hours at external events to enhance wider knowledge.
- In addition, further clarity on which conferences, seminars and events are essential/desirable for Authority/Local Pension Board members would be welcome.
- Feedback on training also alerted us to concern that the training needs assessment might not give a true reflection on knowledge as some prefer or perform better in test environment than others. Furthermore, the assessment is quite limited in relation to what it covers. Officers did acknowledge it was a means to determine a starting point. We therefore suggest that you continue to look for further ways to help identify training needs including an evaluation of understanding of papers, effectiveness reviews at an individual level, and ensuring feedback after meetings and training sessions.
- Consider providing training for new chairs, both on soft skills and specifically for Authority meetings (rather than more general local authority meetings). We appreciate that in practice, it may not be needed in all cases, or be quite limited, where chairs and vice chairs have had some chairing experience and/or lengthy experience on the Authority/Committee/Board already.

Developing a governance manual that considers the various documents in place as an overview 'map' with hyperlinks could be incorporated into Governance Policy or as an appendix/separate document.

Reliance on officers and advisers to provide expert knowledge

 It was clear from our observations of the meetings that the members of the Authority and Board receive excellent advice from the officers and advisers. This was also the feedback from the members that we interviewed, highlighting that the Director, Senior Managers and advisers inspired the confidence of the Authority and Board.

 The timing of this review has highlighted a key risk in relation to senior officers and advisers. The Authority has appointed two Independent Investment Advisers to advise on investment matters. Both these advisers are leaving during 2024. Furthermore, the Assistant Director – Investment Strategy is also due to retire soon. Even though there is a long-term plan to ensure early recruitment to this post, and a transitional arrangement where the Director will cover and assist with this post as necessary, we believe this is a massive loss to, and risk for, the SYPA.

We believe that the Authority could benefit from reviewing the Investment Advisory Panel – and investment governance - more holistically. Full analysis of options is beyond the scope of this report, but this could include appointment of an investment consultant. The role could include/exclude specific tasks such as performance monitoring, stewardship support or manager research. An ongoing appointment could also provide additional resilience options if temporary resourcing was needed from time to time and where there

was loss of continuity in expertise due to changes in key SYPA officers and other advisers. An appointed investment consultant could also provide the additional investment related risk analysis that is mentioned in the previous risk section relating to the Pensions Regulator's General Code requirements, and remove the need for procurement to appoint a consultant at each investment strategy review.

Conclusions

Our overall conclusion is that the governance of the SYPA is of an extremely high standard in the majority of areas, appears to meet most legal requirements in the matters we have considered, and is demonstrating best practice in many areas. It is pleasing to see a culture of seeking continual improvement and best in class governance by officers, Authority members and Local Pension Board members.

We believe it is important to recognise that the model of being established as a single purpose local authority does require much more work (compared to the more typical Host Authority model that applies to the LGPS) due to the need to fully develop strategies around operational areas such as human resources and information technology, as well as having its own Constitution. However, it is our view that the flexibility and independence that this model provides has been fully embraced by everyone involved in and responsible for the governance of the South Yorkshire Pensions Authority, which in turn is a key component in the high standard of governance we have found as part of this review.



Next steps

As with any governance review, there is always room for improvement and we have made a number of recommendations, and these are set out throughout our report and summarised in the 'At a glance...' section at the start. We recommend that the Administering Authority considers and discusses the recommendations set out in this report, and that an action plan is developed in relation to implementing these recommendations, in order that progress can be monitored on an ongoing basis.

We look forward to answering any questions in relation to the report, and particularly any areas where we have highlighted that improvements could be made.

We would like to thank the officers of the SYPA for their excellent assistance throughout this review, responding to our requests for documentation, answering questions and making arrangements for interviews and meetings. We would also like to thank the members of the Authority and Board members for welcoming us to their meetings and those who made the time and shared observations as part of interviews with us.

A

Appendix



Appendix A – Reference Material

This appendix lists the various documents that were considered as part of this Governance Review.

- Funding Strategy Statement (FSS)
- Investment Strategy Statement (ISS)
- Governance Policy Statement
- Governance Compliance Statement
- Consultation, Communications and Engagement Strategy
- Administering Authority Discretions Policy Statement
- Pension Administration Strategy
- Risk Management Framework
- Risk register (Corporate Report)
- Member Learning and Development Strategy
- Conflicts of Interest Policy (Constitution, Codes and Protocols)
- Breach Reporting Policy and Procedure
- Breaches Log
- Corporate Strategy (Business Plan)

In addition, there were many other documents and information sources that were noted during this Review at a high level, but not considered in detail, which have been referenced within this report, for example:

- Meeting papers
- Reading Room
- Equality and Diversity Scheme
- Training records
- HR and ICT Strategies
- Annual report and accounts

Appendix B – TPR General Code of Practice Module Interpretation for PSPS (Aon’s view)

This appendix lists the modules from TPR’s General Code of Practice that we believe fully or partially apply or are good practice to public service pension schemes:

Module	Applies	Good Practice	Does not apply
Board structure and activities			
Governing body			
Role of the governing body	✓		
Recruitment and appointment to the governing body	✓ (mostly)	✓ (partially)	
Arrangements for member-nominated trustee			✓
Appointment and role of the chair		✓ (mostly)	
Meetings and decision-making	✓		
Remuneration and fee policy		✓	
Knowledge and understanding requirements			
Knowledge and understanding	✓ (partially)	✓ (partially)	
Governance of knowledge and understanding	✓ (partially)	✓ (partially)	
Value for scheme members			
Value for members’			✓
Advisers and service providers			
Managing advisers and service providers		✓	
Risk management			
Identifying, evaluating and recording risks	✓		
Internal controls	✓		
Assurance reports on internal controls	✓		
Scheme continuity planning		✓	
Conflicts of interest	✓ (partially)	✓ (partially)	
Own risk assessment		✓	
Risk management function			✓
Scheme governance			
Systems of governance		✓	
Funding and Investment			
Investment governance		✓	
Investment decision-making			✓
Investment monitoring		✓	
Stewardship		✓ (partially)	
Climate change	✓ (partially)	✓ (partially)	
Statement of investment principles		✓ (partially)	
Default arrangements and change restrictions			✓
Administration			
Scheme administration			
Planning and maintaining administration	✓		

Information handling		
Financial transactions	✓	
Transfers out	✓ (mostly)	
Record-keeping	✓ (partially)	✓ (partially)
Data monitoring and improvement	✓	
IT		
Maintenance of IT systems	✓	
Cyber controls	✓ (mostly)	✓ (partially)
Contributions		
Receiving contributions	✓ (partially)	
Monitoring contributions	✓	
Resolving overdue contributions	✓	
Communication. Disclosure and Reporting		
Information to members		
General principles for member communications	✓	
Annual pension benefit statements (DC)		✓
Summary funding and pension benefit statements (DB)		✓
Benefit Information statements (PSPS)	✓	
Retirement risk warnings and guidance	✓	
Notification of right to cash transfer sum or contribution	✓ (mostly)	
Chair's statement		✓
Scams	✓	
Audit requirements		✓
Public Information		
Publishing scheme information (PSPS)	✓ (mostly)	✓ (partially)
Dispute resolution procedures	✓ (mostly)	✓ (partially)
Reporting to TPR: Regular reports		
Registrable information and scheme returns	✓	
Reporting to TPR: Whistleblowing – reporting breaches		
Who must report	✓	
Decision to report	✓	
How to report	✓	
Reporting payment failures	✓	

Appendix C – Interview Schedule

Date	Meeting	Detail
07 March 24	Cllr Marnie Havard	Audit and Governance Committee Chair (Rotherham MBC)
14 March 24	Cllr Jayne Dunn	Authority Chair (Sheffield City Council)
	Cllr Andrew Sangar	Authority member (Sheffield City Council)
	Cllr Alexi Dimond	Authority member (Sheffield City Council)
	Cllr Mick Stowe	Authority member (Barnsley MBC)
23 April 24	Sharon Smith	Officer (Assistant Director – Investment Strategy)
	Debbie Sharp	Officer (Assistant Director – Pensions)
	Jo Stone	Officer (Head of Governance and Corporate Services)
	Gillian Taberner	Officer (Assistant Director – Resources)
	Nicola Doolan-Hamer	Local Pension Board member (Unison)
	George Graham	Officer (Director)
	Clare Scott	Local Pension Board Independent Adviser
25 April 24	Riaz Nurennabi	Local Pension Board Chair (Sheffield Hallam University)
	Cllr Ken Richardson	Local Pension Board member (Barnsley MBC)



Karen McWilliam
Partner

T: +44 7711 016707
E : karen.mcwilliam@aon.com



Liam Robson
Consultant

T: +44 7385 006797
E : liam.robson@aon.com



Mary Lambe
Associate Partner

T: +44 7771 678745
E : mary.lambe@aon.com

Aon plc (NYSE: AON) exists to shape decisions for the better – to protect and enrich the lives of people around the world. Through actionable analytic insight, globally integrated Risk Capital and Human Capital expertise, and locally relevant solutions, our colleagues in over 120 countries and sovereignties provide our clients with the clarity and confidence to make better risk and people decisions that help protect and grow their businesses.

Follow Aon on [LinkedIn](#), [X](#), [Facebook](#) and [Instagram](#). Stay up-to-date by visiting Aon's [newsroom](#) and sign up for news alerts [here](#).

Copyright © 2024 Aon Solutions UK Limited. All rights reserved. aon.com
Aon Solutions UK Limited. Registered in England & Wales No. 4396810. Registered office: The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN.

The information and opinions contained in this document, enclosures or attachments (this “document”) are for general information purposes only and should not be treated as a substitute for specific advice. It is based upon information available to us at the date of this document and takes no account of subsequent developments. Any reliance placed upon information in this document is at the sole discretion of the recipient. Unless we have otherwise agreed with you in writing: (a) we make no warranties, representations or undertakings about any of the content of this document and (b) Aon disclaims, to the maximum extent permissible under applicable law, any and all liability or responsibility for any loss or damage, whether direct, indirect, special, punitive, consequential (including lost profits) or any other loss or damage even if notified of the possibility of such loss or damage, arising from the use of or reliance on this document. In this disclaimer, references to “us”, “we” and “Aon” include any Aon colleagues and Scheme Actuaries. To protect the confidential and proprietary information in this document, unless we provide prior written consent no part of this document should be reproduced, distributed, forwarded or communicated to anyone else. We do not accept or assume any duty of care, responsibility or liability whatsoever to any person who receives a copy of this document without our consent.

Subject	Update on Decisions Made by the Authority	Status	For Publication
Report to	Local Pension Board	Date	08 August 2024
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance and Corporate Services	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

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 Board’s last meeting on 25 April 2024.
- 5.3 The table below sets out the decisions of the Authority taken at its meeting on 06 June 2024 and the decisions of the Audit & Governance Committee on 11 July 2024. 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.

Decisions Made at Authority Meeting 06 June 2024	
Full agenda and the public reports referred to below are available at: Authority Meeting 6 June 2024 <i>Exempt reports from the June Authority meeting are included in the exempt part of the agenda for this Local Pension Board meeting.</i>	
Item 9: Members, Political Balance, and Appointment to Committees	Members approved the membership arrangements for 2024/25
Item 11: Minutes of the Meeting Held on 14/03/2024	The minutes of the meeting were agreed as a true record of the meeting held on 14 March 2024.
Item 13: Corporate Performance Report 2023/24 (Q4)	Members approved: The budget virements set out in the report. The Authority overspend of £49,200. Approved the transfer to and from the earmarked reserves, amounting to a net total transfer from reserves of £274, 235.
Item 17: “Levelling Up” Plan	Members approved the Place Based Impact Investment Plan.
Item 19: Funding Strategy Statement	Members agreed that the Cessation Policy be updated to reflect the agreed approach to calculating the exit credit payable to a ceasing contractor – in line with the report.
Item 21: Vexatious Complaints and Unreasonable Behaviour Policy	Members approved the Vexatious Complaints and Unreasonable Behaviour Policy.
Item 22: Members Learning and Development Strategy 2024/25	Members approved the Members Learning and Development Strategy 2024/25.
Item 25: Annual Governance Statement	Members approved the Annual Governance Statement 2023/24, authorised its signature by the Chair and the Director, and noted the provisional conclusion of the Head of Internal Audit.
Restricted Items	
Item 26: Border to Coast 2030 Strategy	Members approved the casting of the Authority’s shareholder vote in favour of the Border to Coast 2030 Strategy.

Item 27: Independent Adviser Recruitment Progress Update	Members approved the recommendations listed in the restricted report.
Item 28: Director's Appraisal	Members noted the review of the Director's performance over the year and approved the objectives for the coming year set out in the body of the report.
Decisions Made at Audit & Governance Committee 11 July 2024	
Full agenda and the public reports referred to below are available at: Audit & Governance Committee 11 July 2024	
Item 6: Minutes of the meeting held on 07/03/2024	The minutes of the meeting were agreed as a true record of the meeting held on 07/03/2024.

Decisions Taken Between Meetings Under the Urgency Procedure

- 5.4 It is often necessary for decisions to be taken between meetings of the Authority due to the time sensitive nature of the matters involved. These decisions are taken by the Chair in consultation with the s41 members and the Director, then published on the Authority's website and reported to the next Authority meeting for transparency. A report is also provided to update the Local Pension Board on such decisions.
- 5.5 There was only one decision required under this procedure during the period between the March to June meetings of the Authority.
- 5.6 Border to Coast circulated several shareholder resolutions for approval at the Annual Meeting of shareholders. SYPA were requested to vote on the following resolutions:
- i. To receive the accounts – Recommend voting in favour. They show the company is profitable and is delivering against its objectives.
 - ii. To reappoint the auditors (KPMG) and authorise the directors to negotiate the fee. Recommend abstaining on this resolution (see comments in para 5.7 below).
 - iii. To note the policy on Directors outside business interests. Recommend voting in favour. This is a standard policy which the company takes seriously.
 - iv. To receive the register of Directors outside business interests. Recommend voting in favour. The interests which are notified do not raise any red flags.
 - v. Approve a 1-year extension as a director for Cllr John Holtby. Recommend voting in favour. This was supported by the Joint Committee.
 - vi. Approve the appointment of Felicity Bambery as a director. Recommend voting in favour. This individual appears to have an appropriate background and experience for the role.
 - vii. Approve the remuneration policy for Non-Executive Directors. Recommend voting in favour. While there are increases in the director's fees proposed, the comparative information produced indicates that they are not out of line with the market (if anything slightly below) and these individuals do provide significant input.
 - viii. Note a change in policy which will move non-executive director fees to a day rate. Recommend voting in favour. This is in line with market practice.
- 5.7 Abstaining from resolution (ii), relating to the reappointment of KPMG as auditors, was supported for the below reasons:
- The reality is that the resolution has no effect as the company is tied into a long-term contract with KPMG. The total contract has a length of 10 years. Were this an investment in another company Border to Coast would vote against an audit firm

being appointed for more than 9 years on the grounds that they cease to be independent.

- KPMG have been subject to a number of adverse regulatory findings in relation to their audit practice. While this is actually true of all the big firms, it poses a reputational risk for the company. The Company indicates that they are keeping these issues under regular review.

5.8 The decision was approved to vote in line with the recommendations above.

6 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.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection

Subject	Risk Register Update	Status	For Publication
Report to	Local Pension Board	Date	08 August 2024
Report of	Director		
Equality Impact Assessment	Not Required	Attached	Na
Contact Officer	Annie Palmer Team Leader Governance	Phone	01226 666404
E Mail	apalmer@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To provide members of the Board with the opportunity to review the updated risk register which supports the corporate strategy.
-

2 **Recommendations**

- 2.1 Members are recommended to:
- a. **Note and comment upon the revised corporate Risk Register at Appendix A.**
-

3 **Link to Corporate Objectives**

- 3.1 This report links to the delivery of all the corporate objectives because the corporate risk register is focussed on assessing and managing the range of risks to the organisation in meeting any of these 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.

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

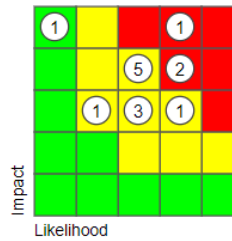
- 4.1 The actions outlined in this report address the entirety of the risk landscape facing the Authority.

5 Background and Options

- 5.1 The Board's workplan requires it to review the Authority's Corporate Risk Register regularly. The latest version of the Register, which was considered by the Authority at its meeting on 06 June 2024, is attached at **Appendix A**.
- 5.2 The register is now held on a risk management software system, enabling a more streamlined process for reviewing, recording and reporting risks as well as assisting managers through the use of triggers and action reminders for example.
- 5.3 The Risk Register attached at Appendix A has been produced directly from the new risk management software system and is therefore set out in a new format compared to previous reports.
- 5.4 The results of the latest review of the Authority's risks undertaken in May 2024 are set out in the commentary shown in the final column of the table in the report. No risk scores have changed since the last review reported and no new risks have been added.
- 5.5 For illustration from the risk management software, images from the strategic risk dashboard are shown below to give an overview of the current position. The system functionality enables officers to drill down from dashboards such as these to analyse in further detail and to enter updates to risk scores and commentary for the quarterly updates. The numbers shown in the extracts below all refer to the count of individual risks within each of the relevant infographics. There are 14 risks currently on the register in total.

Aggregated Strategic Risk Matrix

3



Total risks at a score of 15 or under

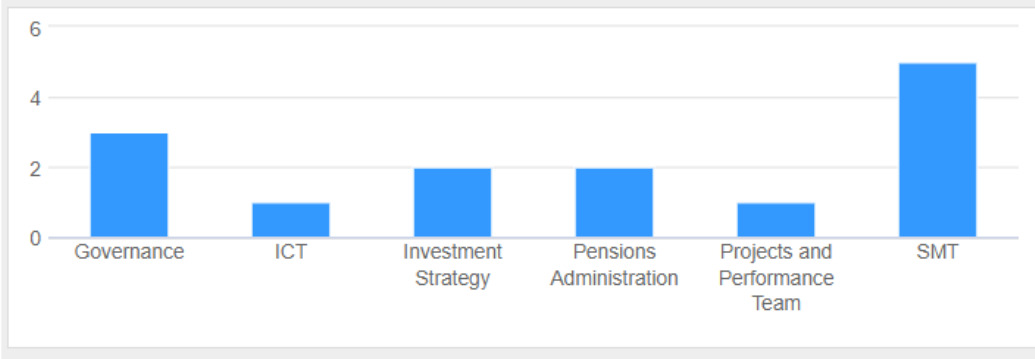


Total risks at a score of over 15

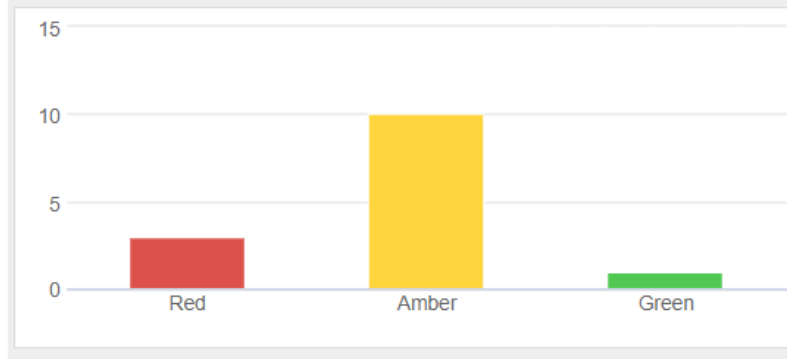


Page 83

Risks split by Organisational Unit



Red - Amber - Green



5.6 The dashboard also shows how individual risks link through to each of our Strategic Objectives. Note that some risks link to more than one of these objectives.

Risks across the Strategic Objectives

Customer Focus

Effective Governance

Listening to Stakeholders

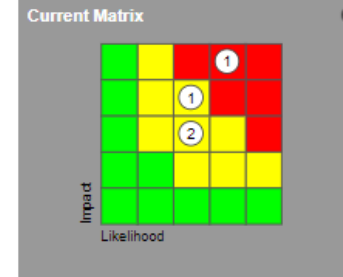
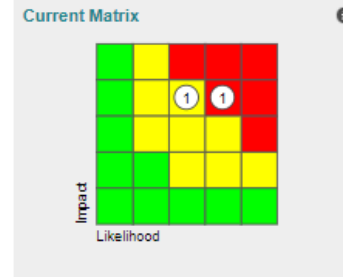
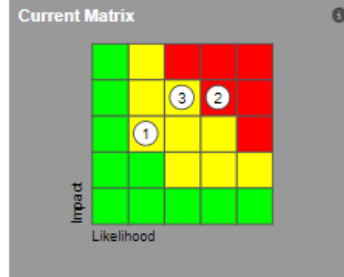
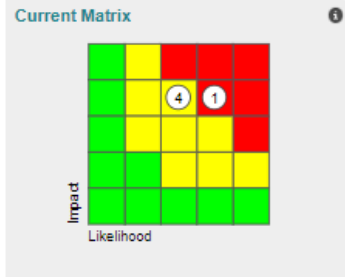
Responsible Investment

5

6

2

4



Investment Returns

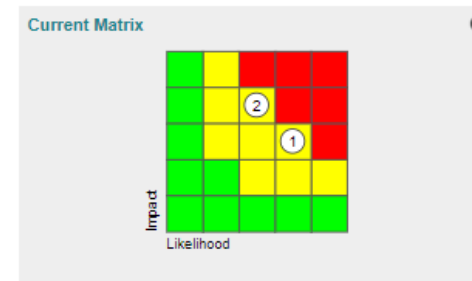
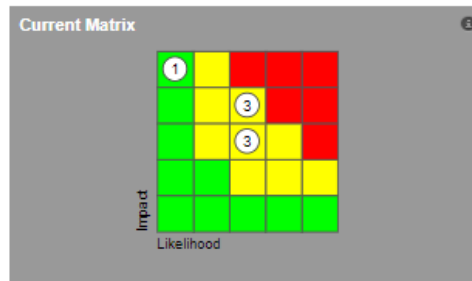
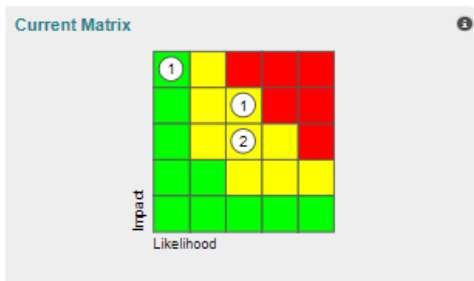
Scheme Funding

Valuing Employees

4

7

3



5.7 The Board are asked to review the Risk Register and in particular to consider whether any significant areas of risk are not captured.

6 Implications

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

Financial	None directly from this report but mitigation of individual risks will have implications.
Human Resources	None directly from this report but mitigation of individual risks will have implications.
ICT	None directly from this report but mitigation of individual risks will have implications.
Legal	None directly from this report but mitigation of individual risks will have implications.
Procurement	None directly from this report but mitigation of individual risks will have implications.

George Graham

Director

Background Papers	
Document	Place of Inspection
None	N/A


This page is intentionally left blank

South Yorkshire Pensions Authority – Corporate Risk Register

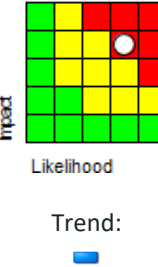
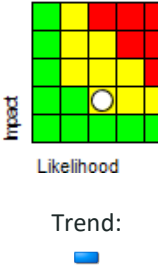
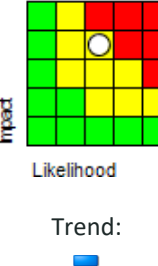
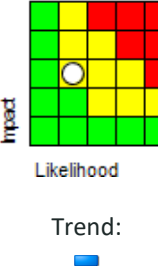
June 2024

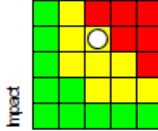

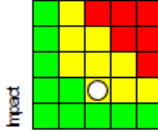

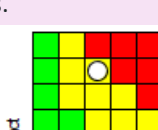

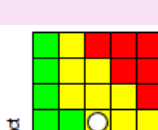

The table below sets out the register of strategic level risks, these are shown ordered by current risk score from the highest to the lowest. The risk scores are shown on a matrix of impact and likelihood – this equates to scores as shown on this key:

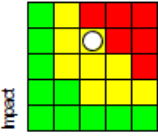

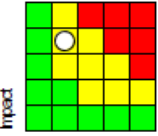

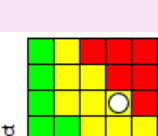

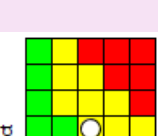
IMPACT	5 Very High	5	10	15	20	25
	4 High	4	8	12	16	20
	3 Medium	3	6	9	12	15
	2 Low	2	4	6	8	10
	1 Very Low	1	2	3	4	5
		1 Very Low	2 Low	3 Medium	4 High	5 Very High
		LIKELIHOOD				

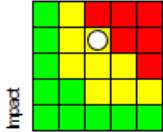

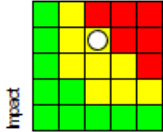

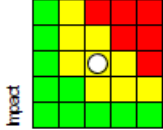

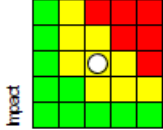

Underneath each matrix in the table, an icon is included to show the trend in the score since the previous review. As no scores have been changed in this latest review, these are all shown as  which indicates no movement.

Existing Preventative Measures	Existing Mitigation Measures	Current Risk Score Matrix	Target Risk Score Matrix	Linked Actions	Commentary from latest review
Risk: IAF - 002 Failure to mitigate the impact of climate change					
Risk effect: Significant deterioration in the funding level					
None possible.	<ul style="list-style-type: none"> Climate Change Policies and Net Zero Goals adopted by both the Authority and Border to Coast. Asset allocation tilted to favour more climate positive investments. Review of Investment Strategy following the 2022 Valuation to integrate the achievement of Net Zero within the Strategic Asset Allocation. Reporting in line with the requirements of TCFD and regular monitoring of the level of emissions from portfolios, with outline targets for reductions. 	<p>Likelihood</p>	<p>Likelihood</p>	<ul style="list-style-type: none"> Additional engagement with Border to Coast to identify potentially climate positive investments. Analysis of end of year climate data to gain a detailed understanding of the current emissions trajectory. Clear targets for emission reduction to be set for remaining portfolios. Climate Change Policies and Net Zero Goals adopted by both the Authority and Border to Coast. 	At this stage there is no justification to change the risk score
Trend:					
Trend:					
Risk: OPE - 002 Cyber security attack					
Risk effect: Significant disruption to the provision of services; loss / unauthorised release of key data.					
<ul style="list-style-type: none"> Regularly updated policies, software and hardware e.g., firewalls etc. to ensure multi-layer cyber security defences. Regular penetration testing. Cyber Security Essentials Plus Certification Regular refresher training on cyber security for all staff with a requirement to achieve a minimum level of pass. Policies and Codes of Practice in place 	<ul style="list-style-type: none"> Effective ICT business continuity plan in place. Incident response retainer with specialist security provider Cyber Security Incident Management Policy in place. 	<p>Likelihood</p>	<p>Likelihood</p>	<ul style="list-style-type: none"> Ongoing review and implementation of ICT action plan to enhance cyber security defences 	<p>Cyber awareness training delivered to LPB in April 2024.</p> <p>The ICT project plan continues to be progressed however there is no justification to change score at this point.</p>
Trend:					
Trend:					
Risk Owner: George Graham, Director					
Risk Last Modified Date: 7 May 2024					
Risk Owner: Andy Ramsbottom, Head of ICT					
Risk Last Modified Date: 8 May 2024					

Existing Preventative Measures	Existing Mitigation Measures	Current Risk Score Matrix	Target Risk Score Matrix	Linked Actions	Commentary from latest review
<ul style="list-style-type: none"> Targeted threat protections Regular internal and external audits. 					
Risk: OPE - 005 Backlogs in work flows Effect: Declines in the overall level of service performance; regulatory penalties; reputational damage				Risk Owner: Debbie Sharp, Assistant Director - Pensions Risk Last Modified Date: 9 May 2024	
<ul style="list-style-type: none"> Improved processes and staff training Targeted overtime to focused areas Changes to work tray allocations Pre live launch testing processes in place. 	<ul style="list-style-type: none"> Capacity planning exercise has been undertaken. An action plan considering a range of specific actions to address aspects of problems identified has been developed and is being worked through. 			<ul style="list-style-type: none"> Capacity planning exercise and focus group outcomes will be considered by members over the Autumn. However, this may take some time to have an impact. Continuation of implementation of the action plan (particularly the automation of certain bulk processes) will provide some mitigation in the interim. Overarching action plan to be developed. Review of processes and policies. 	<p>The overarching action plan has been approved and was actioned in February 2024. As per the last update this is still at early implementation stage and being monitored monthly.</p> <p>Whilst progress has been made against some of the additional preventative and mitigating actions there is no justification to reduce the score at this stage.</p>
Risk: GOV - 004 Delivery of Key Objectives in Corporate Strategy Effect: Failure to deliver the service to our scheme members set out in our mission statement.				Risk Owner: Will Goddard, Head of Finance & Performance Risk Last Modified Date: 8 May 2024	
<ul style="list-style-type: none"> Programmes and Performance Management Team established. Installed Programmes and Performance Management System 	Regular monitoring and review of objectives delivery			<ul style="list-style-type: none"> Development and implementation of a programme management framework Implementation and go live of Programme and Performance System 	<p>Project management methodology has been rolled out across the organisation, but adoption is currently at an early stage, and we'll be seeking to increase engagement with this as teams and managers get used to the new processes. We are tracking adoption with plans to start sharing this data to help determine where any further support is needed for adopting the framework more fully. Development of the Performance Management Framework is now in progress, but currently in early stages. Risk score remains unchanged.</p>

Existing Preventative Measures	Existing Mitigation Measures	Current Risk Score Matrix	Target Risk Score Matrix	Linked Actions	Commentary from latest review
Risk: GOV - 004 Failure to apply data protection requirements Effect: Financial / regulatory penalties; reputational damage; inability to deliver the service.		Risk Owner: Gillian Taberner, Assistant Director - Resources Risk Last Modified Date: 9 May 2024			
<ul style="list-style-type: none"> Access to expertise through BMBC Corporate Assurance Team and DPO. ICT control measures. Data protection policies, procedures and training in place. 	<ul style="list-style-type: none"> Data breach process in place to ensure correct action taken in the event of a breach and improvements identified. Close liaison with DPO. Reporting to ICO and implementing any recommendations. Data recovery plan in place. 	 <p>Likelihood</p> <p>Trend: </p>	 <p>Likelihood</p> <p>Trend: </p>	<ul style="list-style-type: none"> Data Protection Training Implement Information Governance Action Plan 	<p>The update to the suite of Data Protection Policies is now complete. Internal Audit review in progress on new policies and procedures with any actions arising to be added to the Data Protection Action Plan. Training will be delivered to identified staff by the end of June 2024. Phase 2 of the action plan is in progress. At this stage there is no justification to reduce the risk score.</p>
Risk: OPE - 003 Poor data quality Effect: Inaccurate information leading to incorrect benefits paid; reputational damage; penalties; impact on valuation of liabilities; delays to processing and increase in backlogs.		Risk Owner: Debbie Sharp, Assistant Director - Pensions Risk Last Modified Date:			
<ul style="list-style-type: none"> Implementation of front end validation of employer data submissions. Use of DART to run daily validations (200 per day) New system testing, releases and updates Dedicated systems team in place Issues and errors reported to System Providers Checking process in existing systems. Targeted staff overtime worked 	<ul style="list-style-type: none"> Ongoing development of data improvement plan. Dedicated Programmes and Performance Team Use of DART to run daily validations (200) Projects Team resource to target highlighted issues - bulk data corrections. Use of Hymans data cleansing tool as part of valuation process. Targeted overtime with focus on priority casework 	 <p>Likelihood</p> <p>Trend: </p>	 <p>Likelihood</p> <p>Trend: </p>	<ul style="list-style-type: none"> Capacity exercise outcomes Further preventative measures to be assessed to address root cause In house system improvements and efficiencies Robust contract management Targeted staff training 	<p>The data improvement plan has been updated. The primary focus is still the GMP Reconciliation and Rectification exercise, and this is still on track for completion Summer 2024.</p> <p>Data corrections for annual exercises have been undertaken but data improvement strategy is still to be implemented.</p> <p>The impact of the revised plan will be monitored however there is no justification to reduce the score at this stage.</p>

Existing Preventative Measures	Existing Mitigation Measures	Current Risk Score Matrix	Target Risk Score Matrix	Linked Actions	Commentary from latest review
Risk: OPE - 004 Failure of the Authority to comply with relevant Regulations Effect: Enforcement action by relevant regulatory authorities		Risk Owner: Jo Stone, Head of Governance & Corporate Services Risk Last Modified Date: 8 May 2024			
<ul style="list-style-type: none"> Service areas are aware of key points of reference for relevant regulations Reporting of compliance within relevant standards. Basic assessment of compliance with TPR General Code of Practice in place. 	<ul style="list-style-type: none"> Regular reviews of key policies and processes Ongoing process of awareness raising and training for staff in relation to operational matters Oversight of key updates and awareness of milestone approvals 	 <p>Likelihood</p> <p>Trend: </p>	 <p>Likelihood</p> <p>Trend: </p>	<ul style="list-style-type: none"> Additional training for Authority and Pension Board Members to enable improved oversight. Central policy tracker that is regularly reviewed More detailed assessment of compliance with emerging regulatory requirements. Use of tool to assess compliance with TPR General Code and report on this twice per year. 	<p>Initial assessment of TPR compliance completed for the new General Code of Practice.</p> <p>Policy Tracker template created, work ongoing to populate this and develop timeline and procedures to ensure policies are in place and kept up to date.</p> <p>There is no justification to adjust this score at the moment.</p>
Risk: PEO - 002 High level of vacancies within the organisation Effect: Inability to deliver the service; negative impact on staff wellbeing; poor staff retention resulting in loss of specialist knowledge.		Risk Owner: Gillian Taberner, Assistant Director - Resources Risk Last Modified Date: 8 May 2024			
<ul style="list-style-type: none"> Career grade scheme in place to develop in house specialists. Targeted advertising including using social media Introduction of hybrid working and existing flexi scheme 	<ul style="list-style-type: none"> Capacity planning to identify additional resources. Regular one to ones, review of workload and work life balance. Promotion of wellbeing initiatives. Provision of Counselling, Occupational Health and Employee Assistance Programme. Investment in training and development. Market supplements to secure specialist roles. 	 <p>Likelihood</p> <p>Trend: </p>	 <p>Likelihood</p> <p>Trend: </p>	<ul style="list-style-type: none"> Develop action plan following 2023 employee survey findings. Implementation of Pay & Benefits review and talent attraction via Employee Value Proposition Increase in staffing following capacity planning. 	<p>The planned actions are in progress currently but not yet sufficiently progressed to result in a change to the risk score at this stage.</p>

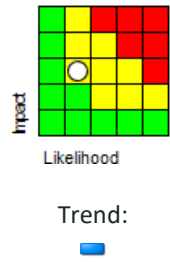
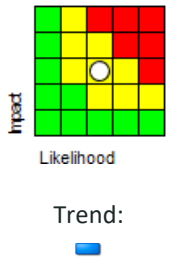
Existing Preventative Measures	Existing Mitigation Measures	Current Risk Score Matrix	Target Risk Score Matrix	Linked Actions	Commentary from latest review
Risk: PEO - 003 Single point of failure in specialist knowledge roles Effect: Failure to deliver service and reduced service quality; reputational damage; impact on staff morale and wellbeing.				Risk Owner: Gillian Taberner, Assistant Director - Resources Risk Last Modified Date: 8 May 2024	
<ul style="list-style-type: none"> ▪ Revised pay and benefits package ▪ Range of policies for supporting wellbeing ▪ Documented procedures and work instructions ▪ Learning and development plans and knowledge transfer 	<ul style="list-style-type: none"> ▪ Organisational Resilience Plan. ▪ Lessons learned to identify single points of failure. ▪ Ability to call on external third party support. ▪ Regular one to ones, review of workload and work life balance. ▪ Promotion of wellbeing initiatives. ▪ Provision of Counselling, Occupational Health and Employee Assistance Programme. 	 Likelihood Trend: 	 Likelihood Trend: 	<ul style="list-style-type: none"> ▪ Identify single points of failure in each service. ▪ Service- specific plans to address this through: <ul style="list-style-type: none"> ○ Knowledge transfer ○ Succession Planning ○ Identifying options for third party support / services as appropriate or for contingency purposes ○ Actions being taken as part of Pensions Administration structure change. 	There have been no specific changes since the last review. No justification for changing the risk score. The actions required encompass a range of activity across the organisation that will be progressed and implications for the risk score reviewed on an ongoing basis.
Risk: IAF - 001 Material changes to the value of investment assets and/or liabilities Effect: Sharp and sudden movements in the overall funding level				Risk Owner: Sharon Smith, Assistant Director – Investment Strategy Risk Last Modified Date: 7 May 2024	
<ul style="list-style-type: none"> ▪ Having a diversified Investment Strategy focussed on relatively lower risk and less volatile investments. 	<ul style="list-style-type: none"> ▪ Element of inflation protection built into the asset allocation both through specific assets (such as index linked gilts) and proxies such as property and infrastructure. 	 Likelihood Trend: 	 Likelihood Trend: 	<ul style="list-style-type: none"> ▪ Ability to implement protection strategies if market circumstances indicate they are appropriate. 	This risk remains at the target score. Given nature of the risk it will remain on the register.

Existing Preventative Measures	Existing Mitigation Measures	Current Risk Score Matrix	Target Risk Score Matrix	Linked Actions	Commentary from latest review
--------------------------------	------------------------------	---------------------------	--------------------------	----------------	-------------------------------

Risk: IAF - 003 Failure to manage key risks in the Border to Coast Strategic Plan
 Effect: Decline in investment performance; increased costs if need to move to more expensive products; potential changes in the risk and volatility levels within the portfolio

Risk Owner: George Graham, Director
 Risk Last Modified Date: 7 May 2024

- Process of engagement between the Company and stakeholders to agree the Company's Strategic Plan and Budget containing appropriate mitigations.
- Succession and contingency planning arrangements in place within the Company
- Programme of specific risk mitigations agreed as part of the 2022 - 2025 Strategic Plan and Budget



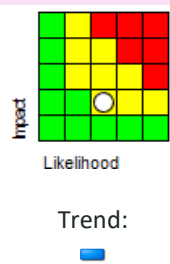
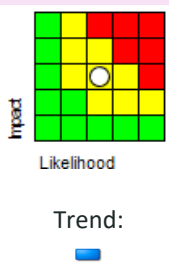
- Ongoing monitoring of Programme of specific risk mitigations set out in 2022 - 2025 strategic plan

This remains as the last update - The progress against the plan will be reviewed at the September Authority meeting and it is likely that the risk score will reduce following the June review.

Risk: IAF - 005 Employer contributions become unaffordable
 Effect: Default on the making of contributions by employers

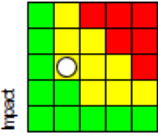

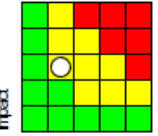

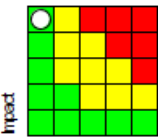

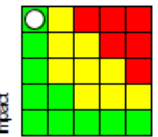

Risk Owner: George Graham, Director
 Risk Last Modified Date: 7 May 2024

- Investment strategy that is focused on long term returns and reduced volatility
- Reviews of employer covenant and ongoing monitoring of funding levels
- Phasing of increases and stabilisation mechanism in the valuation
- Negotiated exit depending on the type of employer
- Ability to undertake contribution reviews



- More systematic review of employer covenants
- More systematic use of the funding monitoring tools provided by the actuary

Initial engagement with larger employers indicates that there is likely to be pressure to reduce the overall level of contributions at the next valuation. At this stage it is not clear what the valuation outcome will be so it is not possible to judge where any balance between the differing interests of the fund and employers will be struck. Therefore, the score for this risk remains as previously.

Existing Preventative Measures	Existing Mitigation Measures	Current Risk Score Matrix	Target Risk Score Matrix	Linked Actions	Commentary from latest review
Risk: GOV - 001 Insufficient knowledge and understanding of Authority and LPB Members Effect: Poorly informed decision making; regulatory / legislative non-compliance; insufficient questioning and challenge of officers.		Risk Owner: Jo Stone, Head of Governance & Corporate Services Risk Last Modified Date: 8 May 2024			
<ul style="list-style-type: none"> Member Learning and Development Strategy and associated mandatory training requirements in place. 	<ul style="list-style-type: none"> Annual effectiveness review and action plan Identify changes to legislation and key regulatory requirements that require enhanced knowledge and skills development Continuation of collaborative engagement of Independent Advisers, Internal Auditors and Officers 	 <p>Likelihood</p> <p>Trend: </p>	 <p>Likelihood</p> <p>Trend: </p>	<ul style="list-style-type: none"> Any new members will be required to undertake mandatory training to meet essential requirements. Continuous review of the pensions landscape for legislative and regulatory change 	Introduction of new away day for members' CPD was successfully delivered in November 2023 and planned for Nov 2024 (to be run annually). With some turnover of membership as we move into the new municipal year, there will be increased activity to support new members through induction and on-boarding.
Risk: IAF - 004 Imbalance in cashflows Effect: Inability to pay pensions without resorting to borrowing or "fire sale" liquidation of investments; potential negative impacts on individual pensioners.		Risk Owner: Sharon Smith, Assistant Director – Investment Strategy Risk Last Modified Date: 7 May 2024			
<ul style="list-style-type: none"> Maintenance of "cash buffer" of liquidity sufficient to cover more than one monthly payroll. 	<ul style="list-style-type: none"> Process for monitoring and forecasting cashflows 	 <p>Likelihood</p> <p>Trend: </p>	 <p>Likelihood</p> <p>Trend: </p>	<ul style="list-style-type: none"> Further improvements in cashflow forecasting Implementation of strategies to more regularly harvest income from investments 	This risk remains at target score but will remain on the register due to potential fluctuating circumstances.

Page 94

Subject	Compliance with The Pensions Regulator General Code of Practice	Status	For Publication
Report to	Local Pension Board	Date	08 August 2024
Report of	Head of Governance & Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance & Corporate Services	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To provide Local Pension Board members with an update on the current status of compliance with the Pensions Regulator’s (TPR’s) General Code of Practice.

2 **Recommendations**

- 2.1 Board Members are recommended to:
- a. **Note the update on compliance with the TPR’s new General Code of Practice and actions identified; and**
 - b. **Consider if any further information or explanation is required from officers.**

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 showing prudence and propriety at all times.

- 3.2 The contents of this report are part of the arrangements in place to ensure good governance.

4 **Implications for the Corporate Risk Register**

- 4.1 The actions outlined in this report relate to actions that will contribute to addressing risks around regulatory compliance.

5 **Background and Options**

- 5.1 As previously reported, the TPR's new General Code of Practice came into effect on 27 March. The General Code brings together 10 existing codes of practice, including Code of Practice 14 (Governance and Administration of Public Service Pension Schemes), into a single modular code which applies to all UK pension schemes. Not all areas of the Code fully apply to public service pension schemes; some are just good practice and others do not apply at all. There are also modules that partially apply and/or are partially good practice.
- 5.2 Given the importance of ensuring a full evaluation of compliance with the General Code in a timely manner and the complexity involved, a decision was made to do this with Aon alongside their governance review work – which had the benefits of introducing a degree of independence to the baseline assessment as well as the use of a toolkit produced by Aon to support the process. The toolkit has been purchased by the Authority and will therefore continue to be used for reviewing against the General Code requirements on a regular basis going forward.
- 5.3 This report presents the results of the first assessment which was carried out over two days in March 2024 by officers with support and challenge from the Aon consultants.
- 5.4 The General Code has five overarching principles covering The Governing Body, Funding and Investments, Administration, Communication and Disclosure and Reporting to TPR, each of which is divided up into modules.
- 5.5 As summarised in Aon's independent governance review report elsewhere on this agenda, the results showed generally good compliance as indicated by the number of green and amber ratings in the table shown below.

Section	Green	Amber	Red	Total Questions
The Governing Body	115	18	10*	143
Funding and Investment	29	5	3	37
Administration	65	17	6	88
Communications and Disclosure	23	8	5	36
Reporting to TPR	7	2	5	14

* Note:

7 of these questions rated as red relate to the 'Own Risk Assessment' module which has not been assessed yet.

- 5.6 The completion of the 'Own Risk Assessment' module was deferred as recommended by Aon. The module is good practice for public service pension schemes but relates to requirements that must be followed by private sector schemes. As the requirements are extremely onerous, Aon advised, and officers concurred, that it is worth waiting to see whether public sector industry guidance emerges on this area (for example, from the LGPS Scheme Advisory Board).
- 5.7 The report attached at Appendix A has been produced directly from the toolkit and provides the results of the assessment, setting out for each of the five sections:
- An 'at a glance' page showing a heat scale that indicates the overall RAG and compliance status for each of the modules assessed. (This page also includes a sidebar to show some of the essential actions extracted from the toolkit – this appears to cut off some of the content, but the actions are detailed fully in the rest of the report as explained below).

- b. Following on from the 'at a glance' page for each section, the actions noted are set out in full, showing the module and question number to which they relate.
 - c. The final page for each of the five sections sets out the names of each of the modules included within it and indicates the interpretation that Aon has provided as to their application or partial application to LGPS funds.
- 5.8 The process of completing the assessment was very useful and officers felt that it was reassuring that the questions rated as red concerned issues that on the whole were already known and actions either being planned or already in progress.
- 5.9 The issues arising from the assessment that were highlighted by Aon in their report on the independent governance review include:
- a. Cybercrime Risk – this is a key area of interest for the regulator and very high on the Authority's own strategic priorities. The assessment recognised the strong controls already in place in this regard, but also noted some key actions required. These include undertaking a review of data and asset mapping to help identify the potential magnitude of cyber security risks from third party suppliers and supplementing the due diligence checks carried out when procuring new suppliers with a programme of regular and ongoing specialist assessments of suppliers prioritised based on relative assessed risk.
The review of data assets is being planned as part of ongoing work on the information governance framework currently in development. Work will be undertaken to investigate and develop a suitable process for assessment of key suppliers. In the meantime, assurance is provided from obtaining controls reports as relevant from primary service providers – CIVICA as provider of the pensions administration software system, Hymans Robertson as the Fund's actuary and Border to Coast.
Actions are also planned to carry out a review against the Pensions Regulator's [Cyber Guidance](#).
 - b. Monitoring of administration process timescales for regulatory breach recording – action is in progress on developing an improved procedure, included in the Annual Governance Statement action plan.
 - c. Internal controls – the recommendation to ensure all procedures are documented and to review the current structure of where information is held to make this easier to manage will be taken forward and is included in the actions noted from the compliance assessment.
 - d. Actions to formalise the data improvement plan and finalise the Business Continuity strategy are included as specific objectives in the Corporate Strategy for 2024/25 to 2026/27.
- 5.10 Officers will ensure that when policies, strategies and other relevant documents are created or reviewed, the requirements of the TPR General Code of Practice will be referred to and taken into account.
- 5.11 Reviews will be carried out regularly with a twice yearly update reported to the Board – currently scheduled for the August and February meetings each year.

6 Implications

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

Financial	None. The cost of purchasing the toolkit from Aon was met from the existing budget.
-----------	---

Human Resources	None.
ICT	None.
Legal	The assessment of compliance with TPR's General Code will enable the Authority to ensure it meets its legal obligations.
Procurement	None.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection
The Pensions Regulator – General Code of Practice	TPR website: TPR general (single) code of practice The Pensions Regulator



TPR General code of practice

South Yorkshire Pension Fund - Scheme Assessment

Prepared for: South Yorkshire Pensions Authority
South Yorkshire Pensions Authority
South Yorkshire Pension Board

Prepared by: Aon
Date: 27 April 2024

Introduction






TPR Code Compliance model

This report sets out how South Yorkshire Pension Fund complies with the Pension Regulator's (TPR) General code of practice (the Code) in relation to the management of the South Yorkshire Pension Fund which is part of the Local Government Pension Scheme (LGPS).

Note that the Code applies to governing bodies of all occupational, personal and Public Service Pension Schemes and therefore it is generic in nature. This document highlights all the key elements of the Code relevant to Public Service Pension Schemes and sets out whether South Yorkshire Pensions Authority is compliant in each of the Code's modules. There may be a number of requirements relating to these elements that are specifically stipulated within LGPS legislation and it is not the purpose of this compliance model to consider that level of detail.

Key

-  Compliant
-  Compliant in some but not all areas
-  Not currently compliant

PC Pension Committee (or equivalent)

PB Local Pension Board

TPR The Pensions Regulator

LGPS Local Government Pension Scheme

Code TPR's General code of practice

For SYPA, this is the Authority.

The governing body



The governing body – at a glance



Board Structure and activities

Fully compliant in 3 out of 5 modules



2 questions are red and 2 questions are amber out of 30 questions.

Knowledge and understanding requirements

Fully compliant in 1 out of 2 modules



No questions are red and 2 questions are amber out of 20 questions.

Advisers and service providers

Fully compliant in 0 out of 1 module



No questions are red and 4 questions are amber out of 19 questions.

Risk Management

Fully compliant in 2 out of 6 modules



4 questions are red and 4 questions are amber out of 50 questions.

Essential actions

- Some of the recruitment, succession planning etc processes should be documented in more detail (beyond what is Constitutions) - some will cover both SYPA and LPB, but some LPB only.
- Consider how to better implement the Equality Scheme within the recruitment practices.
- Develop training/induction specifically focused on Chairs skills/expectations.
- Develop a process to ensure regular reviews of skills/behaviour required of Chairs.
- Ensure Contract Standing Orders articulates that the payments to advisers including independent advisers are covered as part of procurement process.
- Recognise LPB are keen to do more bespoke training/individual training wishes (already in progress).
- Further work to be doing in considering how to review and incorporate wider skills within the LPB (including consideration of EDI).
- Develop individual training plans.
- As per answers above
- As per answers above

Comments

General consensus is to put creating an Own Risk Assessment as lower priority whilst focusing on other areas of Code, and also to allow LGPS national guidance to perhaps be released in this area

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

The governing body



Board structure and activities

Essential Actions

Module	Question	Action
1 Recruitment and appointment to the governing body	1	Some of the recruitment, succession planning etc processes should be documented in more detail (beyond what is Constitutions) - some will cover both SYPA and LPB, but some LPB only.
2 Recruitment and appointment to the governing body	2	Consider how to better implement the Equality Scheme within the recruitment practices.
3 Appointment and role of the chair	3	Develop training/induction specifically focused on Chairs skills/expectations.
4 Appointment and role of the chair	4	Develop a process to ensure regular reviews of skills/behaviour required of Chairs.
5 Remuneration and fee policy	1	Ensure Contract Standing Orders articulates that the payments to advisers including independent advisers are covered as part of procurement process.

Other Actions

Module	Question	Action
1 No Actions		

Knowledge and understanding requirements

Essential Actions

Module	Question	Action
1 Governance of knowledge and understanding	1	Recognise LPB are keen to do more bespoke training/individual training wishes (already in progress).
2 Governance of knowledge and understanding	3	Further work to be doing in considering how to review and incorporate wider skills within the LPB (including consideration of EDI).
3 Governance of knowledge and understanding	4	Develop individual training plans.
4 Governance of knowledge and understanding	8	As per answers above
5 Governance of knowledge and understanding	10	As per answers above
6 Governance of knowledge and understanding	11	As per answers above

Other Actions

Module	Question	Action
1	No Actions	

Advisers and service providers

Essential Actions

Module	Question	Action	
1	Managing advisers and service providers	7	Need to document and clarify who can request work and manage contracts
2	Managing advisers and service providers	8	Need to document and clarify who can request work and manage contracts i.e. improved contract management.
3	Managing advisers and service providers	13	Need to incorporate a process to ensure improved contact management and regular SLA/KPIs, and better escalation processes.
4	Managing advisers and service providers	16	Work to be done to consider how robust contract provisions are and ensure everything fully incorporated into business continuity plan.

Other Actions

Module	Question	Action
1	No Actions	

Risk management

Essential Actions

Module	Question	Action	
1	Internal controls	3	Further work to be done in identifying single points of failure and ensuring internal controls are documented for these, as well as ensuring all administration tasks are documented (e.g. non-UPM areas).
2	Scheme continuity planning	2	Develop new BCP covering full SYPA operations
3	Scheme continuity planning	5	Further work to be carried out to get assurance on BCPs from all service providers
4	Scheme continuity planning	11	Contingency plans for staffing shortages to be considered as part of new BCP development
5	Conflicts of interest	5	Looking to record details from declarations in a central spreadsheet.

Other Actions

Module	Question	Action
1 Identifying, evaluating and recording risks	2	At next review, will consider any further updates required as part of TPR General Code.
2 Conflicts of interest	1	Consider moving to one Policy covering all, rather than having a separate one for LPB.

Scheme governance

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 No Actions		



The governing body

Modules

Board structure and activities

- Role of the governing body (1)
- Recruiting and appointment to the governing body (2,6)
- *Arrangements for member-nominated trustee appointments (7)*
- Appointment and role of the chair (5)
- Meetings and decision-making (1)
- Remuneration and fee policy (4)

Knowledge & understanding requirements

- Knowledge and understanding (3,6)
- Governance of knowledge and understanding (3,6)

Value for scheme members (DC only)

- *Value for members (7)*

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

(1) Applies

(2) Mostly applies

(3) Partially applies

(4) Good practice

(5) Mostly good practice

(6) Partially good practice

(7) Does not apply

Advisers and service providers

- Managing advisors and service providers (4)

Risk management

- Identifying, evaluating and recording risks (1)
- Internal controls (1)
- Assurance reports on internal controls (1)
- Scheme continuity planning (4)
- Conflicts of interest (3,6)
- Own risk assessment (4)
- *Risk management function (7)*

Scheme governance

- Systems of governance (4)





Funding and investment

Funding and investment – at a glance



Investment

Fully compliant in 1 out of 4 modules



3 questions are red and 5 questions are amber out of 37 questions.

Essential actions

- Terms of reference for Investment Panel to be created
- Ongoing reviews of AVCs to be commissioned and ensure happen regularly.
- SYPA intends to become a Signatory (October 2024 submission)
- Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan during 2024/25.
- As above
- See above

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Funding and investment



Investment

Essential Actions

Module	Question	Action
1 Investment governance	7	Terms of reference for Investment Panel to be created
2 Investment governance	13	Ongoing reviews of AVCs to be commissioned and ensure happen regularly.
3 Stewardship	3	SYPA intends to become a Signatory (October 2024 submission)
4 Climate change	3	Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan during 2024/25.
5 Climate change	4	As above
6 Climate change	5	See above

Other Actions

Module	Question	Action
1 Investment monitoring	8	Consider whether to expand monitoring to incorporate volatility and risk.

Funding and investment



Modules

Investment

- Investment governance (4)
- *Investment decision making (7)*
- Investment monitoring (4)
- Stewardship (6)
- Climate change (3,6)
- *Statement of investment principles (6)**
- *Default arrangements and charge restrictions (7)*

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply

* Note that for the Statement of investment principles module the Code references good practice for PSPSs. However, due to the overriding legal requirement to have an Investment Strategy Statement (ISS) in place we have not included any questions on this module but have referred to the ISS within the Investment governance module.



Administration



Administration – at a glance



Scheme administration

Fully compliant in 0 out of 1 module



1 question is red and 4 questions are amber out of 16 questions.

Information handling

Fully compliant in 0 out of 4 modules



3 questions are red and 9 questions are amber out of 42 questions.

Essential actions

- All tasks and processes to be reviewed as part of administration improvement plan
- All tasks and processes to be reviewed as part of administration improvement plan, together with an ongoing cycle of reviews and better use of performance data
- As part of management information development, legal timescales will be monitored and reported.
- Business continuity plan being developed during 2024/25
- Consider whether any non-UPM processes are not documented
- Develop KPIs for supplier payments
- Data improvement plan, articulating actions and tracking against them, to be developed
- Ensure all transfer out procedures are documented, ensuring compliance with scam requirements.
- Legal targets are still to be programmed/set up within UPM for ongoing monitoring.
- Ensure all transfer out procedures are

IT

Fully compliant in 1 out of 2 modules



No questions are red and 3 questions are amber out of 17 questions.

Contributions

Fully compliant in 2 out of 3 modules



2 questions are red and 1 question is amber out of 13 questions.

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Administration



Scheme administration

Essential Actions

Module	Question	Action
1 Planning and maintaining administration	3	All tasks and processes to be reviewed as part of administration improvement plan
2 Planning and maintaining administration	10	All tasks and processes to be reviewed as part of administration improvement plan, together with an ongoing cycle of reviews and better use of performance data
3 Planning and maintaining administration	11	As part of management information development, legal timescales will be monitored and reported.
4 Planning and maintaining administration	15	Business continuity plan being developed during 2024/25
5 Planning and maintaining administration	16	Consider whether any non-UPM processes are not documented

Other Actions

Module	Question	Action
1 Planning and maintaining administration	14	Investigate auto-allocation

Information handling

Essential Actions

Module	Question	Action
1 Financial transactions	6	Develop KPIs for supplier payments
2 Financial transactions	9	Data improvement plan, articulating actions and tracking against them, to be developed
3 Transfers out	1	Ensure all transfer out procedures are documented, ensuring compliance with scam requirements.
4 Transfers out	2 a	Legal targets are still to be programmed/set up within UPM for ongoing monitoring.
5 Transfers out	3 b	Ensure all transfer out procedures are documented, ensuring compliance with scam requirements.
6 Record keeping	2 a	Ongoing work to improve data and clear backlogs

7	Record keeping	3	Data retention timescales to be reviewed (including consideration of lawfully retaining data) and implemented
8	Record keeping	4	Review retention policies for legitimate purposes (as above)
9	Record keeping	5	Complete review of need to retain microfiche historical records
10	Record keeping	17	Documenting and recording of breaches to be developed, as well as a formal escalation process to resolve issues with employers not meeting requirements.
11	Data monitoring and improvement	1	Put in place Data Improvement Strategy and Data Improvement Plan with actions that are monitored.
12	Data monitoring and improvement	4	Ensure Data Improvement Plan documents data reviews and their findings, and ongoing actions.
13	Data monitoring and improvement	5	Put in place Data Improvement Strategy and Data Improvement Plan with actions that are monitored.
14	Data monitoring and improvement	6	Ensure Data Improvement Strategy includes action/decisions relating to where data cannot be corrected

Other Actions

	Module	Question	Action
1	Data monitoring and improvement	9	Going forward implementing further training for all middle managers and SMT/point of escalation training and also the Board

IT

Essential Actions

	Module	Question	Action
1	Cyber controls	1	Create a specific cyber security policy. Also carry out review against TPR Cyber Guidance which is more detailed.
2	Cyber controls	8	Cyber hygiene guidelines to be reconsidered as part of review of these policies and documents during 2024.
3	Cyber controls	9	Data/asset mapping to be updated to assist in identifying any potential target areas for cyber crime. Further work to done to incorporate cyber resilience testing for third parties/suppliers.

Other Actions

	Module	Question	Action
--	--------	----------	--------

Contributions

Essential Actions

Module	Question	Action
1 Resolving overdue contributions	1	Ensure a documented procedure for recording/monitoring/pursuing missing monthly schedules/contributions is in place (or any gaps in a current documented procedures)
2 Resolving overdue contributions	3	Ensure any written procedure includes clear processes to identify fraudulent activity.
3 Resolving overdue contributions	4	Ensure any written procedure includes clear escalation within SYPA, including when to report to TPR.

Other Actions

Module	Question	Action
1 Monitoring contributions	5	Investigate ways to increase monitoring, perhaps through internal audit.

Administration



Modules

Scheme administration

- Planning and maintaining administration (1)

Information handling

- Financial transactions (1)
- Transfers out (2)
- Record-keeping (3,6)
- Data monitoring and improvement (1)

IT

- Maintenance of IT systems (1)
- Cyber controls (2,6)

Contributions

- Receiving contributions (3)
- Monitoring contributions (1)
- Resolving overdue contributions (1)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



Communications and disclosure



Communications and disclosure – at a glance



Information to members

Fully compliant in 1 out of 5 modules



3 questions are red and 6 questions are amber out of 22 questions.

Public information

Fully compliant in 0 out of 2 modules



2 questions are red and 2 questions are amber out of 14 questions.

Essential actions

- Implement legal timescale monitoring within UPM.
- Consider feasibility of reviewing all scheme member communications to meet Plain English standards
- Review digital inclusion.
- Ensure AVC statements issued by Prudential and Scottish Widows are issued within future legal timescales
- Check on whether AVC providers are meeting legal requirements in relation to the information included on annual statements.
- Clear backlogs and then ensure that the notifications on rights and options are issued within 3 month legal timescale
- Ensure that all scam requirements are being followed
- Further training on scam management to be carried to the full team
- Ensure that all scam requirements are being followed
- Review and ensure information published meets

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Communication and disclosure



Information to members

Essential Actions

Module	Question	Action
1 General principles for member communications	1 b	Implement legal timescale monitoring within UPM.
2 General principles for member communications	2	Consider feasibility of reviewing all scheme member communications to meet Plain English standards
3 General principles for member communications	3	Review digital inclusion.
4 Benefit information statements (PSPS)	4	Ensure AVC statements issued by Prudential and Scottish Widows are issued within future legal timescales
5 Benefit information statements (PSPS)	5	Check on whether AVC providers are meeting legal requirements in relation to the information included on annual statements.
6 Notification of right to cash transfer sum or contribution refund	1	Clear backlogs and then ensure that the notifications on rights and options are issued within 3 month legal timescale
7 Scams	1	Ensure that all scam requirements are being followed
8 Scams	2	Further training on scam management to be carried to the full team
9 Scams	4	Ensure that all scam requirements are being followed

Other Actions

Module	Question	Action
1 No Actions		

Public information

Essential Actions

Module	Question	Action
1 Publishing scheme information (PSPS)	2	Review and ensure information published meets the Codes requirements.
2 Publishing scheme information (PSPS)	4	Process to be developed to ensure all changes are made within one month.
3 Dispute resolution procedures	2 a	Ensure employers are reminded of requirement to provide this information on a regular basis.

4 Dispute resolution procedures

10

As part of improved IDRPs reporting, ensure that the IDRPs timescales will be better adhered to and communication with members improved.

Other Actions

Module

Question Action

1 No Actions

Communication and disclosure



Modules

Information to members

- General principles for member communications (1)
- *Annual pension benefit statements (DC)* (7)
- *Summary funding and pension benefit statements (DB)* (7)
- Benefit information statements (PSPS) (1)
- Retirement risk warnings and guidance (1)
- Notification of right to cash transfer sum or contribution refund (2)
- *Chair's statement* (7)
- Scams (1)
- *Audit requirements* (7)

Public information

- Publishing scheme information (PSPS) (2,6)
- Dispute resolution procedures (2,6)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



Reporting to TPR



Reporting to TPR – at a glance



Regular reports

Fully compliant in 1 out of 1 module



No questions are red and no questions are amber out of 3 questions.

Whistleblowing- Reporting breaches of the law

Fully compliant in 0 out of 4 modules



5 questions are red and 2 questions are amber out of 11 questions.

Essential actions

- Ensure all breaches are identified and recorded (including administration legal timescales and late/estimated contributions)
- Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
- Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
- Ensure breaches log is updated to ensure assessments are carried out in line with procedure
- Ensure breaches log is updated to cover all breaches, not just those that are being reported
- Contribution procedures to be updated to include escalation and eventual reporting to TPR.
- Ensure breaches log is updated to cover all breaches, not just reportable ones.

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Reporting to TPR



Regular reports

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 No Actions		

Whistleblowing - reporting breaches of the law

Essential Actions

Module	Question	Action
1 Who must report	1	Ensure all breaches are identified and recorded (including administration legal timescales and late/estimated contributions)
2 Who must report	3	Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
3 Who must report	4	Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
4 Decision to report	2	Ensure breaches log is updated to ensure assessments are carried out in line with procedure
5 How to report	3	Ensure breaches log is updated to cover all breaches, not just those that are being reported

Other Actions

Module	Question	Action
--------	----------	--------

1 Who must report

2

Ensure Breaches Procedure is aligned to new TPR Code and Guidance when refreshed in 2024

Reporting to TPR



Modules

Regular reports

- Registrable information and scheme returns (1)

Whistleblowing - reporting breaches of the law

- Who must report (1)
- Decision to report (1)
- How to report (1)
- Reporting payment failures (1)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



The information set out in this report is based on the expectations set out in the Code, compared to your current practice and it is not a regulatory and compliance audit. The information is based on the responses by the Administering Authority to questions set by Aon based on information contained in the Code.

Aon plc (NYSE:AON) exists to shape decisions for the better - to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

Copyright © 2024 Aon Solutions UK Limited and Aon Investments Limited. All rights reserved. aon.com. Aon Wealth Solutions' business in the UK is provided by Aon Solutions UK Limited - registration number 4396810, or Aon Investments Limited – registration number 5913159, both of which are registered in England and Wales have their registered office at The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN. Tel: 020 7623 5500. Aon Investments Limited is authorised and regulated by the Financial Conduct Authority. This document and any enclosures or attachments are prepared on the understanding that they are solely for the benefit of the addressee(s). Unless we provide express prior written consent no part of this document should be reproduced, distributed or communicated to anyone else and, in providing this document, we do not accept or assume any responsibility for any other purpose or to anyone other than the addressee(s) of this document. In this context, "we" includes any Aon Scheme Actuary appointed by you. To protect the confidential and proprietary information included in this document, it may not be disclosed or provided to any third parties without Aon's prior written consent.



This page is intentionally left blank

Agenda Item

Subject	Draft Annual Report 2023/24	Status	For Publication
Report to	Local Pension Board	Date	8 August 2024
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Gillian Taberner Assistant Director – Resources	Phone	01226 666420
E Mail	gtaberner@sypa.org.uk		

1 Purpose of the Report

- 1.1 To present the first draft of the Authority's Annual Report for 2023/24 to the Board for review and comments.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Review and comment upon the draft Annual Report of the Authority for 2023/24 at Appendix A.**
-

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
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 do not directly impact any items contained in the Corporate Risk Register.

5 Background and Options

- 5.1 The LGPS Regulations require that each Administering Authority prepare and publish an annual report including the accounts of the Pension Fund on or before 1 December following the scheme year end. The contents of the report are specified in the regulations and guidance issued by CIPFA (the Chartered Institute of Public Finance and Accountancy) which constitutes statutory proper accounting practice.

- 5.2 In April 2024, new statutory guidance was published to assist pension funds with the preparation of the pension fund annual report. This was jointly produced by the Scheme Advisory Board (SAB), CIPFA, and the Department for Levelling Up, Housing and Communities (subsequently re-named to Ministry for Housing, Communities and Local Government – MHCLG) in consultation with funds and other stakeholders. The new guidance is available from the SAB’s website – see link below under ‘Background Papers’.
- 5.3 The guidance applies to annual reports for 2023/24 onwards – although given that it was not published until April 2024, funds are asked to use best endeavours to comply fully with the new guidance, exercising judgement where to do so would require disproportionate effort or cost.
- 5.4 The guidance states that the annual report should be formally reviewed and authorised by those charged with governance and the appropriate senior officer. For SYPA, these are the Audit & Governance Committee and the Director. The final draft annual report will be presented for approval at the September meeting of the Audit & Governance Committee.
- 5.5 As a matter of good practice, it was previously agreed that the draft annual report would be presented to the Board ahead of consideration by the Audit & Governance Committee and subsequent publication. This is reinforced in the new guidance which states that local pension boards should as part of their remit review the pension fund financial statements and annual report prior to their publication.
- 5.6 The Draft Annual Report for 2023/24 is attached at Appendix A, with additional appendices that form part of the annual report attached at Appendix B and C.
- 5.7 The timing of the meetings cycle means that the version of the annual report now presented for the Board’s review is largely complete but is subject to the following additions and changes that were not possible to complete by the date of the August meeting:
- a. Design – the report contents will be converted to the professionally designed format including graphics and images prior to approval and publication. The draft version presented for the Board’s review at Appendix A comprises the collated contents in a standard document format prior to the design work.
 - b. Local Impact Investment – a sub-section to be added within the Responsible Investment section is provided by an external partner and won’t be available until later in August.
 - c. Financial Statements – the financial statements of the Fund will be incorporated into the main body of the annual report as part of the design process. The financial statements attached at Appendix C to this report are the draft, unaudited accounts. The audit is currently in progress and due to be concluded in September. Any changes to the accounts arising from the audit work will be reflected in the annual report.
 - d. External Audit Consistency Opinion - the annual report is subject to a check by the external auditors to ensure that the accounts reflect what they have audited in the accounts and that the report is consistent with their knowledge of the Fund. This results in what is known as the consistency opinion – this will only be provided following conclusion of the audit.
- 5.8 Board members are asked to review and comment on the draft annual report at Appendix A.

