

Date: 30 July 2025

To: MEMBERS OF SOUTH YORKSHIRE LOCAL
PENSION BOARD

Oakwell House
2 Beevor Court
Pontefract Road
Barnsley
S71 1HG

www.sypensions.org.uk

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

Dear Member

South Yorkshire Local Pension Board
Thursday, 7 August 2025

A meeting of South Yorkshire Local Pension Board will be held at **Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, S71 1HG on Thursday, 7th August, 2025 at 10.00 am.**

The agenda is attached.

Yours sincerely

G Graham

George Graham
Director and Clerk

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Distribution: Riaz Nurennabi (Chair), David Webster (Vice-Chair), Councillor Linda Beresford, Shelagh Carter, Andrew Gregory, Nicola Gregory, Sheldon McClure and Councillor David Nevett and Neil Mason (Independent Adviser)

SOUTH YORKSHIRE LOCAL PENSION BOARD

**THURSDAY, 7 AUGUST 2025 AT 10.00 AM, OAKWELL HOUSE, 2 BEEVOR COURT,
PONTEFRACT ROAD, BARNSELEY, S71 1HG**

AGENDA

	Item	Timings	Page
1	Welcome and Apologies	10:00	
2	Announcements		
3	Outcome of Chair and Vice Chair Elections		
4	Urgent Items		
5	Items to be Considered in the Absence of the Public and Press		
6	Declarations of Interest		
7	Minutes of the meeting held on 24/04/2025		5 - 14
8	Review of the Action Tracker		15 - 16
GOVERNANCE			
9	Governance, Regulatory and Policy Update		17 - 20
10	Update on Decisions Made by the Authority		22 - 30
11	Corporate Risk Register		31 - 54
12	Compliance with Pensions Regulator General Code of Practice (Bi-Annual update)		55 - 160
13	Constitution and Terms of Reference		161 - 178
14	Draft Authority Annual Report for LPB Review		179- 454
PENSIONS ADMINISTRATION			

15	Pensions Administration Quarterly Report		455 - 510
16	Review of Key Communications - Annual Benefits Statement		511 - 522
OTHER			
17	Planning of the next Local Pension Board Meeting		523 - 528
18	Update on Local Government Pension Scheme: Fit For The Future		
PART 2			
19	Funding Strategy Statement - Draft for consultation (Exemption Paragraph 3)		529 - 564
20	Valuation 2025 - Progress Update (Exemption Paragraph 3)		565 - 600

SOUTH YORKSHIRE PENSIONS AUTHORITY**LOCAL PENSION BOARD****24 APRIL 2025**

PRESENT: Riaz Nurennabi (Employer Representative and Chair), David Webster (Employee Representative and Vice Chair), Cllr Ken Richardson (Barnsley MBC), Cllr Linda Beresford (Rotherham MBC), Andrew Gregory (Scheme Member Representative), and Nicola Gregory (Academy Representative)

Neil Mason (Independent Adviser to the Board)

Officers in Attendance: George Graham (Director), Gillian Taberner (Assistant Director – Resources), Debbie Sharp (Assistant Director – Pensions), Jo Stone (Head of Governance and Corporate Services), Joanne Webster (Service Manager – Customer Services), Becci Illidge (Communications Business Partner) and Gina Mulderrig (Governance Officer)

Apologies: Sheldon McClure (Unite) and Shelagh Carter (GMB)

1 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

2 ANNOUNCEMENTS

The Chair announced the resignation of Martin Badger who had represented Unison on the LPB since June 2024.

The Chair announced that this was the final meeting for Councillor Ken Richardson who would be stepping down from the Local Pension Board having served the maximum term as a Barnsley Metropolitan Borough Council representative.

The Chair thanked both outgoing members for their service.

3 URGENT ITEMS

None.

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

None.

5 DECLARATIONS OF INTEREST

None.

6 MINUTES OF THE MEETING HELD ON 20.02.2025

RESOLVED: The minutes of the meeting of the Board held on 20 February 2025 were agreed as a true record.

7 REVIEW OF ACTION TRACKER

The Independent Adviser sought assurance that service pressures across all sectors of the Authority, not just Pensions Administration were being tracked and addressed, particularly in relation to the pressure added by the LGPS 'fit for the future' review.

The Director explained that service pressures across all sectors of the organisation were captured in the quarterly Corporate Performance Reports and on the Corporate Risk Register and would be monitored, updated and addressed as the requirements of the Government review on officers and members became clearer.

Members asked for an update on progress on Action 36 regarding the Reading Room. The Assistant Director - Resources explained that the action could be closed once the guide to accessing and navigating the Reading Room, which was under review, was circulated to members ahead of the next meeting.

RESOLVED: Members noted updates and agreed the items proposed to be closed be actioned before the next meeting of the Board.

8 GOVERNANCE, REGULATORY AND POLICY UPDATE

The Head of Governance and Corporate Services presented the report to provide Local Pension Board members with an update on current governance related activity and regulatory matters.

RESOLVED: Members noted the updates included in the report.

9 DRAFT ANNUAL GOVERNANCE STATEMENT 2024/25

The Director presented the report to provide the Local Pension Board with an opportunity to consider and comment upon the draft Annual Governance Statement 2024/25.

The Independent Adviser queried whether the statement should draw particular attention to the risk around the progress of implementing the McCloud Remedy in regard to legality. The Director explained that the AGS was used to capture ongoing and systemic issues rather than one off issues like McCloud. It was explained that risk around implementing the McCloud rectification on time is captured in the Corporate Risk Register and being constantly monitored and updated as progress with the software provider was made. It was explained that open and transparent communication with The Pensions Regulator was important to avoid the delay in progress as constituting a regulatory breach and that a recommendation using the latest information would be made to the Authority in

June 2025 on whether to extend legislative deadlines within the guidance to remain compliant and legal.

The Independent Adviser asked for clarification on how the LPB will be involved in the implementation of the principles in the Annual Governance Statement in relation to Border to Coast Pensions Partnership. The Director explained that the LPB are asked to review SYPA's annual review of Border to Coast Pensions Partnership each year from a process and governance angle and that these reviews and further conversations with the Board need to continue to fully involve the Board and allow them to give assurance to the Authority and to scheme members that positive measures are being approved and implemented.

Members asked further questions regarding points on the Local Code of Corporate Governance, stakeholder engagement, the UK Stewardship Code and the Taskforce on Climate- Related Financial Disclosures.

The Assistant Director – Resources clarified that the Local Code of Corporate Governance describes how the Authority complies with UK professional standards in the CIPFA / SOLACE framework “Delivering good governance in Local Government” (2016) and is reviewed every two years, with the next review due in December 2025. The Annual Governance Statement each year provides an evaluation of how well the governance arrangements set out in the Local Code have worked in practice. The Director gave a recent positive example of stakeholder engagement with the Responsible Investment survey which had been distributed to all scheme members and had a statistically significant take up of 1% with the results currently being analysed before being used to influence the next policy review. In regard to the UK Stewardship Code and the Taskforce on Climate-Related Financial Disclosures, the Director explained that these were voluntary and not subject to audit and may be superseded following the changes required by the outcome of the Government review.

RESOLVED: Members:

- a. Reviewed and commented on the draft Annual Governance Statement for 2024/25 and recommended it for Authority approval.
- b. Noted that the draft was yet to be updated for the conclusion of the Head of Internal Audit for 2024/25 – this would be added when available.

10 UPDATE ON DECISIONS MADE BY THE AUTHORITY

The Head of Governance and Corporate Services presented the report to provide Local Pension Board members with an update on decisions made by the Authority and its Committees, and any decisions taken under the urgency procedure between meetings of the Authority.

RESOLVED: Members noted and commented upon the decisions included in the report.

11 CORPORATE RISK REGISTER

The Head of Governance and Corporate Services presented the report to provide members of the Board with the opportunity to review the updated risk register which supports the Corporate Strategy.

The Vice Chair queried whether member turnover was considered a risk when scoring Member Knowledge and Understanding on the register.

The Head of Governance and Corporate Services agreed that resignations and change in membership did present a risk, which rose with the onboarding of new members yet to complete the assigned training. It was explained that the introduction of the new individual Learning and Development plans would help reduce risk in this area by identifying and targeting knowledge gaps and aiding in targeting recruitment to ensure continuity of knowledge and skills. This was a year end position and the risk would be reviewed in the new year.

Members asked for further information on the term MDR used in relation to the Cyber Security risk. The Assistant Director – Resources explained that MDR was Managed Detection and Response, a cybersecurity service that provides SYPA with continuous threat monitoring, detection, and response capabilities reducing the risk of cyber breaches and business disruption.

The Independent Adviser asked for assurance that The Pensions Review risk was being monitored. The Assistant Director – Resources explained that this risk was constantly under review and was currently higher than desired due to the uncertainty in the industry.

RESOLVED: Members noted and commented upon the revised Corporate Risk Register.

12 RISK MANAGEMENT SYSTEM - AUDIT REVIEW REPORT

The Head of Governance and Corporate Services introduced the Corporate Assurance Manager who presented the audit review findings on the post implementation review of the Pentana Risk Management System to the Board.

The Corporate Assurance Manager outlined that the scope of the review was to provide assurance that the system for recording, managing, monitoring and reporting of strategic risks (i.e. Pentana) was fully embedded. The review had found the Authority's Risk Management Framework is fit for purpose, with roles and responsibilities clearly defined and understood, and the risk management system provides an efficient and user- friendly process for identifying, assessing, managing and monitoring risk. The audit highlighted that there is a positive risk management culture within the Authority, with active engagement at different levels, which has been a key factor in the successful implementation of the Pentana Risk Management system.

The Corporate Assurance Manager explained that the review had resulted in one low-priority finding that there were inconsistent levels of understanding on the process to be adopted when closing a risk on the Strategic Risk Register and that

clarity of this process within the planned Supplementary Guidance Documentation would further strengthen the Risk Management Framework.

The Head of Governance and Corporate Services added that the roll out of operational risk registers would commence over the summer.

RESOLVED: Members welcomed the positive outcomes outlined in the audit report.

13 EFFECTIVENESS REVIEW OF LOCAL PENSION BOARD

The Independent Adviser presented the results of the Board's annual review of its effectiveness in 2024/25.

The Assistant Director – Resources presented Appendix B, a proposed action plan in response to the recommendations in the report and explained that Appendix C set out the rationale given for which requests could be implemented and how and which suggestions posed challenges or were covered in projects and actions elsewhere.

The Director welcomed the report and commended the Board's commitment to continuing to raise the profile of the SYPA LPB explaining that strengthening the Board provided a positive feedback loop increasing assurance to the Authority and to scheme members and making the Board an indispensable part of the SYPA governance structure.

The Independent Adviser and the Chair welcomed the suggestion of a review of the LPB Constitution and Terms of Reference to examine if there was any scope to make changes to mitigate risks, especially around membership and succession planning. It was agreed a report on the Constitution and Terms of Reference would be added to the agenda for the August 2025 meeting.

It was agreed that all members of the board would receive draft minutes, with amendments to be collated by the Chair. The minutes would still need to be formally approved at the following meeting.

RESOLVED: Members

- a. Agreed the Effectiveness Review report at Appendix A;
- b. Considered, commented upon and approved the proposed action plan at Appendix B.

14 ANNUAL REPORT OF THE LOCAL PENSION BOARD

The Head of Governance and Corporate Services presented the draft Annual Report of the Local Pension Board for 2024/25 for members' review and approval.

RESOLVED: Members

- a. Approved the Local Pension Board Annual Report 2024/25 as attached at Appendix A;

b. Delegated to the Head of Governance & Corporate Services approval to update the annual report in consultation with the Chair before publication to reflect attendance at and outcomes of this meeting, including the final agreed outcomes of the Board's effectiveness review.

15 QUARTERLY PERFORMANCE REPORT

The Assistant Director – Pensions presented the Pensions Administration Performance Update for Quarter 4 2024/25.

The Independent Adviser asked for clarification on the backlog and the target for clearing it. The Assistant Director – Pensions explained that the target was to clear 100% of the backlog by 31 December 2025. It was requested the next report give a clearer visual representation on what has been cleared and when, what percentage of work remained and the current target for full clearance.

The Vice Chair noted that a lot of the outstanding work involved deferment settlements and aggregation settlements and asked why this was. The Assistant Director – Pensions explained that this was down to the sheer number and the amount of work needed to process these types of cases and the fact that the team were having to clear the backlog alongside processing incoming work to try to avoid a further backlog. It was also explained that aggregation settlements can be very time consuming by generating further work once they started to be processed delaying progress on those cases. It was explained that a suitable internal “taskforce” team within the Administration team was being identified to target the backlog in order to allocate staff in the most efficient way and clear outstanding work by the target date.

The Independent Adviser noted that Civica, the provider of the Pension Administration Software was implementing a release the morning of 24 April 2025 and asked when the next one was scheduled. The Assistant Director – Pensions explained that the next software release was due late May 2025 and that Civica had been struggling with staffing levels but that they have been reconfiguring their workforce in order to catch up and deliver the software developments urgently.

The Chair noted that the Corporate Action – System Improvements was not on target and asked for further detail. The Assistant Director – Pensions explained that this was due to the delay from Civica which was stalling system developments and providing constraints to progression. The Director added that the software needed to be in place before improvements could be made.

The Vice Chair asked for more details on the revised release dates and revised delivery plan. The Assistant Director – Pensions explained that the revised delivery plan was a portal allowing SYPA to see the progress they are making with delivery of the software and to see the dates and targets in real time.

Members noted that an onsite visit was currently being arranged to appraise options and agree matching criteria with Civica regarding connecting to the Pensions Dashboards and asked for further details. The Service Manager –

Customer Services explained that this was scheduled for May 2025 to follow a demonstration to clients.

Members asked how employers would know if they had queries outstanding as listed in the data in the Employer Performance section of the report. The Assistant Director - Pensions explained that limited access to the data was maintained for security reasons but employers could be informed individually, and this issue would be raised with the Service Manager – Employer Services.

Members asked for definition of the term “fettering” used in the Improvement plan. The Assistant Director – Pensions explained that this related to employers’ Discretionary Policies and the need to ensure employers do not ‘fetter’ their use of discretion by making statements that potentially put their policies at risk and make it difficult for employers to demonstrate that all their decisions regarding the policies are demonstrably reasonable in law. The Director added that SYPA is to publish all employer Discretionary Policies (or a link to the policy on the employer’s website) on the Authority website in order to ascertain that each employer has one and allow members access to them. It was explained that the Improvement Plan will support employers with producing these functional policies via training webinars.

Members asked for clarification on case rejection data. The Director explained that all work of the Administration team was checked and that it was ‘rejected’ if incorrect and that this case rejection data allowed managers to identify and target specific areas of work or staff that may need additional or refresher training therefore improving overall quality of output by ensuring work is correct first time.

Members noted the negative feedback from scheme members regarding the New Joiner Survey. The Assistant Director – Pensions explained that the team was working with the IT provider to look at improving customer service particularly in regard to the online portal.

Members queried how often scheme members tended to use the online portal. The Director explained that there were peaks in use dependent on when Annual Benefit Statements and P60 forms were issued and the Assistant Director – Pensions agreed to add data of scheme member access to the Portal to the next quarterly Administration report.

The Chair noted that the deadline to produce and issue Annual Benefit Statements that include the McCloud Underpin was 31 August 2025 and asked about the consequences for not meeting this deadline. The Director explained that the guidelines for implementation had been written so that administering authorities would not be in regulatory breach for missing the deadlines if The Pensions Regulator was aware. It was explained that it was imperative to maintain open and transparent communication with The Pensions Regulator regarding any delays and plans to resolve them and it was noted that The Pensions Regulator was aware of the software development delays due to the provider, Civica, and that SYPA was not the only administering authority affected by delays.

The Vice Chair brought attention to the Appeals, Breaches and Complaints section of the report and the 11 breaches concerning AVCs not being paid at the same

time as the main scheme and asked how this could be improved. The Assistant Director – Pensions explained that better processes and more experienced and trained staff were needed to ensure there were no similar breaches going forward but explained that these 11 incidences related to historic breaches that had been discovered when data cleansing in house AVC contributors in readiness for Pensions Dashboards and were not expected to reoccur.

Members asked about Ill-Health retirement and whether there were standard guidelines employers needed to follow. The Assistant Director – Pensions explained that regulations regarding Ill-Health retirement were very clear and did not vary by employer. It was explained that the criteria for qualification was very strict and that employers could not use discretion on economic grounds to deny the claim. The Director added that employers are not always aware of the steps they need to take when issued with an Ill-Health claim and can cause unnecessary delay and appeals due to failed processes making targeted training to educate employers on their responsibilities, essential.

RESOLVED: Members noted the contents of the report.

16 COMMUNICATIONS, CONSULTATION AND ENGAGEMENT STRATEGY UPDATE

The Communications Business Partner and the Service Manager – Customer Services presented the report to provide members of the Board with the opportunity to review and comment upon the updated Consultation, Communications and Engagement Strategy which supports the Corporate Strategy.

The Independent Adviser asked for further information on the Authority's approach to using accessible language and inclusive communication and how this was measured.

The Communications Business Partner explained that work was being carried out to move to using more accessible language in booklets and letters. The Service Manager – Customer Services added that consultations with focus groups and stakeholders would follow. It was explained that the website offered subtitle and read-aloud options and that options were available so that anyone with a sight or hearing impairment could be accommodated using measures already in place.

The Chair asked for clarification on who was considered a stakeholder. The Director explained that every LGPS fund was required to have a Communications Strategy for communications with scheme members but that SYPA had extended this remit to include employers, local businesses and the wider pensions industry, though priority remained focussed on scheme members.

The Chair asked why the mobile app for pension access was classed as 'not a priority' in the report. The Director explained that SYPA did not yet have capacity to focus on the app and that ensuring the member's portal was correct and functional first was necessary given that the information from the portal would inform the app. The Service Manager- Customer Services added that there had been good scheme

member take up to [MyPension](#) and that ensuring more members signed up and that it functioned well were a priority before developing the app.

RESOLVED: Members noted and commented upon the revised Consultation, Communications and Engagement Strategy.

17 LOCAL PENSION BOARD NEXT AGENDA AND WORK PROGRAMME

The Head of Governance and Corporate Services presented the report to set out the draft agenda for the next meeting of the Board for discussion and included the work programme for the current year and for 2025/26.

Members were asked to note that the review of LPB Constitution and Terms of Reference will be added to the agenda for the August 2025 meeting.

RESOLVED: Members discussed and commented on the draft agenda for the August 2025 meeting as set out in paragraph 5.1 of the report.

CHAIR

CHAIR

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South Yorkshire Pensions Authority Local Pension Board Action Tracker

Action Ref	Meeting Date When Action was Set	Agreed Action (Completed actions listed first)	Responsible Officer	Status	Update	Target Date for Completion
31	25 April 2024	Audit report on Pentana Risk System Post Implementation Review to be brought to the Board when complete. Update on Audit work regarding performance management framework to be provided at a suitable stage.	Team Leader - Governance	To be closed with Board agreement	Completed April 2025. Audit report on Pentana implementation presented to the Board at their April meeting. Audit involvement on performance management framework is in advisory/ critical friend capacity, so there won't be an audit report from this.	Apr-25
36	2024 Effectiveness Review	Review and restructure the online Reading Room to make this more user friendly and easier to navigate	Governance Officer	To be closed with Board agreement	Completed June 2025. Reading Room restructured. Member guide and contents distributed May 2025 and presented at Member Induction and Development	Aug-25
38	2024 Effectiveness Review	Develop plan to improve the profile of the Board with members and employers	Team Leader - Governance	In progress	Governance team are continuing to work with our ICT team on improvements to the website pages for the Board on track for completion by the end of August. Further work re: raising profile agreed from effectiveness review also going ahead.	Aug-25
48	07 November 2024	Bring McCloud Plan to LPB	Assistant Director - Pensions	In progress	Apr 2025 Update - This will be subject to availability of data from the system. Will be incorporated in the quarterly report as soon as available. July Update - still waiting for latest developments from Civica to be live and working in UPM to be able to plan rectification activity.	Nov-25
49	20 February 2025	Split answers to questions on TPR Assessment into 'Required' and 'Good Practice'	Team Leader - Governance	To be closed with Board agreement	This has been incorporated in the progress update report elsewhere on the August agenda.	Aug-25
51	20 February 2025	Pension Admin Q Report: Add 'Days of Work To Target' onto the dashboards for each project	Assistant Director - Pensions	In progress	AD - Pensions will explore this with the Service Manager - Programmes and Performance to ascertain if this can be accommodated. July 2025 Update - Benefits Service Manager, ADPens and SM prog & Perf working together to agree best way to report the Power BI Dashboard Output to Board.	Feb-26
52	20 February 2025	Bring Data Improvement Plan to LPB for assurance and comment (not approval)	Assistant Director - Pensions	To be closed with Board Agreement	Completed April 2025. Brought to the Board's April meeting for comment before taking to June Authority meeting for approval.	Apr-25
53	24 April 2025	Provide (high level) data on scheme member use of MyPension online portal	Assistant Director - Pensions	To be closed with Board approval	04.06.2025 - This is currently being looked into as to whether this information is available to SYPA IT team. July '25 update - data not available as to what the members have accessed through the Portal. To be closed with Board approval.	Aug-25
54	24 April 2025	Improving data quality - Bring the high-level data improvement plan produced by the output of DART to future meeting	Assistant Director - Pensions	In progress	04.06.2025 - Being looked into whether the DART output can easily be converted into an output document that would be useful to the Board. July Update'25 - no further progress as priority within this team was to submit Valuation data to Actuary.	Feb-26
55	24 April 2025	Bring Annual Benefits Statements to 07/08/2025 Meeting	Assistant Director - Pensions	to be closed with Board approval	04.06.2025 - Hoping that this will be attached as Appendix to Aug Report. July '25 Update . Covered at Aug Meeting. To be closed down with Board approval.	Aug-25
56	24 April 2025	Add a review of the LPB terms or reference to 07/08/2025 Meeting	Governance Officer	To be closed with Board agreement	Completed August 2025 This item has been completed and it is an agenda item at the 07/08/2025 meeting.	Aug-25
57	01 July 2025	Prepare presentation for LPB Chair to present at the SYPA Employer Forum on 14 November at the Holiday Inn	Chair/Vice Chair/Independent Adviser/Governance Team	In progress		Nov-25

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Subject	Governance, Regulatory and Policy Update	Status	For Publication
Report to	Local Pension Board	Date	07 August 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	istone@sypa.org.uk		

1 **Purpose of the Report**

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

2 **Recommendations**

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

3 **Link to Corporate Objectives**

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

Effective and Transparent Governance

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

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

4 **Implications for the Corporate Risk Register**

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

5 **Background and Options**

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

Governance and Training Strategy

- 5.1 The 'LGPS – Fit for the Future' consultation and outcomes include the requirement for administering authorities to prepare and publish a governance and training strategy, to

replace the current governance compliance statement. This new strategy will set out the approach to governance, knowledge and training, member representation, and conflicts of interest; and set out objectives and planned actions in these areas, to be reviewed at least once every valuation period.

- 5.2 In responding to consultation feedback, the government clarified their recognition of a concern about the length of this if it is a single document and clarified that the requirement will be for a strategy for governance (including member representation), a training strategy, and a conflicts of interest policy, which may be combined. It was also confirmed that this need not necessarily be updated to coincide with triennial valuation, the government will not prescribe when reviews should happen. The Authority is in a strong position to meet the requirements as we have these policies in place already and now await the detailed guidance to implement. Officers will continue to update the Board on progress.

Board Membership and Succession Planning

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 2028 (3 rd Term)
Sheldon McClure	08/08/2024	Unite	August 2027 (1 st Term)
Shelagh Carter	07/11/2024	GMB	November 2027 (1 st Term)
Vacant since 4 April 2025		UNISON	
Employer Representatives			
Riaz Nurennabi (Chair)	03/11/2022	Sheffield Hallam University	November 2025 (1 st Term)
David Nevett	05/06/2025	Local Authority	May 2028 (1 st Term)
Linda Beresford	06/06/2024		May 2026 (1 st Term)
Nicola Gregory	18/01/2018	Academies	December 2026 (3 rd Term)
Vacant since 6 February 2025			
Independent Adviser			
Neil Mason	July 2024	-	-

- 5.3 There are currently two vacancies on the Board – one employer representative seat that is vacant since February 2025, and one scheme member seat held by UNISON that became vacant in April 2025. In regard to the employer vacancy, work continues to advertise the role, and targeted communications are taking place. Regular updates will be issued in the employer newsletter, and the Chair and Vice Chair will attend the annual Employer AGM in November to promote the Board and its work. In regard to the UNISON vacancy, officers are actively liaising with the regional representative regarding the appointment to this seat.

Member Training and Development

- 5.4 New members are working towards completing their core training by the end of September to ensure the Authority is fully compliant, currently members are on track to achieve the deadline.
- 5.5 Individual member learning and development plans were introduced from April onwards. The governance team are contacting members to issue the self-assessment forms and schedule one-to-one meetings to discuss and plan for individual training requirements for the year ahead. The plans will also start to inform the team of any common trends of training and skills gaps that need to be considered in the wider context of the Member L&D Strategy.

Border to Coast Conference

- 5.6 The attendance confirmation for this year's Border to Coast Annual Conference in September is the highest we have seen to date, with 11 members from both the LPB and the Authority due to attend. This is very positive.

New Website for LGPS administrators and employers

- 5.7 The LGA Pensions team has started a project to develop new websites for LGPS administrators and employers in England and Wales and Scotland. These will replace the existing websites. The LGA would like to work with stakeholders as the project progresses to hear how they use the current websites, any problems they have encountered with the existing websites and receive feedback on our proposed changes, improvements and new features. Officers in the teams here at the Authority will feed views into this as relevant.

Pensions Review - Update

- 5.8 This will be covered as a separate item on the agenda as a verbal update in order to provide the Board with the latest position.

McCloud Remedy

- 5.9 The Authority determined at their June meeting to exercise their discretion not to reflect McCloud protection in 2025 annual benefit statements (ABSs). Detail is provided in the Pensions Administration quarterly performance report elsewhere on the agenda.

Gender Pensions Gap roundtable event

- 5.10 In June the LGA Board hosted a roundtable event. The event brought together industry figures and a cross-section of the public sector pensions to discuss the 18 proposals in the Access and Fairness consultation covering the Gender Pensions Gap and wider pensions adequacy issues. The group received presentations on how to ensure communication with scheme members could be improved, how scheme design can affect different groups and discussed how to respond to the ongoing MHCLG Access and Fairness consultation. The Assistant Director – Pensions is preparing a response on behalf of the Authority to this consultation.

Remote Attendance

- 5.11 Following a government consultation on a proposal to allow remote attendance and proxy voting at local authority meetings, the government have published their response confirming an intention to legislate to support permanent provision in relation to both policies, when parliamentary time allows.

- 5.12 When legislation and any regulatory guidance have been laid, the Authority will be able to consider its own policy in this respect and update the Constitution as required. The Authority's response to the consultation was considered and approved at the December 2024 meeting of the Authority.

Elections – Chair and Vice Chair

- 5.13 Elections were held during the Summer for the Board's Chair and Vice Chair positions. The results had one submission for each role. Riaz Nurennabi will continue as Chair and David Webster will continue as Vice Chair. The Board welcome the continuity and strength this provides for the Board.

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
Local Pension Board Members' Registers of Interests	Committee details - South Yorkshire Local Pension Board - South Yorkshire Pensions Authority (Registers of interests available on the page showing each member's details).

Subject	Update on Decisions Made by the Authority	Status	For Publication
Report to	Local Pension Board	Date	07 August 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 Local Pension Board members with an update on decisions made by the Authority and its Committees, and any decisions taken under the urgency procedure between meetings of the Authority.

2 Recommendations

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

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objective:
Effective and Transparent Governance
- To uphold effective governance always showing prudence and propriety.
- 3.2 The contents of this report are part of the arrangements in place to ensure good governance and that the Local Pension Board is enabled to fulfil its duties to scrutinise the decision making of the Authority in relation to the administering of the South Yorkshire Pension Fund.

4 Implications for the Corporate Risk Register

- 4.1 The contents of this report will contribute to addressing risks around regulatory compliance.

5 Background and Options

- 5.1 This report provides an update for the Local Pension Board on decisions taken by the Authority in the period since the last meeting of the Local Pension Board. (Excluding any substantive items already included in reports elsewhere on the Board's agenda).
- 5.2 There has been one meeting of the Full Authority and one meeting of the Authority's Audit & Governance Committee since the last report to the Board.

- 5.3 The tables below set out the decisions of the Authority taken at its meetings on 05 June 2025 and the decisions of the Audit & Governance Committee on 17 July 2025. Any reports that the Authority or the Committee simply noted / commented upon are not listed separately in the table but are available to view on the relevant meeting on the website using the links provided.

Table 1:

Decisions Made at Authority Meeting 05 June 2025	
Full agenda and public reports referred to below are available here: Agenda for South Yorkshire Pensions Authority on Thursday, 5th June, 2025	
Item 5: Urgent Items	The Director gave an update to make members aware of the content of the Government's response to the "Fit for the Future" consultation published on 29th May 2025 Members noted the Government's final proposals for changes to pooling and governance within the Local Government Pension Scheme.
Item 6: Items to be considered in the absence of the public and press	It was resolved that Item 26 was to be 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.
Item 7: Appointment of the Chair and Vice Chair	The Director invited nominations for the role of Chair. Councillor Donna Sutton was nominated for the position by Councillor Dunn and seconded by Councillor Sangar. There being no other nominations, Councillor Sutton was confirmed as Chair of the Authority for the 2025/26 Municipal Year and assumed the Chair. The Chair invited nominations for the position of Vice-Chair. Councillor Roy Bowser was nominated by Councillor Dunn and seconded by Councillor Fisher. There being no other nominations, Councillor Bowser was confirmed as Vice Chair. Councillor Donna Sutton was elected Chair of the Authority for the municipal year 2025/26. Councillor Roy Bowser was elected Vice Chair of the Authority for the municipal year 2025/26.
Item 8: Membership, Political Balance and Appointments to Committee's	The Director delivered a report on the appointments to the Authority's Committees for the 2025/26 Municipal Year in line with the political balance rules applying to the Authority. Members noted the members appointed to the Authority by the District Councils. Noted the members appointed to answer questions in the meetings of the Full Council of the District Councils and approved the appointments to Committees for the year.
Item 10: Section 41 feedback from District Councils	The Chair shared that several questions regarding SYPA had been asked and answered at meetings of Rotherham Metropolitan Borough Council and that she would keep the Authority updated on any future queries or issues that may arise.

Decisions Made at Authority Meeting 05 June 2025

	Members requested further detail on the Sheffield City Council Motion Regarding "Ethical Investment of Pension Funds" that had been presented to SYPA. The Director agreed to schedule a meeting for Authority members to further discuss the motion.
Item 11: Minutes of the meeting held on 13 March 2025	Members agreed that the minutes as presented for the Authority Meeting held on 13 March 2025 were a true and accurate record.
Item 12: Quarter 4, Corporate Performance Report 2024/25	The Assistant Director – Resources presented the Q4 Corporate Performance Report for members to consider and approve. The Head of Finance and Performance added specific commentary on Q4 Provisional Outturn for 2024/25 – showing the total expenditure for the year, including that the outturn before transfers from reserves was an under-spend of (£382k), with an under-spend of (£138k) after the transfers to reserves. Members queried the Corporate Risk Register and asked whether reputational damage to SYPA due to investment in Israeli Government bonds and weapons manufacturers should be considered and if there was any risk members of the Authority could be found legally accountable for the outcome of any such investments. The Director explained that legal advice on the issue was clear and that members of the Authority were not liable for the outcome of investment decisions and that this was not a risk that needed consideration. It was explained that the Corporate Risk Register was constantly under review but that it was not considered necessary to add reputational damage as a specific risk at this point having considered the Authority's position in the industry and the duty to scheme members. Members approved the budget virements as set out in paragraph 4.25 of the report. Approved 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.
Item 16: Pensions Administration Improvement Plan Update	Members welcomed the improvements on data quality and the Administration Improvement Plan in general and asked for further detail on the backlog and when it was expected to be cleared. The Assistant Director – Pensions explained that clearing the backlog had slowed due to lack of staffing resource and available overtime. This issue was now to be tackled by one of the Benefits teams targeting the backlog on a monthly rota, with the aim of completing the task by the end of 2025. The Assistant Director – Pensions also explained that as well as processing the backlog, the Benefits team also had to ensure incoming work was promptly dealt with to avoid creating a new backlog and that several very complex cases may also affect the team's ability to meet the planned completion date. Third party help may need to be sought.

Decisions Made at Authority Meeting 05 June 2025	
	Members asked for an update on the installation of software needed to implement the McCloud Remedy and whether all members who require the rectification have been identified. The Assistant Director – Pensions explained that the software development/installation was still delayed due to the software supplier. It was explained that the members that needed to be checked to see if they required the rectification had been identified but that the developments currently still awaited were required before the software could perform the calculations required to identify any members with an underpin. There may be manual rectifications required for cases the software can't calculate, and it was explained that this work was not identified as part of the backlog but was a separate process, yet to be started. Members noted and commented on the 2024/2025 plans for Administration improvement that are in place and agreed the Data Quality Strategy.
Item 17: Determination relating to McCloud Implementation	The Assistant Director – Pensions presented the report to update the Authority on the McCloud Implementation Plan. It was explained that because the next phase of the required software developments had been delayed by the supplier, it was necessary to move the implementation deadline to 31 August 2026. Members accepted the rationale for moving the deadline but asked how many other administering authorities were affected and whether all such delays were caused by the same software provider. The Assistant Director – Pensions explained that some alternative software suppliers had allowed some administering authorities to start analysing their data but that all were at different stages. It was explained that around 27% of administering authorities had commissioned the software from the same provider used by the Authority and that all of these were delayed in the same way as SYPA. Members asked whether the delay would have a practical effect on scheme members and the Authority and whether there maybe any financial costs or penalties to award affected scheme members and whether these could be passed on to the supplier. The Assistant Director – Pensions explained that once scheme members affected are identified, they will be informed on their Annual Benefits Statement that their account will be reviewed in line with the McCloud remedy in the near future when the software functionality required is delivered. The Assistant Director – Pensions explained that very few members are expected to be awarded a net increase in pension and the majority of arrears built up for those that do, will have come from years prior to the McCloud ruling rather than as a result of the software delays this year. Members asked for more explanation on the reasons for the delays by the supplier and the Assistant Director – Pensions explained that the reasons given were around internal resourcing and allocation issues

Decisions Made at Authority Meeting 05 June 2025	
	which they say that they have now put measures in place to address. The Assistant Director assured members that SYPA and other administering authorities are continually engaging with and exerting pressure as appropriate on the supplier and the onus is on them to now rebuild the confidence of their users. Members determined that the implementation date for the McCloud Remedy be delayed to 31 August 2026 for all classes of member.
Item 18: Consultation on LGPS Administration Regulation Changes – Access and Fairness	The Assistant Director – Pensions presented the report to update the Authority on a consultation opened by MHCLG on the Local Government Pensions Scheme in England and Wales; Access and Fairness. Members asked whether the consultation response would be shared with Trade Unions before submission. The Assistant Director – Pensions explained that it was an open and transparent consultation which had also been shared with LGPS employers. Members delegated the response to the consultation to Officers in consultation with the Chair and s41 Members.
Item 20: Effectiveness Review Report 2024/25	The Head of Governance and Corporate Services presented the results of the Authority's first annual review of its effectiveness in 2024/25. Members agreed the Effectiveness Review report.
Item 23: Annual Governance Statement 2024/25	The Director presented the Authority's Annual Governance Statement to members for approval. Members asked for clarity on the area for improvement identified regarding further strengthening 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. The Director explained that there were several areas for improvement including how the Authority oversees Border to Coast Pensions Partnership performance (in collaboration with other partner funds) and how the Authority can address areas of single person dependency with relation to senior officers. It was explained that there will be large, multiple and far-reaching changes regarding pooling and partnership arrangements driven by the Government's reforms and that the scope and detail of such changes is not yet fully clear. Members asked for information on the regulations regarding receiving petitions. The Director explained that the Authority had not received a petition before 05 June 2025 so did not have a procedure in place. It was explained that democratic services guidelines were different for the Authority than for Local Authority Councils and that members were able to ask for a petition procedure to be drafted for approval, but that the Authority could only consider the requirements and opinions of scheme members and were not in a position to enact any changes as a direct

Decisions Made at Authority Meeting 05 June 2025	
	result of a petition, unless such changes were in the best interests of scheme members. Members approved the Annual Governance Statement for 2024/25 and authorised its signature by the Chair and Director. Noted the provisional conclusion of the Head of Internal Audit which will be revised if required by the content of the Internal Audit Annual Report. <i>(The conclusion has since been confirmed as Positive – Reasonable assurance – no revision required).</i>
Item 25: Consultation, Communication and Engagement Strategy	The Assistant Director - Pensions and the Service Manager – Customer Services presented the report to secure approval by the Authority of the updated Consultation, Communications and Engagement Strategy which supports the Corporate Strategy. Members asked whether the Engagement and Accessibility principle listed in the strategy related to scheme members only or included members of the public speaking at meetings held in public. The Director explained that this strategy related only to scheme member engagement and that public engagement at Authority meetings was a different issue which would be reviewed and reported to members separately. Members noted the recent Responsible Investment survey sent to scheme members and asked how often such a survey will be circulated. The Director explained that it is expected that a Responsible Investment survey would be circulated every 3 years in line with the review of the Investment Strategy. It was explained that customer satisfaction surveys and single-issue surveys were being continually rolled out to scheme members to gain their opinions and feedback. It was also explained that running the 2025 AGM as a video was successful in terms of convenience and the number of views, questions and engagement and that this would be repeated going forward. Members expressed that good, comprehensive update to scheme members in easy-to-understand language was key to a good communications strategy and praised the developments SYPA had made in this area. The Director added that it was due to investment in a communications professional, as supported by the Authority, and a strong Customer Services team that such positive progress had been made. Members asked what the future of digital communications looked like. The Service Manager – Customer Services explained that it was recognised that increased digital communications was needed, but that SYPA will also continue to provide for alternatives for scheme members that prefer not to engage in that way. It was explained that SYPA aim to

Decisions Made at Authority Meeting 05 June 2025	
	improve their online services and log in processes to make them more user friendly and facilitate moving the bulk of communications online. Members approved the revised Consultation, Communications and Engagement Strategy.
Item 26: Update on Pooling (Restricted item)	The Director updated the Authority on the process concerning funds that may wish to join Border to Coast, and the development of new capabilities as part of the Border to Coast 2030 Strategy and in response to the Government's Local Government Pension Scheme (LGPS) – Fit for the Future consultation. Members discussed potential implications and costs involved with admitting new funds to Border to Coast Pensions Partnership and acknowledged the deadline of March 2026 to enact any changes. Members noted the position on the potential growth of the Border to Coast Pensions Partnership set out in the body of the report. Noted the positive progress with the development of new capabilities by the Border to Coast operating company. Commented on any concerns that may arise because of the expansion of the Border to Coast Pensions Partnership.

Table 2:

Decisions Made at Audit & Governance Committee Meeting 17 July 2025	
Full agenda and the public reports referred to below are available at: Agenda for Audit & Governance Committee on Thursday, 17th July, 2025	
Item 6: Minutes of the meeting held on 06/03/2025	Members agreed that the minutes as presented for the Audit & Governance Committee held on 06 March 2025 were a true and accurate record.
Item 10: Internal Audit Charter and Mandate 2024-2026	The Head of Corporate Assurance presented to the Committee the Corporate Assurance Mandate and Charter & Strategy for approval as required by the Global Internal Audit Standards UK (GIAS). Members considered and approved the Corporate Assurance Mandate and Charter & Strategy and were assured that the Corporate Assurance function operates in accordance with the relevant standards.
Item 11: External Auditors VFM Risk Assessment to 31-03-2025 and Verbal Progress	Representatives from the external auditor, KPMG presented the external auditor's Value for Money Risk Assessment for the year ended 31 March 2025 and gave a verbal update on the audit status for the 2024/25 audit. <u>Value for Money Risk Assessment</u> Richard Lee, Director at KPMG and engagement lead, gave a positive overview explaining that there were no financial sustainability concerns, and no significant risks identified regarding improving economy,

Decisions Made at Audit & Governance Committee Meeting 17 July 2025	
Update on the Audit	efficiency and effectiveness and that this position was not expected to change. <u>Progress Update:</u> It was explained that the vast majority of work had been completed on the Authority audit and that the Fund audit was progressing well with no significant issues or concerns identified as yet. The auditor explained that it was the second year of KPMG working with SYPA and positive developments to fully understand and support SYPA continued. Elizabeth Wharton, Senior Manager at KPMG with responsibility for the Fund audit, agreed that work was progressing very well. It was explained that the work to obtain direct confirmations from investment managers, which can be a time consuming process with requirements to chase up and prompt for their responses, was being actively pursued and with a clear list of required information that was outstanding to help with monitoring and involving management where needed to escalate or assist in obtaining the responses. Members received and noted the external auditor's value for money risk assessment for the year ended 31 March 2025, attached at Appendix A and noted the verbal update on the audit status for the 2024/25 audit.
Item 12: Draft Statement of Accounts 2024-25	The Assistant Director – Resources presented the draft Statement of Accounts 2024/25 to the Committee, explaining that this was the draft pending completion of the external audit. The audited accounts will be presented to the Committee at their next meeting for approval. Members noted the draft Statement of Accounts 2024/25 at appendix A of the report, subject to the audit currently in progress.

Decisions Taken Between Meetings Under the Urgency Procedure

- 5.4 Since the last report to the Local Pension Board, there has been one decision taken under the urgency procedure between meetings of the Authority, regarding Border to Coast annual general meeting.
- 5.5 In accordance with Section 307 of the Companies Act 2006, a general meeting of a private company must be called by notice of at least 14 clear calendar days. A general meeting may be called by shorter notice if it is agreed by shareholders who together hold not less than 90% in nominal value of the shares giving a right to attend and vote at the meeting.
- 5.6 The Company's annual general meeting ("AGM") was scheduled on 16 July 2025. The Company was in the final stages of appointing its next Board Chair following a competitive search. The Board considered the preferred candidate at its meeting on 24 June 2025 and shareholder officers were briefed on the candidate at an informal shareholder meeting on 2 July 2025.
- 5.7 To facilitate this process, it was proposed to issue the Notice of AGM and associated reports on 2 July 2025, being 13 clear calendar days prior to the AGM.
- 5.8 Agreement to delay circulation of the Notice of AGM was confirmed for and on behalf of South Yorkshire Pensions Authority.

Implications

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

Financial	No direct implications.
Human Resources	No direct implications.
ICT	No direct implications.
Legal	No direct implications.
Procurement	No direct implications.

6.2 Implications of each of the items on which a decision was made are listed in the relevant reports for those items.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection

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Agenda Item

Subject	Corporate Risk Register Update	Status	For Publication
Report to	Local Pension Board	Date	07 August 2025
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Annie Palmer Team Leader Governance	Phone	01226 666404
E Mail	apalmer@sypa.org.uk		

1 Purpose of the Report

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

2 Recommendations

Members are recommended to:

- a. Note and comment upon the revised corporate Risk Register at Appendix A.**

3 Link to Corporate Objectives

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

Customer Focus

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

Listening to our stakeholders

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

Investment Returns

To maintain an investment strategy which delivers the best financial return, commensurate with appropriate levels of risk, to ensure that the Fund can meet both its immediate and long term liabilities.

Responsible Investment

To develop our investment options within the context of a sustainable and responsible investment strategy.

Effective and Transparent Governance

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

Valuing and engaging our Employees

To ensure that all our employees are able to develop a career with SYPA and are actively engaged in improving our services.

4 Implications for the Corporate Risk Register

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

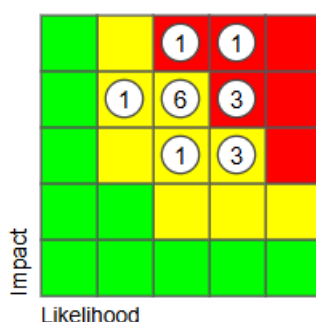
5 Background and Options

- 5.1 The Board's workplan requires it to review the Authority's Corporate Risk Register regularly. The latest version of the Register, which was considered by the Authority at its meeting on 05 June 2025, is attached at **Appendix A**.
- 5.2 The register is held on a risk management software system, enabling a more streamlined process for reviewing, recording and reporting risks as well as assisting managers through the use of triggers and action reminders for example.
- 5.3 The results of the latest review of the Authority's risks undertaken in May 2025 are set out in the commentary shown in the final column of the table in the report.
- 5.4 Four risk scores have increased in this quarter:
- 5.5 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.
- 5.6 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.
- 5.7 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.

- 5.8 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.
- 5.9 There were no other changes to risk scores or newly added risks from this review.
- 5.10 The risk register is kept under review and discussed at monthly senior management team meetings. The next quarterly update of the risk register is scheduled and will be reported to the September meeting of the Authority.
- 5.11 Extracts from the strategic risk dashboard are shown below to give an overview of the current position. The system functionality enables officers to drill down from dashboards such as these to analyse in further detail and to enter updates to risk scores and commentary for the quarterly updates. The numbers shown in the extracts below all refer to the count of individual risks within each of the relevant infographics. There are 16 risks currently on the register in total.

Aggregated Strategic Risk Register Matrix:



Total risks at a score of 15 or under



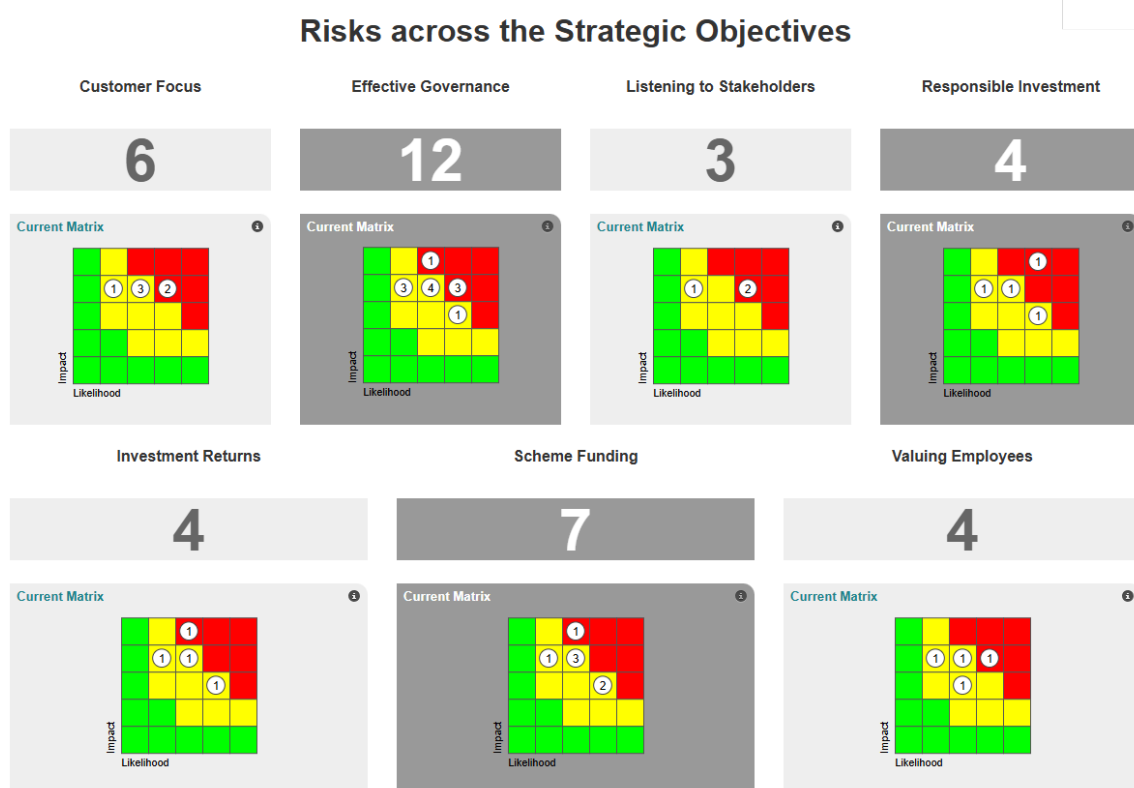
Total risks at a score of over 15



Risks split by Organisational Unit



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



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

6 Implications

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

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

George Graham

Director

Background Papers	
Document	Place of Inspection
None	N/A

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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.



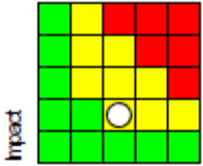
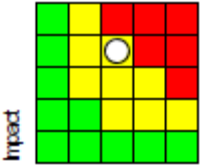
Indicates the risk score has increased since the previous review.

Appendix A – Strategic Risk Register

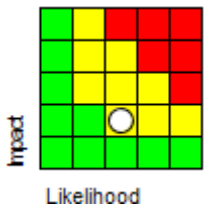
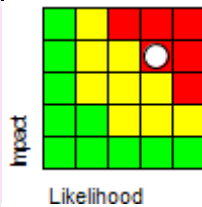
This table provides a high-level summary of the risks on the register that follows:

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		

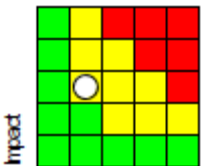
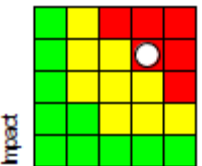
Appendix A – Strategic Risk Register

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
Commentary from latest review:		Trend:  Current Score = 12
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.		

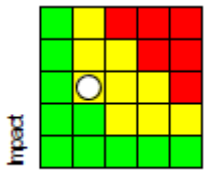
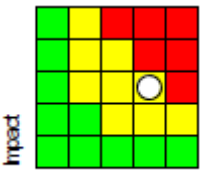
Appendix A – Strategic Risk Register

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 40	Target matrix and score:  Likelihood		Current matrix and score:  Likelihood	
	Target score: 6		Current Score = 16 Trend: 	
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

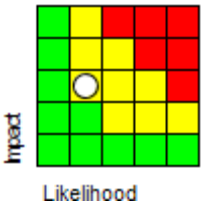
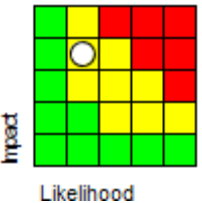
Risk: ADM - 003 McCloud Rectification		Risk Owner: Assistant Director Pensions
		Last Review: 01-May-2025
Risk effect: Timescales to rectify members benefits not met. TPR fines and reputational damage.		
Existing Preventative Measures	Existing Mitigation Measures	Linked Actions
	SYPA and other Provider Clients working together to collectively drive the Provider to deliver the developments required to adhere to national guidance	McCloud - Rectification Plan plan to be implemented and team training put in place
Target matrix and score:  Target score: 6	Current matrix and score:  Current Score = 16	Trend: 
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

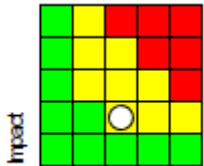
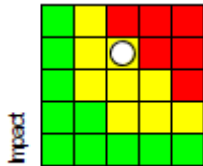
Risk:		GOV - 001 Local Pension Board and Authority Members Knowledge and Understanding	Risk Owner:	Head of Governance and Corporate Services	
			Last Review:	12-May-2025	
Risk effect:		Poorly informed decision making Regulatory / legislative non-compliance Insufficient questioning and challenge of officers.			
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 42	Target matrix and score:			Target score: 6	
	Current matrix and score:			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.			

Trend: 

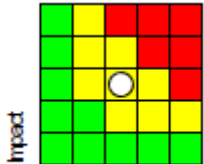
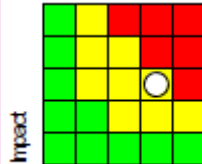
Appendix A – Strategic Risk Register

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:		No update to the correct score - resourcing constraints have meant that progress has slowed. 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. 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.	

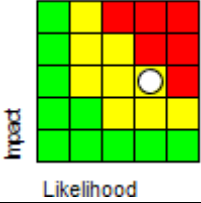
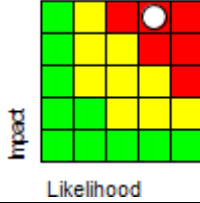
Appendix A – Strategic Risk Register

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 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.		Existing Mitigation Measures 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.	
		Linked Actions Information Governance Action Plan Phase 2 completion	
Page 44	Target matrix and score:  Likelihood		Current matrix and score:  Likelihood
	Target score: 6		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.	

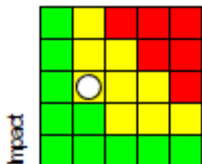
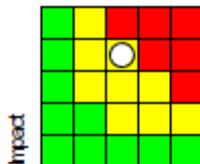
Appendix A – Strategic Risk Register

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.		
Page 45	Target matrix and score: Impact  Likelihood Target score: 9		Current matrix and score: Impact  Likelihood Trend:  Current Score = 12	
	Commentary from latest review: Heightened market volatility remains. No change to score at this stage.			

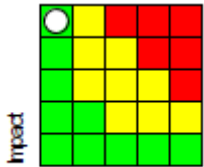
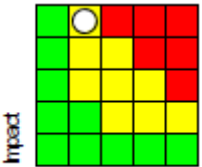
Appendix A – Strategic Risk Register

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 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.		Existing Mitigation Measures Climate Change Policies and Net Zero Goals adopted by both the Authority and Border to Coast	
		Linked Actions 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.	
Page 46	Target matrix and score:  Likelihood		Current matrix and score:  Likelihood
	Target score: 12		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.	

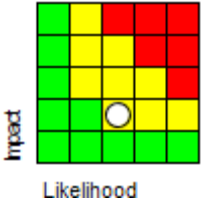
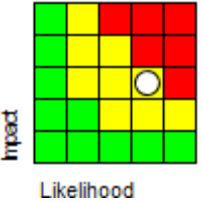
Appendix A – Strategic Risk Register

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
Page 47 Target matrix and score: Impact  Likelihood Target score: 6	Current matrix and score: Impact  Likelihood Current Score = 12 Trend: 	
		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.

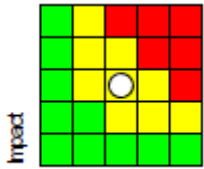
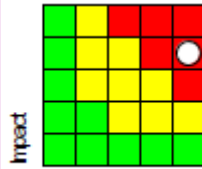
Appendix A – Strategic Risk Register

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 Process for monitoring and forecasting cashflows		Existing Mitigation Measures Maintenance of "cash buffer" of liquidity sufficient to cover more than one monthly payroll.	Linked Actions Further improvements in cashflow forecasting Implementation of strategies to more regularly harvest income from investments
Page 48	Target matrix and score:  Likelihood Target score: 5		Current matrix and score:  Likelihood Current Score = 10 Trend: 
	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.		

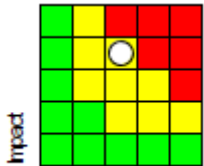
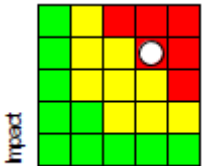
Appendix A – Strategic Risk Register

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: The overall financial environment for public services means that it is increasingly likely that some employers will find contributions affordability an issue. Covenants are monitored. Work is underway on the 2025 Valuation and communication plans in place and on target. Employer services have allocated named officers to all employers and engagement has increased. 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.		

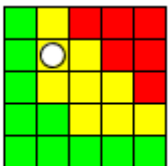
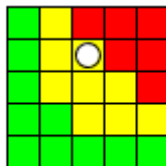
Appendix A – Strategic Risk Register

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:	
	Likelihood		Likelihood
Target score: 9		Trend: 	
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.	

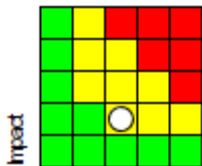
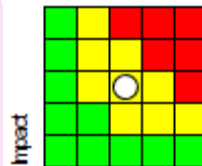
Appendix A – Strategic Risk Register

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		Existing Mitigation 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		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	
Target matrix and score:		Current matrix and score:	
 Target score: 12		 Current Score = 16 Trend: 	
Commentary from latest review:		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.	
		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.	

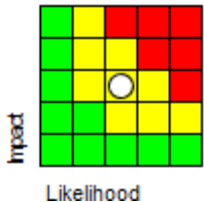
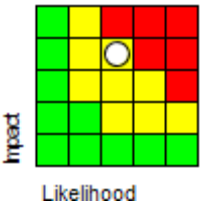
Appendix A – Strategic Risk Register

Risk: ORG - 004 Failure of the Authority to comply with relevant Regulations		Risk Owner: Head of Governance and Corporate Services
		Last Review: 29-Apr-2025
Risk effect: Enforcement action by relevant regulatory authorities		
Existing Preventative Measures		Existing Mitigation Measures
Regular reviews of key policies and processes		Service areas are aware of key points of reference for relevant regulations
Ongoing process of awareness raising and training for staff in relation to operational matters		Reporting of compliance within relevant standards.
Oversight of key updates and awareness of milestone approvals		Basic assessment of compliance with TPR General Code in place.
Linked Actions		
Delivery of additional Data Protection training in roles and responsibilities for all staff, middle managers, and SMT		
Implement and embed the Information Governance action plan in collaboration with Internal Audit at each stage of review		
More detailed assessment of compliance with emerging regulatory requirements. TPR General Code with associated action plan and enhanced regular reporting		
Page 52	Target matrix and score: Impact  Likelihood Target score: 8	Current matrix and score: Impact  Likelihood Trend:  Current Score = 12
	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 53	Target matrix and score:		Current matrix and score:		
	 Target score: 6		 Current Score = 9		
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	Existing Mitigation Measures	Linked Actions
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	Revised pay and benefits package Range of policies for supporting wellbeing Documented procedures and work instructions Learning and development plans and knowledge transfer	Identify Single Person Risk
		Knowledge Transfer
		Succession Planning
Target matrix and score:  Likelihood	Current matrix and score:  Likelihood	Trend: 
		Target score: 9
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.

Agenda Item

Subject	Compliance with The Pensions Regulator's General Code of Practice	Status	For Publication
Report to	Local Pension Board	Date	07 August 2025
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Annie Palmer Team Leader Governance	Phone	01226 666404
E Mail	apalmer@sypa.org.uk		

1 Purpose of the Report

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

2 Recommendations

Board Members are recommended to:

- a. Note the update on compliance with the TPR's General Code of Practice and actions identified; and**
 - b. Consider if any further information or explanation is required from officers.**
-

3 Link to Corporate Objectives

3.1 This report links to the delivery of the following corporate objective:

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.

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 The Pensions Regulator's (TPR) General Code of Practice (the Code) came into force on 27 March 2024; bringing together 10 existing codes of practice, including Code of Practice 14 (Governance and Administration of Public Service Pension Schemes), into a single modular code which applies to all UK pension schemes.
- 5.2 Following its introduction, officers undertook a full assessment of compliance with all of the areas of the Code that are relevant to Public Service Pensions Schemes – some of which are requirements, and some of which are good practice only. This initial assessment was carried out alongside the independent governance review with the support of Aon and making use of their compliance tool developed for this purpose.
- 5.3 There is now a rolling programme of reviews in place that ensures all modules within the Code are assessed and progress updates provided at least every six months, and the results are reported to the Board on this basis.
- 5.4 The review process involves officers undertaking a detailed review of compliance and updating on progress against planned actions.
- 5.5 This report presents the results of the reviews that have taken place since the last full report in February.
- 5.6 The Code has five overarching principles covering The Governing Body, Funding and Investments, Administration, Communication and Disclosure and Reporting to TPR, each of which is divided up into modules, and a series of questions within each.
- 5.7 The table below summarises the RAG status of each question in the modules – with the results from the previous review shown in grey for comparison.

Section	Green	Amber	Red	Total Questions	Green Status Percentage
The Governing Body	121	14	8*	143	84.6%
Previous review	115	18	10*		80.4%
Funding and Investment	30	4	3	37	81.1%
Previous review	29	5	3		78.4%
Administration	74	12	2	88	84.1%
Previous review	70	13	5		79.5%
Communications & Disclosure	29	4	3	36	80.6%
Previous review	28	4	4		77.8%
Reporting to TPR	8	3	3	14	57.1%
Previous review	7	3	4		50.0%

* Note:

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

- 5.8 Note that, as previously reported, the 'Own Risk Assessment' module is still deferred until further guidance for LGPS funds on the application of these requirements for public sector schemes is made available.
- 5.9 In response to information requested by members, the table below now gives further detail to indicate the split of the questions currently rated as either red or amber into those that are a requirement in the Code and those that are simply recommended as good practice.

Section	Amber	Red
The Governing Body of which:	14	8
Required	2	0
Good Practice	12	8
Funding and Investment of which:	4	3
Required	1	0
Good Practice	3	3
Administration of which:	12	2
Required	12	2
Good Practice	0	0
Communications & Disclosure of which:	4	3
Required	3	3
Good Practice	1	0
Reporting to TPR of which:	3	3
Required	3	3
Good Practice	0	0

- 5.10 The report at Appendix A shows the status of the actions planned to address all of these red and amber rated questions.
- 5.11 The current review shows continued good compliance overall as indicated by the number of green and amber ratings, and some progress achieved with a number of ratings on individual questions moving from a previous status of red to amber or amber to green.
- 5.12 In addition, there has been an increase in the number of fully compliant modules since the previous assessment, identified below.

Governing Body

Board Structure and activities: Now fully compliant in 4 out of 5 modules compared to 3 out of 5 previously.

Knowledge and understanding requirements: Now fully compliant in 2 out of 2 modules compared to 1 out of 2 previously.

Risk Management: Now fully compliant in 3 out of 6 modules compared to 2 out of 6 previously.

- 5.13 The report attached at Appendix A has been produced directly from the compliance toolkit and provides the results of the assessment, setting out for each of the five sections:
- a. An 'at a glance' page showing a heat scale that indicates the overall RAG and compliance status for each of the modules assessed. (This page also includes a sidebar to show some of the essential actions extracted from the toolkit – this appears to cut off some of the content, but the actions are detailed fully in the rest of the report as explained below).
 - b. Following on from the 'at a glance' page for each section, a new section has been added to the report to capture any changes to the RAG status since the last review or to confirm that no changes have been made.
 - c. The next section sets out the actions in full, showing the module and question number to which they relate. These are split between:
 - i. Essential Actions – these are the actions identified to address questions that were answered as 'No' or only 'Partially' and are therefore rated as Red or Amber.
 - ii. Other Actions – these are additional actions identified for the purposes of further improvement on questions that are already Green rated.

At the request of Board members, an icon has been added against each of the essential actions to indicate if this relates to a requirement in the Code or a recommendation for good practice.

The commentary shown for each of the actions has been updated to indicate any progress made and shows a target date for completion or confirms if the action has been completed since the previous assessment.
 - d. The final page for each of the five sections sets out a summary of each of the modules included within it and indicates the interpretation that Aon has provided as to the application or partial application of each of these to LGPS funds.
- 5.14 For reference if helpful for Board members, an additional appendix has been attached that lists all the questions within each module and shows the RAG status of each, with those questions that are for good practice only (rather than a requirement) shown in orange font. This is attached at Appendix B.
- 5.15 The process of reviewing the assessment continues to work well and the involvement of Service Managers has given them further understanding of the areas for focus that have been captured in their service level action plans. As reported previously, officers felt that it was reassuring that the questions rated as red concerned issues that on the whole were already known and actions either being planned or already in progress.
- 5.16 The main areas of progress to highlight from the review include:
- The Governing Body – Board Structure and Activities and Knowledge and Understanding* – the initial assessment highlighted a number of actions required in relation to recruitment and training which have now been progressed. These include:
- a. The production of documented processes setting out recruitment and succession planning, beyond what is contained with the Constitution.
 - b. The development of a tailored induction specifically focused on the expectations and skills of Chairs.
 - c. Specific role profiles have now been drafted for both Chair and Vice-Chair
 - d. Individual training plans and skills assessments have now been rolled out to all members including Chairs and Vice-Chairs

Administration – Contributions – Resolving Overdue Contributions - the initial assessment highlighted areas that required documented procedures which have now been completed. These covered:

- a. The creation of a reporting dashboard for recording, monitoring and pursuing missing monthly schedules/contributions along with relevant documented procedures
 - b. Ensuring that written procedures include clear escalation within SYPA, to identify whether a payment failure should be reported to TPR. The process is now in place as part of EPiC workflow.
- 5.17 Work continues to progress other key areas where actions have been identified and these will continue to be monitored as part of the regular assessments of compliance with the Code, ensuring that they are captured in the relevant strategies and action plans.
- 5.18 Reviews will continue to be carried out regularly with a twice yearly update reported to the Board at their August and February meetings each year.

6 Implications

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

Financial	There is a small annual cost for updating the compliance tool and this is included in existing budgets.
Human Resources	None
ICT	None
Legal	The assessment of compliance with TPR's General Code will enable the Authority to ensure it meets its legal obligations.
Procurement	None

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection
The Pensions Regulator – General Code of Practice	TPR website: TPR General Code of Practice The Pensions Regulator

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TPR General code of practice

South Yorkshire Pension Fund - Scheme Assessment

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

Prepared by: Aon
Date: 23 July 2025

Introduction



TPR Code Compliance model

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

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

Key

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

PC Pension Committee (or equivalent)

PB Local Pension Board

TPR The Pensions Regulator

LGPS Local Government Pension Scheme

Code TPR's General code of practice



The governing body

The governing body – at a glance



Board Structure and activities

Fully compliant in 4 out of 5 modules



No questions are red and 1 question is amber out of 30 questions.

Knowledge and understanding requirements

Fully compliant in 2 out of 2 modules



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

Advisers and service providers

Fully compliant in 0 out of 1 module



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

Risk Management

Fully compliant in 3 out of 6 modules



4 questions are red and 3 questions are amber out of 50 questions.

Scheme governance

Fully compliant in 0 out of 1 module



4 questions are red and 6 questions are amber out of 24 questions.

Essential actions

- Process manual to be documented setting out recruitment, succession planning etc (beyond what is in the Constitutions)
25/26Q1 - This action is now complete - processes have been documented and are available in the reading room
ACTION COMPLETE
- Consider how to better implement the Equality Scheme within the recruitment practices.
25/26Q1 - The new DEI scheme 25-28 is in place. Communications will go to district councils and when posts are advertised they will incorporate encouragement of D&I. To be kept as partial as ongoing improvements are being made

- Develop tailored induction specifically focused on Chairs skills/expectations. This will also be built into specific role profiles for both chair and vice-chair.

Comments

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

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

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

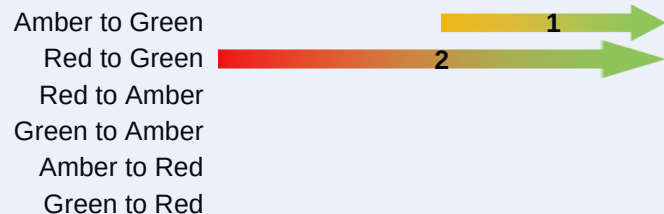
The governing body - changes



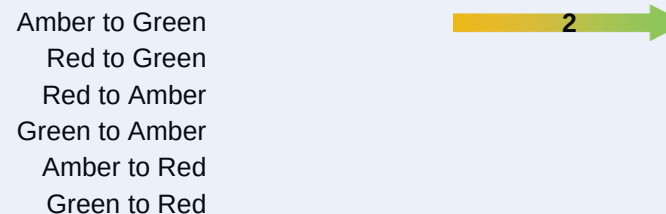
Changes since previous report (if relevant)

The charts below shows how many responses to the questions have changed Red, Amber, Green (RAG) status within each sub-section. If you click within the blue boxes it will take you to the relevant modules (which also records the previous answer and previous score).

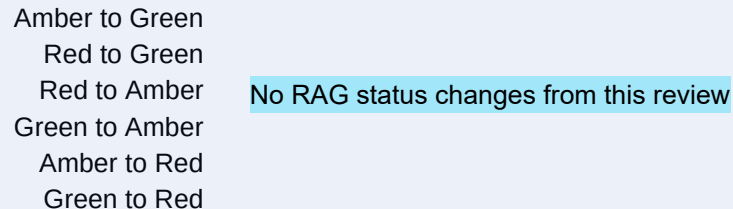
Board structure and activities



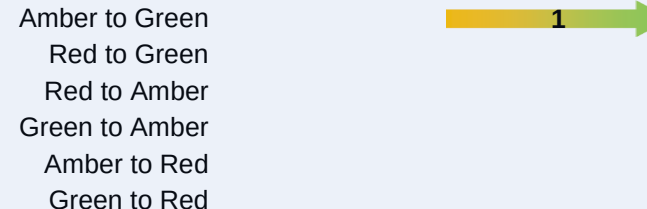
Knowledge and understanding requirements



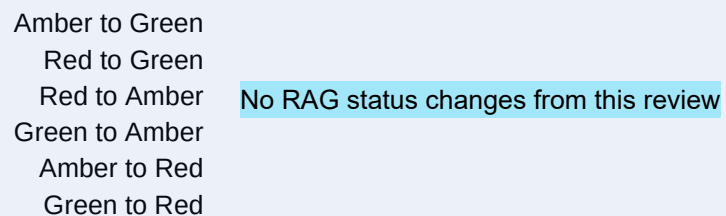
Advisers and service providers



Risk management



Scheme governance



The governing body

Board structure and activities



Essential Actions

Module	Question	Action
1 Recruitment and appointment to the governing body	1 Required	Process manual to be documented setting out recruitment, succession planning etc (beyond what is in the Constitutions) 25/26Q1 - This action is now complete - processes have been documented and are available in the reading room ACTION COMPLETE
2 Recruitment and appointment to the governing body	2 Good Practice	Consider how to better implement the Equality Scheme within the recruitment practices. 25/26Q1 - The new DEI scheme 25-28 is in place. Communications will go to district councils and when posts are advertised they will incorporate encouragement of D&I. To be kept as partial as ongoing improvements are being made
3 Appointment and role of the chair	3 Good Practice	Develop tailored induction specifically focused on Chairs skills/expectations. This will also be built into specific role profiles for both chair and vice-chair. 25/26Q1 - This action is now complete, role profiles have been developed ACTION COMPLETE
4 Appointment and role of the chair	4 Good Practice	Develop a process to ensure regular reviews of skills/behaviour required of Chairs. Build into annual individual review tailored to chair. 25/26Q1 - This action is now complete, individual skills assessment in place linking into individual learning plans - reviews are scheduled in. ACTION COMPLETE

Other Actions

Module	Question	Action
1 No Actions		

Knowledge and understanding requirements

Essential Actions

Module	Question	Action
1 Governance of knowledge and understanding	4 Required	Develop individual training plans and skills matrix. 25/26Q1 - This action is now complete, individual skills assessment and training plans have now been developed and are being implemented. ACTION COMPLETE
2 Governance of knowledge and understanding	11 Good Practice	Develop individual training plans and skills matrix. 25/26Q1 - This action is now complete, individual skills assessment and training plans have now been developed and are being implemented. ACTION COMPLETE

Other Actions

Module	Question	Action
1 No Actions		

Advisers and service providers

Essential Actions

Module	Question	Action
1 Managing advisers and service providers	7 Good Practice	Need to document and clarify who can request work and manage contracts. Target to progress during 2025
2 Managing advisers and service providers	8 Good Practice	Need to document and clarify who can request work and manage contracts i.e. improved contract management. Target to progress during 2025
3 Managing advisers and service providers	13 Good Practice	Need to incorporate a process to ensure improved contact management and regular SLA/KPIs, and better escalation processes. Target to progress during 2025

4 Managing advisers and service providers	16	Work to be done to consider how robust contract provisions are and ensure everything fully incorporated into business continuity plan.
	Good Practice	25/26Q1 - BCP is well progressed with the business impact assessment fully complete. Contract management still targeted to progress during 2025

Other Actions

Module	Question	Action
1 No Actions		

Risk management

Essential Actions

Module	Question	Action
1 Internal controls	3	Further work to be done in identifying single points of risk and ensuring internal controls are documented for these, as well as ensuring all administration tasks are documented (e.g. non-UPM areas). Target July 2025
	Required	
2 Internal controls	4	Further work to be done in identifying single points of risk and ensuring internal controls are documented for these, as well as ensuring all administration tasks are documented (e.g. non-UPM areas). Target July 2025
	Required	
3 Scheme continuity planning	2	Develop new BCP covering full SYPA operations. 25/26Q1 -- BCP is well progressed with the business impact assessment fully complete. Target for completion July 25.
	Good Practice	
4 Scheme continuity planning	5	Further work to be carried out to get assurance on BCPs from all service providers. To be progressed during 2025 as part of the development of the contract management framework
	Good Practice	
5 Scheme continuity planning	10	Develop new BCP covering full SYPA operations. 25/26Q1 - BCP is well progressed with the business impact assessment fully complete.. Target for completion July 25.
	Good Practice	
6 Scheme continuity planning	11	Contingency plans for staffing shortages to be considered as part of new BCP development 25/26Q1 - BCP is well progressed with the business impact assessment fully complete. Target for completion July 25.
	Good Practice	

7 Conflicts of interest	11 Required	To be circulated as part of LPB pre-meet for transparency and information. 25/26Q1 - this action is now complete - the ROI forms part of the regular Governance Updates and is addressed in the pre meets. ACTION COMPLETE

Other Actions

Module	Question	Action
1 Conflicts of interest	1	Consider moving to one Policy covering all, rather than having a separate one for LPB. 25/26Q1 - this has been progressed ready for approval during Q1
2 Conflicts of interest	5	Looking to record details from declarations in a central spreadsheet.

Scheme governance

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 No Actions		



The governing body

Modules

Board structure and activities

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

Knowledge & understanding requirements

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

Value for scheme members (DC only)

- *Value for members (7)*

Notes:

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

(1) Applies

(2) Mostly applies

(3) Partially applies

(4) Good practice

(5) Mostly good practice

(6) Partially good practice

(7) Does not apply

Advisers and service providers

- Managing advisors and service providers (4)

Risk management

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

Scheme governance

- Systems of governance (4)





Funding and investment

Funding and investment – at a glance



Investment

Fully compliant in 1 out of 4 modules



3 questions are red and 4 questions are amber out of 37 questions.

Essential actions

- Terms of reference for Investment Panel to be created

25/26Q1 - TOR now approved and in place.

ACTION COMPLETE

- Ongoing reviews of AVCs to be commissioned and ensure happens regularly.

- 25/26Q1 - BCP is well progressed with the business impact assessment fully complete.

Target for completion July 25.

- Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan.

25/26Q1 - BCP is well progressed with the business impact assessment fully complete.

Target for completion July 25.

- Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan.

Comments

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

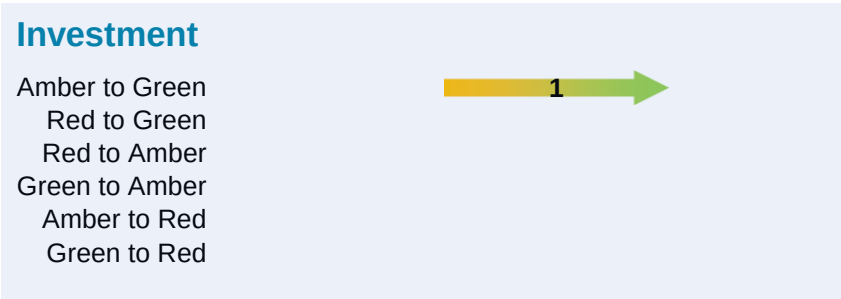
The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Funding and investment - changes



Changes since previous report (if relevant)

The charts below shows how many responses to the questions have changed Red, Amber, Green (RAG) status within each sub-section. If you click within the blue boxes it will take you to the relevant modules (which also records the previous answer and previous score).



Funding and investment



Investment

Essential Actions

Module		Question	Action
1 Investment governance	Good Practice	7	Terms of reference for Investment Panel to be created 25/26Q1 - TOR now approved and in place. ACTION COMPLETE
2 Investment governance	Good Practice	13	Ongoing reviews of AVCs to be commissioned and ensure happens regularly.
3 Climate change	Good Practice	1	25/26Q1 - BCP is well progressed with the business impact assessment fully complete. Target for completion July 25.
4 Climate change	Good Practice	3	Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan. 25/26Q1 - BCP is well progressed with the business impact assessment fully complete. Target for completion July 25.
5 Climate change	Good Practice	4	Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan. 25/26Q1 - BCP is well progressed with the business impact assessment fully complete. Target for completion July 25.
6 Climate change	Good Practice	5	Ensure climate risk is considered from an operational perspective is consider (2025/26). Will be considered as part of business continuity plan 25/26Q1 - BCP is well progressed with the business impact assessment fully complete. Target for completion July 25.

Other Actions

Module		Question	Action
1 Investment monitoring		8	Consider whether to expand monitoring to incorporate volatility and risk. 25/26Q1 - Still remains as not met - this is being discussed with the newly appointed custodian.

Funding and investment



Modules

Investment

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

Notes:

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

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

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



Administration



Administration – at a glance



Scheme administration

Fully compliant in 0 out of 1 module



1 question is red and 3 questions are amber out of 16 questions.

Information handling

Fully compliant in 1 out of 4 modules



No questions are red and 6 questions are amber out of 42 questions.

Essential actions

- All tasks and processes to be reviewed as part of administration improvement plan.
25/26Q2 - The initial register is in development to identify priority processes and review schedules. Plan to complete by 31 December 2025
- All tasks and processes to be reviewed as part of administration improvement plan, together with an ongoing cycle of reviews and better use of performance data.
25/26Q2 The initial register is in development to identify priority processes and review schedules. Plan to complete by 31 December 2025
- As part of management information development, legal timescales will be monitored and reported.
25/26Q2 - Improvements in reporting information have been made - these will also feed through to the Annual Report. Target for full completion December 2025

Comments

IT

Fully compliant in 1 out of 2 modules



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

Contributions

Fully compliant in 2 out of 3 modules



1 question is red and no questions are amber out of 13 questions.

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

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

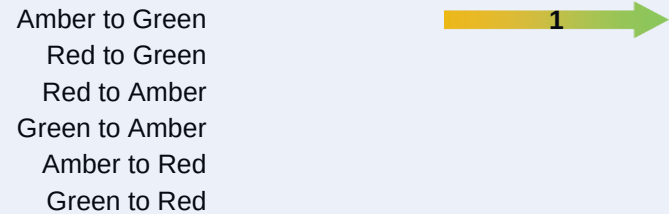
Administration - changes



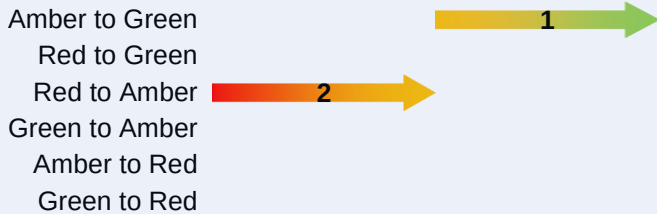
Changes since previous report (if relevant)

The charts below shows how many responses to the questions have changed Red, Amber, Green (RAG) status within each sub-section. If you click within the blue boxes it will take you to the relevant modules (which also records the previous answer and previous score).

