

Date: 02 June 2025

To: MEMBERS OF SOUTH YORKSHIRE PENSIONS
AUTHORITY

Oakwell House
2 Beevor Court
Pontefract Road
Barnsley
S71 1HG

www.sypensions.org.uk

This matter is being dealt with by: Governance Team
Direct Line: 01226 666448
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Dear Member

South Yorkshire Pensions Authority
Thursday, 5 June 2025

A meeting of South Yorkshire Pensions Authority will be held at **Oakwell House, 2
Beevor Court, Pontefract Road, Barnsley, S71 1HG on Thursday, 5th June, 2025 at
1.00 pm.**

The agenda is attached.

Yours sincerely

G Graham

George Graham
Director and Clerk

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Distribution: Councillor Donna Sutton, Councillor Roy Bowser, Councillor Jason Charity, Councillor Simon Clement-Jones, Councillor Alexi Dimond, Councillor Jayne Dunn, Councillor David Fisher, Councillor Craig Gamble Pugh, Councillor Ken Guest, Councillor Andrew Sangar, Councillor Rachel Reed and Councillor Trevor Smith

SOUTH YORKSHIRE PENSIONS AUTHORITY

**THURSDAY, 5 JUNE 2025 AT 1.00 PM, OAKWELL HOUSE, 2 BEEVOR COURT,
PONTEFRACT ROAD, BARNSELEY, S71 1HG**

AGENDA

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7	Vote of Thanks to Outgoing Chair		
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Subject	Loyal Service Awards	Status	For Publication
Report to	Authority	Date	5 June 2025
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 666439
E Mail	ggraham@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To provide members with the opportunity to acknowledge the loyal service of members of the Authority's staff.
-

2 **Recommendations**

- 2.1 Members are recommended to:
- a. Congratulate and thank the staff who have achieved loyal service awards as set out in the body of this report.**
-

3 **Link to Corporate Objectives**

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

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.

Recognising the contribution of our longer serving staff clearly contributes to the objective concerned with valuing our employees.

4 **Implications for the Corporate Risk Register**

- 4.1 The actions outlined in this report form part of approaches to addressing the various people risks identified in the Corporate Risk Register.

5 **Background and Options**

- 5.1 As part of the Pay and Benefits Review approved by the Authority in October 2023 the Loyal Service Award scheme was changed to recognise staff who achieve the

milestones of 10-, 20- and 30-years' service rather than providing a single award after 25 years.

5.2 The following staff have achieved between 10 and 20 years service.

Name	Role	Length of Service
Lisa Darrell	Human Resources Officer	10 years

5.3 The following staff have achieved between 20- and 30-years' service.

Name	Role	Length of Service
David McClure	Service Manager – Benefits	20 years
Chris Allan	Team Leader - ICT Development	20 years

5.4 The following staff have achieved over 30 years' service

Name	Role	Length of Service
Julie Gregory	Performance Analyst	30 years

6 **Implications**

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

Financial	The resources to support the loyal service award scheme are provided within the Authority's operating budget.
Human Resources	The loyal service award scheme is a relatively small but important component of the overall pay and reward package, with recognition of long service being an important element in maintaining overall morale.
ICT	None
Legal	None
Procurement	None

George Graham

Director

Background Papers	
Document	Place of Inspection

Subject	Membership, Political Balance, and Appointments to Committees	Status	For Publication
Report to	Authority	Date	05 June 2025
Report of	Director and Clerk		
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 approve appointments to the Authority's Committees for the 2025/26 municipal year in line with the political balance rules applying to the Authority.
-

2 **Recommendations**

- 2.1 Members are recommended to:
- a. **Note the members appointed to the Authority by the District Councils.**
 - b. **Note the members appointed to answer questions in the meetings of the District Councils' Full Council.**
 - c. **Provide nominations to serve on the various Committees.**
-

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**

The actions outlined in this report relate to risks around legal compliance contained in the Corporate Risk Register.

5 **Background and Options**

Membership

- 5.1 The following Councillors have been appointed to the Authority by each of the District Councils for the 2025/26 Municipal Year.

Barnsley MBC 2 Members	City of Doncaster Council 3 Members	Rotherham MBC 2 Members	Sheffield CC 5 Members	Non-Voting Co-opted Members 3 Members
Roy Bowser	Jason Charity	David Fisher	Simon Clement-Jones	Nicola Doolan-Hamer (Unison)
Trevor Smith	Rachel Reed	Donna Sutton	Alexi Dimond	Garry Warwick (GMB)
	Ken Guest		Jayne Dunn	Philip Boyes (Unite)
			Craig Gamble Pugh	
			Andrew Sangar	

- 5.2 The following members have been designated by the District Councils as the s41 Members whose role is to answer questions about the work of the Authority in meetings of the relevant full Council.

	Barnsley MBC	City of Doncaster Council	Rotherham MBC	Sheffield CC
S 41 Member	Roy Bowser	Jason Charity	Donna Sutton	Jayne Dunn

Political Balance and Appointments to Committees of the Authority

- 5.3 While, in distinction to the District Councils, a system of political groups does not operate within the Pensions Authority, it is made up of elected councillors appointed in line with the relevant political balance rules and the Authority must also follow those rules in appointing to any committees which it chooses to create.
- 5.4 The Authority's Constitution provides for three Committees as follows.
- Audit and Governance Committee – This is chaired by the Authority's Vice Chair. The terms of reference mirror those of audit committees generally (and reflects recommended practice from CIPFA's position statement on audit committees) including responsibilities for the approval of the accounts, receiving reports from internal and external auditors, dealing with the risk management framework and related issues. The Committee meets four times per municipal year.
 - The Staffing Committee – This is chaired by the Authority's Chair and should comprise the s41 members together with a proportionate number of non-Labour councillors. The terms of reference include dealing with significant staffing changes (affecting more than 5 FTE) and other staffing policy issues which require member consideration. The Committee meets on an ad-hoc basis.

- iii. The Appointments and Appeals Committee – This Committee meets on an ad-hoc basis but given known business, two meetings have already been scheduled for this year.

It is recommended that this Committee have identical membership to the Staffing Committee, given the terms of reference which include the appointment of the Director and other chief officers and of the independent investment advisers and various appeals functions.

- 5.5 The table below provides the current balance of membership of the Authority following the appointments after the 2025 local elections, reflecting the political balance across South Yorkshire.

	Conservative	Green Party	Labour	Liberal Democrat	Reform UK	Total
Barnsley			2			2
Doncaster			1		2	3
Rotherham	1		1			2
Sheffield		1	2	2		5
Total	1	1	6	2	2	12
% of Total - Authority	8.33%	8.33%	50%	16.66%	16.66%	100.0%

- 5.6 This leads to the allocation of seats on Committees as shown below:

	Conservative	Green Party	Labour	Liberal Democrat	Reform UK	Total
Committees:						
Audit and Governance	1		3	1	1	6
Appointments and Appeals		1	3	1	1	6
Staffing		1	3	1	1	6
Total Committee Seats	1	2	9	3	3	18
Grand Total Seats	2	3	15	5	5	30
% of Total Seats	6.66%	10%	50%	16.66%	16.66%	100.0%

- 5.7 The above represents the closest approximation to exact political balance possible given the number of seats available.

- 5.8 Members are invited to make nominations for the Committees at this meeting.

6 Implications

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

Financial	None – the members allowance scheme caters for committee membership within the calculated allowances.
Human Resources	None
ICT	None
Legal	Maintaining political balance in appointments to committees is a legal requirement.
Procurement	None

George Graham

Director and Clerk

SOUTH YORKSHIRE PENSIONS AUTHORITY**13 MARCH 2025****PRESENT:**

Councillor Jayne Dunn (Chair)

Councillors: Donna Sutton, Roy Bowser, Simon Clement-Jones, Neil Wright, Alexi Dimond, David Nevett, Andrew Sangar and James Church

Non-Voting Co-Opted Members: Garry Warwick and Phil Boyes

Officers: George Graham (Director), Gillian Taberner (Assistant Director - Resources & Chief Finance Officer), Andrew Stone (Assistant Director – Investment Strategy), Debbie Sharp (Assistant Director – Pensions), William Goddard (Head of Finance and Performance), Jo Stone (Head of Governance and Corporate Services & Monitoring Officer), and Gina Mulderrig (Governance Officer)

Independent Investment Advisers: Aoifinn Devitt and Jonathan Hunt

Apologies for absence were received from: Councillor David Fisher, Councillor Craig Gamble-Pugh, Councillor John Mounsey and Nicola Doolan-Hamer

1 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting including Councillor George Jabbour, Chair of Border to Coast Joint Committee.

2 APOLOGIES

Apologies were noted as above.

3 ANNOUNCEMENTS

None.

4 URGENT ITEMS

None.

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

RESOLVED: Items 20 and 21 were considered in the absence of Public and Press by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

6 DECLARATIONS OF INTEREST

It was stated that SYPA officers may have an interest in item 21 and it was agreed that all officers except the Director, the Monitoring Officer and the Governance Officer would leave the room before the item.

7 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

The Chair reported that a motion titled 'Ethical Investment of Pension Funds' had been passed by Sheffield City Council on 5 February 2025. The Director explained that the details of the motion had been shared with SYPA and that he was drafting a response which would be shared with the Authority.

8 MINUTES OF THE MEETING HELD ON 13.02.2025

RESOLVED: That the minutes as presented for the Authority Meeting held on 13 February 2025 were a true and accurate record.

9 QUESTIONS FROM THE PUBLIC

Questions were received from Mr S Ashton, Mr Ashraf and Mr Pearson. The Director replied on behalf of the Authority.

Written copies of the questions and responses were given to the questioners.

The written replies are attached as an appendix to these minutes.

10 QUARTER 3 CORPORATE PERFORMANCE REPORT 2024/25

The Assistant Director – Resources presented the Quarter 3 Corporate Performance Report to provide a summary view of overall performance in achieving the Authority's objectives. The report brought together information on progress against the corporate strategy and provided a range of key performance measures, financial monitoring, and an ongoing assessment of the risks to the delivery of the Corporate Strategy.

The Head of Finance and Performance presented the highlights of the quarter 3 forecast expenditure to the Authority drawing attention to a forecasted underspend of £312k and detailing how this would be used in the next financial year.

Members asked for further details on the overspend of £16k on the warranties and support budget. The Head of Finance and Performance explained that this was due to an adjustment from the previous financial year related to warranties on ICT equipment but that this had been offset by underspending in other budgets and that the budget had been set accurately for 2025-26 with no issues or adjustments anticipated.

Members questioned the 'at risk but achievable' status of the Progress on the Authority's Net Zero Ambition action in the Corporate Plan and whether this contradicted some of the content in the earlier responses to public questions. The Director explained that the status of this action would be continually monitored and revised as necessary.

Members asked whether the Affordable Housing manager position, currently undergoing procurement, would focus exclusively on South Yorkshire and the Director confirmed that this was correct.

Members drew attention to the 'Imbalance in cashflows' risk and the predictions that employer contributions would reduce and asked who controlled the level of contributions. The Director explained that contribution rates were certified by the actuary taking into account the overall position of the Fund. It was explained that high funding levels meant the Fund was in a position to lower employer contribution rates and balance this by using more income from the Fund, such as dividends from equity investments, to pay benefits. The Director explained that this investment strategy would see a move to focus more on income generation.

Members noted that, although 'Failure to mitigate the impact of climate change' was the highest risk on the Strategic Risk Register, it could be argued that the risk rating should be even higher. The Director explained that this risk was being monitored and that the risk level would be reassessed following the upcoming valuation and report from the actuary and be based on the latest climate analysis information.

RESOLVED: Members noted and accepted the report.

11 UPDATE ON PENSIONS ADMINISTRATION IMPROVEMENT PLAN

The Assistant Director – Pensions presented the report to update the Authority on the Pensions Administration Improvement Plan.

RESOLVED: Members noted the update.

12 ADVISER MARKET COMMENTARY

The Assistant Director – Investment Strategy introduced the Independent Investment Adviser, Aoifinn Devitt. The Independent Investment Adviser presented the Market Commentary Report for members to consider and note.

Members asked for further information on how the re-election of Donald Trump as POTUS will affect the commitment of fossil fuel companies to mitigate climate risk. The Independent Adviser explained that the re-election of Donald Trump had seen backtracking by market participants around engagement and responsible investment goals but that SYPA needed to continue to commit to their responsible investment strategy and find opportunities in the market.

Members asked what position the Independent Investment Adviser believed the Authority would be in at the end of the presidential term. The Independent Investment Adviser explained that it was important to keep working with portfolio managers to assess exposure to USD and monitor the situation and there was also the potential opportunity to align with China as an investment partner and power broker.

RESOLVED: Members noted the report.

Councillor Neil Wright left the meeting and did not return.

13 QUARTER 3 INVESTMENT PERFORMANCE REPORT 2024/25

The Assistant Director – Investment Strategy delivered the Q3 Investment Performance Report highlighting key areas of performance over the last quarter and

invited Authority members to submit any requests for amendments or additions to the next Investment Performance Report.

RESOLVED: Members noted the report.

14 QUARTER 3 RESPONSIBLE INVESTMENT UPDATE 2024/25

The Assistant Director – Investment Strategy presented the Quarter 3 Responsible Investment Update.

Members noted the update on the Indian conglomerate Grasim and their targets to reduce carbon emissions and reach Net Zero by 2040 and asked whether they were likely to renege on these targets as other companies in the industry had done.

The Assistant Director – Investment Strategy explained that cement production accounted for over 80% of Grasim's carbon emissions and that, while cement-related industry was a major carbon emitter, there was also lot of scope to reduce emissions and increase sustainability in the sector and the performance of Grasim will be closely monitored with engagement utilised if necessary.

Members asked for clarity on the situation of financed emissions. The Assistant Director – Investment Strategy explained that financed emissions had risen in the short term but that the long term prediction is that they will continue to reduce overall.

Members asked for further information on any engagement with arms manufacturers. The Assistant Director – Investment Strategy explained that the Authority and Border to Coast had no examples of engagement with arms manufacturers but acknowledged the need to scrutinise any investment opportunities associated with the global demands of defence provision to ensure responsible investment policy was followed. The Director drew attention to the difference in responsible investment and ethical investment.

Members noted investments held with companies that were not aligned with the Paris Agreement and questioned the success in using engagement to gain assurance companies were committed to becoming net zero by 2050 and queried whether this undermined SYPA's net zero transition commitment and posed a risk to the Fund.

The Director explained that the inclusion of engagement as part of the Responsible Investment Policies was a decision for the Authority to vote on and that alternative action, such as divestment, would be difficult for SYPA to implement independent of support from the pool and partner funds.

RESOLVED: Members noted the activity undertaken in the quarter.

15 SYPA RESPONSIBLE INVESTMENT POLICIES ANNUAL REVIEW AND NET ZERO ACTION PLAN UPDATE

The Assistant Director – Investment Strategy presented the report to secure approval for the Authority's various responsible investment policy documents following their annual review.

Members queried whether the Authority should process the results of the questionnaire regarding Responsible Investment and Environmental, Social and Governance matters in relation to SYPA's investments sent to Scheme Members before agreeing these policies in case the results inform any additions or amendments. The Director explained that the results of the questionnaire would inform the Investment Strategy which would, in turn, inform the next iteration of the policies.

Members asked for further information on the addition to the Climate Change Policy regarding how the Authority interacts with companies that do not have credible climate transition plans, for more clarity on the concept of the Authority reserving the right to act independently should collective action not result in the delivery of its objectives in terms of ESG issues and for more detail of engagement activity measurements and thresholds.

The Assistant Director – Investment Strategy explained that engagement gave the companies time limited requirements and clear consequences if the requirements were not met. The Director added that there was a pathway to exclusion if the companies failed the requirements of engagements but that the threshold was high, and the action of enforcing consequences may go against the strategy of the pool.

The Director explained that although the companies in SYPA's portfolio currently failing to meet engagement requirements (Shell and BP), constituted only 2% of its overall investments, excluding said companies could have negative impacts in the wider investment market for SYPA and would require the support of the pool and partner funds making exclusion a challenging option.

Members asked what could be added to the RI Policies to give a clearer and actionable pathway to consequences for companies that fail to comply with requirements despite engagement. Members commented that divesting from hard-to-abate companies would not have a negative financial impact on SYPA and that the legal opinion on the fiduciary duty in the context of the LGPS supported their ability to do so. The Chair agreed with the need to send a stronger message with the RI policies and implement change but added that any changes had to be realistic and actionable.

The Director advised that members could ask for amendments to the RI policies to advocate for active exclusion where engagement had demonstrably failed and that there was a need to balance the wishes of members with the reality of being to implement the policies as well as ensuring no financial detriment to the Fund.

Councillor Alexi Dimond proposed not to approve the RI policies but to ask officers to revise the policies to reflect the wishes of members as discussed in the meeting and submit for approval at a future meeting of the Authority. There was no seconder and the proposal fell.

Members proposed an amendment to the recommendation to ask officers to undertake a project looking at options for measures to take when engagement with companies had failed to produce the required outcomes, such as exclusion, to inform development of RI policies when next updated.

RESOLVED: Members

a. Approved the following revised policy documents appended to the report:

- ii. The Responsible Investment Policy (Appendix A)
- III. The Climate Change Policy (Appendix B)
- IV. The Net Zero Action Plan (Appendix C)

b. Requested officers review the impact of SYPA advocating for active exclusion where engagement has demonstrably failed and provide the results in a report at the 18 December 2025 Authority meeting.

Councillor Dimond requested the minutes reflect that he voted against the resolution.

16 GOVERNANCE, POLICY AND REGULATORY UPDATE

The Head of Governance and Corporate Service presented the report to provide Authority members with an update on current governance related activity and regulatory matters.

RESOLVED: Members noted the updates included in the report.

17 MEMBER LEARNING AND DEVELOPMENT STRATEGY 2025/26

The Head of Governance and Corporate Service presented the report to seek Authority approval for the Members Learning and Development Strategy 2025/26.

RESOLVED: Members approved the Members Learning and Development Strategy 2025/26 and training plan set out at Appendix A of the report.

18 CONSTITUTION AND TERMS OF REFERENCE

The Director presented the report to secure approval for updates to the Constitution, which had been made to address recommendations arising from the independent governance review and to implement changes regarding the role of Clerk as approved at the Authority's meeting in December 2024.

Members asked how the Investment Advisory Panel would be impacted by the increase in pooling due to the Government's Pensions Investment Review. The Director explained that Investment Advisory Panel remained of importance in having oversight of all investment and in developing the Investment Strategy.

RESOLVED: Members:

- a. Approved the updated Constitution at Appendix A; and
- b. Approved the Terms of Reference for the Investment Advisory Panel, and the Appointments and Appeals and Staffing Committees at Appendices B to D.

19 DECISIONS TAKEN BETWEEN MEETINGS

The Head of Governance and Corporate Service presented the report on decisions taken as a matter of urgency between meetings of the Authority.

RESOLVED: Members noted the decisions taken between meetings of the Authority using the appropriate urgency procedure.

RESOLVED: Items 20 and 21 were considered in the absence of Public and Press by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Members of the public were asked to leave the meeting.

20 **BORDER TO COAST ANNUAL IMPLEMENTATION PLAN AND BUDGET 2025-26**

The Director presented the Annual Implementation Plan and Budget of the Border to Coast operating company for approval.

Members discussed the report noting the positive position of the company to adapt to the changes required following the Government's Pensions Investment Review and potential issues with expansion of the pool.

The Director informed the Authority that the Minister for Pensions would be meeting with pools to discuss transition plans and requirements.

RESOLVED: Members

- a. Approved the Border to Coast Implementation Plan and Budget for 2025/26 and**
- b. Authorised the casting of the Authority's shareholder vote in favour of the implementation plan and budget.**

All SYPA officers except the Director, the Monitoring Officer and the Governance Officer left the meeting.

21 **SUCCESSION PLANNING (STAFFING AND PERSONNEL)**

The Director presented the report to seek approval for the arrangements to replace him on his planned retirement at the end of 2025.

Members noted the report and expressed the need to implement a wide reaching and robust communications strategy to maximise contact with potential candidates.

RESOLVED: Members

- a. Approved the arrangements for the replacement of the Director on his retirement set out in the body of this report, including the role profile at Appendix A and the appointment of North Yorkshire Council to support the recruitment process.**
- b. Approved the remuneration package for the role as a revised Grade N £131,132 - £135,146 before the 2025 pay award and delegated power to the Director to amend the Pay Policy Statement accordingly.**
- c. Approved the proposed terms and conditions of employment set out at paragraph 5.9 to 5.11.**

CHAIR



Delivering for our Customers — Corporate Performance Report

Quarter 4 2024/25

Contents

1. Introduction
2. Headlines
3. Delivering the Corporate Plan & Supporting Strategies
4. How are we performing?
 - Corporate Measures
 - Investment Measures
 - Pension Administration Measures
 - Financial Measures
5. What is getting in the way – Risk Management
6. Learning from things that happen

1. Introduction


- 1.1 South Yorkshire Pensions Authority only exists to provide services to our customers whether they be scheme members or employers.
- 1.2 This Corporate Performance Report provides a summary view of overall performance in achieving the Authority's objectives, bringing together information on progress against the corporate strategy, a range of key performance measures, financial monitoring, and an ongoing assessment of the risks to the delivery of the Corporate Strategy. By providing this single view of how we are doing it will be easier for councillors and other stakeholders to hold us to account for our performance.
- 1.3 This report presents the information on overall performance during the final quarter of the 2024/25 financial year. More detailed information on the performance of the Authority's investments and the pension administration department during the quarter are contained in other reports which are available on the Authority's website.

Recommendations

- 1.4 The financial measures set out within Section 4 of the report include details regarding proposed virements required in relation to a technical correction arising from a change in accounting treatment of the lease rental of Oakwell House and a correction to the operational income budgets to align the income with where the majority of the work is completed.
- 1.5 The same section of the report also includes details regarding the outturn for 2024/25 and proposed transfers from reserves.
- 1.6 The Authority's approval is required for the budget virements and for the reserves transfers and Members are recommended to:
 - a) **Approve the budget virements as set out in paragraph 4.25 of the report.**
 - b) **Approve the transfers to earmarked reserves as set out in the table in paragraph 4.71; amounting to a net total transfer to reserves of £216,290.**

2. Headlines

2.1 Key messages for the quarter are highlighted here. The detail and underlying context behind these are set out in the sections of the report that follow.



Good progress has been made on corporate plans and projects.

The outturn under-spend on the revenue budget has resulted in being able to build up the earmarked reserves ahead of schedule.

Significant reduction in sickness absence for the year.

Investment performance is a little behind target over recent periods - but remains ahead of expectations over the long term.

Clearance of backlogs of pensions case work is progressing with a focus on cases which will impact the valuation, however it remains a challenge.







Risk scores have been increased for four risks facing the Authority, two of which relate to the impact of the outcomes from the Government's pensions review.

3. Delivering the Corporate Plan & Supporting Strategies





- 3.1 This section provides an update on progress made in delivering the corporate objectives of the organisation.
- 3.2 The update to the Corporate Strategy for the period 2024-2027 was approved in February 2024 and focusses on the Authority delivering improvements to the way in which we do things and in addressing longstanding challenges across the organisation to ultimately improve the service received by our customers and our overall efficiency.
- 3.3 The detailed objectives and plans have been divided into the following programmes of work.
- *Administration Improvement Plan* – A series of interlinked activities which are intended to address long standing issues which have affected the underlying performance of the administration service and place the service on a stable and sustainable basis.
 - *Delivering the Investment Strategy* – A range of activities which support delivering the investment strategy including progress to Net Zero.
 - *People* – Activities which are designed to ensure that the Authority has the right number of people with the right levels of skills and experience to enable it to effectively deliver services.
 - *Organisation Wide* – Activities which affect all parts of the organisation, and which are intended to strengthen parts of the organisational infrastructure.
 - *Governance* – Activities which are intended to strengthen the governance framework and ensure the demonstration of compliance with regulatory requirements.
 - *ICT* – A programme of work designed to ensure that the Authority's ICT infrastructure is both up to date and being effectively utilised to improve the delivery of services.
- 3.4 For areas of work such as HR and ICT the work included here summarises the more detailed plans contained in the relevant enabling strategies, rather than replicating the full detail.
- 3.5 The following table provides updates in respect of developments that have taken place during the quarter in delivering these programmes of work.

3.6 Key to abbreviations used in the table that follows:

Key to Responsible Managers	
AD-IS	Assistant Director – Investment Strategy
AD-P	Assistant Director – Pensions
AD-R	Assistant Director – Resources
DIR	Director
HFP	Head of Finance & Performance
HGCS	Head of Governance & Corporate Services
HICT	Head of ICT
HRBP	HR Business Partner
IM	Investment Manager
SM-B	Service Manager – Benefits
SM-CS	Service Manager – Customer Services
SM-INF	Service Manager – ICT Infrastructure
SM-PP	Service Manager – Programmes and Performance
SM-TST	Service Manager – Technical Support and Training
TL-G	Team Leader - Governance
TL-SD	Team Leader – Pension Systems Development

Ref	Project/Action	Start	Finish	Responsible Manager	2024/25 Quarter 4 Update	Status	
A	Administration Improvement Plan			AD-P		<div><div>50%</div></div>	
A1	Deliver ongoing improvements in data quality	01-Apr-2024	31-Mar-2026	SM-TST	Data improvement Plan has been shared with LPB and will go to the Authority for approval at the June meeting.	At risk but achievable	
A2	Implement changes to the organisation approved during 2023	01-Feb-2024	30-Sep-2024	AD-P	The two final posts were interviewed for in September, and offers were accepted by the applicable candidates.	Completed	
A3	Implement system improvements to ensure that the Authority is making the best use of technology	01-Apr-2024	31-Mar-2025	SM-B	System Improvements have stalled due to a number of things including lack of resource, McCloud and Backlogs.	On track	
A4	Clear backlogs of casework	01-Feb-2024	31-Dec-2025	SM-B	Revised plan to target backlogs by having the benefit teams target the backlog for a month each. Rotating through the teams. Monthly assessment will continue.	At risk but achievable	
A5	Implement the McCloud Remedy	01-Apr-2024	31-Mar-2026	AD-P	Software development delays have hampered progress for the authority. The completion date will have to move to 31 August 2026 and agreement will be sought from the Authority to this decision.	Not achievable	
A6	Implement the Pensions Dashboard	01-Apr-2024	31-Mar-2026	SM-CS	Work has started with AVC providers, files have been received and will continue to be received quarterly to allow for data cleansing. Civica have engaged with a couple of demos, and staff are part of MET group meetings who meet with LGA representatives for further clarification on grey areas.	On track	

Ref	Project/Action	Start	Finish	Responsible Manager	2024/25 Quarter 4 Update	Status	
G	Governance			HGCS		<div><div></div></div> 70%	
G1	Implement the results of the Independent Governance Review	HGCS	30-Sep-2025	HGCS	Action plan implemented and embedded and progress will be reported twice a year.	On track	✓
G2	Complete and embed the updated suite of Information Governance policies and procedures	TL-G	30-Sep-2025	TL - G	Phase 1 of data protection action plan completed. Phase 2 commenced; project group initiated for data retention project.	Completed	✓
G3	Ensure compliance with the new TPR General Code of Practice	HGCS	31-Mar-2025	HGCS	Full review of the TPR Code was completed during Q4 and reported to LPB in February 2025. Some progress visible, key areas where actions completed were within Pensions Admin.	On track	✓
I	Deliver the Investment Strategy			AD-IS		<div><div></div></div> 42%	
I1	Implement 2023 Asset Allocation Changes	01-Mar-2023	31-Mar-2026	AD-IS	Only modest changes made. Waiting for markets to settle down from the tariff warfare to get a steadier picture of where we are.	On track	✓
I2	Progress the Authority's Net Zero Ambition	01-Apr-2024	31-Mar-2026	IM	Additional £10m top up commitment made to Gresham House Forestry Fund. Decision made to receive carbon credits from the Campbell Global Forestry Fund, as opposed to monetising, which can be used to offset emissions elsewhere in the portfolio.	At risk but achievable	⚠
I3	Deliver the Place Based Impact Investment Strategy	01-Mar-2023	31-Mar-2025	IM	First stage of affordable housing procurement underway and bidder responses being assessed with a timeline for appointment of chosen manager Q4 2025.	At risk but achievable	⚠
I4	Plan and deliver 2026 Strategy Review	01-Nov-2024	31-Mar-2026	AD-IS	Tender process has gone live for consultancy to advise on strategy review.	Not started	●

Ref	Project/Action	Start	Finish	Responsible Manager	2024/25 Quarter 4 Update	Status	
O	Organisation Wide			AD-R		<div><div>56%</div></div>	
O1	Develop a fully revised and updated Business Continuity Strategy	01-Apr-2024	31-Dec-2024	HICT	<p>Stakeholders have undertaken a Business Impact Analysis, and a draft Business Continuity Plan (BCP) has been produced which is being reviewed by the team.</p> <p>The BCP handover meeting is expected to be completed during Q1.</p>	At risk but achievable	
O2	Develop and implement a Sustainability Strategy for the organisation	01-Jan-2025	31-Mar-2026	HICT	Work on this strategic action has not yet commenced due to the team resource continuing to focus on the completion of the Business Continuity Strategy. Once that project is complete during Q1 of 2025/26, we will be able to make a start on the work required for this environmental sustainability strategy development.	Not started	
O3	Procure and implement a new HR and Payroll system	01-Mar-2024	31-Dec-2024	HFP	We are in the latter stages of the procurement research phase, focussing on the suppliers which will meet our needs - aiming to finalise the work by the end of June, with target for procurement decision and contract award during Q2 of 2025/26.	At risk but achievable	
O4	Develop and implement a new Performance Management Framework	01-Apr-2024	31-Dec-2024	SM-PP	Dashboards have been created for the Corporate Health and High Level KPIs as planned out in the Performance Framework documentation released earlier this year. It is recognised that just completing these dashboards represents only the initial deployment of the Framework and much more work will be carried out in 2025 to agree targets for this initial data set, and continue to make Operational (Team-Level) Performance Dashboards.	On track	




Ref	Project/Action	Start	Finish	Responsible Manager	2024/25 Quarter 4 Update	Status	
P	People			AD-R		<div><div>40%</div></div>	
P1	Develop and implement a new organisation wide Learning and Development Strategy	01-Apr-2024	30-Sep-2025	AD-R	Work has commenced on building up an assessment of L&D needs across the organisation in preparation of planning a programme of training for the next year which, along with analysis of workforce and workload planning will help to inform the development of the wider L&D Strategy.	On track	✓
P2	Develop and implement a corporate policy to ensure consistency of career grade schemes across the organisation	01-Apr-2024	30-Jun-2025	AD-R	Work on this project has progressed as planned during Q4 with further refinement of the policy and associated templates provided by the consultant. In the next quarter (Q1 of 2025/26), the documents will be finalised through further detailed discussion with managers and relevant stakeholders before being rolled out with presentation to staff.	On track	✓
T	ICT			HICT		<div><div>51%</div></div>	
T1	Complete M365 Roll Out	01-Apr-2024	30-Jun-2024	HICT	Analysis of user training requirements for SharePoint Online and M365 applications, including feedback via a staff survey. Bespoke training content developed that aligns with the requirements of each team.	On track	✓
T2	Adoption and exploitation of available M365 tools and functionality	01-Jul-2024	31-Mar-2026	HICT	M365 Always On VPN – installation and configuration complete.	On track	✓
T3	Maintain the Authority's cyber defences	01-Apr-2024	31-Mar-2026	SM-INF	Attendance at team meetings to reinforce staff knowledge and awareness. Presentation completed for all staff	On track	✓
T4	Deliver ongoing improvements to the Authority's ICT infrastructure	01-Apr-2024	31-Mar-2026	SM-INF	Implemented Exclaimer Email Signature solution. MFD procurement, installation and creation of user approval process. Out-of-date system Docfinity deactivated.	On track	✓

4. How are we performing?

- 4.1 This section sets out a range of performance measures which give an overall indication of how the organisation is doing in terms of delivering the services for which it is responsible.

Corporate Measures

- 4.2 The sickness absence measures for this quarter as compared to the same quarter in the previous year, and the year to date figures are summarised in the following table.

Measure	Performance Quarter 4 2024/25	Performance Quarter 3 2024/25	Performance in Previous Year Q4: 2023/24	Full Year 2024/25	Previous Year 2023/24	Movement Year on Year
Short Term Sickness Absence – Days Lost per FTE	0.95	0.80	1.19	3.02	3.96	
Long Term Sickness Absence – Days Lost per FTE	0.00	0.26	0.84	2.00	4.28	
Total Days Lost per FTE	0.95	1.06	2.03	5.02	8.24	


- 4.3 The total sickness absence for this quarter has fallen significantly compared to the previous quarter and to the same quarter last year.
- 4.4 There is a small increase (from 0.8 to 0.95 days) in short-term sickness absence, although remains lower than the same period last year. There have been a wide range of reasons for sickness absence this quarter including injury and surgery, with flu/cold/respiratory and migraines being responsible for a lot of the absence.
- 4.5 There were no cases of long term sickness absence in the quarter.
- 4.6 A total of 95 employees had no sickness absence at all during this quarter; equating to 76% of the workforce.
- 4.7 The overall total sickness absence for the 2024/25 year has reduced substantially to just over 5 days lost per FTE employee – compared with 8.2 days in the previous year.
- 4.8 The Authority's Health, Safety and Wellbeing Committee continue to promote a range of initiatives to help support staff with their wellbeing.

Employee Turnover

- 4.9 The turnover for the 2024/25 year was 7.8%, slightly less than 7.9% in the previous year. This level of turnover is considered healthy. The HR team continue to gather data through the use of exit surveys and interviews when employees leave for the purposes of feedback on reasons for leaving and identifying any areas for improvement.

Investment Measures



- 4.10 The following table presents a high-level summary of the key indicators of investment performance. A more detailed quarterly report on investment performance, including commentary on market conditions and performance, is provided elsewhere on the agenda.

Measure	Performance Quarter 4 2024/25	Quarterly Benchmark	Performance YTD 2024/25	2024/25 Benchmark	2024/25 Actuarial Target	RAG Indicator
Investment Return – Whole Fund	0.20%	0.60%	2.60%	4.20%	7.00%	

- 4.11 Performance is behind target over recent periods - but ahead of expectations over the longer term.
- 4.12 The total Fund value at 31 March 2025 was £11.06bn; compared with £11.13bn at 31 December 2024.
- 4.13 The Funding Level at 31 March 2025 is estimated at 159%, slightly lower than funding level reported at the end of quarter 3. The funding level remains robust despite increasing market volatility.
- 4.14 At the end of the quarter 77% of the Fund's assets were being managed in pooled structures provided by Border to Coast.

Pension Administration Measures

4.16 The key performance indicators for Pension Administration are presented in the table below. A more detailed report on the performance of the Pension Administration service is provided for each meeting of the Local Pension Board.

Measure	2024/25 Quarter 4	2024/25 Quarter 3	2024/25 Full Year	Previous Year: 2023/24	Target 2024/25	Quarterly Movement
Proportion of all cases processed on time	61%	62%	62%	66%	100%	
Proportion of employer data submissions on time	99%	94%	96%	94%	100%	

4.17 Casework in target for the year to date is 62%. Clearing the backlog is continuing to impact SLA figures as previously reported.

4.18 67% of the backlog had been cleared at the end of March 2025. Backlog clearance work during Q3 and Q4 was targeted to the areas that are most critical to the 2025 valuation.

4.19 Employer submissions performance is being sustained and there has been a very good improvement in the quarter to 99% of submissions received on time.

4.20 At the end of the quarter, membership of the Fund stood at 181,178.

4.21 There were 575 participating employers with active members at 31 March 2025, compared with 565 at 31 December 2024.

4.22 6 new admitted bodies and 6 new academies were admitted to the scheme during the quarter; 2 terminations were completed this quarter.

Financial Measures

2024/25 Budget Virements

4.23 The original budget for 2024/25 was approved by the Authority at their February 2024 meeting.

4.24 Approval is now requested for two technical virements:

- a) The first in relation to income the Authority receives for Resources driven tasks, budgeted at (£64k). Historically income from pensions payroll and employer related income has been recorded in the Pensions Administration budget. However, having analysed the work involved with the income through the year, it has become clear the majority of the work is completed in Resources.
- b) The 2024/25 CIPFA Code of Practice adopted a new accounting standard IFRS 16 – Leases. The new standard resulted in a change to our accounting policies, included within a report taken to the Audit & Governance Committee in March 2025. The virement now required as a result of this change is for Oakwell House Rent £40k held in the Central Costs budget; the new standard requires the rent to be split between Financing Expenditure and Minimum Revenue Provision. Further details are explained in paragraph 4.26 below.

4.25 The effect of the two changes are summarised in the table as follows.

Budget Virements 2024/25	2024/25 Budget	Virement Q4	2024/25 Revised Budget at Q4
Pensions Administration	3,646,910	64,000	3,710,910
Investment Strategy	656,400		656,400
Resources	1,434,770	(64,000)	1,370,770
ICT	1,495,590		1,495,590
Central Costs	840,180	(40,360)	799,820
Democratic Representation	127,060		127,060
Subtotal - Cost of Services	8,200,910	(40,360)	8,160,550
Financing / Interest Charges	0	37,090	37,090
Minimum Revenue Provision Charge	0	3,270	3,270
Capital Expenditure Charge to Revenue	98,500	0	98,500
Subtotal - Capital Expenditure and Financing	98,500	40,360	138,860
Subtotal Before Transfers to Reserves	8,299,410	0	8,299,410
Transfer to / (from) Reserves	(28,000)	0	(28,000)
Total	8,271,410	0	8,271,410

- 4.26 Under the previous standard, a finance lease was categorised as one where the lessee bears the risk and reward of owning the asset with these leases included within the lessee's balance sheet. The Authority had no leases classified as finance leases under that standard. Whereas an operating lease was classified as having the asset risk and reward remaining with the asset owner, with the lessee gaining access to use of the asset through payments. The new standard removes the distinction between operating and finance leases, now classifying assets under one umbrella of 'right of use' assets.
- 4.27 The Authority's only material lease impacted by this change is the lease of Oakwell House. The lease for Oakwell House will be accounted for under the new standard using the transition arrangements in the CIPFA Code of Practice 2024/25. The only other lease held by the Authority is for a printing and scanning device which is of low value so is exempted in the Code and falls below our de minimis threshold in the new accounting policy.
- 4.28 The accounting treatment of the Oakwell House lease now requires the asset itself to be recognised on the balance sheet as a 'right of use' asset and the lease rental payments to be split between the element relating to the interest cost to be charged to 'Financing and Investment Income and Expenditure' in the Comprehensive Income and Expenditure Statement. And the element relating to paying down the principal to be charged directly to the General Fund as a Minimum Revenue Provision charge. This new split can be seen in the summary of virements shown in the table above.
- 4.29 Oakwell House included significant rental incentives in the first 5 years of the lease. The previous accounting treatment required the total of rent payments for the life of the lease to be allocated in equal amounts in each year of the lease, resulting in a total of £138k charged to expenditure as an adjustment since the lease commenced in 2021. The application of IFRS 16 – Leases has resulted in the requirement to unwind this previous accounting treatment. The result of which is a credit of (£138k) in total, this is shown as the net under-spend for the Authority in 2024/25 after transfers to reserves and will be effectively repaid to the Pension Fund by reducing the total charge to the Fund for the year.

2024/25 Q4 Outturn

- 4.30 The quarter 4 provisional outturn expenditure for the year and variance against the budget is as follows. Details of the significant variances are shown beneath the table.

South Yorkshire Pensions Authority Operational Budget	2023/24 Actuals £	2024/25 Revised Budget £	2024/25 Q4 Provisional Outturn £	2024/25 Q4 Variance £	2024/25 Q4 Variance %
Pensions Administration	3,231,130	3,710,910	3,661,230	(49,680)	(1.30%)
Investment Strategy	569,210	656,400	642,330	(14,070)	(2.10%)
Resources	1,236,520	1,370,770	1,322,510	(48,260)	(3.50%)
ICT	1,124,100	1,495,590	1,314,010	(181,580)	(12.10%)
Central Costs	764,770	799,820	707,020	(92,800)	(11.60%)
Democratic Representation	182,870	127,060	132,560	5,500	4.30%
Subtotal - Cost of Services	7,108,600	8,160,550	7,779,660	(380,890)	(4.70%)
Capital Expenditure and Financing:					
Financing / Interest Charges	0	37,090	37,090	0	0.00%
Minimum Revenue Provision Charge	0	3,270	3,270	0	0.00%
Capital Expenditure Charge to Revenue	69,900	98,500	97,410	(1,090)	(1.11%)
Subtotal - Capital Expenditure and Financing	69,900	138,860	137,770	(1,090)	(0.80%)
Subtotal Before Transfers to Reserves	7,178,500	8,299,410	7,917,430	(381,980)	(4.60%)
Appropriations to / (from) Reserves	(274,235)	(28,000)	216,290	244,290	(872.50%)
Total	6,904,265	8,271,410	8,133,720	(137,690)	(1.70%)

4.31 The outturn for the year before transfers from reserves is an under-spend of (£382k), with an under-spend of (£138k) after the transfers to reserves. The total under-spend for the year is due to the reversal of straight-line rent payments noted at paragraph 4.29 above.

2024/25 Local Government Pay Award and Salary Expenditure Variances

4.32 The pay award for 2024/25 was agreed on 24 October 2024 at the following amounts:

- a) an increase of £1,290 on salaries for all pay points up to 43, and
- b) an increase of 2.50% on salaries for pay points above 43

with effect from 1 April 2024.

- 4.33 The total cost arising from this is approximately £207k, equivalent to 3.40% of the budget for employee pay and on-costs. The 2024/25 budget was set incorporating a pay award assumption of 4%. Therefore, there is a small under-spend based on the actual pay award.
- 4.34 Separately, a vacancy allowance of -2.5% of the pay budget was included to allow for staff turnover and the time that would be needed to recruit to several newly established posts included in the budget.
- 4.35 In total, there is a net under-spend of (£212k) against the staffing costs budget for the year, making this the primary cause of the overall under-spend for the year. The breakdown of this per each department, with explanations, is included in the analysis that follows.

2024/25 Outturn and Explanation of Other Variances

- 4.36 The significant variances against budget for each of the service areas are explained below.

Pensions Administration – Outturn Under-Spend (£50k):

- 4.37 There is a total net under-spend of (£92k) on staffing costs which comprises the following items:
- a) The saving for this department relating to the pay award is (£14k).
 - b) Within the department there has been significant amounts of recruitment due to a combination of new posts and internal moves; arising from the implementation of changes in the structure approved by the Staffing Committee last October. Additionally, there were unplanned costs relating to termination payments. The impact of this is a net under-spend of (£116k), after taking account of the department's vacancy allowance.
 - c) A net over-spend of £38k in relation to various staffing changes (e.g. hours changes, grade progression, casuals etc.) made after the budget was set.
- 4.38 The actuarial fees budget is under-spent by (£28k), as one of the additional tools offered by the actuary and included in the budget has not yet been taken up. As the contract has bedded in, we are beginning to get a better understanding of the annual costs; the 2025/26 budget has been set prudently to reflect the additional valuation costs anticipated.
- 4.39 Other Professional services has been over-spent by £22k. The main driver of this is expenditure associated with the completion of Guaranteed Minimum Pension (GMP) rectification work in August 2024, which had been planned to finish in 2023/24. A minor part of the over-spend was the cost of job evaluations required as part of the structure changes.
- 4.40 The Hybrid Mail budget is over-spent by £17k. Working through the pensions backlog has led to an increase in usage through 2024/25, it is anticipated that during 2025/26 the usage will reduce.
- 4.41 An over-spend of £18k on the ill health reports budget. The increase in spending is being driven by the volume of cases, rather than inflationary increases. From April

2025 these costs will sit with individual employers, the 2025/26 budget has been set to nil to reflect this change.

- 4.42 There is an over-spend of £8k in relation to Customer Compensation. As the pensions case work backlog has been worked through, a number of historic one-off items have arisen, which have been dealt with. The main element of this over-spend is a £6k cost paid to one member to compensate them for additional tax charges incurred due to a delay that was the Authority's fault in 2022.
- 4.43 A net over-spend of £5k in total comprising small overspends on relocation expenses, consultancy fees, specialist recruitment campaigns and conferences, offset by under-spends on legal fees and a reduction in income.

Investment Strategy – Under-Spend (£14k):

- 4.44 There is a total net under-spend of (£26k) on staffing costs which comprises the following items:
- a) The saving for this department relating to the pay award is (£2k).
 - b) The budget allowed for up to six months for transition arrangements for the new Assistant Director – Investment Strategy to be in post prior to the former Assistant Director's retirement. The transition period was actually three months. The impact of this is a net under-spend of (£24k), after taking account of the department's vacancy allowance and additional recruitment costs for this post.
- 4.45 An over-spend of £7k in relation to actuarial services. A part of the triennial valuation process involves engaging the actuary to produce cashflow modelling to align the investment strategy with the cashflows proposed with the new contribution rates. At the time of setting the Investment Strategy budget this cost was not factored in, however across the Authority there have been net under-spends on actuarial fees to offset this in total.
- 4.46 Procurement framework fees have been over-spent by £12k. During 2024/25 two procurement exercises have commenced which have required framework access, they were for the VAT special method review and investment consultancy services for the triennial review of the investment strategy.
- 4.47 A small net under-spend of (£7k) in total comprising small under-spends on investment adviser fees, benchmarking and training, offset by a minor over-spend on professional subscriptions.

Resources – Under-Spend (£48k):

- 4.48 There is a total net under-spend of (£55k) on staffing costs which comprises the following items:
- a) The saving for this department relating to the pay award is (£6k).
 - b) Within the department there have been delays to recruitment due to workload pressures, driving the under-spend. There were unplanned additional costs relating to termination payments for two members of staff. The net impact of these factors is an under-spend of (£44k), after taking account of the department's vacancy allowance.