6 Implications

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

Financial	None
Human Resources	None
ICT	None
Legal	The preparation and publication of the annual report ensures compliance with regulation 57 of the Local Government Pension Scheme Regulations 2013.
Procurement	None

George Graham

Director

Background Papers	
Document	Place of Inspection
Guidance on preparation of the Pension Fund Annual Report – issued in April 2024.	Preparing the Pension Fund Annual Report - Guidance for Local Government Pension Scheme Funds (APRIL 2024) (lqpsboard.org)

This page is intentionally left blank

July 2024

South Yorkshire Pensions Authority Annual Report 2023/2024 DRAFT

Contents

SYPA Annual Report Master Draft 2023/2024 1

1. Chairs Foreword 2

2. Year in Review 4

3. Overall Management of the Fund Scheme Management and Advisers 8

4. Governance and Training 12

5. Our Organisation 76

6. Managing Risk and Uncertainty 85

7. Financial Performance 90

8. Investment Policy and Performance 96

9. Scheme Administration 154

10. Actuarial Report 187

11. Accounts 189

12. Glossary 190

13. Appendix 201

1. Chairs Foreword

Welcome to South Yorkshire Pensions Authority's 2023/24 Annual Report.

2023/24 has proved as busy as ever for South Yorkshire Pensions Authority. The Authority has seen several significant developments including:

- The completion of Project Chip which transferred our agricultural property holdings into a new investment vehicle in partnership with Royal London in what was one of the largest ever agricultural land transactions in the UK.
- The agreement of a memorandum of understanding with the Mayoral Combined Authority as part of our Place Based Impact Investment Strategy, which is designed to bring fund managers more directly into contact with investment opportunities in South Yorkshire.
- Agreement of plans to address the long-term challenges facing our administration service and to address backlogs of processing activity while ensuring that resource levels are sufficient to meet the performance standards, which our scheme members rightly expect.
- Continuing to strengthen our approach to the governance of the pension fund and in particular ensuring that the members of the Authority and the Local Pension Board have the appropriate level of training to allow them to be effective in their roles.
- Being one of only 5 local government organisations to have their 2022/23 External Audit signed off by the statutory deadline.

As a new member of the Authority, I have been impressed both with sheer amount of “stuff” that our team gets done, but also with their commitment to doing the best for our scheme members. Whether that be in dealing with one of the nearly 50,000 phone calls we deal with each year or one of the over 70,000 pieces of casework we dealt with last year, or in identifying the right places to invest the pension savings of our scheme members. While we know that our teams face challenges, the levels of customer satisfaction reported in our rolling survey based on contact with well over 2,000 scheme members each year continues to show satisfaction levels of well over 80%, although we know we can and will do better as our plans for improvement take hold.

The service we provide to our nearly 180,000 scheme members is clearly important but so too is the service we provide to the nearly 600 employers in the Fund. We are renewing our focus on engaging with employers as we run in to the 2025 valuation, with the fund in

a sound financial position which will allow us to concentrate on maintaining stability in contributions at a time when many of our employers are facing significant financial challenges.

As you will see in the pages that follow, the Authority has completed a lot over the last 12 months while continuing to carefully steward the savings of our scheme members. This is a great credit to all the members of our team, however, the agenda for the Local Government Pension Scheme going forward remains as ambitious as ever with changes to the investment regulations and the delivery of the McCloud Remedy and Pensions Dashboards only the largest of the changes coming down the track. The next 12 months look to be as busy as the last.

Councillor Jayne Dunn

Chair of the South Yorkshire Pensions Authority

2023/24 Municipal Year



2. Year in Review

Customer Service Excellence assessment confirms that SYPA can proudly continue to display the CSE logo for another 12 months. (May 2023)





Councillor Jayne Dunn was appointed as our new Authority Chair taking over from our previous Chair, Councillor John Mounsey. We also published our new Consultation, Communications and Engagement Strategy. (June 2023)



We appointed Debbie Sharp as our new Assistant Director – Pensions. (July 2023)



<p>Following our assessment, we successfully retained our Cyber Security Essentials Plus certification, demonstrating our continued commitment to keeping our members data as safe as possible from cyber threats. (July 2023)</p>	
<p>We successfully sent out all of our members' Annual Benefit Statements by 31 August 2023.</p>	<p>No image</p>
<p>Employees enjoyed the Staff Away Day and our first ever SYPA Star Awards, taking time out to work on a range of plans to help shape the future of SYPA and celebrating the success of our people over the last 12 months. (September 2023)</p>	
<p>Our audited Statement of Accounts was published by the statutory deadline of 30 September 2023.</p>	<p>No Image</p>

We held our hybrid AGM and welcomed Jenny Wright from the Money and Pensions Service as our guest speaker to highlight their services and the support they can offer to our members. (October 2023)




Our Authority and Local Pension Board members came together for their first 'Member Training & Development Away Day' where they heard from external speakers on topics ranging from the investment decision-making process to ethical issues in navigating the role of pensions committee or board member, as well as having time to work on providing direction and input to the corporate strategy and defining risk appetite. (November 2023)

No image.

We won the Place Based Impact Investment Award at the Pensions for Purpose Awards for our extensive efforts in investing within South Yorkshire. Our strategic investments have been instrumental in bolstering the local economy, facilitating the creation of new homes and jobs, enhancing local infrastructure, nurturing businesses, and providing crucial support to SMEs. (December 2023)



<p>Completion of Project Chip transferring 21,000 acres of farmland and associated buildings and Waldersey Farms Ltd worth £260m to a new investment vehicle in partnership with Royal London. (January 2024)</p>	
<p>Approval of the 2024/25 budget including a significant investment in strengthening the administration service. (February 2024)</p>	<p>No image</p>

3. Overall Management of the Fund Scheme Management and Advisers

Scheme Management and Advisers

Senior Officers

Director and Head of Paid Service: George Graham

Assistant Director – Resources & Chief Finance Officer: Gillian Taberner

Assistant Director – Pensions: Debbie Sharp (from November 2023)

Interim Assistant Director – Pensions: Nigel Keogh (April to October 2023)

Head of Governance and Corporate Services & Monitoring Officer: Jo Stone

Clerk – Sarah Norman (Chief Executive Barnsley MBC)

Asset Pool Operator

Border to Coast Pensions Partnership Limited

Fund Custodian

HSBC

Fund Bankers

HSBC

Lloyds

Fund Actuary

Hymans Robertson LLP

AVC Providers

Prudential

Scottish Widows

Utmost

Legal Advisers (Property)

Addleshaw Goddard

Pinsent Mason

Legal Advisers (Pensions, Investment and Local Government law)

Eversheds Sutherland

Squire Paton Boggs

Independent Property Valuer

Jones Lang LaSalle (Commercial Property)

External Auditor

KPMG

Internal Auditor

Barnsley MBC

Independent Investment Advisers

Trevor Castledine

Aoifinn Devitt

Independent Adviser to the Local Pension Board

Clare Scott

Investment Managers

The managers of major mandates are:

Aberdeen Standard Investments (Commercial Property)

Royal London Asset Management (Natural Capital)

Border to Coast Pensions Partnership Ltd (Listed Equities, new Alternative Commitments and Investment Grade Credit, Sterling Index Linked Bonds, Multi Asset Credit)

Cash and previously committed Alternatives are managed in-house.

Details of managers within the Alternatives portfolios are available at

<https://www.sypensions.org.uk/Investments/AlternativeCommitments>

Performance Measurement

Hymans Robertson LLP

Members of the South Yorkshire Pensions Authority – 2023/24 Municipal Year

Barnsley MBC

Cllr Mick Stowe* (SC, AAC) [Labour]

Cllr Roy Bowser (AGC) [Labour]

City of Doncaster Council

Cllr Steve Cox (AGC) [Conservative]

Cllr John Mounsey* (SC, AAC) [Labour]

Cllr David Nevett (AGC) [Labour]

Rotherham MBC

Cllr David Fisher (SC, AAC) [Conservative]

Cllr Marnie Havard* **Vice Chair** (AGC Chair, SC, AAC) [Labour]
– Resigned 22/03/2024

Sheffield City Council

Cllr Jayne Dunn* **Chair** (SC, AAC) [Labour]

Cllr Simon Clement-Jones (AGC) [Liberal Democrat]

Cllr Craig Gamble-Pugh [Labour]

Cllr Alexi Dimond [Green]

Cllr Andrew Sangar (SC, AAC) [Liberal Democrat]

Non-Voting Members appointed by the Trades Unions:

Garry Warwick GMB

Nicola Doolan-Hamer UNISON

Richard Bedford Unite (from 14/12/2023)

Members of the South Yorkshire Local Pension Board – 2023/24 Municipal Year

Employee Representatives

Garry Warwick (GMB) - Trades Union

Nicola Doolan-Hamer (UNISON) - Trades Union (**Vice Chair**)

Danny Gawthorpe (Unite) - Trades Union

Andrew Gregory - LGPS Member

David Webster – LGPS Member

Employer Representatives

Nicola Gregory – Minerva Learning Trust

Riaz Nurennabi – Sheffield Hallam University (**Chair**)

Councillor Emma Hoddinott - Local Authority Member
(Rotherham MBC)

Councillor Ken Richardson - Local Authority Member (Barnsley
MBC)

Key:

AGC = Member of the Audit & Governance Committee

SC = Member of the Staffing Committee

AAC = Member of the Appointments and Appeals Committee

*= S41 Member who answers questions on behalf of the
Authority in meetings of the relevant full Council.

Key Policies

Please see below links to a selection of the Fund's key strategy documents, statements and reports. Clicking on each link will take you directly to a full PDF version of the relevant document on our website.

[Consultation and Communication Strategy](http://www.sypensions.org.uk/Consultation%20and%20Communication%20Strategy/SYPA%20Consultation%20Communications%20and%20Engagement%20Strategy%202023.pdf) (<http://www.sypensions.org.uk/Consultation and Communication Strategy/SYPA Consultation Communications and Engagement Strategy 2023.pdf>)

[Funding Strategy Statement](http://www.sypensions.org.uk/Funding%20Strategy%20Statement/Core%20Funding%20Strategy%20Statement%20and%20Appendix.pdf) (<http://www.sypensions.org.uk/Funding Strategy Statement/Core Funding Strategy Statement and Appendix.pdf>)

[Report on the Actuarial Valuation](http://www.sypensions.org.uk/Actuarial%20Valuation/20230907%20South%20Yorkshire%20Pension%20Fund%20-%20Revised%20Final%20Whole%20Fund%20Results.pdf) (<http://www.sypensions.org.uk/Actuarial Valuation/20230907 South Yorkshire Pension Fund - Revised Final Whole Fund Results.pdf>)

[Investment Strategy Statement](http://www.sypensions.org.uk/Investment%20Strategy%20Statement/Investment%20Strategy%20Statement%20March%202023.pdf) (<http://www.sypensions.org.uk/Investment Strategy Statement/Investment Strategy Statement March 2023.pdf>)

[Pensions Administration Strategy](http://www.sypensions.org.uk/Pensions%20Administration%20Strategy/SYPA%20Pension%20Administration%20Strategy%20July%202020.pdf) (<http://www.sypensions.org.uk/Pensions Administration Strategy/SYPA Pension Administration Strategy July 2020.pdf>)

[Governance Compliance Statement](https://www.sypensions.org.uk/Portals/0/pdf/Governance%20Compliance%20Statement%202024.pdf) (<https://www.sypensions.org.uk/Portals/0/pdf/Governance Compliance Statement 2024.pdf>)

4. Governance and Training

About South Yorkshire Pensions Authority

South Yorkshire Pensions Authority was established on 1st April 1988, following the abolition of South Yorkshire County Council and the winding up of the South Yorkshire Residuary Body. The primary function of the organisation is to administer the South Yorkshire Pension Fund within the Local Government Pension Scheme (LGPS).

The Authority is unique amongst the administering authorities in the LGPS in that it is the only democratically accountable, free-standing pensions organisation in the UK. While a small number of other administering authorities are not councils, their “boards” include appointed experts rather than being entirely made up of councillors.

Governance Structure

The diagram below shows how the different elements of our governance arrangements fit together and how they relate to the various elements of the Border to Coast Pensions Partnership in relation to investment matters.



Representation

The Authority's position on the representation of the different employer and scheme member interests within its governance arrangements is set out in the [Policy Statement on Representation](#) published on the Authority's website. The details of the representation within each of the relevant structures is explained below.

Pensions Authority

The voting membership of the Pensions Authority is set out in the Local Government Reorganisation (Pensions etc.) (South Yorkshire) Order 1987, under which the Authority was created. This specifies the total voting membership of the Authority as 12: made up of the following number of members appointed by each of the District Councils. The appointments made by the District Councils must, in line with the provisions of the Local Government Acts, in aggregate reflect the political balance both within the individual councils and across the County.

District	Number of Voting Members
Barnsley Metropolitan Borough Council	2
City of Doncaster Council	3
Rotherham Metropolitan Borough Council	2
Sheffield City Council	5
Total	12

In addition, 3 representatives of the recognised Trades Unions have been co-opted as non-voting members of the Authority to represent the interests of scheme members.

Independent Advisers and Investment Advisory Panel

The Authority retains two independent investment advisers to provide advice to members of the Authority and to assist officers in developing and monitoring the effectiveness of the investment strategy and in achieving effective oversight of Border to Coast. An Investment Advisory Panel is in place to support this work, comprising these two advisers together with the Director and the Assistant Director – Investment Strategy, and other officers from time to time as relevant. The Panel meets quarterly, ahead of the formal Authority meetings.

Committees

Appointments of Councillors to any Committees established by the Authority must also reflect the relevant political balance and the Authority has also chosen to apply this provision to any ad-hoc working groups.

Local Pension Board

The role of the Local Pension Board, as set out in the Public Service Pensions Act 2013, is to assist the Authority in securing compliance with the scheme regulations and other legislation relating to the governance and administration of the Fund.

Regulations require that Pension Boards comprise equal numbers of voting members representing scheme members and scheme employers, although it is also possible to have a non-voting independent Chair.

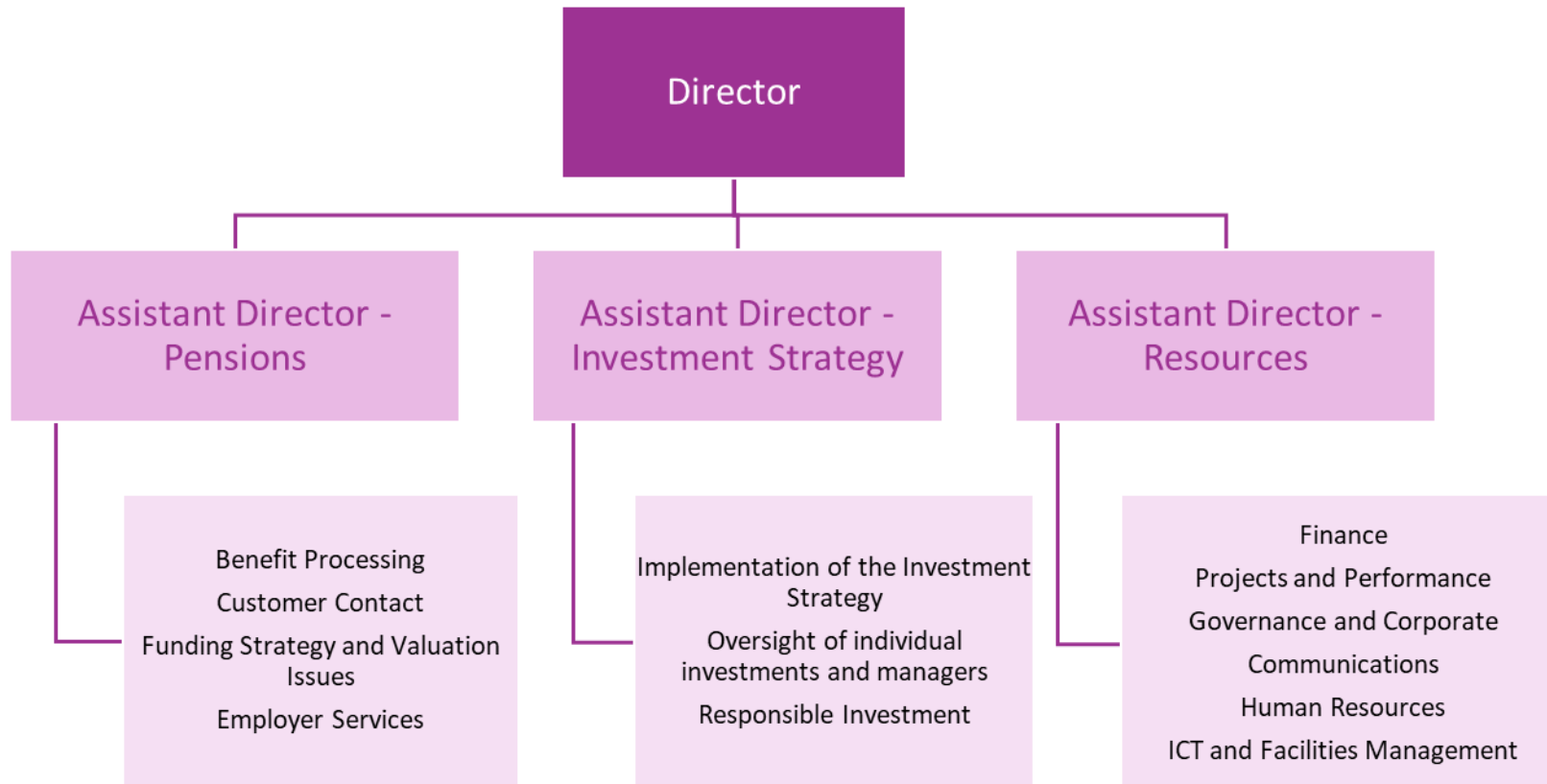
The South Yorkshire Local Pension Board is comprised as follows:

Scheme Employers	Scheme Members
2 Councillors from the District Councils	1 Representative from GMB
3 Other Employer Representatives	1 Representative from UNISON
	1 Representative from Unite
	2 Other scheme members
5 Representatives	5 Representatives

In addition, an Independent Adviser supports the work of the Board. The Board has its own constitution and budget, although both are ultimately approved by the Authority.

Officers

The Authority, its Committees and the Local Pension Board are supported by the Senior Management Team, led by the Director who is the Head of Paid Service. The management structure of the Authority is set out in the diagram below.



The Authority also appoints a Clerk, Monitoring Officer and Chief Finance Officer, as required by law. The role of Clerk is undertaken by the Chief Executive of Barnsley Metropolitan Borough Council under a Service Level Agreement. The role of Chief Finance Officer is undertaken by the Assistant Director – Resources and the role of Monitoring Officer is undertaken by the Head of Governance and Corporate Services.

In total, the Authority directly employs around 125 people (115 FTE) based at the Authority's office, Oakwell House in Barnsley.

Governance Arrangements

The Authority's [Constitution](#) sets out the framework of rules and roles and responsibilities of the Authority and its Committees and of the statutory officers. This is divided into parts covering:

1. Summary and Articles of the Constitution - This is the main body of the Constitution which sets out the basic framework of rules and roles and responsibilities of the Authority and its Committees and of the statutory officers.
2. Scheme of Delegation to Officers – which sets out the various powers and responsibilities delegated to individual officers of the Authority.
3. Scheme of Delegation for the Border to Coast Pensions Partnership – which sets out the arrangements for making decisions in relation to the Authority's responsibilities as a member of the Border to Coast Pensions Partnership.
4. Standing Orders – which set out various key procedures such as the arrangements for meetings of the Authority and its committees together with the financial regulations and rules for procuring goods and services.
5. Codes and Protocols – which set out how issues such as conflicts of interest should be dealt with and the codes of conduct for both staff and members of the Pensions Authority together with the arrangements for ensuring the independence of key statutory officers.
6. Members Allowance Scheme – which sets out the allowances payable to members for their work on the Authority and Local Pension Board.

In addition, a separate [Local Pension Board Constitution](#) sets out the framework, roles and responsibilities, and arrangements specifically relating to the Local Pension Board.

Both the Authority's Constitution and the Local Pension Board Constitution contain a Conflicts of Interest Policy setting out how these are handled in the relevant context for each body and the procedures to be followed by members and officers. These are further supported by Member and Officer Codes of Conduct, which also form part of the constitution. Each member of the Authority and the Local Pension Board also complete a register of interests on joining and these are published on the Authority's website. The registers are reviewed annually when preparing the statement of accounts and each Authority member and Senior Officer completes an annual declaration regarding any related party transactions; details of which are disclosed in Note 21 to the Authority's own Statement of Accounts published at: [Our Accounts \(sypensions.org.uk\)](http://sypensions.org.uk).

The Authority publishes an annually updated [Governance Compliance Statement](#) which provides the detail of how our arrangements ensure that we conform with the requirements of the Local Government Pension Scheme Regulations.

As a stand-alone local authority, we are required under the Accounts and Audit Regulations 2015 to conduct an annual review of the effectiveness of our system of internal control and to produce an Annual Governance Statement, which is approved by the members of the Authority meeting as a whole and then signed off by the Director as Head of Paid Service and the Chair of the Authority. This statement is included in full in this annual report on page 29.

The Annual Governance Statement assesses compliance with and performance against the standards set out in the Authority's [Local Code of Corporate Governance](#) published on the Authority's website.

Work of the Authority in 2023/24

The Authority held five formal meetings during the year. An annual work programme provides the basis for the agendas for meetings and includes a range of issues covering corporate matters relating to running of the organisation, governance, pensions administration, investment strategy and matters relating to the Border to Coast Pensions Partnership. The work of the Authority in 2023/24 is summarised below.

Investment Strategy

- Received quarterly updates on Investment Performance, Market Commentary, Responsible Investment
- Received and noted a report on the completion of 'Project Chip' – the transfer of its agricultural property portfolio and creation of a new farmland joint venture with Royal London
- Approved the Authority's Response to the Government Consultation: "Local Government Pension Scheme (England and Wales): Next steps on Investments"
- Approved the annual updates to the Responsible Investment and Climate Change Policies, Net Zero Action Plan and Annual Statement of Commitment to the Impact Investing Principles for Pension Funds
- Considered a report on appraisal of the performance and arrangements in place for independent advice in relation to investment matters
- Authorised the Director to sign a memorandum of understanding (MoU) with the South Yorkshire Mayoral Combined Authority (SYMCA) in relation to the place based impact investment strategy

Pooling Matters - Border to Coast

- Received an update on progress with the delivery of the Border to Coast UK Real Estate proposition and the implications for the Authority
- Considered a report on Border to Coast's strategic plan and budget – approved the casting of the Authority's vote in favour
- Received and noted a report on the fund's Transition Plan for transfer of remaining assets to Border to Coast
- Approved changes to the legal agreements concerned with the operation of Border to Coast to accommodate a change in the company's funding model
- Received and noted the results of the annual review of Border to Coast and endorsed recommendations for action
- Considered and endorsed revised Responsible Investment policies of Border to Coast
- Received an update on progress with the delivery of the Border to Coast UK Real Estate proposition and the implications for the Authority

Corporate Managing the Organisation

- Approved the update to the Corporate Strategy for 2024 to 2027
- Approved the Medium Term Financial Strategy 2024/25 to 2026/27 and the 2024/25 Budget, Treasury Management Strategy Statement, and Pay Policy Statement
- Approved specific proposals relating to Senior Management remuneration and Finance Service additional resourcing
- Approved the Procurement Forward Plan for 2024/25
- Received quarterly corporate performance updates.
- Approved Debt Write-Offs in line with the Financial Standing Orders of the Constitution
- Approved the Levy for 2024/25 to be charged to the District Councils under the Levying Bodies (General) Regulations 1992
- Received reports on the Staff Survey Results 2023, and the Results of Benchmarking Exercises in both Pensions Administration and Investments.

Governance

- Approved the Constitution and Political Balance / Membership, Appointed Chair and Vice Chair
- Received and noted the annual reports of the Audit & Governance Committee and the Local Pension Board
- Received reports on Regulatory and Policy Updates, Decisions taken between meetings using the urgency procedure, work programme and training calendar
- Approved the 2023/24 Member L&D Strategy, Changes to the Members Allowances Scheme, Revised Constitution and Terms of Reference of the Local Pension Board, Policy Statement on Representation
- Approved the Annual Governance Statement

Pensions Administration

- Received a report on Pensions Administration performance standards and endorsed the proposals therein
- Received and noted a report setting out a comparison of the Fund's valuation results with the results across the LGPS
- Received and noted the Discretions Policy Statement
- Considered a report on the Pensions Administration Improvement Plan and progress update
- Approved a revised Consultation, Communications and Engagement Strategy

Appointments and Appeals Committee

This committee met once during the year and approved the appointment of Debbie Sharp to the role of Assistant Director – Pensions.

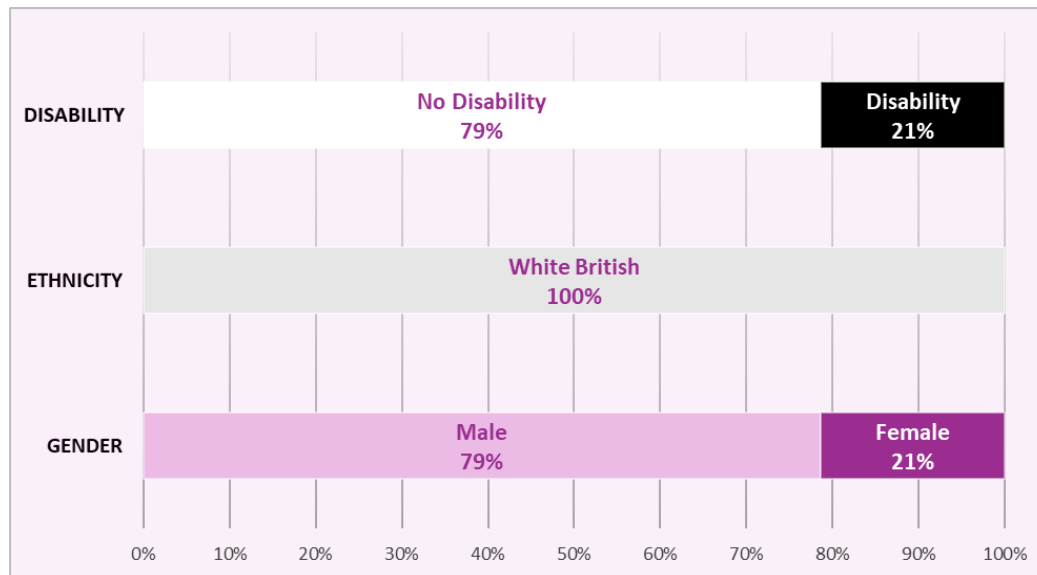
Staffing Committee

This committee met once during the year. The Committee considered and approved a range of improvements to the Pay and Benefits package, including a revised pay grading structure, a reduction in full time weekly working hours from 37 to 35, and various enhancements to other benefits including family-related leave policies. The Committee also considered and approved a range of staffing changes, including additional resourcing, within the Pensions Administration department following on from the Organisational Resilience and Sustainability exercise conducted in 2022.

Audit and Governance Committee

This committee met four times during the year and full details of attendance and work completed is set out in the Committee's Annual Report 2023/24, included at page 49 below.

Authority Membership Diversity Characteristics



Authority Members' Attendance at Authority Meetings

Authority Members	8 June 2023	7 September 2023	7 December 2023	8 February 2024	14 March 2024
Councillor Jayne Dunn (Chair)	✓	✓	✓	✓	✓
Councillor Marnie Havard (Vice Chair)	✓	✓	✗	✓	✗
Councillor Roy Bowser	✓	✓	✓	✓	✓
Councillor Simon Clement-Jones	✓	✓	✓	✓	✓
Councillor Steve Cox	✓	✓	✗	✗	✓
Councillor Alexi Dimond	✓	✗	✓	✓	✓
Councillor David Fisher	✓	✗	✓	✓	✓
Councillor Craig Gamble Pugh	✓	✓	✗	✗	✓
Councillor John Mounsey	✓	✓	✓	✓	✓
Councillor David Nevett	✓	✗	✓	✓	✓
Councillor Andrew Sangar	✓	✓	✓	✓	✓
Councillor Mick Stowe	✗	✓	✓	✓	✓
Non-Voting Co-Opted Members					
Nicola Doolan-Hamer (UNISON)	✓	✓	✓	✗	✓
Richard Bedford (Unite) <i>[From 14 December 2023]</i>	N/A	N/A	N/A	✗	✗
Garry Warwick (GMB)	✓	✓	✓	✗	✓

Committee Members' Attendance at Appointments & Appeals and Staffing Committee Meetings

Committee Members	Appointments and Appeals Committee 25 July 2023	Staffing Committee 31 October 2023
Councillor Jayne Dunn (Chair)	✓	✓
Councillor David Fisher	✗	✓
Councillor Marnie Havard	✓	✗
Councillor John Mounsey	✓	✗
Councillor Andrew Sangar	✗	✓
Councillor Mick Stowe	✓	✓

Key:

✓ Attended ✗ Apologies Received

The work completed and the member attendance of the Local Pension Board and the Authority's Audit & Governance Committee are set out in their respective annual reports, which follow on pages 49 - 61 (Audit & Governance Committee Annual Report) and pages 62 - 75 (Local Pension Board Annual Report)

Member Knowledge and Understanding



Members of the Authority and Local Pension Board have an obligation to ensure that they have a level of knowledge and understanding of the issues with which they are dealing to allow them to make properly informed decisions and fulfil their roles and responsibilities effectively. The Authority has a [Member Learning and Development Strategy](#) in place to provide a framework for Members to access the support they need in meeting this obligation.

The Strategy sets out expectations for mandatory training completion and includes an annual plan of training events and seminars on relevant topics, aiming to meet the range of individual member learning needs through internal and external means. The Authority takes part in a National Knowledge Assessment to assess the effectiveness of these arrangements and to inform the member L&D Strategy.

All members of the Authority and the Local Pension Board are required to complete a comprehensive e-learning course consisting of several modules designed to cover all key areas needed for Authority and Board members to successfully manage the running of a Fund. Members are also supported to undertake the Local Government Association's (LGA) 3-day Fundamentals training programme, which consists of sessions delivered by experts in their field, providing an overview of the LGPS and covering current issues relating to the administration, investments and governance of the scheme.

An annual 'away day' event is held to bring all the South Yorkshire Pensions Authority and Local Pension Board members together to support maintaining up-to-date knowledge and understanding, as well as provide opportunities for collaboration and networking.

The learning and development activity completed by members of the Authority in 2023/24 is set out below.

Event / Course	Date	Cllr Jayne Dunn	Cllr Marnie Havard	Cllr Roy Bowser	Cllr Simon Clement-Jones	Cllr Steve Cox	Cllr Alexi Dimond	Cllr David Fisher	Cllr Craig Gamble-Pugh	Cllr John Mounsey	Cllr David Nevett	Cllr Andrew Sangar	Cllr Mick Stowe
LGPS Online Learning Academy*	2023/24	✓	Completed 2022/23	Completed 2022/23	Completed 2022/23	Completed 2022/23	Completed 2022/23	Completed 2022/23	✓	Completed 2022/23	Completed 2022/23	Completed 2022/23	Completed 2022/23
Member Induction and Development Morning	08/06/2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SYPA Seminar – Government Consultation on Pooling	02/08/2023	✓			✓	✓					✓	✓	
SYPA Seminar – Hymans Robertson Presentation on McCloud	14/09/2023	✓	✓	✓							✓	✓	✓
Border to Coast Strategic Development Workshop	23/10/2023	✓				✓		✓			✓	✓	✓
Hymans Robertson Training: TPR General Code including Cyber Security and Scams	26/10/2023	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓

Event / Course	Date	Cllr Jayne Dunn	Cllr Marnie Havard	Cllr Roy Bowser	Cllr Simon Clement-Jones	Cllr Steve Cox	Cllr Alexi Dimond	Cllr David Fisher	Cllr Craig Gamble-Pugh	Cllr John Mounsey	Cllr David Nevett	Cllr Andrew Sangar	Cllr Mick Stowe
Responsible Investment Seminar - Climate Change Metrics	14/11/2023	✓	✓			✓		✓					✓
SYPA - Members Away Day	30/11/2023	✓	✓	✓	✓			✓		✓	✓	✓	✓
LGA – LGPS Governance Conference	18/01to 19/01/2024												✓
SYPA Seminar – Border to Coast UK Property Fund	08/02/2024	✓	✓	✓				✓		✓	✓	✓	✓
SYPA Benchmarking Results Administration and Investments	15/02/2024				✓	✓				✓		✓	✓

* The LGPS Online Learning Academy is an online tool that all members of the Authority and the Local Pension Board complete as part of the support made available to equip them with the knowledge and understanding required to fulfil their roles. The learning plan comprises 8 modules covering the following topics:

1. An Introduction to the LGPS
2. Governance and Oversight Bodies
3. Administration and Fund Management
4. Funding and Actuarial Matters

5. Investments
6. Current Issues
7. Financial Markets and Product Knowledge
8. Actuarial Methods Standards and Practices

Both the LGPS Online Learning Academy and the LGA Fundamentals training course are completed within one year of joining the Authority and are reviewed periodically throughout members' terms of office.

Oversight of the Pool Operating Company: Border to Coast Pensions Partnership

The Border to Coast operating company manages over 70% of the Authority's investments currently and this will grow over coming years to more than 90%. It is therefore vitally important that the Authority exercises proper oversight of this key relationship. A comprehensive process is in place to achieve this oversight, the purpose of which is to:

- Provide assurance to the members of the Pensions Authority that participation in the Border to Coast Partnership is meeting the objectives set when the decision to participate was taken.
- Provide assurance that the various investment propositions are performing in line with expectations.
- Provide assurance that the Authority is making a positive contribution to the ongoing development of the Partnership.
- Provide assurance that the operating company is operating effectively and managing the risks that it faces therefore ensuring the ongoing availability of the various investment propositions.

The process includes the following elements.

- Investment Strategy team members participate in quarterly meetings of Border to Coast and partner funds reviewing the performance of each investment proposition.
- A standard form of summary assessment is produced for each proposition with RAG ratings across a range of seven key aspects and an overall rating. These individual assessments are collated into an overall summary report that is discussed at each quarterly Investment Advisory Panel meeting, and this informs the quarterly investment update report that is taken to the Authority.
- On an annual basis, the Investment Advisory Panel conduct a full-day review meeting with the Border to Coast operating company. The focus of the review includes as a minimum:
 - A discussion with the Chief Executive Officer (CEO) focussed on broader developments and staffing.

- Discussions with selected portfolio managers on specific propositions identified as needing attention through the regular monitoring process.
- A discussion with the Head of Responsible Investment (RI) and Deputy Chief Investment Officer (CIO) around RI and progress on Net Zero.
- Discussions with others as necessary on issues raised through regular dialogue within the Investment Advisory Panel. For example, this might involve a discussion with the CIO about how SYPA's strategy aspirations might be met through the pool.
- The outcomes from the quarterly reviews and this annual review meeting are drawn together in an Annual Review Report considered at the September meeting of the Authority each year, with the CEO (or other senior representative) of Border to Coast present. The report is structured and provides RAG ratings for the four themes of: People, Process, Performance, and Partnership, which feeds into an overall assessment of how well the Partnership is meeting both the founding principles and the Authority's original objectives in opting to join Border to Coast.
- A further key element of the review involves seeking feedback from both the operating company and the other partners about how the Authority is perceived within the Partnership and whether we are seen to play a constructive role, this adds an important '360-degree' element to the process.
- The Annual Review Report makes recommendations for improvements in processes, actions that are needed, and issues to be raised in relation to specific investment propositions.

Annual Governance Statement 2023/24

Scope of Responsibility

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.

The Authority's Local Code of Corporate Governance, available on our website at: [Local Code of Corporate Governance \(sypensions.org.uk\)](https://www.sypensions.org.uk) complies with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government Framework 2016.

The Local Code and this statement are also supported by the Governance Compliance Statement which the Authority is required to produce under s 55(1) of the Local Government Pension Scheme Regulations 2013, which is also available on our website: [here](#).

This statement explains how the Authority has complied with the Local Code and meets the requirements of regulation 6(1) of the Accounts and Audit (England) Regulations 2015 relating to the preparation and approval of an annual governance statement.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture, and values by which the Authority is directed and controlled, and the activities through which it accounts to and engages with employing bodies, pensioners, contributors, and other stakeholders. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk: it can only provide a reasonable and not absolute assurance of effectiveness. The system of internal control is designed to identify risks to the achievement of the Authority's policies, aims and objectives. The system attempts to evaluate the likelihood of those risks being realised and the impact should they be realised and how to manage them efficiently, effectively, and economically. The governance framework has been in place during the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts.

Outline of the Governance Framework

The Authority's framework of governance continues to evolve in line with best practice and is based upon the 7 Core Principles set out in the 2016 CIPFA/SOLACE guidance, Delivering Good Governance in Local Government Framework. More details about the Authority's arrangements for ensuring compliance with each of the 7 Core Principles are set out in the Authority's Local Code of Corporate Governance.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Arrangements in Place

Codes of conduct covering the behaviour of both members and officers, form part of the Constitution, with appropriate mechanisms for ensuring that action can be taken where transgressions are reported. For officers these are reinforced through a framework of values and behaviours, including specific management behaviours, which are reflected upon at individual level as part of the appraisal system.

A comprehensive review of the Constitution was undertaken in the last year and the revised document, approved in June 2023, is available here: [Constitution \(sypensions.org.uk\)](https://www.sypensions.org.uk/constitution)

An Independent Governance Review has been carried out from February 2024 to April 2024 which recommended that the Authority consider its terms of reference regarding co-opted members and duplication of their membership between Authority and the Local Pension Board. This will be considered in the action plan to be developed arising from the final report on this review, due to be presented to Authority and Local Pension Board members in June 2024.

As required under local government law, elected members are required to complete declarations of interest which are publicly available and to declare any conflicts which might arise in discussion of specific matters at meetings of the Authority and its committees. Similar arrangements apply to members of the Local Pension Board, under requirements governed by the Local Government Pension Scheme Regulations and the Public Service Pensions Act 2013.

Registers of potential conflicts, including personal relationships, for staff and a register of gifts and hospitality for both staff and officers.

A comprehensive policy framework exists in relation to issues such as fraud and corruption and a Whistleblowing Policy should any individual wish to make a confidential disclosure. Some of these policies are now overdue for review and will be updated in the forthcoming year. The Authority also participates in the National Fraud Initiative.

The Authority has a formal policy on the reporting of material breaches of the relevant pension regulations and any breaches which occur are reviewed by the Local Pension Board (LPB) at each of its meetings. A need to improve the monitoring, identifying and recording of breaches not deemed to be material has been identified and an appropriate policy and procedure for this will be developed in the forthcoming year.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Complaints policies in relation to quality of service, and statutory appeals processes in relation to decisions made under the Pensions Regulations.

Procurement arrangements are in place to comply with legislative requirements, good practice, achieve value for money and demonstrate accountability. Following internal audit review early in the year, improvements have been made to ensure that the procedures in place are fully compliant with regulations and to introduce a gateway approval document that guides staff through the process and ensures all stages are appropriately documented. A training course on procurement was delivered by CIPFA for all staff involved in procurement activity. These procedures as well as the Contract Standing Orders that form part of the Constitution will also be updated during the forthcoming year to reflect changes in new procurement legislation and regulations that are expected to come into force from October 2024.

The Authority operates with an extremely strong value base in relation to ethical standards and values reflecting the seriousness of its responsibility as steward of the pension savings of a very large number of individual scheme members. The values and behaviours framework is central to both the Corporate Strategy and the appraisal process and the wider policy and constitutional framework covering issues such as recruitment and selection and procurement. The Authority also seeks to bring its commitment to these values into the role it plays within any partnership in which it participates, particularly the Border to Coast Pensions Partnership which is central to the delivery of its corporate objectives. The Authority ensures that it is aware, through the employment of specialist officers and advisers, of the statutory requirements which are placed upon it and takes steps to ensure that it complies with them in an open and transparent way. This includes the maintenance of an up-to-date Constitution which is regularly reviewed and includes definitions of both the Corporate Planning Framework and Pensions Policy Framework, together with terms of reference for committees and an appropriate scheme of delegation to officers.

The Authority maintains up to date role profiles for all posts within the organisation and ensures that it has appropriately qualified statutory officers in post who are able to operate in a way which complies with the relevant professional codes.

Formal records are kept of decisions taken by both officers and members together with the advice considered in making such decisions.

The Authority has a Governance team to oversee and manage democratic services, governance and assurance, and compliance with regulations.

Areas for Improvement

- Whilst reporting of material breaches is well embedded, further work is required to ensure appropriate monitoring and recording of breaches not deemed to be material.
- Policies in relation to counter-fraud and whistleblowing are overdue for review and will therefore be reviewed and updated in the forthcoming year.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Arrangements in Place

The Authority seeks to be as open as possible with stakeholders, conscious that it is the steward of the savings of around 180,000 individuals, working for close to 600 different employers. To this end it complies with its obligations under the Freedom of Information Act and makes a considerable volume of information automatically and freely available through its website. The Freedom of Information Act Publication Scheme, which specifies the information published by the Authority and how to access this, is used as one means of signposting information electronically.

This includes a range of information on investment holdings, performance, the policy frameworks, and responsible investment issues such as how shares have been voted. In addition, meeting agendas and papers for the Authority, the various committees and the Local Pension Board are published online a week before each meeting and all meetings are open to the public, and webcast.

Key decisions made by officers are formally recorded and details published on the website.

To promote clarity in the information provided to support decision making, reports for decision making bodies follow a standard format which ensures that, for example, implications for the financial position of the Authority of a decision are clearly explained. In addition, all reports for decision are required to outline relevant risk considerations, so that these can be understood by decision makers. All reports must be reviewed and cleared by the relevant statutory officers prior to submission for decision to Authority / Committee / Local Pension Board meeting agendas.

The Authority has in place clear protocols regarding its participation as a Partner Fund in the Border to Coast Pensions Partnership. Clearly defined roles are set out for each participant in the Partnership in its Governance Charter and the relevant legal agreements. Regular reports are provided to the Authority by officers on the activity and performance of the Partnership, including a comprehensive annual review which considers the achievement of both the Authority's and the Partnership's objectives.

To ensure the views of stakeholders are considered in a systematic way by decision makers when relevant, the Authority has adopted a Communications and Consultation Strategy which provides a standard framework for engaging with stakeholders.

Resources are specifically allocated to support engagement with employers to support the maintenance of a productive and supportive relationship between them and the Authority. All engagement with employers takes place within the context of the Communications and Consultation Strategy which requires the results of any consultation process to be reported back alongside the actions proposed following the consultation.

Emphasis is placed on increasing the volume and improving the quality of interaction with employers and an employer forum session and surveys have been undertaken during the year. The Authority's website includes an area for employers and an employer newsletter is sent to all employers quarterly with updates on relevant information, training, and events.

Principle B: Ensuring openness and comprehensive stakeholder engagement

There is a current focus on monitoring the performance of employers in relation to data submission; including quality, timeliness and resolving queries; and reporting on this to the Local Pension Board.

The processes for engaging with and understanding the views of scheme members are also set out in the Communications and Consultation Strategy.

Interaction with scheme members includes offering appointments to meet with staff either through online / virtual sessions or in-person appointments at our office in Barnsley.

The Authority's complaints and appeals processes are available to scheme members in relation either to quality of service, or specific decisions made under the LGPS regulations. Information from the complaints and appeals processes forms part of the Authority's performance management framework and influences the development of policy, practice, and processes, including specific projects reflected in the Corporate Strategy.

As part of its assurance and scrutiny role, the Local Pension Board receives a quarterly report outlining the nature of all appeals and complaints and the subsequent actions and learning as well as quarterly information on the results of various rolling customer satisfaction surveys which examine specific aspects of the service to scheme members, which also include information on learning and actions from this feedback.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Arrangements in Place

The Authority sets out a clear vision supported by specific objectives for achieving that vision within its Corporate Strategy which is at the heart of its corporate planning framework. Delivery against these objectives and key quality of service standards is reported quarterly to members of the Authority within a comprehensive report, allowing action to be taken to address any variations if required. All activity is undertaken within a risk management framework which covers all aspects of the Authority's work.

The Authority's Responsible Investment Policy sets out how it reflects the balance between economic, social, environmental and governance issues within its investment decision making process and the areas where it seeks to move partners within the Border to Coast Pensions Partnership to a shared position. Responsible investment is central to the Authority's approach to the management of the funds for which it is responsible, and it is an active participant in a range of initiatives which seek to support the achievement of its objectives in this area. Work has

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

continued during the year to develop new approaches to reporting the impact of various investments and the results of this will be reflected in future annual reports.

The Authority's decision making on key issues of this sort is transparent with appropriate decisions either taken in public meetings or published and supporting information placed in the public domain whenever possible. (Exceptions to this are limited and would include, for example, commercially sensitive market information that cannot be made public).

The Authority actively engages with groups seeking to influence its policies in different ways and uses its Communication and Consultation Strategy to seek views on issues where appropriate and to consider differing views when making decisions.

Beyond the investment sphere, the Authority maintains an Equality and Diversity Scheme to guide its approach to the delivery of fair access to its services for any individual with a protected characteristic. This scheme is due for review and further work on the detail in terms of application and measurement will be required in the year ahead.

Areas for Improvement

- A comprehensive review and update of the Equality, Diversity and Inclusion Scheme is required.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Arrangements in Place

The Authority's officers ensure that when making decisions, elected members have access to as much objective information as possible, as well as to the views of appropriately skilled and experienced independent advisers where specialist areas such as investment strategy are under consideration. Where members require additional information, officers agree specific timescales for its provision. The corporate planning process and the medium-term financial strategy are how the Authority agrees the relative priority and resource requirements of specific interventions.

The Authority's discretions policy statement (as administering authority of the South Yorkshire Pension Fund) was reviewed and updated during the year, setting out clearly how the Fund will exercise discretions in relation to the LGPS regulations, including detail of the level to which decisions on each item are delegated and how applied.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

The Authority has a well-defined and robust corporate planning framework with the review cycle linked at a high level to the major cyclical events impacting its operations (principally the triennial actuarial valuation of the Pension Fund). This framework is supported by well-established consultation arrangements ensuring that stakeholder views can influence plans where appropriate.

A risk management framework is in place that ensures that both risks to service delivery and risks impacting the assets and liabilities of the Pension Fund can be addressed holistically.

A framework for monitoring the delivery of all the various plans and strategies is in place with a comprehensive report including both financial and performance information presented to the Authority on a quarterly basis with more detailed reports covering pension administration presented quarterly to the Local Pension Board and on investment performance to the Authority. These reports highlight deviations from plans and identify and assess the risks relevant to the achievement of objectives as well as including information around feedback received and how it has been acted on.

The Authority's medium-term financial strategy and corporate strategy draw on inputs from both stakeholder feedback mechanisms, the views of elected members and the Senior Management Team's assessment of developments in the wider external environment to direct resources to address priority areas. The medium-term financial strategy examines both the Authority's operating budget and the financial position of the Pension Fund ensuring that all areas of cost and income are fully considered. Strong budgetary control is evident, and managers are conscious of the need to demonstrate financial probity.

In addition, given the centrality of being a responsible investor to the way in which the Authority invests the Pension Fund, regular publicly available reports are provided to the Authority detailing responsible investment activity undertaken and the outcomes achieved through this activity. These include summaries of the Fund's votes at company annual meetings. As part of this approach the Authority subscribes to the principles set out in the FRC's Stewardship Code which requires investors to report to stakeholders in a clear way on how they have managed the funds for which they are responsible.

During 2023/24 the Authority commissioned an external provider to undertake an Independent Governance Review, the results of which will be reported in June 2024 and an action plan developed as required in response to any recommendations.

Areas for Improvement

- Independent Governance Review to be reported to Authority and Local Pension Board members in June and an action plan developed in response to recommendations.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Arrangements in Place

The Authority's statutory role holders – the Director as Head of Paid Service, the Assistant Director – Resources as Chief Finance Officer and the Head of Governance & Corporate Services as Monitoring Officer, meet along with the Deputy Clerk on a quarterly basis.

Independent Advisers with suitable skills and experience are employed to support both the Local Pension Board and the Authority. Steps have also been taken during 2023/24 to increase training for members of the Audit and Governance Committee to enable them to provide more effective challenge. These have included briefing sessions on relevant topics before each meeting. The frequency of meetings has been increased to four per year. In line with recommended practice, an independent member will be appointed to the Committee in the forthcoming year.

Both the Audit & Governance Committee and the Local Pension Board conduct annual effectiveness reviews to assess their own effectiveness and impact, identifying areas for improvement.

Joint meetings of the Authority Chair and Vice Chair and the Local Pension Board Chair and Vice Chair are held regularly throughout the year. A need to support further improvements to the effectiveness of the relationship between the Local Pension Board and the Authority was identified by the Board in their most recent review and has also been highlighted from the Independent Governance Review undertaken this year. Actions to address this will form part of the action plans in response to these reviews.

A Learning and Development Strategy is in place for elected members supported by the allocation of specific time within the overall programme of meetings. This strategy is set within the context of the CIPFA Knowledge and Skills Framework and has regard to the requirements of the Pensions Regulator. The Governance team apply a strong focus to ensure all mandatory training is completed.

To further strengthen elected members' knowledge and collaboration across the Authority and Local Pension Board, a joint member development away day was delivered for the first time in November 2023 with training provided on investments, ethical standards, the corporate strategy, and risk appetite. This will continue as an annual event. The continued development and maintenance of knowledge, skills and understanding for Authority and Local Pension Board members is an ongoing challenge due to external factors leading to turnover and risks to continuity of membership. This will be subject to further work in the year ahead, when more ways to achieve greater continuity of membership (particularly of the LPB) will be considered. The Governance team will also enhance the learning and development arrangements in place by introducing individual training plans and encouraging increased attendance of members at external conferences and events. These actions will form part of the action plan arising from the Independent Governance Review.

For staff of the Authority, an appraisal system is used to manage individual performance, plan learning and development, and support the succession planning process which is in place in key risk areas. Over the last two years, the Authority have approved and implemented an organisational resilience and sustainability plan, a staffing and capacity plan for pensions administration and a comprehensive review of pay

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

and benefits – these plans have included the establishment of a range of additional resources and changes to reporting lines across the organisation, to be implemented over the course of the period to March 2025, designed to strengthen capacity, enhance capability, and increase sustainability.

Work also continues to reduce the risk of single points of failure, and this is identified in the strategic risk register. The risks relating to changes due to take place this year in key investment roles (officers and advisers) will be considered as part of this.

Ongoing learning and development plans for the Authority's workforce are devised annually to support the goals set out in individual appraisals and are kept under review throughout the year. In addition to competency-based progression through the pension administration career grade, this can include professional qualification training, external training courses, and internally provided technical updates and system specific training.

The policy and detailed procedures relating to career grade progression in teams across the organisation requires review in the coming year.

Learning and development activity is further supported through access to online resources through a range of systems such as online reading rooms, SharePoint, and LinkedIn Learning. In the last year, the focus in this area has been further strengthened with the addition of a new post in the HR team for supporting organisational learning and development.

The Director has an annual appraisal with the Chair and Vice Chair of the Authority and the Clerk to review performance against objectives and set objectives for the next year. This process was enhanced for 2023/24 with the addition of 360-degree feedback from a range of internal and external stakeholders, inclusion of learning and development considerations as relevant to this role, and the appraisal process is now supported and facilitated by the Head of HR from Barnsley MBC.

Health, Safety and Wellbeing arrangements are prominent and embedded across the organisation. An external Health & Safety adviser is retained, and the range of additional health and wellbeing support continues to grow each year, including workplace health checks and a range of webinars and other activities which target a variety of key physical, emotional, and mental health and wellbeing topics.

A new post of Operations Management Officer was appointed to during the last year, providing a suitably experienced and knowledgeable resource to ensure effective facilities management and health and safety arrangements.

Areas for Improvement

- Actions in relation to improvements to Authority and LPB membership, knowledge, and inter-relationship to form part of the Independent Governance Review action plan.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- The career grade scheme requires review and update to ensure there is a suitable corporate scheme providing consistency across the organisation, supplemented by appropriately tailored and effective progression schemes for different roles / service areas incorporating accredited training / professional qualifications alongside development and assessment of workplace experience and skills.

Principle F: Managing risks and performance through robust internal control and strong public financial management

Arrangements in Place

Managing Risk

A risk management policy framework is in place reviewed annually by the Audit and Governance Committee. Specialist risk management training was delivered to relevant managers and officers during the year, and this resulted in improvements being identified and incorporated in the latest update to this framework. This also sets out clearly the responsibilities for managing the risks facing the organisation, how they should be assessed and reported. The strategic risk register is reviewed monthly by the Senior Management Team with reporting on a quarterly basis to meetings of the Authority as part of the overall performance management framework, together with review and challenge by the Local Pension Board.

During the coming year, additional, operational level risk registers for each service will be introduced to help further embed the culture of risk management throughout the organisation as well as to support and inform the strategic risk register. This will be supported by use of the integrated risk management and performance software system, enabling more efficient recording and reporting of risk and performance and with input from various levels of management throughout the organisation.

Managing Performance

Arrangements for the reporting and monitoring of performance are in place, including clearly defined timetables for the reporting of information across the full range of activity, integrated with financial monitoring. Wherever possible, data is placed in the public domain and statutory reporting timescales are adhered to.

The Authority undertakes benchmarking of its cost base and performance across both the main streams of operational activity, pensions administration and investment.

Principle F: Managing risks and performance through robust internal control and strong public financial management

A small team supports and co-ordinates the management of programmes and performance across the organisation. The use of an agreed project management methodology and central oversight and reporting of projects has been implemented during the year and will continue to be embedded. The team are now working on review and enhancement of the Authority's performance management framework with changes and improvements to be implemented in the 2024/25 year. These will incorporate ensuring that there is consistency across the reporting formats used for the Authority and the Local Pension Board.

Progress has continued in relation to the analysis and development of plans to address backlogs and deliver improvements in pensions administration processing performance. The Corporate Strategy for 2024 to 2027 includes the Administration Improvement Plan with a series of actions to be completed over 2024 to 2026.

High quality data is central to the effectiveness of the organisation in its core function as a pension administrator. The Authority has a policy framework in place to ensure both the security and integrity of the large quantities of data which it holds.

The Authority's Head of Governance and Corporate Services is the Senior Information Risk Owner (SIRO). In addition, resourcing is provided through the Governance team to provide a focus on compliance and continued development of the Authority's information governance framework.

The Service Director for Customer Information and Digital Services at Barnsley MBC acts as the Authority's Data Protection Officer and his work is supported by an annual programme of internal audit review activity to ensure compliance with the policy framework.

The Authority has received the Cyber Essentials + accreditation from government in relation to its arrangements for information security. The controls in relation to cyber security are well embedded, and continually being developed and enhanced, making use of specialist tools, awareness training and with support available from external specialists on retainer. Plans are in place to review and update the suite of ICT policy documentation, including cyber security, during 2024. From the Independent Governance Review and reviewing compliance against the Pensions Regulator's new General Code of Practice, a need has also been identified to carry out ongoing specialist assessments of third party service providers' arrangements. This will be addressed in the relevant action plans.

An annual assessment of the quality of data held for pension administration purposes is undertaken and a data improvement plan is produced to ensure that any issues identified are addressed. Progress with delivering the data improvement plan is overseen by the Local Pension Board.

Robust Internal Control

The Authority has an Audit and Governance Committee in place whose terms of reference are consistent with the relevant professional standards. The Committee has produced its own Annual report, available within the Governance section of the Authority's website, which sets out the work it has undertaken during the year.

Principle F: Managing risks and performance through robust internal control and strong public financial management

The Committee is responsible for overseeing the work of Internal Audit, provided by Barnsley MBC's Corporate Assurance Service, and in particular ensuring that the Internal Audit plan addresses key control risks facing the Authority. The Head of Internal Audit is required under the relevant professional standards to produce an annual opinion on the adequacy of the control environment. For 2023/24 this opinion is that "based on the systems reviewed and reported on by Internal Audit during the year to date, together with management's response to issues raised, I am able to give a reasonable (positive) assurance opinion regarding the effectiveness of the control, risk and governance environment."

Progress made in implementing actions agreed following audit reviews is reported to every meeting of the Committee and this helps to ensure that the control environment continues to be strengthened through the audit process.

The importance of internal control is well-embedded across the organisation and officers ensure a strong and effective working relationship is maintained with both Internal and External Audit, including regular liaison meetings, and ensuring independent access is available to the Audit and Governance Committee Chair and members.

Strong Public Financial Management

The Authority is steward of a very large pension fund and therefore strong financial management is crucial to its effective operation. A strong framework of budgetary control is in place and monitoring against the operational budget, along with monitoring of investment performance, is reported quarterly to the Authority. Key projects are required to operate within defined budgets which receive approval through the appropriate decision-making processes.

The Authority's Medium Term Financial Strategy defines various fiscal rules which constrain the growth in expenditure, mirroring to some extent, the constraints which apply to conventional local authorities through the council tax capping regime.

Areas for Improvement

- Performance Management Framework - There is a need to make better use of management information in reporting on and managing performance through the development of a new performance management framework. This should achieve outcomes of enhancing the robustness of the process, ensuring consistency in how different areas are reported upon and freeing up the time-of-service managers so that they can focus on interpreting the results and taking appropriate action in response.
- Continue to build on the progress being made to achieve the elements of the pensions administration improvement plan and clearance of backlogs in processing work.

Principle G: Implementing good practices in transparency and audit to deliver effective accountability

Arrangements in Place

The Authority seeks to be open and transparent in all its activities, seeking to minimise the amount of information that must remain confidential.

A substantial amount of information about the Authority's services and activities is published on its website: www.sypensions.org.uk including, for example, details of investment holdings and voting records. The agendas and public reports for all meetings of the Authority, its committees and the Local Pension Board are published and the public parts of meetings of the Authority, its committees and the Local Pension Board are webcast. The Authority's annual report also contains a significant amount of information on its activities in a more user-friendly format. The Freedom of Information Publication Scheme provides clear signposting to the information which is publicly available and where it can be found.

The Authority regards telling its story as a key activity, to report and demonstrate its performance, achievement of value for money and effective stewardship of scheme members' savings. For key documents such as the Annual Report and Accounts, the Authority follows the relevant professional codes in terms of the provision of information and seeks to go beyond them where possible, particularly in terms of presenting the information in a way which allows the reader to set information in the context of the Authority's work and easily understand it.

The Authority has continued to publish its audited accounts and annual report in advance of the statutory publication deadlines every year, ensuring that information for stakeholders is provided on a timely basis to promote effective accountability.

The Authority uses the governance framework set out in the Local Code of Corporate Governance to ensure that the information provided in reporting is accurate and consistent and that the same standards are met by key partnerships such as the Border to Coast Pensions Partnership.

The Internal Audit function operates under a charter which conforms to the relevant public sector internal audit standards ensuring that the Authority complies with the relevant professional standards.

The Audit and Governance Committee reviews progress on implementation of actions agreed following audit reviews carried out by both internal and external audit and potentially other review agencies when the Scheme Advisory Board's Good Governance reforms are introduced.

All these arrangements also apply to the way in which the Authority engages with various partners and a comprehensive process of gathering assurance from those managing money on behalf of the Authority is undertaken each year. The Authority seeks to ensure that the activity undertaken on its behalf by the Border to Coast Pensions Partnership reflects the agreed Governance Charter which applies similar standards to the Authority's arrangements in the Partnership's unique context.

The table below sets out the actions identified for improvement and development in last year's Annual Governance Statement and the progress made against these during 2023/24.

Action Plan 2022/23	Responsible Officer	Target Date	Progress Update 2023/24
<p>Complete process mapping and implement fully updated procedures for appeals processing with clearly defined roles and responsibilities.</p> <p>Provide guidance, training and support for relevant staff to support the above.</p>	Head of Governance and Corporate Services	July 2023	<p>Completed</p> <p>A full review of the appeals process has been completed which identified clearly defined roles and responsibilities. Training on the new process was delivered to all relevant staff in October 2023.</p>
<p>Transfer online processes for annual appraisals to a new HR System and continue to embed the consistency and quality requirements by providing training for both line managers and employees.</p> <p>Recruit to new Business Support Officer role in the HR team to support Learning and Development strategy and provision across the organisation.</p>	Assistant Director – Resources & HR Business Partner	Mar 2024	<p>Partially Completed</p> <p>Work continued on embedding consistency and quality in annual appraisals and training was delivered for both line managers and employees. New Business Support Officer – Learning and Development was appointed and commenced in post in October 2023. Only action remaining is to implement the new HR system in 2024/25.</p>
<p>Undertake a review of the Director Appraisal process and consider and commission appropriate external support arrangements that will seek to enhance the independence of the process and introduce the gathering of 360-degree feedback to inform the appraisal. Aim to implement new arrangements for the 2023/24 appraisal.</p>	Assistant Director – Resources and Head of Governance and Corporate Services	Oct 2023	<p>Completed</p> <p>New arrangements for the Director Appraisal process were developed and implemented in March 2024 for the appraisal relating to the 2023/24 year.</p>

Action Plan 2022/23	Responsible Officer	Target Date	Progress Update 2023/24
Complete a full review and refresh of business continuity procedures and documentation, with support from external experts as required.	Head of ICT	Jan 2024	Carried Forward Due to other workload priorities, particularly in relation to focus on improvements required on the pensions administration software system, this action has been deferred and is now expected to be completed in the first half of 2024/25.
Introduce arrangements for the centralised production of performance information allowing managers to focus on interpretation and follow-up action. Implement new risk and performance management software system.	Head of Governance & Corporate Services and Service Manager – Programmes & Performance	Oct 2023	Partially Completed, Partially Carried Forward Following a period of vacancy in the role of Service Manager – Programmes and Performance, there has been a delay in full completion. The role has been filled since December 2023 and work to develop the performance management framework is now in progress, to be completed in 2024/25. The new Risk Management and Performance Software system was implemented in August 2023 with work completed so far to input the strategic risk register on the system. Work remaining to be completed in 2024/25 will be to add the operational risk registers and incorporate performance metrics and reporting.
Complete thorough analysis of backlogs and the root causes of these. Complete comprehensive capacity planning exercises in Benefits Team and Customer Services. Based on the above, develop and implement a detailed action plan to tackle the existing backlogs and to put arrangements in place designed to prevent such backlogs building up going forward. This will require a significant amount of work over several months.	Assistant Director – Pensions	Ongoing throughout the year. Progress to be reviewed on a regular basis	Partially Completed, Partially Carried Forward A thorough analysis of backlogs and capacity planning was completed. A revised structure was approved by the Authority in October 2023. The revised structure will be recruited to in 2024/25. A plan to clear the Backlogs was put in place in January 2024. The reduction is being tracked and reported to the Director, the Authority and the Local Pension Board.

Action Plan 2022/23	Responsible Officer	Target Date	Progress Update 2023/24
Complete a review and update of the Local Code of Corporate Governance.	Head of Governance and Corporate Services	Jan 2024	Completed The Local Code of Corporate Governance was updated and published in December 2023.

Review of Governance 2023/24 – Areas for Improvement and Action Plan

The table below sets out the actions planned to be undertaken during the forthcoming year to address the areas for improvement identified from this year’s review of governance effectiveness, along with any actions carried forward from last year as outlined in the progress update above.

Principle and Area for Improvement	Actions Required in 2024/25	Responsible Officer	Date for Completion
A: Behaving with integrity, demonstrating strong commitment to ethical values, respecting the rule of law. Recording of Regulatory Breaches	Develop and implement a dedicated recording mechanism for regulatory breaches, supported by training for staff and a decision-making process for reporting material breaches.	Assistant Director – Pensions and Head of Governance & Corporate Services	September 2024

Principle and Area for Improvement	Actions Required in 2024/25	Responsible Officer	Date for Completion
<p>A: Behaving with integrity, demonstrating strong commitment to ethical values, respecting the rule of law.</p> <p>Review of Counter-Fraud and Whistleblowing Policies</p>	Complete a review and update of the Anti-Fraud, Bribery and Corruption Policy Statement and the Whistleblowing Policy.	Head of Governance & Corporate Services	December 2024
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p> <p>Equality, Diversity and Inclusion (EDI)</p>	Undertake a thorough review of the EDI scheme – prioritising a series of agreed specific actions.	SMT	February 2025
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes.</p> <p>Complete Independent Governance Review</p>	Independent Governance Review to be completed in June 2024 and an action plan to be developed to address any recommendations.	Head of Governance & Corporate Services	December 2024
<p>E: Developing capacity, including the capability of leadership and individuals</p> <p>Career Grade Scheme</p>	Develop an Authority Career Grade Scheme that provides a central policy applicable across the organisation supplemented by appropriately tailored schemes for individual roles that include assessment procedures and incorporate relevant accredited training / professional qualifications alongside development of workplace experience and skills.	Assistant Director – Resources and HR Business Partner	March 2025

Principle and Area for Improvement	Actions Required in 2024/25	Responsible Officer	Date for Completion
F: Managing risks and performance Business Continuity	Complete a full review and refresh of business continuity procedures and documentation, with support from external experts as required.	Head of ICT	Oct 2024
F: Managing risks and performance Performance Management	Develop and implement a new Performance Management Framework which will include central production of performance information that will ensure improved reporting and enable service managers and heads to focus on interpretation and taking remedial actions as necessary.	Head of Finance & Performance and Service Manager – Programmes & Performance	In stages over the course of the year to March 2025
F: Managing risks and performance Pensions Administration Improvement and Backlog Clearance Plan	Deliver the elements of the Pensions Administration Improvement Plan.	Assistant Director – Pensions	In stages to March 2026. Progress will be reported on quarterly to Authority and Local Pension Board.

Conclusion

To the best of our knowledge, the governance arrangements as defined above have operated effectively during the 2023/24 year. We propose over the coming year to take steps to address the areas identified for improvement to further enhance our governance arrangements. Progress in implementing these improvement actions will be monitored by officers and Internal Audit and through regular reports to the Authority and its committees.

We are satisfied that these steps will address the issues identified in our review of effectiveness and will assess their implementation and operation as part of our next annual review.

<p>Signed:</p> <p><i>Jayne Dunn</i></p> <p>Chair South Yorkshire Pensions Authority</p> <p>Date: 6 June 2024</p>	<p>Signed:</p> <p><i>George Graham</i></p> <p>Director South Yorkshire Pensions Authority</p> <p>Date: 6 June 2024</p>
---	---

Audit & Governance
Committee
Annual Report
2023/24
March 2024

Foreword

I am pleased to present the annual report of the Authority's Audit and Governance Committee covering the Committee's activity during the 2023/24 financial year. Reporting on the Committee's work in this way contributes to the process of assurance gathering which is used to produce the Authority's Annual Governance Statement and demonstrates the robustness of the overall governance arrangements that are in place.

Councillor Marnie Havard

Chair

Audit and Governance Committee – South Yorkshire Pensions Authority



1. Introduction

This report is produced in order to provide stakeholders with information on the work of the Committee over the 2023/24 Municipal Year and to support the process of assurance gathering required in order to produce the Authority's Annual Governance Statement.

It outlines the Committee's:

- Role and responsibilities
- Membership and attendance
- Work programme

2. Committee Information

Audit and Governance Committee Role and Responsibilities

The Committee's terms of reference are set out in the Authority's Constitution and are as follows:

To fulfil the following core audit committee functions:

- a. Consider the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
- b. Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
- c. Be satisfied that the Authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.
- d. Approve (but not direct) internal audit's Charter and annual plan.
- e. Monitor performance against internal audit's Charter and annual plan.
- f. Review summary internal audit reports and the main issues arising and seek assurance that action had been taken where necessary.
- g. Receive the annual report of the Head of Internal Audit.

- h. Consider the annual reports of external audit and inspection agencies.
- i. Ensure that there are effective relationships between internal audit and external audit, inspection agencies and other relevant bodies, and that the value of the process is actively promoted.
- j. Review financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
- k. To oversee the production of and approve the Authority's Annual Governance Statement.
- l. To review and approve the annual Statement of Accounts and the Authority's Annual Report, focusing on:
 - i. The suitability of, and any changes in accounting policies.
 - ii. Major judgemental issues e.g. provisions.
- m. To receive and agree the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focusing on significant adjustments and material weaknesses in internal control reported by the external auditor.
- n. Monitor the Authority's risk register and annual governance action plan, reporting issues of concern to the full Authority.

Membership

The Committee's membership at the end of March 2024 was:

Councillor Marnie Havard (Chair)

Councillor Roy Bowser

Councillor Simon Clement-Jones

Councillor Steve Cox

Councillor David Nevett

In addition, the three Non-Voting Co-Opted Members nominated to the Authority by the recognised trade unions are entitled to attend and participate in meetings of the Committee.