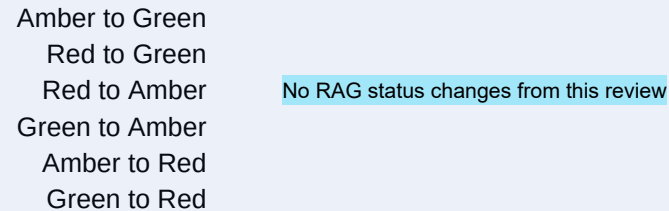
Scheme administration



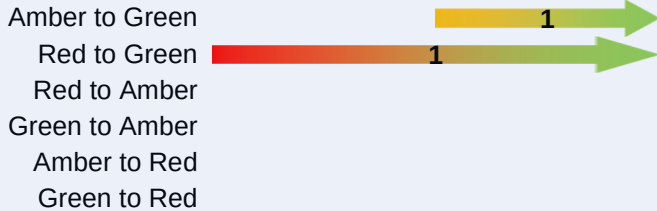
Information handling



IT



Contributions



Administration

Scheme administration



Essential Actions

Module	Question	Action
1 Planning and maintaining administration	3 Required	All tasks and processes to be reviewed as part of administration improvement plan. 25/26Q2 - The initial register is in development to identify priority processes and review schedules. Plan to complete by 31 December 2025
2 Planning and maintaining administration	10 Required	All tasks and processes to be reviewed as part of administration improvement plan, together with an ongoing cycle of reviews and better use of performance data. 25/26Q2 The initial register is in development to identify priority processes and review schedules. Plan to complete by 31 December 2025
3 Planning and maintaining administration	11 Required	As part of management information development, legal timescales will be monitored and reported. 25/26Q2 - Improvements in reporting information have been made - these will also feed through to the Annual Report. Target for full completion December 2025
4 Planning and maintaining administration	15 Required	Business continuity plan being developed during 2024/25 25/26Q2 - BCP is well progressed with the business impact assessment fully complete. Target for completion July 25.
5 Planning and maintaining administration	16 Required	Consider whether any non-UPM processes are not documented. 25/26Q2 All LGA changes are tracked and non-UPM processes are in place. ACTION COMPLETE

Other Actions

Module	Question	Action
1 No Actions		

Information handling

Essential Actions

Module	Question	Action
1 Financial transactions	9 Required	Data improvement plan, articulating actions and tracking against them, to be developed 25/26Q2 - The data improvement plan and strategy will be presented to the Authority at the September meeting and this will be embedded once approved. Target for completion December 2025.
2 Record keeping	3 Required	Data retention timescales to be reviewed (including consideration of lawfully retaining data) and implemented 25/26Q2 - 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. Target March 2026
3 Record keeping	4 Required	Review retention policies for legitimate purposes (as above) 25/26Q2 - 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. Target March 2026
4 Record keeping	7 b Required	25/26Q2 - all processes in place and reported on. This action will never achieve 100% ACTION COMPLETE
5 Data monitoring and improvement	1 Required	Put in place Data Improvement Strategy and Data Improvement Plan with actions that are monitored. 25/26Q2 - The Data Quality Strategy is now in place with monitoring and individual data improvement plans. ACTION COMPLETE
6 Data monitoring and improvement	4 Required	Ensure Data Improvement Plan documents data reviews and their findings, and ongoing actions. 25/26Q2 - Still partial - work ongoing in relation to reporting and evidencing. Revised target December 2025
7 Data monitoring and improvement	5 Required	Put in place Data Improvement Strategy and Data Improvement Plan with actions that are monitored. 25/26Q2 - This action is now partially met - The strategy is now in place but further tracking is required of the individual improvement plans. Target December 2025

8 Data monitoring and improvement	6 Required	Ensure Data Improvement Strategy includes action/decisions relating to where data cannot be corrected 25/26Q2 - This action is now partially met. Priority areas have been agreed, some of which are low but need recording on the Data Improvement Plan- target December 2025

Other Actions

Module	Question	Action
1 Financial transactions	6	Develop KPIs for supplier payments
2 Record keeping	2 a	Ongoing work to improve data and clear backlogs
3 Record keeping	2 c	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.
4 Record keeping	5	Complete review of need to retain microfiche historical records. Target December 2025 for solution.

IT

Essential Actions

Module	Question	Action
1 Cyber controls	1 Required	Create a specific cyber security policy. Also carry out review against TPR Cyber Guidance which is more detailed. 25/26Q2 - The development of the cyber security policy is progressing and on track. Target Sept 25
2 Cyber controls	8 Required	Cyber hygiene guidelines to be reconsidered as part of review of these policies and documents. 25/26Q2 - this is being progressed and on track. Target October 25
3 Cyber controls	9 Required	Data/asset mapping to be updated to assist in identifying any potential target areas for cyber crime. Further work to done to incorporate cyber resilience testing for third parties/suppliers. 25/26Q2 - 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. Target March 2026 Third party provider questionnaire will be enhanced. Target October 2025

Other Actions

Module	Question	Action
1 No Actions		

Contributions

Essential Actions

Module	Question	Action
1 Resolving overdue contributions	1 Required	Ensure a documented procedure for recording/monitoring/pursuing missing monthly schedules/contributions is in place (or any gaps in a current documented procedures) 25/26Q2 - Procedure and dashboard now in place and process documented. ACTION COMPLETE
2 Resolving overdue contributions	3 Required	Ensure any written procedure includes clear processes to identify fraudulent activity. 25/26Q2 - This is now partially met. Checks are in place on Epic in relation to contributions, written process to be captured. Target date December 2025
3 Resolving overdue contributions	4 Required	Ensure any written procedure includes clear escalation within SYPA, including when to report to TPR. 25/26Q2 - The process is now in place as part of EPiC workflow. ACTION COMPLETE

Other Actions

Module	Question	Action
1 Monitoring contributions	5	25Q4 - Investigate ways to increase monitoring, perhaps through internal audit.

Administration



Modules

Scheme administration

- Planning and maintaining administration (1)

Information handling

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

IT

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

Contributions

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

Notes:

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

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



Communications and disclosure



Communications and disclosure – at a glance



Information to members

Fully compliant in 2 out of 5 modules



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

Public information

Fully compliant in 1 out of 2 modules



No questions are red and 1 question is amber out of 14 questions.

Essential actions

- Implement legal timescale monitoring within UPM.
25/26Q2 - No change - under review. Target December 2025
- Consider feasibility of reviewing all scheme member communications to meet Plain English standards
25/26Q2 - The website wording is compliant however all levels of documents across the Authority still require review. Target December 2025
- Review digital inclusion.
25/26Q2 - The website wording is compliant however all levels of documents across the Authority still require review. Target December 2025
- Ensure AVC statements issued by Prudential and Scottish Widows are issued within future legal timescales
25/26Q1 - Still partial - Engagement with AVC providers on this is being developed - Target

Comments

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

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

Communications and disclosure - changes



Changes since previous report (if relevant)

The charts below shows how many responses to the questions have changed Red, Amber, Green (RAG) status within each sub-section. If you click within the blue boxes it will take you to the relevant modules (which also records the previous answer and previous score).

Information to members

Amber to Green

Red to Green

Red to Amber

Green to Amber

Amber to Red

Green to Red

No RAG status changes from this review

Public information

Amber to Green

Red to Green

Red to Amber

Green to Amber

Amber to Red

Green to Red

1

Communication and disclosure



Information to members

Essential Actions

Module	Question	Action
1 General principles for member communications	1 b Required	Implement legal timescale monitoring within UPM. 25/26Q2 - No change - under review. Target December 2025
2 General principles for member communications	2 Required	Consider feasibility of reviewing all scheme member communications to meet Plain English standards 25/26Q2 - The website wording is compliant however all levels of documents across the Authority still require review. Target December 2025
3 General principles for member communications	3 Required	Review digital inclusion. 25/26Q2 - The website wording is compliant however all levels of documents across the Authority still require review. Target December 2025
4 Benefit information statements (PSPS)	4 Required	Ensure AVC statements issued by Prudential and Scottish Widows are issued within future legal timescales 25/26Q1 - Still partial - Engagement with AVC providers on this is being developed - Target December 2025
5 Benefit information statements (PSPS)	5 Required	Check on whether AVC providers are meeting legal requirements in relation to the information included on annual statements. 25/26Q2 - Process still to be set up - Target December 2025
6 Notification of right to cash transfer sum or contribution refund	1 Required	Clear backlogs and then ensure that the notifications on rights and options are issued within 3 month legal timescale 25/26Q2 - Backlogs still ongoing but on track. Target December 2025

Other Actions

Module	Question	Action
1 No Actions		

Public information

Essential Actions

Module	Question	Action
1 Publishing scheme information (PSPS)	2 Good Practice	Review and ensure information published meets the Codes requirements. 25/26Q2 - This is progressing and on track. Target end of July 2025
2 Publishing scheme information (PSPS)	4 Required	Process to be developed to ensure all changes are made within one month. 25/26Q2 - Process in place for monthly check ACTION COMPLETE

Other Actions

Module	Question	Action
1 No Actions		

Communication and disclosure



Modules

Information to members

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

Notes:

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

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

Public information

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



Reporting to TPR



Reporting to TPR – at a glance



Regular reports

Fully compliant in 1 out of 1 module



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

Whistleblowing- Reporting breaches of the law

Fully compliant in 0 out of 4 modules



3 questions are red and 3 questions are amber out of 11 questions.

Essential actions

- Ensure all breaches are identified and recorded (including administration legal timescales and late/estimated contributions)
25/26Q2 - Still partial - work ongoing revised target from July 2025 to September 2025
- Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
25/26Q2 - The updated policy will be taken to LPB for review - Target September 2025
- Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure.
25/26Q2 - Still no - pension officer induction has been reviewed and plans are in place to include - Target September 2025
- Ensure breaches log is updated to ensure assessments are carried out in line with procedure

Comments

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

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

Reporting to TPR - changes



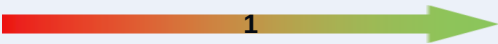
Changes since previous report (if relevant)

The charts below shows how many responses to the questions have changed Red, Amber, Green (RAG) status within each sub-section. If you click within the blue boxes it will take you to the relevant modules (which also records the previous answer and previous score).

Regular reports

- Amber to Green
 - Red to Green
 - Red to Amber
 - Green to Amber
 - Amber to Red
 - Green to Red
- No RAG status changes from this review

Whistleblowing – reporting breaches of the law

- Amber to Green
 - Red to Green
 - Red to Amber
 - Green to Amber
 - Amber to Red
 - Green to Red
- 

Reporting to TPR



Regular reports

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 No Actions		

Whistleblowing - reporting breaches of the law

Essential Actions

Module	Question	Action
1 Who must report	1 Required	Ensure all breaches are identified and recorded (including administration legal timescales and late/estimated contributions) 25/26Q2 - Still partial - work ongoing revised target from July 2025 to September 2025
2 Who must report	3 Required	Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure. 25/26Q2 - The updated policy will be taken to LPB for review - Target September 2025
3 Who must report	4 Required	Ensure induction training highlights the personal responsibility about reporting significant breaches, as well as what breaches are/ensuring sharing procedure. 25/26Q2 - Still no - pension officer induction has been reviewed and plans are in place to include - Target September 2025
4 Decision to report	2 Required	Ensure breaches log is updated to ensure assessments are carried out in line with procedure 25/26Q2 - still partial pending review of policy - Target September 2025

5 How to report	3 Required	Ensure breaches log is updated to cover all breaches, not just those that are being reported 25/26Q2 -Still partially met pending approval of updated policy and breach log. Target September 2025.
6 Reporting payment failures	1 Required	Contribution procedures to be updated to include escalation and eventual reporting to TPR. 25/26Q2 - Still no - this will be covered in the breaches training (Pending approval of Policy). Target December 2025.
7 Reporting payment failures	2 Required	Ensure breaches log is updated to cover all breaches, not just reportable ones. 25/26Q2 - Due to the introduction of compulsory direct debit arrangements this risk is now limited and the requirement met. ACTION COMPLETE

Other Actions

Module	Question	Action
1	No Actions	

Reporting to TPR



Modules

Regular reports

- Registrable information and scheme returns (1)

Whistleblowing - reporting breaches of the law

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

Notes:

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

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



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

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The governing body

Board structure and activities

Role of the governing body



- Notes:
- Applies
 - This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score	Previous Score
1	Does the Fund have a Pension Committee (or equivalent) (PC) which fulfils the role of scheme manager / administering authority and is established in accordance with legislation within the appropriate constitution (or equivalent)?	Yes		
2	Has the Scheme Manager (i.e. the Administering Authority) established a Local Pension Board (PB) which meets the requirements of the LGPS regulations?	Yes		
3	Upon joining the PC (or equivalent) or PB, are members made aware and receive training about, the expected behaviours and standards of a member of PC / PB as set out in the Code (see paragraph 6 of this module)?	Yes		
4	Are the roles and responsibilities of members of the PC (or equivalent) and PB clearly set out in scheme documentation such as the Governance Policy?	Yes		

The governing body



Board structure and activities

Recruitment and appointment to the governing body

Notes:

- Mostly applies / Partially good practice. Whilst most of this module applies for Public Service Pension Schemes we note that it includes a paragraph (paragraph 3) which refers to good practice. Therefore we have shown the questions relating to this paragraph as being good practice only. Note that paragraph 6 doesn't apply for Public Service Pension Schemes.

- When considering this module, you should also refer to the Pension Regulator's guidance on Equality, Diversity and Inclusion (on TPR website see Scheme management detailed guidance / Governing body / Equality, diversity and inclusion (EDI)). We recommend that further action is taken to review this guidance to ensure that you are following it.

Question	Question	Answer	Current Score	Previous Score
1	Do you have processes and policies in place for the appointment of members to the PC (or equivalent) and PB, covering the features set out in the Code (see paragraph 5 of this module)?	Yes		
2	Do you have processes in place to ensure recruitment practices of members to the PC (or equivalent) and PB are inclusive?	Partially		
3	Do you regularly review membership of the PC (or equivalent) and PB to ensure a diverse spread of members with varied technical skills and experience?	Yes		
4	Are members of PC (or equivalent) and PB asked to complete a skills gap analysis to ensure any gaps can be addressed over time?	Yes		
5	Does succession planning take place (to the extent it is able to)?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
6	Do you have a resignation and removal policy setting out who can remove a member of the PC (or equivalent) and PB and the circumstances and processes to follow?	Yes		
7	Do you have a process for ensuring that appropriate representation as required by the LGPS regulations / local government legislation is maintained?	Yes		

The governing body

Board structure and activities

Appointment and role of the chair



Notes:

- Mostly good practice. Our interpretation is that this module is good practice for Public Service Pension Schemes, other than paragraphs 4 and 5 which do not apply for Public Service Pension Schemes.
- This module forms part of an Effective System of Governance.

Question	Question	Answer	Current Score	Previous Score
Page 102	Is the process for the appointment of the Chair of the PC (or equivalent) and PB robust and clearly documented?	Yes		
	Is there a process in place for the appointment of a new Chair of the PC (or equivalent) and PB upon resignation or removal?	Yes		
	3 Are the Chairs of the PC (or equivalent) and PB made aware of, or provided training about, the skills and behaviours that they should demonstrate as set out in the Code (see paragraph 6 of this module)?	Yes		
	4 Do you carry out regular analysis of the skills and behaviours of the Chair of the PC (or equivalent) and PB to ensure they are meeting the requirements in the Code (see paragraph 6 of this module)?	Yes		

The governing body

Board structure and activities

Meetings and decision-making



Notes:

- Applies
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score	Previous Score
1	Does the PC (or equivalent) meet regularly (e.g. at least quarterly)?	Yes		
2	Does the PB meet regularly? (e.g. quarterly)?	Yes		
3	Do you ensure that the meeting and decision making arrangements for the PC (or equivalent) and PB adhere to requirements in the relevant local authority legislation, the LGPS regulations and the relevant areas of your Constitution?	Yes		
4	Are formal minutes prepared relating to all PC (or equivalent) and PB meetings which clearly document the date, time, place of meeting, those present, absentees, decisions taken, and decisions taken outside of meetings (including date decision was taken and those who participated in the decision)? (See the Public Service Record Keeping Regulations for PB requirements).	Yes		
5	When planning and running meetings, does the PC (or equivalent) and PB meet in accordance with the meeting processes, procedures and decision-making set out in the Code (see paragraph 6a to k of this module)?	Yes		
6	Are decisions at PC (or equivalent) and any sub-committee meetings made in accordance with LGPS legislation and their Terms of Reference?	Yes		
7	Are the matters considered at PB meetings in accordance with LGPS legislation and their Terms of Reference?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
8	Is there a clearly documented Scheme of Delegation which appropriately cover pension fund matters, including who can make decisions, and are records kept of all decisions (including background information and advice) made under these delegations?	Yes		
9	Are records of all declared conflicts of interests maintained?	Yes		
10	Are records of decisions retained for as long as they are needed?	Yes		
11	Does the PC (or equivalent) and PB have a clear process for determining what information should be made public and what information should not, in line with legal requirements including local authority legislation?	Yes		

The governing body

Board structure and activities

Remuneration and fee policy



Notes:

- Good practice
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score	Previous Score
1	Is there a written remuneration and fee policy in place for the PC (or equivalent), PB officers and any external bodies who effectively run the scheme?	Yes		
2	If Yes, is there a process in place for this to be reviewed at least every three years?	Yes		
3	Does the remuneration policy provide the rationale for the levels of remuneration (but noting that TPR have confirmed it does not have to set out levels of remuneration paid) and include measures taken to mitigate conflicts of interest?	Yes		
4	Does your remuneration and fee policy cover all areas set out in the Code (see paragraph 3 of this module)?	Yes		

The governing body



Knowledge and understanding requirements

Knowledge and understanding

Notes:

- Partially applies / Partially good practice. For Public Service Pension Schemes this module is a requirement for Pension Board members and good practice for scheme managers (or their delegates) (i.e. Pensions Committee (or equivalent)).
- This module forms part of an Effective System of Governance.
- When considering this module, you should also refer to the CIPFA Knowledge and Skills Code of Practice and Frameworks.

Question	Question	Answer	Current Score	Previous Score
	Do you maintain a list of items that all members of the PB should be familiar with which covers the key items set out in the Code (paragraphs 9 to 15 of this module) where relevant to the LGPS?	Yes		
2	If yes, is this list regularly reviewed (i.e. at least every three years or when new regulations / guidance are published)?	Yes		
3	Do you maintain a list of items that all members of the PC (or equivalent) (and any sub-committee) should be familiar with which covers the key items set out in the Code (paragraphs 9 to 15 of this module) where relevant to the LGPS?	Yes		
4	If yes, is this list regularly reviewed (i.e. at least every three years or when new regulations / guidance are published)?	Yes		
5	Are the key items set out in the Code (across paragraphs 9 to 15 of this module where relevant to the LGPS) covered in your training plan, including induction training, and Knowledge and Skills Policy?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
6	Do you have a Knowledge and Skills Policy (or equivalent) that's regularly updated (i.e. every 3 years) which covers members of the PC (or equivalent), PB and Fund officers covering the expectations of the Code and in accordance with the CIPFA Knowledge and Skills Frameworks?	Yes		

The governing body



Knowledge and understanding requirements

Governance of knowledge and understanding

Notes:

- Partially applies / Partially good practice. For Public Service Pension Schemes this module is a requirement for Pension Board members. We note that there is no reference in this module to scheme managers (or their delegates) in relation to Public Service Pension Schemes. However, given the CIPFA Knowledge and Skills Code of Practice and Frameworks referred to below we would suggest that it is good practice to also apply the principles set out in this module to the Pension Committee (or equivalent). We have therefore included some good practice questions in this module shown in orange.

- This module forms part of an Effective System of Governance.

- When considering this module, you should also refer to the CIPFA Knowledge and Skills Code of Practice and Frameworks.

Question ID	Question	Answer	Current Score	Previous Score
1	Does the PB have a balance of skills and experience, and is it able to demonstrate and apply these skills and experience?	Yes		
2	Are new members of PB given appropriate induction training to ensure they can demonstrate the basic level of required knowledge within six months of their appointment?	Yes		
3	Do you carry out a regular review (i.e. annually) of any gaps in knowledge and skills within the PB to ensure appropriate training is provided to address these gaps?	Yes		
4	Do you maintain training and development plans for the PB to ensure knowledge is kept up to date, covering both individual and collective knowledge?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
5	Are all PB members made aware of the required investment in time for learning and development, in addition to other duties?	Yes		
6	Do you consider and provide a range of ways for PB members to acquire knowledge?	Yes		
7	Do you retain details of training undertaken (both internally and externally) by individual members of PB, including setting out steps taken to address any gaps and meet legal requirements?	Yes		
8	Does the PC (or equivalent) have a balance of skills and experience, and is it able to demonstrate and apply these skills and experience?	Yes		
9	Are new members of PC (or equivalent) given appropriate induction training to ensure they can demonstrate the basic level of required knowledge within six months of their appointment?	Yes		
10	Do you carry out a regular review (i.e. annually) of any gaps in knowledge and skills within the PC (or equivalent) to ensure appropriate training is provided to address these gaps?	Yes		
11	Do you maintain training and development plans for the PC (or equivalent) to ensure knowledge is kept up to date, covering both individual and collective knowledge?	Yes		
12	Are all PC (or equivalent) members made aware of the required investment in time for learning and development, in addition to other duties?	Yes		
13	Do you consider and provide a range of ways for PC (or equivalent) members to acquire knowledge?	Yes		
14	Do you retain details of training undertaken (both internally and externally) by individual members of PC (or equivalent), including setting out steps taken to address any gaps and meet legal requirements?	Yes		

The governing body

Advisers and service providers

Managing advisers and service providers



Notes:

- Good practice
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score	Previous Score
1	Do you have agreed and documented policies for making appointments to the Fund?	Yes		
2	Is the policy for selecting advisers and service providers approved by the PC (or equivalent) and reviewed at least every three years?	Yes		
3	Do you ensure sufficient resources and time is allocated to procurement activity?	Yes		
4	Are you familiar with the terms & conditions of contracts with service providers, including any national frameworks where relevant, and understand the scope of responsibilities performed by service providers and advisers?	Yes		
5	Do you assess service providers, including undertaking due diligence, as part of the appointment process?	Yes		
6	Do you clearly set out the roles and responsibilities of service providers and advisers as part of the appointment process?	Yes		
7	Do you have agreed delegations and procedures for referral (i.e. asking for work to be carried out) with service providers?	Partially		
8	Is there an agreed process in place for ongoing management of advisers, recording decisions taken, as well as escalation points?	Partially		

Question ID	Question	Answer	Current Score	Previous Score
9	Are there policies and processes in place for identifying and managing conflicts of interest?	Yes		
10	Do you consider and understand data protection requirements for any information shared with or handled by your service providers?	Yes		
11	Are you aware of the obligations, professional conduct rule and whistleblowing requirements placed on some advisors?	Yes		
12	Do you ensure that service providers are able to demonstrate that they have adequate internal controls relating to the services they provide?	Yes		
13	Do you regularly assess and record performance of service providers against key performance indicators and service level agreements, and have in place a process for ensuring improvements are made where poor service is identified?	Partially		
14	Do you carry out a market review for all relevant service providers?	Yes		
15	Do you work with service providers to understand expected scheme or legal changes and ensure they are able to provide the necessary resources to deal with the changes?	Yes		
16	Do you have business continuity plans in place to enable continuous and consistent provision of services in the event of a change in service provider or provider failure?	Partially		
17	When considering replacing a service provider, do you consider the interests of the scheme members?	Yes		
18	When replacing a service provider, do you understand the impact of the terms and conditions of contracts in place, including fees or penalties and procedures for releasing relevant information?	Yes		
19	When replacing service providers and advisors, do you plan transition effectively, setting out the risks, key steps, actions, decisions, owners and timescales, including how costs will be met and how risks will be mitigated?	Yes		

The governing body

Risk management

Identifying, evaluating and recording risks



Notes:

- Applies
- This module forms part of an Effective System of Governance.
- When considering this module, you should also refer to the CIPFA Managing Risk in the LGPS guidance.

Question	Question	Answer	Current Score	Previous Score
1	Do you have a Risk Management Policy approved by the PC (or equivalent)?	Yes		
2	If Yes, is your policy reviewed at least every 3 years and is it currently up to date, accurate, relevant and in accordance with LGPS Regulations?	Yes		
3	Do you have a risk register to record all risks identified and action taken?	Yes		
4	Do you have an agreed process for regularly considering and identifying risks which is integrated into the day to day management of the Fund / scheme and which includes reviewing your risk register at least quarterly?	Yes		
5	Do you consider all of the following types of risks alongside appropriate risk mitigation techniques:			
5 a	▪ scheme investments, including asset-liability management	Yes		
5 b	▪ operation resilience, including for service providers	Yes		
5 c	▪ insurances, compensation funds, and other risk-mitigation techniques	Yes		
5 d	▪ environmental, social, and governance risks	Yes		
5 e	▪ scheme funding and covenant strength	Yes		
5 f	▪ the risk of fraud	Yes		
5 g	▪ failure to comply with the law and / or scheme rules	Yes		
5 h	▪ poor record-keeping, poor administration, and IT and database failures	Yes		

Question ID	Question	Answer	Current Score	Previous Score
5 i	▪ cyber security risks	Yes		
5 j	▪ governance and decision making, or existing controls are not operating to the standard required by pensions legislation	Yes		
5 k	▪ actual or potential conflicts of interest	Yes		
6	Does the PC (or equivalent) and PB do the following at each meeting:			
6 a	▪ identify and evaluate risks	Yes		
6 b	▪ review internal controls and risk management	Yes		
7	Do your processes for evaluating risks meet the expectations set out in the Code (see paragraph 7 in this module)?	Yes		
8	Do your processes for recording and updating risk records meet the expectations set out in the Code (see paragraph 8 in this module)?	Yes		
9	Do you have clear ownership of who monitors risks and addresses risks (both within the Fund and with third parties)?	Yes		
	Do you get information from relevant parties (e.g. investment managers, administrator) at least quarterly to allow you to update the Risk Register?	Yes		
	In allocating roles and responsibilities, do you:			
11 a	▪ have processes to monitor risk and issues between meetings (particularly if action is the responsibility of third-party)?	Yes		
11 b	▪ receive information from relevant parties to update the risk register (quarterly)?	Yes		
11 c	▪ recognise when professional advice is required?	Yes		

The governing body

Risk management

Internal controls



Notes:

- Applies
- This module forms part of an Effective System of Governance.
- When considering this module, you should also refer to the CIPFA Managing Risk in the LGPS guidance.

Question	Question	Answer	Current Score	Previous Score
Page 114	Do you maintain a risk management framework that clearly identifies the internal controls in place or required for mitigating risks?	Yes		
	When developing your internal controls, do you ensure there is appropriate separation of duties, and that they include the processes for escalation and decision making?	Yes		
	3 Do the internal controls ensure you administer and manage the Fund / scheme in accordance with the requirements of the law and relevant regulations?	Partially		
	4 Are your internal controls all documented?	Partially		
	5 Do you have a system to review internal controls in place regularly (e.g. at least annually, upon substantial changes to the Fund / scheme or if a control is not working to the standard required by the law)?	Yes		
	6 When designing internal controls have you considered the expectations set out in the Code (see paragraph 17 in this module)?	Yes		

The governing body

Risk management

Assurance reports on internal controls



Notes:
- Applies

Question ID	Question	Answer	Current Score	Previous Score
1	Do you carry out an annual statutory audit (external audit) as part of the preparation of your Annual Report and Accounts?	Yes		
	Do you engage with your internal auditor to suggest specific areas of concern that could be covered by an audit?	Yes		
	Do you receive and consider assurance reporting from relevant parties (e.g. by service providers including investment managers and custodians), if they are available?	Yes		

The governing body

Risk management

Scheme continuity planning



Notes:

- Good practice. However, we note that it is a legal requirement for Public Service Pension Schemes to establish and operate internal controls and we would expect that scheme continuity planning would be included within this.

- This module forms part of an Effective System of Governance.

Question	Question	Answer	Current Score	Previous Score
1	Do you have a Fund-specific Business Continuity Plan (BCP)?	Yes		
	Does the BCP include data and general administration?	No		
3	Are there clear roles and responsibilities in your BCP?	N/A		
4	Have any roles and responsibilities for service providers been agreed with them?	N/A		
5	Have you had assurance that advisers and service providers to the Fund have their own BCP in place?	Partially		
6	If you answered yes to Q5 did you review the information received from suppliers / advisers?	N/A		
7	Do you review your BCP and associated documents regularly (for example, annually) or on a change in system or process if sooner?	N/A		
8	Does your Business Continuity approach ensure key member processes are prioritised?	N/A		

Question ID	Question	Answer	Current Score	Previous Score
9	Does your BCP ensure continued access to resources, service and communications with key parties?	N/A		
10	Have you considered timeframes to bring new resources on board in a business continuity situation?	No		
11	Do you have contingency plans to address any under resourcing issues?	No		
12	Do you undertake Annual Business Planning to identify additional resource requirements each year for projects / non business as usual work?	Yes		

The governing body

Risk management

Conflicts of interest



Notes:

- Partially applies / Partially good practice. Our interpretation is that the internal control elements of this module apply to Public Service Pension Schemes (paragraph 3a which then refers to paragraphs 6 to 8), along with the requirements for Pension Boards (paragraphs 22 to 24). We have highlighted these paragraphs bold. The remaining paragraphs are good practice for Public Service Pension Schemes (as referenced in paragraph 3b). We have highlighted these paragraphs orange.

- This module forms part of an Effective System of Governance.

- The internal control requirements under section 249B of the Pensions Act 2004 are highlighted in the Code in relation to this module. If any elements are highlighted as good practice only, you should still ensure that you have the appropriate internal controls in place.

Question ID	Question	Answer	Current Score	Previous Score
1	Do you have a Fund-specific conflicts of interest policy which is published covering persons involved in the governance and management of the Fund (including PC (or equivalent), PB and officers)?	Yes		
2	If yes, is this policy regularly reviewed (e.g. every 3 years) and is it currently up to date, accurate, relevant and in accordance with LGPS Regulations?	Yes		
3	Is training on the requirements of this policy provided to PC (or equivalent), PB, officers and shared with advisers?	Yes		
4	Does the PC (or equivalent) and PB consider potential and actual conflicts at every meeting, including in relation to specific agenda items and record these considerations?	Yes		
5	Do you maintain a register of interests?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
6	Do you have a process to ensure that all new PC (or equivalent), PB members and advisers make a declaration of conflicts of interest on appointment?	Yes		
7	Have you ensured that your advisers have their own policy for managing potential conflicts which may arise?	Yes		
8	Does your Fund-specific conflicts of interest policy reflect relevant expectations of the Code (see paragraphs 9 to 19 of this module)?	Yes		
9	Do you have a process to ensure that a prospective member of the PB does not have a conflict of interest?	Yes		
10	Do you have processes to ensure that you remain satisfied that none of the members of the PB have a conflict of interest?	Yes		
11	Do you ensure that the register of interests and other relevant documents are circulated to the PB for ongoing review and are published?	Yes		

Funding and investment



Investment

Investment governance

Notes:

- Good practice for Local Government Pension Schemes. (This module doesn't apply for any unfunded Public Service Pension Schemes).
- This module forms part of an Effective System of Governance.
- Within this module (and the other modules within the Funding and investment section) there are references to the statement of investment principles (SIP). For LGPS funds a broadly equivalent document is the Investment Strategy Statement (ISS). We have therefore included questions in relation to the ISS where appropriate. We note that although the questions in this module are good practice only it is a requirement to have an ISS as set out in the LGPS Investment Regulations 2016.

Question	Question	Answer	Current Score	Previous Score
1	Can the PC (or equivalent) demonstrate a good working knowledge of investment matters including their powers and duties relating to their Fund (i.e. is this sufficient to evaluate and challenge the advice received from advisers and service providers)?	Yes		
2	Do you have an Investment Strategy Statement (ISS) approved by the PC (or equivalent) in accordance with the LGPS regulations? (Note that although this module is good practice for LGPS it is a requirement of the LGPS Investment Regulations 2016 that Funds must publish an ISS).	Yes		
3	Is the ISS regularly reviewed (at least every 3 years) and is it currently up to date, accurate, relevant and in accordance with the regulations and guidance? (Note this is also a requirement of the LGPS Investment Regulations 2016).	Yes		
4	Do you clearly document the objectives, roles, responsibilities and reporting relationships of all parties involved in making investment decisions, including where investment decisions are delegated?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
5	Do you ensure that those making investment decisions have the necessary skills, knowledge, information and resources?	Yes		
6	Do you obtain advice and other inputs required from a suitably qualified person to properly govern the scheme's investments?	Yes		
7	Is the governance structure relating to the assessment of investment risks reviewed regularly and appropriate for your Fund?	Yes		
8	Does the PC (or equivalent) delegate investment decisions where appropriate for their Fund's circumstances and level of complexity (e.g. to an investment subcommittee or a qualified investment manager)?	Yes		
9	Are there clear strategic objectives set for appointed investment advisers?	Yes		
10	Does your ISS consider potential long-term effects on scheme investments?	Yes		
11	Do you regularly monitor the performance of your investment managers, including the pool and advisers, including carrying out a formal review at least every 3 years?	Yes		
12	Does the PC (or equivalent) consider the performance of investments quarterly, against the benchmark objectives?	Yes		
13	Do you ensure that your Additional Voluntary Contribution (AVC) arrangements meet the requirements of the Code in relation to Defined Contribution elements (see list in paragraph 10 of this module)?	Partially		
14	Do you have a policy for ensuring investment decisions consider the form and structure of liabilities, the range of employers in the Fund, the employer risk / covenant of those employers, and your Fund's access to cash as required?	Yes		

Funding and investment



Investment

Investment monitoring

Notes:

- Good practice for Local Government Pension Schemes. (This module doesn't apply for any unfunded Public Service Pension Schemes).
- This module forms part of an Effective System of Governance.

Question	Question	Answer	Current Score	Previous Score
Page 122	Do those responsible for your investment governance carry it out with the best interests of scheme members and their beneficiaries in mind?	Yes		
	2 Do you have a process to review and negotiate contractual arrangements with investment managers and advisers (either themselves or via delegation to your LGPS pool)?	Yes		
	3 Do you regularly review the performance of the investment managers, the pool, and advisers (e.g. against the objectives set for them, their delegated responsibilities and any legal obligations)?	Yes		
	4 Do you have procedures to monitor investment performance regularly, against benchmarks and stated short and long-term investment objectives?	Yes		
	5 When monitoring investment performance, are investment returns before and after fees considered, and does the process consider whether fees and costs are justified?	Partially		

Question ID	Question	Answer	Current Score	Previous Score
6	Do you consider whether and how to report to interested parties on investment matters, such as scheme members and participating employers?	Yes		
7	Do you ensure that monitoring information is prepared at least quarterly?	Yes		
8	Do you ensure that the analysis of monitoring information includes a stress test, scenario test, or other risk assessment information, to assess the impact of changing circumstances on scheme assets and if relevant, funding level?	No		
9	Do you monitor the level of investment risk run to deliver the performance and how this compares with the investment manager's risk targets?	Yes		
Page 123	Do you consider and have processes in place to ensure compliance with environmental, social and governance (ESG) matters and shareholder engagement?	Yes		
	Do you ensure that controls are in place to alert you to potential financial risks relating to your investment managers?	Yes		
12	Do you regularly assess the effectiveness of processes, ensuring proper review and monitoring of investments and making improvements, as appropriate?	Yes		
13	Have you set clear expectations for investment managers (including your LGPS pool) in relation to monitoring of information and investment risk covering the factors set out in this module?	Yes		

Funding and investment

Investment

Stewardship



Notes:

- Partially good practice. Our reading of this module is that it is partially good practice for Public Service Pension Schemes. See paragraphs 12 and 13 which are shown in bold in the extract below. Regardless, the LGPS Investment Regulations 2016 do state that the authority's investment strategy must include "the authority's policy on how social, environmental and corporate governance considerations are taken into account in the section, non-selection, retention and realisation of investments; and the authority's policy on the exercise of the rights (including voting rights) attaching to investments."
- This module forms part of an Effective System of Governance.

Question	Question	Answer	Current Score	Previous Score
1	Does your ISS include your policy on the exercise of the rights (including voting rights) attached to investments and consider your approach to voting and engagement on relevant matters, including on ESG?	Yes		
2	During the investment manager selection do you obtain the investment managers' stewardship policies and are they regularly reviewed?	Yes		
3	Are you (or your pool) a Signatory to the Financial Reporting Council's UK Stewardship Code?	Yes		
4	Do you engage with investee companies and collaborative industry initiatives directly or indirectly, with a view to mitigating risks to long-term investment goals?	Yes		
5	Do you cooperate with other institutional investors on ESG issues?	Yes		

Funding and investment



Investment

Climate change

Notes:

- Partially applies / Partially good practice. Our reading of this module is that it partially applies and is partially good practice for Public Service Pension Schemes . Paragraph 7 applies and paragraphs 4, 5, 6, 8 and 9 are good practice (shown in bold and orange below respectively).

- This module forms part of an Effective System of Governance.

Question	Question	Answer	Current Score	Previous Score
Page 125	Do you assess the risks and opportunities associated with climate change as part of your risk management?	Partially		
	Do you engage with your advisers and asset managers about how they incorporate climate risk and opportunities into their investment advice to you, and understand how climate risk is considered in investment portfolios?	Yes		
	Do you consider the possible short, medium and long-term effects of climate change on your objectives and operations?	No		
	Do you document processes for identifying and assessing climate-related risks and opportunities and integrate these into your risk management and governance arrangements?	No		
	Do you ensure you oversee, assess, and manage climate-related risks and opportunities relating to the Fund?	Partially		

Administration



Scheme administration

Planning and maintaining administration

Notes:
- Applies

Question ID	Question	Answer	Current Score	Previous Score
1 Page 126	Is induction training on administration provided to all PB and PC (or equivalent) members within 6 months of appointment?	Yes		
	Is update / refresher training on administration (including hot topics) provided to all PB and PC (or equivalent) members?	Yes		
	Have you documented the administration responsibilities and tasks, including who carries out each of these within the teams (including if a third party / shared service)?	Partially		
4	Does PB / PC (or equivalent) training include a high level overview of responsibilities / tasks in relation to administration, including who performs them (i.e. third party administrator / shared service or who in the in-house team)?	Yes		
5	If administration is outsourced to a third-party have the following aspects been considered as part of the tender process:			
5 a	▪ Appropriate advice and assistance to negotiate contractual terms?	N/A		
5 b	▪ Consideration of quality and value for members when selecting the administrator?	N/A		
6	Is administration considered at all (or most) meetings of the PB and PC (or equivalent)?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
7	Is administration and record-keeping included in your risk register?	Yes		
8	Do you have a Pensions Administration Strategy in place?	Yes		
9	Does your Business Plan outline the key administration tasks / areas of focus for the next 3 years?	Yes		
10	Are administration processes monitored regularly to ensure they are being carried out correctly and improvements made, where required (i.e. periodic checks take place to ensure proper checking and peer review of administration tasks across all processes to ensure compliance with legislation and Fund requirements)?	Partially		
11	Does the administration service (whether in-house or outsourced) provide regular reports (i.e. KPI reports, caseload reports, progress against business plan etc) to senior officers (e.g. at least monthly) which enables them to monitor the team / administrator's performance and challenge the information received?	Partially		
12	If administration is outsourced to a third-party is their performance regularly monitored against contractual (including overriding legal) requirements, and are issues with performance used to drive improvements?	N/A		
13	Does your Business Plan include the date any third party administration / shared service contract is due to cease, with appropriate lead in time to review the approach?	N/A		
14	Are all administration processes documented in a way that would enable continuous and consistent service during an absence or change in personnel or administration provider?	Yes		
15	Is there a robust business continuity plan in place for the administration service (either in-house or outsourced) which is reviewed annually and regularly tested?	No		
16	Are there clearly documented administration procedures which are regularly reviewed and updated when required due to changes in the scheme rules / internal processes?	Yes		

Administration

Information handling

Financial transactions



Notes:

- Applies
- This module forms part of an Effective System of Governance.
- This module applies to all financial transactions, including benefits, contributions and investments and you should therefore ensure all financial transactions are considered in answering these questions.

Question	Question	Answer	Current Score	Previous Score
1	Are PB and PC (or equivalent) members aware of the general procedures and controls used to ensure financial transactions are processed promptly and accurately?	Yes		
2	Financial transactions reviews:			
2 a	▪ Do you review all processes and systems relating to financial transactions annually?	Yes		
2 b	▪ Does that review lead to improvements in the processes relating to financial transactions, if required?	Yes		
3	Is there a clear and effective authorisation process in place for financial transactions?	Yes		
4	Are processes relating to financial transactions segregated and managed at appropriate levels to ensure suitable authorisation of transactions?	Yes		
5	Are all payments to and from the Fund made electronically with cheques only used in exceptional cases?	Yes		
6	Are there clear service standards and Service Level Agreements (SLAs) in relation to financial transactions in place with employers and other stakeholders, and in relation to internal Fund transactions?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
7	Do you undertake regular reviews of performance against service level agreements for financial transactions and assess if it is satisfactory?	Yes		
8	Do you have clear processes in place around communications with employers to ensure information relating to financial transactions flows appropriately?	Yes		
9	Do you undertake regular reviews of scheme data to ensure it is accurate and complete so that financial transactions can be processed accurately?	Partially		

Administration

Information handling

Transfers out



Notes:

- Mostly applies. We note that paragraph 9 of this module does not apply to Public Service Pension Schemes.
- When considering this module, you should also refer to the Pension Regulator's guidance on Dealing with transfer requests (on TPR website see Scheme management detailed guidance / Administration / Dealing with transfer requests). You should also have regard to industry good practice set out in the Pension Scams Industry Group (PSIG) Code of Good Practice.

Question	Question	Answer	Current Score	Previous Score
1	Do you have clear procedures to deal with transfer out requests in a timely manner?	Yes		
2	Do you:			
2 a	▪ monitor whether you provide CETVs within the legal timeframe?	Yes		
2 b	▪ provide CETVs within the legal timeframe?	Yes		
2 c	▪ complete transfer out payments within the legal timeframe?	Yes		
3	Do you undertake the necessary checks before transferring member benefits to another arrangement, including:			
3 a	▪ check the receiving scheme is willing and able to accept the transfer and the receiving scheme is a scheme to which a transfer can legally be made?	Yes		
3 b	▪ check one of the conditions to transfer is met to grant a statutory right to transfer and if neither condition is met and the receiving scheme may be an illegitimate arrangement refuse the transfer and inform the member and report it to Action Fraud?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
4	When a member aged over 50 with an AVC arrangement contacts you enquiring about transferring their AVC arrangement out to another Defined Contribution scheme in order to access flexible benefits do you refer them to Pension Wise?	Yes		
5	Do you undertake the necessary checks as outlined in the Code (as per paragraphs 10 to 12 of this module) before transferring member benefits above £30,000 to a Defined Contribution arrangement, including that independent advice has been sought from a provider you have verified and you have received written confirmation of the advice?	Yes		
6	Are all records relating to the transfer (this includes all documentation as well as file notes from phone calls / workflow tasks etc) retained for as long as is relevant and in line with data protection principles?	Yes		

Administration

Information handling

Record keeping



Notes:

- Partially applies / Partially good practice. Paragraphs 7, 9 and 11 of this module are shown as good practice. Therefore we have shown the questions relating to these paragraphs as being good practice only.
- This module forms part of an Effective System of Governance.
- The internal control requirements under section 249B of the Pensions Act 2004 are highlighted in the Code in relation to this module. If any elements are highlighted as good practice only, you should still ensure that you have the appropriate internal controls in place.
- This module applies to record keeping across various areas including member records, transactions and meetings and you should therefore ensure all record keeping is considered in answering these questions. You should also consider the Public Service Pensions (Record Keeping and Miscellaneous Amendment Regulations 2014).

Question ID	Question	Answer	Current Score	Previous Score
1	Overall do you (and any third party administrator / shared service) record the information required as listed in the Record Keeping Regulations for:			
1 a	▪ Members and beneficiaries' data?	Yes – Evidence provided		
1 b	▪ Transactions?	Yes – Evidence provided		

Question ID	Question	Answer	Current Score	Previous Score
1 c	▪ Pension Board meetings and decisions?	Yes – Evidence provided		
2	Do you (and any third-party administrator / shared service) have processes in place to maintain accurate and up-to-date records covering:			
2 a	▪ Members and beneficiaries' data?	Yes		
2 b	▪ Transactions?	Yes		
2 c	▪ Pension board meetings and decisions?	Yes		
3	Do you (and any third-party administrator / shared service) retain records for as long as the information is relevant and in line with data protection legislation?	Partially		
	Do you (and any third-party administrator / shared service) store data securely and for legitimate purposes only on administration systems?	Partially		
	Are all member and benefit records held electronically on a dedicated administration system?	Yes		
6	Are records kept of changes to Fund governing documents (e.g. strategies and policies), including records of how the changes have been applied to your members?	Yes		
7	Do you (and any third-party administrator / shared service):			
7 a	▪ Hold all basic member data defined as common data?	Yes		
7 b	▪ Identify, record and validate data defined as scheme specific data?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
8	Do you continually consider technological developments to improve administration and record keeping?	Yes		
9	Do you have processes in place to record member benefits, identifiers, contributions, investments and disinvestments, member decisions, payments, transfers and accurately carry out benefit calculations?	Yes		
10	Do you issue Annual Benefit Statements as required by law, which are accurate, include both accrued and projected benefit amounts and issued in the timescales required? (For LGPS this is by 31 August each year and must be sent to active, deferred, deferred pensioner and pension credit members).	Yes		
Page 134	Do you carry out reconciliations of data, transactions and investments?	Yes		
	Are there reporting mechanisms in place to identify members approaching retirement and other scheme specific events?	Yes		
	Do you use software to allow financial and other transactions to be carried out automatically and securely (e.g. monthly scheme member data uploads from employers)?	Yes		
14	Do you regularly generate reports relating to, contributions, membership movements, core data and scheme specific data?	Yes		
15	Do you have processes in place to enable employers to provide timely and accurate data?	Yes		
16	Do you have processes and policies in place to reconcile scheme data with employer data?	Yes		
17	Do you have processes in place to identify where an employer fails to meet their legal duties relating to the scheme, and an escalation process in place to manage that situation?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
18	Do employers understand the main events that must be reported and do you provide ongoing employer information such as employer guides and training to assist employers understand their responsibilities in communicating member information to the scheme?	Yes		

Administration

Information handling

Data monitoring and improvement



Notes:

- Applies
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score	Previous Score
Page 136	Do you (and any third party administrator / shared service) have processes in place to monitor scheme data in line with the requirements of the Code (paragraphs 5a to 5h in this module)?	Yes		
	Do you assess the need for a data review exercise at least annually (including in relation to any third party administrator / shared service), and identify where any additional data review is needed due to scheme or administrator changes?	Yes		
3	Do you (and any third party administrator / shared service) assess the accuracy and completeness of common data and scheme specific data?	Yes		
4	Do you keep a record of data reviews undertaken and their findings (including by any third party administrator / shared service)?	Partially		
5	Is a data improvement plan in place which is being monitored, actions progressed, and with defined target dates?	Partially		
6	Have you clearly documented decisions / policies related to areas where data cannot be corrected?	Partially		
7	Do your member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
8	Do you have processes in place to address any breaches of the data protection legislation?	Yes		
9	Are all administering authority staff trained in understanding the requirements of data protection law?	Yes		

Administration

IT



Maintenance of IT systems

Notes:

- Applies
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score	Previous Score
Page 138	Do you record evidence of how changes are planned and executed within your IT systems?	Yes		
	Is scheme and member data backed up regularly?	Yes		
	Are disaster recovery plans in place for IT system failures and are these regularly tested?	Yes		
4	Do you have a written policy / policies for maintaining, upgrading and replacing hardware and software?	Yes		
5	Are you satisfied that adequate IT and personnel resources are available with appropriate functionality / skills?	Yes		
6	Are you able to demonstrate that your IT systems can meet current and anticipated system requirements, including having a schedule for the software to be replaced or updated when legislation changes occur (e.g. for regular changes to tax thresholds / revaluation etc)?	Yes		
7	Are you able to demonstrate that you have plans in place to manage expected and potential future upgrades within the administration system?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
8	Do you ensure that your service providers (note - not just IT service providers) meet TPR's standards for maintaining their own IT systems as set out in paragraph 5 of this module?	Yes		

Administration

IT

Cyber controls



Notes:

- Mostly applies / Partially good practice. Our interpretation is that most of this module applies to Public Service Pension Schemes. Paragraphs 3 and 4 of this module refer to internal controls which is a legal requirement for Public Service Pension Schemes. Therefore all questions within this module are shown as applying.
- The internal control requirements under section 249B of the Pensions Act 2004 are highlighted in the Code in relation to this module. If any elements are highlighted as good practice only, you should still ensure that you have the appropriate internal controls in place.
- When considering this module, you should also refer to the Pension Regulator's guidance on Cyber security principles for pension schemes (on TPR website see Scheme management detailed guidance / Administration / Cyber security principles). We recommend that further action is taken to review this guidance to ensure that you are following it.

Question ID	Question	Answer	Current Score	Previous Score
1	Do you have a Fund specific Cyber Policy / strategy covering the recommended areas set out in the Code? (paragraphs 8 and 9 of this module)?	Partially		
2	Can the PB and PC (or equivalent) demonstrate good knowledge and understanding of cyber risk and how this relates to the Fund?	Yes		
3	Do you understand the need for confidentiality, integrity and availability of the systems and services for processing personal data?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
4	Do you have a Fund specific Cyber Incident Response Plan which contains: a) clearly defined roles and responsibilities to identify cyber risk and breaches; and b) how to respond to cyber incidents?	Yes		
5	Do you include cyber risks on the Fund's risk register and is this regularly reviewed and discussed at PC (or equivalent) meetings?	Yes		
6	Do you have access to specialist skills and expertise to assist you with understanding and managing cyber risk?	Yes		
7	Do you (or any third party administrator / shared service) have appropriate system controls in place which are up to date (e.g. firewalls, anti-virus and anti-malware products)?	Yes		
8	Have you documented details such as use of devices and working remotely (i.e. Cyber Hygiene guidelines)?	Partially		
	Do you receive appropriate assurance of service providers' internal cyber controls?	Partially		

Administration

Contributions

Receiving contributions



Notes:

- Partially applies. Our reading of this module is that it partially applies for Public Service Pension Schemes. Paragraphs 1, 2 and 4 apply whilst paragraphs 5 and 6 do not apply (as Public Service Pension Schemes are exempt as set out in paragraph 4).
- This module forms part of an Effective System of Governance.
- Refer to Local Government Pension Scheme Regulations 2013, particularly regulations 67, 68 and 71 for requirements relating to payments of contributions.

Question	Question	Answer	Current Score	Previous Score
1	Do you have in place a Rates and Adjustments Certificate, and do you notify all employers in writing of (a) their required contribution rates in accordance with that Certificate and (b) scheme member contribution rates as updated annually in accordance with the scheme regulations?	Yes		
2	Do you have systems in place to monitor the payment of contributions from employers, and quickly identify and pursue any missing payments, and do you maintain records of missed contributions and all recovery activities?	Yes		

Administration

Contributions

Monitoring contributions



Notes:

- Applies
- This module forms part of an Effective System of Governance.
- Refer to Local Government Pension Scheme Regulations 2013, particularly regulations 67, 68 and 71 for requirements relating to payments of contributions.

Question ID	Question	Answer	Current Score	Previous Score
Page 143	Do you have a contributions' monitoring record to determine whether the correct rate of employer contributions are paid, paid on time and in full, and does it include the information required by paragraph 7 in this module?	Yes		
	Do you keep records of any employer contributions due to the Fund that have been written off, including copies of decisions / authorisation in relation to these?	Yes		
3	If administration is outsourced to a third-party who carries out monitoring of contributions for you, do you receive regular information on the payment of contributions to the Fund including when employers have failed to meet deadlines, are paying incorrect amounts or are not providing the required information?	N/A		
4	Do you record and retain information on transactions that supports your monitoring responsibilities, including records of all contributions received in relation to each scheme member and payments of pensions and other benefits?	Yes		
5	Do you carry out regular (at least annual) spot checks on the amount of scheme member contributions being deducted by employers?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
6	Do you have internal controls in place to reconcile all contribution payments notified by an employer against the amounts actually received, and all scheme member contributions notified by an employer against the amounts uploaded to individual scheme member records?	Yes		
7	Do you have processes in place to check on an ongoing basis that employers are providing sufficient information to allow you to monitor both scheme member and employer contributions and that the information provided is in accordance with the LGPS regulation 69(3) and the Code (paragraphs 11a, b and c in this module)?	Yes		

Administration

Contributions

Resolving overdue contributions



Notes:

- Applies
- Refer to Local Government Pension Scheme Regulations 2013, particularly regulations 67, 68 and 71 for requirements relating to payments of contributions.

Question ID	Question	Answer	Current Score	Previous Score
Page 145	Do you have a documented process and systems in place for dealing with overdue payments and rectifying administration errors, and do they cover the steps outlined in the Code (paragraphs 4a to 4i of this module)?	Yes		
	Where a payment failure has occurred, do you maintain a record of your investigation, all decisions made and by whom, and communications with the relevant employer?	Yes		
	Do you periodically undertake a review of processes to detect situations of deliberate underpayment or fraudulent behaviour of an employer?	No		
	Does your process include steps to identify whether a payment failure is of material significance in order to determine whether it should be reported to TPR?	Yes		

Communications and disclosure



Information to members

General principles for member communications

Notes:

- Applies
- This module forms part of an Effective System of Governance.
- When considering this module, you should also refer to the Pension Regulator's guidance on Equality, Diversity and Inclusion (on TPR website see Scheme management detailed guidance / Governing body / Equality, diversity and inclusion (EDI)).

Question	Question	Answer	Current Score	Previous Score
Page 149	Do you:			
	▪ understand the legal requirements around the information you must provide to members and the required timescales as outlined in The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and other legislation?	Yes		
	1 b ▪ monitor whether you meet the legal timescales as outlined in The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and other legislation?	No		
	1 c ▪ meet these legal requirements in relation to the information being provided within the required timescales?	Partially		
	2 Do you follow the principles of plain English in your communications and ensure that all communications sent to members are accurate, clear, concise and relevant?	No		

Question ID	Question	Answer	Current Score	Previous Score
3	Do you consider member engagement, equality, diversity and inclusion when developing member communications to ensure they are accessible for all, including use of accessible on-line content, audio, alternative languages etc?	Partially		
4	Do you regularly review member communications for accuracy and good practice, taking account of member feedback?	Yes		
5	Do you consider and where appropriate, maximise the use of technology in assisting with communication to members, for example the use of a member self-service portal for the membership?	Yes		
6	Do you regularly provide additional information and explanation to members to help them make informed decisions?	Yes		
7	Do you regularly communicate the benefits of the scheme to the membership?	Yes		
8	Do you have a Communications Policy which has been approved by your PC (or equivalent)?	Yes		
9	If yes, do you review your Communications Policy regularly (at least every three years), and is it currently up to date, accurate, relevant and in accordance with LGPS Regulations?	Yes		

Communications and disclosure

Information to members

Benefit information statements (PSPS)



Notes:
- Applies

Question ID	Question	Answer	Current Score	Previous Score
1 Page 148	Do you issue all Annual Benefit Statements (covering active members, deferred members, deferred pensioner members and pension credit members) within the required legal timescales (by 31st August)?	Yes		
	Does the statement for active members include a description of the benefits earned by the member during their pensionable service?	Yes		
	Do the statements comply with HM Treasury directions and LGPS regulations in terms of what information is included and the way it must be provided to members?	Yes		
4	Are annual benefit statements provided to all members with AVCs within the required timescales?	Partially		
5	Do the annual benefit statements provided to members with AVCs meet the legal requirements in relation to the information provided?	No		

Communications and disclosure

Information to members

Retirement risk warnings and guidance



Notes:
- Applies. This module applies in relation to Additional Voluntary Contribution (AVC) arrangements.

Question ID	Question	Answer	Current Score	Previous Score
1	Do you provide information about Pension Wise with application forms or any other methods that allow members to take payment of their AVC plan, where this is required by legislation?	Yes		
	Do you check that members have completed and signed a declaration form confirming they have taken guidance or opted out of guidance before processing a member's AVC choices upon drawing benefits, where this is required by legislation?	Yes		

Communications and disclosure



Information to members

Notification of right to cash transfer sum or contribution refund

Notes:

- Mostly applies. We note that paragraph 8 of this module does not apply to Public Service Pension Schemes.
- When considering the information in this module, you should also be mindful of other legal timescales including 27A(1)(a) of The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 requiring notification of rights and options available on leaving within 2 months of being notified pensionable service has terminated.

Question	Question	Answer	Current Score	Previous Score
Page 150	Where a member has a right to a cash transfer sum (i.e. cash equivalent transfer value) or a contribution refund do you provide written notice to the member containing the information required to explain their rights, within three months of the date the member leaves the scheme, and advise members where it is likely to take more than three months to provide the information?	No		
	2 When writing to members about a cash transfer sum or a contribution refund do you give them at least three months to reply and are their wishes carried out within three months of receiving them?	Yes		

Communications and disclosure



Information to members

Scams

Notes:

- Applies
- When considering this module, you should also refer to the Pension Regulator's guidance on Dealing with transfer requests (on TPR website see Scheme management detailed guidance / Administration / Dealing with transfer requests). You should also have regard to industry good practice set out in the Pension Scams Industry Group (PSIG) Code of Good Practice.

Question	Question	Answer	Current Score	Previous Score
Page 1512	Do you (or any third party administrator / shared service) have the appropriate internal controls in place to ensure that appropriate steps are taken to mitigate the risk of a scam?	Yes		
	Are you aware of the warning signs of a scam and do you consider whether these are present when dealing with member requests to transfer out or take benefits?	Yes		
3	Do you ensure that members are provided with relevant information and communications to make them aware of the risks of pension scams?	Yes		
4	Are appropriate due diligence checks carried out when members request a transfer out of the scheme to a Defined Contribution arrangement, where appropriate, and is a check made that at least one of the conditions for a transfer to proceed has been met (i.e. not applicable for a club transfer)?	Yes		

Communications and disclosure



Public information

Publishing scheme information (PSPS)

Notes:

- Mostly applies / Partially good practice. Whilst most of this module applies for Public Service Pension Schemes we note that it includes a paragraph (paragraph 6) which sets out a number of items which scheme managers 'may' wish to publish. Therefore we have shown the question relating to this paragraph as being good practice only.

Page-152 Question	Question	Answer	Current Score	Previous Score
	Do you publish and maintain the required information about the PB (i.e. who the PB members are, scheme member representation and the matters the PB is responsible for)?	Yes		
	2 Do you publish other useful related information about the PB as set out in paragraph 6 of this module?	Partially		
	3 Do you have policies and processes to monitor all published data relating to the PB on an ongoing basis to ensure it is accurate and complete?	Yes		
	4 Do you ensure any out of date or incorrect information identified is updated as soon as possible and in any event within one month?	Yes		

Communications and disclosure



Public information

Dispute resolution procedures

Notes:

- Mostly applies / Partially good practice. Whilst most of this module applies for Public Service Pension Schemes we note that it includes a paragraph (paragraph 12) which refers to good practice. Therefore we have shown the questions relating to this paragraph as being good practice only.
- This module forms part of an Effective System of Governance.
- The TPR Code clearly states that for Public Service Pension Schemes where the regulations provide for shorter periods to consider grievances than that specified in the Code, those regulations will apply. Therefore, when considering the information in this module, you should also be aware of the scheme specific requirements including regulations 72 to 79 of the Local Government Pension Scheme Regulations 2013.

Question	Question	Answer	Current Score	Previous Score
1	Do you have a formal internal dispute resolution procedure including a documented and clear application process for members and prospective members to follow?	Yes		
2	Do you provide your internal dispute resolution procedure to:			
2 a	▪ Prospective members where practical?	Yes		
2 b	▪ Any scheme members who may not have been given the information?	Yes		
2 c	▪ On request from members, if not already provided in the previous 12 months?	Yes		
3	Do you provide members with information about the Money and Pensions Service and the Pensions Ombudsman at certain stages of the dispute?	Yes		

Question ID	Question	Answer	Current Score	Previous Score
4	Do you regularly review and assess compliance with legislation and the effectiveness of your dispute procedure, including ensuring all appropriate information is available and whether separate advice is required to reach a decision?	Yes		
5	Do you have an appointed person (the adjudicator) for dealing with stage 1 disputes and is this person's contact details provided when providing members with the dispute procedure and notifying members of a first instance decision?	Yes		
6	Is the following information made available to members / prospective members as part of any notification of their rights or liabilities under the scheme:			
6	▪ The process to apply for a dispute to be resolved, including to who?	Yes		
	▪ The information that an applicant must include?	Yes		
	▪ The process by which decisions are reached?	Yes		
7	Do you ensure that timescales relating to the different stages of the dispute procedure meet the requirements of the LGPS regulations and the Code?	Yes		
8	Does your published procedure include the time limits within which members or prospective members must make an application?	Yes		
9	Do you make your procedure accessible to members and potential applicants by publishing it on a scheme website?	Yes		
10	Do you keep applicants informed of the progress of their dispute, in particular if it is looking likely the timeframes may not be met?	Yes		

Reporting to TPR

Regular reports

Registrable information and scheme returns



Notes:
- Applies

Question ID	Question	Answer	Current Score	Previous Score
1	Is your Fund / scheme registered with TPR?	Yes		
	Are you aware of the requirement to report any changes to registrable information to TPR as soon as is reasonably practicable, and at the very latest, within five working days of you becoming aware of the change? (Note this includes changes to contact details and employers).	Yes		
	Do you ensure that your scheme return is completed accurately and submitted annually in the required timescale?	Yes		

Reporting to TPR



Whistleblowing – reporting breaches of the law

Who must report

Notes:

- Applies
- When considering this module, you should also refer to the Pension Regulator's guidance on Complying with the duty to report breaches of law (on TPR website see Scheme management detailed guidance / Communications and reporting / Complying with the duty to report breaches of law).

Question	Question	Answer	Current Score	Previous Score
1	Do you have arrangements in place, such as a documented Breaches of the Law Procedure (or equivalent) and separate processes, to ensure breaches of the law are identified, recorded and managed?	Partially		
2	Is this Procedure (or equivalent) regularly reviewed (at least every three years), and is it currently up to date, accurate, relevant and in accordance with legal and Code requirements?	Yes		
3	Have you provided your Breaches of the Law Procedure (or equivalent) to those responsible for reporting breaches to ensure they are aware of their legal responsibilities and requirements of the Code to report breaches to TPR (i.e. Fund Officers, PCs (or equivalent), PBs, Service Providers, Employers, Professional Advisers)?	No		
4	Do you provide additional training on reporting breaches to those responsible for reporting breaches and does this highlight (a) that breaches of the law go beyond administrative tasks and record keeping and (b) the whistleblowing protection?	No		

Reporting to TPR



Whistleblowing – reporting breaches of the law

Decision to report

Notes:

- Applies
- When considering this module, you should also refer to the Pension Regulator’s guidance on Complying with the duty to report breaches of law (on TPR website see Scheme management detailed guidance / Communications and reporting / Complying with the duty to report breaches of law).

Question	Question	Answer	Current Score	Previous Score
Page 157	Does your Breaches of the Law Procedure (or equivalent) include information to ensure that TPR’s expectations for identifying and assessing breaches are met?	Yes		
	Does your Breaches of the Law Procedure (or equivalent) include a process to determine whether a breach or potential breach of the law is of “material significance” taking into account the cause, effect and reaction to the breach, including where TPR guidance can be found?	Partially		

Reporting to TPR



Whistleblowing – reporting breaches of the law

How to report

Notes:

- Applies
- When considering this module, you should also refer to the Pension Regulator’s guidance on Complying with the duty to report breaches of law (on TPR website see Scheme management detailed guidance / Communications and reporting / Complying with the duty to report breaches of law).

Page-158	Question	Question	Answer	Current Score	Previous Score
		Does your Breaches of the Law Procedure (or equivalent) include all the elements within paragraph 2a to 2f of this module?	Yes		
	2	Do you make information available to those responsible for reporting breaches for your Fund setting out how to make a report to TPR, what should be included in the report and the timescales within which the report should be made?	Yes		
	3	Do you have a system in place for recording breaches, even if they are not reported to TPR (e.g. in a Breaches Log) including ongoing assessment of those breaches?	Partially		

Reporting to TPR



Whistleblowing – reporting breaches of the law

Reporting payment failures

Notes:
- Applies

Question ID	Question	Answer	Current Score	Previous Score
1	Do you have a process in place to ensure all those who have a duty to report breaches report all contribution payment failures deemed to be of material significance to TPR, and within the timeframes specified in the Code?	No		
	Do you have a system in place for recording all contribution payment failures, even if they are not reported to TPR (e.g. in a Breaches Log)?	Yes		

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Subject	Review of the LPB Constitution and ToR	Status	For Publication
Report to	Local Pension Board	Date	07 August 2025
Report of	Monitoring Officer		
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**

To present the updated LPB Constitution and Terms of Reference following review and changes made in response to recommendations from the independent governance review.

2 **Recommendations**

2.1 Members are recommended to:

- a. **Approve the updated Local Pension Board Constitution and ToR 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.

Maintaining an up-to-date Constitution which reflects the actual operation of the Authority's governance and control framework is an important contributor to this objective.

4 **Implications for the Corporate Risk Register**

The actions outlined in this report address a number of governance-related risks set out in the Corporate Risk Register.

5 **Background and Options**

- 5.1 Following the independent governance review in 2024 and the recommendations made for various textual amendments and enhancements to the Board's Constitution, this document and the terms of reference have been subject to review and update. These are highlighted as tracked changes on the document attached at Appendix A and are listed below for the Board's review and agreement.

- a. **Section 2** – Purpose and Role updated to ensure consistency with the responsibilities outlined in the Public Service Pensions Act clause 5.
- b. **Section 5 – 5.1.1** – Employer Representatives will consist of:
 - 3 Other employers from a wide range of employers
- c. **Section 5 – 5.1.6** An Independent Adviser to the Local Pension Board will be appointed to provide strategic and general advice on issues within the remit of and in relation to the operation of the South Yorkshire Local Pension Board. They may serve a maximum of 10 years of office.
- d. **Section 6 – 6.2** – The Chair should rotate between scheme member and employer representative.
- e. **Section 9** – Conflicts of Interest – now covered in part 5 of the Constitution.
- f. **Appendix B** – Conflicts of Interest – removed as now covered in part 5 of the Constitution.

5.2 In relation to the arrangements for rotation and for terms of the Chair and Vice Chair positions and suggested consideration of an independent chair model, this has been discussed between officers and the Board's Chair, Vice Chair and Independent Adviser – and it was agreed that this would be a matter for the Board to discuss further, therefore the Independent Adviser will ensure that this is specifically covered in the Board's next effectiveness review scheduled for March 2026.

6 **Implications**

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

Financial	No direct financial implications arising from the review.
Human Resources	No specific HR implications
ICT	None
Legal	The full review of the Authority's Constitution was conducted by a firm of solicitors to ensure the Authority's Constitution has a sound legal basis and minimises the risk of any legal breaches in 2023. A further internal review was completed in March 2025 with minor revisions which were approved by the Authority on 13 March 2025.
Procurement	None directly; the Contract Standing Orders within the Constitution reflect current legislation.

Jo Stone

Head of Governance & Monitoring Officer

Background Papers	
Document	Place of Inspection
None	



Constitution of the South Yorkshire Local Pension Board

July 202~~5~~3

Date Approved:	2015
Date Revised:	July 202 ~~5~~ <u>3</u>
Date of Next Review	July 202 ~~7~~ <u>5</u>

Responsible Officer:	Monitoring Officer

Contents

Contents	2
1. Name	3
2. Purpose and Role	3
3. Powers of the Local Pension Board	3
4. Scheme Manager Consents	4
5. Membership	4
6. Chair	5
7. Leaving the Board	5
8. Standards and Interests	5
9. Conflicts of Interests	6
10. Meetings and Procedures of the Board	6
11. Knowledge, Skills and Training	6
12. Accountability	7
13. Expenses and Funding	7
14. Annual Report	7
15. Variations	7
16. Data Protection	7
17. Governance Structure	8
Appendix A Terms of Reference	10
~~Appendix B — Local Pension Board Conflicts of Interest Policy~~	~~12~~

1. Name

- 1.1 The name of the Board is “the South Yorkshire Pensions Authority Local Pension Board” and is established by South Yorkshire Pensions Authority (“the Authority”) as the administering authority for the South Yorkshire Pension Fund under the provisions of Section 5 of the Public Sector Pensions Act 2013 (“the Act”) and the Local Government Pension Scheme (Amendment)(Governance) Regulations 2015.

2. Purpose and Role

- 2.1 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 scheme manager in:

Securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;

Securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator

Any such other matters as the scheme regulations may specify.

~~Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund~~

2.1.1 Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest.

2.1.2 Ensure the South Yorkshire Pension Fund effectively complies with ~~the Code of Practice on the Governance and Administration of Public Service Pensions Schemes~~ relevant codes of practice issued by the Pensions Regulator and is effectively managed and administered in compliance with ~~the Codes such codes.~~

- 2.2 The Board will carry out its role in line with the specific terms of reference set out in Appendix A to this Constitution.

3. Powers of the Local Pension Board

- 3.1 Where any breach of legislation or duties is committed or is alleged to have been committed by the Pensions Authority or its Boards the Local Pension Board shall:

3.1.1 Within one month of the possible breach, meet with the Authority Chair (supported by the Head of Paid Service and Section 73 officer) to discuss the breach.

3.1.2 Ask the Authority Chair to explain the actions taken and provide evidence of the legitimacy of the actions taken.

3.1.3 Consider the matter on the facts available and evidence provided by the Chair and shall:

3.1.3.1 Refer it back to the Authority to consider afresh and correct any areas of concern/breaches of duty; or

3.1.3.2 Determine that no breach of duty has taken place.

- 3.2 If under clause 3.1 above it is decided that a breach has occurred, the Local Pension Board shall (as required by the Code of Practice and the Pensions Act 2004):

3.2.1 Report the breach to the Scheme Manager who should take prompt and effective action to investigate and correct the breach and its causes and, where appropriate, notify any affected members: or

3.2.2 Where prompt and effective action to remedy the breach has not been taken and/or where scheme members have not been informed when they should have been, report the breach as a breach of

material significance to the Pensions Regulator.

- 3.3 As per Regulation 106(6) of the Local Government Pension Scheme (Governance) Regulations 2014 and subject to the terms in this Constitution, the Local Pension Board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

4. Scheme Manager Consents

4.1 The Local Pension Board shall not:

- 4.1.1 Consider or become involved in any internal dispute resolution appeals or the process itself.
- 4.1.2 Enter into contracts on behalf of the Administering Authority.
- 4.1.3 Use the Local Pension Board to act on behalf of a particular constituency or Pension Fund member in general or in relation to a specific complaint at any time.
- 4.1.4 Compromise the Pensions Authority's ability to comply with its fiduciary duty to the Pension Fund and its members.

4.2 The Local Pension Board must seek written consent from the Scheme Manager before it:

- 4.2.1 Instructs the Pension Fund actuary to provide a report of any kind.
- 4.2.2 Requests any external advisor to attend a meeting of the Local Pension Board which shall require any remuneration of any level.
- 4.2.3 Incurs a cost to the Pension Fund.
- 4.2.4 Can amend this constitution.

5. Membership

5.1 In accordance with Regulation 107 of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 the South Yorkshire Local Pension Board will be made up of an equal number of employer and member representatives which is no less than four in total. The South Yorkshire LPB will comprise of 10 members in total.

5.1.1 Employer representatives will consist of:

- 2 Local Authority Councilors (rotated every 3 years) in line with a pattern agreed with the Constituent Authorities
- 3 Other employers from a wide range of employers (appointed for 3 years)
 - ~~1 'Other Large Employer' (appointed for 3 years)~~
 - ~~— 1 Academy (appointed for 3 years)~~
 - ~~1 Local Authority Senior Manager (appointed for 3 years)~~

5.1.2 Employee representatives will consist of:

- 3 Trades Unions who must be LGPS Scheme members (appointed for 3 years)
- 2 members selected from active, pensioner and deferred members (appointed for 3 years)

5.1.3 Appointment of employer and Trades Union representatives will be by nomination, Scheme member representatives will be appointed by an application process.

5.1.4 Council members will be appointed by the relevant District Council at their annual meeting.

5.1.5 A non-Councillor member (employer or scheme member) may serve a maximum of three terms of office.

5.1.5.1.6 An Independent Adviser to the Local Pension Board will be appointed to provide strategic and general advice on issues within the remit of and in relation to the operation of the South Yorkshire Local Pension Board. They may serve a maximum of 10 years of office.

5.2 No officer of South Yorkshire Pensions Authority or any elected Member appointed by a constituent Authority to serve on the South Yorkshire Pensions Authority may be a Member of the Local Pension Board.

- 5.3 Members of the Local Pension Board will be voting members; each member shall have one vote. It is expected that the Board will, as far as possible, reach a consensus; the Chair of the Board will have the ~~final~~deciding~~final~~ deciding vote which will be reported to the Administering Authority.
- 5.4 Regulation 107 requires that the administering authority, South Yorkshire Pensions Authority, ensures that all employer or member representatives sitting on the Board have relevant experience and capacity to represent the employers or members of the Fund.
- 5.5 Substitute members will not be permitted.
- 5.6 Each Local Pension Board member shall endeavor to attend all LPB meetings during the year. Failure to attend any meetings within a 6-month period will result in removal from the Board unless a meeting of the Board specifically agrees to a waiver of this rule because of specific circumstances.

6. Chair

- 6.1 At the first meeting held in each municipal year the board shall:
- 6.2 Elect a Chair from amongst its members. The Chair should rotate between scheme member and employer representative.
- 6.3 Elect a Vice-Chair from amongst its members.
- ~~6.2.6.4~~ When the Chair of the Board is from the employer representatives, then the Vice-Chair will be elected from the scheme member representatives, and vice versa.

7. Leaving the Board

- 7.1 A member of the Board shall cease to hold office if:
- 7.1.1 He or she notifies the Board of a wish to resign.
- 7.1.2 He or she is an elected councilor and is appointed to the Pensions Authority.
- 7.1.3 He or she ceases to be employed by the body on behalf of whom he/she acts as a representative, including but not limited to Trade Unions or Scheme employers.
- 7.1.4 A member fails to attend meetings for a period of 6 months or otherwise comply with the requirements of being a Board member, for example fails to attend the necessary knowledge and understanding training.
- 7.1.5 A member dies or becomes incapable of acting.
- 7.1.6 There exists a potential conflict of interests in relation to a Board member which cannot be managed within the internal procedures of South Yorkshire Pensions Authority.

8. Standards and Interests

- 8.1 All members of the Board will adhere to the Seven Principles of Public Life. These are:
- Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership

- 8.2 In addition, Local Authority Councilors serving on the Board are subject to their Council's Code of Conduct for Members. Members of the Board who are not Councilors but are members of a professional body or represent a Trade Union are subject to any Code of Conduct applicable to that body or Trade Union.
- 8.3 All members of the Board shall complete a declaration of their interest and deposit it with South Yorkshire Pensions Authority's Monitoring Officer as required by Regulation 108 (4) of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.

- 8.4 The Monitoring Officer will make arrangements for the publication of the register of interests of members of the Local Pension Board on the website of the South Yorkshire Pensions Authority.

9. Conflicts of Interests

- 9.1 Further to the Regulations, a member shall not be appointed who has an existing conflict of interest as set out in Part 5 of the Authority Constitution:-

~~9.2 For the avoidance of doubt, being a member of the Pension Scheme is not a conflict of interest.~~

~~9.3 Where a member becomes conflicted during their appointment, they shall inform the Scheme Manager without delay and their tenure shall end with immediate effect.~~

~~9.4 Where a member has been removed from the Board under this clause 9, they will be entitled to be reappointed once the conflict has been resolved.~~

~~9.5 Such reappointment shall be made to the Board only where written approval from the Scheme Manager (advised by the Monitoring Officer) has been provided.~~

~~9.6 The Board shall maintain a policy in relation to conflicts of interest which will form part of this Constitution and to which members of the Board must have regard.~~

10. Meetings and Procedures of the Board

- 10.1 The Board shall hold a minimum of four meetings in any municipal year. Additional meetings may be called at any time by the Chair.

10.2 For the avoidance of doubt “meeting” in this context includes meetings held entirely virtually or allowing the participation of individual members virtually.

10.3 In the absence of the Chair at a meeting of the Board, the Vice-Chair will preside over that meeting. If both the Chair and Vice-Chair are absent, then the Board will appoint one of its members to preside at that meeting.

10.5 The quorum for a meeting of the Board shall be at least 2 employer and 2 employee representatives.

10.6 Board meetings shall be held in public. The public may be excluded from the meeting when matters are considered that, in the opinion of the Scheme Manager, contain information covered by exempt/confidential information procedures under Schedule 12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.

10.7 All agendas and papers for Board meetings will be made publicly available on South Yorkshire Pensions Authority’s website unless, in the opinion of the Scheme Manager, they are covered by exempt/confidential information procedures under Schedule 12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.

10.8 Minutes of proceedings at meetings of the Board shall be kept in accordance with statutory requirements. Following the approval of the minutes by the Chair of the Board, they shall be forwarded to all Pension Board members.

10.9 Minutes of meetings of the Board shall be published on South Yorkshire Pensions Authority’s website.

11. Knowledge, Skills and Training

- 11.1 To be appointed as a member of the Board a person must have knowledge and understanding of and be fully familiar with:

11.1.1 The rules of the scheme.

11.1.2 Any document recording policy for the administration of the Scheme which is for the first time being adopted in relation to the Scheme.

11.1.3 The law relating to pensions; and

11.1.4 Any other matters which are prescribed in regulations.

11.2 Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies, and knowledge to identify gaps or weaknesses.

11.3 Pension Board members will comply with the Scheme Manager's training policies as set out in the Learning and Development Strategy and attend all training provided by the Scheme Manager.

11.4 A written record of relevant training and development will be maintained for each member of the Board and details of training undertaken by each member of the Board will be published in the Board's Annual Report.

11.5 Training where needed, that is provided by the Scheme Manager, will be charged to the Pension Fund.

11.6 Subject to the Regulations or any advice or requirement issued by the Pensions Regulator, the Board must agree and implement a program of training in respect of all members of the Board to ensure that they are adequately trained to perform their respective duties.

12. Accountability

12.1 The Local Pension Board will be collectively and individually accountable to the Scheme Manager and the Pensions Regulator.

13. Expenses and Funding

13.1 Members of the Board will receive an allowance in relation to their membership under the Authority's Member Allowances Scheme and will be reimbursed for reasonable subsistence and travel expenses in accordance with the relevant policies of the Authority.

13.2 The Board will be provided with adequate resources to undertake its role; these will include as a minimum:

- Accommodation and administrative support to conduct its meetings.
- Training; and
- Legal, technical, and other professional advice.

13.3 The expenses of the Local Pension Board shall be regarded as part of the costs of the administration of the Fund.

14. Annual Report

14.1 At the end of each Municipal Year the Chair of the Board shall compile an annual report on the activities of the Board, including records of attendance and training, for submission to the Authority and for inclusion in the Authority's Annual Report and Accounts.

15. Variations

15.1 Any variation to this Constitution, considered necessary by the Board, shall be reported to the Scheme Manager (the Authority) for consideration and written consent.

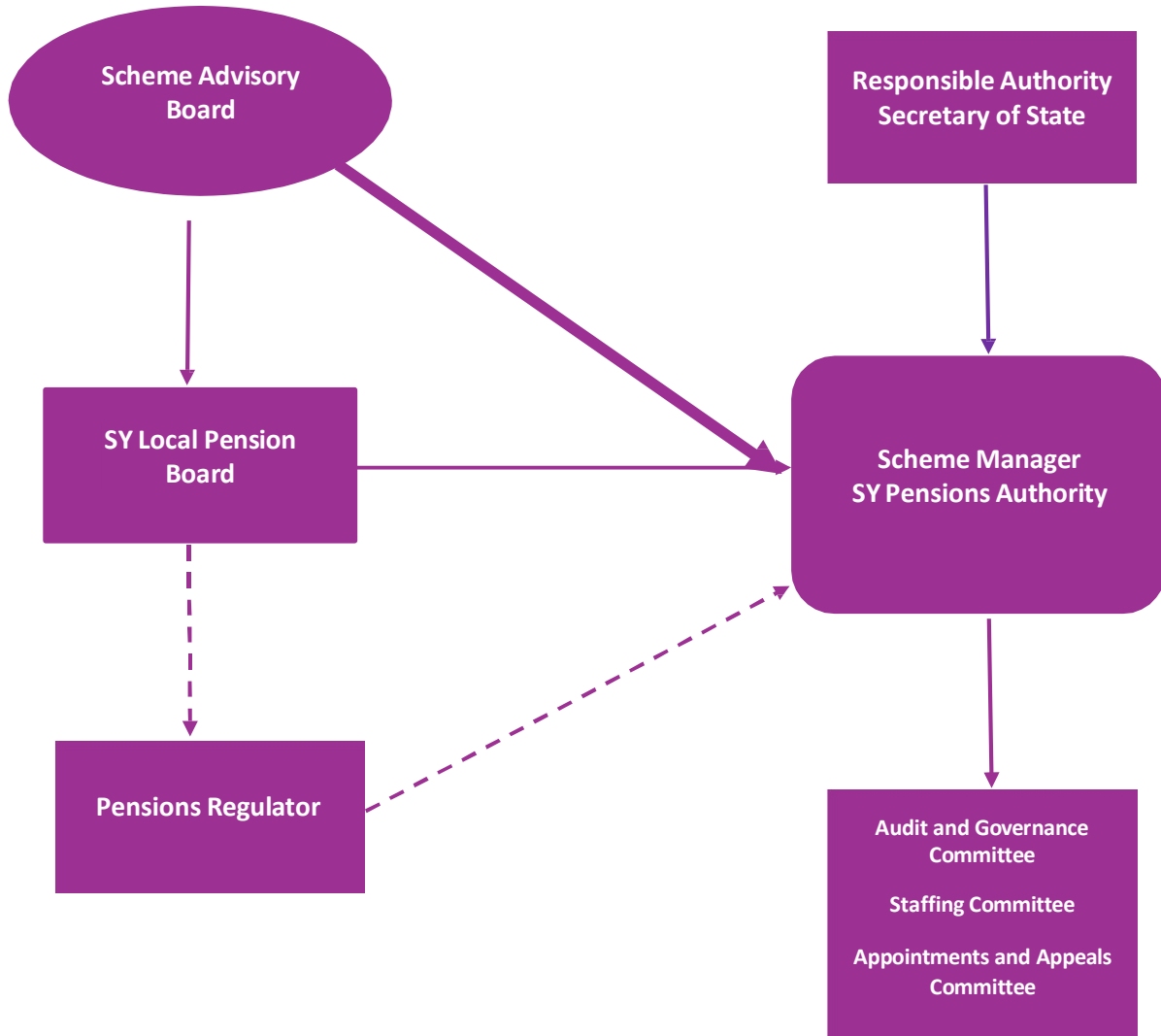
15.2 No variation made by the Board will be valid without the express consent of the Scheme Manager (the Authority).