- c) A net under-spend of (£5k) in relation to various staffing changes including maternity leave cover, hours changes and additional costs for a casual contract not included in the budget. The casual contract ended in September 2024 as the full-time post had been filled and the resource is no longer required.

- 4.49 The recruitment budget has been over-spent by £8k due to costs of using a specialist recruitment agency for the newly created Senior Finance Business Partner post. This was successfully recruited to in March 2025, with the preferred candidate due to commence in post in June.
- 4.50 The income received for payroll administration fees and administration fees charged to employers was £7k less than budgeted for, resulting in an over-spend. Alongside the virement for the income noted at 1.2, an assessment on the levels of income anticipated going forward was completed to more accurately reflect that in the 2025/26 budget.
- 4.51 An under-spend of (£4k) is on corporate subscriptions based on the actual activity and requirements for the year. The changing subscription requirements was incorporated when the 2025/26 budget was set.
- 4.52 A minor net under-spend of (£4k) in total comprising small under-spends for training and actuarial fees, offset by an over-spend on the debt recovery agent.

ICT – Under-Spend (£182k):

- 4.53 There is a total net under-spend of (£36k) on staffing costs which comprises the following items:
 - a) The saving for this department relating to the pay award is (£4k).
 - b) Within the department there have been delays to recruitment due to challenges for filling specialist roles in the pension systems team. The impact of this has been an under-spend of (£32k), after taking account of the department's vacancy allowance.
- 4.54 The budget for contractual income was over-spent by £8k, as a result of income being less than the budget. The budget was set for a full year for the service level agreement with the Office of the Police and Crime Commissioner, however it was subsequently confirmed as due to end on 08 February 2025, due to merging with South Yorkshire Mayoral Combined Authority. This income was previously recharged based on actual staffing and overhead costs of providing the service, therefore the contract coming to an end has no detrimental impact on the Authority's budget overall.
- 4.55 The warranties and support budget has been over-spent by £16k. The main driver of the overspend was a support package that had not been included with the 2024/25 budget. The resourcing required for this area was reviewed and uplifted accordingly when the 2025/26 budget was set in February 2025.
- 4.56 An under-spend of (£10k) on the hardware budget. The planned monitor replacement programme has been delayed; it is anticipated that this work will take place in 2025/26.
- 4.57 The consultancy budget was under-spent by (£74k). The driver of the under-spend has been a lack of capacity with the consultants to help develop the Pensions Administration system. The under-spend has been transferred to Reserves to be used for consultancy costs when required in a future period.

4.58 There is a total net under-spend of (£86k) on software costs which comprises the following items:

- a) The HR & Payroll system budget is under-spent by (£50k) due to a change in timing only. The project to procure a new system was due to be completed within 2024/25 but has taken longer than initially planned. Work is progressing well now, but the procurement and system implementation will now fall in 2025/26. Part of the under-spend has therefore been moved to reserves to fund the required costs in 2025/26.
- b) The Pensions Administration system budget is under-spent by (£12k). Delays to developments in relation to the Pensions Dashboard has been the main driver of the under-spend.
- c) A net under-spend of (£24k) on software purchases offset by cyber security costs. The main drivers of the software under-spend was that the budget was set prudently to account for an increase in licences through staffing growth and a number of contracts being renewed in an inflationary environment. The contract renewals were at a lower price than budgeted for and the staffing growth has been slower than expected as noted throughout the report.

Central Costs –Under-Spend (£93k):

- 4.59 There is a total under-spend of (£3k) on staffing costs due to the pay award.
- 4.60 The past service pension surplus has been over-spent by £13k. The surplus the Authority is entitled to is driven by the assumed pensionable pay for our staff in the pension scheme. As there have been savings on the staffing budgets, this has reduced the surplus we are entitled to.
- 4.61 The Oakwell House rent straight line adjustment has been under-spent by (£41k). The under-spend is due to this adjustment no longer being required as a result of the accounting policy change for IFRS 16 – Leases noted at 1.7; the under-spend will be transferred to reserves for future Oakwell House requirements. Additionally, the 2025/26 budget includes an allowance for the figure and this amount will be moved to reserves for the same purpose in due course.
- 4.62 External audit fees have been over-spent by £28k due to approved fee variations for additional audit requirements arising from new auditing standards. These will be consolidated into the audit scale fee for next year. This over-spend is more than fully offset by additional income of (£55k) arising from grant receivable from MHCLG as part of their measures to improve local audit delays, to support with local audit financial reporting and implement audit requirements related to Sir Tony Redmond's recommendations. The allocation due to the Authority was not known about when setting the budget. Grant income has now been received for 2022/23 and 2023/24, with 2024/25 due before the year-end. It is expected that 2024/25 will be the final year for grant income in relation to the transition arrangements.
- 4.63 Buildings expenditure was under-spent by (£16k). A new facilities management contract has resulted in significant savings. The majority of the savings have been used to fund a repairs and maintenance programme required during 2024/25. Longer term planning in relation to buildings expenditure has taken place; the information fed through to the 2025/26 budget and medium term financial plans approved at the February 2025 Authority meeting.

- 4.64 The other professional services budget has been under-spent by (£15k), driven by lower costs in this year for the governance review, which was completed in the first quarter, and lower legal costs than had been anticipated. Partly offset by additional costs required for professional design work on the Authority's annual report and actuarial fees for the Authority accounts.
- 4.65 Internal audit was under-spent by (£7k), due to a lower number of days being completed than had been budgeted. The drivers of the lower number were resourcing and plan changes due to the progress of projects, some of which will run into the 2025/26 work plan.
- 4.66 A net over-spend of £3k in total across the budgets for occupational health services, shared cost AVC administration fees, public transport costs, offset by a reduction in fees paid for venue hire.

Democratic Representation – Over-Spend £6k:

- 4.67 The member allowance pay award was paid at 2.50%, as per the Members Allowances scheme; these are increased each year in line with the agreement set nationally for the local government pay award referenced at paragraph 1.10. The 2024/25 budget was set with a budgeted increase of 3% for member allowances, resulting in an under-spend of (£1k).
- 4.68 This is offset by an over-spend of £5k due to an additional two member allowances that had not been included in the budget.
- 4.69 A small over-spend of £2k for recruitment advertising, regarding the LPB independent adviser, and training for members.

Capital Expenditure – Under-Spend (£1k):

- 4.70 A minor under-spend of (£1k) on the Capital Expenditure budget for Laptops and the Server Room.

Earmarked Reserves

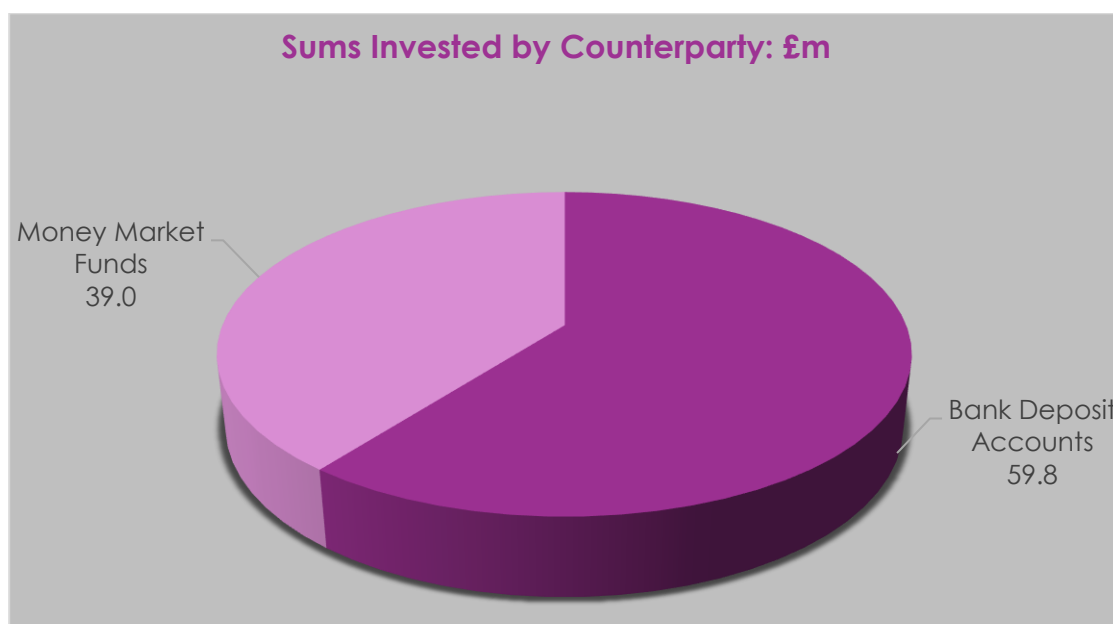
- 4.71 The table below shows the proposed transfers to and from the earmarked reserves in 2024/25.

Reserve	Balance at 01/04/2024 £	Contributions to Reserves £	Contributions from Reserves £	Balance at 31/03/2025 £
Corporate Strategy Reserve	65,985	38,870	0	104,855
ICT Reserve	63,030	120,330	0	183,360
Subtotal Revenue Reserves	129,015	159,200	0	288,215
Capital Projects Reserve	19,290	57,090	0	76,380
Total Earmarked Reserves	148,305	216,290	0	364,595
Net Total Transfer to Reserves		216,290		

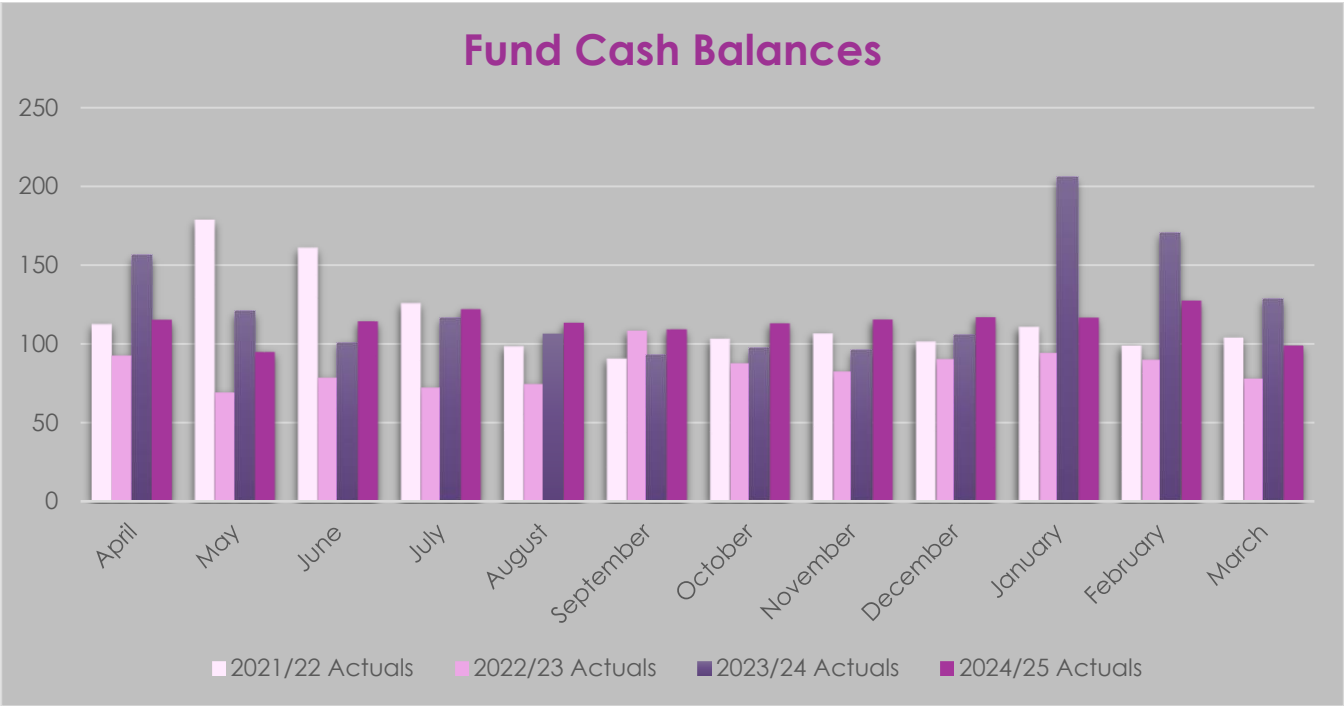
- 4.72 There are no transfers out of Reserves.
- 4.73 The proposed transfers into the Corporate Strategy Reserve are to set aside funds to meet the costs of the next investment strategy review due in 2026, and to transfer funds from revenue budget underspends arising from delays in timing to fund the expenditure in the next financial year.
- 4.74 The contribution into the ICT reserve is to set aside income received from software sales in line with policy to be used for future ICT development requirements and to use the software and software consultancy budget underspends to fund any future development requirements for the Pensions Administration System.
- 4.75 The proposed transfer into the Capital Projects reserve comprises the under-spends arising in 2024/25 from the effect of the change in lease accounting and from the savings made on the Facilities Management contract. These reserved funds will be used in future years for financing planned maintenance and improvements to the Oakwell House office.
- 4.76 The result of the above is a net total transfer into reserves of £216,290. This is a positive change from what was a budgeted transfer out of reserves and is due to the impact of the under-spend on the cost of services.
- 4.77 The balance of the reserves following the transfers proposed for the year, to be carried forward to the next financial year is now £365k in total, equating to 4.4% of the Authority's total revenue budget, a sufficient and appropriate level of reserves and is well within the limit of 10% that we set for ourselves in the Medium-Term Financial Strategy for 2024/25 onwards.

Treasury Management

- 4.78 The Fund's sterling cash balances at 31 March 2025 stood at £98.8 million (£116.6 million at 31 December 2024). The chart below shows how the balances have been invested with different counterparties in line with the approved treasury management strategy for the year.



4.79 The following chart shows the movement in cash balances held for the current year to date and the previous three financial years.



4.80 Cash is only held pending Fund investment and the balance of cash at 31 March 2025 represents 0.89% of the Fund, compared with 1.05% at 31 December 2024.

5. What is getting in the way – Risk Management

- 5.1 We regularly review the things which might get in the way of us achieving our objectives – these are the risks that are set out in detail in the strategic risk register.
- 5.2 The Strategic Risk Register report is attached at Appendix A. The results of the latest review of the Authority's risks undertaken in May 2025 are set out in the commentary shown in the table in the report.
- 5.3 As a result of this latest review, four risk scores have increased:
- 5.4 Risk *GOV-001 Local Pension Board and Authority Member Knowledge & Understanding* – has increased in likelihood due to the turnover in membership as we commence the new municipal year. This simply reflects that there will be new members joining both committees and will require knowledge and understanding to be built up. The Authority's member learning and development strategy and the member induction process is designed to ensure that new members are actively supported to receive the training required.
- 5.5 Risk *IAF-003 Border to Coast Strategic Plan* – has increased score. The fallout from the Government's Pensions Review (see Risk IAF010) will result in a significant re-prioritisation of the work planned in the 2030 Strategy. This could have a particular impact on the Authority as affected areas of work now likely to run at a slower pace include those in relation to legacy assets (of which SYPA has the largest number) and on local investment which is a priority for SYPA. There is an inevitability to this given the work that will be required to bring new partners into Border to Coast, which is something that SYPA would support, however, both the likelihood and impact of delays to work in these areas has increased the risk score.
- 5.6 Risk *IAF-010 The Pensions Review* – The announcement by the Government that 2 pools (21 individual funds) should seek to cease their current operations and join an existing pool clearly changes the dynamic around this risk. It is now inevitable (very high likelihood) that further funds will seek to join Border to Coast. This will impact the rate at which the 2030 Strategy can be implemented and will also consume a significant amount of Senior Management and elected member time over the remainder of this financial year and beyond. There is clearly a risk that progress across the breadth of the Partnership's work will slow as the extended partnership goes through the expected process of "forming, storming and norming" until stabilisation of the new relationships is reached. Officers and elected members will need to spend considerable time building alliances within the extended partnership once its membership becomes clear.
- 5.7 Risk *ORG-002 Cyber Attack* – The National Cyber Security Centre has advised of a heightened cyber threat for UK organisations due to the volatile situation in Ukraine and the potential for state-sponsored attacks on NATO members, which includes the UK. The risk score has been increased to reflect this threat. The Cyber Awareness Training solution continues to be utilised, to promote staff awareness. Further enhancements to cyber security defences have been made, including a review of Remote Access facilities and the implementation of a new Virtual Private Network (VPN) service for employee and third party access.
- 5.8 There were no other changes to risk scores or newly added risks from this review.

6. Learning from things that happen

- 6.1 Inevitably when dealing with the number of customers that we do things can go wrong and we try to ensure that we learn from these things. Equally we should celebrate where things go particularly well or where customers feel members of our team have gone the extra mile to help them. This section provides information on the various sources of feedback we receive.

	Received in Q4 2024/25	Received in Q3 2024/25	Received in Q2 2024/25	Received in Q1 2024/25	Total Received 2024/25	Received in Previous Year: 2023/24
Complaints	17	7	7	8	39	26
Appeals Stage 1	3	1	1	1	6	7
Appeals Stage 2	8	6	4	9	27	12

- 6.2 A detailed report of appeals, breaches and complaints and action taken is included in the quarterly administration report to the Local Pension Board for scrutiny.
- 6.3 Better recording of complaints and analysis of causes is available now that the new role of Complaints Resolution officer is in place.
- 6.4 There are no common trends from the three Stage 1 appeals received in the quarter.
- 6.5 Stage 2 appeals relate to ill health cases and employer decisions. Of the 8 appeals received, 1 case was upheld, the remaining 7 were not determined in the quarter.
- 6.6 Appeals determined during the quarter:
Three stage 1 appeals were determined, two of which were rejected, one was upheld regarding the member receiving an incorrect retirement quote. Four Stage 2 appeals (against employer decisions regarding ill health retirements) were determined, and all were upheld with the cases being returned to the employers to reconsider the decision making.

Breaches of Law and Regulation

	Recorded in Q4 2024/25	Recorded in Q3 2024/25	Recorded in Q2 2024/25	Recorded in Q1 2024/25	Recorded in 2024/25
Breaches recorded	14	14	3	10	41

- 6.7 As previously reported, training and awareness raising has resulted in more accurate recording of breaches. The details of the 14 breaches recorded in quarter 4 are as follows.
- a) 11 breaches related to an AVC not paid at the same time as the main scheme pension.
 - b) 3 breaches relate to late payment of refunds.
- 6.8 No breaches have been reported to the Regulator in the period.

Satisfaction Surveys

- 6.9 A survey of 516 retiring members between November 2024 and January 2025 found that 96% of the 85 respondents were satisfied with the service they received. Comments included that members would have liked more information about pension sessions. To accommodate as many members as possible, member sessions are now offered from 5:30pm to 6:30pm. Recordings of these sessions are available online. Daytime sessions, due to low attendance have shifted to later in the afternoon.
- 6.10 A customer centre survey sent out to 3,259 members for the same period showed that of the 207 respondents, 90% were satisfied with the service they received.
- 6.11 A survey of 'new joiners' (new active members of the scheme) during September to November 2024 was issued to 2,114 members with email address on record. Only 37 members completed the survey (1.8% response rate). The survey includes questions about the welcome pack and registration for the online portal. The responses received showed only a 68% satisfaction rating.
- 6.12 Actions arising from the previous survey are continuing and comments received in this period also referred to the website running slowly. A survey on the website is due to run during Q1 of 2025/26 to gather a wider range of feedback to drive improvements.

Appendix A – Strategic Risk Register

South Yorkshire Pensions Authority – Strategic Risk Register

The following report sets out the register of strategic level risks. 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				

Next to each current risk score and matrix in the table, an icon is included to show the trend in the score since the previous review.



Indicates no change in score from the previous review.



Indicates the risk score has reduced since the previous review.



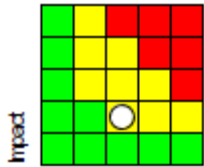
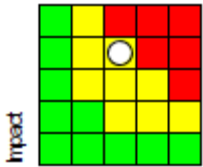

Indicates the risk score has increased since the previous review.

Appendix A – Strategic Risk Register

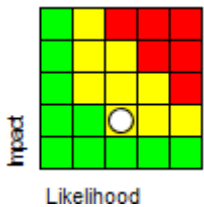
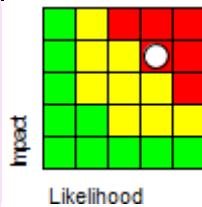

This table provides a high-level summary of the risks on the register that follows:

Risk Ref	Risk	Score	Risk Rating	Trend
ADM - 001	Poor data quality	12		
ADM - 002	Backlogs in workflows	16		
ADM - 003	McCloud Rectification	16		
GOV - 001	Local Pension Board and Authority Members Knowledge and Understanding	12		
GOV - 003	Delivery of Key Objectives in Corporate Strategy	8		
GOV - 004	Failure to apply data protection requirements.	12		
IAF - 001	Material changes to the value of investment assets and/or liabilities	12		
IAF - 002	Failure to mitigate the impact of climate change	20		
IAF - 003	Border to Coast Strategic Plan	12		
IAF - 004	Imbalance in cashflows	10		
IAF - 005	Employer contributions become unaffordable	12		
IAF - 010	The Pensions Review	20		
ORG - 002	Cyber security attack	16		
ORG - 004	Failure of the Authority to comply with relevant Regulations	12		
PEO - 002	High level of vacancies within the organisation	9		
PEO - 003	Single person risk in specialist knowledge roles	12		

Appendix A – Strategic Risk Register

Risk: ADM - 001 Poor data quality		Risk Owner: Assistant Director Pensions
		Last Review: 01-May-2025
Risk effect: Reputational Impact Regulatory and financial penalties Failure to deliver key projects such as McCloud rectification on time Provision of inaccurate information and payment of benefits to members Inaccurate data impacting the valuation of liabilities during the triennial valuation Increased delays to backlogs contributing to further increases		
Existing Preventative Measures 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 Symans data cleansing tool as part of valuation process. Targeted overtime with focus on priority casework	Existing Mitigation Measures 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 Capacity exercise outcomes have been implemented and a dedicated team resourced	Linked Actions Further preventative measures to be assessed to address route cause In house system improvements and efficiencies Robust contract management Targeted staff training
Target matrix and score:  Likelihood	Target score: 6	Current matrix and score:  Likelihood Trend:  Current Score = 12
Commentary from latest review:	Data Quality Policy and Monitoring and Reviewing Data Annual activity drafted and taken to LPB April 25. Data improvement plan in place for Valuation 25. The GMP Reconciliation and Rectification exercise is complete. Data corrections for annual exercises have been undertaken and are now captured on the Monitoring and Reviewing activity Document. The GMP data has now been updated to records for Pensioners, deferred members and actives. The actuary portal has been used to identify initial areas for data correction that are important for the 2025 Valuation. The impact of the Introduction of the Policy and Monitoring will be monitored however there is no justification to reduce the score at present.	

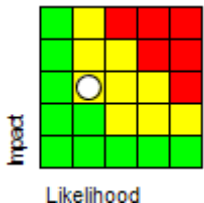
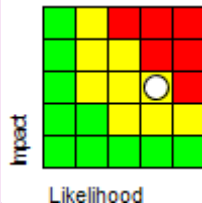

Appendix A – Strategic Risk Register

Risk: ADM - 002 Backlogs in workflows		Risk Owner: Assistant Director Pensions		
		Last Review: 01-May-2025		
Risk effect: Declines in the overall level of service performance. Regulatory penalties Reputational Damage				
Existing Preventative Measures 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.		Existing Mitigation Measures Improved processes and staff training Targeted overtime to focused areas Changes to work tray allocations Outcomes of Capacity Planning implemented - Dashboard in place for teams to enable close monitoring of workloads in against workloads completed. Pre live launch testing processes in place.	Linked Actions Continuation of implementation of the action plan (particularly the automation of certain bulk processes) will provide some mitigation in the interim Review of processes and policies	
Page 48	Target matrix and score: 	Target score: 6	Current matrix and score: 	Trend: 
			Current Score = 16	
Commentary from latest review:		The overarching action plan that was approved in February 2024 is being monitored monthly. SMT are passed updates on progress which are discussed at regular meetings. As the budget for overtime had been spent the rate of clearing the backlog cases had slowed. The new Service Manager Benefits is looking to set up a Taskforce team to work solely on this area. Again progress on this initiative will be closely monitored. Progress has been made against some of the additional preventative and mitigating actions, like newly recruited staff undertaking training and now working on back logs too, and targeted action days. There is no justification to reduce the score at this stage.		

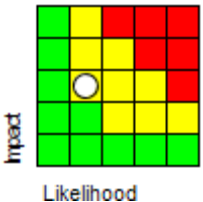
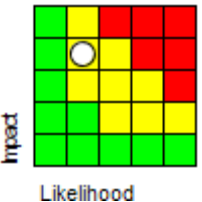

Appendix A – Strategic Risk Register

Risk: ADM - 003 McCloud Rectification		Risk Owner: Assistant Director Pensions
		Last Review: 01-May-2025
Risk effect: Timescales to rectify members benefits not met. TPR fines and reputational damage.		
Existing Preventative Measures		Existing Mitigation Measures
		SYPA and other Provider Clients working together to collectively drive the Provider to deliver the developments required to adhere to national guidance
Linked Actions		
McCloud - Rectification Plan plan to be implemented and team training put in place		
Page 49	Target matrix and score:	Current matrix and score:
	<div><div>Impact</div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Likelihood</div></div> <div>Target score: 6</div>	<div><div>Impact</div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Likelihood</div></div> <div>Current Score = 16</div>
Commentary from latest review:		Latest Development delivery still delayed with delivery due late May 25. Concerns have been put in writing to the system provider. The Authority will look to exercise the right to extend the timeframe for completing the McCloud rectification. At this stage there is no justification to change the score

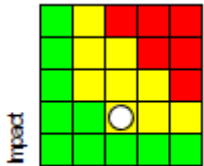
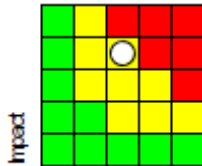

Appendix A – Strategic Risk Register

Risk:		GOV - 001 Local Pension Board and Authority Members Knowledge and Understanding	Risk Owner:	Head of Governance and Corporate Services	
			Last Review:	12-May-2025	
Risk effect:		Poorly informed decision making Regulatory / legislative non-compliance Insufficient questioning and challenge of officers.			
Existing Preventative Measures		Existing Mitigation Measures	Linked Actions		
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 Advisors, Internal Auditors and Officers		Member Learning and Development Strategy and associated mandatory training requirements in place.	Continuous review of the pensions landscape for legislative and regulatory change		
Page 50	Target matrix and score: 		Current matrix and score: 		
	Target score: 6		Current Score = 12 Trend: 		
Commentary from latest review:		Changes to Authority and Local Pension Board membership from May 2025 could negatively impact on the current position. In view of this the likelihood has increased from low to high.			

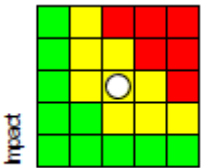
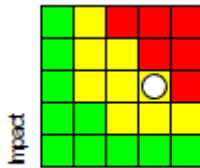

Appendix A – Strategic Risk Register

Risk: GOV - 003 Delivery of Key Objectives in Corporate Strategy		Risk Owner: Head of Finance and Performance	
Risk effect: We will not deliver the service to our scheme members set out in our mission statement.		Last Review: 01-May-2025	
Existing Preventative Measures		Existing Mitigation Measures	
Regular monitoring and review of objectives delivery		Programmes and Performance Management Team Established Installed Programmes and Performance Management System Programme Management framework initiated	
Linked Actions		Performance Framework - Further implement and embed Programme Management Framework - Further implement and embed	
Target matrix and score: 		Current matrix and score: 	
Target score: 6		Trend:  Current Score = 8	
Commentary from latest review:		<p>No update to the correct score - resourcing constraints have meant that progress has slowed.</p> <p>The project management methodology continues to be utilised and evolves. Over time a better picture of what is working well and lessons to be learnt will be worked into the methodology and communicated to the relevant owners of projects. Following some of the lessons learnt we will develop the protocols and procedures, communicate these to the relevant stakeholders, which should reduce the impact score.</p> <p>The supplementary performance management framework piece of work is ongoing. Further dashboards are required across the Authority and utilisation of these dashboards is needed. The information from this work will help ensure key objectives are met.</p>	

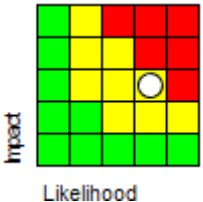
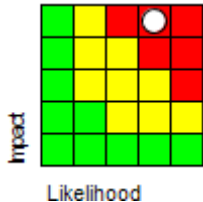

Appendix A – Strategic Risk Register

Risk:		GOV - 004 Failure to apply data protection requirements.		Risk Owner: Assistant Director Resources	
		Last Review: 01-May-2025			
Risk effect:		Financial or Regulatory penalties. Reputational damage to the organisation. Inability to deliver the service.			
Existing Preventative Measures		Existing Mitigation Measures		Linked Actions	
Data breach process followed to identify areas for improvement. Close liaison with DPO. Reporting to ICO and implementing any recommendations. Implementation of data recovery plan.		Access to expertise through BMBC Corporate Assurance Team and DPO. ICT control measures. Data protection policies, procedures and training in place. Phase 1 of information governance action plan fully completed. Data Protection Policies implemented and embedded. All mandatory staff training completed including team sessions to raise awareness of new processes.		Information Governance Action Plan Phase 2 completion	
Page 52	Target matrix and score:		Current matrix and score:		
	 Likelihood	Target score: 6	 Likelihood	Current Score = 12	Trend: 
Commentary from latest review:		Work on Phase 2 of the Information Governance action plan is under way and a project established working on development of a new data retention policy and guidance and information asset registers. This will continue over several months and until complete, it is not appropriate to reduce the score for this risk.			

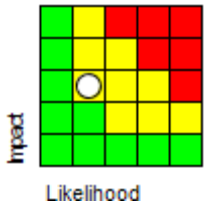
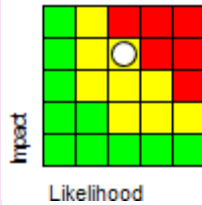

Appendix A – Strategic Risk Register

Risk: IAF - 001 Material changes to the value of investment assets and/or liabilities		Risk Owner: Assistant Director Investment Strategy
		Last Review: 07-May-2025
Risk effect: Sharp and sudden movements in the overall funding level		
Existing Preventative Measures Having a diversified Investment Strategy focussed on relatively lower risk and less volatile investments. 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	Existing Mitigation Measures	Linked Actions Ability to implement protection strategies if market circumstances indicate they are appropriate.
<div> <div> <div>Target matrix and score:</div> <div>  </div> </div> <div> <div>Likelihood</div> <div>Target score: 9</div> </div> </div>		<div> <div> <div>Current matrix and score:</div> <div>  </div> </div> <div> <div>Likelihood</div> <div>Current Score = 12</div> </div> </div> <div> Trend:  </div>
Commentary from latest review: Heightened market volatility remains. No change to score at this stage.		

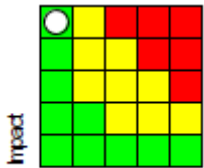
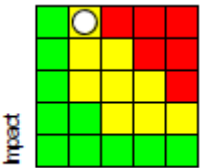
Appendix A – Strategic Risk Register

Risk: IAF - 002 Failure to mitigate the impact of climate change		Risk Owner: Director	
Risk effect: Significant deterioration in the funding level		Last Review: 22-Apr-2025	
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions	
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.	Climate Change Policies and Net Zero Goals adopted by both the Authority and Border to Coast	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.	
Target matrix and score:  Target score: 12		Current matrix and score:  Current Score = 20	Trend: 
Commentary from latest review:	There remains no justification for reducing the score for this risk. While significant progress has been made in developing the Climate Impact portfolio wider factors in the economic and geo-political environment are exerting a countervailing pressure. A fuller reassessment will be possible when the scenario analysis accompanying the valuation, and the investment strategy review is available towards the end of the calendar year and the first quarter of 2026.		

Appendix A – Strategic Risk Register

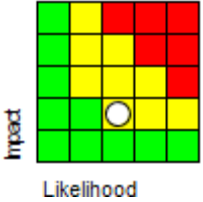
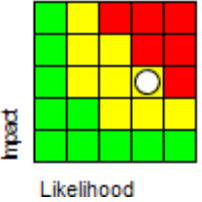

Risk: IAF - 003 Border to Coast Strategic Plan		Risk Owner: Director	
		Last Review: 22-Apr-2025	
Risk effect: Decline in investment performance. Increased costs as a result of the need to move to more expensive products. Potential changes in the risk and volatility levels within the portfolio			
Existing Preventative Measures Programme of specific risk mitigations agreed as part of the 2022 - 2025 Strategic Plan and Budget		Existing Mitigation Measures 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 Ongoing monitoring of Programme of specific risk mitigations set out in 2022 - 2025 strategic plan	
Linked Actions			
<div>Page 55</div> <div>Target matrix and score:</div> <div></div> <div>Target score: 6</div>		<div>Current matrix and score:</div> <div></div> <div>Current Score = 12</div> <div>Trend: </div>	
Commentary from latest review:		The fallout from the Government's Pensions Review (see Risk IAF010) will result in a significant re-prioritisation of the work planned in the 2030 Strategy. This could have a particular impact on SYPA as work likely to run at a slower pace includes work in relation to legacy assets (of which SYPA has the largest number) and on local investment which is a priority for SYPA. There is an inevitability to this given the work that will be required to bring new partners into Border to Coast, which is something that SYPA would support, however, the both the likelihood and impact of delays to work in these area which would be a negative for SYPA has increased.	

Appendix A – Strategic Risk Register

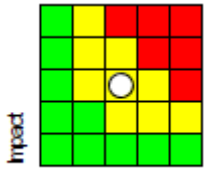
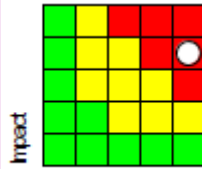
Risk: IAF - 004 Imbalance in cashflows		Risk Owner: Assistant Director Investment Strategy	
		Last Review: 07-May-2025	
Risk effect: Inability to pay pensions without resorting to borrowing or "fire sale" liquidation of investments. Potential negative impacts on individual pensioners.			
Existing Preventative Measures		Existing Mitigation Measures	Linked Actions
Process for monitoring and forecasting cashflows		Maintenance of "cash buffer" of liquidity sufficient to cover more than one monthly payroll.	Further improvements in cashflow forecasting
			Implementation of strategies to more regularly harvest income from investments
Page 56	Target matrix and score:  Likelihood Target score: 5		Current matrix and score:  Likelihood Current Score = 10
	Commentary from latest review: We will shortly start taking more income from Border to Coast - but this won't fully offset the full risk here. No change to rating at this time.		

Trend: 

Appendix A – Strategic Risk Register

Risk: IAF - 005 Employer contributions become unaffordable		Risk Owner: Assistant Director Pensions
Risk effect: Increased contribution rates to the extent that they become unaffordable. Default on the making of contributions by employers		Last Review: 01-May-2025
Existing Preventative Measures Phasing of increases and stabilisation mechanism in the valuation Negotiated exit depending on the type of employer 2. Ability to undertake contribution reviews	Existing Mitigation Measures Investment strategy that is focused on long term returns and reduced volatility Reviews of employer covenant and ongoing monitoring of funding levels	Linked Actions More systematic review of employer covenants More systematic use of the funding monitoring tools that the actuary gives us access to
Target matrix and score:  Target score: 6	Current matrix and score:  Current Score = 12	Trend: 
Commentary from latest review: <p>The overall financial environment for public services means that it is increasingly likely that some employers will find contributions affordability an issue.</p> <p>Covenants are monitored. Work is underway on the 2025 Valuation and communication plans in place and on target.</p> <p>Employer services have allocated named officers to all employers and engagement has increased.</p> <p>There is no reason at this point in time to reduce the risk especially being a valuation year and the majority of employer contribution rates from 1 April 2026.</p>		

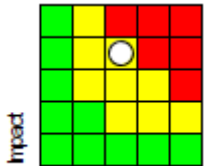
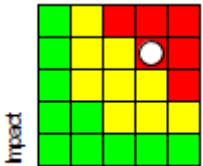

Appendix A – Strategic Risk Register

Risk: IAF - 010 The Pensions Review		Risk Owner: Director	
		Last Review: 22-Apr-2025	
Risk effect: Destabilisation of the B2C pensions partnership. Inability to deliver the investment strategy. Regulatory action against the Authority if we fail to meet the Governance standard			
Existing Preventative Measures		Existing Mitigation Measures	Linked Actions
The existing strong partnership through B2C Strong governance arrangements as evidenced in the Independent Governance Review			Ensure that steps are taken to address requirements as far as possible in advance of regulation
			Influence Final Guidance and Regulation
Target matrix and score:		Current matrix and score:	
	Target score: 9		Current Score = 20
Commentary from latest review:		The announcement by the Government that 2 pools (21 individual funds) should seek to cease their current operations and join an existing pool clearly changes the dynamic around this risk. It is now inevitable (very high likelihood) that further funds will seek to join Border to Coast. This will impact the rate at which the 2030 Strategy can be implemented and will also consume a significant amount of Senior Management and elected member time over the remainder of this financial year and beyond. There is clearly a risk that progress across the breadth of the Partnership's work will slow as the extended partnership goes through the expected process of "storming and norming" until stabilisation of the new relationships is reached. Officers and elected members will need to spend considerable time building alliances within the extended partnership once its membership becomes clear.	

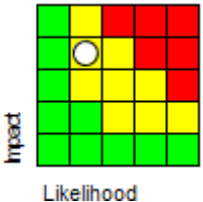
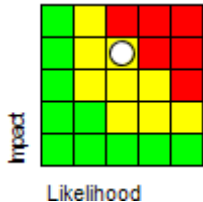

Trend: 

Current Score = 20

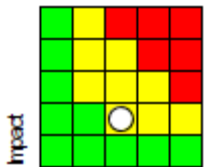
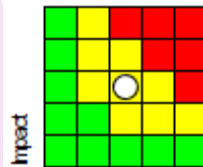
Appendix A – Strategic Risk Register

Risk: ORG - 002 Cyber security attack		Risk Owner: Head of ICT	
		Last Review: 08-May-2025	
Risk effect: Significant disruption to the provision of services. Loss / unauthorised release of key data. Reputational damage and financial penalties			
Existing Preventative Measures Effective ICT business continuity plan in place. Incident response retainer with specialist security provider Cyber Security Incident Management Policy in place. Further enhancement of Cyber Security defences		Existing Mitigation Measures 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 Targeted threat protections Regular internal and external audits	
		Linked Actions Development of Internal Facing Cyber Security Strategy	
Page 56	Target matrix and score: 		Current matrix and score: 
	Target score: 12		
Commentary from latest review:		Trend: 	

Appendix A – Strategic Risk Register

Risk: ORG - 004 Failure of the Authority to comply with relevant Regulations		Risk Owner: Head of Governance and Corporate Services
Risk effect: Enforcement action by relevant regulatory authorities		Last Review: 29-Apr-2025
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
Regular reviews of key policies and processes	Service areas are aware of key points of reference for relevant regulations	Delivery of additional Data Protection training in roles and responsibilities for all staff, middle managers, and SMT
Ongoing process of awareness raising and training for staff in relation to operational matters	Reporting of compliance within relevant standards.	Implement and embed the Information Governance action plan in collaboration with Internal Audit at each stage of review
Oversight of key updates and awareness of milestone approvals	Basic assessment of compliance with TPR General Code in place.	More detailed assessment of compliance with emerging regulatory requirements. TPR General Code with associated action plan and enhanced regular reporting
<div> <div>Page 60</div> <div>Target matrix and score:</div> <div>  </div> <div>Target score: 8</div> </div>	<div> <div>Current matrix and score:</div> <div>  </div> <div>Current Score = 12</div> </div>	<div> <div>Trend:</div> <div>  </div> </div>
Commentary from latest review:		During the current TPR quarterly review, some actions were completed, increasing the level of compliance, however not yet sufficient to reduce this risk score at the moment.

Appendix A – Strategic Risk Register

Risk:		PEO - 002 High level of vacancies within the organisation		Risk Owner: Assistant Director Resources	
		Last Review: 01-May-2025			
Risk effect:		Inability to deliver the service Negative impact on staff wellbeing Poor staff retention resulting in loss of specialist knowledge			
Existing Preventative Measures		Existing Mitigation Measures		Linked Actions	
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. Develop action plan following 2023 employee survey		Career grade scheme in place to develop in house specialists. Targeted advertising including using social media Introduction of hybrid working and existing flexi scheme. Increase in staffing following capacity planning outcomes.		Develop talent attraction via Employee Value Proposition	
Page 61	Target matrix and score:		Current matrix and score:		
	 <p>Target score: 6</p>		 <p>Current Score = 9</p>		
Commentary from latest review:		There is no change to the assessment at this quarter. The action relating to career grade scheme is well progressed and should be finalised in the next 3 to 4 months. The new People Strategy is now in place, and we will review and update the risk mitigation actions to reflect relevant plans from this strategy this over the next quarter.			

Appendix A – Strategic Risk Register

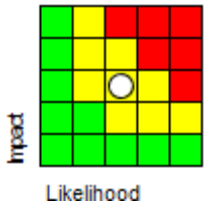
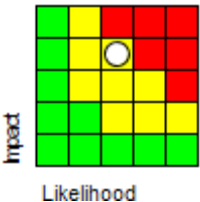

Risk: PEO - 003 Single person risk in specialist knowledge roles		Risk Owner: Assistant Director Resources	Last Review: 01-May-2025
Risk effect: Failure to deliver service and reduced service quality. Reputational damage. Impact on staff morale and wellbeing.			
Existing Preventative Measures Organisational 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. Arrangements for third party support are in place where appropriate		Existing Mitigation Measures Revised pay and benefits package Range of policies for supporting wellbeing Documented procedures and work instructions Learning and development plans and knowledge transfer	Linked Actions Identify Single Person Risk Knowledge Transfer Succession Planning
Target matrix and score:  Likelihood		Current matrix and score:  Likelihood	Trend:  Current Score = 12
Commentary from latest review:		Some progress has been made as part of work carried out analysing business continuity impact for each service. The actions required for mitigating this risk are not yet sufficiently progressed to justify a reduction in score. The work to finalise the Business Continuity Plan in the next quarter will contribute to managing this risk and there is also an action to create a Workforce Plan in the 2025 - 2028 People Strategy that will contribute to managing this risk.	

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Fever Dreams, and the Cloud of Uncertainty

So much for the Trump trade. And American exceptionalism.

As the US administration under President Trump 2.0 moved beyond its first 100 days, the flavour of market responses have drifted considerably. The last quarter has seen a series of “big bang” announcements with respect to global tariffs, followed by a series of roll-backs, and markets have lurched violently in response - in both directions. The reaction to “America First” has led to efforts to “make Europe great again (MEGA)” or find alternative trade work arounds (e.g. as pursued by Canada). It has affected the outcome of global elections (also Canada), seen a surprising surge in nationalism elsewhere and a redoubling of efforts to act in solidarity as a counterforce.

Inflation remains difficult to tame – it retains the propensity for negative upwards surprises – as just occurred in the UK, when it was measured at 3.5% annualized. With growth subdued, and expectations highly dependent on the end game with tariffs – governments are keen to avoid a repeat of stagflationary stasis. This is making the role of central banks a little more challenging – they are data dependent and keen to avoid another inflationary crisis. Some are more committed to rate cuts than others at this juncture.

Broadly, the “US exceptionalism” thesis is breaking down, with relatively stronger performance in non-US markets, a weaker dollar, weaker demand for US treasuries and a weakened position in foreign policy. The UK is forging its own path in a US/UK trade deal, but details were sparse, while inflation and weak growth on the home front continue to create challenging conditions. The rise of gold and other “safety assets” outside government bonds underscore the skepticism arising around government fiscal prudence as well as a nagging need for shelter in the storm.

Key Developments since the last quarterly update:

- **Liberation Day Tariffs** On April 2 the Trump administration unveiled a list of tariffs against US trading partners that went well beyond the “reciprocal” tariffs promised, based on a mathematical calculation that seemed complex and esoteric. This kickstarted a flurry of analysis, regrouping by trade partners and, at least initially, stock piling of inventories by consumers and businesses alike. The modelling of the impact of tariffs is complex and uncertain, made more so by the regular noise around tariff negotiations (the UK was one of the first to have a trade deal announced). This uncertainty continues to plague corporate earnings statements and outlooks, and is impacting the ability to plan for the future, freezing hiring, capex and expansion. As an indication of their expected severity, however, some market commentators immediately started to predict a recession with more than 50% probability once the tariffs were brought into effect. These moves suggested that the equity market was remaining too optimistic and not properly estimating the effects on tariffs.
- **Interest rates cut in UK and beyond** While initially in the quarter inflation levels seemed tame, central banks in Europe and the UK saw sufficient basis to cut rates – the ECB made its 7th consecutive rate cut in April (to 2.4%), while in May the Bank of England cut its rate for the fourth time in seven meetings – to 4.25%. The US Fed remained on hold, and data dependent as it watches closely for evidence of the effect of tariffs. The bond market continues to second guess central banks and sow concern regarding the market outcome and fiscal prudence continues to affect bond yields. Bonds continue to sell off in the US and rates are reaching highs not seen for decades.
- **An Equity Market “Fever Dream”** Equity markets have displayed stark volatility, particularly in the US, with multi-day downturns and rallies, sharp intraday reversals and large single stock moves. However as much of this was driven by tariff chatter, when the tariff negotiations were announced with China in early May this triggered a euphoric nine-day streak in US markets, which essentially eradicated the downturn, and rendered the time since Liberation Day (April 2) as akin to a “fever dream”, given in early May it was as if the downturn had never happened. As discussed below however, there is ample evidence of the uncertainty and potentially inflationary impacts of tariffs being more widespread and limiting of future investment by companies, which could be detrimental to economic growth and equity markets in the near term. This again highlights the importance of global diversification.
- **Moody’s Downgrade.** On May 16 Moody’s downgraded US government debt from Aaa to Aa1, the last rating triple A credit from the three major ratings firms, Fitch and S&P previously downgraded the US in 2023 to 2011 respectively. This set off a cascade of further downgrades from agencies dependent on US government debt, but was dismissed by some as a “catch up”.