During the year these representatives were:

Nicola Doolan-Hamer (Unison)

Richard Bedford (Unite) – [from December 2023]

Garry Warwick (GMB)

Committee Meetings and Attendance

The Committee held four meetings during the municipal year (July 2023, October 2023, December 2023 and March 2024). The business conducted reflected the terms of reference and the pattern of work of the Authority's Internal and External Auditors. The schedule of Members' and Officers' attendance is attached as Appendix A.

Councillor Marnie Havard was appointed by the Authority to Chair the Committee.

Good practice guidance suggests that the Chief Financial Officer should attend regularly, and that the Monitoring Officer and other senior officers should contribute as appropriate. The actual attendance recorded demonstrates that this was achieved.

3. Committee Work Programme and Outcomes

The Committee maintains a broad programme of work for its main areas of activity. The reports received during 2023/24 are shown in Appendix B; the outcomes of the Committee's work in relation to these are summarised below. The bullet points in the boxes in *italics* are the core functions from the CIPFA guidance; the details below each box identify how the Committee has achieved its responsibilities.

Risk Management and Internal Control

- *Considering the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements.*
- *Seeking assurances that action is being taken on risk-related issues identified by auditors and inspectors.*
- *Being satisfied that the Authority's assurance statements, including the Annual Governance Statement properly reflect the risk environment and any actions required to improve it.*

The Committee has:

- Completed the Annual Review of the Authority's Risk Management Framework in October 2023; significant revisions were implemented to reflect the additional layer of assurance controls and implementation of a new risk management and performance software system.
- Received regular progress reports from the Head of Internal Audit on internal control matters.
- Received regular reports on progress against audit recommendations.
- Considered the results of the review of internal control and internal audit for 2022/23.

Internal Audit and External Audit

- *Approving (but not directing) Internal Audit's strategy and plan, and monitoring performance.*
- *Reviewing summary Internal Audit reports and the main issues arising and seeking assurance that action has been taken where necessary.*
- *Receiving the annual report of the head of Internal Audit.*
- *Considering the reports of external audit and inspection agencies.*
- *Ensuring that there are effective relationships between Internal Audit and external audit, inspection agencies and other relevant bodies, and that the value of the process is actively promoted.*

In relation to Internal Audit, the Committee has:

- Agreed the Internal Audit Strategy and Annual Plan for 2023/24.
- Received and considered the Head of Internal Audit's Annual Report for 2022/23, including the opinion on the Authority's internal control arrangements.
- Received and considered regular reports from the Head of Internal Audit on the Internal Audit Team's progress against the annual plan, including summaries of the reports issued and management's response.

The schedule of Internal Audit Review Results 2023/24 at Appendix C summarises the outcomes of Internal Audit Activity during the year.

In relation to External Audit, the Committee has:

- Received reports from the former external auditor, Deloitte, on their Audit Plans for the Authority and Fund relating to the audit of year ended 31 March 2023.
- Received regular progress reports and a final report on the audit of year ended 31 March 2023 from Deloitte.
- Received an introductory update and an audit plan relating to the audit of year ended 31 March 2024 from the new external auditor, KPMG.

Statement of Accounts

- *Reviewing the financial statements, the external auditor's opinion and reports to members, and monitoring management action in response to the issues raised by external audit.*
- *Overseeing the production of, and approving, the Authority's Annual Governance Statement.*
- *Overseeing the production of, and approving, the Authority's Annual Statement of Accounts, focussing on:*
 - *Suitability of, and any changes in, accounting policies;*
 - *Major judgemental issues e.g. provisions.*
- *Receiving and agreeing the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focussing on significant adjustments and material weaknesses in internal control reported by the external auditor.*

The Committee has:

- Overseen the production of, and approved the Authority's Annual Governance Statement 2022/23;
- Reviewed and approved the Authority's Statement of Accounts and Annual Report and letter of representation for 2022/23;
- Received and approved Deloitte's Report on the 2022/23 Audit, and their Annual Report 2022/23 which includes their findings and conclusion on the Authority's Value for Money arrangements. No recommendations were made in either report.

Working Arrangements

Members considered and agreed the Committee's Annual Report for 2022/23 which was then published on the Authority's website.

As part of considering the Annual Report, members considered the extent to which its arrangements remained robust.

Appendix A

Member and Officer Attendance at Audit & Governance Committee Meetings 2023/24

Member/Officer	27 July 2023	21 September 2023	14 December 2023	7 March 2024
Councillor Marnie Havard	✓	✓	✓	✓
Councillor Roy Bowser	Note 1	Note 1	Note 1	✓
Councillor Simon Clement-Jones	✓	✓	✓	✓
Councillor Steve Cox	✓	✓	✓	✓
Councillor David Nevett	✓	✓	✓	✓
Nicola Doolan-Hamer	✓	✓	✓	Note 1
Richard Bedford	N/a - Note 2	N/a - Note 2	✓	Note 1
Garry Warwick	✓	Note 1	✓	✓
Director – George Graham	✓	✓	✓	✓
Assistant Director – Resources (Chief Financial Officer) – Gillian Taberner	✓	✓	✓	✓
Head of Governance (Monitoring Officer) – Jo Stone	✓	Note 1	Note 1	✓
Head of Finance – Will Goddard	✓	✓	✓	✓
External Audit (Deloitte)	✓	✓	N/A – Note 3	N/A – Note 3
External Audit (KPMG)	N/A – Note 3	N/A – Note 3	✓	✓
Internal Audit (Barnsley MBC)	✓	✓	✓	✓

Notes

1. Apologies
2. Appointed to the Committee from December 2023.
3. External Auditors – Deloitte in place for audit of year ended 31/03/2023, attending meetings up to and including September 2023. KPMG appointed for audits of years from 1 April 2023 for next five years and attended meetings from December 2023 onwards.

Committee Activity

Function/Issue	27 July 2023	21 September 2023	14 December 2023	7 March 2024
Risk Management				
Annual Review of the Risk Management Framework			Approved	
Governance and Internal Control				
Annual Review of the Governance Compliance Statement				Approved
Progress on Implementation of Audit Recommendations	Noted	Noted	Noted	Noted
Effectiveness Review	Noted			Agreed
Local Code of Corporate Governance			Approved	
Internal Audit				
Progress Report	Noted	Noted	Noted	
Annual Report 2022/23	Noted			
Internal Audit Charter	Noted			
Effectiveness Review		Noted		
External Audit				
Auditor Appointment Process		Noted		

Function/Issue	27 July 2023	21 September 2023	14 December 2023	7 March 2024
Status Report on the 2022/23 Audit	Noted			
Final Report on the 2022/23 Audit		Noted		
Annual Audit Report 2022/23		Recommended to the Authority		
External Audit Plan 2023/24				Approved
Statement of Accounts				
Draft Statement of Accounts 2022/23	Noted			
Audited Statement of Accounts 2022/23		Approved		
Letter of Representation		Approved		
Accounting Policies - Accounts for Year Ending 31 March 2024				Noted
Committee Working Arrangements				
Audit & Governance Committee Annual Report 2023/24				Approved

(The term "Noted" is used to include resolutions to note and to receive reports).

Appendix C

Results of Internal Audit Reviews 2023/24

Review Topic	Assurance Level *	High Priority Findings	Medium Priority Findings	Low Priority Findings
Pensions Administration (C/fwd from 2022/23) Actuarial Transition	Reasonable	0	1	1
Pensions Administration (C/fwd from 2022/23) Pensions Admin System – PIR	Reasonable	1	2	0
Service Wide (C/fwd from 2022/23) Procurement Compliance	Limited	0	3	1
Service Wide Cybersecurity	Reasonable	0	0	2
Investment Strategy Governance & Performance - Border to Coast	Substantial	0	0	0
Pensions Administration Customer Services including Contact Centre	Reasonable	0	1	2
Finance – Core Financial System Main Accounting	Substantial	0	0	0
Finance – Core Financial System Accounts Receivable	Reasonable	0	1	0
Finance – Core Financial System UPM Pensioners Payroll	Substantial	0	0	0
Finance – Core Financial System Authority Staff Payroll	Substantial	0	0	0
Finance – Core Financial System Investment Income	Substantial	0	0	0
Finance – Core Financial System Accounting for Deals	Substantial	0	0	0

Review Topic	Assurance Level *	High Priority Findings	Medium Priority Findings	Low Priority Findings
Finance – Core Financial System Fund Contributions	Substantial	0	0	0
Finance – Core Financial System Purchase to Pay	Substantial	0	0	2
Resources HR - Appraisal Process	Reasonable	0	3	1
Totals	15 Opinions	1	11	9

* Key to Assurance Levels:

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	Substantial Assurance	A robust framework of controls exists that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable Assurance	A sufficient framework of key controls exists that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	Limited Assurance	Risk exists of objectives not being achieved due to the absence of key controls in the system.	A significant breakdown in the application of key controls.
	No Assurance	A significant risk exists of objectives not being achieved due to the absence of controls in the system.	A fundamental breakdown in the application of all or most controls.

South Yorkshire Local Pension Board Annual Report 1 May 2023 to 30 April 2024

Foreword

Welcome to the annual report of the South Yorkshire Local Pension Board ('the Board').

The Board seeks to assist the South Yorkshire Pensions Authority to maintain effective and efficient administration and governance. It comprises equal numbers of representatives of scheme members and employers.

On behalf of the Board, I would like to thank the staff at the Authority for continuing to deliver a high-quality pensions service and for the support provided to the Board.

Thank you to members of the Board for your continued diligence, support and commitment.

Riaz Nurennabi, Chair



Role of the Local Pension Board

The role of the Local Pension Board as defined by Sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Authority in the following matters:

- a) securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme;
- b) securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
- c) such other matters as the scheme regulations may specify.

The Board's Terms of Reference are documented in the Board's Constitution which is available on the Authority's website [here](#).

Membership during the Year

The Board's membership over the year was as follows:

Name	Date of joining	Nominated by/ Representing	Term of Office (to)
Employee Representatives			
Nicola Doolan-Hamer (Vice-Chair)	23/07/2015	Unison	June 2024 (3 rd Term)
Garry Warwick	23/07/2015	GMB	June 2024 (3 rd Term)
Danny Gawthorpe	06/06/2020	Unite	May 2026 (2 nd Term)
David Webster	01/10/2019	Selected from active, deferred and pensioner members	June 2025 (2 nd Term)
Andrew Gregory	25/07/2019		September 2025 (2 nd Term)
Employer Representatives			
Riaz Nurennabi (Chair)	04/08/2022	Sheffield Hallam University	December 2025 (1 st Term)
Ken Richardson	20/05/2022	Local Authority	May 2025 (1 st Term)
Emma Hoddinott	20/07/2023		July 2026 (1 st Term)
Nicola Gregory	18/01/2018	Academies	December 2026 (3 rd Term)
Vacancy	Vacant from April 2023		
Independent Adviser			
Clare Scott	Oct 2019	-	Term ended June 2024

There is currently one employer representative vacancy that we were unable to fill during the year; recruitment is ongoing, and it is currently anticipated that this will be filled in time for the August 2024 meeting of the Board.

Meeting Attendance

Attendance at the Board's meetings through the year was as follows:

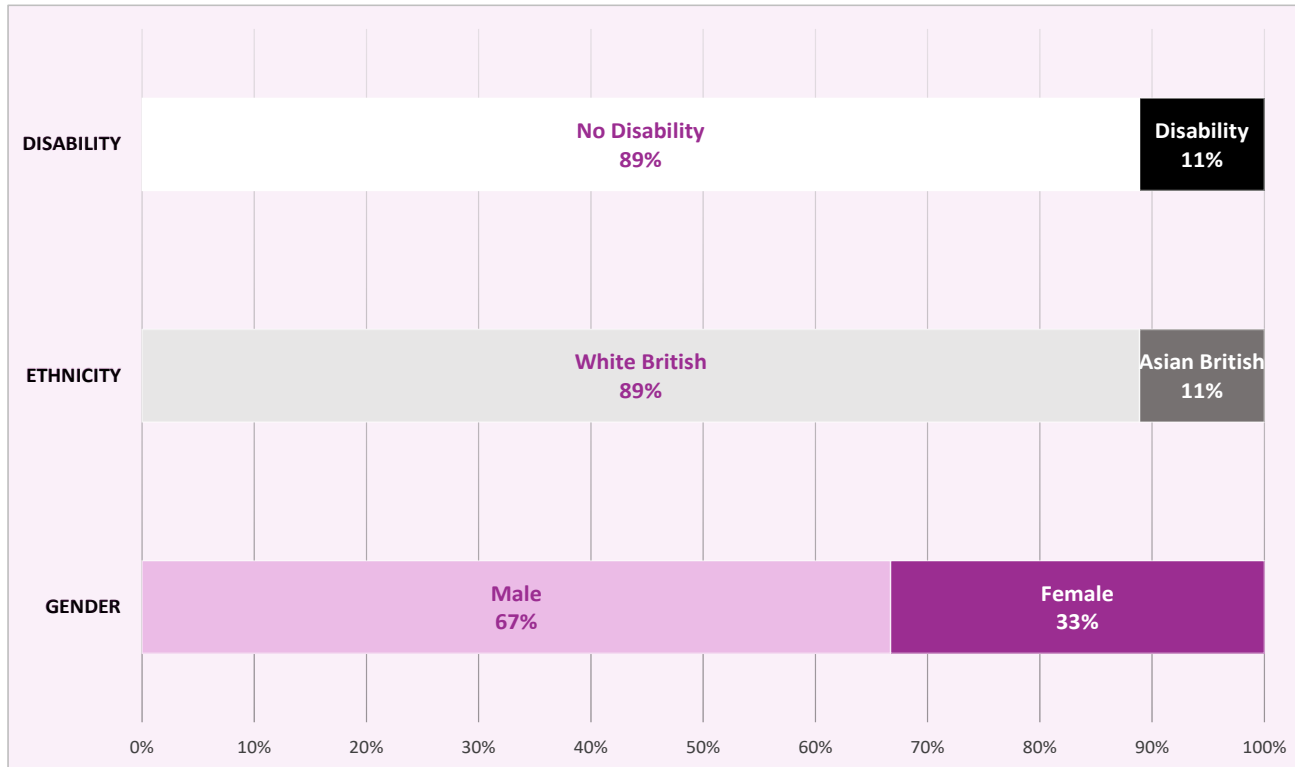
	10 Aug 2023	9 Nov 2023	15 Feb 2024	21 Mar 2024 [Note 1]	25 Apr 2024	% Attendance [Formal meetings to date]
Riaz Nurennabi Chair	✓	✓	✓	✓	✓	100%
Nicola Doolan-Hamer Vice Chair	✓	[Note 2]	✓	✓	✓	80%
Danny Gawthorpe	✓	✓	✓	✓	✓	100%
Andrew Gregory	[Note 2]	✓	✓	✓	✓	80%
Nicola Gregory	✓	✓	[Note 2]	✓	✓	80%
Emma Hoddinott	[Note 2]	✓	✓	✓	✓	80%
Ken Richardson	✓	✓	✓	[Note 2]	✓	80%
Garry Warwick	✓	[Note 2]	✓	✓	✓	80%
David Webster	[Note 2]	✓	✓	✓	✓	80%
Total Board Member Attendance	66%	77%	88%	88%	100%	83.80%
Clare Scott Independent Adviser	✓	✓	✓	✓	✓	100%

Notes:

1. The meeting on 21 March 2024 was the Board's annual effectiveness review.
2. Apologies received.

Board Diversity Characteristics

Recording and monitoring of the Board membership's diversity characteristics is now undertaken in line with the recommendations of the Pensions Regulator, and these are summarised in the following chart.



Work of the Board 2023/24

The Board held four formal meetings during the year. An annual Work Programme provides the basis for the agendas for meetings and includes a range of issues covering both pensions administration and governance.

Governance:

- **Governance Updates** – The Board received quarterly updates from the Authority’s Head of Governance and Corporate Services on a range of governance-related matters including information governance, audit findings and progress on actions, member learning and development and policy updates.
- **Decisions of the Authority** - Members of the Board received all agenda papers issued to Members of the Pensions Authority and Board members are able to observe meetings of the Authority.
- **Constitution and Terms of Reference** – The Board reviewed and recommended to the Authority for approval an updated Local Pension Board Constitution. The updated Constitution was approved by the Authority on 7 September 2023. The changes made included:
 - Introducing rotation of the Chair and Vice Chair roles to alternate between employer and employee representatives every two years – to help with ensuring continuity, equity in representation and to aid succession planning.
 - Extending the terms of office of Councillor members (representing employers) from two years to three years, as for all other members of the Board to provide consistency between different types of member of the Board.
- **The Pensions Regulator** – The Board received updates on compliance with the regulator’s Code of Practice 14 and updates regarding the new General Code of Practice that took effect from 27 March 2024.
- **Risk Management** – The Board considered the Risk Register at each formal meeting throughout the year.
- **Governance Compliance Statement** – The Authority’s Governance Compliance Statement was reviewed by the Board and recommendations made to the Audit & Governance Committee.
- **Investment Governance** - The Board considered a range of matters related to investment governance during the year – including updates on the Government’s pooling consultation and the Authority’s and Border to Coast’s responses to this, the internal governance relating to investment processes, the annual review of Border to Coast and an update on the process for agreeing to participate in the pool’s real estate investment proposition.
- **Benchmarking** – The Board considered a report on the results of benchmarking exercises undertaken in regard to Investment and to Pensions Administration.
- **Regulatory Changes** – The Board has been kept informed of the potential impact of regulatory changes.

Pensions Administration:

- **Pensions Administration Performance** – The Board received quarterly administration performance reports and considered updates on the software system improvements, monitoring of progress on McCloud remedy implementation.
- **Breaches, Complaints and Appeals** - The Board received quarterly reports on breaches, complaints and appeals.
- **Data Quality Improvement** – The Board monitored progress on the Data Quality Improvement Plan.

Board Member Learning and Development

Members of the Board are provided with a range of learning and development opportunities and this is planned within the annually updated Member Learning and Development Strategy that encompasses both Board and Authority members.

During the 2023/24 year, members of the Board have participated in the following learning and development events.

Event / Course	Date	Riaz Nurennabi	Nicola Doolan-Hamer	Danny Gawthorpe	Andrew Gregory	Nicola Gregory	Emma Hoddinott	Ken Richardson	David Webster	Garry Warwick
LGPS Online Learning Academy*	2023/24	Completed 2022/23	Completed 2022/23	Completed 2022/23	Completed 2022/23	Completed 2022/23	✓	Completed 2022/23	Completed 2022/23	Completed 2022/23
CIPFA Annual LPB Conference	18/05/2023		✓							✓
SYPA Seminar – Government Consultation on Pooling	02/08/2023		✓	✓				✓	✓	✓
CfGS Training: LPB Scrutiny and Assurance	10/08/2023	✓	✓	✓		✓		✓		✓
LGA – LGPS Fundamentals Training* (3 day course)								✓	✓	
Border to Coast Strategic Development Workshop	23/10/2023				✓			✓	✓	
Hymans Robertson Training: TPR General Code including Cyber Security and Scams	26/10/2023	✓			✓	✓			✓	✓
CIPFA LPB Training – Autumn Seminar	08/11/2023		✓		✓					✓
Responsible Investment Seminar -	14/11/2023		✓		✓	✓			✓	

Event / Course	Date	Riaz Nurennabi	Nicola Doolan-Hamer	Danny Gawthorpe	Andrew Gregory	Nicola Gregory	Emma Hoddinott	Ken Richardson	David Webster	Garry Warwick
Climate Change Metrics										
SYPA - Members Away Day	30/11/2023	✓		✓	✓	✓	✓	✓	✓	✓
LGA – LGPS Governance Conference	18/01/2024 to 19/01/2024		✓					✓		
SYPA Benchmarking Results Presentation: Administration and Investments	15/02/2024	✓	✓		✓		✓	✓	✓	✓
Aon Webinar – The TPR General Code of Practice	21/03/2024	✓	✓		✓	✓	✓	✓	✓	✓
SYPA Seminar - Cyber Security at SYPA	25/04/2024	✓	✓	✓	✓	✓		✓	✓	✓

* The LGPS Online Learning Academy is an online tool that all members of the Authority and the Local Pension Board complete as part of the support made available to equip them with the knowledge and understanding required to fulfil their roles. The learning plan comprises 8 modules covering the following topics:

1. An Introduction to the LGPS
2. Governance and Oversight Bodies
3. Administration and Fund Management
4. Funding and Actuarial Matters
5. Investments
6. Current Issues
7. Financial Markets and Product Knowledge
8. Actuarial Methods Standards and Practices

Both the LGPS Online Learning Academy and the LGA Fundamentals Training are completed within one year of a Member joining the Board and are reviewed periodically throughout their terms of office.

Review of Effectiveness

During March 2024, members of the Board independently conducted an annual effectiveness survey and attended a workshop to discuss potential improvements in its effectiveness.

The Board discussed the progress on the actions from previous reviews and was pleased with the progress made. Actions that are not yet fully completed and remain relevant relate to:

- Providing a shorter, more succinct report on pensions administration for Board meetings.
- Developing a plan to improve succession planning for Board membership.

In relation to the action from the previous review to improve communications between the Board and the Authority, the Board welcomed the joint Away Day held in November 2023 and recognised the established meetings between the chairs and vice-chairs of the Board and the Authority. The Board would welcome a discussion around the purpose and effectiveness of these meetings.

The results of the effectiveness survey were positive in a number of areas. All (or a significant majority of) members of the Board agreed that:

- Board papers are timely, relevant and focused on priorities and minutes are accurate and record decisions made and actions agreed.
- Discussions are facilitated to allow all Board members to contribute in order to seek opinion and develop ideas.
- Board members are not afraid to ask obvious or simple questions to ensure collective understanding.
- Meeting minutes are accurate and record decisions made and actions agreed.
- The Board works in an open, transparent and collaborative manner.
- All Board members act with integrity, declaring and managing any personal conflicts of interest.
- The Board's independent adviser helps the Board to fulfil its responsibilities.

The Board recognised the Authority's increased focus on developing knowledge and skills over recent years and particularly welcomed the joint Away Day for Board and Authority members. Holding training sessions immediately after Board meetings was also welcomed, particularly where linked to content to be discussed at future meetings.

The Board identified and discussed a number of areas for further improvement and potential actions to address these, including the following:

Knowledge, Skills and Capacity:

- Request that the Authority ensures the training plan is linked to the needs highlighted by knowledge assessments and ensure Board members have advance notice of all events.
- Request the Authority provides training/briefings on the issues facing the LGPS at a national level and awareness of the priorities for the Scheme Advisory Report.
- Request the Authority assess the effectiveness of the online reading room for members.

General:

- Board to discuss with the Authority ways in which the Board could have greater input with Authority matters before decisions are made.
- Request the Authority to confirm the arrangements and approach for appointing the Board's Chair and Vice Chair.
- Develop a plan to improve the profile of the Board with members and employers.
- Request the Authority considers its policy in relation to reimbursing care expenses incurred by members undertaking Board business.
- Request the Authority considers its policy in relation to paying remuneration to a member's employer.

The Board will work with the Authority on implementing agreed improvement actions.

Future Plans

Over the coming year, the Board will continue to consider issues covering governance and pensions administration included in its Work Programme and specifically will work with the Authority to:

- Assess and monitor the action plan for compliance with the Pensions Regulator’s new General Code of Practice.
- Consider the results of the independent governance review and monitor actions being taken in response to any recommendations arising from this review.
- Oversee the Authority’s implementation and progress on the pensions administration improvement plan and implementation of scheme changes in relation to the McCloud judgement.
- Monitor the ongoing succession planning for the Board membership with the aim of ensuring continuity and minimising periods of member vacancies.

Board Expenditure and Provisional Outturn 2023/24

The 2023/24 budget for the Local Pension Board was recommended to the Authority for approval in November 2022 and approved by the Authority as part of the total budget in February 2023.

The expenditure for the year and the variance against the budget is shown in the table below.

Local Pension Board Expenditure 2023/24	2023/24 Revised Budget £	2023/24 Q4 Provisional Outturn £	2023/24 Q4 Outturn Variance £	2023/24 Q4 Outturn Variance %
Independent Adviser	8,530	9,640	1,110	13.0%
Member Allowances	14,000	13,550	(450)	(3.2%)
Member Learning and Development	6,000	9,220	3,220	53.7%

Member Travel & Subsistence Expenses	300	1,030	730	243.3%
Running Costs - Catering, Printing, etc.	300	1,460	1,160	386.7%
Total	29,130	34,900	5,770	19.8%

Member Allowances

The Authority took a decision in June 2023 to update the Members Allowances scheme to include payment of allowances to Board members and to non-voting members of the Authority. This was implemented from July 2023 and the Authority approved a supplementary estimate to increase the Board's budget for the costs associated with this. The Members Allowances Scheme is available on the website at: [Authority Constitution](#).

Budget Variances

The forecast outturn is an over-spend of £5,770. The significant variances against the budget are as follows.

- a) Additional expenditure of £3,220 on training and development above the expectations when the budget was set at November 2022. Ensuring appropriate and sufficient member learning and development is a priority and the additional expenditure has been incurred due to commissioning specific and tailored training from external providers in order to meet the knowledge and skills requirements in the year. The training expenditure includes costs for:
 - i. the Board's share of the fee for the LGPS Online Learning Academy (LOLA);
 - ii. fees paid to Hymans Robertson for delivering training on cyber security and scams;
 - iii. the bespoke training session for the Board on Scrutiny and Assurance delivered by the Centre for Governance & Scrutiny; and
 - iv. Places for individual Board members attending the CIPFA Local Pension Board Conference, CIPFA Autumn training for LPBs, attending the LGA's 3-day LGPS Fundamentals course and the LGA's annual LGPS Governance Conference.
- b) There is a forecast overspend of £1,110 on the costs relating to the independent adviser. This reflects that additional services from the adviser required during the year were slightly higher than estimated when the budget was set.

5. Our Organisation

Unlike other administering authorities in the Local Government Pension Scheme, SYPA is a free -standing organisation with the responsibilities that this brings.

The management structure set out on page 16 of this report shows how the work is organised into three departments, each headed by an Assistant Director – comprising the two delivery arms of Investment Strategy and Pensions, both of which are supported by the corporate, ‘back-office’ arm of Resources.

The table below sets out the teams and services delivered within each of these departments along with staffing numbers and vacancies within each at the end of the year.

Workforce as at 31 March 2024	Established FTE	Vacant FTE	Vacancy Rate as Percentage
Senior Management Team	4.0	0.0	0.0%
Investment Strategy	3.0	0.0	0.0%
Benefits Team	43.0	0.9	
Customer Services	12.6	0.2	
Support & Engagement (including Technical Adviser)	8.4	1.8	
Pensions	64.0	2.9	4.5%
ICT (including Systems and Operations Management)	17.8	4.0	
Finance & Performance	16.2	2.0	
Governance & Corporate Services	8.0	0.0	
Human Resources	1.8	0.0	
Resources	43.8	6.0	13.7%
Overall Total	114.8	8.9	7.8%

The vacancies in Pensions are a result of structural changes which will be implemented during 2024/25 as outlined below.

Vacancies in ICT are in roles for which it has proved difficult to recruit suitably qualified candidates and during this period of vacancy, the relevant budget is being used to commission consultancy support from system suppliers. The vacant roles are being reviewed to plan for any changes required and implement a revised strategy for ensuring the team is appropriately resourced and a longer-term plan is in place for growing the team and skills required internally.

The Finance & Performance vacancies include a Finance Apprentice which will be recruited to in the new financial year and a Business Support role which is no longer required in Finance and will be transferred to the Operations Management team within ICT in 2024/25.

During the 2023/24 year, the Authority's Staffing Committee approved proposals to re-organise the team structure and to increase the staffing establishment in the Pensions department following a comprehensive review and capacity planning exercise – these changes will take effect from 1 April 2024. This involves a considerable investment into service delivery that is necessary to ensure the team is sufficiently resourced to address the challenges ahead and meet our objectives. The new structure and establishment numbers planned for 2024/25 will be as follows.

Planned Team and Service Structure for 2024/25	Established FTE
Senior Management Team	4.0
Investment Strategy	3.0
Benefits Team	42.6
Customer Services	14.0
Employer Services	12.4
Technical Support & Training	7.7
Pensions	76.7
ICT (including Systems and Operations Management)	18.3
Finance & Performance	16.2
Governance & Corporate Services	8.0
Human Resources	1.8
Resources	44.3
Overall Total	128.0

The infographics below present the position for a number of measures of our health as an organisation.

<i>Measure</i>	<i>2022/23</i>	<i>2023/24</i>
Proportion of Female Staff	67.3%	66.4%
Proportion of Male Staff	32.7%	33.6%
Proportion of Staff with a Disability	10.6%	14.7%
Compared to South Yorkshire (2021 Census)	20.5%	20.5%
Proportion of Non-White Staff	3.8%	2.6%
Compared to South Yorkshire (2021 Census)	12.3%	12.3%
Average Length of service	11.5 years	10.8 years
Average Age of a Member of Staff	42 years	41 years
Proportion of top 25% of earners who are:		
Female	53.8%	51.7%
Male	46.2%	48.3%

<i>Measure</i>	<i>2022/23</i>	<i>2023/24</i>
Days Lost Through Sickness Per FTE Member of Staff	8.47	8.24
Number of Staff with No Sickness Absence	42	43
Number of Notifiable Accidents	0	0
Staff Turnover %	14.7%	7.9%
Trade Union Facility Time	227.2 Hours	295.7 Hours
Number of Staff Undertaking Professional Training	5	5
Number of Apprentices undertaking Apprenticeship Qualification	3	2
Number of staff Completing Professional or Apprenticeship Qualifications in the Year	1	2

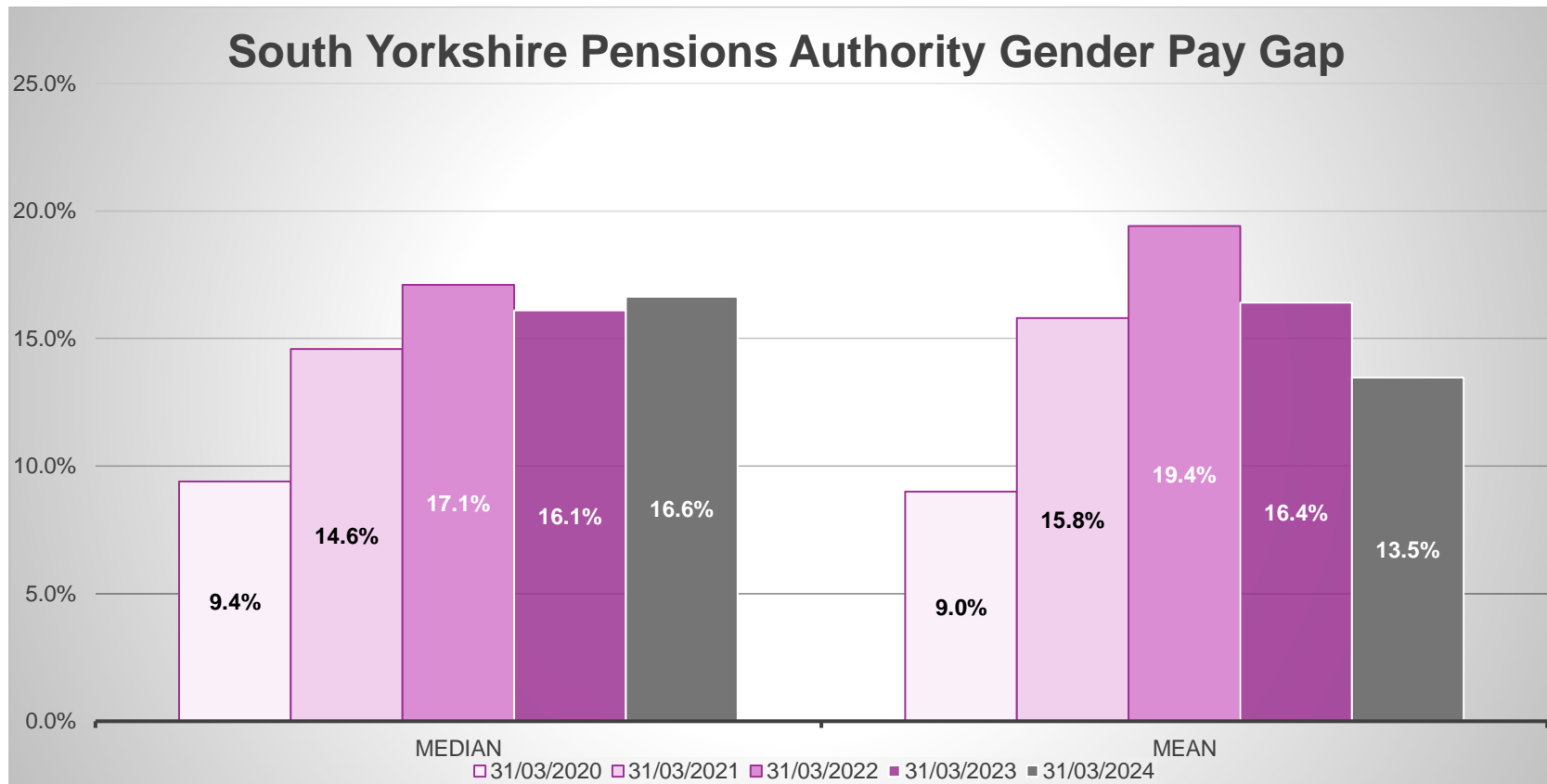
The level of staff sickness absence has reduced very slightly compared to last year. Whilst the figure of 8.2 days per FTE compares favourably with the public sector average of 10.6 days quoted in the Chartered Institute of Personnel and Development's (CIPD) Health and Wellbeing at Work report for 2023, our aim is to reduce this further where possible. Sickness absence is actively monitored throughout the year and the HR team provide managers with support in applying the organisation's Managing Attendance policy which balances providing support with addressing the underlying reasons for any persistent absence. Referrals to use occupational health services are made as appropriate for individuals and access to private counselling is provided where requested – which is effective in supporting individuals who are facing difficult circumstances to remain in work. The Health, Safety and Wellbeing Committee also continues to promote a wide range of initiatives to help support employee wellbeing.

Staff turnover for the year has reduced significantly to 7.9% and this is the lowest it has been for the last 5 years, with the exception of 2020/21 during the COVID pandemic when it was slightly lower at 7.5%. The reduction in the annual turnover is an indication that the work undertaken on reviewing and enhancing our pay and benefits package during the year is already proving to have an impact. It is also reflective of the increased employee engagement score and other improved scores shown from the 2023 staff survey, which is explained in further detail below.

Gender Pay Gap

Reporting on the Gender Pay Gap is compulsory for organisations employing more than 250 people. SYPA had 116 employees at 31 March and therefore does not meet this threshold, but it publishes the data as an example to the companies in which it invests.

We have analysed the gender pay gap across the organisation which gives the results shown in the chart below. A positive figure means that men are paid more than women.



Our small workforce size makes it difficult to draw conclusions from the movement year on year, as the percentages move quite widely in response to small changes in the actual numbers. Nevertheless, we aim to reduce this pay gap, and there has been a small reduction compared to last year in the mean gender pay gap from 16.4% to 13.5%, although the median gap has increased very slightly to 16.6%.

During the year, we commissioned a group coaching programme specifically for female employees. The programme involved six sessions of 1.5 hours each delivered over a period of 12 weeks for a group of 10 female participants, all of whom had volunteered to take part and comprised individuals from different teams, different grades and stages of career. The programme was designed to support the participants

to learn more about the importance of visibility and self-promotion for women's career progression and how they can raise their profile in their own unique way. The aims were also to encourage more engagement about the wider organisation and goals so that they can adopt a growth mindset, challenge negative attitudes, own their careers, be role models for each other and promote the values and culture of SYPA. The programme delivered successful outcomes with overwhelmingly positive feedback from the participants. Shortly after it concluded, two members of the group obtained promotions to management posts within the organisation and the group as a whole are maintaining their network to continue to benefit from the support provided to each other. We aim to plan a further delivery of this programme in the next 18 months and will be seeking to engage the programme lead once again in the coming year to deliver a workshop for a larger number of employees including both male and female covering issues of allyship, confidence building and networking.

Organisational Development

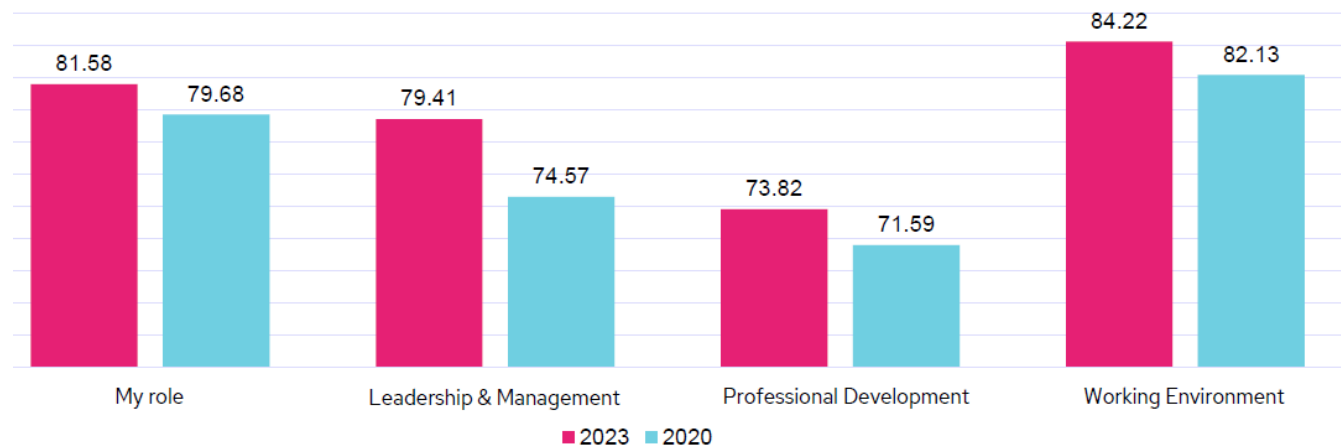
The last year has seen further progress on our development of the organisation and supporting our people to ensure we can achieve our objectives.

We continue to place a strong emphasis on supporting the knowledge and skills development for our Authority, Local Pension Board and Committee members, with a full programme of training over the course of the year set out in the annually updated Member Learning & Development Strategy. The attendance and completion of training by all members is set out in the Governance and Training section of this report. During 2023/24, this was enhanced with the introduction of our first Member Development Away Day where we brought all our Authority and Local Pension Board members together for a day focussed on learning and collaboration, including sessions on navigating the role of Committee member and ethical considerations from the LGA, insight into investment process from Border to Coast, and interactive sessions on defining our risk appetite and shaping our corporate strategy.

In relation to our employees, a significant development during the year was the completion of a Pay and Benefits Review and implementation of the outcomes. This was undertaken as part of delivering on our HR Strategy in order to address identified risks around recruitment and retention and the increasing recruitment challenges being faced by the organisation. Through engagement with independent consultants and benchmarking of our remuneration package, a range of enhancements to the overall package was developed and consulted upon, and subsequently approved by the Authority's Staffing Committee in October 2023. This provides a fully modernised set of terms and conditions for all staff within a revised pay and grading structure designed to more effectively facilitate career progression, as well as access to new salary sacrifice schemes for electric and ultra-low emission cars and additional voluntary pension contributions which do not result in a cost to the Authority. Employee engagement has continued to be a focus with our second staff away day taking

place in September 2023, successfully achieving the aims of the day which were to continue building and developing relationships between different teams, to consider ways that teams and individuals can support one another and contribute to achieving SYPA's objectives, and to do so in line with our organisational values and behaviours. As well as providing an opportunity for staff to hear from and ask questions of the senior management team (SMT), and to recognise and celebrate success with the inaugural 'SYPA Star Awards' for employees based on colleague nominations in a range of categories to celebrate those who go above and beyond and set an example to others.

We carried out our staff survey in September 2023, enabling a comparison to the results of the last time the survey was undertaken in December 2020. The overall 'Net Promoter Score' which provides a measure of employee satisfaction by asking how likely employees would be to recommend working at SYPA, showed a very pleasing improvement from a score of minus 10 in 2020, to plus 7 in 2023, indicating that actions taken to improve engagement in the last three years have been effective. This was also supported in the detailed survey results, which showed marked improvements in all four measures of engagement as follows:



Each section scored 0-100

The survey provided insights into the main issues of concern to employees – including understanding next career steps, feeling stimulated by role and having access to the right resources at the right time. The learning from the survey outcomes will be used to maintain and build on the progress made since 2020, with the aim of achieving even higher scores the next time the survey is carried out in 2025.

Moving forward into 2024/25, the changes to the Pensions departmental structure alongside the additional resourcing for the teams and plans to review and revise our career grade progression scheme that applies to various roles across the Authority should help to ensure further improvements to career paths and opportunities for professional development.

Employee wellbeing is another area that has seen a sharper focus and a great deal of progress over the last three years. This has continued in 2023/24, with a wide range of initiatives organised and promoted for all our staff by our Health, Safety and Wellbeing Committee made up of employee representatives from teams across the organisation in addition to the Operations Management Officer as our H&S Lead, the HR Business Partner, Trade Union representative and chaired by the Assistant Director – Resources. Highlights from this year include:

- A series of webinars on wellbeing-related topics to support our people across various issues. These included: ADHD Awareness, Applied Relaxation, Dealing with Bereavement, Boosting Your Immune System and Financial Wellbeing.
- We also engaged with a local practitioner of life coaching, mindfulness and meditation to run some short, in-person sessions for staff covering topics of 'Being present and the overthinking mind', 'Sleep', 'Building a positive mindset', and 'Have yourself a merry, stress-free Christmas'.
- Holding a health screening day to coincide with 'Know Your Numbers' week in September 2023 – offering 20-minute health and lifestyle appointments focused on height, weight & BMI, body fat percentage, visceral fat, blood pressure, total cholesterol, blood glucose, exercise levels, daily stress levels, work/life balance, daily energy levels and sleep satisfaction.
- We continued our programme of monthly 'Morning Mix' events on a variety of themes and linked in fundraising where relevant – raising around £100 from participating in the Macmillan Coffee Morning and £220 for Sheffield Hospitals Children's Charity from our Christmas Jumper day and festive activities.



6. Managing Risk and Uncertainty

Risk Management is the process by which the Authority identifies and overcomes those issues which might prevent it achieving its and the Pension Fund's objectives. Given the financial scale of the Pension Fund and the fact that it invests money to achieve financial return, the effective management of risk is crucial to us being able to achieve our objectives. The risks that face the Authority therefore include both the risks to it as an organisation, and the risks inherent in its role as administering authority of the South Yorkshire Pension Fund.

The Authority's [Risk Management Framework](#) sets out the processes, guidelines and governance structure through which risk is identified, managed effectively and reviewed. Ensuring compliance with relevant regulations and standards and following principles of best practice.

The Corporate Risk Register, which forms an integral part of the Corporate Strategy, is regularly reviewed throughout the year by the Authority's Senior Management Team, reported to the Authority and to the Local Pension Board on a quarterly basis, and the risk management framework and arrangements are overseen by the Audit and Governance Committee over the course of the year. Any changes made to each iteration of the risk register are fully detailed in the quarterly Corporate Performance reports to the Authority meetings during the year (available on our website at: [Quarterly Corporate Performance Reports](#)).

In addition to the corporate risk register, Senior and Middle Managers identify and manage operational risks, escalating these where necessary, and project-related risks are identified and managed on specific projects as an integral part of the Authority's project management methodology. A variety of methods may be used to identify risks including facilitated workshops, checklists, and process mapping. The key risks identified in the corporate risk register and the assessment of their relative likelihood and impact are shown in the figures on the next page.

South Yorkshire Pensions Authority - Corporate Risk Register Matrix

5 Very High	IAF-004			IAF-002	
4 High			GOV-004 GOV-005 OPE-003 OPE-004 PEO-003	OPE-002 OPE-005	
3 Medium		GOV-001	IAF-001 IAF-003 IAF-005	PEO-002	
2 Low					
1 Very Low					
	1 Very Low	2 Low	3 Medium	4 High	5 Very High
	Likelihood				

Risk Reference	Risk
IAF-002	Failure to mitigate the impact of climate change
OPE-002	Cyber Security attack
OPE-005	Backlogs in pensions administration processing work
GOV-004	Failure to deliver Corporate Strategy key objectives
GOV-005	Failure to comply with data protection requirements
OPE-003	Poor data quality
OPE-004	Failure of the Authority to comply with relevant Regulations
PEO-002	High level of vacancies within the organisation
PEO-003	Single points of failure in specialist knowledge roles
IAF-001	Material changes to the value of investment assets and/or liabilities
IAF-003	Failure to manage key risks in the Border to Coast Strategic Plan
IAF-005	Employer contributions become unaffordable
GOV-001	Insufficient knowledge and understanding held by Authority and LPB Members
IAF-004	Imbalance in cashflows

The arrangements in place to mitigate some of the key risk areas include the following.

Investment Risk Management

The Authority sets out broad policies in the Investment Strategy Statement which conform to the LGPS Investment Regulations and in the Treasury Management Strategy (which conforms with the Prudential Code) and which cover the following areas:

- Acting with proper advice – such advice may come from appropriately qualified officers, the Fund’s Independent Advisers or specialist consultants retained for specific projects.
- Maintaining a diversified portfolio of assets – The Fund’s Strategic Asset Allocation is intended to reduce the overall level of investment risk by investing across a range of asset classes the performance of which is not directly correlated.
- The setting of limits within individual investment management agreements with regard to the types of exposure the investment manager is allowed to achieve relative to a benchmark, the level of concentration of holdings and measures of portfolio risk, and for certain types of investment the duration of the transaction and the credit quality of the counter-party. These are reported on by managers and significant movements or breaches are followed up as part of ongoing performance review.

Further detail on the management of investment risk is presented in the Fund’s Statement of Accounts at *Note 17 Nature and Extent of Risk Arising from Financial Instruments* – see page x. (Cross-reference to relevant page of this annual report will be added in final version.)

Cyber Risk Management

Given the volume of sensitive data handled by the Authority, cyber security risks are among the most significant and persistent risks we face and there is an ongoing programme of work to maintain and continually enhance our defences against cyber-attacks. Key mitigations in this area include:

- Annual external reassessment of cyber security controls against the cyber essentials plus standards.
- Mandatory induction training for all new staff and mandatory annual refresher training for all staff.
- Regular training for members of the ICT Team.
- Ongoing enhancement of ICT security systems.
- Regular review of incidents and attempts to breach security to identify opportunities to improve cyber defences.

Pensions Administration Risk Management - Including Third Party Employer Risks

To strengthen resilience within the Pensions Administration team, a review has been undertaken this year of the capacity required to keep on top of ongoing levels of work. This included ensuring time was given to all staff for training and professional development. As well as identifying the need for additional resource, 4 distinct service areas of responsibility with appropriate management was agreed. Recruitment will be undertaken next year.

A project commenced to clear backlogs which is closely monitored monthly and reported to management. Additionally, a programme of improvements was identified to mitigate risks for the following;

- Data quality
- Team Training
- Employer monitoring – including work on clearing backlogs of ceased employers.
- Implementing a pass-through admissions policy for Contractors joining the Fund through outsourced service contracts.

Internal Controls – Governance and Assurance

The Authority receives assurance as to the effectiveness of both the system of internal controls and the risk management arrangements from a number of sources. The most significant sources of such assurance are the internal and external auditors. Internal Audit is provided on an outsourced basis by Barnsley MBC in line with the relevant professional standards. The scale of the Internal Audit Plan (which is significantly greater than for most local government pension funds) reflects the unique nature of the Authority as an organisation in its own right. The Head of Internal Audit's overall opinion for 2023/24, which is included in the Annual Governance Statement, is one of Reasonable (Positive) Assurance.

The work of internal audit and the results of the audit reviews undertaken during the year have been reported to the Audit and Governance Committee throughout the year. The details are included in Appendix C of the Committee's annual report, at page 60 above.

This showed that there were 15 audit reviews completed during 2023/24, of which 14 received positive assurance over the adequacy and application of controls. One review in relation to procurement procedures, received an opinion of limited assurance, highlighting gaps in guidance for staff and inconsistency in application of controls. Actions were in progress at the time of the review and further actions taken

following its conclusion to address the findings, including implementation of a 'Gateway Approval' process and form that ensures relevant officers are guided through and must document each required stage of all procurement activity in compliance with policy and regulations. Training was also provided to supplement this.

The Authority receives further assurance around the overall control environment from the work of the External Auditors who are appointed under a national framework arrangement managed by Public Sector Audit Appointments under the terms of the Local Audit and Accountability Act 2014.

KPMG have taken over from Deloitte as the Authority's external auditors for 2023/24. Their report on the consistency of the information in this Annual Report with the Fund's financial statement of accounts is included with the accounts at Section 11. *[This will be added when audit work complete in September].*

7. Financial Performance

The Pension Fund

The table below sets out the 2023/24 outturn for the Pension Fund relative to the previous year and to the forecast for the year contained in the Medium-Term Financial Strategy, together with the forecast for the following three years. (Cash inflows are shown as negative numbers, cash outflows as positive numbers).

South Yorkshire Pension Fund Financial Performance	2022/23	2023/24		2024/25	2025/26	2026/27
	Actual £m	Forecast £m	Outturn £m	Forecast £m	Forecast £m	Forecast £m
Contributions receivable and transfers in from other pension funds	(236)	(405)	(422)	(265)	(274)	(283)
Benefits payable and payments to or on account of leavers	366	426	416	401	413	430
Net (additions) / withdrawals from dealings with members, employers and others directly involved in the scheme	130	21	(6)	136	139	147
Management expenses	68	83	85	89	92	94
Net returns on investments	273	(602)	(861)	(713)	(741)	(774)
Net (increase) / decrease in the Fund during the year	471	(498)	(782)	(488)	(510)	(533)
Net Assets of the Fund at 1 April	(10,674)	(10,202)	(10,202)	(10,984)	(11,472)	(11,982)
Net Assets of the Fund at 31 March	(10,202)	(10,700)	(10,984)	(11,472)	(11,982)	(12,515)
Management Expenses as Percentage of Average Net Assets	0.65%	0.79%	0.80%	0.79%	0.78%	0.77%

Full details of the 2023/24 outturn with breakdown and explanations are available in the Fund Statement of Accounts set out in section 11 of this report. Key points to note are as follows.

Contributions Receivable

This figure comprises employee and employer contributions as well as transfers in from other pension funds for active members. Employee contributions are made by active members of the fund and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2024. Employer contributions are set based on triennial actuarial funding valuations. The latest triennial valuation was undertaken as at 31 March 2022, and this determined the employer contribution rates payable from 1 April 2023 to 31 March 2026. Details of employer contribution rates are set out in the Rates and Adjustments Certificate available on our website [here](#).

The table above shows there was a significant increase in the total amount of contributions receivable in 2023/24 at £422m compared to £236m receivable in 2022/23 and also compared to the forecast contributions receivable from 2024/25 ranging from £265m to £283m. The main reason for the difference in 2023/24 relates to employer contributions receivable, specifically the impact of employer prepayments.

In April 2023, Barnsley MBC made a prepayment of £2.3m and Sheffield City Council made a prepayment of £134.3m in relation to their employer contributions due for the three year period from April 2023 to March 2026. By making the payment early, the cash amounts payable to 2026 are reduced by a discount that is calculated by the Fund's actuary based on an estimate of the pensionable pay for each of these employers over the period. Further details are shown in the Rates and Adjustments Certificate linked above.

Employer prepayments are accounted for in full in the period received, hence this amount is included in full in 2023/24, reducing the contributions receivable in future periods.

A full list of employee and employer contributions received for the year per individual employer body is set out in the Appendix to this annual report.

Benefits Payable

This figure comprises retirement pensions paid to pensioners and their dependants, retirement lump sums paid to active and deferred members on retirement, and death and ill health benefits.

Pensions are increased from April each year to reflect the cost of living increase – based on the Consumer Price Index (CPI) inflation rate as at the preceding September. The CPI rate in September 2022 was 10.1%, leading to pensions paid being increased by this percentage from April 2023, and this is the main driver of the increase in total benefits paid in 2023/24 compared to the previous year.

Management Expenses

The majority of the expenses shown are investment management expenses – accounted for on a gross basis, therefore including management fees and transaction costs that are deducted at source, in line with CIPFA guidance on cost transparency. The management expenses comprise both management and transaction fees as well as performance-related fees. The majority of the increase in management expenses from £68m in 2022/23 to £85m in 2023/24 was driven by the increase in performance fees reflecting the much stronger investment performance in the year.

The total shown here also includes the operational costs of the organisation as administering authority which are charged in full to the Fund and are set out in further detail below.

Return on Investment and Net Assets of the Fund

Following the challenging environment and downward market trend seen in 2022/23, investment performance in 2023/24 has delivered a positive return of 7.8% for the year, increasing the net assets of the Fund by almost £800m to £10,984m at 31 March 2024. Full details of the Fund's investment strategy and performance are set out in section 8 of this report.

The projected forecasts for the net assets of the Fund in 2025, 2026 and 2027 are based on an increase in line with the actuary's assumption used in the Funding Strategy Statement of 4.45%.

Fund Cashflows

One of the most important implications to highlight from the table above, is that it shows a net withdrawal from the Fund in each year for dealings with members – i.e., the contributions being received are lower than the benefits being paid out. Whilst the result for 2023/24 was a small net addition to the Fund of £6m, this was only due to the prepayment of employer contributions made by Sheffield City Council in the year and the forecast anticipates net withdrawals of £136m to £147m from 2024/25 to 2026/27. This results in an increased requirement for the harvesting of investment income. This trend will be an ongoing challenge for the Fund now that we have matured, and it is not anticipated that this scenario will reverse.

The Authority – Operational Budget

The Authority's day-to-day running costs are managed through the operational budget. The total operating expenditure of the Authority is charged to the Fund and included in the Fund's management expenses.

The operational budget for 2023/24 was approved in February 2023 at a total of £6,660k; a revised budget for 2023/24 was approved in December 2023 at a total of £6,860k. The overall outturn for the year, was an over-spend of £50k or 0.7%.

South Yorkshire Pensions Authority Operational Budget	2022/23 Actuals	2023/24 Revised Budget	2023/24 Outturn	2023/24 Outturn Variance	2023/24 Outturn Variance
	£000	£000	£000	£000	%
Pensions Administration	2,870	2,950	3,230	280	9.5%
Investment Strategy	530	640	570	(70)	(10.9%)
Resources	940	1,200	1,240	40	3.3%
ICT	720	1,280	1,120	(160)	(12.5%)
Management & Corporate	690	700	770	70	10.0%
Democratic Representation	150	170	180	10	5.9%
Subtotal Net Cost of Services	5,900	6,940	7,110	170	2.4%
Capital Expenditure Charged to Revenue	90	70	70	0	0.0%
Subtotal Before Transfers to Reserves	5,990	7,010	7,180	170	2.4%
Appropriations from Reserves	(60)	(150)	(270)	(120)	80.0%
Total	5,930	6,860	6,910	50	0.7%

Full details of the Authority's 2023/24 outturn with breakdown and explanations are available in the Authority's Statement of Accounts available from the website [here](#). Additionally, detailed budget monitoring forecasts are reported quarterly and published on the website at [Corporate Performance Reports](#).

The budget for 2023/24 represented a significant increase on the previous year – reflecting additional investment in staffing costs in particular following approval of proposals arising from a review of the organisation's resilience and sustainability.

The main elements of the increase of £930k between the 2022/23 outturn and the 2023/24 budget are as follows.

- £450k – for the increase in employee costs arising from the Organisational Resilience & Sustainability review.
- £350k – relating to annual inflationary increases to the operational running costs.
- £130k – additional budget approved to meet one-off costs in the year associated with turnover at senior management level, including recruitment and interim cover, and further staffing costs in pensions administration for overtime and casual staff cover as part of addressing backlogs of casework.

The total expenditure for the year after transfers from reserves was £50k over budget, a net over-spend of 0.7%. The main factors leading to this over-spend are as follows.

Employee Pay Costs

The budget for the year was set prior to the pay award for the year being agreed nationally. The estimates included in the budget for the pay award amounted to 3.6% of the pay budget in total. The pay award for 2023/24 was agreed in November 2023 at a fixed amount of £1,925 on all pay points up to 43 and at 3.88% for pay points above this, equating to percentage increases ranging from 9.4% at the bottom of the pay spine to 3.88% at the top. The total impact of this was additional expenditure of £194k above budget.

This was largely offset by an under-spend of (£190k) arising from staff turnover, periods of vacancy and other changes.

The outcomes of the pay and benefits review, approved by the Staffing Committee in October 2023, resulted in additional costs of £198k. This cost was fully met by a planned transfer from the Pay & Benefits Reserve that was set up for this purpose.

Running Costs

There is a net total over-spend on the budget of £50k relating to additional costs of external audit fees.

PSAA (Public Sector Audit Appointments) are responsible for appointing auditors and setting the rates they can charge annually, known as scale fees. New contracts were let for audits of 2023/24 to 2028/29, resulting in a significant increase to the scale fees. This was anticipated when setting the budget which included an increase of 150% on the main audit fee. However, the final fees once confirmed were a further £31k above the budget. In addition, at the end of the year, additional fees of £19k were agreed with the Authority's previous auditor in relation to the impact of new audit standards on the 2022/23 audit.

The total amount charged to the Fund's management expenses for the Authority's operational expenditure for the year is summarised as follows.

Authority Expenditure Charged to the Fund's Management Expenses	Expenditure against the budget	Irrecoverable VAT Expense	Total Charged to the Fund
	£000	£000	£000
Administration Expenses	4,760	240	5,000
Investment Management Expenses	580	120	700
Oversight and Governance Expenses	1,570	70	1,640
Total Charge to the Fund	6,910	430	7,340

Unlike other local authorities, the Authority does not currently have Section 33 status under the VAT Act 1994 that would enable it to reclaim VAT incurred. This is due to its unique nature as a local authority with the sole purpose of administering the Pension Fund. Instead, a special exemption method agreed with HMRC is used for reclaiming a proportion of the Authority's VAT expense only. The remaining proportion that is not recoverable is charged to the management expenses of the Fund as outlined above.

8. Investment Policy and Performance

Investment Performance and Implementation of Investment Strategy Statement (ISS)

Investment Review

Economic and Market Context

The last year saw the reversal of many of the performance trends experienced during the previous financial year with global equity markets rising after significant losses last year. Global equities had a strong run over the last six months driven largely by US equities. Positive sentiment regarding the economy and potential interest rate cuts, coupled with euphoria surrounding the business prospects in artificial intelligence has boosted global equities. A significant portion of the returns came from the “Magnificent Seven” – Apple, Microsoft, Nvidia, Meta, Amazon, Alphabet and Tesla- with these seven stocks representing over 29% of the S&P 500 index. (Up from 14% a decade ago). In sterling terms, the growth in the S&P500 was 27.1% over the year to the end March 2024, with Japan’s Topix Index rising 21.7%, and the FTSE Europe ex-UK Index rising 13.8%. The UK again underperformed other developed markets with the UK FTSE All Share index rising only 8.4%. Emerging markets due to the impact of China underperformed developed markets, rising only 5.8%.

The global economy performed better than had been expected at the start of the year. Despite rises in interest rates by major central banks in 2023 the US and global economy avoided recession. As the year unfolded investors began to have belief that there would be an economic soft landing and with growth slowing but remaining relatively robust there was a growing view that inflation rates would continue to decline into 2024. This led to the expectation that central banks would be able to cut interest rates during 2024 and this drove markets higher in the second half of the year.

Overall, the global economic landscape was marked by regional disparities in growth, inflation, and monetary policy responses. Developed economies grappled with high inflation and tightening monetary policies, and emerging markets faced extra challenges of political instability and fluctuating commodity prices.

The US economy was the bright spot among the developed market economies, showing moderate growth in 2023, driven by consumer spending and a resilient job market. This growth began to slow in early 2024 due to tightening monetary conditions. Inflation remained between 4 and 5% in 2023 driven by high energy prices and supply chain constraints, however by the end of the period the data for February 2024 showed that annual inflation had fallen to 3.2%. The Federal Reserve maintained a hawkish stance throughout 2023, raising rates several times early in the year to combat inflation. In March 2025, the rate was held at 5.25-5.5% for the fifth consecutive meeting reflecting the cautious approach to balancing inflation control and economic growth. The statement accompanying the decision

reiterated “the Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%”.

The UK economy entered a technical recession in the fourth quarter of 2023 as we had two consecutive quarters of negative growth, -0.1% in Q3 2023 and -0.3% in Q4 2023. It faced many challenges over the year with Brexit-related trade disruptions, high energy costs, and weak consumer confidence. The first quarter of 2024 saw this recession ending as the economy grew by 0.6%. Inflation also fell to 3.4% in February but remains above the Bank of England’s (BoE) target of 2%.

The Eurozone experienced sluggish growth as it was impacted greatly by the energy crisis, particularly due to the ongoing conflict in Ukraine and dependency on Russian as growth for 2023 was around 0.4%, but this is expected to improve as energy diversification efforts take hold. Inflation remained stubbornly high over most of 2023 but did show a fall to 2.6% in February although this is still above the European Central Bank’s (ECB) 2% target.

Japan saw modest growth over 2023 supported by a weak yen boosting exports. Inflation in Japan rose to 2.8% in February which was a significant increase given its historically low levels, driven by higher import costs. At its March meeting, the Bank of Japan (BoJ) raised its key short-term interest rate from -0.1% to around 0-0.1%. This was the first interest rate hike since 2007, ending eight years of negative rates. The BoJ also ended its yield-curve-control policy for 10-year government bonds. However, it still has a relatively dovish monetary policy stance compared with other major central banks.

The Chinese economy saw growth over 2023 of 5% driven by domestic consumption and state-led infrastructure projects. However, growth prospects for 2024 are tempered by a global economic slowdown and trade tensions with the US. Inflation has remained relatively stable at around 2.5% but this is due to government intervention in price controls and subsidies. The People’s Bank of China has maintained a relatively accommodative policy to support growth.

In March all major central banks announced their final interest rate decisions for the financial year. For the first time in 17 years Japan raised its interest rates to 0-0.1% from -0.1%, marking the end of its negative interest rate era which has been in place since 2016 to combat deflation. Meanwhile the Federal Reserve, European Central Bank and Bank of England (BoE) all held rates steady. At the beginning of 2024 there was an expectation that interest rates would decline more rapidly than what has materialised. However, policymakers had to address concerns about a potential recession while also contending with sustained high levels of underlying inflationary pressures. As a result, interest rates have stayed elevated beyond earlier predictions.

BoE governor, Andrew Bailey, stated that the fundamentals were aligning favourably for a reduction in interest rates, noting that U.K. headline inflation was declining at a pace exceeding expectations, accompanied by a cooling labour market and decelerating wage growth.

In the US, market futures are pricing around a 60% chance that the first cut comes at the Fed's June 12th meeting, despite lower unemployment and stronger growth forecasts, which generally prompt a slight increase in long-term interest rate forecasts. Investors will remain attentive to statements from bank officials, as signs of growing concern about inflation would likely keep interest rates elevated and could negatively affect asset prices.

While economic growth is slowing it currently seems that the outlook for the global economy looking out through the remainder of 2024 and beyond is significantly better than had first been feared. Inflation should continue to moderate, falling closer to central banks' targets and the interest rate cuts which markets are now pricing in should materialise as we move through this year. With a reasonable outlook for corporate earnings this backdrop presents a generally more positive fundamental picture for global equities. There are, however, still risks to this scenario. Market valuations, while concentrated in a specific segment of the market, leave limited scope for disappointment if inflation and interest rates remain higher, or corporate earnings prove less robust than expected. Furthermore, conflict in both Ukraine and the Middle East present ongoing risks to wider economic fundamentals, primarily through any potential impact on commodity prices. Globally the large number of elections taking place in 2024 also present scope for uncertainty and impact on investor sentiment.

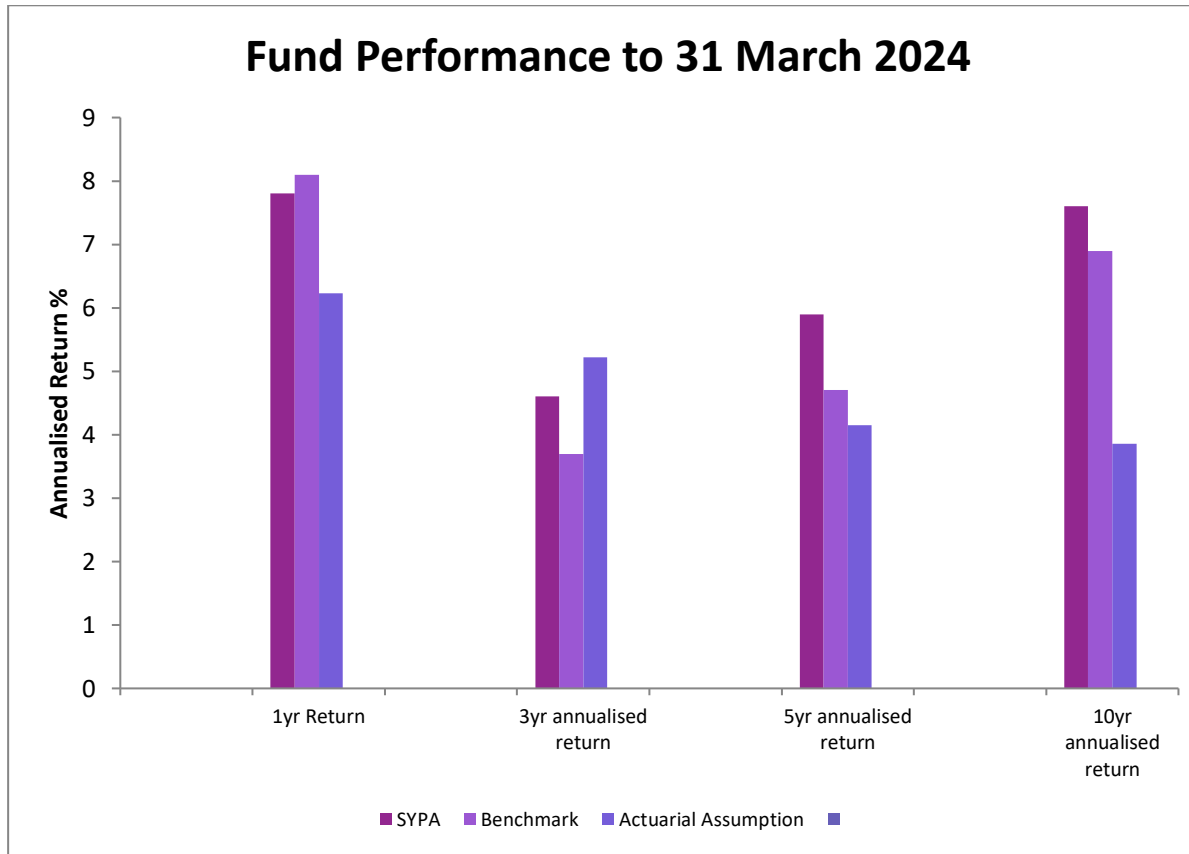
Investment Strategy and Performance

Performance

The investment strategy of the Fund is carried out in accordance with the Investment Strategy Statement which was last updated in March 2023 with a core objective being to achieve the best financial return, commensurate with the appropriate levels of risk, to ensure the Fund can meet both its immediate and long-term liabilities. This is done within the context of a responsible and sustainable investment strategy which gives due regard to environmental, social and governance issues.