16. Data Protection

16.1 The Local Pension Board will adhere to the Data Protection Policies of the Administering Authority.

17. Governance Structure

17.1 The diagram below shows how the South Yorkshire Local Pension Board fits into the overall governance structure flowing from the Public Sector Pensions Act 2013 and the Local Government Pension Scheme Regulations 2013 (as amended).



Constitution of the South Yorkshire Local Pension Board

Appendix A – Terms of Reference

July 2025~~3~~

Appendix A Terms of Reference

1. Compliance and Control

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

2. Administration

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

3. Communications

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

4. Budgets

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

5. Reporting

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

~~Constitution of the
South Yorkshire
Local Pension
Board
Appendix B –
Conflicts of Interest
July 2025₃~~

Appendix B—Local Pension Board Conflicts of Interest Policy

1.—Introduction

There is a requirement for Local Pension Board (LPB) members not to have a conflict of interest. However, it is important to note that the issue of conflicts of interest must be considered in the light of the LPB's role in assisting the Scheme Manager (South Yorkshire Pensions Authority) in securing compliance with the Local Government Pension Scheme (LGPS) regulations.

The LPB does not make decisions in relation to the Scheme and, therefore, it is not anticipated that significant conflicts will arise. Nevertheless, this Policy has been drafted to assist in the effective identification, monitoring, and management of conflicts of interest.

This Policy sets out to meet the requirements that specifically apply by virtue of the Public Service Pensions Act 2013 and the standards of conduct and practice as set out in the Pensions Regulator's Code of Practice.

2.—Identifying Conflicts

LPB Members

For the purposes of a member of the LPB, a conflict of interest is defined in section 5(5) of the 2013 Act as a "financial or other interest likely to prejudice the way in which someone carries out their role as a member of a pension board". It further specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of a relevant pension scheme. Therefore, a conflict of interest may arise when a member the LPB must fulfil their legal duty to assist the Scheme Manager and, at the same time, they have:

- a separate personal interest (financial or otherwise); or
- another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility as a member of the LPB.

The Scheme Manager must also satisfy itself that those appointed to the LPB do not have an actual conflict of interest prior to appointment and "from time to time". This will be achieved by regular monitoring and review of the declarations of interest register.

There is a corresponding duty on any person who is proposed to be appointed, or an appointed member of the LPB, to provide the Scheme Manager with such information as it may require to be satisfied that there are no conflicts of interest. LPB members will also have the responsibility to anticipate potential conflicts of interest in relation to plans for future LPB activity.

Some examples of how a conflict of interest may arise specifically in relation to an LPB member include:

- a) a finance officer appointed as a member of the LPB may, from time to time, be required to take or scrutinise a decision which may be, or appear to be, in opposition to another interest or responsibility. For example, they may be required as an LPB member to take or scrutinise a decision which involves the use of departmental resources to improve scheme administration, whilst at the same time being tasked, by virtue of their employment, with reducing departmental spending.

- b) — an LPB member who works closely with the Scheme Manager's internal audit function may be required, as part of their work to audit the administration of the Pension Scheme. For example, the employee may become aware of confidential breaches of law which have not yet been brought to the attention of the LPB.
- c) — an employer representative (elected Member) who also works in the private sector, may also have a conflict of interest as a decision maker in their own workplace. For example, they may work for a company to which the Scheme Manager has outsourced its pension administration services and the Board are reviewing the standards provided by it.

LPB Advisors

Conflicts of interest may also arise in respect of Advisors to the LPB.

For example: an Advisor may have a conflict of interest if he or she (or the same company) is also advising the Scheme Manager. The risk to the LPB is that the Advisor does not provide, or is not seen to provide, independent advice.

Where there is likely to be a conflict of interest in giving advice, the LPB should consider carefully whether it is appropriate to appoint the Advisor in the first place. It may also be necessary to consider carefully whether they should take steps to remove the Advisor who has already been appointed.

3. Monitoring and Managing Potential Conflicts

For the Scheme Manager to fulfil its obligations to ensure the LPB members do not have a conflict of interest, the LPB must include an item on conflicts of interest at each meeting and also in its Annual Report.

The LPB is required to maintain a written register of dual interests and responsibilities which have the potential to become conflicts of interest, which may adversely affect members' or advisors' suitability for the role. Each member (as well as any attendees participating in the meeting) will be expected to declare, on appointment and at each meeting, any matter which may lead to conflicts of interest, such a conflict could be in relation to a general subject area or to a specific agenda item of an LPB meeting.

The Chair of the LPB must be satisfied that the LPB is acting within:

- — The conflicts of interest requirements of the Public Service Pensions Act 2013 and the pension scheme regulations, and
- — In the spirit of any national guidance or code of practice in relation to conflicts of interest for LPB members.

Each LPB member, or a person proposed to be appointed to the LPB (as well as any attendees participating in the meeting) must provide the Chair of the LPB with such information as he or she reasonably requires for the purposes of demonstrating that there is no conflict of interest.

LPB members are required to have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest and should know how potential conflicts should be managed.

The LPB is required to evaluate the nature of any dual interests and responsibilities, assess the impact on operations and governance were a conflict of interest to materialise and seek to prevent a potential conflict of interest becoming detrimental to the conduct or decisions of the LPB. The LPB may consider seeking independent legal advice from the Monitoring Officer, or external advisors where necessary, on how to deal with these issues, if appropriate.

Individual members of the LPB must know how to identify when they have a conflict of interest which needs to be declared and which may also restrict their ability to participate in meetings or decision making. They also need to appreciate that they have a legal duty under the Regulations to provide information to the Scheme Manager in respect of conflicts of interest.

The Member will need to consider how any conflict can best be managed to comply with the statutory requirements. Options may include:

- a) _____ the member withdraws from the discussion and any decision making process on the relevant item(s); or
- b)a) _____ the member resigns from the LPB if the conflict is so fundamental that it cannot be managed in any other way.

Agenda Item

Subject	Draft Annual Report 2024/25	Status	For Publication
Report to	Local Pension Board	Date	7 August 2025
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Gillian Taberner Assistant Director – Resources	Phone	01226 666420
E Mail	gtaberner@sypa.org.uk		

1 Purpose of the Report

- 1.1 To present the first draft of the Authority's Annual Report for 2024/25 to the Board for review and comments.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Review and comment upon the draft Annual Report of the Authority for 2024/25 at Appendix A.**
-

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
- Effective and Transparent Governance**

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

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report do not directly impact any items contained in the Corporate Risk Register.

5 Background and Options

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

- 5.2 In April 2024, new statutory guidance was published to assist pension funds with the preparation of the pension fund annual report. This was jointly produced by the Scheme Advisory Board (SAB), CIPFA, and the Department for Levelling Up, Housing and Communities (subsequently re-named to Ministry for Housing, Communities and Local Government – MHCLG) in consultation with funds and other stakeholders. The new guidance is available from the SAB’s website – see link below under ‘Background Papers’.
- 5.3 The guidance applied to annual reports for 2023/24 on a best endeavours basis and applies fully for 2024/25. The Authority received positive feedback from the Scheme Advisory Board on the compliance achieved last year and this has been further enhanced this year.
- 5.4 The guidance states that the annual report should be formally reviewed and authorised by those charged with governance and the appropriate senior officer. For SYPA, these are the Audit & Governance Committee and the Director. The final draft annual report will be presented for approval at the September meeting of the Audit & Governance Committee.
- 5.5 As a matter of good practice, it was previously agreed that the draft annual report would be presented to the Board ahead of consideration by the Audit & Governance Committee and subsequent publication. This is reinforced in the guidance which states that local pension boards should as part of their remit review the pension fund financial statements and annual report prior to their publication.
- 5.6 The Draft Annual Report for 2024/25 is attached at Appendix A, with additional appendices that form part of the annual report attached at Appendix B and C – for the actuary’s report and the Fund’s statement of accounts.
- 5.7 The timing of the meetings cycle means that the version of the annual report now presented for the Board’s review is largely complete but is subject to the following additions and changes that were not possible to complete by the date of the August meeting:
- a. Design – the report contents will be converted to the professionally designed format including graphics and images prior to approval and publication. The draft version presented for the Board’s review at Appendix A comprises the collated contents in a standard document format prior to the design work.
 - b. Local Impact Investment – a sub-section to be added within the Responsible Investment section is provided by an external partner and won’t be available until later in August.
 - c. Financial Statements – the financial statements of the Fund will be incorporated into the main body of the annual report as part of the design process. The financial statements attached at Appendix C to this report are the draft, unaudited accounts. The audit is currently in progress and due to be concluded in September. Any changes to the accounts arising from the audit work will be reflected in the annual report.
 - d. External Audit Consistency Opinion - the annual report is subject to a check by the external auditors to ensure that the accounts reflect what they have audited in the accounts and that the report is consistent with their knowledge of the Fund. This results in what is known as the consistency opinion – this will only be provided following conclusion of the audit.
 - e. Investment data – some of the data tables and information in the investment sections of the report will be updated when this has been provided by Border to Coast. The relevant items are highlighted in the Appendix.
- 5.8 Board members are asked to review and comment on the draft annual report at Appendix A.

6 **Implications**

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

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

George Graham

Director

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

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South Yorkshire Pensions Authority Annual Report 2024-2025

Contents

1. Chair's Foreword.....	2
2. Year In Review	4
3. Overall Management of the Fund	8
4. Managing Risk and Uncertainty.....	14
5. Governance and Training	19
Annual Governance Statement.....	38
Annual Report of the Local Pension Board	60
Annual Report of the Audit & Governance Committee	73
6. Our Organisation	83
7. Financial Performance	94
8. Investments and Funding	101
Implementation of the Investment Strategy Statement and Investment Performance	101
Responsible Investment	135
Climate	151
Implementing the Funding Strategy Statement.....	168
9. Scheme Administration.....	174
10. Actuary Report.....	204
11. Pension Fund Statement of Accounts.....	204
Glossary	205

1. Chair's Foreword

The last year has seen the Local Government Pension Scheme (LGPS) receive significantly more attention than has been customary, with the focus largely being on the Scheme's ability to support growth across the UK economy. For those involved in the running of the scheme, however, the focus has remained on the more routine matters of ensuring that we have the money available to pay pensions correctly when they fall due.

It is this more routine work which is the focus of this annual report which provides an account of the Pensions Authority's stewardship of the pension savings of our 180,000 members during 2024/25. This was a year of steady progress leading up to the triennial actuarial valuation which will be based on the position on 31st March 2025. Following the Authority's decision to significantly increase the resources allocated to pensions administration, we have begun to systematically address backlogs of casework which, while not critical to calculating pensions, slow down lots of other activities. This work hasn't yet resulted in improvements in our achievement against performance standards, but we are beginning to see some progress. We have also adopted a more proactive approach to addressing the performance of employers in meeting their obligations which is delivering better quality data more of which is on time.

On the investment side of the operation, the last year saw a notable change of leadership as Sharon Smith retired after 40 years looking after the Fund's investments. The Fund continued to build up its climate impact portfolio with further capital deployed to nature-based solutions, renewable and climate opportunities. Closer to home, we continued to develop our place-based impact strategy with the launch of two funds focussed on investing in small and medium sized companies in South Yorkshire.

More generally, the financial markets as discussed in detail later in this report have remained volatile, but the Fund has held its own and the changes in the interest rate environment have resulted in a favourable funding position which should have a positive impact on the setting of employer contribution rates through the valuation process which should conclude by December 2025.

The valuation will, though, only be one of a number of significant projects to be undertaken in the coming year, which as ever promises to be one which keeps the Authority and its staff busy. These include the next stages in the implementation of the Pensions Dashboard and the implementation of the McCloud remedy, as well as the three yearly review of the investment strategy. Work has already started on this last piece of work with a survey of scheme member views on responsible investment issues which will influence how we develop policy in the coming years.

Alongside all this we expect to see our work with the Border to Coast Pensions Partnership evolve in line with the requirements set out in the Government's proposals for changes to the LGPS. The Partnership as a whole and SYPA in particular are well positioned

to meet these requirements, and we expect to see a rapid move to the new arrangements which will support us in delivering our investment strategy.

So, change will continue to dominate the environment in which the Authority works in the coming year as it has in the last year, our focus though will remain on fulfilling our key task, ensuring that the funds are there to pay the right pension to our scheme members when it is due.

Councillor Jayne Dunn

Chair of the Pensions Authority 2024/25 Municipal Year

2. Year In Review

Expanded Climate Commitments for a Sustainable Future SYPA committed £350 million to the Border to Coast Climate Opportunities Fund, further supporting its Net Zero journey. The investments target renewable energy, hydrogen, battery storage, and sustainable food production. SYPA also made a £175 million commitment to enhance exposure to renewables and natural capital investments.	
Strengthening Our Team This year saw the implementation of recruitment for several roles to grow and strengthen the Pensions Administration teams. This growth, combined with some re-structuring of the teams, is designed to ensure sufficient and well-directed resourcing in this area to meet the increasing volume and complexity of work demands so that we can continue to achieve our objective of delivering for our customers now and in the future.	
Showcasing the LGPS: Our Members Lead the Way Two of our members, Eddy and Debbie, took leading roles in a national LGPS video campaign. The video aimed to support recruitment into the wide variety of roles within the scheme and to showcase the value the LGPS provides to its members.	
Appointment of Local Pension Board Adviser In July 2024, SYPA appointed Neil Mason as an adviser to its Local Pension Board. Neil brings 20 years of experience in the pensions industry to the role, aiming to support and enhance the board's governance and oversight capabilities.	

Positive Independent Governance Review

In June 2024, an independent review conducted by Aon assessed SYPA's governance arrangements as "excellent" and highlighted best practices in several areas. The review noted that SYPA's governance quality was higher than that of many other Local Government Pension Scheme (LGPS) funds, attributing this to its status as a single-purpose local authority.



Leadership Transition in Investment Strategy

Andrew Stone was appointed as SYPA's Assistant Director – Investment Strategy, following the retirement of Sharon Smith. Sharon dedicated over 40 years of exceptional service to SYPA, playing a key role in the development and delivery of the Authority's investment approach. Her contribution and commitment over four decades are deeply valued and appreciated. Andrew's appointment ensures continuity and ongoing focus in this critical area of our work.



Winners of the Investment Innovation Award at LAPF Investment Awards

In October 2024, SYPA was honoured with the Investment Innovation Award at the 10th LAPF Investment Awards for Project Chip, a £260 million joint venture with Royal London transforming agricultural land into a natural capital investment vehicle.



Annual Report & New Member Video Update

At the end of 2024, SYPA published its audited 2023/24 Annual Report, highlighting major achievements such as the completion of Project Chip and the creation of a Place-Based Impact Investment Strategy in partnership with the South Yorkshire Mayoral Combined Authority. To accompany this, SYPA launched 'SYPA In Focus', a new video update designed to keep members informed about key developments and investment performance. This video format replaced the traditional Annual General Meeting, offering members a more accessible way to engage with SYPA's work.



Appointment of Northern Trust as Custodian

In January 2025, SYPA appointed Northern Trust as the new custodian for its £11 billion investment assets, aiming to enhance security and efficiency in asset management.



Recognised as a UK Stewardship Code Signatory SYPA was officially recognised as a signatory to the UK Stewardship Code, a key milestone underscoring its commitment to responsible investment and transparency. Overseen by the Financial Reporting Council (FRC), the Code sets the highest standards for stewardship across the investment industry, ensuring that asset owners, managers, and service providers act in the long-term interests of savers and pensioners.	 The logo for the UK Stewardship Code, featuring a blue circular emblem with the letters 'UK' in white and a stylized 'S' in blue and yellow, with the words 'STEWARDSHIP CODE' in blue capital letters below it.
Announcement of Director's Retirement In March 2025, SYPA announced that its Director, George Graham, would retire at the end of the year after leading the Authority since 2018 through significant changes, including asset transitions into the Border to Coast Pensions Partnership.	 A professional headshot of George Graham, a man with short grey hair and glasses, wearing a dark suit, white shirt, and a patterned tie.
Launch of £40 Million Place-Based Investment Funds Also in March 2025, SYPA launched two £20 million investment funds aimed at supporting small and medium-sized enterprises (SMEs) across the region, stimulating growth, creating high-quality jobs, and driving innovation.	 A group of seven people (four men and three women) standing on a red carpeted staircase with ornate metal railings. They are dressed in business attire, and the setting appears to be a formal building.

3. Overall Management of the Fund

Scheme Management and Advisers

Senior Officers

Director and Head of Paid Service: George Graham

Assistant Director – Resources & Chief Finance Officer:
Gillian Taberner

Assistant Director – Investment Strategy:

Sharon Smith (to 31 December 2024)

Andrew Stone (from 8 October 2024)

Assistant Director – Pensions:

Debbie Sharp (from November 2023)

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

Clerk – Sarah Norman (Chief Executive Barnsley MBC)

Asset Pool Operator

Border to Coast Pensions Partnership Limited

Fund Custodian

HSBC

Fund Bankers

HSBC

Lloyds

Fund Actuary

Hymans Robertson LLP

AVC Providers

Prudential

Scottish Widows

Utmost

Legal Advisers (Property)

Addleshaw Goddard

Legal Advisers (Pensions, Investment and Local Government law)

Eversheds Sutherland

Independent Property Valuer

Landwood Group (Authority's Property, Plant & Equipment)

External Auditor

KPMG

Internal Auditor

Barnsley MBC

Independent Investment Advisers

Jonathan Hunt (from 1 November 2024)

Aoifinn Devitt

Independent Adviser to the Local Pension Board

Clare Scott (to 30 June 2024)

Neil Mason (from 1 August 2024)

Performance Measurement

Hymans Robertson LLP

Investment Managers

The managers of major mandates are:

Aberdeen Standard Investments (Commercial Property)

Royal London Asset Management (Natural Capital)

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

Cash and previously committed Alternatives are managed in-house.

Details of managers within the Alternatives portfolios are available at

<https://www.sypensions.org.uk/Investments/Alternative-Commitments>

Members of the South Yorkshire Pensions Authority – 2024/25 Municipal Year

Barnsley MBC

Cllr Roy Bowser* (SC, AAC) [Labour]

Cllr Neil Wright (AGC) [Labour]

City of Doncaster Council

Cllr James Church (AGC) [Labour]

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

Cllr David Nevett (AGC, SC, AAC) [Labour]

Rotherham MBC

Cllr David Fisher (AGC, AAC) [Conservative]

Cllr Donna Sutton* **Vice Chair** (AGC Chair, SC) [Labour]

Sheffield City Council

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

Cllr Alexi Dimond (SC, AAC) [Green]

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

Cllr Craig Gamble-Pugh [Labour]

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

Non-Voting Members appointed by the Trades Unions:

Phil Boyes (Unite)

Nicola Doolan-Hamer (UNISON)

Garry Warwick (GMB)

Members of the South Yorkshire Local Pension Board – 2024/25 Municipal Year

Employee Representatives

Martin Badger (Unite) - Trades Union

Shelagh Carter (GMB) - Trades Union (from 07/11/2024)

Andrew Gregory - LGPS Member

Sheldon McClure (UNISON) - Trades Union (from 08/08/2024)

David Webster – LGPS Member (**Vice Chair**)

Employer Representatives

Cllr Linda Beresford – Local Authority (Rotherham MBC)

Debbie Carrington – South Yorkshire Police

Nicola Gregory – Minerva Learning Trust

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

Cllr Ken Richardson – Local Authority (Barnsley MBC)

Key:

AGC = Member of the Audit & Governance Committee

SC = Member of the Staffing Committee

AAC = Member of the Appointments and Appeals Committee

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

Key Policies

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

[Consultation and Communication Strategy](#)

https://www.sypensions.org.uk/portals/0/repository/SYPA_Consultation.d59432d9-72aa-49af-b499-d9961c65d98c.pdf

[Funding Strategy Statement](#)

http://www.sypensions.org.uk/Funding_Strategy_Statement/Core_Funding_Strategy_Statement_and_Appendix.pdf

[Report on the Actuarial Valuation](#)

http://www.sypensions.org.uk/Actuarial_Valuation/20230907_South_Yorkshire_Pension_Fund_-_Revised_Final_Whole_Fund_Results.pdf

[Investment Strategy Statement](#)

http://www.sypensions.org.uk/Investment_Strategy_Statement/Investment_Strategy_Statement_March_2023.pdf

[Pensions Administration Strategy](#)

http://www.sypensions.org.uk/Pensions_Administration_Strategy/SYPA_Pension_Administration_Strategy_July_2020.pdf

[Governance Compliance Statement](#)

https://www.sypensions.org.uk/Portals/0/pdf/Governance_Compliance_Statement_2025.pdf

4. Managing Risk and Uncertainty

Risk Management is the process by which the Authority identifies and overcomes those issues which might prevent it achieving its and the Pension Fund's objectives. Given the financial scale of the Pension Fund and the fact that it invests money to achieve financial return, the effective management of risk is crucial to us being able to achieve our objectives. The risks that face the Authority therefore include both the risks to it as an organisation, and the risks inherent in its role as administering authority of the South Yorkshire Pension Fund.

The Authority's [Risk Management Framework](#) sets out the processes, guidelines and governance structure through which risk is identified, managed effectively and reviewed. Ensuring compliance with relevant regulations and standards and following principles of best practice.

The Corporate Risk Register, which forms an integral part of the Corporate Strategy, is regularly reviewed throughout the year by the Authority's Senior Management Team, reported to the Authority and to the Local Pension Board on a quarterly basis, and the risk management framework and arrangements are overseen by the Audit and Governance Committee over the course of the year. Any changes made to each iteration of the risk register are fully detailed in the quarterly Corporate Performance reports to the Authority meetings during the year (available on our website at: [Quarterly Corporate Performance Reports](#)).

In addition to the corporate risk register, Senior and Middle Managers identify and manage operational risks, escalating these where necessary, and project-related risks are identified and managed on specific projects as an integral part of the Authority's project management methodology. A variety of methods may be used to identify risks including facilitated workshops, checklists, and process mapping.

The key risks identified in the corporate risk register and the assessment of their relative likelihood and impact, as reported in the Quarter 4 Corporate Performance Report, are shown in the figures on the next page.

South Yorkshire Pensions Authority - Corporate Risk Register Matrix

Impact	5 Very High		IAF-004		IAF-002	
	4 High		GOV-003	ADM-001 GOV-004 IAF-003 ORG-004 PEO-003	ADM-002 ADM-003 ORG-002	IAF-010
	3 Medium			PEO-002	GOV-001 IAF-001 IAF-005	
	2 Low					
	1 Very Low					
		1 Very Low	2 Low	3 Medium	4 High	5 Very High
		Likelihood				

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

The arrangements in place to mitigate some of the key risk areas include the following.

Investment Risk Management

The Authority sets out broad policies in the Investment Strategy Statement which conform to the LGPS Investment Regulations and in the Treasury Management Strategy (which conforms with the Prudential Code), and which cover the following areas:

- Acting with proper advice – such advice may come from appropriately qualified officers, the Fund's Independent Advisers or specialist consultants retained for specific projects.
- Maintaining a diversified portfolio of assets – The Fund's Strategic Asset Allocation is intended to reduce the overall level of investment risk by investing across a range of asset classes the performance of which is not directly correlated.
- The setting of limits within individual investment management agreements with regard to the types of exposure the investment manager is allowed to achieve relative to a benchmark, the level of concentration of holdings and measures of portfolio risk, and for certain types of investment the duration of the transaction and the credit quality of the counterparty. These are reported on by managers and significant movements or breaches are followed up as part of ongoing performance review.

Further detail on the management of investment risk is presented in the Fund's Statement of Accounts at *Note 17 Nature and Extent of Risk Arising from Financial Instruments*.

Pensions Administration Risk Management - Including Third Party Employer Risks

The risks in pensions administration encompass risks to delivery and service provision. Mitigations put in place include an increase to the staffing establishment based on an evidenced capacity plan, a project to target the clearance of casework backlogs, a re-organisation of the team and management structure in the department to provide focussed resourcing in key areas – including actively working with employers and data quality improvements.

Additionally, work to address and mitigate risks in relation to the ability of the administration software system provider to deliver required developments and functionality includes proactive engagement and contract management meetings with the supplier and collaboration with other LGPS fund users through different user groups.

These areas, along with other aspects of pensions administration performance and project delivery, are reported on a regular basis to both Authority and Local Pension Board.

Cyber Risk Management

Given the volume of sensitive data handled by the Authority, cyber security risks are among the most significant and persistent risks we face and there is an ongoing programme of work to maintain and continually enhance our defences against cyber-attacks. Key mitigations in this area include:

- Annual external reassessment of cyber security controls against the cyber essentials plus standards.
- Mandatory induction training for all new staff and mandatory annual refresher training for all staff.
- Regular training for members of the ICT Team.
- Ongoing enhancement of ICT security systems.
- Regular review of incidents and attempts to breach security to identify opportunities to improve cyber defences.

Internal Controls – Governance and Assurance

The Authority receives assurance as to the effectiveness of both the system of internal controls and the risk management arrangements from a number of sources. The most significant sources of such assurance are the internal and external auditors. Internal Audit is provided on an outsourced basis by Barnsley MBC in line with the relevant professional standards. The scale of the Internal Audit Plan (which is significantly greater than for most local government pension funds) reflects the unique nature of the Authority as an organisation in its own right. The Head of Internal Audit's overall opinion for 2024/25, which is included in the Annual Governance Statement, is one of Reasonable (Positive) Assurance.

The work of internal audit and the results of the audit reviews undertaken during the year have been reported to the Audit and Governance Committee throughout the year. These details are included in Appendix C of the Committee's annual report **at page 82**.

This shows that there were 13 audit reviews completed during 2024/25, all of which received positive assurance over the adequacy and application of controls.

The Authority receives further assurance around the overall control environment from the work of the External Auditors who are appointed under a national framework arrangement managed by Public Sector Audit Appointments Limited under the terms of the Local Audit and Accountability Act 2014.

KPMG are the Authority's appointed external auditors for 2024/25. Their report on the consistency of the information in this Annual Report with the Fund's financial statement of accounts is included with the accounts at Section 11.

The work of the external auditor has raised no specific issues or recommendations in respect of the control framework or the system of governance in any of their reports to the Audit & Governance Committee or from their work on the Value for Money Conclusion, summarised in the Annual Auditor's Report published on the Authority's website at: [External Auditors](#).

5. Governance and Training

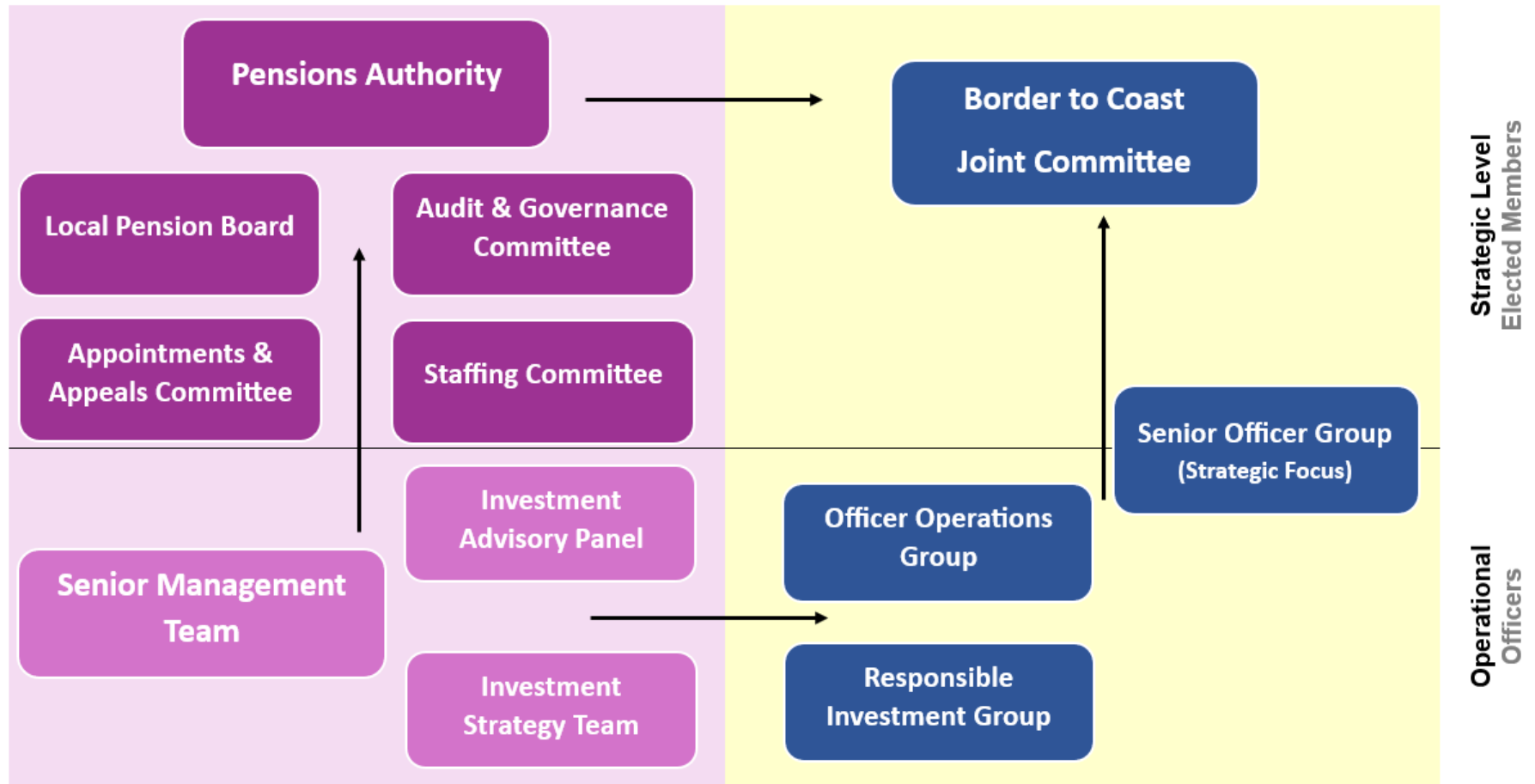
About South Yorkshire Pensions Authority

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

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

Governance Structure

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



Representation

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

Pensions Authority

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

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

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

Independent Advisers and Investment Advisory Panel

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

Committees

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

Local Pension Board

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

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

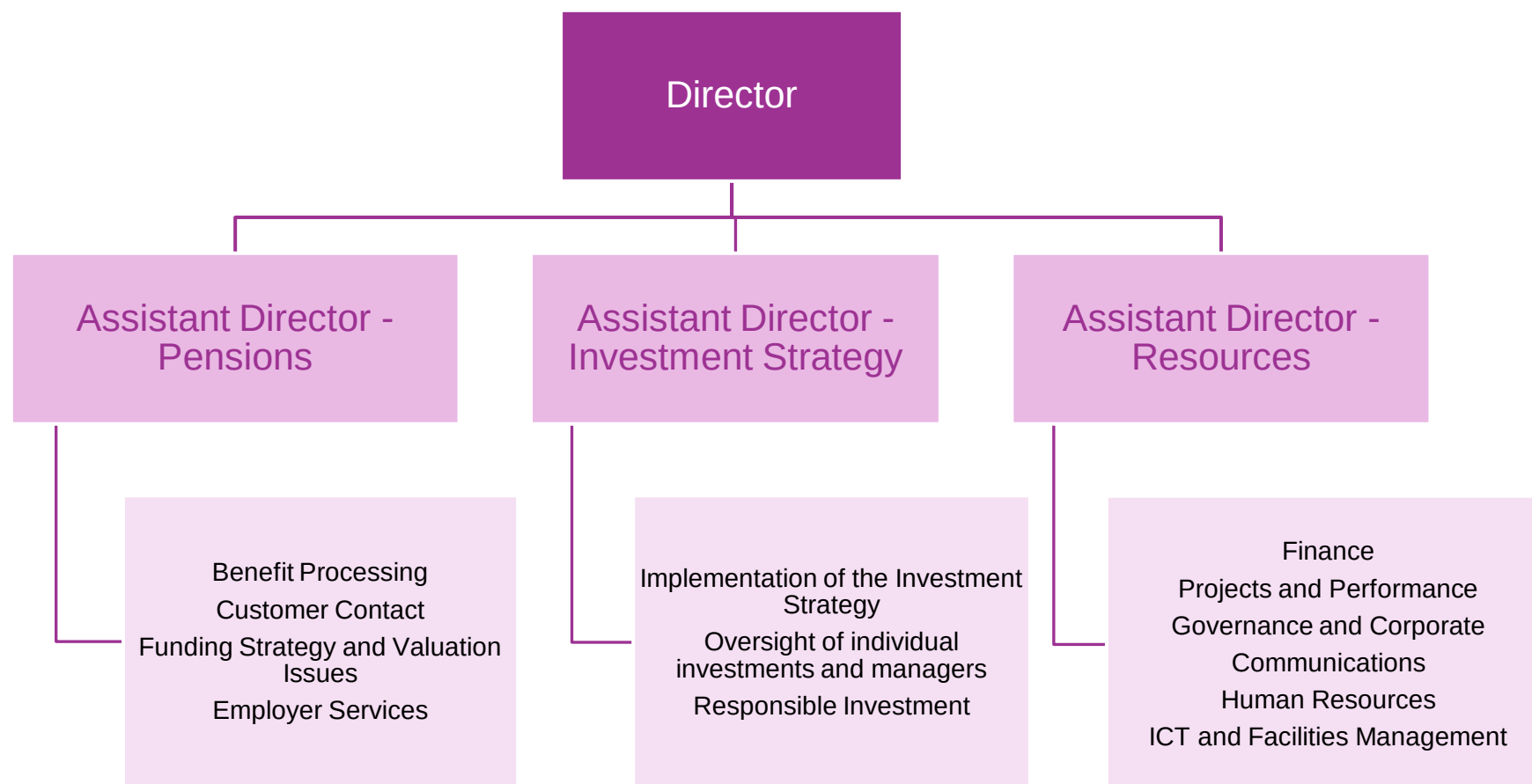
The South Yorkshire Local Pension Board is comprised as follows:

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

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

Officers

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



The Authority also appoints a Clerk, Monitoring Officer and Chief Finance Officer, as required by law. The role of Clerk has been undertaken by the Chief Executive of Barnsley Metropolitan Borough Council under a Service Level Agreement until 31 March 2025. During the year, the Authority considered and approved a proposal to designate the Director as Clerk with effect from 1 April 2025. The role of Chief Finance Officer is undertaken by the Assistant Director – Resources and the role of Monitoring Officer is undertaken by the Head of Governance and Corporate Services.

The Authority's office is situated at Oakwell House, Barnsley and this is the base for all employees, although the majority work in a hybrid style with a blend of home and office working permitted. The Authority has a total staffing establishment of 130 full time equivalents (FTE). The total headcount of people in post as at 31 March 2025 was 126.

Governance Arrangements

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

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

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

Both the Authority's Constitution and the Local Pension Board Constitution contain a Conflicts of Interest Policy setting out how these are handled in the relevant context for each body and the procedures to be followed by members and officers. These are further supported by Member and Officer Codes of Conduct, which also form part of the Constitution. Each member of the Authority and the Local Pension Board complete a register of interests on joining and these are published on the Authority's website. The registers are reviewed annually when preparing the statement of accounts and each Authority member and Senior Officer completes an annual declaration regarding any related party transactions; details of which for 2024/25 are disclosed in Note 23 to the Authority's own Statement of Accounts published at: [Our Accounts \(sympensions.org.uk\)](https://sympensions.org.uk).

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

As a stand-alone local authority, we are required under the Accounts and Audit Regulations 2015 to conduct an annual review of the effectiveness of our system of internal control and to produce an Annual Governance Statement, which is approved by the members of the Authority meeting as a whole and then signed off by the Chair of the Authority and the Director as Head of Paid Service. This statement is included in full in this annual report from [page 38](#).

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

Work of the Authority in 2024/25

The Authority held five formal meetings during the year. An annual work programme provides the basis for the agendas for meetings and includes a range of issues covering corporate matters relating to running of the organisation, governance, pensions administration, investment strategy and matters relating to the Border to Coast Pensions Partnership. The work of the Authority in 2024/25 is summarised below.

Investment Strategy

- Received quarterly updates on Investment Performance, Market Commentary, Responsible Investment.
- Approved the annual updates to the Responsible Investment and Climate Change Policies and Net Zero Action Plan.
- Agreed and approved the performance objectives for Independent Investment Advisers.

Pooling Matters - Border to Coast

- Received the Border to Coast 2030 Strategy and approved the casting of the Authority's shareholder vote in favour of Strategy
- Received regular updates on the Government's Pensions Review, LGPS "fit for the future" consultation and outcomes.
- Approved the Border to Coast Implementation Plan and Budget for 2025/26 and authorised the casting of the Authority's shareholder vote in favour of the implementation plan and budget.
- Received and noted the results of the annual review of Border to Coast and endorsed recommendations for action.
- Considered and endorsed the revised Responsible Investment policies of Border to Coast.

Corporate Managing the Organisation

- Approved the Corporate Planning Framework for 2025 to 2028, comprising:
- Corporate Strategy
- People Strategy
- ICT Strategy
- Diversity, Equality and Inclusion Scheme
- Medium Term Financial Strategy 2025/26 to 2027/28
- Approved the 2025/26 Budget and the 2025/26 Treasury Management Strategy and the Procurement Forward Plan
- Approved the 2025/26 Pay Policy Statement.
- Received quarterly corporate performance updates.
- Received and approved the Performance Management Framework.
- Approved the Levy for 2025/26 to be charged to the District Councils under the Levying Bodies (General) Regulations 1992.
- Approved arrangements for succession planning and recruitment relating to the role of Director.

Governance

- Approved updates to the Constitution - including Contract Standing Orders and Scheme of Delegation to absorb duties of Clerk in the Director role from 1 April 2025.
- Received and noted the annual reports of the Audit & Governance Committee and the Local Pension Board
- Received reports on regulatory and policy updates, urgent decisions taken between meetings, and work programme.
- Approved the 2024/25 Member L&D Strategy.
- Approved the Annual Governance Statement.
- Approved action plan following independent governance review.
- Approved the Whistleblowing Policy and Anti Fraud, Bribery and Corruption Policy.
- Approved the Vexatious Complaints and Unreasonable Behaviour Policy.
- Approved Data Protection Policy Statement.
- Considered the Director's annual appraisal and approved his objectives for the year.
- Approved Authority's response to consultation on remote attendance at meetings.

Pensions Administration

- Received quarterly progress updates on the Pensions Administration Improvement Plan
- Approved an update to the Cessation Policy within the Funding Strategy Statement (FSS).
- Approved the framework for consultation on FSS with employers as part of the valuation process 2025.

Appointments and Appeals Committee

This committee met twice during the year and approved the appointment of Andrew Stone to the role of Assistant Director – Investment Strategy in June 2024 and Jonathan Hunt to the role of Independent Investment Adviser in October 2024.

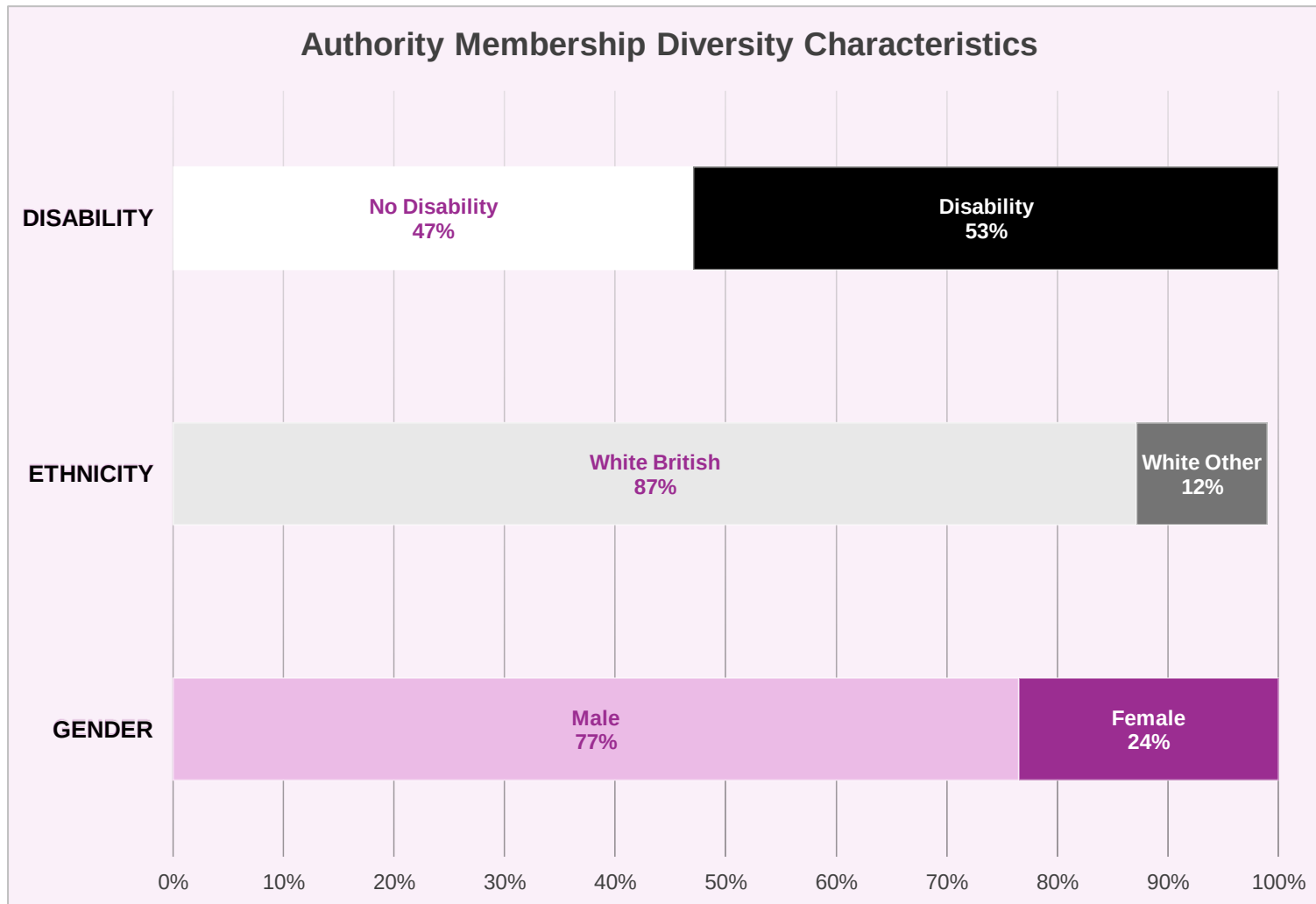
Staffing Committee

This committee did not meet in 2024/25.

Audit and Governance Committee

This committee met four times during the year and full details of attendance and work completed is set out in the Committee's Annual Report 2024/25, included below.

Authority Membership Diversity Characteristics



Data collected July 2024

Authority Members' Attendance at Authority Meetings 2024/25

Authority Members	6 June 2024	12 September 2024	12 December 2024	13 February 2025	13 March 2025
Councillor Jayne Dunn (Chair)	✓	✓	✓	✓	✓
Councillor Donna Sutton (Vice Chair)	✓	✗	✓	✗	✓
Councillor Roy Bowser	✓	✓	✓	✓	✓
Councillor Simon Clement-Jones	✓	✗	✓	✓	✓
Councillor Neil Wright	✓	✓	✗	✓	✓
Councillor Alexi Dimond	✓	✓	✓	✓	✓
Councillor David Fisher	✗	✓	✓	✓	✗
Councillor Craig Gamble Pugh	✓	✓	✗	✓	✗
Councillor John Mounsey	✓	✓	✓	✓	✗
Councillor David Nevett	✓	✓	✓	✓	✓
Councillor Andrew Sangar	✓	✓	✓	✓	✓
Councillor James Church	✓	✓	✓	✓	✓
Non-Voting Co-Opted Members					
Nicola Doolan-Hamer (UNISON)	✗	✓	✓	✓	✗
Phil Boyes (Unite)	✓	✓	✓	✓	✓
Garry Warwick (GMB)	✓	✓	✓	✓	✓

Committee Members' Attendance at Appointments & Appeals Committee Meetings

Committee Members	Appointments and Appeals	
	Committee 25 June 2024	Committee 10 October 2024
Councillor Jayne Dunn (Chair)	✓	✓
Councillor David Fisher	✓	✓
Councillor Roy Bowser	✓	✓
Councillor John Mounsey	✓	✓
Councillor Andrew Sangar	✓	✓
Councillor Alexi Dimond	✓	✓

Key:

✓ Attended ✗ Apologies Received

The work completed and the member attendance of the Local Pension Board and the Authority's Audit & Governance Committee are set out in their respective annual reports which follow.

Member Knowledge and Skills



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

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

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

An annual induction and development morning is held at the beginning of each municipal year. In addition, an annual ‘away day’ development event is held each autumn to bring all the South Yorkshire Pensions Authority and Local Pension Board members together to support maintaining up-to-date knowledge and understanding, as well as provide opportunities for collaboration and networking.

The learning and development activity completed by members of the Authority in 2024/25 is set out below.

Event / Course	Date	Cllr Jayne Dunn	Cllr Donna Sutton	Cllr Roy Bowser	Cllr Simon Clement-Jones	Cllr Neil Wright	Cllr Alexi Dimond	Cllr David Fisher	Cllr Craig Gamble-Pugh	Cllr John Mounsey	Cllr David Nevett	Cllr Andrew Sangar	Cllr James Church
LGPS Online Learning Academy*	2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Member Induction and Development Morning	06/06/2024	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Seminar: Corporate Strategy	12/09/2024	✓	✗	✓	✗	✗	✓	✗	✓	✓	✓	✓	✓
Border to Coast Responsible Investment Seminar	12/11/2024	✓											
LGIU Charing Skills Course	10/09/2024		✓										
Member Development Away Day	28/22/2024	✗	✗	✗	✗	✗	✓	✓	✗	✗	✓	✓	✓
LGA – LGPS Governance Conference	30/01/2025	✓											

Event / Course	Date	Cllr Jayne Dunn	Cllr Donna Sutton	Cllr Roy Bowser	Cllr Simon Clement-Jones	Cllr Neil Wright	Cllr Alexi Dimond	Cllr David Fisher	Cllr Craig Gamble-Pugh	Cllr John Mounsey	Cllr David Nevett	Cllr Andrew Sangar	Cllr James Church
Seminar: Introduction to the 2025 Valuations Assumptions	13/02/2025	✓	✗	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓
Seminar: CEM Benchmarking	20/02/2025	✓	✓	✗	✓	✗	✓	✓	✗	✓	✓	✓	✗
Seminar: Breaches in the LGPS	13/03/2025	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓

* 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
2. Pensions Governance
3. Pensions Administration
4. Pensions Accounting and Audit Standards
5. Procurement and Relationship Management
6. Investment Performance and Risk Management
7. Financial Markets and Product Knowledge
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), Conflicts of Interest and Effective Decision Making.

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

As at 31 March 2025, the Border to Coast operating company manages c.77% of the Authority's investments and, in line with the requirements set out by Government, this is expected to grow to encompass all of the Authority's investment assets in the coming years. It is therefore vitally important that the Authority exercises proper oversight of this key relationship. A comprehensive process is in place to achieve this oversight, the purpose of which is to:

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

The process includes the following elements.

- Investment Strategy team members participate in quarterly meetings of Border to Coast and partner funds reviewing the performance of each investment proposition.
- A standard form of summary assessment is produced for each proposition with RAG ratings across a range of seven key aspects and an overall rating. These individual assessments are collated into an overall summary report that is discussed at each quarterly Investment Advisory Panel meeting, and this informs the quarterly investment update report that is taken to the Authority.
- On an annual basis, the Investment Advisory Panel conduct a full-day review meeting with the Border to Coast operating company. The focus of the review includes as a minimum:
 - A discussion with the Chief Executive Officer (CEO), or other member of the senior Border to Coast team, focussed on broader developments and staffing.
 - Discussions with selected portfolio managers on specific propositions identified as needing attention through the regular monitoring process.
 - A discussion with the Head of Responsible Investment (RI) and Deputy Chief Investment Officer (CIO) around RI and progress on Net Zero.

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

Annual Governance Statement

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://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.

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.

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

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 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.

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

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.

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.

Principle B: Ensuring openness and comprehensive stakeholder engagement

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.

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.

Principle B: Ensuring openness and comprehensive stakeholder engagement

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.

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.

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

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.

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

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

consideration. Where members require additional information, officers agree specific timescales for its provision. The corporate planning process and the medium-term financial strategy are how the Authority agrees the relative priority and resource requirements of specific interventions.

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

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.

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

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.

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.

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

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.

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

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

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.

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 *"Taking the whole year into account, the reviews completed and status of the approved annual plan*

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

*(in terms of amendments and deferrals requested by management in year), it is appropriate to give an overall **reasonable (positive)** assurance opinion for the year”.*

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

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

Action Plan from 2023/24 AGS	Responsible Officer	Target Date	Progress Update 2024/25
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.
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	Head of Finance & Performance and Service	In stages over the course of	In Progress, Carry Forward to 2025/26 The performance management framework document was approved by the Authority in September 2024. A suite of

Action Plan from 2023/24 AGS	Responsible Officer	Target Date	Progress Update 2024/25
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.	Manager – Programmes & Performance	the year to March 2025	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
Carried Forward from 2024/25: Performance Management Framework <i>[Linked to Principle F: Managing risks and performance]</i>	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
Carried Forward from 2024/25: Pensions Administration Improvement Plan – including clearance of backlogs <i>[Linked to Principle F: Managing risks and performance]</i>	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
Governance of the partnership arrangements with Border to Coast <i>[Linked to Principle B: Ensuring openness and comprehensive stakeholder engagement]</i>	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: • 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>	• 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
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

Area for Improvement	Actions Required in 2025/26	Responsible Officer	Date for Completion
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.

Signed: Councillor Donna Sutton Chair South Yorkshire Pensions Authority	Signed: George Graham Director South Yorkshire Pensions Authority

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%

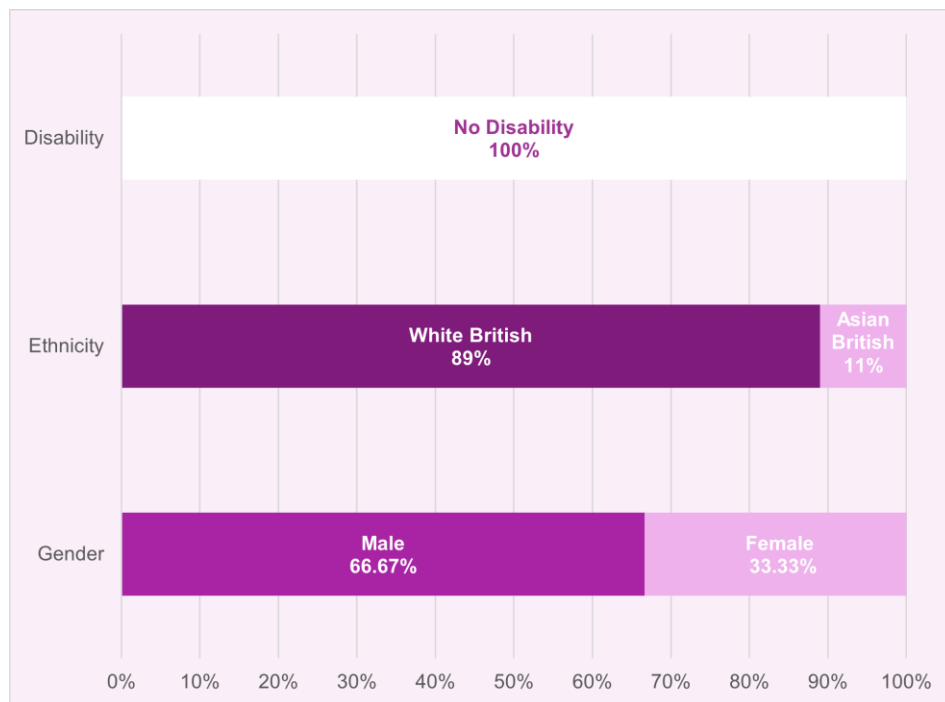
Notes:

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
2. Pensions Governance
3. Pensions Administration
4. Pensions Accounting and Audit Standards
5. Procurement and Relationship Management
6. Investment Performance and Risk Management
7. Financial Markets and Product Knowledge
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.

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	06 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

Function / Issue	11 July 2024	19 September 2024	05 December 2024	06 March 2025
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		
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	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 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
Pensions Administration Customer Services – Data Protection Compliance	Reasonable	0	0	3
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
Finance - Core Financial System Purchase Management (Purchase to Pay)	Substantial	0	0	2
Totals	15 Opinions	0	1	12

6. Our Organisation

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

The management structure set out on [page 23](#) of this report shows how the work is organised into three departments, each headed by an Assistant Director – comprising the two delivery arms of Investment Strategy and Pensions, both of which are supported by the corporate arm of Resources. The table below sets out the teams and services delivered within each of these departments along with staffing numbers and vacancies within each at the end of the year.

Workforce as at 31 March 2025	Established FTE	Vacant FTE	Vacancy Rate as Percentage	Vacancy Details
Senior Management Team	4.0	0.0	0.0%	
Investment Strategy	3.0	0.0	0.0%	
Benefits Team	42.1	2.9		1 Service Manager vacancy - filled from 1 April 2025. 1.4 Practitioner vacancies to be filled in 2025/26. Cumulative vacant hours from part time roles of 0.5 FTE in total.
Customer Services	14.0	1.2		1 Customer Services Officer held vacant due to secondment; now due to be filled in 2025/26. Vacant hours [0.2].
Employer Services	13.4	1.0		Business Support Officer held vacant pending review of role prior to recruitment in 2025/26
Technical Support and Training	7.7	1.0		Temporary role no longer required; deleted from establishment in April 2025.
Pensions	77.2	6.1	7.9%	

Workforce as at 31 March 2025	Established FTE	Vacant FTE	Vacancy Rate as Percentage	Vacancy Details
ICT (including Systems and Operations Management)	19.3	4.5		2 Vacancies in Systems team - under review prior to recruitment. ICT Team: 1 Apprentice vacancy not yet due to be recruited, 1 revised ICT Technician role to be recruited in 2025/26 and 0.5 vacant hours due to a secondment.
Finance & Performance	16.2	2.0		1 vacancy is the new Senior Finance Business Partner role recruited and to commence in post June 2025. 1 vacant Finance Apprentice to be recruited in summer 2025/26.
Governance & Corporate Services	8.0	0.0		
Human Resources	2.8	1.0		New role of HR Adviser not due to be recruited until 2025/26.
Resources	46.3	7.5	16.2%	
Overall Total	130.5	13.6	10.4%	

This shows that there was a relatively high vacancy rate as at 31 March, but the details in the right hand column provide further explanation and context; including that some of the vacancies were being held as part of managing the resourcing context and timing of recruitment activity. A number of these roles have subsequently been recruited to or advertised during the first half of 2025/26 and others are being reviewed as part of planning for future recruitment. One vacant role was no longer required and has been removed from the establishment.

The infographics below (*will replace the table in designed version*) present the position for a number of measures of our health as an organisation.

<i>Measure</i>	<i>2023/24</i>	<i>2024/25</i>
Proportion of Female Staff	66.4%	63.7%
Proportion of Male Staff	33.6%	36.3%
Proportion of Staff with a Disability	14.7%	14.5%
Compared to South Yorkshire (2021 Census)	20.5%	20.5%
Proportion of Non-White Staff	2.6%	1.6%
Compared to South Yorkshire (2021 Census)	12.3%	12.3%
Average Length of service	10.8 years	10.3 years
Average Age of a Member of Staff	41 years	41 years
Proportion of top 25% of earners who are:		
Female	51.7%	48.4%
Male	48.3%	51.6%

<i>Measure</i>	<i>2023/24</i>	<i>2024/25</i>
Days Lost Through Sickness Per FTE Member of Staff	8.2	5.0
Number of Staff with No Sickness Absence	43	60
Number of Notifiable Accidents	0	0
Staff Turnover %	7.9%	7.8%
Trade Union Facility Time	295.7 Hours	308.9 Hours
Number of Staff Undertaking Professional Training	5	7
Number of Apprentices undertaking Apprenticeship Qualification	2	2
Number of staff Completing Professional or Apprenticeship Qualifications in the Year	2	9

Commentary

The level of staff sickness absence has reduced significantly compared to last year from 8.2 days per FTE to 5 days per FTE, and the number of employees with no sickness absence at all has increased to 60 individuals. Sickness absence is actively monitored throughout the year and the HR team provide managers with support in applying the organisation's Managing Attendance policy which balances providing support with addressing the underlying reasons for any persistent absence. Referrals to use occupational health services are made as appropriate for individuals and access to private counselling is provided where requested – which is

effective in supporting individuals who are facing difficult circumstances to remain in work. The Health, Safety and Wellbeing Committee also continues to promote a wide range of initiatives to help support employee wellbeing.

Staff turnover for the year has remained consistent with the low rate from last year, reducing very slightly to 7.8%, providing some indication that improvements around employee engagement and impact of pay and benefits review outcomes that came through last year are continuing to hold true. During 2025/26, the next biennial employee survey and staff away day will be held, which will provide some updated data and evidence around these issues.

The Authority's recognised trades union is UNISON and there continues to be a very effective and constructive working relationship in place. The facility time provided for the year has increased slightly compared to the previous year and reflects the fact that there are now two representatives in place rather than one, as well as the time provided for the representatives to attend conference and training events organised by UNISON in addition to the time spent on their union duties in the workplace.

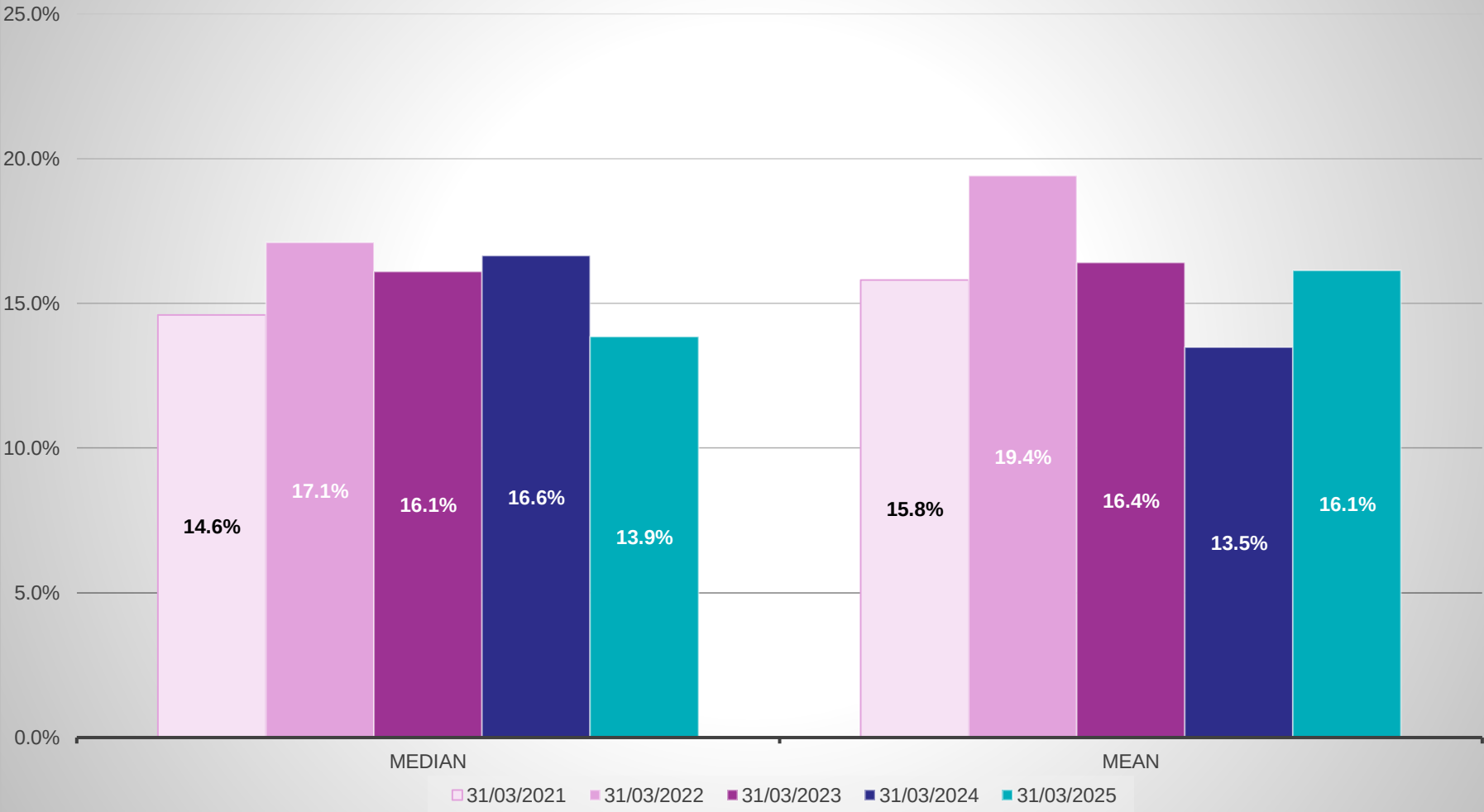
The figures also show the effect of greater focus on professional training, with the number of employees completing professional and apprenticeship qualifications during the year increasing significantly from 2 to 9. This has been helped by the introduction of new Level 2 apprenticeship qualifications designed specifically for the LGPS (by the Local Government Association in collaboration with Barnett Waddingham), which the Authority has helped to pilot. Further Level 3 apprenticeships are being added in 2025/26 and this should see a further increase in the numbers of our employees completing professional and apprenticeship qualifications next year.

Gender Pay Gap

Reporting on the Gender Pay Gap is compulsory for organisations employing more than 250 people. SYPA had 124 employees at 31 March and therefore does not meet this threshold, but it publishes the data as an example to the companies in which it invests.

We have analysed the gender pay gap across the organisation which gives the results shown in the chart below. A positive figure means that men are paid more than women.

South Yorkshire Pensions Authority Gender Pay Gap

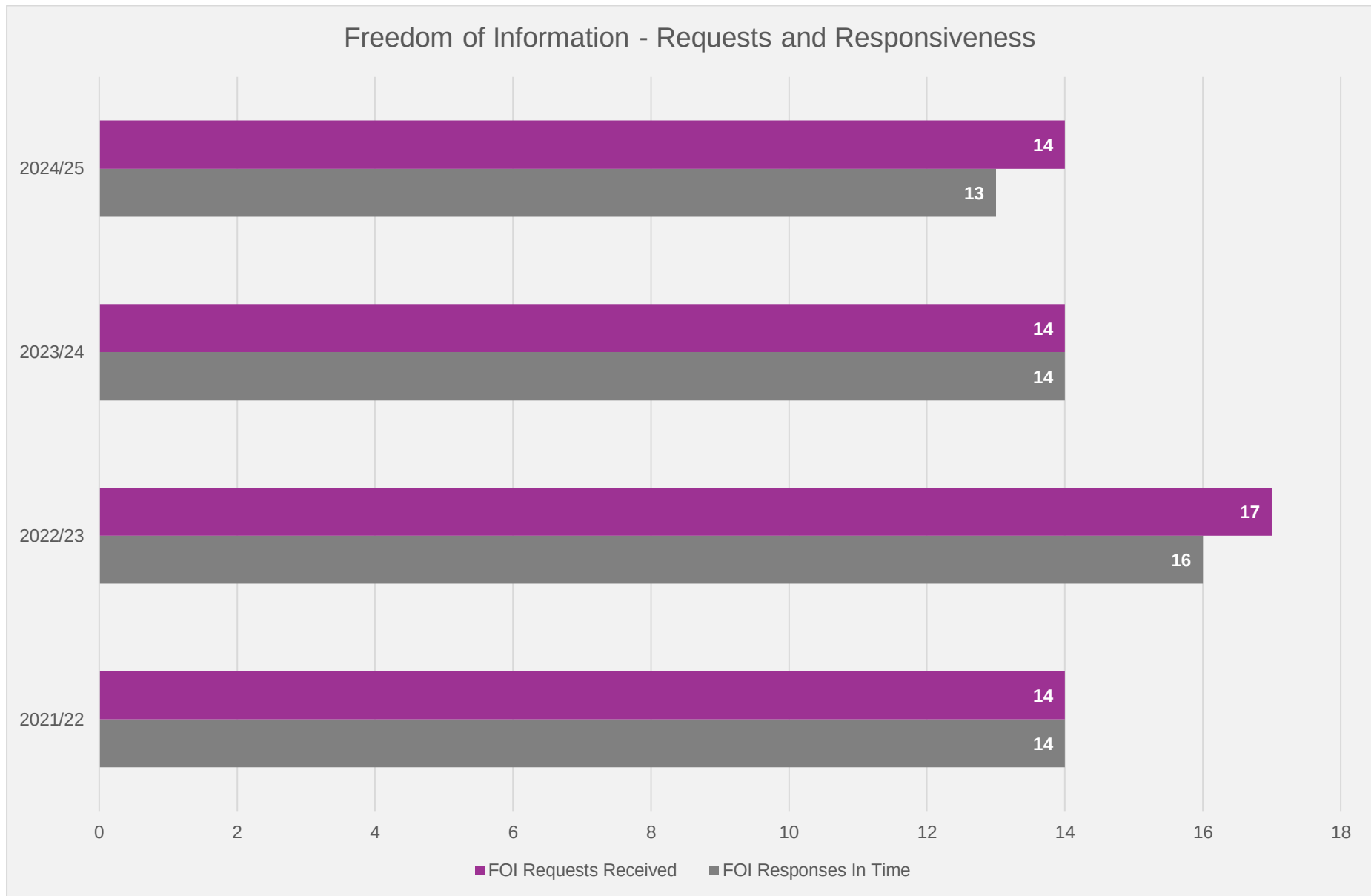


Our small workforce size makes it difficult to draw conclusions from the movement year on year, as the percentages move quite widely in response to small changes in the actual numbers. Nevertheless, we aim to reduce this pay gap, and there has been a reduction compared to last year in the median gender pay gap from 16.6% to 13.9%, although the mean gap has increased to 16.1%.

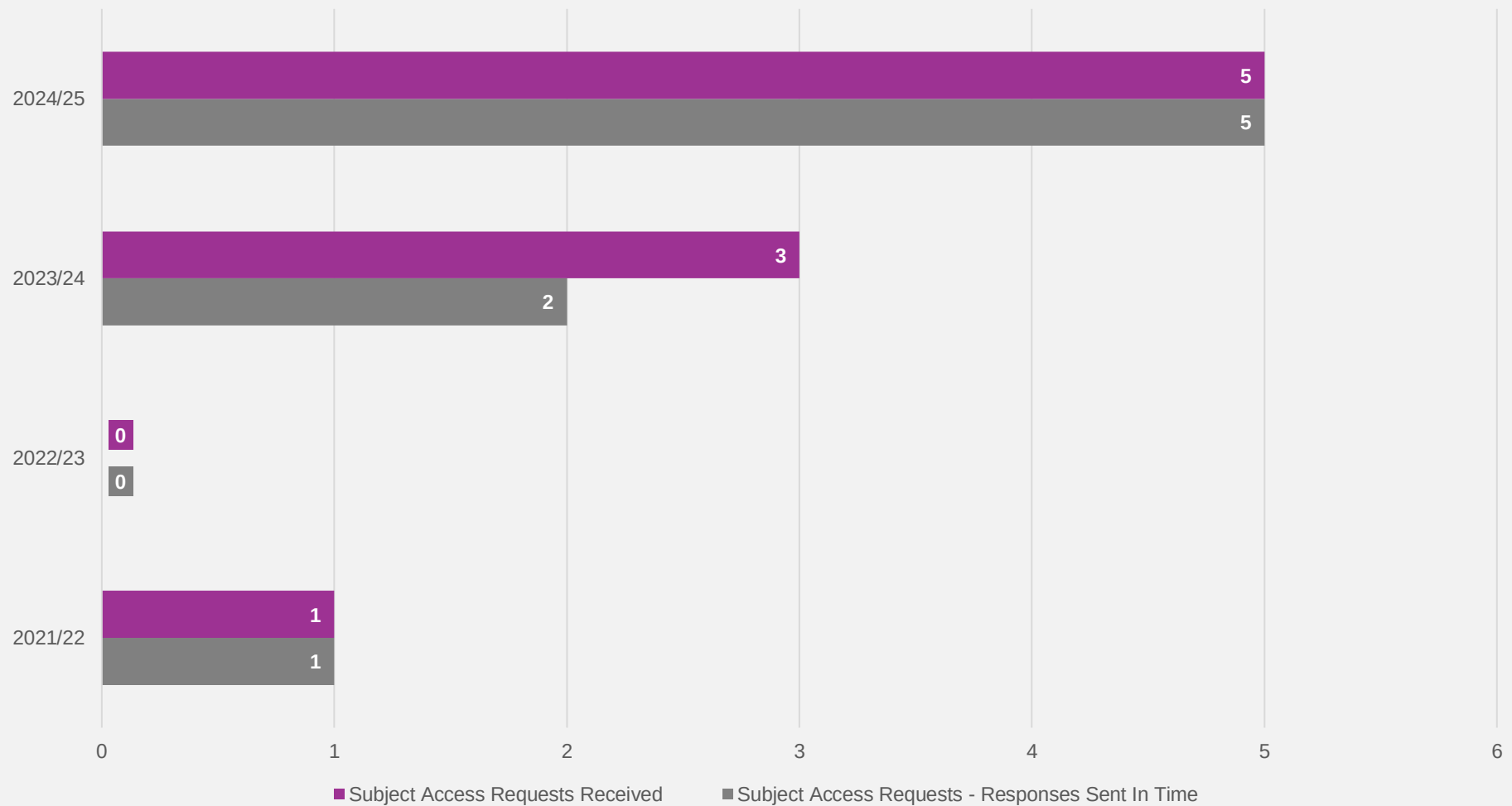
As outlined in further detail below in relation to organisational development, during the year, progress has been made on reviewing the various career graded roles across the organisation and creating a corporate policy and guidance around this to enhance the process, improve consistency and to ensure there is a very clear and visible path for employees as to how to progress their career at SYPA in whichever department and functional area they choose to work. Plans are in place for 2025/26 to run the 'RiSE' group coaching programme for a second cohort of female employees, to provide practical tools and support in building confidence and visibility, following the success of this initiative in 2023/24.

Freedom of Information Requests

We are committed to openness and transparency, and to this end we aim to publish as much information as possible on our website so that it is readily available to the public. Our [Freedom of Information Publication Scheme](#) is designed to assist website users in finding the information they need. We also receive and need to respond to requests for information under the Freedom of Information Act and to Subject Access Requests made under the GDPR rules. The figures below show the numbers received and the proportion responded to within the timelines required. One FOI request was responded to outside of the time limit, this was a result of the request being submitted to a generic team address and taking some time to be forwarded on to the correct team for processing.



Subject Access Requests and Responsiveness



Organisational Development

Each year, the Authority continues to ensure progress is made on our development of the organisation and supporting our people to ensure we can achieve our objectives. This section of our annual report summarises some of the highlights from the last year.

A new Employer Supported Volunteering scheme was introduced from April 2024 – offering up to a maximum of 3 days per year per full time employee to undertake volunteer work in the South Yorkshire community. In the first year, this scheme saw 17 days dedicated to supporting charities including Barnsley Foodbank, Barnsley Hospice and Action for Autism – by individual employees and by teams within the Authority spending a day volunteering together as a team building opportunity at the same time as contributing to a worthy cause.



Image: Members of our customer services team volunteering at the Barnsley Hospice Warehouse.

Building on our Learning and Development offer for employees, we introduced a corporate training programme for 2024/25 that was co-ordinated centrally in order to provide a range of courses and development programmes over the course of the year to meet needs identified from the annual appraisal process.

The programme that was delivered over the course of the year included the following – some of which were targeted for specific teams or grades as relevant:

- A bespoke management development programme delivered as a series of modules over 7 months was targeted at two groups – new managers (or managers new to SYPA) and those in senior practitioner roles who are aspiring to a management position. This was successful with a lot of positive feedback and will be run again in 2025/26 to new cohorts in these groups.
- The Leadership team completed a development programme over the course of 2 full-day sessions and a follow-up meeting as part of team building and focussing on areas around leading for motivation, mindful working, psychological safety and culture. The outcomes from this programme include a 'culture management' action plan and the agreement of and commitment to a set of leadership values of Courage, Care and Creativity.
- A tailored and highly interactive training course on Recruitment & Selection, including addressing unconscious bias, was delivered to a first cohort of recruiting managers and officers towards the end of the year, with a second due to take place in 2025/26. Facilitated by colleagues from Barnsley MBC's organisational development team, this course received excellent feedback with delegates finding the practice interviews and shortlisting exercises particularly useful.
- A training workshop on Risk Management tailored to the Authority was delivered for a second cohort of managers and officers this year – underpinning the commitment of the organisation to managing risk effectively and helping to foster a strong risk management culture that has been observed and reported on positively by the internal audit team.
- E-learning course content on Diversity, Equality and Inclusion was completed by all employees during the year and this was supplemented with 'Respectful Workplace' e-learning and video content addressing the prevention of sexual harassment in the workplace in line with new legislative requirements.
- An event on learning how to network with a focus on building confidence and raising your profile at work was provided during the year in order to address an identified training need around developing self-confidence for career development.
- As the first point of contact for scheme members, our customer services team undertook a 1-day training course on Dementia Awareness.

- The training programme for the year also covered technological skills with a foundation course in using MS Excel delivered by external trainers and a combination of e-learning and team sessions covering how to make the best use of SharePoint Online. There also continued to be regular training throughout the year for all employees on Cybersecurity.

The Authority's support for employee wellbeing continued to drive a range of initiatives in this area during 2024/25 – organised and co-ordinated by the Health, Safety and Wellbeing Committee made up of employee representatives from teams across the organisation in addition to the Operations Management Officer as our H&S Lead, the HR Business Partner, Trade Union representative and chaired by the Assistant Director – Resources. Highlights from this year include:

- Holding our regular, annual health screening day to coincide with 'Know Your Numbers' week in September – offering 20-minute health and lifestyle appointments focused on height, weight & BMI, blood pressure, total cholesterol and a range of other indicators to support people in managing their health and lifestyles.
- We continued our programme of monthly 'Morning Mix' events on a variety of themes including Get Active, Summer Wellbeing, celebrating Pride month, Stress Awareness and Healthy Habits among others. This programme also supports fundraising initiatives at different times of the year, with our generous employees raising over £610 in total for the Macmillan Coffee Morning 2024 and for Barnsley Hospice from our annual Christmas Jumper day and festive activities. In addition, a special raffle and fundraising event held for 'Wear Red' day in February raised an incredible £1,150 for the Children's Heart Surgery Fund.



Image: The SYPA team sporting their Christmas Jumpers as part of our 2024 festive fundraising activities.

7. Financial Performance

The Pension Fund

The table below sets out the 2024/25 outturn for the Pension Fund relative to the previous year and to the forecast for the year contained in the Medium-Term Financial Strategy, together with the forecast for the following three years. (Cash inflows are shown as negative numbers, cash outflows as positive numbers).

South Yorkshire Pension Fund Financial Forecast	2023/24 Actual £m	2024/25 Forecast £m	Outturn £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m
Contributions receivable and transfers in from other pension funds	(422)	(283)	(307)	(277)	(286)	(296)
Benefits payable and payments to or on account of leavers	416	449	458	355	370	383
Net (additions) / withdrawals from dealings with members	(6)	166	151	78	84	87
Management expenses	85	99	102	101	104	106
Net returns on investments	(861)	(387)	(381)	(674)	(703)	(732)
Net (increase) in the Fund during the year	(782)	(122)	(128)	(495)	(515)	(539)
Net Assets of the Fund At 1 April	(10,202)	(10,984)	(10,984)	(11,112)	(11,601)	(12,118)
Net Assets of the Fund At 31 March	(10,984)	(11,106)	(11,112)	(11,601)	(12,118)	(12,657)
Management Expenses as Percentage of Average Net Assets	0.80%	0.90%	0.92%	0.89%	0.88%	0.86%

Full details of the 2024/25 outturn with breakdown and explanations are available in the Fund Statement of Accounts set out in section 11 of this report. Key points to note are as follows.

Contributions Receivable

This figure comprises employee and employer contributions as well as transfers in from other pension funds for active members. Employee contributions are made by active members of the fund and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employer contributions are set based on triennial actuarial funding valuations. The latest triennial valuation was undertaken as at 31 March 2022, and this determined the employer contribution rates payable from 1 April 2023 to 31 March 2026. Details of employer contribution rates are set out in the Rates and Adjustments Certificate available on our website [here](#).

The table above shows the total amount of contributions receivable in the previous year 2023/24 was higher than both the current year's contributions of £307m and the forecast contributions receivable from 2025/26. The main reason for the difference in 2023/24 relates to the impact of employer prepayments of contributions made in that year.

In April 2023, Barnsley MBC made a prepayment of £2.3m and Sheffield City Council made a prepayment of £134.3m in relation to their employer contributions due for the three year period from April 2023 to March 2026. By making the payment early, the cash amounts payable to 2026 are reduced by a discount that is calculated by the Fund's actuary based on an estimate of the pensionable pay for each of these employers over the period. Further details are shown in the Rates and Adjustments Certificate linked above.

Employer prepayments are accounted for in full in the period received, hence this amount was included in full in 2023/24, reducing the contributions receivable in future periods.

A full list of employee and employer contributions received for the year per individual employer body is set out in Appendix A.

Benefits Payable

This figure comprises retirement pensions paid to pensioners and their dependants, retirement lump sums paid to active and deferred members on retirement, and death and ill health benefits.

Pensions are increased from April each year to reflect the cost of living increase – based on the Consumer Price Index (CPI) inflation rate as at the preceding September. The CPI rate in September 2023 was 6.7%, leading to pensions paid being increased by this percentage from April 2024, and this is the main driver of the increase in total benefits paid in 2024/25 compared to the previous year.

Management Expenses

The majority of the expenses shown are investment management expenses – accounted for on a gross basis, therefore including management fees and transaction costs that are deducted at source, in line with CIPFA guidance on cost transparency. The management expenses comprise both management and transaction fees as well as performance-related fees. The modest increase in management expenses in 2024/25 was driven by the increase in performance fees reflecting investment performance in the year.

The total shown here also includes the operational costs of the organisation as administering authority which are charged in full to the Fund and are set out in further detail below.

Return on Investment and Net Assets of the Fund

Over the year, the Fund delivered a return of 2.6% against an expected return of 4.2% from the benchmark (7.8% in 2023/24 against an expected return of 8.1%), increasing the net assets of the Fund by almost £130m to £11,112m at 31 March 2025. Over the course of the financial year, the Fund's investments in UK equities was a key driver of positive returns, although negative returns from our index-linked portfolio partly offset this. Other asset classes, such as multi-asset credit and private markets, generally returned single-digit positive returns. Full details of the Fund's investment strategy and performance are set out in section 8 of this report.

The projected forecasts for the net assets of the Fund in 2026, 2027 and 2028 are based on an increase in line with the actuary's assumption used in the last Funding Strategy Statement (FSS) of 4.45%. This will be updated in the next Medium Term Financial Strategy to reflect the actuary's assumption in the new FSS due to be approved by March 2026.

Fund Cashflows

One of the most important implications to highlight from the table above, is that it shows a net withdrawal from the Fund in each year from dealings with members – i.e., the contributions being received are lower than the benefits being paid out. This results in an increased requirement for the harvesting of investment income. This trend will be an ongoing challenge for the Fund now that we have matured, and it is not anticipated that this scenario will reverse. The issue will be a key factor considered in the forthcoming investment strategy review in relation to the Fund's requirements for income generation.

Counter Fraud Controls

The Authority is responsible for the stewardship of the pensions savings of more than 181,000 individuals and therefore seeks to operate with the highest standards of probity. The Authority has a formal anti-fraud policy statement and robust financial controls in place that are subject to regular internal and external audit review. Additionally, we participate in the National Fraud Initiative (NFI) which is an exercise administered by the Government's Public Sector Fraud Authority every two years and matches electronic data within and between over 1,100 public and private sector bodies to prevent and detect fraud.