It was still a notable move, however, and stocks were moving with less conviction in the days afterwards.

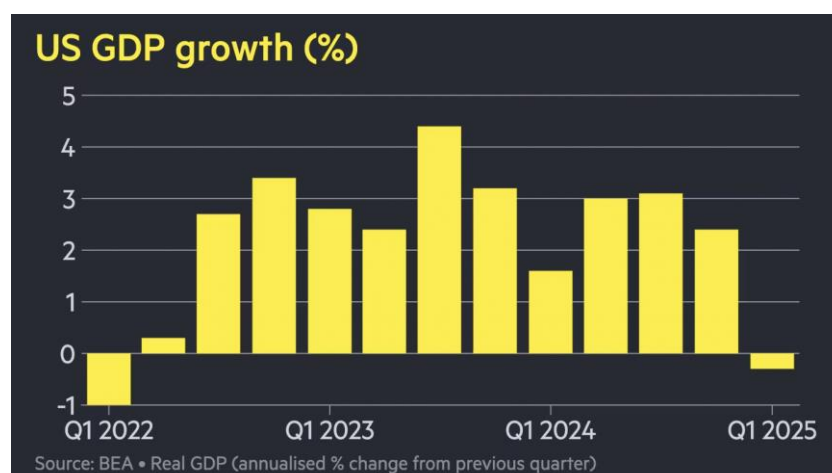
- **Geopolitical flashpoints remain.** Despite a renewed burst of pressure on Russia/Ukraine to restart peace talks and further returns of hostages from Gaza, the same hostilities are bubbling in the same geopolitical flashpoints, with little progress. The news flow from areas such as the middle east occasionally affects the price of oil, and this has generally been weaker, over the period, as economic growth is uncertain.

Current Macro Snapshot

Growth hinges on the direction of global trade

The first quarter GDP was marginally positive in the US (0.3%) and 0.7% the UK. US figures were clearly distorted by inventory buildups and stock piling – and there is some evidence that consumers pulled forward expenditure into the first quarter in anticipation of shortages and higher prices once tariffs came into effect. This may have been a global phenomenon too, even though the impact of tariffs was not at all clear around the world.

Overall, the direction of travel – weaker – is clear, and recession expectations have risen as tariffs loom. In the UK, there is a particular focus on stagflation due to inflation being higher there than elsewhere, and the most recent inflation number in the UK – 3.5% - adds fuel to this fire.



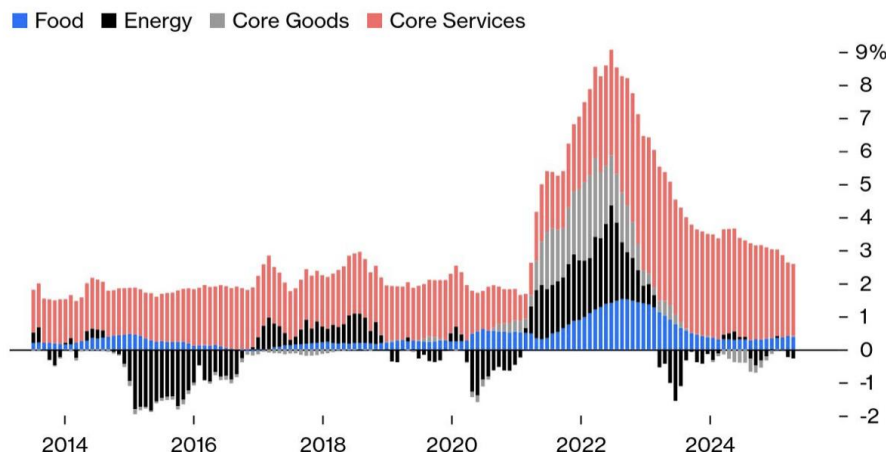
Inflation – A mixed picture

Inflation remains in focus as the trigger for central bank action as well as consumer health – as the chart below shows US inflation has been quite mixed in its decline and the latest number showed a decline in core services inflation. Lower oil/fuel prices are also promising, although to date have not

translated into meaningfully lower pump prices. UK inflation had been looking promising, until the recent number (3.5%) caused some concern.

How the Inflation Cookie Crumbles

Services are still driving the CPI, and their price rises are steadily slowing

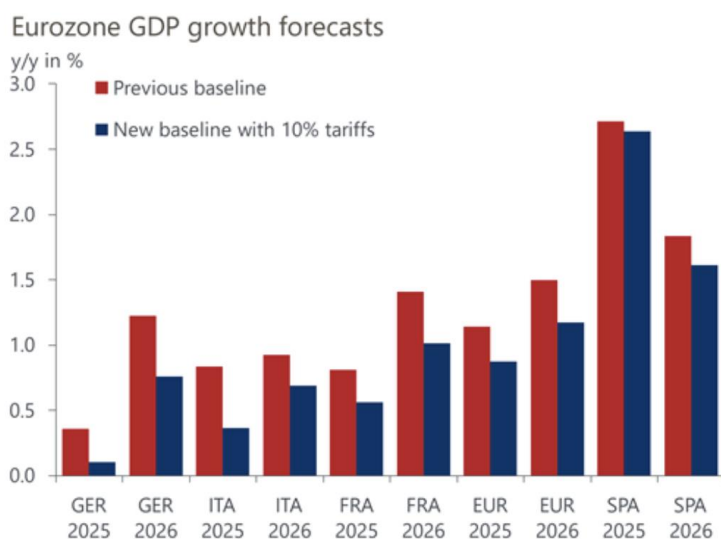


Source: Bloomberg Economic Analysis (ECAN)

Bloomberg Opinion

It is worth a reminder of the chart we showed last quarter showing the effect that tariffs are expected to have on European economies. The analysis below illustrates the effect on baseline economic growth across Germany, Italy, France, Spain and the entire Eurozone, with the baseline reduced for only 10% tariffs. The latest pronouncement by the Trump administration around drug pricing, whereby drug companies would be required to offer most favoured nation pricing to the US, could seriously undermine the margins of drug companies, many of which are located outside the US.

Chart 1: We have cut our GDP growth forecast for all major European economies



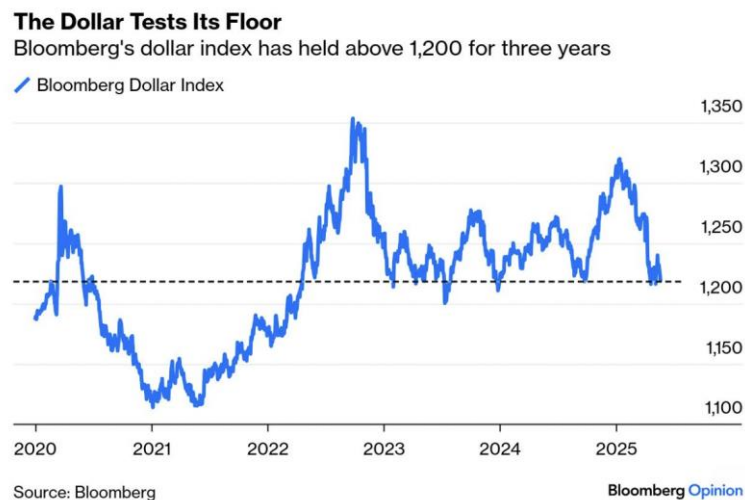
Source: Oxford Economics/Haver Analytics

Inflation driving interest rates

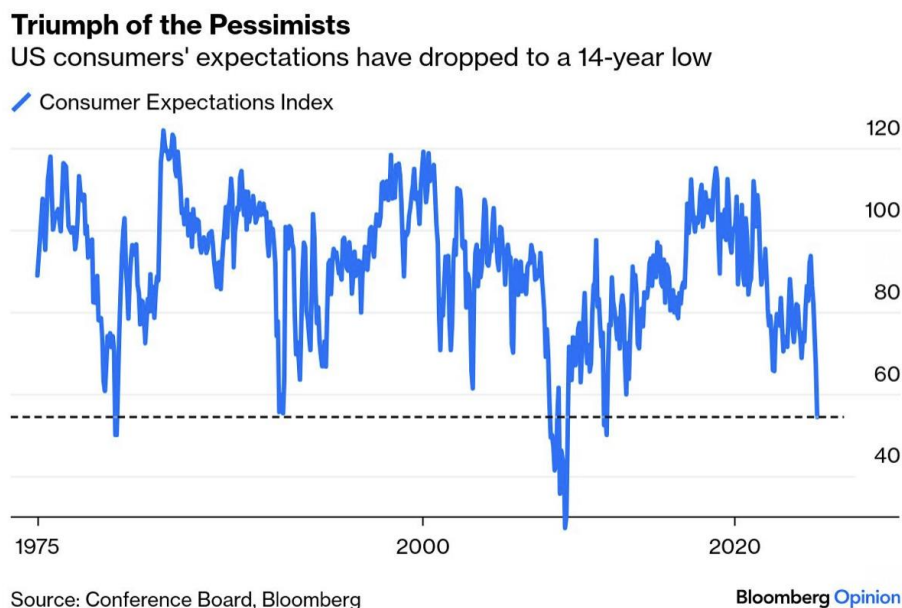
As can be seen in this chart, the unexpected rise in inflation in the UK has undermined confidence in the economic recovery here, and this has led to bond yields spiking close to where they were during the Trussonomics episode.



US government bonds are also showing reasonable volatility with rates spiking and a recent poor Treasury auction proving weak demand. This has led to yields rising and a weaker dollar, both of which illustrate the easing demand for US assets.



And as the chart below shows, this is not just a foreign investors issue – even US consumers are feeling somewhat jaded and pessimistic:



Individual Asset Class Performance.

- Equities
- Fixed income

The chart below shows recent performance in main equity indices (at May 21, 2025):

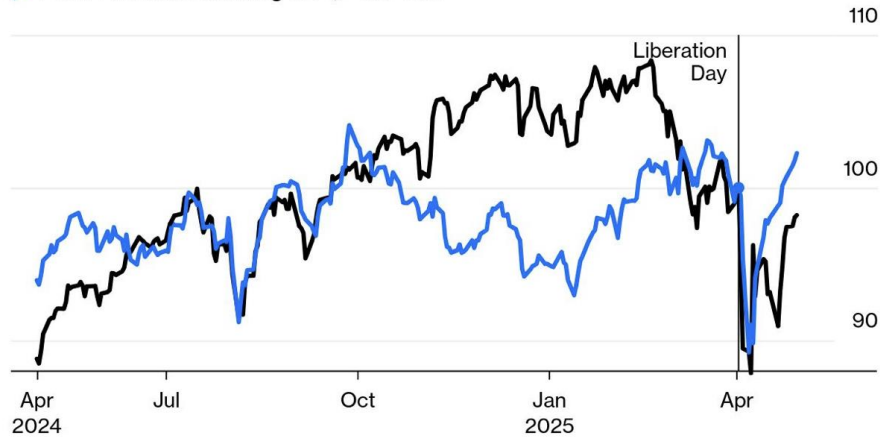
Equity Index	Last 12 months	Year to date (May 21, 2025)
FTSE 100	4.73%	6.86%
S&P 500	10.13%	-0.63%
Nasdaq	12.33%	-2.27%
Stoxx 600	5.24%	8.32%
Hang Seng	24.78%	17.37%
Shanghai Comp	8.46%	0.85%
Nikkei 225	-5.4%	-7.29%

The divergence in US v. RoW performance year to date is nicely shown in this chart but it is also clear from the table above that this divergence is continuing. The sharp nature of the equity market “round trip” is masked by the figures, but a little more obvious in these kind of stock charts.

Stocks: America Second

US equities have almost recovered lost ground; Rest of the World is there

FTSE-All World Excluding US S&P 500



Source: Bloomberg
Data is normalized with factor 100 as of April 2, 2025.

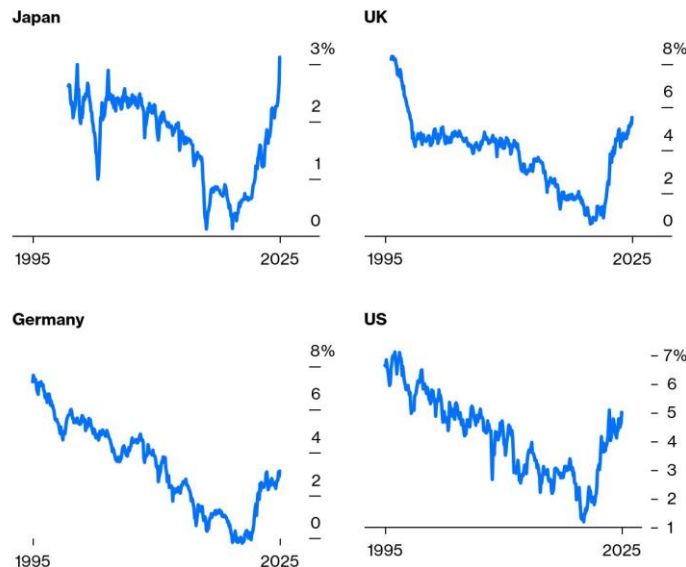
Bloomberg Opinion

Fixed Income

Bond funds continue to experience sharp volatility as rates climb, and the recently popular diversifier – private credit – continues to hold firm. This is even a developing story at the time of writing as US bond markets wrestle with the impact of a proposed tax bill that goes nowhere to addressing the burgeoning fiscal deficit while in the UK the higher-than-expected inflation print is also denting confidence.

Long Bonds, High Yields

Globally, 30-year government yields are breaking into record territory

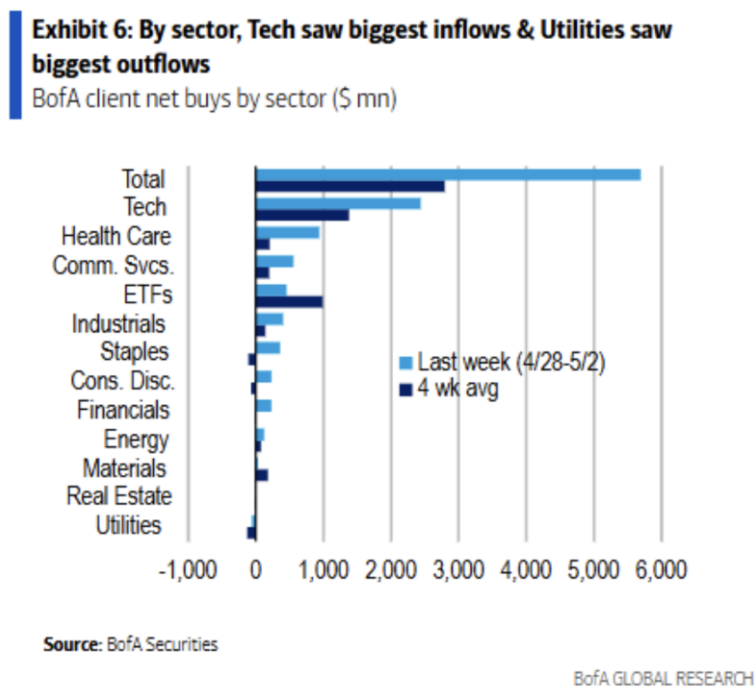


Source: Bloomberg

Bloomberg Opinion

The Story of Flows

One of the remarkable aspects of the recent market volatility has been the ongoing resilience of the US stock market, and in particular the demand for equities that retail investors have shown, even as institutional investors pull back or reallocate overseas. As the chart below shows, there continues to be a strong interest in the tech sector and a shying away from so-called defensive sectors such as utilities – although some of this may be due to the persistent high bond yields (sometimes utilities and infrastructure are seen as bond substitutes).

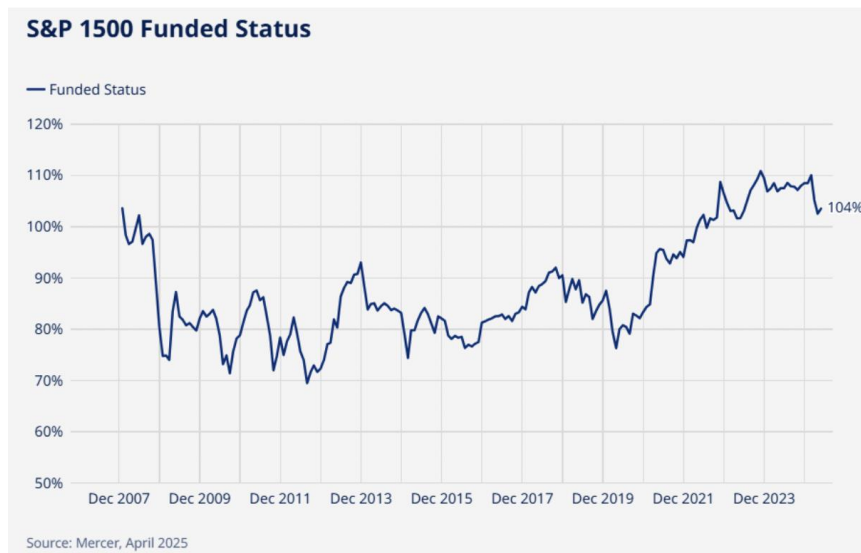


ESG funds have continued to see outflows, and as the chart below shows, demand for these funds is increasingly dominated by European investors – the chart relates to investment in ESG labelled funds:



Source: Morningstar

The other interesting factor affecting pensions is the silver lining of the rise in bond yields. Given the contribution of these bond yields to the calculation of funding levels, the rise in bond yields has led to a lower present value of liabilities which has generally boosted funding levels. The scale of this change of fortune, from the prevalence of unfunded plans at the time of lower interest rates, can be seen on the chart below.



Outlook

Last quarter we noted the flurry of action from the US administration that was having collateral effects around the world. The volume and pace of developments were making it difficult for markets to digest the impact. For the summer period, for investment portfolios we will be watching in particular:

- **Geopolitics.** Last week we spoke about Ukraine and who was likely to blink first in the stand-off. To date, this stand-off continues, although peace talks periodically come in to the picture. The attention had shifted to the Middle East as we write, and to date there are no real signs of progress in any of the geopolitical flashpoints, but no additional ones have developed.
- **Tariffs as an Own Goal?** We discussed the climate of austerity that might be dawning if a recession seemed likely – but to date there has been little embrace of this approach, and instead fiscal prudence seems not to be in focus. Tariffs could well be the instrument that inflicts significant hardship on consumers – through inflation, supply chain uncertainty and a slow down that this pervasive uncertainty creates. While negotiations unfurl, amid these frequent 90 days stay on the tariffs, markets are far more likely to react to this, than to the actions of the central banks
- **Will the bond market take the summer to relax?** Clearly the bond market is agitated and second guessing the actions of governments and central banks. The rise in Bitcoin and Gold – which may be considered more defensive against bonds – is telling in this respect. It is

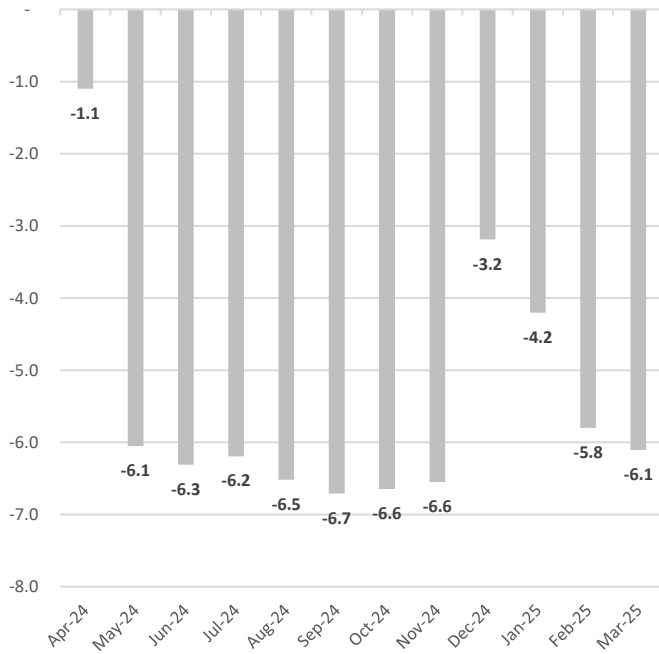
interesting that Gold is a more traditional defensive asset whereas Bitcoin is emerging as a more risky asset class yet both are rising in tandem. This evinces the level of concern around sovereign markets, and we will be watching this level of concern very carefully over the summer to see if the higher rates put pressure on consumers and corporates alike.

A reminder that you can tune in to similar macro overviews weekly on the Markets Happy Hour [youtube channel](#) – where there are new episodes every Thursday evening.

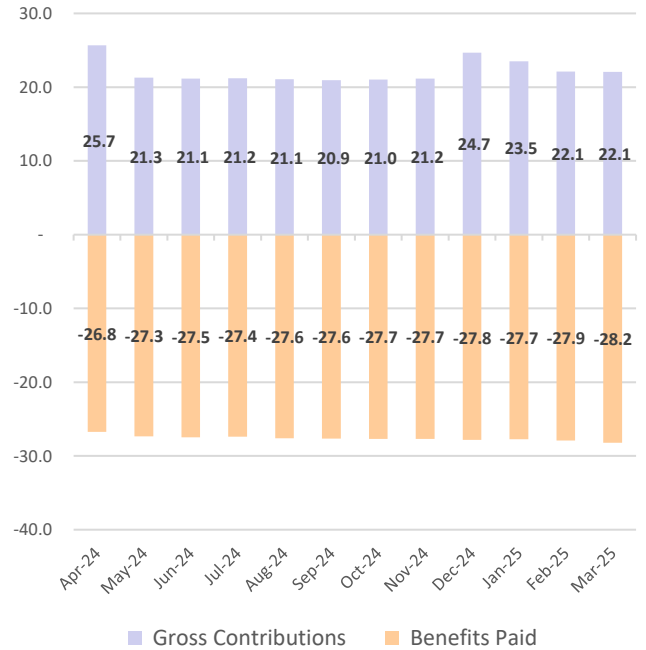
May 22, 2025

QUARTERLY REPORT TO 31 MARCH 2025

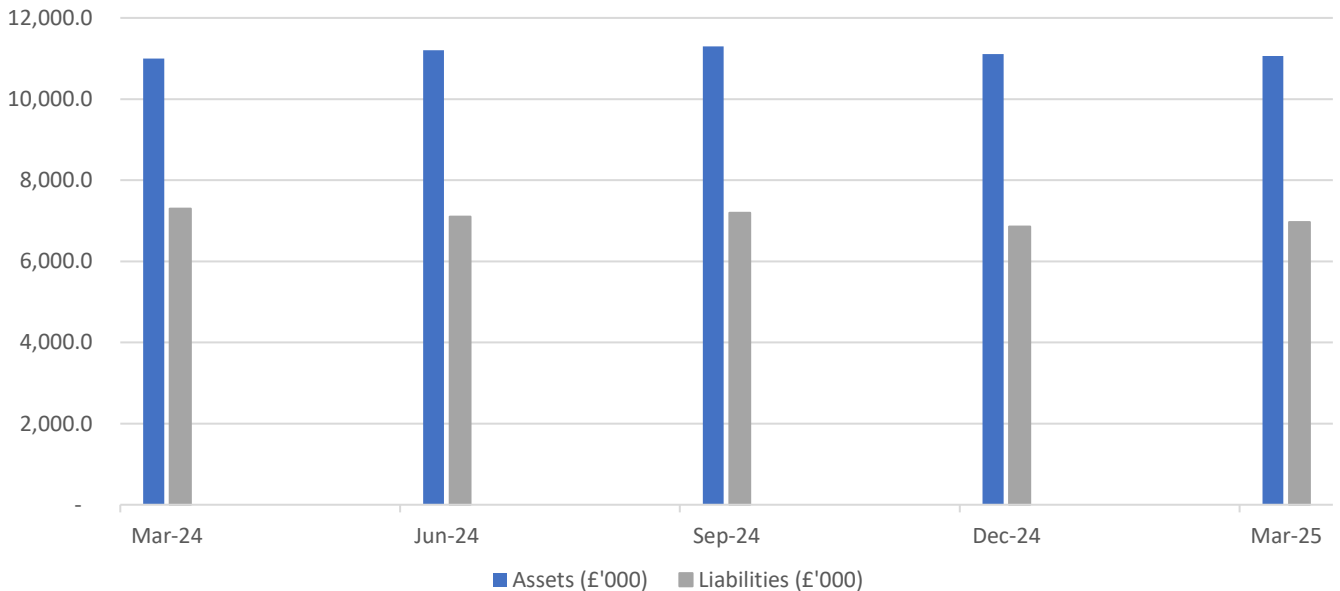
NET CONTRIBUTIONS



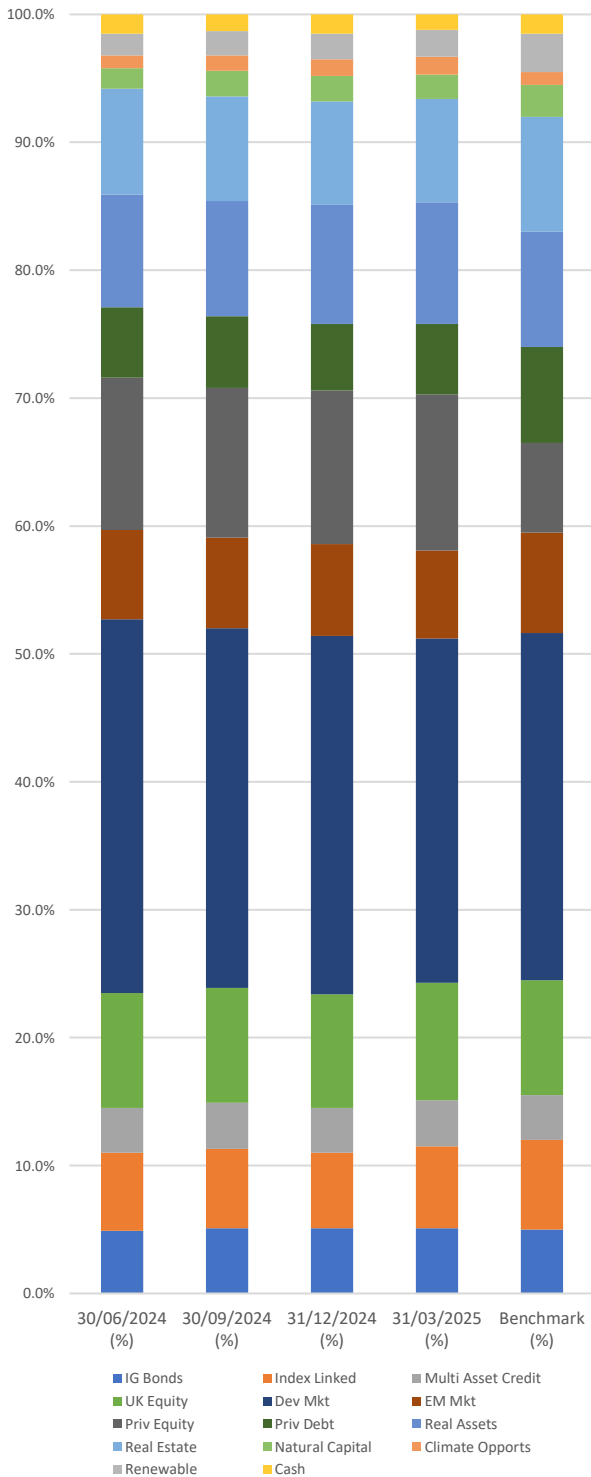
BREAKDOWN OF NET CONTRIBUTIONS



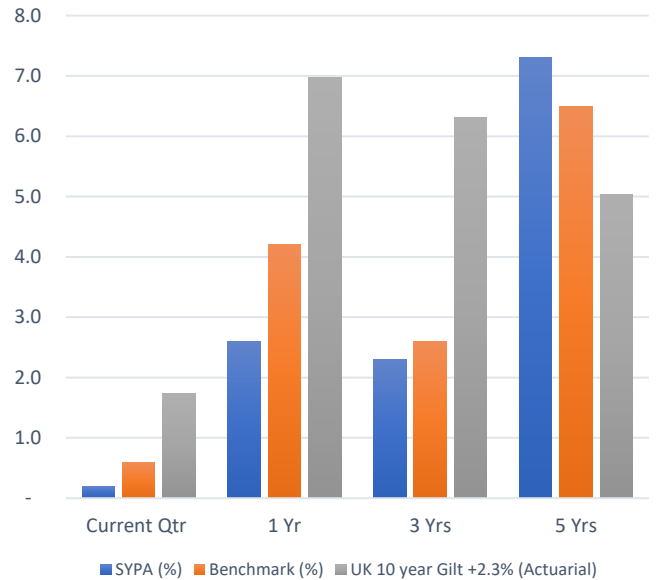
ASSET LIABILITY RATIO SINCE MAR 2024



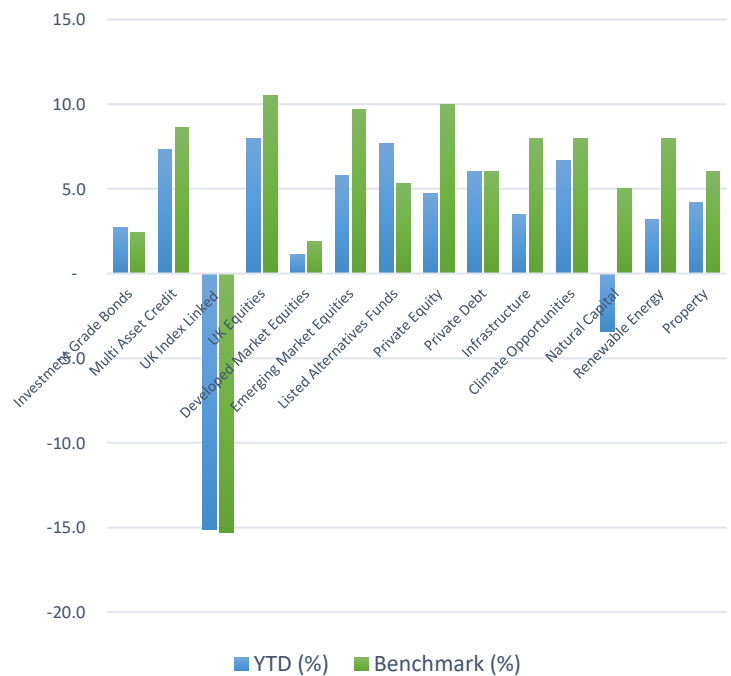
ASSET ALLOCATION



TOTAL FUND RETURN



ASSET PERFORMANCE BY TOTAL ASSET CLASS - 12M TO MARCH 2025



Market background

The first quarter of 2025 began with markets near all-time highs following President Trump's election win. However, the tide turned as the quarter progressed, with the **US** equity market falling by around 7.2% over the 3 months. A key driver was, of course, the trade war ignited by the Trump administration upon the globe, with China in particular being targeted.

The market fall was not all down to trade and tariffs, however, but was also impacted by the news that a Chinese company, Deepseek, had developed a cost-effective AI model which was more than comparable to what was already in the market. This was a massive market disruptor, especially to the Magnificent Seven group of US tech stocks, which had contributed to the recent success of equity markets. Nvidia, one of the gang of seven, had almost \$600 billion wiped off its balance sheet overnight.

In terms of specific stocks, the overall winners tended to be those companies falling under the "value" banner (e.g. the likes of healthcare and energy) which returned just under 5% during the quarter. Smaller companies and those with a focus toward "growth" (such as the Magnificent Seven) struggled over this period, with the US announcing its GDP target for the year would be reduced from 2.1% to 1.7%. With inflation expected to be higher at around 2.7%, an increase of 0.2% over the previous period, US interest rates were kept on hold for the quarter.

Rotating out of "growth" companies and into more defensive sectors, played into the hands of the large **UK** energy and healthcare companies which dominate the UK market index. The UK was one of the strongest equity market performers this quarter generating a return of 4.5%. Although this is a good story for the UK, it is not all plain sailing, as issues still remain around government spending cuts and weak growth prospects.

Europe (equities up 7.8%) was the standout performer this quarter globally, with financial stocks (especially banking) being one of the top performing sectors. BNP Paribas and Intesa Sanpaolo exceeded expectations with strong year-end earnings. Industrials, Energy and Utilities also contributed positively to performance.

A point to note - the ECB did manage to cut rates in both January and March as inflation eased during the period.

Market background

It was a mixed bag for **Emerging Markets**. Generally, equities fell modestly this quarter (-0.9%) although Chinese markets turned positive with the news around DeepSeek and stimulus measures from the authorities. This led to a surprise uplift around China going forwards, although tariffs and trade concerns remain as structural challenges. This wasn't the case for the Central bank of India, who reduced rates for the first time in a long while amid concerns about growth and short-term outlook. A falling US 10-year treasury yield and a weaker dollar help support the EM countries.

With increased equity market volatility, US treasuries performed positively this quarter with yields falling. Most corporate **fixed income** sectors underperformed government bonds as credit spreads widened. i.e. the cost of borrowing for companies rose relative to the government's borrowing costs.

In the UK, long-dated gilts yields rose due to re-accelerating inflation expectations, while short dated yields declined as markets anticipated nearer-term base rate cuts from the Bank of England.

The expected default rates on high yield and leveraged loans remains fairly elevated at 4.7%. For context, this can be compared to the recent low of just under 2% in late 2022 and high of just under 7% during the pandemic. The general air of uncertainty has impacted government bond markets, with questions remaining over the implementation of tariffs and their potential impacts on inflation, borrowing costs and the wider economy.

The outlook is to remain resilient as inflation has stabilised, albeit above the target limit. However, ongoing or escalating trade disputes could disrupt global supply chains and feed into inflationary pressures. Prolonged uncertainty about US trade policy flip-flops could undermine economic activity, possibly triggering recession.

Fund Valuation

as at 31 March 2025

	Dec-24		Quarterly Net	Mar-25	
	£m	%	Investment	£m	%
FIXED INTEREST					
Inv Grade Credit - BCPP	564.4	5.1	0.0	563.2	5.1
UK ILGs - BCPP	654.3	5.9	75.0	707.8	6.4
MAC - BCPP	396.3	3.6	-4.8	399.4	3.6
TOTAL	1615.0	14.6	70.3	1670.4	15.1
UK EQUITIES	984.9	8.8	-10.0	1015.7	9.2
INTERNATIONAL EQUITIES					
Developed Market - BCPP	3110.0	28.0	-75.0	2973.8	26.9
Emerging Market - BCPP	794.7	7.2	-15.0	766.0	6.9
Emerging Market - SYPA	0.7	0.0	-0.1	0.6	0.0
TOTAL	3905.4	35.2	-90.1	3740.4	33.8
LISTED ALTERNATIVES -BCPP	167.7	1.5	0.0	164.7	1.5
PRIVATE EQUITY					
BCPP	415.3		15.2	457.1	
SYPA	750.9		-12.6	722.5	
TOTAL	1166.2	10.5	2.6	1179.6	10.7
PRIVATE DEBT FUNDS					
BCPP	218.5		25.7	255.6	
SYPA	381.1		-4.3	376.7	
TOTAL	599.6	5.4	21.4	632.3	5.7
INFRASTRUCTURE					
BCPP	571.0		20.3	620.8	
SYPA	437.5		-19.9	406.6	
TOTAL	1008.5	9.1	0.4	1027.4	9.3
RENEWABLE ENERGY	225.0	2.0	9.2	232.8	2.1
CLIMATE OPPORTUNITIES	142.2	1.3	9.5	156.8	1.4
NATURAL CAPITAL	221.8	2.0	-14.3	204.9	1.9
PROPERTY	902.4	8.1	-17.0	897.0	8.1
CASH	168.0	1.5		138.1	1.2

TOTAL FUND

11066.7 **100.0**

11060.1 **100.0**

Asset Allocation Summary

Strategic vs Current Asset Allocation					
Asset Class	SAA Target	Range	Current Asset Allocation		
	%	%	£m	%	OW/(UW)
Equities	38.0	+/- 5%	4756.1	43	5
Private Equity	7.0	+/- 2%	1179.6	10.7	5.2
Listed Alternatives			164.7	1.5	1.5
Total Growth	45.0		6100.4	55.2	
Multi Asset Credit	2.5	+/- 2%	399.4	3.6	1.1
Infrastructure	9.0	+/- 3%	1027.4	9.3	0.3
Private Debt	7.5	+/- 2%	632.3	5.7	-1.8
Property	9.0	+/- 2%	897	8.1	-0.9
Natural Capital	3.5	+/- 2%	204.9	1.9	-1.6
Climate Opportunities	5.0	+/- 2%	156.8	1.4	-3.6
Renewable Energy	5.0	+/- 2%	232.8	2.1	-2.9
Total Income	41.5		3550.6	32.1	
UK Index Linked Gilts	7.0	+/- 2%	707.8	6.4	-0.6
Corporate Bonds	5.0	+/- 1%	563.2	5.1	0.1
Cash	1.5	+/- 1%	138.1	1.2	-0.3
Total Protection	13.5		1409.1	12.7	
Total	100.0		11060.1	100.0	

OW/UW 'RAG' ratings

Green ratings indicate that current asset allocation is within agreed tolerances

Red ratings indicate that current asset allocation is out of range

Asset Allocation Summary

The long-term aim of reducing our overweight position in equities continued, with modest amounts of Overseas and UK equities being sold. These proceeds were directed towards protection assets such as index-linked gilts, plus the continuing build-up of allocations to private debt and newer areas such as Climate Opportunities and Renewables.

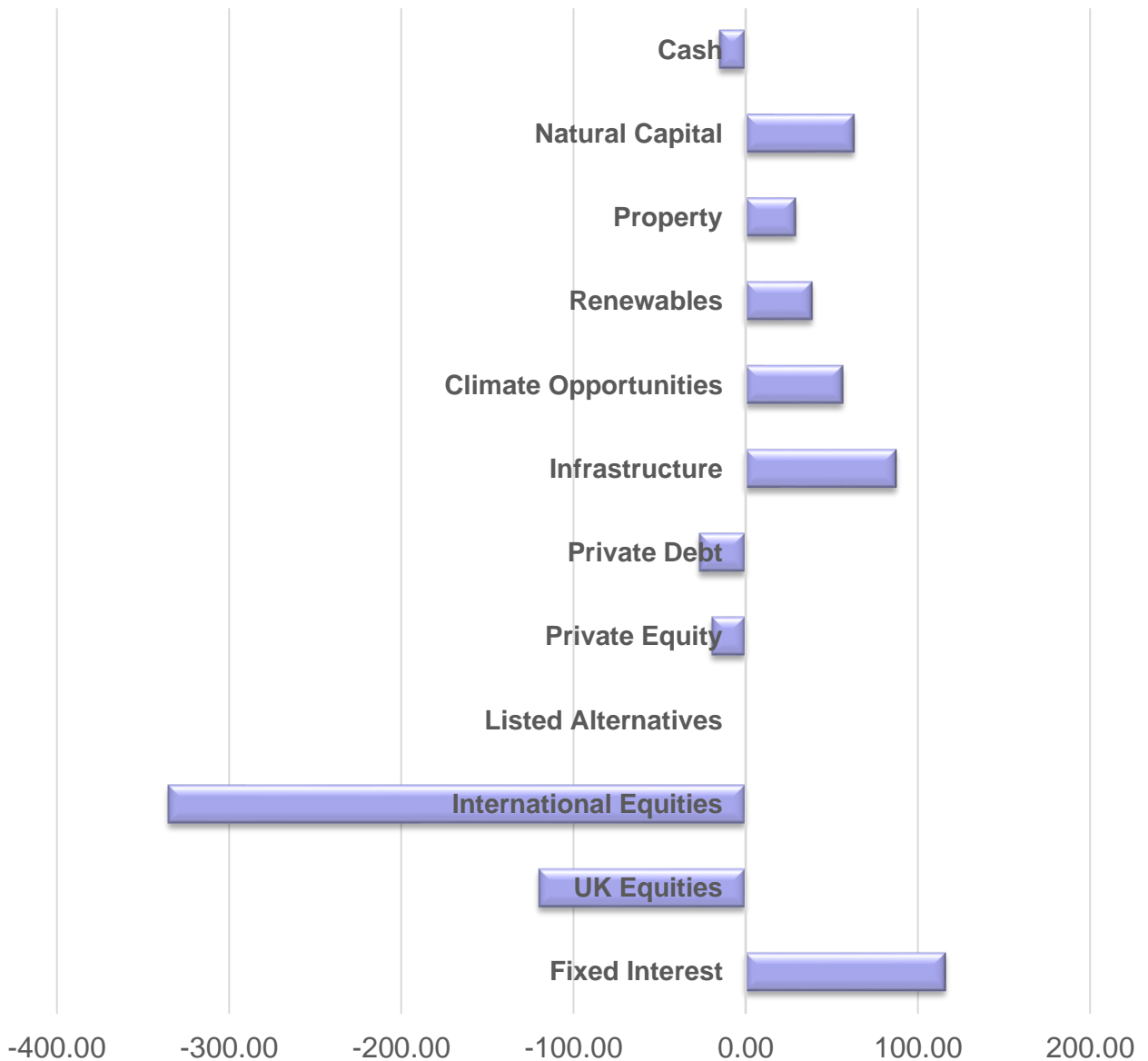
Our total allocation to Private Equity also remains materially overweight relative to the strategic asset allocation, albeit this is partly a product of relatively strong performance, plus its illiquid nature. Future allocations to this asset class are likely to be lower to help us mitigate the overweight position.

Redemption cashflows from our legacy Private Equity and Private Debt funds over the quarter largely offset the drawdowns required by Border to Coast's private market offerings.

To support the growth of small and medium sized organisations locally, the Pension Authority, in alignment with the South Yorkshire Mayoral Combined Authority's economic development strategies, has pledged £20m of equity investment and £20m of debt funding to two investment managers who specialise in these types of businesses. The remit given to the managers will incorporate a focus on key metrics such as the number of jobs and apprenticeships in the region. The broader intention is to provide private sector investment within South Yorkshire, helping to boost the local economy.

Asset Allocation Summary

Net Investment over the year to 31.03.25
£m



Performance

as at 31 March 2025

	Qtrly Performance		Performance last 12 months	
	SYPA	Benchmark	SYPA	Benchmark
	%	%	%	%
FIXED INTEREST				
Investment Grade Credit - BCPP	0.9	0.7	2.7	2.4
UK ILGs	-3.1	-3.4	-15.1	-15.3
Multi Asset Credit - BCPP	2.0	2.0	7.3	8.6
UK EQUITIES	4.1	4.5	8.0	10.5
INTERNATIONAL EQUITIES				
Developed Market - BCPP	-2.1	-1.2	1.1	1.9
Emerging Market	-1.8	-0.9	5.8	9.7
TOTAL	-2.0	-1.1	2.0	3.7
PRIVATE EQUITY	0.9	2.4	4.7	10.0
PRIVATE DEBT FUNDS	2.2	1.5	6.0	6.0
INFRASTRUCTURE	1.9	1.9	3.5	8.0
RENEWABLES	-0.5	1.9	3.2	8.0
CLIMATE OPPORTUNITIES	3.5	1.9	6.7	8.0
PROPERTY	2.1	1.5	4.2	6.0
NATURAL CAPITAL	-1.2	1.3	-3.4	5.0
CASH	0.9	1.1	4.3	5.1
TOTAL FUND	0.2	0.6	2.6	4.2

Performance Summary

For the quarter to the end of March, the Fund returned 0.2% against the expected benchmark return of 0.6%.

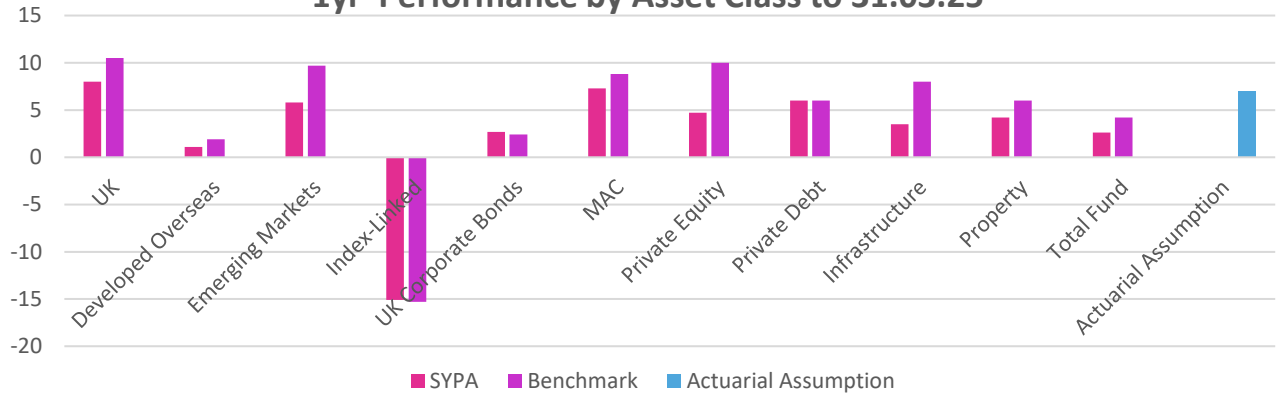
Asset allocation relative to benchmark neither added or detracted contribution to performance, whilst stock selection detracted 0.4% from performance.

The breakdown of the stock selection is as follows:-

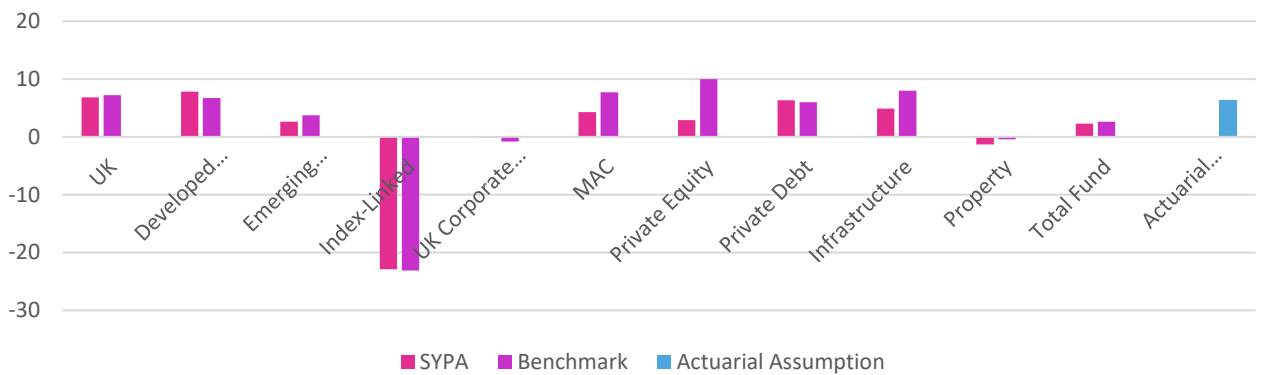
Emerging Market Equity	-0.1%
Overseas Developed Equity	-0.2%
Private Equity	-0.1%
Total Bonds	+0.1%

Performance-Medium term

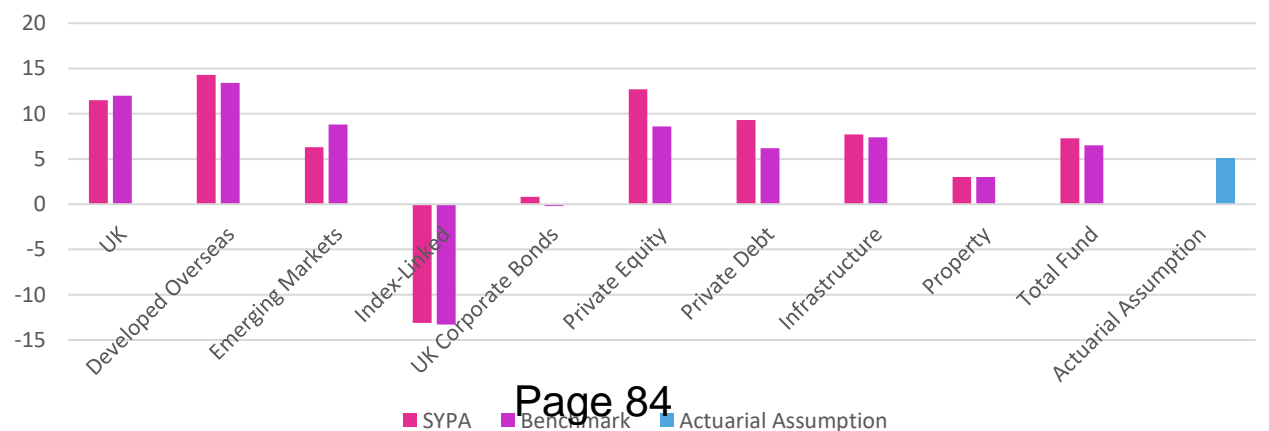
1yr Performance by Asset Class to 31.03.25



3yr Performance by Asset Class to 31.03.25



5yr Performance by Asset Class to 31.03.25



Performance – Border to Coast Funds

For the three-month period to March, the **UK Listed Equity** fund underperformed the benchmark by 0.36%. This negative performance stemmed from stock selection and sector allocations, which resulted from positions in Industrials (BAE Systems and Melrose) and Financials (Lloyds Banking and Herald Investment Trust & Allianz Tech) and detracted from the overall performance of the fund. An allocation to UK small caps focussed funds was another detractor from fund performance.

The underperformance was mitigated by exposure in Basic Materials (underweight in Glencore and overweight positions in both Antofagasta and Rio Tinto) and in Consumer Staples where an underweight position in Diageo and an overweight holding in Imperial Brands benefitted fund performance.

However, over the long term, in particular since inception, the fund has modestly outperformed its benchmark by 0.18% p.a.

The **Overseas Developed Markets Equity** has produced a positive return over the benchmark since inception of 1.26% p.a. - but was down against its benchmark by 0.88% this quarter, as the fund's overweight allocation to US and underweight exposure to European equities were material contributors to the underperformance.

Negative stock impacts was realised through overexposure to Alphabet Class A shares over the quarter, as the AI enthusiasm that emanated over the past year tapered down. An ongoing DOJ investigation into the company also didn't help matters. A similar AI theme played out at Broadcom, as investors became fearful that an infrastructure buildout slowdown would hurt Broadcom's revenue growth.

Positive influences stemmed from Europe, especially in Spain and Italy as growth prospects increased with the banking sector performing well, as both BNP Paribas and Intesa Sanpaolo exceeded expectations with strong year-end earnings. Deutsche Telecom also contributed to the upside as the company performed strongly following better than expected end of year results.

The **Emerging Markets Equity** fund continued to disappoint this quarter with relative underperformance of 0.93% and this was a similar case over the longer term too, as inception to date figure detracted against the benchmark by 1.81% p.a.

The fund is currently managed across three managers – with Border to Coast (64.6%) managing the broader Emerging Markets and UBS (21.4%) and Fountain Cap (14.0%) focussing on China. Although the fund is geographically split between most of the emerging market economies; China (~34%), India (~21%), Taiwan and Brazil take up over 70% of the share of the fund with the largest absolute allocations to China and India (albeit both are underweight relative to benchmark) whereas Taiwan and Brazil are both overweight.

Performance – Border to Coast Funds

With sentiment improving over the quarter towards China, driven by renewed optimism towards technology names following the release of DeepSeek's cost-effective R1 AI model, Chinese equities significantly outperformed EM ex-China equities, with the FTSE China index posting a 10.9% return in contrast to FTSE EM ex-China returning -6.1%.

Both China specialist managers delivered strong absolute performance during the quarter, albeit marginally underperformed the FTSE China benchmark.

Within the ex-China region, India continued to experience some cyclical economic softness, resulting from persistent inflation outpacing wage growth, weighing on domestic consumption and corporate earnings. The region's pessimistic short-term outlook continued to sustain foreign outflows, particularly from SMID-cap names, as investors looked to book profits as well as beginning to rotate back into a rejuvenated China market.

The internal Border to Coast EM ex-China mandate underperformed its regional benchmark by 0.8%, attributable to the overweight exposure to Taiwan. Additionally, positioning in Globant SA was a notable drag to performance in response to weaker than expected earnings and a downward revision to full year guidance.

The Sterling Investment Grade Credit made a positive relative return of 0.18% in the quarter and has a +1% p.a. relative return since inception. Credit spreads tightened early in the quarter before widening back to initial levels, while gilt yields stayed broadly stable. Average duration stood at around 5 years. The market volatility experienced in the quarter had a subdued effect on the positive performance of the fund, which was mostly driven by RLAM (+0.5%) and M&G (+0.2%), with Insight marginally underperforming (0.1% behind benchmark); as short-dated asset-backed securities still offered relative value.

The **Sterling Index-Linked Bond** fund delivered a total return of -3.10% during the period, compared to the benchmark return of -3.36%, resulting in outperformance of 0.26%, with the yield on long-dated index-linked gilts increasing by 19 basis points to 2.1%, amid heightened market volatility. Optimism about global growth was overshadowed by uncertainty around US trade policies and fiscal concerns in Europe and the UK. UK gilt yields climbed as markets feared rising debt pressures, though sentiment improved after the Spring Statement revealed lower-than-expected bond issuance. Positive relative contributions from the corporate holdings and an overweight position in ultra-long-dated Gilts, more than offset the negative impact of a modest overweight duration position.

Performance – Border to Coast Funds

The **Multi-Asset Credit fund** marginally underperformed its benchmark this quarter with the fund delivering a return of 1.99% vs 2.00%. Since inception to date, the relative performance has been materially below benchmark, generating relative returns of -5.04% p.a.

The fund is split between High Yield (30%) managed by Wellington, Leveraged loans (15%) managed by Barings, EM local currency (10%) managed by Ashmore, EM hard currency (20%) managed by BCPP and securitised credit (25%) managed by PGIM. PIMCO has the remit to manage the core bond portfolio which constitutes a blend of asset classes. With EM hard currency and the securitised credit currently being the two overweight sectors in the fund.

Positive attribution was delivered by PGIM through the securitised credit sector whilst EM hard currency detracted performance from the fund, in terms of performance and being overweight.

Ashmore has been put on the watchlist as performance has not matched the benchmark since inception to date, as its current high beta strategy should be conducive to the current market environment.

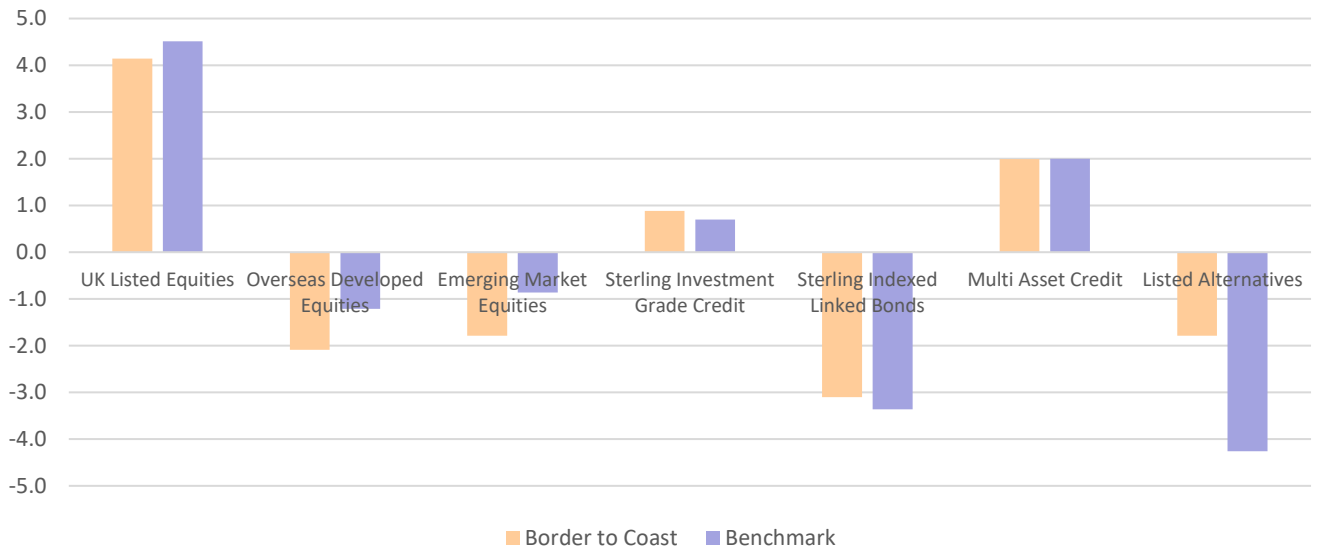
The **Listed Alternatives** fund outperformed its benchmark by 2.47% over the quarter, albeit the fund's performance has been disappointing, with a -4.41% p.a. return since inception. A key factor in the quarterly performance was down to BCPP's decision to increase its exposure to UK REITs, which outperformed their US counterparts by almost 3.5% in Q1 2025.

Robust performance was seen within the infrastructure space as it outpaced the broader market, driven by investment in the European market. Headwinds were seen in the private equity sector, which detracted significantly from overall performance due to concerns around US tariff uncertainty and a frozen IPO market.

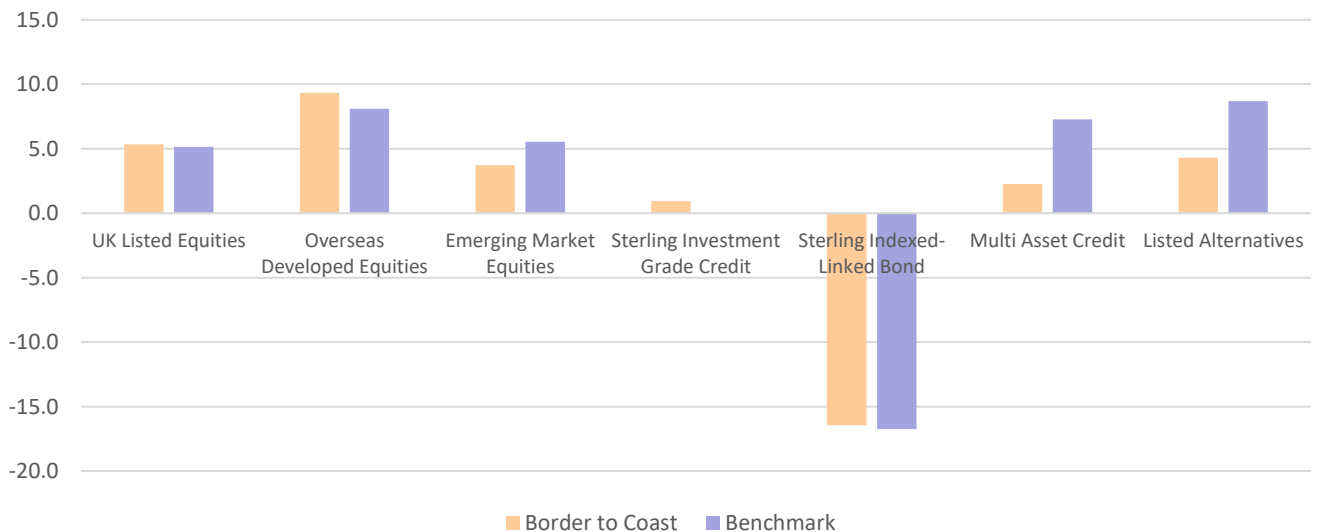
Whilst Alternative credit exhibited notable outperformance during the first quarter. This was primarily driven by the underweight in direct lending and increased allocation to Collateralized Loan Obligations (CLOs) and other Securitized products. While the fundamental credit quality within the asset class remained sound there was a widening of credit spreads.

Performance-Border to Coast Funds

Border to Coast Funds - Quarter to Mar 25

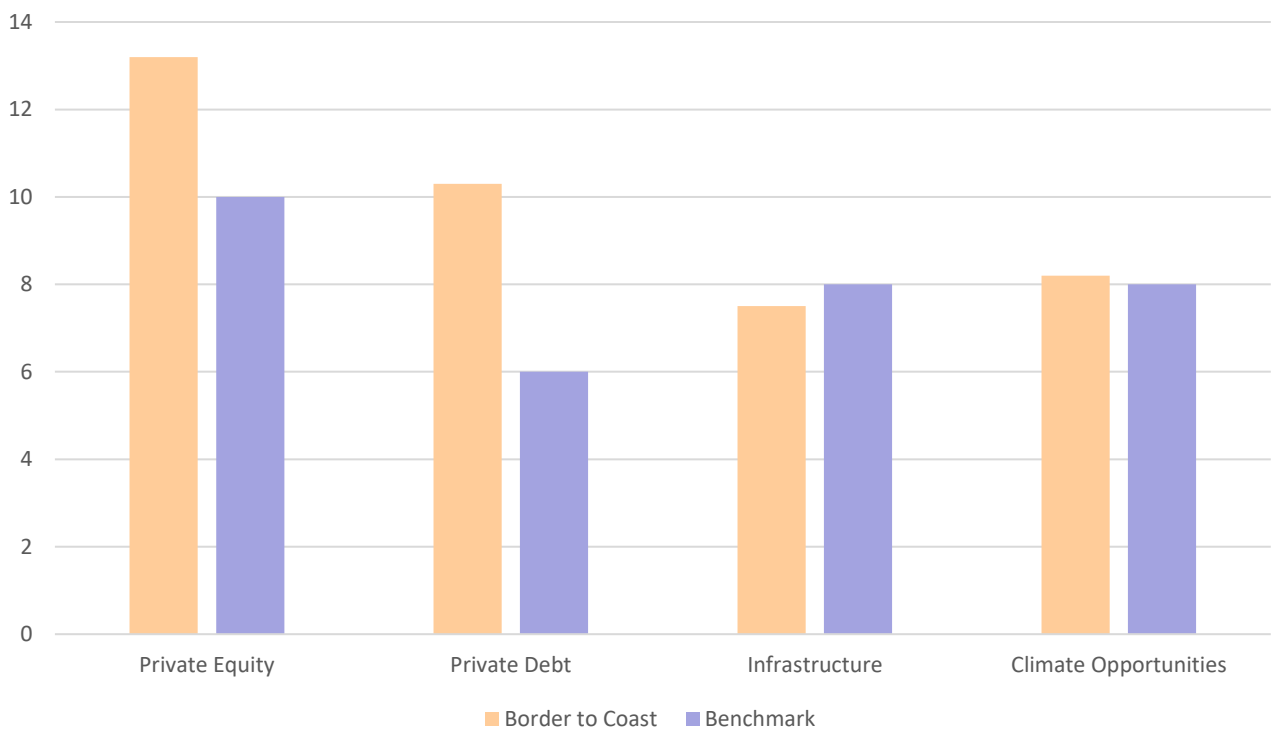


Border to Coast Funds - Since Inception



Performance-Border to Coast Alternative Portfolios

Border to Coast Alternative Funds - Since Inception



(*) Performance is from inception up to the end of Q4 2024, which is the most recent available reporting date for the Alternative Portfolios.

Funding Level

The funding level as at 31 March 2025 is estimated to be c159%:

The breakdown is as follows:

Fund's Assets at 31 March:	£11,060
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Funds estimated Liabilities at 31 March:	£6,970
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Caveat

The estimated liabilities are calculated on a roll-forward basis. This means that there is no allowance made for any actual member experience since the last formal valuation on 31 March 2022

Outlook

Up, up and away

On 12 May the US and China reached a temporary, 90-day agreement to lower tariffs on each other's products. Under the agreement, the US will reduce its tariffs from 145% to 30% while China will lower its tariffs from 125% to 10%. News of the deal caused equities to rise, with the S&P 500 up 4.6% over that week. The equity rally was further supported by global tech stocks, as talks around Nvidia and Advanced Micro Devices Inc (AMD) supplying semiconductors to Saudi Arabia for data centre projects hit the market.

I still owe money, to the money, to the money I owe

The US Treasury market appears less easily swayed than equity investors though - and borrowing costs are on the rise.

"Over more than a decade, US federal debt has risen sharply due to continuous fiscal deficits. During that time, federal spending has increased while tax cuts have reduced government revenues... Federal interest payments are likely to absorb around 30% of revenue by 2035, up from about 18% in 2024 and 9% in 2021." Moody's noted on 16 May, as they lowered the US credit rating by one notch to Aa1. Is there a reckoning awaiting further down the line?

Got those inflation blues

The Federal Reserve voted to hold interest rates at 4.25%-4.5% in March, highlighting the risks of higher unemployment and higher inflation. Whilst the US economy has thus far remained resilient since the tariff announcements, labour productivity declined for the first time since 2022 and labour costs increased to 5.7% vs the 5.2% expectation. This will cause further pressure on business profit margins, which are already subject to headwinds from import tariffs and waning consumer demand.

Should ~~five~~ ten percent appear too small, be thankful I don't take it all

The US and UK sealed a trade deal on 8 May, with cuts to tariffs on car and steel exports. The flat 10% levy on most goods remains, albeit the University of Birmingham has estimated this will relatively save the UK economy £6.5bn by 2030. In exchange the UK will offer US farmers better market access through a lower tariff quota system.

It's not all plain sailing though. Strict security requirements included in the deal have led to China releasing a critical statement, suggesting this could be used to squeeze Chinese products out of British supply chains. Beijing has further warned countries against signing trade deals with the US that could threaten Chinese interests.

The Bank of England cut its benchmark rate by 0.25% to 4.5% on 8 May, although some members of the Committee voted for a larger 0.5% reduction. In addition, the Committee's 2025 growth forecast increased from 0.7% to 1.1% driven by the Q1 2025 looking better than anticipated.

Life on Merz

Freidrich Merz has been confirmed as the new German Chancellor, albeit this required two rounds of voting after falling short initially. The setback underscores the fragility of the new coalition and its susceptibility to MP rebellions, whilst damaging Merz's authority, as he embarks on his mission to massively increase public spending on defence and infrastructure whilst loosening the constraints on public borrowing.



Responsible Investment Update Quarter 4 2024/25 June 2025

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Highlights and Recommendations

Highlights over the quarter to the end of March include:

- A quarter-on-quarter increase in the level of voting activity with over 850 votes cast at 83 company meetings.
- The overall level of engagement activity was down quarter-on-quarter compared to Q3 2024 as a more targeted approach has been taken with invested companies.
- The engagement focus remained on environmental topics, including net zero, with social and business strategy topics also remaining as a material proportion of engagement topics.
- The overall ESG performance of the listed asset portfolios with Border to Coast has continued to be strong relative to the respective benchmarks. However, the Emerging Markets Equity Fund and Listed Alternatives Fund both saw a drop in ESG score but remain above their respective benchmarks.
- Overall financed emissions of the Border to Coast invested assets decreased over the quarter with the most significant decrease coming from the Emerging Market Equity Fund due to a reduction in the Fund's holding of its highest emitting company.
Four of the five listed funds reached their interim 2025 financed carbon emission reduction targets of 50% reduction on 2019 baseline emissions. It should be kept in mind that actual emissions reductions is only one contributor to the carbon footprint of a fund, or a benchmark index. This can actually be outweighed by the impact of changes in market values and index constituents. Hence, it is important that we focus more on the long-term trends than shorter-term changes to these scores (as the latter can be more susceptible to this market "noise").
- Carbon emissions coverage plateaued over recent quarters, as the coverage of securities held in the Sterling Investment Grade Credit Fund reduced, highlighting ongoing challenges in reporting emissions within bond markets.

The Authority are recommended to note the activity undertaken in the quarter.

Background

The Authority has developed a statement which sets out what it believes Responsible Investment is and how it will go about implementing it within its overall approach to investment. This statement is set out in the Responsible Investment Policy which is available on the website [here](#).

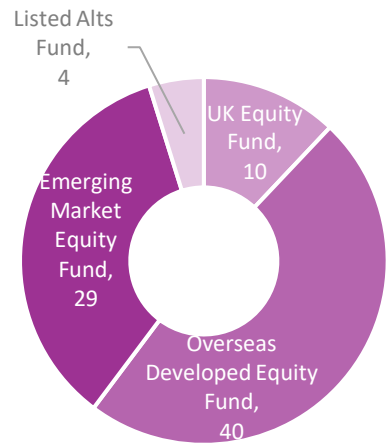
Our approach is largely delivered in collaboration with the other 10 funds involved in the Border to Coast pool. This report provides an update on activity in the last quarter covering:

- Voting – Information on how the voting rights attached to shareholdings have been used over the period to influence the behaviour of companies to move in line with best practice.
- Engagement – Information on the volume and nature of work undertaken on the Authority's behalf to engage in dialogue with companies in order to influence their behaviour and also to understand their position on key issues.
- Portfolio ESG Performance – Monitoring the overall ESG performance of the various products in which the Authority is invested, and on the commercial property portfolio.
- Progress to Net Zero – Monitoring the carbon emissions of the various portfolios where data is available in order to identify further actions required to support progress to Net Zero.
- Stakeholder Interaction – There is considerable interaction between the Authority and stakeholders around responsible investment issues which is summarised for wider accountability purposes.
- Collaboration – Working with others to influence the behaviour of companies and improve stewardship more generally.
- Policy Development – An update on broader policy developments in the Responsible Investment space some of which directly involve the Authority and others which are of more general interest.

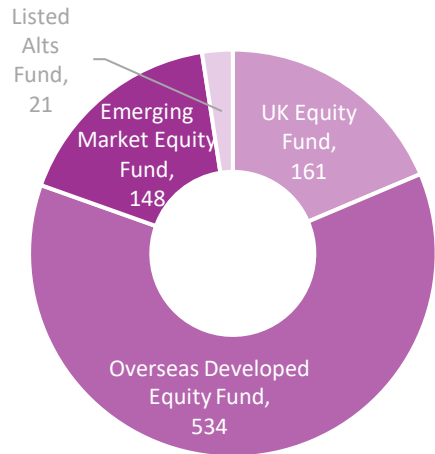
Voting Activity

This quarter saw an increase in both the number of meetings and votes cast as we approach peak voting season. Detailed reports setting out each vote are available on the Border to Coast website [here](#). The charts below show a breakdown of the meetings and votes cast by Border to Coast on behalf of SYPA investments.

Number of Meetings Voted Jan - Mar 2025



Number of Votes Cast Jan - Mar 25



Robeco highlighted the below in their (Jan – Mar 25) Q4 2024/25 Active Ownership proxy voting report how the format of the annual general meeting (AGM) has changed significantly since the Covid pandemic with a rising trend for disruptions and protests. Further detail is provided in the box below:

AGM as a forum

In recent years, the dynamics of participation in Annual General Meetings (AGMs) have shifted, with institutional shareholders increasingly casting proxy votes in advance and engaging with company boards before the meeting date. This trend often leaves AGMs dominated by retail investors and special interest groups. While this isn't inherently problematic, the rise of AGM disruptions and protests underscores the need for well-run meetings that foster constructive engagement and transparency between boards and shareholders.

One critical factor influencing AGM effectiveness is the meeting format—physical-only, virtual-only, or hybrid. The rise of virtual-only meetings during the Covid-19 pandemic has sparked ongoing debate. Advocates cite benefits like cost savings and higher attendance, while critics argue that such formats restrict shareholder engagement and allow companies to avoid critical questions. Robeco supports a hybrid format, blending virtual accessibility with physical presence, and recommends virtual-only formats be used only in exceptional circumstances, with transparent justification.

Timely and complete disclosure is essential for informed shareholder voting. Given that proxy voting often occurs well before the AGM, companies must ensure early dissemination of key information, including candidate details for director elections. Robeco opposes voting on undisclosed nominees or inadequately explained proposals.

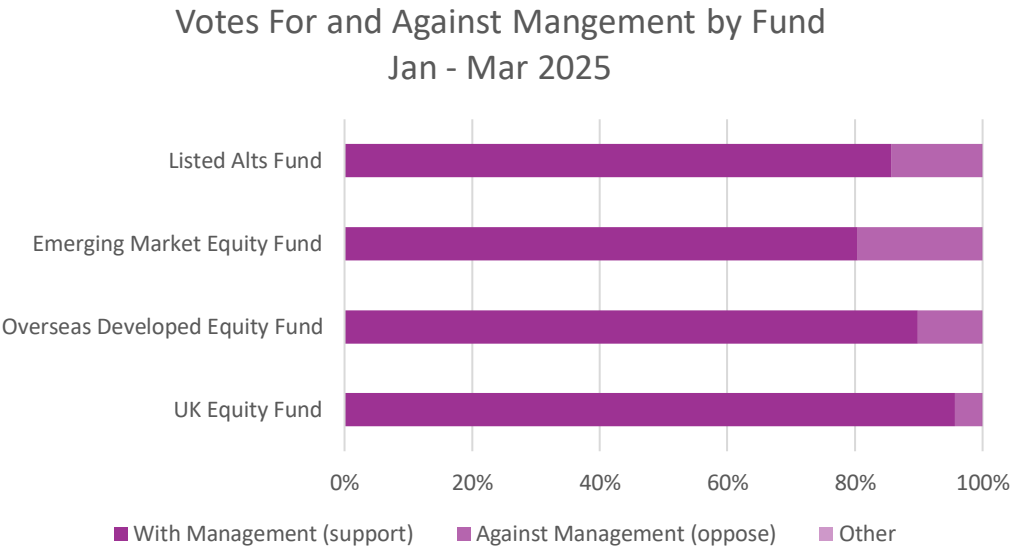
Another concern is the bundling of proposals—combining unrelated or related items into a single resolution—which prevents shareholders from expressing individual views on each matter. Robeco opposes bundled proposals and will vote against any that include problematic elements.

Shareholder proposals are a vital tool for driving corporate governance reform and accountability. These proposals have prompted companies to adopt practices such as proxy access bylaws and declassified boards. However, jurisdictions vary significantly in proposal procedures. Robeco discourages companies from obstructing shareholder proposals and expects constructive engagement, particularly when proposals gain substantial support (typically 25%). In controlled companies, Robeco assesses support levels among unaffiliated shareholders.

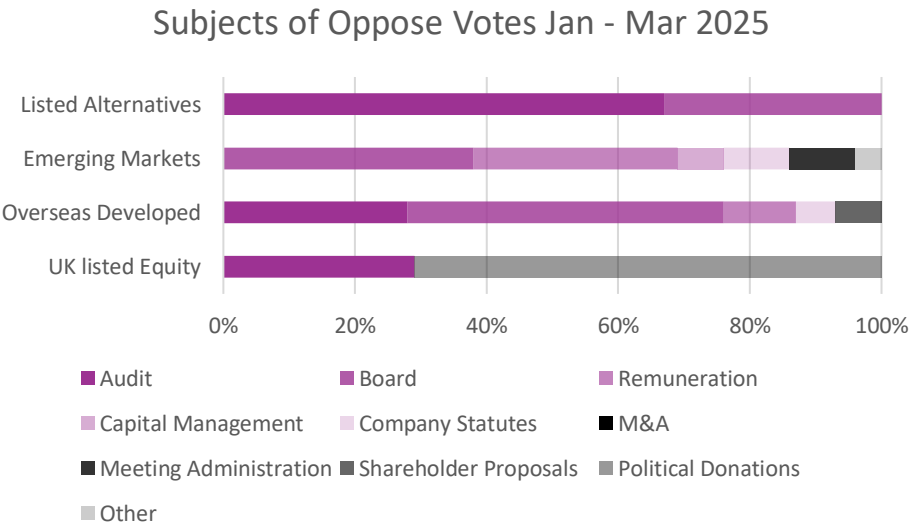
Finally, full disclosure of AGM vote results is crucial for shareholder oversight and effective stewardship. While the U.S. and Europe have regulatory frameworks promoting transparency, some jurisdictions lack detailed reporting requirements. Robeco advocates for complete vote result disclosure, emphasising its importance for minority shareholders, particularly in firms with unequal voting rights.

Robeco Active Ownership Report April 2025

The breakdown of support and oppose votes, which align with votes for or against management, is shown in the chart below.



The above graph shows the breakdown of votes cast for (in support of management) and against (in opposition to management) resolutions during the quarter. The proportion of votes against the line taken by company management remained above 10% overall, with 10.8% of total votes cast against management, which was in line with the previous quarter. In absolute terms, the number of votes against management increased from 60 to 93, as the number of votes increased in total across all publicly listed funds.



The above graph indicates that votes against management were much more condensed across topics in the Listed Alternatives and UK Listed funds this quarter. The three largest areas where voting continues to oppose management relate to Audit, Board composition and Political donations. The latter made up a significant proportion of votes against in the UK Listed fund. Further, it is worth reviewing the reasons why it is the case that votes are made against management.

- In the case of Board composition there are a number of factors which under the voting guidelines automatically trigger an oppose vote. These include insufficient independence, insufficient diversity within the Board, and insufficient progress in terms of adapting the business to the risks posed by climate change.
- In the case of remuneration votes against, these are triggered by executive pay packages which are either excessive in absolute terms, where incentive packages are not aligned with shareholder interests, or the performance targets are poorly defined or too easily achieved.
- In the case of votes against political donations in the UK, this reflects the fact that in the UK donations must be put to a shareholder vote and the voting guidelines oppose any donations of this kind.
- Auditor appointments are automatically opposed if reappointment would result in an unduly long term which is viewed as compromising the independence of the Auditor.

Shareholder resolutions, as can be seen within the information on notable votes in these reports linked below, can cover a whole range of issues. Over the course of the last year the focus of shareholder resolutions, aside from climate issues, has tended to be on diversity and human rights issues, particularly for US companies. The voting policy does not automatically support such resolutions, rather analysis is undertaken on a case-by-case basis covering both the company's and proponent's positions before votes are decided by Border to Coast on the advice of Robeco.

Notable votes in the quarter are summarised below and further details on the voting undertaken for each of the funds can be found [here](#).



Apple Inc's AGM was held on 25 Feb, shareholders reviewed key proposals, including the following shareholder proposals focused on ethics, privacy and governance but ultimately these received low support. The first proposal called for a report on the risks of using external data to train artificial intelligence (AI). After engagement, it was concluded that the company had already addressed these concerns through recent disclosures with the proposal *receiving* 11% support. The second proposal sought to abolish Apple's Inclusion & Diversity program, arguing it could unfairly impact majority groups. However, the program was viewed as essential for fostering innovation and aligning with non-discrimination principles. The proposal was rejected with just 2% support.



Costco Wholesale Corp held their AGM which included key agenda items including a shareholder proposal challenging the company's diversity and inclusion (D&I) policies—one of the first such proposals at a major U.S. firm under the current political climate. The board recommended rejecting the proposal, emphasizing D&I's importance to internal culture, customer satisfaction, and financial success. Agreeing with management's view that fostering innovation and inclusivity aligns with best practices and anti-discrimination standards, we voted against the proposal, which was decisively rejected by 97% of shareholders. Robeco also opposed the advisory vote on executive compensation due to large sign-on bonuses lacking performance criteria. Despite concerns, the proposal passed with 94% support.



Visa Inc's AGM was held on 28 Jan, shareholders voted on several shareholder proposals including: the first which requested a report on healthcare coverage gaps related to dysphoria and detransitioning, criticising Visa's support for gender-affirming care. It was rejected due to lack of demonstrated benefit to the company or shareholders with 99% voting against it. The second proposal sought a governance change requiring directors who fail to win majority support to tender conditional resignations, with stipulations for continued rejection. This was supported for promoting minority shareholder rights, though it received only 17% approval at the AGM. Visa's board supported the second proposal but opposed the first due to reputational and operational concerns.

Engagement Activity

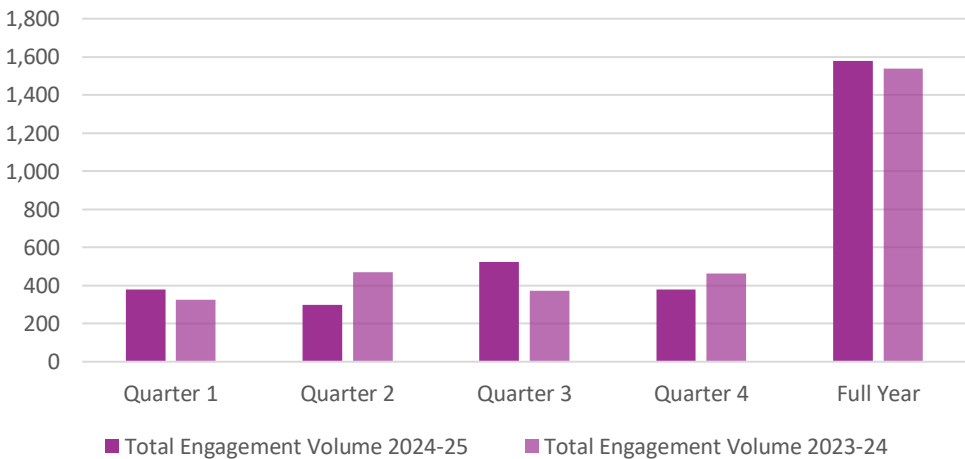
Engagement is the process by which the Authority, working together with other like-minded investors, seeks to influence the behaviour of companies on key issues. Engagement (in distinction to voting) is an ongoing process and is undertaken by those directly managing money for the Authority. This includes the investment team at Border to Coast and the external managers in the Investment Grade Credit fund together with Robeco who act on behalf of Border to Coast and the Local Authority Pension Fund Forum (“LAPFF”) which acts on behalf of all its member funds. The graphs below illustrate the scale (in terms of the total number of pieces of engagement activity), the route for and the focus of engagement activity undertaken in the quarter, as well as the method of engagement undertaken.

Engagement Routes Jan - Mar 2025

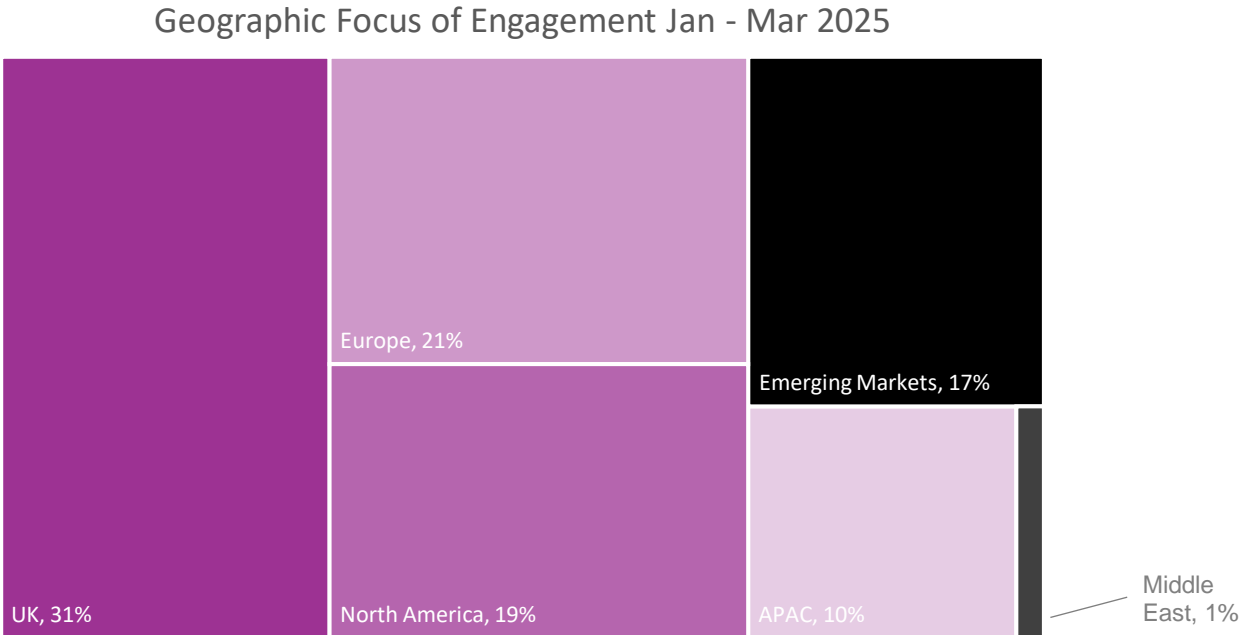


The graph below shows the overall level of engagement activity in the quarter is down compared to the same quarter last year. However, the total engagement across the year 2024/25 is marginally higher than 2023/24 primarily due to an increase in engagement from Border to Coast.

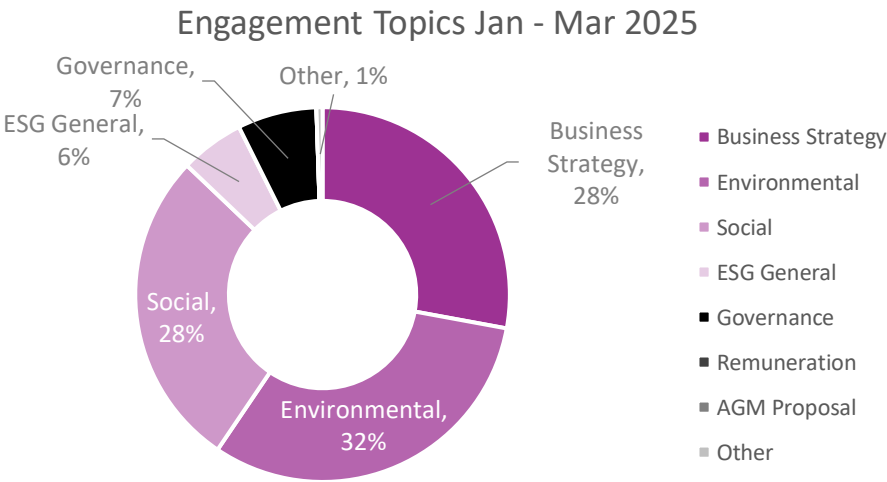
Total of Engagement Activity



The chart below shows a breakdown of the geographic market focus in engagement over the last quarter. The weighting of engagement is broadly inline with last quarter with a small decrease in the UK focus the most notable change.



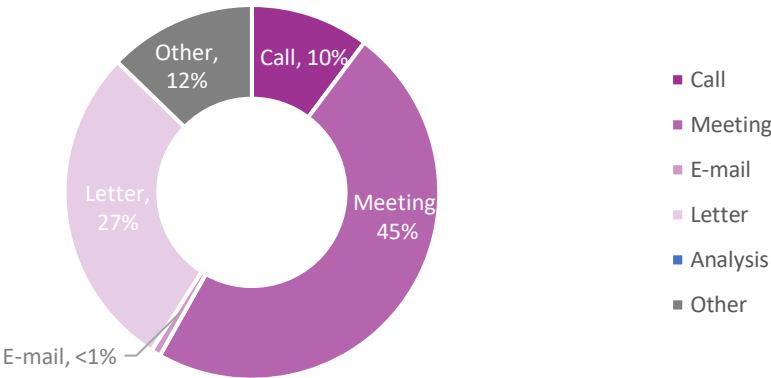
The range of topics covered through engagement is set out in the chart below with a continuing strong focus on business strategy and social topics with an increase in the focus on environmental issues this quarter.



The method by which companies are engaged is important. Letters and emails are much more easily ignored or likely to generate a stock response from companies, whereas calls or meetings allow for more effective and genuine interaction with the company. The positive momentum seen over recent

quarters in the proportion of engagement taking place via calls or meetings has been maintained, increasing slightly to make up over 55% of total engagement this quarter.

Engagement Method Jan - Mar 2025



More details of the engagement activities undertaken by Border to Coast and Robeco in the quarter are available [here](#). Robeco provided updates on their engagement covering the following areas: Good governance; Labour practices; climate and nature transition of financials and SDG engagement. The highlights from Robeco’s engagement report are summarised below.

Palm Oil

Robeco’s engagement on deforestation and sustainable palm oil production has focused on mitigating environmental and social risks while preserving investor value. Launched in 2022, its three-year enhanced engagement program targeted palm oil producers in Malaysia and Indonesia with 50–80% of land RSPO-certified, aiming for at least 80% by December 2024. The initiative promoted RSPO certification, deforestation-free supply chains, biodiversity protection, and human rights. Outcomes were largely positive: most companies improved regulatory compliance and aligned with EU Deforestation Regulation (EUDR), TCFD, and TNFD standards. Despite Scope 3 emissions challenges, progress was evident.

Building on this, Robeco expanded its focus in 2025 to other forest-risk commodities—soy, cattle, timber, and pulp and paper—through a new three-year deforestation engagement program. Based on due diligence screening, seven high-risk companies were selected. These companies are expected to adopt zero-deforestation, human rights policies, implement risk monitoring in sourcing, report transparently, and remediate past breaches.

Robeco also reinforced deforestation-related criteria in its proxy voting guidelines, pledging to vote against agenda items for companies lacking adequate policies or involved in controversies. This strategic engagement supports the Kunming-Montreal Global Biodiversity Framework, recognizing deforestation as a systemic risk to biodiversity and long-term portfolio returns. By influencing companies to adopt sustainable practices, Robeco aims to drive industry-wide improvements while contributing to global net-zero and biodiversity goals.

Navigating conflicts and human rights impact in a complex environment

Robeco launched a three-year engagement in late 2021 aimed at strengthening corporate responsibility and human rights due diligence (HRDD) in conflict-affected and high-risk areas (CAHRAs). The initiative focused on encouraging companies across various sectors to enhance their understanding of conflict-specific human rights risks and develop appropriate mitigation strategies. While some companies made notable progress by introducing conflict-sensitive HRDD frameworks, including risk assessment models and mitigation strategies, others failed to act despite criticism from civil society and investors.

A consistent challenge across the engagement was the establishment of effective grievance and remediation mechanisms. Although whistleblower channels existed for employees and tier-1 suppliers, access for lower-tier suppliers and communities was limited. Few companies incorporated stakeholder input in designing these systems or disclosed outcomes, undermining trust and effectiveness—particularly in conflict contexts.

Throughout the engagement, Robeco observed candid dialogues with some companies, yielding insights into their internal considerations even if public disclosures were limited. These exchanges highlighted the complexity of working in CAHRAs and the absence of a one-size-fits-all solution.

Key developments during the engagement included the introduction of the UNDP's Heightened HRDD guidance in 2022 and the EU's Corporate Sustainability Due Diligence Directive (CSDDD) in 2024, reinforcing global momentum toward stronger corporate accountability. As the engagement concludes, Robeco is developing a new screening methodology to identify companies with links to CAHRAs for future engagements. The aim is to ensure continued improvement in managing human rights impacts in volatile regions amid rising global conflicts.

Emerging Trends in Human Capital Management: From D&I to Comprehensive Workforce Strategies

Robeco has evolved its Diversity & Inclusion (D&I) engagement theme into a broader Human Capital Management (HCM) approach to reflect both internal research insights and external societal shifts. Initially focused on diversity disclosures, gender pay gaps, and board representation, the expansion was driven by findings that broader HCM factors—such as employee satisfaction, training, compensation, and retention—strongly correlate with financial performance and long-term value creation.

This evolution also responds to increasing political polarization, especially in the U.S., where D&I programs have faced pushback. To remain effective across diverse regulatory environments, Robeco reframed the engagement to focus on overall workforce strategy, making it more adaptable and constructive.

The HCM approach encourages companies to go beyond diversity metrics and address systemic workforce issues, including fair wages, well-being, career development, and labour practices. Robeco emphasizes transparency and the integration of ethical practices across all workforce levels.

While challenges remain—such as inconsistent data, fragmented regulations, and a disconnect between corporate actions and systemic inequalities—Robeco believes managing human capital is a financial imperative. A holistic, future-ready HCM strategy not only strengthens workforce resilience and innovation but also enhances investor confidence in a company's long-term success.

Border to Coast Engagement

Border to Coast produced their quarterly Stewardship report which outlined a number of their key engagement highlights during the quarter and can be viewed [here](#).

BP

Following confirmation of BP's strategy reset in Q1 2025, which weakened its climate targets and transition plan, Border to Coast met with the company to raise its concerns.

This included that BP's transition plan was approved by a large majority of shareholders in 2022 and had twice been reduced in ambition without renewing that shareholder mandate. A request for a vote at the 2025 AGM was not forthcoming. Border to Coast advised the company of their voting and escalation policies and the implications for BP.

At BP's AGM in April 2025, Border to Coast voted against management on an unprecedented number of agenda items. They voted against the re-election of the Chair of the Board, and three other directors, including the Chair of the Sustainability Committee and members of the Nomination and Remuneration Committees. They also voted against acceptance of the annual report and against approval of the remuneration report. As part of Border to Coast's engagement escalation, they signalled their concern by publicly pre-declaring these votes ahead of the AGM.

An exceptional 24% of shareholders voted against the re-election of the Chair. Engagement with BP is ongoing.

HDFC Bank

Border to Coast is the Chair of the new Institutional Investors Group on Climate Change (IIGCC) Working Group on Just Transition, which will support the integration of just transition into the Net Zero Investment Framework (NZIF); the most widely used investor guide to setting targets and producing net zero strategies and transition plans.

The working group has also commenced an engagement pilot with HDFC Bank in India to explore just transition integration in an emerging markets context. HDFC Bank was chosen as a market leader in social integration.

In March 2025, Border to Coast, RLAM, Schroders, Robeco and LGPS Central met with HDFC Bank and were joined by the London School of Economics Just Transition Finance Lab and Asia Investor Group on Climate Change (AIGCC). The purpose of the meeting was to introduce the concept of just transition, discuss the issue in an Indian context, and encourage leadership from HDFC by integrating social inclusion, development, and net zero objectives. The meeting was positive, and various guidance and case studies were provided for HDFC's consideration. Engagement is ongoing.

LAPFF Engagement

Local Authority Pension Fund Forum ("LAPFF") is another relevant organisation which SYPA is a member of where LAPFF carry out activity and engagement with invested companies. A detailed report of the work undertaken by LAPFF in the quarter is available [here](#). A selection of key issues worked on during the quarter are summarised below and include:

Homebuilders: LAPFF continues its active engagement with the UK's largest housebuilders on their climate transition strategies. The sector's emissions stem from both construction processes (including supplier-related emissions like diesel use and cement production) and from homes in use. LAPFF's engagement focuses on ensuring companies have clear, Paris-aligned transition plans and

targets, strategies to achieve net-zero homes, collaboration with suppliers to cut emissions, and readiness for new regulations such as the Future Homes Standard. In Q1, LAPFF engaged with Persimmon and Barratt Developments, and re-engaged with Vistry, this time emphasizing governance issues.

Persimmons: LAPFF engaged with Persimmon to review its transition plan, focusing on Scope 3 emissions, just transition planning, and decarbonising its value chain. Persimmon is finalising a net-zero plan targeting a 90% emissions reduction by 2045 and integrating local employment and supply chain opportunities. It has reported Scope 3 emissions since 2022, with ongoing efforts to refine carbon data. The company is working with Future Homes Hub, developing a hybrid carbon reporting approach, and preparing for new regulations, while further clarity on supplier commitments is needed.

Barratt Redrow: LAPFF engaged Barratt Redrow post-merger to review its decarbonisation strategy and sustainability commitments. Discussions with leadership covered balancing net-zero goals with large-scale housing needs amid regulatory uncertainty and infrastructure challenges. Barratt Redrow reaffirmed its commitment to net-zero homes, embedding climate risks into its strategy and collaborating with suppliers to align industry expectations. The company emphasised electrified housing innovation, highlighting the Zed House and eHome2 projects. Workforce transition and upskilling were also noted as priorities. CEO David Thomas's role on the UK's Net-Zero Council underscores the company's commitment to driving sector-wide decarbonisation aligned with the Future Homes Standard.

Energy Suppliers - Iberdrola: LAPFF engaged with Iberdrola to review its decarbonisation strategy. The company is on track to achieve carbon neutrality for Scope 1 and 2 emissions by 2030 and targets Net Zero by 2040. While 81% of its energy production is emission-free, challenges remain, particularly in Spain and the US, where gas distribution plays a key role. Iberdrola's stakeholder engagement on just transition appears robust but cautious in fossil fuel-reliant regions. The company is also advancing nature-based carbon offset programs, though their effectiveness in industrial sectors is yet to be proven.

LAPFF notes that both Iberdrola and SSE are progressing in their decarbonisation plans but face challenges due to ongoing reliance on gas for energy security. SSE's recent leadership changes add uncertainty, highlighting the need to reinforce governance and maintain momentum. SSE is focusing on carbon capture and storage (CCS), while Iberdrola pursues nature-based solutions. LAPFF remains cautious about the long-term viability of CCS and stresses the need for clearer links between these initiatives and tangible cost benefits to ensure alignment with both sustainability and affordability goals,

Oil & Gas – BP & Shell: LAPFF continues to engage BP and Shell, scrutinizing their strategic shifts away from renewable energy investments and testing the long-term viability of their fossil fuel-centric business models. LAPFF's stance is grounded in the belief that global demand for hydrocarbons will decrease over time and that only the lowest-cost producers will remain competitive. Moreover, as renewable power—especially solar—can be deployed in a decentralized and scalable way, the need for large oil and gas companies to dominate the energy transition is diminishing.

Shell has faced criticism from LAPFF over its expanded focus on LNG, particularly through its plans for Liquid Synthetic Gas (LSG), which combines hydrogen and captured CO₂ to create methane. While Shell claims LSG can utilize existing LNG infrastructure, LAPFF highlights significant concerns over its inefficiency, high energy consumption, and reliance on government subsidies. LAPFF sees this as a risky strategy to prolong the life of fossil infrastructure. Shell's previous credibility issues—such as overpromoting tree-planting as a decarbonization strategy—fuel further scepticism. Although Shell claims it cannot make the investment case for renewables, LAPFF argues that

instead of buybacks, more cash should be returned directly to shareholders as the fossil sector contracts.

BP, once viewed as more progressive within the sector, has also reversed course. In early 2025, it announced it would abandon key parts of its integrated energy strategy, cut back on non-fossil investments, and expand oil and gas production, with targets now up to 2.5 million barrels of oil equivalent per day by 2030. This U-turn from earlier pledges to reduce output has drawn LAPFF's attention, particularly as BP has decided not to put its revised climate strategy to a shareholder vote at its upcoming AGM, undermining transparency. LAPFF is also monitoring the influence of Elliott Advisors, which has reportedly pressured BP to refocus on fossil fuels, though no clear shareholder value uplift has yet materialized.

LAPFF maintains that its policy has never required oil majors to become renewable energy leaders but instead to manage a clear and credible decline in fossil fuel reliance. With both BP and Shell backtracking on climate ambitions, LAPFF stresses the urgent need for rigorous capital discipline, transparency, and caution over technologies like CCS and synthetic fuels, which are energy-intensive and offer limited net-zero contributions. The managed decline of the fossil sector, LAPFF asserts, remains the only realistic path to align with Paris Agreement goals.

Portfolio ESG Performance

Equity Portfolios

Each of the equity portfolios is monitored by Border to Coast in terms of its overall ESG performance with data reported quarterly. This section of the report provides a summary of performance and of changes over time. The full reports are available for Authority members in the on-line reading room, but this summary provides a high-level indication of the position of each of the listed funds.



Overall, this continues to show a broadly positive picture, however during the quarter the MSCI ESG score fell for the Emerging Markets Equity Fund from 6.2 to 6.1. Increased positions in the Fund's lowest rated entities, including in Shanxi Xinghuacun Fen Wine drove the marginal reduction. Though the Fund and benchmark hold the same proportion of ESG leaders and laggards, the Fund holds significantly more of the "upper average" rated issuers resulting in the differential to the benchmark. The ESG score for the Listed Alternatives Fund also fell from 7.6 to 7.3 however the score remains materially above the benchmark.

Each quarter Border to Coast's reporting on carbon emissions features particular stocks and their plans for decarbonisation. To increase the level of transparency on the engagement undertaken with companies and the assessment of their future decarbonisation plans, case studies for each listed fund are included below. It should be recognised that these metrics do exhibit volatility quarter-on-quarter as companies report emissions data annually and metrics fluctuate as market capitalisation and reported revenues fluctuate.

Overseas Developed Fund

The Fund saw an 8% decrease in its financed emissions and a 4% decrease in its carbon intensity however weighted average carbon intensity (WACI) increased by 6%. The Fund remains below the benchmark across all emissions metrics.

Featured Stock: L'Air Liquide

L'Air Liquide is a French company that provides industrial and medical gases to global industries. The company has defensive qualities and is attractive for its conservative management team focussed on the implementation of efficiency and cost reduction measures that are expected to yield higher earnings.

In 2022 the company committed to achieving carbon neutrality by 2050, with key milestones set for 2025 and 2035. Notably, Air Liquide's target to reduce Scope 1 & 2 CO₂ emissions by 2035 has been validated by the Science Based Targets initiative (SBTi), making it the first in its industry to receive this endorsement. Air Liquide is actively supporting decarbonization efforts with innovative solutions such as CO₂ capture, low-carbon hydrogen, and air gases. In 2024, the company increased its low-carbon electricity sourcing, with over 40% of its power derived from renewable or nuclear sources. It also secured a record volume of power purchase agreements (PPAs), totalling 2,500 GWh. In 2024, Air Liquide achieved an 11% reduction in Scope 1 & 2 CO₂ emissions compared to 2020, surpassing its 2025 target. The company's carbon intensity has decreased by 41% since 2015, exceeding the 2025 reduction goal of 30%. Air Liquide's first climate transition plan outlines its strategy, and the steps needed to reach carbon neutrality by 2050.

UK Listed Equity Fund

The Fund saw a 16% decrease in financed emissions dropping below the benchmark. The significant drop is partly explained by the benchmark, which saw financed emissions drop by 12%. The remaining drop is driven by the reduced position in Glencore, previously a top contributor to financed emissions, and a reduction in the Fund's active weight in top emitters, Shell, Carnival and Rio Tinto. The Fund sits below benchmark on financed emissions but continues to sit above benchmark on carbon intensity and WACI. The Fund's active weight in Shell, Rio Tinto, National Grid and Intercontinental Hotels Group drive the differential in WACI versus the benchmark.

Featured Stock: National Grid

National Grid is the Fund's largest holding in the utility sector. Following the recent divestment of its UK gas distribution assets, it now owns, develops and operates regulated electricity transmission and distribution networks, whilst in the North-Eastern United States it owns gas distribution networks alongside electricity distribution & transmission facilities. Through its NG Ventures division, it also operates a portfolio of flexible, low-carbon and renewable energy businesses, including electricity interconnectors, LNG, battery storage, wind and solar power. It has recently agreed the sale of its US Renewables business as part of plans to significantly increase grid investments in both the UK and the US over the next 5 years.

National Grid is one of the UK's largest investors in the energy transition including undertaking the most significant overhaul of the UK grid in generations with the company having a key role to play in facilitating the UK government's ambitious Clean Power 2030 target for zero-carbon electricity, whilst also delivering the largest investment in New York's electricity transmission network for over a century. Following a successful rights issue last year it has initiated a new 5-year £60bn capital investment programme through to 2029 with more than half of that investment in the UK, representing a near 50% increase over the previous plan. Of this, £51bn is to be directly invested into the decarbonisation of energy networks with EU Taxonomy alignment. National Grid is committed to achieving net zero for Scope 1,2 & 3 emissions by 2050 with interim objectives for a 60% reduction in Scope 1 & 2 emissions by 2030/31 and a 37.5% reduction in Scope 3 emissions (excluding sold electricity) by 2033/34, both from a 2018/19 baseline, and has maintained MSCI's highest AAA ESG rating over the last 5 years.

Emerging Markets Equity Fund

Quarter on quarter, the Fund saw a significant decrease in financed emissions (28%), carbon intensity (27%) and weighted average carbon intensity (WACI) (20%). This was primarily driven by Grasim, the Fund's top contributor to financed emissions. Though Grasim remains the Fund's top contributor to financed emissions, the quarter saw a 0.7% drop in portfolio weight which resulted in a 25% reduction in the Fund's financed emissions.

Featured Stock: Qatar Gas Transport

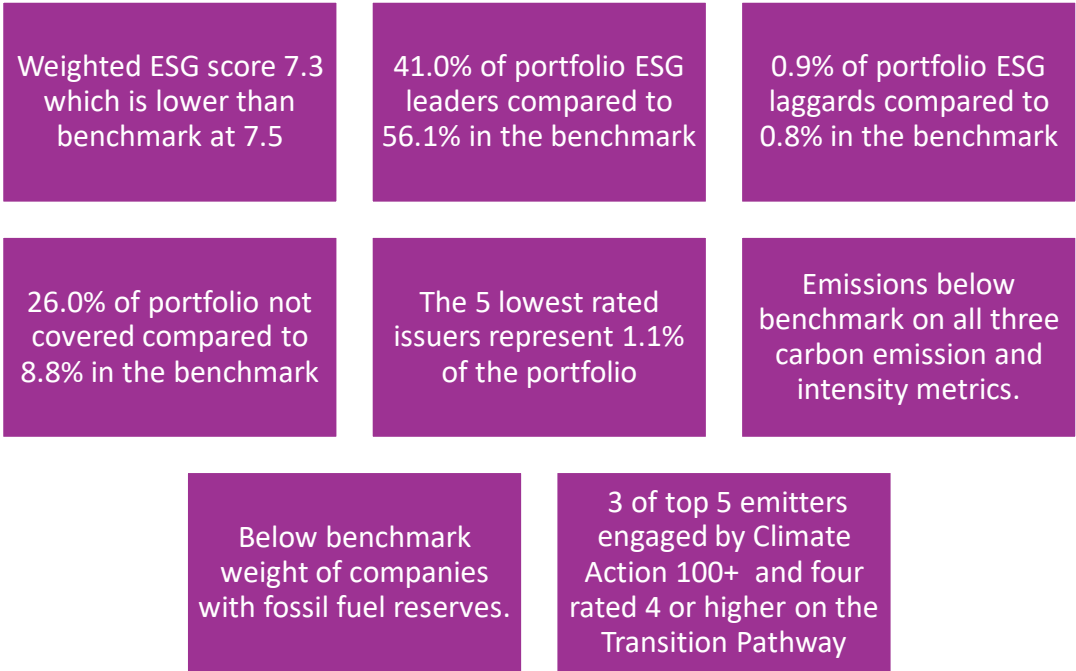
Qatar Gas Transport Company, also known by its trading name, Nakilat, is a liquefied natural gas ('LNG') transport operator. The Company was established in 2004 with the strategic aim of becoming Qatar's LNG sector shipping arm. It currently has the world's largest LNG carrier fleet in operation, with a fleet of 74 vessels both wholly and jointly owned, putting them in control of approximately 11% of the global LNG carrier fleet.

The global awareness of climate change has resulted in commitments across the globe to reduce greenhouse gas emissions. These commitments have timeframes that require an energy transition to progressively move to reduce the use of fossil fuels, as well as a rebalancing to cleaner energy sources. Though still a fossil fuel, LNG is perhaps the cleanest and it represents a complementary pathway to reduce greenhouse gas emissions. LNG generates 30% less carbon dioxide than fuel oil and 45% less than coal, with a two-fold reduction in nitrogen dioxide and almost no sulphur dioxide. The invasion of Ukraine by Russia has resulted in even faster growth in demand for LNG as Europe has looked to improve its energy security and diversify its supply away from Russia. Qatar has the world's third largest proven gas reserves and is undergoing rapid expansion and growth in its LNG capacity. The Company provides the shipping infrastructure for this supply to be transported to the customer and as such has attractive long-term growth prospects. The Company has committed to

the International Maritime Organisation's decarbonisation target for 2050 and has set operational targets to decarbonise its fleet to be achieved by that date.

Sterling Investment Grade Credit Fund

Similar information is now available for the Investment Grade Credit portfolio as is available for the equity portfolios. It is important to note that while the availability and quality of ESG data has been improving in recent years, there can still be material gaps across the fixed income market. This is particularly prevalent where a debt-issuing entity does not also issue publicly listed equity, which, in most cases, the fixed income issuer maps to. The highlights from this report are set out below:



The Fund's weighted ESG Score has remained constant at 7.3. A marginal increase in the benchmark's ESG score from last quarter has seen the gap to benchmark increase. The Fund maintains a large overweight position in UK government bonds and underweight positions in European Investment Bank and KfW bonds which drives the differential. As UK government bonds have an ESG rating of 'A' (which is considered to be an average score, rather than the score of an ESG leader) this downwardly influences the Fund's ESG scoring relative to benchmark. The Fund's underweight position in high emitting sectors such as materials and energy increases the sensitivity to its highest emitters.

The Fund's WACI saw a marginal change across the quarter. The Fund's financed emissions decreased by 10% and carbon intensity 6%. The Fund saw increases in the market capitalization of several issuers including high emitters, Engie, Enel and E.ON. This change in valuation led to reduced financed emissions and carbon intensity. WACI is not sensitive to these changes, and so did not see a similar decrease.

Commercial Property Portfolio

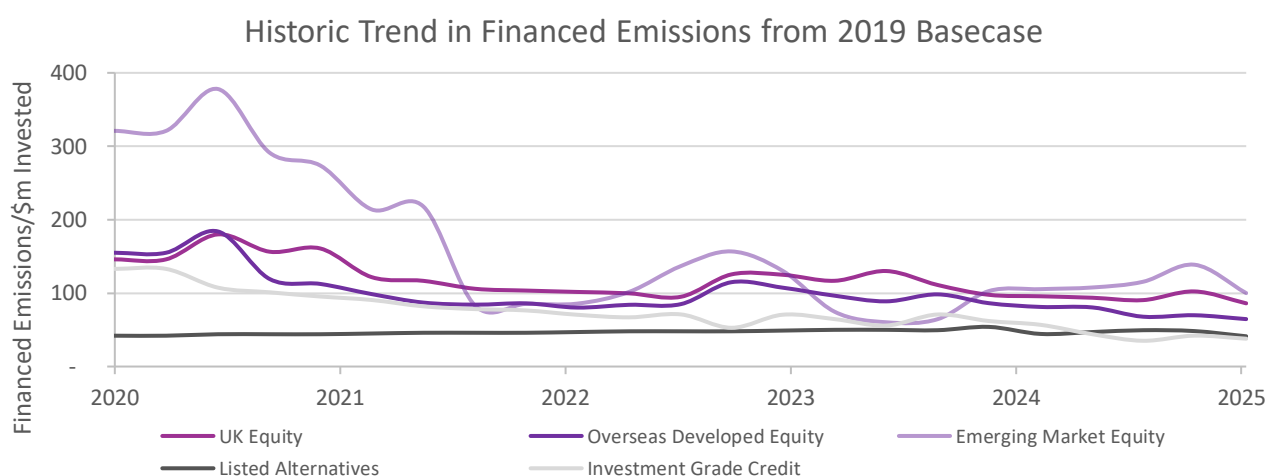
During the last quarter of 2024, part of the directly held property portfolio transitioned into a pooled investment vehicle managed by Border to Coast and made up of the direct property assets of other Partner Funds.

This transition of assets is in support of the pooling process, however it limits the direct control that SYPA has over the specific assets to make dedicated decisions to reduce the carbon footprint. Instead, investment decisions will now be taken by Border to Coast with the continued support of Abrdn who were the Fund Manager for the SYPA assets, when under direct ownership. Border to Coast is targeting net zero for the UK Real Estate Fund of 2050 and we will continue to push for a more ambitious target.

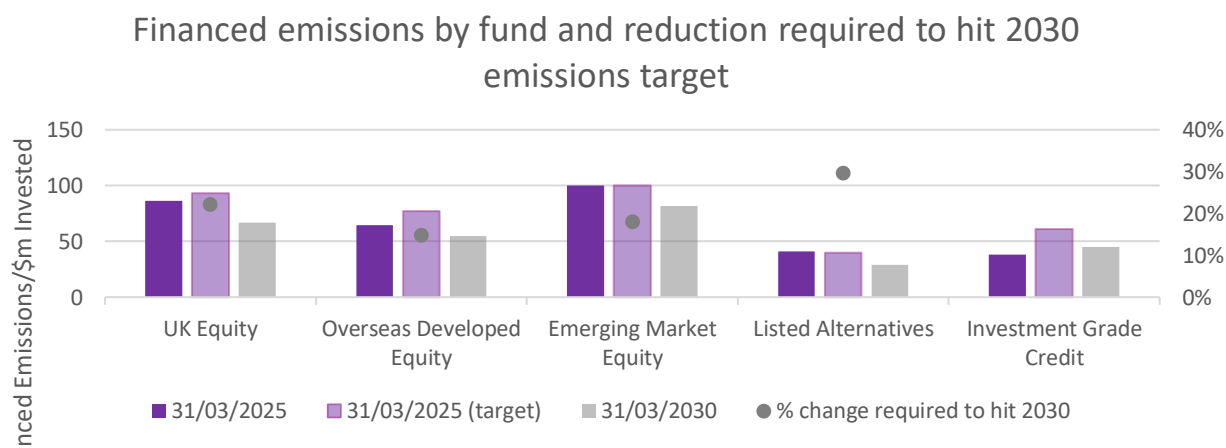
Progress to Net Zero

This section of the report considers progress towards Net Zero using the emissions data provided on a quarterly basis by Border to Coast. The graph below shows the historic trend for what is now termed financed emissions (i.e. absolute carbon emissions) which is the main indicator for which targets have to be set. This now includes emissions data for the Listed Alternatives fund, therefore covers five publicly traded funds held with Border to Coast for which carbon emissions data is available.

The below graph shows the movement of actual financed emissions of the listed funds held over time. It should be noted that some volatility in financed emissions quarter-on-quarter is to be expected as firms report on emissions annually. However, the financed emissions trend has been directionally reducing, albeit with some volatility and at a slowing rate over recent quarters.

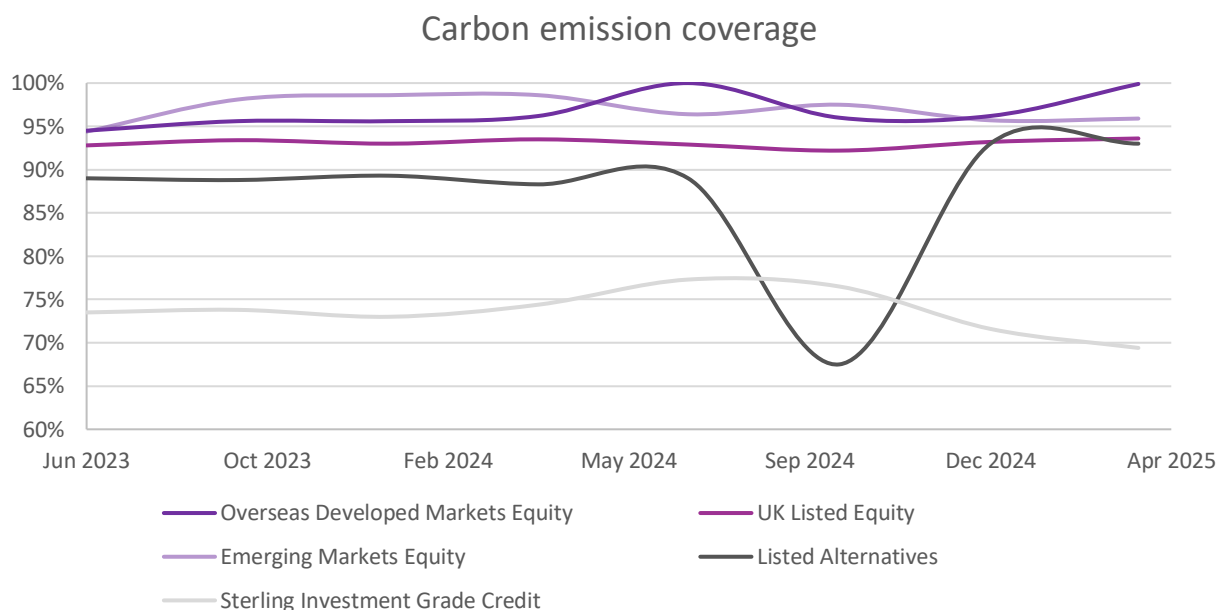


The below chart shows that the Overseas Developed Equity, UK Equity, Emerging Markets Equity and Investment Grade Credit funds have reached the interim 2025 financed emissions target to meet the net zero goal by 2030. The Listed Alternatives Fund missed its interim target by c3%. It should also be noted that some level of volatility in financed emissions at a fund level can be expected, as firms report emissions annually and changes in overall market value and changes in underlying securities will impact the reported metrics. As previously stated, reaching the net zero goal by 2030 will require a change in the emissions reduction trajectory of the reported Border to Coast funds that is significantly beyond the current Border to Coast targets.



Coverage

The proportion of companies covered is an important metric when assessing the progress made to net zero. Without a high level of coverage, the emissions reduction picture will be incomplete and inaccurate. The graph below outlines how the level of coverage in the funds held with Border to Coast has developed over time. It can be seen that over time the % of the individual funds covered has in general improved. However, the progress has largely plateaued within the last year with a decrease in the coverage of assets in the Overseas Developed Markets Equity Fund. It should also be noted that, despite recent progress, there are further improvements to be made on the Sterling Investment Grade Credit, which decreased due to new securities added this quarter, and the coverage of the Listed Alternatives Fund maintained its >90% coverage following a previous drop in coverage due to a change in investment strategy.



As has been made clear previously, the forecast reduction in emissions shown is dependent upon Border to Coast delivering the targets set out in their own Net Zero Strategy. This further depends on changes within the investment process as well as on the actions of individual companies. Officers continue to engage with Border to Coast to further understand both the nature of the changes being made to the investment process and their likely impact.

Beyond this the current investment strategy, revised in 2023 and undergoing implementation, will result in changes to the mix of assets that reduce the level of emissions from the portfolio. However, this process is too early stage to determine the scale of any reduction. As has previously been reported there remains a very strong probability that the Net Zero Goal will be missed although there is a possibility, should all portfolios achieve the reductions targeted by fund managers, that a date earlier than 2050 could be achieved.

It should also be noted that while there is, rightly, a significant focus on emissions there is no credit in the calculations for the emissions avoided by the significant investment by the Authority in renewable energy, natural capital and other climate solutions and this is something that we are working with investment managers on and will look to begin reporting on in future.

Stakeholder Interaction

In January the Director met with members of the South Yorkshire Fossil Free Group to discuss the Pension Authority's plans and progress to a net zero investment portfolio. Additionally, questions have been answered regarding the value of investments in defence companies and Israeli based securities.

Collaborative Activity

This section focuses on the notable activity and developments during the quarter through the various collaborations in which the Authority is either directly involved or indirectly involved through Border to Coast.



LAPFF held a business meeting during the quarter which included member input into the draft workplan for the year 2024/2025



The IIGCC published its annual report which outlines its refined strategy to support investors in navigating climate-related challenges, centred on four strategic priorities: Net Zero, Nature, Adaptation and Resilience, and Emerging Markets & Developing Economies.

- 1. Net Zero:** IIGCC launched the second iteration of the *Net Zero Investment Framework (NZIF 2.0)*, enhancing guidance across asset classes. This includes resources for infrastructure, private equity, and externally managed assets. Engagement initiatives scaled up, including the *Net Zero Engagement Initiative*, targeting 160 companies, and the *Climate Action 100+*, which added 90 new signatories and introduced enhanced benchmarks.
- 2. Nature:** Recognising the financial materiality of nature-related risks, IIGCC co-convened *Nature Action 100* and assumed the Secretariat role for the *Financial Sector Deforestation Action* initiative. New benchmarks were launched at COP16 to assess corporate action on biodiversity, land use, and deforestation.
- 3. Adaptation & Resilience:** The *Physical Climate Risk Methodology (PCRAM)* entered phase two, helping investors frame physical risk as a value creation issue. Guidance was also released on methane emissions and scope 3 data, reflecting rising investor interest in comprehensive climate risk management.
- 4. Emerging Markets:** IIGCC stressed the importance of investing in developing economies, launching policy engagements and advocating for private sector inclusion in global climate finance frameworks.

With growing membership, expanded events, and enhanced research, IIGCC continues to support long-term investor action on climate, aligning financial objectives with a net zero and resilient future.

Policy Development and Industry Highlights

This section of the report highlights the key pieces of policy and industry related activity which have taken place that will impact SYPA in the future.

Net Zero Asset Managers (NZAM)

In January, the United Nations-backed Net-Zero Asset Managers (NZAM) initiative suspended all activities, including monitoring its members' climate commitments, following BlackRock's recent exit. The move reflects growing political and regulatory challenges, particularly in the U.S., prompting a full review of the program's structure and purpose. As part of the suspension, NZAM has removed its signatories' list, commitment statements, and case studies from its website.

This operational pause comes after significant turbulence: BlackRock's withdrawal was followed by a wave of U.S. banks leaving the Net-Zero Banking Alliance, amid increasing political scrutiny. The House Judiciary Committee's long-standing investigation into NZAM and similar groups alleges that these alliances collude to enforce ESG policies, potentially violating U.S. antitrust laws. A committee spokesperson welcomed the suspension as validation of these claims, urging other financial institutions to abandon "woke" climate policies.

Critics of NZAM's suspension warn of the risks. ShareAction's Lewis Johnston called it a setback in the fight against climate change, emphasising that climate risks are financial risks. Sierra Club's Ben Cushing noted that many NZAM members were already lagging on their climate goals, and urged that the review should strengthen, not weaken, requirements. Tracey Lewis of Public Citizen criticised the retreat as politically motivated, highlighting that climate risks endanger Americans' financial security.

Despite U.S. political shifts, experts stress that global climate disclosure requirements—such as those in the EU and California—will still compel corporations to act. NZAM maintains that it has supported investors in aligning with fiduciary duties and long-term goals and plans to continue playing a constructive role after the review. The episode underscores tensions between global climate imperatives and evolving U.S. political dynamics over ESG investing.

Reaction to BlackRock's withdrawal

Dutch pension fund PME is reconsidering its €5bn mandate with BlackRock due to concerns over the asset manager's retreat from sustainable investing. PME, which manages €60bn in total assets, criticised BlackRock's withdrawal from key climate initiatives, Climate Action 100+ and the Net Zero Asset Managers (NZAM) alliance, stating this undermines its climate strategy and engagement leverage. PME has invited BlackRock's Netherlands branch for discussions and may terminate the partnership in a "cost-neutral" way if concerns aren't addressed. The move aligns with a new campaign by Fossil Free Netherlands urging pension funds to sever ties with BlackRock over its substantial fossil fuel investments, estimated at \$400bn. Other pension funds which have fossil-free policies, have expressed disappointment but aren't currently ending their contracts, emphasising they maintain control over climate-related exclusions and voting policies. The situation highlights growing tension between asset managers and investors prioritising sustainability.

Note some data within this report is provided by Border to Coast using data provided by MSCI to which the following applies.

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Subject	Update on Pensions Administration Improvement Plan	Status	For Publication
Report to	Authority	Date	5 June 2025
Report of	Assistant Director - Pensions		
Equality Impact Assessment	Not Required		
Contact Officer	Debbie Sharp, Assistant Director Pensions	Phone:	01226 666480
E Mail:	dsharp@sypa.org.uk		

1 Purpose of the Report

- 1.1 To update the Authority on the Pensions Administration Improvement Plan.

2 Recommendations

- 2.1 Members are recommended to:
- Note and comment on the 2024/2025 plans for Administration improvement that are in place.**
 - Agree the Data Quality Strategy at Appendix A**

3 Link to Corporate Objectives

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

Customer Focus

To design our services around the needs of our customers, whether scheme members or employers.

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision-making processes. The report includes information about the engagement with the employers in the scheme and how SYPA can support them to complete their responsibilities.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times. The report includes detail on the overall administration performance to ensure Members are able to scrutinise the service being provided to our customers.

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 seek to address operational risks around data quality and backlogs in work (O2 and O6) and the people risks around vacancy levels and single points of failure (P1 and P2). The key mitigants of these risks identified are the plan to address backlogs on a systematic basis and the recruitment to new roles approved by the Authority which increased the resilience of the team and ensures that there will be sufficient resources to handle incoming work.

5 Executive Summary and highlights

- 5.1 Further work was undertaken on improving the Authority's pension administration service in the last quarter. This was as well as complying with the statutory deadlines for benefit and transfer payments, onboarding new employers and ceasing those that no longer have active members in the Fund as well as collecting monthly membership data.
- 5.2 A Data Quality Strategy is attached to this report at Appendix A for approval.
- 5.3 At time of writing 70% of the backlog has been cleared.
- 5.4 RAG status for Administration Improvement activities

Corporate Action	Update	On Target
A1 – Improvements in Data Quality	GMP reconciliation and rectification project completed. Data Quality Policy in draft for Board agreement.	Yes
A2 – Recruit to the Pensions Administration structure	Completed	Completed
A3–System Improvements	System Audit actions slowed due to resource issues. Work complete on the first process improvement. Next processes for improvement identified and project plans being drawn up.	At Risk
A4– Clear backlogs	67% of backlog cleared as at end of March 2025. Behind target and focus is currently on clearing backlog work that will have the biggest impact on the Fund valuation.	At Risk
A5 – Implement the McCloud Remedy	Dependant on Software supplier developments. Delays for phase 2 developments. Authority determining that the McCloud remedy will be delayed until 31 August 2025.	No
A6 – Successfully link SYPA to the	ISP contract awarded to Civica. Phase 2 has started, which will see the connection to the Pensions Dashboards by 31 October 2025.	Yes

Pensions Dashboards		
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- 5.5 Members have been asked as part of a separate item on this agenda to agree to a determination that as the Authority will not be in a position to fulfil its statutory obligations in 2025 regarding the McCloud rectification work, this is delayed to 31 August 2026. This course of action minimises both the regulatory and operational risks related to this work.

6 Background and Options

- 6.1 The Corporate Plan introduced an Administration Improvement Plan. The Plan is a series of interlinked activities, intended to address long standing issues, which have affected the underlying performance of the administration service, and to place the service on a stable and sustainable basis.

The plan was influenced by;

- Changes in the nature of the scheme caused by regulatory changes which will require the recalculation of benefits in payment and entitlements for a sizeable proportion of scheme members.
- The need to address the long-standing backlogs and process issues within the administration service.
- Developments within the Local Government Pension Scheme and the wider pensions industry such as the Pensions Dashboard.
- Technological developments.
- Feedback from stakeholder groups, including scheme members, employers and our staff.

This programme of work incorporates the need also to address things over which the Authority has no choice, such as the need to implement the changes in the pension regulations arising from various legal challenges related to discrimination based on either age or gender. The improvement plan represents a significant volume of work for the team over a number of years and must not be underestimated.

- 6.2 The Administration Improvement Plan aims to deliver in six key areas:

A1 – Improvements in Data Quality

A2 – Recruit to the Pensions Administration structure approved at the end of 2023.

A3 – System Improvements to ensure that the Authority is making the best use of technology.

A4 – Clear backlogs

A5 – Implement the McCloud Remedy

A6 – Successfully link SYPA to the Pensions Dashboards

- 6.3 A1 - Improvements in Data Quality

A Data Quality Strategy is attached at **Appendix A** for agreement. This focuses on overall data quality not just The Pension Regulators (TPR) annual scores.

As the Authority is continually monitoring data quality individual data improvement plans are put in place for separate activities, including end of year data cleansing,

queries arising from the valuation and Pensions Dashboards. The inhouse data reporting tool DART is used to help monitor the presence, quality and format of data and this helps determine further steps needed as part of specific data improvement activities.

Keeping and maintaining high quality data has become increasingly challenging over time due to the continuing increase in the number and type of employers together with the, increasing numbers of scheme members, employers using external payroll providers and the complexity inherent in the scheme's design. However, the Authority is committed to meeting these challenges. A document showing the annual programme for the monitoring and reviewing of data is attached at **Appendix B**.

Data improvements are currently being targeted to areas that will improve the data quality for the Actuarial Valuation. The Authority has been working with the Actuary to ensure resources are assigned correctly.

The GMP reconciliation and rectification project is now complete. This cleared over 11,000 cases. No mean feat by the Authority's system team.

6.4 A2- Recruit to the Pensions Administration structure approved at the end of 2023.

This action is now complete.

6.5 A3 – System Improvements

The focus in this area is to ensure Authority is making the best use of technology, review the operational workflows and overhaul performance reporting.

As previously reported an audit of how the Authority uses the Civica, UPM Administration system was undertaken on 5 June 2024 and due to staff issues and other project pressures this project is currently on hold. A further Audit has been undertaken on the Web Portal though and actions are being identified as priority from the action plan produced by Civica.

UPM Steering Group is meeting quarterly.

Pensions' Team plan is monitored monthly by the Pensions management team. Work across the 4 individual teams is targeted to ensure corporate improvements are delivered along with day-to-day workloads and other one-off projects.

Performance reporting – the Dashboards introduced are being used in everyday operations and are helping the Teams understand performance, output and workloads.

Transfer Out Process Improvement Project

This project is complete, and lessons learned from the way in which this project was delivered are being used in the planning of the next process reviews to ensure that they are completed in a timelier manner.

6.6 A4 – Clear backlogs.

Progress on addressing the backlog continues with 70% of cases complete at the time of writing. At the current rate the team would be on track to clear the backlog by 31 December 2025 through use of overtime. Overtime was not planned to be used post April however it was used to a limited extent in May to assist in clearing cases which would impact the valuation. This has confirmed that because of the age and complexity of cases overtime is not the ideal way to try and clear the remaining cases. There has also been a change in staff. The new Benefits Service Manager is working with the Assistant Director Pensions to refocus the work of this team. Investigations are underway to investigate the usefulness of an internal taskforce team to clear the backlog. This will be implemented by redesignating one of the Benefits team on a monthly rota. At present the team is targeting areas most helpful to employers for their valuation outcomes.

Outstanding supplemental Pension Increases, due on some retirement Grants, that had not been processed since 2018, have now been completed, amounting to c. 13,000 cases. Procedures have been put in place to ensure these are processed annually going forward. 2025 supplemental payments have been processed and paid as part of the annual pensions increase process.

6.7 A5 – Implement the McCloud Remedy.

The Authority will not be able to implement the McCloud remedy within timescales laid down in statutory guidance due to delays in software developments. This is dealt with in detail in a separate report elsewhere on this agenda.

6.8 A6 - Successfully link SYPA to the Pensions Dashboards.

The Authority will connect to the Pension Dashboards ecosystem via a third party - an integrated service provider (ISP). The Authority has appointed Civica to undertake this service.

The ISP will use their processes to meet the data standards. However, as the standards apply to administering authorities, the Authority will remain responsible for compliance. The project team will ensure the Authority complies with its connection deadline, which is 31 October 2025.

There is a considerable amount of work to be completed for the Authority to prepare for dashboards, both for the initial connection to the dashboards and the ongoing business as usual once the dashboards are live. A project team is in place and meetings are being held with Civica.

7 Implications

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

Financial	The costs from the improvements being implement have been included in the Authority's approved budget. The cost
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	of overtime is being monitored on a monthly basis within an agreed budget. Procuring an ISP to connect SYPA to Pensions Dashboards will increase annual costs and will be reflected in future year's budgets.
Human Resources	The recruitment to the agreed revised structure may lead to further recruitment requirements due to the cascade effect of internal promotions. All new recruits will also require training.
ICT	None
Legal	None
Procurement	An ISP provider has been procured to connect to the Pensions Dashboards programme.

Debbie Sharp
Assistant Director Pensions

Background papers	
Document	Place of Inspection
None	

South Yorkshire Pensions Authority

Data Quality Strategy

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Introduction

This Data Quality Strategy outlines the processes and procedures that ensure that South Yorkshire Pension Authority's (the Authority) data is and continues to be of a high quality.

The purpose of the authority is to pay the correct pension benefits to our members when they fall due. It is therefore essential that the Authority achieves and maintains high data quality standards, to comply with its core function and to ensure the cost-effective use of resources. Effectively identifying areas for data improvement and to develop and monitor data action plans where further steps are needed to improve member data. High quality data is also the basis for all fund valuations and effective decision making.

Keeping and maintaining high quality data has become increasingly challenging over time due to the continual diversification of the employer base, increasing numbers of scheme members, employers using external payroll providers and the complexity inherent in the scheme's design. However, the Authority is committed to meeting these challenges by using the approaches outlined in this Strategy. It provides the parameters for assessing areas for improvement based on risk analysis and impact assessment. Through effective risk management the Authority can mitigate the impact of poor data quality, put plans in place to reduce future impact and improve process efficiencies.

This Strategy sets out our approach to protecting, obtaining, monitoring and reviewing our pension scheme data.

Aims and Objectives

Our mission:

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.

Data Quality Aims and Objectives

Our key objectives in relation to data quality are as follows:

- Ensure accurate records are maintained to enable the accurate calculation (and payment) of pension entitlements and employer liabilities; ensuring all information and data is communicated securely and accurately, within prescribed timescales.
- To improve member experience of the Authority, providing accurate information at the right time to enable them to make informed decisions about their retirement options.
- Ensure that the Authority is compliant with legislation and with the General Code of Practice and the guidance of the Pension Regulator. Furthermore, in doing so, ensuring we establish a robust, reviewable and transparent

framework necessary for the acquisition and upkeep of accurate, complete and up-to-date records.

- To ensure clarity of roles and responsibilities between the Authority and employers, ensuring all parties are committed to continuing engagement to improve data quality and promote accurate records.
- Establish proportionate, cost effective and efficient data cleansing approaches relative to the particular importance of each data item. As part of this, appropriate technology will be used wherever possible to improve data quality standards, and the streamlining of operational processing across employer and Authority workstreams.
- To ensure data management processes are clearly documented and regularly reviewed.
- To focus on making sure the Authority's data is correct at source by using preventative approaches wherever possible. Data cleansing activities should very much be used as a second line of defence, rather than the main strategy to hold clean data.

Legislative and Guidance Requirements

There are a number of legislative requirements that we must adhere to relating to data quality and record keeping, including but not limited to:

- Local Government Pension Scheme Regulations 2013
- Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014
- The Pensions Act (various) including 1995, 2004 and 2008
- Finance Act 2004
- The Occupational Pension Schemes (Scheme Administration) Regulations 1996
- The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013
- Pensions Dashboard Regulations 2022
- Data Protection Act 2018 and the Retained Regulation (EU) 2016/679) (the UK General Data Protection Regulation)
- Freedom of Information Act 2000

In addition, there is a range of guidance relating to data quality and record keeping for pension schemes including:

- The Pensions Regulator's General Code of Practice
- The PASA guidance on Data Management Plans

In developing and implementing this Strategy, we will ensure we adhere to legal requirements and have regard to guidance, prioritising those areas of guidance which have stronger compliance expectations associated with them e.g. The Pension Regulator's General Code of Practice.

Data covered by this Strategy

The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 set out records that must be maintained by governing bodies of public service pension schemes, including the Local government Pension Scheme (LGPS). We must keep records of:

- scheme member and beneficiary information. Including elements such as name, date of birth, gender, address, national insurance number and specific information relating to their scheme membership
- transactions, including employer and member contributions, pension and benefits payments and any movement or transfer of assets in and out of scheme.

Further requirements are outlined in The Pension Regulator's General Code of Practice Record Keeping, and Data Monitoring and Improvement modules.

As well as storing our data, we receive and send our data to a range of stakeholders including:

- Scheme members
- Scheme employers
- Pension Fund Committee
- Pension Board
- Pension Fund staff
- Pension Fund advisers
- Trade Unions
- Local taxpayers
- Members of the public
- Scheme Advisory Board (SAB)
- The Pensions Regulator (TPR)
- Government departments
- His Majesty's Revenue & Customs (HMRC)
- Ministry of Housing, Communities and Local Government (MHCLG)
- HM Treasury
- Department for Work and Pensions (DWP)

Effective internal controls

Under section 249B of the Pensions Act 2004, we are required to establish and operate internal controls, which are adequate for the purpose of securing that the Authority is administered and managed in accordance with the LGPS regulations and any other legal requirements. In relation to data quality, our internal controls are the systems, procedures and processes we use to ensure we meet the objectives of this Policy, and they are therefore fundamental to how we operate. We are also required to be able to demonstrate to The Pension Regulator (TPR) that we operate processes to maintain accurate and up to date records for the purpose of running the pension fund.

Some of the ways that we ensure our internal controls are robust include:

- having suitably trained pensions staff
- having clear roles and responsibilities for all staff including appropriate authorisation levels
- our staff must undertake mandatory learning on protecting personal data and information governance
- our staff are granted the appropriate level of system access (including external systems, e.g. HMRC's government portal) to fulfil their duties and that access is withdrawn upon the member of staff leaving the team. This minimises the risk of accidental loss, errors and unauthorised activity
- data manually input into systems is subject to a check by a separate and suitably experienced staff member
- all calculations of benefits are subject to authorisation by a separate suitably experienced staff member
- our administration system includes workflow processes to minimise the risk of manual error
- all payments in and out of the Fund are reviewed on a regular basis to ensure they are assigned to the correct accounting codes
- all key internal processes and procedures are documented, and subject to review to ensure they remain appropriate
- our control processes are subject to review by audit and any management actions required in connection with recommendations for improvement are monitored through to completion
- providing appropriate training to employers to ensure they can fulfil their responsibilities

Further information is included later in this Strategy on the various ways that we monitor and review the quality of data we hold.

We also have a separate procedure for Recording and Reporting Breaches of the Law and Late Payment of Contributions by an Employer which may need to be used if the internal controls referred to above have not been met.

Security and protecting scheme data

Our procedures and controls (as outlined elsewhere in this Strategy) have been designed to comply with the Data Protection Act 2018 and the UK General Data Protection Regulation. In addition, we have our own Cyber Security Strategy, which includes several requirements including staff training, cyber hygiene guidance and regular supplier cyber assessments (including relating to our IT systems).

How we send data securely

The Authority's Data security guidelines are followed when sending any personal data.

The main process we use is Egress, to secure and control information sent to third parties, to prevent any sensitive information from being accidentally sent to unauthorised recipients.

We also send data securely to our regular partner organisations and suppliers/advisers by uploading to secure portals.

In relation to data security ahead of the launch of pension dashboards, we have appointed an Integrated Service Provider (ISP) which is a third-party provider responsible for connecting our scheme data with the dashboards' ecosystem. There is no central database within the ecosystem that holds personal information and the ecosystem functions like a giant switchboard connecting users with their pensions via dashboards. To meet data security requirements relating to pensions dashboards a Data Protection Impact Assessment (DPIA) has been carried out with the ISP before connecting to the dashboards architecture. The objective of the DPIA is to identify, communicate and effectively manage any privacy risks concerning the collection or use of personal information.

How we receive data securely

Employers and payroll providers

A key method of data transfer relating to the Authority is the receipt of information from employers in relation to scheme members. All employers are expected to ensure that information that is sent to us containing personal data is sent securely.

In order not to compromise on security, we expect this information to be sent electronically with appropriate encryption and from an Authorised Officer as approved by the employer. Information sent to us without encryption or not from an Authorised Officer can be refused.

Scheme Members

Members can issue data to us in one of three ways; in writing, via email or by uploading information to our member self-service portal.

We emphasise to members that any information being sent to us via email should be sent securely. We also encourage use of the member portal, where available, as this is the most secure and efficient way for data to be sent to us.

Third party service providers

We have several contracts/arrangements in place with third party service providers to help us in our aim of achieving the highest standard of data. Data security and information sharing agreements are covered as part of each service provider contract. Further information on how we work with third party providers is covered below.

Data retention

This Authority has a data Retention Policy in accordance with data protection legislation.

Data Protection relating to shared information with employers

There is no requirement under the Data Protection Act 2018 for data controllers to enter formal contractual relationships with other data controllers with whom they share and from whom they receive personal data. This therefore applies to us and our participating employers.

Obtaining good quality and timely scheme data

Employers and payroll providers

Information is uploaded monthly. It is widely recognised that regular transmission of data dramatically improves data quality.

We monitor the submission of data on a regular basis to ensure all employers are submitting their data in the correct format and in a timely manner. We also have a separate employer escalation policy which will be used to engage with employers who are not meeting our requirements.

The Authority is reliant upon the accuracy, completeness and timeliness of data provision from employers and any third-party agencies they may utilise e.g. payroll providers. All data submissions must be made using the method prescribed. The Authority has a robust induction process for all employers.

To maintain complete and accurate records there needs to be a continual dialogue with employers regarding the provision of data, particularly as employer contacts change. Authority Officers will work with named employer representatives throughout the year, clarifying information and data provided and actively seek to train employers on all aspects of pensions administration as necessary. It is an employer responsibility to both provide accurate data and to provide resources to respond to ad-hoc enquiries, bulk data activities such as monthly data submissions and data reconciliations.

The Authority will set out an employer training plan, review and improve all material available to employers such as the employer's guide and continue to provide other supplementary information through newsletters, forums, the Administration Strategy, the website and webinars.

Scheme members

Various checks are undertaken on data received from members including validations on data maintained online by members and checks against data provided via email or in writing.

Working with third party providers

We work with a number of third-party providers to support us in meeting our objectives. The use of these sources to obtain data form part of our requirement to

monitor scheme data and we use this to check data accuracy when assessing member benefit entitlements. It also supports us in our overall objective to ensure the correct benefits are paid to the correct people at the correct time. Data is therefore obtained and used from the following sources:

LGPS National Insurance Database

The secure National Insurance Database (NIDB) is administered by the Authority on behalf of the Local Government Association. It was developed to allow LGPS administering authorities to share data to prevent duplicate payment of death grants and to identify service in other LGPS funds which may impact benefits in the individual Funds. We use the NIDB as and when required, e.g. where a death grant is payable, to identify eligibility for refunds and aggregations and if “McCloud” qualification may be impacted.

Tell Us Once Service

The NIDB links the membership profile with the Department of Work and Pensions (DWP) ‘Tell Us Once’ service (TUO). The TUO service allows a person registering a death to request that the DWP notifies other government services and council services, including the Authority, of the death. We download notifications from the TUO service daily to ensure payments to deceased members are stopped promptly. In these cases, a copy of the death certificate is not required as the TUO notification is an official notification of death.

National Fraud Initiative

The National Fraud Initiative (NFI) is a biennial exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. As a participant, we receive a report of ‘matches’ to investigate, to take remedial actions and update records accordingly.

Tracing services

We use the Department for Work and Pensions to trace addresses for scheme members which is done on a case-by-case basis when required. If we require a larger scale bulk tracing exercise to be carried out, we commission a third-party provider to carry this out considering the scope of the work.

Mortality screening

We commission a third-party provider which carry out a periodic review of our deferred and pensioner membership against the national death register. The purpose of this exercise is to identify members who have died so that the appropriate adjustments to benefits can be made in a timely manner.

Overseas pensioner existence checking

We carry out checks to help us identify when overseas pensioners are no longer entitled to receive benefits.

Measuring the Strategy objectives

We will monitor our performance in achieving the objectives set out in this Strategy by using the following measurements.

Objective	Measurement
To ensure accurate member and transaction records are maintained to support the aims of ensuring the correct benefits are paid to the correct people at the correct time	<p>Common and scheme specific data scores do not decrease year on year.</p> <p>Key Performance Indicators achieved in 90% of cases* (100% for statutory requirements).</p> <p>Data issues are not a significant or moderate cause of delays, inaccuracy, or mistaken identity in pensions administration.</p> <p>All data is available in time for Annual Benefit Statements to be issued by the statutory deadline.</p>
To ensure accurate member and transaction records are maintained to support the aims of ensuring employer liabilities are correctly calculated	<p>Little or no assumptions need to be made by the Scheme Actuary based on missing or inaccurate data.</p> <p>No errors are identified in relation to employer liabilities.</p>
To obtain, store, review and transmit data securely in a cost effective and efficient manner, utilising technology and automation appropriately to obtain value for money	<p>100% of employers use the secure employer hub to provide monthly data returns.</p> <p>100% of data is exchanged with third parties using secure, agreed methods.</p> <p>There are no data breaches or cyber incidents.</p>
To comply with data protection, record keeping and other data quality related legislation as well as aiming to adhere to relevant guidance such as from The Pensions Regulator	<p>There are no data breaches or cyber incidents</p> <p>Evidence compliance with data monitoring and improvement/record keeping modules in The Pensions Regulator's Code</p> <p>Common and scheme specific data scores do not decrease year on year</p> <p>Key Performance Indicators achieved in 100% of cases for statutory requirements</p>

To ensure the roles and responsibilities between the Fund, employers and other stakeholders in relation to data quality are clear and understood	<p>The Pensions Administration Strategy sets out roles and responsibilities</p> <p>Employer escalation procedure in place and when used results in improvement in the timeliness and accuracy of data submitted</p> <p>Annual satisfaction surveys with employers achieving 90% of score in relation to questions about understanding their responsibilities.</p>
To identify and resolve data quality issues quickly, and ensure preventative actions are put in place to reduce the need for future data cleansing activities	Data Improvement Plan in place, which is regularly updated evidencing data issues identified, resolved quickly and preventative actions put in place
To ensure data management processes are clearly documented and regularly reviewed.	All data management processes are stored securely, and all appropriate staff have access to these. All processes are reviewed on an annual basis and a record kept of the review

Data Improvement Plan

We maintain individual data improvement plans for separate activities, including end of year data cleansing, queries arising from the valuation and Pensions Dashboards projects. We use our inhouse data reporting tool to help us to monitor the presence, quality and format of data and this helps us to determine further steps needed as part of specific data improvement activities.

Based on the output of the data reporting tool we will create a high-level data improvement plan setting out our overall data improvement activities relating to all areas of fund business, should we feel this is required, to support with oversight and monitoring of progress.

We update the separate Data Improvement Plans on an ongoing basis as data quality issues are identified and progress is made in resolving them. The continuous cycle of data analysis ensures the Authority remains committed to ensuring complete data accuracy in the information it holds about its members.

Key risks

The key risks to the delivery of this Strategy are outlined below. The Assistant Director Pensions and other officers will work with the Authority board and Local Pension Board in monitoring these and other key risks and consider how to respond to them.

- Significant increase in the number of employing bodies causes strain on employer compliance and liaison.
- Employers provide the bedrock of the data requirements for active members. There is a risk of us holding poor quality or missing data due to the failure of the employer to provide the necessary data in a timely manner. We seek to reduce this risk through being proactive with employers, seeking positive engagement with them and providing effective systems and training.
- Failure to maintain employer contact database leading to information being sent to incorrect person
- Significant external factors, such as national change, impacting data requirements and security of data already held (e.g. Pensions Dashboards)
- Failure to maintain records adequately, resulting in inaccurate data resulting in inaccurate member benefit entitlements.
- Due to the technical complexity of the LGPS, it takes time to train staff to the required level and it makes staff retention particularly important. Therefore, there is a risk if the Authority encounters difficulties recruiting and retaining staff.
- Use of external printers/distributors resulting in data mismatch errors
- Linked to the Authority's ever-increasing reliance on software packages, cyber-attacks would have an increased impact on the Fund's ability to operate with an incident leading to loss, compromise, or theft of data.

Reporting

We will include an overview of our performance against the objectives in this Strategy to Authority Board and Local Pension Board on an annual basis (noting there is some overlap of these measures with our Pensions Administration Strategy which are reported to Local Pension Board quarterly). Further data quality measures such as our common and scheme specific data scores are reported on within our Annual Report and are reported to Pension Board annually.

We also have a separate procedure for Recording and Reporting Breaches of the Law/ Late Payment of Contributions by an Employer. Therefore, if we do not adhere to any legal requirements in relation to the management of scheme data, the matter will be recorded on our breaches log, and where considered to be materially significant, reported to the Pensions Regulator. Furthermore, if a personal data breach occurs along with considering reporting to the Pensions Regulator in line with our procedure for Recording and Reporting Breaches of the Law/Late Payment of Contributions by an Employer, we will record details of the breach and if required we will ensure that we notify the Information Commissioner's Office and/or the member(s).

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Monitoring and reviewing data - data cleansing activities

This outlines our internal data cleansing processes relating to monitoring and reviewing scheme data to ensure it is as accurate, up to date and as complete as possible. We keep records of these activities undertaken including their findings. We monitor the quality and timeliness of our data in the following ways.

Activity / Category of data	Action	Timescale
Year end data cleansing (part of Annual Benefit Statement preparation)	Reports are produced to undertake a comparison of contributions received by employers against the CARE pay at year-end for active members, helping to identify errors, including those relating to Assumed Pensionable Pay (APP). In addition, "Error" and "Warning" reports are run and responded to accordingly.	Annually – April to June. <i>However, we are working towards producing these reports on a monthly basis</i>
Monthly data submissions review	Checks are made on the data received and any issues or discrepancies are queried with the employer/payroll provider.	Monthly

Reviewing timeliness of joiners, leavers and retirements as part of employer escalation process	Using our records any trends on late reporting are identified based on a RAG rating and relevant employers are contacted to agree an improvement plan.	Monthly
TPR data scoring	We use the pensions administration software data quality reporting and the internal DART tool to assess TPR's two data quality measures -	6 monthly

	common and scheme specific data. We obtain the scores for each measure twice a year, so we can target work to improve the scores. We report these scores to TPR on an annual basis.	
Contribution reconciliation	We check employee and employer contributions made by employers against the data we hold on the pensions administration system and investigate any discrepancies.	Monthly
Employer engagement and training	We have a wealth of materials and tools to support our employers in their responsibilities including the accurate and timely submission of data	Ongoing
Personal Member data validation	We carry out checks on the data provided by members. For example, we check a member's date of birth and date of marriage (if applicable) held on the pensions administration system against their birth/marriage certificate before paying benefits.	Ongoing
Pensions increase programme	We run the pension increase process in a Test environment and error reports are run and issues addressed, before the routine is run in the Live system.	Annually
Benefit calculation checks	All benefit calculations are carried out and authorised by appropriately qualified staff. The system prevents officers from checking a case they have processed.	Daily

Housekeeping reports	Diary reports are set up to ensure that certain date-dependent processes are carried out. Examples include checking continued eligibility for/ceasing children's pensions, age 75+ members, writing to deferred members approaching NRD and State Pension Age (SPA).	Monthly
Member self-checking	We encourage members to review the data provided on communications sent to them and that held on the member self-service portal and inform us of any discrepancies.	Ongoing
KPI monitoring	We are only able to meet our 'overall' KPI measures where we are issued with timely and accurate data by employers. Similarly, we are only able to achieve our internal and legal measures where we already hold accurate data. Higher performance against our KPI measures is one indicator of good quality data.	Monthly
DART reports /data cleansing	<p>We use DART, an inhouse reporting tool to monitor the presence, accuracy and format of data items. DART is also used to support us with our data cleansing in relation to large scale projects such as pensions dashboards. This includes checking for completeness, consistency and format of data:</p> <ul style="list-style-type: none"> • Complete - there is data in all expected fields • Consistent – e.g. date joined is before date left 	Weekly/monthly

	<ul style="list-style-type: none"> • Format – e.g. dates, NI number prefix as expected • 	
Actuarial data tool	Utilising tools provided by funds actuary to improve member record data quality.	Annually
Quality Assurance checks on data	<p>Routinely review all processes to identify inconsistencies caused by system updates and human factors. This also includes root cause analysis coming from complaints.</p> <p>Ensuring compliance with NFI.</p>	Ongoing

Subject	McCloud Remedy	Status	For Publication
Report to	Authority	Date	05 June 2025
Report of	Assistant Director Pensions		
Equality Impact Assessment	Not Required		
Contact Officer	Debbie Sharp	Phone:	01226 666480
E Mail:	dsharp@sypa.org.uk		

1 Purpose of the Report

- 1.1 To update the Authority on the McCloud Implementation Plan.

2 Recommendations

- 2.1 Members are recommended to:
- To determine that the implementation date for the McCloud Remedy be delayed to 31 August 2026 for all classes of member.**

3 Link to Corporate Objectives

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

Customer Focus

To design our services around the needs of our customers, whether scheme members or employers.

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision-making processes. The report includes information about the engagement with the scheme members.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times. The report includes detail on the overall administration performance to ensure Members are able to scrutinise the service being provided to our customers.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report seek to address the operational risk around the implementation of the McCloud Remedy. The key mitigant of this risk is to comply with the statutory guidance issued in 2024.

5 Background and Option

- 5.1 This report provides the Authority with an update on the progress with implementing the changes required because of the McCloud remedy.
- 5.2 The Ministry for Housing, Communities and Local Government (MHCLG) issued regulations for the implementation of the McCloud remedy in June 2024. The guidance aims to achieve a consistent application of the remedy across the LGPS and includes a deadline for implementation of 31 August 2025. By this date the new underpin should be applied to all leavers, all retrospective changes to benefits for most members (who left since 1 April 2014) should have been made and annual benefit statements (ABSs) for 2025 should reflect the McCloud remedy.

The wording below is an extract from the MHCLG guidance confirming the requirements.

McCloud implementation phase - In a number of places, this guidance refers to the 'McCloud implementation phase', which we define as follows:

For most members, the period up until a fund's annual benefit statements (ABSs) for 2024/25 are issued, which must take place by the end of August 2025.

At the end of the implementation phase:

- a) all retrospective amendments to members' pensions and other rights needed as consequence of the 2023 Regulations should have been concluded, and*
- b) a fund's records for members who qualify for McCloud remedy but have not yet taken their pensions should be accurate (so that the annual benefit statements issued to members for the 2024/25 scheme year consider the McCloud remedy in full).*

- 5.3 The regulations and guidance do allow for the implementation phase to be extended to 31 August 2026 for specific members or classes of members. Such cases are not defined in the guidance subject to the making of an appropriate determination by the administering authority.
- 5.4 To meet the deadlines set out for the implementation phase of McCloud Civica have to develop the administration software functionality within the Administration software they provide. As explained in previous reports, there have been considerable issues and delays with the functionality development. To reflect this, a risk has been added to the corporate risk register. The Fund is working with Civica to install the relevant software updates as quickly as possible taking account of competing priorities associated with the valuation and the need to ensure adequate testing of any new releases.

Administration System Developments

- 5.5 Members will recall that some functionality changes resulting from the McCloud remedy have already been delivered to date, which allows the Fund to implement the calculation of the new underpin for:
- Normal retirement of active members aged under 65; and
 - Calculation of deferred benefits for members under the age of 65.
- 5.6 All remaining functionality, including that required to process all leavers using the new underpin, and to allow the possible rectification of casework which has been processed

since 1 April 2014, was due to be delivered in two further tranches, the first in October 2024 and the second in January 2025. To date these are still outstanding.

- 5.7 The teams are now having to undertake year-end data cleansing processes which are required to prepare for the Annual Benefit Statements which must be issued by 31 August 2025. As 2025 is also a Valuation year there is considerable work required to provide the necessary information to the actuary in July 2025.
- 5.8 Given this and the non-availability of the relevant software the team will therefore not meet the 31 August 2025 deadlines for the McCloud remedy. Without further action the Authority would need to make MHCLG aware of the position and report itself to the Pensions Regulator as this would represent a breach of the law.
- 5.9 Civica have provided a statement on the issues, previously reported to the Authority; *The McCloud ruling has led to a challenging and complex implementation of the resulting software changes to our pensions system, UPM. This has not been helped by amendments in guidance at points throughout the project which has impacted the scope and delivery timescales.*
Civica is aware that clients have 3 main objectives to meet:
- *Apply the new McCloud underpin to leavers.*
 - *Rectify all casework since 2014.*
 - *Add the McCloud underpin detail to all annual benefit statements.*

Whilst progress has been made in all areas, Civica understands that clients are required to meet a Legislative deadline to include the McCloud Underpin in the production of Annual Benefit Statements and issue them by 31 August 2025. Ideally, the project would have been phased to deliver the functionality in its entirety earlier and we are aware that our current projected delivery timescales will provide a challenge to clients in meeting the August deadline.

Civica is looking at all reasonable measures to accelerate our project delivery and is also considering how we can help clients in their discussions with the various Regulatory bodies.

Implementation and Rectification Plan

- 5.10 As the Authority is aware, detailed implementation and rectification plan is required to manage the work required because of the McCloud remedy.
- 5.11 Production of a plan was initially delayed while the Fund waited for remaining guidance and regulations to be finalised, and the remaining administration system functionality to be in place.
- 5.12 Full guidance has been received, and although the Fund doesn't yet have the functionality in the administration system, the Fund is now preparing to develop this detailed plan. The number of cases to be reviewed are approximately 42,000(c. 23% of the total membership) Including;
- 16,000 Active
 - 8,000 Deferred
 - 14,000 Pensioners
 - 800 transfer records

5.13 The Authority will continue to receive updates setting out progress on this matter at future meetings.

5.14 The Authority is clearly not going to be able to implement the McCloud remedy in terms of including information in Annual Benefit Statements by 31st August 2025 given that the relevant software has yet to be delivered and tested. Therefore there is , in practice, no alternative to minimise both the regulatory and operational risks to which the Authority is exposed to, but to make a determination that the implementation date for the McCloud remedy should be delayed to 31st August 2026 for all members.

Operationally it would be intended to issue revised Annual Benefit Statements to all affected members as soon as it is possible to do so after the relevant software has been fully tested and implemented.

6 Implications

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

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

Name Debbie Sharp

Title Assistant Director Pensions

Background papers	
Document	Place of Inspection
None	

Subject	Consultation on LGPS Administration Regulation changes – Access and Fairness	Status	For Publication
Report to	Authority	Date	05 June 2025
Report of	Assistant Director Pensions		
Equality Impact Assessment	Not Required		
Contact Officer	Debbie Sharp	Phone:	01226 666480
E Mail:	dsharp@sypa.org.uk		

1 Purpose of the Report

- 1.1 To update the Authority on a consultation opened by MHCLG on the Local Government Pensions Scheme in England and Wales; Access and Fairness.

2 Recommendations

- 2.1 Members are recommended to:
a. Delegate the response to the consultation to Officers in consultation with the Chair and s41 Members.

3 Link to Corporate Objectives

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

Customer Focus

To design our services around the needs of our customers, whether scheme members or employers.

Listening to our stakeholders

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

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times. The report includes detail on the administration effect of the proposals.

4 Implications for the Corporate Risk Register

- 4.1 None

5 Background and Option

- 5.1 This report provides information on a significant consultation on scheme changes recently launched by The Ministry of Housing, Communities and Local Government (MHCLG). On 15 May 2025 MHCLG launched a consultation on amendments to the Local Government Pension Scheme regulations to promote 'access and fairness' to its scheme members.
- 5.2 The consultation, which is open for 12 weeks until 7 August 2025, covers the following areas:
- 5.3 **Survivor benefits and death grants;** aiming to ensure equality of benefits paid to survivors irrespective of the sex of the survivor or the original member, removing the age 75 maximum eligibility point for death grants and a further administrative easement when a death grant isn't paid within 2 years. This largely responds to a number of cases where the courts have found scheme rules discriminatory and as a result there will be a significant element of backdating involved in implementing these changes.
- 5.4 **Gender pensions gap:** proposed changes to the way members can (and in some cases must) buy back unpaid leave and a proposal to make unpaid additional maternity, adoption and shared parental leave fully pensionable at cost to employers. The purpose of these changes is to improve pension rights accrued, during breaks in membership, by female scheme members but will also have some benefit to male scheme members. It is also proposed that it is going to be mandatory for gender pensions gap reporting to be carried out, which would be carried out as part of the actuarial valuation and included in the valuation report. As it is proposed that this be implemented from as part of the valuation currently taking place there may be impacts both on the cost of the valuation and on the timescale for the final report, although not approval of the Rates and Adjustments Certificate.
- 5.5 **Opting out of the scheme** – a proposal to make the collecting and reporting of opt out data mandatory, including use of a standard form to be used by all administering authorities. This aims to ensure that an understanding of who is opting out and why can be considered in future discussions about scheme changes and in how administering authorities and employers communicate the advantages of the Scheme to their members. It is also proposed that there will be a (further) Government form that employees will be asked to complete, so that data is automatically (and anonymously) returned to MHCLG.
- 5.6 **Forfeiture:** changes proposed aim to solve some issues that administering authorities and employers have faced in attempting to use the rather complex and restrictive provisions to forfeit/reclaim financial losses from scheme members' benefits in the past. Guidance on making a forfeiture application is also suggested.
- 5.7 **McCloud remedy:** some issues with the existing remedy regulations have been identified as administering authorities have been working through the affected cases, so regulation amendments are proposed to correct these. Affected calculations include divorce, death grants, interest and transfers from other public sector schemes for scheme members over 65.
- 5.8 **Other amendments:**
- Fixing known issues with the regulations, including exiting employers, de minimis commutation payments for pre-2008 leavers, and AVCs.

- Updating Schedule 2 to include Combined County Authorities as employers in the LGPS.
- Making updates to reflect the abolition of the lifetime allowance and the introduction of the Lump Sum Allowances, including the approach the LGPS is taking towards the payment of a Pension Commencement Excess Lump Sum (PCELS).
- Providing more flexibility for when refunds of contributions are to be paid.

5.9 Officers are currently digesting the consultation, which is the most significant set of benefit changes for many years and addresses many longstanding issues. Draft regulations have also been issued with the consultation for consideration. There are likely to be significant workloads arising from some of these changes and it is positive that the Government is asking some questions about the impact of these proposals on the administration of the scheme. Officers will provide a response by the relevant date that will be agreed in consultation with the Chair and s41 members.

6 Implications

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

Financial	Backdating of benefits will incur costs to the Fund. There may also be additional staffing or consultancy charges incurred. At this stage it is far too early estimate these impacts but the most effective way of undertaking this work and the associated costs will need to be reflected in future budgets when the implementation timescales are known.
Human Resources	The additional administration these changes introduce will further increase the complexity of the scheme increasing the pressure on the workforce and creating additional training requirements. Work will be required to understand whether there is an impact on the Authority's capacity planning model.
ICT	The Pensions Administration System will need to be amended to mirror any changes implemented.
Legal	None
Procurement	None

Name Debbie Sharp
Title Assistant Director Pensions

Background papers	
Document	Place of Inspection
Consultation document	Local Government Pension Scheme in England and Wales: Access and fairness - GOV.UK

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Subject	Governance, Regulatory and Policy Update	Status	For Publication
Report to	Authority	Date	05 June 2025
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 Authority members with an update on current governance related activity and regulatory matters.

2. Recommendations

- 2.1 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.

LGPS Regulations – Access and Fairness Consultation

- 5.2 A significant consultation on scheme changes was launched on 15 May by the Ministry of Housing, Communities and Local Government (MHCLG). Broadly, the proposed changes are to promote 'access and fairness' to scheme members. It also includes

some changes designed to ease administrative burdens. A separate report on this consultation and proposed response is elsewhere on this agenda.

Member Training and Development

- 5.3 The governance team will review the requirements of new members' mandatory training to ensure compliance for 2025/26.
- 5.4 Individual member learning and development plans were introduced in April and review meetings have been taking place with Local Pension Board members during May. The next step is to circulate the skills assessment questionnaire and conduct one-to-one review meetings with Authority members during June and July.
- 5.5 The aim of the process will be to provide an opportunity on an annual basis to reflect on the overall knowledge, skills and experience individual members bring to their role – for this to be assessed more holistically than relying solely on one metric of the results from the national knowledge assessment, and for this to be carried out as a self-assessment, then discussed on a one-to-one basis with a member of the Governance team in order to identify any specific gaps or training needs for the year ahead and to agree on a plan to meet these needs. This may include planned attendance at the various events within the annual programme set out in the Member L&D Strategy, support to attend particular external training courses or conferences, and any other learning and development activity in particular areas – using methods such as e-learning, webinars, reading or through briefings / discussion with advisers, gaining particular experience and so on.
- 5.6 New members of both Authority and Local Pension Board will be supported and progress through the 12-month induction programme as in previous years.

Committee Annual Reports

- 5.7 The Audit & Governance Committee and LPB have undertaken the annual effectiveness review and annual reports presented to Authority members for information. All annual reports have been uploaded on the website.

Decisions Between Meetings

- 5.8 There have been no decisions taken between meetings under the urgency procedure.

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.
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
Members Register of Interests	Reading Room

Subject	Authority Effectiveness Review	Status	For Publication
Report to	Authority	Date	05 June 2025
Report of	Head of Governance & 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 present the results of the Authority's first annual review of its effectiveness in 2024/25.

2. Recommendations

- 2.1 Authority Members are recommended to:
- Agree the Effectiveness Review report at Appendix A**

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 include some implications for the identified risk around Authority and Board member knowledge and understanding.

5. Background and Options

- 5.1 As part of ensuring continuous improvement, the Authority participated in the first annual effectiveness survey and workshop in February 2025.
- 5.2 The review process was conducted with Authority members and officers.

- 5.3 The Authority are asked to consider the proposed Effectiveness Review report, to suggest any amendments required.

6. Implications

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

Financial	None.
Human Resources	None.
ICT	None.
Legal	None.
Procurement	None.

Jo Stone – Head of Governance & Corporate Services

Background Papers	
Document	Place of Inspection



Report on Authority Effectiveness Review 2024/25

June 2025

Members of the Authority met on 13 February 2025 to conduct a self-assessment to evaluate the Authority’s impact and effectiveness over the previous year. This was carried out based on the recommendation arising from the independent governance review that concluded in June 2024.

The Authority’s effectiveness review assessed the performance, structure and overall impact of the Authority in fulfilling its governance responsibilities over the course of 2024/25. The objective is to identify strengths, areas for improvement and recommended actions to enhance the Authority’s effectiveness.

CIPFA guidance states that effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the Authority’s business. As the decision-making committee, it can easily identify how the Authority has made a difference. Evidence of effectiveness will usually be characterised as ‘influence’, ‘persuasion’ and ‘support’. The broad areas that the Authority may support are illustrated below and formed the basis for this review.

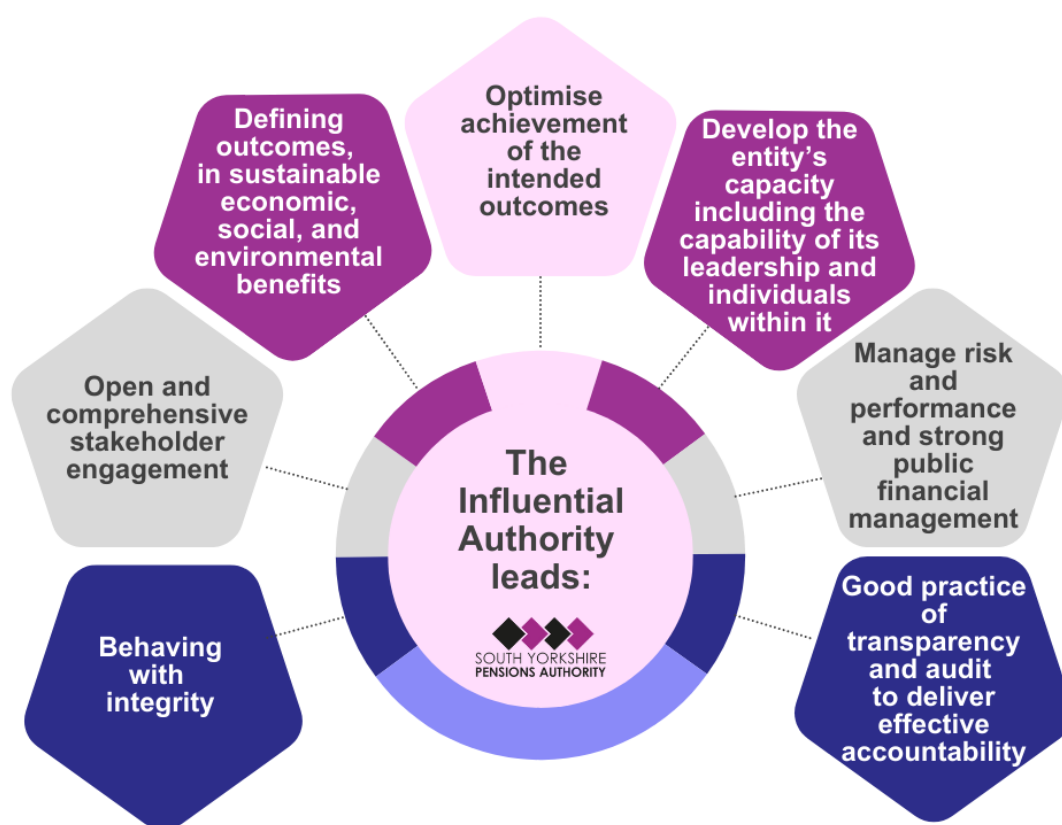


Figure 1: The influential Authority

Overall Comments for 2024/25

The effectiveness review was conducted through a combination of Authority member self-assessment and a collective member review to identify and evidence the strengths of the Authority's key decision making over the year, alongside any areas for further development or improvement.

The review was structured around the themes and requirements set out by CIPFA in their LGPS Knowledge and Skills Framework and also those set out by the Pensions Regulator in their guidance for pension scheme trustees. A self-assessment questionnaire was completed by Authority members prior to the review meeting and the collated results of this formed the basis for the discussion. Members were asked to focus on areas where there were responses of 'unsure' or 'disagree' from the questionnaire results in order to explore the issues underlying this and to identify improvement actions where appropriate.

Overall members agreed there is a clear understanding of their roles and responsibilities and other key participants in the scheme with sufficient time and resource to effectively manage the scheme. Members agreed that papers are timely and focused on the priorities enabling them to be fully briefed and prepared for meetings and their decision-making functions.

There was strong recognition for the value added by the Independent Investment Advisers and members are very clear on the standards against which their performance is measured.

The majority of members strongly agreed that they have a clear understanding of their risk appetite to take full account of the risks in their decision-making, however three members were unsure. The discussion around this recognised that risk is an area for further training that would be useful.

Members mainly agreed that the diversity of the Authority's membership, which includes different backgrounds, experience, and skills is positive but further work is encouraged to widen the gender and ethnic diversity of the Authority.

Members noted the need for continuous development and collaborative working and discussed how to engage with the Local Pension Board further to maximise the benefits of their role in the governance arrangements. However, members also noted the imbalance of Authority members' engagement and contributions. Members collectively agreed that skills gaps are identified and appropriately managed through training and access to advisers. This led to consideration of the role of Border to Coast and how that interacts with the Authority which would be beneficial to incorporate into the annual induction and development session held each June.

Members explored potentially involving feedback and comments from the Local Pension Board and Independent Investment Advisers in the next effectiveness review and finally to have input from officers to obtain views on their effectiveness, questioning and challenge.

Effectiveness Review – Areas for Improvement & Action Plan for 2025/26

Following the review undertaken, actions were identified to be undertaken during the forthcoming year to address the areas for further improvement. These are set out in the following table.

Area for Improvement	Actions Required	Responsible Owner	Date for Completion
Promoting the principles of Diversity, Equality and Inclusion to mitigate barriers.	Explore establishing a DEI working group to develop outcomes to increase a more diverse membership (Authority and LPB) and remove barriers to inclusion.	Members Head of Governance & Corporate Services	December 2025
Introduction of early briefings and indication of the focus time required for meeting preparation.	Members wish to receive more information relating to the detail and context of Authority meetings – including the implications and the actions identified. Launch enhanced online Reading Room.	Governance Officer	Introduce by September 2025
Supporting the ongoing development of knowledge, skills and expertise.	Ensure coverage of areas around Impact Investment and Net Zero in the training and development plan for the year ahead.	Governance Officer	June 2025 - April 2026

Area for Improvement	Actions Required	Responsible Owner	Date for Completion
Engagement and collaboration with Border to Coast and Local Pension Board	<ul style="list-style-type: none"> Develop relationship between Authority and B2C Joint Committee, to provide members with briefings detailing the pooling arrangements resulting from the Government's Pension Review. Explore options to develop wider collaboration with LPB members. 	Head of Governance & Corporate Services and Chairs of Authority and LPB	December 2025

Conclusion

Authority members evaluated their impact and effectiveness over the year just ended. The review identified actions for continuous improvement; progress on these will be monitored in the forthcoming year.

An effectiveness review will be completed annually.

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Subject	Audit and Governance Committee Annual Report 2024/25	Status	For Publication
Report to	Authority	Date	05 June 2025
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1. Purpose of the Report

- 1.1 To present the Audit & Governance Committee's annual report on its work as part of the process of providing assurance underlying the preparation of the Annual Governance Statement.

2. Recommendations

- 2.1 Members are recommended to:
- Review the Annual Report of the Audit and Governance Committee for 2024/25 as attached 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.

- 3.2 It is recognised as good practice for an Audit and Governance Committee to produce an annual report setting out how its activities have addressed the various elements of the duties of an Audit and Governance Committee during the year. This contributes to the provision of assurance as part of the preparation of the Annual Governance Statement.

4. Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report demonstrate the mitigations in place to address the identified risks around weaknesses in the overall governance and control framework.

5. Background and Options

- 5.1 In line with the requirements of the governance standards for local authorities, the Authority maintains an Audit and Governance Committee, which meets throughout the year and received reports from both internal and external auditors and from officers in relation to its terms of reference which reflect the relevant professional standards. It is recognised good practice for the Committee to publish an annual report on its work. This is attached at Appendix A.
- 5.2 The Committee's report, together with the papers considered at meetings of the Committee, provide part of the evidence base for the production of the Annual Governance Statement.

6. Implications

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

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

Jo Stone

Head of Governance and Corporate Services

Background Papers	
Document	Place of Inspection
N/a	



Audit & Governance Committee Annual Report 2024/25

March 2025

Foreword

I am pleased to present the annual report of the Authority's Audit and Governance Committee covering the Committee's activity during the 2024/25 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 Donna Sutton

Chair

Audit and Governance Committee – South Yorkshire Pensions Authority



1. Introduction

This report is produced to provide stakeholders with information on the work of the Committee over the 2024/25 Municipal Year and to support the process of assurance gathering required 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 2025 was:

Councillor Donna Sutton (Chair)

Councillor James Church

Councillor Simon Clement-Jones

Councillor David Fisher

Councillor David Nevett

Councillor Neil Wright

Emma Dawson (Independent Member)

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)

Phil Boyes (Unite)

Garry Warwick (GMB)

Committee Meetings and Attendance

The Committee held four meetings during the municipal year (July 2024, September 2024, December 2024 and March 2025). 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 at Appendix A.

Councillor Donna Sutton 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 2024/25 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 September 2024. The implementation of a new risk management and performance software system has been embedded into the strategic reporting on risk throughout 2024/25.
- Received regular progress reports from the Head of Corporate Assurance on internal control matters.
- Received regular reports on progress against actions agreed in response to audit findings.
- Considered the results of the review of internal control and internal audit for 2023/24.

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 2024/25
- Received and considered the Head of Corporate Assurance's (as the Authority's Head of Internal Audit) Annual Report for 2023/24, including the opinion on the Authority's internal control arrangements.
- Received and considered regular reports from the Head of Corporate Assurance on their team's progress against the annual plan, including summaries of the reports issued and management's response.

The schedule of Internal Audit Review Results 2024/25 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 external auditor, KPMG, on their Audit Plans for the Authority and Fund relating to the audit of year ended 31 March 2024.
- Received regular progress reports and a final report on the audit of year ended 31 March 2024 from KPMG.
- Received an audit plan relating to the audit of year ended 31 March 2025 from 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 recommended the Authority's Annual Governance Statement 2023/24 to the Authority;
- Reviewed and approved the Authority's Statement of Accounts and Annual Report and letter of representation for 2023/24;
- Received and approved KPMG's Report on the 2023/24 Audit, and their Annual Report 2023/24 which includes their findings and conclusion on the Authority's Value for Money arrangements.

Working Arrangements

Members considered and agreed the Committee's Annual Report for 2023/24 which was then published on the Authority's website and incorporated as part of the Authority's Annual Report for the year.

As part of considering the Committee's annual report, members considered the extent to which its arrangements remained robust.

Appendix A

Member and Officer Attendance at Audit & Governance Committee Meetings 2024/25

Member/Officer	11 July 2024	19 September 2024	5 December 2024	6 March 2025
Councillor Donna Sutton (Chair)	✓	✓	Note 1	✓
Councillor James Church	✓	✓	✓	✓
Councillor Simon Clement Jones	Note 1	✓	✓	✓
Councillor David Fisher	✓	✓	✓	Note 1
Councillor David Nevett	✓	✓	✓ Note 2	✓
Councillor Neil Wright	✓	Note 1	Note 1	Note 1
<u>Independent Member</u> Emma Dawson	✓	✓	✓	✓
<u>Co-opted Members:</u>				
Nicola Doolan-Hamer	✓	✓	✓	Note 1
Phil Boyes	Note 1	✓	✓	✓
Garry Warwick	✓	✓	✓	✓
Director – George Graham	Note 1	✓	✓	✓
Assistant Director - Resources (Chief Financial Officer) Gillian Taberner	✓	✓	✓	✓
Head of Governance & Corporate Services (Monitoring Officer) Jo Stone	✓	✓	✓	Note 1
Head of Finance & Performance (Deputy CFO) Will Goddard	✓	✓	✓	✓
External Audit (KPMG)	✓	✓	✓	✓
Internal Audit (Barnsley MBC)	✓	✓	✓	✓

Notes

1. Apologies
2. Acting Chair

Appendix B Committee Activity 2024/25

Function / Issue	11 July 2024	19 September 2024	05 December 2024	6 March 2025
Risk Management				
Annual Review of the Risk Management Framework			Approved	
Governance and Internal Control				
Annual Review of the Governance Compliance Statement				Approved
Progress on Annual Governance Statement Action Plan 2024/25				Noted
Progress on Agreed Management Actions	Noted	Noted	Noted	Noted
Committee Effectiveness Review 2024/25				Agreed
Data Protection Policy Statement		Recommended to Authority		
Whistleblowing Policy			Recommended to Authority	
Antifraud, Bribery and Corruption Policy			Recommended to Authority	
Accounting Policies Year Ending 2025				Noted
Internal Audit				
Quarterly Progress Report	Noted	Noted	Noted	Noted
Annual Report 2023/24	Noted			
Internal Audit Charter		Approved		
Internal Audit Effectiveness Report		Noted		
Audit Plan Consultation paper 2025/26			Noted	
Internal Audit Plan 2025/26 (draft)				Approved
External Audit				
Pension Fund Audit Plan – Audit of Year Ending 31 March 2024	Noted			
Progress Update – Audit of Year Ending 31 March 2024	Noted			
Value for Money Risk Assessment 2023/24		Noted		
Final Report 2023/24 Audit – Authority		Noted		Noted
Final Report 2023/24 Audit – Fund		Noted		Noted
Annual Auditor's Report 2023/24		Noted		
Year End Report – Authority			Noted	
Year End Report – Fund			Noted	
Statement of Accounts & Annual Report				
Draft Statement of Accounts 2023/24	Noted			
Audited Statement of Accounts 2023/24		Approved		
Letter of Representation		Approved		
Annual Report of the Authority 2023/24		Approved		

Function / Issue	11 July 2024	19 September 2024	05 December 2024	6 March 2025
Committee Working Arrangements				
Audit & Governance Committee Annual Report 2024/25				Approved

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

Appendix C Results of Internal Audit Reviews 2024/25

Review Topic	Assurance Level *	High Priority Findings	Medium Priority Findings	Low Priority Findings
Service Wide - Data Protection / UK GDPR - Data Breaches & DPIAs	Reasonable	0	0	2
Finance - Core Financial System Other Benefits (incl. Transfer Values / Lump Sums / Rechargeable Pensions)	Substantial	0	0	0
Finance - Core Financial System Treasury Management	Substantial	0	0	0
Finance - Core Financial System Fund Contributions	Substantial	0	0	0
Finance - Core Financial System Staff Payroll	Substantial	0	0	0
Pensions Administration Pensions Administration System Access Controls	Reasonable	0	1	2
Corporate Services Corporate Strategy / HR Strategy	Substantial	0	0	1
Investments Investment Strategy and Decision Making	Substantial	0	0	0
Finance - Core Financial System Valuation of Assets	Substantial	0	0	0
Service Wide - Pentana Risk System - Post Implementation Review	Substantial	0	0	1
Finance - Core Financial System - Main Accounting	Substantial	0	0	0
Finance - Core Financial System - Pensions Payroll	Substantial	0	0	0
Investment Strategy - Climate Change and Net Zero Carbon	Substantial	0	0	1
Totals	13 Opinions	0	1	7

Subject	Local Pension Board Annual Report 2024/25	Status	For Publication
Report to	Authority	Date	05 June 2025
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 members of the Authority with an opportunity to consider the annual report of the Local Pension Board, in line with the LGPS Governance Regulations and as part of the process of gathering assurance for the production of the Annual Governance Statement.

2. Recommendations

- 2.1 Members are recommended to:
- Receive and comment on the annual report of the Local Pension Board 2024/25.**

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.

- 3.2 It is recognised as good practice for the Local Pension Board to produce an annual report setting out how its activities have addressed the various elements of the Board's duties during the year and its future plans.

4. Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report are relevant to identified risks relating to compliance with regulatory requirements and to maintaining knowledge and understanding of Local Pension Board and Authority members.

5. Background and Options

- 5.1 The Local Pension Board is constituted in line with the LGPS regulations and is made up of equal numbers of employee and employer representatives supported by an Independent Adviser. The Board's role is, in effect, to scrutinise the way in which the Authority performs its role as Scheme Manager under the LGPS regulations. The Board also has specific responsibilities in terms of the reporting of breaches to the Pensions Regulator.
- 5.2 The LGPS Regulations require that the Board produce an Annual Report for consideration by the Authority and this is attached at Appendix A. If in attendance, the Chair of the Board will present the report. In addition to being published with the papers for this meeting, the report will be incorporated in the Authority's annual report.
- 5.3 The Board's report provides an important part of the evidence base used in preparing the Annual Governance Statement.
-

6. Implications

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

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection



South Yorkshire Local Pension Board Annual Report

1 May 2024 to
30 April 2025

Foreword

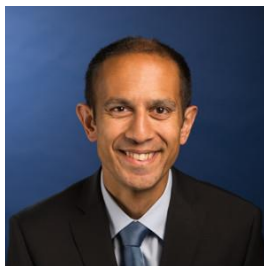
Welcome to the annual report of the South Yorkshire Local Pension Board ('the Board').

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. I would also like to thank Clare Scott, as the Board's previous Independent Adviser, for all her support, advice and guidance over the past few years, and welcome Neil Mason as the Board's new Independent Adviser, who joined us in July 2024.

Finally, 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 comprises equal numbers of employer and employee representatives as well as an Independent Adviser. The members of the Board over the 2024/25 year were as follows:

Name	Date of joining	Nominated by/ Representing	Term of Office (to)
Employee Representatives			
David Webster (Vice Chair)	01/10/2019	Selected from active, deferred and pensioner members	September 2025 (2 nd Term)
Andrew Gregory	25/07/2019		July 2025 (2 nd Term)
Martin Badger	06/06/2024	UNISON	Resigned: 04/04/2025
Sheldon McClure	08/08/2024	Unite	August 2027 (1 st Term)
Shelagh Carter	07/11/2024	GMB	November 2027 (1 st Term)
Employer Representatives			
Riaz Nurennabi (Chair)	03/11/2022	Sheffield Hallam University	November 2025 (1 st Term)
Ken Richardson	20/05/2022	Local Authority	May 2025 (BMBC 3 rd year)
Linda Beresford	06/06/2024		May 2026 (RMBC 2 nd year)
Nicola Gregory	18/01/2018	Academies	December 2026 (3 rd Term)
Debbie Carrington	06/06/2024	South Yorkshire Police	Resigned: 06/02/2025
Independent Adviser			
Neil Mason	July 2024	-	-

There is currently one employer representative vacancy and one scheme member representative vacancy because of resignation that have not yet been filled since

becoming vacant in February and April 2025 respectively; recruitment is in progress, and it is currently anticipated that the roles will be filled in time for the August 2025 meeting of the Board.

Meeting Attendance

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

	08 Aug 2024	07 Nov 2024	20 Feb 2025	27 Mar 2025 [Note 1]	24 Apr 2025	% Attendance [Formal Board meetings]
Riaz Nurennabi Chair	✓	✓	✓	✓	✓	100%
David Webster Vice Chair	✓	✓	✓	✓	✓	100%
Sheldon McClure	✓	✓	[Note 2]	[Note 2]	[Note 2]	50%
Andrew Gregory	✓	✓	✓	✓	✓	100%
Nicola Gregory	✓	✓	[Note 2]	✓	✓	75%
Linda Beresford	✓	✓	✓	✓	✓	100%
Ken Richardson	✓	✓	✓	[Note 2]	✓	100%
Debbie Carrington	✓	✓	N/a	N/a	N/a	100%
Martin Badger	✓	✓	[Note 2]	[Note 2]	N/a	50%
Shelagh Carter	N/a	[Note 2]	[Note 2]	[Note 2]	[Note 2]	0%
Total Board Member Attendance	100%	90%	55.6%	55.6%	75%	77.5%
Neil Mason Independent Adviser	✓	✓	✓	✓	✓	100%

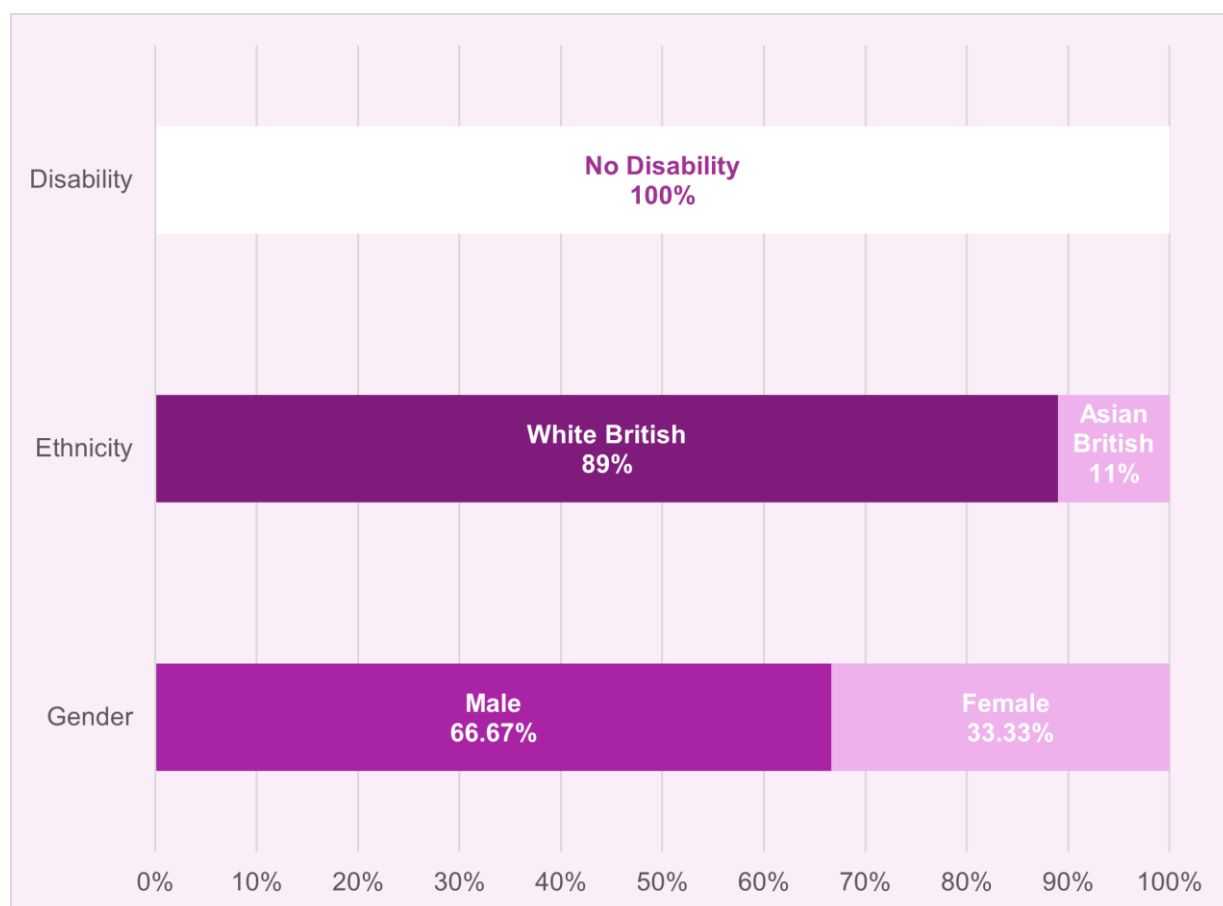
Notes:

1. The meeting on 27 March 2025 was the Board's annual effectiveness review.
2. Apologies received.

N/a = Not applicable as not a member on this date.

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 characteristics are summarised in the following chart.



Data as at February 2025

The Board recognises the value of diversity and has expressed an aim to identify actions to try and improve the diversity of the Board membership to ensure a broader range of perspectives, experiences, and backgrounds in decision-making are captured. Selection and recruitment of new members does include efforts to advertise widely, and work will continue to build on this further. The action plan developed arising from the Board's review of its effectiveness will include an action around incorporating the Authority's DEI (Diversity, Equality and Inclusion) Strategy where appropriate.

Work of the Board 2024/25

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 member learning and development, succession planning, information governance, audit findings and progress on actions, and regulatory and national policy developments.
- **Decisions of the Authority** – Members of the Board received all agenda papers issued to Members of the Pensions Authority and Board members can observe meetings of the Authority.
- **Authority's Annual Report 2023/24** – the Board reviewed the draft annual report 2023/24 and provided comments and improvement suggestions on this with their recommendation to the Authority.
- **LPB Budget** – the Board considered their proposed budget for 2025/26 and recommended this to the Authority for approval as part of the overall Budget for 2025/26.
- **Independent Governance Review Action Plan** – Following the independent governance review, undertaken by Aon and reported in June 2024, two members of the Board participated in a small working group with Authority members and officers to produce an action plan. The plan was considered by the Board at their November meeting and recommended to the Authority for approval. Progress updates are monitored regularly by the Board.
- **The Pensions Regulator's General Code of Practice** – The Board received bi-annual updates on the assessment of compliance with the Code to scrutinise and seek assurance that progress towards compliance is evidenced.
- **Risk Management** – The Board actively monitor and seek assurance regarding the Authority's management of risks and during the year have completed the following work in this respect.
 - Considered the Risk Register at each formal meeting throughout the year.
 - Received a demonstration of the Pentana risk management software system with a presentation on how this is used by officers as part of the risk management process.
 - Considered the report on findings from an internal audit review of the implementation of the risk management system. The Board welcomed the positive audit opinion and assurance provided.
- **Procurement Compliance** – The Board considered a report on how the Authority's procurement arrangements ensure compliance with regulations and the Contract Standing Orders. This update had been requested by the Board for them

to undertake a more detailed consideration of procurement following results of an internal audit review, including an update on progress against the agreed actions from that review.

- **Governance Compliance Statement** – The annual update of the Governance Compliance Statement was reviewed by the Board and recommended to the Audit and Governance Committee.
- **Annual Governance Statement** – The draft of the Annual Governance Statement for 2024/25 was reviewed by the Board who recommended it for approval to the Authority who will consider this in June 2025.
- **Investment Governance** - The Board considered a report of the Assistant Director – Investment Strategy on the conclusions and recommendations arising from the annual review of the Border to Coast Pensions Partnership.
- **Member Learning and Development** – The Board reviewed the Member Learning and Development Strategy 2025/26 and recommended it for Authority approval. Additionally, the Board welcomed the proposed introduction of individual member learning and development plans, launched in April 2025, to ensure tailored plans and support for each member in developing their knowledge, skills and expertise in fulfilling their roles and responsibilities on the Local Pension Board.

Pensions Administration:

- **Pensions Administration Performance** – The Board considered detailed reports at each meeting on pensions administration performance. The Board have welcomed a number of additions and enhancements incorporated into these reports, many of which were requested by the Board. Some of the issues considered this year include progress on delivery of the administration improvement plan, clearance of casework backlogs, plans and risks relating to the software system improvements, monitoring of progress and issues on McCloud rectification, and updates on delivering the range of major projects in progress..
- **Breaches, Complaints and Appeals** - The Board received updates on breaches, complaints and appeals as part of the Pensions Administration quarterly reports. Members have welcomed additional information being reported to provide a deeper understanding of the breaches, complaints and appeals.
- **Consultation, Communications and Engagement Strategy** – The Board considered the draft Consultation, Communications and Engagement Strategy and recommended it for approval to the Authority who will consider this in June 2025.

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 2024/25 year, members of the Board have participated in the following learning and development events.

Event / Course	Date	Riaz Nurennabi	David Webster	Sheldon McClure	Andrew Gregory	Nicola Gregory	Linda Beresford	Ken Richardson	Martin Badger	Debbie Carrington	Shelagh Carter
LGPS Online Learning Academy*	2024/25	✓	✓	✓	✓	✓	✓	✓	✓	✓	
CIPFA Annual LPB Conference	15/05/2024		✓								N/a
SYPA Inductions and Development Session	06/06/2024	✓	✓	N/a	✓	✓	✓	✓	✓	✓	N/a
Border to Coast Pensions Partnership Annual Conference	18/07/2024 – 19/07/2024		✓								
LGIU Course: Charing Skills	10/09/2024	✓	✓								N/a
SYPA Seminar – Corporate Strategy	12/09/2024		✓					✓	✓	✓	N/a
Room 151 Budget Podcast	04/11/2024	✓	✓				✓				N/a
LPB Training – Responsible Investment	07/11/2024	✓	✓	✓	✓	✓	✓	✓	✓		
CIPFA Local Pension Board Member Training - Autumn Series	21/11/2024		✓								
SYPA - Members Away Day	28/11/2024	✓	✓	✓	✓	✓			✓	✓	

Event / Course	Date	Riaz Nurennabi	David Webster	Sheldon McClure	Andrew Gregory	Nicola Gregory	Linda Beresford	Ken Richardson	Martin Badger	Debbie Carrington	Shelagh Carter
SYPA Seminar – Valuation Assumptions	13/02/2025		✓	✓				✓	✓	✓	
LPB Seminar – CEM Benchmarking of Pensions Administration	20/02/2025	✓	✓		✓		✓	✓		N/a	
SYPA Seminar - Breaches	13/03/2025	✓	✓	✓	✓		✓	✓		N/a	
LPB Presentation – Pentana and Risk Management	27/03/2025	✓	✓		✓	✓	✓			N/a	
LPB Seminar – Valuation Consultation and Engagement	24/04/2025	✓	✓		✓	✓	✓	✓		N/a	

* 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. Committee Role and Pensions Legislation | 5. Procurement and Relationship Management |
| 2. Pensions Governance | 6. Investment Performance and Risk Management |
| 3. Pensions Administration | 7. Financial Markets and Product Knowledge |
| 4. Pensions Accounting and Audit Standards | 8. Actuarial Methods Standards and Practices |

In addition, there is a module for 'Current Issues' that is kept up to date with content and videos covering topical issues of relevance to Board and Committee members. During the year, Board members have also completed extra modules provided on the topics of the Task Force on Climate-related Financial Disclosures (TCFD) and Conflicts of Interest.

Review of Effectiveness

The Board carried out its annual effectiveness review meeting and survey in March 2025. A full report on the review and actions arising was considered at the Board's April 2025 meeting.

The following section provides a summary of the significant outcomes from this review.

The overall results of the effectiveness survey completed by individual members showed a broadly positive trend compared to the 2024 survey.

The effectiveness review was structured around 5 areas:

1. Review of progress on previous actions
2. Board meeting effectiveness
3. Knowledge, skills and capacity
4. General effectiveness
5. Continuous improvement suggestions.

The Board was generally pleased with the progress made on the actions from previous years' reviews. The Board documented their conclusions on closing off actions and proposals for carrying forward some of the actions not fully completed yet.

The review found that Board meetings are generally effective and newer members commented positively on how discussion in meetings is encouraged. Recommended improvements were discussed in relation to requesting further consideration of how the reporting to the Board by officers can better demonstrate performance and administrative changes relating to circulation of draft minutes and agendas.

In relation to Knowledge, Skills and Capacity, the Board found this to be very effective and the survey results showed a continuing improvement trend with members reporting increased confidence in their own knowledge and skills. The areas identified for further improvement related to the online reading room ('knowledge library') to make this more user-friendly and easier to navigate, and a suggestion to make the required time commitment and responsibilities of the role clearer when undertaking recruitment for new members.

In regard to general effectiveness, the survey results showed improved scores. The Board remain committed to aiming for increased diversity on the Board itself and identified an action to consider how to incorporate the Authority's Diversity, Equality and Inclusion strategy in the coming year.

The Board's review this year introduced continuous improvement as a new area for consideration. This highlighted suggestions in relation to identifying opportunities for greater collaboration between the Board and the Authority, ensuring more regular updates on any membership changes that occur between meetings, and considering

an action to limit the time spent by officers presenting reports in order to prioritise and allow more time for member questions and debate in the meetings.

The report on the effectiveness review outcomes was considered at the April meeting and an action plan was agreed to implement the recommendations.

Future Plans

Over the coming year, the Board will continue to consider issues covering governance and pensions administration included in its Work Programme. This programme continues to be developed in order to facilitate timely consideration of key documents, strategies and policies to provide the Board's input and views for Authority consideration prior to approval. Some of the main items on the agenda for the 2025/26 municipal year are as follows:

- Valuation 2025 – Results.
- Funding Strategy Statement update.
- Monitoring progress of significant projects such as McCloud Rectification and Pensions Dashboards.
- Local Pension Board Constitution review and update.
- Governance Compliance and Annual Governance Statements.
- Review of the Authority's draft Annual Report for 2024/25.

The Board also plans to implement actions for raising the profile of the Board and its work – these will include providing more information on the SYPA website, as well as taking opportunities to communicate through the employer and scheme member newsletters and to present at the annual employer forum.

Board Expenditure and Forecast Outturn 2024/25

The 2024/25 budget for the Local Pension Board was recommended to the Authority for approval in November 2023 and approved by the Authority as part of the total budget in February 2024.

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

Local Pension Board Expenditure 2024/25	2024/25 Budget £	2024/25 Q4 Forecast Outturn £	2024/25 Q4 Forecast Variance £	2024/25 Q4 Forecast Variance %
Independent Adviser	9,800	10,590	790	8.1%
Member Allowances	18,700	18,390	-310	-1.7%
Member Learning and Development	8,000	7,180	-820	-10.3%
Member Travel & Subsistence Expenses	1,000	910	-90	-9.0%
Running Costs - Catering, Printing, etc.	700	470	-230	-32.9%
Total	38,200	37,540	-660	-1.7%

Budget Variances

The overall forecast outturn for the year is a minor under-spend of (£660).

The variances against the budget are as follows.

- There is a small over-spend of £790 on the independent adviser budget this year, mostly due to the additional costs of recruitment advertising required in 2024 for this role.
- Member learning and development continues to be a high priority and the budget for the year was almost fully used, with just a small under-spend of (£820) for the year. The 2025/26 budget has been set at £8,800 to maintain an extensive programme.
- There were minor variances across the various other running costs for the Board as shown in the table, resulting in a small net under-spend of (£630) in total on these lines.



Subject	Annual Governance Statement 2024-25	Status	For Publication
Report to	Authority	Date	05 June 2025
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham – Director	Phone	01226 666428
E Mail	ggraham@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To secure approval for the Authority's Annual Governance Statement.

2 **Recommendations**

- 2.1 Members are recommended to:
- Approve the Annual Governance Statement for 2024/25 and authorise its signature by the Chair and Director.**
 - Note the provisional conclusion of the Head of Internal Audit which will be revised if required by the content of the Internal Audit Annual Report.**

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.

Reviewing and gaining assurance around the control environment and the effectiveness of the Authority's arrangements for securing good governance demonstrates an organisation that is self-aware and complying with the relevant legal requirements.

4 **Implications for the Corporate Risk Register**

- 4.1 The actions outlined in the Annual Governance Statement address various identified risks and areas for improvement, some of which are directly referenced in the Corporate Risk register, while others are subsets of identified corporate risks.

5 **Background and Options**

- 5.1 The Accounts and Audit Regulations (2015) require the Authority to conduct an annual review of the effectiveness of its system of internal control and to produce an annual

governance statement each year. The statement is considered and approved by the members of the Authority meeting as a whole; following which, it has to be signed by the Head of Paid Service and the Chair. The statement is included in the Statement of Accounts and relied upon by the external auditor as part of the evidence base for their value for money conclusion.

- 5.2 The Annual Governance Statement (AGS) assesses compliance with and performance against the standards set out in the Authority's Local Code of Corporate Governance (available through background papers). The Annual Governance Statement for 2024/25 is attached at Appendix A for approval.
- 5.3 The AGS is produced through a process which involves a review of arrangements in each department by the relevant Assistant Director, who provides an assurance statement to the Director and the Head of Governance and Corporate Services for use as part of the evidence base in reviewing effectiveness and to assemble an overall statement. Other evidence considered in the process includes internal and external audit reports, external assessments – including the independent governance review in 2024, regular performance reporting, assessment of compliance with the Pensions Regulator's General Code, and an exercise to identify areas where the standards set out in the local code are not being fully met, together with the annual reports of the Audit and Governance Committee and the Local Pension Board.
- 5.4 The AGS includes a summary of the assessment of the control environment from the Annual Report of the Head of Internal Audit. Currently this is a provisional assessment, pending the completion of the full Internal Audit Annual Report and should any amendment be required this will be made prior to the publication of the statement as part of the audited accounts.
- 5.5 The review of the 2024/25 arrangements and progress against last year's action plan as detailed in the AGS show that very good progress has been made over the course of the year. Six of the eight actions are already completed or are close to completion (by the end of June 2025). The two remaining actions, as outlined in the AGS, are significantly progressed but will be carried forward to the 2025/26 action plan to reflect that work will continue in these areas in the forthcoming year.
- 5.6 This year's review and action plan reflects an emphasis on meeting the challenges ahead from changes in the external environment and to ensure robust governance underpins the Authority's plans set out in the 2025 – 2028 Corporate Planning Framework. The areas identified for improvement and the actions to be taken are summarised in the action plan for 2025/26 set out in the final pages of the AGS at Appendix A.
- 5.7 The draft AGS has been reviewed by the Head of Internal Audit (Head of Corporate Assurance) and also by the Local Pension Board. Feedback from both has been incorporated in the final version attached for Authority approval at Appendix A.

6 Implications

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

Financial	None directly. Individual actions may require specific resources which will be dealt with through the appropriate decision-making processes as required.
Human Resources	There are a number of actions which will require HR input. This will be factored in to the relevant work plans.

ICT	None directly. There are a number of actions which will require ICT input. This will be factored in to the relevant work plans.
Legal	None directly
Procurement	None directly. The action plan includes further developments to strengthen contract and supplier management as part of the overall procurement arrangements in place.

George Graham, Director

Background Papers	
Document	Place of Inspection
Local Code of Corporate Governance	Local Code of Corporate Governance (sympensions.org.uk)

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Annual Governance Statement 2024/25

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 Authority reviews and updates this Local Code every two years (as a minimum) and the next review will be carried out by December 2025.

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 2025 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 review and update of the Constitution was undertaken in the last year to incorporate recommendations from the independent governance review.

The revised document was approved in March 2025 and is available here: [Constitution \(sypensions.org.uk\)](https://www.sypensions.org.uk/constitution)

The Independent Governance Review that was carried out by Aon at the end of 2023/24 and reported in June 2024, concluded that:

“... the governance of the SYPA is of an excellent standard in most areas, meets nearly all legal requirements in the matters we have considered, and is demonstrating best practice in several 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”.

Whilst no significant weaknesses were identified, the report included some recommendations for further improvement or consideration. An action plan to address these was developed by a working group of Authority and Local Pension Board members along with officers. This was approved in December 2024 and progress is being reported at regular intervals to the Audit & Governance Committee and the Local Pension Board.

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.

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

Registers of potential conflicts, including personal relationships, for staff and a register of gifts and hospitality for both staff and officers are all in place. The register of gifts and hospitality has been reviewed and updated during the year.

A Counter Fraud and Corruption policy and a Whistleblowing policy are in place should any individual wish to make a confidential disclosure. These policies have been reviewed and updated during the year. There have been no cases of fraud or uses of the whistleblowing procedure in the 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 reported to the Local Pension Board (LPB) at each of its meetings. Work to improve the identifying and recording of breaches not deemed to be material has been carried out during the year and training in this area delivered to staff and to Authority and LPB members. The next steps during the forthcoming year are to formalise the process for decision-making regarding when breaches are to be reported to the Pensions Regulator.

Complaints policies exist in relation to quality of service, and statutory appeals processes in relation to decisions made under the Pensions Regulations. During the year, a new role of Complaints Resolution Officer was established in the Pensions Administration department, with the purpose of improving consistency and timeliness of responses to complaints, collating and learning from complaints and other customer feedback received including root cause analysis and implementing solutions to prevent recurrence of issues.

Procurement arrangements are in place to comply with legislative requirements, good practice, achieve value for money and demonstrate accountability. This includes a gateway approval document that guides staff through the process and ensures all stages are appropriately documented. Training from CIPFA has been provided for all staff involved in procurement activity. The Contract Standing Orders that form part of the Constitution have been updated during the year to reflect changes new procurement legislation and regulations that came into force in February 2025. The Governance team attend regular training on procurement rules and practices and the Governance Team Leader is undertaking a Diploma in Contract Management to further strengthen knowledge to support making improvements in the Authority's processes in this area.

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

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

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's Governance team oversees and manages democratic services, governance and assurance, and compliance with regulations.

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 over 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.

Principle B: Ensuring openness and comprehensive stakeholder engagement

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.

The forthcoming year will require the Authority to prepare for and respond to the impact of the emerging outcomes from the Government's 'LGPS – Fit for the Future' consultation with more work to be carried out around the overall governance of the Border to Coast partnership and in particular how performance concerns can be addressed. Given the likely need to respond to the process of the membership of the Partnership increasing, it is likely that a significant amount of senior input will be required to the management and development of the partnership over the coming year.

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

The triennial review of the Authority's Investment Strategy to be completed during 2025 will be informed by views gathered from scheme members in a large consultation exercise undertaken during February – March 2025 as part of our aim to ensure that stakeholder views can help to shape our policies.

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, Consultation and Engagement 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 with updates on relevant information, training, and events. The newsletter is now being issued monthly rather than quarterly in order to provide more timely updates and a more concise and easy-to-read format.

There is a current focus on engaging with all our employers as part of the triennial valuation process that will set the employer contribution rates to be paid from April 2026 to March 2029.

The processes for engaging with and understanding the views of scheme members are also set out in the Communications, Consultation and Engagement Strategy. Surveys are also used to gather feedback on our communications and inform improvements.

Principle B: Ensuring openness and comprehensive stakeholder engagement

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. The addition of a new role of Complaints Resolution Officer this year is designed to enhance the focus on responding to complaints and other customer feedback, as well as identifying common trends and root causes that can be tackled to improve performance. 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.

Areas for Improvement:

- Work needed to further strengthen the governance of the partnership arrangements with Border to Coast in light of emerging developments from Government legislation and policy in respect of pooling and governance in the LGPS. It is likely that a significant amount of senior input will be required to the management and development of the partnership over the coming year.

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.

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

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.

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. Reporting on the impact of various investments, including place-based impact investing, is now well established and included each year in the Authority's annual report. It is planned, working with Border to Coast colleagues, to extend this work to include reporting on the positive impact on climate from the investments made within the Climate Impact Portfolio.

During the year, the Authority was confirmed as a signatory to the UK Stewardship Code. Overseen by the Financial Reporting Council, this Code sets high stewardship standards for those investing money on behalf of UK savers and pensioners. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. In order to be confirmed as a signatory, the Authority had to demonstrate in its Stewardship Report how we meet these standards across the 12 core principles for asset owners. The report is published on our website at: [Stewardship](#). The Authority will annually report on this basis in order to remain a signatory.

The Authority includes information in our annual report each year in line with TCFD - Taskforce on Climate- Related Financial Disclosures. This is an industry-led group which helps investors understand their financial exposure to climate risk and works with companies to disclose this information in a clear and consistent way. It was launched at the Paris COP21 in 2015 by the Financial Stability Board (FSB) and Mark Carney, the UN Special Envoy on Climate Action and Finance and UK Finance Adviser for COP26.

In the last year, the Authority has taken this further and produced its first standalone [TCFD Report for 2023/24](#), which is ahead of the proposed legislative timetable for production of this report by LGPS Funds. The report sets out SYPA's approach to managing climate risk within the four thematic areas of governance, strategy, risk management and metrics and targets of the TCFD. The TCFD report will be published annually and will show the progress the Fund is making towards its carbon emission reduction targets through the metrics agreed in the Climate Change Policy.

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

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 Communications, Consultation and Engagement Strategy to seek views on issues where appropriate and to consider differing views when making decisions. An example of this is the large consultation survey of all scheme members undertaken in Feb – Mar 2025 on responsible investment issues to inform the forthcoming review of the Investment Strategy.

Beyond the investment sphere, the Authority maintains a Diversity, Equality and Inclusion Scheme to guide its approach to the delivery of fair access to its services for any individual with a protected characteristic. This scheme has been fully revised and updated in February 2025 with a strategic action plan defined for delivery during the three-year period of the corporate planning framework, 2025 to 2028.

During the year, internal audit reviews have taken place on the controls and processes for the Investment Strategy & decision-making, Corporate Strategy & Planning Framework, and Climate Change / Net Zero – all of which concluded with substantial assurance.

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.

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

The Authority's discretions policy statement (as administering authority of the South Yorkshire Pension Fund) sets 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.

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. The Corporate Strategy is reviewed and updated annually, with a comprehensive review of the whole framework every three years in line with the triennial cycle of the Fund's valuations. This full review was completed this year, and the new Corporate Planning Framework for the period April 2025 to March 2028 was approved by the Authority in February 2025.

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. There has been significant work undertaken this year on developing performance reporting – with the introduction of dashboards and a series of incremental improvements implemented by the Assistant Director – Pensions on the quarterly pensions administration performance reports to the Local Pension Board and the Authority.

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.

The Authority sets out clear rules on procurement in its Contract Standing Orders within the Constitution. This has been updated during the year to comply with new legislation that came into force from February 2025 – the Procurement Act 2023. The Governance team have the role of ensuring compliance with procurement policy and regulations, arranging training as required and providing support and guidance to managers alongside forms and documentation that lead staff through the process and ensure appropriate controls and approvals are in place and evidenced.

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

Having strengthened the procurement arrangements in place over the last couple of years, the focus has now shifted to developing and improving the framework and arrangements in place for contract management, with plans to update the guidance and support available to relevant managers responsible for managing the supplier relationships and contracts for key services / software systems relied upon by the Authority.

An Independent Governance Review was carried out and reported in June 2024. The overall results of which were very positive, the reviewers finding that the governance at SYPA is of an excellent standard in the vast majority of areas. There were no significant weaknesses highlighted but some recommendations were made for consideration for further improvement. A small working group of Authority and LPB members along with officers worked together to produce an action plan in response to these – many of the actions identified have already been completed or are in progress, with regular updates to be reported to both Authority and LPB.

This also aligns with regular assessment of compliance with the Pensions Regulator's General Code of Practice – the Authority assesses itself against both the essential requirements and the good practice standards in this Code, with actions planned to address any gaps and updates provided to the Local Pension Board every 6 months.

Areas for Improvement:

- Contract and Supplier Management – There is a need to develop and improve arrangements in place for managing contracts, providing a framework of policy, guidance and training for managers to follow. This will also need to incorporate procedures we will take to ensure that our service providers meet the Pensions Regulator's standards for maintaining their own IT systems.

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.

The Clerk and Deputy Clerk roles are fulfilled by officers of Barnsley MBC under a service level agreement. During the year, these arrangements for the Clerk role have been reviewed at the request of Barnsley MBC, and the Authority approved a proposal to bring the Clerk role in-house to be fulfilled by the Director from 1 April 2025. This is a logical culmination of a process that has been in train for a number of years, of the Authority developing its capacity and 'self-sufficiency' in respect of all of its governance arrangements.

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

Independent Advisers with suitable skills and experience are employed to support both the Local Pension Board and the Authority. An independent member with appropriate professional experience and expertise is also appointed to the Audit & Governance Committee, in line with recommended practice, and to support the Committee's role in providing challenge and scrutiny.

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. In addition, the Authority conducted its own effectiveness review for the first time in February 2025. This will now become an annual process to align with those already in place and to inform the assurance gathering process undertaken each year as part of preparing this Statement and the annual report of the Authority.

Joint meetings of the Authority and Local Pension Board Chairs and Vice Chairs are held regularly throughout the year. The members holding these roles also attend a training course on Chairing Skills for councillors.

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 focus proactively on supporting and ensuring all core training is completed and to strongly encourage take-up of a wide range of learning opportunities provided throughout the year. A 12-month induction programme is in place for new members with one-to-one reviews at regular intervals with the governance officer. All Authority and LPB members completed a National Knowledge Assessment during the year, the results of which have informed the Learning & Development (L&D) Strategy for 2025/26. To further strengthen the L&D provided for members, a self-assessment knowledge and skills matrix and individual learning plan will be introduced from April 2025 to ensure that each member has an individual plan tailored to their role, experience and needs in order to support them to fulfil their role on the Authority, its committees or the Local Pension Board most effectively.

An annual Authority and LPB Member Away Day is held to provide training on a range of relevant topics as well as an opportunity for collaboration and networking between Authority and Local Pension Board members and with officers, advisers and guest speakers. The November 2024 Away Day included presentations on investments, governance review, cyber security and pensions dashboard.

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. In the last year, the staffing capacity growth plans in pensions administration that were approved in 2023 have been implemented successfully. These changes were designed to strengthen capacity, enhance capability, and increase sustainability.

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

Work also continues to reduce the risk of single points of failure, and this is identified in the strategic risk register, with actions identified to mitigate this risk. These include actions around building internal resilience, sharing knowledge and documenting procedures etc. as well as continued actions around improving retention.

During the last year, this has been managed in practice as a result of the retirement of the former Assistant Director – Investment Strategy; with actions taken to ensure a smooth transition, involving the design and execution of a recruitment strategy to ensure successful appointment of a suitably experienced officer to the role in a timeframe that enabled a handover period of eight weeks.

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. In the last year, this has included providing support for relevant staff to complete the newly developed Level 3 qualifications tailored to the LGPS in pensions administration.

The arrangements relating to career grade progression have been subject to a comprehensive review over the course of the last year, with the aim of developing a new corporate policy setting out a consistent set of principles to be followed across the organisation for managing career progression, underpinned by documentation detailing the assessment criteria and process attached to each career graded role. This work is in progress and is expected to be completed and launched in the first half of the 2025/26 year.

Learning and development activity for staff is further supported through access to online resources through a range of systems such as online reading rooms, SharePoint, and LinkedIn Learning.

The Director has an annual appraisal with the Authority's Chair and Vice Chair to review performance against objectives, set objectives for the next year and consider learning and development needs as relevant to the role. This is informed by 360-degree feedback from a range of internal and external stakeholders and is supported and facilitated by the Head of HR from Barnsley MBC. The appraisal is then presented to the Authority for discussion and approval in March each year.

The current Director has confirmed an intention to retire at the end of 2025. The Authority has approved a recruitment plan that will conclude in July 2025 and allow for an eight week handover period if successful. Following the appointment decision, a tailored induction programme will be developed for the individual to help ensure an effective 'on-boarding' to the organisation and the role.

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

The Authority's management team continue to be mindful of the need to monitor the extent to which resourcing and officer capacity is available to meet the ambitions reflected in the corporate plans, particularly in respect of target timescales. Although this is in the context of constraints regarding the fact that many of the detailed plans are to meet statutory requirements and deadlines that do not allow for flexibility.

Health, Safety and Wellbeing arrangements are prominent and embedded across the organisation. An external Health & Safety adviser is retained, an annual independent audit of our H&S arrangements is undertaken, and any recommendations are acted upon, 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.

Areas for Improvement:

- The retirement of the current Director will require robust planning and practical arrangements to be put in place to ensure an appointment is made and a smooth transition and handover is achieved.

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 again delivered to relevant managers and officers during the year. The framework 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.

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

The use of a risk management software system is now embedded as part of the overall process. This will be further developed during the coming year, with the addition of operational level risk registers for each service to support and inform the strategic risk register. A post implementation audit review on the controls and processes for the system was completed during the year and provided substantial assurance.

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.

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 is now in place and used consistently. A new performance management framework was approved by the Authority in September 2024 and the team are continuing to develop the analysis and reporting of performance metrics, use of dashboards and a range of indicators. This is already having a positive impact in providing managers with a clear view of performance that they are able to use to inform and drive where intervention is required, and to building improvements in the reporting to Authority and Local Pension Board. The performance management framework continues to be an area of focus for the action plan for 2025/26.

Progress has continued in relation to the implementation of the pensions administration improvement plan, including the clearance of backlogs and this is reported quarterly to Authority and Local Pension Board. This will continue to be an identified action on the AGS action plan for the coming year and will additionally include development and implementation of the Data Improvement Strategy.

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 Data Protection Policy Statement was updated during 2024/25 and plans for 2025/26 include the next phase of work which will focus on updating and improving the policy and procedures in place for data retention, classification and disposal as well as information asset registers.

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

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. There is an identified need for the suite of ICT policy documentation, including the cyber security policy document, to be reviewed and updated. This was planned for 2024, but only limited progress was made (due to other pressures on the team resourcing available) so this is now in the action plans for the team for 2025/26. 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.

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.

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 Corporate Assurance, in her role as Head of Internal Audit for the Authority, is required under the relevant professional standards to produce an annual opinion on the adequacy of the control environment. *For 2024/25, 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."*

**NB: This conclusion is a draft only and will be updated for 2024/25 following the completion of the Head of Corporate Assurance's annual workplan and annual report for the year to the Audit & Governance Committee.*

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

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

and Governance Committee Chair and members. A separate meeting is held between the Chair and the external and internal auditors without any officer presence before each and every Committee meeting.

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.

Assurance over the financial controls and framework is provided through comprehensive audit arrangements. During the 2024/25 year, seven internal audit compliance reviews were undertaken on core financial systems and all of these concluded with a substantial assurance opinion. External audit provided an unmodified audit opinion on the Authority and Fund's statements of accounts and concluded that the Authority has appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources and identified no significant weaknesses in this respect.

Areas for Improvement

- Information Governance – Further work is required to review and update the remaining aspects of this framework in respect of data retention and classification policies and procedures and information asset registers.
- Pensions Administration Plan – Continued progress on this over the coming year is required, with further development of a data improvement strategy to be implemented.
- Policy Framework – There is a need to ensure that the full suite of ICT policies is updated during 2025/26 and procedures put in place to ensure this is kept up-to-date on an ongoing basis.

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 annual report for 2023/24, published in November 2024, was fully re-formatted to improve the design and presentation for readers, as well as being revised in line with new guidance for LGPS annual reports issued by the Scheme Advisory Board.

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.

Governance Action Plan – 2024/25 Progress Update

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 2024/25.

Action Plan from 2023/24 AGS	Responsible Officer	Target Date	Progress Update 2024/25
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	September 2024	Completed A new process has been developed and training has been delivered to staff across pensions administration teams. This is reflected in updated information now included in the Pensions Administration Quarterly updates to the Local Pension Board.
Review of Counter-Fraud and Whistleblowing Policies Complete a review and update of the Anti-Fraud, Bribery and Corruption Policy Statement and the Whistleblowing Policy.	Head of Governance and Corporate Services	December 2024	Completed Approved by the Authority in December 2024 and published on the Authority's website.
Equality, Diversity and Inclusion (EDI) Undertake a thorough review of the EDI scheme – prioritising a series of agreed specific actions.	SMT	February 2025	Completed This action is now owned by the Assistant Director – Investment Strategy. A full review was undertaken and a new Diversity, Equality and Inclusion (DEI) Scheme for 2025 to 2028, including a detailed action plan, was approved by the Authority in February 2025.
Complete Independent Governance Review Independent Governance Review to be completed in June 2024 and an action plan to be developed to address any recommendations.	Head of Governance and Corporate Services	December 2024	Completed The review was completed as planned by June 2024, with very positive results. An action plan to address identified areas for improvements was developed and approved by the Local Pension Board and the Authority in December 2024.

Action Plan from 2023/24 AGS	Responsible Officer	Target Date	Progress Update 2024/25
Career Grade Scheme 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	Partially Completed Work commenced in autumn 2024, with the support of an expert external consultant, and is well in progress with a corporate scheme policy document drafted and work on-going to develop the individually tailored scheme assessment forms for each of the relevant service areas. Largely on track for completion, although to allow enough time for consultation and implementation, the date for completion may be slightly later than initially planned, now anticipated by June 2025.
Business Continuity Complete a full review and refresh of business continuity procedures and documentation, with support from external experts as required.	Head of ICT	March 2025	Partially Completed This work is well in progress. The review and a full business impact analysis was completed by the end of March 2025 – the remaining work to collate and finalise the documented plan and procedures will be carried out in the early part of 2025/26.
Performance Management Develop and implement a new 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	In Progress, Carry Forward to 2025/26 The performance management framework document was approved by the Authority in September 2024. A suite of dashboards have been developed and are now in use by management for performance monitoring and for reporting purposes. Work is ongoing to continue development of the framework and updated performance indicators, that is likely to continue into 2025/26.
Pensions Administration Improvement and Backlog Clearance Plan Deliver the elements of the Pensions Administration Improvement Plan and clear the backlog of casework.	Assistant Director – Pensions	In stages to March 2026.	In Progress, Carry Forward to 2025/26 Good progress is being made on delivery of this action, with detailed updates being reported to the Local Pension Board and to the Authority at each meeting. The current aim is for clearance of the backlog to be concluded by end of December 2025.

Review of Governance – Areas for Improvement and Action Plan for 2025/26

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.

Area for Improvement	Actions Required in 2025/26	Responsible Officer	Date for Completion
<p>Carried Forward from 2024/25:</p> <p>Performance Management Framework</p> <p><i>[Linked to Principle F: Managing risks and performance]</i></p>	Continue development and implementation of the framework for performance monitoring and reporting on updated performance indicators. This will 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 during the year to March 2026
<p>Carried Forward from 2024/25:</p> <p>Pensions Administration Improvement Plan – including clearance of backlogs</p> <p><i>[Linked to Principle F: Managing risks and performance]</i></p>	Continue with the progress to deliver the elements of the Pensions Administration Improvement Plan and clear the backlog of casework.	Assistant Director - Pensions	Backlog to be cleared by December 2025
<p>Governance of the partnership arrangements with Border to Coast</p> <p><i>[Linked to Principle B: Ensuring openness and comprehensive stakeholder engagement]</i></p>	The process and governance for the partnership to be reviewed and strengthened in light of emerging developments from Government legislation and policy in respect of pooling and governance in the LGPS.	Director	December 2025

Area for Improvement	Actions Required in 2025/26	Responsible Officer	Date for Completion
Contract and supplier management <i>[Linked to Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes]</i>	Develop and implement a contract / supplier management framework – including: <ul style="list-style-type: none"> • Policy, guidance on procedures and delivery of training for relevant managers. • Procedures to ensure that our service providers meet the Pensions Regulator’s standards for maintaining their own IT systems. 	Assistant Director – Resources and Team Leader – Governance	In stages during the year to March 2026
Succession planning and risk management for turnover in Director role <i>[Linked Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it]</i>	<ul style="list-style-type: none"> • Recruitment for new Director to be carried out during May to July 2025 to ensure sufficient time to enable new role holder, following any notice period, to commence a few weeks prior to the current Director’s departure. • To be supported by recruitment consultants in order to target and drive interest from the widest possible pool of potentially suitable candidates. 	Director and HR Business Partner	Over the course of the period May 2025 to December 2025
Information Governance <i>[Linked to Principle F: Managing risks and performance through robust internal control and strong public financial management]</i>	Complete the work to develop and implement revised policy and procedures for data retention, classification and disposal, and information asset registers.	Head of Governance and Corporate Services	March 2026

Area for Improvement	Actions Required in 2025/26	Responsible Officer	Date for Completion
Pensions Administration – Data Improvement Strategy <i>[Linked to Principle F: Managing risks and performance through robust internal control and strong public financial management]</i>	Data Improvement Strategy to be implemented. Monitoring, reviewing and improving Data Quality to be developed and an annual programme to be embedded.	Assistant Director – Pensions and Service Manager – Technical, Support & Training	In stages to March 2026
Policy Framework <i>[Linked to Principle F: Managing risks and performance through robust internal control and strong public financial management]</i>	Complete review and update of the suite of ICT-related policies. Consider policy coverage in relation to the use of artificial intelligence (AI) and the governance and controls required around this. Ensure arrangements are in place to review and keep these policies up to date thereafter.	Head of ICT	September 2025

Conclusion

To the best of our knowledge, the governance arrangements as defined above have operated effectively during the 2024/25 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.

<div>Signed:</div> <div>Chair South Yorkshire Pensions Authority</div>	<div>Signed:</div> <div>Director South Yorkshire Pensions Authority</div>
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Subject	Consultation, Communications and Engagement Strategy	Status	For Publication
Report to	Pensions Authority	Date	5 June 2025
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Becci Illidge Communications Business Partner Joanne Webster Customer Services Manager	Phone	01226 666372
E Mail	billidge@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To secure approval by the Authority of the updated Consultation, Communications and Engagement Strategy which supports the Corporate Strategy.

2 **Recommendations**

- 2.1 Members are recommended to:
- a. Make any comments and approve the revised Consultation, Communications and Engagement Strategy.**

3 **Link to Corporate Objectives**

- 3.1 This strategy links to the delivery of some of the corporate objectives, the key ones being Customer focus and Listening to our Stakeholders, because the Consultation, Communications and Engagement Strategy is focussed on detailing the range of ways and reasons why we consult, communicate and engage with our customers and stakeholders as well as highlighting any risks that would affect us in meeting any of the objectives listed below.

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.

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 strategy address the landscape around how the Authority will consult, communicate and engage with customers and stakeholders and how we will know if this has been a success. As a result, maintenance of the strategy (which is a statutory requirement) addresses risks around regulatory compliance and failure to follow due process when considering new policies.

5 Background and Options

- 5.1. The Authority currently reviews the Consultation, Communications and Engagement Strategy every two years, with any smaller changes being made on an ad hoc basis throughout that time. We would like to propose extending the review period to every three years, with ad hoc amends as and when needed during that period going forward to bring this in line with other corporate strategies that operate on this basis and to allow us the time to implement actions from the Digital Communications survey results.
- 5.2. This review included a large number of revisions to the document including the following amendments:
- a. Generic text changes to fit our corporate style, and corrections of grammar and punctuation.
 - b. A new landscape design to bring the document in line with our Annual Report, Corporate Strategy and other strategy documents for a cohesive brand and to make future edits much easier by bringing the design back into a Word document format.
 - c. The inclusion of an infographic with the top-level Digital Communications Survey results from December 2024 and a table detailing our action plan of how we will seek to improve our digital communication with members over the next three years.
 - d. The inclusion of new engagement activities such as the annual Employer Forum, new consultation activities including the Responsible Investment Survey and Digital Communications Surveys to members and changes to communications activities such as the removal of the AGM and replacement with the SYPA In Focus video.
- 5.3. Following the initial rewrite of the strategy, the draft document was then sent out to members of our Focus Group for consultation in March 2025. Nine people replied and a summary of their comments can be found below:
- a. Overall, the feedback on the strategy document was highly positive, with multiple focus group members commending its clarity, comprehensiveness, and effectiveness in setting out SYPA's communication and engagement approach. However, several minor amendments have been suggested to improve clarity, readability, and consistency.
 - b. **Clarity & Simplicity** – Some sections, particularly the principles on page 4, could be made more concise and focused to improve readability. Members suggested streamlining descriptions and changing some of the titles.
 - c. **Terminology & Formatting** – Requests to clarify abbreviations (e.g., ABS) and improve grammatical consistency.

- d. **Risk Section Improvements** – Suggestions to enhance the key risks section (page 29) by explicitly addressing IT security risks, GDPR compliance, and potential misinformation risks. Reviewers also highlighted the need to address low survey response rates among active members and people risks will be managed.
 - e. **Engagement & Accessibility** – A recommendation to extend consultation response deadlines to increase participation, particularly among active members, and to leverage local authority channels for engagement.
- 5.4. All the amendments suggested above by Focus Group Members have now been actioned within the document. We will look to extend the review period in 2028 when this is next updated to give more time for active members who are still working to review effectively but we won't be taking forward the request to share the document with local authorities for them to review.
- 5.5. At its meeting on 24th April 2025, the Local Pension Board was asked to review the Consultations, Communications and Engagement Strategy and to consider whether any significant areas are not captured. The Board were complimentary of the report and felt that it was a clear, easy to read document that covered all elements. The only questions asked were around our wider communications work with plain English and alternative formats which the Communications Business Partner and Customer Services Manager responded to at the meeting. We offer a range of alternative formats on request, including large print, audio CD and braille upon request, to ensure accessibility for all. In addition, we plan to introduce a process for reviewing our key communications against Plain English standards during the period covered by this strategy.
- 5.6. The revised strategy aims to make best use of the professional communications resources that are now available within the Authority to support the overall delivery of our services.

6 **Implications**

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

Financial	None directly from this report. Specific new initiatives may have financial implications which will be dealt with as part of the budget process as necessary. It is intended to identify a specific budget for communications activity within the existing budget and reflect this in the Strategy in future.
Human Resources	None directly from this report
ICT	None directly from this report
Legal	None directly from this report.
Procurement	None directly from this report.

Georg Graham

Director

Background Papers	
Document	Place of Inspection

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2025 - 2028

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Foreword

As an organisation, South Yorkshire Pensions 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.”

Our role is to run the local government pension scheme for our members, putting them at the heart of everything we do, ensuring we provide them with the best level of customer service in the most cost-effective way.

To achieve our mission, we need to focus on key objectives, which are:



The achievement of our mission and objectives will require the fulfilment of the respective responsibilities of the elected Members of the Pensions Authority and its officers. In relation to consultation communication and engagement, we both have responsibilities which contribute to the delivery of an improved service in this area.

We intend to consult and communicate with all our stakeholders as set out in the document and use those results to review our service delivery on a regular basis.

The aim of this document is to explain our Consultation, Communications and Engagement Strategy, the various ways in which we consult and communicate, why we do this and what happens with the results.

Councillor Jayne Dunn
Chair
South Yorkshire Pensions Authority

George Graham
Director
South Yorkshire Pensions Authority

DRAFT

Consultation and Engagement Strategy

South Yorkshire Pensions Authority (SYPA) is committed to managing resources efficiently while maintaining a high-quality service for our stakeholders. To ensure our priorities align with the needs and expectations of our members, we will continue to actively consult and engage with them. By seeking regular feedback and fostering open communication, we aim to enhance service delivery and ensure our strategic objectives remain relevant and effective.

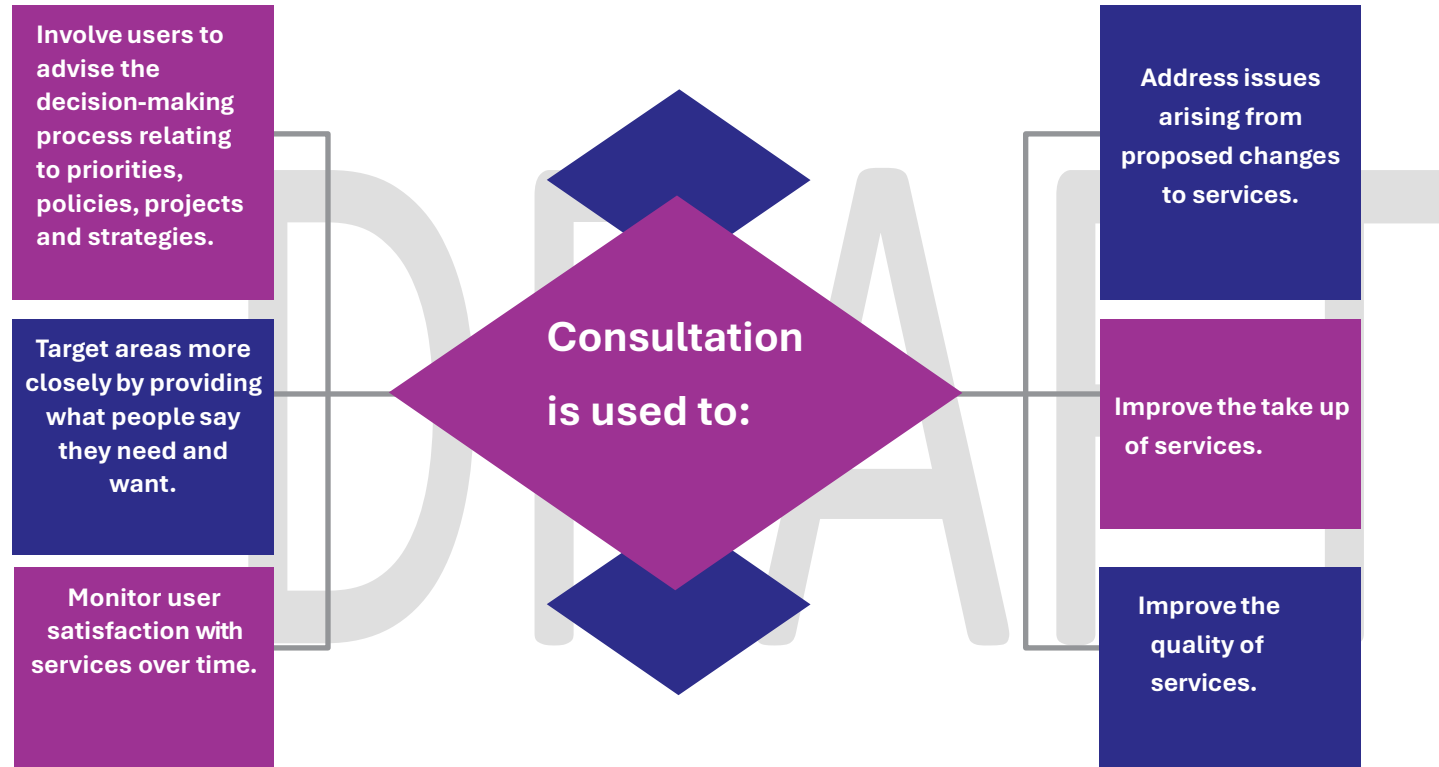
Ensuring Clear, Inclusive, and Transparent Engagement

Pension matters can be technical, legalistic, and complex, often operating differently from other organisations and sectors. To foster meaningful engagement, our consultation exercises must be well-planned and effectively delivered. This ensures that stakeholders understand both their opportunity to contribute to our decision-making processes and the practical limitations of their input. To achieve this, SYPA's consultation approach will be designed with the following key principles and methods of delivery:

Principle	Description
Clarity	Clearly define the purpose, objectives, and target audience of each consultation exercise, along with the potential impact of the feedback received.
Simplicity	Present issues and terms clearly and concisely to ensure accessible, engaging participation while managing risks and learning from experience and best practices.
Transparency	Provide access to all relevant consultation materials, including documents, reports, decision records, and supporting information, in line with Freedom of Information commitments.
Empowerment	Provide the freedom for individuals to identify and implement solutions to problems.
Facilitation	Ensure stakeholders have the necessary context and details to make informed contributions to discussions and decision-making.
Inclusion	Ensure diverse perspectives are considered by actively gathering insights and involving stakeholders in decision-making.
Consultation	Actively obtain stakeholder feedback on analysis, options, and decisions to inform SYPA's approach.
Involvement	Work directly with stakeholders throughout the process to ensure their concerns and objectives are acknowledged and considered.
Collaboration	Engage stakeholders in co-developing alternatives and identifying preferred solutions, fostering shared decision-making.

Why Consult?

To ensure that the Authority provides the services that people want in the way they want them.



Who does SYPA consult with?

We have an established range of mechanisms to support consultation activities.

The people that we are committed to consult with fall into a number of 'stakeholder' categories:

Scheme Member Consultation Groups

These groups are made up of volunteers from each of our main membership categories. Representing current, deferred and pensioner members, each group is consulted on a range of issues as the need arises and provides written feedback on those issues. There is a limit of 200 members on each group. The role of these groups is to provide information to:

- Inform the decision-making process surrounding service delivery.
- Improve local systems and processes.
- Improve customer satisfaction.

The results of each group are analysed and reported to officers. Any immediate actions resulting from this process are fed back for implementation. All other information is used to shape the future service delivery and forms part of the Authority's corporate planning and prioritisation process.

The results of consultation and what will happen will be reported in member newsletters. Changes that have been implemented as a result of consultation will have the effect monitored and will be consulted upon in the future to ensure continued satisfaction. The results of this will also be reported to elected Members.

Local Pension Board

The Local Pension Board became a Statutory requirement from April 2015 and is made up of equal numbers of employer and scheme member representatives. The Board's responsibility is to ensure that the Fund is managed and administered effectively and efficiently and complies with the Pensions Regulator's General Code of Practice. The Board meets at least quarterly, has its own terms of reference and, in addition to reviewing all Authority business, is able to commission reports and request updates as and when necessary.

Types of Consultation

1. Regular Consultation

Employee Engagement Survey

This is issued to all South Yorkshire Pensions Authority employees every two years. Its purpose is to monitor staff engagement and satisfaction across different measures relating to their role, leadership and management, professional development and the working environment. This provides information to support continuous improvement to ensure a motivated and engaged workforce to deliver our mission and objectives.

Scheme Member Satisfaction Survey

Targeted surveys are conducted annually, sampling members from various stakeholder groups. A minimum of two surveys will be carried out each year.

The results will be used to:

- ◆ Inform the decision-making process surrounding service delivery.
- ◆ Improve local systems and processes.
- ◆ Improve customer satisfaction and involve our customers in the provision of the services they receive.
- ◆ Ensure that our service has our members' approval.

Scheme Employer Satisfaction Survey

Focused surveys are carried out every two years with all our employers.

The results will be used to:

- ◆ Inform the decision-making process surrounding service delivery.
- ◆ Improve local systems and processes.
- ◆ Improve employer satisfaction.

2. Ad-Hoc Consultation

In addition to the regular surveys above, there are occasions when it is appropriate to consult our stakeholders on an ad-hoc basis. SYPA will take every opportunity to seek the opinions of its stakeholders through surveys to continually assess and improve the service provided.

Responsible Investment Member Survey 2025

The Responsible Investment (RI) Survey is designed to gather members' views on responsible investment as part of SYPA's Investment Strategy review. Conducted independently by TLF to ensure confidentiality and adherence to data protection standards, the survey provides members with an opportunity to potentially influence how financial returns are balanced with responsible and sustainable investment practices. Members received a direct invitation via email, with a three-week window to participate, ensuring broad engagement. Insights from this consultation help shape investment priorities, reinforcing SYPA's commitment to transparency and stakeholder involvement in decision-making.

Digital Communications Member Survey 2024

In December 2024 we consulted with members through an online survey about our Digital Communications and had 1,808 responses from members. To ensure a more accurate representation of our scheme membership, we have weighted the survey responses. This adjustment accounts for the disproportionately higher number of responses from retired members compared to active and deferred members.

Weighted Average Response Rates:

Membership type	Numbers that completed the survey		Total membership numbers (at November 2024)		Weighted average response rate
Active	516	28.5%	51,284	28.4%	28.4%
Deferred	210	11.6%	64,434	35.7%	35.7%
Pensioner	1,082	59.9%	64,933	35.9%	35.9%
Total	1,808	100.0%	180,651	100.0%	

The infographic below highlights some of the key areas we will look to improve. Over the next few pages, there is a summary of the key findings from members' feedback in the digital communications survey and a suggested action plan to take forward to 2028 to further improve our members' digital experience with SYPA.

Digital Communications Survey December 2024 - Results



1,808

members completed
our Digital
Communications
survey.

Social Media Engagement

1,468 responded to this question

66.7%

don't follow SYPA on
social media

5.7%

do follow SYPA on
social media

27.6%

were unaware SYPA had
social media



3.4

was the average
weighted overall
level of member
satisfaction with our
digital channels.

65%

of members said they access
information through the website
but the usability rating averaged

3.1



3.2

was the average weighted level
of member understanding of the
scheme.



Across all member
groups **email**
was the preferred
communication
method.



23%

prefer pension
news and updates

8%

want educational
content

5%

like interactive
posts (polls,
Q&A)



Recommendation	Actions	Status
1. Improve Access to Pension Information		
Website Improvements	Member survey at the end of website visits for feedback	Planned - in progress with IT
	Redesign for better navigation, faster loading times based on feedback	Planned
	Simplify login and account recovery	Planned
	Promote support section with FAQs, video guides, and live chat	Ongoing
Alternative Access Options	Offer and promote printed pension summaries for non-digital members (on website, newsletter, social media)	Ongoing
	Consider a mobile app for pension access	Not a priority currently
Clearer Communication of Pension Benefits	Use jargon-free explanations in all documents	Ongoing
	Provide step-by-step instructions for accessing Annual Benefit Statements (ABS) and P60s	Planned
	Add pop-up messages on MyPension for ABS viewing	Completed - already in place

Recommendation	Actions	Status
2. Enhance Communication Methods		
Email as Primary Communication	Update processes to ensure email is the primary response method	Planned
	Maintain email as default and keep details updated	Ongoing
	Improve clarity and conciseness of emails	Ongoing
Postal Communication	Offer opt-in paper statements for key pension documents	Ongoing
	Ensure major updates are available in print and promote them	Ongoing
Increase Frequency & Clarity of Updates	Clearer tax implications for pensioners via website, letters, and newsletters	Ongoing - actioned on website
	Promote key web pages through news stories and social posts	Ongoing
Improved Newsletter Content	Active/Deferred Members: Pension forecasts, investment updates, retirement tips	Ongoing
	Pensioners: Financial management, tax information, case studies	Ongoing
	Include Q&A sections addressing common concerns	Ongoing

Recommendation	Actions	Status
3. Expand Pension Education Efforts		
Flexible Learning Formats	Continue live webinars & recorded sessions	Ongoing
	Offer printed guides and face-to-face sessions for pensioners	Ongoing
	Promote 'Understanding Your Pension' session in new member welcome email/letter	Completed - already in place
Targeted Education Topics	Cover pension benefits, retirement planning, and financial wellbeing topics for all member groups	Planned
Increase Awareness of Education Sessions	Tailored email invitations for upcoming events	Ongoing - already in place
	Dedicated website section for past session recordings	Ongoing - already in place
	Promote phone and in-person appointments for pension queries	Ongoing
4. Strengthen Digital & Social Media Engagement		
Improve Website & Online Tools	Trial a young members' newsletter with tailored content	Planned
	Ensure pension calculator and forecast tools work smoothly	Ongoing

Recommendation	Actions	Status
	Add Q&As for common queries	Planned
	Provide a pension access checklist for members nearing retirement age	Planned
Optimise Social Media Strategy	Facebook-focused engagement for pensioners & deferred members	Ongoing
	Share bite-sized pension advice videos & Q&As	Planned
Enhance Digital Assistance	Updated step-by-step website tutorials for less tech-savvy members	Planned
5. Improve Member Support & Responsiveness		
Proactive Member Outreach	Follow-up emails for members who haven't accessed statements	Completed for ABS emails, bulk email reminder planned for 2025
	Reminder system for key pension milestones (e.g., retirement eligibility)	Ongoing but already actioned for deferred members
Simplified Member Feedback	Regular surveys for digital access/communication issues	Planned
	Quarterly Feedback survey for customer service calls	Completed and in place

Recommendation	Actions	Status
	Quarterly Feedback survey for new retirees	Completed and in place
	Quarterly New starter feedback form	Completed and in place
	Email response satisfaction rating with follow-up option	Completed and in place
	Online feedback options on the website	Ongoing
	Digital communication member survey every 2.5 years	Planned

Communications Strategy

SYPA recognises that in fulfilling its objectives, and in order to be fully effective, it has a duty to communicate with all its stakeholders about its actions, views, policies, and service standards.

Our Communications Strategy sets out how we intend to do this.

Aims

The communication element of SYPA's Consultation, Communications, and Engagement Strategy aims to enhance awareness and understanding of SYPA's role, achievements, and impact among stakeholders. By proactively sharing clear, accessible, and relevant information, we seek to maintain a positive reputation and foster trust.

This approach complements the consultation aspect of the overall strategy, ensuring a meaningful two-way dialogue where stakeholders are informed, engaged, and empowered to provide valuable feedback.

Overriding Principles

This Consultation, Communications, and Engagement Strategy aims to refine and expand SYPA's communication methods while continuously measuring their impact.

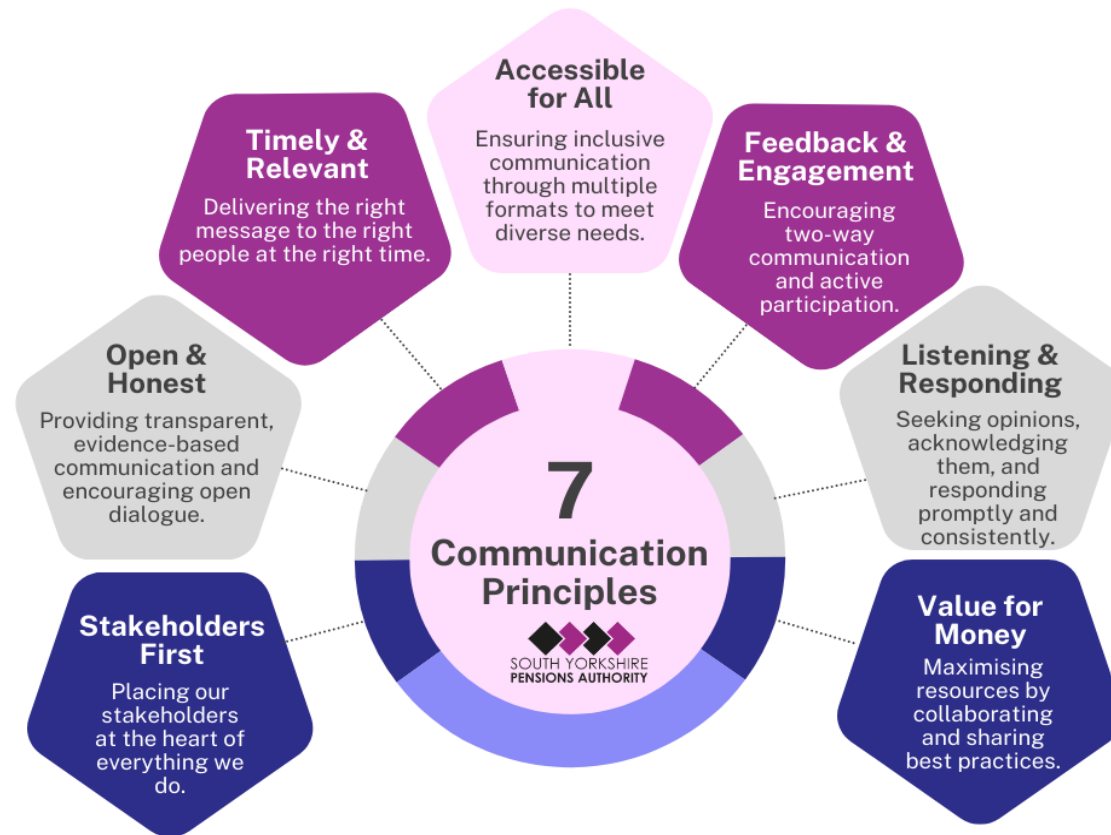
To achieve this, we will:

- Ensure that members, employers, and partner organisations have a clear, consistent, and positive understanding of SYPA's values, services, and achievements.
- Tailor messages to specific audience groups, using the most effective content and channels to foster engagement.
- Align communications with consultation efforts, ensuring they inform and support one another.
- Integrate measurement and evaluation into all communication activities to assess effectiveness and drive improvements.

Effective communication will:

- Be clear, jargon-free, and aligned with SYPA's key messages.
- Support both member engagement and corporate priorities.

- Maintain a high standard of quality and consistency.
- Strengthen SYPA's brand identity across all communication formats, including publications, emails, letters, presentations, and digital content.
- Establish principles for all communication channels, including press, web, and consultation materials.
- Identify the most effective ways to engage members, employers, and stakeholders.
- Ensure a coordinated approach to communications across the organisation in line with strategic objectives.
- Outline an action plan with clear methods for monitoring performance and impact.



Targeted Audiences and Methods of Communication

The key audiences we aim to communicate with are set out below. The types of messages that we communicate will vary, ensuring all communications are appropriate and will meet the needs of that particular audience.



Within these audiences we also have to think about the different ways we target the different groups within them, as not all communications will suit all members.

Please see the table below which gives some examples of how we will differentiate our communications approach and key messages for different audience groups.

Audience Group	Key Messages
Contributing (Active) Members	<ul style="list-style-type: none"> • Secure and Guaranteed Benefits – The LGPS provides a guaranteed package of benefits, protected by law, with no investment risk to members. • Understanding the LGPS – Clear and accessible information helps members navigate how the scheme works and what it offers. • Planning for Retirement – Encouraging members to assess whether they are saving enough and to explore available retirement options. • Legislative Changes – Keeping members informed about how changes in legislation may impact their pension benefits. • Employer Contributions – Highlighting that employers contribute to the scheme, making it a valuable and cost-effective benefit. • Additional Scheme Benefits – Raising awareness of extra benefits, such as ill-health provisions and death-in-service support. • Keeping Information Up to Date – Emphasising the importance of maintaining accurate personal details to ensure the correct benefits are received. • Retirement Options – Providing members with clear guidance on the choices available when planning for retirement. • Support for Dependants – Ensuring members understand the benefits available to their partners and dependants in the event of their death.
Deferred Members	<ul style="list-style-type: none"> • Guaranteed Benefits with No Investment Risk – The LGPS provides a secure pension, backed by law, with no financial risk to members. • Planning for Retirement – Encouraging members to assess their savings and consider whether they are on track for a comfortable retirement. • Keeping Information Up to Date – Emphasising the importance of maintaining accurate personal details to ensure members receive their full benefits. • Understanding Your Pension – Providing clear, accessible information to help members make informed decisions about their pension. • Legislative Changes – Keeping members informed about how changes in legislation may affect their pension benefits. • Implications of Transferring Out – Helping members understand the risks and considerations when transferring their pension out of the LGPS.

Audience Group	Key Messages
	<ul style="list-style-type: none"> • Effective Communication of Changes – Ensuring members receive timely and clear updates about any changes affecting their pension. • Retiring Online – Highlighting the benefits of using online services for a smoother, more efficient retirement process.
Pensioner Members	<ul style="list-style-type: none"> • Keeping Information Up to Date – Ensuring personal details are accurate so members receive the correct benefits without delay. • Support When You Need It – SYPA is available to help with any questions or concerns about pensions and retirement. • Guaranteed Pension for Life – The LGPS provides a secure, lifelong pension, backed by law, with no investment risk. • Financial Protection for Loved Ones – Benefits are payable to dependants in the event of a member's death, offering security for families. • Staying Informed on Legislative Changes – Helping members understand how changes in pension legislation may affect them.
Potential Members (including those who have opted out)	<ul style="list-style-type: none"> • Employer Contributions – Employers contribute significantly more than members, making the LGPS a valuable benefit. • Life Cover from Day One – Three years' salary paid to your beneficiaries, with no medical requirements. • Tax Benefits – Tax relief applies to all contributions, including additional voluntary payments. • Flexible Retirement Options – A lifelong pension with the option to convert part of it into a tax-free lump sum. • No Hidden Costs – Members pay a set percentage of their salary, with no extra fees or charges. • Building a Pension – Just two years of membership secures a pension, even if you leave before retirement. • Guaranteed Benefits, No Investment Risk – Pensions are backed by law, ensuring financial security. • Ill-Health and Dependant Protection – Early retirement due to ill health is covered, along with pensions for dependants. • Flexible Contributions – Struggling financially? A lower contribution option allows you to keep building pension benefits. • Inflation Protection – Pensions increase with inflation to help maintain financial stability in retirement.
Dependant Members	<ul style="list-style-type: none"> • Keep Your Details Updated – Ensure your personal information is accurate to receive the correct benefits. • Support When You Need It – SYPA is here to answer any questions about your pension. • Guaranteed Pension for Life – A secure, lifelong pension backed by law, with no investment risk.

Audience Group	Key Messages
Employers	<ul style="list-style-type: none">• Informing Employees – Employers have a duty to provide staff with accurate information about the LGPS.• Understanding the Scheme – Employers must stay informed about how the LGPS works and any changes that may impact members.• Supporting Member Education – The LGPS is a valuable benefit, and employers play a key role in helping employees understand its value and any updates.• Reporting Member Changes – Employers must notify the Fund of any changes in employees' circumstances that affect their pension.• Data and Compliance Responsibilities – Employers are responsible for providing accurate employee data and complying with LGPS requirements as set out in the Fund's Administration Strategy.

The next few sections will go into more detail around the methods we use to communicate with our different audiences and the frequency of some of these communications.

Communicating with Contributing (Active) Members

Pension Forecasts

Annual pension forecasts are made available on our secure online portal 'mypension'. Notifications to inform members their forecasts are available to view are issued by email and text. If we don't hold either of these, then the notification will be made by post.

Pension Planning Newsletter

We produce a digital newsletter to keep members informed about pension scheme updates and relevant topics. Rather than a fixed schedule, publication is driven by timely content.

Created in Brevo (our online mailing platform), the newsletter is emailed to members, with a PDF version available on the member section of our website. While paper copies can be requested, our digital-first approach reflects members' increasing preference for online communications.

Our newsletters support members with the latest updates as well as increasing their pension knowledge, understanding how the scheme works, and making the most of their benefits. We provide practical tips on boosting pension savings and making informed choices to help members get the most from their pension.

In addition to pension updates, we include lifestyle content to make the newsletter visually engaging and enjoyable to read. This ensures members receive relevant, accessible, and engaging updates in a format that suits them, while allowing us to track open and click through rates to aid with future content planning.

Member Education Presentations

We provide group information sessions at members' workplaces, delivered on demand in partnership with employers. Additionally, we offer specialist sessions for members impacted by specific changes, such as public service transfers to private organisations.

We also participate in employer-organised induction, mid-life, and pre-retirement courses, subject to sufficient interest. Members can attend in-person sessions at our Oakwell House office or join online-only sessions for greater flexibility, we host a full calendar of events from February to November including hands-on in person sessions for members to learn how to use our online system, mypension. We have also started to offer additional member sessions, in collaboration with the Money and Pensions Service, that focus more on financial wellbeing and getting the most

out of your money. These have proved popular with our members and help to boost their financial awareness in other areas of their lives as well as around their pensions.

For those unable to attend our sessions, recordings are available on our website, ensuring members can access key information whenever they need it.

Communicating with Deferred Members

Deferred Benefit Statements

Annual deferred benefit statements are made available on our secure online portal 'mypension'. Notifications to inform members their statements are available to view are issued by email and text. If we don't hold either of these then notification will be made by post.

Your Past is Your Future Newsletter

Annually we produce a Your Past is Your Future digital newsletter. The main purpose is to keep in contact with our deferred benefit members. A deferred beneficiary is usually no longer in employment within the pension fund and as they are not in receipt of their pension and without regular contact it is easy to lose touch. The content of the newsletter will inform members of changes to the pension scheme and include lifestyle articles of interest. There is no fixed time for issue, but it is usually linked with the annual report summary and deferred benefit statements.

Newsletters will be digital by default with a PDF also provided on the member section of the website. We live in a digital age, and while paper versions will be made available on request, our digital by default position recognises that the vast majority of our members now have access to the internet.

Communicating with Pensioner Members

Retirement Insight Newsletter

Bi-annually we produce a digital newsletter, the main purpose is to inform retired members about issues that affect them such as annual cost of living increases. This newsletter is generally produced at fixed times in the spring and autumn to coincide with pensions increase and annual report content. Newsletters are digital by default. Paper versions are issued on request. All new pensioners will be digital by default, with the

exception of members who aren't online and request a hard copy. The spring issue of the newsletter will be issued with the members' April pay advice and P60 update.

Payslips

Payslips are available on our secure online portal 'mypension'. Members who retired before July 2019 will receive a paper copy of their payslip if their net pay varies by more than £5.

P60s

Pensioners with email addresses on the system will receive an email to inform them when their P60s are available, and this will include details on how to access these through their online mypension accounts. Pensioners who have requested paper copies will have these issued by post.

The table on the next page sets out the methods we use to communicate with our different audiences, the frequency of these and whether they are digital or not.

Communication Type	Digital	Non Digital	Website	Frequency	Intended Audience
Annual Pension Forecasts	✓	Notification by post if no email address or mobile number held	✓	Annual	Contributing (Active) Members
Deferred Benefit Statements	✓	Notification by post if no email address or mobile number held	✓	Annual	Deferred Members
Pensioner Member Newsletters	✓	Paper copies on request	✓	Biannual (Spring & Autumn)	Pensioners
Active & Deferred Member Newsletters	✓	✗	✓	Annual	Active and Deferred Members
Employer Newsletter	✓	✗	✓	Monthly	Employers
Ad hoc Newsletters	✓	✓	✓	As required	As required
Pension Presentations	✓	✓	✓	As required	All Members
Payslips	✓	Paper copies on request	✓	Monthly	Pensioners
P60s	✓	Paper copies on request	✓	Annual	Pensioners

Communicating with Employers

Employer Services Team

SYPA has a dedicated team to assist employers with all aspects of their pension duties. Our engagement officers will be employers' first port of call for any staff training and presentation requests for both Payroll and HR issues to help them administer the scheme effectively.

They will also offer a range of presentations to scheme members to help them understand their pension benefits. Handover meetings will be provided from the point employers are admitted to the scheme, where our team will explain the services, we provide and cover the responsibilities of the employer. We offer seminars aimed primarily at topical and administrative issues as well as one to one meetings to help with any issues that may arise.

Employers Pensions Information Centre (EPIC)

The Authority provides a central information centre where registered employers are able to access a whole range of information online including news and links to important documents. EPIC also provides statistical information to assist employers in understanding their scheme responsibilities.

Employer Hub

The Authority also provides secure access to relevant scheme member information and allows employers to upload monthly data submissions and produce retirement quotes. Employer Hub is also used as a platform to contact and query member data securely.

Employer Newsletter

From February 2025, these are now created monthly (previously quarterly) by our Engagement Officers for our employers and create a range of useful links and information for them and their employees. These are also used to promote any upcoming sessions, forums, focus groups or online training.

Employer Forum

These are run annually, and all employer representatives are invited to attend. The Forum will cover topical events and include hybrid breakout sessions to discuss topics in more depth. Guest speakers will be invited to promote and discuss certain topics useful to employers. This is an opportunity for employers to network and meet the SYPA representatives.

Employer Focus Group

Twice a year we hold Focus Groups with employers who have volunteered to take part. During the session our Employer Services team discuss up and coming issues that the employers need to be aware of and discuss the best approach and communications methods for these. The Focus Groups also allow employers the opportunity to request the creation of resources that will go on to our website or that can be passed on to their employees to limit queries on common issues. The sessions are collaborative and allow a mix of different size employers to come together and help each other solve problems and give suggestions. The outcomes of the discussions are then posted in the Employer Newsletter so that those employers who were unable to attend also receive the same information.

Communicating with All Audiences

Website (sypensions.org.uk)

Our website is the main information hub for members, offering quick links, an A-Z guide, booklets, publications, and access to our **secure Online portal (mypension)**. It also includes Authority meeting details under the 'About Us' section, where members can find agendas, minutes, reports, and live or recorded meetings.

Secure Online Portal – 'mypension'

Members can register for mypension to manage their account, update personal details, make death grant nominations, and access retirement quotes. Active and deferred members can view annual benefit statements, while retired members can access monthly payslips and P60s.

Pensions Information & Support

We provide a comprehensive pensions information service both in person and via video call. Members can book appointments online at sypensions.org.uk/Contact/Appointments.

We also offer special communication support for members with additional needs, including signers, interpreters, large print, audio CDs, and braille.

Member Engagement & Events

We deliver group information sessions at members' workplaces, on demand, in partnership with employers. We also provide specialist sessions for those affected by organisational changes, such as public service transfers to private organisations.

Additionally, we participate in induction, mid-life, and pre-retirement courses, subject to demand. Members can attend sessions in person at Oakwell House or online, with recordings available on our website for those who cannot attend live.

Our SYPA: In Focus annual video update now replaces the Annual Fund Meeting as of 2024 (following member consultation), providing key updates from the Annual Report and answering member-submitted questions. A supporting PDF with all submitted questions is available on our website.

Customer Centre

Our Customer Centre is the first point of contact for members and employers via:

Telephone: 0300 303 6160

Email: customerservices@sypa.org.uk

We also offer Live Chat for quick assistance and a more accessible option for those with hearing difficulties.

We continually improve our customer service, welcoming feedback and measuring performance through benchmarking.

Additional Communication Channels

- **Text Messaging** – Used for reminders and key announcements when no email is available.
- **Social Media** – We currently engage with members via **Facebook, X (Twitter), and LinkedIn**, with tailored campaigns. A **Social Media Strategy** will be introduced in 2025 to expand on our future plans for member engagement using social media channels.
- **Video Content** – Recorded events, including member sessions, are uploaded to **YouTube and Vimeo** for easy access.
- **External Press Releases** – Issued throughout the year on investments, recruitment, and key updates.
- **Annual Report** – A comprehensive review of the Authority's activities over the past year.

Key Risks

We have improved internal communications at South Yorkshire Pensions Authority and are using a range of digital tools to enhance collaboration across all departments in our hybrid working style.

In addition, we are developing a standalone **Social Media Strategy** to expand our engagement, particularly with younger members. This strategy will explore new platforms and content approaches to ensure our communications remain relevant, accessible, and engaging for all member groups.

The key risks to delivering this strategy are outlined below. The Senior Management Team, alongside other officers, will work with the Authority and the Local Pension Board to monitor these risks and develop appropriate responses over the period of this strategy.

Staffing

- ◆ Lack of or reduction in skilled resources available due to difficulty retaining and recruiting staff.
- ◆ Staff absence due to sickness could delay the introduction of the proposed initiatives within the timeframe set.
- ◆ Failure to communicate with staff members in relation to scheme changes.
- ◆ Lack of decision making due to loss of Pensions Authority / Local Pension Board members could lead to delay in approval of new communications strategies.

IT and Infrastructure

- ◆ Lack of adequate software or IT solutions - particularly in the digital communications area.
- ◆ Inability to deliver an efficient service to pension members due to system unavailability or failure.
- ◆ IT security breach resulting in loss of member data and/or unauthorised access to SYPA systems.

Legislation and change in external environment

- ◆ Significant external factors, such as national change, impacting on workload.
- ◆ A major change to the LGPS legislative environment.
- ◆ Significant increase in the number of employing bodies causing strain on day-to-day delivery.

Communication errors

- ◆ Issuing incorrect or inaccurate communications which could potentially result in legal/financial consequences.
- ◆ Failure to maintain scheme employer database leading to information not being sent to the correct person leading to GDPR compliance risks.
- ◆ Lack of clear communication to scheme employers, scheme members and pensioners.

Member Engagement

- ◆ Limited participation from active members may result in an unbalanced representation of views, affecting the effectiveness of decision-making. Targeted strategies, such as extended consultation periods and enhanced outreach through employers, are needed to improve engagement.

Costs

All costs relating to this Strategy are met by the Fund (unless indicated).

Further Information

If you require further information about this Consultation, Communications and Engagement Strategy, please contact:

Joanne Webster, Service Manager - Customer Services, Tel: 0300 303 6160, email: jwebster@sypa.org.uk

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Agenda Item

Subject	“Fit for the Future” Consultation Outcome	Status	For Publication
Report to	Authority	Date	5 th June 2025
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 666439
E Mail	ggraham@sypa.org.uk		

1 Purpose of the Report

- 1.1 To make members aware of the content of the Government’s response to the “Fit for the Future” consultation published on 29th May 2025.

2 Recommendations

- 2.1 Members are recommended to:
- Note the Government’s final proposals for changes to pooling and governance within the Local Government Pension Scheme.**
 - Indicate whether there are any issues of concern at this stage which officers should factor into their work to address the Government’s proposals.**

3 Link to Corporate Objectives

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

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.

Effective and Transparent Governance

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

The implementation of the proposals set out in the Government’s response to “Fit for the Future” will fundamentally change the way in which the LGPS (Local Government Pension Scheme) invests and the way in which its governance arrangements operate for the long term and will therefore potentially have a significant impact on the way in which the Authority achieves its corporate objectives.

4 Implications for the Corporate Risk Register

- 4.1 The Government's proposals directly impact the risks on the corporate risk register related to the Pensions Review and the delivery of the Border to Coast Strategic Plan. As the proposals have only just been published it is too early to say whether the risk scores will be fundamentally altered. However, once the implications have been fully assessed it will be possible to take a clearer view on the level of risk the Authority faces as a result of the proposals.

5 Background and Options

- 5.1 The Government published its "LGPS – Fit for the Future" consultation in November 2024, with responses due in January 2025. The Authority's response is available on the website and a link is provided as a background paper. The Government published the consultation outcome on 29th April alongside the final conclusions of the Pensions Review in preparation for the publication of the Pension Schemes Bill which will be presented to parliament in the next month or so.
- 5.2 In addition to this consultation the Government asked the various pools to submit plans for their transition to the proposed new operating model by the end of February 2025. The Government provided feedback on these plans on 9th April and as a result the 21 funds which form two pools are being required to find new homes. The issues arising from this exercise are dealt with in a separate report on the confidential part of the agenda for this meeting.
- 5.3 There was a substantial response to the consultation including all 86 Administering Authorities (AA's) and all 8 pools. Responses were mixed with significant support for the governance proposals but significant opposition to a number of the proposals for the evolution of pooling. Having considered the responses the Government propose to implement their proposals with very minor amendments and will implement them through the Pension Schemes Bill and subsequent regulations and guidance. A significant amount of detail will be contained in the regulations and guidance so it may be some time before the full impacts and resource implications of the proposed changes become clear. The changes which will be implemented cover three areas:
- Pooling
 - Local investment
 - Governance of funds and pools

Pooling

- 5.4 The Government proposes to implement their original proposals with only marginal changes. Thus there will be a move to pools becoming fiduciary managers acting both as the principal source of advice on investment strategy and asset allocation as well as being responsible for the execution and implementation of that strategy. The main changes to the proposals consulted on are:
- A degree of discretion reserved to the pools over the structuring of investments, although the default will remain collective investment vehicles. This is to address certain difficulties with the pooling of passively invested equities as well as some other more niche investments to which SYPA has no exposure.

- Some clarification of the Government's view on cashflow management which while helpful in providing clarity maintains an entirely artificial distinction within the Fund's cash holdings which will be difficult to manage and will require the creation of additional operational level systems and processes and the inclusion of additional forecasting within the strategy review.
- Acceptance that it may be necessary for a pool to provide more than one investment approach to meet a range of approaches to responsible investment across partner funds, although maintaining that bespoke arrangements for each partner fund would not be acceptable. This, to some extent, addresses one of the concerns raised in the SYPA response. The Government's view is that the best interests of the whole scheme are served by a degree of compromise between partner funds to minimise the number of different strategies adopted. The balance between pragmatism and principle could potentially become a bone of contention in seeking to resolve these differences.
- A minor amendment to the proposed asset allocation table to be included in the Investment Strategy Statement and acceptance of an alternative less detailed version categorised across growth and income assets.
- The Government has rejected the various arguments concerning conflict of interest in terms of the provision of advice by pools arguing that because pools are only providing advice to shareholders and are not constituted as profit making entities the interests of the company and the partner fund are aligned.
- The Government has accepted some relaxation of their initial timetable specifically for those funds required to seek a new pool, but not more generally. This will put some pressure on the development of the operating model for the management of legacy assets. The Government will take reserve powers to instruct a fund failing to comply with the legal deadlines to undertake a governance review, and where this is not successful would issue directions to wind up the relevant fund and pass responsibility for it to another AA.
- The Government has asked the tax authorities to engage with the pools to discuss issues relating to Stamp Duty Land Tax and the transition of real estate assets to pooled vehicles. This is a positive response to a specific ask from the sector, but does not address the differential treatment of properties in Scotland and Wales.
- The Government will also legislate so that limitations within the procurement regulations which affect how much work a pool can undertake for organisations other than its shareholders does not impact on the ability of pools to collaborate and undertake activity for each other.
- In relation to the winding up of two current pools the Government propose to take a reserve power to direct a fund to join a specific pool, should a fund not be making progress in line with the relevant timescales.
- Additionally in relation to the potential impacts of local government reorganisation and opportunities for collaboration on a wider range of issues the Government states (para 166) *"The government is looking at ways to make it easier to setup standalone pensions authorities, which it anticipates may be useful in cases of Local Government Reorganisation where new authorities do not map straightforwardly to underlying AAs."* This is a welcome development which supports the overall strength of the SYPA model of governance.

5.5 Given previous statements by the current and previous governments the fact that there has been no more than marginal change as a result of the consultation should be no surprise. SYPA's position has been more supportive of the direction of travel than the average across the LGPS looking to make whatever comes out of the process work.

As discussed elsewhere on the agenda good progress is being made with building the pool capabilities necessary to ensure that the relevant timelines can be met. We will also need as we carry out the Investment Strategy review which is about to commence framing the output so that it serves as a bridge to the requirements of the new model with the pool providing principal advice. The key to the success of the new approach will be how it is implemented by the pool, as opposed to the detail contained in further regulations and guidance. Given the collaborative and consensual approach which typifies the operation of Border to Coast the foundations for a positive outcome are in place.

Local Investment

- 5.6 This area was, perhaps, less controversial than pooling and the provision of advice by the pools. However, there were a number of concerns about Government mandating specific types of investment. Responses were broadly supportive of the policy aim with concerns being more about issues of detail. The main clarifications in the Government's response are:

- A clearer definition of local which is sufficiently broad to accommodate differential approaches between funds in a pool while emphasising the need for such investments to have positive impact in addition to the core financial return objective. This is fully supportive of SYPA's Place Based Impact Strategy.
- Clarity that it will be up to AA's to set their own targets for local investment.
- A change in emphasis in relation to reporting where pools will be expected to undertake all impact reporting on behalf of partner funds, with no centrally prescribed list of metrics. This should reduce the cost of such reporting and avoid duplication.

- 5.7 The approach supported in these final proposals is very much in line with SYPA's thinking, in particular the development of positive working relationships with SYMCA which respect each other's different roles. The work being done to develop an operating model for the pool to make investments in line with the locally determined strategy and priorities is clearly within the Government's parameters.

Governance of funds and pools

- 5.8 The Government's proposals in this area were almost universally welcomed given that they were largely derived from the Scheme Advisory Board's (SAB) 2021 Good Governance Review. Significantly more detail will be provided in subsequent regulations and guidance the production of which will involve the SAB which has a good record of involving practitioners in developing such guidance. Some responses drew attention to the potential costs of some proposals, however the Government's view is that the investment will be repaid in terms of improved performance derived from a "governance premium" the impact of which can according to academic research be up to 2%pa. Key points of note are:

- A revision to proposals about the Governance and Training Strategies and Conflicts of Interest policy accepting the preference for these to be separate documents, with three yearly reviews which need not coincide with the valuation process.
- Some clarification around the expectation that the setting of the budget for the pension fund should be separate from that for the host council in a traditional

AA, with further guidance to be provided. This is a welcome step to address issues where resourcing in funds is negatively impacted by the financial position of the host council.

- Some clearer language around the expectations of the LGPS Senior Officer role as follows. *“These are high profile roles with overall responsibility for the management, business planning, strategy and administration of the fund. That will require a robust appointment process and adequate remuneration, but as set out in the consultation, we consider the potential benefits to be much greater than the cost of investing in better governance.”* This is not an issue for SYPA given our separate legal status and the person specification for the role of Director already reflects the desired position. This may, however, be a challenge for some smaller funds.
- Specifying that independent governance reviews should be carried out once every three years rather than every two years. The Government makes clear that these reviews are intended to have teeth and will be submitted to the Department on completion who will exercise oversight over the way in which recommendations are being addressed including potentially involving the Pensions Regulator and the making of directions under the terms of the Public Service Pensions Act 2013.
- The proposed knowledge and understanding requirements will apply to individuals rather than to the Pensions Committee (in SYPA the Authority) as a whole. Further consideration will be given to how members will be held to account for non-compliance.
- AAs will be required to have an independent adviser covering the whole range of their activity and not just investments, but this adviser will not as be, as previously suggested, a voting member of the committee.
- The Government does not propose to prescribe a particular way in which shareholder representation on the boards of pool companies should be delivered or on how scheme members should be represented in pool governance.

- 5.9 Again there is nothing unexpected in this, and SYPA is well positioned in relation to the changes that will be required although it will be necessary to await further clarity on the detailed guidance before beginning any preparatory work with a view to bringing any necessary changes in at the earliest opportunity in line with previous practice.

Conclusion

- 5.10 The outcome of this consultation exercise is unsurprising and it continues the policy direction initially set out by the previous government. While SYPA will need to change processes and procedures and put in place arrangements to demonstrate compliance these things build on what has already been built and the pooling related changes will complete the journey which was started when the Authority first committed to Border to Coast. This is not to be complacent, much work will be required and some of it will not be easy, but SYPA does not start, as some others do, from a position of outright opposition to change.

6 **Implications**

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

Financial	It is too early to make a precise assessment of the financial implications of these proposals. However, there will be some, such as the need to budget for regular independent governance reviews, and the costs of the new independent adviser role, although ideally this could largely be met by rejigging the current advisers and their roles. More detail is provided on the potential financial implications of the pooling changes in a report elsewhere on the agenda for this meeting.
Human Resources	The requirements for knowledge and understanding apply to officers as well as members and there will need to be work undertaken to ensure that the workforce plan and broader learning and development plan meet the requirements that will be set out in guidance in due course.
ICT	None
Legal	The Government's intention is clearly to develop a regulatory framework under which it is easier to monitor compliance and if necessary take enforcement action. The Authority will therefore need to take steps to ensure that it is able to demonstrate compliance at all times.
Procurement	The proposals will make it easier to demonstrate control of the pool company while allowing it to collaborate with other pools.

George Graham

Director

Background Papers	
Document	Place of Inspection
Local Government Pension Scheme (England and Wales): Fit for the future – government response SYPA response to the Fit for the Future Consultation	Local Government Pension Scheme (England and Wales): Fit for the future – government response - GOV.UK SYPA Consultation Response
Local Government Pension Scheme (England and Wales): Fit for the future – Consultation	Local Government Pension Scheme (England and Wales): Fit for the future - GOV.UK

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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