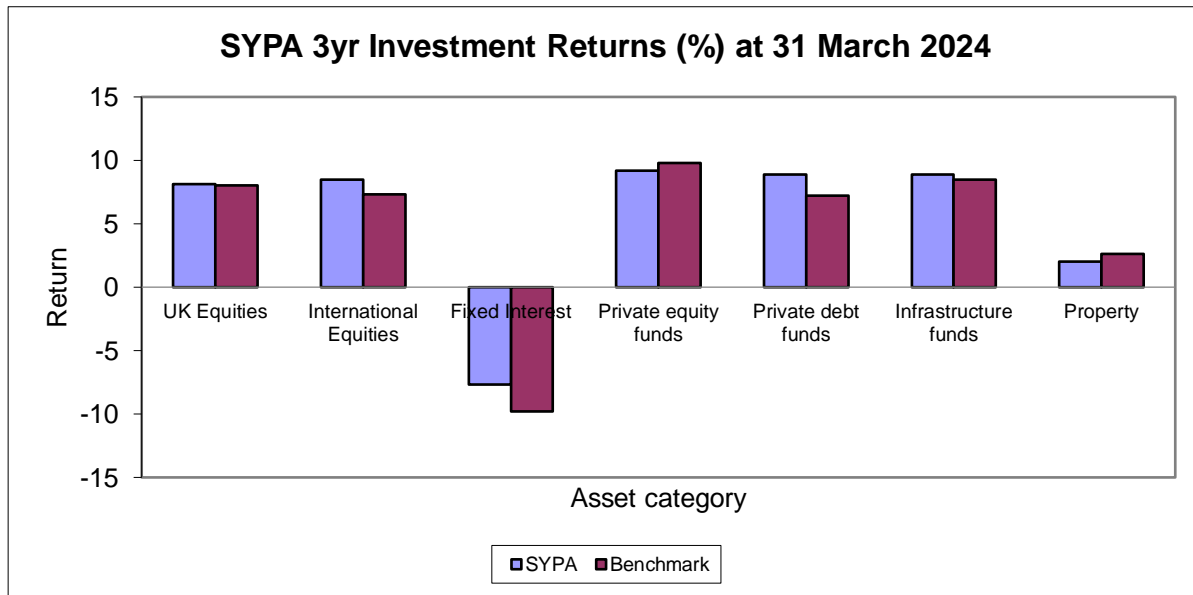
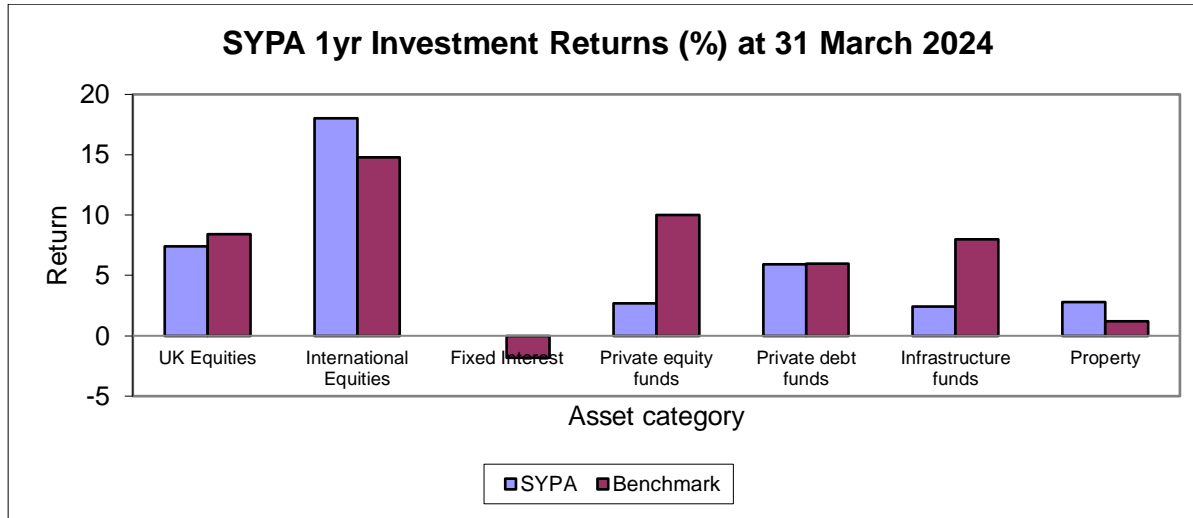
The Fund delivered a return of 7.8% over the year to 31 March 2024, underperforming SYPA's strategic benchmark return of 8.1% by 0.3% but did beat the actuarial benchmark (the rate at which the Fund's liabilities are assumed to grow year on year).

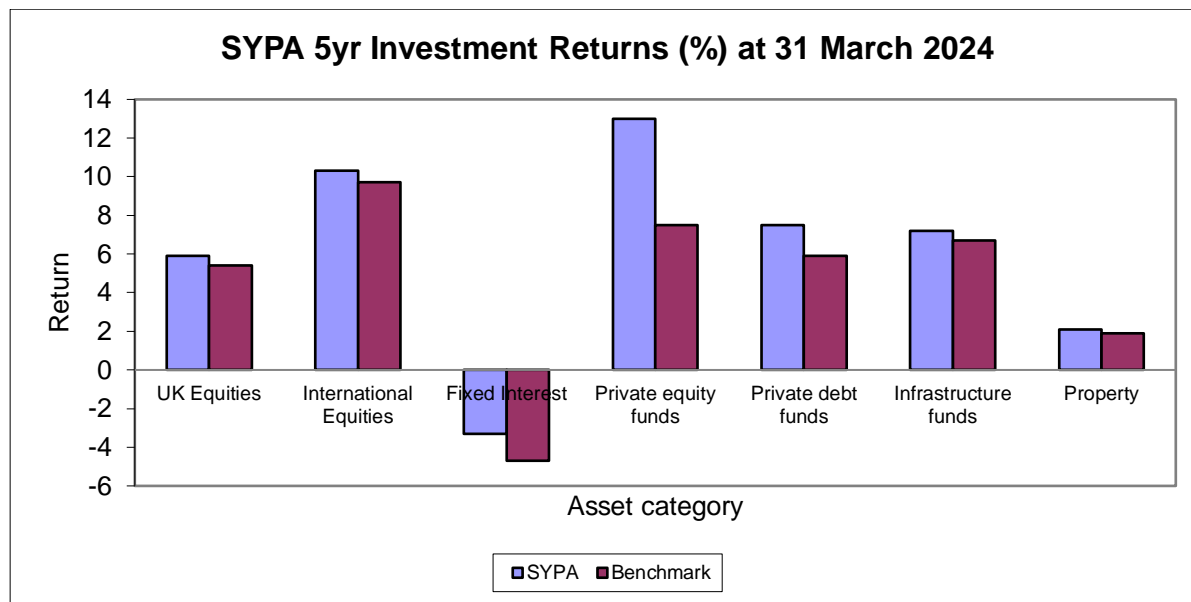
The Fund always invests with the longer-term aim of having sufficient assets to meet its liabilities and the graph below shows how the fund has performed against its benchmark over longer time periods. Over the longer term, the Fund's performance against its strategic benchmark has been positive over all periods. However, against the actuarial assumptions we underperformed over 3 years but have shown outperformance over all other time frames and this is illustrated in the chart below.



At the end of March 2024, the Fund's net investment assets were valued at £10,968m, this represents an increase of £784m since 31st March 2023.

The graphs below compare the return achieved by the Fund in each of the main investment categories during the year and over 3- and 5-year periods.





This year the equity portfolios showed positive absolute returns. UK equities underperformed their benchmark and the overseas equity portfolios outperformed their respective benchmarks. The bond portfolios gave negative absolute returns overall, with index-linked bonds being the weakest category although corporate bonds and multi asset credit bonds outperformed government bonds. All the portfolios outperformed their benchmarks. The private equity and infrastructure funds both underperformed their target returns, impacted by higher interest rates. Private debt performed in line with its benchmark and property showed outperformance of its composite benchmark. Over longer time periods the performance against benchmark indices has been more positive.

The funding level at the last actuarial valuation as of March 2022 was 119% and on 31st March 2024 is estimated to be 151%.

The Fund has continued to reduce its exposure to listed equities to reduce its equity risk and has been increasing allocations to the alternative asset classes and property which also increases the Fund's allocation to income generating assets. This is in line with its stated strategy of improving diversification and the risk-adjusted return.

Implementing the Investment Strategy Statement

The investment strategy for the Fund is derived from Asset Liability Modelling that uses data from the triennial Valuations. It examines the Fund's financial position, the profile of its membership, the nature of the liabilities and analyses the projected returns from differing investment strategies. The current investment strategy is based on ALM work undertaken in 2022-23, using the liability data from the 2022 Valuation. The Authority's Net Zero target was considered as part of the exercise. Ultimately, the aim is to improve risk-adjusted returns over the long term, whilst ensuring the Fund's objectives are met.

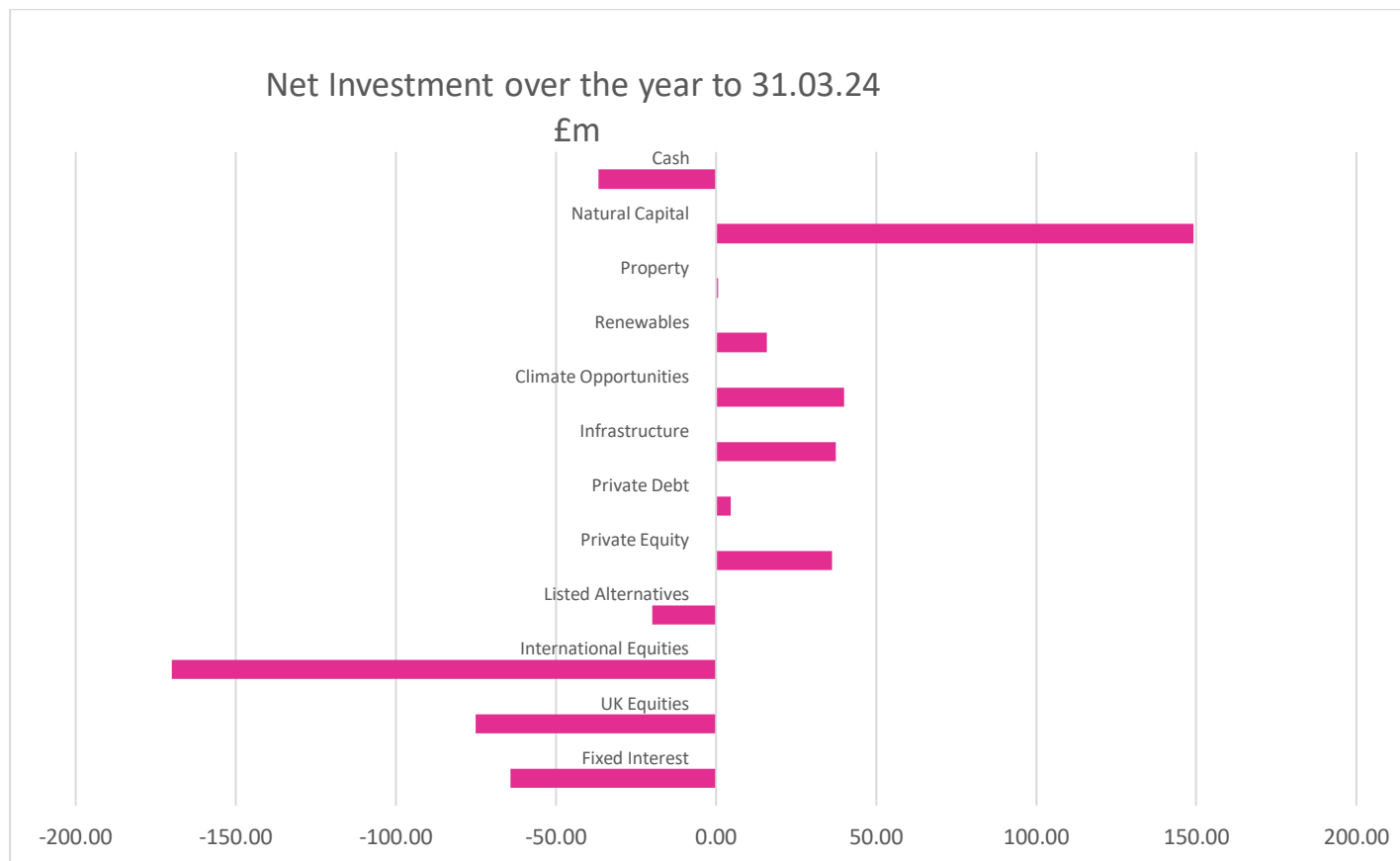
The following table shows a summary of the asset distribution for the year ended 31 March 2024 compared with the previous year and with the strategic target agreed by the Authority in operation during the financial year 2023-24. The allocation for the previous year has been added for comparison purposes. It also shows the longer-term target strategy that the Authority agreed in March 2023.

The new targets show a decrease in allocation to liquid growth markets and an increase to income assets such as private debt, and new allocations to Climate Opportunities, Renewable Energy and Natural Capital. The new asset classes are illiquid in nature, although income generating, and therefore it will take time to achieve the target weightings.

Asset Allocation						
Asset Class	March 2024 Allocation		March 2023 Allocation		Current SAA	Target SAA
	£m	%	£m	%	%	%
Index-Linked Gilts	703.5	6.4	740.8	7.3	7.0	7.0
Sterling Inv Grade Credit	552.5	5.0	435.8	4.3	5.0	5.0
Multi-Asset Credit	390.2	3.6	562.7	5.5	4.0	2.5
UK Equities	1055.5	9.6	1057.7	10.4	9.5	7.5
Overseas Equities	3986.1	36.4	3542.5	34.8	35.0	30.5
Listed Alternatives	153.0	1.4	156.0	1.5	0.0	0.0

Climate Opportunities	91.4	0.9	54.0	0.5	1.0	5.0
Private Equity	1146.8	10.5	1081.8	10.6	7.0	7.0
Private Debt	628.1	5.7	593.0	5.8	7.5	7.5
Infrastructure	909.0	8.3	802.8	7.9	9.0	9.0
Renewable Energy	189.9	1.7	195.7	1.9	3.0	5.0
Natural Capital	149.1	1.4			1.5	3.5
Property	855.5	7.8	862.1	8.5	9.0	9.0
Cash	153.2	1.2	97.0	1.0	1.5	1.5
Total	10963.8	100.0	10181.9	100.0	100.0	

The change in distribution is a result of investment transactions and the performance achieved within each investment category. It includes a reduction in the overall equity exposure and to Multi Asset Credit to fund an increase to the alternative asset classes. This has brought these allocations closer to their strategic targets.



Levelling Up

As part of our property and alternatives programme, SYPA has initiated a place-based impact strategy with up to 5% of the Fund earmarked. These are investments that match the aim to support the levelling up agenda. It has the twin aims of generating a commercial return but also delivering positive economic impact. Some of these investments are directly in the South Yorkshire region but also include investments in nationally focused pooled funds with a focus on impact investing. On 31 March 2024 impact investments within these portfolios amounted to £379m which represents 3.45% of Fund investments. The amount directly invested in South Yorkshire was £115m.

These investments are held within the wider alternatives' exposure rather than in a separate portfolio and as such they must meet the return requirements of the asset class. Details of the impacts achieved through this part of the portfolio are at [page x](#).

Investment Pooling

SYPA is one of eleven partner funds within the Border to Coast Pensions Partnership which is an FCA regulated investment company. Over time Border to Coast will manage the majority of the Fund's assets on a day-to day-basis. SYPA will retain responsibility for setting the investment strategy and asset allocation and will monitor the performance of Border to Coast.

As of 31 March 2024, SYPA has investments in seven Border to Coast funds.

Holding	£m
Border to Coast – Overseas Developed Markets Equity	3248.747
Border to Coast- UK Listed Equity	1055.453
Border to Coast – Sterling Index-Linked Bonds	703.521
Border to Coast – Emerging Markets Equity	736.612
Border to Coast – Multi Asset Credit	390.192
Border to Coast – Sterling Investment Grade Credit	552.538
Border to Coast – Listed Alternatives	153.00

The Fund's legacy investments in closed ended funds for private assets sit outside the Pool but most new investments in this area during the year were made by Border to Coast.

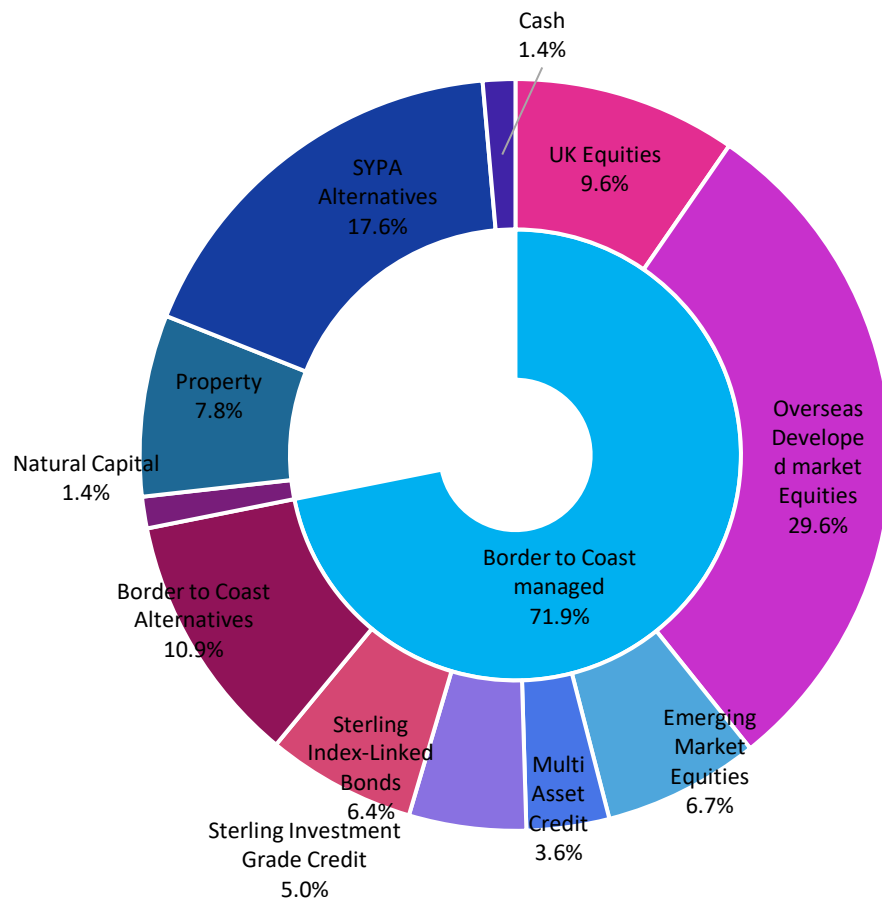
Commitments during the year were made to the following alternative asset classes by Border to Coast on behalf of SYPA.

Alternatives Asset Class	SYPA Commitment (£m)
Private Equity	£125m
Private Debt	£165m

Infrastructure Climate Opportunities	£165m £120m (2 year commitment of £245m)
Total	£575m

These investments started to draw down during the year.

ASSETS UNDER MANAGEMENT



On 31 March 2024 Border to Coast managed 71.9% of the Fund's assets.

The table below which is set out in the format required in the statutory guidance on the production of LGPS Annual Reports shows in more detail which assets are either directly managed by Border to Coast, those over which the Pool exercises management oversight, and those which are not pooled. The Authority agreed a transition plan in March 2024 setting out how the remaining assets will transfer into the pool in the coming years which is available [here](#).

Asset values as of 31 March 2024	Pooled £m	Under pool management	Not pooled £m	Total
Asset classes				
Equities (including convertible shares)	5,193.8		0.7	5,041.6
Fixed income (listed)	1646.3			1,646.3
Private markets	1,037.9		1,927.3	3,118.1
Property			855.5	855.5
Cash / net current assets			153.2	153.2
Other – Natural Capital			149.1	149.1
Total Assets	7,878.0		3,085.8	10,963.8
Supplementary table				
<i>Of which</i>				
UK Listed Equities	1,082.8			1,082.8

UK Government Bonds	633.3			633.3
UK infrastructure	92.0		212.5	304.5
UK Private Equity	43.2		172.6	215.8
Additional memorandum				
UK Levelling up			378.7	378.7

The assets that have yet to migrate to Border to Coast are our property and legacy alternative assets. Border to Coast launched their global real estate funds and as a means of diversifying our property exposure we made a £95m commitment to the Core Global Real Estate fund. This is expected to be drawn down within the next 12-18 months. Border to Coast is expecting to launch the UK Real Estate fund in September 2024 and the Authority has already approved the transition of our English property assets into this fund, Welsh and Scottish assets are unable to transition although these properties will come under pool management.

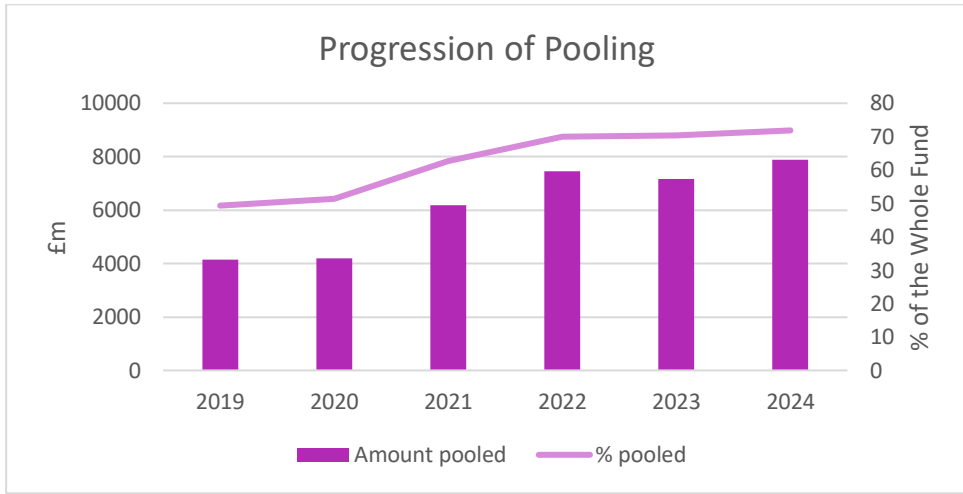
The RLAM Natural Capital Fund is earmarked to remain outside Border to Coast's control as are the bespoke portfolios, including CBRE managed property loans and select housing funds within the place-base impact portfolio.

The remainder of the assets currently outside the control of Border to Coast are the legacy portfolio of alternative private market assets. These are in gradual runoff but despite the waning of these assets the nature of them means that their disposition will unfold over an extended timeline. We have undertaken a cash flow analysis of all our legacy holdings, and we see a gradual convergence towards Border to Coast management. The transition timeline is expected to span 8 years but should optimise value of these assets.

Over the last 5 years we have made most of our strategic annual commitments to alternatives through Border to Coast. The only commitments made directly by SYPA have been in the place-based portfolio or in renewables funds as part of our investment strategy that Border to Coast were unable to fulfil at that time.

It is expected that there should be a significant transition to Border to Coast management over the next year and they should be managing over 80% of our assets by March 2025 with incremental increases thereafter.

The progression in the transfer of assets to Border to Coast Pensions Partnership can be illustrated in the chart below.



LGPS Pooling Savings

The following chart shows the costs of Pooling for SYPA from inception and the savings incurred by the Fund during the year. It should also be borne in mind that because of its previous approach to managing its investments internally SYPA has historically had a relatively low-cost base providing significantly less scope for savings than in funds wholly reliant on external managers.

COSTS OF POOLING	CUM TO 2022/23	2023/24
	£M	£M
POOLING SET UP COSTS/GOVERNANCE	4.7	0.7
BCPP ADDITIONAL COSTS-PUBLIC MARKETS	13.5	5.2
BCPP -PRIVATE MARKET SAVINGS	(9.4)	(6.2)
TRANSITION COSTS	2.8	0.0

OTHER SAVINGS	(5.9)	(0.7)
NET COSTS (SAVINGS)	5.7	(1.0)
CUM COSTS	5.7	5.7

Investment Management Costs and Cost Transparency

The Authority pays fees to a number of different organisations for the services they provide in managing the Fund’s assets. These fees can be broken down into three categories:

1. Fees paid to fund managers for managing assets in line with agreed mandates. These fees are usually related to the value of assets managed and will therefore increase as asset values increase.
2. Fees paid to fund managers to recognise the performance achieved by the investments which they are managing on the Authority’s behalf. These are usually paid when performance exceeds an agreed “hurdle” rate. These can vary significantly from year to year.
3. Transaction costs which include things like brokers fees which are incurred when investments are bought or sold.

The Authority is a strong supporter of the LGPS Scheme Advisory Board’s Code of Transparency in relation to investment management costs and secures data from fund managers using the Code’s agreed templates for inclusion in the Fund’s accounts. The table below provides a breakdown of investment management costs incurred by the Fund.

2022/23		2023/24			
Total		Management Fees	Performance Fees	Transaction Costs	Total
£000		£000	£000	£000	£000
31,284	Assets Managed by SYPA	23,419	13,938	2,186	39,543
30,065	Assets Managed by Border to Coast	32,602	4,213	719	37,534

1,292	Commercial Property	996	0	0	996
41	Agricultural Property	30	0	0	30
62,672	Total	57,047	18,151	2,905	78,103
60	Custody Fees				57
62,732	Total	57,047	18,151	2,905	78,160

The fees paid on assets managed directly by SYPA relate to fees paid on the legacy alternatives portfolios. These have higher performance fees than are paid in relation to the Border to Coast investments as they are more mature investments meaning that they are much more likely to have achieved the stage where performance has exceeded the agreed hurdle triggering payment of a fee.

The cost of managing the Fund's investments expressed as a percentage of the average asset value in the year was 0.74% in 2023/24 (0.60% in 2022/23), with a significant driver of the increase being accounted for by an increased level of performance fees being payable.

Asset Class Performance

The Following sections describe the performance of the various mandates within each asset class

Fixed Income

Fixed income assets are those which pay out a set level of cash flows to investors, typically in the form of fixed interest. Governments and corporate bonds are the most common type of fixed income products. The Fund's exposure to fixed income consists of three different portfolios all managed by Border to Coast, an Index-Linked portfolio, a Sterling Investment Grade Credit portfolio, and a Multi-Asset Credit portfolio.

Index-Linked Gilts

The Fund has a significant exposure to index-linked gilts which although not managed passively is very much a buy and hold for the long-term strategy. The index-linked holdings are under Border to Coast management and within this portfolio they also hold some corporate index-linked bonds as a means of adding value. These assets play a valuable role in relation to providing inflation linked income. However, the portfolio was impacted by fluctuating yields reflecting shifts in economic outlook and persistent inflation and gave a negative return of

-11.3% over the period but outperformed the benchmark index by 0.5%. The driver of the outperformance was primarily driven by narrowing credit spreads on corporate holdings.

Corporate Bonds

The sterling investment grade credit (SIGC) portfolio and the multi-asset credit (MAC) portfolio are held for the stable cash flows and the credit spread above gilts. Both portfolios are under Border to Coast management. The SIGC portfolio is managed equally by three external bond managers, Royal London, M&G and Insight. The Border to Coast Multi Asset Credit (MAC) fund is invested in a mix of higher risk bonds such as emerging market bonds, high yield bonds, securitised debt and is managed by five external managers and one internal manager. Corporate bonds were generally more resilient than government bonds. Companies with strong balance sheets attracted investors seeking stability and both portfolios outperformed government bonds, with the SIGC portfolio returning 7.6% and the MAC fund returning 9.4%.

Listed Equities

Listed equities are held as the highest returning liquid asset class over the long term and are the largest asset class exposure for the Fund. The Fund's investments are through the Border to Coast UK equity fund, the Border to Coast Global Developed Overseas fund and the Border to Coast Emerging Market fund. The portfolios maintain an overall bias to high quality companies with more stable earnings and strong balance sheets.

UK Equities

The Border to Coast UK Listed Equity fund is an internally managed UK portfolio which has a moderate target to provide a total return which outperforms the total return of the FTSE All Share Index by at least 1% per annum over rolling 3-year periods. The portfolio achieved a 7.4% return during 2023/24 which was a 1% underperformance of its target, and this was due to being overweight defensive stocks as the market recovered. Since inception the portfolio has achieved an outperformance of the benchmark by 0.6% per annum which is behind its target.

Global Equities

The Border to Coast Developed Markets Equity Fund is an internally managed portfolio and the Border to Coast Emerging Markets Equity Fund is a hybrid fund with two external Chinese managers and an internally managed portfolio for Emerging markets ex-China. The

performance of global equities overall was positive at 14.8% with developed markets outperforming emerging markets. The performance of the developed market portfolio returned 21% and outperformed the benchmark index by 3.5% over 2023/24 whilst the emerging market portfolio returned 6% and outperformed its target benchmark by 0.2%. The emerging market portfolio is still showing disappointing performance since inception having underperformed by an annualised 1.4%.

Ten largest publicly quoted equity holdings by market value held via Border to Coast Equity ACS on 31 March 2024.

1. Microsoft	£108.9m
2. MFC Vanguard Mid-cap ETF	£99.7m
3. Nvidia	£88.0m
4. Samsung Electronics	£82.4m
5. Shell	£79.9m
6. Apple Inc	£78.6m
7. AstraZeneca	£74.2m
8. Novo Nordisk	£64.6m
9. Alphabet Inc	£63.8m
10. Amazon	£62.5m

Alternative Portfolios

Listed Alternatives

We hold units in the Border to Coast Listed Alternatives fund which has given us the ability to increase our alternatives exposure before the drawdown into our committed Limited Partnerships. During the year this was reduced by £20m as our weighting to the discrete portfolios increased. At the year end this holding was valued at £153m.

The portfolio has a diversified structure which includes listed assets in infrastructure, specialist real estate, private equity, and alternative credit. The portfolio returned 11.5% over the year, taking returns since inception to 2.7%. Global equity markets as measured by the MSCI ACWI Index returned 20.6% over the last year and 10.56% since the launch of the Fund. The Fund's sensitivity to interest rates was the primary driver of underperformance this year, as there was an upwards repricing in interest rate expectations and so the interest rate sensitive areas of the portfolio such as specialised real estate and infrastructure had a challenging year.

The Fund has five alternative portfolios which are intended to access different parts of companies' capital structure. The following sections details these areas.

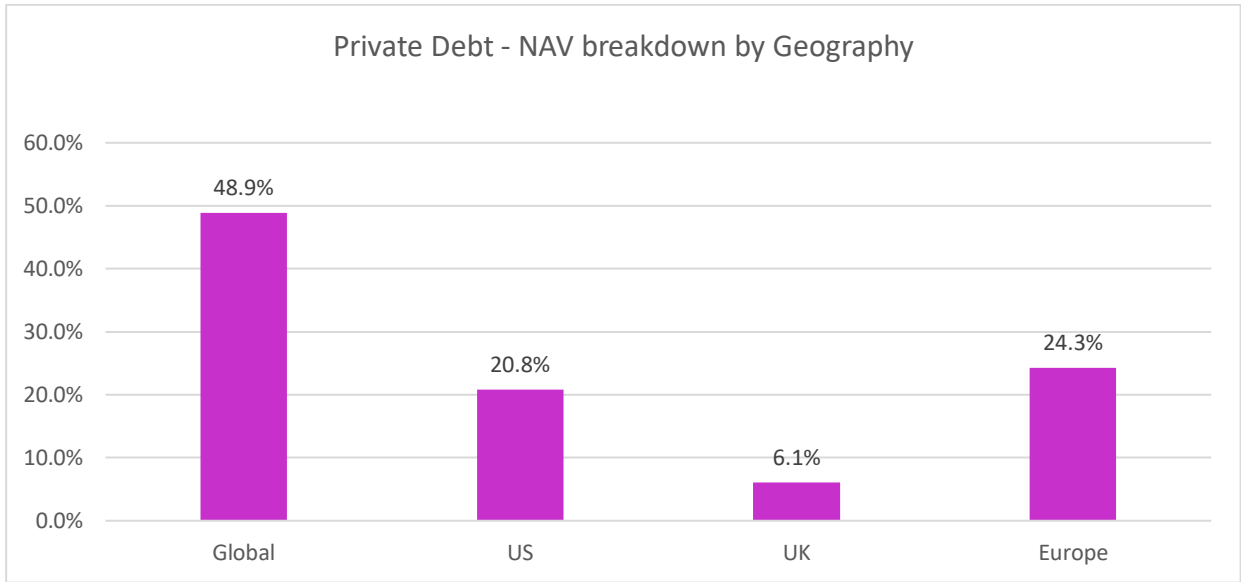
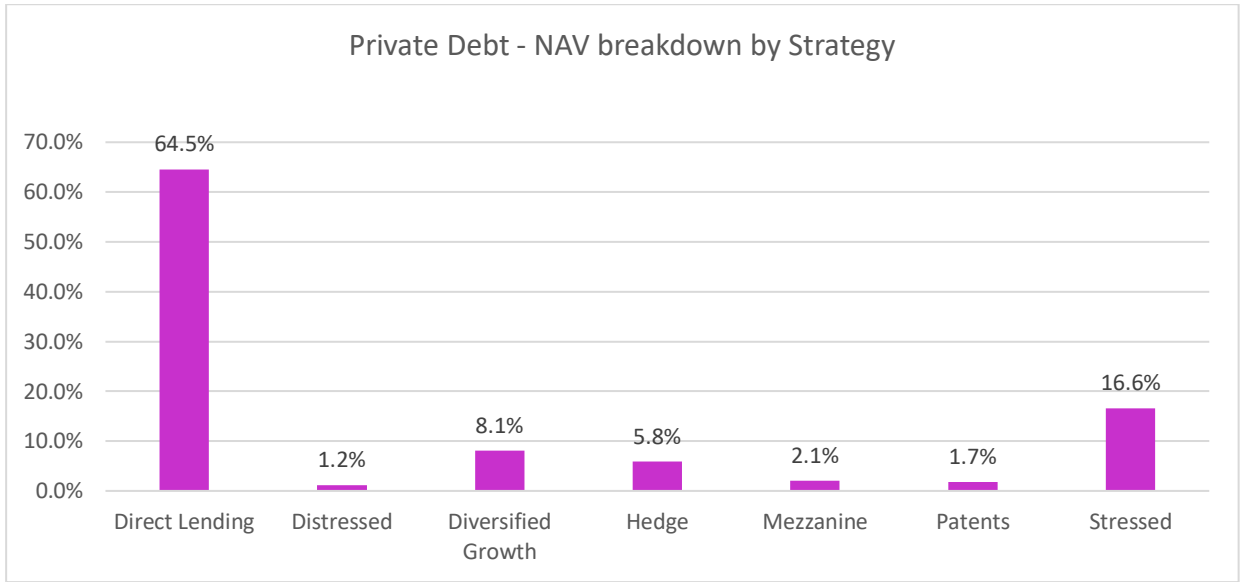
Private Debt

Private debt is a sub-set of the broader leveraged credit markets, characterised by mostly private equity-generated activity in companies that are typically too small or with financing needs too specialised to be financed by the larger public markets.

Private debt encompasses a broad range of strategies which provide financing across all elements of the capital structure including direct lending, mezzanine, unitranche, distressed debt and special situations. The credit exposure is generally illiquid and is typically held to maturity. The income generated from these funds is a useful source of cash to meet liability payments. The legacy portfolio of 50 funds is diversified by strategy and geographic location and the current value of assets in this category is £628m. The breakdown of the portfolio is shown in the graphs below.

£165m was committed by Border to Coast on our behalf over the year to March 2024. We are behind the current target allocation of the Fund but are making annual commitments to this sector at an appropriate rate to increase the allocation.

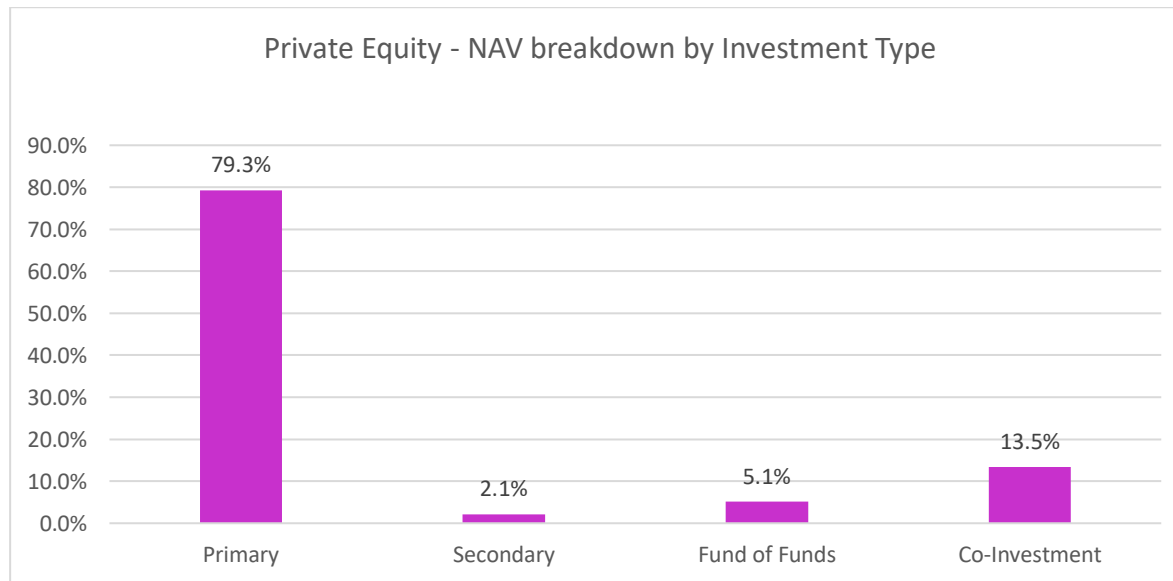
The overall portfolio returned 5.8% over the year to 31 March 2024 compared to the benchmark return of 6%.

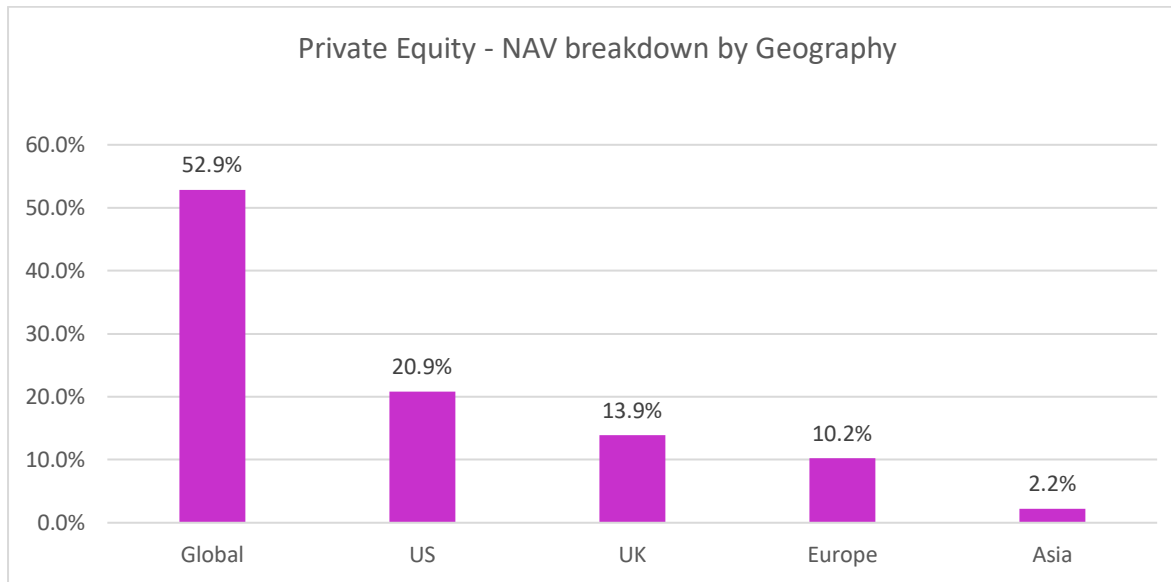
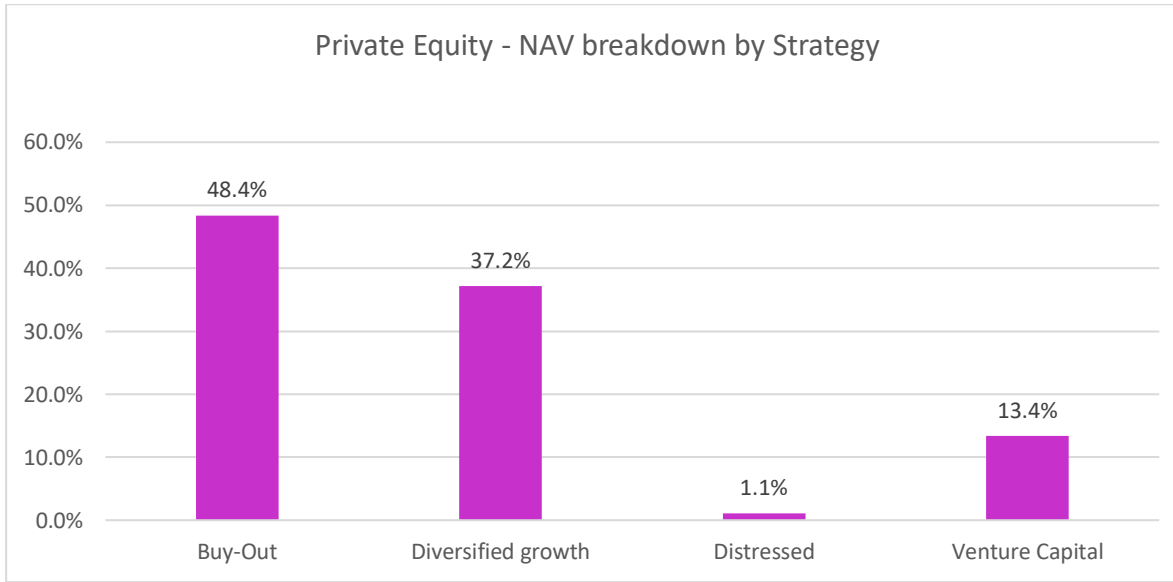


Private Equity

Private equity is the ownership of companies that are not listed on a public stock exchange. SYPA's investment in private companies is through a variety of closed-ended limited partnerships managed by specialist management teams. Private equity investments provide returns linked to quoted equities but with the expectation of better long-term returns because of the higher risk profile and illiquid nature of the investments. A typical life of a fund is between seven and ten years with the drawdown of commitments being typically up to five years.

The portfolio of 96 funds is diversified by investment type, strategy and geographic location and the breakdown can be seen in the graphs below. The value of assets currently invested in private equity is £1298.6m.





The private equity market faced significant challenges to the year ending 31 March 2024, primarily driven by macroeconomic factors such as rising interest rates and inflation. These conditions led to reduced deal activity, exits and fundraising, reflecting a substantial slowdown compared to earlier periods. The one-year performance of the portfolio showed a gain of 2.7% which is behind the absolute return of 10% which is the benchmark for this asset class. Due to the nature of private equity investments, the performance really needs to be viewed over longer time periods. The Fund's private equity portfolio has generated 9.2% annualised return over three years and double-digit returns over the five-year, ten-year and since inception periods and has also outperformed the benchmark over each of these periods.

New investment into this area is now via a Border to Coast limited partnership. A commitment of £125m was made by SYPA during 2023/24. This rate of commitment is lower than over the last few years but is in accordance with the Fund's strategic asset allocation. We are now over the optimum weighting against our strategy and want to reduce the exposure. Investment is being made in such a way to ensure that we still have vintage and strategy diversification.

The aim is to create a diversified portfolio investing in global and regional investments to produce strong financial returns without taking undue levels of risk and which incorporate environmental, social and governance (ESG) issues as part of their process. Our investments are made by limited partnerships managed by various managers.

An example of one of our fund investments is Northern Gritstone.

Northern Gritstone is an investment company, dedicated to supporting ambitious science and technology-enabled businesses in the North of England. Their philosophy is 'profit with purpose' combining strong returns for investors with wider positive, societal and economic impact, including Levelling Up and high-skilled job creation.

Northern Gritstone and NG Innovation Services, support some of the UK's fastest growing sectors, including advanced materials, climate and health-tech, cognitive computation, and life sciences. They offer 'Capital+++' connecting early-stage founders with funding and expertise through their close links to industry-leading partners and their founding universities of Manchester, Leeds and Sheffield.

In September 2023, Northern Gritstone invested into Crucible Therapeutics, a biotechnology company developing novel therapies to treat amyotrophic lateral sclerosis (ALS, also known as Lou Gehrig's disease), the most common genetic form of motor neurone disease (MND), and frontotemporal dementia (FTD).

Crucible was founded in the University of Sheffield's internationally renowned Department of Neuroscience by three scientific founders who identified critical factors that contribute to neurotoxicity and neuronal loss in ALS and FTD. They further demonstrated that one of these critical factors, SRSF1, could be targeted to improve outcomes in models of ALS and FTD.

Crucible is building on its pioneering research by conducting pivotal safety and efficacy studies before proceeding with human clinical trials.

All Northern Gritstone's portfolio companies align with one or more of the UN-backed Sustainable Development Goals. Crucible Therapeutics is particularly aligned with SDG 3 Good Health and Wellbeing, through its aim to help save lives or significantly improve the quality and duration of lives where no efficacious treatment currently exists.

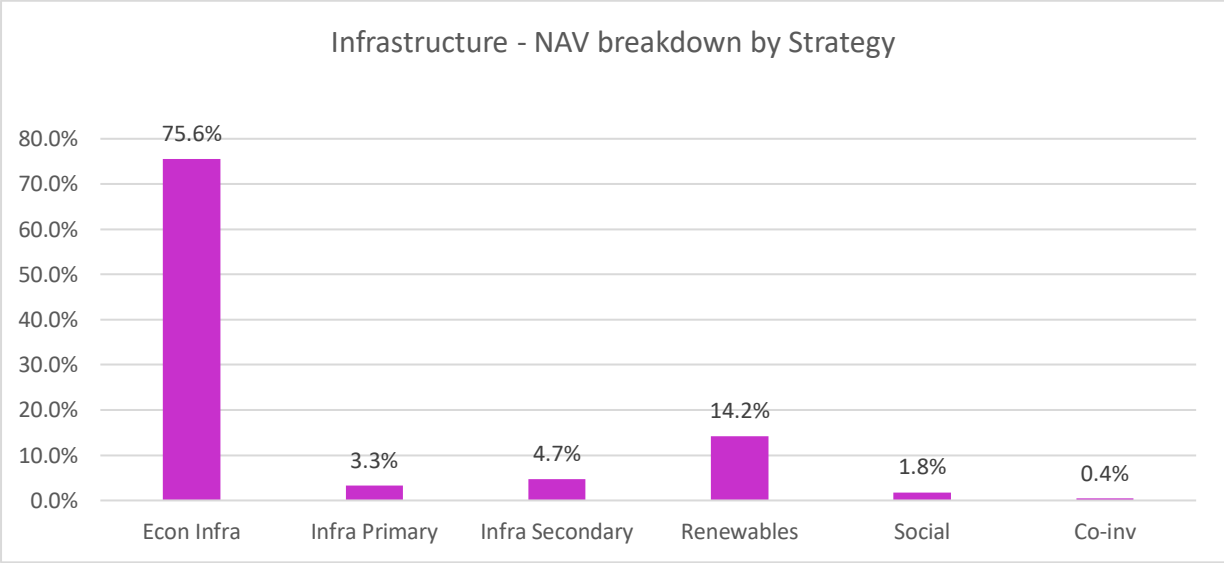
Infrastructure & Renewables

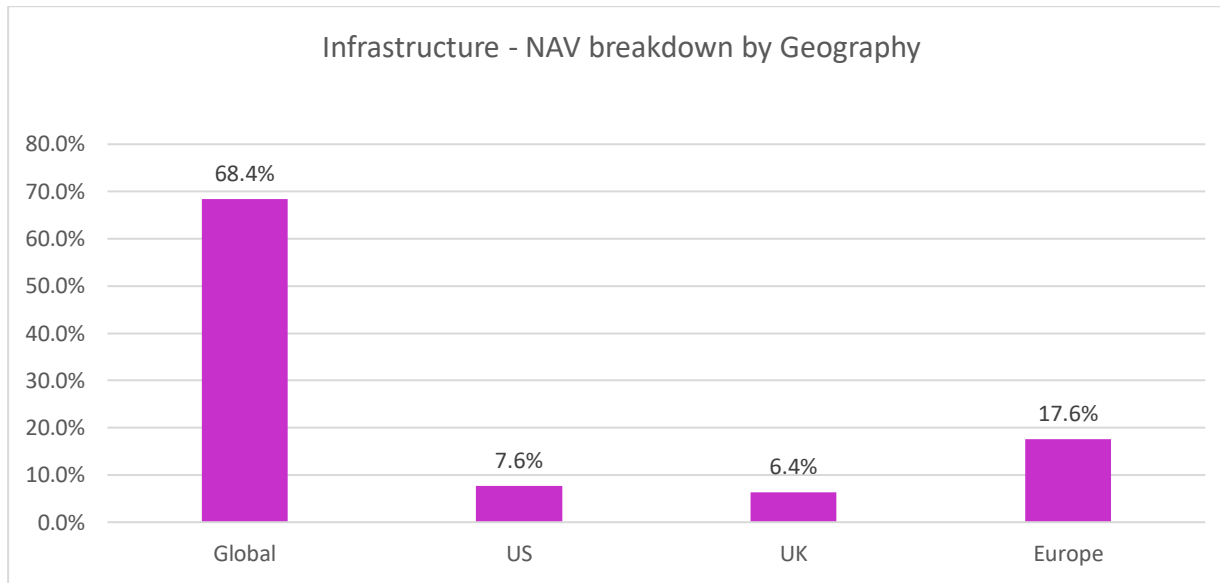
Infrastructure investments include assets in energy generation (gas, electricity and renewable), transport, communication, and healthcare/hospitals. They typically offer long-term returns which have a close match to the objectives of the Fund, preservation of value over the long term, inflation linkage and they have a cash flow focus as well as providing a good means of diversification for the Fund. They are illiquid and do mean that capital is locked up for a period, but this is generally compensated for by expected higher returns.

The portfolio has been separated into two categories, General Infrastructure, and a portfolio of Renewable Energy funds. The allocation to infrastructure has been made via global and regional investment funds. The general infrastructure portfolio is in line with the target allocation of 9% of Fund assets but we are currently underweight to renewable energy funds. The focus is on assets with inflation-linked

long duration income streams that are less sensitive to the economic cycle. This will be maintained by making appropriate annual commitments through our Border to Coast limited partnership.

We have 34 legacy investment funds, and this year we made a £185m commitment to the Border to Coast limited partnership. The current value of these investments is £1,098m. The exposure is well diversified and is shown below. Both portfolios are benchmarked against an absolute return of 8% p.a. Over the twelve months to 31 March 2023, the portfolio returned 2.4%, underperforming the benchmark by 5.6%. Returns moderated this year as the asset values reflected the impact of higher interest rates and discount rate assumptions. Infrastructure funds raised showed a 49% drop year-over-year and was the lowest annual total since 2015. Returns had started to stabilise at the end of the period and over the three- and five-year periods we are showing outperformance of the benchmark.





An example of a manager that we have investments with is Quinbrook which is a specialist manager focused on renewables, battery storage and grid infrastructure. We have investments in four of their funds. Each investment in the fund seeks to support the UK's 'Net Zero' energy transition and provides solutions for ensuring reliable, secure, accessible, and carbon-free power supply for the UK grid.

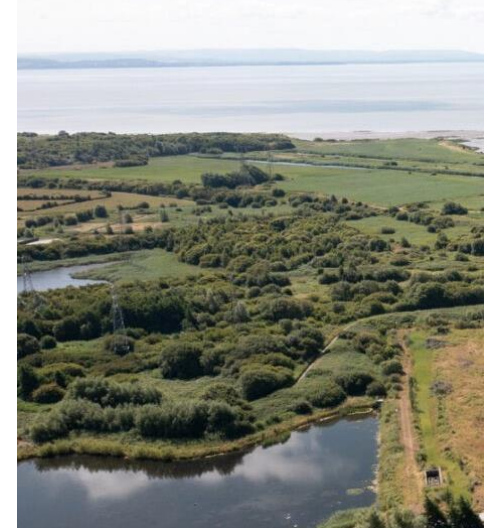
Quinbrook believe that better stewardship and deliberate climate, sustainability and impact practices are inherently tied to both capital protection and value growth. Examples of projects that they have invested in are shown below.

Uskmouth

Uskmouth Project is a 230 MW battery energy storage project located on the site of two former coal-fired power stations, at the mouth of the River Usk in the south-east of Newport, Wales.

The site supports job regeneration in a region identified as Priority 1 by the Government's Levelling Up Fund's Index of Priority Places.

The project planning has included extensive additional biodiversity requirements, driving



biodiversity additionality well above planning and BNG requirements including:

- Native hedgerow and wildflower planting
- Creation of new water body to support local wildlife
- Enhancement of attenuation pond
- Installation of features including bat and bird boxes, compost, and grass snakes

Cleve Hill

Cleve Hill is a solar and storage site located in Kent, UK. At 373 MW of solar PV capacity and 150 MW of battery capacity, Cleve Hill is the UK's first Nationally Significant solar and storage project. Cleve Hill is expected to support >2,300 direct and indirect jobs which will be created during construction.

Cleve Hill is situated on a wetland area of high biodiversity significance. The area historically was used for low grade arable land but was under local community pressure to re-wild the area and support local wetland birds and wildlife. Drawing on the economic benefits of solar and storage, the site has avoided higher intensity property development, and established an extensive biodiversity net gain plan.

In 2023, the project actively commenced its Landscape and Biodiversity Management Plan (LBMP), implementing extensive rewilding and habitat management, including dedicating 15% of the total site to biodiversity improvements, to actively create wildlife and biodiversity benefits and gain.



Quinbrook's leadership in integrating biodiversity with infrastructure is exemplified by Cleve Hill, through:

- a full-time, on-site ecology team

- creation and enhancement of grassland, grazing marshland, riparian, and reedbed habitats
- initiatives to support hedgehogs, badgers, bats, bees, lapwings, marsh harriers, great-crested newts, water voles, eels, bearded tits, reed and sedge warblers, reed buntings, brent geese, golden plovers.

The project includes full-time on-site ecologists to support a 40-year biodiversity monitoring program, working with the Natural England, the UK Environment Agency, Kent Wildlife Trust, and the Royal Society for the Protection of Birds. Ornithological surveys are being undertaken to monitor aquatic habitats used by target bird species, including marsh harrier and the breeding bird community and to demonstrate the efficacy of riparian and aquatic management of the ditches on the site.

The project secured planning prior to 2024 and does not need to prove a net gain in biodiversity. However, a baseline BNG assessment conducted by ecologists in 2019 estimated that the project would generate a 67% increase in biodiversity units.

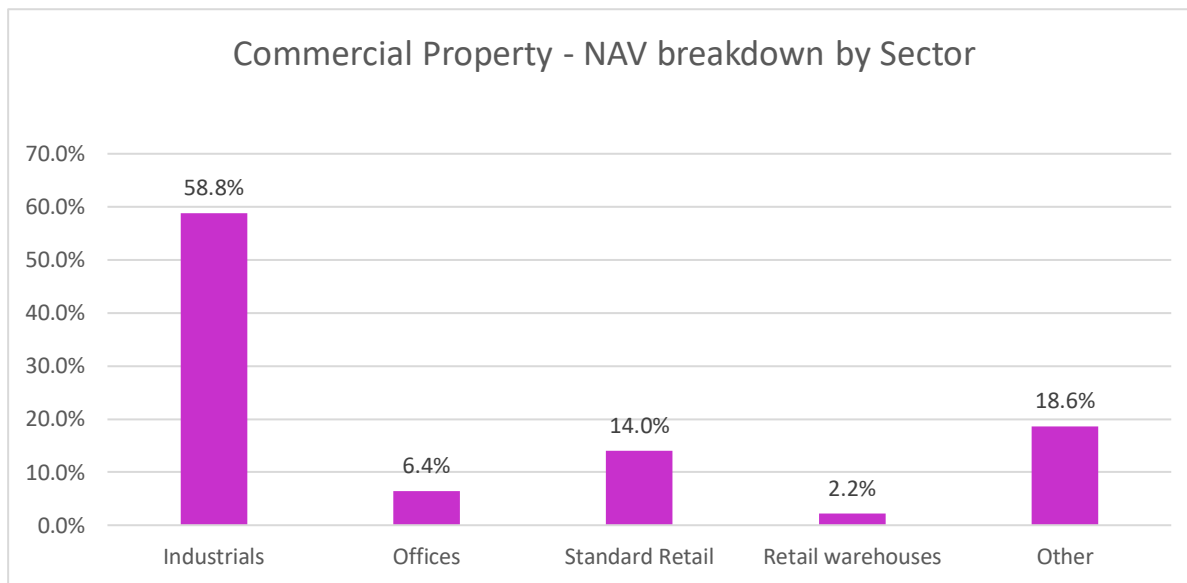
Climate Opportunities

This is a new fund that Border to Coast launched two years ago, and we committed £245m over two years to the fund as it supports SYPA's commitment to decarbonise and will help us to meet our net zero target. The investments target strategies, across all the alternative asset classes which support the energy transition and move to a low carbon economy and has a target return of 8% pa. Although the fund is now fully committed, only £71m has been drawn down into the fund and it is too soon to post return data.

Property

SYPA has a current 9% allocation to property as an asset class and it is an important source of income for the Fund. SYPA now has three elements to its property exposure. On 31 March 2024 it comprised 28 directly held commercial properties valued at £490m, 2 global real estate holdings currently valued at £13m and 23 indirectly held specialist holdings valued at £350m.

At the sector level within the commercial property portfolio, we have been favouring sectors with more defensive characteristics, preferring to invest in areas where the structural drivers of demand are positive. During the year we completed on the purchase of a newly constructed purpose-built health club in Rugby, let to David Lloyd on a 30-year lease. The sector breakdown is shown in the chart below. We have maintained the overweight position to industrials and underweight to retail and offices throughout the year and we added to the 'Other' category to take this to a neutral position. Our position within retail is skewed towards supermarkets where we see better growth prospects.



Top 5 Commercial Property Holdings

1 Langley Park, Slough	Industrial estate	£31.10m
2. Oxgate Centre, London	Industrial estate	£30.40m
3 Stockbridge Road, Chichester	Student accommodation	£30.25m
4. Honeywood Road, Basildon,	Industrial estate	£29.17m
5. Fradley Park, Lichfield	Industrial estate	£27.37m

Annual performance of the direct commercial portfolio was 3.0% compared to the benchmark return of -0.4% and the portfolio has now also outperformed over the three and five-year period. The principal reason for this outperformance was because we were overweight industrials.

The Fund has a slight underweighting to its strategic allocation, but the Fund's investment manager Aberdeen Standard has identified an opportunity which would provide some diversification of the holdings and bring us in line with our strategic allocation in the coming year.

We have held a direct portfolio of agricultural property for over 40 years. This portfolio was held as a store of value and as a diversifying asset but did not fit into the new LGPS pooling environment. During the year we completed a joint venture project with Royal London where these assets became the seed assets for a new Natural Capital fund and allowed us to realise part of our investment. This fund will still allow the delivery on the environmental potential of the portfolio and improve the capital stock whilst also continuing to contribute to the UK food security. Our holding in the new fund will form the cornerstone for our Natural Capital portfolio.

We have two legacy overseas trusts which are both in a liquidation process, but this may take a several years to complete. Border to Coast launched their Overseas Real Estate fund during the year. We committed £95m to this but have not yet had a drawdown to the fund. It is expected to drawdown the proceeds over the next eighteen months.

Within the specialist holdings we have set up a portfolio of regional development debt which has CBRE as an advisor to invest in local (Sheffield City Region/South Yorkshire) development projects. The portfolio has the aim of generating a commercial return whilst delivering a positive local impact.

Eight loans are in place and there are further loans in various stages of the due diligence process. The Tudor Cross loan was realised during the year, and another was finalised. The loan which finalised during this financial year was for Hollis Croft. This provides a senior loan of £46m to support the redevelopment of two adjacent sites either side of Hollis Croft, Sheffield to create a 494 bed Purpose Build Student Accommodation scheme along with a range of amenities which include a gym, café, and car park. This diversifies the lending portfolio into a resilient market, and it is expected to have a significant positive effect to the local residents due to freeing up hundreds of homes that would otherwise be occupied by students on an HMO basis.

An artists' impressions of the accommodation are shown below.



The loan portfolio generated a return of 8% over the year.

Also, within these specialist holdings we have various residential property funds and during 2023/24 a decision was made to make a £10m commitment to the Cheyne Impact Real Estate Trust which is focused on affordable housing, delivered through mixed tenure schemes. This commitment should be fully drawn down in 2024/25.

Over the last twelve months the overall property portfolio generated a return of 2.8%, and this outperformed the weighted index benchmark of 1.2%.

Cash

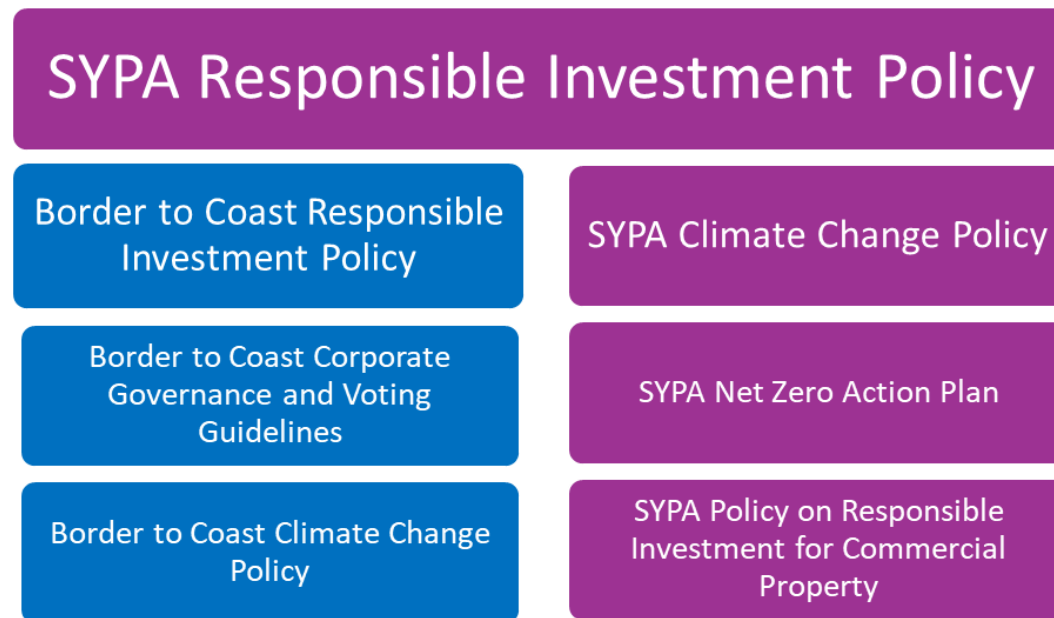
Cash is only held pending investment and on 31 March 2024 the sterling cash figure was at £130m up from the previous year's level of £78m. £69.5m of this was held within sterling liquidity funds and £60.5m held with five F1 rated banks.

Responsible Investment (Section 8d)

The Authority is fully committed both to investing responsibly and to the good stewardship of its investments across all asset classes. It seeks to act at all times in the best long-term interests of all stakeholders and protect and enhance the value of the companies in which it invests on their behalf. We have defined what we believe responsible investment to mean in the following terms:

South Yorkshire Pensions Authority believes that investing in well governed and sustainable assets is key to delivering the long-term investment returns required by the Pension Fund. The Authority's goal is for carbon emissions from the totality of its investment portfolio to be zero by 2030 (the "Net Zero Goal") and has developed a net zero action plan to chart its route to this goal. This action plan includes the incorporation of this Net Zero Goal in the Authority's investment beliefs and investment strategy and contemplates frequent review of the performance of its investments within the context of this goal, as well as monitoring of the delivery of the commitment and the transition towards it.

We work within the Border to Coast Pensions Partnership to achieve our objectives and the policy framework within which we do this is illustrated in the diagram below (the purple boxes are owned by SYPA and the blue ones by the Partnership).



The Authority's policies are reviewed each year in March, with the intention of influencing the development of the Partnership policies, which are reviewed annually over the summer with approval in the autumn leading up to peak voting season. The latest policy documents can be found [here](#).

On the back of the annual policy review the Authority has influenced the development and evolution of the Border to Coast Partnership's voting guidelines, in particular the strengthening of the position in relation to holding companies and specifically their Board Chair, to account for their actions to address climate risk.

The Authority believes in being transparent about its stewardship and ESG activities. It produces quarterly reports on the activities undertaken on its behalf by Border to Coast and their engagement partner Robeco and on collaborative activity undertaken by the Local Authority Pension Fund Forum which are available [here](#) through our website. These reports also include, where available, details of the ESG ratings and characteristics of specific portfolios.

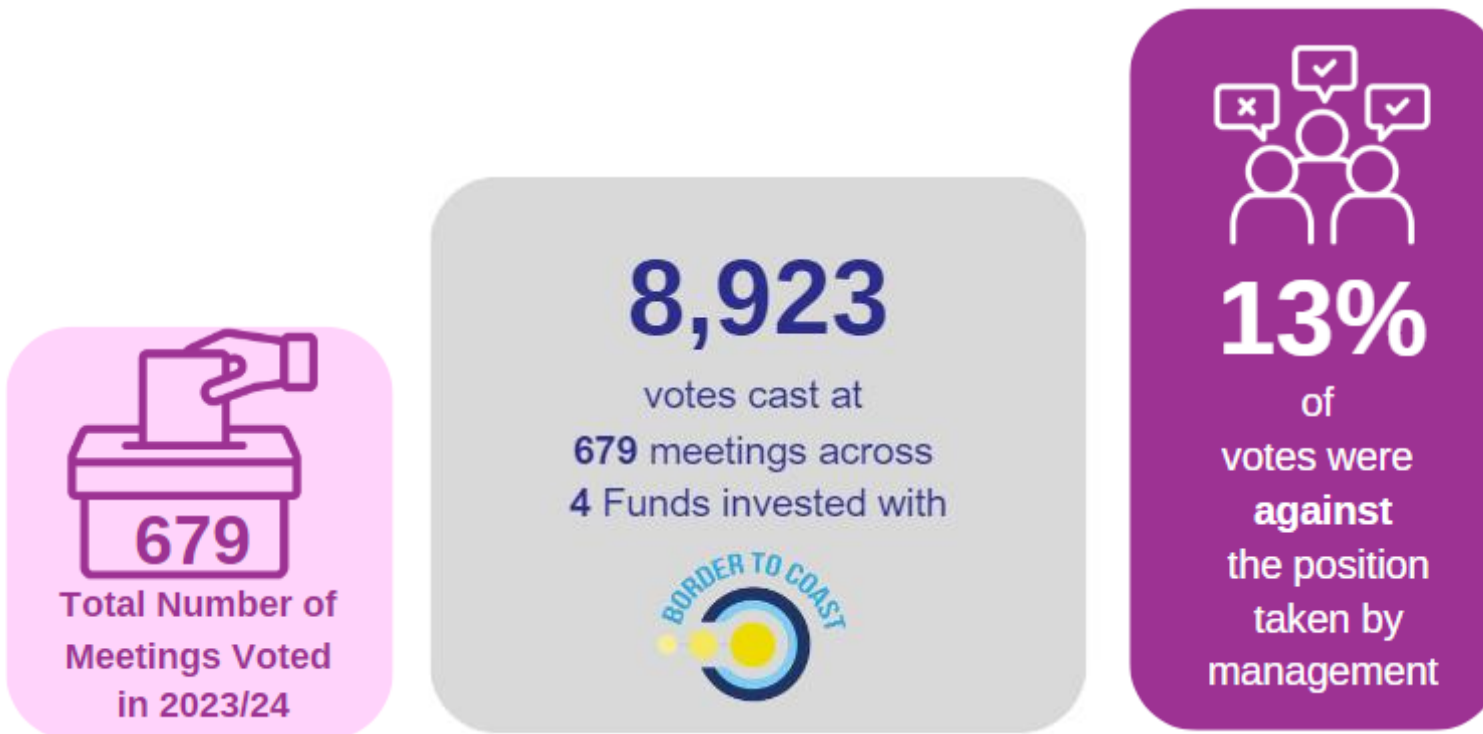
Voting

Active ownership involves using shareholder rights to improve the long-term value of a company and includes both voting and engagement strategies. The Authority regards voting rights as an asset and looks to those managing money on its behalf to use them carefully.

Because we now own shares through pooled funds operated by the Border to Coast Pensions Partnership, we no longer exercise our voting rights directly. However, Border to Coast exercises voting rights and engages with investee companies in line with a Responsible Investment Policy and Voting Guidelines jointly agreed by all the partner funds.

The full guidelines can be found [here](#) on the Border to Coast website.