There were no reported fraud cases for 2024/25.

Overpayments of Benefit

The Fund pays approximately 62,000 pensions every month and the total pension and retirement lump sum benefits paid for 2024/25 amounted to over £458m.

With such a large volume of payments each year, some of these result in overpayments to scheme members. The vast majority of these overpayments are due to pensions paid between the date of death of a pensioner and the Fund receiving notification of the death. The Fund makes every effort to minimise the risk and extent of overpayments. Controls in place include the use of a mortality screening service and Tell Us Once through the Department of Work and Pensions to ensure early identification of deaths, undertaking a Life Certificate process for pensioners living overseas, and participation in the National Fraud Initiative as outlined above.

Where overpayments have been made, the Fund will seek to recover the overpaid amount firstly through deduction from a benefit in payment such as a death grant or a beneficiary pension. Where this is not possible, an invoice will be raised to recover any overpayment in excess of £200.

At 31 March 2024, an amount of £0.151m remained outstanding in respect of 74 invoiced overpayment debts. This equates to 0.04% of the total pensions paid for the year. Recovery of overpayment debt is actively pursued, including the use of debt enforcement agents and legal action where appropriate, and will only be written off once all avenues have been exhausted. During 2023/24, a total amount of £0.024m was written off relating to 14 invoiced overpayment balances.

The Authority – Operational Budget

The Authority's day-to-day running costs are managed through the operational budget. The total operating expenditure of the Authority is charged to the Fund and included in the Fund's management expenses.

The operational budget for 2024/25 was approved in February 2024 at a total of £8,271k. The overall outturn for the year was an under-spend of (£138k).

South Yorkshire Pensions Authority Operational Budget	2023/24 Outturn £	2024/25 Revised Budget £	2024/25 Outturn £	2024/25 Outturn Variance £	2024/25 Outturn 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 Net 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 Charged to Revenue	69,900	98,500	97,410	(1,090)	(1.10%)
Subtotal Before Transfers to Reserves	7,178,500	8,299,410	7,917,430	(381,980)	(4.60%)
Appropriations to 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%)

Full details of the Authority's 2024/25 outturn with breakdown and explanations are provided in the Authority's Statement of Accounts available from the website [here](#). Additionally, detailed budget monitoring forecasts are reported quarterly and published on the website at [Corporate Performance Reports](#).

The budget for 2024/25 represented a significant increase on the previous year. The total increase was £1,416k. This included a total amount of £858k for additional investment in resourcing in the pensions administration department approved by the Staffing Committee in October 2023 following a detailed capacity planning exercise that produced an evidence-based assessment of the numbers of pensions officers required to deliver the services required. A smaller amount was also included within this total for the cost impact of finance service restructure and senior management succession planning arrangements.

The remaining budget increase of £558k for 2024/25 reflected the impact of inflationary increases, for both pay costs and contracted services, and this equated to a percentage increase of 6% on the cost per member.

Employee Pay Costs

The budget for the year was set prior to any pay award being confirmed. The assumption used for budgeting purposes was an increase of 4%. The pay award was subsequently agreed nationally 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.

The total cost arising from this was approximately £207k, equivalent to 3.40% of the budget for employee pay and on-costs. Therefore, there was a small under-spend for the year arising from this. 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 the newly established posts included in the budget.

In total, the overall net under-spend on pay costs was (£212k) for the year, making this the primary cause of the overall under-spend against the budget.

Running Costs

There is a net total under-spend on the budget of (£138k) relating to the impact of a change in accounting treatment of the lease rentals for the Oakwell House office building. Full explanation concerning the change in accounting requirements is provided in the Authority's statement of accounts available on the website. The lease agreement included significant rental incentives in the first five years of the lease (2021 to 2026). The previous accounting treatment required the total of rental payments due for the whole life of the lease to be allocated in equal amounts in each year, which resulted in a total of £138k being charged to the budget as an

adjustment. In applying the new accounting standard (IFRS 16 Leases), this adjustment has had to be reversed, resulting in a credit of (£138k) in 2024/25 – and this is the net under-spend for the year after transfers to reserves, to be repaid effectively to the Pension Fund by reducing the total amount being charged for the year for the Authority's operations.

The total amount charged to the Fund's management expenses for the Authority's operational expenditure for the year is summarised as follows.

Authority Expenditure Charged to the Fund's Management Expenses	Expenditure against the budget	Irrecoverable VAT Expense	Total Charged to the Fund
	£000	£000	£000
Administration Expenses	5,598	221	5,819
Investment Management Expenses	649	324	973
Oversight and Governance Expenses	1,887	89	1,976
Total Charge to the Fund	8,134	634	8,768

Unlike other local authorities, the Authority does not currently have Section 33 status under the VAT Act 1994 that would enable it to reclaim VAT incurred. This is due to its unique nature as a local authority with the sole purpose of administering the Pension Fund. Instead, a special exemption method agreed with HMRC is used for reclaiming a proportion of the Authority's VAT expense only. The remaining proportion that is not recoverable is charged to the management expenses of the Fund as outlined above.

8. Investments and Funding

Implementation of the Investment Strategy Statement and Investment Performance

Investment Review

Economic and Market Context

This has felt like a potentially transitional year, in terms of both major economic and political changes going on around in the world. Conflicts in Ukraine and in the Middle East have provided an ominous backdrop, with no signs of a resolution at the time of writing.

The Trump administration took office on 20 January 2025, having won the US election with a campaign fuelled by “MAGA” and America First. The general assumption at the time was that his election would have a favourable impact on the economy and, consequently, on share prices and the dollar. Other major economies around the world however, cautiously waited to understand whether Trump’s touted trade tariffs from his election campaign would actually be implemented, or was the famously deal-focussed President simply seeking to bring other countries to the negotiating table?

As we are now very aware, the tariffs were certainly implemented. The President began fairly modestly early in 2025 with various additional costs being applied to China and - perhaps more surprisingly - Mexico and Canada. By the time we reached 2 April 2025 (also known as “Liberation Day”), however, “reciprocal tariffs” had been applied to 60 countries. The tariffs ranged from 10% (applied to the likes of the UK and Singapore) to 49% (Cambodia). The main headline, though, was the ever-escalating tit-for-tat trade war with China, the world’s largest exporter.

Following an unpalatable market reaction, the tariffs were paused for 90 days (with the exception of those applying to China) on 9 April 2025. Looking forwards, we began to see the negotiation of deals to lessen the impact of tariffs – but it could also be the case that the impact of Trump’s policy could continue to impact markets for some time. Even the spectre of future tariff threats creates uncertainty for businesses and can delay capital expenditure – quite simply, how can companies plan for the future when costs and policy can be dramatically changed at short notice, sometimes seemingly on a whim? In an increasingly volatile world, perhaps the only certainty we have is greater uncertainty.

Despite those headline stories, which continued to simmer past our financial year end, the majority of equity markets actually delivered positive returns over the past 12 months to 31 March as a whole (albeit the imposition of tariffs led to a sudden dip in valuations in early April). US equities, particularly those in the technology sector, had been enjoying a very strong period up until the end of 2024. Within the technology sector, the much vaunted “Magnificent Seven” companies (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla) had continued being the star attractions. Cracks began to show in January, however, when an apparent breakthrough by

the Chinese AI company, DeepSeek, which wiped almost \$600bn from Nvidia's market value overnight. The explanation was that Deepseek's innovative approach – and apparent breakthrough - could reduce demand for Nvidia's most powerful AI chips. This was shortly followed by a slew of tariff announcements from The White House, which led to material equity market falls in the run up to year end. Over the full 12-month period, though, US equities rose by 5.4% over the year, thanks to those large gains in 2024, which was slightly ahead of global equities in general (4.7%).

The UK surprisingly turned out to be one of the leading equity markets of the past 12 months, with its more defensive nature and relatively stable government attracting investment towards the end of this period. Overall, the FTSE All-Share Index returned 10.8% over the year. Although European ex UK Equities saw a more modest 12-month return of 3.8%, the region also benefitted towards the financial year end, as investors moved money from the US in search of safer havens.

Sentiment towards Chinese equities improved dramatically early in 2024, which was largely driven by technology companies following the release of DeepSeek's apparently game-changing and cost-effective AI model. Investor optimism was further supported by the Chinese government's increased focus on stimulating domestic consumption. Double-digit performance in the first quarter of 2025 helped to drive Chinese equity markets to a 36% return over the full 12-month period. Of course, China subsequently became the number one target of President Trump's tariff programme, which materially increased market volatility after 31 March.

Emerging market equities (excluding China) experienced negative performance over the first three months of 2025, which left these markets with a broadly flat return across the full year. The significance of DeepSeek had negative repercussions for the Taiwanese market, which has a concentration of AI chip manufacturers. Elsewhere, India experienced an economic downturn in the first quarter of 2025, with persistent inflation outpacing wage growth, slowing consumption and reducing corporate earnings. Certain elements of the fixed income market were some of the best performing asset classes of the past 12 months, with high yield credit and leveraged loans (both being strategies which involve lending to companies with lower credit ratings in a risk-controlled manner) having particularly good years. UK credit markets, on the other hand, provided a fairly flat return over the year. Despite market volatility, investment grade credit spreads across the globe (effectively the extra yield available for lending money to highly regarded companies, rather than to a government) were still relatively tight by historical standards as at the year end, meaning there was little extra yield available for lending to companies with stronger credit ratings.

The general air of uncertainty permeated into government bond markets towards the year end, with questions marks remaining over the implementation of tariffs and their potential impacts on inflation, borrowing costs and the wider economy. Long-dated government bond yields increased around the world, meaning higher long-term borrowing costs for central governments. This was brought into particular focus in the US, with Moody's noting that Federal interest repayments are likely to absorb a huge 30% of revenue by 2035, up from about 18% in 2024 and 9% in 2021.

Both the UK and, in particular, Europe continued to cut bank base rates over the periods towards year end, whereas the US Federal Reserve continued to keep interest rates on hold, as it closely monitors the impact of the tariffs on the likes of inflation.

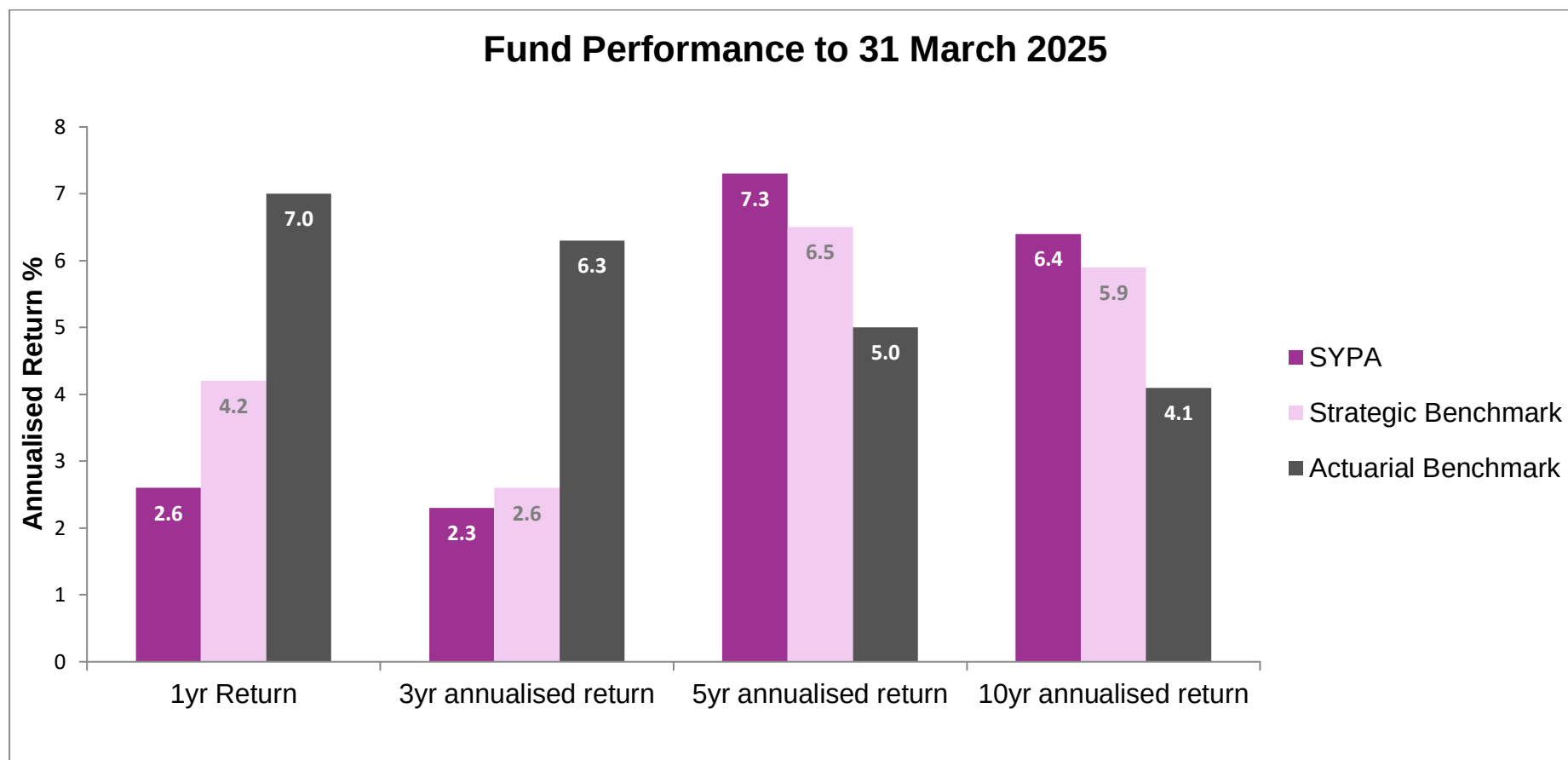
Investment Strategy and Performance

Performance

The Investment Strategy of the Fund is carried out in accordance with the Investment Strategy Statement which was last updated in March 2023 with a core objective being to achieve the best financial return, commensurate with the appropriate levels of risk, to ensure the Fund can meet both its immediate and long-term liabilities. This is done within the context of a responsible and sustainable Investment Strategy which gives due regard to environmental, social and governance issues.

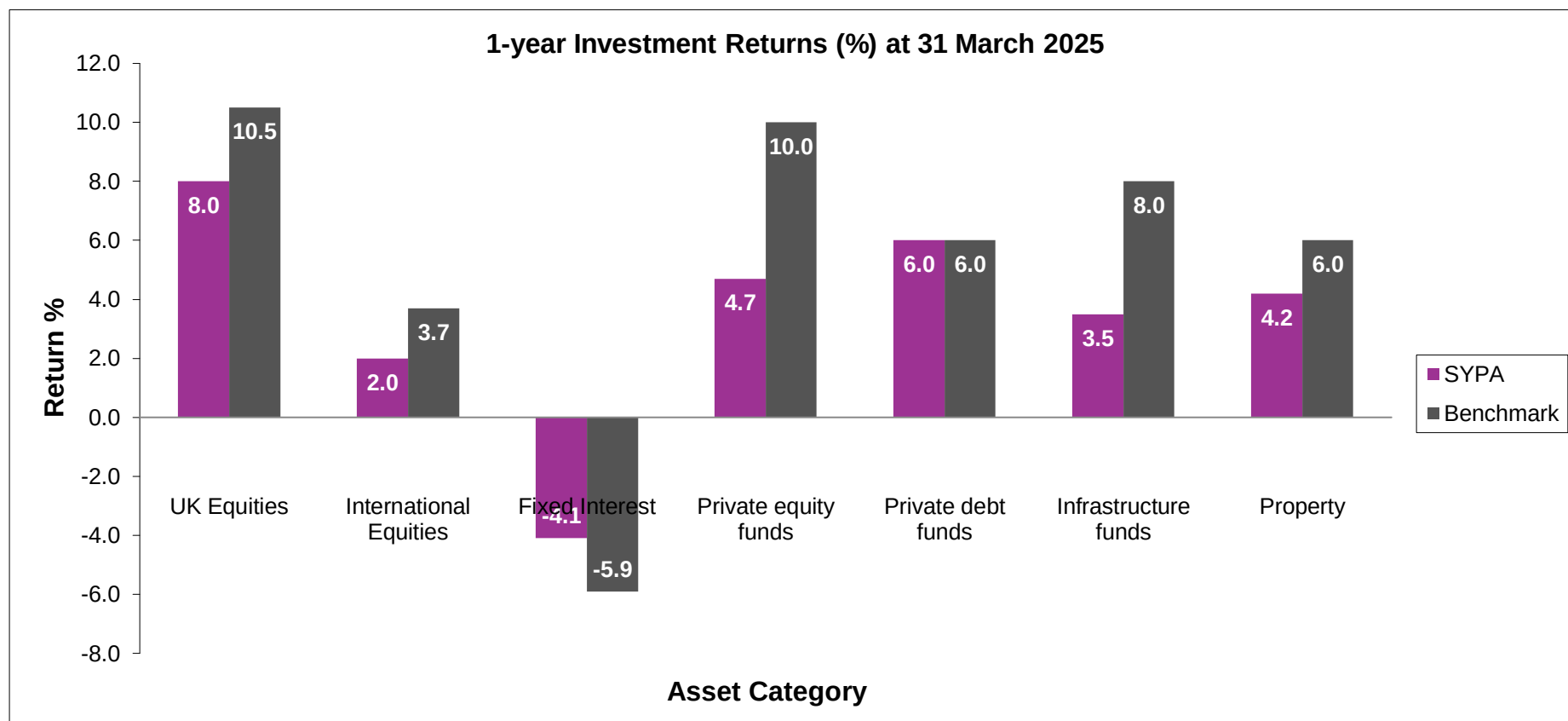
The Fund delivered a return of 2.6% over the year to 31 March 2025, underperforming SYPA's strategic benchmark return of 4.2% and lagging the actuarial benchmark target of 7.0% (the rate at which the Fund's liabilities are assumed to grow year on year).

The Fund always invests with the longer-term aim of having sufficient assets to meet its liabilities, and the chart below shows how it has performed against benchmark over longer time periods. The Fund has lagged both the strategic benchmark return and actuarial benchmark target over the past 3 years. Over the longer term, however, the Fund's performance against its strategic benchmark and the actuarial benchmark target has been positive over 5- and 10-year periods to 31 March 2025.

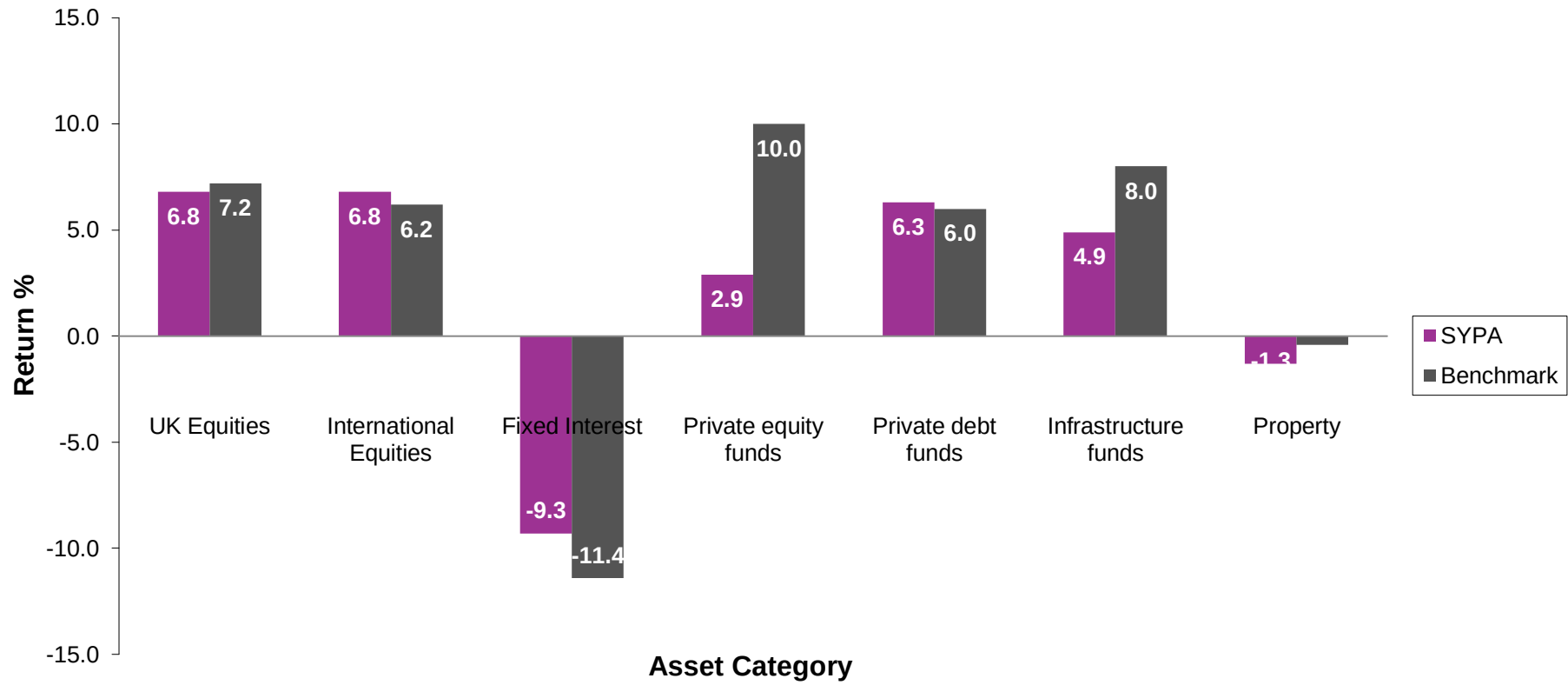


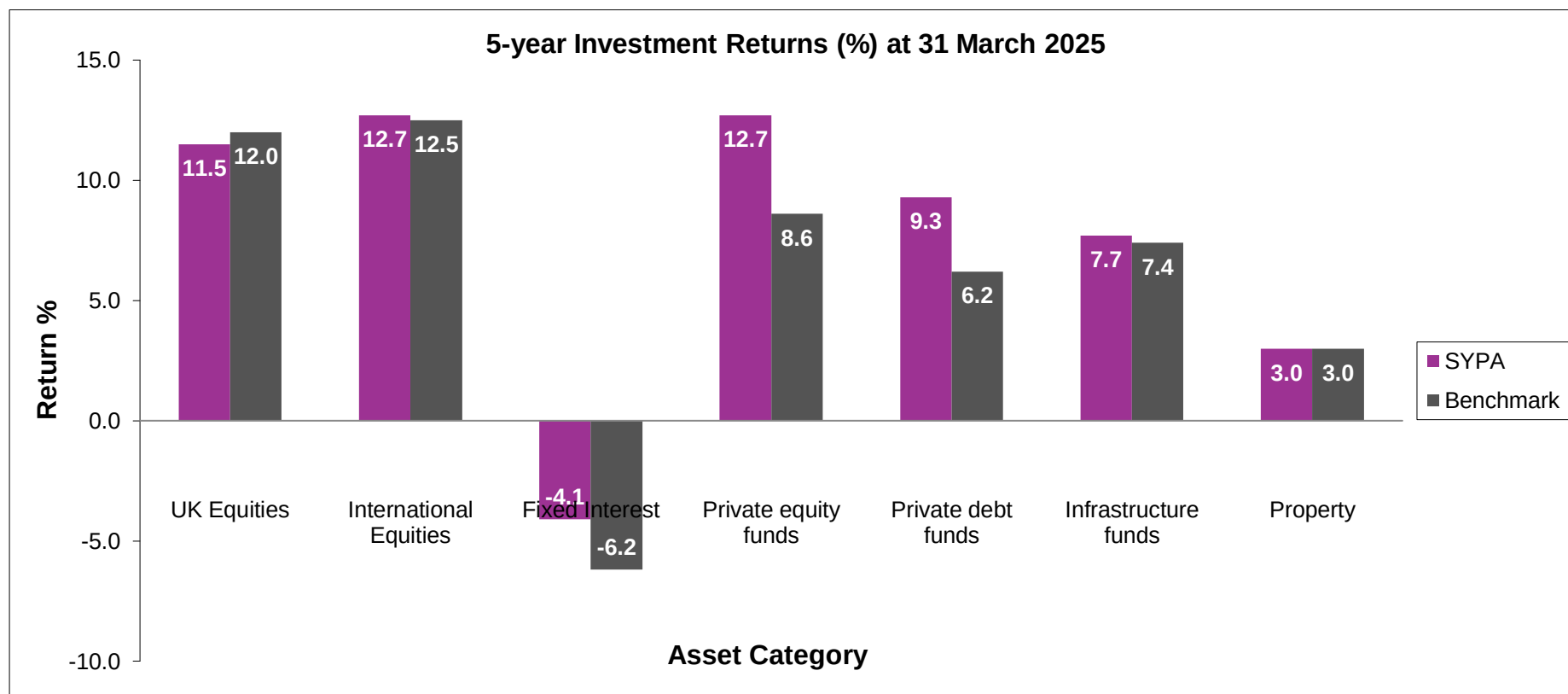
At the end of March 2025, the Fund's net investment assets were valued at £11,060m, this represents an increase of £92m since 31st March 2024.

The graphs below compare the return achieved by the Fund in each of the main investment categories during the year and over 3- and 5-year periods to 31 March 2025:



3-year Investment Returns (%) at 31 March 2025





Over the past year, the Fund's equity portfolios produced positive absolute returns, albeit both the UK and overseas equity portfolios underperformed their respective benchmarks. The overall fixed interest portfolio performed negatively, largely due to a return of 15.1% from index-linked bonds. Within fixed income, both corporate bonds and multi asset credit provided positive returns. Private debt performed in line with its benchmark but the other illiquid asset classes (private markets and property) all saw returns below their respective benchmarks.

Over longer time periods (3 and 5 years up to 31 March 2025) the performance against benchmark indices has been much more positive.

The funding level at the last actuarial valuation date as of March 2022 was 119%, and on 31st March 2025 is estimated to be c.159%.

The Fund remains overweight to Growth assets, relative to its long-term strategic target, hence we have continued to reduce its exposure to listed equities. These cashflows have been redirected towards fixed income and private market asset classes, in order to bring the Fund closer to its strategic weightings in income and protection assets.

Implementing the Investment Strategy Statement

The Investment Strategy for the Fund is derived from Asset Liability Modelling that uses data from the triennial Valuations. It examines the Fund's financial position, the profile of its membership, the nature of the liabilities and analyses the projected returns from differing investment strategies. The current investment strategy is based on ALM work undertaken in 2022-23, using the liability data from the 2022 Valuation. SYPA's Net Zero target was considered as part of the exercise. Ultimately, the aim is to improve risk-adjusted returns over the long term, whilst ensuring the Fund's objectives are met.

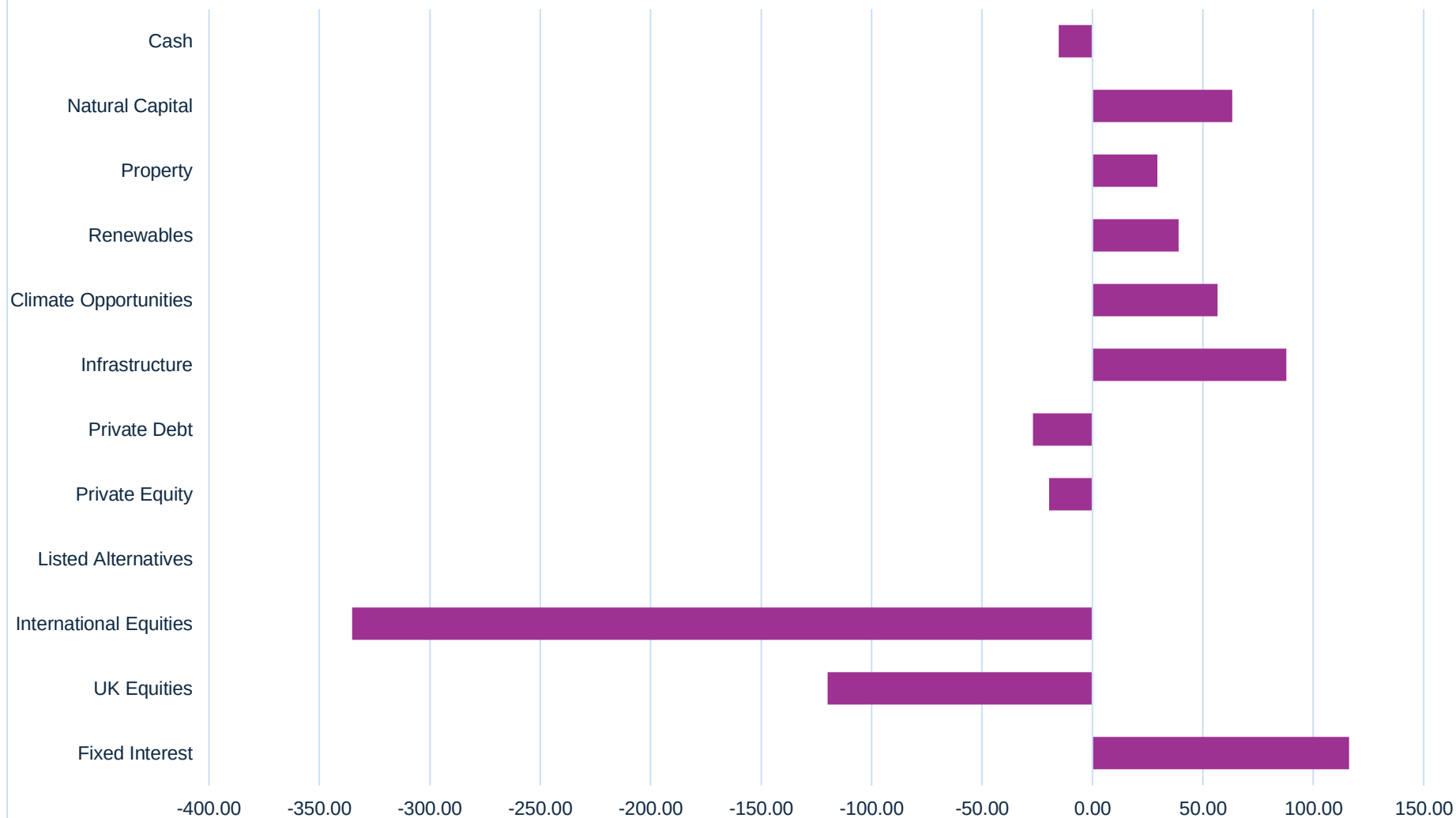
The following table shows a summary of the asset distribution for the year ended 31 March 2025, compared with the previous year. The allocation for the previous year has been added for comparison purposes. The table also shows the Fund's longer-term Strategic Asset Allocation (SAA) which SYPA agreed in March 2023. The previous SAA has also been included to give some context of the Fund's direction of travel.

The target SAA shows a decrease in allocation to liquid growth markets (equities) and Multi-Asset Credit. Strategic increases are being made to income assets such as private debt, and Climate Opportunities, Renewable Energy and Natural Capital. These asset classes are illiquid in nature, although income generating, and therefore it will take time to achieve the target weightings.

Asset Allocation						
Asset Class	March 2025 Allocation		March 2024 Allocation		Current SAA	Target SAA
	£m	%	£m	%	%	%
Index-Linked Gilts	707.8	6.4	703.5	6.4	7.0	7.0
Sterling Investment Grade Credit	563.2	5.1	552.5	5.0	5.0	5.0
Multi-Asset Credit	399.4	3.6	390.2	3.6	4.0	2.5
UK Equities	1,015.7	9.2	1,055.5	9.6	9.5	7.5
Overseas Equities	3,740.4	33.8	3,986.1	36.3	35.0	30.5
Listed Alternatives	164.7	1.5	153.0	1.4	0.0	0.0
Climate Opportunities	156.8	1.4	91.4	0.9	1.0	5.0
Private Equity	1,179.6	10.7	1,146.8	10.5	7.0	7.0
Private Debt	632.3	5.7	628.1	5.7	7.5	7.5
Infrastructure	1,027.4	9.3	909.0	8.3	9.0	9.0
Renewable Energy	232.8	2.1	189.9	1.7	3.0	5.0
Natural Capital	204.9	1.9	149.1	1.4	1.5	3.5
Property	897.0	8.1	756.7	6.9	9.0	9.0
Cash	138.1	1.2	252.0	2.3	1.5	1.5
Total	11,060.1	100.0	10,963.8	100.0	100.0	100.0

The change in distribution is due to a combination of investment transactions and the performance achieved within each asset class. This includes a reduction in the overall equity exposure to fund an increase to asset classes such as Climate Opportunities, Renewable Energy and Natural Capital. This has brought these allocations closer to their strategic targets, although they all remain underweight relative to the target SAA.

Net investment over the year to 31 March 2025 £m



Place Based Impact Investing

As part of our property and alternatives programme, SYPA has a place-based impact strategy, in which up to 5% of the Fund's assets has been earmarked. Place-based impacts investments have the twin aims of generating a commercial return whilst also delivering positive economic impact.

Some of these investments are made directly in the South Yorkshire region – but the Fund also has investments in nationally focused pooled funds with an emphasis on impact investing. On 31 March 2025, impact investments in these portfolios amounted to £433m, representing 3.8% of Fund investments. Within this, the value of investment directly invested in South Yorkshire was £115m [to be updated when data available]. These investments are considered to be part of the Fund's wider private markets exposure, rather than a distinct portfolio. As such, they must meet the return requirements of the relevant asset class. Details of the impacts achieved through this part of the portfolio can be found on page x.

SYPA has pledged £20m of equity investment and £20m of debt funding to two specialist investment managers to support the growth of small and medium sized organisations within the South Yorkshire region. This programme is still in its very early stages, and we would expect to see a portion of the committed assets invested over the coming year. SYPA is also in the process of appointing a manager to help develop affordable housing within South Yorkshire.

Investment Pooling

SYPA is one of eleven partner funds within the Border to Coast Pensions Partnership, which is an FCA regulated investment company. Over time Border to Coast is expected to manage or oversee all of the Fund's assets on a day-to day-basis. SYPA will retain responsibility for setting the Investment Strategy and asset allocation and will monitor the performance of Border to Coast.

As of 31 March 2025, SYPA had investments in the following Border to Coast funds:

Holding	£m
Border to Coast - Overseas Developed Markets Equity	2,973.8
Border to Coast - UK Listed Equity	1,015.7
Border to Coast – Emerging Markets Equity	766.0
Border to Coast – Sterling Index-Linked Bonds	707.8
Border to Coast – Multi Asset Credit	399.4
Border to Coast – Sterling Investment Grade Credit	563.2
Border to Coast – Listed Alternatives (Private Markets)	164.7
Border to Coast – Private Equity (Private Markets)	457.1
Border to Coast – Private Debt (Private Markets)	255.6
Border to Coast – Infrastructure (Private Markets)	620.8
Border to Coast – Renewables (Private Markets)	35.7
Border to Coast – Climate Opportunities (Private Markets)	154.2
Border to Coast – Property	465.9
Total	8,579.9

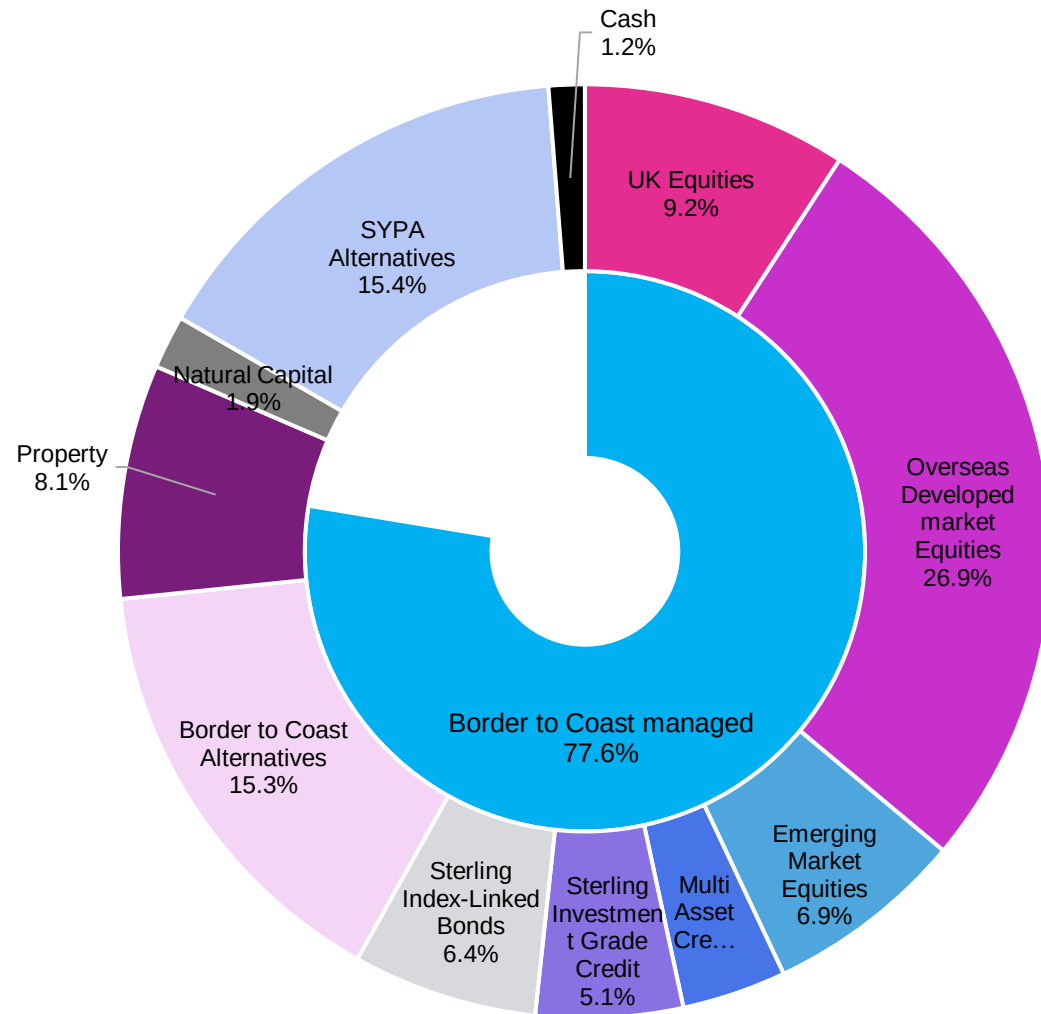
The Fund's legacy holdings in private market currently sit outside the Pool - but most new investments of this nature over the past 12 months were made by Border to Coast.

SYPA made commitments to the following private market capabilities run by Border to Coast at the beginning of the 2024/25 financial year:

Private Markets Asset Class	SYPA Commitment
Private Equity	£100m
Private Debt	£200m
Infrastructure	£180m
Infrastructure – Renewables Sidecar	£100m
UK Opportunities	£100m
Climate Opportunities – Renewables Sidecar	£115m
Climate Opportunities – Natural Capital Sidecar	£60m
Total	£1,205m

As per the standard approach, these investments begin to draw down from the initial commitment date, a process which will take multiple years to complete. Overall, SYPA has a total of £2.9bn of private market commitments which are still to be drawn down by Border to Coast and other legacy managers.

Assets Under Management 31 March 2025



As at 31 March 2025, Border to Coast managed 77.6% of the Fund's assets.

The table below, which is set out in the format required in the statutory guidance on the production of LGPS Annual Reports, shows in more detail which assets are either directly managed by Border to Coast, those over which the Pool exercises management oversight, and those which are not pooled. SYPA agreed a transition plan in March 2024 setting out how the remaining assets will transfer into the pool in the coming years (available [here](#)). However, following the Local Government Pension Scheme (England and Wales): Fit for the future consultation, the expectation is that all "not pooled" assets should move to be either pooled or under pool management by 31 March 2026.

The £0.6m of non-pooled equities in the table are legacy holdings which could not be taken into Border to Coast's pooled funds. We continue to look for opportunities to sell down these positions where possible.

Asset Values at 31 March 2025	Pooled	Under Pool Management	Not Pooled	Total
	£m	£m	£m	£m
Equities	4,755.5	0.0	0.6	4,756.1
Fixed income (listed)	1,670.4	0.0	0.0	1,670.4
Private markets	1,688.1	0.0	1,705.5	3,393.6
Property	465.9	52.4	378.7	897.0
Cash / net current assets	0.0	0.0	138.1	138.1
Other – Natural Capital	0.0	0.0	204.9	204.9
Total Assets	8,579.9	52.4	2,427.8	11,060.1

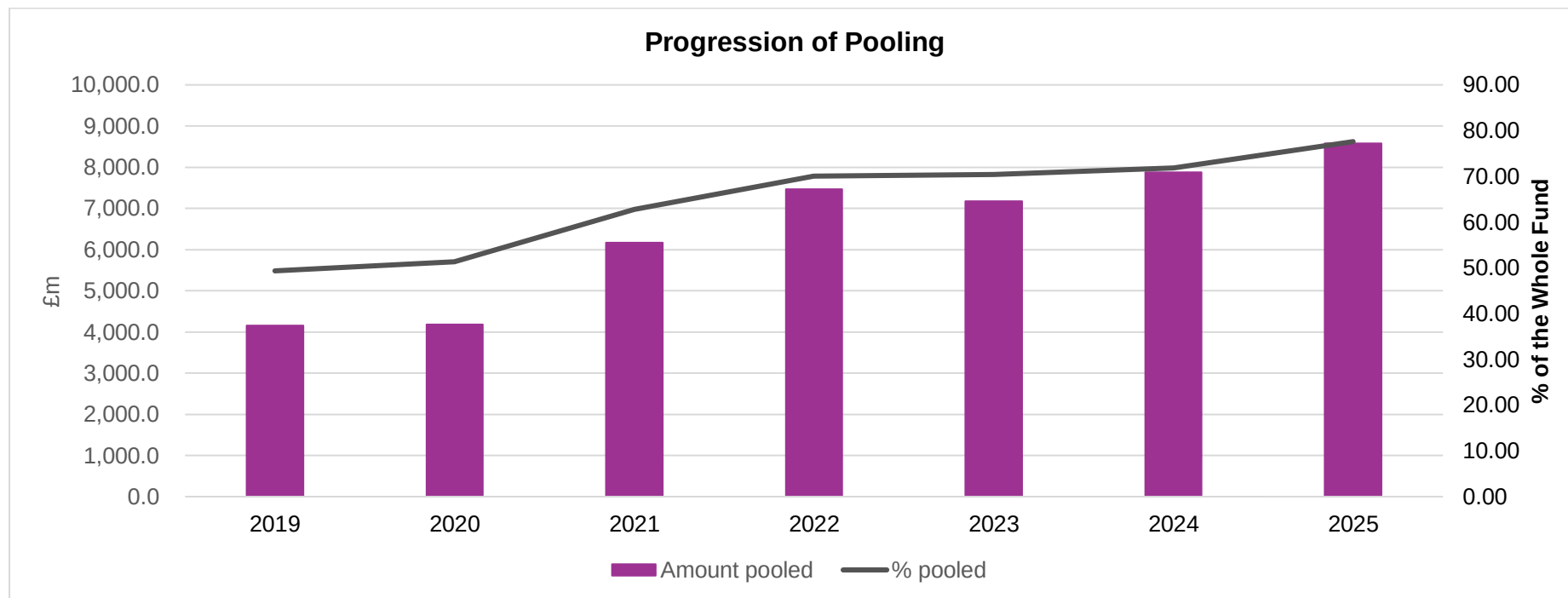
<i>Of which, investments in the UK are as follows:</i>				
UK Listed Equities	1,008.4	0.0	0.0	1,008.4
UK Government Bonds	658.1	0.0	0.0	658.1
UK Infrastructure	105.2	0.0	112.9	218.1
UK Private Equity	49.8	0.0	171.1	220.9

The assets that have yet to migrate to Border to Coast are our legacy private markets assets and certain properties which Border to Coast have not yet been able to take into their own funds. In addition to its global real estate funds, Border to Coast launched a UK Real Estate fund in October 2024 and SYPA has already transitioned its English property assets into this fund. The one English property asset yet to fully transfer as at the effective date of this report is the Springfield Place asset. This was actually transferred over to the Border to Coast UK Real Estate Fund on 31 March 2025 but, due to settlement timing, its value is not represented in the valuation at this date. SYPA's Welsh and Scottish assets are currently unable to transition into the Border to Coast UK Real Estate Fund due to tax-related reasons, although these properties are now considered to be under pool management.

Given the outcome of the “Local Government Pension Scheme (England and Wales): Fit for the Future” consultation, the expectation is that the remainder of SYPA's private market assets will move to be under pool management by 31 March 2026. This includes the likes of the private equity, private debt and infrastructure holdings, natural capital allocations, managed property loans and the place-based impact portfolio.

It is worth noting that, since the introduction of pooling, SYPA has made most of its strategic annual commitments to private markets through Border to Coast. The only commitments made directly by SYPA have been in its place-based portfolio or in renewables and natural capital allocations, which form part of SYPA's investment strategy and which Border to Coast were unable to fulfil at the time of investment.

The progression in the transfer of assets to Border to Coast is illustrated by the chart below:



LGPS Pooling Savings

The following chart shows the costs of pooling for SYPA from inception and the savings incurred by the Fund during the year. It should also be borne in mind that because of its previous approach to managing its investments internally, SYPA has historically had a relatively low-cost base providing significantly less scope for savings than in funds wholly reliant on external managers.

Costs of Pooling	Cumulative to 31 March 2023 £m	2023/24 Costs / (Savings) £m	Cumulative to 31 March 2024 £m
Pooling set up costs and governance	4.7	0.5	5.2
Border to Coast Additional costs - public markets	13.4	4.7	18.1
Border to Coast Private market savings	(9.3)	(6.8)	(16.1)
Transition costs	2.8	0.0	2.8
Other savings	(5.9)	(0.7)	(6.6)
Net costs (savings)	5.7	(2.3)	3.4

[Table to be updated when data available from Border to Coast]

Investment Management Costs and Cost Transparency

SYPA pays fees to a number of different organisations for the services they provide in managing the Fund's assets. These fees can be broken down into three categories:

1. Fees paid to fund managers for managing assets in line with agreed mandates. These fees are usually related to the value of assets managed and will therefore increase as asset values increase.
2. Fees paid to fund managers to recognise the performance achieved by the investments which they are managing on SYPA's behalf. These are usually paid when performance exceeds an agreed "hurdle" rate. These can vary significantly from year to year.
3. Transaction costs which include things like brokers fees which are incurred when investments are bought or sold.

SYPA is a strong supporter of the LGPS Scheme Advisory Board's Code of Transparency in relation to investment management costs and secures data from fund managers using the Code's agreed templates for inclusion in the Fund's accounts. The table below provides a breakdown of investment management costs incurred by the Fund.

2023/24 Total £m	Investment Management Costs	Management Fees £m	2024/25 Performance Fees £m	Transaction Costs £m	Total £m
39.943	Assets Managed by SYPA	27.166	12.794	0.935	40.895
37.534	Assets Managed by Border to Coast	38.717	8.730	5.638	53.085
0.996	Commercial Property	0.641	0.000	0.000	0.641
0.030	Agricultural Property	0.000	0.000	0.000	0.000
78.503	Subtotal	66.524	21.524	6.573	94.621
0.057	Custody Fees				0.057
78.560	Total	66.524	21.524	6.573	94.678

The fees paid on assets managed directly by SYPA relate to fees paid on the legacy private market portfolios. SYPA have incurred higher performance fees than the Border to Coast investments. This is because these are more mature investments and are therefore more likely to have achieved the stage where performance has exceeded the agreed performance fee hurdle.

The cost of managing the Fund's investments expressed as a percentage of the average asset value in the year was 0.85% in 2024/25 (0.74% in 2023/24), with the higher figure being driven by increases across all of management fees, performance fees and transaction costs.

Asset Class Performance

The following sections describe the performance of the various mandates within each asset class

Fixed Income

Fixed income assets are those which pay out a set level of cash flows to investors, typically in the form of fixed interest. Governments and corporate bonds are the most common type of fixed income products. The Fund's exposure to fixed income consists of three different portfolios all managed by Border to Coast, an Index-Linked portfolio, a Sterling Investment Grade Credit portfolio, and a Multi-Asset Credit portfolio.

Index-Linked Gilts

The Fund has a significant exposure to index-linked gilts. This is actively managed, albeit only to target modest outperformance of 0.2% p.a. above the benchmark index. The index-linked holdings are under Border to Coast management and within this portfolio some corporate index-linked bonds are also held as a means of adding value. This portfolio plays a valuable role in relation to providing inflation linked income. However, the portfolio was impacted by fluctuating yields, reflecting shifts in economic outlook and persistent inflation, and gave a negative absolute return of -15.1% over the period. This, however, represented outperformance of 0.2% against the benchmark index. The driver of outperformance was primarily narrowing credit spreads on corporate holdings, plus an overweight position in ultra-long gilts.

Corporate Bonds

The Sterling Investment Grade Credit (SIGC) portfolio and the Multi-Asset Credit (MAC) portfolio are both fixed income mandates which are held for the stable cash flows they are expected to provide, along with the credit spread above gilts available (i.e. the additional yield for lending money to a company, rather than to a government). Both the SIGC and MAC portfolios have been constructed by Border to Coast management and involve assets being allocated to a range of underlying asset managers.

The SIGC portfolio has been allocated equally across three external fixed income managers - Royal London, M&G and Insight. The Border to Coast Multi Asset Credit (MAC) fund is invested in a mix of higher risk fixed income assets such as emerging market bonds, high yield bonds and securitised debt. The MAC portfolio is spread across five underlying fixed income managers and one internal mandate which is run in-house at Border to Coast.

Corporate bonds were generally more resilient than government bonds over the past 12 months, as companies with strong balance sheets attracted investors. Both portfolios outperformed government bonds over this time - but the returns were materially higher for the higher risk assets found within the MAC fund. Over this period, the SIGC fund returned 2.73%, which was 0.4% ahead of benchmark, and the MAC fund returned 7.3% which was below its benchmark return of 8.74%.

Listed Equities

Listed equities are expected to be the highest returning liquid asset class over the long term and represent the Fund's largest exposure to any asset class. The Fund's equity investments are all through the Border to Coast UK equity fund, the Border to Coast Global Developed Overseas fund and the Border to Coast Emerging Market fund. The portfolios maintain an overall bias to high quality companies with more stable earnings and strong balance sheets.

UK Equities

The Border to Coast UK Listed Equity fund is managed internally by Border to Coast, with a moderate objective to outperform the total return of the FTSE All Share Index by at least 1% per annum over rolling 5-year periods. The portfolio achieved an 8.0% return during 2023/24 which represented a 2.4% underperformance of the FTSE All Share Index over the past 12 months. A number of factors contributed to this, with stock selection in the Industrials sector being the most prominent. Since inception the portfolio has achieved an outperformance of the FTSE All Share Index by 0.2% per annum – but this is below the fund's 1% per annum outperformance target.

Global Equities

The Border to Coast Overseas Developed Markets Equity Fund is managed internally by Border to Coast, seeking to outperform a composite benchmark of equity indices by 1% per annum over rolling 5-year periods. The Border to Coast Emerging Markets Equity Fund is a hybrid fund with two external Chinese managers sitting alongside an internally managed portfolio for Emerging Markets ex-China. The Emerging Markets Fund's objective is to outperform the FTSE Emerging Market Index by 1.5% per annum over rolling 5-year periods.

The performance of global equities overall was positive over the past 12 months, with emerging markets outperforming developed markets. The developed market portfolio returned 1.1%, which was 0.8% below its benchmark index over 2023/24. Since inception, however, the fund is 1.3% per annum ahead of its benchmark.

The emerging market portfolio returned 5.8% over the past 12 months but this represented underperformance of its benchmark by 3.9%. The emerging market portfolio is still showing disappointing performance longer-term, having underperformed its benchmark by an 1.8 % per annum.

SYPA's ten largest publicly quoted equity holdings by market value held via Border to Coast Equity ACS on 31 March 2025 were as follows:

1.	MFC Vanguard Mid-cap ETF	£91.9
2.	Microsoft	£89.7
3.	AstraZeneca	£81.8
4.	Shell	£79.5
5.	Apple Inc	£78.4
6.	Nvidia	£77.4
7.	Unilever	£62.0

8.	Amazon	£59.9
9.	HSBC	£56.0
10.	Alphabet Inc	£53.1

Alternative Portfolios

Listed Alternatives

We hold units in the Border to Coast Listed Alternatives fund which has given us the ability to increase our exposure to alternative assets whilst we're in the period of our committed private markets allocations being drawn down. At the year end this holding was valued at £164.7m.

The portfolio has a diversified structure which includes listed assets in infrastructure, specialist real estate, private equity and alternative credit. The portfolio returned 7.7%% over the year, whereas its global equity comparator index (the MSCI ACWI Index) returned 4.9%. Since inception, however, the fund has returned 4.3% per annum, whereas the MSCI ACWI Index has returned 8.7% per annum over the same period. A key element of the strong one-year performance was the portfolio manager's decision to increase UK exposure in the final quarter of 2024, which then benefitted from a relatively buoyant UK market during the first three months of 2025.

The Fund has five alternative portfolios which are intended to access different parts of companies' capital structure. Unless noted otherwise, SYPA has holdings in each asset class with Border to Coast, which will continue to gradually build over time, in addition to legacy portfolios which were largely committed to prior to the advent of pooling. The following sections details these areas.

Private Debt

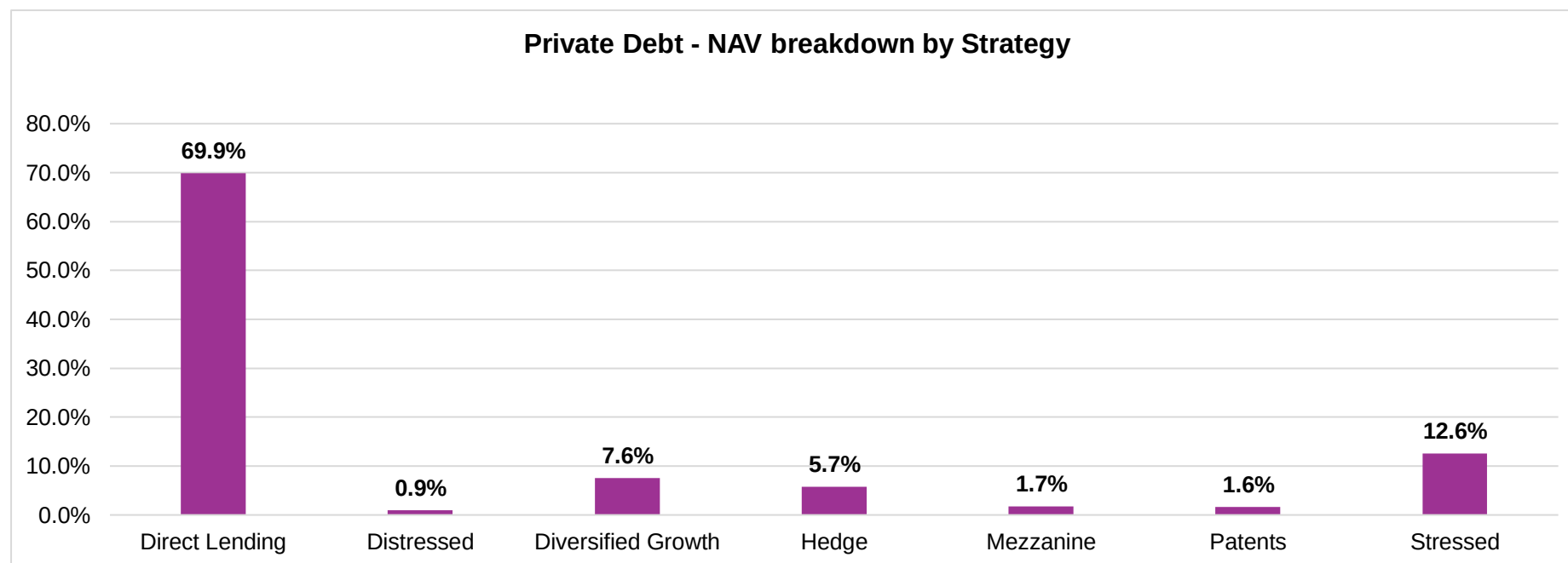
Private debt is a sub-set of the broader leveraged credit markets, characterised by mostly private equity-generated activity in companies that are typically too small, or with financing needs too specialised, to be financed by the larger public markets.

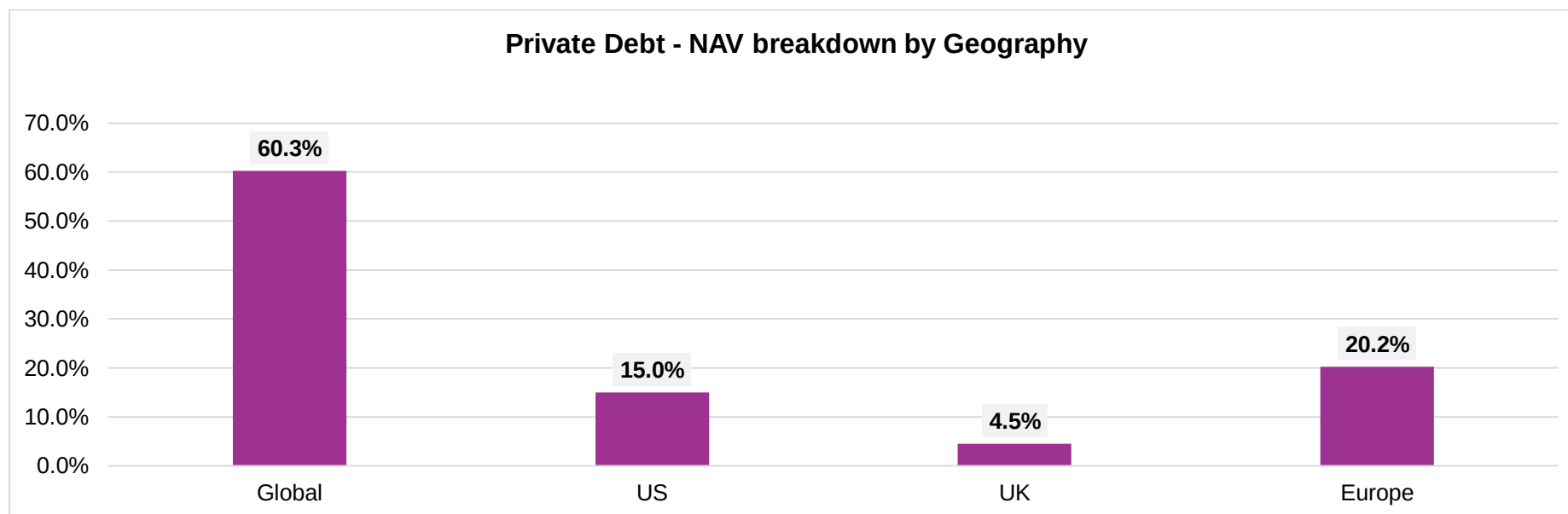
Private debt encompasses a broad range of strategies which provide financing across all elements of the capital structure. The credit exposure is generally illiquid, and these funds are typically held to maturity. The income generated from these funds is a useful source of cash to meet liability payments. Both the legacy private debt assets and the portfolios being built by Border to Coast are diversified

by strategy and geographic location. The current value of SYPA's total private debt assets was £632m at 31 March 2025 – and the breakdown of the portfolio is shown in the graphs below.

A further £200m was committed by SYPA to Border to Coast's private debt portfolio at the beginning of the 2024/25 financial year, with the expectation that this amount will be drawn down over the coming years. SYPA's total allocation to private debt is currently below the strategic target of 7.5% of total Fund assets - but we are making annual commitments to this sector through Border to Coast at a rate we believe is appropriate for increasing the allocation to the right level.

The overall private debt portfolio returned 6.0% over the year to 31 March 2025, which was in-line with the target long-term return for this asset class. Over longer time periods, which are more appropriate for asset classes of this nature, the portfolio has consistently produced returns ahead of target (for example, 9.5% per annum over the past 5 years, relative to the 6% annual target return).



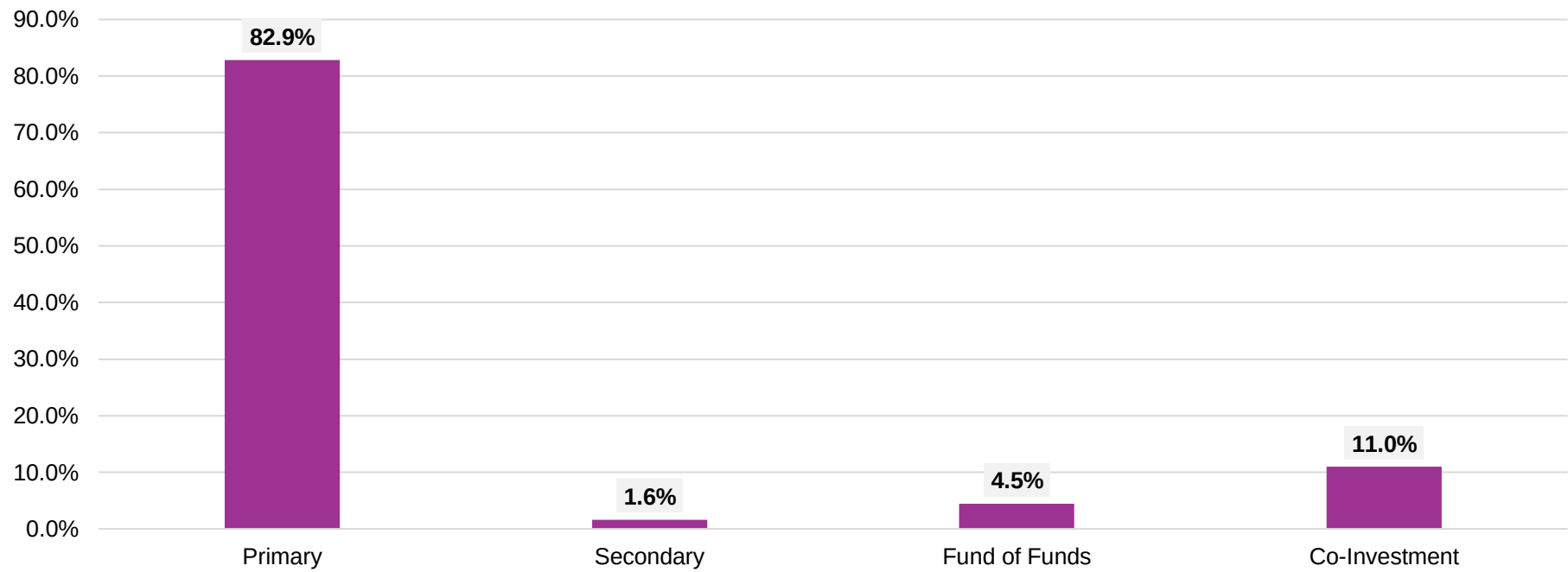


Private Equity

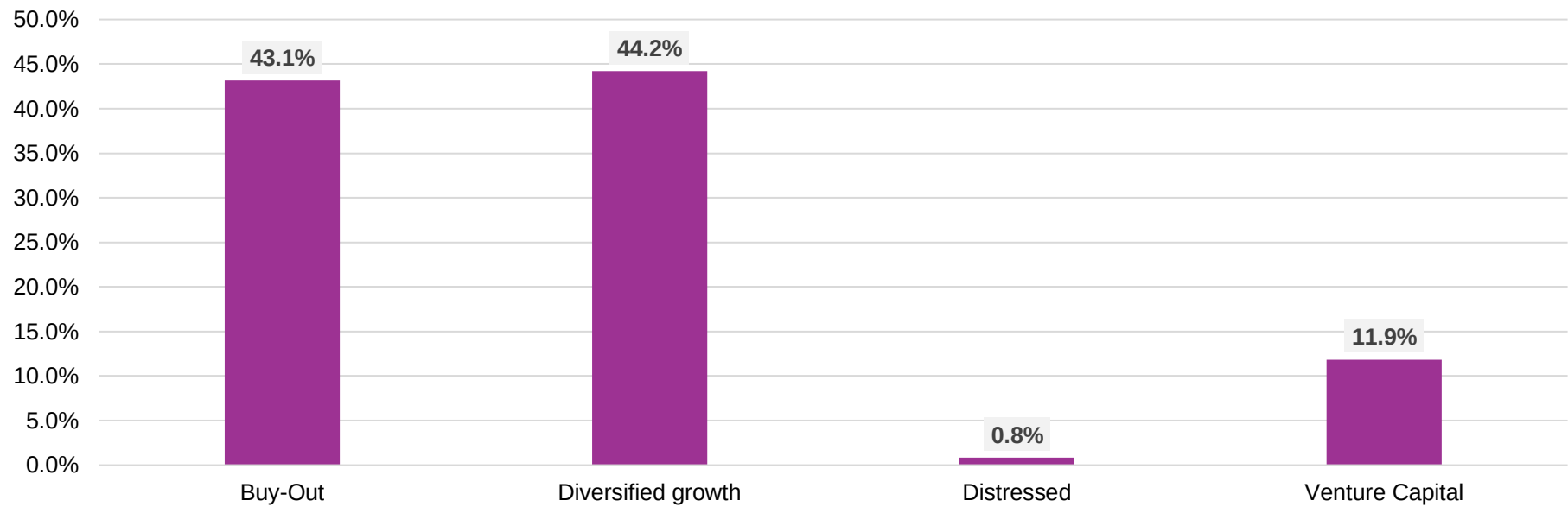
Private equity is the ownership of companies that are not listed on a public stock exchange. SYPA's investment in private companies is through a variety of closed-ended limited partnerships managed by specialist management teams. Private equity investments provide returns linked to quoted equities but with the expectation of better long-term returns because of the higher risk profile and illiquid nature of the investments. A typical life of a fund is between seven and ten years with the drawdown of commitments being typically up to five years.

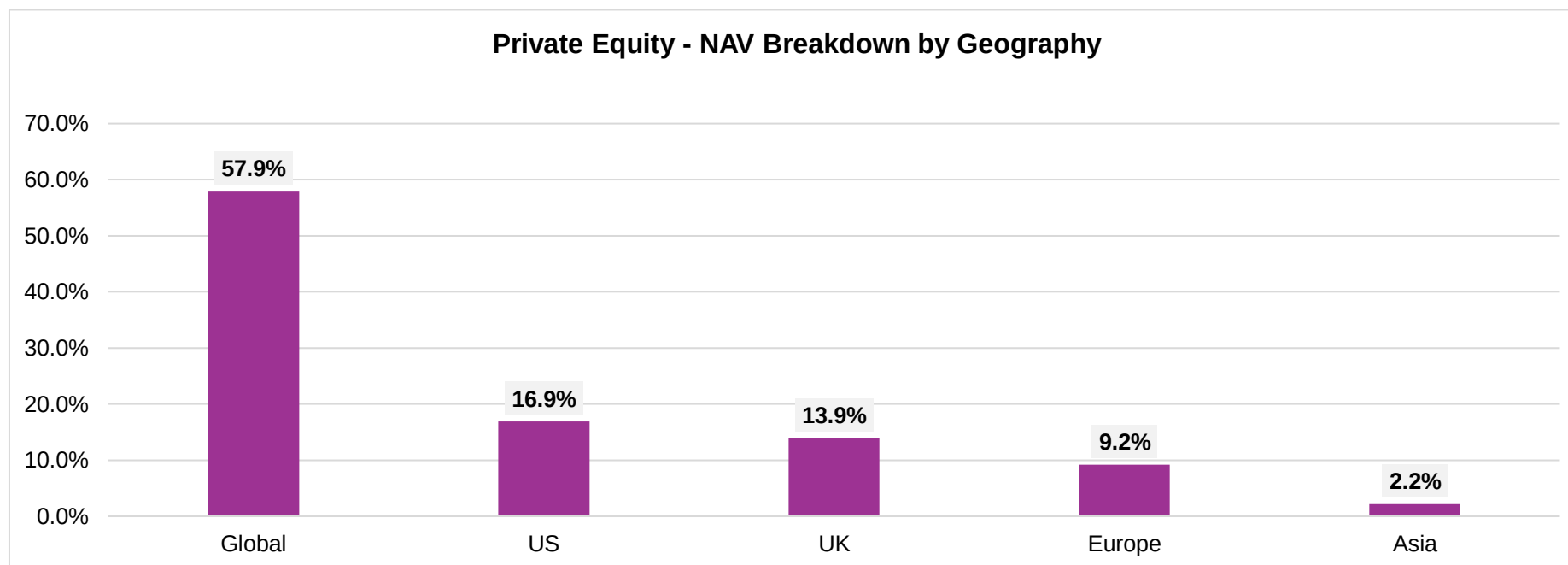
Both SYPA's legacy private equity assets and the portfolios being built by Border to Coast are diversified by investment type, strategy and geographic location - and the breakdown can be seen in the graphs below. The total value of SYPA assets currently invested in private equity is £1,179.6m.

Private Equity - NAV Breakdown by Investment Type



Private Equity - NAV Breakdown by Strategy





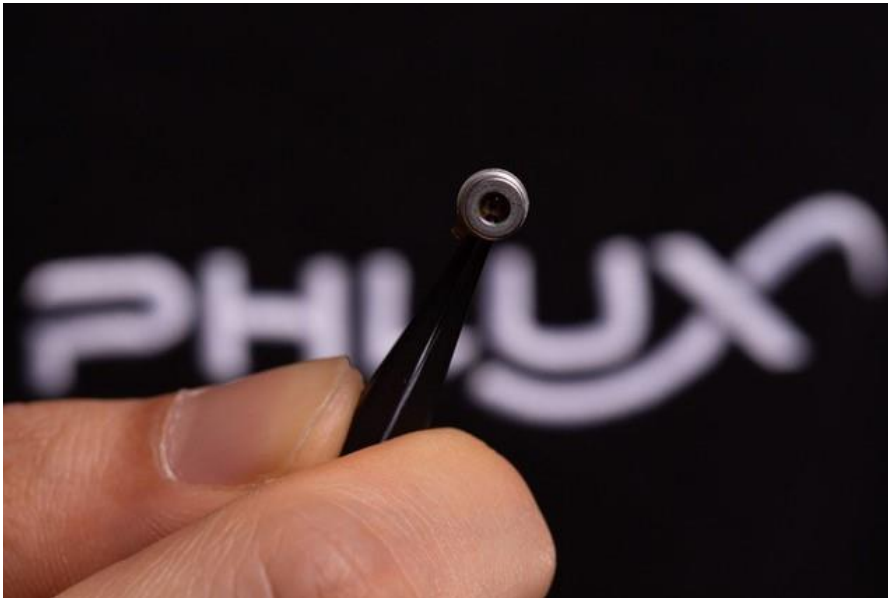
The private equity market continued to face challenges over the year ending 31 March 2025. Although deal activity increased again in 2024 (aided by easing interest rates and falling credit spreads) the tariff announcements created uncertainty and market volatility. Such conditions can hamper the initial public offering route, as potential buyers exercise caution, and asset managers often extend their time horizons as they seek to meet their target exit values.

The one-year performance of the total portfolio showed a gain of 4.7% which is below the annual absolute return target of 10% for this asset class. Within this, the performance of Border to Coast's portfolio has been relatively strong (11.1% per annum) relative to the legacy portfolio (1.8% per annum). However, due to the nature of private equity investments, the performance really needs to be viewed over longer time periods. The Fund's private equity portfolio has generated a 12.7% annualised return over the past five years, for example, during which it comfortably outperformed its target return.

The vast majority of new investment into private equity is now through Border to Coast. A commitment of £100m was made by SYPA at the beginning of the 2024/25 financial year. This rate of commitment is lower than over previous years but is in accordance with the Fund's strategic asset allocation. We are now above the target strategic weighting for this asset class and wish to gradually reduce exposure. Investment is being made in such a way to ensure that we still have vintage and strategy diversification.

The aim is to create a diversified portfolio investing in global and regional investments to produce strong financial returns without taking undue levels of risk and which incorporate environmental, social and governance (ESG) issues as part of their process. Our investments are made by limited partnerships managed by various managers.

- To give an illustration of the types of underlying allocations made within private equity, SYPA has an investment in Northern Gritstone. This is a venture capital firm with a significant focus on early-stage science and intellectual property-rich businesses originating from its partner universities in the North of England.
- One investment made by Northern Gritstone is in a company called Phlux, a Sheffield-based company which was a spin-out from the University of Sheffield.
- Phlux has developed a patented, highly sensitive semiconductor material with best-in-class performance for sensing and communication systems.
- This technology has large potential end markets - and the company has secured its first design win, with a sales pipeline worth \$22m.
- Northern Gritstone view Phlux as a high-potential investment which could deliver a double-digit investment return upon exit.

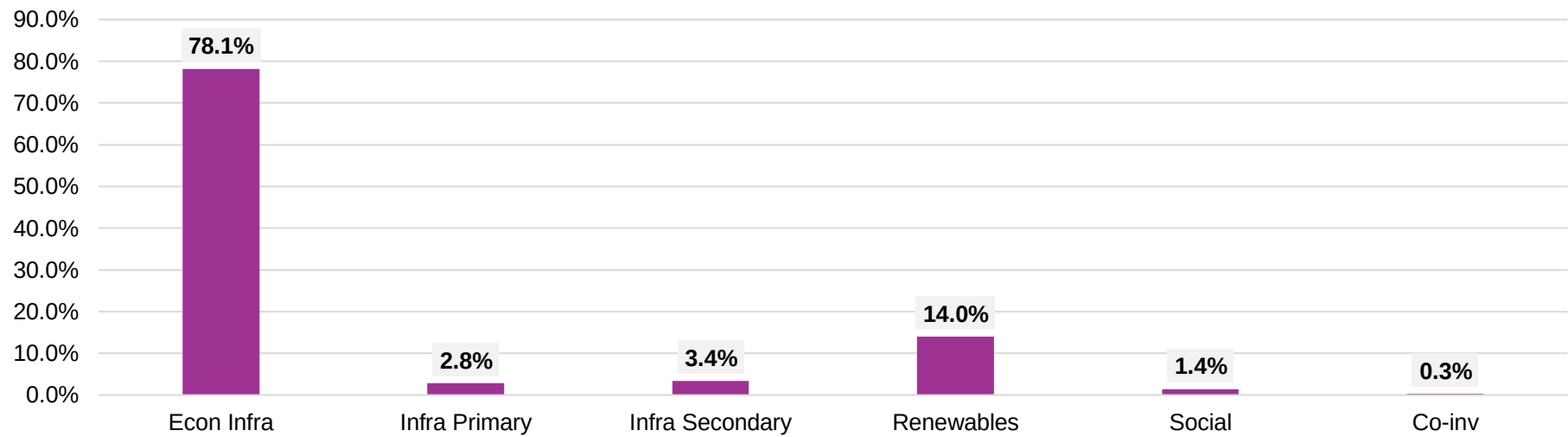
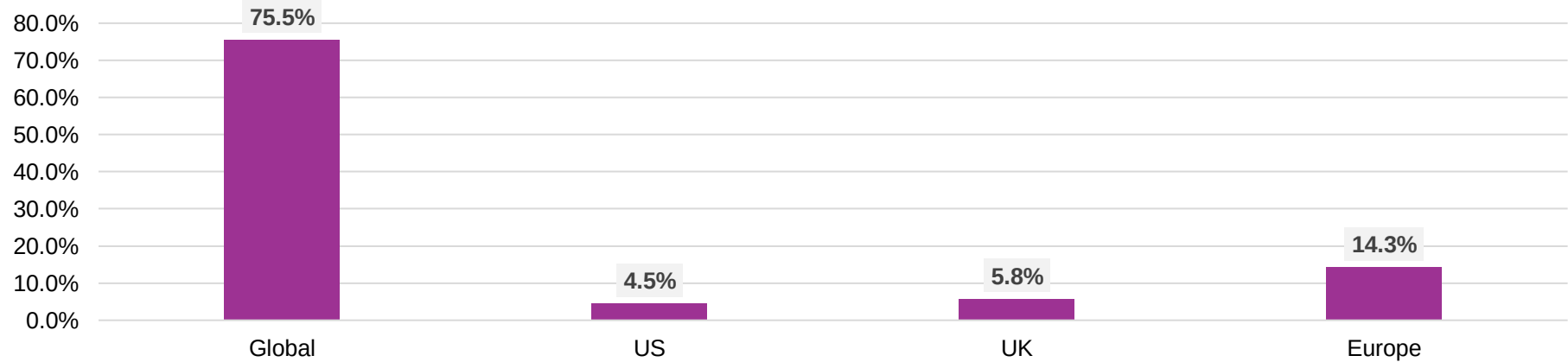


Infrastructure & Renewables

Infrastructure investments include assets in energy generation (gas, electricity and renewable), transport, communication, and healthcare/hospitals. They typically offer long-term returns which have a close match to the objectives of the Fund - preservation of value over the long term, inflation linkage, a cash flow focus and diversification. These assets are illiquid by nature, meaning that capital is locked up for a period, but this is generally compensated for by expected higher returns. A key focus of infrastructure investing is assets with inflation-linked, long duration income streams which are less sensitive to the economic cycle.

SYPA effectively has two separate categories of infrastructure investment - general Infrastructure and a more recently established portfolio of renewable energy assets. The allocation to general infrastructure has been made via global and regional investment funds. The allocation to general infrastructure portfolio is broadly in line with the strategic allocation of 9% of Fund assets - but we remain underweight to renewable energy funds relative to our 5% strategic allocation. We will continue to build-up and maintain our allocations in this space by making appropriate annual commitments through Border to Coast.

At the beginning of the 2024/25 financial year, we made a £180m infrastructure commitment to the Border to Coast, which will be drawn down over the coming years. The current value of our total infrastructure investments is £1,027.4m. Our exposure is well diversified, as set out in the graphs below. Both portfolios are benchmarked against an absolute return target of 8% per annum. Over the twelve months to 31 March 2025, the general infrastructure portfolio returned 3.5%. Again, returns should be judged over the longer term, and the infrastructure portfolio has returned 7.7% per annum over the past 5 years which is broadly in line with expectations. Generally, although operational infrastructure assets can be less exposed to the economic cycle, tariffs could potentially increase costs and lead to the likes of project delays and scaled-down developments.

Infrastructure - NAV Breakdown by Strategy**Infrastructure - NAV Breakdown by Geography**

An example of a fund which SYPA has holdings in through Border to Coast is EQT Infrastructure V. Border to Coast has committed a total of £108m to this fund on behalf of its partner funds (including SYPA).

Amongst its investments, EQT provides exposure to a company called InstaVolt – a leading UK EV charging company. InstaVolt develops, installs, and operates electric vehicle charging stations across the UK and controls a network of over 2,000 charging points. It plans to roll out 10,000 by 2032. Building the infrastructure to enable the transition to EVs has meant InstaVolt has saved more than 633 million miles of emissions to date, supporting UK net zero ambition and cleaner air, all while supporting jobs and development in the UK.



Climate Opportunities

This is a Border to Coast fund, in which SYPA have committed a total of £595m to-date. The fund supports SYPA's commitment to decarbonise and will help us to meet our net zero target. The investments target strategies across all the alternative asset classes which support the energy transition and move to a low carbon economy and has a target return of 8% pa. Although the fund is now fully committed, only £154m has been drawn down to-date, albeit it is still too early to quote reliable return data for this long-dated, illiquid mandate.

Property

SYPA is currently targeting a strategic allocation of 9.0% to property, albeit the actual allocation as at 31 March 2025 was slightly below this (standing at 8.1%). Property is an important source of income for the Fund.

SYPA's overall property allocation as at 31 March 2025 was split across the following elements:

- A holding of £448.6m in Border to Coast's UK Real Estate Fund, which was launched in October 2024. The majority of SYPA's directly-held UK properties were transferred into this fund upon launch, in return for units in the fund.
- Two legacy directly-held properties (one Welsh and one Scottish) with a value of £52.4m which have not yet been able to transfer to Border to Coast due to tax reasons.
- One legacy, directly-held property which was transferred to the Border to Coast UK Real Estate Fund on 31 March 2025 but had not yet settled in the fund as at the effective date of this annual report. This has a value of £23.3m, which is not included within our total asset figures.
- A holding of £17.5m in Border to Coast's Global Core Real Estate Fund, which was launched during the previous financial year. We have committed a total of £95m to this but the drawdown of proceeds is still ongoing.
- £9.9m in two legacy overseas trusts. These are both going through a liquidation process, but this may take several years to complete.
- 12 indirectly-held specialist property holdings valued at £256.9m.

Within the specialist holdings we have set up a portfolio of regional development debt with CBRE as an advisor to invest in local (South Yorkshire) development projects. The portfolio has the aim of generating a commercial return whilst delivering a positive local impact. Five loans were in place as at the financial year-end and there are further loans in various stages of the due diligence process. As at 31 March 2025, £111.9m had been drawn down to fund the five ongoing developments.