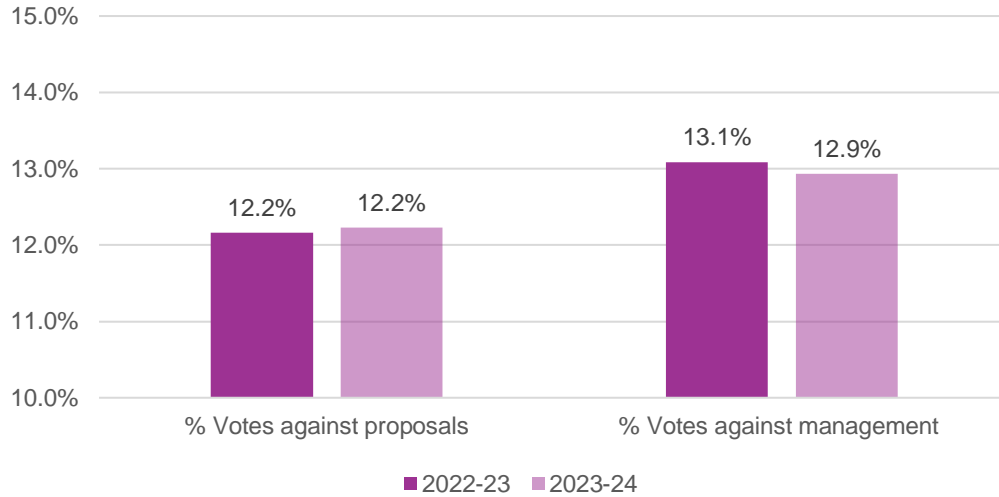
Below is a summary total voting activity over the last year.



The total number of votes cast in 2023/24 is marginally down on last year as a result of a reduction in the number of stocks held in the underlying listed equity funds.

The proportion of cases where we have opposed resolutions is in line with the previous year as shown below. However, the proportion of votes against management has marginally reduced since last year as shown below.

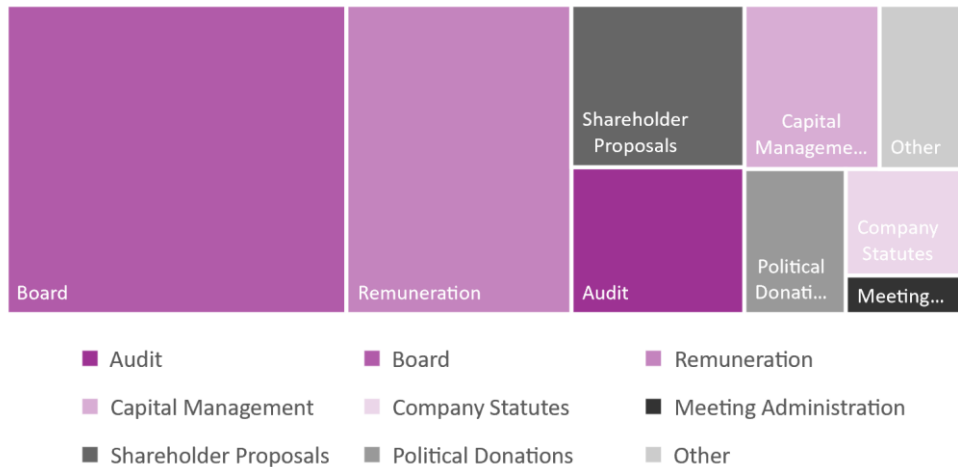
Opposition Votes 2022-23 v 2023-24



Following the tightening of the voting guidelines in 2022/23, Border to Coast continue to vote against the Chairs of companies and remuneration committees where the company has failed to achieve sufficient board diversity or to adequately address climate risk. As well as votes against the Chairs of companies, there were significant votes against management cast in support of shareholder resolutions aimed at ensuring companies have robust plans for the transition away from carbon supported by science-based targets. While the proportion of votes against proposals has remained at a consistent level, there has been a small reduction in the proportion of votes against management. This small reduction in votes against management reflects positive initial movement by **some** companies in relation to climate issues.

Notable votes against management include Border to Coast's public pre-declaration of their decisions to vote against the Chairs of Shell and BP and to vote against Glencore's climate report to signal their intent to other investors. The increasing escalation of Border to Coast's approach was particularly warranted given recent backsliding on targets seen among some companies on the back of strong profits.

Subjects of Oppose Votes 2023-24

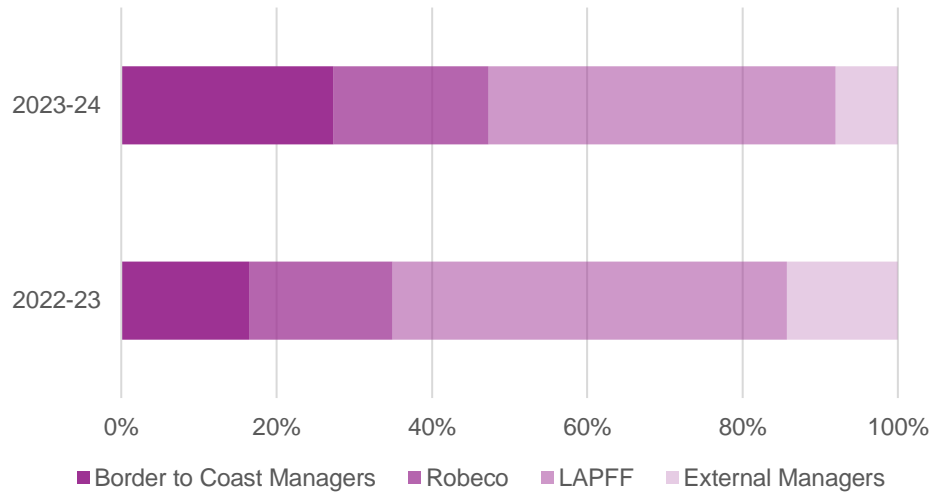


Engagement

Engagement is the process by which investors use their influence to encourage companies to improve their behaviour and management of ESG issues which may improve the companies' long term financial performance. Following the pooling of our assets the Authority now engages with companies in relation to these issues in four ways:

- Direct engagement with companies by Fund Managers at Border to Coast Pensions Partnership;
- Direct engagement with companies by external managers who are responsible for mandates within the Border to Coast funds;
- Engagement with companies by Robeco, Border to Coast's voting and engagement partner; and
- Engagement through the work of the Local Authority Pension Fund Forum (LAPFF) which is a collaborative group of UK local authority pension funds which seeks to use the collective scale of shareholdings in companies to influence behaviour.

Engagement Routes



Over **45%** of engagements undertaken in 2023/24 related to **Environmental Issues**



Just under **40%** of engagements were with **UK listed companies**



1,537 engagements with companies over the year



Engagement Priorities

The Border to Coast Partnership continued with the four engagement themes set to run for three years (from January 2022). The diagram below sets these out together with the aims of the engagements and also indicates how these themes link to the SDG priorities and characteristics of good assets set out in the Authority's beliefs statement.

	NATURE OF RISK	SYSTEMATIC ISSUES	ENVIRONMENTAL	SOCIAL	GOVERNANCE
ISSUE TO ADDRESS		Climate Transition	Waste and Water Management	Social Inclusion through Labour Management	Diversity of Thought
SYPA PRIORITY / CHARACTERISTICS		Climate Action SDG 13 / Affordable and Clean Energy SDG	Clean Water and Sanitation SDG 6	Respect for Human Rights / Transparency in Governance	Transparency in Governance/ Respect for Human Rights
AIM		Aims to engage both high emitters and banks identified as key to financing the transition to a low-carbon economy to commit to credible plans to meet net-zero targets	Aims to engage portfolio companies with high exposure to water intensive operations producing high levels of packaging waste to develop policies and initiatives to address the issue(s)	Aims to engage companies with high exposure to labour intensive operations and lower scoring companies in relation to human capital development and supply chain labour management risk	Aims to engage companies on plans to improve diversity within their workforce, including the establishment of workforce diversity programmes with a focus on equal opportunities

ENGAGEMENT TOPIC EXAMPLES

Over the year there have been a number of engagements, covering the topics above, that have been undertaken by Border to Coast through Robeco and LAPFF.

Three such engagements are summarised below with full details available in the quarterly reports for Border to Coast and LAPFF.

SHELL AND BP



- Border to Coast determined that both companies have set insufficient medium-term emission reduction targets with further concern around BP's backtracking on climate targets and Shell's failure to meet every CA 100+ Net Zero benchmark.
- After writing to both companies, Border to Coast voted against the re-election of the Board Chairs in line with their strengthened climate voting policy and voted for shareholder resolutions to support emissions reduction target.

WATER UTILITY COMPANIES



- Border to Coast joined a collaborative engagement initiative with focus including sewage pollution, water leakage, climate mitigation and biodiversity impact within the UK water utility sector.
- Border to Coast met with Yorkshire Water to discuss their assessment of the Company against sector expectations.
- Discussion focussed on pollution, maintenance of assets and biodiversity.
- Engagement with both Northumbrian and Yorkshire Water will continue.

EASYJET



- Border to Coast joined engagement, alongside other investors, with easyJet.
- A meeting was held on emission reduction targets and decarbonisation strategy.
- easyJet's response was satisfactory but further disclosure has been requested.
- Engagement with easyJet is ongoing.

Collaborations

Engagement activity is more likely to be successful if it is supported by the collective weight of a larger number of investors. Therefore, the Authority and Border to Coast support a number of specific investor groups aimed at delivering change in company practices in specific areas.



Border to Coast

Border to Coast is a founding member of the Just Transition Investor Initiative and are responsible for the following three strands:

1. Piloting engagement with an emerging market utility.
2. Joining other institutional investors in the Financing a Just Transition Alliance (FJTA), co-ordinated by the London School of Economics Grantham Institute.
3. Joining RLAM (Royal London Asset Management) to engage UK banks.



Local Authority Pension Fund Forum (LAPFF)

Much of LAPFF's work is reported in the Authority's Responsible Investment quarterly updates. The Authority continues to participate in the Forum's business meetings to help shape LAPFF's work programme and the way in which it undertakes its activities.

The Forum has continued to emphasise work on 'Say on Climate', human rights and the impact of the mining industry on indigenous communities.

Impact

We take the impact of our investments on both people and planet very seriously, as we reported in 2022 on a “whole portfolio” assessment undertaken by Minerva. Details of this are available [here](#). Over this year we have continued to concentrate on gaining a greater understanding of the impact of those investments we make with the intention of achieving an impact over and above meeting our return targets and in particular where those impacts are focussed. This work has supported our development of a place-based impact approach within the South Yorkshire region as part of the review of our current investment strategy, specifically in the appointment of a general needs housing manager to deliver affordable, build to rent housing and the set-up of a new mandate to invest in Small and Medium Enterprises. We intend to be able to publish further details of the appointed investment manager in the Annual Report next year.

We have again worked with the Good Economy and various fund managers this year to understand the positive impact that a range of UK investments have had. This is summarised in the following pages:

- Good Economy report to follow and will be inserted below.

Governance

In accordance with LGPS Regulations administering authorities are required to state compliance with the Myners’ Principles on a ‘comply or explain’ basis, within their Investment Strategy Statement. The six principles provide a basis for monitoring good investment governance. The Authority believes it is fully compliant and has continually reviewed both its Investment Strategy Statement and its compliance with the principles during the year.

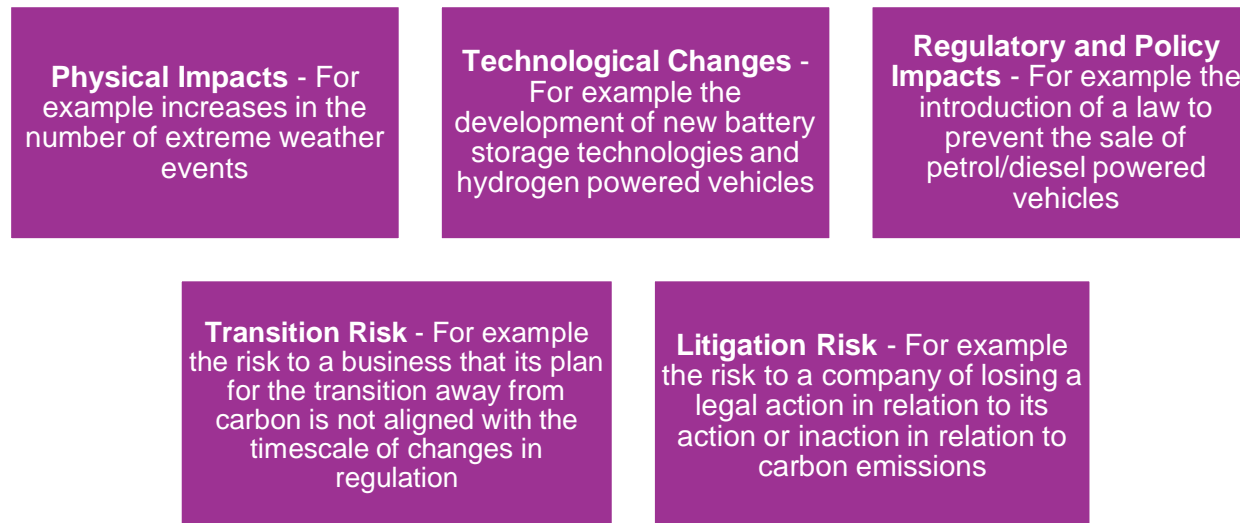
Stewardship

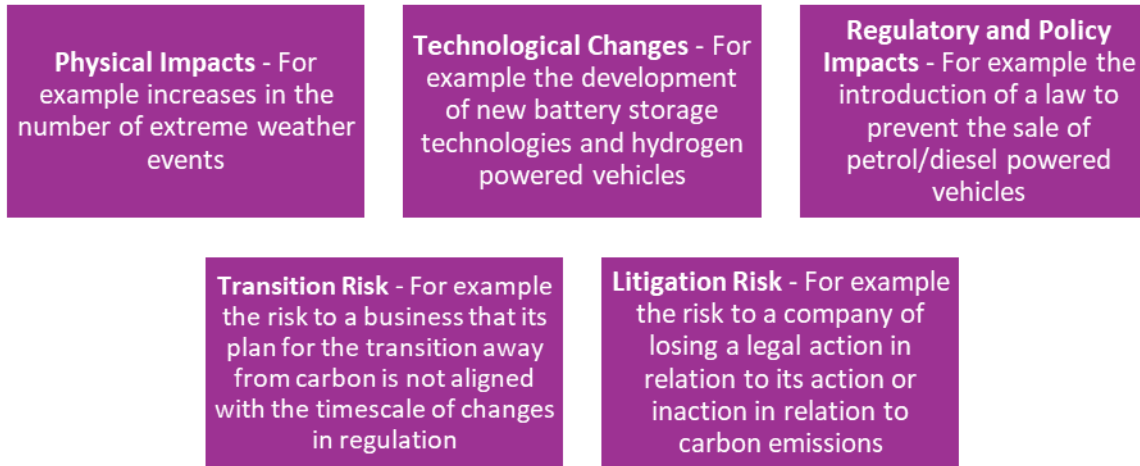
The integration of ESG risks and a robust approach to stewardship is strongly supported in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which govern how the Authority should manage its investments. Guidance made under the regulations states that funds should become signatories to the UK Stewardship Code. The Authority was recognised as a Tier 1 signatory of the previous version of the Stewardship Code.

A new version of the Stewardship Code which, for asset owners like SYPA, is based on 12 principles has now been introduced. This Code requires us to report on how we have addressed each of the principles in the way in which we have run the Pension Fund. We will be producing submission during 2024/25 to demonstrate how we have addressed these principles.

Climate Change (Section 8e)

The Authority recognises that Climate Change poses a systemic and possibly the greatest external risk to the value of the Authority's investment portfolio. The risks and opportunities associated with climate change may have a material impact across all asset classes. The inter-connected nature of climate change has the potential to reduce returns across all asset classes and will have a macro-economic impact that could affect the entire Fund. These potential impacts include factors impacting the value of liabilities, such as the life expectancy of scheme members, in addition to the value of investment assets. All of this creates a range of risks and opportunities that can be characterised in various ways.





As a long-term investor, the Authority believes that such information is needed by investors, lenders, and insurance underwriters in order to be able to assess climate related risks and opportunities. This led to the Task Force on Climate-related Financial Disclosures (TCFD) being established. Its remit was to develop a set of voluntary climate-related disclosures, which would assist in understanding the associated material risks of climate change. The final report with recommendation was published in June 2017; it considers that asset managers and asset owners, including public and private-sector pension funds, should implement the recommendations. The reporting framework recommended by the Task Force is structured around four themes: Governance, Strategy, Risk Management and Metrics and was updated in late 2021.

The Authority recognises that climate issues can be more relevant and readily implementable within some parts of the portfolio than others. In this section of the Annual Report, we provide an overview of the approach to climate-related governance, strategy and risk management that applies to all Border to Coast assets. Additional detail on the Authority's approach to climate-related governance, strategy, risk management and progress on Net Zero targets is available in our standalone TCFD report. The Authority also reports quarterly on the progress of its Responsible Investment and climate related activities, which can be found [here](#).

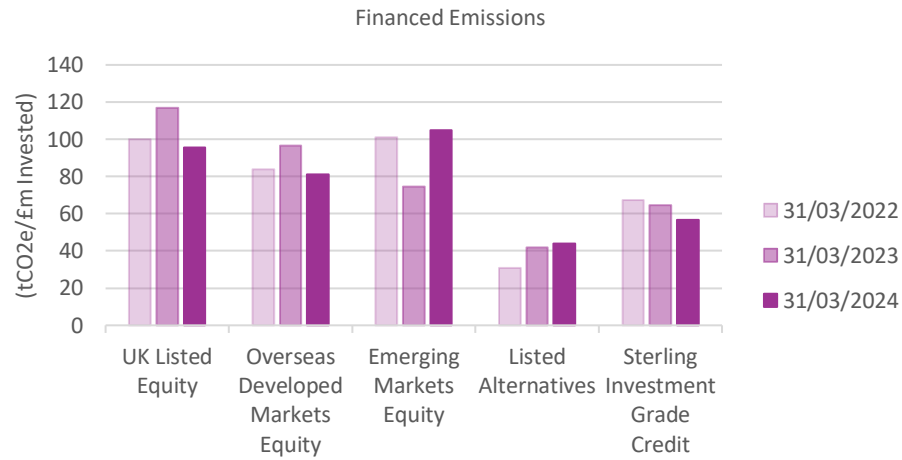
Data Quality

- The weighted average of reported data availability for the 5 listed asset portfolios is 90%.

Emissions Measurement

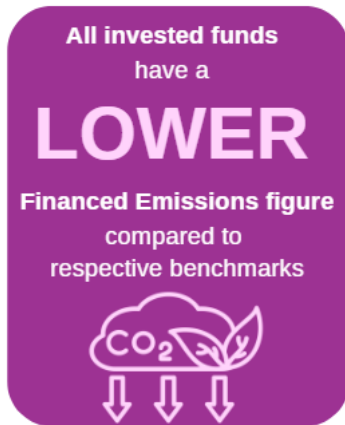
- In absolute terms carbon metrics for 4 out of 5 Funds have either remained relatively stable or reduced in all the Funds measured that the Authority are invested in.
- Scope 1 & 2 (weighted average) Financed emissions continued a downward trajectory, falling 17.6% in 2023/24.

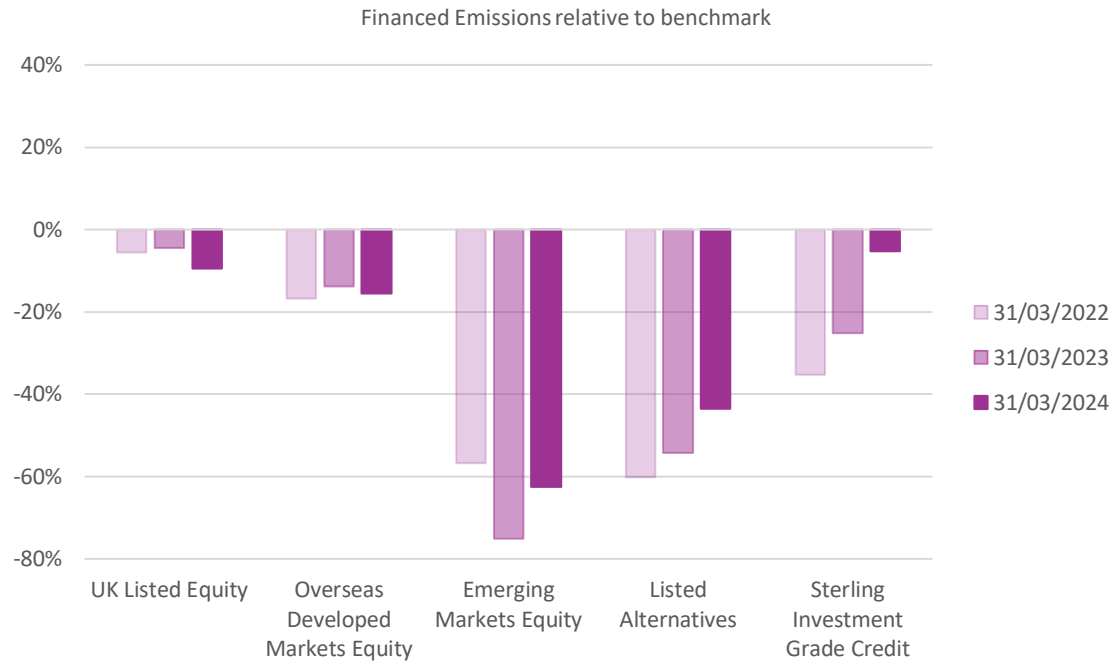




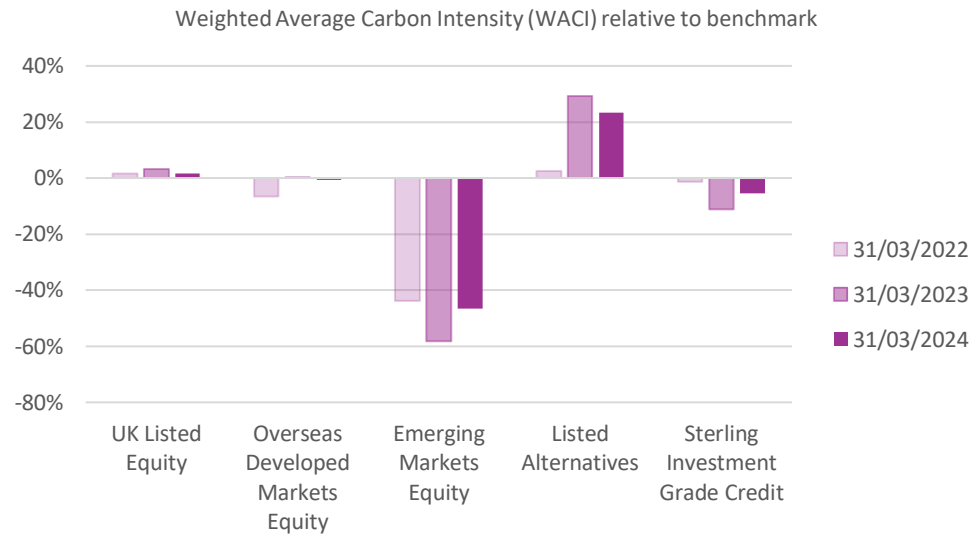
Source: MSCI ESG Research LLC, 31/03/2024

The financed emissions figure is affected by fluctuations in market value, where strong equity market performance this year has helped to reduce the overall level of financed emissions.

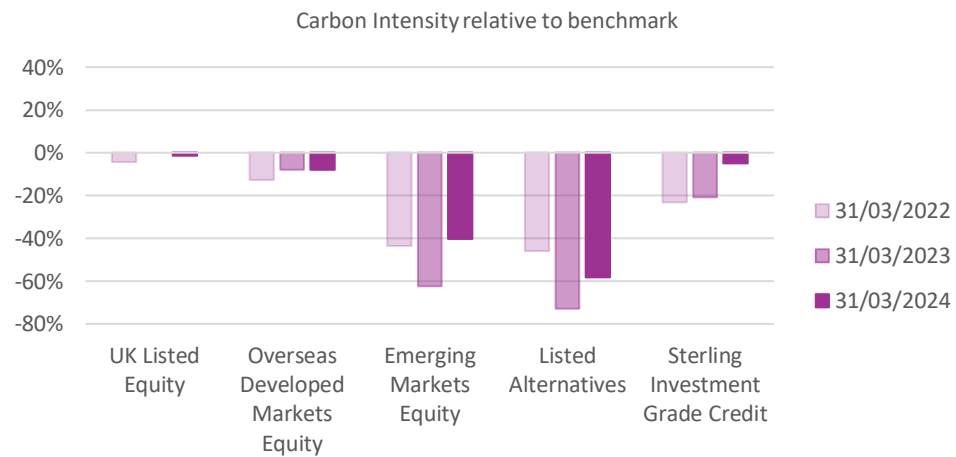




Source: MSCI ESG Research LLC, 31/03/2024



Source: MSCI ESG Research LLC, 31/03/2024



Source: MSCI ESG Research LLC, 31/03/2024

With the exception of the Weighted Average Carbon Intensity (“WACI”) measure for the Listed Alternatives Fund, all other funds have maintained their relative carbon intensity position of below or in line with the benchmark position.

Commercial Property

Progress has been made in a number of areas shown in the table below which analysed progress against the three pillars of abrdn’s ESG approach, capturing the sustainability indicators most material for the fund to consider at asset level:

Pillar	ESG Topic	ESG Ambition	Performance to date
Transparency, Integrity and Reporting	ESG Client Reporting	Annual ESG Reporting aligned with INREV best practice sustainability guidelines	Aligned
	GRESB	Increase score year on year	2023: 78 (3 Stars) 2022: 74 (3 Stars)
	TCFD	Report in line with transition and physical risks	Included in standalone TCFD report
	Green Building Certification	Target an increase in % of portfolio ERV covered by a certification	2023: 32% 2022: 37% 2021: 10%
Investment Process and Asset Management		Target net-zero carbon by 2050*	Detail included in standalone TCFD report
	Carbon and Energy	Target an increase in assets with energy performance certificated A-C	2023: 74% 2022: 78% 2021: 70%

*Note this is the Manager’s house target which will need to be managed within the Authority’s overall goal of Net Zero by 2030.

- The fall in the proportion of properties in the portfolio with Green Building Certification or an Energy Performance Certificate of A-C is due to changes in the valuation of underlying assets rather than the number of assets certified. This measure is calculated based on the value of the assets certified as a percentage of the overall fund value.
- The portfolio’s ESG performance is independently validated by the Global Real Estate Sustainability Benchmark (GRESB) who scored the portfolio in the top quartile of peers assessed. SYPA’s portfolio is evaluated against this standard every year and the table below summarises the scores over the last two years.

GRESB Component	2022	2023
Total score (out of 100)	74	78
Management score (out of 30)	30	29
Performance score (out of 70)	44	49
No of stars	3	3
Peer group ranking	22 nd of 80	22 nd of 100

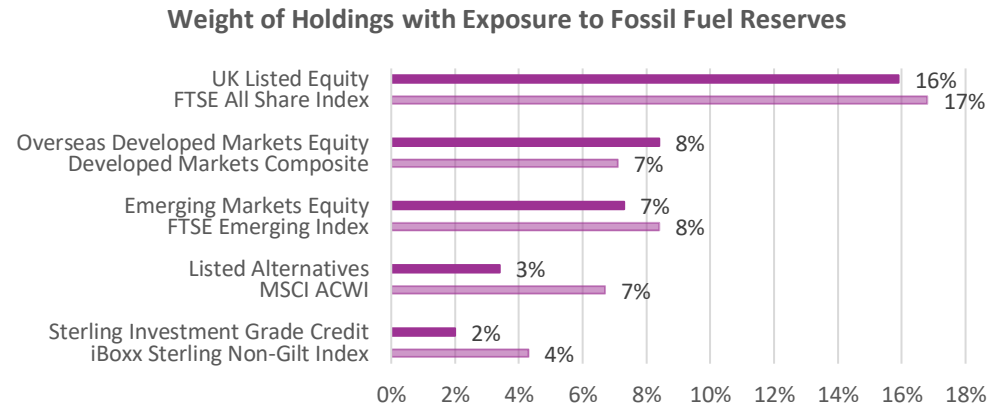
GRESB Data as at 31/12/2023



Holdings Analysis

An alternative way of looking at the impact of the Authority's investments on climate change is by looking at the nature of the things in which we are invested.

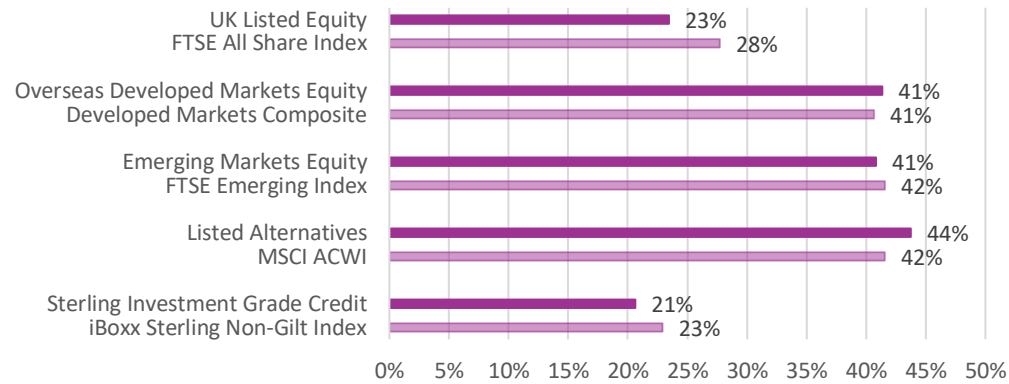
We can also look at the weight of companies in the various portfolios owning fossil fuel reserves and owning clean technology solutions as compared to the same metrics within the relevant benchmark index and this is shown in the charts below.



Source MSCI ESG Research LLC 31/03/2024

From the graph above, it can be seen that the relative position of fossil fuel reserves remains materially below benchmark for the Investment Grade Credit and Listed Alternatives Funds. All other funds are broadly in line with the benchmark for the other funds, which would be expected given the relatively low active share in these mandates.

Weight of Holdings with Exposure to Clean Technology Solutions



Source MSCI ESG Research LLC 31/03/2024

As well as monitoring the exposure to fossil fuels, the proportion of companies contributing to a low-carbon transition is also monitored. There is currently no industry standard definition for clean technology solutions; the data presented above uses MSCI's methodology, which may differ from that of other data providers.

We have over
4%
of assets
invested in portfolios
owning clean technology
solutions



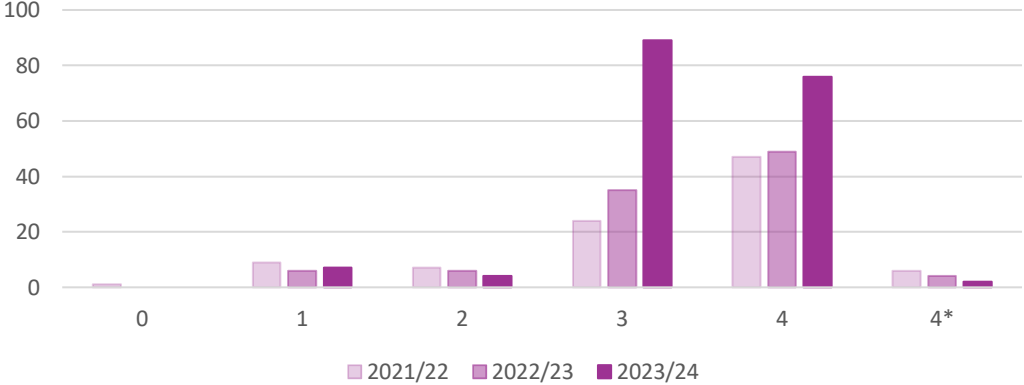
We invest
1.3
times more
in portfolios owning
clean technology
solutions than fossil fuel
reserves.

Since 2018 we have **increased**
our **investment** in **renewables**
and **climate opportunities** by
22 times and **significantly** tilted
our portfolio **away** from **oil and**
gas stocks.



It is also possible to consider the degree of commitment by companies in which we are invested to adapting themselves to the transition to a low/no carbon economy. We can do this through external assessment of companies position on the transition pathway. This technique only applies to listed companies held within the portfolios managed by Border to Coast.

Transition Pathway Levels - Companies Held in Border to Coast Funds



Page 281

Source: Border to Coast March 2024

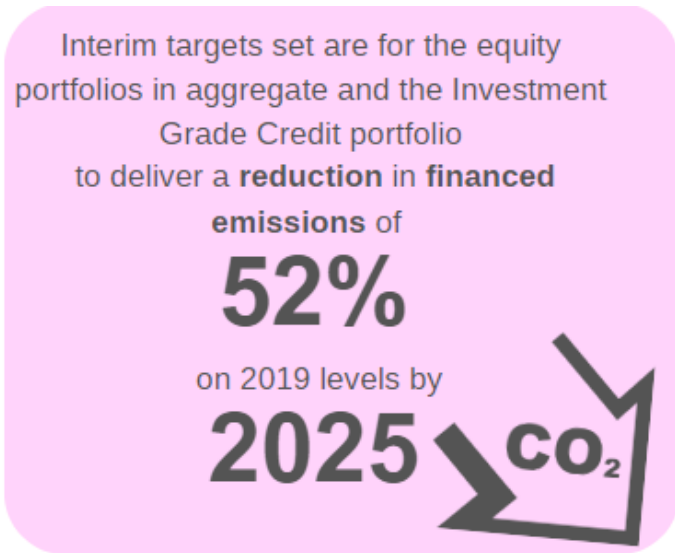


Targets

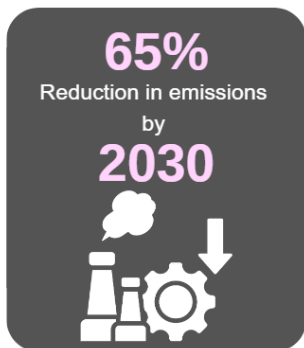
The Authority has set out its extremely ambitious goal of making its investment portfolios net zero in terms of carbon emissions by 2030.

We have now defined provisional targets for carbon emissions (also known as financed emissions) towards the achievement of this goal, with the addition of information on the portfolio's degree of alignment, with the targets set out in the Paris agreement, gathered through the Strategy Review.

The interim targets set are for the equity portfolios in aggregate and the Investment Grade Credit portfolio to deliver a reduction in financed emissions of **52% on 2019 levels by 2025**. This is significantly greater than implied in the International Energy Agency's Net Zero Emissions 2050 pathway. Given the reductions achieved to date this will require around a 2% p.a. year on year reduction for the remainder of the period to 2025. **A portfolio level reduction of 50% has been achieved by 31 March 2024**. This is broadly in line with the required reduction trajectory required to meet the interim 2025 targets.



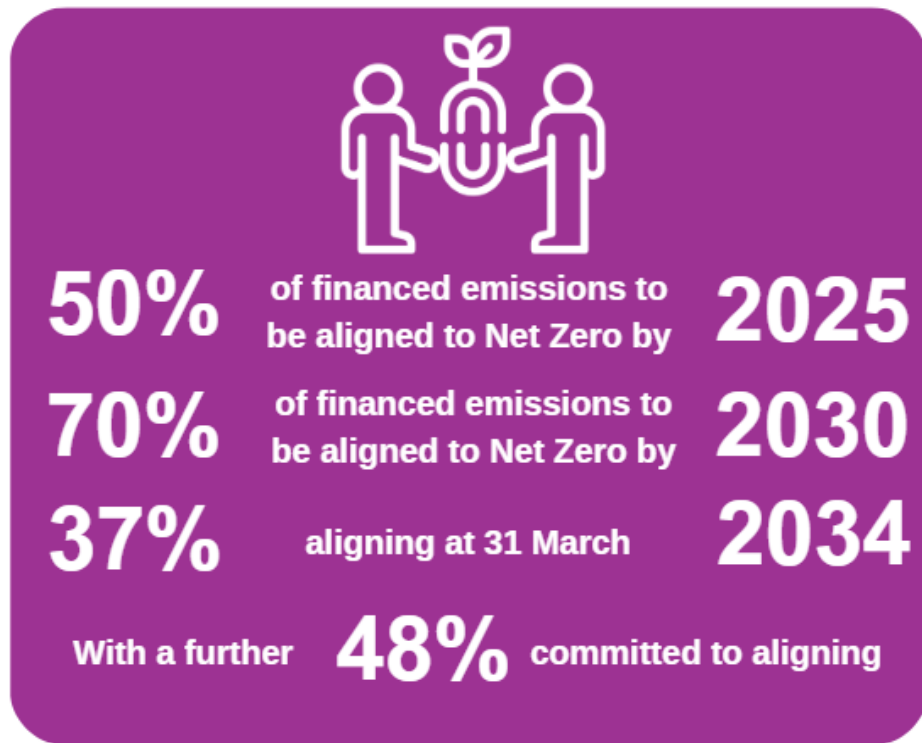
While the Authority would wish to see these portfolios achieve Net Zero by 2030, this is not something that is entirely within our gift, given our dependence on Border to Coast for the provision of investment products, and the fact that the broader partnership goal is set as 2050. Therefore, based on the current information available, these portfolios could achieve a **65% reduction in emissions by 2030** compared to 2019 compared to the 41% reduction implied in the pathway to 2050. This would require reductions of approximately 6% p.a., which is close to the reduction required by Paris aligned equity benchmarks.

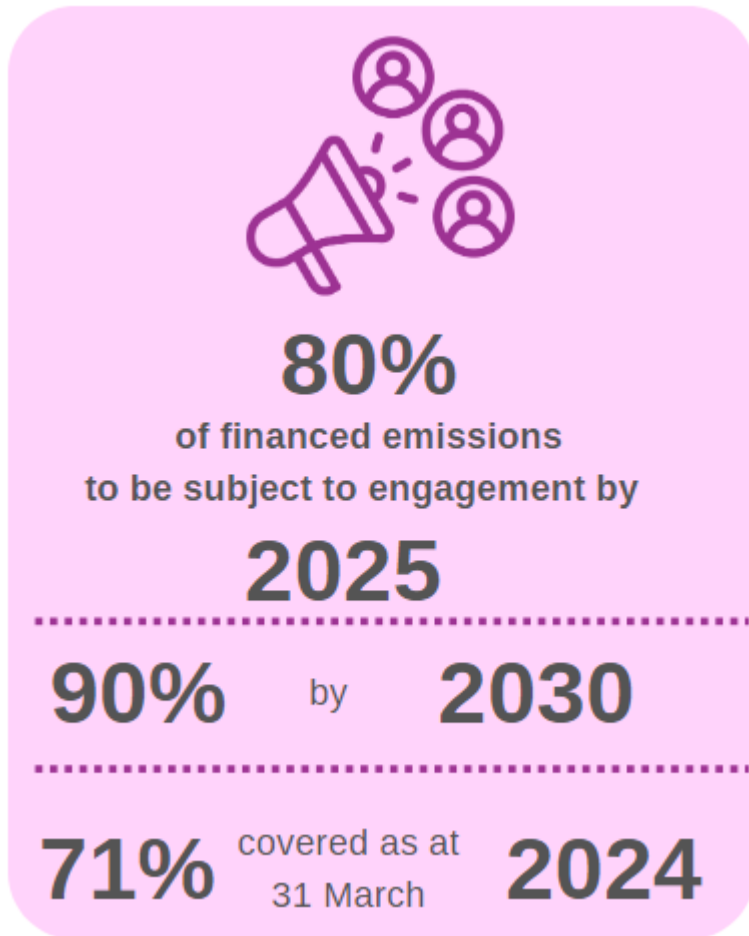


The Paris Aligned Asset Owners Framework to which the Authority subscribes also requires the Authority to set targets for the proportion of emissions by:

- Companies which are achieving Net Zero;
- Companies which are already aligned to Net Zero;
- Companies which are in the process of aligning to Net Zero; and
- Companies which are being engaged with to encourage them to align to Net Zero.

Based on progress to date with the public market portfolios (both equity and fixed income) we would expect:





All of these targets will be refined as part of the review of the Investment Strategy, which will include an examination of the balance between the different asset classes held by the Fund, which can also have an impact on overall emissions. Engagement with Border to Coast is also ongoing regarding the development of new 'green' products.

The material in this report has been prepared by Border to Coast Pensions Partnership Limited (“Border to Coast”) and is designed for the use of professional investors and provides investor information about the specific funds detailed. The MSCI ESG Fund Ratings and material in this document are for information purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. There is no assurance that any socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results. The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested. Border to Coast accepts no liability for any loss or damage arising from any use of, or reliance on, any information provided in this document. Border to Coast Pensions Partnership Ltd is authorised and regulated by the Financial Conduct Authority (FRN 800511).

Although Border to Coast information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the “ESG Parties”), obtain information (the “Information”) from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use*, may not be reproduced or re-disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

* In accordance with the licence agreement between Border to Coast and MSCI.

9. Scheme Administration

Summary of activities undertaken by the administration function during the year (6.1)

Administration of the scheme covers a wide range of duties from onboarding and continual support of employers, collection of monthly pension contributions (employers and employees) together with data collection for every individual member of the scheme all to ensure our Pension Administration database is up to date and we can process member benefits accurately and on time. The Authority continues to invest in resources and technology to continue to develop an efficient delivery platform and provide value for money for our stakeholders. The Pensions Service which undertakes the Fund's administration functions is now made up of four dedicated service areas, Benefits, Technical & Training, Customer Services and Employer Engagement. These service areas are constantly evolving to service the needs of our membership and employers. The LGPS is a contracted-out defined benefit scheme with benefits defined under statutory regulations (LGPS Regulations) which are not affected by the Fund's investment performance or market conditions.

The Pensions Service has faced another busy year, driving several projects forward, as well as responding to some significant changes. Changes have included the appointment of a new Assistant Director of Pensions in November 2023 and the restructure of the team into four distinct service areas. A thorough capacity planning exercise was undertaken to ensure those teams were correctly resourced. A workforce plan was drawn up which considered output capacity of staff, casework numbers over the past few years, backlogs and included allocating time to undertake training and development for all. The Authority, in line with objective to value and engage our employees undertook focus groups with the staff and their feedback helped focus and shape the changes. The team will not be fully recruited to in 2023/24. Recruitment will continue into 2024/25. However, it was pleasing to see that the work undertaken already contributed to an increase in casework completed, 90,000 over the year, the highest for several years.

2023/2024 has seen further increases in the volume of incoming work and delays in the issuing of key regulations, again, by the Government has delayed progress on some major pieces of work such as the McCloud remedy.

Over the last twelve months, the Pensions Administration Team continued to work hard to ensure the benefits it looks after for scheme members are paid accurately, on time and according to scheme regulations. Fundamental in achieving this aim is to ensure accurate and timely data is received from scheme employers, robust internal controls are in place, innovative technology is used, and the fund delivers excellent communication standards.

Arrangements in place for gathering assurance over the effective and efficient operation of administration operations are;

- External audit
- Internal audit
- The Authority
- Local Pensions Board
- Quarterly performance reporting
- The Pension Regulator's annual scheme return

As of 31 March 2023, there were 51,726 active members, 64,654 deferred members and 63,523 pensioners and survivors in the fund, a total of 566 active employers all looked after by 77 members of staff in the Pensions Administration Team.

Key projects undertaken across the year have included updating the Appeal Process. This has made it more robust and easier to monitor. The Transfers Out procedure required an overhaul to ensure the Fund was fully compliant with all guidance. This was also to ensure our members were protected from Scams. This rework will carry across to 2024/25 and will culminate in the authority signing up to the Regulator's Scam Pledge.

The Authority recognised its backlogs were growing and positive action was taken to clear them by the end of 2024/25. A plan was put in place together with rigorous monitoring. Until the team is fully resourced workloads will continue to backlog in the short-term.

An Administration Improvement Plan was built into the corporate plan with a focus on data quality, organisational change, system improvements to ensure best use of technology and backlog clearance. The Authority data cleanses throughout the year. This resulted in a small improvement of the annual Pension Regulators scores posted for 2023 (25.01.2024).

	TPR Scheme Return	TPR Scheme Return
	2022	2023 (25.01.24)
Common Data	97 %	97 %
Scheme Specific Data	94 %	96 %

The Authority is pleased to report that after team changes in the previous reporting year all employers now submit monthly data returns. Contribution payments are collected by direct debit and processes are in place to identify and chase late submissions as well as

monitoring the data quality. In 2023/24 92.13% of monthly data was provided on time. This work will be driven forward by the Employer Services Team. Ensuring the employers are providing the Fund with the correct data on time will be a focus for this team in 2024/25.

2023/24 also saw improvements to the Ill Health Process. All Employers now undertake their responsibilities in this area fully. Prior to this the Fund was still undertaking some of their duties for them. This has resulted in an improved process for employers and members and has ensured the Authority is not holding unnecessary personal data.

The Authority is proud of its buy-in from the membership regarding our online portal; 52% of the membership are now registered to view their benefits online.

Services provided to all Fund Members

The Fund prides itself on developing and delivering communications of a high standard, ensuring it is well placed to deal with change and challenge. We seek to place our customers at the heart of everything we do, ensuring the Fund drives continuous improvement and develops working practices, systems and processes which are informed and prioritised according to the needs of those customers.

The Fund continues with regular communication which includes:

- regularly updating website content and design
- delivering bulk email campaigns to members
- producing annual newsletters, bespoke to our membership categories
- delivering pension roadshow events across South Yorkshire ensuring they are accessible to all
- providing both members and employers with a range of face-to-face and digital support, webinars, presentations, workshops and events
- Seeking feedback from members to improve future services through member engagement forums

The Customer Service team is the first port of call for most stakeholders, including the member helpline, with around 32,500 calls during 2023/24, and 37,000 emails. The Fund's dedicated Employer Services Team are committed to supporting our employers by providing information to members on a wide range of pension matters at the members' workplace, offering a variety of ways to engage with and

support our members. These include individual consultations, member self-service sessions and a suite of webinars aligned to a member's customer journey from introduction to the LGPS to retirement. Member engagement forums remained popular and provided the Authority with valuable insight and feedback from each category of membership. Initiatives such as Pensions Awareness Week were utilised to increase scheme members' knowledge of the value of their pension to them, using both specific events and social media campaigns.

Services provided to all Employers

To effectively administer the Local Government Pension Scheme for members, the monthly data provided by employers is essential. Working effectively with employers is therefore crucial. Employers have a range of statutory responsibilities, the most important of which is the requirement to pay over contributions intact and on time supported by accurate data in the format required by the Authority. The team undertakes monthly and year-end data quality checks. Mortality screening and address verification is also undertaken to continue to improve the data held, to ensure member benefits are accurate. Employers must provide their monthly data submission on time so that their contributions payable can be collected by direct debit by the 19th of the month at the latest.

Scheme employers receive a quarterly newsletter covering hot topics, updates on administration issues and important reminders. Fund Employers have also been reminded that the team will support in-person presentations at their workplace, followed by member one-to-ones should there be a local need. Notable successes during the reporting year have been;

- Collaboration with employers has improved on time data collection from 88% in 22/23 to 92.13% this year.
- Engagement staff attended employer events to promote the LGPS to staff on International Women's Day.
- Employers Forum was well attended, and the team received positive feedback and suggestions for the 24/25 Forum.
- Ill Health Retirement Process changed and passed to the employer – updated forms, training, and guides.
- Building relationships with employers and having regular meetings with four of the larger employers to ensure data quality is maintained/improved.

These events provide the Fund with a valuable opportunity to demonstrate new developments as well as enhancing service delivery based on the feedback received from participants. Employer services continue to deliver and develop employer coaching sessions to support new employers, those with staff changes or a need for refresher training. These sessions have been delivered via webinars and videos, with the aim of increasing understanding of employer responsibilities and how the Authority and the employers work together to

deliver benefits to members. The Authority has an employer peer focus group which has provided valuable feedback during the year and assisted in the development and roll-out of further initiatives and service improvements. In total, the team facilitated nearly 50 engagement sessions with employers across the year.

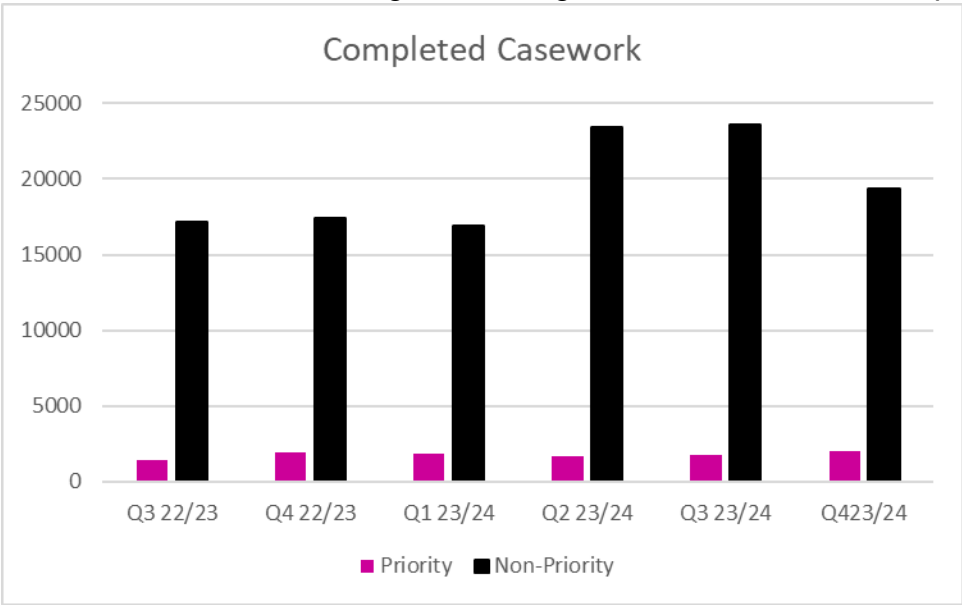
Performance against administration KPI's (6.2)

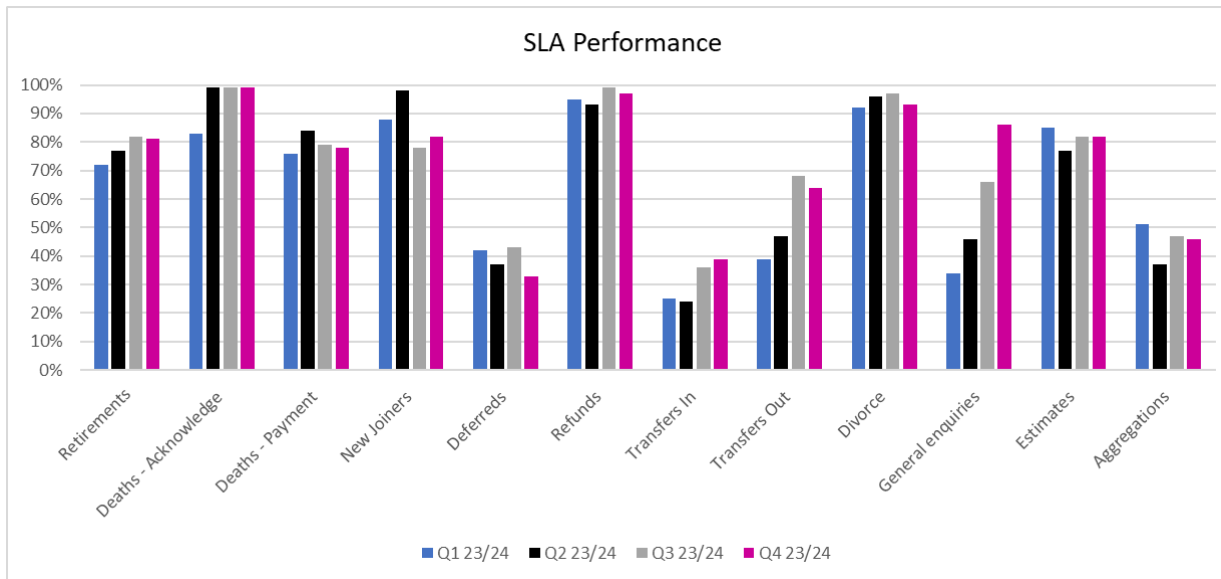
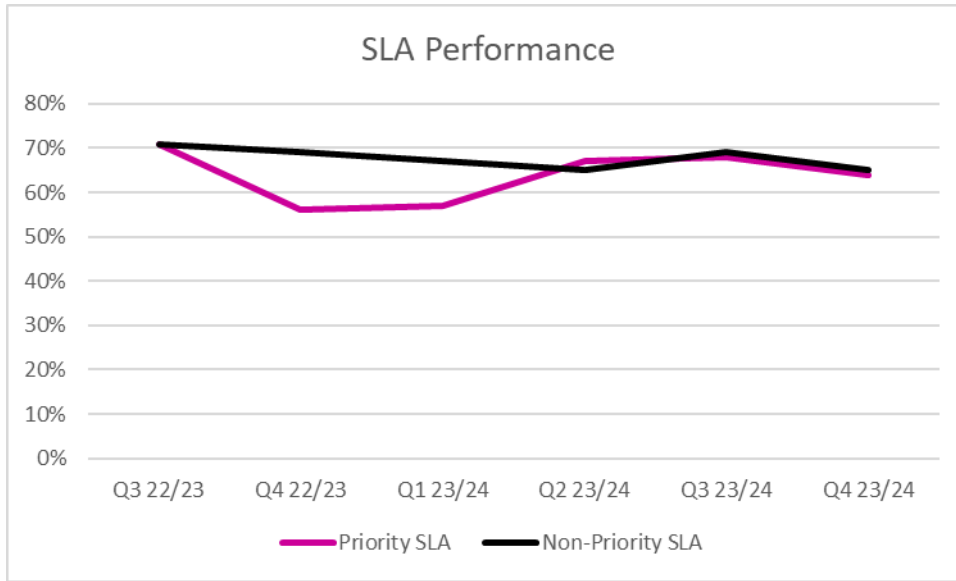
The graph below shows the comparable KPI's to previous reports.

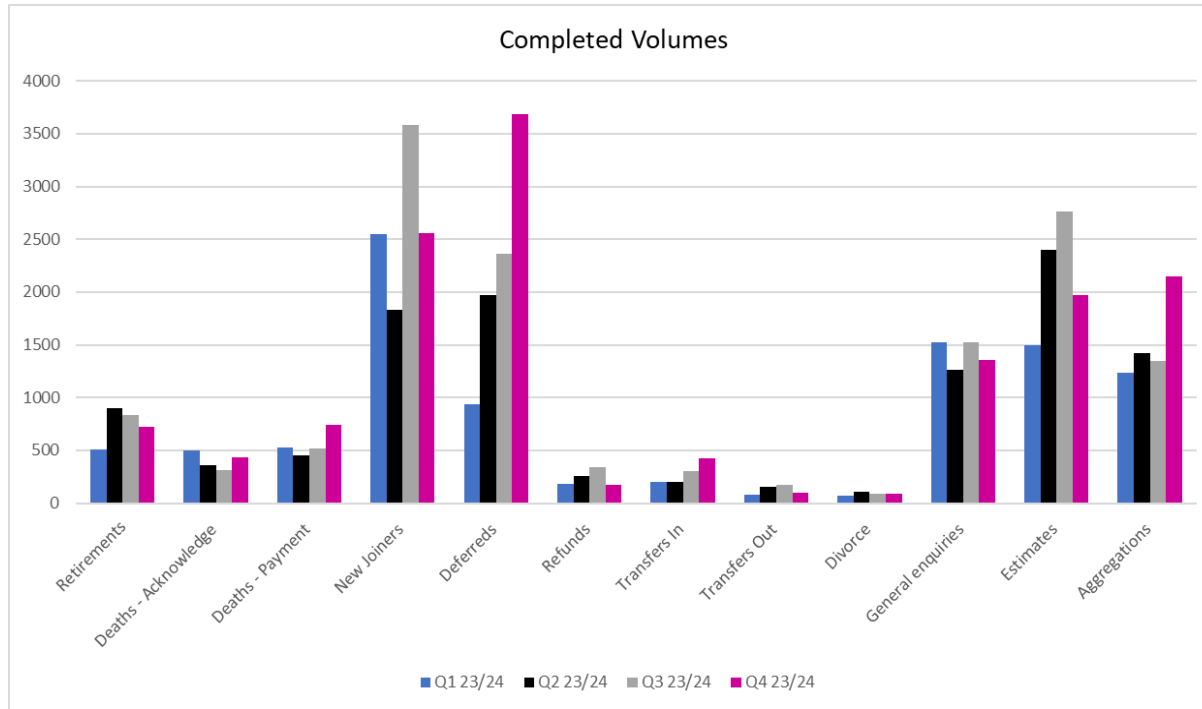
Key service standard	Target days	Number processed 2022/23	Number processed 2023/24		On target 2022/23 %	On target 2023/24 %	
Retirement benefits	5	3220	3337		63.60	75.73	
Death benefits - initial	5	1549	1814		83.15	25.30	
Death benefits - payment		1912	2029		80.49	79.74	
Retirement estimates	5	2933	3350		71.22	76.69	
Pension rights on Divorce	10	383	358		87.73	94.69	
Preserved Benefits	20	4258	6316		60.47	41.36	
Transfer Out	7	658	596		75.99	79.03	
Refund of contributions	9	687	976		92.29	94.98	
Transfers In	7	875	965		61.49	73.89	
Additional benefits	8	197	369		76.65	88.62	
General enquiries	5	4863	5675		50.03	57.60	
Setting up a record	10	11613	11247		89.99	85.29	
Totals		33148	37032				

Across 2023/24 there were still challenges processing work within targets and in understanding how to better use the data available however, 2023/2024 has been a positive year overall. Backlogs have been identified, are being tackled with active monitoring in place. Capacity has been measured and a model identified going forward to cope with the workload of the Authority. Statistics clearly show a record high for the volume of work completed in the year at 90,745 cases. This is a 30% increase on the cases completed in 2022/2023 (69,800). Clear proof that the new ways of working, including targeted overtime whilst the recruitment takes place, are having a positive impact. This will be taken forward into 2024/25. Currently case load is also grouped by the team as priority and non-priority, this is also

to be tackled in 2024/25 as clearly this is not transparent or helpful in ensuring all casework is dealt with in line with the performance measures built in. Removing the naming convention should be helpful to all.







Annex A – table A – Total number of casework

The Authority is able to report on the total number of casework in accordance with the new guidance issued in March 2024. It is not however able to produce the table requested for table B retrospectively for 2023/24.

Ref	Casework KPI	Total number of cases open start of year	Total number of cases created in year	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and dependent members	438	4092	4054	89.49%	2925	86.98%
A2	New dependent member benefits	11	747	758	100.00%	760	98.57%
A3	Deferred member retirements	174	1895	1896	91.64%	1784	91.11%
A4	Active member retirements	259	1986	2073	92.34%	2073	88.89%
A5	Deferred benefits	7019	9281	7826	48.01%	5206	42.58%
A6	Transfers in (including interfunds in, club transfers)						
	quote	999	2200	2157	67.43%	1904	65.59%
	payment	129	675	563	70.02%	377	74.51%
A7	Transfers out (including interfunds in, club transfers)						
	quote	284	1944	1912	85.82%	1951	87.29%
	payment	47	817	791	91.55%	508	91.53%
A8	Refunds						

	quote	707	4237	4132	83.58%	2841	80.07%
	payment	29	1142	1095	93.51%	873	96.78%
A9	Divorce quotations issued	20	466	429	88.27%	445	95.70%
A10	Actual divorce cases	9	33	26	61.90%	20	68.97%
A11	Member estimates requested either by scheme member and employer	399	4273	4197	89.83%	4491	91.84%
A12	New joiner notifications	83	11599	11342	97.09%	11633	99.29%
A13	Aggregation cases						
	Quote	1737	4456	4128	66.66%	5523	76.07%
	Actual	3419	4233	1620	21.17%	1146	25.10%
	Data upload	515	4130	3943	84.89%	2860	84.74%
A14	Optants out received after 3 months membership						

Monthly data collection

A key factor influencing the level of service the Authority can provide to scheme members is the timeliness and accuracy of data submitted by employers to enable completion of statutory duties. In 2018 monthly data collection from employers was introduced and in 2020 introduced the collection of contributions by direct debit derived directly from the data files submitted by employers and their data providers. In 2023/24 employers have continued to engage with the Authority and 100% of employers now provide monthly data submissions and all but 1 pay their contributions by direct debit.

The Authority monitors the responsiveness of employers to the queries which inevitably arise about both monthly data submissions and on other occasions such as scheme members retiring and data on the most significant numbers of outstanding queries are provided to the Local Pension Board each quarter. Over the course of the year significant progress has been made by the larger employers (one who provide services for many other employers has seen good improvements). Over the course of the year, a more structured and intensive process of engagement with employers was developed who were having difficulties in either responding to queries or in submitting accurate monthly data with a view to resolving issues at source. The evidence in the latter part of the year was that this was beginning to pay dividends, but further work will be required in the coming year.

The table below summarises the performance of the “top 10” employers in terms of resolving queries over the course of the year:

Summary of Employer Queries Raised, Completed and Outstanding

Shown by Quarter for 10 Employers with highest total query volumes to up to 31 March 2024

Employer	Q1 2023/24			Q2 2023/24			Q3 2023/24			Q4 2023/24		
	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End
[00500] Rotherham MBC	186	199	26	333	225	134	174	165	143	100	154	89
High	70	70	4	50	48	6	41	43	4	37	34	7
Standard	116	129	22	283	177	128	133	122	139	63	120	82
[00400] City of Doncaster Council	211	229	51	375	284	142	218	199	161	111	192	80
High	81	84	2	38	30	10	58	65	3	45	37	11
Standard	130	145	49	337	254	132	160	134	158	66	155	69
[00600] Capita	15	15	266	53	62	257	22	78	201	18	30	189
High	4	3	12	2	3	11	5	7	9	3	6	6
Standard	11	12	254	51	59	246	17	71	192	15	24	183
[00600] Sheffield CC	281	240	215	578	376	417	259	312	364	158	297	225
High	140	88	74	115	114	75	53	108	20	60	58	22
Standard	141	152	141	463	262	342	206	204	344	98	239	203
[00600] EPM	6	8	223	38	49	212	12	44	180	4	11	173
High	1	1	11	3	2	12	1	7	6	1	0	7
Standard	5	7	212	35	47	200	11	37	174	3	11	166
[00300] Barnsley MDC	103	113	31	225	156	100	109	184	25	73	75	23
High	56	58	8	32	34	6	24	27	3	30	29	4
Standard	47	55	23	193	122	94	85	157	22	43	46	19
[00295] The Chief Constable	50	50	22	94	47	69	54	55	68	49	68	49
High	16	14	3	29	27	5	14	14	5	23	24	4
Standard	34	36	19	65	20	64	40	41	63	26	44	45
[00372] Greenacre Academy	10	32	52	22	30	44	16	24	36	3	3	36
High	0	0	1	1	0	1	1	1	1	0	0	1
Standard	10	26	52	21	30	43	15	23	35	3	3	35
[00222] The Sheffield College	26	26	28	38	25	41	18	25	34	17	25	37
High	8	7	2	2	0	4	2	4	2	3	3	2
Standard	18	19	26	36	25	37	16	21	32	14	11	35
[00548] Places for People (RMBC)							12	4	60	3	8	55
High							0	0	7	0	1	6
Standard							12	4	53	3	7	49

Member and employer number by category (6.3)

EE Membership numbers table (to be displayed as infographics)

Active	51726
Deferred	64654
Pensioner	63523
Total	179903

Page 299

Active		
Gender	Female	74%
	Male	26%
Age Profile	16-29	6739
	30-44	16929
	45-54	13513
	55-64	13050
	65+	1495
	Other	
	Average age	45
	Minimum age	16
	Maximum age	74

Deferred		
Gender	Female	75%
	Male	25%
Age Profile	16-29	3142
	30-44	22888
	45-54	21159
	55-64	16341
	65+	1124
	Other	
	Average age	47
	Minimum age	18
	Maximum age	82

Pensioner		
Gender	Female	65%
	Male	35%
Age Profile	0-44	487
	45-54	362
	55-64	14122
	65+	48552
	Oldest pensioner	107
Other		
	Average pension	5292.06
	Average age at retirement	59
	Average age of pensioner	71

Pensioner		
Gender	Female	65%
	Male	35%
Age Profile	0-44	487
	45-54	362
	55-64	14122

	65+	48552
	Oldest pensioner	107
Other	Average pension	5292.06
	Average age at retirement	59
	Average age of pensioner	71

Employers in the Fund

566 - Covered by table with contributions.

Adjusted start of year total*	549
Admissions 2023/4	45
Terminations 2023/4	-28
31 March 2024 active employers	566

**548 reported at 31.03.2023 - adjusted because of 2 late notifications of employers having ceased and 3 back dated admissions to earlier years. Net adjustment +1.*

Actions taken to deliver the Consultation, communications and Engagement Strategy (6.4)

- Employees
- Employers

The Authority's mission is: "To deliver a sustainable and cost-effective pension scheme for members and employers in South Yorkshire delivering high levels of customer service and strong investment returns which facilitate stable contributions." Over the year the Authority has continued to consult with all stakeholders, employers, and members. Regular focus groups have been run with employers and they have been consulted on a number of areas including but limited to, changes to the Ill Health Retirement Process, the Employer Hub, and the Annual Benefit Statements. Scheme member satisfaction surveys as well as employer satisfaction surveys were undertaken.

Results can be found below. Each quarter the results of the feedback are monitored, and improvements actions put in place where appropriate.

The Authority's communication principles have been adhered to and all communications are offered in a range of methods to help ensure that no one in our scheme is disadvantaged. We offer large print, audio, and braille formats.

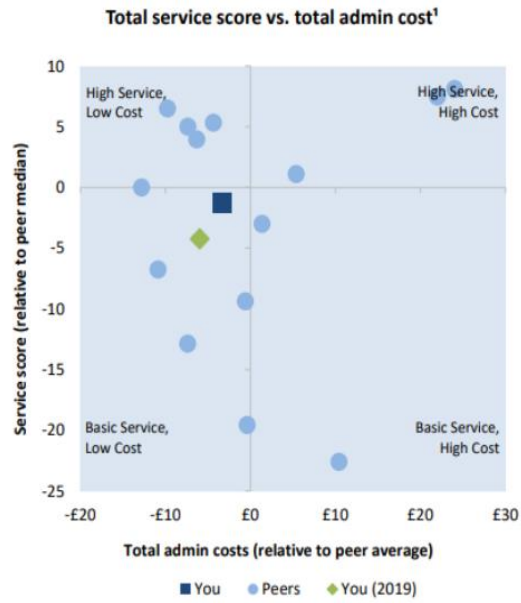
Across the year we have delivered pension forecasts, bespoke newsletters to all categories of membership, employer newsletters, Board news updates, run presentations for employees and Employers to name but a few, all in line with the Strategy. Teams at the Authority use many different methods to deliver messages. Digital is the Authorities preferred method, but all are catered for, and it is recognised that digital does not suit everyone.

Value for money (6.5)

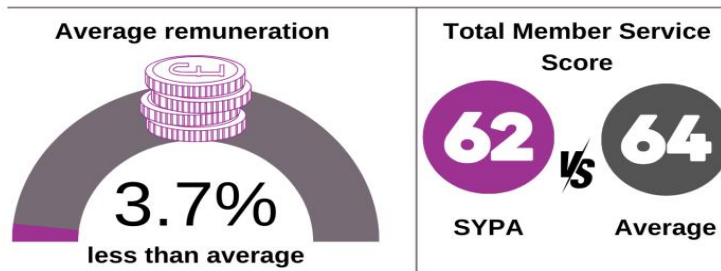
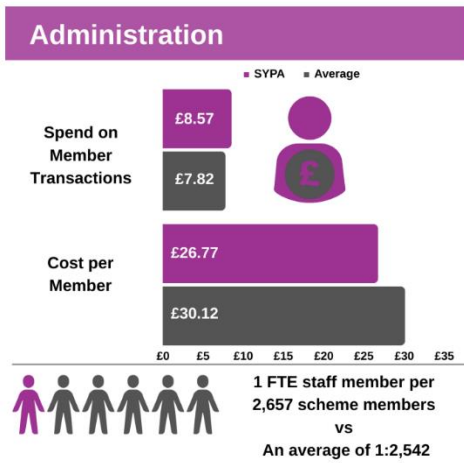
To ensure the effectiveness of the administration services, the Authority is monitored through internal and external audits. The Authority also returned to CEM to benchmark 2022/23 performance against an appropriate peer group of 14 other administration providers. The analysis of the results received in 2023/24 provided the Authority with the opportunity to understand how its costs and performance / quality of service rate compared to others and helped identify areas for improvement. CEM benchmark the overall cost effectiveness of pension schemes in both the private and public sector by looking at several measures designed to assess customer service as well as administration costs. The total administration costs per member, based on the 2022/23 data was below the average (£30.12) at £26.77 per member.

While we must not be complacent about our costs what is more important is the level of service that we deliver with the money we spend, and whether that meets the needs of our scheme members and employers. CEM's summary places SYPA as a basic member service low-cost provider on their cost effectiveness chart for 2022/23 (as shown below), this is because of a greater cost being directed at what are described as "member transactions". Although the service score is close to the high service boundary.

NB Charts based on 2022/23 data.



. NB Charts based on 2022/23 data.



Quality

Positives



Scored 2nd highest score for phone outcomes.



Our website provides high value functionality, especially for pensioners.

Areas for Improvement



Call wait times average 250 secs vs median of 164 secs



>50% of retiring members paid without a cashflow interruption vs median of 67.5%



Provision of face to face individual meetings. (most do not provide)



31 days to send an estimate vs 12 days for peers

The Authority used these results in setting its corporate objectives in 2023/24, to look to increase the service score without necessarily increasing costs. The Authority continues to invest in resources and technology to continue to develop an efficient delivery platform and provide value for money for our stakeholders. The Authority will now participate in the CEM survey annually and will use the identified areas for improvement to support the administration improvement plan.

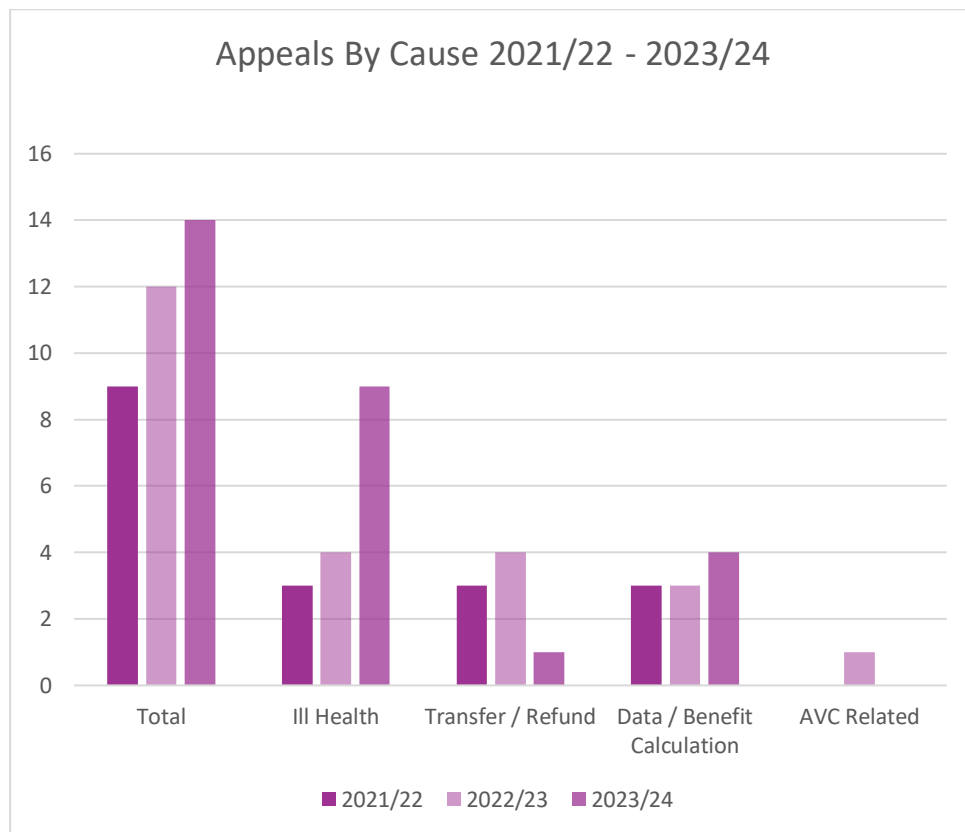
Complaints and dispute resolution (6.6)

Despite the teams' best efforts, the Authority does sometimes receive complaints from members when they have not been satisfied with scheme decisions. Members have the right to ask for scheme decisions to be looked at again under the formal complaints procedure

and they also have the right to use the procedure if a decision should but has not been made by their employer or the fund. This formal complaint procedure's official name is the internal dispute resolution procedure (IDRP) and the procedure is outlined in regulation 72 of the LGPS Regulations 2013. An active scheme member, pensioner, deferred pensioner, or potential beneficiary can all make an appeal under the IDRP procedure. There are two stages to IDRP, with the first stage of the dispute going to the body that made the original decision, requesting a review of that decision. If a member is dissatisfied with the outcome of the stage 1 decision, they may apply to the administering authority for a review at stage 2 of the IDRP within six months of the stage 1 decision. If, after the stage 2 decision, the member or beneficiary is still dissatisfied, they can contact The Pensions Ombudsman. The member or beneficiary has three years in which to apply to The Pensions Ombudsman who can investigate any type of complaint about a member's or beneficiary's pension. The member or beneficiary must have been through stages 1 and 2 of the IDRP before they contact the Ombudsman. Fortunately, such instances are few and far between shown by the number of cases across the reporting year, remembering the fund has almost 180,000 members.

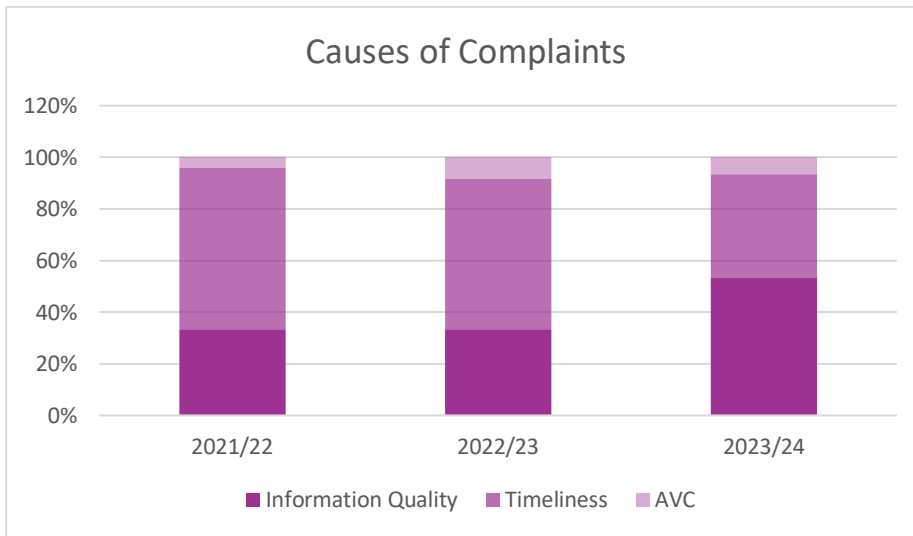
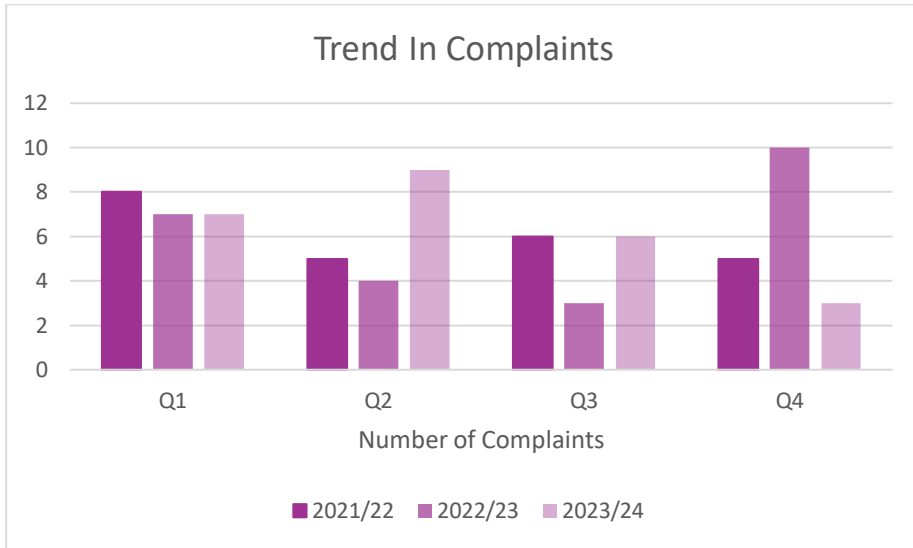
A key indicator of customer satisfaction is the volume and causes of appeals and complaints. The Authority analyses these and reports on them each quarter to the Local Pension Board. The chart below sets out the underlying cause of stage 2 appeals over the last three years. In 2023/24 there were 14 stage 2 appeals

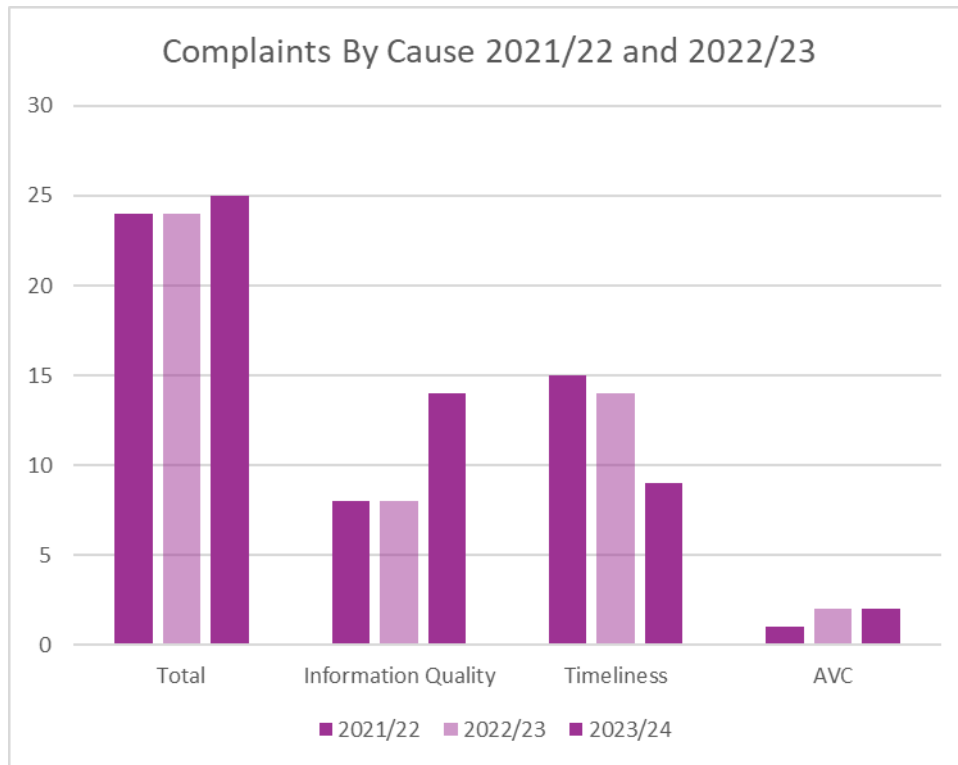
The information gathered shows, as would be expected, that the largest proportion of appeals (9 out of the 14) are concerned with ill health retirement, where scheme members often feel that the decision about the non-award of an ill health pension or the tier, they have been awarded does not reflect the degree of ill health they suffer. The other 5 issues benefits and transfers where the scheme rules and legal requirements related to scam prevention are very clear although not always very well understood by the membership. The complexity of the scheme does sometimes mean that the final pension payable to a scheme member can differ from an earlier quotation and this can result in appeal cases. The Authority is not aware of any of these cases being taken to the Ombudsman but there are historical cases still open with them as a result of their backlogs.



Complaints

In terms of complaints the chart below shows the trends over the last three years. 25 complaints were received across the reporting year. The number of complaints have stayed fairly constant over the past 3 years. The issues around timeliness clearly relate to the overall performance on casework processing and the backlogs the fund is currently working to clear highlighted earlier in this report. The national issues around AVC's have not yet been completely sorted and this has been taken up by the Local Government Association Technical Working Group for the LGPS Scheme Advisory Board for England and Wales. The issues around information quality cover a range of things but all point to the need to improve the clarity of the information provided to scheme members at various stages of their membership of the scheme.





Member satisfaction surveys

Engaging with customers helps the Authority to understand customer feedback, review and monitor service effectiveness, analyse performance, and develop and deliver a service that is focused on the requirements of those customers. The Authority encourages feedback via a range of different channels, such as surveys issued following member events and telephone calls and general satisfaction surveys placed on the website. The Authority regularly monitors scheme member satisfaction through surveys focused on members who have experienced both the retirement process and the process of joining the Fund as well as members who have contacted us through different routes such as email and telephone. Satisfaction levels have stayed pretty much the same as in 2022/23 as shown in the table below.

One area in particular that is important to know how the service is being received is the dedicated Customer Centre, this team deal with member queries at the first point of contact. Therefore throughout 2023/2024 they have continued to issue focused surveys to members who had reason to contact the Authority by telephone and email. In total, over 53,000 surveys were issued in 2023/24 which represents 28% of our overall scheme membership.

The surveys were a combination of the following:

- Retired members survey
- Customer Centre telephony survey
- Customer Centre email survey
- New joiner survey

From these surveys, a total of 1,946 responses (4%) were received which provides valuable insight into what the Authority is getting right and also those it isn't, this then provides areas to work on. Each of the surveys ends with a specific question about overall satisfaction with the Authority. The results are shown in the table below.

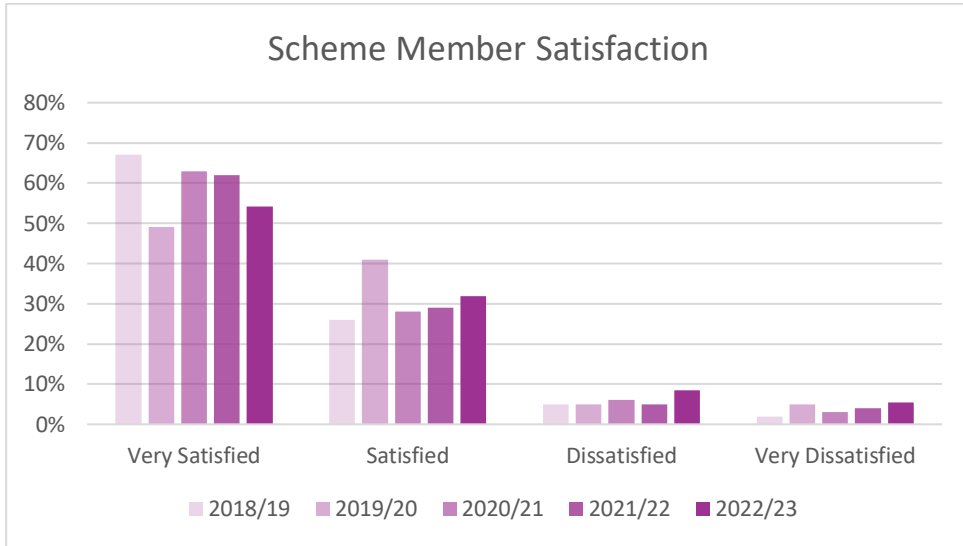
Although satisfaction levels are high and remain consistent from the previous financial year, at 81%, the Authority does not intend to be complacent. The following are areas where changes have been made because of member feedback:

- New taxation statement included with retirement forms – to determine the initial tax code to operate at retirement.
- Reviewed guidance on the Retire Online portal.
- Introduced a call back facility, whilst keeping the member's position in the queue.
- Automatic call distribution on the Customer centre helpline with a new Retirement/notification of death calls.

It is also important to view these results in the context that the number of surveys received represents just over 1% of our total membership.

	Very Satisfied		Satisfied		Dissatisfied		Very Dissatisfied	
	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24
Members	47%	48%	34%	33%	12%	12%	7%	7%

The Authority has kept its accreditation to Customer Service Excellence, achieving the highest rating “compliance plus” in a number of areas. Retaining this accreditation since 2004 is testament to the continued focus upon delivering best practice and innovation to customers.



Employer satisfaction surveys

The response rate for employer surveys is much lower but is sufficient to be useful. The largest area for comment amongst employers is the employer area of the Website and the Employer Web Portal. This is not unexpected and is something the Authority is working to improve within the limitations of the underlying software. It was pleasing to see there were no dissatisfactions received with the Monthly Data Collection (MDC) process. This is testament to the effort the team has put in to improve this process.



Annex A Tables

Table C	Communications and Engagement	
Ref	Engagement with Online portals	<i>Percentage as at 31 March 2024</i>
C1	% of active members registered	63%
C2	% of deferred members registered	52%
C3	% of pensioner and survivor members	42%
C4	% total of all scheme members registered for self service	52%
C5	Number of registered users by age	93,200
C6	% of all registered users that have logged onto the service in the last 12 months	49%
	Communication	
C7	Total number of telephone calls received in year	32,490*

C8	Total number of emails	37,001**
C9	Number of scheme member events held in year (total of in person and on-line)	95
C10	Number of employer engagement events held in year (in-person and on-line)	41
C11	Number of Active members who received a one to one (in-person and on-line) – <i>excluding offsite at Employer</i>	345
C12	Number of times a communication (i.e. Newsletter) issued to;	
	a) Active members	1
	b) Deferred members	1
	c) Pensioners	2

*23,743 connected – automatic callbacks offered as service to those not wanting to hold

** currently not able to report on web queries

C5 Total registered users by age

Age Band	Total Members
16 – 29	4,421
30 to 44	20,532
45 to 54	20,238
55 to 64	30,031
65+	17,978
Total	93,200

C6 % of registered users logged into mypension over last 12 months

Age Band	Total Members
16 – 29	2,469 (3%)
30 to 44	8,906 (10%)
45 to 54	9,907 (11%)
55 to 64	15,525 (17%)

65+	8,485 (9%)
Total	45,292 (49% of total users logged in over last 12 months).

Table D	Resources	
Ref		As at 31 March 2024
D1	Total number of all Administration staff (FTE)	62.1
D2	Average service length of all administration staff	12 Years, 3 Months
D3	Staff vacancy rate as %	4.5%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	1 : 2,900
D5	Ratio of all administration staff (excluding management) to total number of scheme members	1 : 3,050

Table E	Data Quality	
Ref	Annual Benefit Statements	
E1	Percentage of annual benefit statements issued as at 31 August	100%
	Data category	
E3	Common data score	97%
E4	Scheme specific data score	96%
E5	Percentage of active, deferred and pensioner members recorded as 'gone away' with on home address held or address known to be out of date	2.2%
E6	Percentage of active, deferred and pensioner members with an email address held on file	63%
	Employer Performance	
E7	Percentage of employers set up to make monthly data submissions	100%
E8	Percentage of employers who submitted monthly data on time during the reporting year	92.13%

Implementing the Funding Strategy Statement (Section 8b)

The Funding Strategy Statement which is available [here](#) is a series of interlinked policies which comply with the relevant statutory guidance and cover the following areas:

- The calculation of employer contributions and the associated calculations of assets and liabilities and the basis for requiring additional contributions to be paid.
- Processes for employers to join and leave the Fund.
- Processes related to the transfer of staff between employers either within the Fund or to another Fund.
- Processes for reviewing contributions between valuations.
- Specific policies related to schools converting to academy status.
- Policies relating to the review and monitoring of employer covenant.
- Policies related to the prepayment of contributions.
- Policies related to managing the risks arising from ill health retirement.
- Policies related to the treatment of contractors within the Fund.

The objectives of the Funding Strategy are to:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants.
- use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency.
- where appropriate, ensure stable employer contribution rates.
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy.
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

These policies are reviewed every three years alongside the valuation of the Fund or more frequently if there is a change in the regulations.

This section of the Annual Report outlines the way in which the various policies contained in the Funding Strategy Statement have been implemented during the year.

This year saw:

- The introduction in April 2023 of the new contribution rates set at the 2022 valuation. For many employers this meant that for the first time they saw a negative secondary contribution rate repaying their share of the Fund's surplus over 16 years.
- The introduction of a stabilisation mechanism to manage changes in contribution rates for larger employers.

Ordinary Contributions

The Fund collected £314,171,000 (£138,232,000 in 2022/23) in employer contributions and £78,097,000 (£72,604,000 in 2022/23) of employee contributions during the year. The Fund paid out £39,698,000 of the employer contributions (collected £8,001,000 in 2022/23) related to secondary contributions either contributing towards repaying employer funding deficits or refunding employers' share of the Fund's surplus. A full breakdown of these contributions is set out in the Appendix to this annual report. The Fund collects contributions by direct debit and therefore there were no occasions where employers failed to pay over contributions on time.

Additional Contributions

The Fund collected £4,519,000 (£5,770,000 in 2022/23) in additional contributions from 24 employers (18 in 2022/23) to meet the costs of allowing 134 scheme members (147 in 2022/23) to take their pension early. These payments are required as an immediate lump sum. In addition, the Authority received £312,000 (2022/23 £315,000) through the Levy on the four district councils in respect of the unfunded liabilities of the former South Yorkshire County Council the actuarial value of which is estimated at £1,622,000 (2022/23 £1,812,000). The levy represents the payments to 110 surviving employees of the former County Council (2022/23 123).

Ill Health Retirement

During the year 53 scheme members retired on ground of ill health. Ill health benefits are tiered according to the likelihood of the scheme member being able to return to employment before their normal retirement age. The table below shows the numbers of ill health retirements in each tier.

	2023/24		2022/23	
	Ill Health Retirements No.	Employers with Ill Health Retirements No.	Ill Health Retirements No.	Employers with Ill Health Retirements No.
Tier 1	46	14	48	16
Tier 2	1	1	4	4
Tier 3	6	5	4	4
Total	53		56	

Note employers may have ill health retirements in more than one tier therefore employer numbers are not totalled to avoid double counting.

Larger employers such as the local authorities, colleges and the university meet the costs of ill health retirement through their contribution rate. Given the potentially large and uneven costs of ill health retirements all other employers contribute a small element of their contribution rate to an ill health insurance provision within the Fund. 60% of the above retirements were covered by the ill health insurance provision. The “premiums” for this arrangement are reviewed alongside the triennial valuation to ensure that the resources within this “insurance fund” are sufficient to meet the likely future costs. This arrangement lessens the risk to future contributions for smaller employers caused by the potentially significant costs of a single ill health retirement.

Employers Joining the Fund

45 new employers joined the Fund over the course of the year. These broke down between different types of employers as follows:

	New Employers 2023/24
Local Authorities and Further and Higher Education Institutions	0
Academies and Multi Academy Trusts	15
Town and Parish Councils	0
Contractors	30
Other Bodies	0
Total	45

Of the contractors entering the Fund all utilised the pass-through policy which allows their contributions to be set at the same level as the employer letting the contract.

All academies or multi academy trusts joining the Fund did so in line with the specific policies relating to these types of employer.

Employers Leaving the Fund

During the year 28 employers ceased to participate in the Fund. In some cases, this was because their contract came to an end, in others because their last active member ceased employment.

	Ceasing Employers 2023/24
Local Authorities and Further and Higher Education Institutions	0

Academies and Multi Academy Trusts	0
Town and Parish Councils	0
Contractors	23
Other Bodies	5
Total	28

As a result of these cessations the Authority:

Paid out £978,434 in exit credits to 23 employers who had a surplus on ending their participation in the Fund (2022/23 £578,100 to 5 employers).

Received £59,750 in cessation payments from 8 employers who had a deficit on ending their participation in the Fund (2022/23 £25,000 from 1 employer).

Exercised discretion to allow 2 employers (0 in 2022/23) to end their participation in the Fund with no exit credit payment or cessation payment based on overall risk posed to the Fund. These cases relate to delayed cessation settlements where the passage of time has resulted in a different position at the current time when compared to the point of time at which the cessation event took place. The Authority considered the charity status of these employers and the fact their activities were for the wider benefit of South Yorkshire residents.

The figures for employers ending their participation in the scheme are higher in 2023/24 than in a normal year because of:

- Addressing a backlog of cessation settlements.
- Several smaller employers taking advantage of their improved funding position to end their participation in the scheme.

Prepayment of Contributions

In agreement with the Fund's actuary the Authority allows employers to prepay employer's contributions at either the beginning of each year or at the beginning of the three-year valuation period, with a reconciliation at the year end to ensure the correct total has been paid. This allows employers to receive a small discount because of their funds being invested earlier.

The amounts paid are summarised in the table below which clearly demonstrates the front loading of contributions in 2023/24 following the implementation of the 2022 Valuation results:

	2023/24		2022/23	
	Prepayments Received £	Number of Employers Prepaying	Prepayments Received £	Number of Employers Prepaying
Local Authorities and Further and Higher Education Institutions	£136,662,000	2	£112,000	1
Academies and Multi Academy Trusts	£0	0	£854,000	22
Town and Parish Councils	£0	0	£1,000	1
Contractors	£0	0	£0	0
Other Bodies	£0	0	£63,000	3
Total	£136,662,000	2	£1,030,000	27

Bulk Transfers Between Funds

No bulk transfers of scheme members between employers within the South Yorkshire Fund or between the South Yorkshire Fund and other funds took place during the year.

Reviews of Employer Contribution Rates

No reviews of employer contribution rates have either been requested or undertaken during 2023/24 (2022/23 Nil). Given the proximity of the next triennial valuation the Authority is unlikely to agree to any requests for such reviews during the coming year absent compelling special circumstances.

South Yorkshire Pension Fund (“the Fund”) Actuarial Statement for 2023/24

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority’s Funding Strategy Statement (FSS), dated March 2023. In summary, the key funding principles are as follows:

- to achieve a 100% solvency level over a reasonable period and that sufficient funds are available to meet all members’/dependants’ benefits as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 16 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 16 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund’s assets, which at 31 March 2022 were valued at £10,674 million, were sufficient to meet 119% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £1,685 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers’ contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund’s funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.45%
Salary increase assumption	3.3%
Benefit increase assumption (CPI)	2.7%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.0 years	24.0 years
Future Pensioners*	22.0 years	25.5 years

*Aged 45 at the 2019 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.



Greer Flanagan FFA

15 May 2024

For and on behalf of Hymans Robertson LLP

Hymans Robertson LLP is a limited liability partnership registered in England and Wales with registered number OC310282.

A list of members of Hymans Robertson LLP is available for inspection at One London Wall, London EC2Y 5EA, the firm's registered office.

Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

Hymans Robertson is a registered trademark of Hymans Roberts LLP.

11. Pension Fund – Statement of Accounts

The Statement of Accounts will be placed here in the final publication. Pending the design process being completed, this is attached as a separate document on the LPB meeting agenda at Appendix B.

12. Glossary

Accruals (Accrual Accounting)

Accrual accounting is when income and expenses are recorded when they are earned or incurred, not when money is received or paid. When income is due to the Authority but has not been received, an accrual is made for the debtor. When the Authority owes money but the payment has not been made, an accrual is made for the creditor.

Active member

An employee who is currently paying pension contributions.

Actuarial / Actuary

The science and profession of using mathematical techniques to model and quantify the financial effects of uncertain future events. For the Authority this is relevant in the context of accounting for the Pension Fund, where future transactions of the Fund will occur so far into the future that their value cannot yet be known with certainty.

Actuarial valuation

SYPA's actuary carries out an actuarial valuation every three years and recommends the level of contributions for each of the Fund's participating employers for the following three years. The valuation will measure the size of the Fund against its future liabilities and set contribution rates according to the Fund's deficit or surplus.

Additional voluntary contributions (AVCs)

These are extra payments to increase future pension additional life cover. All local government pension funds have an in-house AVC scheme that members can invest money in through an AVC provider, often an insurance company or building society.

Administering authority

The LGPS is run by administering authorities, for example county councils, in accordance with regulations approved by parliament. Each administers their own Fund, into which all contributions are paid. Every three years, independent actuaries carry out a valuation of each fund and set the rate at which the participating employers must contribute to fully fund the payment of scheme benefits for that Fund's membership. In the case of South Yorkshire, SYPA is the administering authority.

Admitted Body

Admitted bodies are organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

Amortisation

The way in which an asset or liability is accounted for over more than one period (other than property, plant and equipment, for which depreciation applies).

Asset allocation

This is putting an investment strategy in place that tries to balance risk against reward by adjusting the percentage of each asset in an investment portfolio according to an investor's risk tolerance, goals and investment time frame.

Biennial

Something that happens every two years.

Basis Points (bps)

Basis points, otherwise known as bps or "bips" are a unit of measure used in finance to describe the percentage change in the value of financial instruments or the rate change in an index or other benchmark. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

Building Research Establishment Environmental Assessment Methodology (BREEAM)

BREEAM is the world's leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. It is used to measure the sustainability of properties owned by the Authority.

Carbon Dioxide Equivalent Emissions Per Million Dollars of Revenue (CO₂e/\$m revenue)

Carbon dioxide equivalent emissions per million dollars of revenue (CO₂e/\$M): This metric shows the Fund's investment portfolio's exposure to carbon-intensive companies, expressed in tons CO₂e / \$M revenue.

Career average revalued earnings (CARE) pension scheme

From 1 April 2014, for every year they pay into the LGPS, scheme members get a pension of 1/49th of their pay, which is added to their pension account and revalued every year in line with a government treasury order currently linked to the Consumer Price Index.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is a UK accountancy body, specialising in the finances of the public sector. CIPFA is responsible for determining the accounting rules and procedures that apply to local authorities and other public bodies.

Climate Change

Climate change refers to long-term changes in the Earth's average temperature and weather conditions, largely due to human activities like the widespread use of fossil fuels - coal, oil and gas - in homes, factories and transport, and deforestation.

Code of Practice on Local Authority Accounting in the United Kingdom (the Code)

This document is produced by CIPFA. It defines proper accounting practices for local authorities in the United Kingdom, and is generally abbreviated to 'the Code' in the text. The Code is based on International Financial Reporting Standards.

Consumer Price Index (CPI)

This is a method of measuring the changes in the cost of living, similar to the Retail Price Index. From April 2011 the amount pensions are increased annually is based on movement in the Consumer Price Index during the 12 months to the previous September.

Contingent Assets

Contingent assets are potential assets that result from past events. Their existence will be confirmed only by the occurrence or non-occurrence of uncertain future events, which are not entirely within the control of the Authority.

Contingent Liabilities

These are material liabilities where the contingent loss cannot be accurately estimated or is not considered sufficiently certain to include in the accounts. They are therefore brought to the attention of readers of the accounts as a note to the balance sheet.

Commutation

This is giving up part or all of the pension payable from retirement in exchange for an immediate lump sum.

Convertible shares

These are shares that include an option for holders to convert into a predetermined number of ordinary shares, usually after a set date.

Creditors

Amounts owed by the Authority for work done, goods received, or services rendered, but for which payment has not been made at the end of the year.

Custodian

This is a financial institution that holds customers' securities for safekeeping to minimise the risk of theft or loss. Most custodians also offer account administration, transaction settlements, collection of dividends and interest payments, tax support and foreign exchange.

Data governance

This refers to the overall management of the availability, usability, integrity, and security of data used in an enterprise. A sound data governance programme includes a governing body, a defined set of procedures, and a plan to execute those procedures.

Death grant

This is a lump sum paid by the pension fund to the dependants or nominated beneficiaries of a member who dies.

Debtors

Sums of money owed to the Authority but not received at the end of the year.

Deferred pensioner

A former member of the LGPS who has left the scheme, but still has benefits in the scheme and will collect a pension from the LGPS on retirement.

Deficit payments

Pension schemes have a legal requirement to reduce any deficit - the difference between a scheme's assets and its liabilities - over time, by making additional payments.

Denomination

This is the face value of a banknote, coin, or postage stamp, as well as bonds and other fixed-income investments. Denomination can be the base currency in a transaction, or the currency a financial asset is quoted in.

Discretion

This is the power given by the LGPS to enable a council or administering authority to choose how they will apply the scheme in respect of certain of its provisions. Under the LGPS they are obliged to consider certain of these discretionary provisions and to pass resolutions to form a policy of how they will apply the provision. For the remaining discretionary provisions, they are advised to do so. They have a responsibility to act with 'prudence and propriety' in formulating their policies and must keep them under review.

Direct property

Direct investment in property is buying all or part of a physical property. Property owners can receive rent directly from tenants and realise gains or losses from the sale of the property.

Earmarked Reserve

A sum set aside for a specific purpose.

Eligible councillor

This is a councillor or an elected mayor (other than the Mayor of London) who is eligible for membership of the LGPS in accordance with the scheme of allowances published by an English county council, district council or London borough council or by a Welsh county council or county borough council. Eligibility for this scheme was removed during the coalition government and councillors are now deferred members of the scheme.

Employer covenant

This is an employer's legal obligation and financial ability to support their defined benefit pension scheme now and in the future. Assessing the strength of the covenant helps decide the appropriate level of risk when setting investment strategy.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of property, plant and equipment to the lessee. The payments usually cover the full cost of the asset together with a return for the cost of finance.

Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability of another. The term covers both financial liabilities and financial assets and includes the borrowing, lending, soft loans, financial guarantees and bank deposits of the Authority.

Fixed income securities

A fixed-income security is an investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity. Unlike a variable-income security, where payments change based on some underlying measure such as short-term interest rates, the payments of a fixed-income security are known in advance.

Fund of funds (FoF)

This is a fund that holds a portfolio of other investment funds.

General partners

These are owners of a partnership with unlimited liability. General partners are often managing partners who are active in the daily operations of a business.

Global Real Estate Sustainability Benchmark (GRESB)

The Global Real Estate Sustainability Benchmark is a source of reliable and comparable data on the Environmental, Social and Governance (ESG) performance of real estate investments.

Government Bond Yields

The yield on a government bond is the interest rate that the government borrows at. Government bonds, because they are safe, therefore tend to have a lower yield because investors are not demanding a high rate of interest for lending to the government.

Guaranteed minimum pension (GMP)

The LGPS guarantees to pay a pension that is at least as high as a member would have earned had they not been contracted out of the State Earning Related Pension Scheme (SERPS) at any time between 6 April 1978 and 5 April 1997. This is called the guaranteed minimum pension (GMP).

IAS 26

IAS 26 Accounting and Reporting by Retirement Benefit Plans outlines the requirements for the preparation of financial statements of retirement benefit plans.

Illiquid

Illiquid is a term commonly used to describe assets or investments that cannot be quickly and easily converted into cash at the current fair market price. An individual, a company, or other entity may also be described as illiquid if they are cash poor and primarily hold only illiquid assets.

Impact Investing

Investments made into companies, organisations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return. Impact investments provide capital to address social and/or environmental issues.

Index-linked bonds

These are bonds in which payment of income on the principal is related to a specific price index - often the Consumer Price Index. This feature provides protection to investors by shielding them from changes in the underlying index. The bond's cash flows are adjusted to ensure that the holder of the bond receives a known real rate of return.

International Accounting Standards (IAS)

These standards were issued by the International Accounting Standards Committee (IASC). These standards have now largely been replaced by International Financial Reporting Standards.

International Financial Reporting Standards (IFRS)

These are accounting standards issued by the International Accounting Standards Board.

Investment Properties

Land and buildings that are held for capital gain and rental income and not for the provision of services.

Liabilities

These are amounts which the pension scheme will have to pay now or at some time in the future. The most common liability is paying members' pensions.

Litigation Risk

Litigation risk is the possibility that legal action will be taken because of an individual's or corporation's actions, inaction, products, services, or other events.

Local Government Pension Scheme membership

As well as the staff of local councils, the Local Government Pension Scheme membership covers police and fire civilian staff, a registration officer, a coroner, employees of a valuation tribunal, employees of a passenger transport authority, employees of the Environment Agency, non-teaching employees of an academy, or a Further or Higher Education Corporation.

Local Pension Board

Local Pension Boards assist administering authorities to make sure each scheme complies with governance and administration requirements. Boards may have additional duties, if scheme or other regulations specify them. They must have an equal number of employer representatives and member representatives, plus other types of members, like independent experts. All Local Pension Board members have a duty to act in line with scheme regulations and other governing documents.

Macro-Economic Impact

Macroeconomic impact refers to the broad effects that influential financial, natural, or geopolitical events have on a regional or national economy. These factors tend to affect large sections of populations, rather than just a few select individuals. Examples of macroeconomic factors include economic outputs, unemployment rates, and inflation. In essence, they shape the overall functioning of an economy, impacting decisions made by households, firms, and governments regarding spending, saving, hiring, and investment. The conditions raised by these factors set the stage for economic growth and development.

Material / Materiality

A financial item is considered material if leaving it out, not disclosing it, or misstating it in the financial statements would likely distort the overall view provided by those statements.

Mezzanine Debt

Mezzanine debt bridges the gap between debt and equity financing and is one of the highest-risk forms of debt. It is senior to pure equity but subordinate to pure debt. However, this means that it also offers some of the highest returns when compared to other debt types, as it often receives rates between 12% and 20% per year.

Myners' principles

This is a set of principles based on Paul Myners' 2001 report, Institutional Investment in the United Kingdom.

The Myners' principles for defined benefit schemes cover:

- effective decision-making
- clear objectives
- risk and liabilities
- performance assessment
- responsible ownership
- transparency and reporting

Operating Leases

Leases other than a finance lease. Under operating leases the risks and rewards of ownership remain substantially with the lessor.

Ordinary shares

An ordinary share represents equity ownership in a company and entitles the owner to vote at general meetings of that company and receive dividends on those shares if dividend is payable.

Personal pension

A personal pension plan is usually purchased from a financial services company, such as an insurance company, bank, investment company or building society. Members usually pay into the plan every month and employers can also contribute to the plan.

Policy statement

This is a statement that councils and administering authorities must produce, setting out the policies they have resolved to follow in exercising certain discretions under the LGPS.

Pooled funds

These are aggregated funds from multiple individual investors. Investors in pooled fund investments benefit from economies of scale for lower trading costs, diversification and professional money management.

Principles for Responsible Investment (PRI or UNPRI)

The six Principles for Responsible Investment originally developed by the UN are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.

Private Equity

Private equity is equity capital that is not quoted on a public exchange. Private equity consists of investors and funds that make investments directly into private companies or conduct buyouts of public companies that result in a delisting of public equity. Capital for private equity is raised from retail and institutional investors, and can be used to fund new technologies, expand working capital within an owned company, make acquisitions, or to strengthen a balance sheet.

Provisions

When amounts are charged to revenue and set aside for liabilities which are known to exist, but where the timing is uncertain or the amount cannot be reliably estimated, the amount set aside is called a provision.

Related Parties

Individuals or bodies who have the potential to influence or control the Authority or to be influenced or controlled by the Authority.

Related party transactions

These are any transactions that have taken place with related parties of the Authority during the year and are disclosed in the notes to the accounts. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Remuneration

Any money or other financial compensation paid for work or a service.

Responsible Investment

A strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership.

Retail Prices Index

This is another method of measuring the changes in the cost of living. It reflects the movement of prices covering goods and services over time. Until April 2011, the amount by which pensions were increased annually was based on movement in the Retail Price Index during the 12 months to the previous September. From April 2011 the government changed the amount by which pensions increase from Retail Price Index to Consumer Price Index.

Scheduled body

Scheduled bodies are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.

Stakeholder pension

This is a low-cost private pension; they became available from 6 April 2001. They are meant for people who currently do not have a good range of pension options available to save for their retirement. Contributors use their own money to build up a pension fund.

State pension age

This is the earliest age people can receive the state basic pension.

Statutory compliance

This means following the laws on a given issue.

Stock lending

This is loaning a stock, derivative, or other security to an investor or firm. It requires the borrower to put up collateral (cash, security or a letter of credit). When stock is loaned, the title and the ownership is transferred to the borrower, and title is returned at the end of the loan period.

Task Force on Climate-related Financial Disclosures (TCFD)

A Task Force on Climate-related Financial Disclosures (TCFD) was set up in 2015 by the Financial Stability Board (FSB) to develop voluntary, consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.

Transfer value

A transfer value is a cash sum representing the value of a member's pension rights.

Transferred service

Any pension members who have transferred into the LGPS from a previous pension arrangement that now counts towards their LGPS membership.

Treasury management

This is the management of an Authority's cash flows, borrowing and investments, and the associated risks.

Triennial

Something that happens every three years.

Unitranche Debt

Unitranche debt is a hybrid loan structure that combines both senior debt and subordinated debt into a single loan. This unique financing approach enables banks to compete more effectively against private debt funds.

Voting policy

This is how South Yorkshire Pensions Authority through Border to Coast applies its shareholder voting rights. We will vote as follows.

- For - when the proposal meets best practice guidelines and is in the shareholders' long-term interests.
- Abstain – when the proposal raises issues which do not meet best practice guidelines but either the concern is not regarded as sufficiently material to warrant opposition, or an oppose vote could have a detrimental impact on corporate structures or the issue is being raised formally with the company for the first time.
- Oppose - when the proposal does not meet best practice guidelines and is not in the shareholders' interests over the long term.

The voting policy will be applied to all reportable companies held by the Fund. In supporting any resolution of any type, we will only vote on a resolution if:

- the resolution deals with one substantive issue and is not bundled with other items.
- the resolution is fully explained and justified by the proposers, and
- there is full disclosure of information relevant to the consideration of a resolution and such information is presented in a fair and balanced way.

13. Appendix – Employer Contributions Received 01/04/2023 to 31/03/2024

The full list of contributions received will be placed here in the final publication. Pending the design process being completed, this is attached as a separate document on the LPB meeting agenda at Appendix C.



South Yorkshire Pension Fund
Financial Statements
& Notes 2023/24

South Yorkshire Pension Fund - Fund Account

2022/23 £000		Notes	2023/24 £000
	Dealings with Members, Employers and Others Directly Involved in the Fund		
(210,836)	Contributions	[7]	(392,268)
(25,107)	Transfers In from Other Pension Funds	[8]	(29,755)
(235,943)			(422,023)
346,267	Benefits	[9]	385,636
20,125	Payments To and On Account of Leavers	[10]	29,990
366,392			415,626
130,449	Net (Additions) / Withdrawals from Dealings With Members		(6,397)
68,428	Management Expenses	[11]	84,793
198,877	Net Withdrawals Including Fund Management Expenses		78,396
	Returns On Investments		
(57,455)	Investment Income	[12]	(72,118)
330,160	Profit And Losses on Disposal of Investments and Changes in the Value of Investments	[14b]	(788,740)
272,705	Net Return on Investments		(860,858)
471,582	Net Decrease/ (Increase) in the Net Assets Available for Benefits During the Year		(782,462)
(10,673,562)	Opening Net Assets of the Scheme		(10,201,980)
(10,201,980)	Closing Net Assets of the Scheme		(10,984,442)

South Yorkshire Pension Fund - Net Assets Statement

31 March 2023			31 March 2024
£000		Notes	£000
	Long Term Investments		
1,182	Equities		1,182
	Investment Assets		
786	Equities		763
38,082	Bonds		0
9,342,809	Pooled Investment Vehicles		10,300,122
702,029	Direct Property	[14a]	508,525
97,025	Cash		151,687
2,250	Other Investment Assets		2,676
10,184,163	Total Net Investments	[14a]	10,964,955
33,482	Current Assets	[20]	35,420
10,217,645			11,000,375
(15,665)	Current Liabilities	[21]	(15,933)
10,201,980	Net Assets of the Fund Available to Fund Benefits at the End of the Reporting Period		10,984,442

Note: The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 19.

Notes To The South Yorkshire Pension Fund For The Year Ended 31 March 2024

Note 1. Description Of Fund

The South Yorkshire Pension Fund ('the Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by South Yorkshire Pensions Authority.

a) General

The LGPS is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following scheme legislation:

- the LGPS Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2016.

The Fund is a contributory defined benefit pension scheme administered by South Yorkshire Pensions Authority (the Authority) to provide pensions and other benefits for pensionable employees of South Yorkshire Pensions Authority, the four district councils in South Yorkshire and a range of other scheduled and admitted bodies. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The Fund is overseen by the Authority, which consists of 12 councillors appointed by the District Councils roughly in proportion to population. In addition, 3 representatives of the recognised Trades Unions act as observers to represent the interests of scheme members.

In accordance with the requirements of the Public Services Pensions Act 2013, the Authority has established a Local Pension Board. The Board holds regular meetings and provides oversight, challenge and scrutiny over how the administering authority exercises its responsibilities. It publishes its own annual report which is available on the Authority's website and within the Annual Report.

The Border to Coast Pensions Partnership (Border to Coast) was created in response to Government policy on the pooling of investments. South Yorkshire Pension Fund, along with 10 other partner funds, are equal shareholders in the company. Most of the Fund's equity investments have been managed by Border to Coast since July 2018 and transition of the Fund's assets from internal management to Border to Coast is a continuing process that is expected to take a number of years to complete fully. At 31 March 2024, approximately 72% (31 Mar 2023: 70%) of the Fund's assets were being managed in pooled structures provided by Border to Coast.

Asset allocation remains the responsibility of the Authority.

Other investments are managed internally, with the assistance of advisors on real estate matters, in accordance with the LGPS (Management and Investment of Funds) Regulations 2016. The Authority has an appointed independent investment advisory panel and has a retained actuary, Hymans Robertson LLP.

Further information is available in the Annual Report available from the Fund's website at www.sypensions.org.uk

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the South Yorkshire Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation.

Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

Membership details are set out below:

South Yorkshire Pension Fund	31 March 2023	31 March 2024
Number of Employers with Active Members	548	553
Number of Employees (Active Contributors)	52,763	51,726
Number of Pensioners	61,662	63,523
Number of Deferred Pensioners *	62,012	64,654
Total Number of Members in the Pension Scheme	176,437	179,903

* The total shown for deferred pensioners includes 11,195 unprocessed leavers at 31 March 2024 (11,351 at 31 March 2023). Once processed, these leavers could be a combination of deferred pensioners, frozen refunds, and aggregations. Until processed, this outcome is not known.

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2024. Employer contributions are set based on triennial actuarial funding valuations. The latest triennial valuation was undertaken as at 31 March 2022 and this determined the employer contribution rates payable from April 2023 to March 2026.

The Primary employer contribution rates paid in 2023/24 ranged from 15.1% to 39.6% and the Secondary employer contribution rates paid in 2023/24 ranged from -39.6% to 23.2%. This resulted in a range of net employer contribution rates paid of 0.0% to 40.8%.

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Prices Index. A range of other benefits are also provided under the scheme including early retirement, disability pensions and death benefits, as explained on the LGPS website at www.lgpsmember.org.

e) Investment Performance

Despite further rises in interest rates by major central banks during 2023, the global economy avoided recession. As the year progressed there was increasing conviction that an economic soft landing would unfold, with economic growth slowing but remaining reasonable and inflation rates falling and expected to continue to decline in 2024. This led to expectations that central banks would be able to make cuts in interest rates in 2024 and to equity markets showing strong gains in the second half of the year. This outcome was much better than had widely been expected at the start of the year.

Bond markets have responded to the change in rate expectations over the year. They started very weak as the rhetoric for rates to stay higher for longer prevailed, but then as the mood changed and inflationary pressures eased the expectation that rate cuts would be imminent grew and bond yields fell. This led to a recovery in prices but in the final quarter of the year expectations were scaled back as unexpected sticky inflation tempered the expectation of imminent cuts and bond values fell again.

UK commercial property continued to suffer as rising interest rates led to yield increases but started to stabilise at the end of the period following a significant correction over the previous eighteen months. The office and retail sectors continued to see capital value declines and more polarisation based on the quality of assets, while the industrial and residential sectors started to improve as they are expected to benefit from better near-term prospects for rental growth. Transaction volumes remained low during the year as capital value declines weighed on performance and investors continued to narrow their focus on prime and best-in-class assets.

Over the last year we introduced a new Investment Strategy which incorporates Renewable Energy, Climate Opportunities and Natural Capital as new asset classes with divestment to come from listed equities and Multi Asset Credit (MAC) bonds. This new strategy continues the de-risking of the Fund assets by reducing the volatility in the strategy and incorporates the Authority's Net Zero Strategy. The expected return from this new strategy was not diminished from the previous strategy but the volatility and diversification were improved. These investments are made on a commitment and drawdown basis and so it will take some time until we meet the new benchmark weightings.

We have held a direct portfolio of agricultural property for over 40 years. This portfolio was held as a store of value and as a diversifying asset, but did not fit into the new LGPS pooling environment. During the year we completed a joint venture project with Royal London where these assets became the seed assets for a new Natural Capital fund and allowed us to realise part of our investment. This fund will still allow the delivery on the environmental potential of the portfolio and improve the capital stock whilst also continuing to contribute to UK food security. Our holding in the new fund will form the cornerstone of our Natural Capital portfolio. Due diligence has also been undertaken on several timberland funds and it is expected that two investments will be made during 2024. Over the year, we also switched money from listed equities and MAC to new investments within the alternative asset classes, in particular infrastructure and Climate Opportunity funds.

This year our investments in listed equities, particularly overseas equities, were the driver of growth for the Fund although negative returns from our index-linked portfolio partly offset this with other asset classes giving low, single-digit returns. Over the year the Fund delivered a return of 7.8% against an expected return of 8.1% from the benchmark (-3.3% in 2022/23 against an expected return of -4.1%) and it had a market value (net investment assets only) of £10,965m at 31 March 2024 (£10,184m at 31 March 2023).

Note 2. Basis Of Preparation

The Statement of Accounts summarises the Fund's transactions for 2023/24 and its financial position at 31 March 2024. The accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

Paragraph 3.3.1.2 of the Code requires disclosure of information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code for the relevant financial year. There are no such accounting changes to be disclosed in this respect for 2023/24.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the Net Assets Statement, in the notes to the accounts, or by appending an actuarial report prepared for this purpose. The Fund has opted to disclose this information in Note 19.

The accounts have been prepared on a going concern basis.

Note 3. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently during the financial year and the previous financial year.

Page
341

Fund Account - Revenue Recognition

a) Contribution Income

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they related.

Employer deficit funding contributions are accounted for on the basis advised by the Fund actuary in the rates and adjustment certificate issued to the relevant employing body or on receipt if received earlier than the due date. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers To / From Other Schemes

Transfers in and out relate to members who have either joined or left the Fund.

Individual transfers in/out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 8).

Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

c) Investment Income

i. Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii. Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as an investment asset.

iii. Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as an investment asset.

Page 342 iv. Property-related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis over the term of the lease. Rental income is recognised in the Fund Account as it accrues and any amounts received in respect of the future year are disclosed in the Net Assets Statement as current liabilities.

v. Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund account - Expense Items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Management expenses

The Fund discloses its pension fund management expenses in accordance with the CIPFA guidance, Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the Fund on an accruals basis as follows:

Administrative Expenses	All costs incurred by the Authority in respect of pensions administration are accounted for on an accruals basis and charged to the Fund.
Oversight and Governance	All costs incurred by the Authority in respect of Oversight and Governance are accounted for on an accruals basis and are charged to the Fund.
Investment Management Expenses	<p>Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off quarterly valuations by investment managers, these expenses are shown separately in Note 11a and grossed up to increase the change in value of investments.</p> <p>Fees of the external investment managers, property advisor and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.</p> <p>All costs incurred by South Yorkshire Pensions Authority internally in respect of investment management expenses are accounted for on an accruals basis and are also charged to the Fund.</p>

Net Assets Statement**g) Financial Assets**

The shares held as an unquoted equity investment in Border to Coast Pensions Partnership Ltd, are valued at cost - i.e. transaction price - as an appropriate estimate of fair value. It has been determined that cost remains an appropriate proxy for fair value at 31 March 2024. There is no market in the shares held and cost is a reasonable estimate of fair value. See Note 4 for further details.

All other financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of assets are recognised in the Fund Account.

The values of investments as shown in the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Note 15). For the purposes of disclosing levels of the fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

h) Freehold and Leasehold Properties

Properties are valued quarterly by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards, see Note 15 for more details.

i) Foreign Currency Transactions

Dividends, interest, and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, overseas investments and purchases and sales outstanding at the end of the reporting period.

j) Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

k) Loans and Receivables

Financial assets classed as amortised cost are carried in the Net Assets Statement at amortised cost, i.e. the outstanding principal receivable as at the year-end date plus accrued interest.

l) Financial Liabilities

A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. The Fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from the changes in the fair value of the liability between contract date, the year-end and the eventual settlement date are recognised in the Fund Account as part of the change in market value of the investments.

Other financial liabilities classed as amortised cost are carried at amortised cost i.e. the amount carried in the Net Assets Statement is the outstanding principal repayable plus any accrued interest. Any interest charged is accounted for on an accruals basis and included in administration costs.

m) Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of International Accounting Standards (IAS) 19 and relevant accounting standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

n) Additional Voluntary Contributions

The South Yorkshire Pension Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed for information in Note 22.

o) Contingent Liabilities

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent liabilities are not recognised in the Net Assets Statement but are disclosed by way of narrative in the notes.

Note 4. Critical Judgements In Applying Accounting Policies

Pension Fund Liability

The net pension fund liability is re-calculated every three years by the appointed actuary, Hymans Robertson LLP, with annual updates in the intervening years. The methodology used is in line with accepted guidelines.

The estimate is subject to significant variances based on changes to the underlying assumptions which are agreed with the actuary and have been summarised in Notes 18 and 19. Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short-term yield/return.

Investment in Border to Coast

This investment has been valued at cost, i.e. transaction price, as an appropriate estimate of fair value. This is reviewed and assessed each year. Relevant factors include that there is no market in the shares held, disposal of shares is not a matter in which any shareholder can make a unilateral decision, and the company is structured so as not to make a profit. As at 31 March 2024, taking consideration of audited accounts for the company at 31 December 2023, there is also no evidence of any impairment in the value of shares held. It has therefore been determined that cost remains an appropriate proxy for fair value at 31 March 2024.

Directly Held Property

The Fund's property portfolio includes a number of directly owned properties which are leased commercially to various tenants with rental periods between three months and ten years. The Fund has determined that these contracts all constitute operating lease arrangements under the classifications permitted by IAS 17 and the Code, therefore the properties are retained on the Net Assets Statement at fair value. Rental income is recognised in the Fund Account on a straight-line basis over the life of the lease.

Private Equity

It is important to recognise the highly subjective nature of determining the fair value of unquoted private equity investments. They are inherently based on forward looking estimates and it is necessary to apply judgement to the valuation. Unquoted private equities and infrastructure investments are valued by the investment managers in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Note 5. Assumptions Made About The Future And Other Major Sources Of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However actual outcomes could be different from the assumptions and estimates made. The items in the net assets statement for which there is a significant risk of material adjustment for the following year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and returns on fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	<p>The actuarial present value of promised retirement benefits at 31 March 2024 is £9,352 million. The sensitivities regarding the principal assumptions used to measure the obligations are as follows:</p> <ul style="list-style-type: none"> • a 0.1% p.a. reduction in the discount rate would increase the promised retirement benefits by approximately 2% or £170 million • a 0.1% p.a. increase in salary growth would increase the promised retirement benefits by approximately £8 million • a 0.1% p.a. increase in the pension increase rate (CPI) would increase the promised retirement benefits by approximately 2% or £174 million • a 1 year increase in member life expectancy would increase the promised retirement benefits by approximately 4% or £374 million
Private market investments (Note 15)	Private market instruments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation guidelines (2012). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Private equity investments are valued at £4,573 million at 31 March 2024 (£4,219 million at 31 March 2023) in the financial statements. Based on the assessed level of volatility using the same methodology as outlined in the sensitivity analysis shown in Note 17, if prices fell by 9.6% this would reduce the value of these assets by around £440 million.

Investments in private equity funds are valued based on the Fund's share of the net assets in the private equity fund using the latest financial statements published by the respective fund managers. These are as at 31 December 2023, then rolled forward for known cash flows in order to derive the valuation at 31 March 2024. This is the method used on the basis that any changes in market value from 31 December to 31 March are unlikely to be material. The reasonableness of this assumption is reviewed each year.

Item	Uncertainties	Effect if actual results differ from assumptions
Freehold, leasehold property and pooled property funds (Note 15)	Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, but where this is not possible management uses the best available data.	Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could all affect the fair value of property-based investments. The total value of property investments in the Net Assets Statement is £1,195 million including both directly held property and property held in pooled investment vehicles. The directly held commercial property portfolio is valued at 31 March 2024. At 31 March 2024 there is a range of potential outcomes. Note 17 shows the effect, based on an assessed volatility range, of a fall of 7% in these property values. For illustrative purposes, a fall of 10% would result in a reduction to the values in the Net Assets Statement of £120 million. However, it should be noted that this is illustrative only and is not necessarily indicative of the actual effects that would be experienced.

Note 6. Events After The Reporting Period

The Statement of Accounts was authorised for issue on 31 May 2024 . Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Non-Adjusting Event

The financial statements and notes have not been adjusted for the following event taking place after 31 March 2024 as it provides information that is relevant to an understanding of the Fund's financial position but does not relate to conditions at that date.

The Fund is preparing to transition its commercial property holdings (valued at £508.5m in the Net Assets Statement as at 31 March 2024) to be managed by Border to Coast Pensions Partnership in a newly created UK Real Estate fund. It is planned that the Fund's directly held commercial property assets will be exchanged for the equivalent value of units in the new fund managed by Border to Coast. The transition will continue to progress the Fund's commitment to pooling its assets. A significant process of commercial property due diligence is under way and based on current timelines, it is estimated that this will be concluded during 2024/25.

Note 7. Contributions Receivable

By Category

2022/23		2023/24
£000		£000
72,604	Employees' Contributions	78,097
	Employers' Contributions:	
124,461	Primary Contributions ^{1 and 2}	349,350
8,001	Secondary Contributions [Deficit / (Surplus) Recovery] ^{1 and 2}	(39,698)
5,770	Augmentation Contributions	4,519
138,232	Total Employers' Contributions	314,171
210,836	Total Contributions Receivable	392,268

By Employer Type

2022/23		2023/24
£000		£000
651	Administering Authority	853
	<i>Scheduled bodies:</i> ²	
24,675	Barnsley Metropolitan Borough Council	30,327
13,986	City of Doncaster Council	33,767
14,976	Rotherham Metropolitan Borough Council	32,675
36,619	Sheffield City Council	158,780
110,495	Other Scheduled Bodies	130,294
9,434	Admitted Bodies	5,572
210,836		392,268

¹ Employer Contributions

As detailed in Note 18, employer contributions are determined based on the results of funding valuations held every three years. The 2022 Pension Fund triennial valuation determined the employer contributions for the three-year period commencing 1 April 2023. This valuation saw the Fund move to a funding surplus position from a deficit at the previous triennial valuation in 2019.

Employer contributions are made up of:

> the primary contribution rate – contributions payable towards future benefits

> the secondary contribution rate – the costs associated with sufficiently funding benefits accrued up to the valuation date

In broad terms, the results of the 2022 funding valuation led to an increase in the primary contributions due from employers for 2023/24 and a significant reduction in the secondary contributions with many employers in surplus and therefore the secondary contributions becoming a negative amount. These changes are the main reason for the significant differences in the contributions receivable in 2023/24 when compared with 2022/23. Employer prepayments also affect this as explained further below.

² Employer Contributions: Prepayments

In April 2023, Sheffield City Council made a prepayment in relation to their employer contributions due for the period April 2023 to March 2026. By making the payment early, the cash amounts payable over the period are reduced. The amount of the prepayment and the discount applied were calculated by the Fund's actuary based on an estimate of the pensionable pay for Sheffield City Council over the 3 year period. The prepayment amounted to £134.31 million in respect of primary and secondary contributions. These amounts are accounted for in full in the period received and are therefore included in the figures shown for 2023/24 above.

Sheffield City Council had previously prepaid their employer contributions due for the period April 2020 to March 2023 on the same basis - the prepayment was accounted for in the period received of 2020/21 and therefore is not included in the 2022/23 figures shown above.

No other employers have made prepayments in relation to their employer contributions due for the period April 2023 to March 2026.

In April 2020, City of Doncaster Council, Rotherham Metropolitan Borough Council and one Other Scheduled Body (South Yorkshire Fire & Rescue Authority) made prepayments in relation to their employer contributions due for the period April 2020 to March 2023 amounting to £87.366 million in respect of normal contributions.

Additionally, Barnsley Metropolitan Borough Council and 46 Other Scheduled Bodies (primarily Multi Academy Trusts and large employers including South Yorkshire Fire & Rescue Authority and The Chief Constable) opted to make prepayments in relation to their deficit recovery contributions due for the period April 2020 to March 2023 amounting to £13.241 million in respect of secondary contributions.

These amounts were all accounted for in the period received (2020/21) and are therefore not included in the 2022/23 figures shown above.

Note 8. Transfers In From Other Pension Funds

2022/23		2023/24
£000		£000
25,107	Individual Transfers	29,755
<u>25,107</u>		<u>29,755</u>

Note 9. Benefits Payable**By Category**

2022/23		2023/24
£000		£000
272,528	Pensions	304,524
64,045	Commutation and Lump Sum Retirement Benefits	72,738
9,694	Lump Sum Death Benefits	8,374
<u>346,267</u>		<u>385,636</u>

By Employer Type

2022/23		2023/24
£000		£000
798	Administering Authority	704
	<i>Scheduled Bodies:</i>	
44,441	Barnsley Metropolitan Borough Council	48,046
48,035	City of Doncaster Council	55,030
48,205	Rotherham Metropolitan Borough Council	54,189
107,919	Sheffield City Council	118,749
67,626	Other Scheduled Bodies	78,207
29,243	Admitted Bodies	30,711
<u>346,267</u>		<u>385,636</u>

Note 10. Payments To And On Account of Leavers

2022/23		2023/24
£000		£000
584	Refunds to Members Leaving Service	887
19,543	Individual Transfers	29,107
(2)	Payments for Members Joining State Scheme	(4)
<u>20,125</u>		<u>29,990</u>

Note 11. Management Expenses

2022/23		2023/24
£000		£000
4,170	Administrative Costs	5,001
62,732	Investment Management Expenses [Note 11a]	78,160
1,526	Oversight and Governance Costs	1,632
<u>68,428</u>		<u>84,793</u>

Note 11a. Investment Management Expenses

2022/23				2023/24				
Management Fees	Performance Related Fees	Transaction Costs	Total		Total	Management Fees	Performance Related Fees	Transaction Costs
£000	£000	£000	£000		£000	£000	£000	£000
24,024	5,765	1,495	31,284	South Yorkshire Pensions Authority	39,543	23,419	13,938	2,186
29,861	0	194	30,055	Border to Coast Pensions Partnership	37,534	32,602	4,213	719
1,292	0	0	1,292	Abrdn	996	996	0	0
41	0	0	41	Bidwells	30	30	0	0
55,218	5,765	1,689	62,672		78,103	57,047	18,151	2,905
			60	Custody fees	57			
			62,732	Total	78,160			

Page 352

In accordance with CIPFA guidance management fees deducted at source and transaction costs are shown gross.

Wherever possible these figures are based on actual costs disclosed by the manager; where this is not available, best estimates have been made using other available information.

The presentation of this note has been amended to comply with CIPFA guidance and present an analysis of investment management expenses by investment manager as a more meaningful categorisation to show the nature of the costs incurred and how these arise for each different investment manager type.

Note 12. Investment Income

2022/23		2023/24
£000		£000
243	Income from Equities	0
14,201	Bonds	66
15,406	Income from Pooled Investment Vehicles	36,992
25,852	Net Property Income [Note 12a]	28,567
1,868	Interest on Cash Deposits	6,314
(115)	Other	179
57,455	Net Investment Income	72,118

Page 353 The Fund's equity holdings, together with its investment grade and index linked bond holdings, are now managed in pooled funds provided by Border to Coast and there is no direct income from those funds; the value of that income is instead reflected within the valuation of the Fund holdings. The income is accumulated and reinvested; therefore, the value of the income is reflected in the price of the units held and would only be realisable by the Fund by selling the units. The value of this re-invested income is reported separately and is shown below for information.

Re-Invested Income In Border to Coast Pooled Investment Vehicles

2022/23		2023/24
£000		£000
38,732	Border to Coast UK	36,919
73,535	Border to Coast Developed Overseas	65,866
58,449	Border to Coast Emerging Markets	19,785
0	Border to Coast Investment Grade Credit	21,744
14,810	Border to Coast Sterling Index Linked Bonds	28,386
25,237	Border to Coast MAC Fund	26,595
29,838	Border to Coast Listed Alternatives Fund	6,307
240,601		205,602

Note 12a. Property Income

2022/23		2023/24
£000		£000
26,782	Rental income	28,365
604	Other dividends and interest	1,262
(1,534)	Direct operating expenses	(1,060)
<u>25,852</u>	Net income	<u>28,567</u>

Page 354 No contingent rents have been recognised as income during the period.

Note 13a. Other Fund Account Disclosures - External Audit Costs

2022/23		2023/24
£000		£000
39	Fees Payable in Respect of External Audit	168
<u>39</u>		<u>168</u>

Note 13b. Other Fund Account Disclosures - Irrecoverable VAT

2022/23		2023/24
£000		£000
199	Irrecoverable VAT Included in Administration Cost	241
362	Irrecoverable VAT Included in Investment Management Expense	118
65	Irrecoverable VAT Included in Oversight & Governance Cost	70
<hr/> 626 <hr/>		<hr/> 429 <hr/>

Unlike other local authorities, the Authority does not currently have Section 33 status under the VAT Act 1994 that would enable it to reclaim VAT incurred. This is due to its unique nature as a local authority with the sole purpose of administering the Pension Fund. Instead, a special exemption method agreed with HMRC is used for reclaiming a proportion of the Authority's VAT expense only. The remaining proportion that is not recoverable is charged to the management expenses of the Fund as outlined above. This irrecoverable proportion is approximately 8% of the total VAT expense incurred. The amounts shown here are included in the respective totals shown in Note 11.

Note 14a. Investments

31 March 2023 £000		31 March 2024 £000	31 March 2024 £000
	Long Term Investments		
1,182	Equities	1,182	
<u>1,182</u>			<u>1,182</u>
	Investment Assets		
786	Equities	763	
38,082	Bonds	0	
<u>38,868</u>			<u>763</u>
	Pooled Investments		
4,755,200	Equities	5,040,813	
1,062,509	Private Equity	1,390,000	
2,226,458	Credit	2,274,333	
929,969	Infrastructure	908,962	
160,118	Indirect Property	0	
208,555	Other Managed Funds	686,014	
<u>9,342,809</u>			<u>10,300,122</u>

31 March 2023 £000		31 March 2024 £000	31 March 2024 £000
	Other Investments		
660,719	Direct Property	508,525	
41,310	Property Other	0	
<u>702,029</u>			<u>508,525</u>
97,025	Cash Deposits	151,687	
2,250	Investment Income Due	2,676	
<u>99,275</u>			<u>154,363</u>
<u>10,184,163</u>	Total Investment Assets		<u>10,964,955</u>
<u>10,184,163</u>	Net Investment Assets		<u>10,964,955</u>

Note 14b. Reconciliation Of Movements In Investments And Derivatives

Period 2023/24	Market Value 1 April 2023	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in value during the year	Market Value 31 March 2024
	£000	£000	£000	£000	£000
Equities	1,968	0	(953)	930	1,945
Bonds	38,082	45,000	(31,226)	(51,856)	0
Pooled Investments	9,342,809	953,062	(841,123)	845,374	10,300,122
Property	702,029	51,129	(239,462)	(5,171)	508,525
	10,084,888	1,049,191	(1,112,764)	789,277	10,810,592
<i>Other Investment Balances:</i>					
Cash Deposits	97,025			(537)	151,687
Other Investment Assets	2,250				2,676
Net Investment Assets	10,184,163			788,740	10,964,955

Period 2022/23	Market Value 1 April 2022	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in value during the year	Market Value 31 March 2023
	£000	£000	£000	£000	£000
Equities	26,803	0	(23,535)	(1,300)	1,968
Bonds	64,692	30,000	(47)	(56,563)	38,082
Pooled Investments	9,648,130	730,438	(877,371)	(158,388)	9,342,809
Property	795,555	31,570	(8,773)	(116,323)	702,029
					0
	10,535,180	792,008	(909,726)	(332,574)	10,084,888
<i>Other Investment Balances:</i>					
Cash Deposits	118,756			2,414	97,025
Other Investment Assets	2,468				2,250
Net Investment Assets	10,656,404			(330,160)	10,184,163

Note 14c. Investments Analysed By Fund Manager

Market Value 31 March 2023			Market Value 31 March 2024	
%	£000		£000	%
Investments managed by Border to Coast Pensions Partnership:				
7.0%	702,953	Border to Coast Sterling Index Linked Bonds	703,521	6.5%
10.4%	1,057,699	Border to Coast UK	1,055,453	9.6%
27.9%	2,845,928	Border to Coast Developed Overseas	3,248,747	29.6%
6.8%	695,779	Border to Coast Emerging Markets	736,612	6.7%
5.5%	562,712	Border to Coast MAC (Multi Asset Credit) Fund	390,192	3.6%
4.3%	435,757	Border to Coast Investment Grade Credit	552,538	5.0%
1.5%	155,794	Border to Coast Listed Alternatives Fund	153,007	1.4%
2.4%	244,898	Border to Coast Private Equity Series	411,162	3.7%
1.1%	115,644	Border to Coast Private Credit Series	170,512	1.6%
3.5%	355,724	Border to Coast Infrastructure Series	456,148	4.2%
70.4%	7,172,888		7,877,893	71.9%
Investments managed outside of Border to Coast Pensions Partnership:				
23.1%	2,350,556	South Yorkshire Pensions Authority	2,349,170	21.4%
4.7%	477,930	Abrdn - Direct Property - Commercial Portfolio	490,050	4.5%
1.8%	182,789	Bidwells - Direct Property - Agricultural Portfolio	18,475	0.2%
0.0%	0	Royal London Asset Management	229,367	2.0%
29.6%	3,011,275		3,087,062	28.1%
100.0%	10,184,163	Total Net Investment Assets	10,964,955	100.0%

The following investments each represent over 5% of the net assets of the Fund at 31 March 2024.