An example of an investment in this space is our funding of Panattoni Park in Doncaster, a 760,300 square foot industrial/logistics unit, which is expected to require up to £46m in total. This is a joint venture between Barings and the international real estate developer, Panattoni. This site sits on a prime logistics location, less than a mile from the M1 and within easy reach of coastal ports and the cities of Doncaster, Sheffield, Leeds, Derby and Nottingham.



SYPA has held a direct portfolio of agricultural property for over 40 years. This portfolio was held as a store of value and as a diversifying asset but did not fit into the LGPS pooling environment. During the previous financial year, we completed a joint venture project with Royal London where these assets became the seed assets for a new Natural Capital fund and allowed us to realise part

of our investment. This fund will still allow the delivery on the environmental potential of the portfolio and improve the capital stock whilst also continuing to contribute to the UK food security. Our holding was valued at £128.9m at financial year end.

This past year, we have expanded our natural capital holdings by allocating to two forestry mandates, with specialist managers Campbell Global and Gresham House, which constituted holdings valued at £76.0m as at 31 March 2025.

Annual performance of the total property portfolio to 31 March 2025 was 4.2%, underperforming the weighted benchmark of 6.0%.

Cash

Cash is only held pending investment and on 31 March 2025 the sterling cash figure was at £138.1m. £39m of this was held within sterling liquidity funds and £60m held with five F1 rated banks.

Responsible Investment

The Authority is fully committed both to investing responsibly and to the good stewardship of its investments across all asset classes. It seeks to act, at all times, in the best long-term interests of all stakeholders and protect and enhance the value of the companies in which it invests on their behalf. We have defined what we believe responsible investment to mean in the following terms:

South Yorkshire Pensions Authority believes that investing in well governed and sustainable assets is key to delivering the long-term investment returns required by the Pension Fund. The Authority's goal is for carbon emissions from the totality of its investment portfolio to be zero by 2030 (the "Net Zero Goal") and has developed a net zero action plan to chart its route to this goal. This action plan includes the incorporation of this Net Zero Goal in the Authority's investment beliefs and investment strategy and contemplates frequent review of the performance of its investments within the context of this goal, as well as monitoring of the delivery of the commitment and the transition towards it.

We work within the Border to Coast Pensions Partnership to achieve our objectives and the policy framework within which we do this is illustrated in the diagram below (the purple boxes are owned by SYPA and the blue ones by the Partnership).

SYPA Responsible Investment Policy



The Authority's policies are reviewed each year in March, with the intention of influencing the development of the Partnership policies, which are reviewed annually over the summer with approval in the autumn leading up to peak voting season. The latest policy documents can be found [here](#).

On the back of the annual policy review the Authority has influenced the development and evolution of the Border to Coast Partnership's voting guidelines, in particular the strengthening of the position in relation to holding companies and specifically their Board Chair, to account for their actions to address climate risk.

The Authority believes in being transparent about its stewardship and ESG activities. It produces quarterly reports on the activities undertaken on its behalf by Border to Coast and their engagement partner Robeco and on collaborative activity undertaken by the Local Authority Pension Fund Forum which are available [here](#) through our website. These reports also include, where available, details of the ESG ratings and characteristics of specific portfolios.

Voting

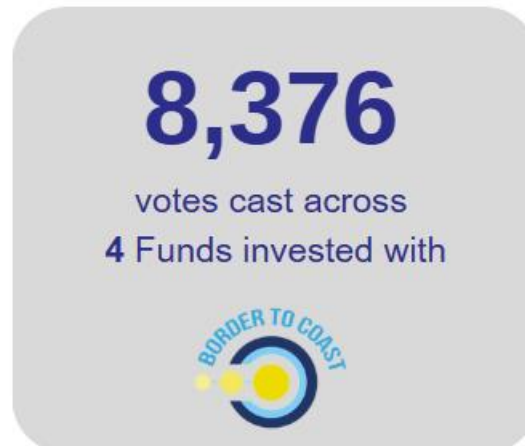
Active ownership involves using shareholder rights to improve the long-term value of a company and includes both voting and engagement strategies. The Authority regards voting rights as an asset and looks to those managing money on its behalf to use them carefully.

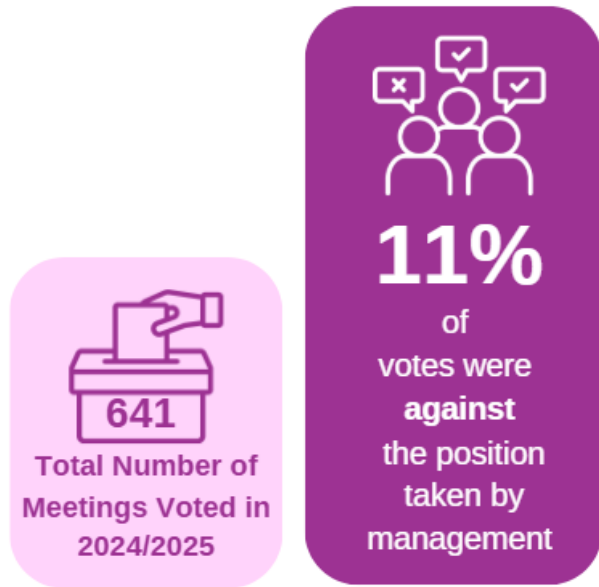
Because we now own shares through pooled funds operated by the Border to Coast Pensions Partnership, we no longer exercise our voting rights directly. However, Border to Coast exercises voting rights and engages with investee companies in line with a Responsible Investment Policy and Voting Guidelines jointly agreed by all the partner funds.

The full guidelines can be found [here](#) on the Border to Coast website.

Below is a summary total voting activity over the last year.

- 641 total number of meetings voted in 2024/25
- 8,376 votes cast across 4 Funds invested with Border to Coast.
- 11% of votes were against the position taken by management.

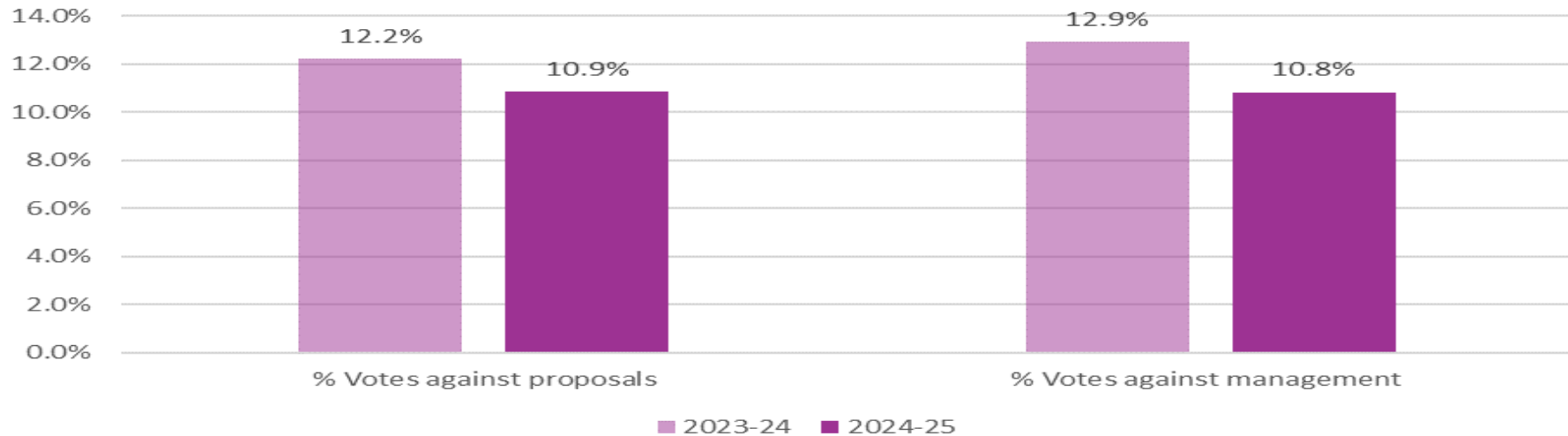




The total number of votes cast in 2024/25 is marginally down on last year as a result of a reduction in the number of stocks held in the underlying listed equity funds, due to portfolios becoming more concentrated.

The chart below illustrates that the proportion of cases where we have opposed resolutions is in line with the previous year. However, the proportion of votes against management has marginally reduced since last year as shown below.

Opposition Votes 2023-24 v 2024-25



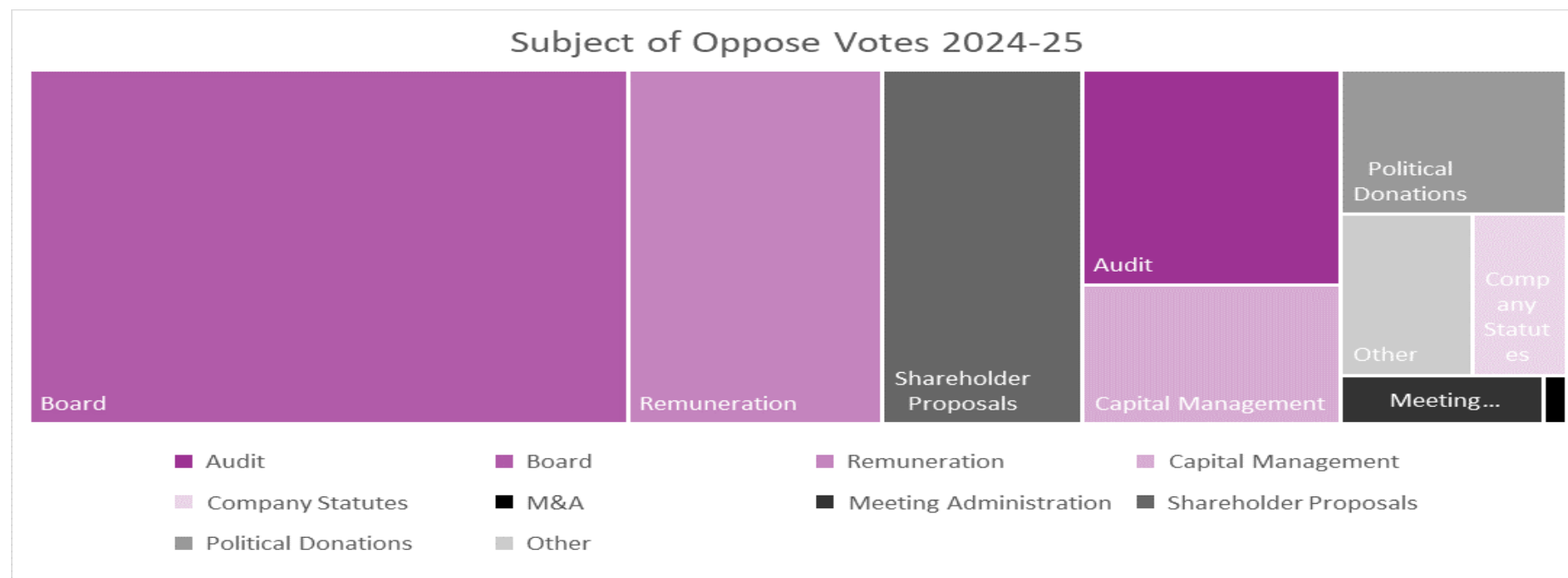
The proportion of votes against management remained over 10% following the tightening of the voting guidelines in 2022/23, particularly in relation to voting against the Chairs of companies and remuneration committees where the company has failed to achieve sufficient board diversity or to adequately address climate risk. As well as votes against the Chairs of companies, there were significant votes against management cast in support of shareholder resolutions aimed at ensuring companies have robust plans for the transition away from carbon supported by science-based targets. During 2024-25 both the proportion of votes against proposals and votes against management fell modestly. This small reduction in votes against management reflects positive initial movement by some companies in relation to climate and wider ESG issues.

Notable votes against management include Shell's request for shareholder's approval for its report on progress and the updated 2024 Transition Strategy. Changes to the company's most recent strategy include the removal of a 2035 target to cut Scope 1, 2 and 3 net carbon intensity by 45% and weakening its 2030 net carbon intensity target. A shareholder proposal co-filed by various institutional investors attracted significant attention, as it requested the company to increase its efforts and align its medium-term Scope 3 emissions reduction targets with the Paris Climate Agreement.

After analysing Shell's transition plan, Border to Coast concluded that the company needed further action to align with the Paris agreement. Therefore, Border to Coast decided to vote against management by supporting the 'Say on Climate' (SOC) shareholder

proposal which allowed shareholders to vote on the company's climate transition plan. Shell's 2024 energy transition strategy received 78.0% support from shareholders, while the climate shareholder proposal received 18.6%.

At the Shell AGM, Border to Coast voted against the re-election of the Chair due to inadequate targets and decarbonisation strategy.

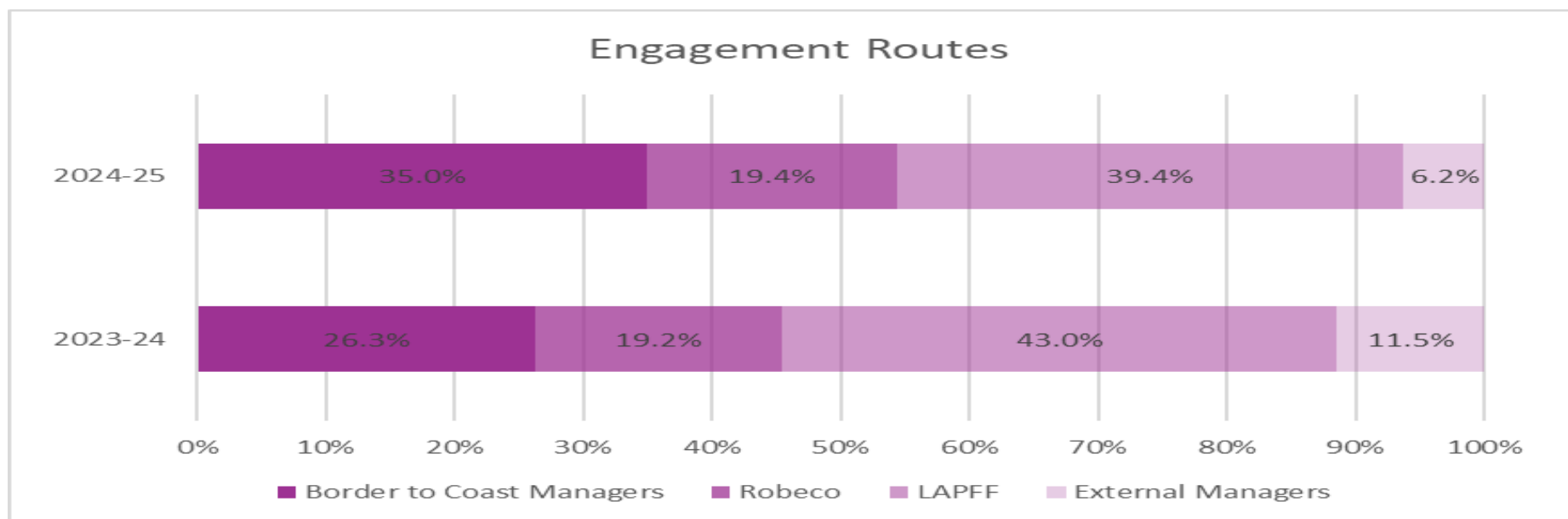


Engagement

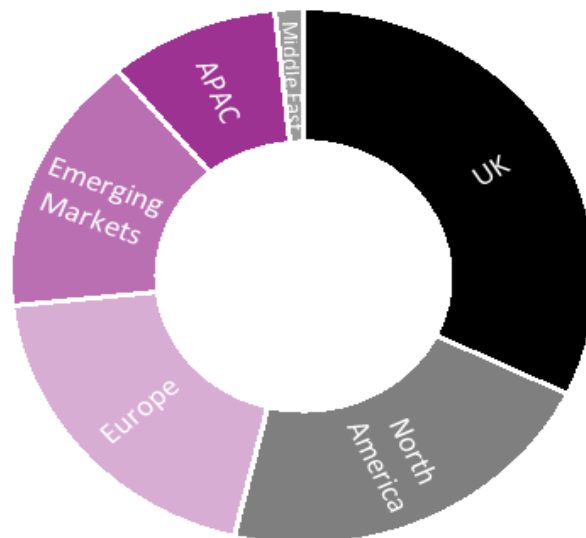
Engagement is the process by which investors use their influence to encourage companies to improve their behaviour and management of ESG issues which may improve the companies' long term financial performance. Following the pooling of our assets the Authority now engages with companies in relation to these issues in four ways:

- Direct engagement with companies by Fund Managers at Border to Coast Pensions Partnership;
- Direct engagement with companies by external managers who are responsible for mandates within the Border to Coast funds;

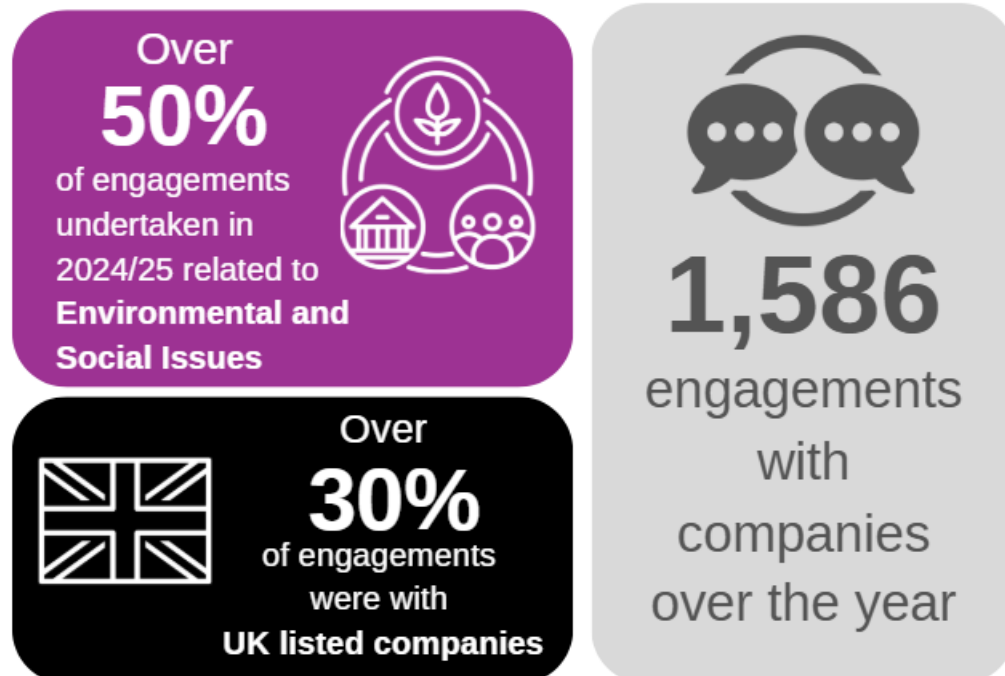
- Engagement with companies by Robeco, Border to Coast's voting and engagement partner; and
- Engagement through the work of the Local Authority Pension Fund Forum (LAPFF) which is a collaborative group of UK local authority pension funds which seeks to use the collective scale of shareholdings in companies to influence behaviour.



Market Focus of Engagement 2024-25



- 1,586 individual engagements with companies over the year
- Over 30% of engagements were with UK listed companies
- Over 50% of engagements undertaken in 2024/25 related to Environmental and Social Issues



Engagement Priorities

The Border to Coast Partnership continued with the four engagement themes set to run for three years (from January 2022). The diagram below sets these out together with the aims of the engagements and also indicates how these themes link to the SDG priorities and characteristics of good assets set out in the Authority's beliefs statement.

Nature of Risk Issue to Address	Systematic Issues	Environmental	Social	Governance
	Climate Transition	Waste and Water Management	Social Inclusion through Labour Management	Diversity of Thought
SYPA Priority / Characteristics	Climate Action SDG 13 / Affordable and Clean Energy SDG 7	Clean Water and Sanitation SDG 6	Respect for Human Rights / Transparency in Governance	Transparency in Governance/ Respect for Human Rights
Aim	Aims to engage both high emitters and banks identified as key to financing the transition to a low-carbon economy to commit to credible plans to meet net-zero targets.	Aims to engage portfolio companies with high exposure to water intensive operations producing high levels of packaging waste to develop policies and initiatives to address the issue(s).	Aims to engage companies with high exposure to labour intensive operations and lower scoring companies in relation to human capital development and supply chain labour management risk.	Aims to engage companies on plans to improve diversity within their workforce, including the establishment of workforce diversity programmes with a focus on equal opportunities.

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[OBJ]

Engagement Topic Examples

Over the year there have been a number of engagements, covering the topics above, that have been undertaken by Border to Coast through Robeco and LAPFF. Three such engagements are summarised below with full details available in the quarterly reports for Border to Coast and LAPFF.

Shell and BP

- Following the second reduction in transition plan ambition by BP, without a shareholder vote, Border to Coast requested a vote at the 2025 AGM. BP refused and Border to Coast advised the company this would cause a vote against the re-election of the Chair and other directors.
- As part of Border to Coast's voting escalation, they pre-declared these votes ahead of the BP AGM where 24% of shareholders voted against the re-election of the Chair.
- After attending a small meeting Border to Coast responded positively to Shell's reduced absolute emissions target for oil production but were disappointed that there was no similar target for gas.
- Border to Coast publicly pre-declared their vote against Shell's Chair and support for a shareholder proposal calling for a Paris aligned, medium term target covering Scope 3 emissions.

Water Utility Companies

- In 2023, Border to Coast joined a collaborative engagement initiative which focused on assessing and defining best practice with respect to: sewage pollution, water leakage, climate mitigation and biodiversity impact within the UK water utility sector.
- Border to Coast is leading engagement with Yorkshire Water and Northumbrian Water and reassessed progress following collaborative engagement in 2023.
- A meeting has been held to share the assessments and highlight areas for improvement.
- Engagement with both Northumbrian and Yorkshire Water will continue.

Banks

- Border to Coast partnered with Royal London Asset Management to engage Barclays, Lloyds, NatWest and HSBC to pioneer the integration of a just transition into the banking sector's net zero strategies.
- A meeting was held to discuss Border to Coast's 'Investor expectations on Just Transition for Banks'.
- Border to Coast will also Chair the IIGCC's Just Transition Working Group to explore integration in an emerging markets context.

ENGAGEMENT TOPIC EXAMPLES

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Collaborations

Engagement activity is more likely to be successful if it is supported by the collective weight of a larger number of investors. Therefore, the Authority and Border to Coast support a number of specific investor groups aimed at delivering change in company practices in specific areas.

Border to Coast

Border to Coast is a founding member of the Just Transition Investor Initiative and are responsible for the following three strands:

1. Piloting engagement with an emerging market utility.
2. Joining other institutional investors in the Financing a Just Transition Alliance (FJTA), co-ordinated by the London School of Economics Grantham Institute.
3. Joining RLAM (Royal London Asset Management) to engage UK banks.

Local Authority Pension Fund Forum (LAPFF)

Much of LAPFF's work is reported in the Authority's Responsible Investment quarterly updates. The Authority continues to participate in the Forum's business meetings to help shape LAPFF's work programme and the way in which it undertakes its activities.

The Forum has continued to emphasise work on 'Say on Climate', human rights and the impact of the mining industry on indigenous communities.



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Impact

We take the impact of our investments on both people and planet very seriously, as we reported in 2022 on a “whole portfolio” assessment undertaken by Minerva. Details of this are available [here](#). Over this year we have continued to concentrate on gaining a greater understanding of the impact of those investments we make with the intention of achieving an impact over and above meeting our return targets and in particular where those impacts are focused. This work has supported our development of a place-based impact approach within the South Yorkshire region as part of the review of our current investment strategy, specifically in the appointment of a general needs housing manager to deliver affordable, build to rent housing and the set-up of a new mandate to invest in Small and Medium Enterprises. We intend to be able to publish further details of the appointed Investment Manager in the Annual Report next year.

We have again worked with the Good Economy and various Fund Managers this year to understand the positive impact that a range of UK investments have had. This is summarised in the following pages.

- Impact – The Good Economy report to be inserted here when available.

Governance

In accordance with LGPS Regulations administering authorities are required to state compliance with the Myners’ Principles on a ‘comply or explain’ basis, within their Investment Strategy Statement. The six principles provide a basis for monitoring good investment governance. The Authority believes it is fully compliant and has continually reviewed both its Investment Strategy Statement and its compliance with the principles during the year.

Stewardship

The integration of ESG risks and a robust approach to stewardship is strongly supported in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which govern how the Authority should manage its investments. Guidance made under the regulations states that funds should become signatories to the UK Stewardship Code. The Authority seeks to manage its investments in line with the UK Stewardship Code 2020 which defines best practice in terms of how we look after or “steward” our investments.

In February 2025, the Authority was confirmed as a signatory to the UK Stewardship Code, highlighting SYPA’s ongoing commitment to responsible investment and transparency. The Code is produced by the Financial Reporting Council (FRC) who review annual submissions by Asset Owners and Asset Managers to determine whether they meet the relevant standards.

Climate Change

The Authority recognises that Climate Change poses a systemic and possibly the greatest external risk to the value of the Authority's investment portfolio. The risks and opportunities associated with climate change may have a material impact across all asset classes. The inter-connected nature of climate change has the potential to reduce returns across all asset classes and will have a macro-economic impact that could affect the entire Fund. These potential impacts include factors impacting the value of liabilities, such as the life expectancy of scheme members, in addition to the value of investment assets. All of this creates a range of risks and opportunities that can be characterised in various ways.

Physical Impacts - For example, increases in the number of extreme weather events

Technological Changes - For example, the development of new battery storage technologies and hydrogen powered vehicles

Regulatory and Policy Impacts - For example, the introduction of a law to prevent the sale of petrol/diesel powered vehicles

Transition Risk - For example, the risk to a business that its plan for the transition away from carbon is not aligned with the timescale of changes in regulation

Litigation Risk - For example, the risk to a company of losing a legal action in relation to its action or inaction in relation to carbon emissions

As a long-term investor, the Authority believes that such information is needed by investors, lenders, and insurance underwriters in order to be able to assess climate related risks and opportunities. This led to the Task Force on Climate-related Financial Disclosures (TCFD) being established. Its remit was to develop a set of voluntary climate-related disclosures, which would assist in understanding the associated material risks of climate change. The final report with recommendation was published in June 2017; it considers that asset managers and asset owners, including public and private-sector pension funds, should implement the recommendations. The reporting framework recommended by the Task Force is structured around four themes: Governance, Strategy, Risk Management and Metrics and was updated in late 2021.

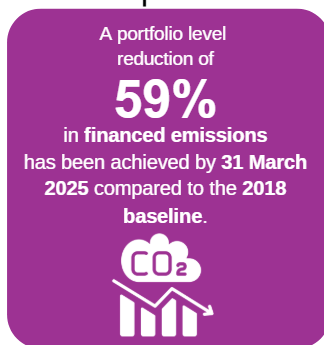
The Authority recognises that climate issues can be more relevant and readily implementable within some parts of the portfolio than others. In this section of the Annual Report, we provide an overview of the approach to climate-related governance, strategy and risk management that applies to all Border to Coast assets. Additional detail on the Authority's approach to climate-related governance, strategy, risk management and progress on Net Zero targets is available in our standalone [TCFD report](#), published separately on our website. The Authority also reports quarterly on the progress of its Responsible Investment and climate related activities, which can be found [here](#).

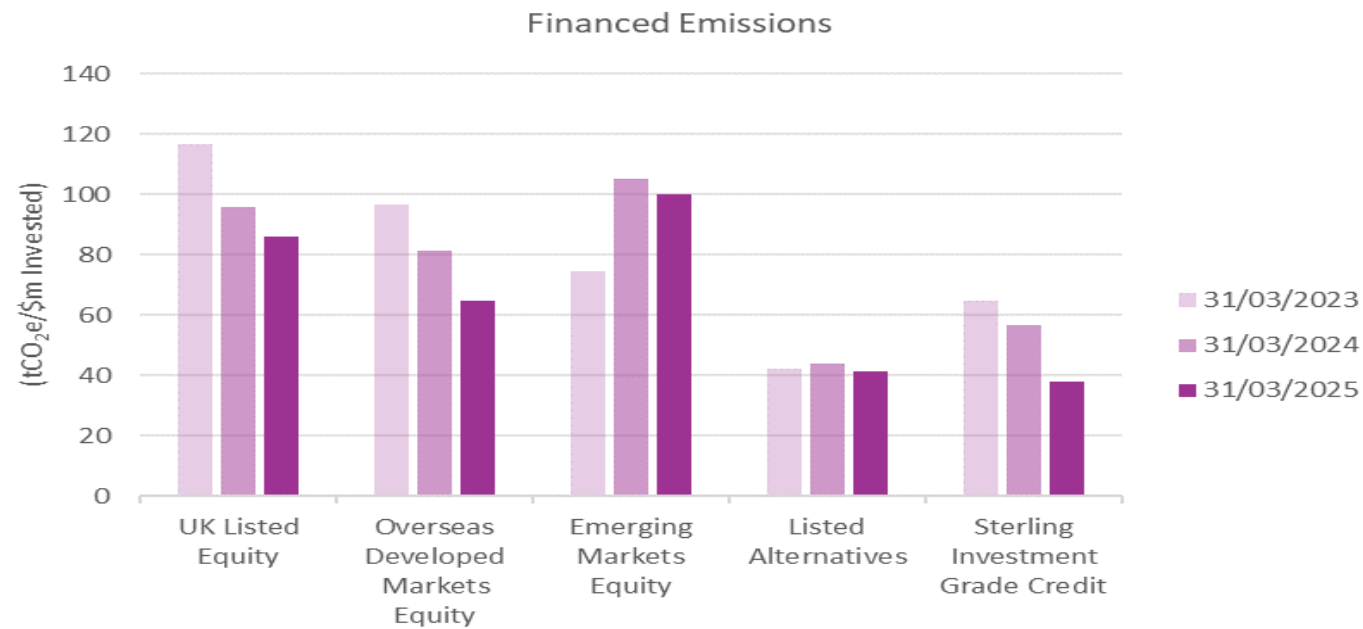
Data Quality

- The weighted average of reported Scope 1 & 2 data availability for the 5 listed asset portfolios is 84%.

Emissions Measurement

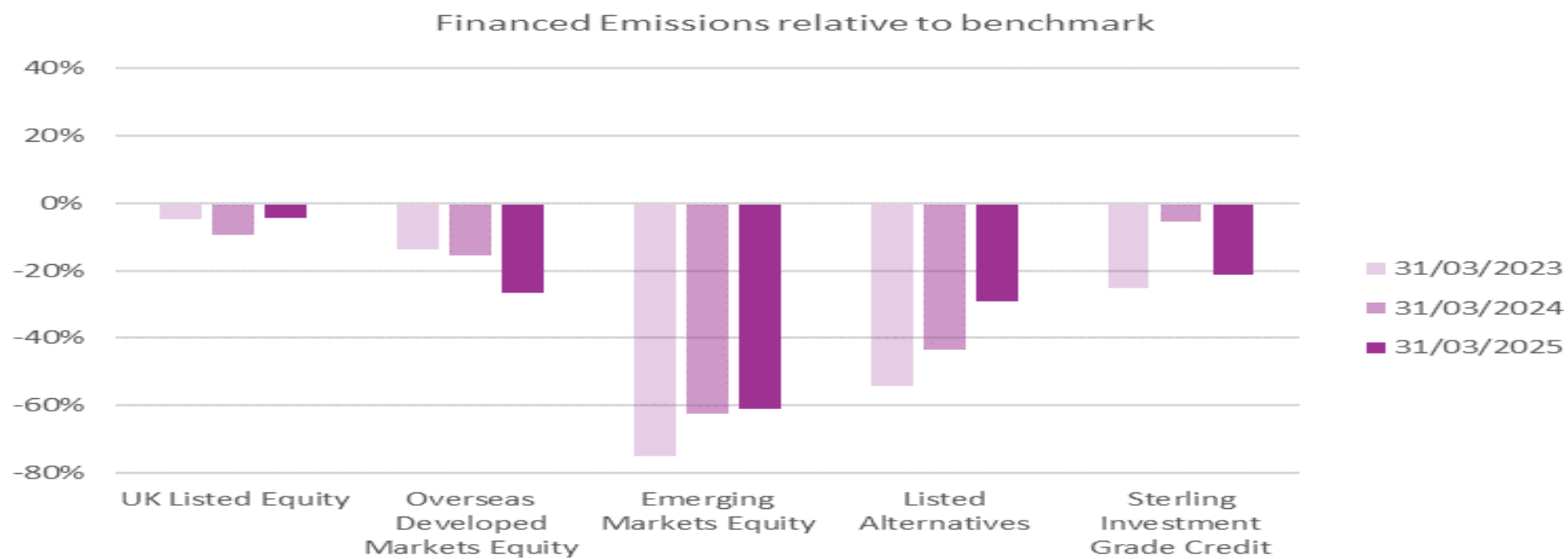
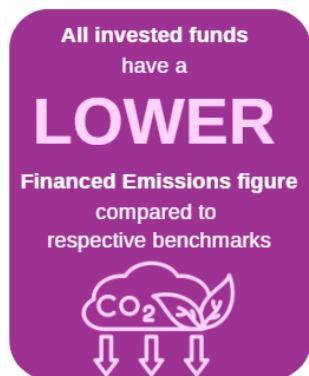
- Financed emissions for all 5 listed Funds that are reported have fallen over the reporting year
- Scope 1 & 2 (weighted average) Financed emissions continued a positive, downward trajectory, falling 16.2% in 2024/25.
- A portfolio level reduction of 59% in financed emissions has been achieved by 31 March 2025 compared to the 2019 or since inception fund baseline.



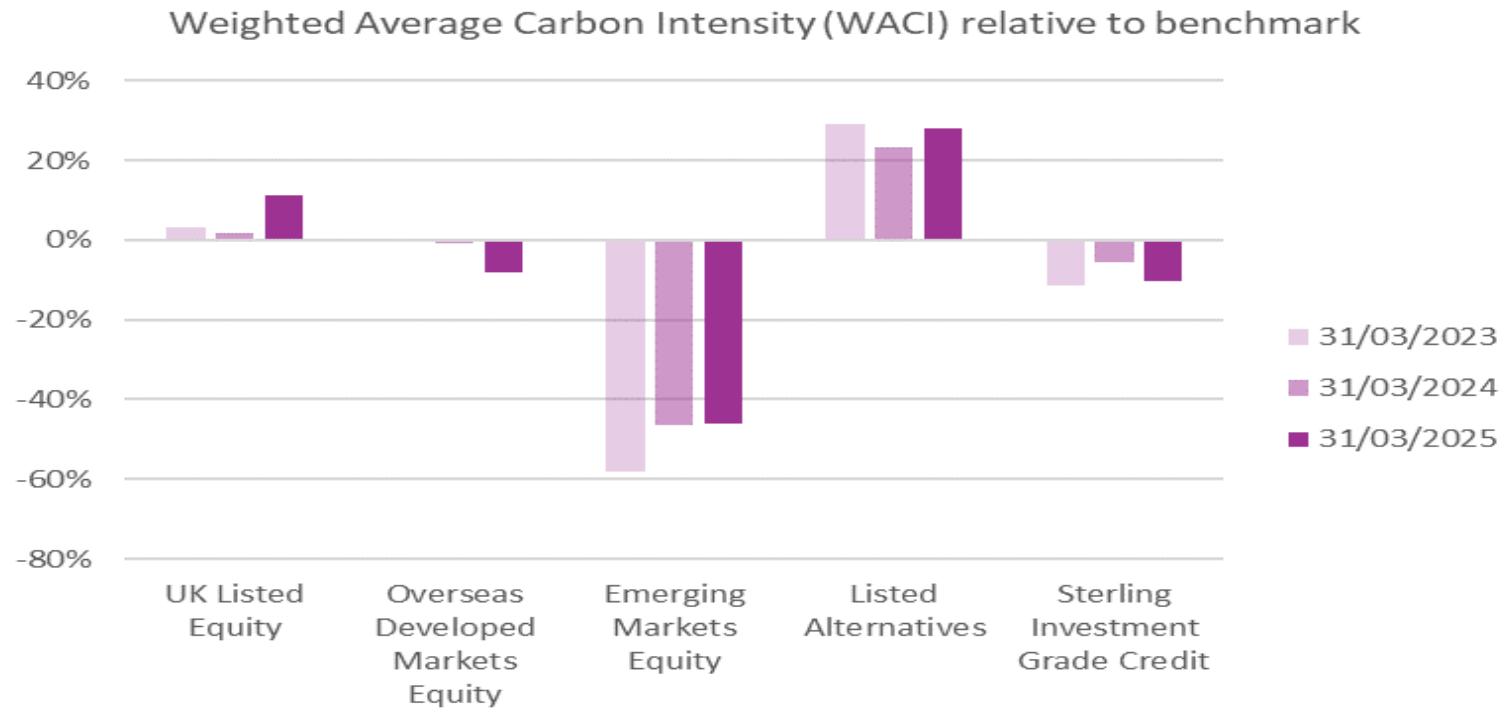


Source: MSCI ESG Research LLC, 31/03/2025

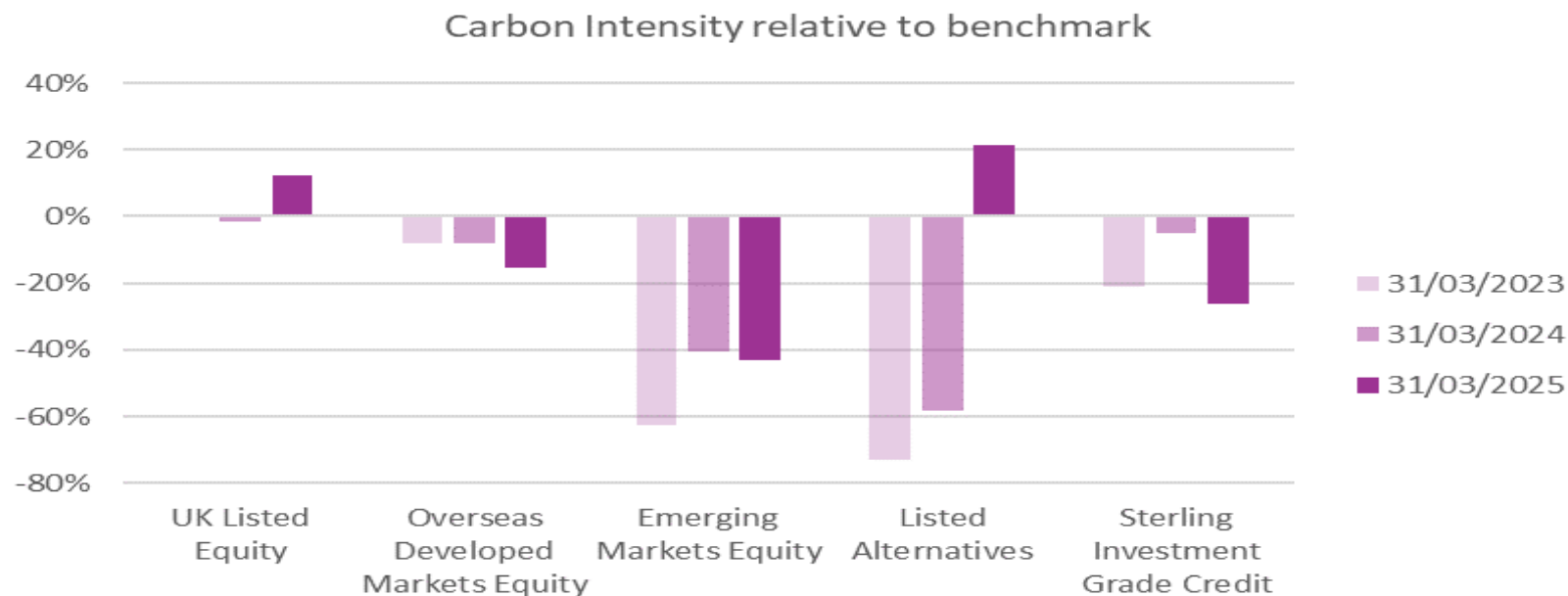
The financed emissions figure is affected by fluctuations in market value, where positive equity market performance this year has helped to reduce the overall level of financed emissions.



Source: MSCI ESG Research LLC, 31/03/2025



Source: MSCI ESG Research LLC, 31/03/2025



Source: MSCI ESG Research LLC, 31/03/2025

The Overseas Developed Equity Fund, Emerging Markets Equity Fund and Sterling Investment Grade Credit Fund have maintained their relative Weighted Average Carbon Intensity ("WACI") and Carbon Intensity measures below or in line with the benchmark position.

Commercial Property

Progress has been made in a number of areas shown in the table below which analysed progress against the three pillars of Aberdeen's ESG approach, capturing the sustainability indicators most material for the Fund to consider at asset level. [\[Tables below to be updated when information available from Border to Coast\]](#).

Pillar	ESG Topic	ESG Ambition	Performance to date
Transparency, Integrity and Reporting	ESG Client Reporting	Annual ESG Reporting aligned with INREV best practice sustainability guidelines	Aligned

Investment Process and Asset Management	GRESB	Increase score year on year	2023: 78 (3 Stars) 2022: 74 (3 Stars)
	TCFD	Report in line with transition and physical risks	Included in standalone TCFD report
	Green Building Certification	Target an increase in % of portfolio ERV covered by a certification	2023: 32% 2022: 37% 2021: 10%
	Carbon and Energy	Target net-zero carbon by 2050* Target an increase in assets with energy performance certificated A-C	Detail included in standalone TCFD report 2023: 74% 2022: 78% 2021: 70%

Note this is the Manager's house target which will need to be managed within the Authority's overall goal of Net Zero by 2030.

- The fall in the proportion of properties in the portfolio with Green Building Certification or an Energy Performance Certificate of A-C is due to changes in the valuation of underlying assets rather than the number of assets ~~certified. This~~ certified. This measure is calculated based on the value of the assets certified as a percentage of the overall fund value.
- The portfolio's ESG performance is independently validated by the Global Real Estate Sustainability Benchmark (GRESB) who scored the portfolio in the top quartile of peers assessed. SYPA's portfolio is evaluated against this standard every year and the table below summarises the scores over the last two years.

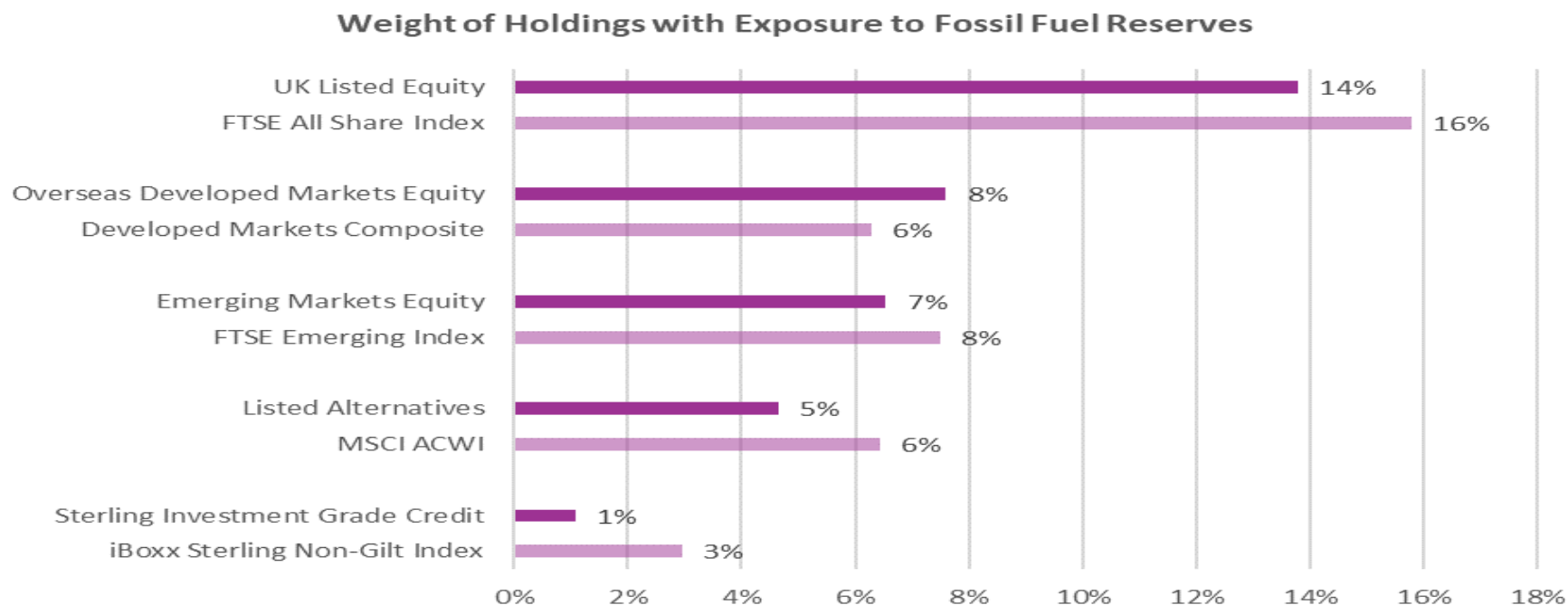
GRESB Component	2023	2024
Total score (out of 100)	78	
Management score (out of 30)	329	
Performance score (out of 70)	49	
No of stars	3	
Peer group ranking	22 nd of 100	xx of yyy

GRESB Data as at 31/12/2023

Holdings Analysis

An alternative way of considering the impact of the Authority's investments on climate change is by looking at the nature of the things in which we are invested.

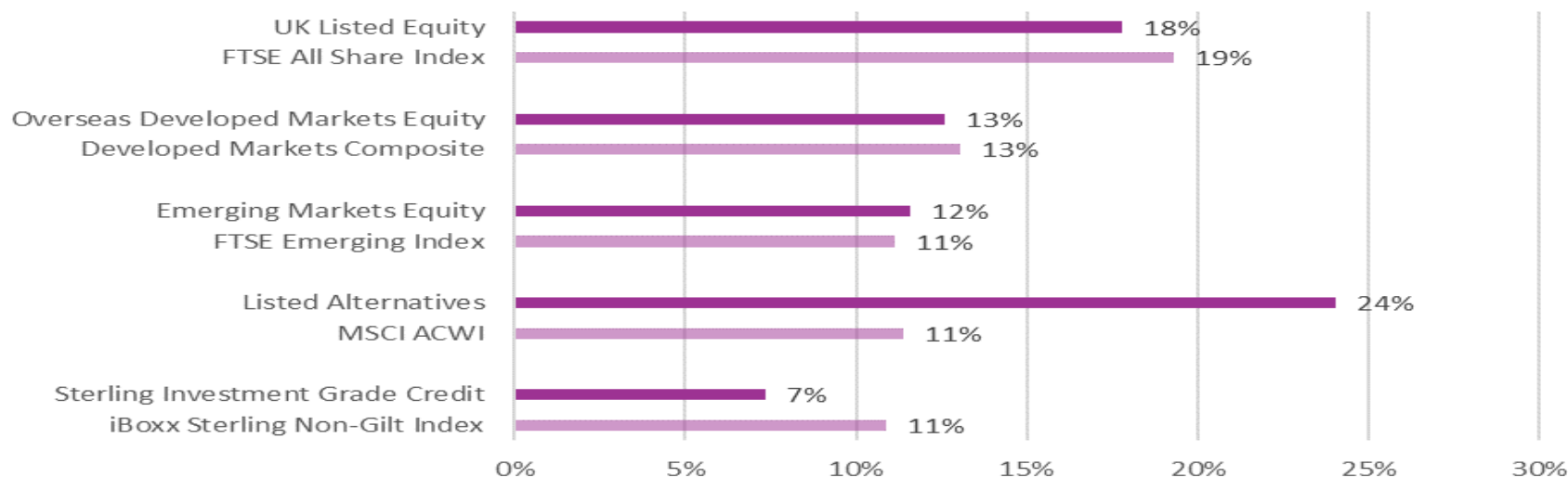
We can also look at the weight of companies in the various portfolios owning fossil fuel reserves and owning clean technology solutions in comparison to the same metrics within the relevant benchmark index and this is shown in the charts below.



Source MSCI ESG Research LLC 31/03/2025

From the graph above, it can be seen that only the Overseas Developed Markets Equity fund is overweight fossil fuel reserves relative to its benchmark. All other funds now invest in companies with less fossil fuel reserves than their respective benchmarks.

Weight of Holdings with Exposure to Clean Technology Solutions



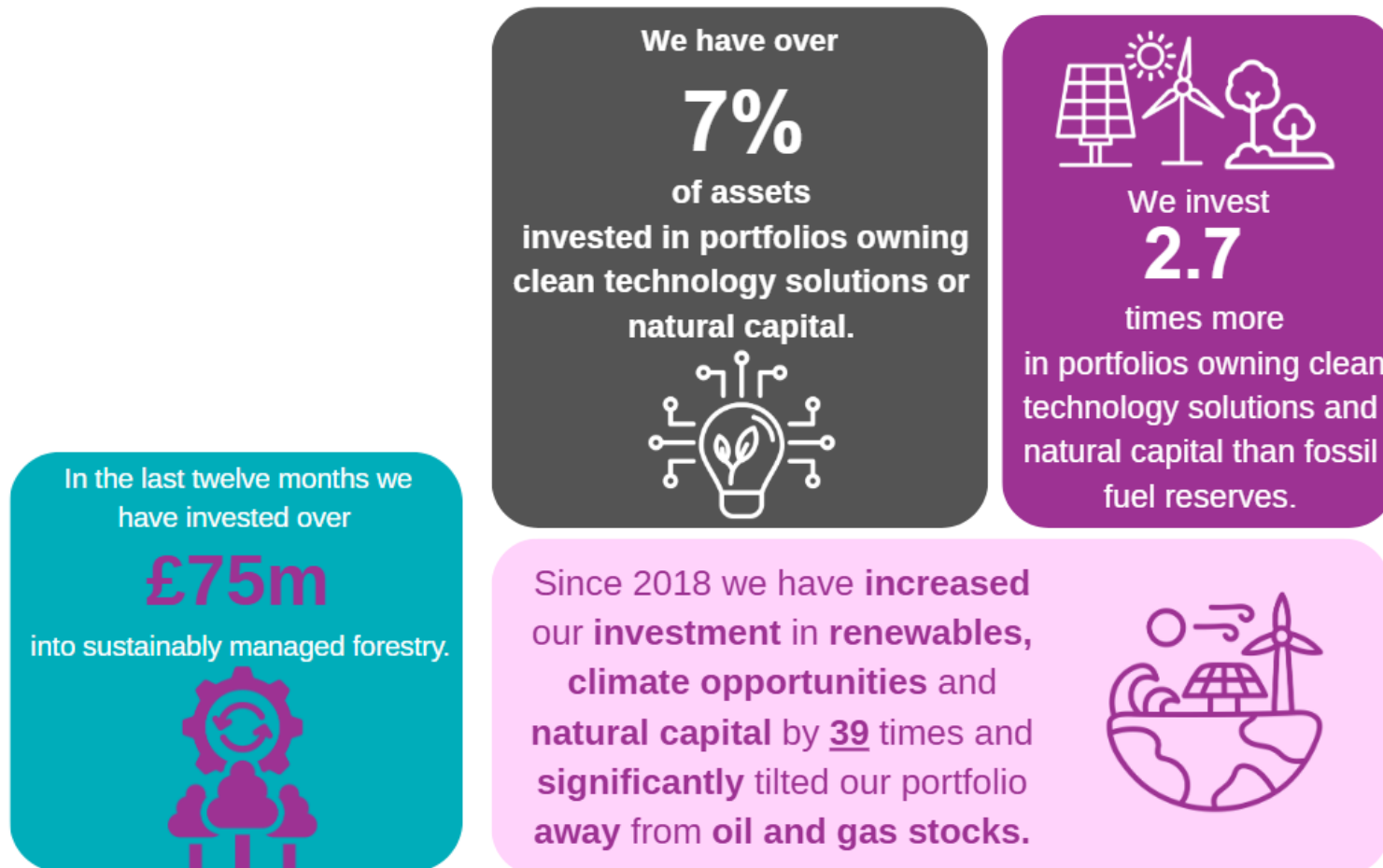
Source MSCI ESG Research LLC 31/03/2025

As well as monitoring the exposure to fossil fuels, the proportion of companies contributing to a low-carbon transition is also monitored. There is currently no industry standard definition for clean technology solutions; the data presented above uses MSCI's methodology, which may differ from that of other data providers.

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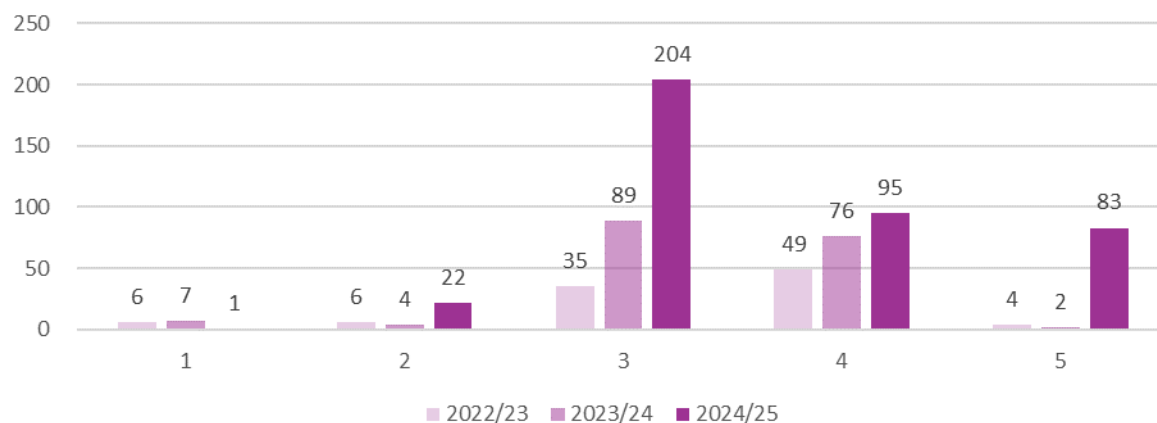
- We have over 7% of assets invested in portfolios owning clean technology solutions or natural capital (7.12%)
- We invest 2.7 times more in portfolios owning clean technology solutions and natural capital than fossil fuel reserves
- Since 2018 we have increased our investment in renewables, climate opportunities and natural capital by 39 times and significantly tilted our portfolio away from oil and gas stocks.

- We have a little over 7% of assets invested in portfolios owning clean technology solutions or natural capital.
- We invest 2.7 times more in portfolios owning clean technology solutions and natural capital than fossil fuel reserves
- Since 2018 we have increased our investment in renewables, climate opportunities and natural capital by 39 times and significantly tilted our portfolio away from oil and gas stocks.
- In the last twelve months we have invested over £75m into sustainably managed forestry.



It is also possible to consider the degree of commitment by companies in which we are invested to adapting themselves to the transition to a low/no carbon economy. We can do this through external assessment of companies' positions on the transition pathway. This technique only applies to listed companies held within the portfolios managed by Border to Coast.

Transition Pathway Levels - Companies Held in Border to Coast Funds



Source: Border to Coast March 2025

- 382 portfolio companies managed by BCPP were rated by Transition Pathway Initiative (TPI) and ranked at level 3/4/5 for the quality of their arrangements for managing carbon. (a year-on-year increase of 129%).

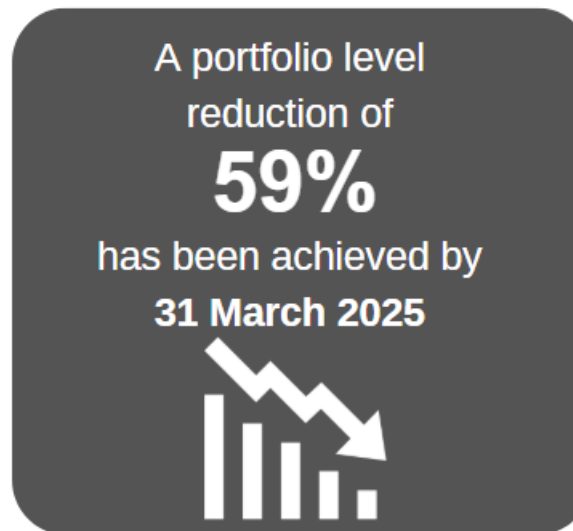
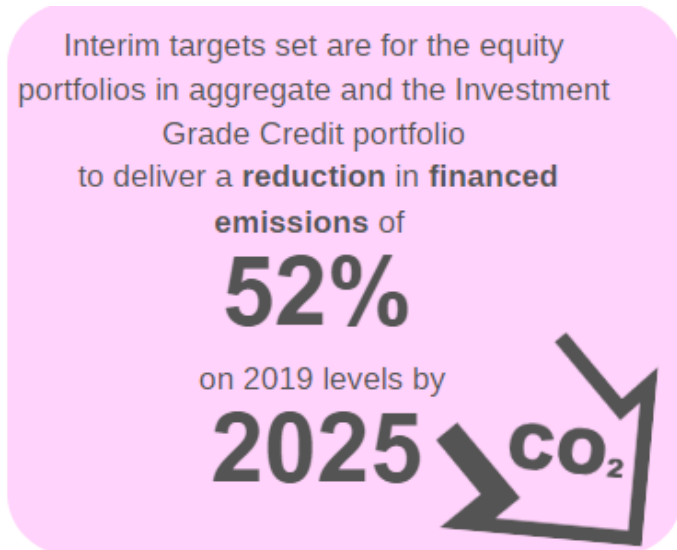


Targets

The Authority has set out its extremely ambitious goal of making its investment portfolios net zero in terms of carbon emissions by 2030.

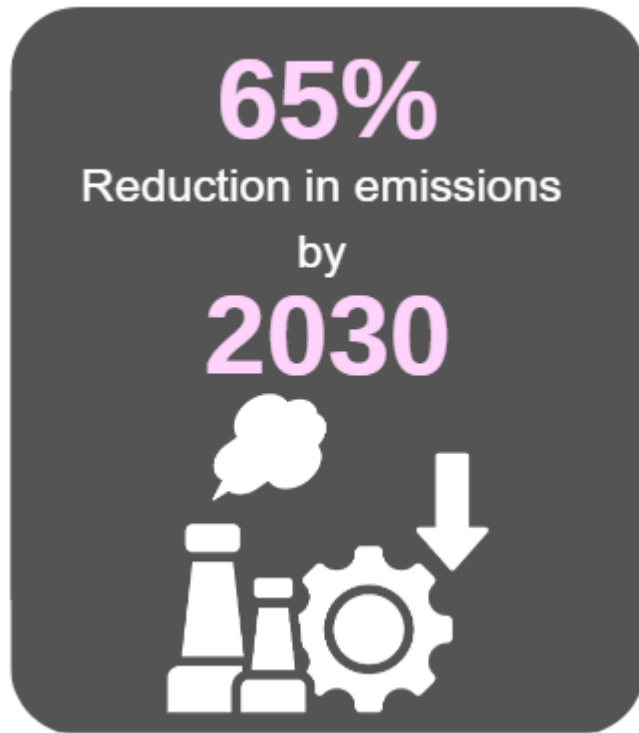
We have now defined provisional targets for carbon emissions (also known as financed emissions) towards the achievement of this goal, with the addition of information on the portfolio's degree of alignment, with the targets set out in the Paris agreement, gathered through the Strategy Review.

The interim targets set are for the equity portfolios in aggregate and the Investment Grade Credit portfolio to deliver a reduction in financed emissions of 52% relative to 2019 levels by 2025. This is significantly greater than implied in the International Energy Agency's Net Zero Emissions 2050 pathway. From these portfolios, a reduction of 59% has been achieved by 31 March 2025 relative to the 2019 starting level.



This represents a positive step in the Authority's ambition to achieve net zero from its investment portfolios and exceeds the interim 2025 target. It should be noted that these listed portfolios that report financed emissions represent 50% of SYPA's total assets. It is not currently possible to report the equivalent financed emissions on the other half of the investment portfolio due to a lack of data. We continue to work with Border to Coast and our investment managers to fill this reporting gap.

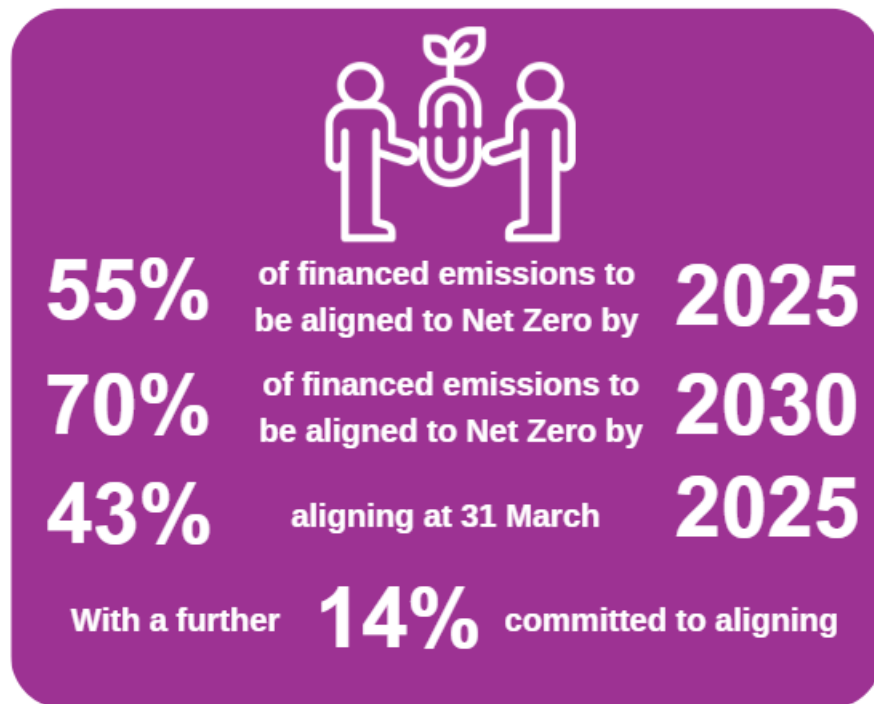
While the Authority would wish to see these portfolios achieve Net Zero by 2030 this is not something that is entirely within our gift; given our dependence on Border to Coast for the provision of investment products, and the fact that the broader partnership goal is set as 2050. Additionally, the world may simply not be evolving quickly enough for the Authority to achieve such an ambitious real-world impact. Therefore, based on current information available, it is estimated that these portfolios could achieve a 65% reduction in emissions by 2030 relative to 2019, compared with the 43% reduction implied in the Paris Agreement pathway to 2050. This total 65% reduction would require year-on-year reductions of approximately 3% p.a., which is less than the equivalent figure required by Paris aligned equity benchmarks.



The Paris Aligned Asset Owners Framework to which the Authority subscribes also requires the Authority to set targets for the proportion of emissions by:

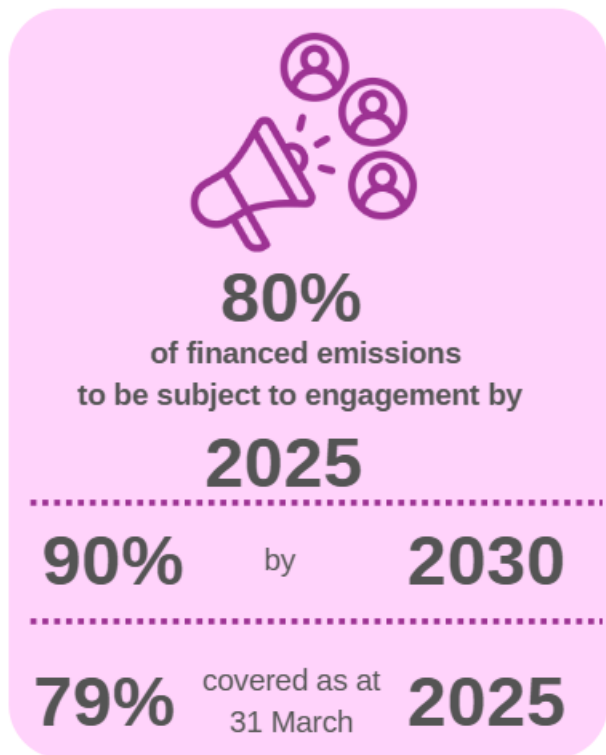
- Companies which are achieving Net Zero;
- Companies which are already aligned to Net Zero;
- Companies which are in the process of aligning to Net Zero; and
- Companies which are being engaged with to encourage them to align to Net Zero.

Based on progress to date with the public market portfolios (both equity and fixed income) we would expect:



50% of financed emissions to be aligned to Net Zero **by 2025**, and **70% by 2030**.

As at 31 March 2025 3% of financed emissions in reported funds were aligned to a net zero pathway with a further 57% either aligning or committed to aligning and 80% of financed emissions to be subject to engagement by 2025 and 90% by 2030 with 79% covered at 31 March 2025.



All of these targets will be refined as part of the review of the Investment Strategy, which will include an examination of the balance between the different asset classes held by the Fund, which can also have an impact on overall emissions. Engagement with Border to Coast is also ongoing regarding the development of new 'green' products.

The material in this report has been prepared by Border to Coast Pensions Partnership Limited (“Border to Coast”) and is designed for the use of professional investors and provides investor information about the specific funds detailed. The MSCI ESG Fund Ratings and material in this document are for information purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. There is no assurance that any socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results. The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested. Border to Coast accepts no liability for any loss or damage arising from any use of, or reliance on, any information provided in this document. Border to Coast Pensions Partnership Ltd is authorised and regulated by the Financial Conduct Authority (FRN 800511).

Although Border to Coast information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the “ESG Parties”), obtain information (the “Information”) from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use*, may not be reproduced or re-disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

* In accordance with the licence agreement between Border to Coast and MSCI.

Implementing the Funding Strategy Statement

The Funding Strategy Statement, which is available [here](#), is a series of interlinked policies which comply with the relevant statutory guidance and cover the following areas:

- The calculation of employer contributions and the associated calculations of assets and liabilities and the basis for requiring additional contributions to be paid.
- Processes for employers to join and leave the Fund.
- Processes related to the transfer of staff between employers either within the Fund or to another Fund.
- Processes for reviewing contributions between valuations.
- Specific policies related to schools converting to academy status.
- Policies relating to the review and monitoring of employer covenant.
- Policies related to the prepayment of contributions.
- Policies related to managing the risks arising from ill health retirement.
- Policies related to the treatment of contractors within the Fund.

The objectives of the Funding Strategy are to:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants.
- use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency.
- where appropriate, ensure stable employer contribution rates.
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy.
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

These policies are reviewed every three years alongside the valuation of the Fund, or more frequently if there is a change in the regulations. During the year the Cessation Policy was updated.

This section of the Annual Report outlines the way in which the various policies contained in the Funding Strategy Statement have been implemented during the year.

This year saw:

- An update to the Cessation Policy was undertaken to ensure the Authority was compliant with the regulations and acting in a fair and transparent way with all employers.
- Commencement of communication with Fund employers regarding the 2025 Valuation. This included working with the larger main scheme employers in line with the stabilisation mechanism in place that manages changes in their contribution rates.

Ordinary Contributions

The Fund collected £192,719,000 (£314,171,000 in 2023/24) in employer contributions and £81,865,000 (£78,097,000 in 2023/24) of employee contributions during the year. The Fund paid out £15,487,000 of the employer contributions (paid out £39,698,000 in 2023/24) related to secondary contributions either contributing towards repaying employer funding deficits or refunding employers' share of the Fund's surplus. A full breakdown of these contributions is set out in the Appendix to this Annual Report. *The Fund collects contributions by direct debit and therefore there were no occasions where employers failed to pay over contributions on time.*

Additional Contributions

The Fund collected £5,647,000 (£4,519,000 in 2023/24) in additional contributions from 28 employers (24 in 2023/24) to meet the costs of allowing 128 scheme members (134 in 2023/24) to take their pension early. These payments are required as an immediate lump sum. In addition, the Authority received £303,000 (2023/24 £312,000) through the levy on the four district councils in respect of the unfunded liabilities of the former South Yorkshire County Council the actuarial value of which is estimated at £1,344,000 (2023/24 £1,620,000). The levy represents the payments to 90 surviving employees of the former County Council (2023/24 105).

III Health Retirement

During the year, 51 scheme members retired on the grounds of ill health. Ill health benefits are tiered according to the likelihood of the scheme member being able to return to employment before their normal retirement age. The table below shows the numbers of ill health retirements in each tier.

	2023/24		2024/25	
	Number of Ill Health Retirements	Number of Employers with Ill Health Retirements	Number of Ill Health Retirements	Number of Employers with Ill Health Retirements
Tier 1	46	14	45	24
Tier 2	1	1	2	2
Tier 3	6	5	4	4
Total¹	53		51	

¹Note: Employers may have ill health retirements in more than one tier therefore employer numbers are not totalled to avoid double counting.

Larger employers such as the local authorities, colleges and the university meet the costs of ill health retirement through their contribution rate. Given the potentially large and uneven costs of ill health retirements all other employers contribute a small element of their contribution rate to an ill health insurance provision within the Fund. 70% of the above retirements were covered by the ill health insurance provision. The “premiums” for this arrangement are reviewed alongside the triennial valuation to ensure that the resources within this “insurance fund” are sufficient to meet the likely future costs. This arrangement lessens the risk to future contributions for smaller employers caused by the potentially significant costs of a single ill health retirement.

Employers Joining the Fund

29 new employers joined the Fund over the course of the year. These broke down between different types of employers as follows:

Employer Type	New Employers 2024/25
Local Authorities and Further and Higher Education Institutions	0
Academies and Multi Academy Trusts	14
Town and Parish Councils	0
Contractors	14
Other Bodies	1
Total	29

Of the contractors entering the Fund, all utilised the pass-through policy which allows their contributions to be set at the same level as the employer letting the contract.

All academies or multi academy trusts joining the Fund did so in line with the specific policies relating to these types of employers.

Employers Leaving the Fund

During the year 10 employers ceased to participate in the Fund. In some cases, this was because their contract came to an end, in others because their last active member ceased employment.

Employer Type	Ceasing Employers 2024/25
Local Authorities and Further and Higher Education Institutions	0
Academies and Multi Academy Trusts	0
Town and Parish Councils	0
Contractors	9
Other Bodies	1
Total	10

As a result of these cessations the Authority:

- Paid out £49,272 in exit credits to 5 employers who had a surplus on ending their participation in the Fund (2023/24 £978,434 to 23 employers).
- As the Authority's funding status has improved there were no employers who had a deficit on ending their participation in the Fund this year (2023/24 £59,750 from 8 employers).
- Several smaller employers taking advantage of their improved funding position to end their participation in the scheme.

Prepayment of Contributions

In agreement with the Fund's actuary, the Authority allows employers to prepay employer's contributions at either the beginning of each year or at the beginning of the three-year valuation period, with a reconciliation at the year end to ensure the correct total has been paid. This allows employers to receive a small discount because of their funds being invested earlier.

The amounts paid are summarised in the table below which clearly demonstrates the front loading of contributions in 2023/24 following the implementation of the 2022 Valuation results:

Employer Type	2023/24		2024/25	
	Prepayments Received £	Number of Employers Prepaying	Prepayments Received £	Number of Employers Prepaying
Local Authorities and Further & Higher Education Institutions	£136,662,000	2	£0	0
Academies and Multi Academy Trusts	£0	0	£0	0
Town and Parish Councils	£0	0	£0	0
Contractors	£0	0	£0	0
Other Bodies	£0	0	£0	0
Total	£136,662,000	2	£0	0

Bulk Transfers Between Funds

The Fund received a net bulk transfer payment from East Riding Pension Fund of £531,456. This was a net payment due to an outstanding bulk transfer of members previously employed by Humberside Police into our Fund on 1 June 2015 and then back out of our Fund on 01 April 2020.

Reviews of Employer Contribution Rates

No reviews of employer contribution rates have either been requested or undertaken during 2024/25 (2023/24 Nil). The Authority did receive several approaches as to whether surpluses would be returned earlier, but given the proximity of the next triennial valuation and the Funding Strategy Statement there were no compelling special circumstances put forward for consideration.

9. Scheme Administration

Summary of administration activities undertaken during the year

The administration of the scheme covers a wide range of duties from onboarding and continual support of employers, collection of monthly pension contributions (employers and employees) together with data collection for every individual member of the scheme, all to ensure our Pension Administration database is up to date and we can process member benefits accurately and on time. The Authority continues to invest in resources and technology to develop an efficient delivery platform and provide value for money for our stakeholders. The Pensions Administration department is made up of four dedicated service areas as outlined below.

Benefits

Focus on delivering tasks for all contributing, leaving and pensioner members. This includes work such as calculating retirement benefits, making benefit payments and calculating and paying transfers to other Funds.

Customer Services

The first port of call for all stakeholders and leads on all areas of member engagement. This includes our member helpline, website, and face to face support and events such as pre-retirement presentations and *mypension* drop-in sessions. The team also produce written communications, such as leaflets, newsletters and bulletins.

Employer Services

Provide training and support to our employers and ensure all monthly data returns are processed. This includes work such as admitting new employers into the Fund and facilitating training for those staff working in the employer organisations who deal with LGPS pensions.

Technical Support & Training

Support the whole department with their technical knowledge and training expertise. We have been changing our approach to training and development to ensure that we can provide the best possible services to our members. We aim to ensure all colleagues have the tools and resources to continuously develop their skills and knowledge, and to progress in their chosen roles. Professional training for Pensions staff has been reintroduced. This team are also responsible for data analysis, improving data quality and monitoring complaints and appeals.

These service areas are constantly evolving to service the needs of our membership and employers.

The LGPS is a contracted-out defined benefit scheme with benefits defined under statutory regulations (LGPS Regulations) which are not affected by the Fund's investment performance or market conditions.

Over the last twelve months, the Pensions Administration team continued to work hard to ensure the benefits it looks after for scheme members are paid accurately, on time and according to scheme regulations. Accurate and timely data from scheme employers, strong internal controls, innovative technology, and excellent communication standards are all fundamental to achieving this aim.

Arrangements in place for gathering assurance over the effective and efficient operation of administration operations include the following:

- Quarterly performance reporting to:
 - The Authority
 - Local Pension Board
- Internal audit
- External audit
- The Pension Regulator's annual scheme return

Key projects undertaken across the year have included completing GMP reconciliation and rectification and clearing supplemental pension increase payments due on lump sum payments from 2018. The revised transfers out procedure was embedded after an overhaul to ensure the Fund was fully compliant with all guidance and the only task still outstanding on this project is to sign the Authority up to the Regulator's Scam Pledge.

Throughout 2024/2025 the Authority continued to work on clearing its backlogs with around 70% cleared by year end and rigorous monitoring now in place.

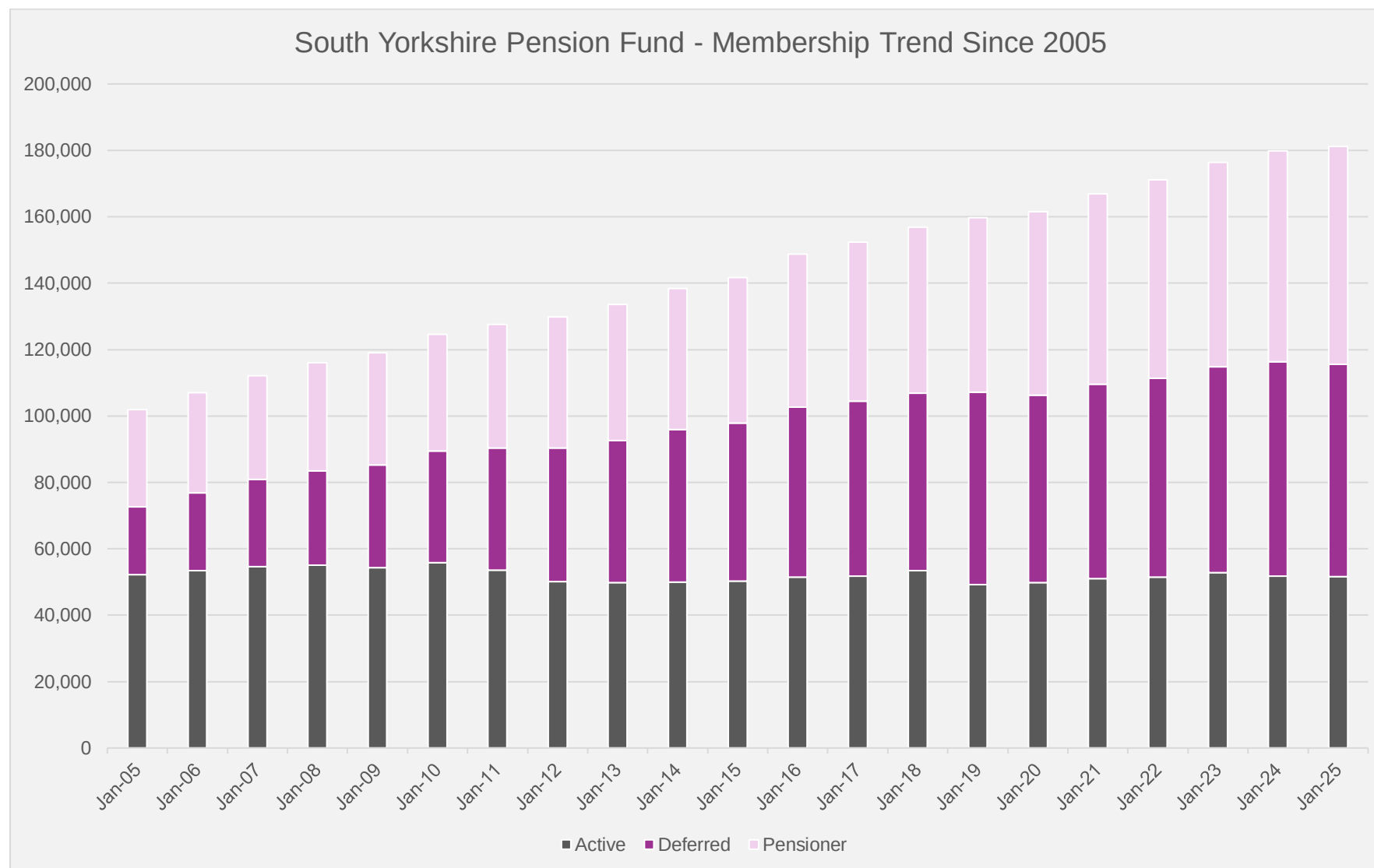
Implementation of the Administration Improvement Plan was a priority this year. The initial focus was to implement the organisation change approved in 2023/24. All newly created posts were recruited to during the year and training plans put in place, however it is too early to see the full impact of this investment just yet. Data quality was also a priority as this was required for normal day to day business but also for the McCloud Remedy and the 2025 Valuation. Due to delays by the pension administrator software provider in developing required functionality, system improvements have been hampered.

The Authority data cleanses throughout the year. Due to an annual process not being able to be run on time in autumn 2024 this resulted in a small drop in the Scheme Specific Score posted this year. See Table E later in this section. Steps have been taken to ensure this should not happen again.

All employers submit monthly data returns. Contribution payments are collected by direct debit and processes are in place to identify and chase late submissions as well as monitoring the data quality. 95% of monthly data was provided on time during the year. Work undertaken by the team has resulted in more data being received on time. Work will continue in this area but also with a focus on data accuracy as well as timeliness.

The Authority is proud of its buy-in from the membership regarding our online portal; 52% of the membership are now registered to view their benefits online.

Chart 1 - Fund membership trend



Services provided to all Fund members

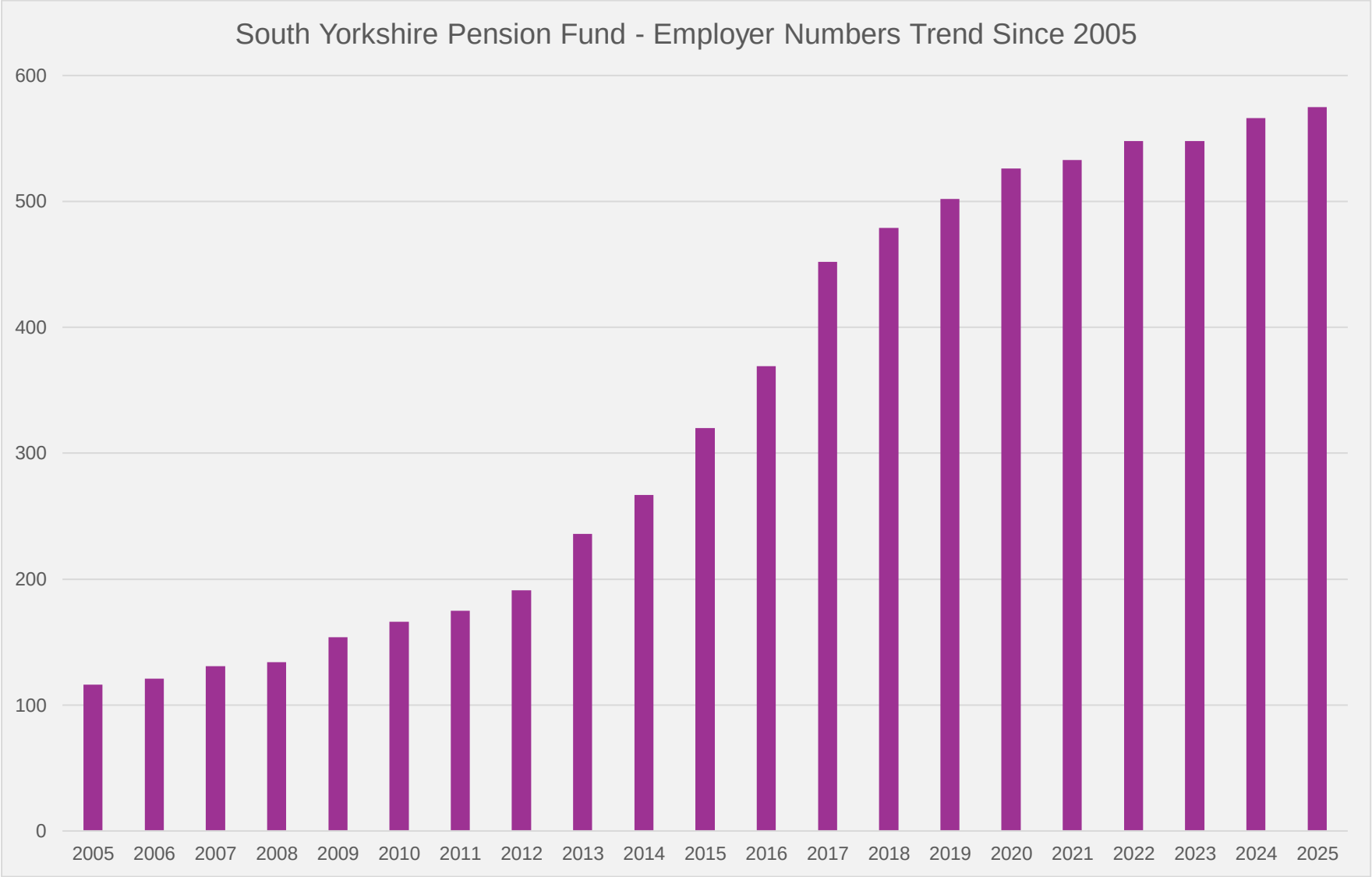
The Fund prides itself on developing and delivering communications of a high standard, ensuring it is well placed to deal with change and challenge. We seek to place our customers at the heart of everything we do, ensuring the Fund drives continuous improvement and develops working practices, systems and processes which are informed and prioritised according to the needs of those customers.

The Fund continues with regular communication which includes:

- Regularly updating website content and design.
- Delivering bulk email campaigns to members.
- Producing engaging, educational content on our Social Media channels.
- Producing annual newsletters, bespoke to our membership categories.
- Delivering pension roadshow events across South Yorkshire, ensuring they are accessible to all.
- Providing both members and employers with a range of face-to-face and digital support, webinars, presentations, workshops and events.
- Seeking feedback from members to improve future services through member engagement forums.

The Customer Services team is the first port of call for most stakeholders, including the member helpline, with around 37,500 calls during 2024/25, and 45,713 emails. An increase on numbers in both areas over the previous year. The Fund's dedicated Employer Services team are committed to supporting our employers by providing information to members on a wide range of pension matters at the members' workplace, offering a variety of ways to engage with and support our members. These include individual consultations, member self-service sessions and a suite of webinars aligned to a member's customer journey from introduction to the LGPS to retirement. Member engagement forums remained popular and provided the Authority with valuable insight and feedback from each category of membership. Initiatives such as Pensions Awareness Week and Talk Money Week were utilised to increase scheme members' knowledge of the value of their pension to them, using both specific events and social media campaigns.

Chart 2 – Employer number trends



Services provided to all employers

The monthly data provided by employers is essential to effectively administer the Local Government Pension Scheme for members. Working effectively with employers is therefore crucial. Employers have a range of statutory responsibilities, the most important of which is the requirement to pay over contributions intact and on time supported by accurate data in the format required by the Authority. The pensions administration team undertakes monthly and year-end data quality checks. Mortality screening and address verification is also undertaken to continue to improve the data held, to ensure member benefits are accurate. Employers must provide their monthly data submission on time so that their contributions payable can be collected by direct debit by the 19th of the month at the latest. The employers are provided with an annual timetable of the preferred collection dates.

Scheme employers now receive a monthly newsletter, rather than quarterly, covering hot topics, updates on administration issues and important reminders. Employers are reminded regularly that the team will support in-person presentations at their workplace, followed by member one-to-ones should there be a local need. Notable successes during the reporting year have been;

- Collaboration with employers has improved on time data collection from 92% in 2023/24 to 95% this year.
- Engagement staff running 28 training sessions that were attended by 105 employers covering 15 topics.
- Employers Forum was well attended, and the team received positive feedback. The Director attended to discuss the upcoming 2025 triennial Valuation.
- The second 'FD Summit' was held in February with Chief Financial Officers of our largest employers in the Fund. A focus was the initial Fund results for the 2025 Triennial Valuation.
- Building relationships with employers and having regular meetings with four of the larger employers to ensure data quality is maintained/improved.

These events provide the Fund with a valuable opportunity to demonstrate new developments as well as enhancing service delivery based on the feedback received from participants. Employer Services continue to deliver and develop employer coaching sessions to support new employers, those with staff changes or a need for refresher training. These sessions have been delivered via webinars and videos, with the aim of increasing understanding of employer responsibilities and how the Authority and the employers work together to deliver benefits to members.

The Authority has an Employer Peer Focus Group which has provided valuable feedback during the year and assisted in the development and roll-out of further initiatives and service improvements.

Administration key performance indicators

Over the last year, the Authority has continued to develop the performance management framework. We use the data and information collected to assess our performance, look for areas of improvement, and benchmark our work against others. Overall, it helps us to make better decisions.

A Key Performance Indicator (KPI) is a measurable target that indicates how individuals or businesses are performing in terms of meeting their goals. There are many performance indicators used across all aspects of our work. The information shown in this report is based on the Scheme Advisory Board's guidance and requirements for LGPS Funds to include within the annual report.

Measuring casework - Volumes

We record every piece of work that we process using a task flow process. These processes allow us to count the work we complete. The chart below shows the volume of casework processed within time in the year.

Chart 3 – Processing Activity

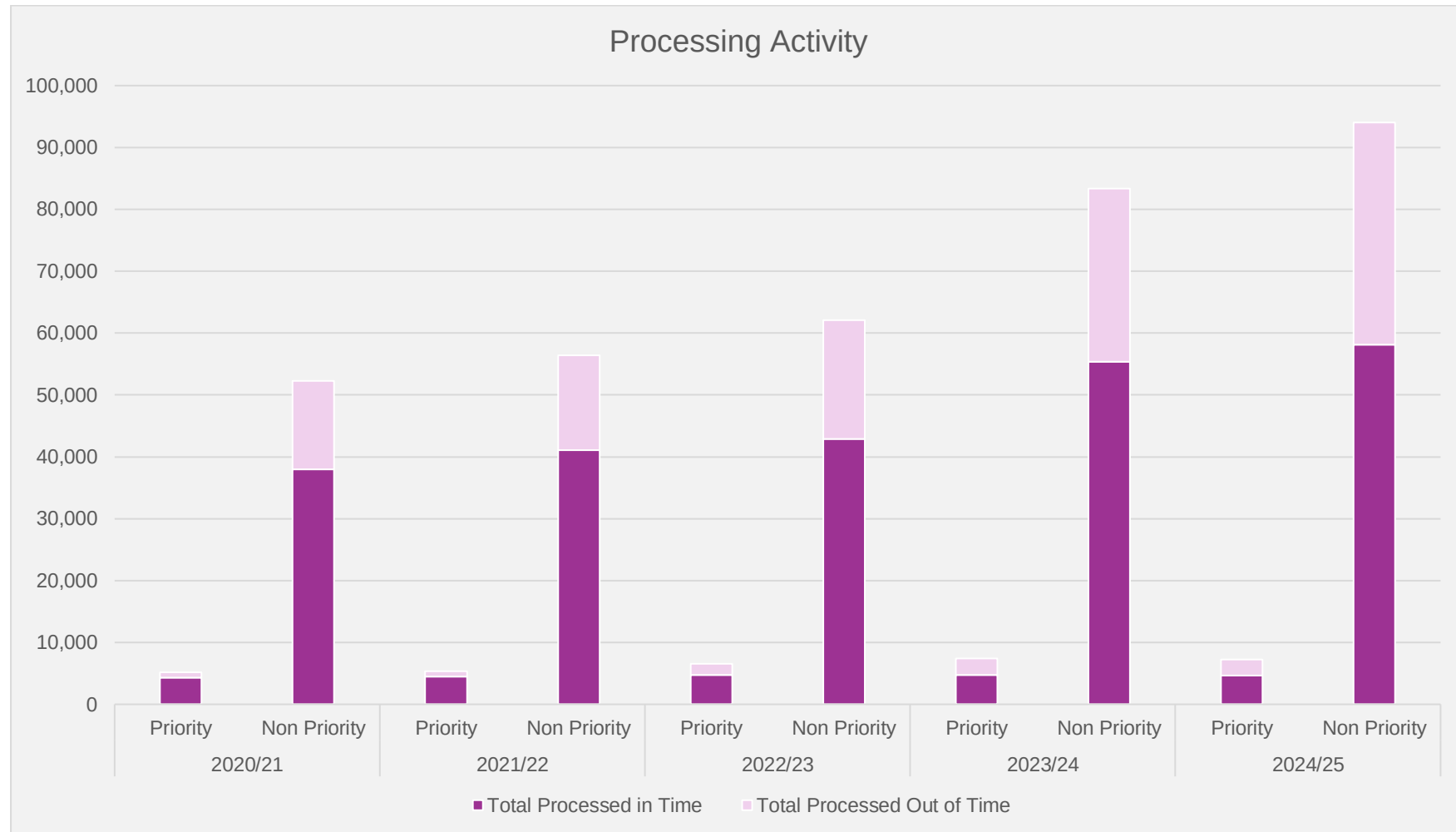


Table A

Code	Casework KPI	Total number of cases open at start of year	Total number of new cases created in the year	Total number of cases completed in the year	Total % of cases completed in the year	Total number of cases completed in previous year	Total % of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and dependent members	475	4,153	4,121	89%	4,054	90%
A2	New dependent member benefits	0	768	768	100%	757	100%
A3	Deferred member retirements	173	1,971	1,959	91%	1,896	92%
A4	Active member retirements	176	2,243	2,241	93%	2,074	92%
A5	Deferred benefits	8,481	7,522	9,220	58%	7,855	48%
A6	Transfers in (including interfund in, club transfers)						
	Quote	1,041	2,113	2,286	72%	2,181	68%
	Payment	241	1,020	981	78%	565	70%
A7	Transfers out (including interfund, club transfers)						
	Quote	316	1,778	1,823	87%	1,916	86%
	Payment	73	711	718	92%	792	92%
A8	Refunds						
	Quote	811	4,065	4,080	84%	4,149	84%
	Payment	76	1,037	1,051	94%	1,096	94%
A9	Divorce quotations issued	57	417	457	96%	430	88%
A10	Actual divorce cases	17	29	32	70%	25	60%
A11	Member estimates requested either by scheme member or employer	483	4,234	4,315	91%	4,211	90%

Code	Casework KPI	Total number of cases open at start of year	Total number of new cases created in the year	Total number of cases completed in the year	Total % of cases completed in the year	Total number of cases completed in previous year	Total % of cases completed in previous year
A12	New joiner notifications	342	9,903	10,167	99%	11,395	98%
A13	Aggregation cases						
	Quote	2,094	5,283	4,689	64%	4,129	66%
	Actual	6,027	4,729	4,198	39%	1,624	21%
	Data upload	209	3,553	3,683	98%	1,170	85%
A14	Optants out received after 3 months membership*						
	Deferment optants			206		172	
	Refund optants			154		135	

**Not possible on the Authority's system to track the start to completion date of these cases, therefore data shown is number of completions based on using the case completed process filtered by opt-out reason.*

Measuring casework - Performance

The task flow processes we use also enable us to measure the time it takes us to process casework. We use different targets than those suggested by the Scheme Advisory Board but have been able to demonstrate our performance against those suggested as best as we can.

Table B

Code	KPI Reference	Suggested Target Number of Days	Total number of cases completed in year	Percentage completed within fund target in year	Total number of cases completed in previous year	Percentage completed within fund target previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5	2,079	91%	2,022	88%
B2	Communication issued confirming the amount of dependents pension	10	837	61%	794	68%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15	22,379	96%	21,145	95%
B4	Communication issued to active member with pension and lump sum options (quotation)	15	21,788	97%	20,415	97%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15	1,811	98%	1,708	95%
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15	2,159	75%	1,971	82%
B7	Payment of lump sum (both active and deferred members)	15	3,970	86%	3,679	88%
B8	Communication issued with deferred benefit options	30	7,762	36%	6,315	47%
B9	Communication issued to scheme member with completion of transfer in	15	1,235	49%	1,076	52%
B10	Communication issued to scheme member with completion of transfer out	15	529	78%	512	85%

Code	KPI Reference	Suggested Target Number of Days	Total number of cases completed in year	Percentage completed within fund target in year	Total number of cases completed in previous year	Percentage completed within fund target previous year
B11	Payment of refund	10	1,005	85%	1,011	94%
B12	Divorce quotation	45	370	99%	348	100%
B13	Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15	17	59%	10	40%
B14	Communication issued to new starters	40	10,144	99%	11,242	99%
B15	Member estimates requested by scheme member and employer	15	2,234	83%	1,924	97%

Across 2024/25 there were still challenges in achieving the targets for processing work and in understanding how to better use the data available for managing performance. However, positive progress has been made. Nearly 70% of the casework backlog had been cleared by 31 March 2025. Statistics clearly show a record high for the volume of work completed in the year at 101,203 cases. This is an increase of just over 11.5% on the number of cases completed in 2023/24 (90,745). This provides evidence that the new ways of working and resourcing the operation are having a positive impact.

Communications and engagement

We also measure aspects of our work linked to ensuring good communication and providing opportunities for members to engage with their pension. The table below provides details of some of these metrics in line with the Scheme Advisory Board's guidance.

Table C

Ref	Engagement with Online portals	Percentage as at 31 March 2024	Percentage as at 31 March 2025	Trend	
C1	% of active members registered	63%	65%	↑	2%
C2	% of deferred members registered	52%	56%	↑	4%
C3	% of pensioner and survivor members	42%	47%	↑	5%
C4	% total of all scheme members registered for self service	52%	55%	↑	3%
C5	Number of registered users by age	93,200	100,236	↑	8%
C6	% of all registered users that have logged onto the service in the last 12 months	49%	50%	↑	1%

Ref	Communication	Total Number 2023/24	Total Number 2024/25	Trend	
C7	Total number of telephone calls received in year	32,490	37,456	↑	15.3%
C8	Total number of emails	37,001	45,713	↑	23.5%
C9	Number of scheme member events held in year (total of in person and online)	95	59	↓	-37.9%
C10	Number of employer engagement events held in year (in person and online)	41	121	↑	195.1%
C11	Number of active members who received a one to one (in person and online) <i>Excluding</i>	345	532	↑	54.2%
C12	Number of times a communication (e.g., Newsletter) issued to:				
	a) Active Members	1	1	-	
	b) Deferred Members	1	1	-	
	c) Pensioners	2	2	-	

Table C5 – Number of registered users by age

Age Band	Total Members Registered 31 March 2024	Total Members Registered 31 March 2025		Trend
16-29	4,421	4,086	↓	-8.2%
30-44	20,532	20,514	↓	-0.1%
45-54	20,238	20,356	↑	0.6%
55-64	30,031	31,543	↑	4.8%
65+	17,978	23,763	↑	24.3%
Total	93,200	100,236	↑	7.0%

Table D – Resources

Ref		As at 31 March 2024	As at 31 March 2025
D1	Total number of all administration staff (FTE)	62.1	71.8
D2	Average service length of all administration staff	12 Years, 3 Months	11 years, 6 months
D3	Staff vacancy rate as %	4.5%	7.9%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	1 : 2,900	1 : 2,520
D5	Ratio of all administration staff (excluding management) to total number of scheme members	1 : 3,050	1 : 2,710

Table E – Data Quality

Ref	Data Quality Measure	Percentage 2023/24	Percentage 2024/25	Trend
Annual Benefit Statements				
E1	Percentage of Annual Benefit Statements issued as of 31 August	100.0%	100.0%	→ 0.0%
Data category				
E3	Common data score	97.0%	97.0%	→ 0.0%
E4	Scheme specific data score	96.0%	95.0%	↓ -1.0%
E5	Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held or address known to be out of date	2.2%	1.9%	↓ -0.3%
E6	Percentage of active, deferred and pensioner members with an email address held on file	63.0%	59.0%	↓ -4.0%
Employer Performance				
E7	Percentage of employers set up to make monthly data submissions	100.0%	100.0%	→ 0.0%
E8	Percentage of employers who submitted monthly data on time during the reporting year	92.1%	95.0%	↑ 2.9%

[NB: The measures provided by Scheme Advisory Board do not include any referenced as E2].

Monthly data collection

A key factor influencing the level of service the Authority can provide to scheme members is the timeliness and accuracy of data submitted by employers to enable completion of statutory duties. In 2018 monthly data collection from employers was introduced and in 2020 introduced the collection of contributions by direct debit derived directly from the data files submitted by employers and their data providers. Employers have continued to engage with the Authority across this year and 100% of employers now provide monthly data submissions and all pay their contributions by direct debit. 95% of submissions were submitted on time this year. See Chart E.

The Authority monitors the responsiveness of employers to the queries which inevitably arise about both monthly data submissions and on other occasions such as scheme members retiring and data on the most significant numbers of outstanding queries are provided to the Local Pension Board each quarter. Over the course of the year significant progress has been made by the larger employers, helped by a more structured and intensive process of engagement with them. Tracking data has helped the team identify which employers were having difficulties in either responding to queries or in submitting accurate monthly data and then targeting support.

The table below summarises the performance of the “top 10” employers (those with the highest volume of queries) in terms of resolving queries over the course of the year:

Table F – Summary of Employer Queries Raised, Completed and Outstanding

Shown by Quarter for 10 Employers with highest total query volumes to up to 31 March 2025

Employer / Payroll Provider	2024/25 Quarter 1				2024/25 Quarter 2				2024/25 Quarter 3				2024/25 Quarter 4			
	Opening	Raised	Completed	Closing	Opening	Raised	Completed	Closing	Opening	Raised	Completed	Closing	Opening	Raised	Completed	Closing
Capita	108	21	23	106	106	50	36	120	120	73	33	160	160	74	139	95
Sheffield City Council	184	123	245	62	62	197	194	65	65	232	183	114	114	248	301	61
EPM	88	13	33	68	68	13	20	64	64	11	17	55	55	23	22	56
City of Doncaster Council	50	83	101	32	32	117	92	57	57	159	145	71	71	146	188	29
Rotherham MBC	84	79	133	30	30	114	88	56	56	209	205	60	60	156	186	30
Abbeyfield Primary Academy	31		3	28	28	2	4	26	26	5	2	29	29	4	10	23
Conisborough Ivanhoe Prima	38	2	6	34	34	4	8	30	30	4	7	27	27	6	9	24
The Chief Constable	43	37	40	40	40	37	20	57	57	37	64	30	30	44	55	19
High Storrs School	21	5	2	24	24	4	7	21	21	7	7	21	21	2	5	18
Tinsley Meadows Primary	40	3	13	30	30	4	7	27	27	4	8	23	23	7	13	17

Number of Active Employers in the Fund and Movement in the Year

Total number at 1 April 2024	566
Admissions during the year	29
Terminations during the year	-10
6 Academies consolidated to become 1 MAT	-5
Previous year terminations	-9
Total Number at 31 March 2025	571

Actions taken to deliver the Consultation, Communications and Engagement Strategy

The Authority's mission is: "To deliver a sustainable and cost-effective pension scheme for members and employers in South Yorkshire delivering high levels of customer service and strong investment returns which facilitate stable contributions."

Over the year, the Authority has continued to consult with all stakeholders, employers, and members. Regular focus groups have been run with employers, and they have been consulted on a number of areas including, but not limited to, changes to the Employer Hub, Annual Benefit Statements and the Valuation. Scheme member satisfaction surveys as well as employer satisfaction surveys were undertaken. Results can be found below. Each quarter the results of the feedback are monitored, and improvement actions put in place where appropriate.

The Authority's communication principles have been adhered to, and all communications are offered in a range of methods to help ensure that no one in our scheme is disadvantaged. We offer large print, audio, and braille formats.

Across the year we have delivered pension forecasts, bespoke newsletters to all categories of membership, employer newsletters, Board news updates, run presentations for employees and employers to name but a few, all in line with the strategy. Teams at the Authority use many different methods to deliver messages. Digital is the Authorities preferred method, but all are catered for, and it is recognised that digital does not suit everyone.

Value for money

To ensure the effectiveness of the administration services, the Authority is monitored through internal and external audits. The Authority returned to CEM in 2022/23 to benchmark administration performance against an appropriate peer group. That group has increased in 2023/24 to 16 other administration providers. The analysis of the results received in 2024/25 provided the Authority with the opportunity to understand how its costs and performance / quality of service rate compared to others and helped identify areas

for improvement. CEM benchmark the overall cost effectiveness of pension schemes in both the private and public sector by looking at several measures designed to assess customer service as well as administration costs. The total administration costs per member, based on the 2023/24 data, was £33.26 per member. This is higher than the previous year, mainly because our headcount increased by 8% but was still £1.73 below the peer group average of £34.99 per member.

Whilst we must not be complacent about our costs, what is more important is the quality and level of service that we deliver with the resources available, and whether that represents efficient and effective use of our resources and meets the needs of our scheme members and employers. CEM's summary places the Authority as a 'high member service', 'low cost' provider regarding cost effectiveness. This is an improvement on the previous year when we were placed as a 'basic service' 'low cost'.

This data was used in setting our corporate objectives in 2024/25, to look to increase the service score without necessarily increasing costs. The Authority continues to invest in resources and technology to continue to develop an efficient delivery platform and provide value for money for our stakeholders. The Authority participates in the CEM survey annually and uses the report to identify areas for improvement to feed into the administration improvement plan.

These are some of the key highlights from the benchmarking exercise. This was carried out in 2024/25 but was based on the data for the 2023/24 financial year. *(Will be presented as infographics in the final publication.)*

Administration

SYPA cost per member £33.26 - Average Cost per member £34.99

1 FTE staff member per 2,499 scheme members Vs 1 : 2476

Our remuneration is 2.3% more than average.

Quality

Positives

Member service score 64 out of 100 Vs average 61

Face to face meetings with members – most peers no longer offer this.

72% of deferred members retiring received their pension within a month.

Areas for improvement

Call wait times 330s V 163s

50% of active retirements paid within a month Vs 66%

Complaints and dispute resolution

There are times when scheme members, employers and the Administering Authority may find themselves in disagreement about a pension issue. The first approach in these situations is for those involved to talk to each other to reach a resolution. However, should this not prove possible, the Fund has an established Internal Disputes Resolution Procedure (IDRP). The IDRP is a two-stage process. When the Fund or an employer makes a decision about a beneficiary's benefit under the LGPS rules, if for any reason a member, pensioner, deferred pensioner or potential beneficiary is not satisfied about a decision made they can apply to the employer or the Fund to have their complaint reviewed under a stage 1 of the IDRP. If the beneficiary is dissatisfied with the stage 1 decision, they may invoke stage 2 of the IDRP within 6 months of the stage 1 decision. If after the stage 2 decision the beneficiary is still dissatisfied, they can contact The Pensions Ombudsman (TPO) for help when dealing with a complaint. The member or beneficiary has three years in which to apply to The Pensions Ombudsman who can investigate any type of complaint about a member's or beneficiary's pension. The member or beneficiary must have been through stages 1 and 2 of the IDRP before they contact the Ombudsman. Fortunately, such instances are few and far between shown by the number of cases across the reporting year, remembering the fund has just over 181,000 members.

Complaints

In terms of complaints the chart below shows the trends over the last four years. 39 complaints were received across this reporting year, which is an increase on the previous years. This is due to the newly appointed Complaints Resolution Officer improving internal recording, monitoring and reporting processes. The issues around timeliness clearly relate to the overall performance on casework processing and the backlogs the Fund is currently working to clear highlighted earlier in this report. The national work undertaken on improving the service of the AVC providers looks to have benefited our members, with no complaints around AVC's. The issues around information quality cover a range of things but all point to the need to improve the clarity of the information provided to scheme members at various stages of their membership of the scheme. The Complaints Resolution Officer's role is to ensure that there are lessons learnt from each complaint. Improving processes and re-visiting training where required

Chart 4 – Trends in Complaints Received

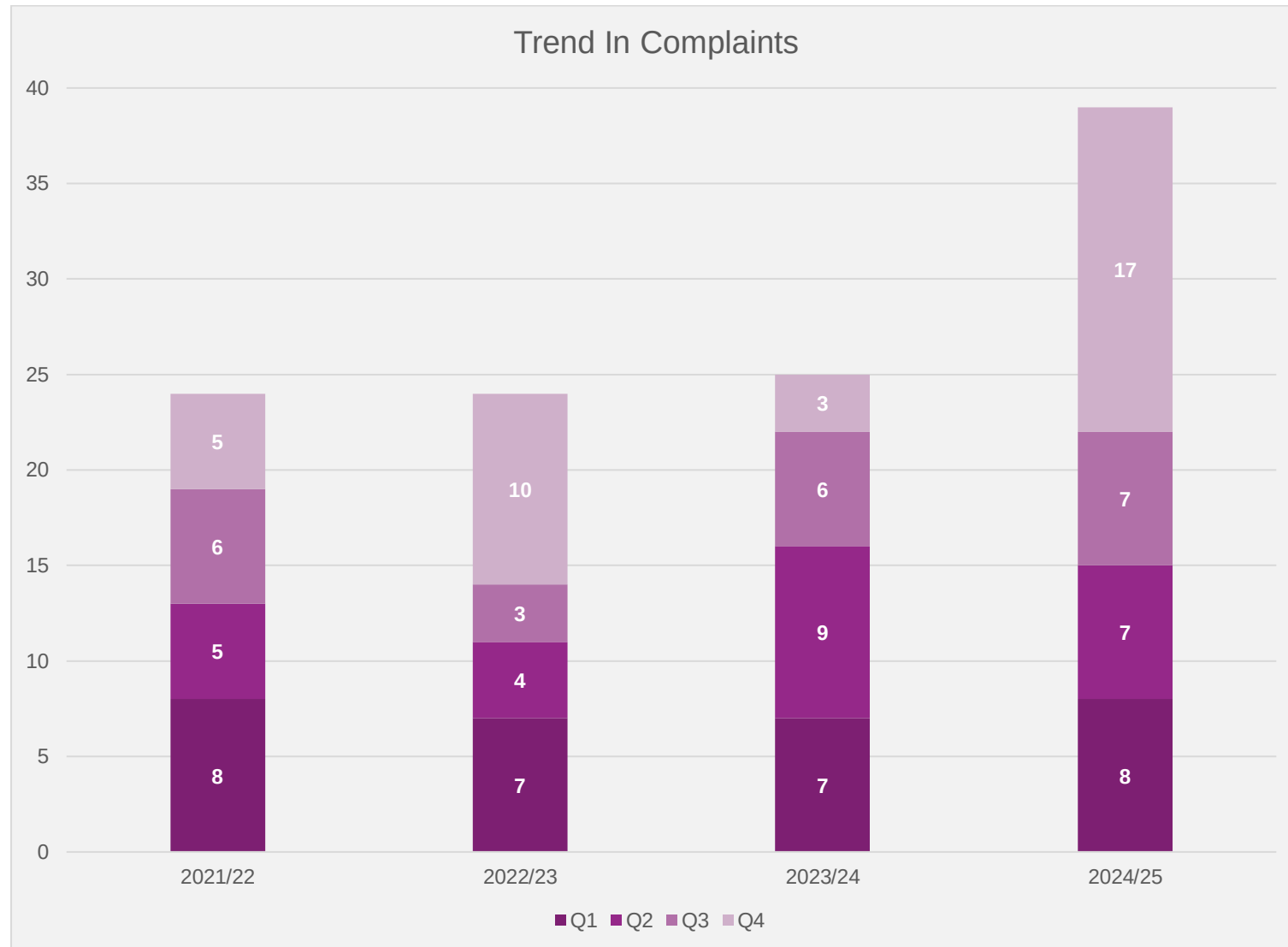
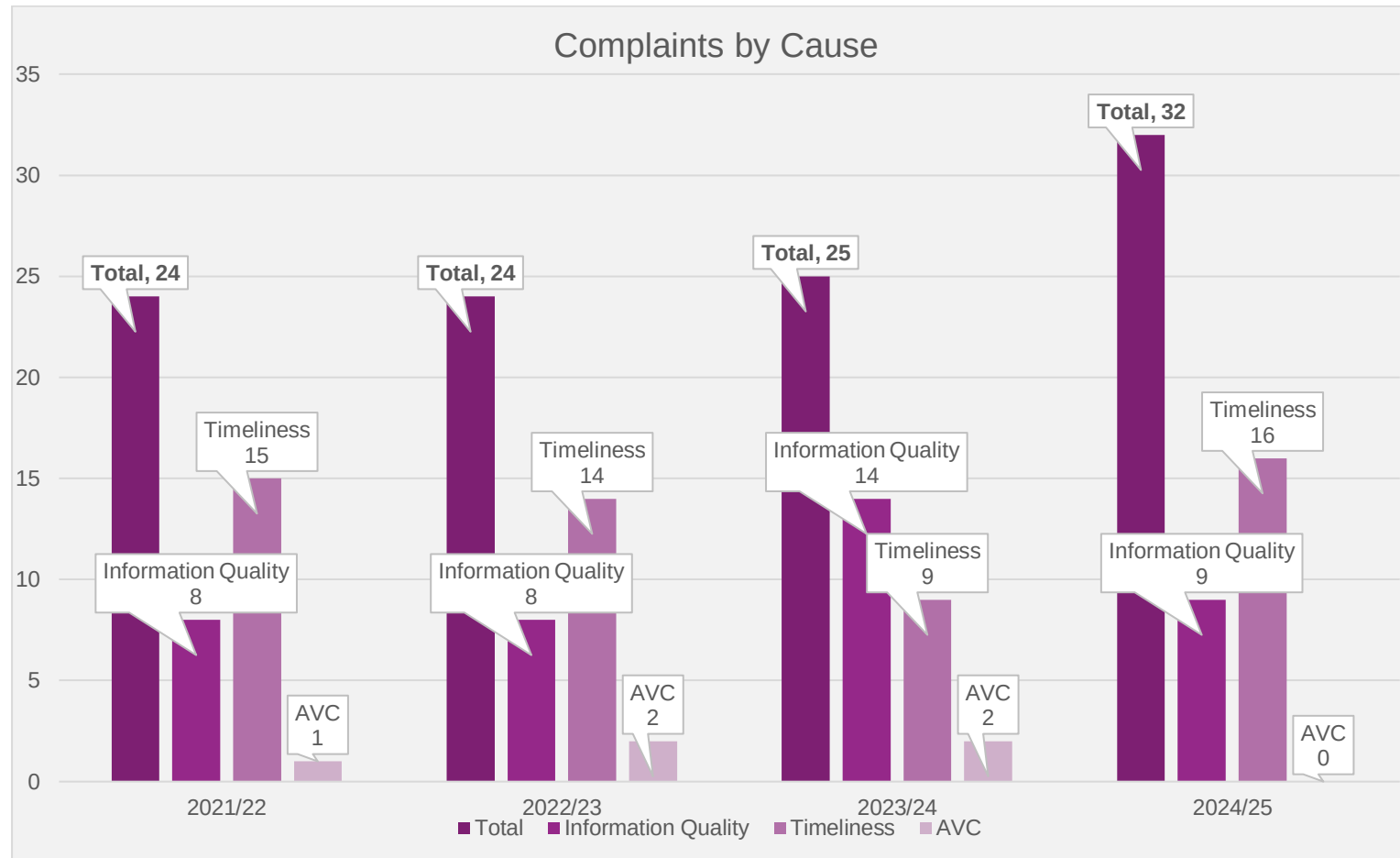
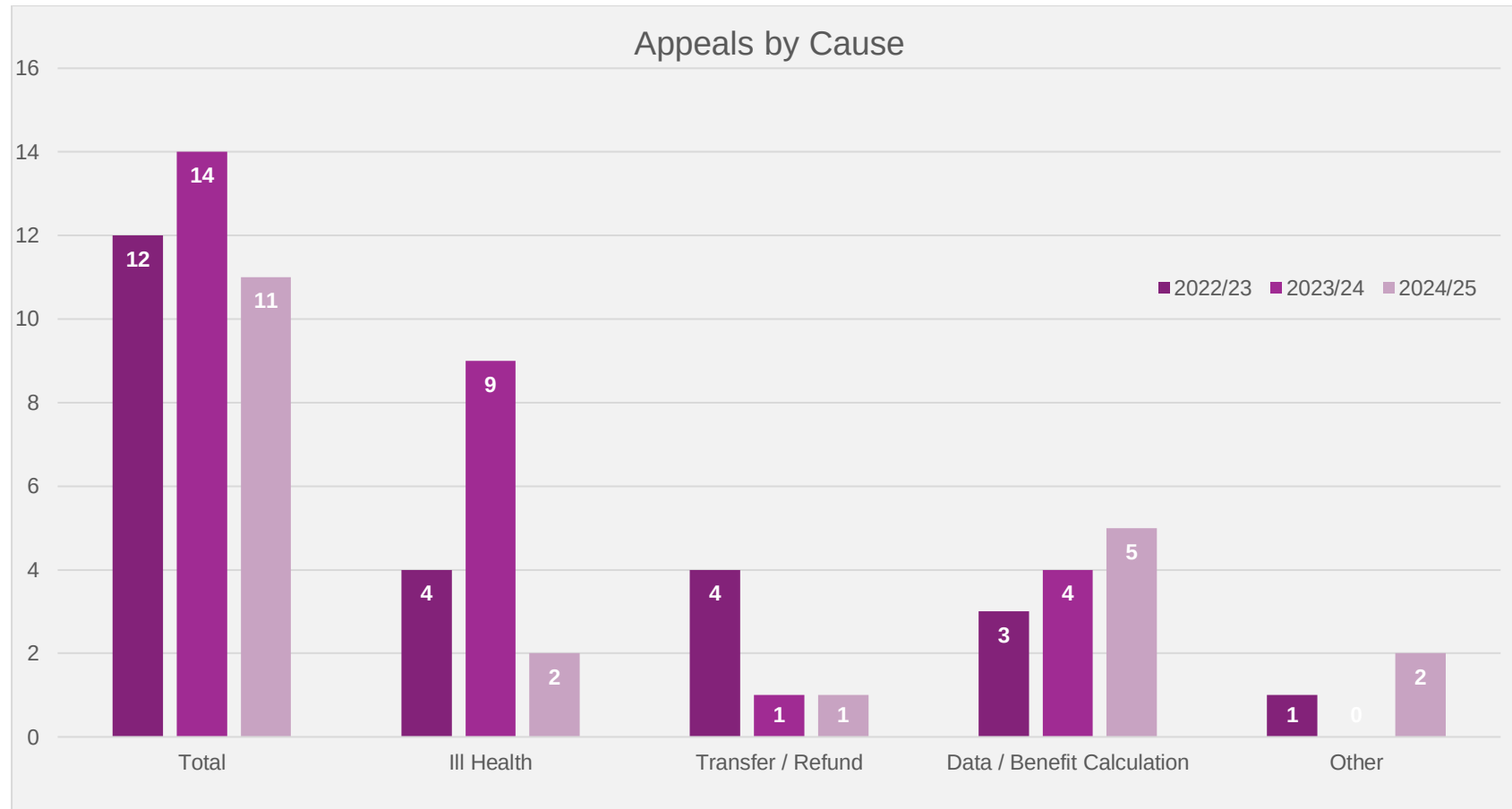


Chart 5 – Complaints by Cause



A key indicator of customer satisfaction is the volume and causes of appeals and complaints. The Authority analyses these and reports on them each quarter to the Local Pension Board. The chart below sets out the underlying cause of stage 2 appeals over the last three years. In 2024/25 there were 29 stage 2 appeals.

Chart 6 – Stage 2 Appeals by Cause



The information gathered shows, as would be expected, that the largest proportion of appeals are concerned with ill health retirement, where scheme members often feel that the decision about the non-award of an ill health pension or the tier, they have been awarded does not reflect the degree of ill health they suffer. The other issues include calculation of benefits and transfers where the scheme rules and legal requirements related to scam prevention are very clear although not always very well understood by the membership. The complexity of the scheme does sometimes mean that the final pension payable to a scheme member can differ from an earlier quotation and this can result in appeal cases. The Authority is not aware of any of these cases being taken to the Ombudsman but there are historical cases still open with them.

Member satisfaction surveys

Engaging with customers helps the Authority to understand customer feedback, review and monitor service effectiveness, analyse performance, and develop and deliver a service that is focused on the requirements of those customers. The Authority encourages feedback via a range of different channels, such as surveys issued following member events and telephone calls and general satisfaction surveys placed on the website. The Authority regularly monitors scheme member satisfaction through surveys focused on members who have experienced both the retirement process and the process of joining the Fund as well as members who have contacted us through different routes such as email and telephone. Satisfaction levels have dropped this last year as shown in the table below. Dissatisfaction with logging on to *mypension* is a common theme. In 2025/26 two-factor authentication will be introduced for signing in, which should improve the member experience.

One area in particular that is important to know how the service is being received is the dedicated Customer Centre, this team deal with member queries at the first point of contact. Therefore, throughout the year they have continued to issue focused surveys to members who had reason to contact the Authority by telephone and email. In total, over 63,300 surveys were issued in 2024/25 which represents around 35% of our overall scheme membership.

The surveys were a combination of the following:

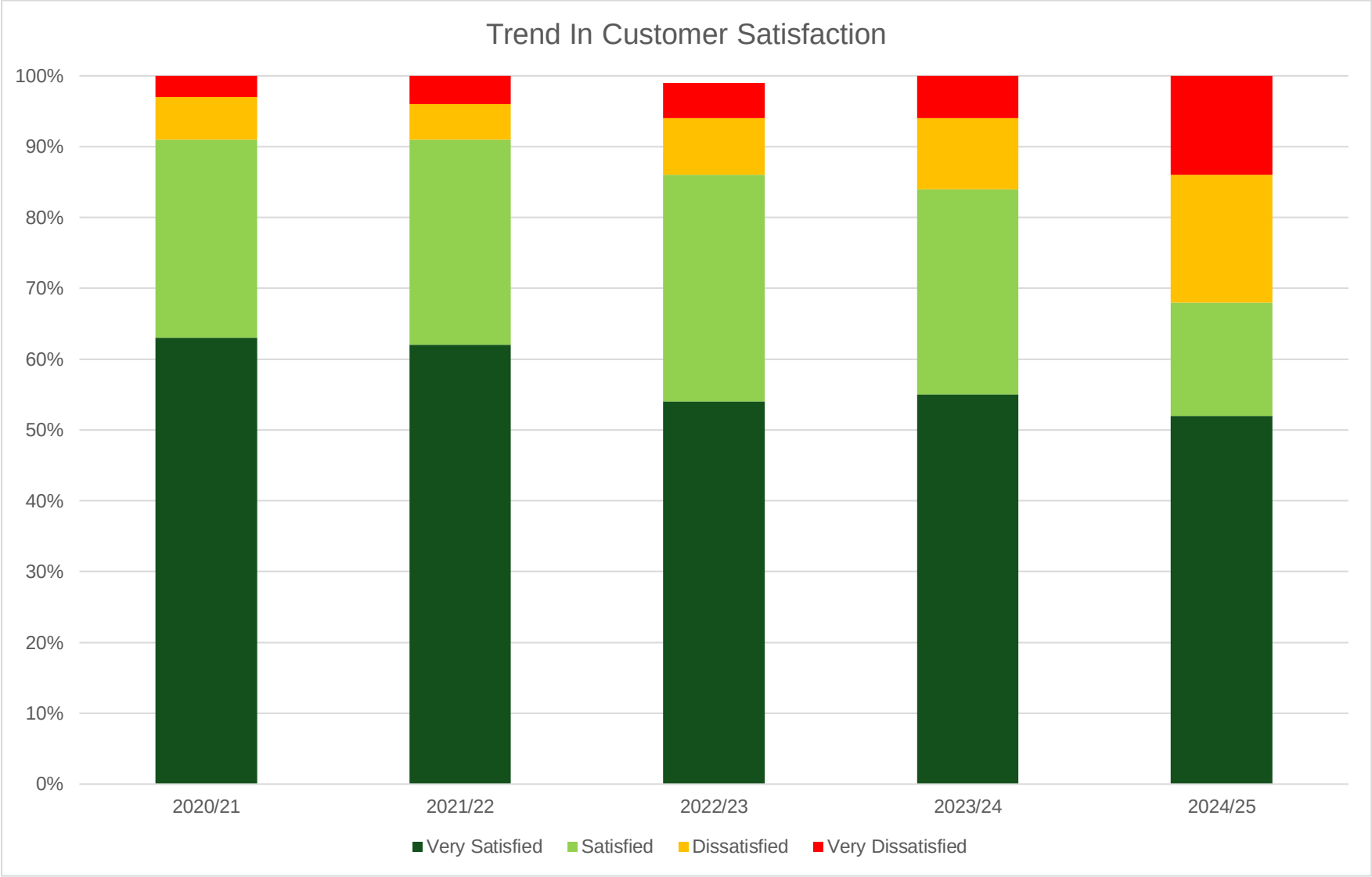
- Retired members survey
- Customer Centre telephony survey
- Customer Centre email survey
- New joiner survey

From these surveys, a total of 2,123 responses (3%) were received which provides valuable insight into what the Authority is getting right and also those it isn't, this then provides areas to work on. Each of the surveys ends with a specific question about overall satisfaction with the Authority. The results are shown in the charts below.

Chart 7 – Member satisfaction



Chart 8 – Trend in Customer Satisfaction



Although satisfaction levels are high, they have dropped to 68%. The Authority is not complacent and as mentioned above is tackling the areas of dissatisfaction. This includes issuing a website survey at the end of the year to obtain feedback to drive improvements. The following are areas where changes have been made because of member feedback:

- Integrated the LGA lump sum calculator into the online retirement process, providing users with a seamless experience when planning their retirement finances.
- Regarding pension payments, updated all materials to show clearly these are processed on the last banking day of each month not a Friday, as some members had thought.
- All members who rate the service poor and leave their contact details, are contacted and offered help to resolve any issues.

It is also important to view these results in the context that the number of surveys received represents just over 1% of our total membership.

The Authority has kept its accreditation to Customer Service Excellence, achieving the highest rating “compliance plus” in a number of areas. Retaining this accreditation since 2004 is testament to the continued focus upon delivering best practice and innovation to customers.

Employer satisfaction surveys

The response rate for employer surveys is much lower but is sufficient to be useful. The largest areas for comment amongst employers over recent years was the employer area of the website and the Employer Web Portal. The web portal has now been closed, and we have introduced *EmployerHub* a more up to date platform. The website information is slowly being improved. It was pleasing to see that during the year there were no dissatisfied responses. This is testament to the effort the team has put in to improve this service.

Chart 9 – Employer satisfaction

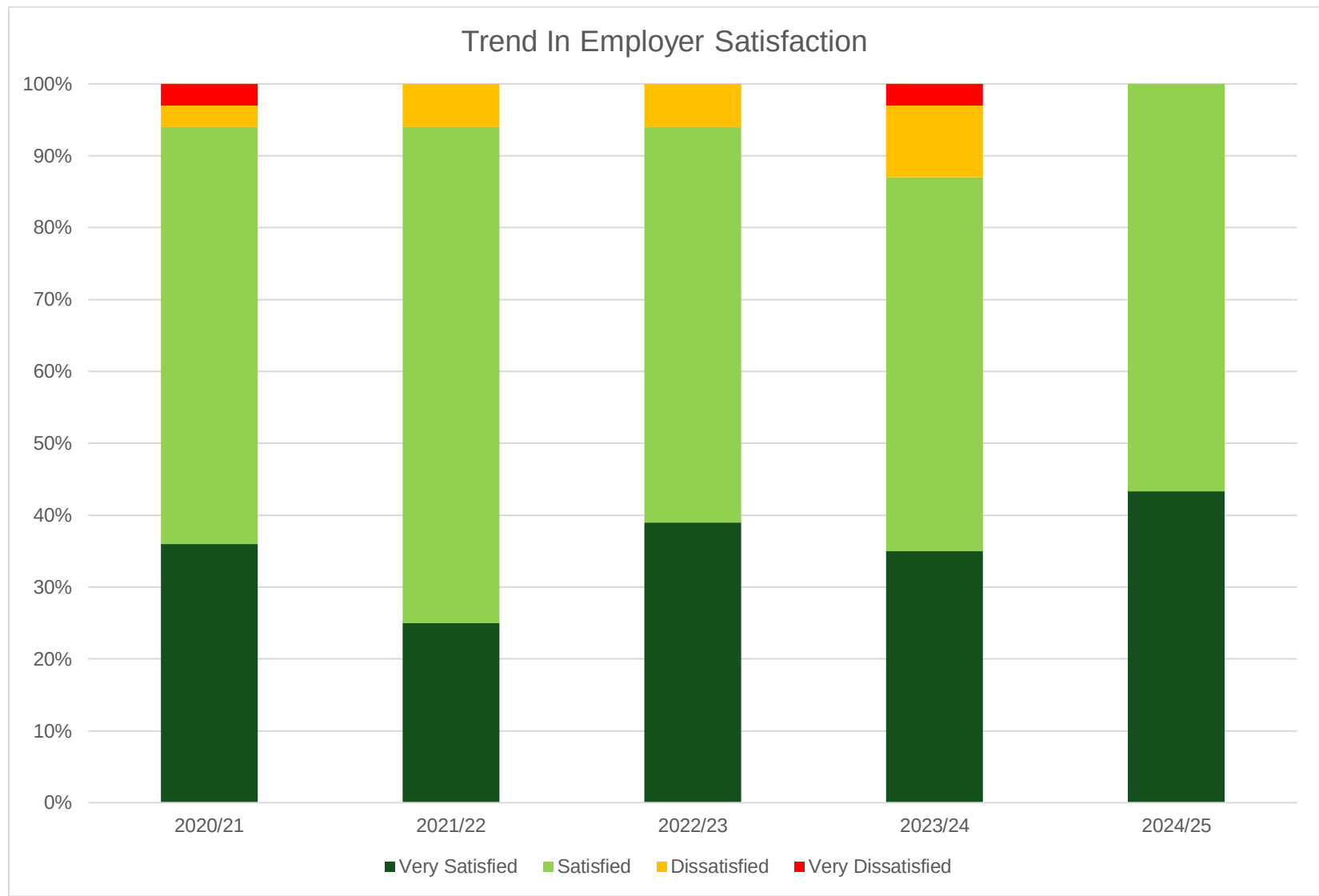
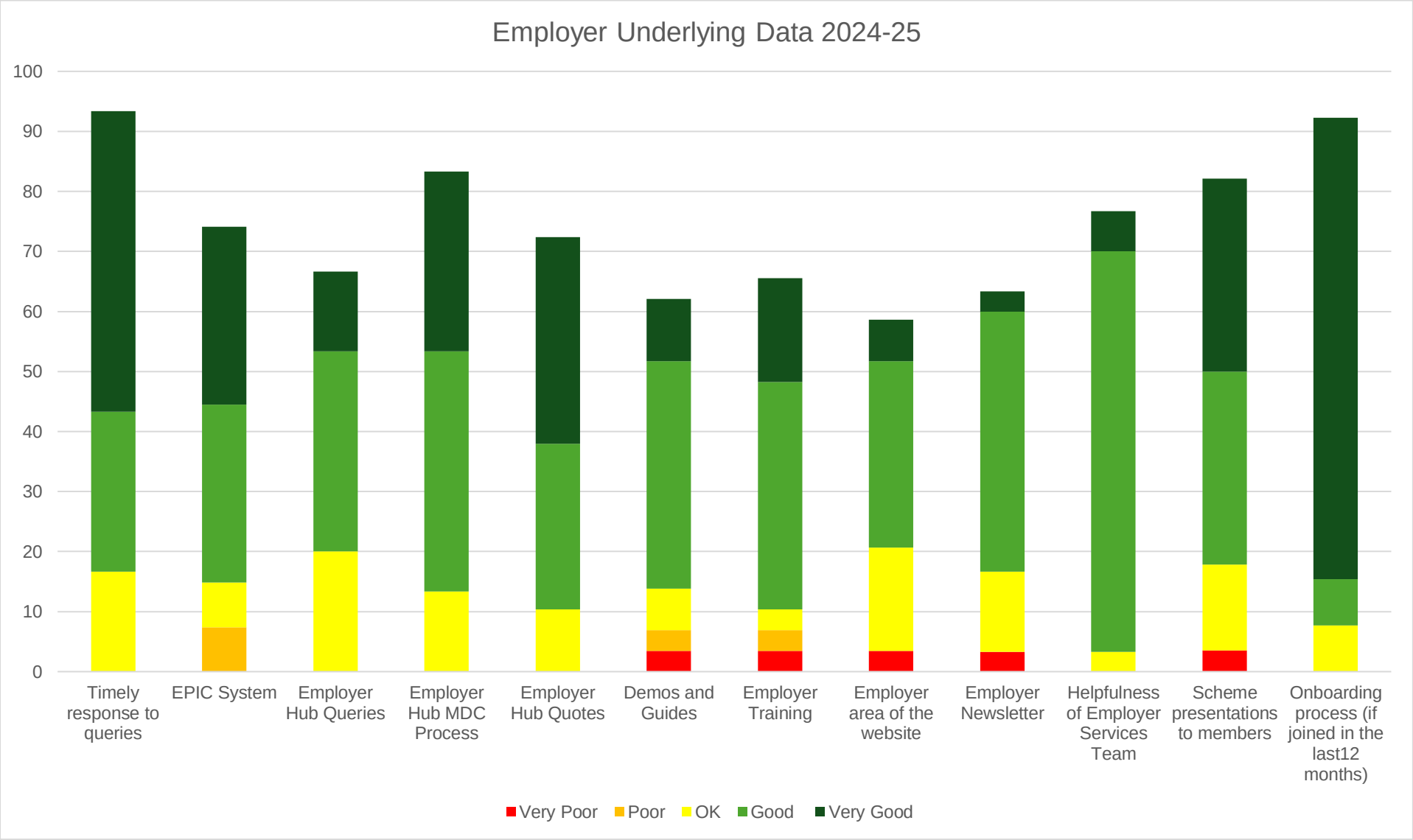


Chart 10 – Analysis of Employer Satisfaction – Underlying Data



10. Actuary Report

Provided separately at Appendix B. *[Will be incorporated in the designed publication]*.

11.Pension Fund Statement of Accounts

Provided separately at Appendix C. *[Will be incorporated in the designed publication]*.

Accruals (Accrual Accounting)

Accrual accounting is when income and expenses are recorded when they are earned or incurred, not when money is received or paid. When income is due to the Authority but has not been received, an accrual is made for the debtor. When the Authority owes money but the payment has not been made, an accrual is made for the creditor.

Active member

An employee who is currently paying pension contributions.

Actuarial / Actuary

The science and profession of using mathematical techniques to model and quantify the financial effects of uncertain future events. For the Authority this is relevant in the context of accounting for the Pension Fund, where future transactions of the Fund will occur so far into the future that their value cannot yet be known with certainty.

Actuarial valuation

SYPA's actuary carries out an actuarial valuation every three years and recommends the level of contributions for each of the Fund's participating employers for the following three years. The valuation will measure the size of the Fund against its future liabilities and set contribution rates according to the Fund's deficit or surplus.

Additional voluntary contributions (AVCs)

These are extra payments to increase future pension additional life cover. All local government pension funds have an in-house AVC scheme that members can invest money in through an AVC provider, often an insurance company or building society.

Administering authority

The LGPS is run by administering authorities, for example county councils, in accordance with regulations approved by parliament. Each administers their own Fund, into which all contributions are paid. Every three years, independent actuaries carry out a valuation of each fund and set the rate at which the participating employers must contribute to fully fund the payment of scheme benefits for that Fund's membership. In the case of South Yorkshire, SYPA is the administering authority.

Admitted Body

Admitted bodies are organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

Amortisation

The way in which an asset or liability is accounted for over more than one period (other than property, plant and equipment, for which depreciation applies).

Asset allocation

This is putting an investment strategy in place that tries to balance risk against reward by adjusting the percentage of each asset in an investment portfolio according to an investor's risk tolerance, goals and investment time frame.

Biennial

Something that happens every two years

Basis Points (bps)

Basis points, otherwise known as bps or "bips" are a unit of measure used in finance to describe the percentage change in the value of financial instruments or the rate change in an index or other benchmark. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

Building Research Establishment Environmental Assessment Methodology (BREEAM)

BREEAM is the world's leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. It is used to measure the sustainability of properties owned by the Authority.

Carbon Dioxide Equivalent Emissions Per Million Dollars of Revenue (CO2e/\$m revenue)

Carbon dioxide equivalent emissions per million dollars of revenue (CO2e/\$M): This metric shows the Fund's investment portfolio's exposure to carbon-intensive companies, expressed in tons CO2e / \$M revenue.

Career average revalued earnings (CARE) pension scheme

From 1 April 2014, for every year they pay into the LGPS, scheme members get a pension of 1/49th of their pay, which is added to their pension account and revalued every year in line with a government treasury order currently linked to the Consumer Price Index.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is a UK accountancy body, specialising in the finances of the public sector. CIPFA is responsible for determining the accounting rules and procedures that apply to local authorities and other public bodies.

Climate Change

Climate change refers to long-term changes in the Earth's average temperature and weather conditions, largely due to human activities like the widespread use of fossil fuels - coal, oil and gas - in homes, factories and transport, and deforestation.

Code of Practice on Local Authority Accounting in the United Kingdom (the Code)

This document is produced by CIPFA. It defines proper accounting practices for local authorities in the United Kingdom, and is generally abbreviated to 'the Code' in the text. The Code is based on International Financial Reporting Standards.

Consumer Price Index (CPI)

This is a method of measuring the changes in the cost of living, similar to the Retail Price Index. From April 2011 the amount pensions are increased annually is based on movement in the Consumer Price Index during the 12 months to the previous September.

Contingent Assets

Contingent assets are **potential assets** that result from past events. Their existence will be confirmed only by the occurrence or non-occurrence of uncertain future events, which are not entirely within the control of the Authority.

Contingent Liabilities

These are material liabilities where the contingent loss cannot be accurately estimated or is not considered sufficiently certain to include in the accounts. They are therefore brought to the attention of readers of the accounts as a note to the balance sheet.

Commutation

This is giving up part or all of the pension payable from retirement in exchange for an immediate lump sum.

Convertible shares

These are shares that include an option for holders to convert into a predetermined number of ordinary shares, usually after a set date.

Creditors

Amounts owed by the Authority for work done, goods received, or services rendered, but for which payment has not been made at the end of the year.

Custodian

This is a financial institution that holds customers' securities for safekeeping to minimise the risk of theft or loss. Most custodians also offer account administration, transaction settlements, collection of dividends and interest payments, tax support and foreign exchange.

Data governance

This refers to the overall management of the availability, usability, integrity, and security of data used in an enterprise. A sound data governance programme includes a governing body, a defined set of procedures, and a plan to execute those procedures.

Death grant

This is a lump sum paid by the pension fund to the dependants or nominated beneficiaries of a member who dies.

Debtors

Sums of money owed to the Authority but not received at the end of the year.

Deferred pensioner

A former member of the LGPS who has left the scheme, but still has benefits in the scheme and will collect a pension from the LGPS on retirement.

Deficit payments

Pension schemes have a legal requirement to reduce any deficit - the difference between a scheme's assets and its liabilities - over time, by making additional payments.

Denomination

This is the face value of a banknote, coin, or postage stamp, as well as bonds and other fixed-income investments. Denomination can be the base currency in a transaction, or the currency a financial asset is quoted in.

Discretion

This is the power given by the LGPS to enable a council or administering authority to choose how they will apply the scheme in respect of certain of its provisions. Under the LGPS they are obliged to consider certain of these discretionary provisions and to pass resolutions to form a policy of how they will apply the provision. For the remaining discretionary provisions, they are advised to do so. They have a responsibility to act with 'prudence and propriety' in formulating their policies and must keep them under review.

Direct property

Direct investment in property is buying all or part of a physical property. Property owners can receive rent directly from tenants and realise gains or losses from the sale of the property.

Earmarked Reserve

A sum set aside for a specific purpose.

Eligible councillor

This is a councillor or an elected mayor (other than the Mayor of London) who is eligible for membership of the LGPS in accordance with the scheme of allowances published by an English county council, district council or London borough council or by a Welsh county council or county borough council. Eligibility for this scheme was removed during the coalition government and councillors are now deferred members of the scheme.

Employer covenant

This is an employer's legal obligation and financial ability to support their defined benefit pension scheme now and in the future. Assessing the strength of the covenant helps decide the appropriate level of risk when setting investment strategy.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of property, plant and equipment to the lessee. The payments usually cover the full cost of the asset together with a return for the cost of finance.

Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability of another. The term covers both financial liabilities and financial assets and includes the borrowing, lending, soft loans, financial guarantees and bank deposits of the Authority.

Fixed income securities

A fixed-income security is an investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity. Unlike a variable-income security, where payments change based on some underlying measure such as short-term interest rates, the payments of a fixed-income security are known in advance.

Fund of funds (FoF)

This is a fund that holds a portfolio of other investment funds.

General partners

These are owners of a partnership with unlimited liability. General partners are often managing partners who are active in the daily operations of a business.

Global Real Estate Sustainability Benchmark (GRESB)

The Global Real Estate Sustainability Benchmark is a source of reliable and comparable data on the Environmental, Social and Governance (ESG) performance of real estate investments.

Government Bond Yields

The yield on a government bond is the interest rate that the government borrows at. Government bonds, because they are safe, therefore tend to have a lower yield because investors are not demanding a high rate of interest for lending to the government.

Guaranteed minimum pension (GMP)

The LGPS guarantees to pay a pension that is at least as high as a member would have earned had they not been contracted out of the State Earning Related Pension Scheme (SERPS) at any time between 6 April 1978 and 5 April 1997. This is called the guaranteed minimum pension (GMP).

IAS 26

IAS 26 Accounting and Reporting by Retirement Benefit Plans outlines the requirements for the preparation of financial statements of retirement benefit plans.

Illiquid

Illiquid is a term commonly used to describe assets or investments that cannot be quickly and easily converted into cash at the current fair market price. An individual, a company, or other entity may also be described as illiquid if they are cash poor and primarily hold only illiquid assets.

Impact Investing

Investments made into companies, organisations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return. Impact investments provide capital to address social and/or environmental issues.

Index-linked bonds

These are bonds in which payment of income on the principal is related to a specific price index - often the Consumer Price Index. This feature provides protection to investors by shielding them from changes in the underlying index. The bond's cash flows are adjusted to ensure that the holder of the bond receives a known real rate of return.

International Accounting Standards (IAS)

These standards were issued by the International Accounting Standards Committee (IASC). These standards have now largely been replaced by International Financial Reporting Standards.

International Financial Reporting Standards (IFRS)

These are accounting standards issued by the International Accounting Standards Board.

Investment Properties

Land and buildings that are held for capital gain and rental income and not for the provision of services.

Liabilities

These are amounts which the pension scheme will have to pay now or at some time in the future. The most common liability is paying members' pensions.

Litigation Risk

Litigation risk is the possibility that legal action will be taken because of an individual's or corporation's actions, inaction, products, services, or other events.

Local Government Pension Scheme membership

As well as the staff of local councils, the Local Government Pension Scheme membership covers police and fire civilian staff, a registration officer, a coroner, employees of a valuation tribunal, employees of a passenger transport authority, employees of the Environment Agency, non-teaching employees of an academy, or a Further or Higher Education Corporation.

Local Pension Board

Local Pension Boards assist administering authorities to make sure each scheme complies with governance and administration requirements. Boards may have additional duties, if scheme or other regulations specify them. They must have an equal number of employer representatives and member representatives, plus other types of members, like independent experts. All Local Pension Board members have a duty to act in line with scheme regulations and other governing documents.

Macro-Economic Impact

Macroeconomic impact refers to the broad effects that influential financial, natural, or geopolitical events have on a regional or national economy. These factors tend to affect large sections of populations, rather than just a few select individuals. Examples of macroeconomic factors include economic outputs, unemployment rates, and inflation. In essence, they shape the overall functioning of an economy, impacting decisions made by households, firms, and governments regarding spending, saving, hiring, and investment. The conditions raised by these factors set the stage for economic growth and development.

Material / Materiality

A financial item is considered **material** if leaving it out, not disclosing it, or misstating it in the financial statements would likely distort the overall view provided by those statements.

Mezzanine Debt

Mezzanine debt bridges the gap between debt and equity financing and is one of the highest-risk forms of debt. It is senior to pure equity but subordinate to pure debt. However, this means that it also offers some of the highest returns when compared to other debt types, as it often receives rates between 12% and 20% per year.

Myners' principles

This is a set of principles based on Paul Myners' 2001 report, Institutional Investment in the United Kingdom.

The Myners' principles for defined benefit schemes cover:

- effective decision-making
- clear objectives
- risk and liabilities
- performance assessment
- responsible ownership
- transparency and reporting

Operating Leases

Leases other than a finance lease. Under operating leases the risks and rewards of ownership remain substantially with the lessor.

Ordinary shares

An ordinary share represents equity ownership in a company and entitles the owner to vote at general meetings of that company and receive dividends on those shares if dividend is payable.

Personal pension

A personal pension plan is usually purchased from a financial services company, such as an insurance company, bank, investment company or building society. Members usually pay into the plan every month and employers can also contribute to the plan.

Policy statement

This is a statement that councils and administering authorities must produce, setting out the policies they have resolved to follow in exercising certain discretions under the LGPS.

Pooled funds

These are aggregated funds from multiple individual investors. Investors in pooled fund investments benefit from economies of scale for lower trading costs, diversification and professional money management.

Principles for Responsible Investment (PRI or UNPRI)

The six Principles for Responsible Investment originally developed by the UN are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.

Private Equity

Private equity is equity capital that is not quoted on a public exchange. Private equity consists of investors and funds that make investments directly into private companies or conduct buyouts of public companies that result in a delisting of public equity. Capital

for private equity is raised from retail and institutional investors, and can be used to fund new technologies, expand working capital within an owned company, make acquisitions, or to strengthen a balance sheet.

Provisions

When amounts are charged to revenue and set aside for liabilities which are known to exist, but where the timing is uncertain or the amount cannot be reliably estimated, the amount set aside is called a provision.

Related Parties

Individuals or bodies who have the potential to influence or control the Authority or to be influenced or controlled by the Authority.

Related party transactions

These are any transactions that have taken place with related parties of the Authority during the year and are disclosed in the notes to the accounts. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Remuneration

Any money or other financial compensation paid for work or a service.

Responsible Investment

A strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership.

Retail Prices Index

This is another method of measuring the changes in the cost of living. It reflects the movement of prices covering goods and services over time. Until April 2011, the amount by which pensions were increased annually was based on movement in the Retail Price Index during the 12 months to the previous September. From April 2011 the government changed the amount by which pensions increase from Retail Price Index to Consumer Price Index.

Scheduled body

Scheduled bodies are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.

Stakeholder pension

This is a low-cost private pension; they became available from 6 April 2001. They are meant for people who currently do not have a good range of pension options available to save for their retirement. Contributors use their own money to build up a pension fund.

State pension age

This is the earliest age people can receive the state basic pension.

Statutory compliance

This means following the laws on a given issue.

Stock lending

This is loaning a stock, derivative, or other security to an investor or firm. It requires the borrower to put up collateral (cash, security or a letter of credit). When stock is loaned, the title and the ownership is transferred to the borrower, and title is returned at the end of the loan period.

Task Force on Climate-related Financial Disclosures (TCFD)

A Task Force on Climate-related Financial Disclosures (TCFD) was set up in 2015 by the Financial Stability Board (FSB) to develop voluntary, consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.

Transfer value

A transfer value is a cash sum representing the value of a member's pension rights.

Transferred service

Any pension members who have transferred into the LGPS from a previous pension arrangement that now counts towards their LGPS membership.

Treasury management

This is the management of an Authority's cash flows, borrowing and investments, and the associated risks.

Triennial

Something that happens every three years.

Unitranche Debt

Unitranche debt is a hybrid loan structure that combines both senior debt and subordinated debt into a single loan. This unique financing approach enables banks to compete more effectively against private debt funds.

Voting policy

This is how South Yorkshire Pensions Authority through Border to Coast applies its shareholder voting rights. We will vote as follows.

For - when the proposal meets best practice guidelines and is in the shareholders' long-term interests.

Abstain – when the proposal raises issues which do not meet best practice guidelines but either the concern is not regarded as sufficiently material to warrant opposition, or an oppose vote could have a detrimental impact on corporate structures or the issue is being raised formally with the company for the first time.

Oppose - when the proposal does not meet best practice guidelines and is not in the shareholders' interests over the long term.

The voting policy will be applied to all reportable companies held by the Fund.

In supporting any resolution of any type, we will only vote on a resolution if:

- the resolution deals with one substantive issue and is not bundled with other items.
- the resolution is fully explained and justified by the proposers, and
- there is full disclosure of information relevant to the consideration of a resolution and such information is presented in a fair and balanced way.

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South Yorkshire Pension Fund (“the Fund”) Actuarial Statement for 2024/25

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority’s Funding Strategy Statement (FSS), dated March 2023. In summary, the key funding principles are as follows:

- to achieve a 100% solvency level over a reasonable period and that sufficient funds are available to meet all members’/dependants’ benefits as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 16 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 16 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund’s assets, which at 31 March 2022 were valued at £10,674 million, were sufficient to meet 119% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £1,685 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers’ contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund’s funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.45%
Salary increase assumption	3.3%
Benefit increase assumption (CPI)	2.7%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.0 years	24.0 years
Future Pensioners*	22.0 years	25.5 years

*Aged 45 at the 2019 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026

Jamie Baxter FFA C.Act

14 May 2025

For and on behalf of Hymans Robertson LLP

Hymans Robertson LLP is a limited liability partnership registered in England and Wales with registered number OC310282. Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

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South Yorkshire Pension Fund Statement of Accounts & Notes 2024/25

South Yorkshire Pension Fund - Fund Account

2023/24 £000		Notes	2024/25 £000
	Dealings with Members, Employers and Others Directly Involved in the Fund		
(392,268)	Contributions	[7]	(274,584)
(29,755)	Transfers In from Other Pension Funds	[8]	(32,913)
(422,023)			(307,497)
385,636	Benefits	[9]	426,657
29,990	Payments To and On Account of Leavers	[10]	31,447
415,626			458,104
(6,397)	Net (Additions) / Withdrawals from Dealings With Members		150,607
85,193	Management Expenses	[11]	102,335
78,796	Net Withdrawals Including Fund Management Expenses		252,942
	Returns On Investments		
(72,118)	Investment Income	[12]	(68,629)
(788,740)	(Profit) on Disposal of Investments and Changes in the Value of Investments	[14b]	(312,733)
(860,858)	Net Return on Investments		(381,362)
(782,062)	Net (Increase) in the Net Assets Available for Benefits During the Year		(128,420)
(10,201,980)	Opening Net Assets of the Scheme		(10,984,042)
(10,984,042)	Closing Net Assets of the Scheme		(11,112,462)

South Yorkshire Pension Fund - Net Assets Statement

31 March 2024			31 March 2025
£000		Notes	£000
	Long Term Investments		
1,182	Equities		1,182
	Investment Assets		
763	Equities		567
10,116,516	Pooled Investment Vehicles		10,755,969
84,856	Private Credit		111,880
508,525	Direct Property	[14d]	52,400
250,437	Cash		138,089
2,676	Other Investment Assets		26,367
10,964,955	Total Net Investments	[14a]	11,086,454
35,420	Current Assets	[20]	32,290
11,000,375			11,118,744
(16,333)	Current Liabilities	[21]	(6,282)
10,984,042	Net Assets of the Fund Available to Fund Benefits at the End of the Reporting Period		11,112,462

Note: The Fund's statement of accounts do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 19.

Notes To The South Yorkshire Pension Fund For The Year Ended 31 March 2025

Note 1. Description Of Fund

The South Yorkshire Pension Fund ('the Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by South Yorkshire Pensions Authority.

a) General

The LGPS is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following scheme legislation:

- the LGPS Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2016.

The Fund is a contributory defined benefit pension scheme administered by South Yorkshire Pensions Authority (the Authority) to provide pensions and other benefits for pensionable employees of South Yorkshire Pensions Authority, the four district councils in South Yorkshire and a range of other scheduled and admitted bodies. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The Fund is overseen by the Authority, which consists of 12 councillors appointed by the District Councils roughly in proportion to population. In addition, 3 representatives of the recognised Trades Unions act as observers to represent the interests of scheme members.

In accordance with the requirements of the Public Services Pensions Act 2013, the Authority has established a Local Pension Board. The Board holds regular meetings and provides oversight, challenge and scrutiny over how the administering authority exercises its responsibilities. It publishes its own annual report which is available on the Authority's website and within the Annual Report.

The Border to Coast Pensions Partnership Ltd (Border to Coast) was created in response to Government policy on the pooling of investments and is a company that is wholly owned by its partner Funds. South Yorkshire Pension Fund, along with 10 other partner funds, are equal shareholders in Border to Coast. Most of the Fund's equity investments have been managed by Border to Coast since July 2018 and transition of the Fund's assets from internal management to Border to Coast is a continuing process that is expected to take a number of years to complete fully. At 31 March 2025, approximately 78% (31 Mar 2024: 72%) of the Fund's assets were being managed in pooled structures provided by Border to Coast.

Asset allocation remains the responsibility of the Authority.

Other investments are managed internally, with the assistance of advisors on real estate matters, in accordance with the LGPS (Management and Investment of Funds) Regulations 2016. The Authority has an appointed independent investment advisory panel and has a retained actuary, Hymans Robertson LLP.

Further information is available in the Annual Report available from the Fund's website at www.sypensions.org.uk

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the South Yorkshire Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation.

Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

Membership details are set out below:

South Yorkshire Pension Fund	31 March 2024	31 March 2025
Number of Employers with Active Members	553	571
Number of Employees (Active Contributors)	51,726	51,682
Number of Pensioners	63,523	65,575
Number of Deferred Pensioners *	64,654	63,921
Total Number of Members in the Pension Scheme	179,903	181,178

* The total shown for deferred pensioners includes 8,148 unprocessed leavers at 31 March 2025 (11,195 at 31 March 2024). Once processed, these leavers could be a combination of deferred pensioners, frozen refunds, and aggregations. Until processed, this outcome is not known.

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund and standard contributions range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employer contributions are set based on triennial actuarial funding valuations. The latest triennial valuation was undertaken as at 31 March 2022 and this determined the employer contribution rates payable from April 2023 to March 2026.

The Primary employer contribution rates paid in 2024/25 ranged from 12.7% to 39.6% and the Secondary employer contribution rates paid in 2024/25 ranged from -39.6% to 23.2%. This resulted in a range of net employer contribution rates paid of 0.0% to 40.8%.

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is uprated annually in line with the Consumer Prices Index. A range of other benefits are also provided under the scheme including early retirement, disability pensions and death benefits, as explained on the LGPS website at www.lgpsmember.org.

e) Investment Performance

Over the course of the financial year, the Fund's investments in UK equities was a key driver of positive returns, although negative returns from our index-linked portfolio partly offset this. Other asset classes, such as multi-asset credit and private markets, generally returned single-digit positive returns.

The 2024/25 year could be described as a potentially transitional year in terms of both major economic and political changes going on around the world. Although the conflicts in Ukraine and in the Middle East remain, with talks and negotiations taking place, resolution looks far from certain at this moment in time. The impact of the new Trump administration in the USA and introduction of tariffs and the ensuing 'tariff war' is continuing to create uncertainty and could result in volatility for months or even years ahead.

Within this current environment though, it is important to keep focussed on being a long term investor; the Fund remains committed to its central objective to pay pensions out over the very long term - for decades to come.

Focussing on the detail of the Fund's performance over the last year, the majority of equity markets delivered positive returns. US equities in the technology sector, particularly the much vaunted Magnificent Seven, had been performing very strongly for much of the year. Cracks began to show in January, however, when an apparent breakthrough at the Chinese AI company, DeepSeek, wiped almost \$600bn from Nvidia's market value overnight. This was shortly followed by a slew of tariff announcements from the White House, which led to material market falls in the run up to year end. Overall, US equities rose by 5.4% over the year, slightly ahead of the 4.7% rise in global equities generally.

The UK surprisingly turned out to be the star equity market of the past 12 months, with its more defensive nature and relatively stable government attracting investment.

Within fixed income, certain elements of the Multi-Asset Credit fund were some of the best performers of the past 12 months - high yield credit and leveraged loans had a particularly good year. UK credit markets, on the other hand, were fairly flat over the year. Despite market volatility, credit spreads (effectively the extra yield available for lending money to a company rather than a government) were still relatively tight by historical standards at the year end.

The general air of uncertainty continued into government bond markets, with question marks remaining over the implementation of tariffs and their potential impacts on inflation, borrowing costs and the wider economy.

The Fund continues to reduce its equity exposure to both UK and Overseas markets as part of its gradual move towards the long-term Strategic Asset Allocation (SAA) set in 2023. A high proportion of these proceeds has transferred into the Fund's recently established Natural Capital portfolio; with the balance going towards Infrastructure and Renewables. Some increases have also been added to the Fixed Interest portfolio, bringing the slightly underweight allocation more within its SAA range.

The Fund's allocation to Private Equity remains materially overweight relative to the SAA, albeit this is partly a product of relatively strong performance, combined with its illiquid nature. Future allocations to this asset class are likely to be lower to help mitigate the overweight position.

To support the growth of small and medium sized enterprises locally as part of its place-based impact investments, the Fund, in alignment with the South Yorkshire Mayoral Combined Authority's economic development strategies, pledged £20m of equity investment and £20m of debt funding to two investment managers that specialise in these types of areas and businesses. The remit given to the managers is to focus on key areas such as the number of jobs and apprenticeships, with the aim of enabling provision of additional private sector investment, helping to boost the local economy and the surrounding areas.

One aim of the Fund over the past year has been to de-risk towards its strategic benchmark. Progress towards this target is currently quite heavily dependent on the pace at which money can be deployed into the Fund's illiquid private market portfolios. This has generally been slower than projected – and is unlikely to be aided by the uncertainty brought about by the tariff war, nor the higher levels of inflation and borrowing costs that this could drive.

Over the year, the Fund delivered a return of 2.6% against an expected return of 4.2% from the benchmark (7.8% in 2023/24 against an expected return of 8.1%). The Fund's market value (net investment assets only) was £11,086m as at 31 March 2025 (£10,965m at 31 March 2024).

Note 2. Basis Of Preparation

The Statement of Accounts summarises the Fund's transactions for 2024/25 and its financial position at 31 March 2025. The accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

Paragraph 3.3.1.2 of the Code requires disclosure of information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code for the relevant financial year. There are no such accounting changes to be disclosed in this respect for 2024/25.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the Net Assets Statement, in the notes to the accounts, or by appending an actuarial report prepared for this purpose. The Fund has opted to disclose this information in Note 19.

The accounts have been prepared on a going concern basis.

Note 3. Summary Of Significant Accounting Policies

The following accounting policies have been applied consistently during the financial year and the previous financial year.

Fund Account - Revenue Recognition

a) Contribution Income

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they related.

Employer deficit funding contributions are accounted for on the basis advised by the Fund actuary in the rates and adjustment certificate issued to the relevant employing body or on receipt if received earlier than the due date. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers To / From Other Schemes

Transfers in and out relate to members who have either joined or left the Fund.

Individual transfers in/out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 8).

Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

c) Investment Income

- Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.
- Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as an investment asset.
- Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as an investment asset.

iv. Property-related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis over the term of the lease. Rental income is recognised in the Fund Account as it accrues and any amounts received in respect of the future year are disclosed in the Net Assets Statement as current liabilities.

v. Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund account - Expense Items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Management expenses

The Fund discloses its pension fund management expenses in accordance with the CIPFA guidance, Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the Fund on an accruals basis as follows:

Administrative Expenses	All costs incurred by the Authority in respect of pensions administration are accounted for on an accruals basis and charged to the Fund.
Oversight and Governance	All costs incurred by the Authority in respect of Oversight and Governance are accounted for on an accruals basis and are charged to the Fund.
Investment Management Expenses	Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off quarterly valuations by investment managers, these expenses are shown separately in Note 11a and grossed up to increase the change in value of investments. Fees of the external investment managers, property advisor and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. All costs incurred by South Yorkshire Pensions Authority internally in respect of investment management expenses are accounted for on an accruals basis and are also charged to the Fund.

Net Assets Statement

g) Financial Assets

The shares held as an unquoted equity investment in Border to Coast Pensions Partnership Ltd, are valued at cost - i.e. transaction price - as an appropriate estimate of fair value. It has been determined that cost remains an appropriate proxy for fair value at 31 March 2025. There is no market in the shares held and cost is a reasonable estimate of fair value. See Note 4 for further details.

All other financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of assets are recognised in the Fund Account.

The values of investments as shown in the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Note 15). For the purposes of disclosing levels of the fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

h) Freehold and Leasehold Properties

Properties are valued quarterly by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards, see Note 15 for more details.

i) Foreign Currency Transactions

Dividends, interest, and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, overseas investments and purchases and sales outstanding at the end of the reporting period.

j) Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

k) Loans and Receivables

Financial assets classed as amortised cost are carried in the Net Assets Statement at amortised cost, i.e. the outstanding principal receivable as at the year-end date plus accrued interest.

l) Financial Liabilities

A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. The Fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from the changes in the fair value of the liability between contract date, the year-end and the eventual settlement date are recognised in the Fund Account as part of the change in market value of the investments.

Other financial liabilities classed as amortised cost are carried at amortised cost i.e. the amount carried in the Net Assets Statement is the outstanding principal repayable plus any accrued interest. Any interest charged is accounted for on an accruals basis and included in administration costs.

m) Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of International Accounting Standards (IAS) 19 and relevant accounting standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

n) Additional Voluntary Contributions

The South Yorkshire Pension Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed for information in Note 22.

o) Contingent Liabilities

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent liabilities are not recognised in the Net Assets Statement but are disclosed by way of narrative in the notes.

Note 4. Critical Judgements In Applying Accounting Policies**Pension Fund Liability**

The net pension fund liability is re-calculated every three years by the appointed actuary, Hymans Robertson LLP, with annual updates in the intervening years. The methodology used is in line with accepted guidelines.

The estimate is subject to significant variances based on changes to the underlying assumptions which are agreed with the actuary and have been summarised in Notes 18 and 19. Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short-term yield/return.

Investment in Border to Coast

This investment has been valued at cost, i.e. transaction price, as an appropriate estimate of fair value. This is reviewed and assessed each year. Relevant factors include that there is no market in the shares held, disposal of shares is not a matter in which any shareholder can make a unilateral decision, and the company is structured so as not to make a profit. As at 31 March 2025, taking consideration of audited accounts for the company at 31 December 2024, there is also no evidence of any impairment in the value of shares held. It has therefore been determined that cost remains an appropriate proxy for fair value at 31 March 2025.

Directly Held Property

The Fund's property portfolio includes a small number of directly owned properties which are leased commercially to various tenants with rental periods between three months and ten years. The Fund has determined that these contracts all constitute operating lease arrangements under the classifications permitted by IFRS 16 Leases and the Code at 31 March 2025 for lessors, therefore the properties are retained on the Net Assets Statement at fair value. Rental income is recognised in the Fund Account on a straight-line basis over the life of the lease.

The CIPFA Code of Practice 2024/25 introduced the adoption of IFRS 16 Leases to be applied from 01 April 2024. For the Fund's Directly Held Property there has been no change to the Critical Judgements and Application of the Accounting Policies as a result of IFRS 16 Leases being implemented.

Private Equity

It is important to recognise the highly subjective nature of determining the fair value of unquoted private equity investments. They are inherently based on forward looking estimates and it is necessary to apply judgement to the valuation. Unquoted private equities and infrastructure investments are valued by the investment managers in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Note 5. Assumptions Made About The Future And Other Major Sources Of Estimation Uncertainty

The preparation of statement of accounts requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However actual outcomes could be different from the assumptions and estimates made. The items in the net assets statement for which there is a significant risk of material adjustment for the following year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and returns on fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	The actuarial present value of promised retirement benefits at 31 March 2025 is £8,129 million. The sensitivities regarding the principal assumptions used to measure the obligations are as follows: • a 0.1% p.a. reduction in the discount rate would increase the promised retirement benefits by approximately 2% or £143 million • a 0.1% p.a. increase in salary growth would increase the promised retirement benefits by approximately £7 million • a 0.1% p.a. increase in the pension increase rate (CPI) would increase the promised retirement benefits by approximately 2% or £137 million • a 1 year increase in member life expectancy would increase the promised retirement benefits by approximately 4% or £325 million
Private market investments (Note 15)	Private market instruments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation guidelines (2012). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Private equity investments are valued at £4,486 million at 31 March 2025 (£4,573 million at 31 March 2024) in the financial statements. Based on the assessed level of volatility using the same methodology as outlined in the sensitivity analysis shown in Note 17, if prices fell by 8.4% this would reduce the value of these assets by around £376 million.

Investments in private equity funds are valued based on the Fund's share of the net assets in the private equity fund using the latest financial statements published by the respective fund managers. These are as at 31 December 2024, then rolled forward for known cash flows in order to derive the valuation at 31 March 2025. This is the method used on the basis that any changes in market value from 31 December to 31 March are unlikely to be material. The reasonableness of this assumption is reviewed each year.

Freehold, leasehold property and pooled property funds (Note 15)

Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, but where this is not possible management uses the best available data.

Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could all affect the fair value of property-based investments. The total value of property investments in the Net Assets Statement is £1,567 million including both directly held property and property held in pooled investment vehicles. The directly held commercial property portfolio is valued at 31 March 2025.

At 31 March 2025 there is a range of potential outcomes. Note 15a shows the effect, based on an assessed volatility range, of a fall of 5% in these directly held property values. For illustrative purposes across the property portfolio, a fall of 10% would result in a reduction to the values in the Net Assets Statement of £157 million. However, it should be noted that this is illustrative only and is not necessarily indicative of the actual effects that would be experienced.

Page 418 **Note 6. Events After The Reporting Period**

The Statement of Accounts was authorised for issue on 26 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Non-Adjusting Events

The statement of accounts and notes have not been adjusted for the following events taking place after 31 March 2025 as they provide information that is relevant to an understanding of the Fund's financial position but do not relate to conditions at that date.

Court of Appeal Decision - Virgin Media Ltd vs NTL Trustees

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. This ruling may have had implications for other UK defined benefit plans.

On 5 June 2025, the Government announced that it was aware of the uncertainty this had created and recognised that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. It was therefore confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards and that scheme obligations would be otherwise unaffected.

It is anticipated that this will result in there being no impact on the LGPS and the Fund from the appeal court's ruling. However, further detail is awaited at the date of authorising these accounts for issue.

Note 7. Contributions Receivable

By Category

2023/24 £000		2024/25 £000
78,097	Employees' Contributions	81,865
	Employers' Contributions:	
349,350	Primary Contributions ^{1 and 2}	202,559
(39,698)	Secondary Contributions [Deficit / (Surplus) Recovery] ^{1 and 2}	(15,487)
4,519	Augmentation Contributions	5,647
314,171	Total Employers' Contributions	192,719
392,268	Total Contributions Receivable	274,584

By Employer Type

2023/24 £000		2024/25 £000
853	Administering Authority	985
	<i>Scheduled bodies:</i> ²	
30,327	Barnsley Metropolitan Borough Council	29,509
33,767	City of Doncaster Council	34,149
32,675	Rotherham Metropolitan Borough Council	34,480
158,780	Sheffield City Council	26,589
130,294	Other Scheduled Bodies	142,446
5,572	Admitted Bodies	6,426
392,268		274,584

¹ Employer Contributions

As detailed in Note 18, employer contributions are determined based on the results of funding valuations held every three years. The 2022 Pension Fund triennial valuation determined the employer contributions for the three-year period commencing 1 April 2023. This valuation saw the Fund move to a funding surplus position from a deficit at the previous triennial valuation in 2019.

Employer contributions are made up of:

- > the primary contribution rate – contributions payable towards future benefits
- > the secondary contribution rate – the costs associated with sufficiently funding benefits accrued up to the valuation date

In broad terms, the results of the 2022 funding valuation led to an increase in the primary contributions due from employers for 2023/24 and a significant reduction in the secondary contributions with many employers in surplus and therefore the secondary contributions becoming a negative amount.

² Employer Contributions: Prepayments

In April 2023, Sheffield City Council made a prepayment in relation to their primary and secondary employer contributions due for the period April 2023 to March 2026. By making the payment early, the cash amounts payable over the period are reduced. The amount of the prepayment and the discount applied were calculated by the Fund's actuary based on an estimate of the pensionable pay for Sheffield City Council over the 3 year period. The prepayment amounted to £134.31 million in respect of primary and secondary contributions. These amounts are accounted for in full in the period received and are therefore included in the 2023/24 figures shown above.

In April 2023, Barnsley Metropolitan Borough Council made a prepayment in relation to their primary employer contributions due for the period April 2023 to March 2026. By making the payment early, the cash amounts payable over the period are reduced. The amount of the prepayment and the discount applied were calculated by the Fund's actuary based on an estimate of the pensionable pay for Barnsley Metropolitan Borough Council over the 3 year period. The prepayment amounted to £2.36 million in respect of primary contributions. These amounts are accounted for in full in the period received and are therefore included in the 2023/24 figures shown above.

No other employers have made prepayments in relation to their employer contributions due for the period April 2023 to March 2026.

Note 8. Transfers In From Other Pension Funds

2023/24		2024/25
£000		£000
29,755	Individual Transfers	32,913
29,755		32,913

Note 9. Benefits Payable

By Category

2023/24		2024/25
£000		£000
304,524	Pensions	331,403
72,738	Commutation and Lump Sum Retirement Benefits	84,465
8,374	Lump Sum Death Benefits	10,789
385,636		426,657

By Employer Type

2023/24		2024/25
£000		£000
704	Administering Authority	1,213
	<i>Scheduled Bodies:</i>	
48,046	Barnsley Metropolitan Borough Council	54,089
55,030	City of Doncaster Council	61,633
54,189	Rotherham Metropolitan Borough Council	59,060
118,749	Sheffield City Council	123,037
78,207	Other Scheduled Bodies	92,357
30,711	Admitted Bodies	35,268
385,636		426,657

Note 10. Payments To And On Account Of Leavers

2023/24		2024/25
£000		£000
887	Refunds to Members Leaving Service	880
29,107	Individual Transfers	30,569
(4)	Payments for Members Joining State Scheme	(2)
29,990		31,447

Note 11. Management Expenses

2023/24		2024/25
£000		£000
5,001	Administrative Costs	5,681
78,560	Investment Management Expenses [Note 11a]	94,678
1,632	Oversight and Governance Costs	1,976
85,193		102,335

Note 11a. Investment Management Expenses

2023/24					2024/25			
Management Fees	Performance Related Fees	Transaction Costs	Total		Total	Management Fees	Performance Related Fees	Transaction Costs
£000	£000	£000	£000		£000	£000	£000	£000
23,819	13,938	2,186	39,943	South Yorkshire Pensions Authority	40,895	27,166	12,794	935
32,602	4,213	719	37,534	Border to Coast Pensions Partnership	53,085	38,717	8,730	5,638
996	0	0	996	Aberdeen	641	641	0	0
30	0	0	30	Bidwells	0	0	0	0
57,447	18,151	2,905	78,503		94,621	66,524	21,524	6,573
		57		Custody fees	57			
		78,560	Total		94,678			

In accordance with CIPFA guidance management fees deducted at source and transaction costs are shown gross.

Wherever possible these figures are based on actual costs disclosed by the manager; where this is not available, best estimates have been made using other available information.

The presentation of this note has been amended to comply with CIPFA guidance and present an analysis of investment management expenses by investment manager as a more meaningful categorisation to show the nature of the costs incurred and how these arise for each different investment manager type.

Note 12. Investment Income

2023/24		2024/25
£000		£000
66	Bonds	14
36,992	Income from Pooled Investment Vehicles	45,074
28,567	Net Property Income [Note 12a]	16,676
6,314	Interest on Cash Deposits	6,858
179	Other	7
72,118	Net Investment Income	68,629

Page 424

The Fund's equity holdings, together with its investment grade and index linked bond holdings, are managed in pooled funds provided by Border to Coast and there is no direct income from those funds; the value of that income is instead reflected within the valuation of the Fund holdings. The income is accumulated and reinvested; therefore, the value of the income is reflected in the price of the units held and would only be realisable by the Fund by selling the units. The value of this reinvested income is reported separately and is shown below for information.

Reinvested Income In Border to Coast Pooled Investment Vehicles

2023/24		2024/25
£000		£000
36,919	Border to Coast UK	34,380
65,866	Border to Coast Developed Overseas	69,385
19,785	Border to Coast Emerging Markets	18,249
21,744	Border to Coast Investment Grade Credit	22,922
28,386	Border to Coast Sterling Index Linked Bonds	24,199
26,595	Border to Coast MAC Fund	22,783
6,307	Border to Coast Listed Alternatives Fund	6,300
205,602		198,217

Note 12a. Property Income

2023/24		2024/25
£000		£000
28,365	Rental income	17,712
1,262	Other dividends and interest	0
(1,060)	Direct operating expenses	(1,036)
28,567	Net income	16,676

In October 2024, the Fund transferred 25 of its commercial property holdings (valued at £442.2m) to be managed by Border to Coast in a newly created UK Real Estate fund. The assets were exchanged for the equivalent value of units in the new fund managed by Border to Coast, classified as a Pooled Investment Vehicle. 3 commercial properties (located in Scotland and Wales) remain in the Fund's directly held portfolio.

The transition to the Border to Coast fund has therefore resulted in a significant reduction in the direct rental income disclosed above, and a corresponding increase in the income from Pooled Investment Vehicles disclosed in Note 12.

No contingent rents have been recognised as income during the period.

Note 13a. Other Fund Account Disclosures - External Audit Costs

2023/24		2024/25
£000		£000
168	Fees Payable in Respect of External Audit	176
168		176

Note 13b. Other Fund Account Disclosures - Irrecoverable VAT

2023/24		2024/25
£000		£000
241	Irrecoverable VAT Included in Administration Cost	221
518	Irrecoverable VAT Included in Investment Management Expense	324
70	Irrecoverable VAT Included in Oversight & Governance Cost	89
829		634

Unlike other local authorities, the Authority, at 31 March 2025, does not have Section 33 status under the VAT Act 1994 that would enable it to reclaim VAT incurred. This is due to its unique nature as a local authority with the sole purpose of administering the Pension Fund. Instead, a special exemption method agreed with HMRC is used for reclaiming a proportion of the Authority's VAT expense only. The remaining proportion that is not recoverable is charged to the management expenses of the Fund as outlined above. This irrecoverable proportion is approximately 30% of the total VAT expense incurred. The amounts shown here are included in the respective totals shown in Note 11.

Note 14a. Investments

31 March 2024 £000		31 March 2025 £000	31 March 2025 £000
	Long Term Investments		
1,182	Equities	1,182	
1,182			1,182
	Investment Assets		
763	Equities	567	
763			567
	Pooled Investments		
5,040,813	Equities	4,755,445	
1,390,000	Private Equity	1,288,703	
2,274,333	Credit	2,245,858	
908,962	Infrastructure	951,209	
502,408	Pooled Property	1,514,754	
10,116,516			10,755,969

31 March 2024 £000		31 March 2025 £000	31 March 2025 £000
	Other Investments		
84,856	Private Credit	111,880	
508,525	Direct Property	52,400	
593,381			164,280
250,437	Cash Deposits	138,089	
2,676	Investment Income Due	26,367	
253,113			164,456
10,964,955	Total Investment Assets		11,086,454
10,964,955	Net Investment Assets		11,086,454

Note 14b. Reconciliation Of Movements In Investments And Derivatives

Period 2024/25	Market Value 1 April 2024	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in value during the year	Market Value 31 March 2025
	£000	£000	£000	£000	£000
Equities	1,945	0	(547)	351	1,749
Bonds	0	0	(1)	1	0
Pooled Investments	10,116,516	1,378,425	(1,067,161)	328,189	10,755,969
Private Credit	84,856	76,167	(35,939)	(13,204)	111,880
Direct Property	508,525	28,710	(483,575)	(1,260)	52,400
	10,711,842	1,483,302	(1,587,223)	314,077	10,921,998
<i>Other Investment Balances:</i>					
Cash Deposits	250,437			(1,344)	138,089
Other Investment Assets	2,676				26,367
Net Investment Assets	10,964,955			312,733	11,086,454

Period 2023/24	Market Value 1 April 2023	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in value during the year	Market Value 31 March 2024
	£000	£000	£000	£000	£000
Equities	1,968	0	(953)	930	1,945
Bonds	38,082	45,000	(31,226)	(51,856)	0
Pooled Investments	9,291,543	814,295	(829,686)	840,364	10,116,516
Private Credit	51,266	40,018	(11,438)	5,010	84,856
Direct Property	702,029	51,129	(239,462)	(5,171)	508,525
	10,084,888	950,442	(1,112,765)	789,277	10,711,842
<i>Other Investment Balances:</i>					
Cash Deposits	97,025			(537)	250,437
Other Investment Assets	2,250				2,676
Net Investment Assets	10,184,163			788,740	10,964,955

Note 14c. Investments Analysed By Fund Manager

Market Value 31 March 2024			Market Value 31 March 2025	
%	£000		£000	%
Investments managed by Border to Coast Pensions Partnership:				
6.5%	703,521	Border to Coast Sterling Index Linked Bonds	707,795	6.4%
9.6%	1,055,453	Border to Coast UK	1,015,651	9.2%
29.6%	3,248,747	Border to Coast Developed Overseas	2,973,842	26.8%
6.7%	736,612	Border to Coast Emerging Markets	765,951	6.9%
3.6%	390,192	Border to Coast MAC (Multi Asset Credit) Fund	399,374	3.6%
5.0%	552,538	Border to Coast Investment Grade Credit	563,220	5.1%
1.4%	153,007	Border to Coast Listed Alternatives Fund	164,744	1.5%
3.7%	411,162	Border to Coast Private Equity Series	455,936	4.1%
1.6%	170,512	Border to Coast Private Credit Series	255,574	2.3%
4.2%	456,148	Border to Coast Infrastructure Series	810,818	7.3%
0.0%	0	Border to Coast UK Real Estate	448,416	4.0%
0.0%	0	Border to Coast Core Real Estate	17,516	0.1%
71.9%	7,877,893		8,578,837	77.3%

Investments managed outside of Border to Coast Pensions Partnership:

22.3%	2,447,920	South Yorkshire Pensions Authority	2,225,786	20.1%
1.1%	130,617	Royal London Asset Management	229,431	2.1%
4.5%	490,050	Aberdeen - Direct Property - Commercial Portfolio	52,400	0.5%
0.2%	18,475	Bidwells - Direct Property - Agricultural Portfolio	0	0.0%
28.1%	3,087,062		2,507,617	22.7%
100.0%	10,964,955	Total Net Investment Assets	11,086,454	100.0%

The following investments each represent over 5% of the net assets of the Fund at 31 March 2025

Market Value 31 March 2024

%	£000	Security
6.4%	703,521	Border to Coast Sterling Index Linked Bonds
9.6%	1,055,453	Border to Coast UK
29.6%	3,248,747	Border to Coast Developed Overseas
6.7%	736,612	Border to Coast Emerging Markets
5.0%	552,538	Border to Coast Investment Grade Credit
4.2%	456,148	Border to Coast Infrastructure Series
	6,753,020	

Market Value 31 March 2025

£000	%
707,795	6.4%
1,015,651	9.2%
2,973,842	26.8%
765,951	6.9%
563,220	5.1%
810,818	7.3%
6,837,277	

Note 14d. Property Holdings

The Fund's investment property portfolio comprises investments in pooled property funds and a small number of directly owned properties which are leased commercially to various tenants. Details of these directly owned properties are as follows.

2023/24 £000		2024/25 £000
660,719	Opening balance at 1 April	508,525
	<i>Additions:</i>	
18,540	Purchases	23,789
509	New Construction	3,239
1,240	Subsequent Expenditure	1,682
(163,047)	Disposals ^{1 2}	(483,575)
(9,436)	Net Reduction in Market Value	(1,260)
508,525	Closing balance at 31 March	52,400

The Fund holds buildings in prime locations. There are no legal restrictions on the ability to realise these properties or on the remittance of income or disposal proceeds, although the Fund recognises that it could take six months to achieve disposal on favourable terms.

As at 31 March 2025, there were no vacant properties (31 March 2024: nil) and no vacant units (31 March 2024: two) across the property portfolio. Repairs and maintenance of the properties are either directly with the occupant of the property or via a service charge. Each lease sets out the condition in which a property should be left at the end of the tenancy and states that any cost to restore it to this condition is the responsibility of the tenant.

¹ Disposals in 2024/25 have significantly increased due to the transition in October 2024 of the majority of the Fund's commercial property holdings into a UK Real Estate fund managed by Border to Coast. The new product is classified as a Pooled Investment Vehicle in the Net Assets Statement, valued at £448.4 million at 31 March 2025.

² The figure shown includes the disposal of one commercial property, valued at £23.3m, that was also transferred into the UK Real Estate fund, which completed on 31 March 2025. The property disposal settled on this date but the corresponding purchase of units in the pooled fund did not take place until April 2025. Consequently, the value of the asset is recognised within Other Investment Assets in the Net Assets Statement at 31 March 2025.

Note 15a. Fair Value - Basis Of Valuation

The shares held as unquoted equities in our pool, Border to Coast Pensions Partnership Ltd, are valued at cost, i.e. transaction price, as an appropriate estimate of fair value. This is reviewed and assessed each year. Relevant factors include that there is no market in the shares held, disposal of shares is not a matter in which any shareholder can make a unilateral decision, and the company is structured so as not to make a profit. As at 31 March 2025, taking consideration of audited accounts for the company at 31 December 2024, there is also no evidence of any impairment in the value of shares held. It has therefore been determined that cost remains an appropriate proxy for fair value at 31 March 2025.

The Fund utilises Private Credit lending through a third-party agent, acting on behalf of the Fund to find appropriate investments within a specified framework. The loans are used specifically for a wide range of building developments, with a variety of conditions of fulfilment. Utilising a third-party agent to find the appropriate investments for these developments is driven by the expertise required for effective work in this particular area. The Private Credit loans are valued at carrying value, i.e. lending amount plus accrued interest to date, as an appropriate estimate of fair value. This is reviewed and assessed each year. Relevant factors include that there is no market of the loan, the loans have a number of clauses which can lead to increased borrowing with higher levels of interest, the loan maturity dates can be extended and the Fund has collateral against the development in the case of default. As at 31 March 2025, taking consideration of loan statements from the third party, there is also no evidence of any impairment in the value of loans held. It has therefore been determined that cost remains an appropriate proxy for fair value at 31 March 2025.

All other investments are held at fair value in accordance with the requirements of the Code and IFRS 13. The valuation bases are set out below. All assets have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. There has been no change in the valuation techniques used during the year.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Exchange traded pooled investments and property funds	Level 1	Closing bid value on published exchanges	Not required	Not required

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Pooled investments - listed funds and bonds	Level 2	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV-based pricing set on a forward pricing basis or a single price advised by the fund manager	Not required
Private Credit	Level 2	Carrying value is deemed to be fair value because expected future interest rates are not significantly different from contractual interest rates for the loan	• Lending amount • Accrued interest	Not required
Pooled investments - limited partnerships, hedge fund of funds, other funds and property funds	Level 3	Valued by investment managers on a fair value basis each year using PRAG guidance	NAV-based pricing set on a forward pricing basis	Valuations could be affected by post balance sheet events, gating or closing of pooled property funds, changes to expected cash flows, or by any differences between audited and unaudited accounts.
Direct freehold and leasehold properties	Level 3	Valued at fair value at the year-end using the investment method of valuation by Jones Lang LaSalle for the commercial portfolio and Fisher German for the agricultural portfolio in accordance with the <i>RICS Valuation – Professional Standards</i> January 2014	• Existing lease terms and rentals • Independent market research • Vacancy levels • Estimated rental growth • Discount rate	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices.

Sensitivity Of Assets Valued At Level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025

	Assessed valuation range	Value 31 March 2025	Value on increase	Value on decrease
	(+/-) %	£000	£000	£000
Pooled Investment Vehicles	8%	3,627,990	3,918,229	3,337,751
Direct Property	5%	52,400	55,020	49,780
		3,680,390	3,973,249	3,387,531

Note 15b. Fair Value Hierarchy

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Comprise quoted equities, quoted bonds and unit trusts. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data. This includes composite prices for fixed income instruments and fund net asset value prices.

Level 3

Where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments include unquoted equity investments and hedge fund of funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

Investments in private equity funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association or other professional bodies.

The table that follows provides an analysis of the assets and liabilities of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	Total
Values 31 March 2025	£000	£000	£000	£000
Financial assets at fair value through profit and loss	48,833	7,191,593	3,627,990	10,868,416
Non-financial assets at fair value through profit and loss (Note 14d)			52,400	52,400
Net investment assets	48,833	7,191,593	3,680,390	10,920,816

The following assets were carried at cost:

Values 31 March 2025	Total
£000	£000
Investment in Border to Coast Pensions Partnership Pool	1,182
Investments held at cost	1,182

Reconciliation to Net Assets Statement

Total Analysed Above	10,921,998
Plus Cash	138,089
Total Net Investments per Net Assets Statement	11,060,087

	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	Total
Values 31 March 2024	£000	£000	£000	£000
Financial assets at fair value through profit and loss	162,263	6,965,456	3,077,092	10,204,811
Non-financial assets at fair value through profit and loss (Note 14d)			508,525	508,525
Financial liabilities at fair value through profit and loss				0
Net investment assets	162,263	6,965,456	3,585,617	10,713,336
The following assets were carried at cost:				Total
Values 31 March 2024				£000
Investment in Border to Coast Pensions Partnership Pool				1,182
Investments held at cost				1,182

Reconciliation to Net Assets Statement

Total Analysed Above	10,714,518
Plus Cash	250,437
Total Net Investments per Net Assets Statement	10,964,955

Note 16a. Classification Of Financial Instruments

The financial instruments of the Fund comprises its investment assets, debtors and creditors as shown in the Net Assets Statement. Property held is classified as investment property and is not a financial instrument so is not included in the classification below.

Page 439

31 March 2024			31 March 2025		
Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000	Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000
Financial Assets					
1,945	0	0	1,749	0	0
10,116,516	0	0	10,755,969	0	0
84,856	0	0	111,880	0	0
2,676	0	0	26,367	0	0
0	250,437	0	0	138,089	0
0	35,420	0	0	32,290	0
10,205,993	285,857	0	10,895,965	170,379	0
Financial Liabilities					
0	0	(16,333)	0	0	(6,282)
10,205,993	285,857	(16,333)	10,895,965	170,379	(6,282)
Total			Total		
10,475,517			11,060,062		

Note 16b. Net Gains And Losses On Financial Instruments

2023/24 £000		2024/25 £000
	Financial Assets	
794,448	Gain on Assets at Fair Value Through Profit and Loss	315,337
(537)	(Loss) on Assets at Amortised Cost	(1,344)
793,911	Net Gain on Financial Instruments	313,993

All realised gains and losses arise from the sale or disposal of financial assets which have been derecognised in the statement of accounts.

Note 17. Nature And Extent Of Risks Arising From Financial Instruments

Risk and Risk Management

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members).

Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows.

The management of risk is described within the Fund's Investment Strategy Statement (ISS) which is available in the 'Investments' area of the Fund's website (<https://www.sypensions.org.uk/Investments/Investment-Strategy-Statements>) with a link to this included in the published annual report and accounts. It centres upon the adoption of an investment strategy, as represented by the Fund's customised benchmark, which is appropriate to meet the objectives of the Funding Strategy Statement. It focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the resources available to fund services.

The cash balances of the Fund are managed by the Administering Authority. The Authority's treasury management activities are governed by the Local Government Act 2003 and the Fund has broadly adopted CIPFA's Treasury Management Code of Practice. The annual Treasury Management Strategy for 2024/25 was approved by the Authority in February 2024.

a) Market Risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis, any identified risk is monitored and reviewed.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter (OTC) equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund's ISS sets out the details of how the risk of negative returns due to price fluctuations is managed. Different asset classes have different risk and return characteristics and will therefore react differently to external events and will not necessarily do so in a correlated or pre-determined manner. No single asset class or market acts in isolation from other assets or markets. It is, therefore, extremely difficult to meaningfully estimate the consequences of a particular event in a particular asset on other asset classes. It is important to recognise that returns, volatility and risks vary over time.

In order to minimise the risks associated with market movements the Fund is well diversified across asset classes and within individual portfolios and constantly monitored and reviewed.

Price Risk - Sensitivity Analysis

Potential price changes are determined based on the observed historical volatility of asset class returns. 'Riskier' assets such as equities will display greater potential volatility than bonds as an example, so the overall outcome depends largely on the Fund's asset allocations. Based on this, the Fund has determined that the following movements in market price risk are reasonably possible for 2024/25, assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same:

Asset Type	Values as at 31 March 2025 £000	Potential Market Movements (+/-)	Potential Value on Increase £000	Potential Value on Decrease £000
Long Term Equities	1,182	0.00%	1,182	1,182
Overseas Equities	567	10.09%	624	510
Pooled Investment Vehicles	10,755,969	8.38%	11,657,319	9,854,619
Total	10,757,718		11,659,125	9,856,311

Asset Type	Values as at 31 March 2024 £000	Potential Market Movements (+/-)	Potential Value on Increase £000	Potential Value on Decrease £000
Long Term Equities	1,182	0.00%	1,182	1,182
Overseas Equities	763	10.24%	841	685
Pooled Investment Vehicles	10,116,516	9.62%	11,089,725	9,143,308
Total	10,118,461		11,091,748	9,145,175

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Different classes of asset have different risk and return characteristics and sensitivities to changes in financial factors, in particular to inflation and interest rates.

The Fund's investment strategy takes into account these differences and the correlation between them. The Fund regularly monitors its exposure to interest rates.

The Fund's direct exposure to interest rate movements as at 31 March 2025 and 31 March 2024 are set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

The Fund recognises that interest rates can vary and can affect both income to the Fund and the carrying value of Fund assets, both of which affect the value of the net assets available to pay benefits. The sensitivity analysis shown below is based on the Fund's methodology for this risk and shows the potential impact of a 0.93% change in interest rates. This percentage is equal to 1 standard deviation of the 10 year government bond yield (annualised).

The analysis assumes that all other variables, in particular exchange rates, remain constant.

Exposure To Interest Rate Risk	Values as at 31 March 2025 £000	Potential Interest Rate Movement (+/-)	Potential Value on Increase £000	Potential Value on Decrease £000
Cash - Sterling Equivalent	138,089	0.93%	139,373	136,805
Private Credit	111,880	0.93%	112,920	110,840

Exposure To Interest Rate Risk	Values as at 31 March 2024	Potential Interest Rate Movement	Potential Value on Increase	Potential Value on Decrease
	£000	(+/-)	£000	£000
Cash - Sterling	250,437	0.95%	78,443	77,059
Private Credit	84,856	0.95%	85,662	84,050

Currency Risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. The Fund's customised benchmark regulates such exposure: part of that approach involves the Authority passively hedging its overseas property portfolio's currency risk.

Following analysis of historical data, the Fund considers the likely volatility associated with foreign exchange rate movements to be not more than 6.80%. A strengthening/weakening of the pound by 6.80% against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Assets Exposed to Currency Risk	Asset Value as at 31 March 2025	Potential Market Movement	Value on Increase	Value on Decrease
	£000	£000	£000	£000
Overseas Equities	567	39	606	528
Overseas Pooled Funds	7,149,281	486,151	7,635,432	6,663,130
Cash - Currency	39,325	2,674	41,999	36,651
Total Change In Assets Available To Pay Benefits	7,189,173	488,864	7,678,037	6,700,309

Assets Exposed to Currency Risk	Asset Value as at 31 March 2024	Potential Market Movement	Value on Increase	Value on Decrease
	£000	£000	£000	£000
Overseas Equities	763	53	816	710
Overseas Pooled Funds	7,036,976	490,477	7,527,453	6,546,499
Cash - Currency	22,269	1,552	23,821	20,717
Total Change In Assets Available To Pay Benefits	7,060,008	492,082	7,552,090	6,567,926

b) Credit Risk

Credit risk represents the risk that the counterparty to the financial transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. The selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure of third parties to settle transactions in a timely manner.

The Fund's benchmark allowance for cash at 31 March 2025 was 1.5% of the Fund (1.5% at 31 March 2024). The actual cash held at 31 March 2025 represented 1.25% of the Fund value (2.28% at 31 March 2024). The Treasury Management Strategy for managing the cash balances held includes limits as to the maximum sum placed on deposit with individual financial institutions and applies a minimum short term credit rating requirement of F1 or better.

Summary of Cash Balances and Credit Ratings

Counterparty Type	Rating	Balances at 31 March 2024	Balances at 31 March 2025
		£000	£000
Money Market Funds	AAA	69,500	39,000
Banks	Minimum of F1	180,937	99,089
Total		250,437	138,089

c) Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments. The Fund's cash holding under its treasury management arrangements at 31 March 2025 was £138.1 million (31 March 2024 £250.4 million).

The Fund maintains at least £40 million of its cash balances as readily available through the use of money market funds, call accounts and short-term deposits to meet expected or unexpected demands for cash.

Note 18. Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and the next valuation is due to take place as at 31 March 2025.

The funding strategy objectives are to:

1. take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
2. use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
3. where appropriate, ensure stable employer contribution rates
4. reflect different employers' characteristics to set their contributions rates, using a transparent funding strategy
5. use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned. A secondary objective is to ensure the rates are as stable as possible. A risk-based approach to setting employer contribution rates is used to meet these objectives.

An actuarial valuation of the South Yorkshire Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026.

Based on the assumptions adopted, the Fund was assessed as 119% funded (99% at the 2019 valuation). This corresponded to a surplus of £1,685 million (2019 valuation: £63 million deficit).

The employer contribution rate is made up of two components as follows:

Primary Contribution Rate

The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

Secondary Contribution Rate

The Secondary rate covers the costs associated with sufficiently funding benefits accrued up to the valuation date.

Each employer has a contribution rate appropriate to their circumstances. These are shown in the 'Rates and Adjustments Certificate' section of the Valuation Report available on the Authority's website at www.sypensions.org.uk

The table below shows the whole Fund contribution rate as determined at the 2022 Valuation, as compared with the rates set at the previous valuation.

	Last Valuation 31 March 2019		This Valuation 31 March 2022	
Primary Rate	16.1% of pay		20.3% of pay	
	2020/2021	£26,675,000	2023/2024	(£21,921,000)
Secondary Rate	2021/2022	£13,475,000	2024/2025	(£20,058,000)
	2022/2023	£13,881,000	2025/2026	(£18,043,000)

In broad terms, primary rates have increased since the last valuation due to rising inflation. While secondary rates had decreased due to strong investment performance since the previous valuation. However, all employers will be different and the contribution rate will reflect the membership and experiences of each employer.

Valuation Assumptions

To set and agree assumptions for the valuation, the Fund carried out in depth analysis and review in February 2022 with the final set agreed by the Pensions Authority on 17 March 2022. The main actuarial assumptions used for assessing the Solvency Funding Target were as follows:

Financial Assumptions	Required for	Last Valuation 31 March 2019	This Valuation 31 March 2022
Discount Rate	To place a present value on benefits promised to members at the valuation date.	3.9% per annum	4.45% per annum
Benefit Increases/CARE Revaluation	To determine the size of future benefit payments	2.4% per annum	2.7% per annum
Salary Increases	To determine the size of future final-salary linked benefit payments	3.6% per annum	3.3% per annum

Demographic Assumptions

	Years
Life expectancy for current pensioners - men age 65	21.0
Life expectancy for future pensioners - men age 45	22.0
Life expectancy for current pensioners - women age 65	24.0
Life expectancy for future pensioners - women age 45	25.5

Commutation Assumption

Members have the option to commute part of their pension at retirement in return for a lump sum at a rate of £12 cash for each £1 per annum of pension given up. It is assumed that 50% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits.

Risk Analysis

Specific risks relating to the valuation include:

- McCloud: the remedy to resolve the McCloud case had yet to be formalised in regulations when the valuation was completed. However, an allowance was included for this expected benefit change at the 2022 valuation as directed by the Ministry for Housing, Communities and Local Government (then named Department of Levelling Up, Housing and Communities).
- Goodwin: the remedy to this issue is still uncertain, it is difficult to identify who it would apply to and its impact is estimated to be very small for a LGPS fund (0.1% to 0.2% of liabilities). Therefore, no allowance was made for this case at the 2022 valuation.
- Cost Cap: at the time of the valuation, a legal challenge was still ongoing in relation to the results of the 2016 cost cap valuation and no information was known about the outcome of the 2020 cost cap valuation. At this valuation, no allowance was made for any changes to the benefit structure that may occur as a result of a cost cap valuation. The legal decision was subsequently published in April 2024 which was in agreement with the earlier ruling from the High Court (published in March 2023) which ruled in favour of HM Treasury on all grounds. Following this, on 11 April 2024, the Government Actuary's Department published its completed valuation of the Local Government Pension Scheme (England and Wales) as at 31 March 2020. The valuation found that the core 'cost cap cost' of the scheme lies outside the 3% cost control mechanism corridor (3.2% below target cost). The new 'economic cost cap cost' of the scheme also lies outside the 3% corridor, but in the other direction (7.3% above target cost). As a result, the mechanism as a whole is not breached and the Government is not proposing to make any changes to scheme benefits.
- GMP Indexation: it was assumed that all increases on GMPs for members reaching State Pension Age after 6 April 2016 will be paid for by LGPS employers. This is the same approach that was taken for the 2019 valuation.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated 31 March 2022; this is available in the 'How We Operate' area of the Fund's website at: www.sypensions.org.uk.

Note 19. Actuarial Present Value Of Promised Retirement Benefits

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the Pension Fund liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year, but taking account of changes in membership numbers and updating assumptions to the current year.

This valuation is not carried out on the same basis as that used for setting fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future. In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes set out in Note 18. The actuary has also valued ill health and death benefits in line with IAS 19.

Financial Assumptions	Required for	31 March 2024	31 March 2025
Discount Rate	To place a present value on benefits promised to members at the valuation date.	4.85% per annum	5.80% per annum
Benefit Increases/CARE Revaluation	To determine the size of future benefit payments	2.75% per annum	2.75% per annum
Salary Increases	To determine the size of future final-salary linked benefit payments	3.35% per annum	3.35% per annum
Demographic Assumptions			Years
Life expectancy for current pensioners - men age 65			20.5 years
Life expectancy for future pensioners - men age 45			21.3 years
Life expectancy for current pensioners - women age 65			23.6 years
Life expectancy for future pensioners - women age 45			25.0 years
Results		31 March 2024	31 March 2025
Present value of promised retirement benefits		£9,352 million	£8,129 million

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2025 and 31 March 2024. The Actuary estimates that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £1,491m. The Actuary estimates that the impact of the change in demographic assumptions is to decrease the actuarial present value by £19m.

Note 20. Current Assets

31 March 2024 £000		31 March 2025 £000
	Short Term Debtors	
6,594	Contributions Due - Employees	6,914
19,109	Contributions Due - Employers	21,701
25,703		28,615
553	Early Retirement Strain Contributions Receivable	664
9,164	Sundry Debtors	3,011
35,420	Total	32,290

The Fund Net Assets Statement at 31 March 2025 includes a debtor of £0.181 million (£0.898 million at 31 March 2024 Creditor) for sums due to the Fund. This is included in the 'Sundry Debtors' line above.

Note 21. Current Liabilities

31 March 2024 £000		31 March 2025 £000
(6,662)	Sundry Creditors	(1,035)
(3,564)	Payroll Expenses Payable	(4,529)
(6,107)	Advance Property Rents	(718)
(16,333)	Total	(6,282)

Note 22. Additional Voluntary Contributions

The Pension Fund's Additional Voluntary Contributions (AVC) providers are Prudential, Scottish Widows and Utmost Life & Pensions. This note shows information about these separately invested AVCs. The AVC providers secure benefits on a money purchase basis for those members electing to pay AVCs.

In accordance with Regulation 4(2)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2009 as amended, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

Market Value 31 March 2024 £000		Market Value 31 March 2025 £000	
10,105	Prudential ¹	10,855	
Not available	Scottish Widows ²	2,396	
1,389	Utmost Life & Pensions	1,187	
11,494	Total	14,438	

AVCs Paid to Providers 2023/24 £000		AVCs Paid to Providers 2024/25 £000	
1,690	Prudential ¹	2,041	
Not available	Scottish Widows ²	108	
4	Utmost Life & Pensions	1	
1,694	Total	2,150	

¹ Prudential have been unable to provide audited figures for 2023/24 and 2024/25. The figures disclosed have been based on a snapshot of the Fund at 31 March 2024 and 31 March 2025 respectively.

² At the date of authorising the 2023/24 accounts for issue, Scottish Widows were unable to provide the necessary information. The audited figures have subsequently been provided and are shown below.

- Market Value at 31/03/2024: £2,476,000
- AVCs Paid to Providers in 2023/24: £85,000

The issues above have historically been reported to The Pensions Regulator.

Note 23. Agency Services

The South Yorkshire Pension Fund pays discretionary awards to former employees of various bodies as shown below. The amounts paid are fully reclaimed from the employer bodies.

2023/24		2024/25
£000		£000
	<i>Payments on behalf of:</i>	
16	South Yorkshire Pensions Authority	17
2,544	Barnsley MBC	2,608
1,862	City of Doncaster Council	1,878
1,331	Rotherham MBC	1,390
5,775	Sheffield CC	5,805
1,457	Other Scheduled Bodies	1,413
49	Admitted Bodies	52
13,034	Total	13,163

Note 24. Related Party Transactions

South Yorkshire Pensions Authority

The South Yorkshire Pension Fund is administered by South Yorkshire Pensions Authority. During the reporting period, the Authority incurred costs of £8.630 million (2023/24 £7.733 million) in relation to the administration and management of the Fund and was reimbursed by the Fund for these expenses. All transactions are shown either in the Authority's statements or in the Fund accounts. All contributing employers are related parties to the Fund, and have material transactions with the Fund during the year in the form of contributions described elsewhere in the accounts.

The Fund received a total of £0.303 million (2023/24: £0.312 million) from the Authority as contributions for the unfunded benefits residual liabilities of the former South Yorkshire County Council and Residuary Body.

Elected members of the Authority are related parties to the Fund and are required to sign declarations when they are also members of the Fund. Further details are set out in the notes to the Authority's financial statements.

External fund managers are also related parties to the Fund and fees paid to them are included within investment management expenses (see Note 11a).

Border To Coast Pensions Partnership

Border to Coast Pensions Partnership (Border to Coast) is a related party to the Fund as the Fund is a shareholder in the company, along with 10 other LGPS Funds, and holds shares amounting to £1.182 million at 31 March 2025 (31 March 2024: £1.182 million).

Direct costs of £0.333 million (2023/24 £6.122 million) were paid to Border to Coast Pensions Partnership during the 2024/25 year. The reduction in fees is due to a change in the assets under management charging model introduced by Border to Coast Pensions Partnership in 2024/25. The Border to Coast Pensions Partnership assets under management costs are now taken from the gross income the Fund is due to receive, these management expenses, performance related fees and transaction costs are recorded in Note 11a; Note 11a details the total fees paid to Border to Coast Pensions Partnership.

Note 24a. Key Management Personnel

The key management personnel of the Fund are the senior managers and the holders of statutory roles for the South Yorkshire Pensions Authority. These officers and their remuneration payable is set out in Note 20 to the Authority's accounts.

Note 25. Contractual Commitments And Contingent Assets

Outstanding capital commitments (investments) at 31 March are shown below. These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of a number of years from the date of the original commitment. The following table shows the commitments analysed according to the different currencies in which they are designated.

31 March 2024		31 March 2025	
Currency	£ Equivalent	Currency	£ Equivalent
000	£000	000	£000
£348,828	348,828	£2,601,098	2,601,098
€300,416	256,503	€84,922	71,100
\$146,273	1,170,928	\$303,489	234,935
	1,776,259		2,907,133

During the year, the procedure for identifying the capital commitments was revised following a comprehensive review. The change has resulted in an increase to the figures disclosed in this note.

The amounts committed that were yet to be drawn down were previously measured based on only the known amounts due to be called for pending investments being prepared by the relevant managers, rather than the total value outstanding. As a result of the review, it has been determined that the outstanding commitments disclosed here should be the entire value of the funds committed but not yet called. Consequently, the commitments at 31 March 2025 disclosed above are higher than those disclosed at 31 March 2024. The total commitments, if measured on the same basis at 31 March 2024, would have been £1,965,000k.

The review and revision of the procedure also resulted in:

- the reclassification of some capital commitments from Euros to Pound Sterling; and
- the reclassification of some capital commitments from United States Dollars to Pound Sterling.

At 31 March 2025, 9 admitted body employers (31 March 2024: 7) in the South Yorkshire Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default. No such defaults have occurred in 2024/25 (2023/24: Nil).



Pensions
Administration
Performance
Update
Quarter 1 2025/26
7 August 2025

Contents

Highlights and Recommendations	3
Background	4
Casework Processing	6
Customer Feedback	8
Appeals Breaches and Complaints	11
Progress on Delivering the Administration Improvement Plan	14
Major Projects	16
Cyclical Activity	19
Employer Activity	21
Policy Developments	24
Appendix A – Pension Acronyms	26
Appendix B	27
Appendix C	27

Highlights and Recommendations

Highlights over the quarter to the end of June 2025 include:

- SLA of Priority casework improved this quarter to 64% meeting targets.
- 74% of backlog cases now cleared.
- 89% of members responding to surveys were satisfied.
- 101,374 (55.86%) members registered for online portal.
- 5 Appeals, 11 Breaches, 7 complaints
- 574 Active Employers (discrepancy on Dashboard being investigated)

Quarter 1, to 30 June 2025, saw further improvements to the Authority's pension administration service.

The service is working to an overall improvement plan with progress summarised in the table below:

Corporate Action 25/28	Update	On Target
PA1 - Clear the remaining Backlogs of casework and ensure arrangements in place to prevent further backlogs developing	1 st June trialling a different way to target the backlog by using individual benefit processing teams one month at a time	At risk
PA2 - Plan and deliver the Valuation 2025, including increased engagement with employers.	Project running to timetable. Full fund results report received.	Yes
PA 3 - Implement the McCloud Remedy successfully.	Software development delays hampering progress. McCloud underpin not included in ABS or DBS 2025. Determination made to delay rectification and Benefit statement inclusion to 2026.	No
PA4 - Deliver the Data Quality Improvement	Data improvement prioritised for Valuation data submission to Actuary, annual Pensions Increase and Benefit Statement runs. Feedback from Actuary that data was vastly improved from 2022 submission. In house feedback from Benefit Statement runs data improved as far less records in error.	Yes
PA5 - Ensure Pensions Administration software system is developed, and its functionality used to optimal effect for achieving efficiencies, to the extent possible.	Awaiting McCloud deliveries at end of summer. Plans then in place to look at automation.	No
PA6 - Implement the Pensions Dashboards to required timescales	Project running to time-table. Awaiting connection date from ISP	Yes

The Local Pension Board are recommended to:

- Note the contents of this report with or without comment; and
- Consider the draft Complaints and Breaches Procedures attached at Appendix B & C and comment upon any changes required; and
- Recommend the draft 2x Procedures to the Authority Board for approval.

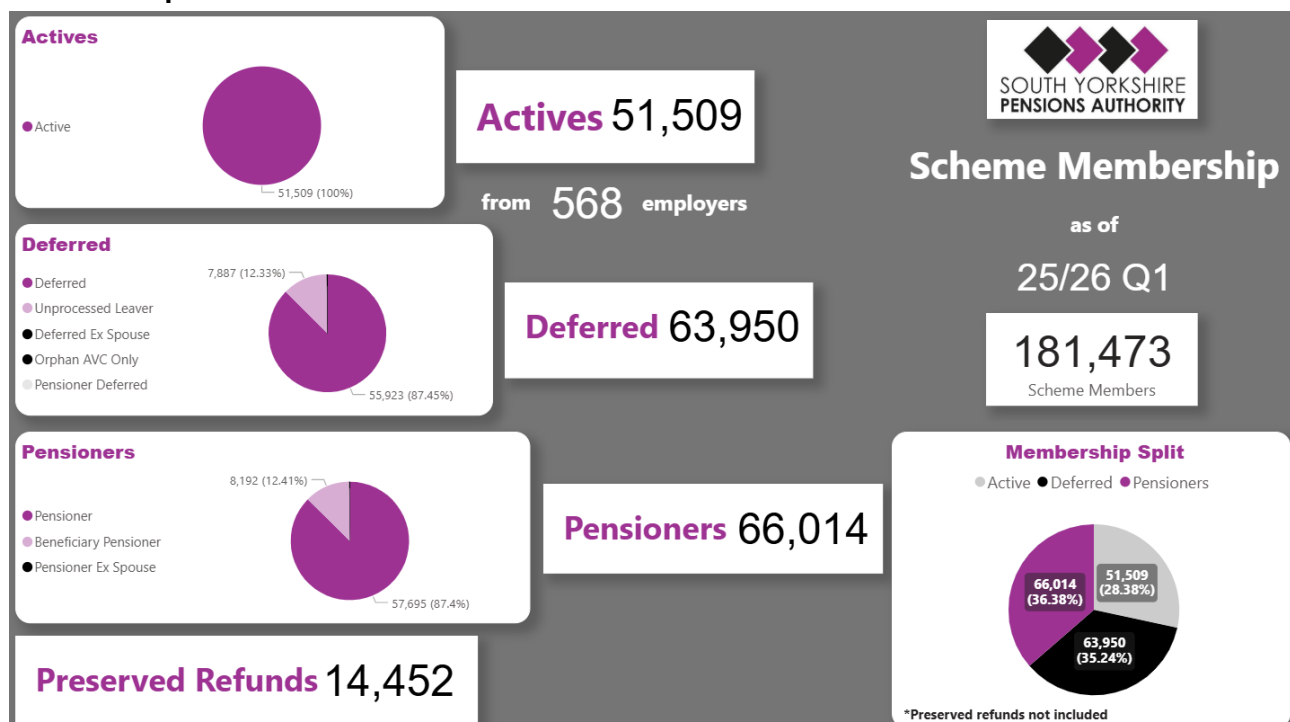
Background

The Pensions Administration Service is the Authority's largest outward facing service managing the organisation's relationship with just over 181,000 scheme members and 568 employers. The success of the Administration Service is crucial to the success of the organisation and this report aims to set out for the most recent quarter and the financial year to date:

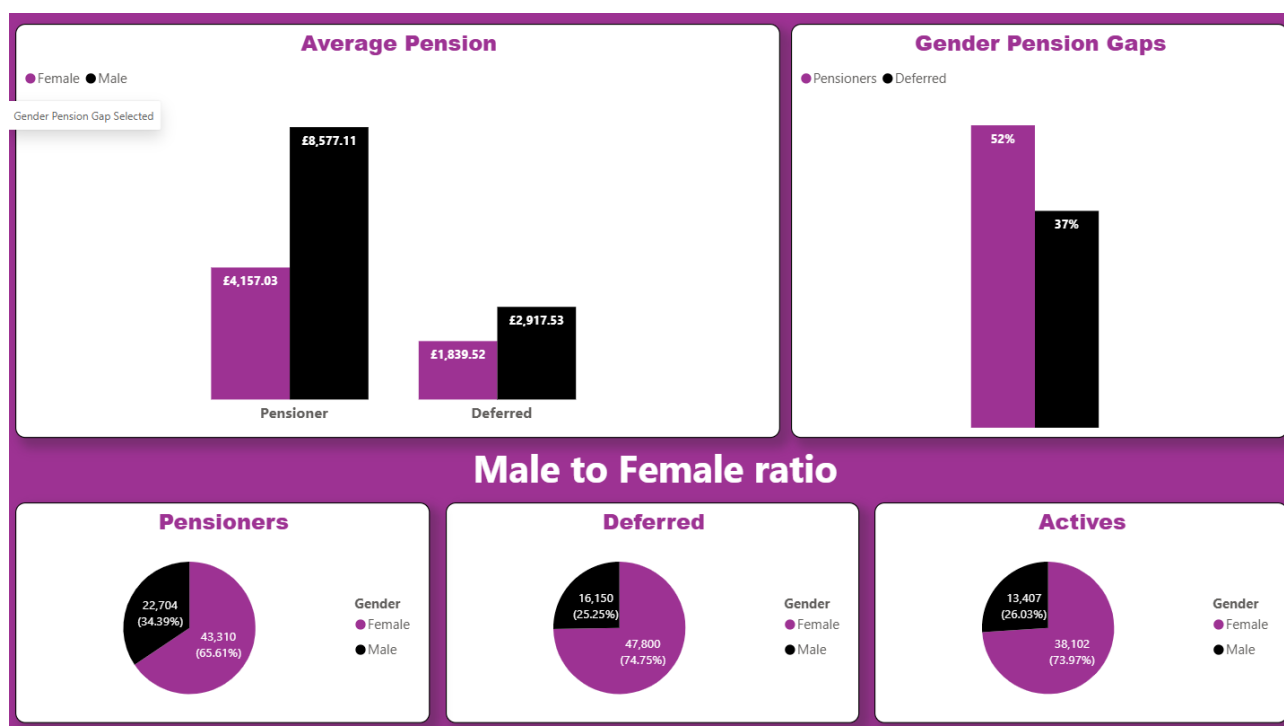
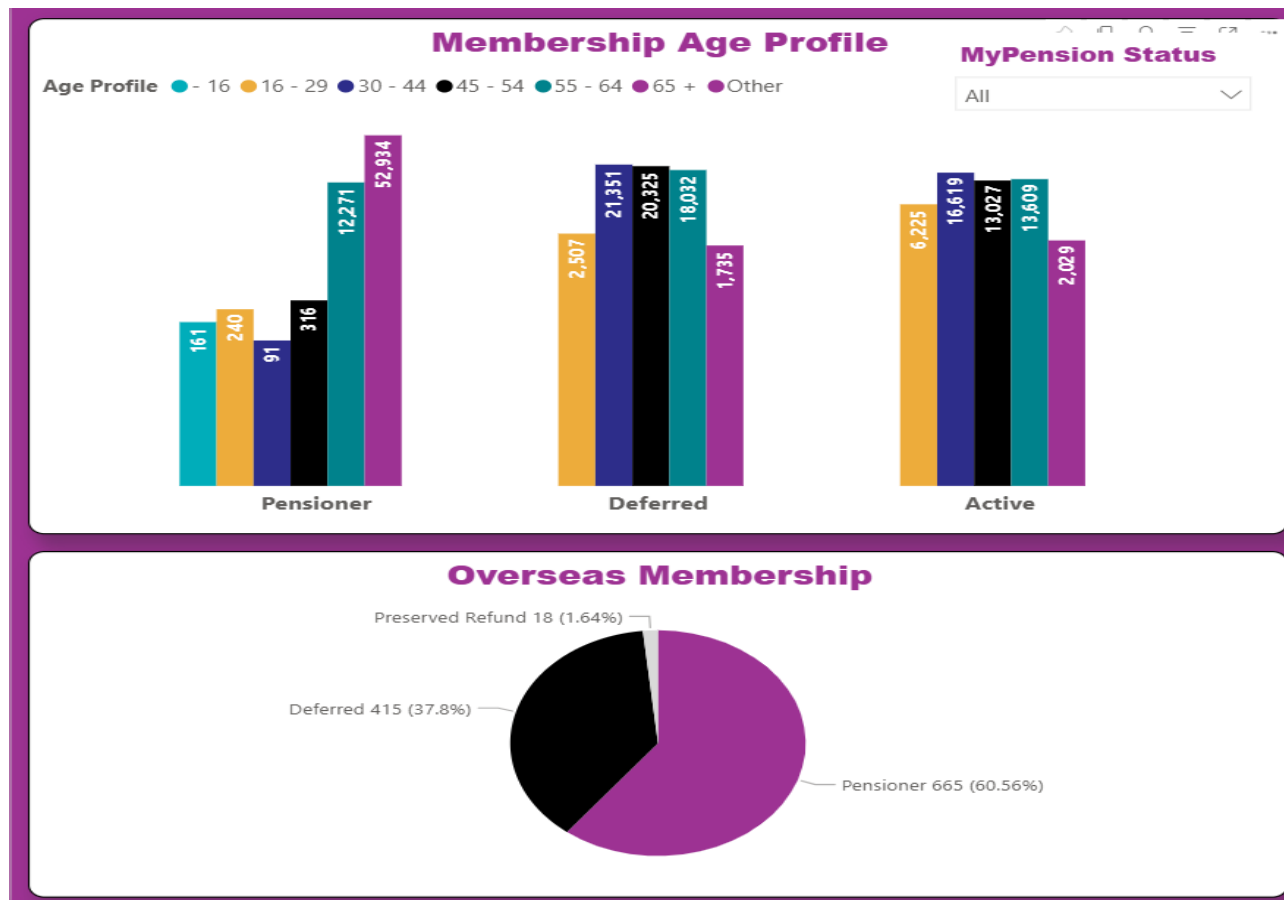
- Levels of activity related to both scheme member and employer activity.
- Levels of performance against the agreed standards
- Progress on delivering key projects and major cyclical activity
- Emerging policy issues and their implications for the Authority.

This report, like other performance information, is published on the Authority's website as well as being considered at meetings of the Local Pension Board.

Membership Profile at 30/06//2025



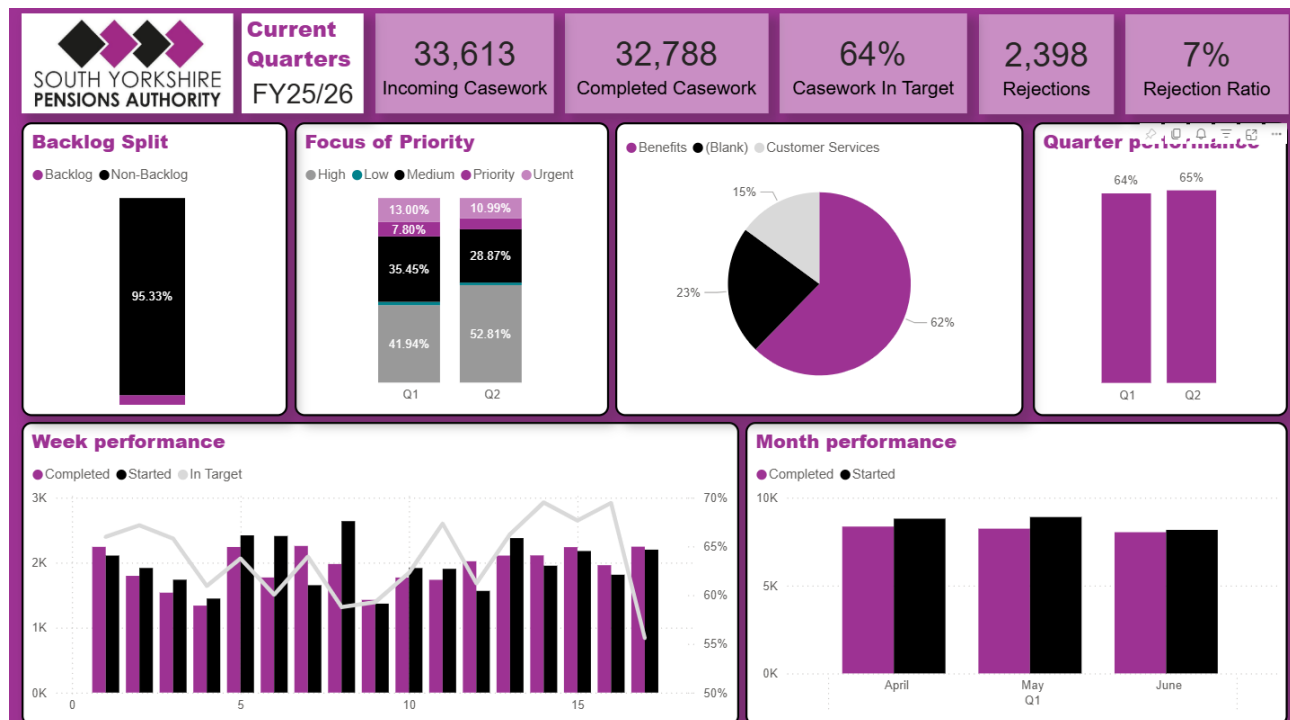
Active members make up around 28% of the current membership. This is a marked reduction to the 55% 20 years ago.



Casework Processing

This section of the report deals with the level of casework processing activity being undertaken and performance against agreed targets. The Team have now cleared 74% of the backlog detail of which is later in this report.

64 % of casework was withing target in this quarter. Which is a slight improvement on last year.



The chart below shows the number of leavers the team were notified of in this quarter together with KPI's for processing deaths, retirements, transfers and divorce cases.

Process Name	Total Start	Total Com	In Target	In Target (%)	Previous quarter
Death process	1,000	1,102	547	48.50%	56.00% ↓ -7.50%
Retirement	1,044	1,109	675	54.17%	87.00% ↓ -32.83%
Estimate	645	626	319	47.75%	80.00% ↓ -32.25%
Transfer In	573	495	268	51.00%	56.00% ↓ -5.00%
Transfer Out	283	275	114	32.00%	52.00% ↓ -20.00%
Divorce Quote/Settlements	95	71	51	47.00%	95.00% ↓ -48.00%
LG Recalculation of Retirement Benefits	108	46	12	26%	22.00% ↑ 4.09%
Leavers	4,218	4,392	1,747	40%	51.00% ↓ -11.22%
Aggregations	3,852	3,425	1,656	59.55%	38.00% ↑ 21.55%

The Authorities target at present is 100% of casework to be processed within target. This is being reassessed as it is unrealistic. Statistics are being adversely affected for retirements and deferred retirements because of how early the Authority is accepting the members notification that they are

retiring. Several months prior to their actual leave date in some cases. A quotation of benefits has been provided to these members, and their retirement decisions accepted however an actual calculation cannot be undertaken for active retirements until a leavers form is received from their employer. The team have therefore amended the processes. Retirement calculations will only be provided once the leaver form has been received from the Employer, and we have all the relevant Pensionable pay. For deferred member Retirements it is more difficult to control as a member can submit their forms online without our intervention.

Death processes sometimes require a lot of back and forth with the next of kin to ensure we have all documentation in place and ensure we are paying the benefits out correctly. The Administration system is using up a processing day each time a process is brought out of hold. this has been logged with the system provider.

In this first quarter performance was also reduced as sickness sadly increased losing 70.5 FTE days. In addition, as we are in valuation year all Benefits Team staff were taken off business as usual work to try and process as many outstanding leavers as possible and deferments for valuation purposes. This led to newer casework since 01.04.2025 being left in the queues longer than usual.

From the 1st June 2025 we have had a focus team working on the backlog which of course will affect the percentages of cases done in time too.

The Service Manager for Benefits is focusing the team on working on processes in date order where they can.

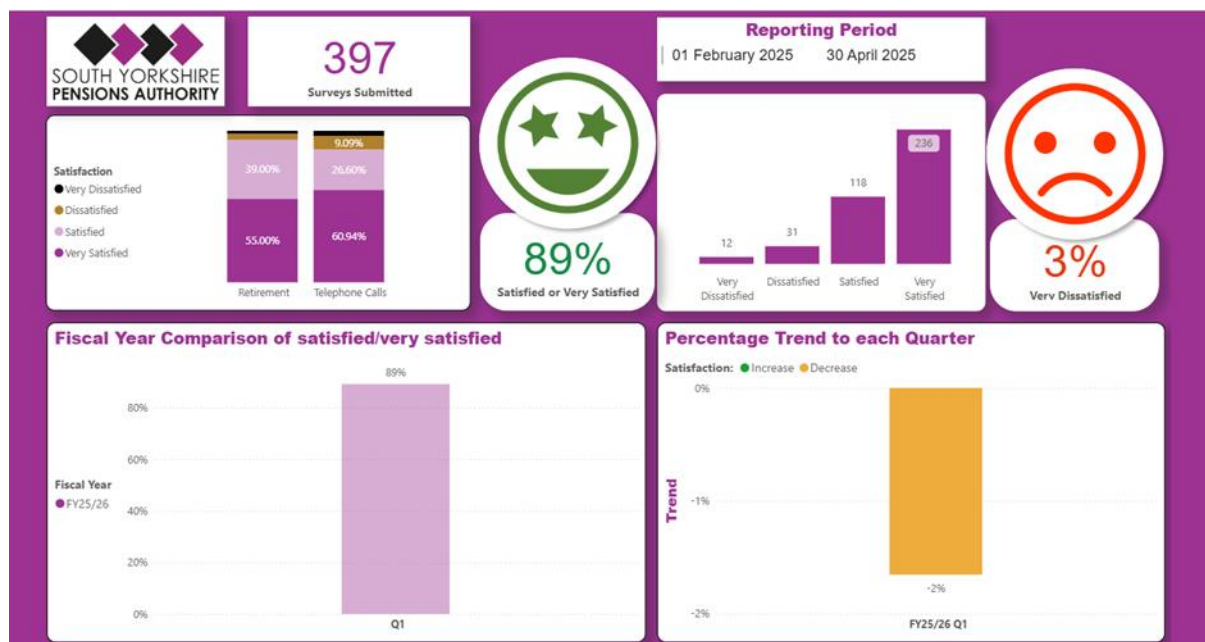
Customer Feedback

The Authority carries out rolling surveys of customer satisfaction. These can highlight areas for improvements across the teams.

Customer Satisfaction – Retirement Survey & Customer Centre Phone Calls – February – April 2025

Retirement Survey sent to 546 members with an email address. Of those 106 responded (19%).

Customer Centre Phone Survey sent to 3,938 members with an email address. Of those 321 responded (8%).



Most comments received were individual to those members. However, the comments below were noted from the retirement survey.

- Need more staff to sort out issues such as amalgamation of pensions.
- Sessions advertised by email always are sent mid-day and cannot reply during school day by which time information sessions are full
- Simply the wait time to talk to a person can be difficult. Particularly for disadvantaged elderly.

Team Actions

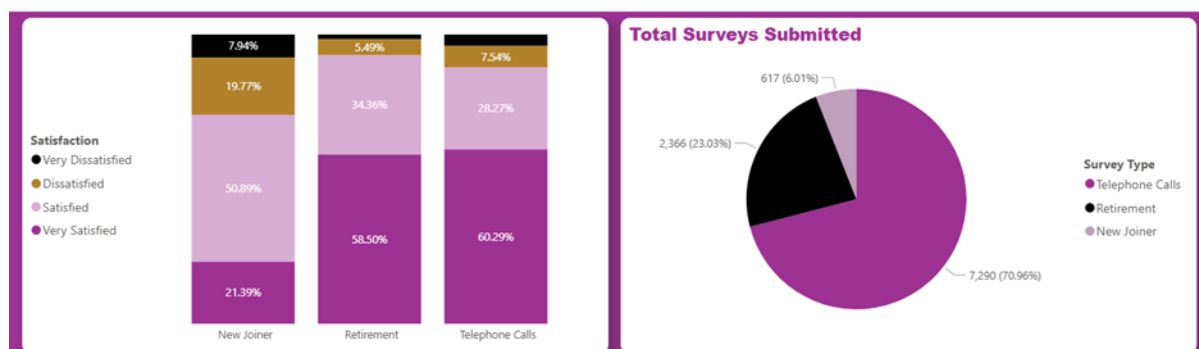
- We're aware of the current aggregation backlog and have reassured the member that the Benefits Team has a clear plan in place and is actively working to address it.
- Investigate alternative times to issue invitations to ensure everyone has a fair opportunity to register for information sessions.
- We offer a call-back option that holds a member's place in the queue without requiring them to stay on the line. We also provide phone and online appointments, as well as face-to-face appointments, to ensure accessible support for all members.

One of the many positive comments from the survey to reflect the encouraging feedback we also received.

- I have called your customer services team on 3/4 occasions in recent months and have always found them to be extremely knowledgeable (they speak with confidence and authority). They are super helpful and most important of all, they care. This is a rare quality these days in the customer services environment and my other 2 pension providers certainly do not provide the quality of care that your team do.

Scheme Member Engagement – New Joiner Survey – September - November 2024

1,250 members were surveyed. The survey specifically asks about the welcome email/letter, including registration of the online portal. 36 completed surveys received. Just under 3% response rate.



Comments from the Survey:

- It took me many attempts to register online and then when trying to get back on it was impossible. Password wasn't recognised. Got new password, that wouldn't work. Extremely stressful to just want to see my pension details.
- Would like information about transferring in non-LG pensions.

Team Actions

- As part of our ongoing commitment to improving security and protecting personal data, we are introducing a new login process for our secure online account mypension.
- Starting September members will be required to use a One-Time Code (OTC) sent to their email when logging in. This change replaces the current security question and answer with a more secure, time-sensitive verification method.
- Within the welcome letter/email we cover transferring into the scheme however we could look at a targeted email to members who after 6 months of joining the scheme to remind them of the 12-month transfer window resources allowing.

Scheme Member Engagement – Customer Centre Emails

Customer Centre Emails – “click face” Survey November to January 2025.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter
Excellent	52%	Up 6%
Good	22%	
Ok	9%	Down 6%
Poor	17%	
Total Number of Respondents	92 out of 10,779 emails sent	

Comments left from members who rated the service as poor:

- I cannot view the message sent as I do not have an Egress account nor do I want one. Can the details be sent either by the message section of my account or by post please? I do not trust the Egress emails.
- Couldn't open secure message.
- I had been communicating via messages through my pension but then received a message where I needed to download another app to ensure my reply was secure before I could read it Talk about putting hurdles in the way of trying to get my query resolved.
- I sent you an email. You replied using a system that I could not view. The least you could do is reply in my chosen form of communication.
- I can never get face to face appointment.

Team Actions

All members who rate the service poor and leave their contact details, are contacted and offered help to resolve any issues.

Processes Completed by the Customer Centre

Completed	In Time		Out of Time		Total	
	Nov to Jan 25	Feb to April 25	Nov to Jan 25	Feb to April 25	Nov to Jan 25	Feb to April 25
Total Processes	6,897	6,926	1,819	1,059	8,612	7,985

86.74% of processes completed in time for the period February to April 2025, improvement of 2.83% points from last quarter.

Member Engagement – online portal

All scheme members (regardless of status) are encouraged to sign up to the online portal. There was a total of 781 new registrations in the quarter to the end of March 2025. The Board asked for information on activity on the portal, this is not available.

	31.06.24	Registrations to 30 June 2025	% increase
Active	32,501	33,806	4.0%
Deferred	34,276	35,898	4.7%
Pensioner + Beneficiary	28,193	31,670	12.3%
Total	94,970	101,374	6.74%

Appeals Breaches and Complaints

The Authority deals with a number of appeals, breaches & complaints each quarter. Below is a summary of the cases that have been dealt with or that are currently outstanding. The on-going column includes any appeals that are still been investigated from previous quarters.

Appeals

1 stage 1 Appeal was raised with the authority which was not accepted as it was out of time.

1 Stage 2 Appeal non IH was raised with the Authority which was not upheld. The member had received an incorrect quotation and Annual Benefit Statements this was not disputed but only the correct benefit can be paid. The member was offered compensation.

Stage	B/F	Received	Rejected	Upheld	Not Upheld	On-going
1	0	1	1	0	0	0
2	0	1	0	0	1	0
Total	0	2	1	0	1	0

Ill-Health Stage 2 Appeals: 4 New Ill-Health appeals were raised. These are generally in relation to the level of ill health pension awarded by the employer. With the amount of stage 2 decisions being returned to the Employers training is being undertaken with employers in this area.

Stage	B/F	Received	Rejected	Upheld	Not Upheld	On-going
1	0	0	0	0	0	0
2	7	4	0	7	2	2
Total	7	4	0	7	2	2

Breaches:

Type	Contributions	Breaches of Law
Late Payment of Refund	10	0
AVC not paid at the same time as main scheme	0	1
Total	11	11

What is a breach?

A breach of the law is when a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with. It can encompass many aspects of the management and administration of the scheme, including failure to do anything required under overriding legislation, applicable statutory guidance or codes of practice. Examples include but are not restricted to;

- Failure to maintain accurate records.
- Failure to act on any fraudulent act or omission that is identified.
- Failure of an employer to pay over member and employer contributions on time.
- Failure to pay member benefits either accurately or in a timely manner.
- Failure to issue annual benefit statements on time or non-compliance with the Regulator's General Code of Practice.

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

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

Who is responsible for reporting breaches?

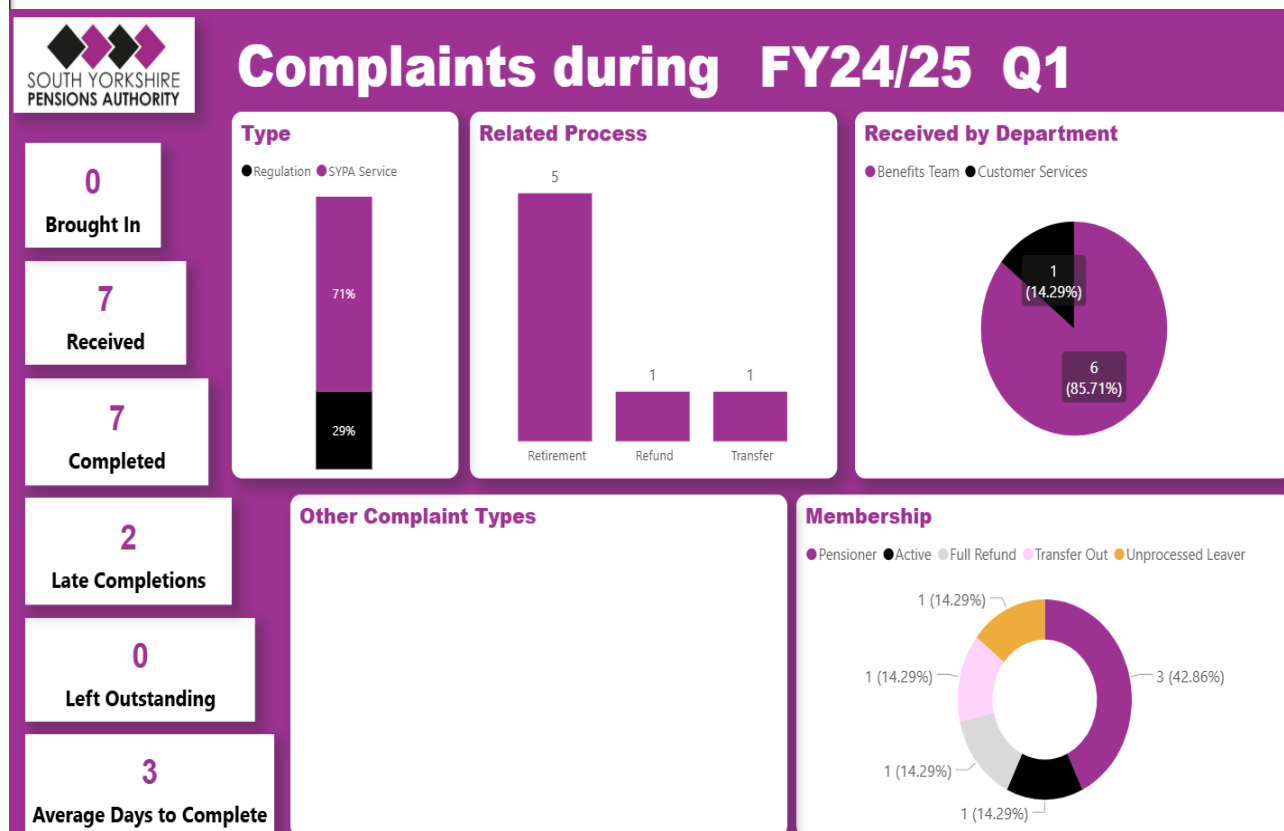
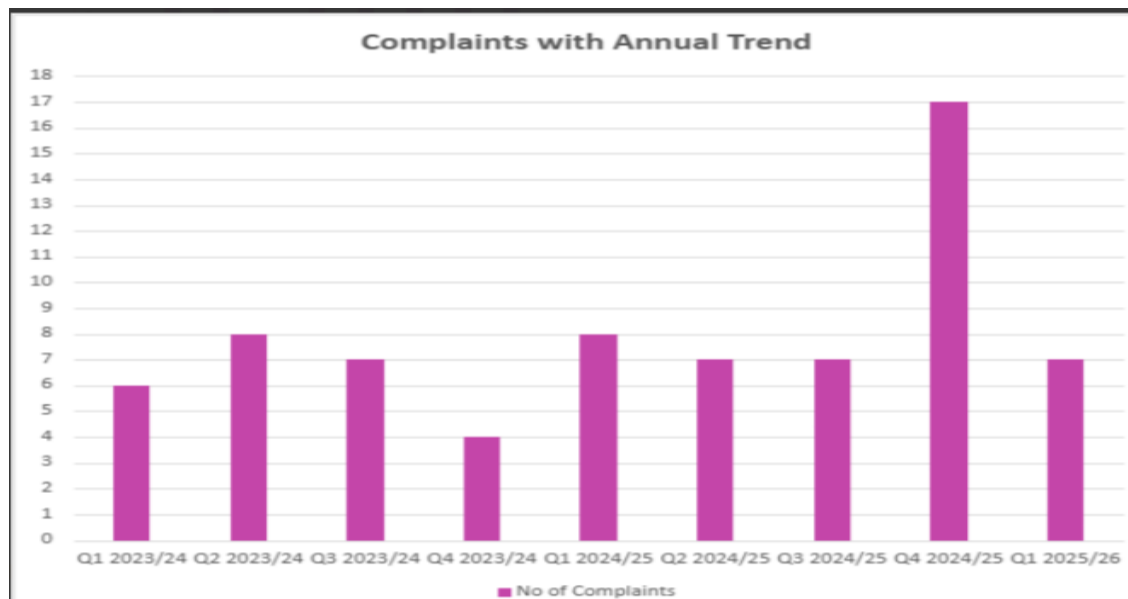
The following are responsibility to report breaches (known as Reporters):

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

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

Please find the updated Reporting Breaches Procedure at **Appendix B** for comment. This will then go forward to the Authority Board for approval.

Complaints



Please find the new Resolving Complaints and Improving Services Procedure **Appendix C** for comment. This will then go forward to the Authority Board for approval.

Pension Ombudsman Cases

During this quarter the Ombudsman let us know that 2 members had taken their appeals to them. We are currently aware of 6 cases being with the Ombudsman and we are awaiting their decision.

Progress on Delivering the Administration Improvement Plan

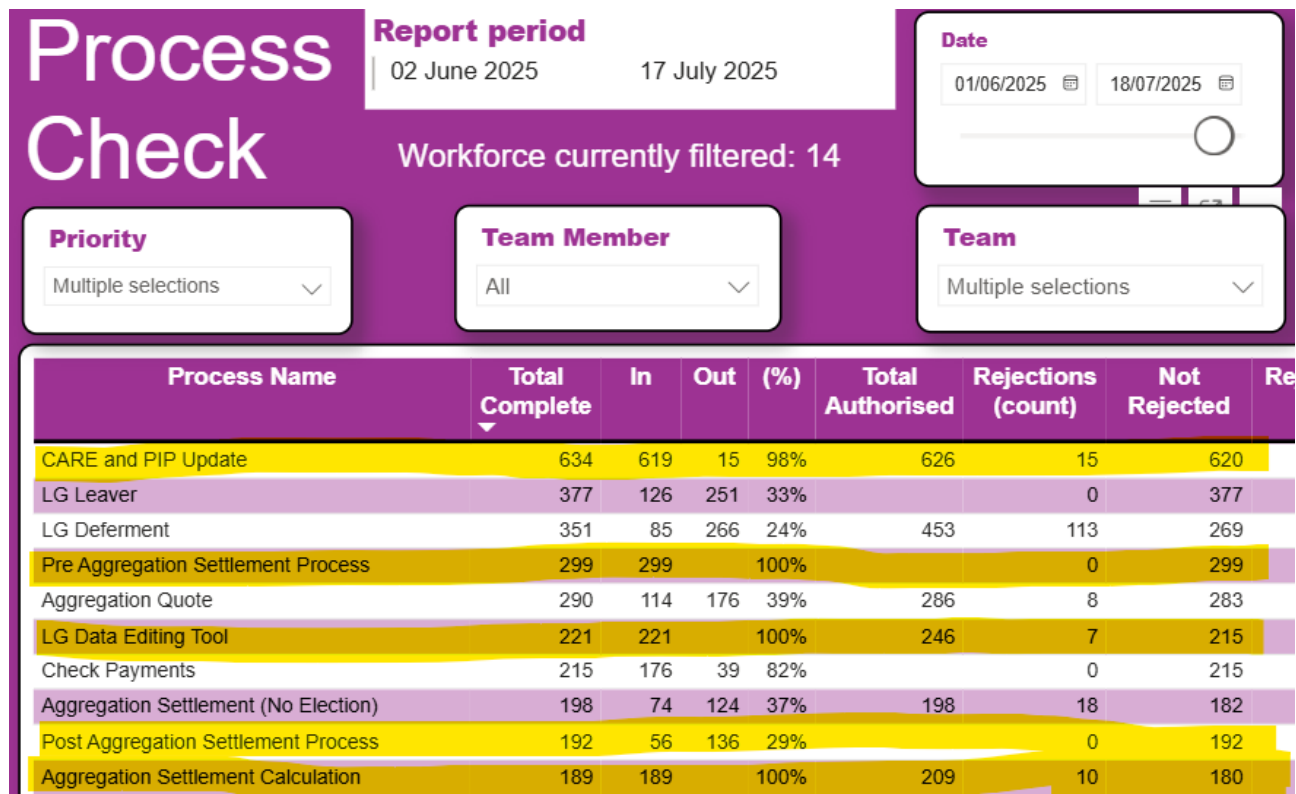
This section of the report deals with the progress being made on addressing the historical challenges facing the administration service. Some improvements are reported on under major projects.

PA1 - Backlog

As of the 17 July there was 26% of the Backlog remaining. Down from 33% at the last report. The rotation of Benefits teams to take on the role of Taskforce team for a month commenced 01/06/2025.

		Backlog Reporting			As of:	Thursday, 17 July 2025
20,835	5,505	15,330	26%	74%		
Original Backlog	Remaining Backlog	All Completed Backlog	Total Remaining	Completed		
Breakdown of Completed Backlog			Breakdown of Remaining Backlog			
405	377			38	26	
Interfund In	Refund Quotes			Interfund In	Refund Quotes	
1,747	2,310			128	65	
Aggregation Quotes	Leavers			Aggregation Quotes	Leavers	
3,081	4,163			2,595	2,630	
Aggregation Settlements	Deferments			Aggregation Settlements	Deferments	
3,039	208			5	18	
Standard Employer Queries	Recalculation of Benefits			Standard Employer Queries	Recalculation of Benefits	

Back log cases remaining are getting more complex and some require more processes to be created and completed to bring the record up to date and ensure the data is clean . To demonstrate this the team looked at identifying the processes created from the 189 Aggregation settlement cases completed since the last report. In the chart below you will see the highlighted list of processes which were started from an aggregation settlement process. All of these processes are created and completed outside of the backlog and therefore do not reduce backlog numbers:



A total of 1535 processes required completion on top of the 189 aggregation settlement processes (total in this report is 198 so 9 outside of the backlog will have been completed and contribute to these numbers). Pensions Administration of members history in the scheme is complex.

PA4 - Improve Data quality.

The Data Quality Strategy was approved by the Authority Board. The cyclical activity is embedded within the team and feedback from the Actuary on the improvement over the last year can already be seen. During this quarter data quality checks were run for end of year data cleansing, Annual Pensions Increase and the valuation. 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. Improvement to the quality of the data was monitored over this time.

To submit the Valuation member data to the Actuary their online tool has to be used. This identifies what Hymans refer to as critical errors and until these are cleared the data cannot be uploaded. The team managed to clear most of these errors, with a small number to be cleared by Hymans and submitted the data on time by the middle of July. Early feedback from the Actuary is that there is a significant improvement in the data since the last valuation submission.

PA5 - Making Best Use of Technology

A steering group is meeting quarterly to decide on the Pension Administration system developments and improvements to be taken forward for the following quarter. Release dates and guides are being

discussed within the group which is ensuring all teams are more aware of developments being introduced and able to update teams on the changes to the system that may affect their day-to-day work.

A working group is looking at automation within the software at present. Costing for Software Add-ons to facilitate automation aer being obtained as well as meeting with Peers who have successfully introduced this technology successfully.

There are still concerns about the capacity within Civica, the administration software provider, to deliver developments required. Please see the update on the McCloud project for further detail.

Major Projects

This section of the report deals with the progress being made on the various major projects with the service is undertaking in particular:

PA3 - McCloud

MHCLG's expectations about timings for implementing the McCloud remedy are set out in; Statutory guidance on McCloud implementation (England and Wales). This guidance states that for most members, the McCloud implementation period ends on 31 August 2025. At the end of the implementation period:

- all retrospective amendments to members' pensions and other rights because of the regulation amendments in force from 1 October 2023 (LGPS (Amendment) (No. 3) Regulations 2023) should have been concluded, and
- records for members who qualify for the McCloud remedy but have not yet taken their pensions should be accurate (so that figures in 2025 ABSs reflect members' McCloud protection).

In August 2024, MHCLG laid the LGPS (Information) Regulations 2024 which covered ABSs for active, deferred, deferred pensioner and pension credit members and:

- removed the requirement to reflect McCloud protection in 2024 statements
- provided a discretion not to reflect McCloud protection in 2025 statements for individual members or groups of members.

A determination to exercise the discretion must be made before 31 August 2025. It may only be made if the administering authority considers that it is reasonable in all the circumstances in the case of a particular member or class of members, and any member to which it applies in the 2025 ABS must be notified.

The discretion essentially extends the implementation period to 31 August 2026.

As the Board are aware, the Authority needs to develop a detailed implementation and rectification plan to manage the work required. Production of a plan is still delayed until the Authority has the remaining administration system functionality to be in place.

As the Authority's software is currently unable to include McCloud unperpin data in Annual Benefit Statements or rectify past leavers A Determination was agreed by The Authority Board at their April

meeting that this Authority would be delaying McCloud rectification and including McCloud data in ABS's until August 2026.

Until the software has been updated, and the number of rectifications cases are known a rectification project plan cannot be put in place. This issue had already been added to the Risk register earlier in the year.

On 19 June the Pension Regulator issued a statement setting out their expectations in relation to;

- reflecting McCloud protection in LGPS ABSs this year and in the future
- exercising the discretion for 2025 statements
- decision-making and record-keeping
- plans to ensure McCloud information is included for all members in future years if the discretion is exercised in 2025.

As this Authority has determined that the discretion to delay rectification is needed for all retrospective cases and to delay the McCloud information in ABS's for all affected members a report will be made to TPR.

Dashboards

Connection and data

The first key deadline set out in the Department for Work and Pensions' (DWP) dashboards timeline guidance has now passed, with larger occupational pension schemes required to connect by 30 April. Our deadline is now three months away 31 October.

The Pensions Dashboards Programme (PDP) confirmed recently that the standards for pension providers and schemes in scope for pensions dashboards had been approved by the Secretary of State for Work and Pensions. This marked the last step in making these standards a legally binding set of requirements, so the project team are currently ensuring that our preparations are aligned with the latest approved standards. The PDP also confirmed that 16 of the 20 pensions dashboards volunteer participants have yet to complete their connection journey, with several currently waiting for a slot to become available so they can proceed with their testing. PDP also confirmed consumer testing will be carried out this summer using live, real data. This testing will be carried out in three steps: the first step is industry testing to build confidence in data flow, the second step is moderated testing looking at members, and the third step is unmoderated testing looking at testing at scale and recruiting participants.

Actions completed (completed since last report) and still outstanding are;

Governance	• Dashboards a standing item on Board Agenda • Board adequately trained on Dashboards requirements • DPIA updated to take account of matching criteria	√ √
Policy	• Matching criteria agreed • Data Improvement in place • Backlog clearance plan in place for unprocessed benefits	√ √ √
Connection	• ISP selected and formally appointed • Connection timeline agreed with ISP	√

	• <i>AVC – all decision agreed with providers</i>	√
Record-Keeping Decisions	• <i>ISP selection process and rationale documented, and parties communicated with</i> • <i>The main scheme and AVC matching criteria Policies in place</i> • <i>All data cleansed</i>	√
Communications	• <i>Early communication to members to raise awareness of Dashboards</i> • <i>Update communication strategy to reflect Dashboards</i> • <i>All relevant stakeholders aware of their responsibilities</i>	√
Data	• <i>Assessment of quality and digital accessibility of the data undertaken</i> • <i>Regular data cleansing scheduled; prioritising data most likely to be used for matching criteria</i> • <i>Main scheme view data requirements that must be returned understood together with timescales</i>	√

Matching criteria has been agreed with our ISP provider, Civica. This decision will be taken to the Authority Board for approval in September.

Full Match Policy

- Matches must include **surname**, **date of birth**, and **NINO**, aligning with Pensions Administration Standards Association (PASA) and industry standard.
- On a match made, our ISP provider (Civica) will create and register a Pension Identifier (PeI) with MaPS, without sharing pension data until the user request's view access.
- If there is no match, no data is returned

Possible Match Policy

- A "possible match" triggers when two core elements match (NINO+DOB or NINO+surname), or when four items match (first name, surname, DOB, postcode).
- In such cases:
 - Civica register a PeI.
 - We notify the member that they may have a pension, offering a secure method (e.g. via a link to a form) to provide additional identifiers: previous names, email, mobile, employer, payroll number, etc.
 - If no clarification is received within **30 days**, personal data is deleted and the PeI deregistered. If later confirmed, we update MaPS accordingly.

A record will be retained of the matching policy and any subsequent updates for at least six years. The criteria may evolve over time (e.g. adding email, mobile, address verification), depending on data quality and the Pensions Administration Standards Association (PASA) guidance. Any change will be documented with rationale and dated.

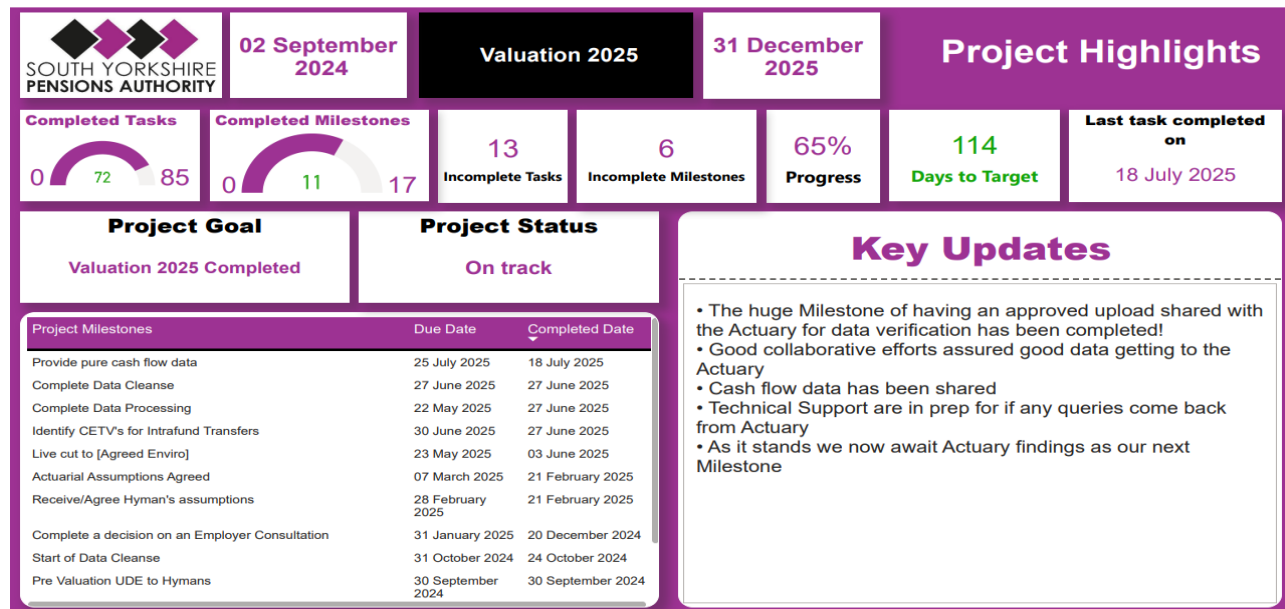
The Pension Regulator contacted the Authority during July to let us know that they wish to visit in September to discuss the Authority's dashboard readiness.

Cyclical Activity

This section focuses on progress with significant cyclical projects including:

PA2 - Valuation 2025

Project is running to timetable. Please see separate report on Valuation 2025.



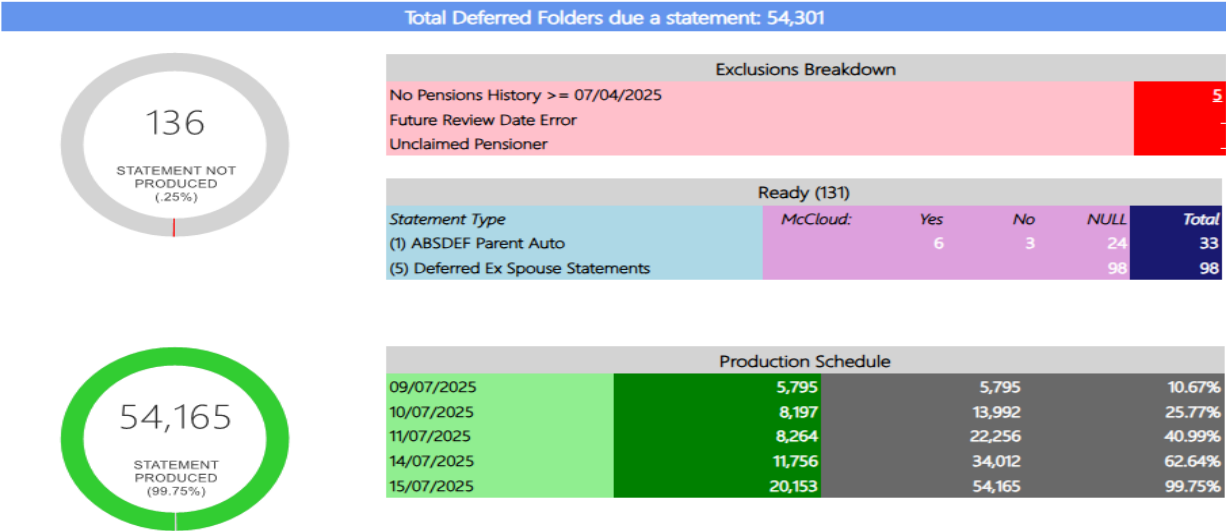
The SAB has issued a statement, with the aim of helping the Authority manage the 2025 valuation process. This followed significant interest in this year's outcomes from external commentators, and the need to manage employer expectations given improvements in funding levels being reported and many funds now having material surpluses. The statement makes clear that there will be a range of funding level outcomes, not only across different LGPS funds, but also across individual employers within funds. It also explains the importance of clear and transparent documentation of approach (including the actuarial assumptions used), so that employers can understand how their funding outcome (contribution rates) has been determined. The SAB also reiterates its previous message that engagement with employers on the Funding Strategy Statement and the valuation process will be critical in this valuation process.

Annual Benefit Statements
Deferred Members – produced.
DBS Dashboard 2025

As at: 28/07/2025 12:00:00



UPM Reporting Services

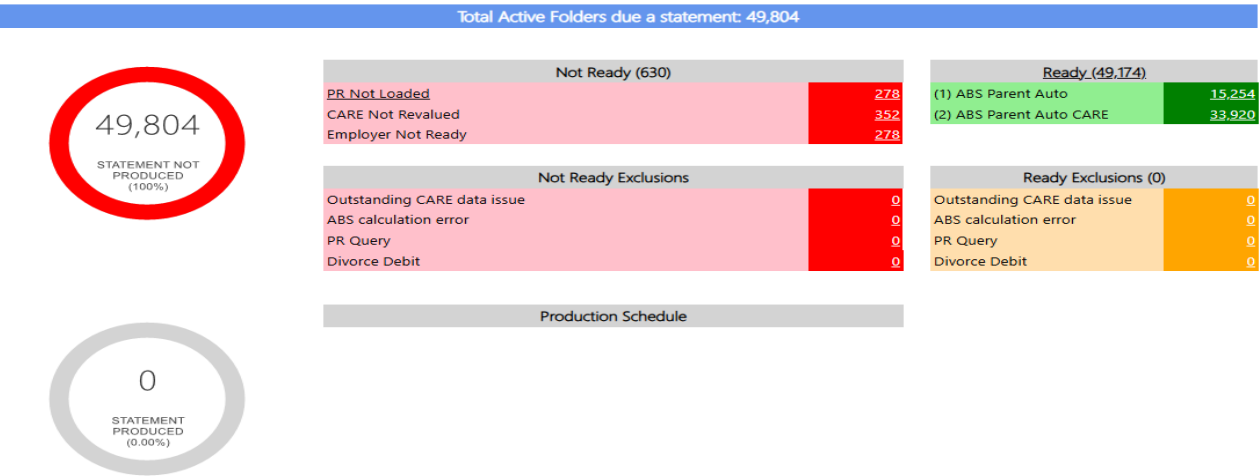


Active Members – Ready to be produced
ABS Dashboard 2025

As at: 28/07/2025 12:00:00



UPM Reporting Services



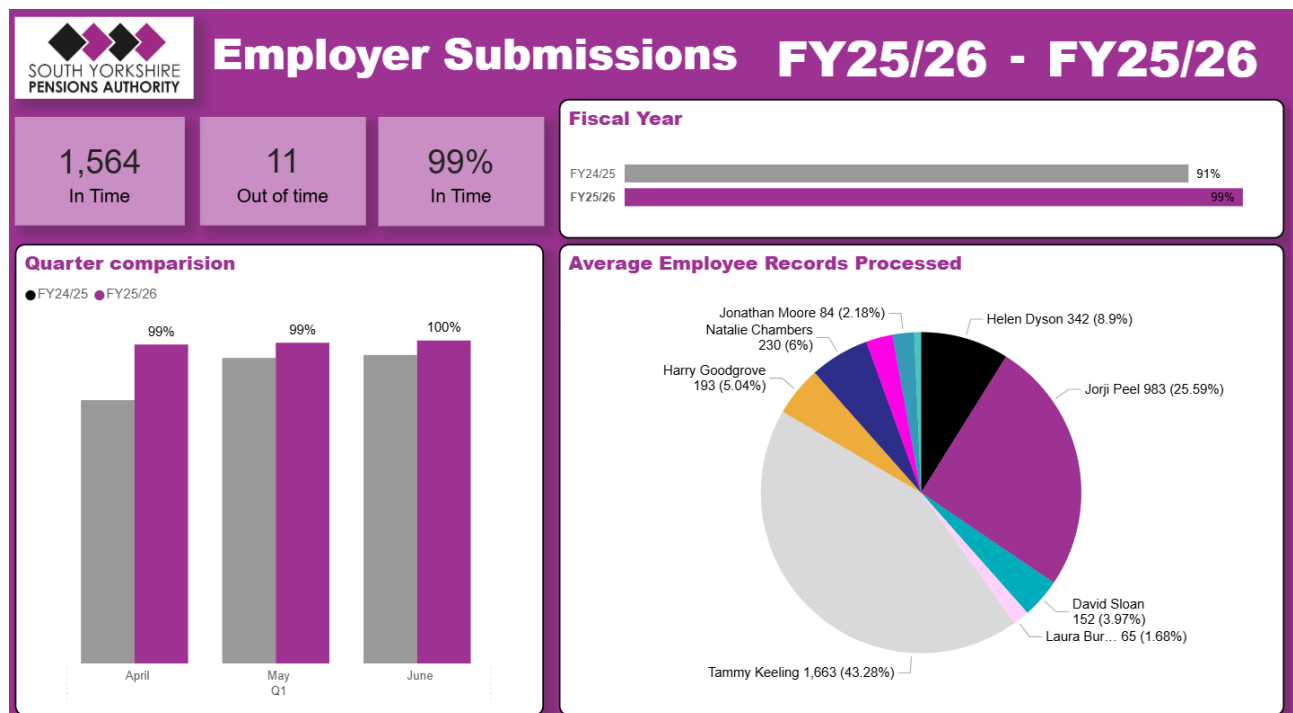
Employer Activity

Fund Employers

Employers as at 31 March 2025	575
Admissions: Schedule Body	1
Cessations	2
Employers as at 30 June 2025	574

Timeliness of Employer data submissions

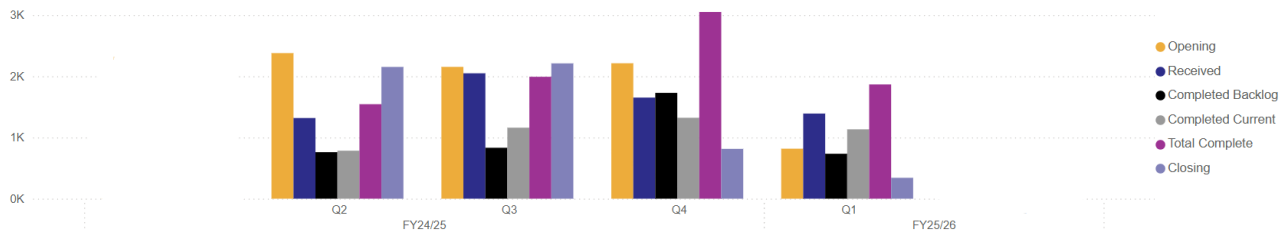
Month	% of Monthly data submissions by deadline date
April	99%
May	99%
June	100%



We are now able to compare Q1 in 24/25 alongside Q1 in 25/26. As you can see, in Q1 24/25 we had 91% of the Monthly Data submitted on time and can see a significant improvement in Q1 25/26 with 99% submitted on time. In June, not only did we receive 100% submissions, but these were also received the day before the deadline day.

Employer performance - in dealing with queries

Since October 2024 (Q3) we have been working closely with employers to help answer outstanding queries and keep them manageable and under control. In Q1 there were a total of 1,391 queries raised with the employers completing 1,867, reducing the backlog by 476 leaving 83 left in the backlog to clear.



Fiscal Year, Fiscal Quarter	Opening	Received	Completed Backlog	Completed Current	Total Complete	Closing
FY24/25, Q1	2,676	1,041	719	619	1,338	2,379
FY24/25, Q2	2,379	1,318	760	784	1,544	2,153
FY24/25, Q3	2,154	2,049	832	1,160	1,992	2,211
FY24/25, Q4	2,213	1,652	1,729	1,322	3,051	814
FY25/26, Q1	817	1,391	734	1,133	1,867	341

FY & Q	FY24/25 Q2				FY24/25 Q3				FY24/25 Q4				FY25/26 Q1			
Employer	Opening	Raised	Completed	Closing	Opening	Raised	Completed	Closing	Opening	Raised	Completed	Closing	Opening	Raised	Completed	Closing
[00600] Sheffield City Council	64	197	196	65	65	232	182	115	115	243	305	53	53	197	220	30
Capita	104	54	35	123	123	72	33	162	162	70	141	91	91	81	151	21
[00500] Rotherham MBC	29	114	87	56	56	210	205	61	61	156	190	27	27	114	117	24
[00295] The Chief Constable	40	37	20	57	57	37	64	30	30	44	55	19	19	49	57	11
[00400] City of Doncaster Council (CDC)	30	117	92	55	55	160	145	70	70	146	187	29	29	104	122	11
EPM	71	13	19	65	65	13	20	58	58	12	21	49	49	12	49	12
[00717] Firth Park Academy	40	9	7	42	42	12	16	38	38	19	51	6	6	10	4	12
[00300] Barnsley MBC	9	98	94	13	13	112	120	5	5	102	104	3	3	86	88	1
[00762] Astrea Academy Trust	3		3	0		1		1	1	4	2	3	3	7	3	7
[00432] Doncaster Culture & Leisure Trust	3			3	3	2	3	2	2	1		3	3	2	1	4

Current Improvements

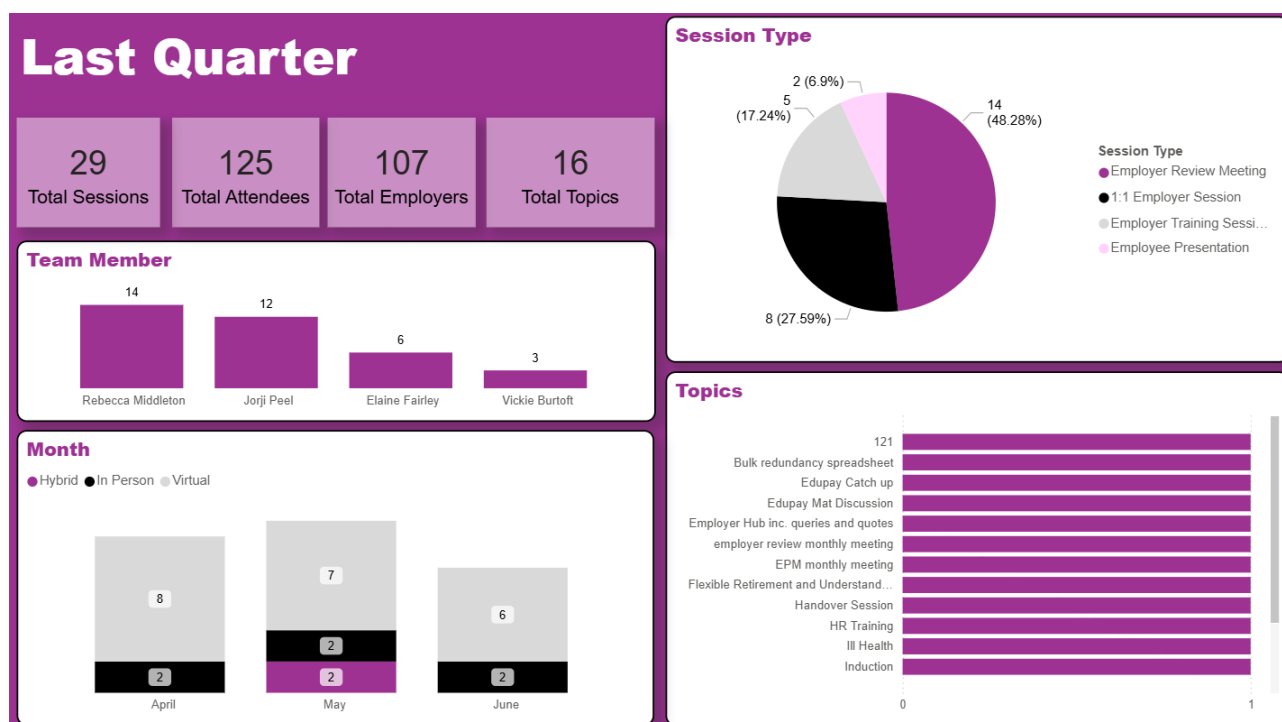
- Employer Support Officers and Engagement Officers continue to collaborate with Employers resulting in improvements to accuracy of data in Monthly Submissions and uploading target improvements.
- Continuous meetings with large Employers/Payroll Providers to build rapport and ensure compliance.
- Improvements to Employer Query reporting – Q2 should include the new MDC Query Data form information.
- Employer Focus Group preparations for September have commenced.
- Employer Forum preparations for 14 November have commenced.
- Email has been sent to obtain the Compulsory Discretionary Policies from all Employers supported by a new template, guidance notes and a webinar in August on how to avoid “fettering”.
- Employer Hub (Phase 2) Project commenced in 2025/26 Q1 to produce self-service reports, easier to use Retirement Quote facility and improved maintenance to avoid breaches.

Improvement Plan

- Improve the EPICi system – more workflows are planned.
- Creating a Bulk Redundancy request template for Employers which will automatically create figures for all members over age 55, using the MDC information on UPM.
- Preparations to update the Employer page of the SYPA website are underway.
- Review of the current IRMP's is being considered with requests from other Admin Authorities asking what their current process is.

Training / Presentations delivered

- 26 Training Sessions
- 3 Employee Sessions



Policy Developments

This section of the report summarises recent policy developments and areas of interest.

Access and fairness Consultation

The Ministry of Housing, Communities and Local Government (MHCLG) released its long-awaited consultation covering various aspects of benefits payable to LGPS members in England and Wales. These changes aim to improve access to and fairness within the scheme and ensure that it continues to provide security and support for members. The consultation, which is open for 12 weeks until 7 August 2025, covers several areas including:

- **Survivor benefits and death grants:** Proposals aim to ensure equality of benefits paid to survivors irrespective of the sex of the survivor or the original member, remove the age 75 maximum eligibility point for death grants, and introduce a further administrative easement when a death grant is not paid within two years.
- **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 by females during breaks in membership, but they will also bring some benefit to male members. Also proposed is for it to be mandatory for pensions gender gap reporting to be carried out, which would be undertaken as part of the actuarial valuation and included in the valuation report.
- **Opting out of the scheme:** The consultation includes 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 members and prospective members. It is also proposed that there will be an additional government form that employees will be asked to complete, so that data is automatically (and anonymously) returned to MHCLG.
- **Forfeiture:** Changes have been proposed that will 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 members' benefits in the past. Guidance on making a forfeiture application is also suggested.
- **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 service pension schemes for scheme members over 65.

Some other proposed amendments are:

- 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 Councils 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.

Draft regulations have also been issued with the consultation for consideration. It is positive that the government is asking questions about the impact of these proposals on the administration of the scheme, as some of the suggested amendments are backdated meaning the Authority will need to revisit affected cases. A response is being finalised to be sent by the closing date.

SAB publishes 2024 annual report

The SAB has published the annual report for the LGPS in England & Wales 2024, aggregating information from the 86 separate fund annual reports as at 31 March 2024. Key highlights are:

- Total scheme membership increased by 2.8% to 6.68m members.
- Total assets increased by 10.1% to £390bn.
- Investment return across the LGPS (E&W) was 8.9%.
- Total investment management costs increased by £49.6m (2.9%).
- Total administration and governance costs increased by £15.7m (5.7%)

The report also included initial analysis on compliance with updated guidance for preparing the fund annual report, published in March 2024. Due to timing of release, this was to apply on a best endeavours basis for 2023-24. Compliance with governance and administration requirements was good, but there were lower levels of compliance with new key performance indicator metrics.

Pension Schemes Bill

The Pension Schemes Bill was laid before Parliament on 5 June. This was preceded by a Government press release and a 'roadmap' including indicative timelines for the various developments, though that was mainly focused on the non-LGPS aspects. Summarised below are the LGPS aspects of the Bill, captured in Chapter 1:

- Defines asset pool companies in statute. LGPS regulations will require administering authorities to participate in a pool (and only that one pool!), which must manage all their assets, and will set out specific considerations which must be met by those pool companies (e.g. FCA authorisation).
- Indicates that administering authorities can be required to invest in a particular pool (by Direction).
- Implements proposals focusing on local investment by requiring that LGPS regulations for England and Wales include a duty for administering authorities to work with strategic authorities in their local area to identify appropriate opportunities.
- Sets out the requirements for administering authorities to carry out a governance review, the detail of which will be included in regulations. An administering authority can be directed to carry out a review at any time.
- Modifies the Procurement Act 2023 as it applies to the LGPS.

There appear to be no surprises in the LGPS-related aspects of the Bill. The detail in regulations is awaited.

Virgin Media case update

The Government announced that it would bring forward legislation to deal with issues arising from the Virgin Media v NTL Pension Trustees judgment. This will give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

SAB Gender Pensions Gap roundtable

The SAB hosted a roundtable at the Local Government Association's Westminster offices on 18 June to discuss the gender pensions gap, following the launch of the government's 'Access and Fairness' consultation. The event brought together industry delegates including trade union representatives, LGPS officers, representatives from the Pensions Equity Group and Pensions for Purpose, as well as MHCLG and GAD. The Authority attended.

Appendix A – Pension Acronyms

Pension Acronyms	
Acronym	Meaning
APCs	Additional Pension Contributions
AVC	Additional Voluntary Contribution
CARE	Career Average Revalued Earnings
CIPFA	Chartered Institute of Public Finance and Accountancy
CPI	Consumer Prices Index
FE	Further Education
FSS	Funding Strategy Statement
FY	Financial Year
GAD	Government Actuary Department
GMP	Guaranteed Minimum Pension
HMT	His Majesty's Treasury
IDRP	Internal Dispute Resolution Procedure
IFA	Independent Financial Advisor
IRMP	Independent Registered Medical Practitioner
ISP	Integrated Service Provider - to support connection to Pension
LGPS	Local Government Pension Scheme
McCloud Remedy	Service since 01.04.2014 - 31.03.2022 must be recalculated to present Scheme.
MDC	Monthly Data Collection
MHCLG	Ministry of Housing, Communities and Local Government
mypension	The member online portal where they can see their own pension
PI	Pensions Increase
RPI	Retail Price Index
SAB	Scheme Advisory Board
SEQ	Standard Employer Query
SLA	Service Level Agreements
TPO	The Pension Ombudsman
TPR	The Pension Regulator
Triennial Valuation	Every 3 years the Pension Fund undergoes a valuation
UPM	Universal Pension Management system

Appendix B – Reporting Breaches Procedure

Appendix C - Resolving Complaints and Improving Services Procedure

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Reporting Breaches Procedure

September 2025

Document Control Information	
Document title	Reporting Breaches Procedure
Version	July 2025
Status	For Review : Local Pension Board
Owner	Assistant Director Pensions
Department	Pensions
Publication date	TBC
Approved by	TBC
Next review date	August 2028

Version History			
Version	Date	Detail	Author
1	DATE	e.g. Original Policy	TITLE
2	DATE	e.g. Full review and revision.	TITLE

Further information

If you require further information about reporting breaches or this procedure, please contact:

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Contents

Introduction.....	3
Requirements.....	3
South Yorkshire Pensions Authority Reporting procedure.....	4
Appendix A.....	10
Appendix B.....	12
Appendix C.....	13
Appendix D.....	15

1. Introduction

- 1.1 This document sets out the procedures to be followed by certain persons involved with, the Local Government Pension Scheme managed and administered by South Yorkshire Pensions Authority, in recording and reporting breaches of the law to the Pensions Regulator.
- 1.2 Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.
- 1.3 This Procedure document applies in the main to:
 - All members of the South Yorkshire Pensions Authority Board.
 - All members of the South Yorkshire Local Pension Board.
 - All officers involved in the management of the Pension Fund including the Pensions Administration Teams, the Resources Team the Investment Team and the Section 151 Officer.
 - Any professional advisors including auditors, actuaries, legal advisors and fund managers.
 - Officers of employers participating in South Yorkshire Pension Fund who are responsible for Local Government Pension Scheme matters.

2. Requirements

- 2.1 This section clarifies the full extent of the legal requirements and to whom they apply.
- 2.2 **Pensions Act 2004**
Section 70 of the Pensions Act 2004 (the Act) imposes a requirement on the following persons:
 - a trustee or manager of an occupational or personal pension scheme;
 - a member of the Pension Board of a public service pensions scheme (in the case of South Yorkshire, the Authority and the Local Pension Board);
 - a person who is otherwise involved in the administration of an occupational or personal pension scheme;
 - the employer in relation to an occupational pension scheme;
 - a professional advisor in relation to such a scheme; and
 - a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.

To report a matter to the Pensions Regulator as soon as it becomes practicably possible where that person has reasonable cause to believe that:

- a legal duty relating to the administration of the scheme has not been or is not being complied with, and

- the failure to comply is likely to be of material significance to the Pensions Regulator.

The Act states that a person can be subject to a civil penalty if he or she fails to comply with this requirement without a reasonable excuse. The duty to report breaches under the Act overrides any other duties the individuals listed above may have. However, the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal advisor and their client, or a person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.

2.3 **The Pension Regulator's Code of Practice**

Practical guidance in relation to this legal requirement is included in The Pension Regulator's Code of Practice in the following areas:

- Implementing adequate procedures.
- Who must report a breach.
- Judging whether a breach must be reported.
- Submitting a report to the Pensions Regulator.
- Whistleblowing protection and confidentiality.
- Reporting payment failures

2.4 **Application to South Yorkshire Pension Authority**

This procedure has been developed to reflect the guidance contained in the Pension Regulator's Code of Practice (2024) in relation to the South Yorkshire Pension Authority and this document sets out how the Authority will strive to achieve best practice through use of a formal reporting breaches procedure.

3. The South Yorkshire Pension Authority Reporting Breaches Procedure

- 3.1 The following procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of the law relating to South Yorkshire Pension Authority. It aims to ensure individuals responsible can meet their legal obligations and avoid placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.

3.2 **Clarification of the law**

Individuals may need to refer to regulations and guidance when considering whether to report a possible breach. Some of the key provisions are shown below:

- Section 70(1) and 70(2) of the Pensions Act 2004:
- Employment Rights Act 1996:
- Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (Disclosure Regulations):
- Public Service Pension Schemes Act 2013:
- Local Government Pension Scheme Regulations,

- The Pensions Regulator's Code of Practice: In particular, individuals should refer to the section on 'Reporting breaches of the law,' and for information about reporting late payments of employee or employer contributions, the section of the code on Administration – Monitoring contributions and resolving overdue contributions.

Further guidance and assistance can be provided by the Director, Assistant Director Pensions and the Monitoring Officer provided that requesting this assistance will not result in alerting those responsible for any serious offence (where the breach is in relation to such an offence).

3.3 **Clarification when a breach is suspected**

Individuals need to have reasonable cause to believe that a breach has occurred, not just a suspicion. Where a breach is suspected, the individual should carry out further checks to confirm the breach has occurred. Where the individual does not know the facts or events, it will usually be appropriate to check with the Director, Assistant Director Pensions, Monitoring Officer, a member of the Pensions Authority or Local Pension Board or others who are able to explain what has happened. However, there are some instances where it would not be appropriate to make further checks, for example, if the individual has become aware of theft, suspected fraud or another serious offence and they are also aware that by making further checks there is a risk of either alerting those involved or hampering the actions of the police or a regulatory authority. In these cases, the Pensions Regulator should be contacted without delay.

3.4 **Determining whether the breach is likely to be of material significance**

To decide whether a breach is likely to be of material significance an individual should consider the following, both separately and collectively:

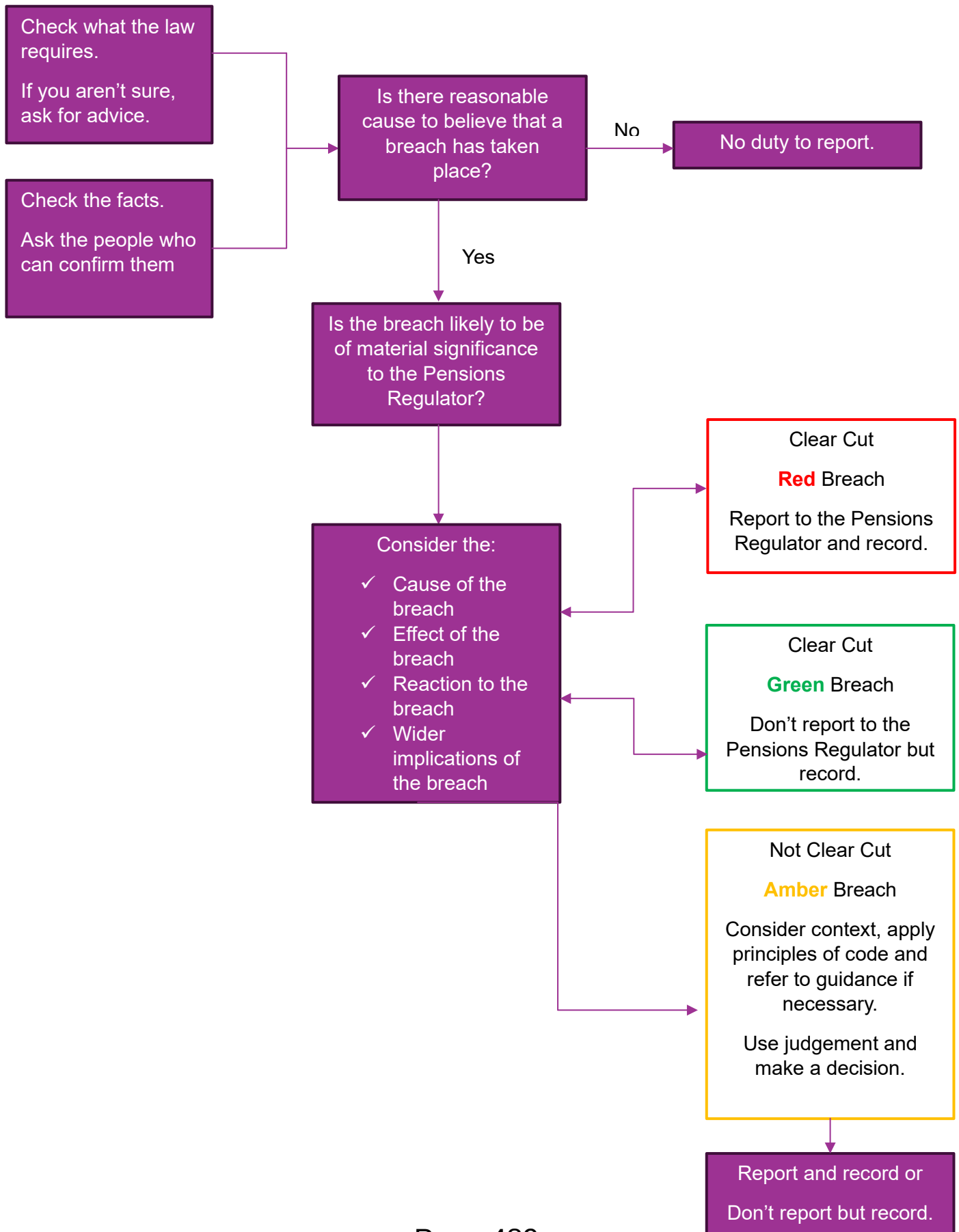
- Cause of the breach (what made it happen).
- Effect of the breach (the consequence(s) of the breach).
- Reaction to the breach.
- Wider implications of the breach.

Further details on the above four considerations are provided in **Appendix A** to this procedure.

The individual should use the traffic light framework described in **Appendix B** to help assess the material significance of each breach and to formally support and document their decision.

3.5 A decision tree is provided below to show the process for deciding whether a breach has taken place and whether it is materially significant and therefore requires to be reported.

Decision Tree: Deciding whether to report a breach or not



3.6 Referral to a level of seniority for help with a decision to be made on whether to report

South Yorkshire Pensions Authority has a designated Monitoring Officer to ensure the Authority acts and operates within the law. They are considered to have appropriate experience to help investigate whether there is reasonable cause to believe a breach has occurred, to check the law and facts of the case, to maintain records of all breaches and to assist in any reporting to the Pensions Regulator, where appropriate. If breaches relate to late or incorrect payment of contributions or pension benefits, the matter should be highlighted to the Assistant Director Pensions at the earliest opportunity to ensure the matter is resolved as a matter of urgency. Individuals must bear in mind, however, that the involvement of these Officers is to help clarify the potential reporter's thought process and to ensure this procedure is followed. The reporter remains responsible for the final decision as to whether a matter should be reported to the Pensions Regulator.

The matter should not be referred to any of these officers if doing so will alert any person responsible for a possible serious offence to the investigation. If that is the case, the individual should report the matter to the Pensions Regulator setting out the reasons for reporting, including any uncertainty – a telephone call to the Regulator before the submission may be appropriate, particularly in more serious breaches.

3.7 Dealing with complex cases

The Assistant Director - Pensions may be able to provide guidance on particularly complex cases. Information may also be available from national resources such as the Scheme Advisory Board or the LGPC Secretariat (part of the LGA Group). If timescales allow, legal advice or other professional advice can be sought. And the case discussed by the Authority Senior Management Team.

3.8 Timescales for reporting

The Pensions Act and Pension Regulators Code require that if an individual decides to report a breach, the report must be made in writing as soon as reasonably practicable. Individuals should not rely on waiting for others to report and nor is it necessary for a reporter to gather all the evidence which the Pensions Regulator may require before acting. A delay in reporting may exacerbate or increase the risk of the breach. The time taken to reach the judgements on "reasonable cause to believe" and on "material significance" should be consistent with the speed implied by 'as soon as reasonably practicable'. In particular, the time taken should reflect the seriousness of the suspected breach.

3.9 Early identification of very serious breaches

In cases of immediate risk to the scheme, for instance, where there is any indication of dishonesty, the Pensions Regulator does not expect reporters to seek an explanation or to assess the effectiveness of the remedies. They should only make such immediate checks as are necessary. The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty, the reporter should avoid, where possible, checks which might alert those implicated. In serious

cases, reporters should use the quickest means possible to alert the Pensions Regulator to the breach.

3.10 **Recording all breaches even if they are not reported**

The record of past breaches may be relevant in deciding whether to report a breach, for example, it may reveal a systemic issue. South Yorkshire Pensions Authority will maintain a record of all breaches identified by individuals and reporters should therefore provide copies of reports to the Assistant Director Pensions. Records of unreported breaches should also be provided as soon as reasonably practicable and certainly no later than within 20 working days of the decision not to report. These will be recorded alongside all reported breaches. The record of all breaches (reported or otherwise) will be reported to the Authority and Pensions Boards on a quarterly basis.

3.11 **Reporting a breach**

Reports must be submitted in writing via the Pensions Regulator's online system at www.tpr.gov.uk/exchange, by post or email and should be marked urgent if appropriate. If necessary, a written report can be preceded by a telephone call. Reporters should ensure they receive an acknowledgement for any report they send to the Pensions Regulator. The Pensions Regulator will acknowledge receipt of all reports and may contact reporters to request further information. Reporters will not usually be informed of any actions taken by the Pensions Regulator due to restrictions on the disclosure of information.

As a minimum, individuals reporting should provide:

- Full scheme name (South Yorkshire Pensions Authority).
- Description of breach(es).
- Any relevant dates.
- Name, position and contact details.
- Role in connection to the scheme.
- Employer name or name of scheme manager (the latter is South Yorkshire Pensions Authority).

If possible, reporters should also indicate:

- The reason why the breach is thought to be of material significance to the Pensions Regulator.
- Scheme address (provided at the end of this document).
- Scheme manager contact details (provided at the end of this document).
- Pension Scheme registry number (10165252).
- Whether the breach has been reported before.

The reporter should provide further information or reports of further breaches if this may help the Pensions Regulator in the exercise of its functions.

3.12 **Confidentiality**

If requested, the Pensions Regulator will do its best to protect a reporter's identity and will not disclose information except where it is lawfully required to do so. If an individuals' employer decides not to report and the individual employed by them disagrees with this and decides to report a breach themselves, they may

have protection under the Employment Rights Act 1996 if they make an individual report in good faith.

3.13 **Reporting to South Yorkshire Pensions Authority Board and the Local Pension Board**

A report will be presented to the Authority Board and the Local Pension Board on a quarterly basis setting out:

- The number of breaches, including the number of which were reported to the Pensions Regulator and the date reported.
- For Amber Breaches, details of what action was taken and the result of any action (where not confidential).

This information will also be provided upon request by any other individual or organisation (excluding sensitive/confidential cases or ongoing cases where discussion may influence the proceedings). An example of the information to be included in the quarterly reports is provided at Appendix C to this procedure.

3.14 **Review**

This Reporting Breaches Procedure will be kept under review and updated as considered appropriate by the Assistant Director Pensions. It may be changed because of legal or regulatory changes, evolving best practice and ongoing review of the effectiveness of the procedure.

Appendix A

Determining whether a breach is likely to be of material significance

To decide whether a breach is likely to be of material significance individuals should consider the following elements, both separately and collectively:

- Cause of the breach (what made it happen).
- Effect of the breach (the consequence(s) of the breach).
- Reaction to the breach.
- Wider implications of the breach.

The cause of the breach

Examples of causes which are likely to be of concern to the Pensions Regulator are provided below:

- Action, or failing to act, in deliberate contravention of the law.
- Dishonesty
- Incomplete or inaccurate advice.
- Poor administration, i.e. failure to implement adequate administration procedures.
- Poor governance.
- Slow or inappropriate decision-making practices.

When deciding whether a cause is likely to be of material significance individuals should also consider:

- Whether the breach has been caused by an isolated incident such as a power outage, fire, flood or a genuine one-off mistake.
- Whether there have been any other breaches (reported to the Pensions Regulator or not) which when taken together may become materially significant.

The effect of the breach

Examples of possible effects (with possible causes) of breaches which are considered likely to be of material significance to the Pensions Regulator in the context of the LGPS are given below:

- Authority/Board members not having enough knowledge and understanding, resulting in the Authority and Board not fulfilling their roles, the scheme not being properly governed and administered and/or scheme managers breaching other legal requirements.
- Conflicts of interest of Authority or Board members, resulting in them being prejudiced in the way they carry out their role and/or the ineffective governance and administration of the scheme and/or scheme managers breaching legal requirements.

- Poor internal controls, leading to schemes not being run in accordance with their scheme regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the scheme at the right time.
- Inaccurate or incomplete information about benefits and scheme information provided to members, resulting in members not being able to effectively plan or make decisions about their retirement.
- Poor member records held, resulting in member benefits being calculated incorrectly and/or not being paid to the right person at the right time.
- Misappropriation of assets, resulting in scheme assets not being safeguarded.
- Other breaches which result in the scheme being poorly governed, managed or administered.

The reaction to the breach

A breach is likely to be of concern and material significance to the Pensions Regulator where a breach has been identified and those involved:

- Do not take prompt and effective action to remedy the breach and identify and tackle its cause to minimise risk of recurrence.
- Are not pursuing corrective action to a proper conclusion.
- Fail to notify affected scheme members where it would have been appropriate to do so.

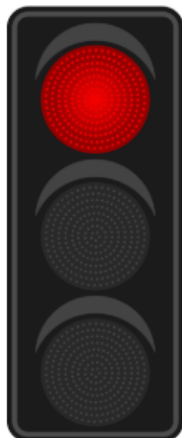
The wider implications of the breach

Reporters should also consider the wider implications when deciding whether a breach must be reported. The breach is likely to be of material significance to the Pensions Regulator where the fact that a breach has occurred makes it more likely that further breaches will occur within the Authority or, if due to maladministration by a third party, further breaches will occur in other pension schemes.

Appendix B

Traffic light framework for deciding whether or not to report

It is recommended that those responsible for reporting use the traffic light framework when deciding whether to report to the Pensions Regulator. This is illustrated below:



Where the cause, effect, reaction and wider implications of a **Red** breach, when considered together, are likely to be of material significance.

These must be reported to the Pensions Regulator.

Red Example: Several members' benefits have been calculated incorrectly. The errors have not been recognised, and no action has been taken to identify and tackle the cause or to correct the errors.



Where the cause, effect, reaction and wider implications of an **Amber** breach, when considered together, may be of material significance. They might consist of several failures of administration that, although not significant in themselves, have a cumulative significance because steps have not been taken to put things right. You will need to exercise your own judgement to determine whether the breach is likely to be of material significance and should be reported.

Amber Example: Several members' benefits have been calculated incorrectly. The errors have been corrected, with no financial detriment to the members. However, the breach was caused by a system error which may have wider implication for other public service schemes using the same system.



Where the cause, effect, reaction and wider implications of a **Green** breach, when considered together are not likely to be of material significance. These should be recorded but do not need to be reported.

These must be reported to the Pensions Regulator.

Green Example: A members' benefits have been calculated incorrectly. This was an isolated incident, which has been promptly identified and corrected, with no financial detriment to the member. Procedures have been put in place to mitigate against this happening again.

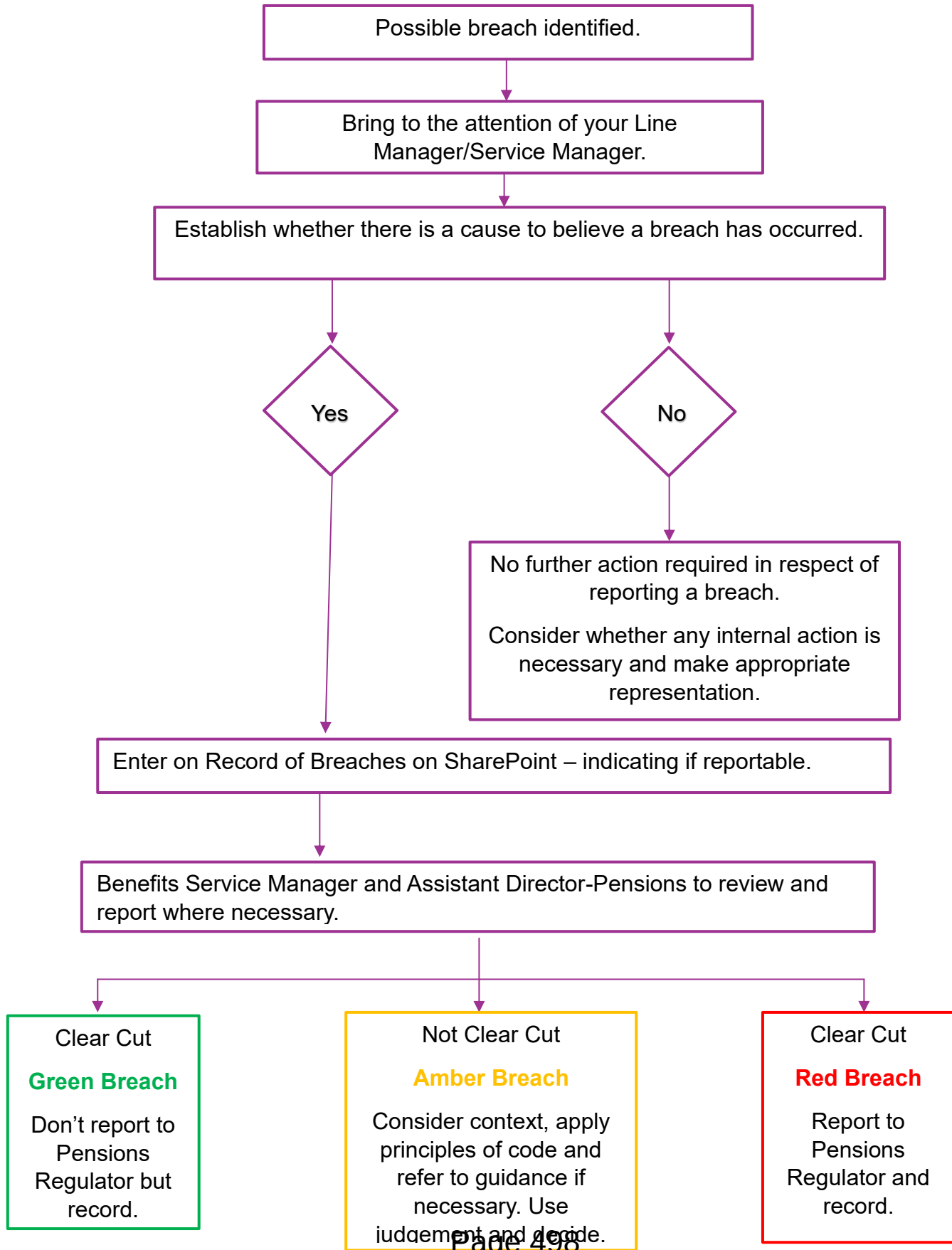
Appendix C

Example of Record Breaches

Date	Category (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction to relevant parties to breach	Reported/Not reported (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions

Appendix D

Operational Flowchart for recording Breaches



Contact Us

If you are able to read this but know someone who cannot, please contact us on 0300 303 6160 so we can provide the information in a more appropriate and accessible format.

If you wish to contact us on any issue regarding your pension, please contact us using the details provided below:

Office Hours:

Monday to Thursday: 9.00am - 5.00pm

Friday: 9.00am - 4.30pm

Weekends: CLOSED

Email: customerservices@sypa.org.uk

Tel: 0300 303 6160

Web: www.sypensions.org.uk

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Resolving Complaints and Improving Services

Complaints Procedure

July 2025

Document Control Information	
Document title	TITLE
Version	DATE
Status	E.g. For Review of Audit & Governance Committee
Owner	E.g. Head of Governance & Corporate Services
Department	E.g. Resources
Publication date	E.g. 12 December 2024
Approved by	E.g. Authority
Next review date	E.g. December 2026

Version History			
Version	Date	Detail	Author
1	DATE	e.g. Original Policy	TITLE
2	DATE	e.g. Full review and revision.	TITLE

Associated Document

Unreasonably Persistent and Vexatious Customer Procedure

[https://www.sypensions.org.uk/Portals/0/pdf/Vexatious Complaints Unreasonable Behaviour Policy.pdf](https://www.sypensions.org.uk/Portals/0/pdf/Vexatious%20Complaints%20Unreasonable%20Behaviour%20Policy.pdf)
[https://www.sypensions.org.uk/Portals/0/pdf/Vexatious Complaints Unreasonable Behaviour Policy.pdf](https://www.sypensions.org.uk/Portals/0/pdf/Vexatious%20Complaints%20Unreasonable%20Behaviour%20Policy.pdf)

Contents

1. Defining the Complaints and Representations Procedure.....	3
2. Procedure	3
3. Key Principles	4
4. What May be Complained About?	4
5. What is Exempt from this Complaints Procedure?	4
6. Anonymous Complaints	5
7. Who May Complain?	5
8. Basic Principles of Complaints	5
9. Values	6
10. Complaints' Framework	6
11. Step 1 - Formal Complaint.....	7
12. Step 2 - Statutory Complaint Procedure - Internal Dispute Resolution Procedure (IDRP).....	7
13. Response Times.....	8
14. Money Helper	8
15. Local Government Ombudsman (LGO).....	8

1. Defining the Complaints and Representations Procedure

- 1.1 SYPA welcomes feedback from customers because it helps to improve the way we do things and to learn from things that have gone wrong.
- 1.2 This document sets out our procedure for working with customers who have a complaint about the actions, decisions, or apparent failings of the services we provide. One of the ways in which we acquire comments and opinions to influence service planning and delivery is through our customers' feedback.
- 1.3 **Informal discussion** - Problems that have arisen due to a misunderstanding, or a lack of information can often be resolved without the need for a formal complaint. Our staff have been empowered to be able to resolve many complaint issues and in the first instance customers should try and speak to the member of staff who has been dealing with the case or their line manager. If they can't put things right, or this approach has already been tried without success, then customers should submit a formal complaint.
- 1.4 **Comments** - If a customer wants to make a comment about anything that the Authority does or if they would like to suggest how we could improve the services that we provide, we will record the details and ensure that the relevant service area is provided with the details.
- 1.5 **Compliments** - If customers receive a particularly good service and wish to make a compliment, we will ensure that the person or service is made aware.
- 1.6 **Complaints** - A complaint may be generally defined as an expression of dissatisfaction about a service. Complaints can provide valuable learning points which helps to improve service delivery.
- 1.7 Details of how to provide feedback and complaints to the Authority can be found on the website.

2. Procedure

- 2.1 This is a procedure for formal complaints about the service offered by the Authority.
- 2.2 The formal complaints procedure is framed to:
- Provide a quality and responsive service.
 - Acknowledge that all people who receive a service have a right to complain if they think that something that should have been done has not been done, or that something has been done badly or incorrectly.

3. Key Principles

3.1 This Procedure is designed to:

- Ensure that customers are treated fairly and assist them in making a complaint by being easy and straightforward to use.
- Be accessible.
- Ensure complaints will be investigated as quickly and thoroughly as possible, and in a positive, problem-solving manner.
- Ensure that the outcome and resolution of complaints will be reflected in the ongoing monitoring of the Authority's performance and to improve service delivery.
- Reflect the Authority's desire to provide a quality service.

3.2 We will endeavour to ensure that customers receive whatever help and guidance they require to aid them in making a complaint or in understanding the procedure. Where appropriate this help will include additional provision e.g. interpreters.

4. What May be Complained About?

4.1 A complaint may arise because of a variety of issues relating to the Authority's functions such as:

- An unwelcome or disputed decision
- Concern about the quality or appropriateness of a service.
- Delay in decision making or provision of services.
- Delivery or non-delivery of services, including complaints procedures.
- Quantity, frequency, change or cost of a service.
- Attitude or behaviour of staff (unless it warrants internal disciplinary action).
- Insufficient proficiency in spoken English by a member of staff in a public-facing role. (Under the Code of Practice on the English language requirements for public sector workers; Part 7 of the Immigration Act 2016).

5. What is Exempt from this Complaints Procedure?

5.1 There are occasions when this procedure will not be the appropriate procedure to be used for instance when it is:

- A complaint about the conduct of the Assistant directors; these will be referred directly to the Director.
- A complaint regarding the conduct of a Member of the Pensions Authority or Local Pension Board; these will be referred directly to the Monitoring Officer.
- Matters under consideration by the Courts and Tribunals and cases where legal proceedings are being considered/initiated.
- Whistle blowing – where staff are raising issues these will be dealt with under the whistle blowing procedures.

- A staff employment issue, where disciplinary and grievance procedures will be used.
- Not related to the actions or decisions of this Authority, or of anybody acting on our behalf.
- The same complaint that has already been dealt with by our complaint's procedure.
- The complaint is more than 6 months old, and it would not be possible for the Authority to consider the complaint effectively and fairly, e.g. due to changes in staffing and record retention timescales.
- There is a potential or actual insurance claim

6. Anonymous Complaints

6.1 From time to time the Authority receives anonymous complaints and although these will be passed to the relevant team for information, ordinarily there will be no further action unless the service involved considers it appropriate to do so.

7. Who May Complain?

7.1 The Authority will consider representations including complaints made to us by customers in the fund or a third party who is contacting us on the customer's behalf. A complaint by a representative will not be considered by the Authority unless satisfied that the representative is acting with explicit consent of the customer or under a Power of Attorney.

7.2 In the case of a customer who lacks capacity to make a complaint themselves, a third-party complaint will only be permitted when the Complaints Resolution Officer, in discussion with the senior manager from the service area, determines that the third party who is not an advocate is acting in the best Interest of the customer.

8. Basic Principles of Complaints

8.1 Concerns or worries are often raised as part of normal everyday interaction between the Authority and its Customers. Normally these will be easily resolved by staff working on a day-to-day basis with the customer. However, there may be complaints that cannot be sorted out in that way to the complainant's satisfaction.

8.2 Basic Principles:

- Most complaints arise from a genuine feeling of grievance and not of maliciousness.
- Small grievances can become large if not dealt with at the early stages.
- Complaints can serve to highlight genuine deficiencies in service and staffing levels.

- People have the right to complain, to be heard, and to have their complaints investigated as quickly as possible.
- Handling complaints properly is an important part of the way the Authority provides its services.
- Complaints are part of the feedback system as to how services are provided.
- The confidentiality of the member and those persons mentioned (whether staff or others) should be appropriately protected.
- Even persistent/vexatious customers can have a new valid complaint.

9. Values

9.1 This procedure sets out certain values that the Authority regards as central to this process:

- That services and information about services should be readily available and easy to understand.
- That customers are involved as fully as possible in our processes to promote better services.
- That people have rights and can ask the service to account for its action or inaction on their behalf.
- That people have the right to redress when the services provided have not been good enough and when there has been an injustice caused by the Service.

9.2 These values establish a few things for our services and for our staff:

- That the Authority should be trying to provide a quality service that is fit for purpose and resilient. Where this does not happen, for any reason, then the Complaints Procedure offers a means of redress and of improving the quality of the service provided.
- The rights of individuals to complain are clear. However, the right of staff to equally fair treatment is also explicit. This procedure does not provide a means of placing one person's "rights" above those of another.

10. Complaints' Framework

10.1 It is important that members and Employers are aware that this procedure applies to formal complaints only.

10.2 Complaints about issues or events that occurred more than 6 months prior to the date of the complaint will not normally be considered unless any of the following circumstances apply:

- The complainant was not aware, until beyond the period of 6 months of the actions of the Authority which now form the subject of the complaint.
- The complainant was incapacitated by ill-health beyond the 6-month period which prevented them from making a complaint within the allowed timescales and provides proof of this.

- It would have been unreasonable for the complaint to have been made earlier than it was made.
- Similarly, there will be no review of a complaint that was dealt with more than 6 months ago. Unless an extension is given under IDRP.

10.3 There are two stages to this procedure as defined in sections 11 and 12 of this document.

11. Step 1 - Formal Complaint

- 11.1 If it has not been possible to resolve the complaint informally, the complaint will be recorded formally by the Complaints Resolution Officer
- 11.2 The relevant service area will investigate the complaint, and the Complaints Resolution Officer will respond to the customer within the timescales set out in this procedure.

12. Step 2 - Statutory Complaint Procedure - Internal Dispute Resolution Procedure (IDRP)

- 12.1 It is a requirement of the Pensions Act 1995 to have a procedure in place to review decisions on the correct operation and interpretation of the LGPS Regulations. The Local Government Pension Scheme Regulations contains a two-stage internal dispute resolution procedure (IDRP).
- 12.2 Details of the Specified persons authorised to deal with Stage 1 and Stage 2 appeals will be confirmed to the appellant on receipt of the complaint.
- 12.3 The Pensions Ombudsman has powers to review decisions from the IDRP, along with additional powers to review cases where maladministration is alleged. The Ombudsman will not investigate cases until the IDRP has been exhausted. The decisions of the Pensions Ombudsman are enforceable in a court of law.
- 12.4 Complaints not covered by the IDRP:
- If the customer is not satisfied with the outcome of the investigation at Step 1, they may request that the complaint be reviewed providing their reasons for this. The request for a review and any subsequent investigation would be considered by the Monitoring Officer.
 - The customer will be asked to provide details of why they feel that their complaint has not been fully responded to at Step 1.
 - However, if it is considered that there are no suitable grounds for escalating the complaint to Step 2 the customer will receive written confirmation detailing the reasons why their request had been declined, together with contact details for the Local Government Ombudsman (LGO).
- 12.5 The purpose of a 2 step review is to consider if:
- The customer's complaint was fully understood and addressed.
 - All the relevant evidence was considered.

- The Authority's policies and procedures were properly followed.
- The complaints process was carried out properly and fairly.
- The conclusions were reasonable and fair and reached based on evidence.
- Any other actions or remedies are appropriate.

12.6 The purpose of a 2-step review is not to:

- Reinvestigate the complaint – it will focus on understanding continuing concerns and consider whether Step 1 was undertaken fairly and that the conclusions reached were reasonable.
- Undermine the professional judgement of officers (for example it would not be appropriate to revisit a decision taken by a senior member of staff such as the Director).
- Deal with any new matters that were not part of the original complaint.
- Cover any points dealt with by a court or where an appeal against a decision lies with a court or other legal process.

13. Response Times

13.1 Formal Complaint:

- The Authority, in accordance with the LGO guidance on running a complaint system, will focus on our complaints taking in total no longer than 12 weeks from receipt to resolution. All complaints will be acknowledged in 5 working days.
- If the complaint is complex and the service area is unable to complete a full response by the 12 week deadline the customer will be contacted and a discussion will take place about the reasons for the delay, but to also confirm the new response date.

13.2 IDRP:

- The Stage 1 adjudicator will respond to the complainant within two months of receiving a claim, giving details of the decision, or acknowledging the claim and explaining when a decision will be reached.
- The Stage 2 adjudicator will respond to the complainant within two months of receiving a claim, giving details of the decision, or acknowledging the claim and explaining when a decision will be reached.

14. Money Helper

14.1 Impartial guidance can be sought from Money Helper if you have a problem with the LGPS pension. [Pensions and retirement | Help with pensions and retirement | MoneyHelper](#)

15. Local Government Ombudsman (LGO)

15.1 If a customer is unhappy about the way that the Authority has dealt with their complaint, and that complaint was not because of a decision on the correct operation and interpretation of the LGPS Regulations they can contact the Local

Government Ombudsman who is independent and can investigate complaints about most Authority matters. The Ombudsman would normally expect a complaint to be made to them within 12 months of when the complainant first knew of the problem that they are complaining about.

DRAFT

Subject	Review of Key Communications - Annual Benefit Statement	Status	For Publication
Report to	Local Pension Board	Date	07/08/2025
Report of	Assistant Director Pensions		
Equality Impact Assessment	Not Required	N/A	
Contact Officer	Debbie Sharp – Assistant Director Pensions	Phone:	01226 666480
E Mail:	Dsharp@sypa.org.uk		

1 Purpose of the Report

To update members on the information sent to Scheme members on the Annual Benefit Statement to comply with Regulation 89 of the Local Government Pension Scheme Regulations 2013. The statement must be produced by 31 August each year.

2 Recommendations

2.1 Members are recommended to:

- a. **Accept the report with or without comment and indicate any areas where they would like to receive further detail.**

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. The report includes reference to feedback from our customers.

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.

4 Implications for the Corporate Risk Register

4.1 None.

5 Background and Option

5.1 This report seeks to update the Board on how the Fund complies with its statutory obligation to provide Scheme members with an Annual Benefit statement.

- 5.2 Annual Benefit Statements, see **Appendix A** for a template Deferred Member Annual Benefit Statement, and **Appendix B** for a template Active Member Annual Benefit statement. Statements are uploaded to members online accounts. Members with an email address will be notified that their statement is available to view online.
- 5.3 Members without an email address, but with a mobile number recorded on UPM, will receive a text message to login/register to view their statement.
- 5.4 Paper copy statements are issued in a slightly different format. The hard copy includes nomination details, whereas the online version contains a link to the nomination page on the member's online account. An exercise will be carried out prior to the issuing of statements to ensure we hold the correct mailing preference. Circumstances may have changed, and a paper copy may no longer be required.
- 5.5 The 2025 template statement was issued to the Authority's Focus Group for comment. There were no suggestions for change or improvements.
- 5.6 Further notes to help understand the statement are available on the website along with an ABS video.
- 5.7 Annual Benefit Statement runs are always staggered to help manage member queries.
- 5.8 SYPA active member statements are produced first, so staff can help with testing by checking their own 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

Name Debbie Sharp

Title Assistant Director Pensions

Background papers	
Document	Place of Inspection
None	



2025 Deferred Benefit Statement

I am pleased to provide you with your deferred benefit statement showing the value of benefits at 7 April 2025. Please read the explanatory notes, in conjunction with your statement, on the following page.

Full Name

Date of Birth

National Insurance Number

Date of Leaving

Former Employer

Value of your benefits at 7 April 2025 – Section A

Payable unreduced from

Annual Pension

Tax Free Lump Sum

Value of your death benefits at 7 April 2025 – Section B

Survivor Pension

Partnership Status

Survivor's Annual Pension

If your partnership status is wrong please update [here](#) or choose personal details from the menu bar. The survivor pension may differ if your partnership status changes in the future.

Additional survivor benefits would be payable to any eligible children (usually under the age of 18 or in full-time education).

Death Benefits

Lump Sum Death Grant

Any lump sum death grant must by law be paid at the absolute discretion of SYPA but we will take full account of any Expression of Wish (nomination) you have made.

Please click [here](#) to view **Death Grant Nominations** or choose my pension accounts/death grant nominations.

If you have re-joined the LGPS in a fund in England or Wales and are still in active membership at the date of death, and/or you have an LGPS pension in payment, then the total death grant from the LGPS will be the greater of:

- the death in service death grant, or
- the aggregate of the death grants due in respect of your deferred benefit and any pension in payment death grant.

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Annual Benefit Statement 2025

Local Government Pension Scheme

I am pleased to provide you with your annual benefit statement showing the value of your benefits at 31 March 2025 and projected benefits to your Normal Pension Age (NPA) if you continue in the scheme. Explanatory notes to accompany this statement can be found [here](#). The figures quoted in this statement are made up of both your final salary and CARE benefits.

If you would like to run your own retirement quotes, at different retirement dates, you can use our online [Retirement Calculator](#) or choose mypension accounts/get retirement quote.

Personal details

Full Name			
Current Employer			
Payroll Number		Date pensionable service started	View details or choose mypension accounts/membership.
Folder Ref			
Section of scheme at 31 March 2025		Please note: Your personal details, including your address on the online portal, have been provided by your employer. It is important you contact your employer if any of your personal details are incorrect.	

Your benefits in brief – more information can be found on the following pages.

Value of benefits at 31/03/2025

Annual Pension	£	Tax Free Lump Sum	£

OR you can choose to receive a reduced pension and increased lump sum up to the maximum shown below.

Reduced Annual Pension	£	Maximum Tax Free Lump Sum	£

Value of benefits at Normal Pension Age

Annual Pension	£	Tax Free Lump Sum	£

OR you can choose to receive a reduced pension and increased lump sum up to the maximum shown below.

Reduced Annual Pension	£	Maximum Tax Free Lump Sum	£

Pay details

Please note: The benefits calculated in this statement are based on pay figures provided by your employer. It is important you check the accuracy of these figures and contact your employer with any errors.

Career Average Revalued Earnings (CARE) pensionable pay

MAIN SECTION Pay at 31 March 2025	£	50/50 SECTION Pay at 31 March 2025	£

Final salary pay (full time equivalent if part time)

Pay at 31 March 2025	£	MEMBERSHIP at 31 March 2014	

Please note: 31 March 2014 is the date membership of the Final Salary Scheme came to an end. Although you have membership of the LGPS after this date it will not be displayed here. Please refer to the [membership](#) section for a full list of your membership history and hours worked, or choose mypension accounts/membership.

Your benefits in more detail - More information can be found [here](#).

Benefits at 31 March 2025

Pension built up from April 2024 - March 2025

Main Section Pay/49	50/50 Section Pay/98	Additional Pension Purchased	Transfers In	Pension Debit	TOTAL
£	£	£	£	£	£

Please Note: If you pay Additional Voluntary Contributions (AVCs) these have not been included in this benefit statement. A separate statement will be issued from your AVC provider. Follow the link to check if you pay [Additional Voluntary Contributions](#) or choose mypension accounts/additional voluntary contributions.

Total value of CARE pension account

Opening balance at 1/04/2024	Cost of Living Adjustment	Pension built up in 2024/2025 (as per above table)	Closing balance at 31/03/2025*
£	£	£	£

*CARE accounts are revalued every April, in line with the cost of living, therefore please be aware that the value of the closing balance at 31 March 2025 (shown above) does not include the April 2025 increase in benefits. Select [CARE Pension](#) for the current value, or choose mypension accounts/CARE Pension.

CARE benefits

Annual Pension	£

PLUS

Final salary benefits

Annual Pension	£
Tax Free Lump Sum	£

=

Total value of your LGPS benefits at 31 March 2025

Annual Pension	£
Tax Free Lump Sum	£

OR you can choose to receive a reduced pension and increased lump sum up to the maximum shown below.

Reduced Annual Pension	£
Maximum Tax Free Lump Sum	£

Please Note: If you were age 55 or over on 31 March 2025, the benefits shown do not include any early retirement reductions which would apply had you retired on this date. To find out the value of your benefits with reductions applied use our [Retirement Calculator](#) or choose mypension accounts/get retirement quote.

Benefits at your Normal Pension Age on

[Processobject,Calc\$Futurereview(Autocalc).Normalpensiondate,(Dbtag)(d Month yyyy)] - More information can be found [here](#).

Normal Pension Age is linked to State Pension Age (but is at least age 65).

Figures quoted in this section are projected benefits to your Normal Pension Age (NPA), assuming you continue paying into the scheme in the same job and receiving the same pay. If you cease contributing to the scheme before NPA, the benefits quoted here will not reflect what you are likely to receive.

CARE Benefits

Annual Pension	£

PLUS

Final Salary Benefits

Annual Pension	£

Tax Free Lump Sum	£

Total value of your LGPS benefits at Normal Pension Age

Annual Pension	£

Tax Free Lump Sum	£

OR you can choose to receive a reduced pension and increased lump sum up to the maximum shown below.

Reduced Annual Pension	£

Maximum Tax Free Lump Sum	£

Please note: If your Normal Pension Age in the CARE scheme is different to that in the Final Salary scheme we will have also included an actuarial increase for the period between the dates, however late retirement factors are set by the Government's Actuary Department and are subject to change. The increases currently applied may alter at eventual retirement.

Value of your Death Benefits at 31 March 2025

Lump Sum Death Grant	£

Any lump sum death grant must be paid at the absolute discretion of SYPA but we will take full account of any Expression of Wish (nomination) you have made.

Please click here to view [Death Grant Nominations](#) or choose my pension accounts/death grant nominations.

Survivor's Pension

Partnership Status	

Survivor's Annual Pension	£

If your partnership status is wrong please update [here](#) or choose personal details. Your partnership status has been provided by your employer so please remember to update your employer with the same change. The survivor pension may differ if your partnership status changes in the future.

Additional survivor benefits would be payable to any eligible children (usually under the age of 18 or in full-time education).

Pensions Tax Relief Limits - More information can be found [here](#).

Lump Sum Allowance (LSA)

The Lump Sum Allowance is the maximum amount of benefits you can take from all your pension schemes as tax-free cash.

Maximum LSA for 2024/2025	£268,275.00
Estimated LSA used at 31 March 2025	£

The estimates above do not take account of any AVCs or any other pension benefits you may have.

Annual Allowance (AA)

The Annual Allowance is the maximum your benefits can grow each year without incurring a tax charge. The Pension Input Amount shows an estimate of the growth of your benefits for the year.

Annual Allowance for 2024/2025	£60,000.00
Estimated Pension Input Amount for the year 2024/2025	£

If you have exceeded these limits we will contact you separately with further information. Exceeding the annual allowance does not automatically mean there will be a tax charge.

McCloud Remedy

Not in scope

When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced. Because members were treated differently based upon their age, some public sector workers raised concerns that this could be unlawful and took the Government to court. The Court of Appeal found these protections to be discriminatory against younger members and have since implemented the McCloud remedy to remove the age discrimination.

Am I affected?

We have assessed your LGPS membership and can confirm that you are not affected by the McCloud remedy and no changes are required to your pension benefits as a result.

The McCloud remedy applies only to certain members who were active in the LGPS on or before 31 March 2012 and had continuous membership (or a qualifying break of less than five years) up to 1 April 2014 and were active during the remedy period (1 April 2014 to 31 March 2022).

As you do not meet this criteria, no change is required to your pension benefits.

However, if you have membership in another public service pension scheme that fits the criteria above, please let us know by completing the **McCloud Previous Pension Rights** Form, which can be found in ***mypension accounts/In this section***.

Otherwise, you do not need to take any action. For more information on the McCloud remedy, visit:

<https://www.lgpsmember.org/mccloud>

In scope

McCloud Remedy

When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced. Because members were treated differently based upon their age, some public sector workers raised concerns that this could be unlawful and took the Government to court. The Court of Appeal found these protections to be discriminatory against younger members and have since implemented the McCloud remedy to remove the age discrimination.

Am I affected?

You have been identified as in scope for the McCloud remedy.

At present, we are not yet able to carry out the underpin calculation to assess whether your pension benefits will be affected. In line with the LGPS Regulations we have therefore had to use our discretion to delay showing this information in this year's statement. This is because we are still working to implement the technical and system changes needed to complete these checks.

What this means for you:

You are in scope for the remedy, which means you may qualify for underpin protection if you meet the eligibility criteria. Your pension will be checked under both the old (final salary) and new (CARE) scheme rules for the remedy period (1 April 2014 to 31 March 2022). If the final salary calculation provides a higher benefit, this will be applied.

You do not need to take any action now. If you qualify for underpin protection, we will complete the calculation and include the uplift in future annual benefit statements. Please note that the majority of members won't see an increase because the pension they build up in the career average scheme will be higher than what they would have built up in the final salary scheme. Please also be aware, the actual pension you may get will be based on a comparison at retirement.

Please be assured that you will receive the better of the two benefit outcomes once we are able to complete the necessary checks.

For more information, visit [McCloud-Remedy](#)

Steps to Stay Scam Safe

If you are thinking of transferring your pension benefits out of the LGPS you should be aware of pension scams, where people may be tricked into handing over their pension pots. Millions of people fall victim to scams every year. Please follow the link [Pension Scams](#) to find out how to protect yourself against scammers. More information can be found here: [Pension Scam Leaflet](#)

* Important Update: Minimum Pension Age set to Increase from 6th April 2028

The UK Government has announced that the earliest age you can take your pension will increase from age 55 to 57 with effect from 6 April 2028. The increase in the minimum retirement age does not affect members who retire due to ill health.

You may be protected from this increase if you joined the LGPS in England or Wales before 4 November 2021 or transferred a previous pension into the LGPS that meets the criteria. However, at this stage it's still unclear if any protections will be applied, but we will update members when we receive further guidance from the Government.

Please note: When using the retirement quote tool through your secure *mypension* online account, you will still be able to select age 55 as a retirement age, even if you reach age 55 after 5 April 2028. This is because the system has not yet been updated to reflect upcoming changes. Once we receive confirmation regarding any protections, our software provider will update the retirement calculator to align with the new regulations. However, please be aware that if you enter a retirement date after 5 April 2028, you may not be eligible to take your benefits before age 57.

Subject	LPB Next Meeting Agenda and Work Programme	Status	For Publication
Report to	Local Pension Board	Date	7 August 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 set out the draft agenda for the next meeting of the Board for discussion and include progress on the work programme for the current year.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. Discuss and comment on the draft agenda for the November 2025 meeting as set out in paragraph 5.1 of this report.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objective:
Effective and Transparent Governance
- To uphold effective governance showing prudence and propriety at all times.
- 3.2 The planning of meeting agendas and work programmes supports the operation of effective and transparent governance arrangements.

4 Implications for the Corporate Risk Register

- 4.1 There are no direct implications for any individual risk in the risk register.

5 Background and Options

- 5.1 The draft agenda for the next meeting of the Board is set out below.

Local Pension Board 06 November 2025 – Draft Agenda	
1	Welcome, Introductions and Apologies
2	Announcements
3	Urgent Items
4	Items to be considered in the absence of public and press
5	Declarations of interest
6	Minutes of the meeting held on 07 August 2025
7	Review of the Action Tracker
	GOVERNANCE
8	Governance, Regulatory and Policy Update
9	Update on Decisions Made by the Authority
10	Corporate Risk Register
11	Independent Governance Review Action Plan Update
	RESOURCES
12	Local Pension Board Budget 2026/27
	PENSIONS ADMINISTRATION
13	Pensions Administration Quarterly Report
14	Valuation 2025 Progress Update
	INVESTMENTS
15	Border to Coast Annual Review
	OTHER MATTERS
16	Local Pension Board Next Meeting Agenda and Work Programme

- 5.2 Board members are requested to consider any changes or additions required to the above.

- 5.3 The work programme is attached at Appendix A – setting out the planned work programme for the 2025/26 year ahead.

6 Implications

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

Financial	No direct implications.
Human Resources	No direct implications.
ICT	No direct implications.
Legal	No direct implications.
Procurement	No direct implications.

Jo Stone

Head of Governance and Corporate Services & Monitoring Officer

Background Papers	
Document	Place of Inspection

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Local Pension Board Meeting Dates and Outline Work Programme 2025/26		
Date of Meeting	Time	Venue
Thursday 07 August 2025	10:00 - 12:00	Oakwell House
Thursday 06 November 2025	10:00 - 12:00	Oakwell House
Thursday 26 February 2026	10:00 - 12:00	Oakwell House
Thursday 26 March 2026: Effectiveness Review	13:00 - 16:00	Oakwell House
Thursday 23 April 2026	10:00 - 12:00	Oakwell House

August 2025 Meeting	
Governance	Review of Action Tracker Governance, Regulatory and Policy Update Update on Decisions Made by Authority Corporate Risk Register Compliance with TPR General Code of Practice (Bi-Annual Update) Constitution Terms of Reference Authority Annual Report - Draft for Local Pension Board Review
Pensions Administration	Pensions Administration Quarterly Report Review of Key Communications - Annual Benefits Statement Valuation 2025 - Progress Update Funding Strategy Statement - Draft for consultation Assistant Director - Pensions
Other	Local Pension Board Next Meeting Agenda and Work Programme

November 2025 Meeting	
Governance	Review of Action Tracker Governance, Regulatory and Policy Update Independent Governance Review Action Plan Update Update on Decisions Made by Authority Corporate Risk Register
Resources	Local Pension Board Budget 2026/27
Pensions Administration	Pensions Administration Quarterly Report Valuation 2025
Investments	Border to Coast Annual Review
Other	Local Pension Board Next Meeting Agenda and Work Programme

February 2026 Meeting	
Governance	Review of Action Tracker Governance, Regulatory and Policy Update Update on Decisions Made by Authority Corporate Risk Register Draft Governance Compliance Statement Compliance with TPR General Code of Practice (Bi-Annual Update) Member Learning and Development Strategy 2026/27 Annual Benchmarking Results: Pensions Administration and Investments
Pensions Administration	Pensions Administration Quarterly Report
Other	Meeting Calendar and Work Programme 2026/27 Local Pension Board Next Meeting Agenda and Work Programme

March 2026 Effectiveness Review Meeting
Internal Effectiveness Review 2025/26

April 2026 Meeting	
Governance	Review of Action Tracker Governance, Regulatory and Policy Update Independent Governance Review Action Plan Update Update on Decisions Made by Authority Corporate Risk Register Draft Annual Governance Statement Board Effectiveness Review Report Annual Report of the Local Pension Board
Pensions Administration	Pensions Administration Quarterly Report Review of Key Communications - Annual Benefits Statements
Other	Local Pension Board Next Meeting Agenda and Work Programme

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