Market Value 31 March 2023

%	£000	Security
6.9%	702,953	Border to Coast Sterling Index Linked Bonds
10.4%	1,057,699	Border to Coast UK
27.9%	2,845,928	Border to Coast Developed Overseas
6.8%	695,779	Border to Coast Emerging Markets
4.3%	435,757	Border to Coast Investment Grade Credit
	5,738,116	

Market Value 31 March 2024

£000	%
703,521	6.5%
1,055,453	9.6%
3,248,747	29.6%
736,612	6.7%
552,538	5.0%
6,296,872	

Note 14d. Property Holdings

The Fund's investment property portfolio comprises investments in pooled property funds and a number of directly owned properties which are leased commercially to various tenants. Details of these directly owned properties are as follows.

2022/23 £000		2023/24 £000
779,745	Opening balance at 1 April	660,719
	<i>Additions:</i>	
467	Purchases	18,540
167	New Construction	509
1,036	Subsequent Expenditure	1,240
(8,773)	Disposals ¹	(163,047)
(111,923)	Net Increase / (Decrease) in Market Value	(9,436)
660,719	Closing balance at 31 March	508,525

The Fund holds a number of buildings in prime locations. There are no legal restrictions on the ability to realise these properties or on the remittance of income or disposal proceeds, although the Fund recognises that it could take six months to achieve disposal on favourable terms.

As at 31 March 2024, there were no vacant properties (31 March 2023: two) and two vacant units (31 March 2023: five) across the property portfolio. Repairs and maintenance of the properties are either directly with the occupant of the property or via a service charge. Each lease sets out the condition in which a property should be left at the end of the tenancy and states that any cost to restore it to this condition is the responsibility of the tenant.

¹Disposals in 2023/24 have significantly increased in comparison to 2022/23 due to the sale of the agricultural property portfolio that took place during the year. The directly held agricultural portfolio has been transferred to a new joint venture with Royal London Asset Management. The joint venture has created a new Natural Capital Vehicle of which the Fund owns around 46% of the holdings, classified as Pooled Investment Vehicles in the Net Assets Statement and valued at £131m at 31 March 2024. The remaining proceeds from the disposals were reinvested in the Royal London UK Real Estate Fund, also classified as Pooled Investment Vehicles in the Net Assets Statement and valued at £98m at 31 March 2024. Further details can be found in Note 24a. Related Party Transactions – Subsidiary Companies.

Note 15a. Fair Value - Basis Of Valuation

The shares held as unquoted equities in our pool, Border to Coast Pensions Partnership Ltd, are valued at cost, i.e. transaction price, as an appropriate estimate of fair value. This is reviewed and assessed each year. Relevant factors include that there is no market in the shares held, disposal of shares is not a matter in which any shareholder can make a unilateral decision, and the company is structured so as not to make a profit. As at 31 March 2024, taking consideration of audited accounts for the company at 31 December 2023, there is also no evidence of any impairment in the value of shares held. It has therefore been determined that cost remains an appropriate proxy for fair value at 31 March 2024.

All other investments are held at fair value in accordance with the requirements of the Code and IFRS 13. The valuation bases are set out below. All assets have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. There has been no change in the valuation techniques used during the year.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Exchange traded pooled investments and property funds	Level 1	Closing bid value on published exchanges	Not required	Not required
Pooled investments - listed funds, bonds and private debt	Level 2	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV-based pricing set on a forward pricing basis or a single price advised by the fund manager	Not required

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Pooled investments - limited partnerships, hedge fund of funds, other funds and property funds	Level 3	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Valuations could be affected by post balance sheet events, gating or closing of pooled property funds, changes to expected cash flows, or by any differences between audited and unaudited accounts.
Freehold and leasehold properties	Level 3	Valued at fair value at the year-end using the investment method of valuation by Jones Lang LaSalle for the commercial portfolio and Fisher German for the agricultural portfolio in accordance with the <i>RICS Valuation – Professional Standards</i> January 2014	<ul style="list-style-type: none"> • Existing lease terms and rentals • Independent market research • Vacancy levels • Estimated rental growth • Discount rate 	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices.

Sensitivity Of Assets Valued At Level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2024.

	Assessed valuation (+/-)	Value 31 March 2024 £000	Value on increase £000	Value on decrease £000
Equities (Long Term)	0%	1,182	1,182	1,182
Equities	10%	99	109	89
Pooled Investment Vehicles	10%	3,109,115	3,420,026	2,798,204
Pooled Property Funds	7%	151,484	162,088	140,880
Property	6%	508,525	539,036	478,014
		3,770,405	4,122,441	3,418,369

Note 15b. Fair Value Hierarchy

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Comprise quoted equities, quoted bonds and unit trusts. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data. This includes composite prices for fixed income instruments and fund net asset value prices.

Level 3

Where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments include unquoted equity investments and hedge fund of funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

Investments in private equity funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association or other professional bodies.

The table that follows provides an analysis of the assets and liabilities of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	
Values 31 March 2024	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Financial assets at fair value through profit and loss	162,263	6,880,600	3,260,698	10,303,561
Non-financial assets at fair value through profit and loss (Note 14d)			508,525	508,525
Net investment assets	162,263	6,880,600	3,769,223	10,812,086

The following assets were carried at cost:

Values 31 March 2024	Total
	£000
Investments in Border to Coast Pensions Partnership Pool	1,182
Investments held at cost	1,182

Reconciliation to Net Assets Statement	
Total Analysed Above	10,813,268
Plus Cash	151,687
Total Net Investments per Net Assets Statement	10,964,955

	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	Total
Values 31 March 2023	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Financial assets at fair value through profit and loss	168,530	6,533,570	2,723,137	9,425,237
Non-financial assets at fair value through profit and loss (Note 14d)			660,719	660,719
Net investment assets	168,530	6,533,570	3,383,856	10,085,956

The following assets were carried at cost:

Values 31 March 2023	Total
	£000
Investments in Border to Coast Pensions Partnership Pool	1,182
Investments held at cost	0
	0
	0
	1,182

Reconciliation to Net Assets Statement

Total Analysed Above	10,087,138
Plus Cash	97,025
Total Net Investments per Net Assets Statement	10,184,163

Note 16a. Classification Of Financial Instruments

The financial instruments of the Fund comprises its investment assets, debtors and creditors as shown in the Net Assets Statement. Property held is classified as investment property and is not a financial instrument so is not included in the classification below.

31 March 2023			31 March 2024		
Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000	Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000
			Financial Assets		
1,968	0	0	1,945	0	0
38,082	0	0	0	0	0
9,342,809	0	0	10,300,122	0	0
41,310	0	0	0	0	0
2,250	0	0	2,676	0	0
0	97,025	0	0	151,687	0
0	33,482	0	0	35,420	0
9,426,419	130,507	0	10,304,743	187,107	0
			Financial Liabilities		
0	0	(15,665)	0	0	(15,933)
9,426,419	130,507	(15,665)	10,304,743	187,107	(15,933)
9,541,261			10,475,917		

Financial Assets

Equities
Bonds
Pooled Investments
Property Other
Other Investment Balances
Cash
Sundry Debtors and Prepayments

Financial Liabilities

Sundry Creditors

Total

Note 16b. Net Gains And Losses On Financial Instruments

2022/23		2023/24
£000		£000
	Financial Assets	
(216,251)	(Loss) / Gain on Assets at Fair Value Through Profit and Loss	794,448
2,414	(Loss) / Gain on Assets at Amortised Cost	(537)
<hr/> (213,837) <hr/> <hr/>	Net (Loss)/ Gain on Financial Instruments	<hr/> 793,911 <hr/> <hr/>

All realised gains and losses arise from the sale or disposal of financial assets which have been derecognised in the financial statements.

Note 17. Nature And Extent Of Risks Arising From Financial Instruments

Risk and Risk Management

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members).

Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows.

The management of risk is described within the Fund's Investment Strategy Statement (ISS) which is included in the published annual report and accounts and is also available in the 'Investments' area of the Fund's website (<https://www.sypensions.org.uk>). It centres upon the adoption of an investment strategy, as represented by the Fund's customised benchmark, which is appropriate to meet the objectives of the Funding Strategy Statement. It focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the resources available to fund services.

The cash balances of the Fund are managed by the Administering Authority. The Authority's treasury management activities are governed by the Local Government Act 2003 and the Fund has broadly adopted CIPFA's Treasury Management Code of Practice. The annual Treasury Management Strategy for 2023/24 was approved by the Authority in February 2023.

a) Market Risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis, any identified risk is monitored and reviewed.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter (OTC) equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund's ISS sets out the details of how the risk of negative returns due to price fluctuations is managed. Different asset classes have different risk and return characteristics and will therefore react differently to external events and will not necessarily do so in a correlated or pre-determined manner. No single asset class or market acts in isolation from other assets or markets. It is, therefore, extremely difficult to meaningfully estimate the consequences of a particular event in a particular asset on other asset classes. It is important to recognise that returns, volatility and risks vary over time.

In order to minimise the risks associated with market movements the Fund is well diversified across asset classes and within individual portfolios and constantly monitored and reviewed.

Price Risk - Sensitivity Analysis

Page 372 Potential price changes are determined based on the observed historical volatility of asset class returns. 'Riskier' assets such as equities will display greater potential volatility than bonds as an example, so the overall outcome depends largely on the Fund's asset allocations. Based on this, the Fund has determined that the following movements in market price risk are reasonably possible for 2024/25, assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same:

Asset Type	Values at 31 March 2024	Potential Market Movements	Potential Value on Increase	Potential Value on Decrease
	£000	(+/-)	£000	£000
Long Term Equities	1,182	0.00%	1,182	1,182
Overseas Equities	763	10.24%	841	685
Pooled Investment Vehicles	10,110,199	9.62%	11,082,800	9,137,598
Indirect Property	189,923	7.17%	203,540	176,306
Total	10,302,067		11,288,363	9,315,771

Asset Type [Prior Year]	Values at 31 March 2023	Potential Market Movements	Potential Value on Increase	Potential Value on Decrease
	£000	(+/-)	£000	£000
Long Term Equities	1,182	0.00%	1,182	1,182
Overseas Equities	786	12.03%	881	691
UK Bonds	37,879	20.50%	45,644	30,114
Overseas Bonds	203	7.24%	218	188
Pooled Investment Vehicles	9,182,691	11.57%	10,245,128	8,120,254
Indirect Property	160,118	7.85%	172,687	147,549
Total	9,382,859		10,465,740	8,299,978

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Different classes of asset have different risk and return characteristics and sensitivities to changes in financial factors, in particular to inflation and interest rates. The Fund's investment strategy takes into account these differences and the correlation between them. The Fund regularly monitors its exposure to interest rates.

The Fund's direct exposure to interest rate movements as at 31 March 2024 and 31 March 2023 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

The Fund recognises that interest rates can vary and can affect both income to the Fund and the carrying value of Fund assets, both of which affect the value of the net assets available to pay benefits. The sensitivity analysis shown below is based on the Fund's methodology for this risk and shows the potential impact of a 0.95% change in interest rates. This percentage is equal to 1 standard deviation of the 10 year government bond yield (annualised).

The analysis assumes that all other variables, in particular exchange rates, remain constant.

Exposure To Interest Rate Risk	Values 31 March 2024	Potential Interest Rate Movement	Potential Value on Increase	Potential Value on Decrease
	£000	(+/-)	£000	£000
Cash - Sterling	129,418	0.95%	130,647	128,189

Exposure To Interest Rate Risk [Prior Year]	Values 31 March 2023	Potential Interest Rate Movement	Potential Value on Increase	Potential Value on Decrease
	£000	(+/-)	£000	£000
Cash - Sterling	77,751	0.89%	78,443	77,059

Currency Risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. The Fund's customised benchmark regulates such exposure: part of that approach involves the Authority passively hedging its overseas property portfolio's currency risk.

Following analysis of historical data, the Fund considers the likely volatility associated with foreign exchange rate movements to be not more than 6.97%. A strengthening/weakening of the pound by 6.97% against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Assets Exposed to Currency Risk	Asset Value 31 March 2024	Potential Market Movement	Value on Increase	Value on Decrease
	£000	£000	£000	£000
Overseas Equities	763	53	816	710
Overseas Pooled Funds	6,934,022	483,301	7,417,323	6,450,721
Overseas indirect property	11,193	780	11,973	10,413
Cash - Currency	22,269	1,552	23,821	20,717
Total Change In Assets Available To Pay Benefits	6,968,247	485,686	7,453,933	6,482,561

Assets exposed to currency risk [Prior Year]	Asset Value 31 March 2023 £000	Potential Market Movement £000	Value on Increase £000	Value on Decrease £000
Overseas Equities	786	87	873	699
Overseas Bonds	203	22	225	181
Overseas Pooled Funds	6,547,550	720,885	7,268,435	5,826,665
Overseas indirect property	12,763	1,405	14,168	11,358
Cash - Currency	19,274	2,122	21,396	17,152
Total Change In Assets Available To Pay Benefits	6,580,576	724,521	7,305,097	5,856,055

b) Credit Risk

Page 375 Credit risk represents the risk that the counterparty to the financial transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. The selection of high-quality counterparts, brokers and financial institutions minimises credit risk that may occur through the failure of third parties to settle transactions in a timely manner.

The Fund's benchmark allowance for cash at 31 March 2024 was 1.5% of the Fund (1.5% at 31 March 2023). The actual cash held at 31 March 2024 represented 1.18% of the Fund value (0.76% at 31 March 2023).

The Treasury Management Strategy for managing the cash balances held includes limits as to the maximum sum placed on deposit with individual financial institutions and applies a minimum short term credit rating requirement of F1 or better.

Summary of Cash Balances and Credit Ratings

		31 March 2023	31 March 2024
Counterparty Type	Rating	£000	£000
Money Market Funds	AAA	32,000	69,500
Banks	Minimum of F1	35,751	59,918
Other Local Authorities	-	10,000	0
Total		77,751	129,418

c) Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments. The Fund's cash holding under its treasury management arrangements at 31 March 2024 was £129.4 million (31 March 2023 £77.8 million).

The Fund maintains at least £40 million of its cash balances as readily available through the use of money market funds, call accounts and short-term deposits to meet expected or unexpected demands for cash.

Note 18. Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and the next valuation is due to take place as at 31 March 2025.

The funding strategy objectives are to:

1. take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
2. use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
3. where appropriate, ensure stable employer contribution rates
4. reflect different employers' characteristics to set their contributions rates, using a transparent funding strategy
5. use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned. A secondary objective is to ensure the rates are as stable as possible. A risk-based approach to setting employer contribution rates is used to meet these objectives.

An actuarial valuation of the South Yorkshire Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026.

Based on the assumptions adopted, the Fund was assessed as 119% funded (99% at the 2019 valuation). This corresponded to a surplus of £1,685 million (2019 valuation: £63 million deficit).

The employer contribution rate is made up of two components as follows:

Primary Contribution Rate

The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

Secondary Contribution Rate

The Secondary rate covers the costs associated with sufficiently funding benefits accrued up to the valuation date.

Each employer has a contribution rate appropriate to their circumstances. These are shown in the 'Rates and Adjustments Certificate' section of the Valuation Report available on the Authority's website at www.sypensions.org.uk

The table below shows the whole Fund contribution rate as determined at the 2022 Valuation, as compared with the rates set at the previous valuation.

	Last Valuation 31 March 2019		This Valuation 31 March 2022	
Primary Rate	16.1% of pay		20.3% of pay	
	2020/2021	£26,675,000	2023/2024	(£21,921,000)
Secondary Rate	2021/2022	£13,475,000	2024/2025	(£20,058,000)
	2022/2023	£13,881,000	2025/2026	(£18,043,000)

In broad terms, primary rates have increased since the last valuation due to rising inflation. While secondary rates had decreased due to strong investment performance since the previous valuation. However, all employers will be different and the contribution rate will reflect the membership and experiences of each employer.

Valuation Assumptions

To set and agree assumptions for the valuation, the Fund carried out in depth analysis and review in February 2022 with the final set agreed by the Pensions Authority on 17 March 2022. The main actuarial assumptions used for assessing the Solvency Funding Target were as follows:

Financial Assumptions	Required for	Last Valuation 31 March 2019	This Valuation 31 March 2022
Discount Rate	To place a present value on benefits promised to members at the valuation date.	3.9% per annum	4.45% per annum
Benefit Increases/CARE Revaluation	To determine the size of future benefit payments	2.4% per annum	2.7% per annum
Salary Increases	To determine the size of future final-salary linked benefit payments	3.6% per annum	3.3% per annum

Demographic Assumptions

	Years
Life expectancy for current pensioners - men age 65	21.0
Life expectancy for future pensioners - men age 45	22.0
Life expectancy for current pensioners - women age 65	24.0
Life expectancy for future pensioners - women age 45	25.5

Commutation Assumption

Members have the option to commute part of their pension at retirement in return for a lump sum at a rate of £12 cash for each £1 per annum of pension given up. It is assumed that 50% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits.

Risk Analysis

Specific risks relating to the valuation include:

- McCloud: the remedy to resolve the McCloud case had yet to be formalised in regulations when the valuation was completed. However, an allowance was included for this expected benefit change at the 2022 valuation as directed by the Department of Levelling Up, Housing and Communities.
- Goodwin: the remedy to this issue is still uncertain, it is difficult to identify who it would apply to and its impact is estimated to be very small for a LGPS fund (0.1% to 0.2% of liabilities). Therefore, no allowance was made for this case at the 2022 valuation.
- Cost Cap: at the time of the valuation, a legal challenge was still ongoing in relation to the results of the 2016 cost cap valuation and no information was known about the outcome of the 2020 cost cap valuation. At this valuation, no allowance was made for any changes to the benefit structure that may occur as a result of a cost cap valuation. The legal decision was subsequently published in April 2024 which was in agreement with the earlier ruling from the High Court (published in March 2023) which ruled in favour of HM Treasury on all grounds. Following this, on 11 April 2024, the Government Actuary's Department published its completed valuation of the Local Government Pension Scheme (England and Wales) as at 31 March 2020. The valuation found that the core 'cost cap cost' of the scheme lies outside the 3% cost control mechanism corridor (3.2% below target cost). The new 'economic cost cap cost' of the scheme also lies outside the 3% corridor, but in the other direction (7.3% above target cost). As a result, the mechanism as a whole is not breached and the Government is not proposing to make any changes to scheme benefits.
- GMP Indexation: it was assumed that all increases on GMPs for members reaching State Pension Age after 6 April 2016 will be paid for by LGPS employers. This is the same approach that was taken for the 2019 valuation.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated 31 March 2022; this is available in the 'How We Operate' area of the Fund's website at: www.sypensions.org.uk.

Note 19. Actuarial Present Value Of Promised Retirement Benefits

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the Pension Fund liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year, but taking account of changes in membership numbers and updating assumptions to the current year.

This valuation is not carried out on the same basis as that used for setting fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future. In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes set out in Note 18. The actuary has also valued ill health and death benefits in line with IAS 19.

Financial Assumptions	Required for	31 March 2023	31 March 2024
Discount Rate	To place a present value on benefits promised to members at the valuation date.	4.75% per annum	4.85% per annum
Benefit Increases/CARE Revaluation	To determine the size of future benefit payments	2.95% per annum	2.75% per annum
Salary Increases	To determine the size of future final-salary linked benefit payments	3.55% per annum	3.35% per annum
Demographic Assumptions			Years
Life expectancy for current pensioners - men age 65			20.6
Life expectancy for future pensioners - men age 45			21.4
Life expectancy for current pensioners - women age 65			23.6
Life expectancy for future pensioners - women age 45			25.0
Results		31 March 2023	31 March 2024
Present value of promised retirement benefits		£9,280 million	£9,352 million

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2024 and 31 March 2023. The Actuary estimates that the impact of the change in financial assumptions to 31 March 2024 is to decrease the actuarial present value by £516m. The Actuary estimates that the impact of the change in demographic assumptions is to decrease the actuarial present value by £65m.

Note 20. Current Assets

31 March 2023		31 March 2024
£000		£000
6,123	Short Term Debtors	
18,602	Contributions Due - Employees	6,594
<u>24,725</u>	Contributions Due - Employers	<u>19,109</u>
1,265	Early Retirement Strain Contributions Receivable	553
7,492	Sundry Debtors	<u>9,164</u>
<u><u>33,482</u></u>	Total	<u><u>35,420</u></u>

Note 21. Current Liabilities

31 March 2023		31 March 2024
£000		£000
(7,578)	Sundry Creditors	(6,262)
(2,725)	Payroll Expenses Payable	(3,564)
<u>(5,362)</u>	Advance Property Rents	<u>(6,107)</u>
<u><u>(15,665)</u></u>	Total	<u><u>(15,933)</u></u>

The Fund Net Assets Statement at 31 March 2024 includes a creditor of £0.498 million (£1.831 million at 31 March 2023) for sums due to the Authority. This is included in the 'Sundry Creditors' line above.

Note 22. Additional Voluntary Contributions

The Pension Fund's Additional Voluntary Contributions (AVC) providers are Prudential, Scottish Widows and Utmost Life & Pensions. This note shows information about these separately invested AVCs. The AVC providers secure benefits on a money purchase basis for those members electing to pay AVCs. In accordance with Regulation 4(2)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2009 as amended, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

Page 382

Restated		Market Value
Market Value 31 March 2023		31 March 2024
£000		£000
10,551	Prudential ¹	10,105
Not available	Scottish Widows ²	Not available
1,544	Utmost Life & Pensions	1,389
12,095	Total	11,494
Restated		AVCs Paid to Providers
AVCs Paid to Providers 2022/23		2023/24
£000		£000
1,797	Prudential ¹	1,690
Not available	Scottish Widows ²	Not available
6	Utmost Life & Pensions	4
1,803	Total	1,694

¹ At the date when the 2022/23 accounts were authorised for issue, it was reported that audited figures from Prudential were not available and therefore the figures disclosed for 2022/23 were based on a snapshot of the fund at 31 March 2023. The audited figures for 2022/23 have subsequently been provided and are now disclosed above.

However, the equivalent information for 2023/24 has again not been provided by Prudential to the required timescales. Instead, Prudential have provided the figures disclosed above for 2023/24 based on a snapshot of the fund at 31 March 2024.

² At the date of authorising the 2023/24 accounts for issue, Scottish Widows have again been unable to provide the necessary information for both 2022/23 and 2023/24 within the required timescales.

The issues above have been reported to The Pensions Regulator.

Note 23. Agency Services

The South Yorkshire Pension Fund pays discretionary awards to former employees of various bodies as shown below. The amounts paid are fully reclaimed from the employer bodies.

2022/23 £000		2023/24 £000
	<i>Payments on behalf of:</i>	
15	South Yorkshire Pensions Authority	16
2,393	Barnsley MBC	2,544
1,788	City of Doncaster Council	1,862
1,252	Rotherham MBC	1,331
5,529	Sheffield CC	5,775
1,463	Other Scheduled Bodies	1,457
48	Admitted Bodies	49
12,488	Total	13,034

Note 24. Related Party Transactions

South Yorkshire Pensions Authority

The South Yorkshire Pension Fund is administered by South Yorkshire Pensions Authority. During the reporting period, the Authority incurred costs of £7.333 million (2022/23 £6.555 million) in relation to the administration and management of the Fund and was reimbursed by the Fund for these expenses. All transactions are shown either in the Authority's statements or in the Fund accounts. All contributing employers are related parties to the Fund, and have material transactions with the Fund during the year in the form of contributions described elsewhere in the accounts.

The Fund received a total of £0.312 million (2022/23: £0.315 million) from the Authority as contributions for the unfunded benefits residual liabilities of the former South Yorkshire County Council and Residuary Body.

Elected members of the Authority are related parties to the Fund and are required to sign declarations when they are also members of the Fund.

External fund managers are also related parties to the Fund and fees paid to them are included within investment management expenses (see Note 11a).

Border To Coast Pensions Partnership

Border to Coast Pensions Partnership (Border to Coast) is a related party to the Fund as the Fund is a shareholder in the company, along with 10 other LGPS Funds, and holds shares amounting to £1.182 million at 31 March 2024 (31 March 2023: £1,182 million).

Direct costs of £6.122 million (2022/23 £5.149 million) were paid to Border to Coast during the 2023/24 year.

Note 24a. Related Party Transactions - Subsidiary Companies**Waldersey Farms Limited and FH Bowser Limited**

The Fund previously held within its portfolio two wholly owned subsidiaries - Waldersey Farms Limited and FH Bowser Limited - a farming company and a company holding agricultural property to let to third parties respectively.

During the year, the Fund completed a transaction to transfer its directly held agricultural property portfolio and the two wholly owned companies to Royal London Asset Management as part of the creation of a new farmland Joint Venture. The transaction completed on 26 January 2024.

The total value of the directly held agricultural property and the investments in the two companies reported on the Fund's Net Assets Statement as at 31 March

2023 was £224m. These created the seed assets for a new Royal London Natural Capital vehicle of which South Yorkshire Pension Fund owns around a 46% holding. The remaining proceeds received from the sale of the agricultural property have been reinvested into a Royal London UK Real Estate fund. The holdings in both the Natural Capital vehicle and the UK Real Estate fund are reported in the Fund's Net Assets Statement as Pooled Investment Vehicles at a total value of £229m at 31 March 2024.

Due to legal delays, one of the agricultural property assets sales has yet to complete and this asset continues to be held as direct property in the Net Assets Statement at a value of £18m at 31 March 2024.

Note 24b. Key Management Personnel

The key management personnel of the Fund are the senior managers and the holders of statutory roles for the South Yorkshire Pensions Authority. These officers and their remuneration payable is set out in Note 18 to the Authority's accounts.

Note 25. Contractual Commitments and Contingent Assets

Outstanding capital commitments (investments) at 31 March are shown below. These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of a number of years from the date of the original commitment. The following table shows the commitments analysed according to the different currencies in which they are designated.

31 March 2023		31 March 2024	
Currency	£ Equivalent	Currency	£ Equivalent
000	£000	000	£000
£272,654	272,654	£348,828	348,828
€366,756	322,452	€300,416	256,503
\$1,214,848	984,719	\$1,462,723	1,170,928
	<u>1,579,825</u>		<u>1,776,259</u>

At 31 March 2024, 7 admitted body employers (31 March 2023: 6) in the South Yorkshire Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default. No such defaults have occurred in 2023/24 (2022/23: Nil).

This page is intentionally left blank

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Administering Authority	South Yorkshire Pensions Authority	£252,527	£599,266	£851,794
Scheduled Body	Barnsley MBC	£7,652,408	£21,438,799	£29,091,207
Scheduled Body	City of Doncaster Council (CDC)	£9,041,603	£22,835,849	£31,877,452
Scheduled Body	Rotherham MBC	£8,820,981	£23,742,583	£32,563,564
Scheduled Body	Sheffield City Council	£18,914,103	£139,059,138	£157,973,241
	Subtotal	£44,681,622	£207,675,635	£252,357,258
Other Scheduled Bodies	Ravenfield Parish Council	£1,161	£3,280	£4,442
Other Scheduled Bodies	Thurcroft Parish Council	£2,415	£5,885	£8,299
Other Scheduled Bodies	Penistone Town Council	£1,846	£6,374	£8,220
Other Scheduled Bodies	Silkstone Parish Council	£1,144	£4,557	£5,701
Other Scheduled Bodies	Askern Town Council	£4,046	£14,095	£18,141
Other Scheduled Bodies	Barnby Dun with Kirk Sandall Parish Council	£1,986	£6,825	£8,811
Other Scheduled Bodies	Edlington Town Council	£2,858	£11,515	£14,373
Other Scheduled Bodies	Hatfield Town Council	£7,349	£28,852	£36,201
Other Scheduled Bodies	Rossington Parish Council	£1,628	£6,103	£7,731
Other Scheduled Bodies	Stainforth Town Council	£1,280	£9,683	£10,964
Other Scheduled Bodies	Thorne Moorends Town Council	£14,923	£48,816	£63,739
Other Scheduled Bodies	Sprotbrough & Cusworth Parish Council	£4,121	£11,884	£16,005
Other Scheduled Bodies	Armthorpe Parish Council	£8,596	£27,100	£35,696
Other Scheduled Bodies	Anston Parish Council	£6,831	£23,505	£30,336
Other Scheduled Bodies	Thrybergh Parish Council	£2,329	£9,947	£12,276
Other Scheduled Bodies	Aston-cum-Aughton Parish Council	£11,167	£31,759	£42,927
Other Scheduled Bodies	Wickersley Parish Council	£6,391	£24,209	£30,600
Other Scheduled Bodies	Bradfield Parish Council	£6,760	£7,335	£14,095
Other Scheduled Bodies	Ecclesfield Parish Council	£6,503	£19,955	£26,458
Other Scheduled Bodies	Stocksbridge Town Council	£1,911	£7,769	£9,680
Other Scheduled Bodies	Dalton Parish Council	£11,514	£12,453	£23,967
Other Scheduled Bodies	Waverley Community Council	£1,320	£5,007	£6,328

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Goldthorpe Primary Academy	£24,680	£100,195	£124,875
Other Scheduled Bodies	Peak Edge MAT HQ	£5,523	£12,586	£18,109
Other Scheduled Bodies	Thurcroft Infant School	£23,196	£84,261	£107,457
Other Scheduled Bodies	Outwood Primary Academy Woodlands	£28,626	£122,252	£150,878
Other Scheduled Bodies	Brook House Junior School	£18,931	£80,569	£99,500
Other Scheduled Bodies	Anston Hillcrest Primary	£22,727	£81,719	£104,446
Other Scheduled Bodies	Milefield Primary	£21,092	£74,345	£95,437
Other Scheduled Bodies	New Pastures Primary Academy	£23,632	£76,022	£99,654
Other Scheduled Bodies	Woodthorpe Primary School	£34,476	£157,103	£191,579
Other Scheduled Bodies	Carcroft Primary	£23,232	£87,602	£110,833
Other Scheduled Bodies	Ferham Primary	£19,933	£71,987	£91,920
Other Scheduled Bodies	Castle Hills Primary	£30,456	£119,699	£150,155
Other Scheduled Bodies	Malin Bridge School	£55,047	£205,124	£260,170
Other Scheduled Bodies	Meadow View Primary	£18,361	£65,873	£84,234
Other Scheduled Bodies	St Clare CMAT	£26,248	£74,279	£100,527
Other Scheduled Bodies	St Francis CMAT	£15,363	£44,288	£59,651
Other Scheduled Bodies	Elements Academy	£63,248	£244,247	£307,495
Other Scheduled Bodies	St Albans Catholic Primary	£21,943	£79,071	£101,014
Other Scheduled Bodies	Discovery Academy	£28,994	£95,064	£124,057
Other Scheduled Bodies	Stocksbridge Nursery Infant School	£22,132	£75,602	£97,734
Other Scheduled Bodies	St Peter's Catholic Primary	£13,245	£57,862	£71,107
Other Scheduled Bodies	Our Lady of Mount Carmel Catholic Primary	£12,915	£54,915	£67,830
Other Scheduled Bodies	University Technical College (Central Team)	£17,209	£44,829	£62,037
Other Scheduled Bodies	University Technical College (Sheffield Olympic Legacy Park)	£9,579	£28,233	£37,812
Other Scheduled Bodies	Foljambe Primary Academy	£9,153	£38,112	£47,266
Other Scheduled Bodies	Kenwood Academy	£41,469	£133,437	£174,906
Other Scheduled Bodies	Highfield Farm Primary	£11,067	£39,733	£50,799
Other Scheduled Bodies	Bankwood Primary School	£31,399	£133,176	£164,575
Other Scheduled Bodies	Birdwell Primary School	£11,687	£40,958	£52,645

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Travis St Lawrence Primary School	£25,760	£75,451	£101,211
Other Scheduled Bodies	Swallownest Primary School	£13,016	£40,957	£53,974
Other Scheduled Bodies	Town Field Primary School	£36,487	£163,155	£199,642
Other Scheduled Bodies	Scawsby Saltersgate Junior School	£25,571	£114,270	£139,841
Other Scheduled Bodies	Barnburgh School	£12,205	£49,397	£61,602
Other Scheduled Bodies	Cascade CMAT	£18,387	£59,137	£77,524
Other Scheduled Bodies	The Willows School	£44,698	£146,845	£191,543
Other Scheduled Bodies	Anns Grove Primary School	£16,493	£43,207	£59,700
Other Scheduled Bodies	Hoylandswaine Primary	£4,388	£15,376	£19,763
Other Scheduled Bodies	Brighter Futures Learning Partnership CMAT	£7,181	£22,832	£30,012
Other Scheduled Bodies	Stocksbridge Junior School	£6,579	£23,777	£30,356
Other Scheduled Bodies	Gleadless Primary School	£6,269	£28,802	£35,071
Other Scheduled Bodies	Ladywood Primary School	£1,796	£5,041	£6,837
Other Scheduled Bodies	Danum Drainage Commissioners	£9,898	£38,686	£48,584
Other Scheduled Bodies	Barnsley College	£551,737	£1,667,921	£2,219,658
Other Scheduled Bodies	DN Colleges Group	£423,365	£1,091,106	£1,514,470
Other Scheduled Bodies	The Sheffield College	£863,098	£2,089,126	£2,952,224
Other Scheduled Bodies	Sheffield Hallam University	£4,658,850	£13,848,366	£18,507,215
Other Scheduled Bodies	The Hayfield School	£65,585	£160,240	£225,825
Other Scheduled Bodies	R N N Group	£548,933	£1,583,162	£2,132,095
Other Scheduled Bodies	Thomas Rotherham College	£93,409	£291,437	£384,846
Other Scheduled Bodies	Longley Park Sixth Form College	£69,157	£294,019	£363,176
Other Scheduled Bodies	University Technology College (Sheffield)	£43,001	£132,756	£175,757
Other Scheduled Bodies	Consilium Academies Trust	£84,705	£226,418	£311,123
Other Scheduled Bodies	The Chief Constable	£4,930,968	£13,427,807	£18,358,775
Other Scheduled Bodies	South Yorkshire Fire Authority	£604,671	£1,503,277	£2,107,948
Other Scheduled Bodies	The Police and Crime Commissioner	£105,467	£226,954	£332,421
Other Scheduled Bodies	Berneslai Homes	£1,186,170	£1,802,667	£2,988,837
Other Scheduled Bodies	Barnsley Academy	£52,697	£177,047	£229,743

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	St Marys Academy Trust	£45,744	£202,233	£247,977
Other Scheduled Bodies	Oakhill Primary Academy	£23,688	£87,409	£111,096
Other Scheduled Bodies	The Hill Academy	£41,131	£169,322	£210,453
Other Scheduled Bodies	Highgate Academy	£26,629	£109,146	£135,775
Other Scheduled Bodies	Carrfield Academy	£24,761	£106,916	£131,676
Other Scheduled Bodies	Gooseacre Academy	£27,243	£113,867	£141,111
Other Scheduled Bodies	All Saints Academy (Darfield)	£20,678	£101,916	£122,594
Other Scheduled Bodies	Upperwood Academy	£21,565	£78,733	£100,298
Other Scheduled Bodies	Carlton Primary	£29,176	£120,462	£149,637
Other Scheduled Bodies	Royston Parkside Academy	£27,424	£111,023	£138,447
Other Scheduled Bodies	Royston Summer Fields Primary	£20,878	£72,025	£92,903
Other Scheduled Bodies	Shafton Primary Academy	£12,394	£73,462	£85,856
Other Scheduled Bodies	St Helens Primary Academy	£9,302	£53,639	£62,941
Other Scheduled Bodies	The Forest Academy	£27,631	£106,116	£133,747
Other Scheduled Bodies	Meadstead Primary Academy	£25,595	£150,447	£176,042
Other Scheduled Bodies	Heather Garth Primary School	£23,250	£114,409	£137,660
Other Scheduled Bodies	Queens Road Academy	£15,285	£73,135	£88,420
Other Scheduled Bodies	Outwood Primary Academy Littleworth	£22,747	£97,463	£120,210
Other Scheduled Bodies	Outwood Primary Academy Darfield	£13,692	£59,513	£73,205
Other Scheduled Bodies	Hoyland Common Primary School	£82,873	£244,129	£327,002
Other Scheduled Bodies	West Meadows Primary School	£15,575	£75,366	£90,940
Other Scheduled Bodies	Dodworth St John the Baptist CE Primary Academy	£10,922	£52,796	£63,718
Other Scheduled Bodies	Darton Primary School	£14,119	£68,734	£82,853
Other Scheduled Bodies	The Mill Academy	£24,943	£120,393	£145,336
Other Scheduled Bodies	Springwell Special Academy	£62,212	£225,868	£288,080
Other Scheduled Bodies	Springwell Alternative Academy	£5,181	£18,561	£23,741
Other Scheduled Bodies	Kirk Balk Academy	£68,023	£239,144	£307,167
Other Scheduled Bodies	Outwood Academy Shafton	£80,174	£329,342	£409,516
Other Scheduled Bodies	Sandhill Primary School	£21,102	£109,836	£130,938

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Greenacre Academy	£195,331	£732,572	£927,903
Other Scheduled Bodies	Laithes Primary School	£35,144	£136,433	£171,577
Other Scheduled Bodies	Elsecar Holy Trinity CE Primary Academy	£11,909	£60,251	£72,161
Other Scheduled Bodies	High View Primary Learning Centre	£53,442	£246,735	£300,177
Other Scheduled Bodies	Wombwell Park Street Primary School	£31,625	£130,859	£162,483
Other Scheduled Bodies	Hoyland Springwood Primary School	£36,370	£162,564	£198,934
Other Scheduled Bodies	Outwood Academy Carlton	£92,019	£380,032	£472,052
Other Scheduled Bodies	Royston St John the Baptist School	£16,516	£79,821	£96,336
Other Scheduled Bodies	Ward Green Academy	£33,823	£121,761	£155,583
Other Scheduled Bodies	Wellgate Primary School	£29,437	£140,092	£169,529
Other Scheduled Bodies	Kexborough Primary School	£15,828	£73,607	£89,434
Other Scheduled Bodies	Oakwell Rise Primary Academy	£21,637	£79,829	£101,467
Other Scheduled Bodies	Netherwood ALC	£56,306	£228,230	£284,536
Other Scheduled Bodies	Bank End Primary Academy	£12,878	£46,116	£58,994
Other Scheduled Bodies	Hunningley Primary Academy	£24,796	£86,368	£111,163
Other Scheduled Bodies	Trinity Academy	£89,739	£265,759	£355,498
Other Scheduled Bodies	St Leger Homes of Doncaster	£1,619,827	£2,515,337	£4,135,165
Other Scheduled Bodies	De Warenne Academy	£78,095	£272,032	£350,126
Other Scheduled Bodies	Outwood Academy Adwick	£92,811	£384,986	£477,797
Other Scheduled Bodies	Rossington All Saints Academy	£62,060	£241,800	£303,860
Other Scheduled Bodies	Ash Hill Academy	£65,547	£254,766	£320,314
Other Scheduled Bodies	Auckley Junior & Infant Academy	£19,650	£81,691	£101,341
Other Scheduled Bodies	Don Valley Academy & Performing Arts College	£64,646	£252,989	£317,635
Other Scheduled Bodies	Grange Lane Infant Academy	£26,437	£107,166	£133,603
Other Scheduled Bodies	Pheasant Bank Academy	£22,408	£95,391	£117,799
Other Scheduled Bodies	Campsmount Academy	£103,057	£386,063	£489,119
Other Scheduled Bodies	Outwood Academy Danum	£73,894	£305,596	£379,490
Other Scheduled Bodies	Rowena Academy	£19,846	£79,952	£99,799
Other Scheduled Bodies	The Academy at Ridgewood Trust	£78,035	£298,360	£376,395

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Conisbrough Ivanhoe Primary Academy	£26,536	£105,411	£131,947
Other Scheduled Bodies	Highfields Primary Academy	£10,878	£47,601	£58,479
Other Scheduled Bodies	Hall Cross Academy Trust	£98,524	£384,087	£482,611
Other Scheduled Bodies	Hungerhill School	£87,183	£313,232	£400,415
Other Scheduled Bodies	Hatfield Woodhouse Primary	£13,406	£54,242	£67,647
Other Scheduled Bodies	Crookesbroom Primary Academy	£14,013	£57,727	£71,740
Other Scheduled Bodies	Willow Primary	£22,879	£96,439	£119,318
Other Scheduled Bodies	Armthorpe Academy	£50,447	£162,778	£213,225
Other Scheduled Bodies	Barnby Dun Primary Academy	£14,112	£55,768	£69,880
Other Scheduled Bodies	Castle Academy	£14,449	£61,488	£75,937
Other Scheduled Bodies	St Oswalds C of E Academy	£13,694	£52,055	£65,750
Other Scheduled Bodies	Armthorpe Shaw Wood Academy	£41,327	£169,110	£210,436
Other Scheduled Bodies	Kirk Sandall Infant School	£16,014	£62,547	£78,561
Other Scheduled Bodies	Dunsville Primary School	£19,449	£69,407	£88,856
Other Scheduled Bodies	Sir Thomas Wharton Academy	£50,501	£168,984	£219,485
Other Scheduled Bodies	Astrea Academy - Woodfields	£77,766	£305,674	£383,440
Other Scheduled Bodies	St Josephs Catholic School (Rossington)	£19,368	£83,600	£102,969
Other Scheduled Bodies	Richmond Hill Primary Academy	£42,820	£174,372	£217,191
Other Scheduled Bodies	McAuley Catholic High School	£81,378	£355,389	£436,767
Other Scheduled Bodies	Montagu Academy	£23,905	£96,581	£120,486
Other Scheduled Bodies	Holy Family Catholic Primary	£22,220	£99,898	£122,118
Other Scheduled Bodies	St Wilfrids Academy	£26,599	£103,159	£129,758
Other Scheduled Bodies	The Laurel Academy	£51,114	£201,054	£252,167
Other Scheduled Bodies	Kirk Sandall Junior School	£18,607	£71,990	£90,597
Other Scheduled Bodies	XP School	£80,053	£272,717	£352,770
Other Scheduled Bodies	Carr Lodge Academy	£38,120	£159,587	£197,707
Other Scheduled Bodies	Waverley Academy	£17,621	£73,038	£90,659
Other Scheduled Bodies	Morley Place Academy	£18,124	£71,885	£90,009
Other Scheduled Bodies	Edenthorpe Hall Academy	£21,902	£95,763	£117,665

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Hexthorpe Primary Academy	£36,997	£156,843	£193,840
Other Scheduled Bodies	Denaby Main Primary Academy	£16,118	£68,445	£84,563
Other Scheduled Bodies	Woodfield Primary School	£26,037	£116,825	£142,862
Other Scheduled Bodies	Mexborough St John The Baptist C of E Primary	£29,541	£105,982	£135,523
Other Scheduled Bodies	Balby Central Primary School	£31,487	£142,373	£173,860
Other Scheduled Bodies	Kingfisher Primary School	£30,279	£134,420	£164,699
Other Scheduled Bodies	Edlington Victoria Academy	£23,342	£97,162	£120,504
Other Scheduled Bodies	Maltby Academy	£74,349	£48,372	£122,721
Other Scheduled Bodies	Brinsworth Academy	£128,706	£423,243	£551,949
Other Scheduled Bodies	Wales High School (Academy Trust)	£146,470	£445,721	£592,191
Other Scheduled Bodies	Aston Academy	£140,848	£531,747	£672,595
Other Scheduled Bodies	Thurcroft Junior Academy	£20,763	£88,265	£109,028
Other Scheduled Bodies	St Bernards Catholic High School	£55,184	£221,791	£276,976
Other Scheduled Bodies	Thrybergh Academy & Sports College	£39,885	£155,556	£195,441
Other Scheduled Bodies	East Dene Primary	£26,291	£123,208	£149,499
Other Scheduled Bodies	Coleridge Primary School	£25,379	£92,900	£118,279
Other Scheduled Bodies	St Bedes Catholic Primary School	£31,222	£129,605	£160,827
Other Scheduled Bodies	St Gerards Catholic Primary - Thrybergh	£14,223	£59,029	£73,253
Other Scheduled Bodies	St Marys Catholic Primary School (Herringthorpe)	£18,987	£75,987	£94,974
Other Scheduled Bodies	Wingfield Academy	£66,066	£229,313	£295,379
Other Scheduled Bodies	St Marys Catholic Primary (Maltby)	£11,344	£53,083	£64,427
Other Scheduled Bodies	Canklow Woods Primary Academy	£28,315	£133,481	£161,795
Other Scheduled Bodies	Whiston Junior & Infant School	£14,850	£72,165	£87,015
Other Scheduled Bodies	Whiston Worrygoose Junior & Infant School	£40,024	£171,985	£212,009
Other Scheduled Bodies	Oakwood High School	£71,128	£215,482	£286,610
Other Scheduled Bodies	Sandhill Primary Academy	£19,391	£81,537	£100,929
Other Scheduled Bodies	Brookfield Primary Academy	£18,265	£78,599	£96,864
Other Scheduled Bodies	St Josephs Catholic Primary (Dinnington)	£12,472	£52,733	£65,205
Other Scheduled Bodies	Maltby Redwood Academy	£16,837	£69,292	£86,129

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Wickersley School and Sports College	£120,221	£491,981	£612,202
Other Scheduled Bodies	Rawmarsh Ashwood Primary School	£14,387	£60,125	£74,511
Other Scheduled Bodies	Sitwell Junior School	£21,987	£70,168	£92,156
Other Scheduled Bodies	Thrybergh Primary School	£14,089	£58,593	£72,681
Other Scheduled Bodies	Rawmarsh Community School	£77,431	£320,221	£397,652
Other Scheduled Bodies	Wickersley St Albans C of E Primary School	£18,132	£85,907	£104,038
Other Scheduled Bodies	Bramley Grange Primary School	£11,635	£60,095	£71,730
Other Scheduled Bodies	Monkwood Primary Academy	£25,948	£112,464	£138,412
Other Scheduled Bodies	Anston Greenlands Primary School	£16,121	£58,110	£74,231
Other Scheduled Bodies	Aston All Saints C of E School	£11,606	£58,287	£69,892
Other Scheduled Bodies	Dinnington High School	£71,921	£282,437	£354,358
Other Scheduled Bodies	Trinity Croft C of E Primary Academy	£19,856	£83,941	£103,798
Other Scheduled Bodies	Listerdale Primary School	£22,034	£93,988	£116,022
Other Scheduled Bodies	Wickersley Northfield Primary	£28,327	£139,983	£168,311
Other Scheduled Bodies	Thrybergh Fullerton Primary	£17,300	£73,698	£90,998
Other Scheduled Bodies	Flanderwell Primary School	£29,703	£125,864	£155,567
Other Scheduled Bodies	Maltby Manor Academy	£26,334	£118,400	£144,734
Other Scheduled Bodies	Maltby Lilly Hall Academy	£27,117	£118,023	£145,141
Other Scheduled Bodies	Ravenfield Primary Academy	£12,863	£64,688	£77,551
Other Scheduled Bodies	Winterhill School	£64,224	£247,418	£311,642
Other Scheduled Bodies	Herringthorpe Junior Academy	£34,423	£140,011	£174,434
Other Scheduled Bodies	Springwood Junior Academy	£18,513	£80,917	£99,430
Other Scheduled Bodies	Greasbrough Academy	£20,089	£84,086	£104,175
Other Scheduled Bodies	Eastwood Village Primary School	£20,089	£57,274	£77,363
Other Scheduled Bodies	Dinnington Community Primary School	£21,276	£101,363	£122,639
Other Scheduled Bodies	Abbey School	£69,770	£236,568	£306,338
Other Scheduled Bodies	Hilltop School	£99,150	£339,587	£438,736
Other Scheduled Bodies	High Greave Infant School	£7,771	£38,675	£46,446
Other Scheduled Bodies	High Greave Junior School	£11,933	£59,023	£70,956

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Kelford School	£77,630	£270,678	£348,308
Other Scheduled Bodies	Brinsworth Whitehill Academy	£23,014	£96,924	£119,938
Other Scheduled Bodies	Aston Hall Junior & Infant School	£15,665	£65,806	£81,470
Other Scheduled Bodies	Swinton Queen Primary School	£27,158	£133,017	£160,175
Other Scheduled Bodies	Aston Lodge Primary School	£13,127	£55,812	£68,939
Other Scheduled Bodies	Swinton Community School	£66,233	£277,832	£344,064
Other Scheduled Bodies	Notre Dame High School	£92,975	£313,804	£406,780
Other Scheduled Bodies	St John Fisher Primary - A Catholic Voluntary Academy	£20,546	£79,357	£99,903
Other Scheduled Bodies	All Saints Catholic High School	£72,413	£260,357	£332,770
Other Scheduled Bodies	St Anns RC Primary School	£10,244	£38,307	£48,551
Other Scheduled Bodies	St Josephs Primary School	£15,892	£50,494	£66,386
Other Scheduled Bodies	Clifford All Saints C of E School	£17,740	£63,831	£81,572
Other Scheduled Bodies	St Therasas RC School	£23,152	£57,636	£80,789
Other Scheduled Bodies	St Patricks Catholic Academy Trust	£33,023	£103,050	£136,072
Other Scheduled Bodies	Totley All Saints C of E School	£10,891	£44,326	£55,217
Other Scheduled Bodies	Broomhill Infant School	£12,853	£43,512	£56,365
Other Scheduled Bodies	Parkwood Academy	£74,943	£186,091	£261,033
Other Scheduled Bodies	Tapton School	£123,296	£427,183	£550,479
Other Scheduled Bodies	Yewlands Academy	£51,211	£214,661	£265,872
Other Scheduled Bodies	Hartley Brook Academy	£64,641	£265,466	£330,107
Other Scheduled Bodies	Hatfield Academy	£36,689	£149,695	£186,384
Other Scheduled Bodies	Meadowhead School Academy Trust	£114,030	£398,290	£512,320
Other Scheduled Bodies	Chaucer School	£83,433	£318,627	£402,060
Other Scheduled Bodies	St Thomas of Canterbury Trust	£24,706	£89,860	£114,566
Other Scheduled Bodies	King Ecgbert School	£90,552	£350,990	£441,543
Other Scheduled Bodies	St Maries School Catholic Voluntary Academy	£18,028	£64,277	£82,305
Other Scheduled Bodies	Sheffield Springs Academy	£72,698	£233,867	£306,565
Other Scheduled Bodies	Sheffield Park Academy	£84,007	£262,688	£346,695
Other Scheduled Bodies	St Wilfrids Catholic Primary School	£24,418	£89,568	£113,986

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Fir Vale School Academy Trust	£61,352	£193,357	£254,709
Other Scheduled Bodies	Bradfield School	£65,217	£241,019	£306,237
Other Scheduled Bodies	Southey Green Primary School & Nurseries	£90,960	£335,209	£426,169
Other Scheduled Bodies	Silverdale School	£70,537	£245,138	£315,674
Other Scheduled Bodies	Greengate Lane Academy	£18,990	£78,760	£97,750
Other Scheduled Bodies	Meynell Primary School	£44,507	£176,211	£220,718
Other Scheduled Bodies	Mansel Primary School	£44,241	£191,402	£235,643
Other Scheduled Bodies	Monteney Primary School	£83,253	£324,075	£407,328
Other Scheduled Bodies	Fox Hill Primary School	£39,803	£169,927	£209,730
Other Scheduled Bodies	Hinde House 3-16 School	£140,995	£554,904	£695,899
Other Scheduled Bodies	Lound Infant School	£10,980	£48,655	£59,634
Other Scheduled Bodies	Lound Junior School	£14,972	£65,534	£80,507
Other Scheduled Bodies	Firth Park Academy	£80,907	£439,719	£520,626
Other Scheduled Bodies	Porter Croft C of E Primary Academy	£21,363	£104,002	£125,366
Other Scheduled Bodies	E-ACT Pathways Academy	£38,890	£100,612	£139,502
Other Scheduled Bodies	Hillsborough Primary School	£28,725	£115,921	£144,646
Other Scheduled Bodies	St Marys Primary School (High Green)	£15,530	£55,494	£71,024
Other Scheduled Bodies	Sacred Heart School A Voluntary Academy	£14,995	£57,787	£72,782
Other Scheduled Bodies	Outwood Academy City	£72,913	£292,961	£365,874
Other Scheduled Bodies	Totley Primary School	£26,218	£109,373	£135,590
Other Scheduled Bodies	St Catherines Catholic Primary School	£48,382	£171,860	£220,242
Other Scheduled Bodies	Concord Junior School	£11,640	£49,761	£61,401
Other Scheduled Bodies	Ecclesfield School	£82,683	£360,625	£443,308
Other Scheduled Bodies	Wincobank Nursery & Infant School	£16,598	£75,831	£92,429
Other Scheduled Bodies	Newfield Secondary School	£73,233	£322,019	£395,252
Other Scheduled Bodies	Emmaus Catholic & C of E Voluntary Academy	£26,363	£95,835	£122,198
Other Scheduled Bodies	Forge Valley School	£119,778	£453,466	£573,243
Other Scheduled Bodies	St Marys C of E Academy (Walkley)	£17,071	£80,900	£97,971
Other Scheduled Bodies	Lowedges Junior Academy	£34,485	£138,300	£172,785

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Oasis Academy (Firvale)	£32,465	£95,712	£128,176
Other Scheduled Bodies	Oasis Academy (Watermead)	£35,358	£105,815	£141,172
Other Scheduled Bodies	Chapelton Academy	£10,624	£46,742	£57,366
Other Scheduled Bodies	Handsworth Grange Community Sports College	£72,876	£319,416	£392,292
Other Scheduled Bodies	Emmanuel Junior School	£13,326	£65,943	£79,269
Other Scheduled Bodies	High Hazels Junior Academy	£28,822	£93,337	£122,159
Other Scheduled Bodies	Woodlands Primary	£45,642	£217,727	£263,369
Other Scheduled Bodies	High Hazels Nursery Infants Academy	£24,488	£84,043	£108,531
Other Scheduled Bodies	Nether Edge Primary Academy	£32,031	£138,669	£170,700
Other Scheduled Bodies	Wisewood Community Primary	£18,925	£74,523	£93,447
Other Scheduled Bodies	Hallam Primary Academy	£46,174	£186,356	£232,530
Other Scheduled Bodies	Oasis Academy (Don Valley)	£55,746	£163,252	£218,998
Other Scheduled Bodies	Beck Primary School	£70,893	£251,452	£322,345
Other Scheduled Bodies	St Thomas More Catholic Primary Academy	£16,432	£78,601	£95,033
Other Scheduled Bodies	Hucklow Primary School	£47,544	£167,411	£214,955
Other Scheduled Bodies	Tinsley Meadows Primary School	£65,578	£292,449	£358,027
Other Scheduled Bodies	Lower Meadow Primary Academy	£28,070	£116,111	£144,180
Other Scheduled Bodies	Astrea Academy Trust	£270,583	£874,857	£1,145,441
Other Scheduled Bodies	Byron Wood Academy	£36,328	£153,691	£190,019
Other Scheduled Bodies	Abbeyfield Primary Academy	£38,256	£169,528	£207,784
Other Scheduled Bodies	Manor Lodge Primary School	£33,622	£156,147	£189,769
Other Scheduled Bodies	Acres Hill Community Primary Academy	£25,381	£118,203	£143,584
Other Scheduled Bodies	Phillimore Community Academy	£34,080	£157,316	£191,396
Other Scheduled Bodies	Wybourn Community Primary Academy	£53,593	£249,402	£302,995
Other Scheduled Bodies	Birley Academy	£88,344	£474,234	£562,578
Other Scheduled Bodies	Birley Primary Academy	£37,609	£209,372	£246,981
Other Scheduled Bodies	Rainbow Forge Primary School	£32,950	£182,303	£215,253
Other Scheduled Bodies	Charnock Hall Primary Academy	£20,668	£111,675	£132,343
Other Scheduled Bodies	Birley Spa Primary Academy	£27,709	£153,251	£180,960

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Catcliffe Primary School	£24,360	£118,173	£142,532
Other Scheduled Bodies	Aughton Junior Academy	£10,154	£43,268	£53,422
Other Scheduled Bodies	Swinton Fitzwilliam Primary Academy	£23,763	£114,852	£138,615
Other Scheduled Bodies	Wath C of E Primary School	£29,876	£126,666	£156,542
Other Scheduled Bodies	Hilltop Academy	£58,199	£222,261	£280,460
Other Scheduled Bodies	Wath Central Primary School	£28,762	£104,461	£133,223
Other Scheduled Bodies	Southfield Primary School	£28,235	£117,884	£146,119
Other Scheduled Bodies	Bentley High Street Primary School	£35,871	£153,624	£189,495
Other Scheduled Bodies	Scawsby Rosedale Primary School	£12,453	£53,258	£65,711
Other Scheduled Bodies	Brampton Ellis C of E Primary	£39,608	£143,341	£182,949
Other Scheduled Bodies	Armthorpe Tranmoor Primary School	£28,676	£129,152	£157,828
Other Scheduled Bodies	Pennine View School	£41,787	£141,236	£183,024
Other Scheduled Bodies	Our Lady of Sorrows Catholic Academy	£16,630	£70,934	£87,564
Other Scheduled Bodies	Bessacarr Primary School	£28,472	£130,447	£158,919
Other Scheduled Bodies	Highwoods Academy	£17,354	£76,844	£94,198
Other Scheduled Bodies	Rossington St Michaels C of E Primary School	£21,758	£95,256	£117,014
Other Scheduled Bodies	Wath Victoria Primary School	£34,680	£126,395	£161,075
Other Scheduled Bodies	Brampton Cortonwood Infant School	£16,683	£60,864	£77,547
Other Scheduled Bodies	Anston Brook Primary School	£9,608	£46,493	£56,102
Other Scheduled Bodies	Woodsetts Primary School	£14,080	£67,989	£82,069
Other Scheduled Bodies	Green Top Academy	£32,692	£120,949	£153,641
Other Scheduled Bodies	Hatchell Wood Primary Academy	£27,126	£132,841	£159,967
Other Scheduled Bodies	Treeton C of E Primary Academy	£17,462	£91,835	£109,296
Other Scheduled Bodies	Intake Primary Academy	£21,961	£94,002	£115,963
Other Scheduled Bodies	Atlas Academy	£39,272	£160,453	£199,725
Other Scheduled Bodies	Roughwood Primary School	£27,786	£118,045	£145,831
Other Scheduled Bodies	Kilnhurst St Thomas C of E Primary Academy	£21,169	£100,052	£121,221
Other Scheduled Bodies	Stocksbridge High School	£47,636	£214,332	£261,968
Other Scheduled Bodies	Clifton Community School	£52,922	£216,829	£269,751

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Diocese of Sheffield Academies Trust	£31,330	£86,929	£118,259
Other Scheduled Bodies	Windmill Hill School Academy	£24,048	£104,652	£128,700
Other Scheduled Bodies	Anston Park Infants School	£10,753	£53,325	£64,078
Other Scheduled Bodies	Norfolk Community Primary School	£47,509	£221,473	£268,982
Other Scheduled Bodies	Milton School Swinton	£44,088	£148,308	£192,396
Other Scheduled Bodies	Greenhill Primary School	£40,464	£172,571	£213,036
Other Scheduled Bodies	High Storrs School	£77,584	£342,382	£419,966
Other Scheduled Bodies	Hooton Pagnell All Saints School	£7,075	£26,296	£33,370
Other Scheduled Bodies	Holy Trinity Catholic & Church of England School	£79,595	£407,171	£486,767
Other Scheduled Bodies	Brinsworth Manor Juniors	£18,057	£85,709	£103,767
Other Scheduled Bodies	Kilnhurst Primary School	£13,962	£66,563	£80,525
Other Scheduled Bodies	Rockingham Junior & Infant School	£24,680	£105,112	£129,793
Other Scheduled Bodies	Canon Popham C of E Primary & Nursery School	£15,175	£101,368	£116,544
Other Scheduled Bodies	James Montgomery Trust	£37,856	£109,666	£147,522
Other Scheduled Bodies	Wentworth CoE Junior & Infant School	£7,337	£34,175	£41,511
Other Scheduled Bodies	Darton Academy	£65,379	£255,384	£320,763
Other Scheduled Bodies	Laughton J & I School	£17,078	£61,703	£78,781
Other Scheduled Bodies	Kiveton Park Infant School	£15,085	£55,695	£70,781
Other Scheduled Bodies	Westfield School	£79,281	£280,121	£359,401
Other Scheduled Bodies	Sandringham Primary School	£30,340	£125,169	£155,509
Other Scheduled Bodies	Owston Park Primary School	£37,269	£169,105	£206,374
Other Scheduled Bodies	Wickersley Partnership Trust	£164,808	£644,942	£809,749
Other Scheduled Bodies	Askern Moss Road Infant Academy	£7,393	£32,229	£39,622
Other Scheduled Bodies	Astrea Academy Dearne	£94,798	£374,323	£469,121
Other Scheduled Bodies	Mercia School	£39,374	£124,856	£164,230
Other Scheduled Bodies	Astrea Academy-Sheffield	£88,427	£353,394	£441,821
Other Scheduled Bodies	Askern Littlemoor Infant Academy	£19,110	£76,741	£95,852
Other Scheduled Bodies	Maltby Learning Trust MAT HQ	£47,931	£134,630	£182,561
Other Scheduled Bodies	Wath Academy	£106,890	£295,225	£402,115

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	South Yorkshire Mayoral Combined Authority	£821,328	£1,331,407	£2,152,735
Other Scheduled Bodies	Marshland Primary Academy	£10,638	£34,617	£45,254
Other Scheduled Bodies	Brooke Primary Academy	£24,181	£79,171	£103,352
Other Scheduled Bodies	Oughtibridge Primary School	£29,796	£99,172	£128,969
Other Scheduled Bodies	Chorus Education Trust - MAT HQ	£51,633	£144,864	£196,497
Other Scheduled Bodies	Bradfield Dungworth Primary	£11,202	£37,751	£48,953
Other Scheduled Bodies	Nook Lane Junior School	£17,967	£59,165	£77,132
Other Scheduled Bodies	Loxley Primary School	£12,774	£43,654	£56,428
Other Scheduled Bodies	Stannington Infant School	£13,043	£44,246	£57,289
Other Scheduled Bodies	Wharncliffe Side Primary	£24,570	£80,435	£105,005
Other Scheduled Bodies	Askern Spa Primary	£26,597	£105,187	£131,784
Other Scheduled Bodies	Minerva Learning Trust - MAT HQ	£70,497	£259,544	£330,041
Other Scheduled Bodies	Mercia Learning Trust MAT HQ	£46,840	£125,981	£172,821
Other Scheduled Bodies	Horizon Community College	£142,884	£489,139	£632,022
Other Scheduled Bodies	Pye Bank C of E School	£46,577	£165,709	£212,286
Other Scheduled Bodies	Lakeside Primary Academy	£27,106	£118,895	£146,001
Other Scheduled Bodies	Laughton All Saints C of E Primary	£9,327	£37,366	£46,693
Other Scheduled Bodies	West Road Primary Academy	£31,486	£122,915	£154,401
Other Scheduled Bodies	Woodseats Primary Academy	£34,784	£148,015	£182,799
Other Scheduled Bodies	Heatherwood School	£45,207	£155,374	£200,581
Other Scheduled Bodies	Norton Junior School	£10,498	£40,094	£50,592
Other Scheduled Bodies	Norton Infant School	£12,029	£45,529	£57,558
Other Scheduled Bodies	Crags Community School	£36,462	£116,103	£152,564
Other Scheduled Bodies	Brinsworth Howarth Primary	£15,635	£57,123	£72,758
Other Scheduled Bodies	Churchfield Primary School	£37,801	£121,987	£159,788
Other Scheduled Bodies	Coppice School	£68,099	£228,356	£296,454
Other Scheduled Bodies	Kiveton Park Meadows Junior School	£14,292	£52,076	£66,368
Other Scheduled Bodies	Worsbrough Common Primary	£44,106	£155,424	£199,531
Other Scheduled Bodies	Mapplewell Primary	£17,394	£62,551	£79,945

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	Sheep Dip Lane Primary School	£18,591	£75,605	£94,196
Other Scheduled Bodies	Owler Brook Primary	£49,542	£170,732	£220,275
Other Scheduled Bodies	Whiteways Primary School	£43,111	£156,457	£199,569
Other Scheduled Bodies	North Ridge Community School	£61,599	£208,006	£269,605
Other Scheduled Bodies	Hawthorn Primary	£21,463	£96,450	£117,914
Other Scheduled Bodies	Becton School	£40,005	£132,071	£172,076
Other Scheduled Bodies	Harthill Primary School	£12,588	£45,694	£58,281
Other Scheduled Bodies	Wellspring Trust MAT HQ	£212,107	£617,002	£829,108
Other Scheduled Bodies	Plover Primary School	£27,067	£101,773	£128,840
Other Scheduled Bodies	Athersley South Primary	£23,444	£87,485	£110,929
Other Scheduled Bodies	Woodhouse West Primary	£32,445	£148,618	£181,062
Other Scheduled Bodies	Waverley Junior Academy	£43,106	£186,231	£229,337
Other Scheduled Bodies	Thorpe Hesley Primary School	£51,071	£183,692	£234,763
Other Scheduled Bodies	Redscope Primary School	£46,461	£168,369	£214,830
Other Scheduled Bodies	Bader Special Academy	£40,717	£135,215	£175,932
Other Scheduled Bodies	Doncaster UTC	£40,802	£144,714	£185,516
Other Scheduled Bodies	Sheffield South East Trust (MAT HQ)	£14,664	£54,123	£68,788
Other Scheduled Bodies	St Anns Primary School	£38,702	£138,805	£177,507
Other Scheduled Bodies	Nexus Multi Academy Trust	£127,287	£333,026	£460,313
Other Scheduled Bodies	South Yorkshire Passenger Transport Executive ¹	-£138	-£416	-£554
	Subtotal Other Scheduled Bodies	£31,389,293	£98,544,121	£129,933,414
Admitted Bodies	Sheffield Museums Trust	£24,100	£82,585	£106,684
Admitted Bodies	Action Housing & Support Ltd	£21,153	£72,401	£93,553
Admitted Bodies	National Horseracing College	£7,941	£47,721	£55,663
Admitted Bodies	South Yorkshire Housing Association	£11,498	£71,558	£83,056
Admitted Bodies	Northern College	£83,425	£315,519	£398,944
Admitted Bodies	Barnsley Premier Leisure	£124,008	£385,483	£509,491
Admitted Bodies	Doncaster Community Transport	£6,212	£25,081	£31,293

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	Roth Don and South Humber Mental Health NHS Foundation T	£7,955	£29,064	£37,019
Admitted Bodies	Sheffield Community Transport	£4,697	£24,333	£29,030
Admitted Bodies	Sheffield Hallam Students Union	£5,969	£22,481	£28,451
Admitted Bodies	Sheffield Health & Social Care NHS Foundation Trust	£68,577	£302,024	£370,601
Admitted Bodies	Great Places Housing Association	£5,035	£24,785	£29,820
Admitted Bodies	Sheffield City Trust	£149,780	£382,202	£531,982
Admitted Bodies	Barnsley BIC Ltd	£4,478	£12,960	£17,438
Admitted Bodies	Independent Training Services Ltd	£6,569	£19,869	£26,438
Admitted Bodies	Doncaster Deaf Trust	£92,664	£442,733	£535,398
Admitted Bodies	Doncaster Culture & Leisure Trust	£10,861	£91,040	£101,901
Admitted Bodies	Doncaster Childrens Services Trust Ltd	£0	£3,648	£3,648
Admitted Bodies	Sheffcare Ltd	£15,978	£76,441	£92,419
Admitted Bodies	Sheffield Unison	£5,316	£23,908	£29,225
Admitted Bodies	Sheffield Futures	£14,552	£47,722	£62,274
Admitted Bodies	Learn Sheffield	£22,764	£68,723	£91,487
Admitted Bodies	Border to Coast Pensions Partnership Ltd	£71,951	£165,324	£237,274
Admitted Bodies	Mellors (Hatfield Woodhouse Primary)	£518	£3,165	£3,683
Admitted Bodies	CH & CO Group (RCAT Catering)	£1,920	£9,233	£11,154
Admitted Bodies	Happy Kids Childcare (RMBC Thrybergh)	£3,573	£5,791	£9,364
Admitted Bodies	Mellors (Montagu Academy)	£1,596	£5,890	£7,486
Admitted Bodies	Hutchison Catering Ltd (AET MAT)	£7,843	£33,999	£41,842
Admitted Bodies	Aspens Services Ltd (Brinsworth)	£3,697	£12,738	£16,435
Admitted Bodies	Enviroserve (Blackburn Primary)	£308	£1,120	£1,427
Admitted Bodies	NowThen (Prince Edward School Cleaning)	£1,162	£7,729	£8,891
Admitted Bodies	Mellors (Hall Cross Academy)	£2,851	£0	£2,851
Admitted Bodies	Independent Cleaning Services Ltd (Montagu Academy)	£1,306	£7,610	£8,916
Admitted Bodies	RCCN (Hall Cross Academy)	£7,537	£24,442	£31,979
Admitted Bodies	ABM Catering (Maltby Learning Trust)	£18,691	£79,490	£98,181
Admitted Bodies	Churchill Contract Services (St Helens)	£436	£1,943	£2,379

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	Relish School Foods (Nexus)	£3,335	£0	£3,335
Admitted Bodies	Mellors (Highfields Primary)	£293	£1,669	£1,962
Admitted Bodies	RCCN Limited (Armthorpe Academy)	£515	£2,696	£3,211
Admitted Bodies	Mellors (West Road Primary)	£752	£4,441	£5,193
Admitted Bodies	Mellors (Barnby Dunn Primary)	£1,590	£9,025	£10,615
Admitted Bodies	Mellors (Dunsville Primary)	£1,996	£9,852	£11,848
Admitted Bodies	Mellors (Hungerhill)	£5,770	£34,302	£40,072
Admitted Bodies	Mellors (Kirk Sandall Infant)	£1,277	£6,222	£7,499
Admitted Bodies	Mellors (Kirk Sandall Junior)	£1,349	£6,964	£8,312
Admitted Bodies	ABM Catering (Inspire Trust)	£4,698	£25,029	£29,727
Admitted Bodies	Mellors (Goldthorpe Primary Academy)	£2,888	£15,129	£18,017
Admitted Bodies	Mellors (Morley Place)	£521	£2,351	£2,872
Admitted Bodies	NowThen Cleaners Ltd -(St Thomas More Catholic Prim Acad	£395	£1,545	£1,940
Admitted Bodies	Taylor Shaw (Aston Lodge Primary)	£2,751	£12,241	£14,992
Admitted Bodies	Taylor Shaw (Monkwood Primary)	£2,945	£14,789	£17,735
Admitted Bodies	Taylor Shaw (Sandhill Primary)	£1,106	£5,208	£6,314
Admitted Bodies	Taylor Shaw (Foljambe Primary)	£1,211	£6,165	£7,375
Admitted Bodies	Taylor Shaw (Rawmarsh Ashwood)	£1,113	£5,170	£6,283
Admitted Bodies	Taylor Shaw (Thrybergh Primary)	£1,157	£6,627	£7,784
Admitted Bodies	Solutions 4 Cleaning (Nether Edge Primary)	£2,998	£11,120	£14,118
Admitted Bodies	Solutions 4 Cleaning (Woodlands Primary)	£2,594	£9,827	£12,421
Admitted Bodies	RCCN Limited (Atlas Academy)	£1,124	£3,984	£5,108
Admitted Bodies	RCCN Limited (Carrfield Academy)	£113	£402	£515
Admitted Bodies	RCCN Limited (Castle Academy)	£534	£1,892	£2,426
Admitted Bodies	RCCN Limited (Denaby Main Primary Academy)	£857	£3,037	£3,893
Admitted Bodies	RCCN Limited (Edenthorpe Hall Academy)	£184	£651	£835
Admitted Bodies	RCCN Limited (Hexthorpe Primary Academy)	£1,175	£4,165	£5,340
Admitted Bodies	RCCN Limited (Highgate Academy)	£538	£1,906	£2,444
Admitted Bodies	RCCN Limited (Intake Primary Academy)	£1,091	£3,869	£4,960

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	RCCN Limited (Waverley Academy)	£1,325	£4,555	£5,880
Admitted Bodies	Caterlink (Outwood Primary Woodlands)	£1,932	£7,014	£8,946
Admitted Bodies	RCCN Limited (Churchfield School)	£687	£2,452	£3,139
Admitted Bodies	Carroll Cleaning Company (Rowena Academy)	£241	£904	£1,146
Admitted Bodies	Carroll Cleaning Company (Pheasant Bank Academy)	£744	£2,786	£3,530
Admitted Bodies	Carroll Cleaning Company (Morley Place Academy)	£829	£3,104	£3,932
Admitted Bodies	Carroll Cleaning Company (Crookesbroom Primary Academy)	£201	£754	£956
Admitted Bodies	Carroll Cleaning Company (Grange Lane Primary School)	£287	£1,073	£1,360
Admitted Bodies	Norse Group (Bader Free School)	£687	£2,474	£3,161
Admitted Bodies	RCCN (Kingfisher Primary Academy)	£1,207	£4,278	£5,484
Admitted Bodies	Bulloughs Cleaning Services Ltd (Astrea Academy Sheffield)	£2,531	£13,422	£15,953
Admitted Bodies	Bulloughs Cleaning Services Ltd (Lower Meadow)	£1,047	£4,569	£5,616
Admitted Bodies	Aramark Ltd (RCAT Catering)	£872	£3,154	£4,026
Admitted Bodies	Churchill Contract Service (Shafton Academy)	£114	£407	£520
Admitted Bodies	Compass Contract Services (King Edward VII School)	£1,429	£4,978	£6,407
Admitted Bodies	Compass Contract Services (Ecclesfield Secondary School)	£2,203	£8,182	£10,386
Admitted Bodies	Compass Contract Services (King Ecgbert)	£2,051	£7,486	£9,537
Admitted Bodies	Midshire Catering Ltd	£899	£0	£899
Admitted Bodies	Amey Community Ltd (Barnsley BSF Design & Building Schoo	£5,559	£23,507	£29,066
Admitted Bodies	Amey Community Ltd SPV1 (Barnsley BSF/PFI)	£5,539	£28,131	£33,670
Admitted Bodies	Amey Community Ltd SPV2 (Barnsley BSF/PFI)	£917	£6,720	£7,637
Admitted Bodies	Amey Community Ltd SPV3 (Barnsley BSF/PFI)	£9,459	£56,496	£65,955
Admitted Bodies	Barnsley Norse Ltd	£38,841	£133,761	£172,602
Admitted Bodies	Trustclean Ltd (Athersley North)	£830	£0	£830
Admitted Bodies	Caterlink (Barnsley Academy)	£1,304	£0	£1,304
Admitted Bodies	Dimensions (UK) Ltd	£19,032	£39,690	£58,723
Admitted Bodies	Turning Point	£23,722	£109,470	£133,192
Admitted Bodies	ISS Mediclean Ltd	£4,864	£26,442	£31,306
Admitted Bodies	Equans Services Ltd (Barnsley Schools)	£1,787	£10,722	£12,509

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	Caterlink (Hunningley Primary)	£255	£0	£255
Admitted Bodies	Sodexo (Oakhill Academy Wellspring)	£1,315	£4,327	£5,643
Admitted Bodies	Sodexo (Greenacre Academy Wellspring)	£2,855	£7,150	£10,005
Admitted Bodies	Crispin & Borst	£4,222	£16,782	£21,004
Admitted Bodies	Independent Cleaning Services Ltd (Danum Academy)	£633	£0	£633
Admitted Bodies	Carroll Cleaning Company (De Warenne Academy)	£2,519	£0	£2,519
Admitted Bodies	Aspens Services Ltd (McAuley Academy) ¹	-£1,360	-£5,464	-£6,825
Admitted Bodies	Equans Services Ltd (Rotherham Schools)	£5,080	£18,072	£23,151
Admitted Bodies	Mears Limited	£153,519	£0	£153,519
Admitted Bodies	Mellors (Rawmarsh Comprehensive)	£39	£0	£39
Admitted Bodies	Trustclean (Wath CE School)	£296	£0	£296
Admitted Bodies	Places for People (RMBC)	£35,154	£148,636	£183,790
Admitted Bodies	Capita (Outstanding Sheffield Programme)	£6,385	£0	£6,385
Admitted Bodies	Taylor Shaw (Sheff School Meals Central Contract)	£25,432	£7,298	£32,731
Admitted Bodies	Mellors (Sheffield Schools)	£319	£0	£319
Admitted Bodies	Amey LG Limited (Sheffield Highways)	£502,472	£0	£502,472
Admitted Bodies	Mitie FM Limited	£1,513	£7,906	£9,419
Admitted Bodies	Veolia Environmental Services PLC	£66,903	£0	£66,903
Admitted Bodies	Mitie Ltd	£1,272	£6,447	£7,719
Admitted Bodies	Kier Managed Services	£1,728	£0	£1,728
Admitted Bodies	Taylor Woodrow Construction (Sheffield Schools)	£1,938	£9,809	£11,747
Admitted Bodies	Vinci Construction UK Ltd (Bradfield FM)	£1,027	£5,420	£6,447
Admitted Bodies	Mellors (Hinde House/King Ecgbert) ¹	-£60	£1,374	£1,314
Admitted Bodies	Places for People (SCC)	£11,171	£55,621	£66,792
Admitted Bodies	Taylor Shaw (St John Fisher Academy)	£742	£2,955	£3,697
Admitted Bodies	Places for People (Wisewood Sports Centre)	£2,268	£8,684	£10,952
Admitted Bodies	Aspens Services Ltd (E-ACT Pathways Academy)	£630	£3,828	£4,459
Admitted Bodies	Wates Living Space Maintenance Ltd	£6,529	£0	£6,529
Admitted Bodies	Dolce Ltd (Swinton Fitzwilliam)	£1,120	£6,579	£7,699

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	Dolce Ltd (Whiston Junior & Infants)	£472	£0	£472
Admitted Bodies	Dolce Ltd (Whiston Worrygoose)	£491	£0	£491
Admitted Bodies	Dolce Ltd (Wickersley Northfield)	£672	£0	£672
Admitted Bodies	Mellors (Aston Hall Junior & Infants) ¹	-£6	£764	£759
Admitted Bodies	Mellors (Aston Lodge Primary)	£39	£901	£940
Admitted Bodies	Mellors (Brinsworth Whitehill) ¹	-£6	£965	£959
Admitted Bodies	Mellors (Monkwood Primary)	£14	£855	£869
Admitted Bodies	Mellors (Rawmarsh Ashwood Primary) ¹	-£14	£414	£400
Admitted Bodies	Mellors (Sandhill Primary)	£12	£733	£745
Admitted Bodies	Dolce Ltd (Kiveton Park)	£605	£2,146	£2,751
Admitted Bodies	Dolce Ltd (Harthill Primary)	£661	£3,487	£4,148
Admitted Bodies	Dolce Ltd (Swinton Queen Primary)	£1,534	£7,084	£8,618
Admitted Bodies	Sodexo (Oakwell Rise Academy Wellspring)	£1,405	£0	£1,405
Admitted Bodies	Sodexo (Forest Primary Academy Wellspring)	£1,361	£4,305	£5,665
Admitted Bodies	Compass (St Pius X Catholic High School)	£219	£0	£219
Admitted Bodies	Churchill Contract Services - Dinnington High School	£4,376	£21,229	£25,605
Admitted Bodies	MAM (Doncaster) Ltd - Doncaster Markets	£2,374	£1,924	£4,298
Admitted Bodies	Compass (Atlas Academy)	£2	£0	£2
Admitted Bodies	Compass (Highgate Primary)	£624	£0	£624
Admitted Bodies	Compass (The Hill Primary)	£987	£0	£987
Admitted Bodies	Compass (Carrfield Primary)	£188	£1,176	£1,364
Admitted Bodies	Compass (Castle Academy)	£468	£1,718	£2,186
Admitted Bodies	Compass (Denaby Main Academy)	£300	£1,411	£1,711
Admitted Bodies	Compass (Gooseacre Primary)	£119	£0	£119
Admitted Bodies	Mellors (Hatfield Crookesbroom Primary)	£506	£2,424	£2,930
Admitted Bodies	Mellors (Pheasant Bank Academy)	£5	£809	£814
Admitted Bodies	Mellors (Rowena Academy)	£609	£4,068	£4,677
Admitted Bodies	Happy Kids Childcare (Rotherham)	£217	£0	£217
Admitted Bodies	Taylor Shaw (Aston All Saints C of E Primary)	£842	£3,078	£3,920

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	Taylor Shaw (Flanderwell Primary school)	£1,521	£7,083	£8,604
Admitted Bodies	Taylor Shaw (Laughton All Saints Primary)	£837	£4,413	£5,250
Admitted Bodies	Taylor Shaw (Rossington St Michaels C of E Primary)	£2,149	£0	£2,149
Admitted Bodies	Taylor Shaw (St Oswalds Finningley Academy)	£1,393	£0	£1,393
Admitted Bodies	Taylor Shaw (Wickersley St Albans C of E Primary)	£374	£0	£374
Admitted Bodies	Equans Regeneration Ltd (Rotherham Council)	£105,811	£0	£105,811
Admitted Bodies	Churchill Contract Services (Outwood Academy City)	£4,243	£18,238	£22,481
Admitted Bodies	Wates Ltd (Barnsley Housing Maintenance)	£49,649	£167,370	£217,019
Admitted Bodies	Mellors (Catcliffe Primary and High Greave Junior)	£3,055	£10,759	£13,814
Admitted Bodies	Taylor Shaw (Hoylandswaine Primary)	£0	£2,000	£2,000
Admitted Bodies	ABM Catering (The Hayfield School)	£0	£5,082	£5,082
Admitted Bodies	Churchill Contract Services (Brigantia Learning Trust)	£1,362	£9,536	£10,899
Admitted Bodies	Taylor Shaw (Brinsworth Whitehall Primary)	£208	£1,336	£1,543
Admitted Bodies	National Childrens Bureau ¹	-£163	-£348	-£511
Admitted Bodies	Leonard Cheshire Disability	£0	£6,250	£6,250
Admitted Bodies	Compass (Hatfield Woodhouse)	£0	£1,800	£1,800
Admitted Bodies	Trustclean (Wath Victoria Primary)	£0	£9,000	£9,000
Admitted Bodies	Mellors (Brinsworth)	£88	£2,336	£2,424
Admitted Bodies	National College of Advanced Transport & Infrastructure	£4,507	£109,680	£114,187
Admitted Bodies	Premiserv (Blackburn Primary)	£0	£8,000	£8,000
Admitted Bodies	Mitie Catering Services Limited	£44	£36,226	£36,270
Admitted Bodies	Compass (Hillside Academy)	£0	£3,000	£3,000
Admitted Bodies	RM Education Ltd (Firth Park Academy)	£0	£3,000	£3,000
Admitted Bodies	Taylor Shaw (Canon Popham C of E Primary and Nursery)	£0	£13,000	£13,000
Admitted Bodies	Taylor Shaw (Trinity Croft C of E Primary Academy)	£0	£800	£800
	Subtotal Admitted Bodies	£2,025,003	£4,431,042	£6,456,046

¹ Negative figures shown for these employers are as a result of contributions refunds processed during 2023/24 due to estimation or correction in respect of the previous year.

Contributions Received 01/04/2023 to 31/03/2024

Employer Classification	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Employers Paid An Exit Credit During 2023/24				
Other Scheduled Bodies	Shafton Parish Council	£0	-£2,361	-£2,361
Admitted Bodies	British Red Cross	£0	-£8,460	-£8,460
Admitted Bodies	Medequip	£0	-£7,100	-£7,100
Admitted Bodies	Compass (RCAT)	£0	-£25,500	-£25,500
Admitted Bodies	ADS-Doncaster Substance Misuse Contract	£0	-£4,337	-£4,337
Admitted Bodies	SPS Security Ltd (Doncaster College)	£0	-£13,970	-£13,970
Admitted Bodies	Voluntary Action Barnsley	£0	-£39,000	-£39,000
Admitted Bodies	Shaw Trust	£600	-£410,000	-£409,400
Admitted Bodies	Creative Support Ltd	£0	-£27,326	-£27,326
Admitted Bodies	Compass (Grange Lane Infants)	£0	-£3,000	-£3,000
Admitted Bodies	Compass (Pheasant Bank)	£0	-£29,400	-£29,400
Admitted Bodies	Compass (Rowena)	£0	-£5,000	-£5,000
Admitted Bodies	Compass (Hatfield Crookesbroom)	£0	-£24,300	-£24,300
Admitted Bodies	Independent Cleaning Services Ltd (McAuley High)	£0	-£32,419	-£32,419
Admitted Bodies	Go Plant Fleet Services Ltd	£0	-£51,763	-£51,763
Admitted Bodies	Taylor Woodrow Construction (Cleaning)	£0	-£19,548	-£19,548
Admitted Bodies	Taylor Shaw (Sheffield Catering)	£0	-£115,800	-£115,800
Admitted Bodies	Taylor Shaw (Bradfield School)	£0	-£15,100	-£15,100
Admitted Bodies	Aspens Services Ltd (Parkwood Academy)	£0	-£81,000	-£81,000
Admitted Bodies	Mellors (Thrybergh Primary)	-£1	-£23,479	-£23,480
Admitted Bodies	Compass (Hartley Brook Primary)	£0	-£13,000	-£13,000
Admitted Bodies	CaterLeisure (Riverside House)	£0	-£5,000	-£5,000
Admitted Bodies	Aspens Services Ltd (Astrea Academy Dearne)	£0	-£41,000	-£41,000
	Subtotal Exit Credits Paid	£599	-£997,863	-£997,264
Grand Total Contributions Received		£78,096,517	£309,652,936	£387,749,453



Pensions
Administration
Performance
Update
Quarter 1 2024/25
8 August 2024

Contents

Highlights and Recommendations	3
Background	4
Casework Processing	6
Customer Feedback	7
Appeals Breaches and Complaints	10
Progress on Delivering the Administration Improvement Plan	12
Major Projects	15
Cyclical Activity	18
Employer Activity	20
Policy Developments	22

Highlights and Recommendations

Highlights over the quarter to the end of June 2024 include:

- An increase in the volume of incoming work processed.
- A reduction in the backlog of outstanding casework of 30%
- Improvement in the level of customer satisfaction

The Local Pension Board are recommended to:

- a. Note the contents of this report.**
- b. Read through the contents and provide any feedback regarding the new format of this report**

Background

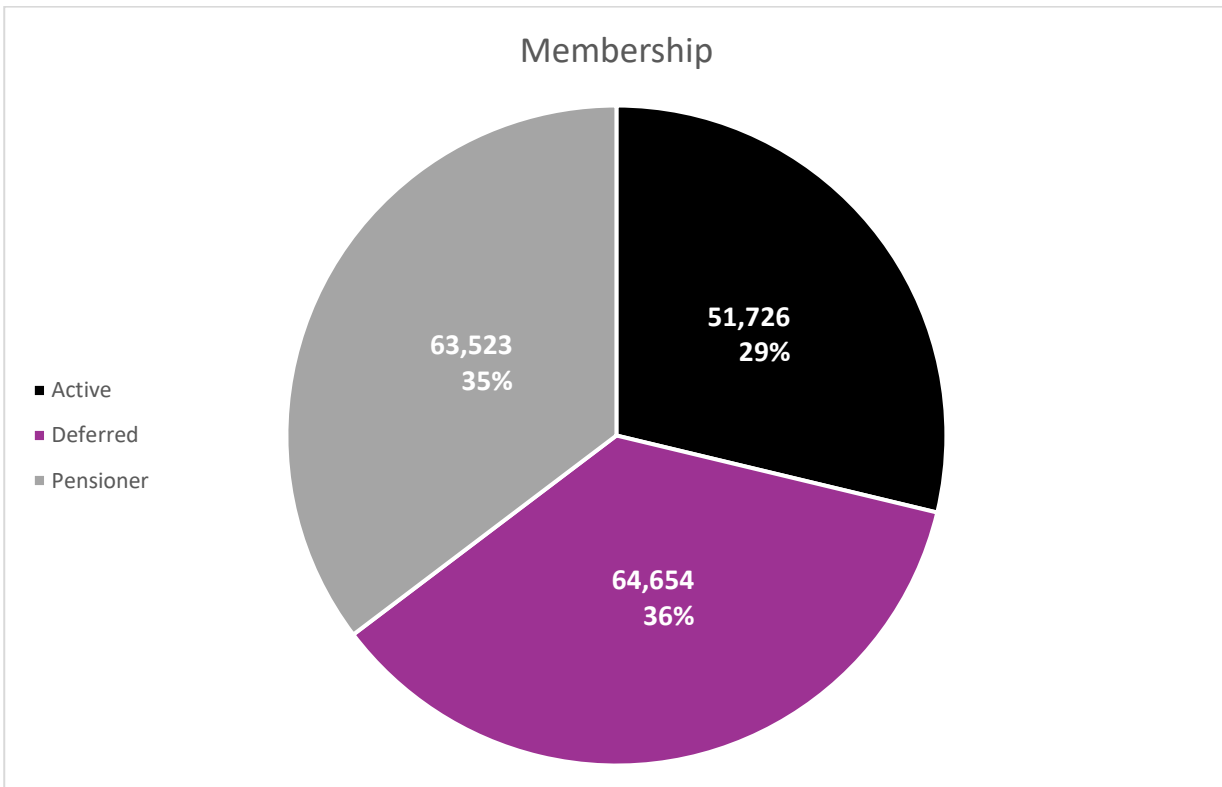
The Pensions Administration Service is the Authority’s largest outward facing service managing the organisation’s relationship with our nearly 180,000 scheme members and nearly 600 employers. The success of the Administration Service is crucial to the success of the organisation and this report aims to set out for the most recent quarter and the financial year to date:

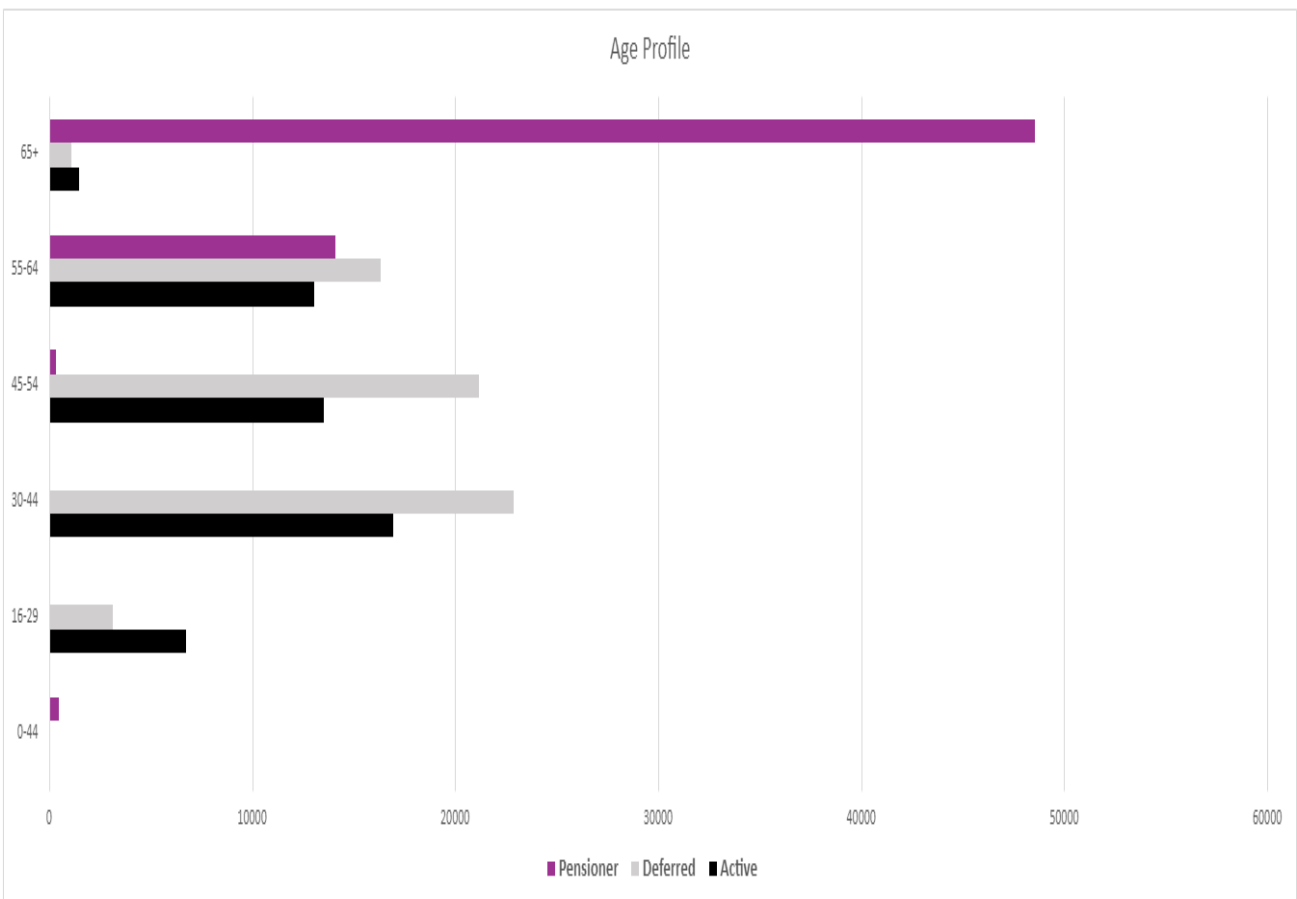
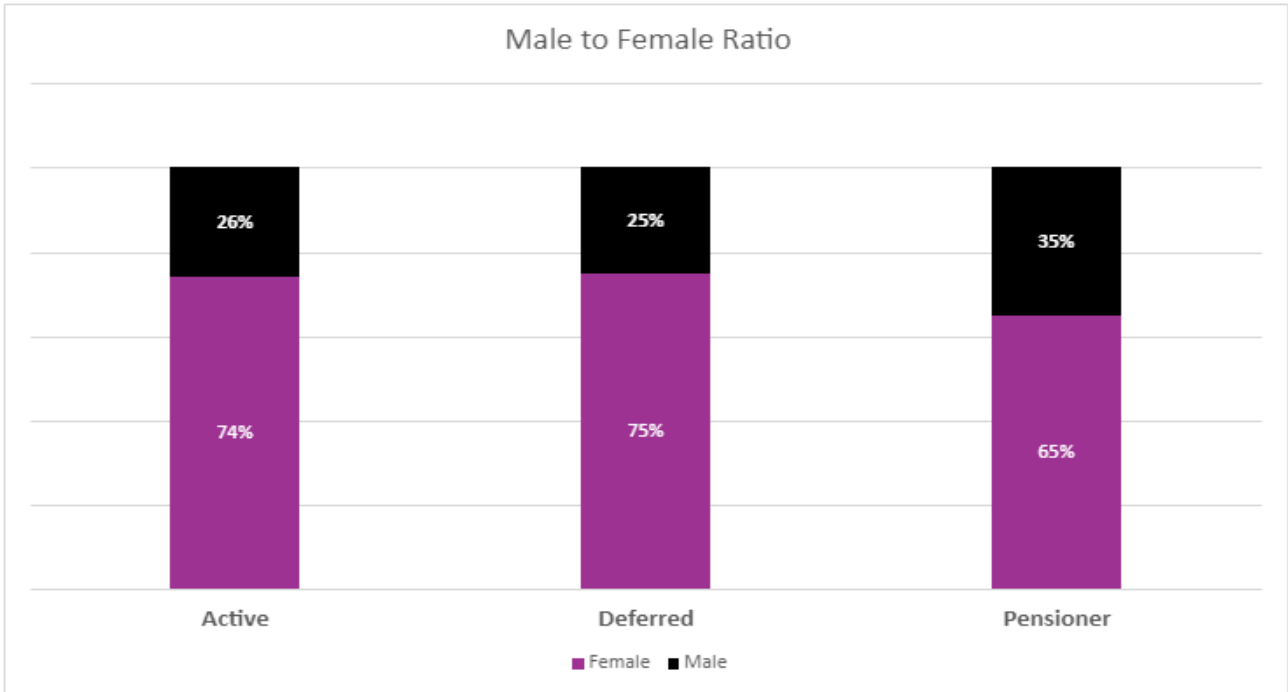
- Levels of activity related to both scheme member and employer activity.
- Levels of performance against the agreed standards
- Progress on delivering key projects and major cyclical activity
- Emerging policy issues and their implications for the Authority.

This report, like other performance information, is published on the Authority’s website as well as being considered at meetings of the Local Pension Board.

Membership at 31 March 2024

Active	51,726
Deferred	64,654
Pensioner	63,523
Total	179,903

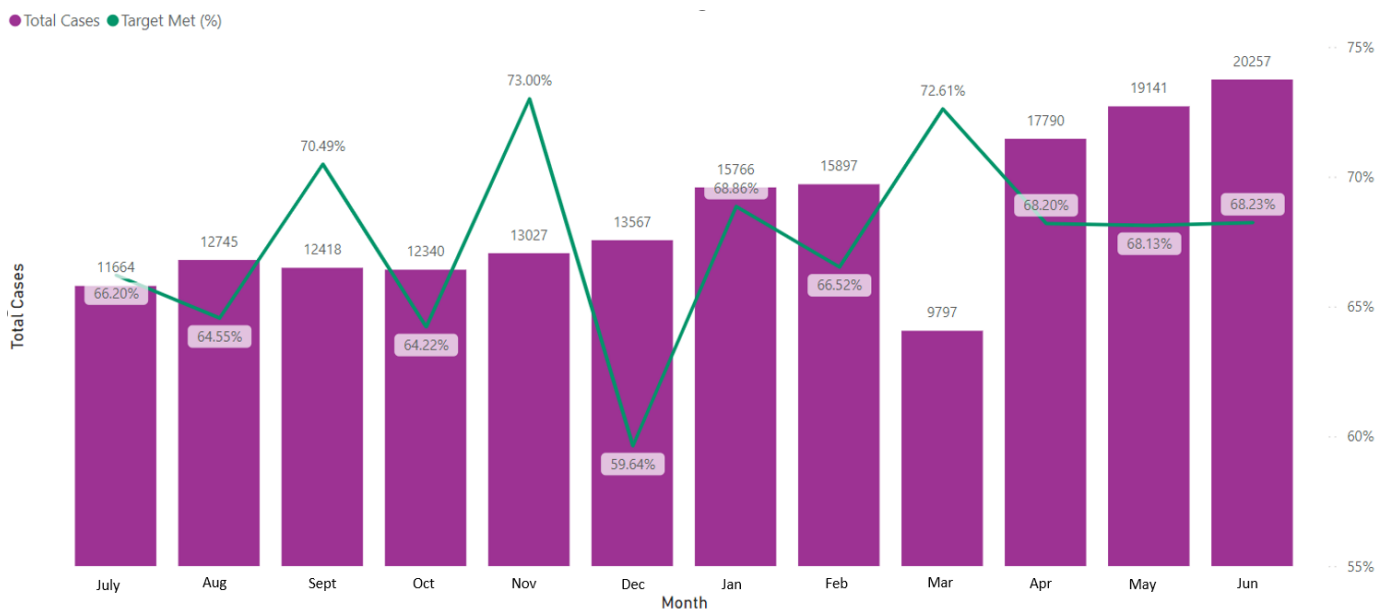




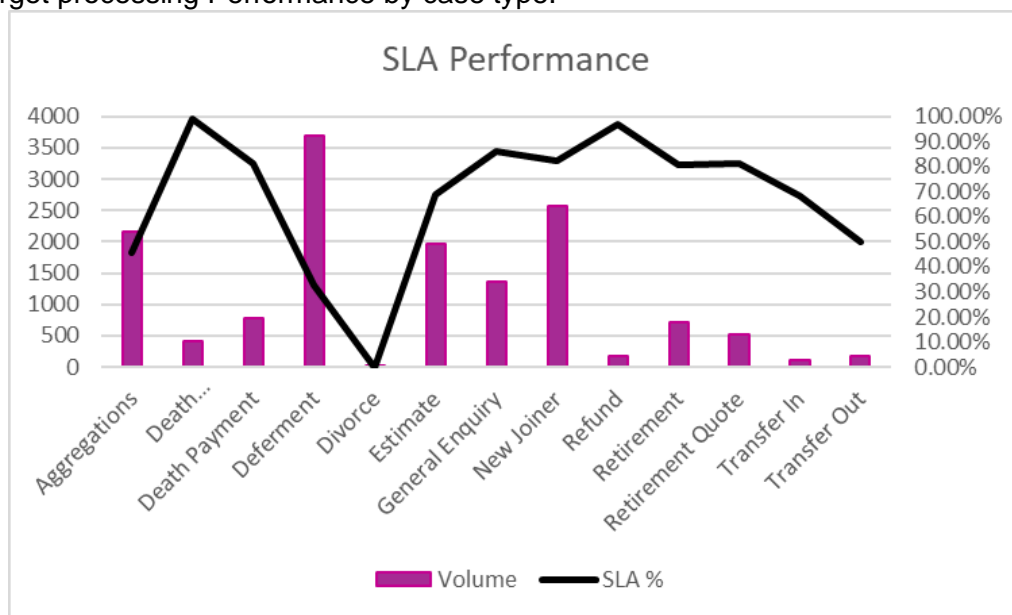
Casework Processing

This section of the report deals with the level of casework processing activity being undertaken and performance against agreed targets. Processing backlog work continues to impact non-priority performance targets as older deferrals, leaver & aggregation cases are completed. The team continue to find the volume of casework challenging and this is expected to continue until all vacancies are filled and the staff are trained.

Month on month completed casework volumes Jul 2023 – Jun 2024



Q1 24/25 target processing Performance by case type:





Customer Feedback

The Authority carries out rolling surveys of customer satisfaction. These can highlight areas for improvements across the teams.

Customer Satisfaction – Retirement Survey – February 2024 to April 2024

Survey sent to 586 members with an email address. Of those 118 responded. 20% return rate.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	47%	Down 4%	
Satisfied	43%		
Dissatisfied	7%	Up 4%	
Very Dissatisfied	3%		
Total Number of Respondents	118 out of 586		



Comments from dissatisfied members were around a lack of communication and not being kept up to date. Delays were either related to AVCs or awaiting information from the employer.

Action:

Identified some inconsistencies with employer procedures supplying flexible retirement and redundancy quotes. Employer Services Team will review the current processes and work with employers and staff to look to improve this area.

Customer Centre – Telephone Calls – February 2024 to April 2024

Survey sent to 4,143 members (with an email address) 469 responded. Just over 11% return rate.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	63%	Up 1%	
Satisfied	28%		
Dissatisfied	6%	Down 1%	
Very Dissatisfied	3%		
Total Number of Respondents	469 out of 4,143		

The following suggestions were received:



- Improve the login procedure - very complicated.
- I do think this field is difficult to understand for the layman - I am trying to make a decision about retirement, and it is a complicated system at times to navigate.

Action:

- This is a known area of weakness. Exploring options with software provider to simplify the registration process for mypension online account.
- Members are encouraged to use the online portal where possible and help is available to run quotes from the Customer Services Team. In addition, the portal has help guidance and videos available and in-person mypension sessions for all categories of membership are offered but do need prior booking. If a member does request a paper quote, the Benefits Team will provide one.



Scheme Member Engagement – Customer Centre Emails

Email Customer Centre Emails – “click face” Survey February to April 2024 8,442 emails issued – 67 responses received. 0.8% response rate.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Excellent	52%	Up 2%	
Good	18%		
Ok	12%	Down 2%	
Poor	18%		
Total Number of Respondents	67 out of 8,442 emails sent		

Scheme Member Engagement – New Joiner Survey

New Joiner Survey – December 2023 to February 2024 1,333 members were surveyed. The new joiner survey specifically asks about the welcome email/letter, including registration of the online portal. 39 completed surveys received. Just under 3% response rate.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	23%	up 10%	
Satisfied	54%		
Dissatisfied	20%	Down 10%	
Very Dissatisfied	3%		
Total Number of Respondents	39 out of 1,333 emails issued		

Comment from the Survey:

Far too complicated. I felt drowned by the volume of information and found it and difficult to understand. I would have liked it simplified and maybe some examples of how things would work out. I would have benefitted from a face-to-face meeting so that I could have asked questions.

Action:

Recently introduced ***Understanding Your Pension*** a presentation aimed at new joiners. Members can attend both in person or online.

Member Engagement – online portal

All scheme members (regardless of status) are encouraged to sign up to the online portal. There was a total of 1,571 new registrations in the quarter to the end of June 2024. Total registrations, 94,771 approx. 52% of the total membership. Increase most likely attributable to Pensioners accessing their P60 online.

	31 March 2024	Registrations to 30 June 2024	% increase
Active	32,588	32,640	0.16%
Deferred	33,908	34,205	0.88%
Pensioner & Beneficiary	26,704	27,926	4.58%
Total	93,200	94,771	1.69%

Appeals Breaches and Complaints

The Authority deals with a few appeals, breaches & complaints each quarter. Below is a summary of the cases that have been dealt with or that are currently outstanding. The on-going column includes any appeals that are still been investigated from previous quarters.

General Appeals raised with the authority, one was related to a transfer in and the other is regarding a benefit calculation:

Stage	Received	Rejected	Upheld	Not Upheld	On-going
1	1	1	0	0	1
2	0	0		0	1
Total	1	1	0	0	2

Ill-Health Appeals: these are generally in relation to the level of ill health pension awarded by the employer. Stage 1 appeals in relation to ill health matters are dealt with by the relevant employer.

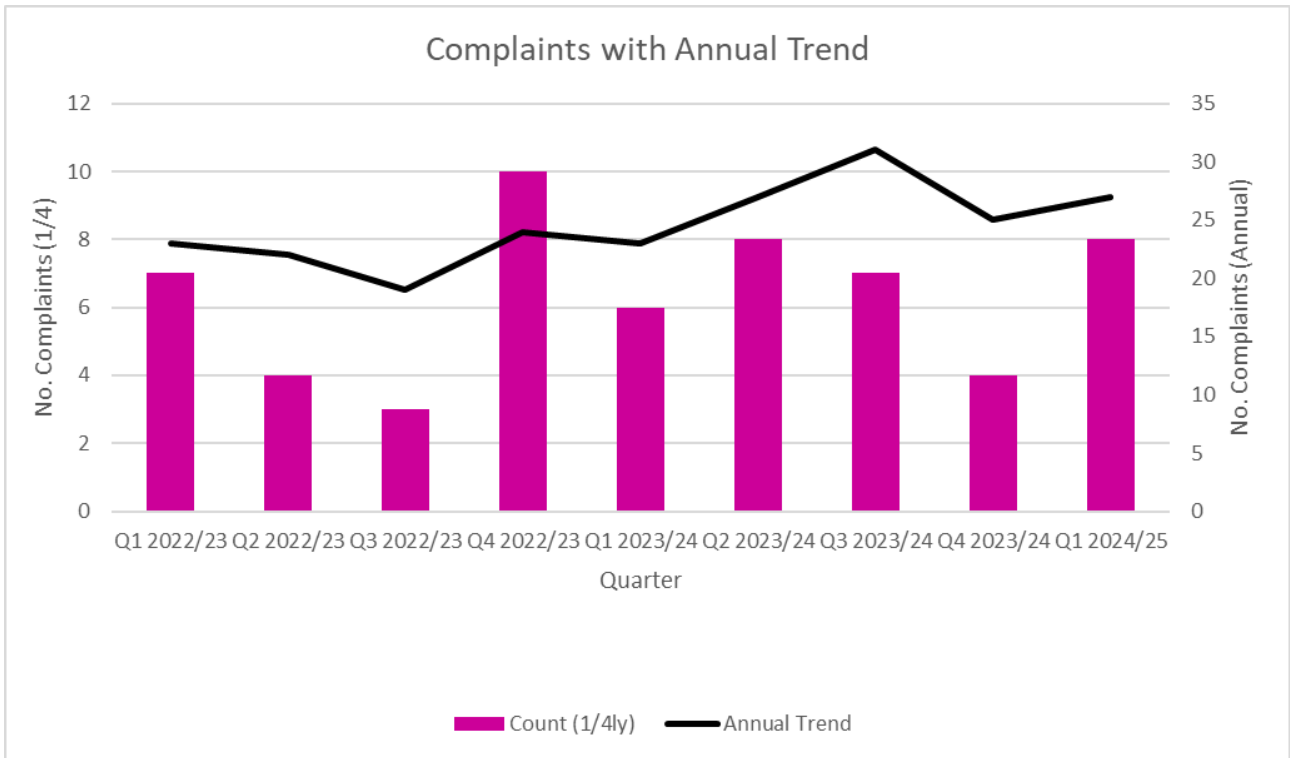
Stage	Received	Rejected	Upheld	Not Upheld	On-going
1	0	0	0	0	0
2	9	0	6	3	0
Total	9	0	6	3	0

Breaches:

No breaches to report

Complaints: Most complaints this quarter are where the authority is either waiting for information from the Employer, which has caused a delay, or where the member wants something that the scheme rules do not permit e.g. transfer out within 12 months of Normal Retirement Date.

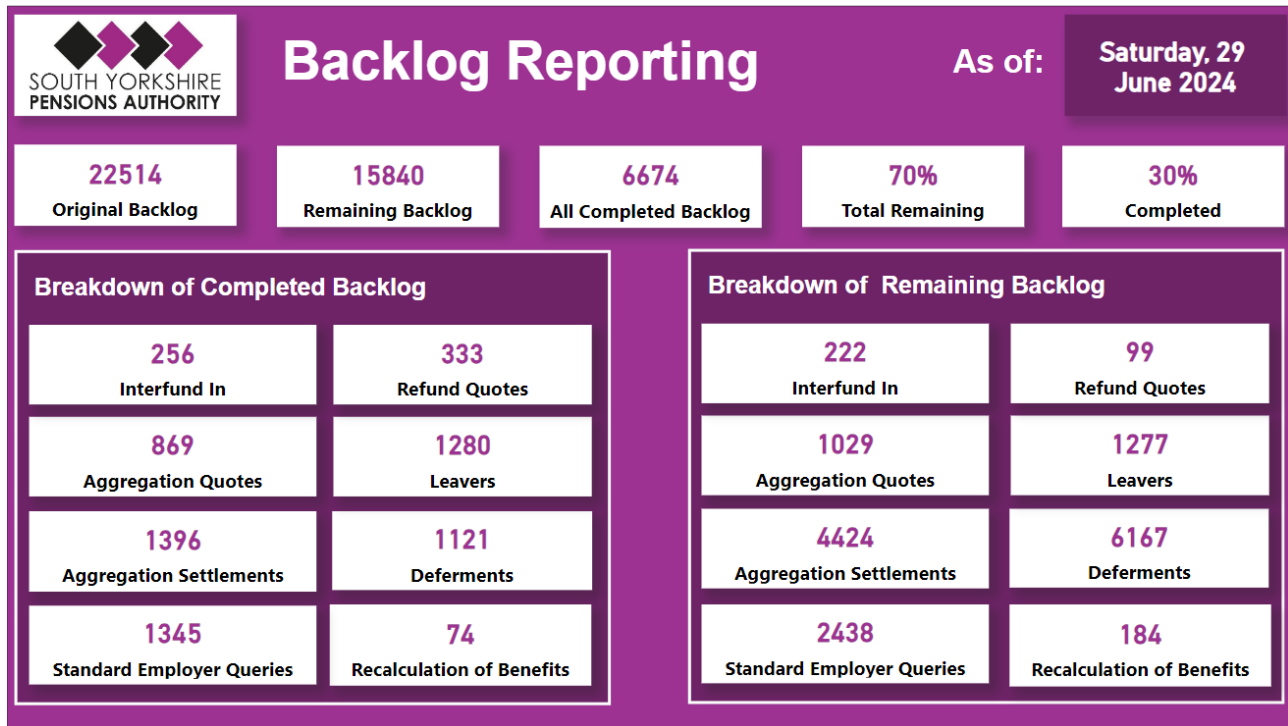
Type	Scheme Rules	Employer	SYPA	Previous Fund	Member	Total
Retirement	1	1	0	0	0	2
Service	0	3	0	1	0	4
Transfer	1	0	0	0	1	2
Total	2	4	0	1	1	8



Progress on Delivering the Administration Improvement Plan

This section of the report deals with the progress being made on addressing the historical challenges facing the administration service.

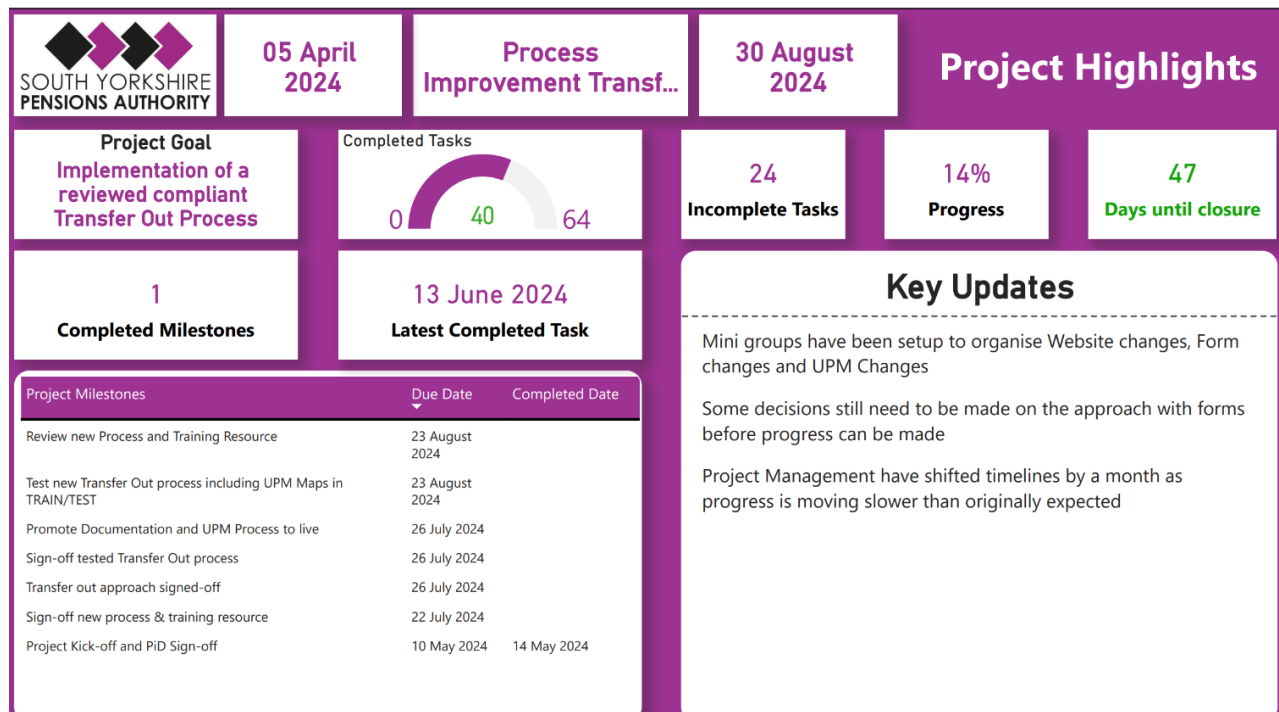
Backlog



The Project Team, within the Benefits Team, had been focusing on completing backlog work however during Q1 of this year their time was needed in preparation for the annual Care roll-up and Annual Benefit Statements. There was also a decrease in overtime uptake due to holidays. A full review of how the backlog has reduced and what other steps can be put in place to tackle it will be carried out in August. Feedback from team members confirms that some of the work within the backlog can take much longer to process than new case work of the same type. The new Pension Officers recruited recently are due to start in late August. Training will initially target deferment and leaver work to try and stop new backlog work building will be targeted earlier and not allowed to build up further.

Process Improvements

This is an area that is not progressing at the pace needed. Steps are to be taken to address the concerns.



Organisational Improvements

Attraction and retention of talent has been highlighted as a primary HR concern for LGPS administering authorities. This focus has put comprehensive scheme workforce planning into the spotlight. The Authority has introduced innovative ways to address pay and other staff concerns, and as well as the increase in staff to appropriately structure roles within the Pension Team the pay structure was adjusted too.

The 2 newly appointed service managers that took up their roles in May 2024 have hit the ground running and have already advertised and appointed to vacant roles within their teams. New roles have been grade assessed and they will be advertised later in August. In the additional team within the Benefits team, all roles have been advertised and all appointments made. It is hoped that all new staff will take up their positions before the end of August. There was 1 role, Temporary Team Leader within the Technical and Training team that has not been able to be recruited to, so this role is being re assessed.

The Employer Services Team has now been formed and is already using both employer data and Engagement collaborations to identify Employer Training and Staff Training needs.

Making Best Use of Technology

Civica have undertaken an Audit of the day-to-day use of UPM, the Pensions Administration Software. A report was provided highlighting improvements that can be made by either Civica or the Authority. There is a plan for many quick wins to be implemented over the next 3 months. The report

did highlight that in many areas the team were demonstrating best practice, which was a good morale boost for the staff.

Improve Data Quality

The team resource available is currently involved with the GMP reconciliation and rectification project which will improve data.

Major Projects

This section of the report deals with the progress being made on the various major projects with the service is undertaking in particular:

McCloud

The McCloud regulations came into force on 1 October 2023, and they required that eligible members who had their final underpin date or died before that date should have their benefit recalculated “without undue delay”. There was much debate over what exactly was meant by that phrase, particularly given that retrospective McCloud data collection was still underway for many, and software providers had been given little time to update administration systems. DLUHC (now MHCLG) issued McCloud implementation statutory guidance in June, and at the beginning of July the Government Actuary’s Department (GAD) issued further guidance.

The Authority’s capability to progress on McCloud is limited by the lack of software development. It is worrying that the ability to rectify leavers since 2014 is not likely to be available until the end of March 2025. This raises a big risk to the Authority in complying with legislation.

The McCloud remedy statutory guidance for the LGPS in England and Wales has now been published. [202406McCloud.pdf \(lgpslibrary.org\)](#) The guidance aims to achieve a consistent application of the remedy across the LGPS and provide additional guidance on certain technical issues. Statutory guidance highlights the deadline for implementation as 1 August 2025. By this date all retrospective changes to benefits for most members should have been made, data should be up to date, and annual benefit statements (ABSs) for 2025 should reflect the McCloud remedy.

After this phase McCloud will become part of business as usual. However, for this Authority this will be driven by developments by the software provider. The guidance says that legislation may allow an administering authority to determine that the McCloud implementation phase shall be regarded as extending to 31st August 2026 for specific members or classes of members. Whilst such cases have yet to be determined, and the detail of this legislation known, this will be welcomed considering the software development delays.

In determining who qualifies for underpin protection, not only will the Fund have to write to members who could qualify for the remedy should they have membership in another LGPS or public service pension scheme and will also have to re-verify the protection status for some members (those who have other pension entitlements whose status could affect eligibility) when they eventually take their benefits. The guidance provides further information about data collection, the payment of compensation and interest, transfers, multiple sets of underpin figures, unpaid additional contributions, and what to do if the member has passed away. The guidance also formalises the order of prioritisation which was circulated in draft form some time ago.

On 4 July, GAD published further McCloud guidance for the LGPS in England and Wales, covering the application of actuarial guidance on the McCloud remedy to retrospective cases (before 1 October 2023). The guidance covers:

- Eligible members who had a relevant benefit event before 1 October 2023.
- Retirement recalculations, setting out which early and late retirement guidance notes should be used.
- Transfer top-up payments, excluding bulk and Club transfers – essentially the guidance says that only the value of any extra pension due to the underpin needs to be recalculated, original transfer values do not need to be recalculated.


- Trivial commutation top-up payments, setting out the guidance which should be used to recalculate the benefits.
- Scheme pays pension offset, covering how any previous scheme pays offsets should be recalculated to exclude any original underpin.

Guidance on cash equivalents for divorce, pension credits, and pension debits will be added in due course. The guidance does not cover interest or tax issues.

Additionally, GAD issued the following guidance notes on 3 July, which have been updated to show the additional calculations needed where a statutory underpin applies:

- Individual Incoming & Outgoing Transfers
- Pension Sharing Following Divorce
- Application of a pension debit for divorced members (transfer date from 1 April 2014)

The final sections of the LGA’s McCloud remedy administrator guide is now awaited, which will cover “other calculations affected by underpin” and “revisiting past calculations”.



**SOUTH YORKSHIRE
PENSIONS AUTHORITY**

**09 January
2024**

McCloud Remedy


**30 August
2024**

Project Highlights

Project Goal

Phase 1 UPM Drops
accepted as a BAU

Completed Tasks



0 44 59

15

Incomplete Tasks

33%

Progress

47

Days until closure

1

Completed Milestones

13 June 2024

Latest Completed Task

Key Updates

New Calcs have been installed into TRAIN on the 24th June

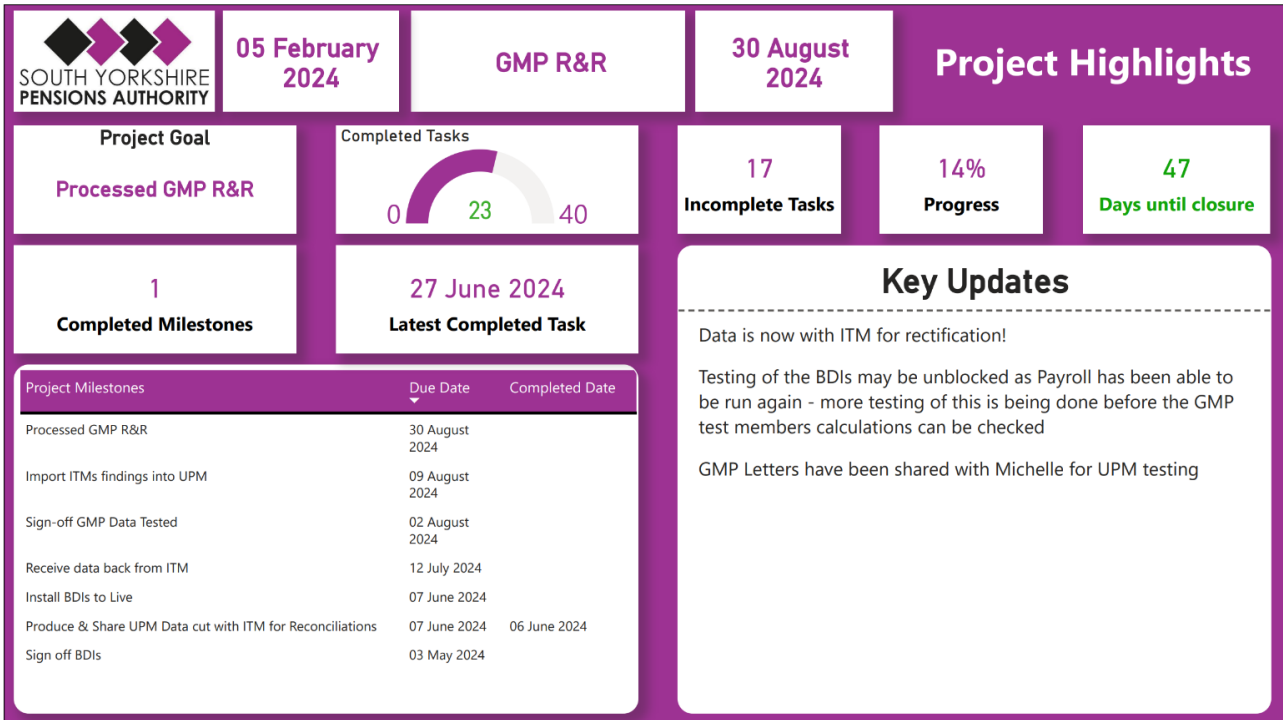
Install into LIVE is scheduled for the 9th July

Dave and Lindsay have gone through some further examples of McCloud in UPM with benefits team leaders

Project Milestones	Due Date	Completed Date
Phase 1 UPM Drops accepted as a BAU	30 August 2024	
April McCloud Release	12 July 2024	
Install up to and including DROP 3 to LIVE	23 February 2024	05 March 2024

GMP Reconciliation and Rectification

Still working to an implementation date of rectifications to benefits in payment of 31 August 2024.



Dashboards

The Authority is still to decide on its preferred integrated service provider (ISP). On 30 April 2024, the Pensions Dashboards Programme (PDP) published version 1.2. of its Data Standards. The data standards cover the data requirements for ‘finding’ and ‘viewing’ pensions information and are mandatory for providers and schemes connecting to the ecosystem. They are there to build a common set of message handling tools to receive and reply with data. The Authority will connect to the ecosystem via a third party - an (ISP). The I S P will use their processes to meet the data standards. However, as the standards apply to administering authorities, the Authority will remain responsible for compliance.

Authority Officers are due to make decisions on an ISP in the Autumn and initiate a Project to comply with connection, which is by October 2025.

Data cleansing is most important to providing accurate data through to the dashboards, so the Authority is prioritising this aspect at present.

Cyclical Activity


This section focuses on progress with significant cyclical projects including:

Pensions Increase

Deferred and Pensioners in payment were increased on time by the end of April. Pensions Increase was 6.7%.

There is an outstanding piece of work to pay the supplemental Pensions Increase to pensioners who drew their deferred benefit during 2023 – 2024. There are a couple of issues with the software that are being ironed out with the software provider. It is expected that this will have been sorted in time for the next report. Once this has been sorted for the 2024 PI there is a backlog of similar cases, going back for several years, that will then be tackled.

Annual Benefits Statements (ABS)



01 March 2024

ABS 2024


18 September 2024

Project Highlights

Project Goal

ABS Statements shared and Project Signed off

Completed Tasks



0 42 69

27

Incomplete Tasks

13%

Progress

33

Days until closure

1

Completed Milestones

27 June 2024

Latest Completed Task

Key Updates

Deferred Statements are being run and they're almost at 50% - excellent progress from Karen

CARE is scheduled to be run imminently to prepare for Active statements to be able to be run

Members with the Future Review Date error are being identified as statements are being run but action needs to be decided on rectifying the issue

Dave from MDC has confirmed their team are picking up the PR Not Loaded errors and these have already started to tick down

Project Management had messaged those with late tasks assigned if you're okay to update these please

Project Milestones	Due Date	Completed Date
Inform Members that Statements are ready and available for viewing	26 July 2024	
Produce ABS Statements for Deferred Ex Spouse Members	26 July 2024	
Produce ABS Statements for Deferred Members	26 July 2024	
Produce ABS Statements for Active Members	15 July 2024	
All Testing Signed Off	12 July 2024	
Run CARE on Actives	05 July 2024	
Produce ABS Statements for Councillor Members	28 June 2024	
Project Plan Agreed and Signed off	22 March 2024	27 March 2024

Technically, now that the McCloud remedy legislation is in force, this year's ABSs should reflect the underpin. However, government accepts that this is unlikely to be possible so soon, and the statutory guidance confirms that the requirement won't come in until the 2024/25 ABS runs. This does require legislation to exempt this year's statements, but this had been delayed by the election. It is hoped that legislation will be put through before the deadline for ABSs on 31 August 2024 but if not, it is hoped that The Pensions Regulator will be understanding of funds not reflecting the remedy in this year's statements as the Fund will be in breach of the legislation and have to report itself, as the software has not been developed to include the underpin detail for members.

Pension Savings Statements

The Authority has cleared all outstanding historical cases. Training has been given to Benefits team members who will be undertaking checking and releasing this year's cases once they have been run through the software system. This cannot take place until all annual Benefit statements have been run as this data is required to assess the annual Growth across 2023-24. It is hoped that the high Pensions increase in 2023 of 10.1% and the increased annual growth allowance of £60K will mean that there are less members this year breaching the annual allowance. The Authority intends to adhere to the statutory date of 6th October for all statements to have been issued.

Valuation

Initial meetings have been undertaken with the Actuary and plans are being agreed for the 2025 Valuation. A Project group will be identified, and full project monitoring will be put in place.

Employer Activity

Fund Employers

Employers as at 31 March 2024	566
New Admission Bodies	3
New Academies	3
Employers leaving – terminations	3
Employers as at 30 June 2024	569

Timeliness of Employer data submissions

Month	% of Monthly data submissions by deadline date
April	82.9%
May	95.8%
June	97.8%

Employer performance - in dealing with queries

See **Appendix A**

Wider engagement activity with employers

- Quarterly Newsletter for Employers provides updates on current issues and awareness of future changes. Issue 16 (July) has been issued on time.
- Regular Meetings with large Employers/Payroll Providers to build rapport and ensure compliance.
- Monthly Data Collection Dashboard helps to identify Employers who are late with submissions to issue penalty notice warnings to encourage the MDC to be submitted before the deadline. Recently issued a penalty notice to an employer, who has now changed their payroll provider due to non-compliance. Improvement up by 4% points from 22/23 yearly average 88% to 23/24 average 92% monthly data received on time.
- All Employer online help Videos have been completed and will be attached to Employer Hub when it replaces Employer Web.
- Successfully tested Employer Hub processes and 'how to' videos are complete.
- Employer Focus Group preparations for September have commenced.
- Employer Forum has been booked for 15 November at the Holiday Inn. Agenda items and presentations to be worked on over the summer.
- Employer Survey results were positive and any negative feedback were probed further for improvements. The response rate for employer surveys is historically low but is sufficient to be

useful. The largest area for comment amongst employers is the employer area of the Website and the Employer Web Portal. This is not unexpected and is something the Authority is working to improve within the limitations of the underlying software. It was pleasing to see there were no dissatisfactions received with the Monthly Data Collection (MDC) process. This is testament to the effort the team has put in to improve this process.



Training / Presentations

- 12 Training Sessions
- 3 Employee Presentations – Virtual
- 2 Employee Presentations – In Person
- 2 x full day (16 people) Employer based 1:1 Sessions and 4 individual Virtual/Civic Offices 1:1 Sessions
- Audit day – Independent Registered Medical Practitioners. Time was spent with the 3 registered professionals assessing complex cases over the last year.

Policy Developments

This section of the report summarises recent policy developments.

Scheme Advisory Board publishes 2023 Scheme Annual Report

The Scheme Advisory Board (England & Wales) has published the scheme annual report for 2023, [LGPS Scheme Advisory Board - Foreword \(lgpsboard.org\)](https://lgpsboard.org) pulling together information from the 86 separate fund annual reports as at 31 March 2023. Key highlights are:

- Total scheme membership increased by 1.6% to 6.49m members.
- Total assets decreased by 2.6% to £354bn.
- Investment return across the LGPS (E&W) was -1.8%
- Total investment management costs decreased by £141m (7.6%), and this was primarily due to a net decrease in performance fees.
- Total administration and governance costs increased by £28m.

ICAEW LGPS guide

The Institute of Chartered Accountants in England and Wales (ICAEW) along with the Scheme Advisory Board (SAB) have produced a helpful informer document for employers and their auditors which sets out the timeline and information flow for the triennial valuation as well as to support the annual pensions accounting process. [ICAEW LGPS informer FINAL June2024.pdf \(lgpsboard.org\)](https://lgpsboard.org)

It sets out key information about the LGPS, and how information flows between the various stakeholders involved in the production of employer accounting disclosures. It also explains key accounting requirements under the IAS19 and FRS102 accounting standards. In addition, ICAEW and SAB have also created a short video on the informer document. The key aim for this document is it helps employers, and their auditors, understand the processes involved and therefore both focus their audit checks on the critical areas and reduce the risk that auditors are not able to sign off employer accounts. It also aims to limit the number of questions directed at those involved in producing the figures, to make the process more efficient and cost-effective. Ideally as a result of this general summary queries will then be limited to specifics of the calculation approach taken by a particular actuary and evidence of their internal controls.

Opt out survey – Fund Employers

On 20 May 2024, the Scheme Advisory Board (SAB) issued a short survey to local government employers with the aim of improving understanding of the LGPS membership and why some people choose to opt out. The Board is interested in what data these employers hold, their experience of staff opting out and the value placed on offering a high-quality defined benefit scheme like the LGPS in recruitment and retention. The survey closed on 7 June 2024. There were 53 responses. A paper outlining the main findings and suggesting next steps for action has been submitted to the Cost Management, Benefit Design and Administration Committee for its meeting on 1 July 2024. It is hoped the data collected can improve understanding of the membership of the LGPS and why some people choose to opt out.

[01072024_Item6PaperC_OptOutSurvey_.pdf \(lgpsboard.org\)](https://lgpsboard.org)

‘Check your State Pension Forecast’ Service

On 29 April 2024, the UK Government launched the 'Check your State Pension Forecast' digital service. This is designed to make it easier for individuals to check for and fill any gaps in their National Insurance record to help increase their State Pension. Links to the service were sent to all fund employers to share with their staff. [Online voluntary National Insurance payments service launches - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/online-voluntary-national-insurance-payments-service-launches)

This page is intentionally left blank

Summary of Employer Queries Raised, Completed and Outstanding
Shown by Quarter for 10 Employers with highest total query volumes to up to 30 June 2024



Employer	Q2 2023/24			Q3 2023/24			Q4 2023/24			Q1 2024/25		
	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End
[00500] Rotherham MBC	333	225	134	174	165	143	100	154	89	96	139	46
High	50	48	6	41	43	4	37	34	7	45	49	3
Standard	283	177	128	133	122	139	63	120	82	51	90	43
[00400]City Doncaster Council	375	284	142	218	199	161	111	192	80	104	125	59
High	38	30	10	58	65	3	45	37	11	46	54	3
Standard	337	254	132	160	134	158	66	155	69	58	71	56
[00600] Capita	53	62	257	22	78	201	18	30	189	20	0	209
High	2	3	11	5	7	9	3	6	6	3	0	9
Standard	51	59	246	17	71	192	15	24	183	17	0	200
[00600] Sheffield CC	578	376	417	259	312	364	158	297	225	141	230	136
High	115	114	75	53	108	20	60	58	22	47	56	13
Standard	463	262	342	206	204	344	98	239	203	94	174	123
[00600] EPM	38	49	212	12	44	180	4	11	173	14	62	125
High	3	2	12	1	7	6	1	0	7	2	5	4
Standard	35	47	200	11	37	174	3	11	166	12	57	121
[00300] Barnsley MDC	225	156	100	109	184	25	73	75	23	79	82	20
High	32	34	6	24	27	3	30	29	4	33	35	2
Standard	193	122	94	85	157	22	43	46	19	46	47	20
[00295] The Chief Constable	94	47	69	54	55	68	49	68	49	43	51	41
High	29	27	5	14	14	5	23	24	4	16	16	4
Standard	65	20	64	40	41	63	26	44	45	27	35	37
[00372] Greenacre Academy	22	30	44	16	24	36	3	3	36	14	13	37
High	1	0	1	1	1	1	0	0	1	1	1	1
Standard	21	30	43	15	23	35	3	3	35	13	12	36
[00222] The Sheffield College	38	25	41	18	25	34	17	25	37	11	24	24
High	2	0	4	2	4	2	3	3	2	3	4	1
Standard	36	25	37	16	21	32	14	11	35	8	20	23
[00548] Places for People (RMBC)				12	4	60	3	8	55	3	11	47
High				0	0	7	0	1	6	1	0	7
Standard				12	4	53	3	7	49	2	11	40

This page is intentionally left blank

Subject	Planning for November 2024 LPB Agenda	Status	For Publication
Report to	Local Pension Board	Date	08 August 2024
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance and Corporate Services	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To set out the draft agenda for the next meeting of the Board for discussion.

2 **Recommendations**

- 2.1 Board Members are recommended to:
- a. Discuss and comment on the draft agenda for the November meeting as set out in paragraph 5.1 of 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 showing prudence and propriety at all times.
- 3.2 The planning of meeting agendas and work programmes supports the operation of effective and transparent governance arrangements.

4 **Implications for the Corporate Risk Register**

- 4.1 There are no direct implications for any individual risk in the risk register.

5 **Background and Options**

- 5.1 The draft agenda for the next meeting of the Board is set out below.

Local Pension Board 07 November 2024 – Draft Agenda

1	Welcome, Introductions and Apologies
2	Announcements

Local Pension Board 07 November 2024 – Draft Agenda

3	Urgent Items
4	Items to be considered in the absence of public and press
5	Declarations of interest
6	Minutes of the meeting held on 08 August 2024
7	Review of the Action Tracker
GOVERNANCE	
8	Governance, Regulatory and Policy Update
9	Update on Decisions Made by Authority
10	Corporate Risk Register
11	Independent Governance Review – Draft Action Plan
12	Local Pension Board Budget 2025/26
INVESTMENT	
13	Investments Update
14	Border to Coast Annual Review Outcome (Confidential)
PENSIONS ADMINISTRATION	
15	Pensions Administration Quarterly Report (Including data quality improvement plan and progress updates)
16	Breaches, Complaints and Appeals
OTHER MATTERS	
17	Scheduling of Local Pension Board next meeting agenda
18	Private papers (if any) from Authority Meeting held on 12 September 2024

5.2 Board members are requested to consider any changes or additions required to the above.

6 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.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank