

Date: 02 October 2025

To: MEMBERS OF SOUTH YORKSHIRE PENSIONS
AUDIT & GOVERNANCE COMMITTEE

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 666412
Email: Governanceteam@sypa.org.uk

Dear Member

South Yorkshire Pensions Audit & Governance Committee
Thursday, 2 October 2025

A meeting of South Yorkshire Pensions Audit & Governance Committee will be held at
Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, S71 1HG on Thursday,
2nd October, 2025 at 10.00 am.

The agenda is attached.

Yours sincerely

G Graham

George Graham
Director and Clerk

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Distribution: Councillor Roy Bowser (Chair), Councillor John Reed, Councillor Simon Clement-Jones, Councillor David Fisher and Councillor Ken Guest

SOUTH YORKSHIRE PENSIONS AUTHORITY

AUDIT & GOVERNANCE COMMITTEE

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

AGENDA

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1	Apologies		
2	Announcements		
3	Urgent Items To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.		
4	Items to be considered in the absence of the public and press To identify items where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting.)		
5	Declarations of Interest		
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SOUTH YORKSHIRE PENSIONS AUTHORITY AUDIT AND GOVERNANCE COMMITTEE

17 JULY 2025

PRESENT: Councillor Roy Bowser (Chair)

Councillors: Simon Clement-Jones, David Fisher, Ken Guest and Trevor Smith

Trade Unions: Phil Boyes (UNITE) and Garry Warwick (GMB)

Officers: George Graham (Director), Gillian Taberner (Director Designate), Debbie Sharp (Assistant Director - Pensions), Jo Stone (Head of Governance and Corporate Services), Sharon Bradley (Corporate Assurance), Caroline Hollins (Corporate Assurance), Annie Palmer (Team Leader - Governance) & Gina Mulderrig (Democratic Services Officer)

Emma Dawson – Independent Member

Richard Lee and Elizabeth Wharton (External Audit Partner KPMG)

Apologies for absence were received from Councillor Jason Charity and Nicola Doolan-Hamer

1 WELCOME, INTRODUCTIONS AND APOLOGIES

Apologies were noted as above.

2 ANNOUNCEMENTS

None

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 06/03/2025

RESOLVED: The minutes of the meeting held on 6 March 2025 were agreed as a true record.

7 INTERNAL AUDIT ANNUAL REPORT 2024/25

The Head of Corporate Assurance presented the report on the Corporate Assurance Team's completed assignments relating to the 2024/25 internal audit plan, agreed management actions and the Head of Corporate Assurance's assurance opinion based on the work undertaken. The Head of Corporate Assurance explained that their Assurance Opinion was positive on the 15 reports undertaken and that overall a 'Reasonable' opinion was given.

Members asked why the overall opinion given was 'Reasonable' given that 12 of the 15 reports had received the higher 'Substantial' opinion.

The Head of Corporate Assurance explained that the overall opinion covers the whole of the Authority and given that most of the reports focussed on Finance & Resources while only 2 focussed on Pensions Administration (and that these 2 both received a 'Reasonable' opinion) they were unable to conclude with the higher opinion overall for the whole Authority.

Members asked whether the distribution of the focus of reports would be revised to more evenly represent all areas of the Authority and the Head of Corporate Assurance assured the Committee that resources would be attributed to adequately cover the breadth of the Authority.

Members queried whether there were any outstanding management actions and were assured that there were no management actions that remained outstanding six months after the original agreed implementation date. The Assistant Director-Resources added that increased consideration was given to developing detailed and realistic management actions and, as a result, the timeliness of when management implement their agreed actions has been satisfactory throughout the year and no actions were outstanding.

Members asked how days allocated to SYPA which had not been used had been utilised. The Head of Corporate Assurance explained that these days would have been reallocated to their other clients and gave assurance that SYPA were not charged for these days.

RESOLVED: Members considered and noted the report.

8 INTERNAL AUDIT PROGRESS REPORT - QUARTER 1

The Head of Corporate Assurance presented the report which provided a summary of the Corporate Assurance Team's internal audit activity, and the key issues arising from it, for the period 1 April 2025 to 29 June 2025.

Members noted that 6 of the planned 18 reports were in progress but that none had yet been completed, which is usual for the first quarter due to the way the audit plan is profiled.

The Corporate Assurance Manager explained that it was usual to have several reports underway at the same time and that the reports' progress depended on when resources were available and the timings of SYPA reports. It was explained that Corporate Assurance worked with SYPA and external auditors to spread the pressure

on SYPA officers meaning some reports took longer to complete but that timings and planned progress were set to meet the agreed targets.

RESOLVED: Members considered the report and requested further information from the Corporate Assurance Team as necessary.

9 INTERNAL AUDIT EFFECTIVENESS REPORT

The Head of Corporate Assurance presented the report which informed the Committee of the current position in terms of the self-assessment to measure compliance against the new Global Internal Audit Standards UK (GIAS) that became effective on 1st April 2025. The requirement to undertake an annual self-assessment, to have an external quality assessment (EQA) every 5 years and to maintain a Quality Assurance and Improvement Programme (QAIP) for the Corporate Assurance (Internal Audit) function is required by the GIAS (this was also a requirement of the previous standards). The Head of Corporate Assurance agreed to give further explanation on the new GIAS directly to members following the meeting in a training session.

Members asked for further detail on the 'Data Analytics' section of the QAIP. The Head of Corporate Assurance explained that the status of this section was 'ongoing' while the options for technology to assist with analysing data, including Power BI and Microsoft 365 Copilot were thoroughly considered.

RESOLVED: Members:

- a. **Considered and assessed the proposed QAIP Framework which detailed how it will meet the requirements set out in the GIAS.**
- b. **Received a mid-year update report to confirm progress made in the implementation of the QAIP.**

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).

RESOLVED: 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.

11 EXTERNAL AUDITORS - VFM RISK ASSESSMENT TO 31 MARCH 2025 AND VERBAL PROGRESS UPDATE

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.

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 governance or risk and no significant risks regarding improving

economy, efficiency and effectiveness and that this position was not expected to change.

Members noted that the report doesn't identify any areas for cost saving and asked if this meant SYPA was unable improve efficiency.

Richard Lee explained that benchmarking showed that SYPA's administration costs were below those of peer administering authorities and so it does not have a risk associated with cost saving. It was explained that SYPA do identify areas to improve economy, efficiency and effectiveness but that it has limited opportunity to enact cost saving measures due to its size and nature.

The Director added that the Authority takes its responsibility to steward scheme member money seriously and it ensures it spends no more than necessary to run the scheme. He added that SYPA were always looking for ways to do things more effectively and efficiently, such as removing duplication of work, and will continue to look for opportunities to cost save while managing the increasing membership.

Members noted that the external auditors had identified that within the Q3 Corporate Risk Register there were 3 risks relevant to VFM considerations and asked whether any work had been done to look at these 3 risks (Local Pension Board and Authority members knowledge and understanding, high levels of staff vacancies and single person risk in specialist knowledge roles).

Richard Lee explained that the role of external audit was to assess risk by reviewing activity, reports and registers rather than investigating specific risks already identified by SYPA and added that arrangements to mitigate and reduce the risks to an appropriate level were already in place internally.

The Assistant Director - Resources added that it was a key strand of internal audit to look in detail at how the Authority was dealing with identified risks and the Head of Corporate Assurance explained that they do provide independent risk management assurance.

Richard Lee gave a verbal report on progress to the Authority and the Fund audits. 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. He 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, agreed that the Fund audit was progressing well and explained that they had a clear list of required information for the third party investment manager confirmations that are outstanding and that this work was going as expected.

RESOLVED: 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.

The Assistant Director – Resources presented the draft Statement of Accounts 2024/25 to the Committee for noting.

Members asked for more details on the consultancy budget underspend of £74k due to a lack of capacity from the consultants for development of the Pensions Administration system.

The Assistant Director – Resources explained that there had been staff vacancies in the systems team in 2024/25 and, that given the time and work needed to recruit, it had been decided at the time to put this budget aside to pay for consultants to undertake the work on the Pensions Administration System. However, due to a lack of capacity for the consultants to undertake the work due to other priorities such as the McCloud Implementation, this money was not spent. The Assistant Director - Resources explained that the underspend had been transferred to Reserves to be used for other consultancy costs on the myPension portal and the Employer Hub for 2025/26.

Members noted the 4.5% uplift in operational costs from 2024/25 and asked if there was a threshold for this budget that would constitute a risk.

The Assistant Director – Resources explained that the Authority (including the operational budget) was underwritten by the Fund and that no specific threshold had been set on these costs, however the Authority was always looking at cost savings to be an efficient and responsible steward for scheme member money and as such set this budget in line with inflation, minimising any spending beyond what was needed to effectively run the scheme.

RESOLVED: Members noted the draft Statement of Accounts 2024/25 at Appendix A of the report, subject to the audit currently in progress.

13 ANNUAL REVIEW OF REGISTER OF CONFLICTS OF INTEREST

The Head of Governance and Corporate Services presented the report to enable the Committee to review the Register of Conflicts of Interest for the year as required by the Constitution.

RESOLVED: Members noted the review undertaken of Conflicts of Interest for the 2024/25 Municipal Year.

14 ANNUAL PROCUREMENT REPORT

The Team Leader – Governance provided the Committee with an annual update in relation to procurements completed during 2024/2025 in line with the requirements of contract standing orders. It was explained that the Contracts Register is available on the SYPA website: [Selling to the Pensions Authority](#)

RESOLVED: Members noted the contents of the report.

CHAIR

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Agenda Item

Subject	Internal Audit Progress Report	Status	For Publication
Report to	Audit and Governance Committee	Date	02/10/2025
Report of	Head of Corporate Assurance (Internal Audit)		
Equality Impact Assessment	Not Required		
Contact Officer	Sharon Bradley	Phone	07795 305846
E Mail	SharonBradley@barnsley.gov.uk		

1. Purpose of the Report

- 1.1 The purpose of this report is to provide a summary of the Corporate Assurance Team's internal audit activity completed, and the key issues arising from it, for the period 30th June 2025 to 14th September 2025.
- 1.2 To provide information regarding the performance of the Corporate Assurance Team during the period.

2 Recommendation

- 2.1 **It is recommended that Members consider the report and as necessary request further information and/ or explanations from the Corporate Assurance Team or Management.**

3 Background Information

- 3.1 The Audit and Governance Committee has responsibility for reviewing the adequacy of the Authority's corporate governance arrangements, including those relating to internal control and risk management. The reports issued by the Corporate Assurance Team are a key source of assurance contributing to the evidence the Committee receives to assure them that the internal control environment is operating as intended.
- 3.2 The Head of Corporate Assurance produces an Annual Report (reported into the July Committee meeting), which provides an overall opinion on the adequacy of the Authority's control environment and compliance with it during the year.

4. Implications

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

Financial	The cost of the services of the Internal Audit service provided by the Corporate Assurance Team is contained within the budget and is periodically invoiced.
Human Resources	n/a
ICT	n/a
Legal	Section 73 of the Local Government Act 1985 requires the Authority to make arrangements for the proper administration of its financial affairs; and Regulation 6 of the Accounts and Audit Regulations 2015 requires the Authority to maintain an adequate and effective system of Internal Audit (Corporate Assurance) of its accounting records and of its system of internal control. This report does not contain any information which is exempt under the Freedom of Information Act 2000.
Procurement	n/a

Background Papers	
Document	Place of Inspection
Background papers and other sources of reference include: Corporate Assurance Mandate and Charter 2025-28, Annual Plan 2025-26, Individual Assurance Reports, MK Insight (Audit Management System), Global Internal Audit Standards UK 2025	Barnsley Metropolitan Borough Council, Westgate Plaza, Barnsley.

South Yorkshire Pensions Authority Corporate Assurance (Internal Audit) Progress Report

Audit and Governance Committee

2nd October 2025

The matters arising in this report are only those which came to our attention during our corporate assurance work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

CORPORATE ASSURANCE (INTERNAL AUDIT) PROGRESS REPORT 30th June 2025 to 14th September 2025

Purpose of this report

This report has been prepared to update the Committee on our activity for the period 30th June 2025 to 14th September 2025, bringing to your attention matters that are relevant to your responsibilities as members of the Authority's Audit and Governance Committee. The report also provides information regarding the performance of the Corporate Assurance Team during the period.

Corporate Assurance (Internal Audit) Plan Progress 2025-26

The following table shows the progress of the corporate assurance plan 2025-26 up to the 14th September 2025, analysed by the number of planned assignments and days delivered by Service Area.

To date, we have delivered 27% of the total planned days. The 2025/26 plan (as in previous years) is profiled more heavily towards the end of the financial year and Corporate Assurance has profiled its resources accordingly.

Position as at 14th September 2025- Plan Days Delivered

2025/26 Plan	Original Plan Days	Revised Plan Days	Actual days (% of revised days)
Finance & Resources	75	75	14 (25%)
Pensions Administration	28	28	9 (16%)
Authority Wide	79	79	32 (57%)
Investment Strategy	8	8	0 (0%)
Corporate Services	15	15	1 (2%)
Contingency	2	2	
Chargeable Planned Days	207	207	56 (27%)

Position as at 14th September 2025 – Planned Assignments With Report

	Planned assignments in year	Assignments to be completed in period	Actual assignments completed in period	Actual assignments completed to date
Finance & Resources	9	0	0	0
Pensions Administration	4	1	1	1
Investment Strategy	0	0	0	0
Corporate Services	1	0	0	0
Authority Wide	4	1	1	1
Total	18	2	2	2

Changes to the 2025/26 Plan

At the beginning of the year provision is made in the allocation of corporate assurance resources for unplanned work, through a contingency. As requests for work are received, or more time is required for jobs or changes in priorities are identified, time is allocated from this contingency. There have been no changes to the plan during this period.

Final Reports Issued

The following reports have been issued during the period.

Assurance Assignment	Assurance Opinion	Number of recommendations raised:			Total	Agreed
		High	Medium	Low		
Pensions Admin: Child Pensions Review	Reasonable	0	3	1	4	4
Service Wide: Member Learning & Development	Substantial	0	0	0	N/A	N/A
Total		0	3	1	4	4

Other Corporate Assurance work undertaken

Assurance Activity	Description
Follow-up of Agreed Management Actions (AMAs)	Regular work undertaken to follow-up agreed management actions.
Planning, Liaison and Feedback	Meeting and corresponding with Senior Management regarding progress of assurance work, future planning, and general client liaison.
Advice	General advice to services regarding controls, risk, or governance.
Audit and Governance Committee Support	Time taken in the preparation of Audit and Governance Committee reports, Member training (as required), general support and development.
Audit and Governance Committee Awareness Session	To provide training and support to members of the Audit & Governance Committee on the Assurance Framework and also Global Internal Audit Standards UK.
National Fraud Initiative	Time allocated to provide assurance that the NFI data matching exercises have been undertaken.
Annual Governance Statement Process	To provide advice, support and challenge to management during the drafting of the Annual Governance Statement.
DPO Assurance	Time allocated for IA to undertake reviews commissioned by the Data Protection Officer.
Data Quality	To provide advice, support and guidance re data ownership, quality and integrity across the organisation. To include a review of the Data Quality Improvement Plan.
Performance Management Framework	To provide advice, support, and guidance to management during the design and implementation of the Performance Management Framework.
Contract Management	To provide advice, support and guidance to management during the development and implementation of a Contract Management Framework.
Staff Payroll and HR System – Design and Implementation	To provide advice, support, and guidance to management during procurement and implementation of the new Staff Payroll and HR System.

Assurance Activity	Description
Contract Management – New Custodian	To provide advice, support and guidance to management on contract management arrangements following appointment of the new Custodian.
Investment Oversight Model	To provide advice, support and guidance to management following implementation of the Investment Oversight Model.

Work in Progress

The following table provides a summary of the internal audit reviews in progress at the time of producing this report:

Directorate- Assurance Assignment	Pre-Planning	Work in Progress	Draft Report
Service Wide: Procurement Compliance		✓	
Finance & Resources: Fund Contributions		✓	
Service Wide: Cybersecurity		✓	
Finance & Resources: Accounts Receivable		✓	
Finance & Resources: Treasury Management		✓	
Finance & Resources: Budget Management & Monitoring		✓	
Finance & Resources: Recruitment & Selection	✓		

Follow-up of Corporate Assurance Report Management Actions

The following table shows the status of agreed management actions due for completion during the period:

Management Action Classification	Followed up	Not Yet Due	Closed - Implemented	Revised target date agreed	Awaiting Update From Mgt
High	0	0	0	0	0
Medium	4	1	2	1	0
TOTAL	4	1	2	1	0

The Corporate Assurance Team continues to get good co-operation from management including the Senior Management Team (SMT) and as such is able to closely monitor any implications that may arise from a delay in the implementation of management actions.

Corporate Assurance Team performance indicators and performance feedback for 2025/26 (Quarter 1)

The Corporate Assurance Team's performance against a number of indicators is summarised below. The Service uses a range of performance indicators to monitor operational efficiency. Quarterly performance of the function is satisfactory and all PIs for the year are either on or exceed target levels.

Ref.	Indicator	Frequency of Report	Target 2025/26	This Period	Year to Date
1.	<u>Customer Perspective:</u>				
1.1	Percentage of questionnaires received noted "good" or "very good" relating to work concluding with an assurance report.	Quarterly	95%	100%	100%
2.	<u>Business Process Perspective:</u>				
2.1	Percentage of final assurance reports issued within 10 working days of completion and agreement of the draft assurance report.	Quarterly	80%	100%	100%
2.2	Percentage of chargeable time against total available.	Quarterly	68%	66%	66%
2.3	Average number of days lost through sickness per FTE	Quarterly	6 days	2.57 days	2.57 days
3.	<u>Continuous Improvement Perspective:</u>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
4.	<u>Financial Perspective:</u>				
4.1	Total costs v budget.	Quarterly	Within budget	Yes	Yes

Performance indicator definitions and supporting information

PI Ref	Indicator	Comments
1.1	Percentage of favourable questionnaire responses received (noted "good" or "very good") relating to work concluding with an assurance report.	Client Sponsor and Operational Lead Questionnaires are circulated at the end of each piece of work. The questionnaires ask specific questions covering the effectiveness of pre-planning, communication, timing, and quality of the assurance report/output. An overall assessment is sought as to the overall value of the work. This is the answer used for this PI. All questionnaires are analysed in detail to ensure all aspects of the assurance process are monitored and improved.
2.1	Percentage of final assurance reports issued within 10 working days of completion and agreement of the draft assurance report.	This is an operational PI to ensure the timely issue of final reports. This PI is influenced by the availability of Senior Corporate Assurance staff to clear the report and any issues the Service's quality assessment process highlights along with the availability of the client sponsor.
2.2	Percentage of chargeable time against total available.	A key operational measure of the 'productivity' of the Corporate Assurance Team taking into account allowances for administration, general management, training, and other absences. This PI will reflect the % chargeable time of staff in post, net of vacancies.
2.3	Average number of days lost through sickness per FTE.	A corporate PI to measure the effectiveness of good absence / attendance management.
3.1	Personal development plans for staff completed within the prescribed timetable.	The Corporate Assurance Team place a high level of importance on staff training and continuous development and are committed to ensure all staff have their own training plans derived from the personal development plan process.
4.1	Total costs v budget.	This is a simple overall measure to note whether the Service's expenditure for the year has been kept within the budget.

Head of Corporate Assurance's Opinion

The Head of Corporate Assurance, as Head of Internal Audit for the Authority, must deliver an annual assurance opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

At this point in the year, based on work completed to date, it is anticipated that a **Reasonable** (positive) overall assurance opinion will be provided.

Corporate Assurance Contacts

Contact	Title	Contact Details
Sharon Bradley	Head of Corporate Assurance	Mobile: 07795 305846 Email: SharonBradley@barnsley.gov.uk
Caroline Hollins	Corporate Assurance Manager	Mobile: 07809 103249 Email: CarolineHollins@barnsley.gov.uk

KEY TO CORPORATE ASSURANCE (INTERNAL AUDIT) GRADINGS AND CLASSIFICATION OF IMPLICATIONS

1. Classification of Implications (impact)

High	Requires immediate action – imperative to ensuring the objectives of the system under review are met.
Medium	Requiring action necessary to avoid exposure to a significant risk to the achievement of the objectives of the system under review.
Low	Action is advised to enhance control or improve operational efficiency.

2. Assurance Opinions

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	Substantial	Robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable	Sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	Limited	Risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	None	Significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.



South Yorkshire Pensions Authority

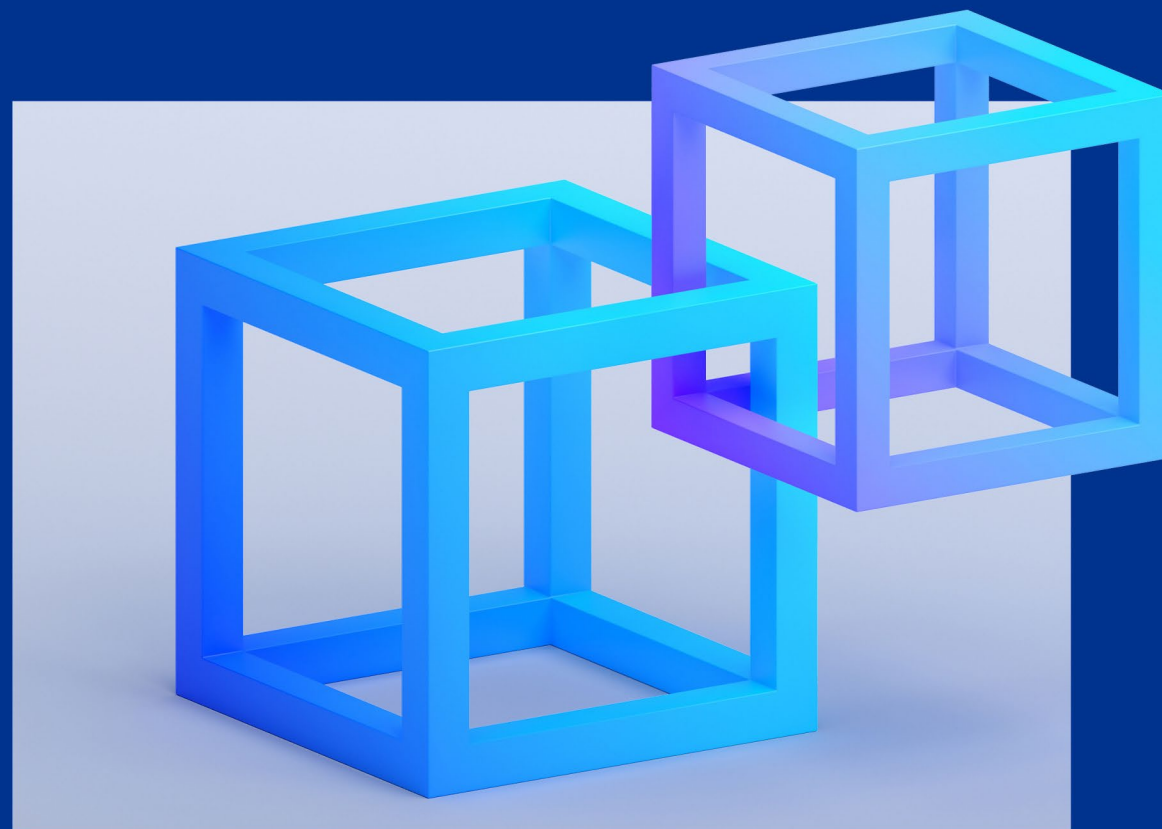
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Year End Report to the Audit & Governance
Committee

Year end report for the year ended 31 March 2025

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2 October 2025



Agenda Item 8

Introduction

To the Audit and Governance Committee of South Yorkshire Pensions Authority

We are pleased to have the opportunity to meet with you on 2 October 2025 to discuss the results of our audit of the financial statements of South Yorkshire Pensions Authority (the 'Authority'), as at and for the year ended 31 March 2025.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 6 March 2025. We will be pleased to elaborate on the matters covered in this report when we meet.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when:

- Audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and,
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Richard Lee (Richard.Lee@kpmg.co.uk), the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler. (tim.culter@kpmg.co.uk). If you are still dissatisfied with how your complaint has been handled you can access KPMG's complaints process: [Complaints](#).

The engagement team

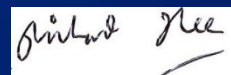
Subject to the approval of the statement of accounts, we expect to be in a position to sign our audit opinion on the approval of those statement of accounts and auditor's representation letter over the coming weeks, provided that the outstanding matters noted on page 4 of this report are satisfactorily resolved.

There have been no significant changes to our audit plan. We expect to issue an unmodified Auditor's Report.

We draw your attention to the important notice on page 4 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Restrictions on distribution of this report

Yours sincerely,



Richard Lee

2 October 2025

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Important notice



This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract..

The content of this report is based solely on the procedures necessary for our audit.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of South Yorkshire Pensions Authority (the 'Authority'), prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, as at and for the year ended 31 March 2025.

This Report has been prepared for the Authority's Audit and Governance Committee, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you by written communication.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Authority's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is not yet complete and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status. Page 4 'Our Audit Findings' outlines the outstanding matters in relation to the audit. Our conclusions will be discussed with you before our audit report is signed.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit (and Risk) Committee of the Authority; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

Our audit findings

Significant audit risks	Pages 5-8
Significant audit risks	Our findings
Management override of controls	No issues identified.
Valuation of post retirement benefit obligations	We have assessed the assumptions used in the estimate to be balanced. We have identified 1 corrected misstatement as per page 20.
Key Accounting Estimates	Page 10
Valuation Of Pension Liabilities/Estimates	The pension liabilities balance has remained consistent with the prior year. Based on our actuary's review, the overall assumptions adopted by the Authority are balanced, and within a reasonable range.
Misstatements in respect of Disclosures	Page 20
Misstatement in respect of Disclosures	Our findings
Accounting Policies	Due to the receipt of grant funding for the first time in year, the Authority incorrectly omitted an accounting policy relating to grants, which has now been updated.

Number of Control deficiencies	Page 21
Significant control deficiencies	0
Other control deficiencies	0
Prior year control deficiencies remediated	0

Outstanding matters

Our audit is substantially complete except for the following outstanding matters:

- Disclosure checklist
- Final KPMG review of work completed
- Management representation letter
- Finalise audit report and sign

Significant risks and Other audit risks



We discussed the significant risks which had the greatest impact on our audit with you when we were planning our audit.

Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which the Authority operates.

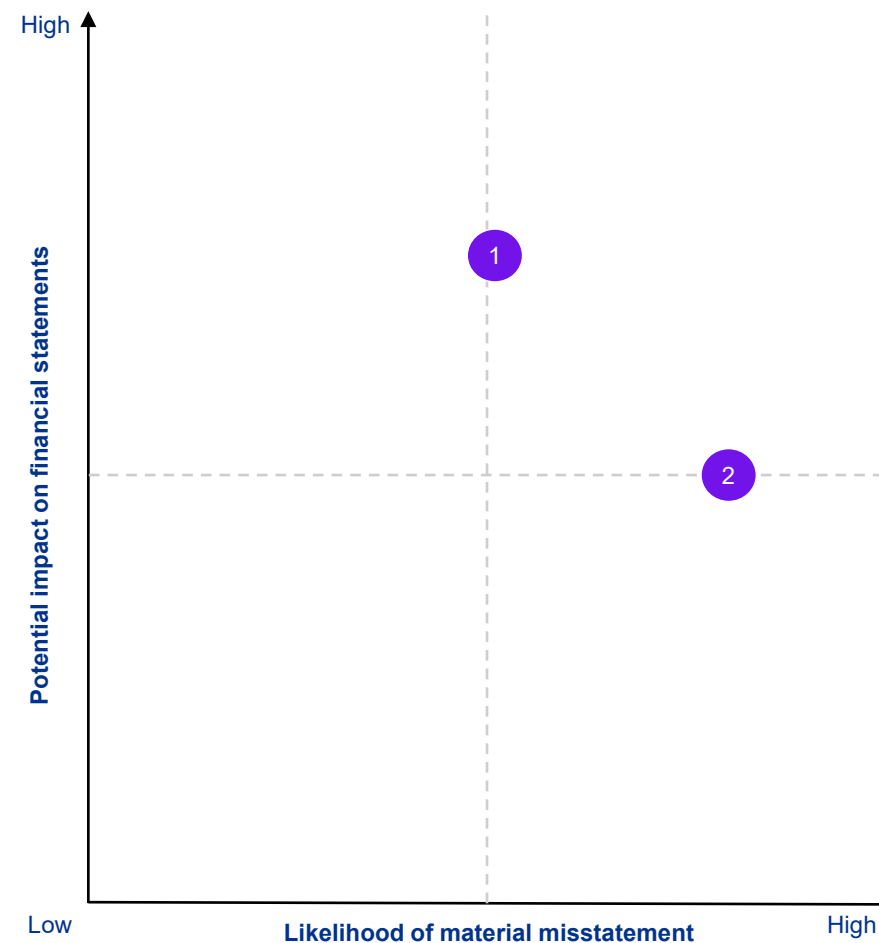
We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

See the following slides for the cross-referenced risks identified on this slide.

Significant risks

1. Management override of controls
2. Valuation of post retirement benefit obligations

Key: # Significant financial statement audit risks



Audit risks and our audit approach



1

Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.



Our response & findings

Our audit methodology incorporates the risk of management override as a default significant risk. We have:

- Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluated the selection and application of accounting policies and deem these to be appropriate.
- In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments. We note that in line with our prior year finding, whilst management were able to evidence what they deem to be an effective review process for journals, the journal control does not meet the strict criteria and thresholds set as per the auditing standards. As we have already reported this deficiency in the prior year, we are not re-raising this separately in the current year, but instead have followed up the prior year recommendation on page 21.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the Authority's normal course of business or are otherwise unusual.
- With regards to the financial reporting and journals process, we performed the following over journal entries and other adjustments:
 - Evaluated the completeness of the population of journal entries with no issues noted.
 - Determined high risk criteria and selected 1 journal based on these criteria for testing. We are satisfied that there was no indication of unusual activity and that the journal was appropriate and authorised in line with the Authority's policies.

Our procedures did not identify any significant unusual transactions.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Key:

0 Prior year 1 Current year

Audit risks and our audit approach



2

Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation



Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Authority's pension liability could have a significant effect on the financial position of the Authority.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Authority in completing the year end valuation of the pension deficit and the year-on-year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



Our response

We have performed the following procedures :

- We obtained an understanding of the pensions process for setting and approving the assumptions used in the DBO valuation;
- Auditing standards require auditors to identify a management control where there is a significant audit risk. We assessed Management's controls that ensure the appropriateness of actuarial assumptions for the preparation of the DBO accounting estimate;
- Evaluated the competency, objectivity of the Fund actuaries and confirmed their qualifications and the basis for their calculations;
- Performed inquiries of the Fund actuaries to assess the methodology and key assumptions used;
- Challenged, with the support of KPMG pensions actuarial specialists, the key assumptions applied, the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Vouched data provided by the audited entity to the Fund Administrator for use within the DBO accounting estimate calculation;
- Confirmed that the pensions disclosures adopted by the Authority are in line with IAS19 and the SORP;
- Assessed the level of surplus that should be recognised by the entity; and
- Assessed the impact of any special events, where applicable.

Key:

Prior year Current year

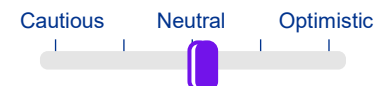
Audit risks and our audit approach (cont.)



2

Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation



Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Authority's pension liability could have a significant effect on the financial position of the Authority.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Authority in completing the year end valuation of the pension deficit and the year-on-year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



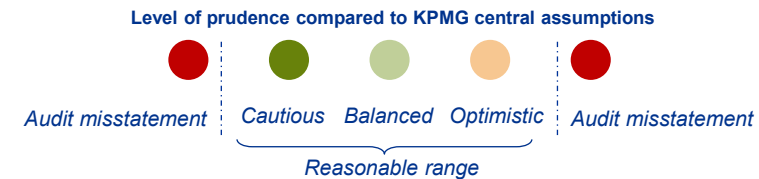
Our findings

- We acknowledge that there is a review of key assumptions by management, but we do not place reliance on this control due to the lack of precision and documentation. Whilst this Management Review Control may be achieving the control objective set by management (we have not confirmed this), it does not meet the control requirements as defined by auditing standards. As we have already reported this deficiency in the prior year, we are not re-raising this separately in the current year but instead have followed up the prior year recommendation on page 22.
- The Fund actuaries are professionally qualified to perform actuarial valuations and prepare IAS19 disclosure reports whilst being Fellows of the Institute of Actuaries in the UK;
- The actuarial assumptions methodology is consistent with the prior year and compliant with the reporting framework. The actuarial assumptions utilised by the Authority are balanced compared to KPMG Central Rates. All individual assumptions are balanced except mortality future improvements which is cautious compared to KPMG Central Rates but within KPMG's reasonable range.
- We performed further testing on benefits paid, contributions, and return on assets by comparing the initial IAS 19 report dated 6 May 2025 with the actuals provided by the third-party administrator. The variance in contributions was below our acceptable threshold, however the actual benefits paid were significantly higher than those reported in the IAS 19 report. Consequently, the variance in asset testing also exceeded our acceptable threshold. A revised IAS 19 report dated 3 September 2025 was subsequently shared with us and a corrected audit misstatement has been identified as per page 20. Following this update, all variances fell within acceptable limits, and no further work was necessary.
- Based on our analysis, we consider that the Authority has calculated the impact and applied IFRIC 14 appropriately as at the Year-end

Key:

Prior year Current year

Procedures 3-6: UK assumptions



Overall assessment of assumptions for audit consideration							 <i>Balanced</i>	
Underlying assessment of individual assumptions		Methodology	Consistent methodology to prior year?	Compliant methodology with accounting standard?	Employer	KPMG	Assessment	Key assumption
Discount rate		AA yield curve	✓	✓	5.80%	5.79%		✓
CPI inflation		Deduction to inflation curve with adjustment for recent inflation experience	✓	✓	2.75%	2.74%		✓
Pension increases		In line with CPI	✓	✓	2.75%	2.82%		
Salary increases		Employer best estimate	✓	✓	CPI plus 0.6%	In line with long-term remuneration policy		
Mortality	Base tables	In line with most recent Fund valuation	✓	✓	Fund-specific based on Club Vita curves	In line with Fund best-estimate		✓
	Future improvements	In line with most recent Fund valuation, updated to use latest CMI model	✓	✓	CMI 2023, 1.5% long-term trend rate, 0.25% initial addition parameter and default other parameters	CMI 2023, 1.25% long-term trend rate and default other parameters		✓
Other demographics		In line with most recent Fund valuation	✓	✓	50% of the maximum tax-free cash	In line with Fund experience		

Key accounting estimates and management judgements– Overview

Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.

Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
Present Value Of Funded LGPS Liability	Cautious Neutral Optimistic 	(22.786)	(3.933)	Needs improvement Neutral Best practice 	The pension liabilities balance has remained consistent with the prior year. Based on our actuary's review, the overall assumptions adopted by the Authority are balanced, and within a reasonable range.
Valuation Of LGPS Asset	Cautious Neutral Optimistic 	33.346	0.578	Needs improvement Neutral Best practice 	The scheme assets increased by 1.76% during the year. This was primarily driven by a net return on assets of £874k, which helped offset the net outflow of £296k arising from contributions of £985k and benefits paid of £1,281k. This modest growth reflects stable investment performance despite higher benefit payments.

Key:

 Prior year  Current year

Significant audit misstatements



Management has approved the correction of the audit misstatements detailed on page 20 and they are reflected in the draft financial statements. There are no uncorrected audit misstatements.

The misstatements identified are summarised in the table on the right.

In line with ISA (UK) 450 we request that you correct uncorrected misstatements, however we note that none have arisen during this audit.

- For our views on management estimates – see Page 10 (Key accounting estimates)
- A detailed summary of corrected audit misstatements and omissions and errors in disclosure is included on page 20.

Audit misstatements

	Type	£	Comment
Corrected misstatements			
Benefits Paid – LGPS	Factual	511,000	Actual benefits paid as per administrator confirmation were materially higher than those reported in the IAS 19 report dated 6 May 2025. We raised this discrepancy with management, who acknowledged the issue and provided a revised IAS 19 report dated 3 September 2025. Following this update, the variance was resolved and fell within an acceptable threshold.
		511,000	

Disclosure Misstatements

Matter	Comment
Accounting Policy Disclosure	Due to the receipt of grant funding for the first time in year, the Authority incorrectly omitted an accounting policy relating to grants, which has now been updated.

Types of misstatement

Factual: Misstatements about which there is no doubt

Projected: Our best estimate of misstatements in the audited populations

Judgemental: Differences arising from judgements of management that we consider unreasonable or inappropriate

Other matters

Narrative report

We have read the contents of the Narrative Report and checked compliance with the requirements of the Annual Report and financial statements with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ('the Code'). Based on the work performed:

- We have not identified any inconsistencies between the contents of the Narrative Report and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the statements of the Council. As Audit and Governance Committee members you confirm that you consider that the Narrative Report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for regulators and other stakeholders to assess the Council's performance, model and strategy.

Annual Governance Statement

We have reviewed the Council's 2024/25 Annual Governance Statement and confirmed that:

- It complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and
- It is not misleading and is consistent with other information we are aware of from our audit of the financial statements.

Whole of Government Accounts

We are not required to perform any specified procedures or return the WGA consolidation pack to NAO. However, we do not anticipate being able to certify the audit as complete until the NAO conclude their work over the Local Government WGA at a national level.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our scale fee for the 2024/25 audit, as set by PSAA is £163,047 plus VAT (£148,276 in 2023/24). This does not include any additional fees relating to scope variations.

We have not completed any non-audit work at the Authority during the year.

01

Value for money

Value for Money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor’s Annual Report, which is required to be published on your website alongside your annual report and accounts.

Commentary on arrangements

We have prepared our Auditor’s Annual Report and a copy of the report is included within the papers for the Committee alongside this report. The report is required to be published on your website alongside the publication of the annual report and accounts.

Response to risks of significant weaknesses in arrangements to secure value for money

As noted on the right, we have identified no risks of a significant weakness in the Authority’s arrangements to secure value for money. We have no recommendations to report.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified

Performance improvement observations

As part of our work we have identified no Performance Improvement Observations, which are suggestions for improvement but not responses to identified significant weaknesses.



Appendix

Contents

	Page
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Fees	17
Confirmation of Independence	18
Corrected audit misstatements	20
Control Deficiencies	21
KPMG's Audit quality framework	23

Required communications

Type	Response
Our draft management representation letter	☒ OK We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2025.
Adjusted audit differences	☒ OK There was 1 adjusted audit differences with nil surplus impact. See page 11.
Unadjusted audit differences	☒ OK There were nil unadjusted audit differences.
Related parties	☒ OK There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	☒ OK There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	☒ OK We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	☒ OK No actual or suspected fraud involving Authority management, employees with significant roles in entity wide internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
Issue a report in the public interest	☒ OK We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit.

Type	Response
Significant difficulties	☒ OK No significant difficulties were encountered during the audit.
Modifications to auditor's report	☒ OK None.
Disagreements with management or scope limitations	☒ OK The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	☒ OK No material inconsistencies were identified related to other information. The narrative report is fair, balanced and comprehensive, and complies with the law.
Breaches of independence	☒ OK There are no independence issues. We are required to report that Richard Lee has a close family member who is a member of the South Yorkshire Pension Fund. We do not believe this presents an independence conflict.
Accounting practices	☒ OK Over the course of our audit, we have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	☒ OK No significant matters arose during the audit.
Certify the audit as complete	☒ OK We are not required to perform any specified procedures or return the WGA consolidation pack to NAO. However, we do not anticipate being able to certify the audit as complete until the NAO conclude their work over the Local Government WGA at a national level. Additionally, we have not yet been able to complete our work on the consistency of the Pension Fund's annual report with the associated financial statements.

Fees

Audit fee

Our fees for the year ending 31 March 2025 are set out in the PSAA Scale Fees communication and are shown below.

Authority (1)	2024/25 (£)	2023/24 (£)
Scale fee as set by PSAA	163,047	148,276
ISA315 (R)	-	9,500
IAS29 Assurance Letters (2)	TBC	35,762
VAT Specialist	-	3,972
TOTAL	163,047	148,276

(1) The fee covers both the Authority and the Fund.

(2) We have agreed the fee for the 2023/24 IAS19 assurance letters with you and it is subject to the PSAA fee variation process. We will agree the fee for the 2024/25 IAS19 assurance letters with you once the 2023/24 fee has been approved by PSAA. This will then be subject to the PSAA fee variation process

Billing arrangements

- Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Confirmation of Independence



We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Audit and Governance Committee members

Assessment of our objectivity and independence as auditor of [entity name]

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Authority for professional services provided by us during the reporting period.

Fee ratio

There are no non audit fees to consider as part of this ratio calculation. As such we do not consider that the total non-audit fees create a self-interest threat.

	2024/25
	£
Scale fee	163,047
Total Fees	163,047

Application of the FRC Ethical Standard 2019

Your previous auditors will have communicated to you the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

AGN 01 states that when the auditor provides non-audit services, the total fees for such services to the audited entity and its controlled entities in any one year should not exceed 70% of the total fee for all audit work carried out in respect of the audited entity and its controlled entities for that year.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the director and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

Corrected & Uncorrected audit misstatements



Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit & Governance Committee with a summary of **uncorrected** audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. There are no such uncorrected audit misstatements.

Under UK auditing standards (ISA (UK) 260) we are also required to provide the Audit & Governance Committee with a summary of **corrected** audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Corrected Audit Misstatements (£)				
No.	Detail	SOCI Dr/(Cr) (£'000)	SOFP Dr/(Cr) (£'000)	Comments
1	Dr Defined Benefit Liabilities Cr Defined Benefit Assets		511 (511)	A corrected misstatement was raised following a £511k increase in Benefits per the updated IAS 19 report, resulting in a decrease in both the Defined Benefit assets and liabilities. Management have incorporated this adjustment in the financial statements to reflect the revised actuarial data.
Total		-	-	

Corrected Disclosure Misstatements		
No.	Detail	Comments
1	Accounting Policy Omission	Due to the receipt of grant funding for the first time in year, the Authority incorrectly omitted an accounting policy relating to grants, which has now been updated.

Control Deficiencies



We have followed up the recommendations from the previous year's audit. In summary:

Total number of recommendations	Number of recommendations implemented	Number outstanding (repeated below):
2	0	2

Page 41

#	Risk	Issue, Impact and Recommendation	Management Response	Current Status (October 2025)
1	2	Journals review Control Journal controls are now subject to enhanced scrutiny by auditors and must comply with a series of prescriptive criteria in order to be considered effective. We have determined that the Authority's control does not meet these criteria.	We are satisfied that the journal controls in place across both the Authority and Fund are robust and effective. Assurance over the adequacy of the controls in place and their consistent application is provided from regular internal audit review, the most recent of which concluded with substantial assurance. The controls include a two-stage process for input and review /approval of journals in the system. The first stage is when a member of staff inputs the journal, attaching a working paper and any supporting documents to the system. The second stage involves a different member of management reviewing all aspects of the journal prior to approval within the Main Accounting System. Should a member of management input the journal at stage 1, a different member of management authorises the journal at Stage 2 to ensure adequate separation of duties. The strict criteria and threshold set per the auditing standards would essentially require management to prepare a separate journal expectation and calculation for every journal, essentially duplicating the work, which would be overly onerous and would not add value to the process, as the current controls in place are sufficient to provide a thorough review process.	We note that this recommendation has not been implemented, and the control deficiency re-occurs in the current year. However, we note that the Authority is satisfied with its current arrangements in place for the review of journals and accepts any residual risk. As this has previously been reported to those charged with governance, we have not re-raised this deficiency in the current year

Control Deficiencies (cont.)



#	Risk	Issue, Impact and Recommendation	Management Response	Current Status (October 2025)
1	2	Management review of Actuarial Assumptions Management reviews the assumptions and methodologies used in the calculation of the IAS 19 report. This includes inputs to testing such as cash flow, membership data and asset balances. This is based on their understanding of the pension scheme, the accounting standard and the business process and circumstances. However, we identified that there is no criteria or threshold developed for investigation/identification of outliers for pension assumptions. Therefore, it does not allow for an objective criteria to perform their review on and therefore the control is ineffective.	Management instructs the external actuary each year with sufficient detail for the actuary to provide the required calculations for the IAS 19 disclosures and for this work to be carried out with appropriate professional expertise and to the required standards. Management review of the assumptions used by the actuary and their reports and supporting documentation is carried out internally by management in relation to reviewing the detailed information provided, including to ensure accuracy of the inputs used and sense check the appropriateness of assumptions based on knowledge of the accounting requirements and the circumstances of the Authority as an employer in the scheme. From discussion with the auditor, it would seem that the only way to meet the stringent requirements of the auditing standards for management review would entail the use of an internal actuarial specialist to review the work of our appointed actuary. Clearly this would not be feasible and would not represent value for money, as this would in essence involve duplicating the work done by the appointed actuary. The Authority is satisfied that the controls we have in place for review of actuarial assumptions are appropriate and sufficient.	We note that this recommendation has not been implemented, and the control deficiency re-occurs in the current year. However, we note that the Authority is satisfied with its current arrangements in place for the review of the actuarial assumptions and accepts any residual risk. As this has previously been reported to those charged with governance, we have not re-raised this deficiency in the current year

KPMG's Audit quality framework



Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every director and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit and Governance Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members



kpmg.com/uk



South Yorkshire Pension Fund

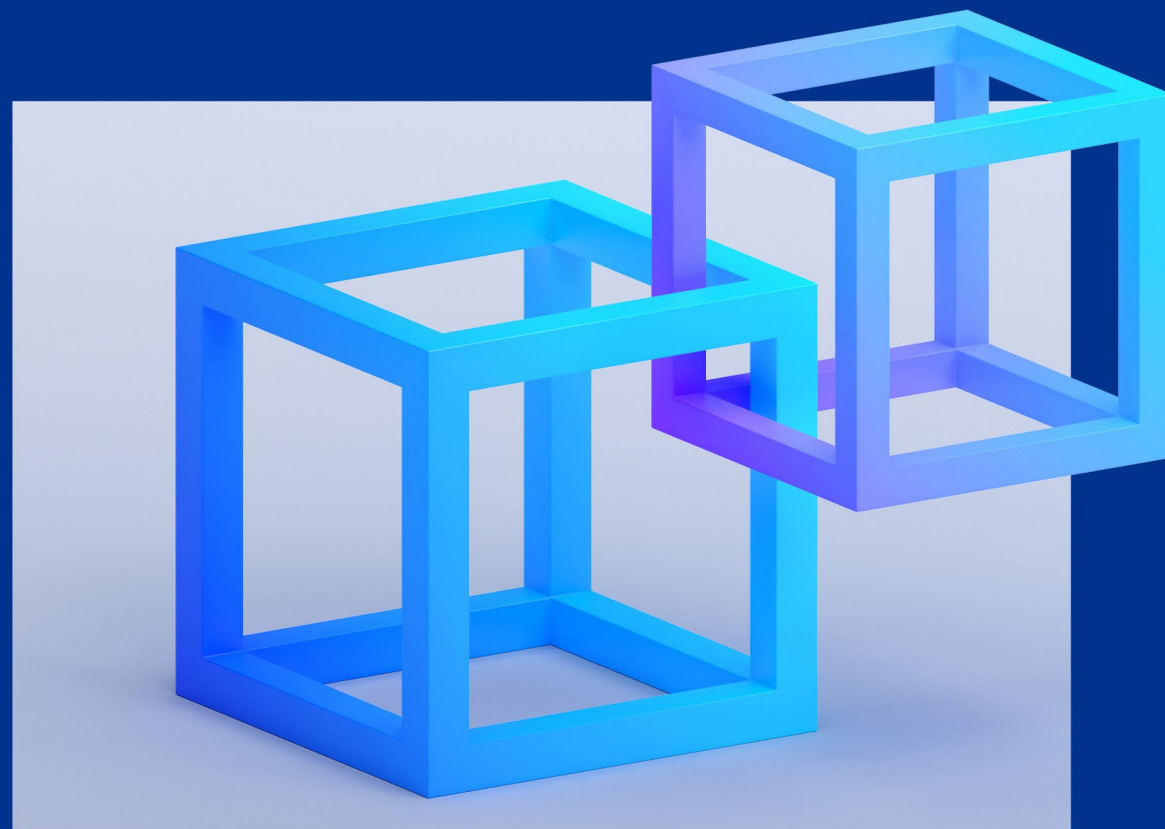
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Year End Report to the Audit and Governance
Committee

Report for the year ended 31 March 2025

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DRAFT – 24 September 2025



Agenda Item 9

Introduction

To the Audit and Governance Committee of South Yorkshire Pension Fund

We are pleased to have the opportunity to meet with you on 2 October 2025 to discuss the results of our audit of the financial statements of South Yorkshire Pension Fund, as at and for the year ended 31 March 2025.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, dated 6 March 2025. We will be pleased to elaborate on the matters covered in this report when we meet.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define ‘audit quality’ as being the outcome when:

- Audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and,
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We are committed to providing you with a high quality service. If you have **any** concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact me (richard.lee@kpmg.co.uk), the engagement lead for the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG’s work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.culter@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access KPMG’s complaints process here: [Complaints](#)

Subject to the approval of the statement of accounts, we expect to be in a position to sign our audit opinion on the approval of those statement of accounts and auditor’s representation letter, provided that the outstanding matters noted on page 5 of this report are satisfactorily resolved.

There have been no significant changes to our audit plan and strategy.

We expect to issue an unmodified Auditor’s Report.

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Restrictions on distribution of this report

Yours sincerely,



Richard Lee

Director KPMG LLP

24 September 2025

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Introduction	2
Important notice	3
Our audit findings	4
Significant risks and other audit risks	6
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Important notice



This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract.

The content of this report is based solely on the procedures necessary for our audit.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of South Yorkshire Pension Fund, prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, as at and for the year ended 31 March 2025.

This Report has been prepared for the Administering Authority's Audit and Governance Committee, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you by written communication.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Administering Authority's Council's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is not yet complete and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status. Page 4 'Our Audit Findings' outlines the outstanding matters in relation to the audit. Our conclusions will be discussed with you before our audit report is signed.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit and Governance Committee of the Administering Authority's; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

Our audit findings

Significant audit risks	Page 7 –8

Significant audit risks	Our findings
Management override of controls	Our work to date has not identified any significant issues other than a control deficiency with regards to the journals review process. Please refer to page 7 for further details.

Key accounting estimates	Page 10

Key accounting estimates	Our findings
Valuation of Level 3 Pooled Investment Vehicles	We have agreed the value to investment manager NAV statements as at 31 March 2025. For a sample of investments, we assessed the NAV reliability of the NAV statements using the latest audited accounts. Please Refer to page 12 for more details.
Valuation of Level 1 & 2 Pooled Investment Vehicles and Segregated Investments	We have agreed the value to investment manager confirmations as at 31 March 2025. We verified valuations to independent pricing sources (including iRadar) where available.

Uncorrected Audit Misstatements	Page 18

Understatement/ (overstatement)	£m	%
Net investments	30.6	0.3%
Net returns on investments	(30.6)	9.7%

Number of Control deficiencies

See Appendix 6 for details	
Significant control deficiencies	0
Other control deficiencies	2
Prior year control deficiencies remediated	2
Prior year control deficiencies not remediated	2

Outstanding matters

Our audit is in progress Outstanding matters are set out on page 5.

Outstanding matters



Outstanding Matters as at the date of this Report

- Completion of our work on L3 PIVs
 - Receipt of audited accounts for RLAM Natural Capital
 - Conclusion on available evidence for Sustainable Growth Funds
- Completion of our work over post-closing journals
- Completion of our work over contractual commitments
- Receipt and review of updated draft financial statements
- Receipt of going concern assessment and completion of our evaluation
- Continued update of our risk assessment procedures
- Completion of Partner and Manager review and quality control procedures
- Review of the annual report for consistency with the audited financial statements

Audit completion procedures

- Completion of our post balance sheet events review up to the date of sign off
 - Receipt of signed Trustee letter of representation and Trustee approved and signed financial statements
-

Significant risks and other audit risks



We discussed the significant risks which had the greatest impact on our audit with you when we were planning our audit.

Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which South Yorkshire Pension Fund operates.

We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

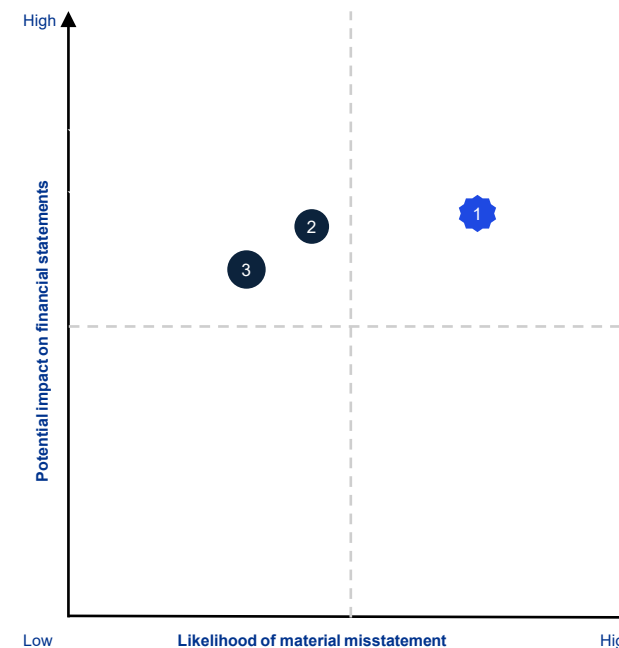
See the following slides for the cross-referenced risks identified on this slide.

Significant risks

- 1 Management override of controls

Other audit risks

- 2 Level 1, level 2 and level 3 investments are not complete, do not exist or are not accurately recorded
- 3 Valuation of level 1, level 2 and level 3 investments is misstated



KEY

- Blue star icon: Presumed significant risk
- Purple circle icon: Significant financial statement audit risks
- Black circle icon: Other audit risks

Audit risks and our audit approach



1

Management override of controls(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit



Our response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluated the selection and application of accounting policies
- In line with our methodology, evaluated the design and implementation of controls over journal entries and post-closing adjustments.
- We evaluated the design and implementation of any relevant (be specific) general IT controls supporting our significant risk.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the normal course of business or are otherwise unusual. Our procedures did not identify any significant unusual transactions
- We analysed all journals through the year and focus our testing on those with a higher risk.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach (cont.)



1 Management override of controls (cont.)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit



Our findings

- Communicated our views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.
- We identified 19 journal entries and other adjustments meeting our high-risk criteria – our examination did not identify unauthorised, unsupported or inappropriate entries.
- We evaluated accounting estimates and did not identify any indicators of management bias. See page 12 for further discussion.
- Our procedures did not identify any significant unusual transactions.
- Journal controls are now subject to enhanced scrutiny by auditors and must comply with a series of prescriptive criteria in order to be considered effective. We note that whilst management were able to evidence what they deem to be an effective review process, the journal control does not meet these strict criteria and the threshold set as per the auditing standards. We recommend management fully document the journals review process. As this was raised as a control deficiency in the prior year and remains relevant, we have included it in Appendix 7.

Audit risks and our audit approach (cont.)



2

Level 1, Level 2 and Level 3 investments are not complete, do not exist or are not accurately recorded



Other risks

- Level 1, Level 2 and Level 3 investments are not complete, do not exist or are not accurately recorded.
- Investments are held to pay benefits of the Fund. They are held with 9 investment managers across a number of asset classes. The investments are material to the financial statements (99% of the Statement of Net Assets) and therefore there is a risk of material misstatement.
- There is a risk of material misstatement relating to completeness, existence and accuracy as there has been a number of investment transitions in the year between investment managers.



Our response

- As part of our audit procedures, we gained an understanding of the processes over the completeness, existence and accuracy of Level 1, Level 2 and Level 3 investments. This included gaining an understanding of the control environment at all the investment managers and the custodian by reviewing their internal controls reports to identify any control deficiencies that would impact our audit approach.
- We obtained direct confirmations from your custodian and all your investment managers to vouch the holdings and valuation of assets at the year end.
- We vouched purchases and sales to custodian reports.
- We recalculated change in market value and compare this to the overall investment return stated in the Audit and Governance Committee's report for consistency with the amounts reported in the financial statements. We investigated any material deviations.



Our findings

See pages 11 to 14 for our findings

Audit risks and our audit approach (cont.)



3

Valuation of Level 1, Level 2 and Level 3 investments is misstated



Other risks

- Investments are held to pay benefits of the Fund. They are largely held as pooled investment vehicles held with 9 investment managers. The investments are material to the financial statements (99% of the Statement of Net Assets) and therefore there is a risk of material misstatement.
- There is a base risk of material misstatement relating to fair values of Level 1 and 2 pooled investments, due to the estimation uncertainty resulting from the pricing of these investments.
- There is an elevated risk of material misstatement relating to fair values of Level 3 pooled investments, due to the estimation uncertainty resulting from unobservable inputs to these investments.



Our response

- Level 2 pooled investment vehicles: We recalculated the value of the Level 2 pooled investments using published pricing of the pooled investment vehicles at the year end (where available).
- Level 3 pooled investment vehicles: For each Level 3 pooled investment vehicle investment, we obtained the unaudited Net Asset Value ('NAV') Statement at the measurement date and vouched the valuation to this.
- For a sample of Level 3 pooled investment vehicles, we further assessed the reliability of the NAV statement by:
 - Obtaining and inspecting the latest audited financial statements for the underlying funds where available;
 - Inspecting the audit report to confirm that it is unqualified and that the audit has been carried out by a reputable audit firm; and
 - Comparing the unaudited pricing information at the year end to the audited financial statements valuation. Where the audited financial statements are not as at the Fund year end date, we will agree them to unaudited pricing information at that date



Our findings

See pages 11 to 14 for our findings

Key:

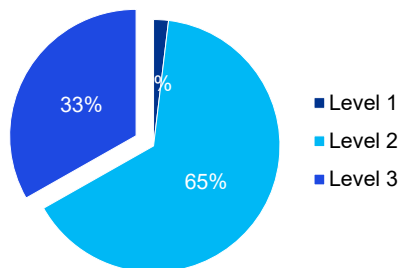
 Prior year  Current year

Audit risks and our audit approach (cont.)

Level 3 investments

2

3



Source: draft financial statements.

Type of security	Market value 2025 (£m)	Percentage of portfolio 2025	Market value 2024 (£m)	Percentage of portfolio 2024
Inputs are unobservable (i.e. market data is unavailable)				
Pooled investment vehicles	3,628.0	32.7%	3,077.1	27.8%
Property	52.4	0.5%	508.5	4.6%
Total	3,680.4		3,585.6	

Type of security	Our findings
Property	We obtained the property valuation produced by the independent valuer, Knight Frank, as at 31 March 2025 directly from BCPP. We assessed Knight Frank as a management specialist and assessed their competency as a property valuer and their work for use as audit evidence. Since the Fund transferred most of the commercial property to BCPP during the year: - As part of risk assessment we involved property valuation specialists to assess whether there was a risk of material misstatement in the remaining population; - Agreed the disposals to supporting evidence and the issue of units by BCPP. We determined that the risk of material misstatement in the remaining population of commercial property was remote, so we did not engage our property specialists to undertake substantive procedures. There are no matters arising from our work over property.

Audit risks and our audit approach (cont.)

Level 3 investments (cont.)

2

3



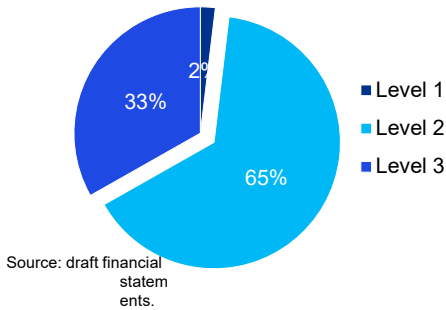
Our view of management judgement with respect to accounting estimate:



Type of security	Our findings
Pooled investment vehicles	For nine level 3 pooled investment vehicles with a value of £67.3m, we were unable to obtain investment confirmations directly from the investment managers: - For six of these investments with a value of £25.2m we have used investment confirmations as at 31 March 2025 obtained by the Pension Fund from the investment manager. - For the remaining three level 3 pooled investment vehicles with a value of £42.1m (all held with one investment manager). We have used investment confirmations as at 2024 obtained by the Pension Fund from the investment manager (the most recent available) and adjusted for any cash movements between 1 January 2025 and 31 March 2025. In addition, we were unable to obtain the latest audited accounts for these three funds. We have selected one of the three funds and used the most recent available audited accounts (as at 31 December 2022) for our assessment of reliability. Management should hold investment managers to account when they are not responding to audit or management requests. See Appendix 6 for our recommendation and management's response. The draft financial statements are prepared using the latest information available which is generally as at 31 December 2024. The difference arising between the valuations in the draft financial statements and those as at 31 March 2025 is £10.9m. See Appendix 4 for further details. We note that the BCPP valuation statement for the Infrastructure Series 2B as at 31 March 2025 originally provided by the investment manager included an error in the valuation of one fund which understated the increase in value between 1 January and 31 March 2025 by £7.2m. We understand that BCPP queried a large change in NAV between Q4 2024 and Q1 2025 and this identified that the valuation was incorrectly interpreted within the underlying manager's Capital Account Statement, due to its non-standard presentation. The valuation difference of £10.9m takes into account this updated valuation. See Appendix 6 for our recommendation and management's response. Our work in this areas is ongoing pending: - Receipt of audited accounts for one fund - Completion of internal consultation in respect of the funds for which we were not able to obtain the latest audited accounts.

Audit risks and our audit approach (cont.)

Level 2 investments



Type of security	Market value 2025 (£m)	Percentage of portfolio 2025	Market value 2024 (£m)	Percentage of portfolio 2024
Inputs are observable (i.e. market data is available)				
Pooled investment vehicles	7,079.7	63.9%	6,880.6	62.1%
Private credit	111.9	1.0%	84.9	0.8%
Total	7,191.6		6,965.5	

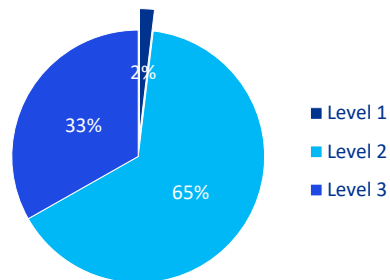
Our view of management judgement with respect to accounting estimate:



Type of security	Our findings
Pooled investment vehicles	We obtained direct confirmations from your custodian and all your investment managers to vouch the holdings and valuation of assets at the year end. Our in-house investment valuation team, iRADAR, was engaged to verify the pricing of the pooled investment vehicles at the year end to an external pricing source. Where iRADAR were unable to verify the price at the year end (due to published prices being only available weekly), we obtained the prices at the closest dates to the year end and evaluated the reasonableness of the year end price based on these. The draft financial statements are prepared using the latest information available. For one fund there is a difference of £1.3m between the valuation in the draft account and that as at 31 March 2025. This is treated as an unadjusted audit difference. See Appendix 4 for further details.
Private credit	We obtained direct confirmations your investment manager to vouch the valuation of assets at the year end. The investments are valued at cost as a proxy for fair value.

Audit risks and our audit approach (cont.)

Level 1 investments



Source: draft financial statements.

Type of security	Market value 2025 (£m)	Percentage of portfolio 2025	Market value 2024 (£m)	Percentage of portfolio 2024
Unadjusted quoted prices, active market				
Equities	1.7	0.0%	2.0	0.0%
Pooled investment vehicles	48.3	0.4%	158.8	1.4%
Cash	138.1	1.3%	250.4	2.3%
Other investment assets	26.4	0.2%	2.7	0.0%
Total	214.5		413.9	

Our view of management judgement with respect to accounting estimate:



Type of security	Our findings
Pooled investment vehicles	We obtained direct confirmations from your custodian to vouch the holdings and valuation of assets at the year end. Our in-house investment valuation team, iRADAR, was engaged to verified the pricing of the pooled investment vehicles at the year end to an external pricing source. There is a difference out of range of £20k between the iRADAR valuation and the reported valuation. This is clearly immaterial.
Cash	We have agreed investment cash balances to confirmations received directly from the bank, custodian and investment managers. We note that cash and other investment balances in respect of the level 3 pooled investments held with BCPP are not included in the Net Assets Statement. See Appendix 4 and Appendix 7 for details.
Other investment assets	The balance largely consists of a pending trade of £25.2m with BCPP in respect of the transfer of one commercial property into the real estate fund. We note that cash and other investment balances in respect of the level 3 pooled investments held with BCPP are not included in the Net Assets Statement. See Appendix 4 and Appendix 7 for details.

Other matters

Annual report

The Pension Fund annual report is expected to be issued at the same time as the financial statements. We will read the contents of the Annual Report and consider whether there is a material inconsistency between the information included in the annual report and the financial statements, or with our knowledge obtained in the audit.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our scale fee for the 2024/25 audit, as set by PSAA is **£163,047** plus VAT (£148,276 in 2023/24). This covers both the Authority and the Fund.

See Appendix 2 for details and status of fee variations.

To date we have received three letters from other audit firms requesting that we undertake a programme of work on their behalf in respect of post retirement benefit obligations at the Fund's admitted and scheduled bodies. We will agree a fee variation with you in respect of these requests and this will be subject to the PSAA fee variation process.



Appendix

Contents

- 1 Required communications
- 2 Fees
- 3 Confirmation of Independence
- 4 Uncorrected audit misstatements
- 5 Corrected audit misstatements
- 6 Control Deficiencies
- 7 KPMG's Audit quality framework

Appendix 1: Required communications

Type	Response
Our draft management representation letter	☒ OK We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2025.
Adjusted audit differences	☒ OK There were nil adjusted audit differences.
Unadjusted audit differences	☒ OK The aggregated surplus impact of unadjusted audit differences is £12.2m. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See Appendix 4.
Related parties	☒ OK There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	☒ OK There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	☒ OK We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	☒ OK No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
Issue a report in the public interest	☒ OK We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.
Significant difficulties	☒ OK No significant difficulties were encountered during the audit.

Type	Response
Modifications to auditor's report	☒ OK None
Disagreements with management or scope limitations	☒ OK The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	☒ OK No material inconsistencies were identified related to other information in the statement of accounts.
Breaches of independence	☒ OK No matters to report. The engagement team and others in the firm, as appropriate, the firm and, when applicable, KPMG member firms have complied with relevant ethical requirements regarding independence. We are required to report that Richard Lee has a close family member who is a member of the South Yorkshire Pension Fund. We do not believe this presents an independence conflict.
Accounting practices	☒ OK Over the course of our audit, we have evaluated the appropriateness of the South Yorkshire Pension Fund's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	☒ OK The significant matters arising from the audit were discussed, or subject to correspondence, with management.
Certify the audit as complete	☒ OK We are required to certify the audit of the Authority as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above. We will not be able to certify the audit as complete when we issue our opinion as the NAO's work over the Whole of Government Accounts in respect of the Authority is not complete. Our audit certificate is also subject to the issue of our consistency opinion on the Pension Fund Annual Report.
Provide a statement to the NAO on your consolidation schedule	☒ OK As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack. The Fund is not in scope for WGA.

Appendix 2: Fees

Audit fee

Our fees for the year ending 31 March 2025 are set out in the PSAA Scale Fees communication and are shown below.

Pension Fund ⁽¹⁾	2024/25 (£)	2023/24 (£)
Audit services		
Scale fee as set by PSAA	163,047	148,276
ISA 315 (R)	-	9,500
IAS19 assurance letters ⁽²⁾	TBC	35,762
VAT specialist	-	3,972
TOTAL	TBC	197,510

(1) The fee covers both the Authority and the Fund.

(2) We have agreed the fee for the 2023/24 IAS19 assurance letters with you and it is subject to the PSAA fee variation process. We will agree the fee for the 2024/25 IAS19 assurance letters with you once the 2023/24 fee has been approved by PSAA. This will then be subject to the PSAA fee variation process

Billing arrangements

- Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Appendix 3: Confirmation of Independence



We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the director partner and audit staff is not impaired.

To the Audit and Governance Committee members

Assessment of our objectivity and independence as auditor of South Yorkshire Pension Fund

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP’s objectivity and independence, the threats to KPMG LLP’s independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP’s objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

The conclusion of the audit engagement director as to our compliance with the FRC Ethical Standard in relation to this audit engagement is subject to review by an engagement quality control reviewer, who is a director not otherwise involved in your affairs.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

No non-audit services are being provided directly to the Fund during the year ended 31 March 2025 and we have not committed to providing any such services.

We note that the Fund is one of 11 partner funds in the Border to Coast Pension Partnership (BCPP). BCPP is an audit client of KPMG LLP and KPMG LLP also provides AAF 01/20 assurance reporting for BCPP. These do not constitute non-audit in respect of the Fund but we include them here in the interest of completeness.

Summary of fees

We have considered the fees charged by us to the Authority and Fund for professional services provided by us during the reporting period.

Total fees charged by us for the period ended 31 March 2025 can be analysed as follows:

2024/25	
£	
Statutory audit	163,047
Total Fees	163,047

Fee ratio

The ratio of non-audit fees to audit fees for the year was 0:1.



Appendix 3: Confirmation of Independence (cont.)



We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the partner and audit staff is not impaired.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Trustee Board.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP, each member of the audit engagement team, and anyone else within the Firm who can influence the conduct or outcome of this audit engagement is independent within the meaning of regulatory and professional requirements.

This report is intended solely for the information of the Audit and Governance Committee of the Administering Authority and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

Appendix 4: Uncorrected audit misstatements



Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit and Governance Committee with a summary of uncorrected audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are ‘clearly trivial’, which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor’s report, individually or in aggregate. As communicated previously with the Audit and Governance Committee, details of all adjustments greater than £27.3m are shown below:

Uncorrected audit misstatements (£'000s)				
No.	Detail	Fund Account Dr/(Cr) £000	Net Asset Statement Dr/(Cr) £000	Comments
1	Dr Pooled Investment Vehicles (L3)		10,863	The draft financial statements are prepared using the latest information available. This uncorrected audit misstatement represents the difference arising between the valuations in the draft financial statements and those as at 31 March 2025.
	Dr Pooled Investment Vehicles (L2)		1,327	
	Cr Change in Market Value	(12,190)		
2	Dr Other investment balances		18,398	Being the cash and debtors in respect of the Level 3 PIVs held with BCPP which are not reflected in the individual NAV values and therefore not included in the net assets statement.
	Cr Change in Market Value	(18,398)		
Total		(30,588)	30,588	

Appendix 5: Corrected audit misstatements



Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit and Governance Committee with a summary of corrected audit differences (including disclosures) identified during the course of our audit. No adjustments below have been included in the financial statements at this stage.

Corrected audit misstatements (£'000s)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
Total		-	-	

Appendix 6: Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations

- 1

Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.
- 2

Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
- 3

Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	2	BCPP infrastructure valuation We note that the BCPP valuation statement for the Infrastructure Series 2B as at 31 March 2025 originally provided by the investment manager included an error in the valuation of one fund which understated the increase in value between 1 January and 31 March 2025 by £7.2m. We understand that BCPP queried a large change in NAV between Q4 2024 and Q1 2025 and this identified that the valuation was incorrectly interpreted within the underlying manager's Capital Account Statement, due to its non-standard presentation. We recommend that management assure themselves that appropriate arrangements have been put in place by BCPP to avoid this happening in future.	The valuation error discovered has resulted in Border to Coast creating a new control measure as follows: A process has been agreed with investment managers and Northern Trust whereby any large changes in valuation between quarters are flagged to Border to Coast who can contact the investment manager to ensure the correct valuations are recorded. Management have reviewed this new approach and are satisfied that it provides appropriate assurance, when taken as part of the whole controls framework that Border to Coast uses with Northern Trust and its investment managers.
2	2	Sustainable Growth Fund We were unable to obtain valuations as at 31 March 2025 or the latest audited accounts the three Sustainable Growth Funds directly from the investment manager and management were unable to provide us with these. We recommend that management obtain up to date valuations and audited accounts from all investment managers and hold investment managers to account when they are not responding to audit or management requests.	As a result of these issues in respect of the Sustainable Growth Fund, a new internal control is being implemented to ensure more timely identification and escalation of any issues in obtaining audited accounts. The Investment Strategy team will track all investment manager audited financial statements. Any investment managers that fall outside the accepted time window for producing the statements will be robustly chased to provide the information. Should this result in any information still not being provided, an assessment on the status of the investment will take place. It should be noted that oversight of SYPA's legacy private market assets is expected to pass to Border to Coast with effect from 31 March 2026, which will lead to the relevant controls being reviewed and revised as necessary.

Appendix 7: Control Deficiencies



We have also followed up the recommendations from the previous year's audit and have included below those that remain applicable

Total number of recommendations	Number of recommendations implemented / no longer applicable	Number outstanding (repeated below):
4	2	2

#	Risk	Issue, Impact and Recommendation	Management Response	Current Status
1	2	We note that whilst management were able to evidence what they deem to be an effective review process, the journal control does not meet the strict criteria and the threshold set as per the auditing standards. We recommend management fully document the journals review process. This should include clearly defined criteria for selection of journals, confirmation that each journal selected has been reviewed along with the supporting documentation and that the posting is accurate and appropriate, and formal documentation of the review conclusions.	We are satisfied that the journal controls in place across the Authority and Fund are robust and effective. Assurance over the adequacy of the controls in place and their consistent application is provided from regular internal audit review, the most recent of which concluded with substantial assurance. The controls include a two-stage process for input and review /approval of journals in the system. The first stage is when a member of staff inputs the journal, attaching a working paper and any supporting documents to the system. The second stage involves a different member of management reviewing all aspects of the journal prior to approval within the Main Accounting System. Should a member of management input the journal at stage 1, a different member of management authorises the journal at Stage 2 to ensure adequate separation of duties. The strict criteria and threshold set per the auditing standards would essentially require management to prepare a separate journal expectation and calculation for every journal, essentially duplicating the work, which would be overly onerous and would not add value to the process, as the current controls in place are sufficient to provide a thorough review process.	No change.

Appendix 7: Control Deficiencies (cont.)



#	Risk	Issue, Impact and Recommendation	Management Response	Current Status
1	②	The Pension Fund use the quarterly monitoring reports to derive the value of the L3 PIVs in the financial statements. This does not include the cash and debtors with BCPP which are not allocated to individual funds but are part of the Pension Fund's share of the investments. We recommend that management ensure that the information provide by BCPP enables them to fully record the value of the assets held with them.	The issue with quarterly monitoring reports was discovered during the audit of the 2023/24 Fund statement of accounts. Following investigation, we are now in dialogue with Border to Coast to request that cash and accruals are included with the quarterly monitoring reports in future.	The total value of the L3 PIV portfolio included in the quarterly monitoring reports now includes the cash and debtor amounts, but they are not included in the individual NAV valuations for the PIVs and have not been included in the Net Asset Statement. See unadjusted difference in Appendix 4.

Appendix 8: KPMG's Audit quality framework



Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight (and Risk) Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members



kpmg.com/uk

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Auditor's Annual Report for South Yorkshire Pensions Authority

Year-ended 31 March 2025

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2 October 2025

Contents



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Our audit report will be made solely to the members of South Yorkshire Pensions Authority (the Authority), as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the members of Authority, as a body, for our audit work, for our auditor's report, for this Auditor's Annual Report, or for the opinions we have formed.

External auditors do not act as a substitute for the Authority's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.



01

Executive Summary

Executive Summary

Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2024-25 audit of South Yorkshire Pensions Authority (the 'Authority'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Authority alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) ('ISAs (UK)') include the following:



Financial Statements - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Authority and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2024/25 ('the CIPFA Code').



Other information (such as the narrative report) - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the Authority.



Value for money - To report if we have identified any significant weaknesses in the arrangements that have been made by the Authority to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.



Other powers - We may exercise other powers we have under the Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to any valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Financial statements	We issued an unmodified opinion on the Authority's financial statements on [Date]. This means that we believe the financial statements give a true and fair view of the financial performance and position of the Authority. Additionally, we are the auditor of South Yorkshire Pension Fund's financial statements. We have issued an unmodified opinion on these financial statements on [Date]. We have provided further details of the key risks we identified and our response on page 8.
Other information	We did not identify any material inconsistencies between the content of the other information, the financial statements and our knowledge of the Authority.
Value for money	We identified no significant weaknesses in respect of the arrangements the Authority has put in place to secure economy, efficiency, and effectiveness in the use of its resources. Further details are set out on page 10.
Whole of Government Accounts	We are not required to perform any specified procedures or return the WGA consolidation pack to NAO. However, we do not anticipate being able to certify the audit as complete until the NAO conclude their work over the Local Government WGA at a national level.
Other powers	See overleaf.



Executive Summary



There are several actions we can take as part of our wider powers under the Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Authority is required to consider it and to bring it to the attention of the public.

We have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Authority is taking. We may also apply to the courts for a declaration that an item of expenditure the Authority has incurred is unlawful.

We have not applied to the courts.

Recommendations

We can make recommendations to the Authority. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Act. If we do this, the Authority must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Authority does not need to take any action, however should the Authority provide us with a response, we will include it within this report.

We made no recommendations under Schedule 7 of the Act.

We have not raised any other recommendations under the Local Audit and Accountability Act.

Advisory notice

We may issue an advisory notice if we believe that the Authority has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Authority is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

We have not issued an advisory notice this year.

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Authority. Where we raise observations we report these to management and the Audit and Governance Committee. The Authority is not required to take any action in relation to these, however it is good practice to do so and we have included any responses that the Authority has given us.

02

Audit of the financial statements



Audit of the financial statements



KPMG provides an independent opinion on whether the Authority's financial statements:

- Give a true and fair view of the financial position of the Authority as at 31 March 2025 and of the Authority's income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We conduct our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We also fulfil our ethical responsibilities under, and ensure we are independent of the Authority in accordance with, UK ethical requirements including the FRC Ethical Standard. We are required to ensure that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Our audit opinion on the financial statements

We have issued an unqualified opinion on the Authority financial statements on [Date].

Additionally, we are the auditor of South Yorkshire Pension Fund's financial statements. We have issued an unmodified opinion on the pension fund financial statements on [Date].

The full audit report is included in the Authority's Annual Report and Accounts for 2024/25 which can be obtained from the Authority's website.

Further information on our audit of the financial statements is set out overleaf.

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Management Override Of Controls	Valuation of post retirement defined benefit obligations (DBO)
Professional standards require us to communicate the fraud risk from management override of controls as significant. Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective, and small changes could have a significant effect on the financial position of the Authority.
Our procedures	Our procedures
We evaluated the selection and application of accounting policies. In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments. Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates. We analysed all journals through the year and focussed our testing on those with a higher risk, such as journals with unusual postings to the cash accounts.	We obtained an understanding of the pensions process for setting and approving the assumptions used in the DBO valuation. We evaluated the competency, objectivity of the Fund actuaries and confirmed their qualifications and the basis for their calculations. We have performed inquiries of the Fund actuaries to assess the methodology and assumptions. We challenged, with the support of KPMG pensions actuarial specialists, the key assumptions applied, the discount rate, inflation rate and mortality against externally derived data. We have vouched data provided by the audited entity to the Fund Administrator for use within the DBO accounting estimate calculation.
Our findings	Our findings
We identified one journal entries and other adjustments meeting our high-risk criteria – our examination did not identify unauthorised, unsupported or inappropriate entries. Our procedures did not identify any significant unusual transactions. Journal controls are now subject to enhanced scrutiny by auditors and must comply with a series of prescriptive criteria in order to be considered effective. In line with the prior year, we have determined that the Authority control does not meet these criteria and therefore, this is a control deficiency, however we have not re-raised the associated recommendation as it was reported to the Audit and Governance committee in the prior year.	The actuarial assumptions methodology is consistent with the prior year and compliant with the reporting framework. The actuarial assumptions utilised by the Authority are balanced compared to KPMG Central Rates. All individual assumptions are balanced except mortality future improvements which is cautious compared to KPMG Central Rates but within KPMG's reasonable range. We identified 1 corrected audit misstatement for £511k relating to a variance within the LGPS benefits paid, as a result of estimated benefits paid being used by the scheme administrator within the calculation. Controls that address significant audit risks are now subject to enhanced scrutiny by auditors and must comply with a series of prescriptive criteria in order to be considered effective. In line with the prior year, we have determined that the Authority control does not meet these criteria and therefore, this is a control deficiency, however we have not re-raised the associated recommendation as it was reported to the Audit and Governance committee in the prior year.



03

Value for Money

Value for Money

Introduction

We are required to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Authority for the following criteria, as defined by the Code of Audit Practice:



Financial sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services.



Governance: How the Authority ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

We do not act as a substitute for the Authority’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the Authority’s arrangements are operating effectively, or whether the Authority has achieved value for money during the year.

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority.

Summary of findings

Our work in relation to value for money is complete.

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	11	13	16
Identified risks of significant weakness?	No	No	No
Actual significant weakness identified?	No	No	No
2023-24 Findings	No significant risks identified.	No significant risks identified.	No significant risks identified.
Direction of travel	↔	↔	↔



Financial Sustainability



How the Authority plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Authority plans to bridge its funding gaps and identifies achievable savings;
- How the Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Authority ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Financial Planning

As part of the CIPFA Code of Practice, South Yorkshire Pensions Authority (the Authority) must produce an annual medium term financial strategy (MTFS) covering at least 3 years, aligned to the Corporate Strategy. The MTFS sets out the framework for understanding the strategic and financial challenges that the Authority faces. It is a key part of the Authority's Budget and Policy Framework, intended to ensure that financial resources are aligned towards the delivery of the Authority's future objectives and priorities, as well as its medium and longer-term financial sustainability.

We have evidenced that the MTFS covering 24/25 was presented to the relevant committees for review and approval in a timely manner, with appropriate challenge and scrutiny being applied to assumptions such as pay settlements and potential loss of external income. The MTFS is used as a base for the annual budget and is then refined up until February when it is approved by the Authority. All movements between the MTFS and the annual budget are scrutinised by SMT before being approved. The annual budget for 24/25 was approved by the Authority in February 2024.

Additionally, we have reviewed the 25/26—27/28 MTFS which we have confirmed was sufficiently scrutinised and approved at the February 2025 Authority meeting alongside the 25/26 budget.

We have seen evidence of effective budget monitoring for this latest MTFS through regular meetings of the finance team and senior management. Discussions relating to required spend for the budget were held as part of these meetings, which informed the budget setting process. Budgets were then planned using the previous year's spend as the baseline, with any additional financial pressures identified throughout the current year alongside inflation rates factored into the process. Following completion of this initial process, these figures are then collated into a final MTFS which is reviewed by the Assistant Director for Resources and presented for approval to the Authority as detailed above.

We have seen that any risks to the Authority not achieving its planned outturn are clearly set out within the MTFS – such as pay settlements or loss of external income - to ensure that the appropriate decision makers have sufficient information to scrutinise and challenge the plans and underpinning assumptions. These risks to achieving the financial plan are also communicated to the Authority through the quarterly financial performance reports presented.

Financial Sustainability



How the Authority plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Authority plans to bridge its funding gaps and identifies achievable savings;
- How the Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Authority ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Assessing Risks to Financial Sustainability

Through our review of the 2025-26 annual budget and revised MTFS for 2025-2028, we note the Authority is forecasting a balanced position throughout. This because the Authority recharges an amount to South Yorkshire Pension Fund to cover its in-year expenditure, less a contribution from/to reserves and a levy on the district councils. We note that the charge to the Fund is expected to increase each year due to inflation and changes in staff costs – from £9.1m in 25/26 to £9.4m in 26/27 and £9.6m in 27/28.

The Authority has demonstrated that it will have adequate reserves and resources to fund its MTFS and that it is effectively supported financially by the Fund by way of its ability to recharge its expenditure.

Managing Financial Sustainability Risks

From our review of the Corporate Risk Register, we have confirmed that the Authority discuss strategic, financial and operational risks through their review and challenge of the Risk Register. We also identified that within the Q3 Corporate Risk there were three risks relevant to our VFM considerations that have been identified – relating to Local Pension Board and Authority members knowledge and understanding, high levels of staff vacancies and single person risk in specialist knowledge roles. The risk register sets out mitigations and plans to reduce these risk to an appropriate level.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk of weakness or a significant weakness associated with financial sustainability.

Governance

How the Authority ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Risk Management

The Authority's Risk Management Policy outlines its approach to risk management – we have seen that this was refreshed in year, receiving scrutiny and approval at the December 24 Audit & Governance Committee. This policy helps the Authority identify and assess risks and ensures use of consistent methodology. As part of the Authority's process, these risks are identified through internal discussions and are considered across three main areas - External, New and Emerging Issues and Risk Topics – these are broken down further into sub-categories.

The Corporate Risk Register shows that the Authority has considered the likelihood and impact of each risk with sufficient and appropriate rationale and details how the Authority intends to reduce each risk to an achievable score. Our review has demonstrated that these documents included sufficient detail and shows that there are strong and robust arrangements in place to help identify, assess and monitor both financial and operational risk.

The Authority operates an effective risk monitoring and reporting system to ensure that there is clear ownership of risk and robust scrutiny and oversight of how risks are managed. The Corporate Risk Register is on the agenda of all SMT meetings that happen monthly, with the updates presented to the Authority.

The Authority is provided with an overview of risk management over the year. Each paper which is brought to the Authority will feature a section on the how this impacts the Corporate Risk Register which shows that it is considered at each decision-making interval.

Decision Making

There is an overarching committee structure in place in which policies and procedures are continually validated, refreshed and ratified. For instance, we have reviewed the updated: Pay Policy (February 2025); Anti-Fraud Policy (December 2024) and Whistleblowing Policy (December 2024). Additionally, we have reviewed several approved policies and strategies due to come into effect during 2025 such as the Corporate Strategy, ICT Strategy, People Strategy and the Consultation, Communications & Engagement Strategy. All policies and procedures are communicated and made available to staff via the intranet.

The Authority has a Code of Conduct for both members and employees, as well as the Authority Constitution. Alongside the constitution sit several documents including the Scheme of Delegation, Contract Standing Orders and Financial Regulations. The Contract Standing Orders and Scheme of Delegation outline financial limits in place for various processes within the Authority, as well as operational delegations to ensure both financial and non-financial authorisations and reviews are escalated appropriately. The Constitution has also been refreshed in year, with a new policy approved and to take effect from April 2025.

Governance

How the Authority ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Decision Making (Continued)

As part of our review we can see that these policies detail the roles, responsibilities and delegation of key officers and committees, thus showing an appropriate process to ensure officer compliance. Through these policies the Authority and its clerk are equipped to deal with any breaches of ethics through the arrangements set out in the relevant codes and protocols in the Constitution. Through inquiries of management, we have confirmed that there have been no reported departures from key regulatory or statutory requirements, as well as no departures from professional standards such as the CIPFA Financial Management Code, Prudential Code or Treasury Management Code.

Codes of Conduct are in place for Authority members and all staff that set out the behaviours expected of employees and reinforce expected values and standards. Staff are made aware of and adhere to this through awareness and training, with the policy available to be viewed on the Authority's website.

As part of our review of the Procurement Forward Plan & accompanying policy, we are aware that the Authority is required to regularly publish procurement information. This means the Authority publishes details of all contracts over £5,000. The Contracts Register is updated on a quarterly basis and can be seen on the website YORtender.

The Authority's management structure is outlined within the Organisation Structure document and provides a clear and detailed overview of the roles and responsibilities of each decision-making body within the management structure.

We have reviewed relevant Committee and Authority minutes as well as the supporting papers throughout the financial year. We are satisfied that there is sufficient ability for members to take informed decisions based upon the detail presented. These papers demonstrate that there are detailed discussions occurring to challenge and analyse the information being presented in respect of financial risks.

The agenda items presented are accompanied by summary sheets, which offer an overview of the item and show the relevance to the Authority's goals and aims, as well as any delegations required, or implications identified. The summaries included provide a concise high-level overview of the paper so that relevant committee members can identify the key messages discussed in the wider report.



Governance

How the Authority ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Decision Making (Continued)

The Authority has a comprehensive business case process to make informed decisions. Business cases are supported by a relevant Service or Project Board before being reviewed and approved by the Authority. The business case process is supported by templates and guidance. For each business case, the preparer of the template must outline their proposal and include three possible solutions or quotes to complete the required actions. Alongside this, they must present the consequences if the business case was not approved. Within each of these options the preparer must provide an overview, objectives, timeframe, costs, benefits and risks. The business case must also include details of the proposed financial impacts and the split between capital and revenue where applicable.

Budget Monitoring

We found that the budget monitoring and control processes were able to identify and incorporate pressures into the financial plan to ensure it was achievable and realistic. The budgets for 2024-25 and 2025-26 were constructed based on appropriate local and national developments and we saw evidence of appropriate review and sign off. The budgets for the years are approved in February of 2025 and February of 2025.

External Information

During 24/25 there was an external Governance Review performed by Aon. The purpose of this review was to consider whether SYPA is meeting good practice in relation to the governance of the Fund and recommend any potential areas for improvement. The overall conclusion by Aon was that the governance of the SYPA is of an excellent standard in most areas, meets nearly all legal requirements in the matters considered, and is demonstrating best practice in several areas. The report commented that the governance of SYPA is of much higher quality than the majority of other LGPS funds and attributed much of this is to the fact that the organisation is a single purpose Local Authority.

We are also aware that the Authority has been confirmed as a signatory to the UK Stewardship Code for 2025. 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.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk of weakness or a significant weakness associated with Governance.

Improving economy, efficiency and effectiveness



How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Authority evaluates the services it provides to assess performance and identify areas for improvement;
- how the Authority ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Authority commissions or procures services, how it assesses whether it is realising the expected benefits.

Identification of Cost Savings

The Authority has limited opportunity to enact significant cost saving measures for its expenditure due to its size and nature of the expenditure. Staff costs comprise most of the expenditure, which are dictated by central government pay scales. The other costs within the Authority represent a small proportion of expenditure when considered with the larger costs incurred by the Fund and as such, we are satisfied that this is in line with expectations for an entity of this size.

Although there is no formal cost saving plan due to the lack of need for efficiency schemes, the Authority maintains a vigilant attitude to cost saving and sets a detailed budget each year which is subsequently monitored and performance reported to committee.

The Authority also takes part in a benchmarking exercise each year which provides comparative data for other Pension Funds in England, such as total pension administration costs per member and 'business as usual' costs. These are used to identify where the Fund and Authority could be performing better in line with other providers of the same services, with the December 2024 benchmarking demonstrating that the Authority's pension administration costs of £33.26 per member were £1.73 below the adjusted peer average of £34.99.

Monitoring of Outsourced Services

The Authority does not currently outsource any significant services, which is in line with expectations given the nature of the entity and its operation.

Risk Assessment Conclusion

Based on the risk assessment procedures performed we have not identified a significant risk of weakness or a significant weakness associated with improving economy, efficiency and effectiveness.



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Agenda Item

Subject	Letters of Representation 2024/25	Status	For Publication
Report to	Audit & Governance Committee	Date	02 October 2025
Report of	Chief Finance Officer		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Will Goddard Head of Finance and Performance	Phone	01226 666421
E Mail	wgoddard@sypa.org.uk		

1 Purpose of the Report

- 1.1 To seek Members' approval of the Chief Finance Officer's formal letter to the Auditor giving representations regarding the information in the Statement of Accounts for 2024/25, as set out in the Accounts and Audit Regulations 2015.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Authorise the approval of the Authority and Fund Letters of Representation on behalf of the Authority.**
-

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.

The Letter of Representation is a requirement of the audit process and includes a confirmation that the Authority has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report address the risk identified in the Corporate Risk Register that the Authority fails to meet specific regulatory requirements.

5 Background and Options

- 5.1 As part of the external audit process, the auditor, KPMG, is required to obtain representations from the Authority as part of their audit process. The auditor requests a letter of representation that includes assurances on specific items and is signed on behalf of the Audit & Governance Committee. A letter is required in respect of both the Authority's accounts and the Fund's accounts.
- 5.2 This letter will include the following statements:
- a. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
 - b. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - c. We are not aware of any fraud or suspected fraud in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
 - i. Management;
 - ii. Employees who have significant roles in internal controls; or
 - iii. Others where the fraud could have a material effect on the financial statements.
 - d. We have disclosed to you all information in relation to allegations of fraud or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.
- 5.3 The Letter of Representation should be approved by the Audit & Governance Committee and signed by the Chief Finance Officer.
- 5.4 The Letters of Representation for the Authority and for the Fund are attached 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 Letter of Representation includes confirmation that the Authority has fulfilled its responsibilities set out in the Accounts and Audit Regulations 2015.
Procurement	None

Gillian Taberner

Chief Finance Officer

Background Papers	
Document	Place of Inspection
-	-

Richard Lee
Audit Director
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Our ref: LoR 2024/25
Direct Line: 01226 666421
Email: wgoddard@sypa.org.uk
Date: 02 October 2025

Dear Richard,

This representation letter is provided in connection with your audit of the Pension Fund financial statements of South Yorkshire Pension Fund ("the Pension Fund"), for the year ended 31 March 2025, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of its assets and liabilities; and
- ii. whether the Pension Fund's financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ("CIPFA/LASAAC Code").

These financial statements comprise the following: the Fund account, the Net Assets Statement and the related notes to the Pension Fund financial statements, comprising material accounting policies and other explanatory information.

The Pension Fund confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Pension Fund confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Pension Fund has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2024, for the preparation of financial statements that:
 - i. give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of its assets and liabilities.
 - ii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which IAS 10 Events after the reporting period requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information provided

5. The Pension Fund has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Pension Fund for the purpose of the audit; and
 - unrestricted access to persons within the Pension Fund from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Pension Fund confirms the following:

The Pension Fund has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.
8. The Pension Fund has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Pension Fund and involves:
 - management;
 - members;
 - employees who have significant roles in internal control; or

- others where the fraud could have a material effect on the financial statements; and
- b) allegations of fraud, or suspected fraud, affecting the Pension Fund's financial statements communicated by employees, former employees, members, analysts, regulators or others.

In respect of the above, the Pension Fund acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Pension Fund acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

9. The Pension Fund has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
10. The Pension Fund has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
11. The Pension Fund has disclosed to you the identity of the Pension Fund's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

12. The Pension Fund confirms that:
 - a) The financial statements disclose all of the matters that are relevant to the Pension Fund's ability to continue as a going concern, including the key risk factors, assumptions made and uncertainties surrounding the Pension Fund's ability to continue as a going concern as required to provide a true and fair view and to comply with IAS 1 *Presentation of Financial Statements*.
 - b) No material uncertainties related to events or conditions exist that may cast significant doubt upon the ability of the Pension Fund to continue as a going concern.
13. On the basis of the process established by the Pension Fund and having made appropriate enquiries, the Pension Fund is satisfied that the actuarial

assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 26 Accounting and Reporting by Retirement Benefit Plans.

This letter was tabled and agreed at the meeting of the Audit and Governance Committee on 2 October 2025.

Yours Sincerely,

Will Goddard
Acting Assistant Director – Resources
Chief Finance Officer

Appendix to the Pension Fund Representation Letter of South Yorkshire Pension Fund: Definitions

Financial Statements

A complete set of financial statements comprises:

- The Fund Account;
- The Net Asset Statement;
- Notes, comprising a summary of significant accounting policies and other explanatory information.

A pension fund administering authority must prepare Pension Fund accounts in accordance with Chapter 6.5 of the Code of Practice.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.

Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial statements for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are

prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

1. was available when financial statements for those periods were authorised for issue; and
2. could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

1. A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
2. An entity is related to a reporting entity if any of the following conditions applies:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled, or jointly controlled by a person identified in (a).
- A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a government that has control or joint control of, or significant influence over the reporting entity; and
- another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Uncorrected audit differences				
No.	Detail	Fund Account Dr/(Cr)	Net Asset Statement Dr/(Cr)	Comments
1	Dr Pooled Investment Vehicles (L3) Dr Pooled Investment Vehicles (L2) Cr Change in Market Value	(£12.2m)	£10.9m £1.3m	Being the valuation difference arising from the fact that the draft financial statements are prepared based on the valuation as at 31 December 2024 before the valuations as at 31 March 2025 were available.
2	Dr Other investment balances Cr Change in Market Value	(£18.4m)	£18.4m	Being the cash and debtors in respect of the Level 3 PIVs held with BCPP which are not reflected in the individual NAV values and therefore not included in the net assets statement.
Total		(£30.6m)	£30.6m	

Richard Lee
Audit Director
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Our ref: LoR 2024/25
Direct Line: 01226 666421
Email: wgoddard@sypa.org.uk
Date: 02 October 2025

Dear Richard,

This representation letter is provided in connection with your audit of the Authority financial statements of South Yorkshire Pensions Authority ("the Authority"), for the year ended 31 March 2025, for the purpose of expressing an opinion:

- i. as to whether these give a true and fair view of the financial position of the Authority as at 31 March 2025 and of the Authority's income and expenditure for the year then ended;
- ii. whether the Authority's financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ("CIPFA/LASAAC Code").

These financial statements comprise the following: the Authority Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Statement of Cash Flows, and the notes, comprising material accounting policies and other explanatory information and the Expenditure and Funding Analysis.

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Authority has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2024, for the preparation of financial statements that:
 - i. give a true and fair view of the financial position of the Authority as at 31 March 2025 and of the Authority's income and expenditure for the year then ended;
 - ii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which IAS 10 Events after the reporting period requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. There are no uncorrected misstatements.

Information provided

5. The Authority has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Authority for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Authority confirms the following:

The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.
8. The Authority has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Authority and involves:
 - management;
 - members;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and

- b) allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, members, analysts, regulators or others.

In respect of the above, the Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

- 9. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- 10. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
- 11. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

- 12. The Authority confirms that:
 - a) The financial statements disclose all of the matters that are relevant to the Authority's ability to continue as a going concern, including the key risk factors, assumptions made and uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view and to comply with IAS 1 *Presentation of Financial Statements*.
 - b) No material uncertainties related to events or conditions exist that may cast significant doubt upon the ability of the Authority to continue as a going concern.
- 13. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 *Employee Benefits*.

The Authority further confirms that:

1. all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,have been identified and properly accounted for; and
2. all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed by the Authority on 2 October 2025 at the meeting of the Audit and Governance Committee.

Yours Sincerely,

Will Goddard
Acting Assistant Director – Resources
Chief Finance Officer

Appendix to the Authority Representation Letter of South Yorkshire Pensions Authority:
Definitions

Financial Statements

A complete set of financial statements comprises:

- A Comprehensive Income and Expenditure Statement for the period;
- A Balance Sheet as at the end of the period;
- A Movement in Reserves Statement for the period;
- A Cash Flow Statement for the period; and
- Notes, comprising a summary of significant accounting policies and other explanatory information and the Expenditure and Funding Analysis.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

A housing authority must present a Housing Revenue Account Statement.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

A pension fund administering authority must prepare Pension Fund accounts in accordance with Chapter 6.5 of the Code of Practice.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;

- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.

Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial statements for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena."

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

1. was available when financial statements for those periods were authorised for issue; and
2. could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

1. A person or a close member of that person’s family is related to a reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
2. An entity is related to a reporting entity if any of the following conditions applies:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - The entity is controlled, or jointly controlled by a person identified in (a).
 - A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a government that has control or joint control of, or significant influence over the reporting entity; and
- another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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Agenda Item

Subject	Approval of Statement of Accounts 2024/25	Status	For Publication
Report to	Audit & Governance Committee	Date	02 October 2025
Report of	Chief Finance Officer		
Equality Impact Assessment	Not Required	Attached	n/a
Contact Officer	Will Goddard Head of Finance and Performance	Phone	01226 666421
E Mail	wgoddard@sypa.org.uk		

1 Purpose of the Report

- 1.1 To approve the audited Statement of Accounts 2024/25.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Approve the Statement of Accounts 2024/25;**
 - b. **Authorise the Chair of the Audit & Governance Committee to sign the final, audited Statement of Accounts on behalf of the Authority, including in the event of any material substantive changes required following the audit completion.**
-

3 Link to Corporate Objectives

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

Effective and Transparent Governance

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

- 3.2 The approval and publication of the Statement of Accounts enables the Authority to demonstrate the proper administration of its financial affairs and the effective use of its resources.
-

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report address the risk identified in the Corporate Risk Register that the Authority fails to meet specific regulatory requirements.

5 Background and Options

- 5.1 Regulation 9 (2) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a Committee of the Authority.
- 5.2 The Authority has designated the Audit & Governance Committee as the committee to approve the Statement of Accounts.

Statutory Deadlines for Publication of Accounts

- 5.3 The deadline for publication of the draft, unaudited statement of accounts for 2024/25 was 30 June and the Authority met this deadline.
- 5.4 The Accounts and Audit Regulations 2015 as amended set deadlines for publication of audited Statement of Accounts of 27 February 2026 for the year 2024/25. The previous deadline had been 30 September for the financial years commencing 2022 to 2027, the extended deadline has been implemented to help with local audit backlogs; future years are as follows:
- 2025/26 audited Statement of Accounts 31 January 2027
 - 2026/27 audited Statement of Accounts 30 November 2027
 - 2027/28 audited Statement of Accounts 30 November 2028
- 5.5 The Authority has not historically been directly affected by the backlog issues and has maintained its aim of publishing the audited statement of accounts in line with the previous 30 September deadline. Last year was the first year with KPMG as new external auditors and there were some areas of the work that understandably took more time as a result. Nevertheless, the audited accounts were published on 20 November 2024, remaining well in advance of the 28 February statutory deadline for 2023/24 accounts.
- 5.6 The timetable for the production of the 2024/25 Statement of Accounts and audit completion was 02 October 2025, aligning with this Committee meeting. At the time of writing the majority of the substantive audit work has been completed. The auditor's report is elsewhere on the Committee's agenda and the auditor will update the Committee on the status of their audit progress.
- 5.7 The Committee is therefore requested to approve the audited Statement of Accounts as presented at Appendix A. As the audit work is not yet fully complete, the Committee are also requested to authorise the Chair to agree (in consultation with the Chief Finance Officer) any further substantive changes arising from the audit and sign the fully audited Statement of Accounts on behalf of the Authority.

Statement of Accounts

- 5.8 The accounts have been prepared following the "Code of Practice on Local Authority Accounting in the United Kingdom 2024/25" issued by the Chartered Institute of Public Finance and Accountancy (the Code).
- 5.9 The Code constitutes the "proper accounting practices" required by Section 21(2) of the Local Government Act 2003 and deviations from it will usually lead to a qualified audit opinion. The Authority is required to prepare a Statement of Accounts in compliance with the Accounts and Audit Regulations made under Section 32 of the Local Audit and Accountability Act 2014 and therefore has a statutory duty to comply with the Code requirements.
- 5.10 In accordance with Section 26 of the Local Audit and Accountability Act 2014 the accounts were open to public inspection and for objections or questions from local electors for 30 days and no objections or questions from local electors were received.
- 5.11 The accounts are subject to audit by KPMG LLP who is the auditor appointed by Public Sector Audit Appointments Limited. KPMG LLP has conducted its audit and prepared their audit status report in accordance with *International Standards on Auditing (United Kingdom and Ireland) 260 - Communication to those charged with governance*, which is elsewhere on the agenda.

- 5.12 The Statement of Accounts comprises the accounts of the Authority itself as an organisation, in addition to the accounts of the Pension Fund for the year (the Fund accounts).
- 5.13 During the course of the audit, a small number of amendments to the accounts were agreed as set out below. The amended, audited Statement of Accounts is attached as Appendix A to this report.

Amendments to the Accounts

5.14 Authority and Fund Accounts – Accounting Policies

- 5.15 Note 2a to the Authority accounts provides details of all the Authority accounting policies. Due to the nature of the Authority, we have not historically received grant income, however as part of the audit backlog rectification measures, the Government confirmed the Authority was entitled to grants for the years 2022/23 - 2024/25. A new accounting policy has been created to cover the treatment of grant income.
- 5.16 Note 3 to the Fund accounts provides details of the significant Fund accounting policies. The Fund's policies have had the following specific items added:
- Contribution income – the funding position has led to a number of employers leaving with exit credits, rather than being in deficit. The exit credits for terminating employers are determined by the actuary, these credits are offset against contributions income.
 - Investment income – the Fund reinvests a portion of income with Border to Coast Pensions Partnership. Previously the Fund did not have an accounting policy which made this treatment clear.

Authority Accounts – Pensions

- 5.17 Within the disclosure note for the Authority's share of the assets and liabilities of the Pension Fund, a reconciliation of the movement during the year is provided, which includes cashflows such as contributions received and benefits paid in respect of the Authority's employees and former employees.
- 5.18 These figures are provided from the Fund's actuary who uses the actual cashflows for the valuation year (every 3 years), and rolls this forward each year thereafter as an estimate – which generally ensures figures are materially correct. However, for this year's accounts, there was a material difference between the estimate of benefits paid on this basis (£770k) and the actual benefits paid in the year (£1,281k). This was due to a combination of factors such as this being the second year of rolling forward the estimate, the actual experience of retirements in year and the relatively low materiality threshold for the Authority as a small organisation.
- 5.19 As the difference is material, the figures in the disclosure note have been amended. The benefits paid figure increases the liabilities as well as reducing the assets – so the net effect of this difference on the total charged to the Comprehensive Income and Expenditure Statement is nil. There was a minor change to the Authority asset before the asset ceiling was applied, as the asset ceiling is set at £0 there was also no impact on the Balance Sheet or Movement in Reserves Statement.
- 5.20 To ensure that this is not an issue in future years, the finance team have requested that the actuary uses actual cashflow figures when producing the results schedule for the Authority in each year going forward.

Fund Accounts – Investment Asset Classification

- 5.21 Note 14b to the Fund accounts provides a reconciliation of the investment movements through the year. During the audit it was discovered that we had incorrectly classified a number of asset purchases and sales as Private Credit rather than Pooled Investment Vehicles.

- 5.22 The classification errors have been corrected by increasing Pooled Investment Vehicles Purchases by £26.7m, Sales by (£6.9m) and Changes In Market Value by (19.8m); reducing Private Credit Purchases by (£26.7m), Sales by £6.9m and Changes In Market Value by £19.8m. The nature of the classification means all the amendments net to nil within the same note.
- 5.23 The work on producing the figures for this note in future will be completed by the custodian, Northern Trust, and the team are satisfied that the controls in place within this arrangement are appropriate to prevent this type of error from recurring.

Fund Accounts – Investment Management Expenses

- 5.24 The investment management expenses disclosed within Note 11 have been increased by £180k due to a transposition error when producing the original working paper. The amendment has had a knock-on effect to the figures for sales and change in market value for Pooled Investments in Note 14b (Reconciliation of Investment Movements) and this has fed through to the Fund Account, where the increase in Investment Management Expenses is offset to nil by a reduction in the Changes In Market Value.
- 5.25 Again, following this error there have been no additional internal controls developed as the work will be completed by the Custodian Northern Trust moving forward.

Fund Accounts – Contractual Commitments

- 5.26 Note 25 to the Fund accounts provides information relating to the contractual investment commitments. Border to Coast Pensions Partnership is responsible for around 80% of the commitments disclosed within the note.
- 5.27 The source documents provided by Border to Coast Pensions Partnership that are used to collate the note have been changed to provide more accurate information. The impact of this change is an increase of £346m to the total commitments disclosed.

Fund – Events After the Reporting Period

- 5.28 Note 6 to the Fund accounts has been updated to reflect the non-adjusting events that have taken place after 31 March 2025, as they provide information that is relevant to an understanding of the Fund's financial position.

Minor Presentational Amendments

- 5.29 Throughout the Authority and Fund accounts, a small number of minor typographical and wording amendments have also been made.

6 Implications

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

Financial	The Statement of Accounts sets out the financial position of the Authority at 31 March 2025 and its income and expenditure for the year then ended.
Human Resources	None
ICT	None
Legal	Approval of the 2024/25 Statement of Accounts will ensure compliance with the Accounts and Audit Regulations 2015 and the Accounts and Audit Regulations 2015 (as amended).
Procurement	None

Gillian Taberner

Chief Finance Officer

Background Papers	
Document	Place of Inspection
None	-

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South Yorkshire Pensions Authority

Statement of Accounts 2024/25

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Narrative Report

Introduction

This narrative report aims to provide information on the Authority, its main objectives and strategies and the principal risks that it faces. The information contained in these accounts can be technical and complex to follow. The aim of this report, therefore, is to provide a narrative context to the accounts by presenting a clear and understandable summary of the Authority's financial position and performance for the year and its prospects for future years. In order to achieve this, a commentary will be provided on how the Authority has used its resources to achieve its desired outcomes and will highlight and explain the linkages between information presented here and the information within the financial statements.

The report is structured as follows:

- About South Yorkshire Pensions Authority
- Our Mission
- Our Priorities
- Our Performance & Achievements
- Our Financial Position
- Our Future Spending Plans
- Risks and Challenges
- Current Issues
- Explanation of Our Financial Statements 2024/25

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 South Yorkshire Pension Fund is one of the ten largest LGPS funds by both assets and membership, with an asset value of £11.1 billion and a total of 181,178 members at 31 March 2025.

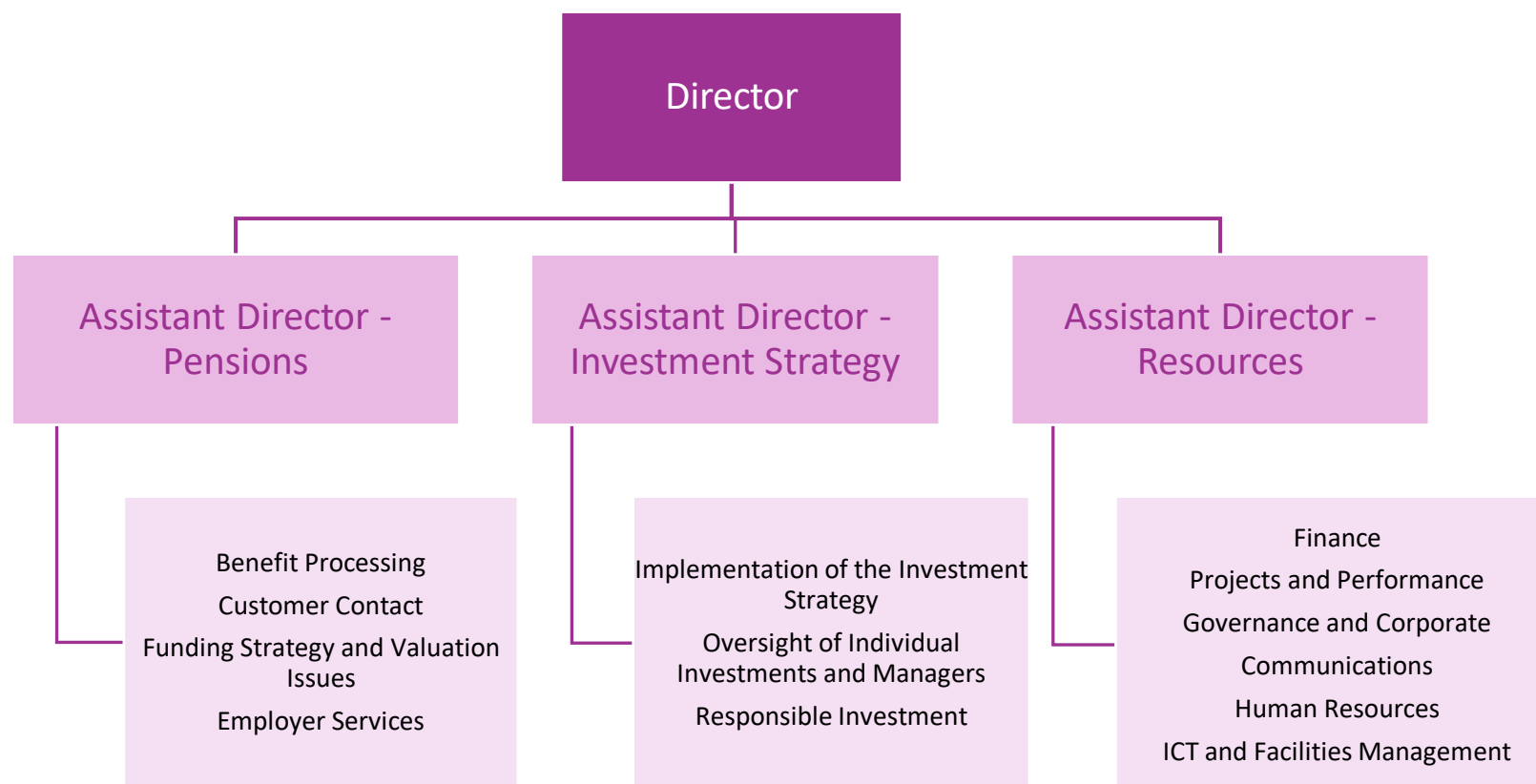
When the Authority was established in 1988, it was also made responsible for certain residual liabilities of the South Yorkshire Residuary Body. These were compensation payments which were not met by the Pension Fund. These liabilities are met by a levy on the four district councils of South Yorkshire payable in proportion to their populations. The four districts are: Barnsley Metropolitan Borough Council, City of Doncaster Council, Rotherham Metropolitan Borough Council and Sheffield City Council.

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.

The Authority has 12 members drawn from the four South Yorkshire districts outlined above, roughly in proportion to their population. The membership of the Authority in 2024/25 was as follows.

Barnsley MBC 2 Members	City of Doncaster Council 3 Members	Rotherham MBC 2 Members	Sheffield CC 5 Members	Non-Voting Co-opted Members 3 Members
Roy Bowser	James Church	David Fisher	Simon Clement-Jones	Phil Boyes (Unite)
Neil Wright	John Mounsey	Donna Sutton (Vice Chair)	Alexi Dimond	Nicola Doolan-Hamer (Unison)
	David Nevett		Jayne Dunn (Chair)	Garry Warwick (GMB)
			Craig Gamble Pugh	
			Andrew Sangar	

The Authority is 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.

Our Mission

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.

We only exist because of our customers and given that we only do one thing, run the pension scheme, we owe it to them to provide the best possible performance while maintaining costs within reasonable levels.

In order to achieve this mission, there are a number of things we need to do, our objectives, which are:

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

Listening to our Stakeholders to ensure that stakeholders' views are heard within our decision-making processes.

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

Responsible Investment to develop our investment options within the context of a sustainable and responsible investment strategy.

Scheme Funding to maintain a position of full funding (for the Fund as a whole) combined with stable and affordable employer contributions on an ongoing basis.

Effective and Transparent Governance to uphold effective governance showing prudence and propriety at all times.

Valuing and Engaging our Employees to ensure that all our employees are able to develop a career with the Authority and are actively engaged in improving our services.

The way in which the organisation and its staff go about delivering these objectives reflects the values of the organisation which are:

- Honest & Accountable;
- Professional;
- Progressive; and
- Empowering.

Our Priorities

The Corporate Strategy is one of the key documents that frames the actions of the Authority and sets out the detailed plans for the organisation over a three-year time horizon that aligns with the period between valuations of the Pension Fund.

The Strategy has been fully reviewed and updated for the 2025 to 2028 period as part of our triennial cycle of review of the Corporate Planning Framework, supported and underpinned by newly revised People and ICT Strategies, and Diversity, Equality and Inclusion Scheme.

The strategies have been developed holistically with each element forming a key pillar of the whole and all of these aligned to achieve success. The work to develop this has been done with a forward-looking view, taking account of the wider environment and potential changes that will affect the LGPS over the time horizon, but also with a continued emphasis on never losing sight of our core purpose of delivering for our scheme members.

The plan for the next three years is organised around these themes:

- *Pensions Administration* – with a focus on Backlogs, McCloud, Data Quality, Pensions Dashboards, the 2025 Valuation and the development of our system and optimising our use of this.
- *Investment Strategy* – representing a continued focus on Place Based Impact Investment, progress towards the Net Zero 2030 ambition, the 2026 Investment Strategy review, and the transition of legacy assets to Border to Coast.
- *Corporate Organisation* – which includes the continuation and full implementation of the new Performance Management Framework as well as plans to ensure the DEI Scheme is delivered, a new Social Media Strategy is developed, and work on developing an Environmental Sustainability plan for the organisation's own operations.
- *Governance and Partnerships* – this reflects a focus on building on the good progress already achieved with continuous improvement in governance arrangements and member knowledge and understanding as well as plans to ensure that the Authority is well-placed to deliver the governance outcomes from the Government's Fit for the Future consultation and keep our level of influence within our key partnership, Border to Coast.
- *Our People and Information Technology* are included in the corporate strategy as plans to deliver the separate strategies for both of these significant elements of our corporate framework.

The plans and how these link to the Authority's objectives and corporate risks are set out in the Corporate Strategy published on our website at: [Corporate Plans](#).

Our Performance and Achievements

The performance of the organisation in delivering on our corporate objectives and plans is reported quarterly at full Authority meetings. These Corporate Performance Reports are available on the Authority's website at: [Quarterly Corporate Performance Reports \(sypensions.org.uk\)](https://www.sypensions.org.uk/quarterly-corporate-performance-reports). Additionally, further information on the overall performance of the Authority for the year is provided in the Annual Report published on our website at: www.sypensions.org.uk.

Investments

This year was one of significant change in the Investment Strategy team as the former Assistant Director retired in December 2024 after 40 years' service looking after the Fund's investments. Recruitment was carefully planned and implemented to enable the new Assistant Director to commence in post from October 2024 and benefit from a short handover period for continuity.

Indeed, the wider context for the year as a whole – both locally and globally – has had a sense of transition about it, in terms of economic and political change on the global stage, as well as the significant changes closer to home for the LGPS arising from the Government's Pensions Review and 'Fit for the Future' consultation.

Over the year, the Fund delivered a return of 2.6% against an expected return of 4.2% from the strategic benchmark (7.8% in 2023/24 against an expected return of 8.1%).

Good progress was made in moving towards the target strategic asset allocation set out in the 2023 Investment Strategy which incorporated Renewable Energy, Climate Opportunities and Natural Capital as new asset classes. The Fund's place-based impact investment strategy also continued to be progressed with the launch of two £20 million investment funds aimed at supporting small and medium-sized enterprises (SMEs) across South Yorkshire, stimulating growth, creating high-quality jobs, and driving innovation.

In February, the Authority was successful in being confirmed as a signatory to the UK Stewardship Code overseen by the Financial Reporting Council, a significant milestone that highlights our ongoing commitment to responsible investment and transparency.

Pension Administration

Following staffing changes and plans made in the previous year for addressing resourcing needs and improvements required, this year has been one of implementation and focus on prioritising delivery of the Pensions Administration Improvement Plan.

Recruitment to several newly created posts was successfully achieved in the first half of the year.

The project to clear the backlog of casework that had developed over a number of years resulted in 70% of these cases being completed by the end of March and work will continue to clear the remaining 30% over the course of 2025.

Another priority this year has been work on improving data quality – with collaboration across relevant teams such as the Employer Services team engaging with and training employers to provide better data, the appointment to the new role of data analyst within the Technical Support & Training team, working with the Benefits and Systems teams in particular. The importance of data quality is recognised, not just in preparing for specific events currently such as the triennial valuation and implementation of McCloud, but across the delivery of our services to members. A separate Data Quality Strategy was developed and approved in June 2025.

Other key projects undertaken in 2024/25 have included completing GMP reconciliation and rectification exercise, clearing outstanding payments of supplemental pension increase on retirement lump sums dating from 2018, and embedding a revised Transfers Out procedure that now ensures full compliance with relevant guidance. The next step in this area will be signing up to the Pensions Regulator's pledge to combat pension scams.

Corporate Plan Delivery

In delivering on the 2024/25 corporate plan, some of the highlights of the last year are as follows:

- ❖ The results of a review of our governance carried out by independent consultants were reported in June 2024 – the review concluded that the Authority’s governance is of an excellent standard in the vast majority of areas and is demonstrating best practice in a number of areas. The consultants expressed their view that the Authority’s status as a single purpose local authority has resulted in our governance being of much higher quality than other LGPS funds. Whilst there were no significant weaknesses highlighted, a small working group of Authority and LPB members along with officers worked together to produce an action plan in response to some recommendations for improvement.
- ❖ The Authority was pleased to publish its audited annual report and accounts for the previous year in November 2024 – the annual report was fully refreshed in both design and content, and followed the new guidance issued by the Scheme Advisory Board and CIPFA. This was accompanied by our first ‘SYPA In Focus’ 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.
- ❖ In preparation for work on the review of the Investment Strategy Statement over the next year, we conducted a survey of scheme members to gather their views on approaches to Responsible Investment to feed into the overall review.
- ❖ Continued retention of accreditation in the areas of Cyber Security and Customer Service Excellence following annual independent reviews.
- ❖ In the area of workforce planning and professional development, we commenced a project this year to review our approach to career grade progression with an aim of creating a corporate policy and guide applicable across the whole organisation with consistent principles and procedures, supported by individually tailored assessment criteria, including the relevant training or qualification requirements, for each of the various roles in different teams on a career progression route.
- ❖ The Authority’s leadership team (comprising the Senior Management Team, Heads of Service and Service Managers) participated in a development programme between January and March as part of team building, creating a culture management plan and defining a set of team values within which we will manage and lead our people.
- ❖ A new performance management framework was developed and approved by the Authority in September. This outlines how the Authority will measure and monitor performance and identifies a number of corporate indicators that will be used. A range of dashboards using data from our systems have been created and have already resulted in a step change in the availability of useful management information that has greatly improved the capacity of managers to focus on what the data is telling them and taking appropriate actions in response in order to improve or maintain performance. This has also been helpful in improving the quality of reporting and will be taken further over the coming year.

- ❖ In October 2024, the Authority's work on its £260 million joint venture with Royal London transforming agricultural land into a natural capital investment vehicle was nationally recognised with the Investment Innovation Award at the 10th LAPF Investment Awards.
- ❖ Following the transition of the agricultural property portfolio in the previous year, the Fund's commercial property portfolio was transferred this year to a new pooled product with Border to Coast. Having completed this and with over 75% of investments now pooled, the opportunity was taken to carry out a full review, supported by specialist consultants, of the Authority's current "special method" for recovery of VAT agreed with HMRC. This resulted in moving to a standard method that will enable the Authority to recover all of the VAT on its operational running costs for the first time, which should lead to significant financial savings.
- ❖ The Finance and Investment Strategy teams collaborated on a major procurement exercise to appoint a new Custodian for the Fund's £11 billion investment assets. The contract was awarded to Northern Trust in the final quarter of the year with commencement from 1 April 2025. This is an important development that will enable enhanced security and efficiency in asset management for the Fund.
- ❖ The Authority successfully managed the transition to a new external audit provider for the audit of financial year 2023/24, building effective working relationships and achieving an unmodified audit opinion and publication of the audited annual statement of accounts by the end of November 2024, ahead of the statutory deadline once again.
- ❖ As part of the ongoing strands of work relating to overall governance and resilience, a project was undertaken to carry out a business impact analysis and devise a new Business Continuity Plan based on this. The analysis and preparation of individual service plans was largely complete by the year-end, with a workshop to finalise the outcomes scheduled for July 2025.

Our Financial Position

The Authority's day-to-day running costs are managed through the operational budget, while costs and income associated with specific investments and dealings with scheme members are managed through the Pension Fund directly. The financial performance of the Fund is set out in the financial statements and notes for the Fund, later within this publication.

The operational budget for 2024/25 was approved in February 2024 at a total of £8,271,410; in June 2025, a small number of technical budget virements were approved as part of the final quarter budget monitoring report, resulting in the revised budget figures shown in the table, there was no change to the total. The overall outturn for the year was an under-spend of (£137,690); the details of which are set out below the table.

South Yorkshire Pensions Authority	2023/24 Outturn	2024/25 Budget	2024/25 Revised Budget	2024/25 Outturn	2024/25 Outturn Variance	2024/25 Outturn Variance
Operational Budget	£	£	£	£	£	%
Pensions Administration	3,231,130	3,646,910	3,710,910	3,661,230	(49,680)	(1.30%)
Investment Strategy	569,210	656,400	656,400	642,330	(14,070)	(2.10%)
Resources	1,236,520	1,434,770	1,370,770	1,322,510	(48,260)	(3.50%)
ICT	1,124,100	1,495,590	1,495,590	1,314,010	(181,580)	(12.10%)
Central Costs	764,770	840,180	799,820	707,020	(92,800)	(11.60%)
Democratic Representation	182,870	127,060	127,060	132,560	5,500	4.30%
Subtotal Net Cost of Services	7,108,600	8,200,910	8,160,550	7,779,660	(380,890)	(4.70%)
Capital Expenditure and Financing:						
Financing / Interest Charges	0	0	37,090	37,090	0	0.00%
Minimum Revenue Provision Charge	0	0	3,270	3,270	0	0.00%
Capital Expenditure Charged to Revenue	69,900	98,500	98,500	97,410	(1,090)	(1.10%)
Subtotal Before Transfers to Reserves	7,178,500	8,299,410	8,299,410	7,917,430	(381,980)	(4.60%)
Appropriations to Reserves	(274,235)	(28,000)	(28,000)	216,290	244,290	(872.50%)
Total	6,904,265	8,271,410	8,271,410	8,133,720	(137,690)	(1.70%)

The outturn for the year is an under-spend of (£138k) or (1.7%) after transfers from reserves. The total outturn expenditure before reserves transfers was under-spent by (£381k), equivalent to (4.7%) of the budget. All but (£138k) of this was transferred to earmarked reserves. The remaining under-spend for the year of (£138k) arose due to the effects of implementing new accounting standard, *IFRS 16 Leases*.

The main variances included in the results outlined above are explained below.

IFRS 16 - Leases

As outlined more fully in Note 24 to the Authority's accounts, the 2024/25 CIPFA Code of Practice adopted accounting standard *IFRS 16 Leases*, resulting in a change to the accounting treatment of assets leased by the Authority. The Authority's only material lease impacted by this change is the lease of Oakwell House. This had previously been accounted for as an operating lease with rental payments expensed each year. Under the new accounting requirements, the leased asset is now recognised on the Authority's balance sheet as a right of use asset and the total value of the lease over its life is recognised as a lease liability, with the rental payments each year split between the payments of principal to reduce the liability and the payments of interest charged to the Comprehensive Income and Expenditure Statement.

The lease agreement for Oakwell House included significant rental incentives in the first 5 years of the lease. The previous accounting treatment required the total of rent payments for the life of the lease to be allocated in equal amounts in each year of the lease, resulting in a total of £138k that has been charged to expenditure as an adjustment since the lease commenced in 2021. The change in accounting treatment has resulted in a need to unwind this previous accounting adjustment, the result of which is a credit of (£138k), which is the reason for the net under-spend after transfers to reserves and is effectively repaid to the Pension Fund by reducing the total charge to the Fund for the year.

Pay Costs 2024/25

The pay award for 2024/25 was agreed by the NJC in October 2024 at an amount of £1,290 on all pay points up to 43, and at 2.50% for pay points above this, with effect from 1 April 2024. The impact of this on salary budget variances is included in the details shown for each department below.

Pensions Administration – (£50k) Under-Spend

- There is a total net under-spend of (£92k) on staffing costs which comprises the following items:
 - The saving for this department relating to the pay award is (£14k).
 - A high volume of recruitment took place due to a combination of new posts and internal moves; arising from the implementation of changes in the structure that were approved in the prior year. Additionally, there were unplanned costs relating to two termination payments. The impact of this is a net under-spend of (£116k), after taking account of the department's vacancy allowance.
 - A net over-spend of £38k in relation to various staffing changes (e.g. hours changes, grade progression, casuals etc.) made after the budget was set.

- The actuarial fees budget is under-spent by (£28k), as one of the additional tools offered by the actuary and included in the budget has not yet been taken up. As the contract has bedded in, we are beginning to get a better understanding of the annual costs; the 2025/26 budget has been set prudently to reflect the additional valuation costs anticipated.
- Other Professional services is over-spent by £22k. The main driver is expenditure associated with the completion of Guaranteed Minimum Pension (GMP) rectification work in August 2024, which had been planned to finish in 2023/24. A minor part of the over-spend was the cost of job evaluations required as part of the structure changes.
- The Hybrid Mail budget is over-spent by £17k. Working through the pensions backlog led to an increase in usage during the year, it is anticipated that this will reduce in 2025/26.
- An over-spend of £18k on the ill health reports budget, driven by the volume of cases, rather than inflationary increases. From April 2025 these costs will sit with individual employers and the 2025/26 budget has been set to nil to reflect this change.
- There is an over-spend of £8k in relation to Customer Compensation. The main element of this over-spend is a £6k cost paid to one member to compensate them for additional tax charges incurred due to a delay that the Authority was responsible for in 2022. Issues such as these are being dealt with as the pensions case work backlog is being cleared and are not expected to recur.
- A remaining net over-spend of £5k in total comprising small variances on relocation expenses, consultancy and legal fees, specialist recruitment campaigns and conferences, and a reduction in income.

Investment Strategy – (£14k) Under-Spend

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

Resources – (£48k) Under-Spend

- There is a total net under-spend of (£55k) on staffing costs which comprises the following items:
 - The saving for this department relating to the pay award is (£6k).
 - Delays to recruitment due to workload pressures have resulted in vacancies for longer periods than planned. Additionally, there were unplanned costs relating to two termination payments. The net impact of these factors is an under-spend of (£44k), after taking account of the department's vacancy allowance.
 - A net under-spend of (£5k) in relation to various staffing changes including maternity leave cover, hours changes and additional costs for a casual contract not included in the budget. The casual contract ended in September 2024 as the full-time post had been filled and the resource is no longer required.
- The recruitment budget is over-spent by £8k due to costs of using a specialist recruitment agency for the newly created Senior Finance Business Partner post. This was successfully recruited to in March 2025, with the preferred candidate due to commence in post in June.
- The income received for payroll administration fees and administration fees charged to employers was £7k less than budgeted for, driven by reduction in volume, resulting in an over-spend.
- A minor net under-spend of (£8k) in total comprising small under-spends for corporate subscriptions, training and actuarial fees, offset by an over-spend on the debt recovery agent.

ICT – (£182k) Under-Spend

- There is a total net under-spend of (£36k) on staffing costs which comprises the following items:
 - The saving for this department relating to the pay award is (£4k).
 - The impact of vacancies in the Systems team has been an under-spend of (£32k), after taking account of the department's vacancy allowance.
- Actual income is £8k less than budgeted. This was due to the service level agreement with the Office of the Police and Crime Commissioner ending early in February 2025, following its merger with South Yorkshire Mayoral Combined Authority. The fee income was based on actual staffing and overhead costs for providing the service, therefore the contract coming to an end has no detrimental impact on the Authority's budget overall.
- The warranties and support budget is over-spent by £16k. The main driver was the cost of a support package that had been omitted in error when setting the budget. The expenditure requirements were reviewed and are now correctly reflected in the 2025/26 budget.
- An under-spend of (£10k) on the hardware budget. The planned monitor replacement programme was delayed and will now take place in 2025/26.
- The consultancy budget was under-spent by (£74k) due to a lack of capacity from the consultants for development of the Pensions Administration system. The under-spend has been transferred to Reserves to be used for consultancy costs when required in a future period.
- There is a total net under-spend of (£86k) on software costs which comprises the following items:

- The HR & Payroll system budget is under-spent by (£50k) due to a change in timing only. The project to procure a new system was due to be completed within 2024/25 but has taken longer than initially planned. Work is progressing well now, but the procurement and system implementation will fall in 2025/26. Part of the under-spend has therefore been moved to reserves to fund the required costs in 2025/26.
- The Pensions Administration system budget is under-spent by (£12k) as a result of delays to developments in relation to the Pensions Dashboard.
- A net under-spend of (£24k) on software purchases offset by cyber security costs, for which the budget was set prudently with an expected increase in licences through staffing growth and a number of contracts being renewed in an inflationary environment. The under-spend is a result of inflation on renewals being lower than budgeted and the time taken to achieve the growth in staff numbers.

Central Costs – (£93k) Under-Spend

- There is a total under-spend of (£3k) on staffing costs due to the pay award.
- The budget for past service pension surplus is over-spent by £13k. The surplus the Authority is entitled to is based on a percentage of the assumed pensionable pay of employees in the pension scheme. The under-spends on pay budgets have therefore reduced the surplus received.
- The budget for Oakwell House rent is under-spent by (£41k) due to the change in accounting treatment of the lease payments.
- External audit fees are over-spent by £28k due to approved fee variations for additional audit requirements arising from new auditing standards. These will be consolidated into the audit scale fee for next year. This over-spend is more than fully offset by additional income of (£55k) arising from grant receivable from the Ministry for Housing, Communities, and Local Government as part of their local audit measures.
- The office building budget is under-spent by (£16k). A new facilities management contract resulted in significant savings. The majority of the savings have been used to fund a repairs and maintenance programme required during 2024/25. Longer term planning in relation to buildings expenditure is reflected in the 2025/26 budget and medium term financial plans.
- The professional services budget is under-spent by (£15k), driven by lower costs falling in this year for the governance review, which was completed early in the first quarter. Partly offset by additional costs required for professional design work on the Authority's annual report and actuarial fees for the Authority accounts.
- Internal audit budget is under-spent by (£7k), due to a lower than budgeted number of days completed arising from agreed changes to the audit plan over the course of the year.
- A net over-spend of £3k in total across the budgets for occupational health services, shared cost AVC administration fees, public transport costs, offset by a reduction in fees paid for venue hire.

Democratic Representation - £6k Over-Spend

- The Members Allowances scheme provides for the allowances to be increased each year in line with the nationally agreed local government pay award. This was confirmed at 2.50%, less than the 3% that had been budgeted, resulting in an under-spend of (£1k).
- This is offset by an over-spend of £5k due to an additional two member allowances that had not been included in the budget.

- A small over-spend of £2k due to recruitment advertising costs for the LPB independent adviser, and training for members.

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

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

Reconciliation of Budget Outturn to the Expenditure & Funding Analysis Note

The statement of accounts includes the Expenditure and Funding Analysis (EFA) at Note 1 – which sets out the net amounts chargeable to the General Fund for the year as compared to the amounts accounted for under generally accepted accounting practices shown in the Comprehensive Income and Expenditure Statement (CIES). These amounts are analysed across the services within the Authority on the same basis as shown in the budget outturn table above. However, some differences remain between the service totals above and the service totals shown in the EFA note.

The table below sets out the details, and the reasons for these differences are explained as follows.

The main difference relates to VAT expenses incurred that we are unable to recover from HMRC. Unlike other local authorities, as an authority with the sole purpose of administering the Pension Fund, we do not currently have Section 33 status under the VAT Act 1994. Instead, we use a special exemption method agreed with HMRC for reclaiming a proportion of our VAT charges only. The remaining proportion of the VAT expense that is not recoverable is Authority expenditure and is therefore recognised in the CIES and is charged in full to the General Fund as shown on the EFA Note; but as it is a varied and unpredictable cost over which budget managers cannot exert any control, it is not reported for budget purposes.

There are also some minor rounding differences as a result of the budget reports being presented with figures rounded to the nearest £10 for presentational purposes whereas the figures in the CIES are shown as actual amounts rounded to the nearest £1 only.

Reconciliation of Services Totals in the Budget Outturn Report to Amounts Shown in the Expenditure and Funding Analysis (EFA) Note	2024/25 Budget Outturn	2024/25 Irrecoverable VAT Expense - Not Reported for Budget Purposes	Rounding Adjustments for Budget Reporting	2024/25 Net Expenditure Chargeable to the General Fund in the EFA Note
	£	£	£	£
Pensions Administration	3,661,230	220,451	4	3,881,685
Investment Strategy	642,330	324,322	1	966,653
Resources	1,322,510	89,379	(4)	1,411,885
ICT	1,314,010	-	(3)	1,314,007
Central Costs	707,020	-	3	707,023
Democratic Representation	132,560	-	0	132,560
Net Cost of Services	7,779,660	634,152	1	8,413,813

Earmarked Reserves

The Authority has three earmarked revenue reserves, the Corporate Strategy reserve, the ICT reserve, and the Capital Projects reserve.

For 2024/25, movements to these reserves have been agreed as shown in the following table. These are disclosed with further details in Note 8 to the accounts.

We operate within a rule which limits the amount we can hold in the reserves, to 10% of the Budget (resulting in a limit of £827k for 31 March 2025), and the current level remains below this limit at £365k or 4.4%.

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

The earmarked reserves are held for the following purposes.

- Corporate Strategy Reserve – To fund non-recurrent costs arising from projects which are required to implement the Corporate Strategy.
- ICT Reserve – To fund expenditure on ICT equipment and to enable a programme of systems development for the Authority.
- Capital Projects Reserve – This reserve exists to meet the financing of capital projects and expenditure in relation to the Authority's property, plant and equipment assets and intangible assets.

Our Future Spending Plans

The operating budget for 2025/26 was approved in February 2025.

The budget for the year ahead, as set out in the table below, reflects the embedding of improvements and benefits realisation following the investment in staffing growth seen in recent years through various corporate resourcing and resilience projects. As well as the continued review of the Authority's needs relating to delivery of day-to-day operations and the planned requirements for delivering the corporate plan and addressing the risks facing the organisation as detailed in the corporate risk register.

South Yorkshire Pensions Authority Operating Budget	2024/25 Outturn £	2025/26 Budget £	2026/27 Estimate £	2027/28 Estimate £
Pensions Administration	3,661,230	3,961,370	4,075,110	4,192,170
Investment Strategy	642,330	666,630	683,920	701,680
Resources	1,322,510	1,585,950	1,633,020	1,681,490
ICT	1,314,010	1,785,060	1,830,970	1,878,270
Central Costs	707,020	855,370	870,390	885,660
Democratic Representation	132,560	156,100	160,400	164,810
Unfunded Liabilities	303,037	312,000	317,300	322,690
Subtotal Revenue Expenditure:	8,082,697	9,322,480	9,571,110	9,826,770
Capital Expenditure and Financing:				
Financing / Interest Charges	37,090	0	0	0
Minimum Revenue Provision Charge	3,270	0	0	0
Capital Expenditure Charged to Revenue	97,410	135,000	60,000	60,000
Reserves and Levy Income:				
Contribution (from) / to Reserves	216,290	(94,650)	60,000	60,000
Levy on District Councils	(303,037)	(312,000)	(317,300)	(322,690)
Total Charge to Pension Fund	8,133,720	9,050,830	9,373,810	9,624,080

The overall budget requirement for 2025/26 is a total of £9,050,830 representing a total increase of £779,420 on the previous annual budget of £8,271,410.

This overall increase on the budget includes the impact in 2025/26 of budget growth previously approved by the Authority in February 2024, and the impact of National Insurance changes that took effect from April 2025 – an increase to the employer rate and a reduction in the secondary threshold, resulting in a fairly significant increase to the Authority's employment costs.

The total budget increase in summary comprises:

- £50,130 – relating to previously approved proposals for organisational resilience and sustainability and resourcing plans;
- £183,760 – relating to National Insurance Cost increases; and
- £545,530 – relating to the annual increase required for operational running costs.

In assessing this level of budget increase, £545,530 represents a 4.5% uplift compared to 2024/25.

The estimates for the remainder of the Medium Term set out above are based on projecting the 2025/26 budget forward, adjusting for planned savings and estimated inflationary increases as necessary.

The key uncertainties and risks in relation to this financial forecast, and the mitigations in place, are as follows:

- Pay Costs
 - Employee costs make up approximately two thirds of the overall budget. The budget estimates for employee costs are prepared based on a detailed line-by-line analysis, taking account of career grade progression, individual incremental progression, and the estimates include additional staffing resources. Based on experience over the last few years, the vacancy allowance has been reduced to 1.0% (previously 2.5%) of the salary and on-costs budget for 2025/26, driven by a lower volume of anticipated recruitment through the year.
 - There is uncertainty over the likely level of any pay award for 2025/26. The pay award agreed for 2024/25 was lower than the assumption used for budget setting, resulting in some small savings. For the purpose of setting employee cost budgets in 2025/26, an assumption of a 4% uplift was used. There is a risk that the actual pay award, once confirmed, will be higher than this. In the event of higher employee costs than forecast, managers will seek to absorb the in-year impact through the management of vacancies and seeking to either defer one-off expenditure or avoid aspects of running cost expenditure. This is the usual process of budgetary control, and it seems unlikely that any cost increases would be on a scale beyond that which measures of this sort could address.
- Deterioration in budgetary control. Budgetary controls and processes are currently robust and well-embedded. We continue to refine and enhance this, and work is ongoing to provide training and strengthen the involvement of the responsible budget holders in the coming year. There is therefore no indication of any likelihood of deterioration. The controls in this regard are also subject to regular internal audit review.
- Loss of external income. This is mitigated through prudent budgeting, for example not including any assumptions around additional software sales which tend to be sporadic, and through securing longer term agreements with customers with staggered end dates so that not all agreements come to an end at the same time.

Risks and Challenges

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 in order 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 details below reflect this.

The Authority sets out broad policies in the [Investment Strategy Statement](#) which conform to the LGPS Investment Regulations and further details are also covered in the [Pension Fund's annual reports](#).

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 reviewed by 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 \(sypensions.org.uk\)](https://www.sypensions.org.uk)).

The key risks identified and the assessment of their relative likelihood and impact are shown in the figures on the next page. The arrangements in place to mitigate some of the key risk areas include the following.

Investment Risk Management:

- 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 notes to the Fund accounts at Note 17 – Nature and Extent of Risks Arising from Financial Instruments.

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 and continually evolving programme of work to maintain and continuously enhance our defences against cyber-attacks. Key mitigations in this area include:

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

Pensions Administration Risk Management:

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.

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

Current Issues

Organisation

The forthcoming year will see the retirement of the Director in December, after almost 8 years of leading the Authority, including steering the organisation through the introduction of pooling and comprehensively modernising our operations.

The risk of loss of experience and knowledge, as well as the impact of change in this role, has been carefully considered and planned for. A recruitment process will take place during the summer of 2025, with the aim of ensuring a successor can commence in post during the late autumn and benefit from a short handover period to help smooth the transition.

Regulatory Change

In recent years, one of the issues being faced by the Authority has been that of waiting for a number of proposed regulatory changes in the LGPS to be enacted. This year has brought a renewed focus on LGPS with changes planned to take place at a rapid pace.

The new Government elected in July 2024 launched a Pensions Review of workplace defined contribution schemes and the LGPS, with the focus in the latter area on how to unlock investment potential in the scheme through asset consolidation and enhanced governance while strengthening focus on local investment.

A consultation – “LGPS: Fit for the Future” was held from November 2024 to January 2025 and the Government published the outcomes and its response on 29 May 2025. This sets out the Government’s intentions to implement the proposals that had been consulted upon and to legislate for these in the Pensions Scheme Bill, subsequently introduced on 5 June with the expectation of coming into force from 1 April 2026.

The changes affect three areas, the key points of which are summarised below.

❖ Governance

Implementation of the good governance recommendations, including requirements to have a governance and training strategy covering members and senior officers, an independent governance review every three years and to appoint an independent adviser to the committee (the Authority in SYPA’s case) without voting rights.

The changes relating to governance have been long awaited since the original good governance proposals in 2021 and the Authority has already taken steps to implement certain aspects such as the independent governance review. It is therefore well-positioned to meet all of the new requirements.

❖ Pooling

The Government set out minimum requirements for pools and clear expectations and timescales for funds to have 100% of assets being managed by the pool. Pools were required to submit their plans for achieving the requirements and Government provided their response in April 2025; for Border to Coast the response was positive and the pool will continue. However, two of the eight pools were informed they do not meet the requirements and the 21 funds within those pools will need to join one of the other pools – they are required to indicate their preferred options by the end of June, reach an agreement in principle with the new pool by the end of September with March 2026 being the target date for completion of the process of joining the new pool.

This will impact on Border to Coast and the Authority as one of the partner funds, because a number of these 21 funds will potentially wish to join the partnership. It is too early to estimate the numbers or quantify the impact but officers across the existing 11 partner funds will work collaboratively with the officers of the company and any new funds.

This will take up significant management focus and time as well as requiring formal Authority decisions in the coming year. Officers will work to ensure that the Authority's views are taken on board as the process evolves.

❖ Local Investment

Funds will be required to set a target range for local investment in their investment strategy statements; with local being defined as broadly local or regional to the fund or its pool. Pools will be required to implement the local investment strategies, including carrying out due diligence. Funds will also be expected to work with combined authorities / mayoral combined authorities with a view to identifying local investment opportunities.

As with the Governance requirements, the Authority is already taking an approach that fits well with the new requirements – with plans reflecting local growth priority areas identified by the South Yorkshire Mayoral Combined Authority reflected in the current investment strategy. The need for the local investments to be managed by the pool will mean that Border to Coast will be required to develop their capabilities to resource this.

Overall, the Authority is in a relatively strong position of preparedness for the changes that will be introduced through the Pensions Schemes Bill, nevertheless, the impact of the changes to pools in particular will be significant and will require a great deal of management focus as we move

forward. The organisation though is committed to ensuring that this will be handled effectively whilst at the same time maintaining its focus on the 'business as usual' of running the fund and delivering for our scheme members.

Pension Administration Challenges

The performance in 2024/25 as summarised earlier in this report reflects very good progress on addressing the challenges in pensions administration – from the implementation of growth in staffing resource and management structure changes, to the new data quality strategy, clearing of 70% of the casework backlog and ongoing progress on the pensions administration improvement plan.

The need to continue and build on this progress will remain over the next year, with issues including the requirement to implement the McCloud remedy, to connect to the Pensions Dashboard and to respond to evolving changes in regulations anticipated from proposals currently being consulted on by Government around 'Access and Fairness'.

This will be in addition to the continuing priority area, reflected in the corporate strategy, of maximising and optimising the use of technology to improve our services and efficiency. This will require further work, particularly with our pensions administration software provider to drive the developments that we require.

Explanation of our Financial Statements

The Accounts and Audit Regulations 2015 require the Authority to produce a Statement of Accounts for each financial year. These statements contain several different elements which are explained below, and further detail is also provided on each of the financial statements that follow.

The Statement of Responsibilities sets out the respective responsibilities of the Authority and the Chief Finance Officer.

The Independent Auditor's Report gives the auditor's opinion on the financial statements and on the Authority's arrangements for securing economy, efficiency and effectiveness in our use of resources.

Financial Statements

The Movement in Reserves Statement shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves (i.e., those that can be applied to fund expenditure) and unusable reserves.

The Comprehensive Income and Expenditure Statement shows the cost of providing services in the year in accordance with International Financial Reporting Standards, rather than the amount to be funded from the charge to the Pension Fund.

The Balance Sheet shows the value of the Authority's assets and liabilities at the reporting date. These are matched by reserves which are split into two categories; usable and unusable reserves.

The **Cash Flow Statement** shows the changes in the Authority's cash and cash equivalents during the reporting period.

Notes to the Financial Statements

The Expenditure and Funding Analysis note shows how expenditure is used and funded from resources by the Authority in comparison with those resources consumed by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the services in the organisation.

The other notes to the financial statements provide further detail on material items within the core financial statements.

The Pension Fund Statement of Accounts

In accordance with the requirement of the Code for administering authorities of Local Government Pension Scheme pension funds, the following statements and notes are presented.

The Fund Account discloses the changes during the year in the net assets available for benefits.

The Net Assets Statement shows the assets available to fund benefits at the year end.

Notes to the Pension Fund Financial Statements

The Actuarial Value of Promised Retirement Benefits note provides information on the actuarial valuation, carried out in accordance with IAS 19, of the liabilities to pay pensions and other benefits in the future. This is an important supplement to the Net Assets Statement in the Fund's statement of accounts, which does not take account of liabilities to pay pensions and other benefits after the period end.

The other notes to the Pension Fund financial statements provide further detail on material items within the Fund Account and the Net Assets Statement.

A Glossary of key terms can be found at the end of this publication.

Annual Governance Statement 2024/25

Scope of Responsibility

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

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

The Authority's Local Code of Corporate Governance, available on our website at: [Local Code of Corporate Governance \(sypensions.org.uk\)](https://www.sypensions.org.uk) complies with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government Framework 2016. The Authority reviews and updates this Local Code every two years (as a minimum) and the next review will be carried out by December 2025.

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

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

The Purpose of the Governance Framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk: it can only provide a reasonable and not absolute assurance of effectiveness. The system of internal control is designed to identify risks to the achievement of the Authority's policies, aims and objectives. The system attempts to evaluate the likelihood of those risks being realised and the impact should they be realised and how to manage them efficiently, effectively, and economically. The governance framework has been in place during the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts.

Outline of the Governance Framework

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

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

Arrangements in Place

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

A review and update of the Constitution was undertaken in the last year to incorporate recommendations from the independent governance review. The revised document was approved in March 2025 and is available here: [Constitution \(sypensions.org.uk\)](https://www.sypensions.org.uk/constitution)

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

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

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

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

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.

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

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

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

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

Principle B: Ensuring openness and comprehensive stakeholder engagement

Arrangements in Place

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

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

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

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

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.

Principle B: Ensuring openness and comprehensive stakeholder engagement

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

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

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

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

Emphasis is placed on increasing the volume and improving the quality of interaction with employers and an employer forum session and surveys have been undertaken during the year. The Authority's website includes an area for employers and an employer newsletter is sent to all employers with updates on relevant information, training, and events. The newsletter is now being issued monthly rather than quarterly in order to provide more timely updates and a more concise and easy-to-read format.

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

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

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

Principle B: Ensuring openness and comprehensive stakeholder engagement

performance. Information from the complaints and appeals processes forms part of the Authority's performance management framework and influences the development of policy, practice, and processes, including specific projects reflected in the Corporate Strategy.

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

Areas for Improvement:

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

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

Arrangements in Place

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

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

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

annual report. It is planned, working with Border to Coast colleagues, to extend this work to include reporting on the positive impact on climate from the investments made within the Climate Impact Portfolio.

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

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

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

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.

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

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

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

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

Arrangements in Place

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

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.

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

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.

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.

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

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

Areas for Improvement:

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

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

Arrangements in Place

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

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

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.

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

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.

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

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

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.

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 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.

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

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 (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"*.

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

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.
Complete Independent Governance Review Independent Governance Review to be completed in June 2024 and an action plan to be developed to address any recommendations.	Head of Governance and Corporate Services	December 2024	Completed The review was completed as planned by June 2024, with very positive results. An action plan to address identified areas for improvements was developed and approved by the Local Pension Board and the Authority in December 2024.

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

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

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

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

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

Conclusion

To the best of our knowledge, the governance arrangements as defined above have operated effectively during the 2024/25 year. We propose over the coming year to take steps to address the areas identified for improvement to further enhance our governance arrangements. Progress in implementing these improvement actions will be monitored by officers and Internal Audit and through regular reports to the Authority and its committees.

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

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

Independent Auditor’s Report

The independent auditor’s report to the members of South Yorkshire Pensions Authority will be placed here following conclusion of the audit.

Independent Auditor’s Report

The independent auditor’s report to the members of South Yorkshire Pensions Authority on the statements of the South Yorkshire Pension Fund will be placed here following conclusion of the audit.

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Assistant Director – Resources, who is the Chief Finance Officer.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts.

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Chief Finance Officer's Certificate

I certify that the accounts give a true and fair view of the financial position of South Yorkshire Pensions Authority at 31 March 2025 and its income and expenditure for the year then ended.

Gillian Taberner, FCPFA

Assistant Director – Resources, Chief Finance Officer

Date:

Approval of the Statement of Accounts

These accounts were approved, in accordance with Regulation 9 of the Accounts and Audit Regulations 2015, by the Audit & Governance Committee of South Yorkshire Pensions Authority.

Councillor Roy Bowser
Chair, Audit and Governance Committee

Date:

Comprehensive Income And Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) summarises the resources that have been generated and consumed, in the process of providing services and managing the Authority during the year. The statement includes all the day to day expenses and related income on an accruals basis.

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2023/24				2024/25			
	Gross Expenditure £	Gross Income £	Net Expenditure £	Notes	Gross Expenditure £	Gross Income £	Net Expenditure £
	3,485,349	(64,149)	3,421,200	Pensions Administration	3,823,124	(5,600)	3,817,524
	1,079,192	0	1,079,192	Investment Strategy	956,029	0	956,029
	1,293,052	(4,650)	1,288,402	Resources	1,455,989	(61,820)	1,394,169
	1,274,711	(80,941)	1,193,770	ICT	1,450,936	(75,712)	1,375,224
	1,041,950	0	1,041,950	Central Costs	1,123,925	(55,305)	1,068,620
	182,244	0	182,244	Democratic Representation	132,560	0	132,560
	8,356,498	(149,740)	8,206,758	Cost of Services	8,942,563	(198,437)	8,744,126

Comprehensive Income And Expenditure Statement (continued)

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2023/24			2024/25				
Gross Expenditure £	Gross Income £	Net Expenditure £		Notes	Gross Expenditure £	Gross Income £	Net Expenditure £
0	(7,733,079)	(7,733,079)	Other Operating Income	[10]	0	(8,767,870)	(8,767,870)
17,000	0	17,000	Financing and Investment Expenditure	[9]	119,084	0	119,084
0	(311,901)	(311,901)	Taxation Income	[10]	0	(303,037)	(303,037)
8,373,498	(8,194,720)	178,778	Deficit or (Surplus) on Provision of Services		9,061,647	(9,269,344)	(207,697)
		1,542,415	Remeasurements of the Net Defined Benefit Liability	[25]			(150,283)
		1,542,415	Other Comprehensive Income and Expenditure				(150,283)
		1,721,193	Total Comprehensive Income and Expenditure				(357,980)

Movement In Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end of the year of the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce the charges to funds under management) and other 'unusable reserves'. Credit balances represent a positive reserve position. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

The statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable on a funding basis for the year. Due to the fact that the Authority charges its expenditure to the South Yorkshire Pension Fund, the Authority retains no balance on its General Fund.

Movement In Reserves During 2024/25:	General Fund Balance	Corporate Strategy Reserve	ICT Reserve	Capital Projects Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£	£	£	£	£	£	£
Balance At 1 April 2024	0	(65,985)	(63,030)	(19,290)	(148,305)	444,731	296,426
(Surplus) On The Provision Of Services	(207,697)	0	0	0	(207,697)	0	(207,697)
Other Comprehensive Income & Expenditure	0	0	0	0	0	(150,283)	(150,283)
Total Comprehensive Income & Expenditure	(207,697)	0	0	0	(207,697)	(150,283)	(357,980)
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 7)	(8,593)	0	0	0	(8,593)	8,593	0
Net (Increase) Before Transfers To Earmarked Reserves	(216,290)	0	0	0	(216,290)	(141,690)	(357,980)
Transfers (To) Earmarked Reserves (Note 8)	216,290	(38,870)	(120,330)	(57,090)	0	0	0
(Increase) in 2024/25	0	(38,870)	(120,330)	(57,090)	(216,290)	(141,690)	(357,980)
Balance At 31 March 2025 Carried Forward	0	(104,855)	(183,360)	(76,380)	(364,595)	303,041	(61,554)

Movement In Reserves During 2023/24:	General Fund Balance	Corporate Strategy Reserve	ICT Reserve	Pay & Benefits Reserve	Capital Projects Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£	£	£	£	£	£	£	£
Balance At 1 April 2023	0	(110,220)	(78,030)	(200,000)	(34,290)	(422,540)	(1,002,227)	(1,424,767)
Deficit On The Provision Of Services	178,778	0	0	0	0	178,778	0	178,778
Other Comprehensive Income & Expenditure	0	0	0	0	0	0	1,542,415	1,542,415
Total Comprehensive Income & Expenditure	178,778	0	0	0	0	178,778	1,542,415	1,721,193
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 7)	95,457	0	0		0	95,457	(95,457)	0
Net Decrease Before Transfers To Earmarked Reserves	274,235	0	0	0	0	274,235	1,446,958	1,721,193
Transfers From Earmarked Reserves (Note 8)	(274,235)	44,235	15,000	200,000	15,000	0	0	0
Decrease in 2023/24	0	44,235	15,000	200,000	15,000	274,235	1,446,958	1,721,193
Balance At 31 March 2024 Carried Forward	0	(65,985)	(63,030)	0	(19,290)	(148,305)	444,731	296,426

Balance Sheet

The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves available to the Authority to provide services. The Authority must maintain a prudent level of these reserves for unexpected events. The second category of reserves is unusable reserves, i.e. those that the Authority is not able to use to provide services. This includes reserves that hold timing differences shown in the Movement in Reserves Statement line: 'Adjustments between accounting and funding basis under regulations'.

31 March 2024		Note	31 March 2025
£			£
1,307,191	Property, Plant & Equipment	[11]	1,265,589
0	Property - Right of Use Asset	[24]	673,188
107,742	Intangible Assets	[12]	70,802
1,414,933	Long Term Assets		2,009,579
1,433,865	Short Term Debtors	[14]	1,052,966
1,433,865	Current Assets		1,052,966
(1,315,560)	Short Term Creditors	[15]	(738,127)
0	Short Term Lease Liability	[24]	(3,447)
(1,315,560)	Current Liabilities		(741,574)

31 March 2024		Note	31 March 2025
£			£
(24,372)	Long Term Creditors	[14]	(24,372)
0	Long Term Lease Liability	[24]	(726,791)
(1,805,292)	Pensions Net Defined Benefit Liability	[25]	(1,508,254)
(1,829,664)	Long Term Liabilities		(2,259,417)
(296,426)	(Net Liabilities) / Net Assets		61,554
(148,305)	Usable Reserves	[8]	(364,595)
444,731	Unusable Reserves	[16]	303,041
296,426	Total Reserves		(61,554)

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The Authority has no cash flows from financing activities due to the nature of the Authority's work which is entirely related to the administration of the South Yorkshire Pension Fund.

This also means that all cash balances held are due to the Pension Fund. Therefore, the year-end cash balance is nil for the Authority at 31 March 2025 and at 31 March 2024. Therefore there is no separate disclosure for cash and cash equivalents.

31 March 2024		Note	31 March 2025
£			£
(178,778)	Net (Deficit) / Surplus on the Provision of Services		207,697
255,674	Adjustment to Net Deficit / Surplus on the Provision of Services For Non-Cash Movements	[17]	(96,496)
76,896	Net Cash Flows from Operating Activities		111,201
(76,896)	Net Cash Flows from Investing Activities	[18]	(107,929)
0	Net Cash Flows from Financing Activities	[19]	(3,272)
0	Net Increase or (Decrease) in Cash & Cash Equivalents		0
0	Cash and Cash Equivalents at the Beginning of the Reporting Period		0
0	Cash and Cash Equivalents at the End of the Reporting Period		0

Note 1. Expenditure And Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. As a single purpose Authority, most expenditure is charged to the Pension Fund and, with the exception of earmarked reserves, there is no balance retained on the General Fund at the end of either the current or prior year. This note also shows how the expenditure is allocated for decision making purposes between the Authority's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Page 177	2023/24				2024/25			
	Net Expenditure chargeable to General Fund	Adjustments between the funding and accounting basis	Net Expenditure in the CIES		Net Expenditure chargeable to General Fund	Adjustments between the funding and accounting basis	Net Expenditure in the CIES	
	£	£	£		£	£	£	
	3,471,948	(50,748)	3,421,200	Pensions Administration	3,881,685	(64,161)	3,817,524	
	1,087,052	(7,860)	1,079,192	Investment Strategy	966,653	(10,624)	956,029	
	1,306,674	(18,272)	1,288,402	Resources	1,411,885	(17,716)	1,394,169	
	1,124,103	69,667	1,193,770	ICT	1,314,007	61,217	1,375,224	
	764,766	277,184	1,041,950	Central Costs	707,023	361,597	1,068,620	
	182,875	(631)	182,244	Democratic Representation	132,560	0	132,560	
	7,937,418	269,340	8,206,758	Net Cost of Services	8,413,813	330,313	8,744,126	

2023/24

2024/25

Net Expenditure
chargeable to
General Fund

Adjustments
between the
funding and
accounting basis

Net Expenditure
in the CIES

Net Expenditure
chargeable to
General Fund

Adjustments
between the
funding and
accounting basis

Net Expenditure
in the CIES

£

£

£

(7,663,183)

(364,797)

(8,027,980)

Other Income and Expenditure

£

£

£

(8,630,103)

(321,720)

(8,951,823)

274,235**(95,457)****178,778****Deficit or (Surplus) on Provision of Services****(216,290)****8,593****(207,697)**

(422,540)

Opening General Fund and Earmarked
Reserves Balance

(148,305)

274,235

Plus Deficit / (Surplus) for the Year

(216,290)

(148,305)

Closing General Fund and Earmarked
Reserves Balance

(364,595)

Note 2a. Accounting Policies

i. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (as amended), which those regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the Local Government Act 2003 (the 2003 Act) primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost.

The financial statements have been prepared on the going concern basis which assumes that the Pensions Authority will continue in existence for the foreseeable future. The Authority is the administering authority of the South Yorkshire Pension Fund and as such, its expenses are borne by the Fund it administers.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where income and expenditure has been recognised but cash has not yet been received or paid, a debtor or creditor for the relevant amount is included in the Balance Sheet, subject to the relevant amount exceeding a de-minimis threshold of £1,000. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits held with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

iv. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of the transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

The Expenditure and Funding Analysis provides the Authority's segmental analysis and the service section of the Comprehensive Income and Expenditure Statement follows the same segmental analysis. In line with Code requirements, the reportable segments are based on the Authority's internal management reporting. Where changes occur to the reportable segments as a result of re-organisation, comparative figures for the prior year are re-stated to match the new format in accordance with the requirements set out in the Code.

v. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged on an accruals basis to the net cost of services in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

The Authority participates in the Local Government Pension Scheme (LGPS) which it also administers. The Local Government Pensions Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on bond yields as at the date of calculation.
- The assets of the pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - Quoted securities - current bid price
 - Unquoted securities - professional estimate
 - Unitised securities - current bid price
 - Property - market value

The change in the net pensions liability is analysed into the following components:

- Service Cost Comprising:
 - Current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - Past service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs; and
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurements Comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;

- Actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions reserve as Other Comprehensive Income and Expenditure;

- Effect of Asset Ceiling – where the defined benefit liability is negative (i.e., an asset), a limit is applied to the amount that may be recognised as an asset on the balance sheet, this limit is termed the asset ceiling; if an adjustment is required to reduce the total asset to the amount of the asset ceiling, this adjustment is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and

- Contributions paid to the Fund by the employer – cash paid as employer contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the LGPS.

vi. Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the accounting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

vii. 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, creditors, debtors, investments and bank deposits of the Authority.

Cash, debtors and creditors are the Authority's only financial instruments; these are disclosed on the Balance Sheet, and are classified as financial assets at amortised cost, and financial liabilities at amortised cost, respectively.

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost.

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost.

The Authority recognises expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

viii. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events is capitalised when it is expected that future economic benefit or service potential will flow from the intangible asset to the Authority. Intangible assets are measured initially at cost.

The depreciable amount of an intangible asset is amortised over its useful life on a straight line basis. The assets are funded directly from revenue and charged to the Fund. The capital element is then adjusted in the Capital Adjustment Account.

ix. Property, Plant and Equipment

Assets that have a physical substance and are held for use in the supply of services or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price; and
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Assets are then carried in the Balance Sheet at depreciated historical cost, due to the assets having short useful lives or low values (or both).

Impairment

Assets are assessed each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives.

Depreciation is calculated on the following basis:

- Vehicles, plant, furniture and equipment – on a straight line basis, as advised by a suitably qualified officer.

Items of property, plant and equipment are excluded from depreciation before they are available for use. Therefore Assets Under Construction are not depreciated. Once the asset is available for use (even if not in actual use yet) it is transferred to the relevant asset category within Property, Plant and Equipment and is subject to depreciation from the date of being available for use.

Disposals

When an asset is disposed or decommissioned, the carrying amount of the asset in the balance sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

Any amounts written off on disposals will not be a charge against the General Fund, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

x. Leases**The Authority as Lessee**

The Authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the Authority is reasonably certain to exercise
- Lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option
- Penalties for early termination of a lease, unless the Authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

Subsequent Measurement

The right-of-use asset is subsequently measured using the fair value model. The Authority considers the cost model to be a reasonable proxy except for:

- Leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- There is a change in future lease payments arising from a change in index or rate
- The Authority changes its assessment of whether it will exercise a purchase, extension or termination option

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the Comprehensive Income and Expenditure Statement.

Low Value and Short Lease Exemption

As permitted by the Code, the Authority excludes leases:

- For low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items;
- With a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Authority is reasonably certain to exercise and any termination options that the Authority is reasonably certain not to exercise).

xi. Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Authority's arrangements for accountability and financial performance.

xii. Provisions and Contingent LiabilitiesProvisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

xiii. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in the year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge for the expenditure in that year.

Certain reserves are kept to manage the accounting processes for non-current assets and for retirement and employee benefits and do not represent usable resources for the Authority - these reserves are explained in the relevant policies.

xiv. VAT

The Authority has partial exemption from VAT, as such not all VAT suffered is recoverable. Income and expenditure items are accounted for net of VAT; however, the irrecoverable VAT expense is charged to the relevant services in the Comprehensive Income and Expenditure Statement.

xv. Government Grants

Whether paid on account, by instalments or in arrears, government grants are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Grants to fund revenue expenditure are credited to the relevant service line in the Comprehensive Income and Expenditure Statement when the conditions of the grant have been satisfied.

Note 2b. Critical Judgements In Applying Accounting Policies

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the statement of accounts are set out below.

• Post Employment Benefits - Net Defined Benefit Pensions Liability / Asset

As set out in Note 25, the net balance of the Authority's funded defined benefit obligations is a surplus as at 31 March 2025.

Where this is the case, there is a limit on the amount that can be recognised as an asset on the Balance Sheet and the Code requires that this shall be determined in accordance with *IAS 19 Employee Benefits* and *IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

This limit, termed the asset ceiling, is required because the pension surplus reported under IAS 19 is not fully realisable by the Authority in the form of refunds or reductions in contributions. The asset ceiling is therefore calculated and applied to ensure that any asset recognised on the balance sheet reflects only the economic benefits that are realisable by the Authority.

The application of *IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* and the methodology to be used in calculating the asset ceiling is complex and requires judgements to be made regarding the various components of the calculation.

In reaching the judgements required, the Authority has carefully considered the requirements in the Code, IAS 19 and IFRIC14, has consulted with its actuary and external auditors, and has referred to guidance issued by CIPFA in November 2023, *CIPFA Bulletin 15 - Reporting of pensions surpluses and IFRIC 14*.

The asset ceiling represents the economic benefit available to the Authority as a reduction in future contributions and has been calculated as follows.

A. Present Value of Future Service Cost

Less

B. Present Value of Future Service Contributions

A. Present Value of Future Service Cost

This is calculated as the future service cost multiplied by an annuity over the expected life of the Authority as an employer in the scheme - which is determined to be an indefinite life as the Authority is an LGPS employer open to new entrants. It is therefore calculated as an annuity in perpetuity.

The future service cost amount is the projected 2025/26 service cost calculated by the actuary using the IAS 19 assumptions at 31 March 2025.

B. Present Value of Future Service Contributions

This is calculated as:

- > Future service (primary rate contributions) multiplied by an annuity that is calculated in perpetuity on the same basis that the expected life of the Authority as an employer in the scheme is indefinite.
- > Negative past service (secondary rate contributions) multiplied by an annuity that is calculated only for the remaining period of the Authority's funding valuation time horizon – which was 16 years at the last funding valuation at 31 March 2022.

The economic benefit available as a reduction in future contributions cannot be negative, so where B is greater than A, the economic benefit available as a reduction in future contributions is £0.

The result of the calculation as at 31 March 2025 is as follows:

A. Present Value of Future Service Cost = £22,324,000

B. Present Value of Future Service Contributions = £35,784,000

As B is greater than A, the economic benefit available as a reduction in future contributions, i.e., the asset ceiling, is £0.

As this asset ceiling result is lower than the value of the actual surplus reported under IAS 19, an adjustment is required to limit the value of the asset recognised on the balance sheet to £0. The brought forward asset ceiling adjustment at 1 April 2024 was £6,050,193, with a further adjustment applied at 31 March 2025 of £4,534,718, which is recognised within Other Comprehensive Income and Expenditure on the Comprehensive Income and Expenditure Statement, and further details are set out in Note 25 Defined Benefit Pension Asset / Liability.

Note 3. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

Under the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Authority is required to disclose information setting out the impact of an accounting change required by a new accounting standard that has been issued on or before 1 January 2025 but not yet adopted by the Code. The 2025/26 Code will introduce amendments in respect of:

- > IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- > IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

Neither of these two amendments will be applicable to the Authority's financial statements.

The 2025/26 Code will also include changes to the measurement of non-investment assets having regard to HM Treasury's Thematic Review of Non-investment Asset Valuation.

The main changes included in the 2025/26 Code will be the following:

- > A revaluation expedient for operational property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years. Alternatively, a desktop valuation in year three in rare cases where no index is available.
- > Intangible assets to be held at historical cost only.
- > Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures.

These changes within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

These changes to the measurement of non-investment assets are not expected to have a significant impact on the Authority's financial statements.

Note 4. Assumptions Made About The Future And Other Major Sources Of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The item estimated in the Authority's Balance Sheet at 31 March 2025 where there is significant estimation uncertainty that could result in a material adjustment within the next financial year is the net Pensions Liability. The estimation is complex and the key factors are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects on the obligations of changes in individual assumptions can be measured. For example: > A 0.1% decrease in the discount rate assumption would result in an increase to the obligations of approximately 2% or £467,000 > A one year increase in the life expectancy assumption would result in an increase to the obligations of approximately 4% or £937,000 > A 0.1% increase in the salary inflation rate assumption would result in an increase to the obligations of approximately 0% or £20,000 > A 0.1% increase in the pension increase rate assumption would result in an increase to the obligations of approximately 2% or £459,000. However, the assumptions interact in complex ways. During 2024/25, the Authority's actuaries advised that the net pensions liability had decreased by £4,855,000 due to updating of the financial assumptions, had decreased by £50,000 due to changes in demographic assumptions and had decreased by £230,000 due to estimates being corrected as a result of other experience.

Impact of Inflation and Corporate Bond Yields

The rate of inflation and corporate bond yields have an effect on the assumptions used and the impact of these on the Authority's obligations. The impact of the change in financial assumptions adopted for the period ending 31 March 2025 was a reduction in the liability totalling £4,855,000. This primary driver can be further explained analysed into its components as follows.

Pension Increase Rate – Market derived CPI inflation has remained the same as last year, which has led to this assumption being unchanged and has had no impact on the Authority's obligations and liability on the balance sheet.

Salary Increase Rate – the salary increase assumption has remained the same as last year, and has had no impact on the Authority's obligations and liability on the balance sheet.

Discount rate – The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.95% increase in this assumption. This served to reduce the Authority's obligations and accounts for the £4,855,000 total reduction in the liability.

Impact of Changes in Demographic Assumptions

The demographic assumptions used by the actuary have changed from the previous accounting period to reflect the latest available longevity improvements information available at the accounting date (i.e. moving to the CMI 2023 model). This has served to reduce the Authority's obligations and led to the small gain of £50,000 on the balance sheet.

Impact of Changes Based on Other Experience

The impact of changes arising from Other Experience for the period ending 31 March 2025 was a reduction in the liability totalling £230,000. The primary driver for this reduction is as follows.

Pensions Increase (PI) Order – The actual PI order for April 2024 was 1.7%, which is lower than the pension increase rate assumption built into the obligations at the start of the accounting period. This reduces pensions in payment, deferred pensions and CARE pots and has served to reduce the Authority's obligations and led to a reduction of £230,000 in the liability.

The impact of changes in returns on assets excluding amounts included in net interest for the period ending 31 March 2025 was a reduction in the asset totalling (£743,000). Any excess return over and above the expected accounting return is recognised in the Other Comprehensive Income. The total investment return achieved by the Fund over the accounting period was 2.6%, compared to an expected return of 4.85%, which leads to the reduction in the asset.

The impact of the items above, and related items in the previous year, have been the critical factors in the net pensions asset on the Authority's balance sheet significantly increasing from 31 March 2024 to 31 March 2025, prior to making required adjustments for the asset ceiling. See note 2b and note 25 for further details.

Note 5. 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. There are no such events to disclose.

Note 6. Supplementary Information To Note 1. Expenditure & Funding Analysis

This note provides further information and a breakdown of the adjustments shown in Note 1 Expenditure & Funding Analysis to show how the figures accounted for in the Comprehensive Income and Expenditure Statement are adjusted from accounting basis to funding basis.

Adjustments between funding and accounting basis 2024/25				
Adjustments from General Fund to arrive at the Comprehensive Income & Expenditure Statement Amounts	Adjustment for Capital Purposes	Net Change for Pensions Adjustments	Other Statutory Adjustments	Total Adjustments
	£	£	£	£
Pensions Administration	0	(74,390)	10,229	(64,161)
Investment Strategy	0	(13,756)	3,132	(10,624)
Resources	0	(23,616)	5,900	(17,716)
ICT	74,304	(14,269)	1,182	61,217
Central Costs	161,971	200,313	(687)	361,597
Net Cost of Services	236,275	74,282	19,756	330,313
Other Income and Expenditure from the Expenditure & Funding Analysis	(100,683)	(221,037)	0	(321,720)
Difference Between General Fund Surplus and the CIES Surplus on the Provision of Services	135,592	(146,755)	19,756	8,593

Adjustments for Capital Purposes

This column adjusts for depreciation and amortisation in the services line, and for the following:

- Other Income and Expenditure from the EFA: Charge to the General Fund to finance the capital expenditure incurred in the year; and
- Financing and Investment Income and Expenditure: Statutory charges for capital financing to the General Fund.

Net Change for Pensions Adjustments

This column presents the net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension-related expenditure and income:

- Net Cost of Services: this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and any past service costs.
- Other Income and Expenditure from the EFA: Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Statutory Adjustments

This column presents other statutory adjustments between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable / receivable to be recognised under statute:

- Net Cost of Services: this represents the removal, as required by statute, of the expenditure charged to the Comprehensive Income and Expenditure Statement resulting from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March.

Adjustments between funding and accounting basis 2023/24

Adjustments from General Fund to arrive at the Comprehensive Income & Expenditure Statement Amounts	Adjustment for Capital Purposes	Net Change for		Total Adjustments
		Pensions Adjustments	Other Statutory Adjustments	
	£	£	£	£
Pensions Administration	0	(45,187)	(5,561)	(50,748)
Investment Strategy	0	(4,030)	(3,830)	(7,860)
Resources	0	(17,044)	(1,228)	(18,272)
ICT	72,363	(7,037)	4,341	69,667
Central Costs	101,649	174,515	1,020	277,184
Democratic Representation	0	(631)	0	(631)
Net Cost of Services	174,012	100,586	(5,258)	269,340
Other Income and Expenditure from the Expenditure & Funding Analysis	(69,896)	(294,901)	0	(364,797)
Difference Between General Fund Surplus and the CIES Surplus on the Provision of Services	104,116	(194,315)	(5,258)	(95,457)

Note 7. Adjustments Between Accounting Basis And Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. All expenditure of the Authority that is charged to the General Fund is then fully charged to the Pension Fund.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an Authority are required to be paid and out of which all liabilities of an Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice.

2023/24		2024/25	
£	<i>Adjustments to Revenue Resources</i>	£	
General Fund		General Fund	
(174,012)	Reversal of Entries Included in the Surplus or Deficit on Provision of Services in Relation to Capital Expenditure (Transferred to Capital Adjustment Account)	(236,275)	
194,315	Pensions Costs (Transferred to the Pensions Reserve)	146,755	
5,258	Holiday Pay (Transferred from/(to) the Accumulated Absences Adjustment Account)	(19,756)	
25,561	Total Adjustments to Revenue Resources	(109,276)	
	<i>Adjustments Between Revenue and Capital Resources</i>		
0	Statutory Provision for the Repayment of Debt (Transferred to the Capital Adjustment Account)	3,272	
69,896	Capital Expenditure Financed from Revenue Balances (Transferred to the Capital Adjustment Account)	97,411	
69,896	Total Adjustments Between Revenue and Capital Resources	100,683	
95,457	Total Adjustments	(8,593)	

8. Transfers (To) / From Earmarked Reserves

This note sets out the amounts set aside in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

	Balance at 1 Apr 2023	Transfers Between Reserves	Transfers Out	Transfers In	Balance at 31 Mar 2024	Transfers In	Balance at 31 Mar 2025
	£		£	£	£	£	£
Corporate Strategy Reserve	(110,220)	(25,000)	91,235	(22,000)	(65,985)	(38,870)	(104,855)
ICT Development Reserve	(78,030)	25,000	0	(10,000)	(63,030)	(120,330)	(183,360)
Capital Projects Reserve	(34,290)	0	30,000	(15,000)	(19,290)	(57,090)	(76,380)
Pay & Benefits Reserve	(200,000)	0	200,000	0	0	0	0
Total:	(422,540)	0	321,235	(47,000)	(148,305)	(216,290)	(364,595)

The Authority's earmarked reserves are held for the following purposes.

Corporate Strategy Reserve

This reserve exists to fund non-recurrent costs associated with various projects required for the implementation of the Corporate Strategy of the Authority.

Amounts posted to this reserve have been processed during the year in line with plans as follows:

> £25,000 has been transferred into the reserve to finance future Investment Strategy review costs; and

> £13,870 has been transferred into the reserve from the 2024/25 budget underspend, this is set aside for financing future costs of delivering corporate strategy requirements.

ICT Development Reserve

This reserve is used to fund expenditure on ICT equipment and to enable a programme of systems development for the Authority. Amounts posted to this reserve have been processed during the year in line with plans as follows:

- > £5,000 has been transferred into this reserve from income generated from the sales of in-house developed software to other organisations;
- > £100,330 has been transferred into this reserve from underspends in 2024/25 relating to use of consultancy and development for the Pensions Administration system that is expected to be incurred in 2025/26; and
- > £15,000 has been transferred into this reserve to cover implementation costs for a new HR and Payroll system due to be incurred in 2025/26.

Capital Projects Reserve

This reserve exists to meet the financing of capital projects and expenditure in relation to the Authority's property, plant and equipment assets and intangible assets. Amounts posted to this reserve have been processed during the year in line with plans as follows:

- > £57,090 has been transferred into the reserve to set aside funds for meeting future costs of major upgrades required to the office building.

Pay & Benefits Reserve

This reserve was created to fund additional costs arising from a pay and benefits review across the organisation. The outcomes of the review were implemented during 2023/24, leading to additional expenditure on staffing costs and the full transfer out of the reserve in 2023/24. As the purpose of the reserve has been fulfilled, it will not be utilised moving forward.

Page 197 **Note 9. Financing and Investment Income and Expenditure**

2023/24		Notes	2024/25
£			£
0	Lease Interest Payments	[24]	37,084
17,000	Net Interest on the Net Defined Benefit Liability	[25]	82,000
17,000		Total	119,084

Note 10. Expenditure And Income Analysed By Nature

The Authority's expenditure and income is analysed as follows:

2023/24	Expenditure	2024/25
£		£
4,889,324	Employee Benefits Expenses	5,655,961
174,012	Depreciation and Amortisation	236,275
2,464,343	Other Service Expenses	2,416,175
828,819	Irrecoverable VAT Expense	634,152
0	Lease Interest Payments	37,084
17,000	Net Interest Expense on the Net Defined Benefit Liability	82,000
8,373,498	Total Expenditure	9,061,647
2023/24	Income	2024/25
£		£
	<i>Fees, Charges & Other Service Income:</i>	
(80,941)	Charges for provision of IT services and IT sales	(75,712)
(23,850)	Charges for administration in relation to employer recharges for actuarial services	(21,200)
(36,498)	Charges for administration in relation to payroll	(35,679)
(3,300)	Charges to scheme members in relation to information provision on receipt of pension sharing orders upon divorce	(5,200)
(5,151)	Other Income	(5,341)
(149,740)	Subtotal Fees, Charges and Other Service Income	(143,132)

2023/24	Income	2024/25
£		£
0	Government Grants and Contributions	(55,305)
	<i>Other Operating Income:</i>	
(7,733,079)	Charge to the South Yorkshire Pension Fund	(8,767,870)
	<i>Taxation Income</i>	
(311,901)	Levy for Residual Liabilities	(303,037)
(8,194,720)	Total Income	(9,269,344)
178,778	Deficit or (Surplus) on the Provision of Services	(207,697)

Fees, Charges and Other Service Income - Recognition

Income from the provision of IT services and sales of internally developed IT systems to other public sector bodies is recognised in the period in which the services are provided. The £75,712 income in 2024/25 includes £59,460 (2023/24: £64,997) charged to the Office of the Police and Crime Commissioner for IT service provision; the contract for the provision of these services ended in February 2025. The remaining £16,252 IT income is in relation to sales of internally developed software products (EPIC and DART) to other LGPS pension funds and maintenance of this software. The income for the sale of software licences is recognised at the date of sale, and the income for software maintenance services is recognised over the period for which the fee is charged.

An administration fee is charged to employers in order to cover the costs of the Authority in relation to the handling of requests and other requirements for various actuarial services including provision of reports and information. This is calculated as a percentage of the fees charged by the actuary for these services and the income is recognised in the period when the services are provided.

The administration fee in respect of payroll relates to the administering of deductions from pension for members who have a health insurance plan provided by Westfield Health and the payment of these to the provider. The fee is charged as a percentage of the total amount deducted and paid over on a monthly basis and the income is recognised in the month to which it relates.

Government Grants and Contributions

The Ministry of Housing, Communities and Local Government (MHCLG) introduced funding provision to local authorities in the form of a Section 31 Grant paid from 2022/23 to 2024/25 as part of their measures to improve local audit delays, to support with local audit financial reporting and to implement audit requirements related to Sir Tony Redmond's recommendations. The provision was a total of £15 million per annum allocated to eligible bodies (those defined in the Local Audit and Accountability Act 2014 and undertaking full audit arrangements) in proportion to the audit scale fees for each body.

The grant funding is paid to local authorities under Section 31 of the Local Government Act 2003. There was a delay in the Authority receiving notification and payment of this grant because MHCLG were unable to provide it direct due to the Authority not being defined in the relevant legislation as a local authority for the purposes of Section 31.

This was identified and resolved during the year by arranging for it be paid to the Authority via Barnsley MBC. The grant income due to the Authority for 2022/23, 2023/24 and 2024/25 was therefore received in full and accounted for in the current year.

Other Operating Income

The Authority incurs costs in the discharge of its functions as the administering authority of the South Yorkshire Pension Fund. In accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, the Authority charges its costs to the Fund as they are incurred. The total charge to the South Yorkshire Pension Fund is recognised as Other Operating Income in the Authority's CIES for the year to which it relates.

Taxation Income

The costs and expenses incurred in administering the residual liabilities of the former South Yorkshire Residuary Body are financed by a Levy issued to the four district councils of Barnsley Metropolitan Borough Council, City of Doncaster Council, Rotherham Metropolitan Borough Council and Sheffield City Council. The Levy is charged in accordance with The Levying Bodies (General) Regulations 1992 and is allocated to each district in proportion to their populations. The total received is recognised as Taxation Income in the Authority's CIES for the year to which it relates.

Note 11. Property, Plant And Equipment

2024/25:	Vehicles, Plant, Furniture & Equipment - Oakwell House	Vehicles, Plant, Furniture & Equipment - Laptops	Vehicles, Plant, Furniture & Equipment - ICT Server	Total Property, Plant and Equipment
	£	£	£	£
Cost				
At 1 April 2024	1,455,659	168,740	0	1,624,399
Additions	0	47,165	50,246	97,411
Derecognition - disposals	0	(70,568)	0	(70,568)
At 31 March 2025	1,455,659	145,337	50,246	1,651,242
Accumulated depreciation				
At 1 April 2024	(225,956)	(91,252)	0	(317,208)
Depreciation charge for the year	(101,650)	(30,784)	(6,579)	(139,013)
Derecognition - disposals	0	70,568	0	70,568
At 31 March 2025	(327,606)	(51,468)	(6,579)	(385,653)
Net Book Value At 31 March 2025	1,128,053	93,869	43,667	1,265,589
Net Book Value At 31 March 2024	1,229,703	77,488	0	1,307,191

The Authority additionally holds one right-of-use asset under a lease; all associated disclosures relating to this asset can be found within Note 24 Leases.

Comparative Movements in 2023/24:

	Vehicles, Plant, Furniture & Equipment - Oakwell House	Vehicles, Plant, Furniture & Equipment - Laptops	Total Property, Plant and Equipment
	£	£	£
Cost			
At 1 April 2023	1,455,659	98,844	1,554,503
Additions	0	69,896	69,896
At 31 March 2024	1,455,659	168,740	1,624,399
Accumulated depreciation			
At 1 April 2023	(124,306)	(55,830)	(180,136)
Depreciation charge	(101,650)	(35,422)	(137,072)
At 31 March 2024	(225,956)	(91,252)	(317,208)
Net Book Value At 31 March 2024	1,229,703	77,488	1,307,191
Net Book Value At 31 March 2023	1,331,353	43,014	1,374,367

The Vehicles, Plant, Furniture and Equipment - Oakwell House asset represents the value of the major refurbishment project on the Authority's office accommodation and includes full mechanical and electrical plant, solar panels, furniture, fittings and equipment. The practical completion date and handover was 06 December 2021 and the asset is being depreciated from 1 January 2022.

The Vehicles, Plant, Furniture and Equipment - Laptops asset represents the value of laptop computers purchased. There have been additions to this asset during the year due to the growth in the workforce; disposals have been driven by the laptops becoming obsolete at the end of their useful economic life.

The Vehicles, Plant, Furniture and Equipment - ICT Server was purchased in April 2024 to support the Authority's ICT Network and associated resources.

Depreciation

· Vehicles, plant, furniture and equipment: Oakwell House

The Oakwell House asset comprises two components with different useful economic lives as follows:

> Audio-visual equipment and fittings: In line with advice from the Corporate ICT and Digital Manager, a useful life of 10 years has been determined for this component. Depreciation is therefore charged over 120 months on a straight line basis commencing in the month following acquisition.

> The remaining plant, furniture, fittings and equipment component has been determined as having a useful economic life of 15 years. Depreciation is therefore charged over 180 months on a straight line basis commencing in the month following acquisition.

· Vehicles, plant, furniture and equipment: Laptops

It has been determined that the laptops have a useful economic life of 4 years.

Depreciation is charged over 48 months on a straight line basis commencing in the month following acquisition.

· Vehicles, plant, furniture and equipment: ICT Server

It has been determined that the ICT Server has a useful economic life of 7 years.

Depreciation is charged over 84 months on a straight line basis commencing in the month following acquisition.

Note 12. Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority.

The Authority's licence for its Pensions Administration software is the only intangible asset held.

In February 2022 a new contract was entered into for a new 5 year licence from this date; the contract is being amortised over 60 months starting from March 2022.

The amortisation charge of £36,940 in 2024/25 (£36,940 in 2023/24) was charged to the ICT service line within Net Cost of Services in the Comprehensive Income and Expenditure Statement.

	2023/24		2024/25
	Pensions Administration System		Pensions Administration System
	£		£
	Balance at Start of Year:		
	184,700	Gross Carrying Amount	184,700
	(40,018)	Accumulated Amortisation	(76,958)
	144,682	Net Carrying Amount at Start of Year	107,742
	(36,940)	Amortisation for the Period	(36,940)
	107,742	Net Carrying Amount at End of Year	70,802
	Comprising:		
	184,700	Gross Carrying Amount	184,700
	(76,958)	Accumulated Amortisation	(113,898)

Note 13. Financial Instruments

31 March 2024		31 March 2025
£		£
	Financial Assets at Amortised Cost	
1,021,796	Short Term Debtors	84,726
1,021,796	Total Financial Assets at Amortised Cost	84,726
	Financial Liabilities at Amortised Cost	
(665,046)	Short Term Creditors	(626,975)
(24,372)	Long Term Creditors	(24,372)
(689,418)	Total Financial Liabilities at Amortised Cost	(651,347)
332,378	Total Financial Instruments	(566,621)

The short term debtors classified as financial assets do not include prepayments or statutory debtors in respect of taxes recoverable from HMRC.

The short term creditors classified as financial liabilities do not include statutory creditors in respect of taxes payable to HMRC.

The Authority's lease liability is separately disclosed and analysed in Note 24 Leases.

Nature and Extent of Risks Arising From Financial Instruments

The Authority's activities expose it to the following financial risks:

- Credit risk – the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation.
- Liquidity risk – the risk that an entity (the Fund) will have difficulties in paying its financial liabilities.

As the Authority's primary purpose is as the administrator of the South Yorkshire Pension Fund, the management of risk in relation to financial instruments is mainly relevant to the Fund itself and is covered in detail in Note 17 to the South Yorkshire Pension Fund Accounts that follow.

All of the Authority's income and expenditure is charged directly to the Fund (or financed from the Levy in respect of residual liabilities), therefore market risks and liquidity risks are managed by the Fund.

All of the Authority's financial assets are short term debtors, and have been assessed for likelihood of default. All are anticipated to be received within 3 months.

The Authority's financial liabilities disclosed above include both short and long term creditors. The short term creditors are anticipated to be paid within 3 months.

Note 14. Short Term Debtors

31 March 2024		31 March 2025
£		£
123,743	Trade Receivables	84,726
412,069	Prepayments	561,536
898,053	Owed from Pension Fund	0
0	Receivable from HMRC - VAT	406,704
1,433,865	Total	1,052,966

Note 15. Creditors

31 March 2024		31 March 2025
£		£
<i>Short Term Creditors</i>		
(348,249)	Trade Payables	(336,617)
(102,201)	Payable to HMRC - Employment Taxes	(111,152)
(548,313)	Payable to HMRC - VAT	0
(10,518)	Capital Creditors	0
(47,375)	Deferred Income	(31,129)
0	Owed to Pension Fund	(181,543)
(258,904)	Other Payables	(77,686)
(1,315,560)		(738,127)
<i>Long Term Creditors</i>		
(24,372)	Retention Payments Due on Retirement	(24,372)
(1,339,932)	Total	(762,499)

Note 16. Unusable Reserves

31 March 2024		Note 16	31 March 2025
£			£
(1,414,933)	Capital Adjustment Account	[a]	(1,279,341)
1,805,292	Pensions Reserve	[b]	1,508,254
54,372	Accumulated Absences Adjustment Account	[c]	74,128
444,731	Total Unusable Reserves		303,041

a) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition or subsequent costs such as depreciation, impairment losses and amortisation are charged to the Comprehensive Income & Expenditure Statement. The Account is credited with amounts set aside by the Authority as finance for the costs of acquisition or enhancement.

2023/24		2024/25
£		£
(1,519,049)	Balance at 1 April	(1,414,933)
	<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</i>	
36,940	Amortisation of Intangible Assets	36,940
137,072	Depreciation of Vehicles, Plant, Furniture & Equipment	139,013
0	Depreciation of the Right of Use Asset	60,322
	<i>Capital financing applied in the year:</i>	
0	Statutory Provision for the Minimum Revenue Charge to the General Fund	(3,272)
(69,896)	Capital Expenditure Charged Against the General Fund Balance	(97,411)
(1,414,933)	Balance at 31 March	(1,279,341)

b) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24		2024/25
£		£
457,192	Balance at 1 April	1,805,292
1,542,415	Remeasurement Of The Net Defined Benefit Liability	(150,283)
734,000	Reversal Of Items Relating To Retirement Benefits Debited or Credited to the Surplus On the Provision Of Services in the CIES	863,000
(928,315)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable In The Year	(1,009,755)
1,805,292	Balance at 31 March	1,508,254

The Pensions Reserve includes the reserve calculated for the residual liabilities; the breakdown is shown below:

31 March 2024		31 March 2025
£	Pensions Reserve	£
0	South Yorkshire Pensions Authority - Funded Obligations	0
185,000	South Yorkshire Pensions Authority - Unfunded Obligations	164,000
1,620,292	Unfunded Obligations of the Former South Yorkshire Residuary Body	1,344,254
1,805,292	Total	1,508,254

c) Accumulated Absences Adjustment Account

The Accumulated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24		2024/25	
£		£	
59,630	Balance at 1 April		54,372
(59,630)	Settlement or cancellation of accrual made at the end of the preceding year	(54,372)	
54,372	Amounts accrued at the end of the current year	74,128	
	Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		19,756
54,372	Balance at 31 March		74,128

Note 17. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2023/24		2024/25
£		£
0	Interest paid	37,084

The Surplus or Deficit on Provision of Services has been adjusted for the following non-cash movements:

2023/24		2024/25
£		£
36,940	Amortisation	36,940
137,072	Depreciation	199,335
(194,315)	Movement in Pension Liability	(146,755)
(37,994)	(Decrease) in Long Term Provision / Creditor	0
(455,365)	(Decrease) in Short Term Creditors	(566,915)
769,336	Decrease in Debtors	380,899
255,674	Total Adjustment for Non Cash Movements	(96,496)

Note 18. Cash Flow Statement - Investing Activities

2023/24		2024/25
£		£
(76,896)	Purchase of Property Plant & Equipment	(107,929)
<u>(76,896)</u>	Total Investing Activities	<u>(107,929)</u>

Note 19. Cash Flow Statement - Financing Activities

2023/24		2024/25
£		£
0	Cash Payments for Reduction of the Principal Portion of the Outstanding Lease Liability	(3,272)
<u>0</u>	Total Financing Activities	<u>(3,272)</u>

Note 20. Officers' Remuneration

The remuneration paid to the Authority's senior employees is as follows:

		Further Details	Salary, fees and allowances	Employer Pension Contributions	Pension Contributions Due On Retirement*	Total
			£	£	£	£
Director (Head of Paid Service)	2024/25		135,146	25,678		160,824
	2023/24		131,850	25,052		156,902
Assistant Director - Investment Strategy (From October 2024)	2024/25	[a]	57,876	10,996		68,872
Assistant Director - Investment Strategy (To December 2024)	2024/25	[b]	75,506	14,204		89,710
	2023/24		94,211	17,900	14,535	126,646
Assistant Director - Pensions (From November 2023)	2024/25		93,325	17,732		111,057
	2023/24		35,624	6,769		42,393
Assistant Director - Resources (Chief Finance Officer)	2024/25		109,643	20,832		130,475
	2023/24		103,632	19,690		123,322
Head of Governance & Corporate Services (Monitoring Officer)	2024/25		75,892	14,420		90,312
	2023/24		71,158	13,520		84,678

[a] The current Assistant Director – Investment Strategy took up their post in October 2024 (including a handover period with their predecessor); the remuneration shown in the table is for the period October 2024 - March 2025.

[b] The former Assistant Director – Investment Strategy retired at the end of December 2024; the 2024/25 remuneration shown in the table is for the period April 2024 - December 2024.

*** Pensions Contribution Due On Retirement**

Costs were accrued in previous years for additional employer pension contributions for the former Assistant Director - Investment Strategy, including in 2023/24 as shown in the table above.

This was in respect of a Staff Retention Incentives Scheme introduced in 2020/21 to support succession planning. The payment is payable to the pension fund on behalf of the post holder upon retirement. A total of £52,529 accrued under this scheme for the former Assistant Director - Investment Strategy and was recognised as a short term creditor at 31/03/2024. This balance was cleared during the year by being paid to the Pension Fund as an Additional Pension Contribution in respect of this individual on their retirement at 31 December 2024.

There are no further plans to utilise the Staff Retention Incentives Scheme at this point in time.

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Band	2023/24 Number of employees	2024/25 Number of employees
£50,000-£54,999	1	1
£55,000-£59,999	1	1
£70,000-£74,999	1	1
£75,000-£79,999	0	1
£80,000-£84,999	1	0
£85,000-£89,999	0	1

Exit Packages

The numbers of exit packages with total cost per band are shown below. There were four such packages agreed in 2024/25 (2023/24 one).

Exit Package Cost Band	2023/24 Number of Other Departures Agreed	2024/25 Number of Other Departures Agreed
Cost Band:		Cost Band:
£0 - £20,000	1	£0 - £20,000 2
£20,000 - £40,000	0	£20,000 - £40,000 2

The total cost for the exit packages shown in the table above was £66,332 (2023/24 £8,616) that has been charged to the Comprehensive Income and Expenditure Statement in the current year.

Note 21. Members' Allowances

The Authority paid the following amounts during the year for elected members of the Authority and for members of the Local Pension Board. Member allowances are paid in accordance with the scheme of allowances as published on the Authority's website. Changes to the scheme were approved in June 2023 to add allowances for co-opted members of the Authority and allowances for members of the Local Pension Board. These changes being implemented over time have resulted in an increase to the total allowances paid in 2024/25 compared to the prior year. Members' expenses paid are for travel and hotel costs, incurred in travelling to meetings and/or training events on Authority business.

2023/24	2024/25
£	£
87,249 Member Allowances	100,199
428 Employer National Insurance on Member Allowances	531
2,368 Expenses	1,419
90,045 Total	102,149

Note 22. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the statement of accounts:

2023/24	2024/25
£	£
148,276 Fees payable to KPMG LLP with regard to external audit services carried out for the year	163,047
0 Fees payable to KPMG LLP with regard to additional costs for external audit services carried out in auditing the prior year	13,352
19,685 Fees payable to Deloitte LLP with regard to external audit services carried out for the 2022/23 year	0
167,961 Total	176,399

KPMG LLP were appointed by Public Sector Audit Appointments Ltd (PSAA) as the External Auditor for the Authority and Fund, for five years commencing with the audit of 2023/24. The audit scale fee for the Authority (covering the total fee for auditing both Authority and Fund accounts) set by PSAA is £163,047 for the 2024/25 audit (£148,276 in 2023/24).

The fees paid to KPMG for audit services relating to the prior year audit were approved by PSAA during the year. The total shown includes a fee of £9,500 for the additional audit work required as a result of new auditing standard ISA315 – this has been consolidated into the scale audit fee for 2024/25 onwards.

Note 23. Related Parties

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. 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.

South Yorkshire Pension Fund

The Pension Fund is a related party to the Authority as all expenditure (except for that financed by the Levy in relation to Residual Liabilities) is charged to the Fund.

During the year, the Authority paid a total of £654,189 (2023/24: £616,414) to the Fund in respect of employer pension contributions and received a total of £8,630,179 (2023/24: £7,733,079) from the Fund as the amount recharged for Authority expenditure for the year.

At 31 March 2025, there is a Creditor balance of £181,543 in the Authority's balance sheet for the sum due to the Fund (31 March 2024: £898,053 Debtor balance for the sum due from the Fund). The change from Debtor to Creditor with the Fund is a result of the impact from the year-end VAT position changing to a debtor for a reclaim, which in turn was driven by the Fund transitioning the directly held property portfolio to the Border to Coast Pensions Partnership in October 2024.

In addition to the above, the Authority paid a total of £303,037 (2023/24: £311,901) to the Fund as contributions for the unfunded benefits residual liabilities of the former South Yorkshire County Council and Residuary Body. The Authority's expenditure in this regard was financed by charging a levy for this amount to the four South Yorkshire districts (Barnsley MBC, City of Doncaster Council, Rotherham MBC and Sheffield CC) in proportion to their populations.

Barnsley Metropolitan Borough Council

Amounts paid to Barnsley MBC during the year included:

> £51,051 (2023/24: £47,872) in respect of business rates charged on the Authority's office accommodation.

> £124,390 (2023/24: £123,975) in respect of fees for the Service Level Agreement through which the Council provides a range of support services to the Authority including Governance, HR, Internal Audit, and other corporate services.

Members

Members of the Authority have direct control over the Authority's financial and operating policies. An examination of the Register of Members' Interests confirms that there were no related party transactions to disclose.

Authority Members, through separate employment, could have access to scheme membership of the Pension Fund; the 12 Authority members have the following status in relation to the Pension Fund as at 31 March 2025:

- > Active Member (i.e., paying into the scheme): 1
- > Deferred Member (i.e., previously paid into the scheme and benefits on hold in the scheme pending retirement): 3
- > Pensioner Member (i.e., receiving pension benefits from the scheme): 1

The remaining 7 Authority members are not scheme members in the South Yorkshire Pension Fund.

Officers

Certain officers might also be in a position to influence significantly the policies of the Authority.

Director

The Authority's Director holds the following positions with potential related parties of the Authority.

- > Governor of Barnsley College - with effect from September 2022. [Unpaid]
- > Independent Chair of Lincolnshire Local Pension Board - with effect from July 2024. [Remunerated with a member allowance]

The Director has made the appropriate declarations in respect of these appointments and arrangements have been put in place to ensure that the Director is not involved with specific decisions or discussions concerning Barnsley College's participation in the Fund.

The following transactions have taken place during the year.

Barnsley College paid contributions to the Fund totalling £2,531,217 in 2024/25 split as follows:

- > Employee Contributions £591,224
- > Employer Contributions £1,939,993

Barnsley College paid other amounts to the Authority and Fund totalling £2,283 as follows:

- > Legacy Retirement Costs £1,538 to the Fund
- > Recharged Actuarial Costs £745 to the Authority

There were no transactions between the Lincolnshire Pension Fund and either the Authority or the Fund in the year.

No other material related party transactions have been identified following consultation with relevant officers.

Note 24. Leases

Authority as Lessee

The Authority's lease contracts comprise two leases - one operational land and building and one plant and equipment. The plant and equipment lease contract is immaterial. The operational land and building lease is material and the full details of this lease are set out below.

A lease was entered into with Mapeley Gamma Acquisitions Ltd (c/o FI Real Estate Management) for office accommodation at Oakwell House, 2 Beavor Court, Pontefract Road, Barnsley S71 1HG. The lease commenced with effect from 28 May 2021 for a period of 30 years with a lease break clause at 15 years, and a rent review due at 28 May 2031.

The lease rentals included an incentive in the first five years of the lease period, with rent set at £40,356 per annum to 27 May 2026. The rent will increase to £90,800 per annum thereafter subject to a rent review at 28 May 2031. The revised rent will be set at the rent review date by indexing the base rent by the Retail Prices Index (RPI) for the month that falls one month before the month of the rent review.

Additionally, the first six months of the lease period - to 27 November 2021 - were free of rent whilst the property was being refurbished by the Authority. The rent commencement date was 28 November 2021.

Right-of-Use Asset

This table shows the change in the value of this right-of-use asset held under lease by the Authority:

	Building - Oakwell House £
Adjusted Opening Balance at 1 April 2024	733,510
Depreciation	(60,322)
Balance at 31 March 2025	673,188

Lease Liability

1 April 2024 ¹		31 March 2025
£		£
(3,272)	Oakwell House - Lease Liability due within one year	(3,447)
(3,272)	Total Short Term Lease Liability	(3,447)
(730,238)	Oakwell House - Lease Liability due after one year	(726,791)
(730,238)	Total Long Term Lease Liability	(726,791)
(733,510)	Total Lease Liability	(730,238)

¹The table above includes disclosure of the total value of the lease liability, measured in accordance with IFRS 16 Leases, on recognition at 1 April 2024 applying the transitional accounting requirements set out in the CIPFA Code - further details of which are explained below.

Transactions Under Leases

The Authority incurred the following expenses and cash flows in relation to its leases.

2023/24		2024/25
£		£
	Comprehensive Income and Expenditure Statement	
0	Interest expense on lease liability	37,084
754	Expense relating to exempt lease of low-value items	773
	Cashflow Statement	
41,109	Cash Outflows - Minimum Lease Payments	41,129

Maturity Analysis of Lease Liabilities

The lease liability, under the non-cancellable lease, is due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

31 March 2024		31 March 2025	
£		£	
40,356	Not later than one year	40,356	
304,877	Later than one year and not later than five years	355,322	
649,780	Later than five years	558,980	
995,013	Total	954,658	

Transitional Accounting Adjustments

In 2024/25, the Authority applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Authority's incremental borrowing rate of 5.35% at that date.
- Right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded.
- The right-of-use asset was subject to a valuation exercise at 31 March 2025. The exercise was carried out by a RICS qualified valuer, this established that the Authority rental payments were in line with market rates. Therefore, no revaluation of the asset was required.

This has resulted in the following additions to the Balance Sheet at 1 April 2024:

- £733,510 Property – Right of Use Asset
- (£3,272) Short Term Lease Liability; Current Liabilities
- (£730,238) Long Term Lease Liability; Long Term Liabilities

The newly recognised total lease liability of (£733,510) at 1 April 2024 compares with the operating lease commitment of (£995,013) at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. The difference between these two figures is due to the impact of discounting the lease commitment to present value using the Authority's incremental borrowing rate at 1 April 2024.

Lease Term

The lease term used in the calculations for recognition and measurement of the lease liability and the right-of-use asset is fifteen years, based on the non-cancellable period of the lease. As required by IFRS 16, the Authority has assessed the certainty that it will not exercise its option to terminate the lease at the break clause date of 28 May 2036. The Authority's assessment is that it cannot be reasonably certain that the termination option will not be exercised.

This assessment has considered relevant factors including the following:

- The lease is for the Authority's only office building required to accommodate the entire workforce based on a hybrid working model. The staffing establishment has grown in recent years to a headcount of over 130. As the termination option is over ten years into the future, the Authority cannot be reasonably certain that the current office building will continue to provide sufficient capacity to meet the Authority's needs at that time and for the subsequent fifteen years that we would be committed to if the termination option is not exercised.
- The leased asset is not specialised and there would be alternative options readily available to consider in our required location. In determining whether or not to exercise the termination option, the Authority will carry out an options appraisal in order to reach a decision that will achieve the best value for money whilst meeting the needs of the organisation.

Note 25. Defined Benefit Pension Asset / Liability

Participation in Pension Schemes

As part of the terms and conditions of employment of its employees, the Authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme (LGPS) for its employees, administered by the Authority itself, which is a defined benefit scheme. It is also a funded scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

In addition to the funded element of the scheme, the Authority also accounts for an unfunded element in relation to the award of discretionary post-retirement benefits upon early retirement. This is an arrangement under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The Authority has unfunded obligations in relation to discretionary post-retirement benefits for its own former employees.

Page 221 It is also responsible for the unfunded obligations for discretionary post-retirement benefits awarded by the former South Yorkshire County Council and South Yorkshire Residuary Body. The costs of meeting these unfunded obligations are financed by a Levy issued to the four district councils of South Yorkshire as explained in Note 10.

The amounts recognised for unfunded obligations are shown separately in the detail below.

The South Yorkshire Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme. South Yorkshire Pensions Authority is the designated statutory body responsible for administering the South Yorkshire Pension Fund on behalf of the constituent Scheduled and Admitted Bodies. Policy is determined in accordance with Pension Fund regulations.

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields, and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

Transactions relating to post-employment benefits

The cost of retirement benefits in the reported cost of services is recognised when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made to the Authority is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves Statement during the year.

2023/24		2024/25
£	Comprehensive Income & Expenditure Statement	£
	<i>Cost of Services</i>	
	Service Cost Comprising:	
716,000	Current Service Cost	781,000
1,000	Past Service Cost Including Curtailments	0
	<i>Financing and Investment Income and Expenditure</i>	
17,000	Net Interest Expense	82,000
734,000	Total Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services	863,000
<i>Other Post-Employment Benefits Charged To The Comprehensive Income And Expenditure Statement</i>		
	Remeasurement of the Net Defined Benefit Liability Comprising:	
(934,000)	Return on Plan Assets (excluding the amount included in the net interest expense)	707,000
(198,000)	Actuarial Gains Arising on Changes Based on Demographic Assumptions	(49,000)
(1,793,000)	Actuarial Gains Arising on Changes in Financial Assumptions ¹	(4,801,001)
889,000	Actuarial Losses Arising on Changes Based on Other Experience	(225,000)
3,578,415	Effect of Asset Ceiling ²	4,217,718
1,542,415	Total Post-Employment Benefits Charged to Other Comprehensive Income And Expenditure	(150,283)

Movement in Reserves Statement

734,000	Reversal of Net Charges Made to the Surplus On Provision Of Services for Post-Employment Benefits in Accordance with the Code	863,000
(928,315)	Actual Amount Charged Against the General Fund Balance for Pensions in the Year: Employer's Contributions Payable to the Scheme	(1,009,755)
(194,315)	Total Post-Employment Benefits Adjustment Recognised in Movement in Reserves Statement	(146,755)

¹ The actuarial remeasurements of the net defined benefit liability include a significant gain of £4,801,001 arising from changes in financial assumptions as shown above.

These financial assumptions comprise the following:

a. Discount Rate – This assumption has increased by 0.95% due to a rise in the corporate bond yield (from which the discount rate is derived) as a result of the economic environment. The discount rate is used to discount future obligations to present value and therefore this increase in the discount rate has served to reduce the Authority's pension obligations significantly, accounting for the total remeasurement of £4,801,001 above.

b. Pension Increase Rate – no change in this assumption.

c. Salary Increase Rate – no change in this assumption.

² The amounts recognised on the balance sheet can be broken down as follows to show the effect of the asset ceiling - this is explained in further detail below the following table.

31 March 2024	Net Defined Benefit (Asset) / Liability Recognised on the Balance Sheet	31 March 2025
£		£
6,050,193	Net Asset (Unadjusted) - Excluding Unfunded Obligations	10,560,911
(6,050,193)	Effect of the Asset Ceiling	(10,560,911)
0	Net Asset - South Yorkshire Pensions Authority Funded Obligations	0
185,000	Unfunded Obligations of South Yorkshire Pensions Authority	164,000
1,620,292	Unfunded Obligations of the Former South Yorkshire Residuary Body	1,344,254
1,805,292	Net Liability Recognised on the Balance Sheet	1,508,254

The IAS 19 Accounting Standard imposes a limit on the maximum amount of surplus which can be recognised on the balance sheet. This is termed the 'asset ceiling' in the accounts.

The total unadjusted asset for the Authority at 31 March 2025 would be £10,396,911 excluding any asset ceiling adjustments. After including the effect of the ceiling applied in 2023/24 to the opening balance, this reduces to £4,346,718. This is split between funded and unfunded obligations:

- Funded - £4,510,718
- Unfunded - (£164,000)

The asset ceiling is applied to the asset excluding any unfunded obligations. The liability in respect of the unfunded obligations is added to the final net position after accounting for any asset ceiling adjustments required, as shown in the above table.

Following review of the accounting requirements and consultation with the actuary, the limit of the surplus - the 'asset ceiling' - has been calculated based on the difference between:

- A. the net present value of future service costs and
- B. the net present value of future employer contributions.

The calculated difference is (£13,460,000) but because this is a negative result - i.e. B is greater than A - this means that the economic benefit available to the Authority as a reduction in future contributions is limited to £0 and the asset ceiling is therefore £0.

As this asset ceiling result is lower than the value of the actual asset, an adjustment is required to limit the value of the asset recognised on the balance sheet to this value. This is shown as 'Effect of the Asset Ceiling' in the table above.

The accounting treatment involves the use of complex calculations requiring judgements to be made. Further details on the judgements exercised are set out in Note 2b.

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

31 March 2024		31 March 2025	
£		£	
(26,717,091)	Present Value of Funded Liabilities	(22,784,092)	
(1,805,292)	Present Value of Unfunded Liabilities	(1,508,254)	
26,717,091	Fair Value of Plan Assets	22,784,092	
(1,805,292)	Net Liability Arising from Defined Benefit Obligation	(1,508,254)	

2023/24	Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets	2024/25
£		£
30,277,191	Opening Fair Value of Plan Assets At 1 April	32,767,284
1,441,000	Interest Income	1,581,000
	<i>Remeasurement Gains/(Losses):</i>	
934,000	Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense	(707,000)
0	Other Experience	0
600,093	Contributions from Employer	689,719
328,222	Contributions from Employer in Respect of Unfunded Benefits	320,036
253,000	Contributions from Employees Into the Scheme	295,000
(738,000)	Benefits Paid	(1,281,000)
(328,222)	Unfunded Benefits Paid	(320,036)
32,767,284	Subtotal - Fair Value of Plan Assets at 31 March Prior to Asset Ceiling Adjustment	33,345,003
	<u>Asset Ceiling Adjustment</u>	
(2,359,778)	Opening Effect of Asset Ceiling At 1 April	(6,050,193)
(112,000)	Interest on Effect of Asset Ceiling	(293,000)
(3,578,415)	Actuarial (Losses)	(4,217,718)
(6,050,193)	Subtotal - Closing Effect of Asset Ceiling At 31 March	(10,560,911)
26,717,091	Closing Fair Value of Plan Assets At 31 March	22,784,092

2023/24	Reconciliation of the Present Value of the Scheme Liabilities (Defined Benefit Obligation)	2024/25
£		£
(28,374,605)	Opening Balance At 1 April	(28,522,383)
(716,000)	Current Service Cost	(781,000)
(1,346,000)	Interest Cost	(1,370,000)
(253,000)	Contributions from Scheme Participants	(295,000)
	<i>Remeasurement (Gains) And Losses:</i>	
198,000	Actuarial Gains Arising on Changes in Demographic Assumptions	49,000
1,793,000	Actuarial Losses Arising on Changes in Financial Assumptions	4,801,001
(889,000)	Actuarial (Gains) / Losses Arising on Changes Based on Other Experience	225,000
(1,000)	Past Service Cost (Including Curtailments)	0
738,000	Benefits Paid	1,281,000
328,222	Unfunded Benefits Paid	320,036
(28,522,383)	Closing Balance At 31 March	(24,292,346)
	<i>Comprising:</i>	
(26,717,091)	Present Value Of Funded Liabilities	(22,784,092)
(1,805,292)	Present Value Of Unfunded Liabilities	(1,508,254)
(28,522,383)		(24,292,346)

Local Government Pension Scheme Assets

The fair value of the plan assets held at 31 March 2025 comprised the following classes of assets. The values are shown as £000 amounts, rounded to the nearest £100.

Please note that the totals shown are the unadjusted value of the plan assets prior to applying adjustments for the effect of the asset ceiling.

Asset Category	Quoted Prices in Active Markets	Quoted Prices Not in Active Markets	Total as at 31 March 2025	Percentage of Total Assets
	£000	£000	£000	
Equity Securities				
Other	1.7	0.0	1.7	0%
Debt Securities				
Other	10.2	1,896.0	1,906.2	6%
Private Equity				
All	9.9	3,546.7	3,556.6	11%
Real Estate				
UK Property	0.0	2,621.8	2,621.8	8%
Overseas Property	0.0	82.7	82.7	0%
Investment Funds and Unit Trusts				
Equities	0.0	14,337.5	14,337.5	43%
Bonds	0.0	5,036.2	5,036.2	15%
Infrastructure	117.6	3,682.0	3,799.6	11%
Other	7.9	1,579.5	1,587.4	5%
Cash and Cash Equivalents				
All	416.3	0.0	416.3	1%
Total Assets	563.6	32,782.4	33,346.0	100%

The fair value of the plan assets held at 31 March 2024 comprised the following classes of assets:

Asset Category	Quoted Prices in Active Markets	Quoted Prices Not in Active Markets	Total as at 31 March 2024	Percentage of Total Assets
	£000	£000	£000	
Equity Securities				
Other	2.0	0.3	2.3	0%
Debt Securities				
Other	88.3	1,787.5	1,875.8	6%
Private Equity				
All	53.1	3,371.7	3,424.8	11%
Real Estate				
UK Property	37.0	2,539.7	2,576.7	8%
Overseas Property		33.4	33.4	0%
Investment Funds and Unit Trusts				
Equities	0.0	15,054.2	15,054.2	46%
Bonds	0.0	4,916.5	4,916.5	15%
Infrastructure	237.1	3,044.7	3,281.8	10%
Other	59.1	1,060.9	1,120.0	3%
Cash and Cash Equivalents				
All	457.5	0.0	457.5	1%
Total Assets	934.1	31,808.9	32,743.0	100%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, which is an estimate of the pensions that will be payable in future years dependent on assumptions on mortality rates, salary levels, etc.

The defined benefit liability has been estimated by Hymans Robertson LLP, an independent firm of actuaries, based on the latest full valuation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary are as follows:

31 March 2024	Financial Assumptions	31 March 2025
% p.a		% p.a
2.75	Pension Increase Rate (CPI)	2.75
3.35	Salary Increase Rate	3.35
4.85	Discount Rate	5.80

31 March 2024	Mortality Assumptions	31 March 2025
Years		Years
	<i>Longevity at 65 for current pensioners</i>	
20.6	Men	20.5
23.6	Women	23.6
	<i>Longevity at 65 for future pensioners¹</i>	
21.4	Men	21.3
25	Women	25

¹ Figures assume members aged 45 as at the last formal valuation date.

Sensitivity Analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivities below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assume for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below is consistent with those used in the previous period.

Change in Assumptions at 31 March 2025	Impact on the defined benefit obligation in the scheme	
	Approximate % Increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% Decrease in Real Discount Rate	2%	461
1 Year Increase in Member Life Expectancy	4%	918
0.1% Increase in the Salary Increase Rate	0%	20
0.1% Increase in the Pension Increase Rate (CPI)	2%	454

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. These figures are based on IAS 19 assumptions, however using the actuarial assumptions during the latest valuation, the funding level for the Authority has been calculated at around 125%. The South Yorkshire Pension Fund has an agreed strategy with the actuary to maintain a funding level of at least 100%. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2025.

The scheme takes account of the national changes that were introduced to the scheme under the Public Services Pensions Act 2013. The Act provided for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. Members started earning benefits under the new scheme from April 2014.

The Authority expects to pay employer's contributions for the period to 31 March 2026 of approximately £690,000 in relation to the Authority itself and of £303,000 in relation to the unfunded residual liabilities of the former South Yorkshire County Council and Residuary Body.

The average duration of the defined benefit obligation for funded scheme members is estimated to be 20 years and for unfunded members is estimated to be 5 years.



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]	102,515
78,796	Net Withdrawals Including Fund Management Expenses		253,122
	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]	(312,913)
(860,858)	Net Return on Investments		(381,542)
(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. I.e., on the assumption that the functions of the Fund will continue in operational existence for the foreseeable future. This is based on an assessment of all the relevant areas for at least the next 12 months, including:

- The ability to meet all obligations
- The funding position
- Investment performance

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. Where prepayments of contributions are received earlier than the due date, any amounts not due until future years are classified as long-term financial assets. 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.

Where it has been determined by the actuary that an employer exiting the scheme is due a credit from the Fund, then the Fund will treat this exit credit as an adjustment to contributions income.

b) Transfers To / From Other Schemes

Transfers in and out relate to members who have either joined or left the Fund.

Individual transfers in/out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 8).

Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

c) Investment Income

i. Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii. Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as an investment asset.

iii. Distributions from pooled funds fall into two categories:

- Receipted income is 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.

- Reinvested income is used to increase the valuation of the Fund holdings. This income is only realised at the point in time when the Fund sells the units.

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 Fund 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 (2018). 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.

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 statement of accounts. Where events taking place before this date provide information about conditions existing at 31 March 2025, the figures in the statement of accounts have been adjusted in all material respects to reflect the impact of this information.

Non-Adjusting Events

The statement of accounts 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.

Government Legislation Following Court of Appeal Decision - Virgin Media Limited Case

On 5 June 2025, the Government announced an intention to legislate to give 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. This announcement was made to remove the uncertainty for pension schemes that had been created following the 2024 Court of Appeal ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited. It is anticipated that this legislation will result in there being no impact on the LGPS and the Fund from the appeal court's ruling.

Pension Schemes Bill - Impact on Border to Coast Pooling Partnership

The Pension Schemes Bill was introduced in June 2025 following the outcome of the Government's pensions review and 'Fit for the Future' consultation for the LGPS, and is now proceeding through parliamentary scrutiny. The changes in the Bill that affect the LGPS focus on pooling, local investment and governance. The changes in respect of pooling include reducing the number of pools from 8 to 6. As a result of this, the Border to Coast Pooling Partnership is going through a process to approve admitting 7 new partner funds to the partnership by 31 March 2026 in line with the timescales required by Government. If approved, this will have a consequential effect on the number and value of shares held by the Fund but this cannot be quantified at this stage.

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]	94,858
1,632	Oversight and Governance Costs	1,976
85,193		102,515

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	53,265	38,897	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		94,801	66,704	21,524	6,573
		57		Custody fees	57			
		78,560	Total		94,858			

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

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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		198,218

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	Other Investment Assets	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	(546)	350	1,749
Bonds	0	0	(1)	1	0
Pooled Investments	10,116,516	1,405,125	(1,074,218)	308,546	10,755,969
Private Credit	84,856	49,470	(29,066)	6,620	111,880
Direct Property	508,525	28,710	(483,575)	(1,260)	52,400
	10,711,842	1,483,305	(1,587,406)	314,257	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			312,913	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	0.2%
71.9%	7,877,893		8,578,837	77.4%

Investments managed outside of Border to Coast Pensions Partnership:

22.3%	2,447,920	South Yorkshire Pensions Authority	2,225,786	20.0%
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	22.6%
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 by Knight Frank using the investment method of valuation, in accordance with the RICS Valuation – Professional Standards January 2020	• 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:				Total
Values 31 March 2025				£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
Plus Other Investment Assets	26,367
Total Net Investments per Net Assets Statement	11,086,454

	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.

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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	315,517
(537)	(Loss) on Assets at Amortised Cost	(1,344)
793,911	Net Gain on Financial Instruments	314,173

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.

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

Contractual Commitments

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	£2,947,587	2,947,587
€300,416	256,503	€84,922	71,100
\$1,462,723	1,170,928	\$303,489	234,935
	1,776,259		3,253,622

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 £1,854,000k.

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.

Additionally, there has been a substantial increase in commitments to Border to Coast Pensions Partnership during the year.

Contingent Assets

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).

Glossary of Key Terms

Accounting Period

The length of time covered by the accounts. In the case of these accounts, it is the year from 1 April to 31 March.

Accruals Basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses

Changes in the estimated value of the pension fund because events have not coincided with the actuarial assumptions made or the assumptions themselves have changed.

Amortisation

A measure of the cost of economic benefits derived from intangible assets that are consumed during the period.

Balances

These represent the accumulated surplus of revenue income over expenditure.

Budget

An expression, mainly in financial terms, of the Authority's intended income and expenditure to carry out its objectives.

Capital Adjustment Account

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance

capital expenditure. The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure

Payments for the acquisition, construction, enhancement or replacement of non-current assets that will be of use or benefit to the Authority in providing its services for more than one year.

Cash Equivalents

Short term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the main professional body for accountants working in public services.

Contingent Liability

A contingent liability is either:

- A possible obligation arising from a past event whose existence will be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Authority; or
- A present obligation arising from past events where it is not probable that there will be an associated cost, or the amount of the obligation cannot be accurately measured.

Creditors

Amounts owed by the Authority for work done, goods received or services rendered, for which payment has not been made at the balance sheet date.

Current Service Cost

Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

Debtors

Amounts due to the Authority that have not been received at the balance sheet date.

Depreciation

The measure of the consumption, wearing out or other reduction in the useful economic life of non-current assets that has been consumed in the period.

Employee Benefits

Amounts due to employees including salaries, paid annual leave, paid sick leave, and bonuses. These also include the cost of employer's national insurance contributions paid on these benefits; and the cost of post-employment benefits, i.e. pensions.

Expected Rate of Return on Pensions Assets

The average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the pension scheme.

Fair Value

The amount for which an asset could be exchanged or a liability settled, in an orderly transaction between market participants at the measurement date.

Fair Value Hierarchy and Inputs

In measuring fair value of assets and liabilities, the valuation technique used is categorised according to the extent of observable data that is available to estimate the fair value – this is known as the fair value hierarchy. Observable inputs refers to publicly available information about actual transactions and events in the market. Unobservable inputs are used where no market data is available and are developed using the best information available.

The fair value hierarchy has three levels of inputs:

Level 1: Quoted prices for identical items in an active market – i.e. the actual price for which the asset or liability is sold;

Level 2: Other significant observable inputs – i.e. actual prices for which similar assets or liabilities have been sold;

Level 3: Unobservable inputs – i.e. where market data is not available and other information is used in order to arrive at a best estimate of fair value.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

General Fund

The main revenue fund of the Authority which is used to meet the cost of services paid for from the Pension Fund for which the Authority is the administering authority.

Intangible Assets

Assets that do not have physical substance but are identifiable and controlled by the Authority. Examples include software and licences.

Interest Cost

For defined benefit pension schemes, the interest cost is the present value of the liabilities during the year as a result of moving one year closer to being paid.

Leasing

A contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Liability

An amount due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are those that are payable within one year of the balance sheet date.

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value, less the cumulative amount provided for depreciation.

Non-Current Asset

An item that yields benefit to the Authority for a period of more than one year.

Past Service Cost

Past service costs arise from decisions taken in the current year but whose financial effect is derived from service earned in earlier years.

Reserves

The residual interest in the assets of the Authority after deducting all of its liabilities. These are split into two categories, usable and unusable. Usable reserves are those reserves that contain resources that an authority can apply to fund expenditure of either a revenue or capital nature (as defined). Unusable reserves are those that an authority is not able to utilise to provide services. They hold timing differences between expenditure being incurred and its financing e.g. Capital Adjustment Account.

Revenue Expenditure

Spending incurred on the day-to-day running of the Authority. This mainly includes employee costs and general running expenses.

Useful Economic Life

The period over which the Authority expects to derive benefit from non-current assets.

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www.sypensions.org.uk

Agenda Item

Subject	Draft Annual Report 2024/25	Status	For Publication
Report to	Audit & Governance Committee	Date	02 October 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 approve the Authority's Annual Report 2024/25 for publication.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Approve the Annual Report of the Authority for 2024/25 at Appendix A.**
 - b. **Authorise the Director to incorporate the audited accounts into the Annual Report and make any minor cosmetic and/or textual amendments required prior to publication.**
 - c. **Authorise the Director to publish the Annual Report on receipt of the Auditor's consistency opinion.**
-

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.

The annual report forms a significant element of the Authority's accountability framework.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report are part of the mitigation of identified risks related to regulatory compliance.

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.
- 5.2 The preparation of the annual report is in accordance with the statutory guidance issued in April 2024, jointly produced by the Scheme Advisory Board (SAB), CIPFA, and the Ministry for Housing, Communities and Local Government (MHCLG) in consultation with funds and other stakeholders. As required, the Authority followed this guidance on a best endeavours basis last year and has fully complied for this year's annual report 2024/25.
- 5.3 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.
- 5.4 As a matter of good practice, it was previously agreed that the draft annual report would be presented to the Local Pension Board ahead of consideration by the Audit & Governance Committee and subsequent publication. This is reinforced in the new guidance which states that local pension boards should as part of their remit review the pension fund financial statements and annual report prior to their publication. This has been completed, with the Board reviewing a draft of the annual report at their August meeting. The Board reviewed and commented upon the report and recommended it for approval to this Committee.
- 5.5 The report is subject to a check by the external auditor to ensure that the accounts reflect what they have audited and that the report is consistent with their knowledge of the Fund. This results in what is known as the consistency opinion.
- 5.6 SYPA's Draft Annual Report for 2024/25 is attached at Appendix A. This draft excludes the accounts which are presented for approval elsewhere on the Committee's agenda following completion of the audit. Members are asked to approve the report for publication and authorise the Director to make any minor amendments required prior to publication which will occur on completion of the accounts audit and receipt of the consistency opinion.

6 Implications

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

Financial	An external design agency has been used to support production of the report, the cost of which is met from existing budgets.
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	Preparing the Pension Fund Annual Report - Guidance for Local Government Pension Scheme Funds (APRIL 2024) (lgpsboard.org)

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2025

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1.0 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.

This 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



Councillor Jayne Dunn
Chair of the South Yorkshire
Pensions Authority
2024/25 Municipal Year

1.0 Chair's Foreword

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.

“

The financial markets 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.

”

2.0

Year in Review

2.0 Year in Review

Page 294

April
2024



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.

June
2024



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.

July
2024



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.

2.0 Year in Review

July
2024



Aug
2024



Oct
2024



Page 295

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.

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.

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.

2.0 Year in Review

Page 296

**Dec**
2024

Annual Report & New Member Video Update

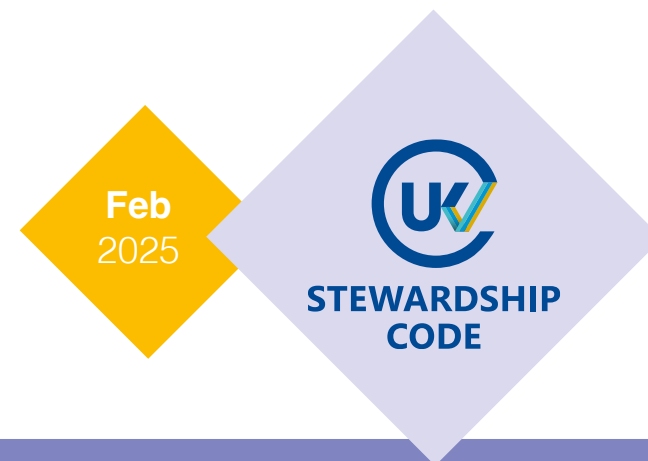
At the end of 2024, SYPA published its audited 2023/24 Annual Report, highlighting major achievements such as the completion of Project Chip and the creation of a Place-Based Impact Investment Strategy in partnership with the South Yorkshire Mayoral Combined Authority.

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.

**Jan**
2025

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.

**Feb**
2025

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.

2.0 Year in Review

Mar
2025



Mar
2025



Oct
2025



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.

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.

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.

3.0

Overall Management of the Fund

3.0 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
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

Jones Lang LaSalle (Fund's Commercial Property)
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: sypensions.org.uk/Investments/Alternative-Commitments

3.0 Overall Management of the Fund

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

Scheme Member Representatives

Martin Badger (UNISON) - Trades Union

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

Andrew Gregory - LGPS Member

Sheldon McClure (Unite) - 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.

3.0 Overall Management of the Fund

Key policies

Please see opposite 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, Communication and Engagement Strategy

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

Funding Strategy Statement

www.sypensions.org.uk/Portals/0/FSS/Core_Funding_Strategy_Statement_and_Appendix_A_-_D.pdf

Report on the Actuarial Valuation

www.sypensions.org.uk/portals/0/repository/SYPF_Revised_Final_Whole_Fund_Results.a77d5ea7-c307-4060-afc7-9b965d76fc56.pdf

Investment Strategy Statement

www.sypensions.org.uk/portals/0/repository/Investment%20Strategy%20Statement%20March%202023.3f5da930-ed27-453e-9497-5a3a0bebbd39.pdf

Pensions Administration Strategy

www.sypensions.org.uk/Portals/0/pdf/adminStrategy2020.pdf

Governance Compliance Statement

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

4.0

Managing Risk & Uncertainty

4.0 Managing Risk & 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.

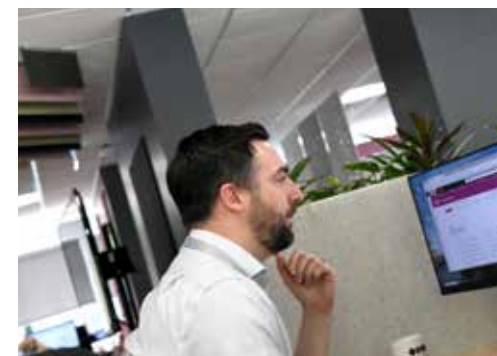
The Authority's Risk Management Framework sets out the processes, guidelines and governance structure through which risk is identified, managed effectively and reviewed. Ensuring compliance with relevant regulations and standards and following principles of best practice.

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](#)).

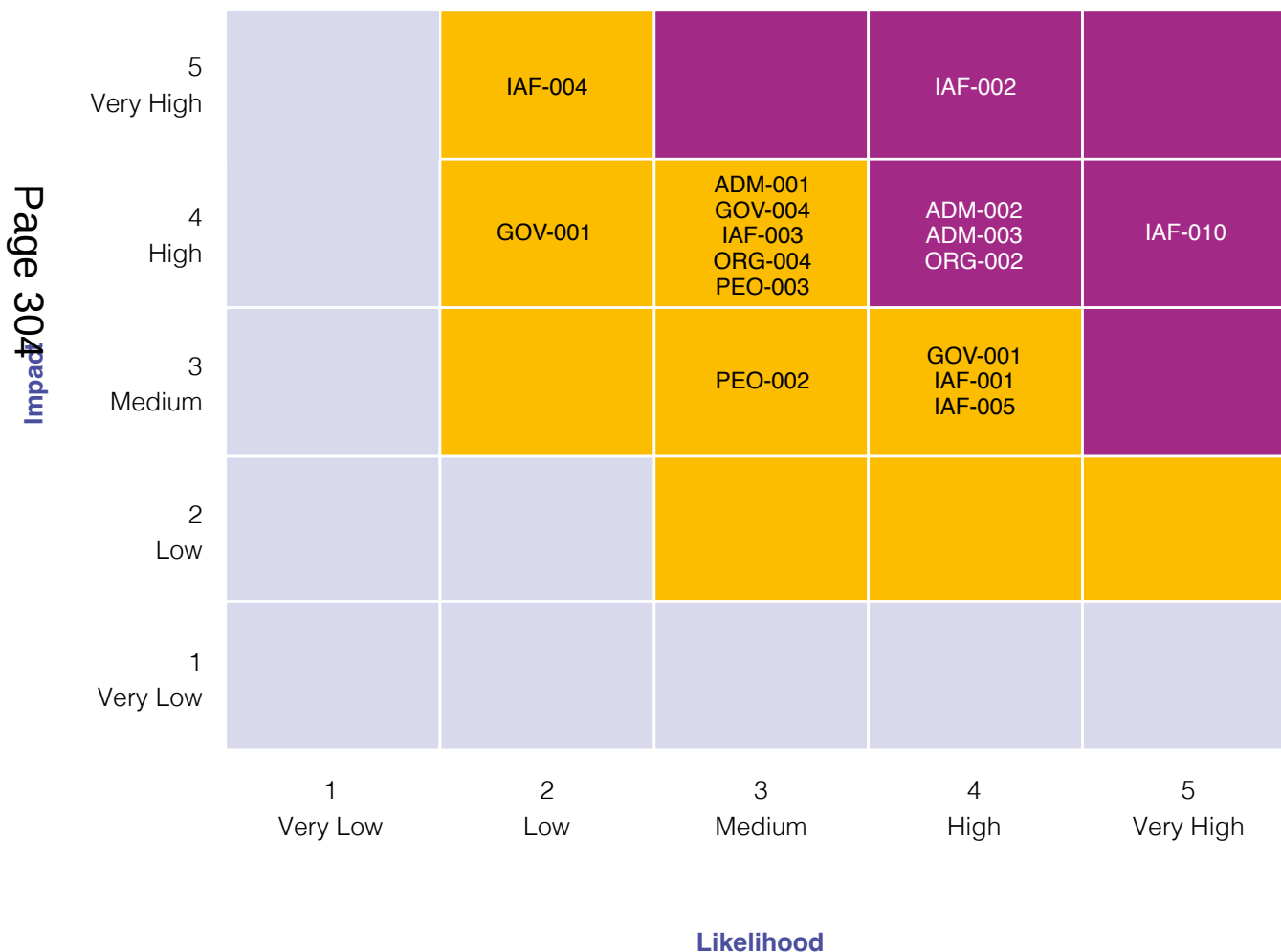
In addition to the corporate risk register, Senior and Middle Managers identify and manage operational risks, escalating these where necessary, and project-related risks are identified and managed on specific projects as an integral part of the Authority's project management methodology. A variety of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



4.0 Managing Risk & Uncertainty

South Yorkshire Pensions Authority – Corporate Risk Register Matrix



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

4.0 Managing Risk & Uncertainty

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.

Cyber Risk Management

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

- Annual external reassessment of cyber security controls against the Cyber Essentials Plus standards.
- Mandatory induction training for all new staff and mandatory annual refresher training for all staff.
- Regular training for members of the ICT Team.
- Ongoing enhancement of ICT security systems.

- Regular review of incidents and attempts to breach security to identify opportunities to improve cyber defences.

Pensions Administration Risk Management - Including Third Party Employer Risks

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.

4.0 Managing Risk & Uncertainty

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.

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 XX.]**

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](#).

5.0

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Governance & Training

5.0 Governance & Training

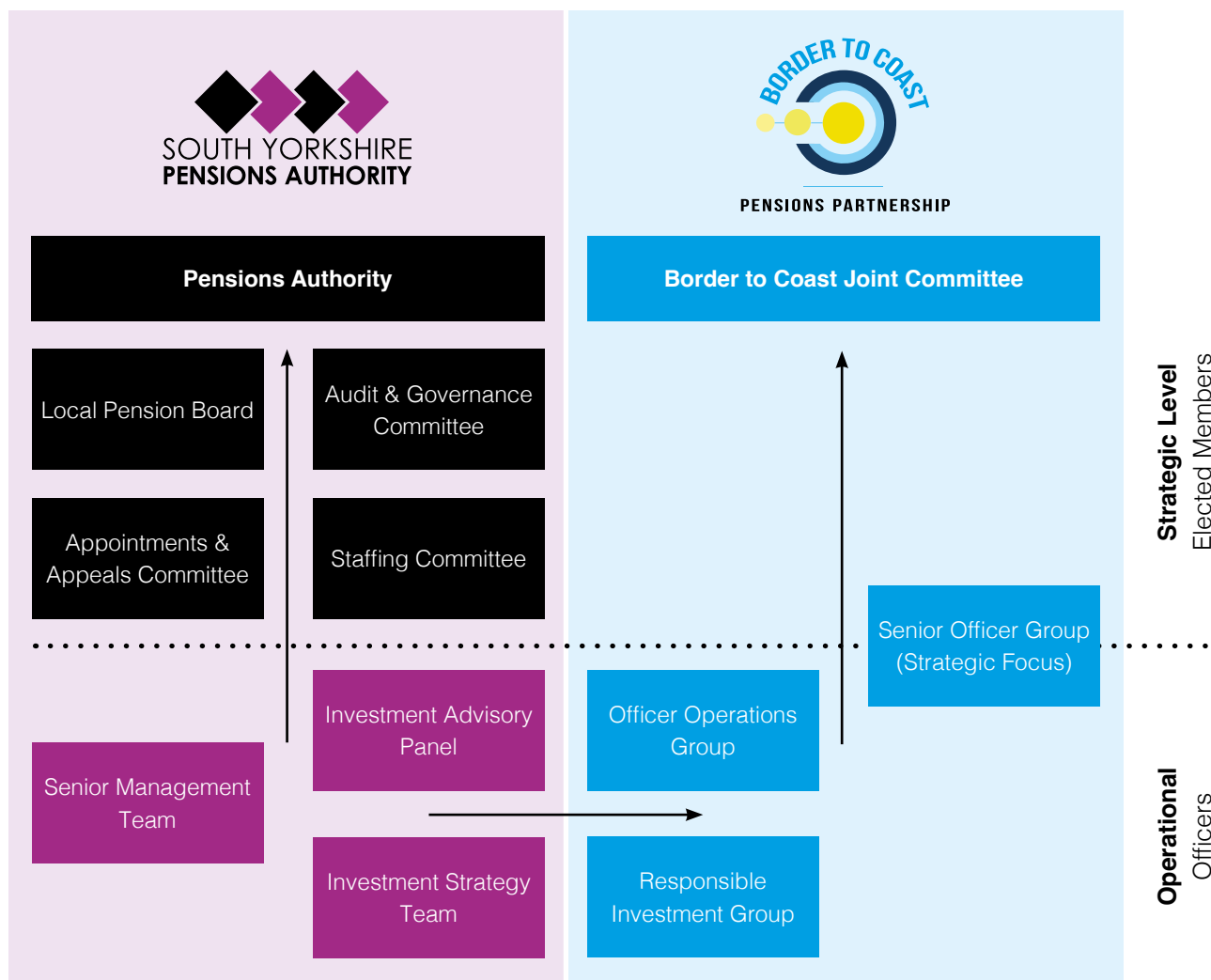
About South Yorkshire Pensions Authority

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 opposite 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.



5.0 Governance & Training

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.

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

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

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.

5.0 Governance & Training

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:

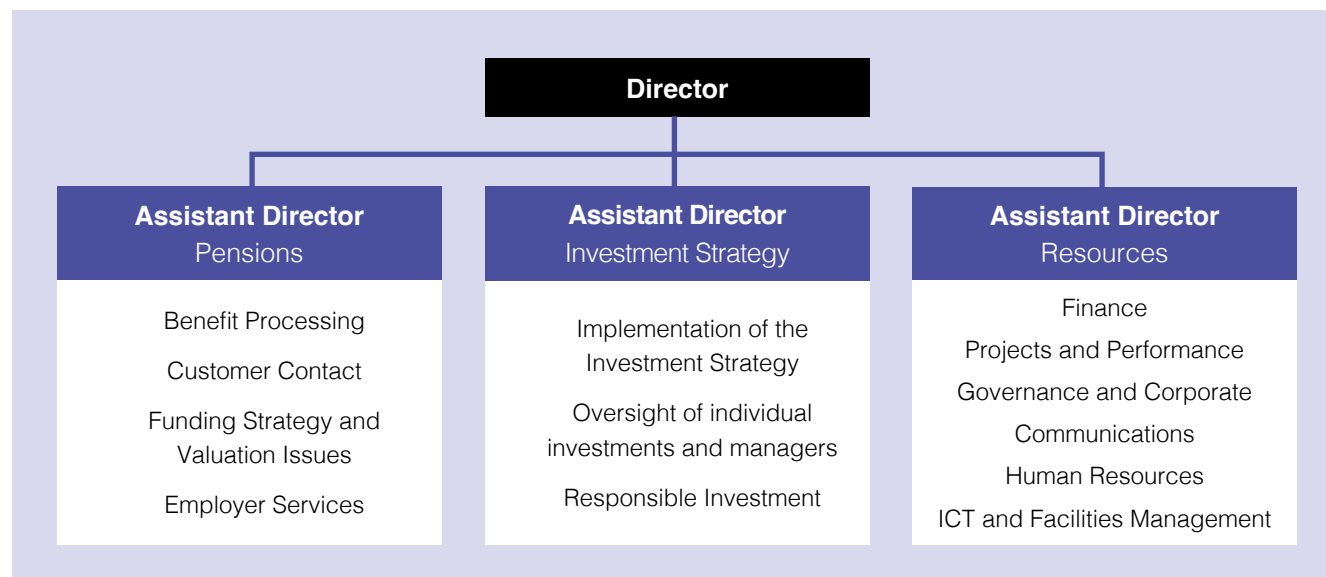
Scheme Employers	Scheme Members
2 Councillors from the District Councils	1 Representative from GMB
3 Other Employer Representatives	1 Representative from UNISON
	1 Representative from Unite
	2 Other scheme members
5 Representatives	5 Representatives

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.



5.0 Governance & Training

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 \(sypensions.org.uk\)](https://www.sypensions.org.uk).

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

5.0 Governance & Training

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 on page 34.

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 opposite.

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.

5.0 Governance & Training

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.

5.0 Governance & Training

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

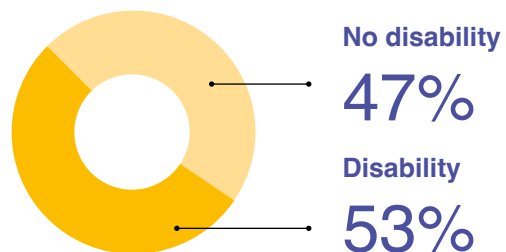
This committee did not meet in 2024/25.

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 at **pages xx to xx**.

Authority Membership Diversity Characteristics

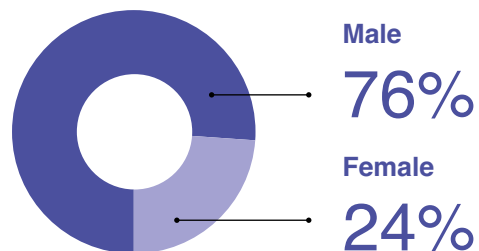
Disability



Ethnicity



Gender



Data collected July 2024

5.0 Governance & Training

Key:

✓ Attended

✗ Apologies recieved

Authority Members' Attendance at Authority Meetings

Authority Members	6th June 2024	12th Sept 2024	12th Dec 2024	13th Feb 2025	13th Mar 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)	✓	✓	✓	✓	✓

5.0 Governance & Training

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

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

- Key:
- ✓ Attended
 - ✗ Apologies recieved

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.

5.0 Governance & Training

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 on the following page.



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*	2023/24	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Member Induction and Development Morning	06/06/2024	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Seminar: Corporate Strategy	12/09/2024	✓	✗	✓	✗	✗	✓	✗	✓	✓	✓	✓	✓
Border to Coast Strategic Responsible Investment Seminar	12/11/2024	✓											
LGIU Charing Skills Course	10/09/2024		✓										
Member Development Away Day	28/02/2024	✗	✗	✗	✗	✗	✓	✓	✗	✗	✓	✓	✓
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 Valuation 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, 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.

5.0 Governance & Training

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:
 1. A discussion with the Chief Executive Officer (CEO), or other member of the senior Border to Coast team, focussed on broader developments and staffing.
 2. Discussions with selected portfolio managers on specific propositions identified as needing attention through the regular monitoring process.
 3. A discussion with the Head of Responsible Investment (RI) and Deputy Chief Investment Officer (CIO) around RI and progress on Net Zero.
 4. 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

5.0 Governance & Training

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.

5.0 Governance & Training

Annual Governance Statement 2024/25

Scope of Responsibility

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

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

The Authority's Local Code of Corporate Governance, available on our website at: [Local Code of Corporate Governance \(sypensions.org.uk\)](https://www.sypensions.org.uk) complies with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government Framework 2016. The Authority reviews and updates this Local Code every two years (as a minimum) and the next review will be carried out by December 2025.

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

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

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture, and values by which the Authority is directed and controlled, and the activities through which it accounts to and engages with employing bodies, pensioners, contributors, and other stakeholders. It enables the Authority to monitor

the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk: it can only provide a reasonable and not absolute assurance of effectiveness. The system of internal control is designed to identify risks to the achievement of the Authority's policies, aims and objectives. The system attempts to evaluate the likelihood of those risks being realised and the impact should they be realised and how to manage them efficiently, effectively, and economically. The governance framework has been in place during the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts.

5.0 Governance & Training

Annual Governance Statement

2024/25

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.

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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://sypensions.org.uk)

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

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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.

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.

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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

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advisers, of the statutory requirements which are placed upon it and takes steps to ensure that it complies with them in an open and transparent way. This includes the maintenance of an up-to-date Constitution which is regularly reviewed and includes definitions of both the Corporate Planning Framework and Pensions Policy Framework, together with terms of reference for committees and an appropriate scheme of delegation to officers.

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

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

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

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Ensuring openness and comprehensive stakeholder engagement.

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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

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Coast partnership and in particular how performance concerns can be addressed. Given the likely need to respond to the process of the membership of the Partnership increasing, it is likely that a significant amount of senior input will be required to the management and development of the partnership over the coming year.

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

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

Resources are specifically allocated to support engagement with employers to support the maintenance of a productive and supportive relationship between them and the Authority. All engagement with employers takes place within

the context of the Communications, Consultation and Engagement Strategy which requires the results of any consultation process to be reported back alongside the actions proposed following the consultation.

Emphasis is placed on increasing the volume and improving the quality of interaction with employers and an employer forum session and surveys have been undertaken during the year. The Authority's website includes an area for employers and an employer newsletter is sent to all employers with updates on relevant information, training, and events. The newsletter is now being issued monthly rather than quarterly in order to provide more timely updates and a more concise and easy-to-read format.

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

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

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

The Authority’s complaints and appeals processes are available to scheme members in relation either to quality of service, or specific decisions made under the LGPS regulations. The addition of a new role of Complaints Resolution Officer this year is designed to enhance the focus on responding to complaints and other customer feedback, as well as identifying common trends and root causes that can be tackled to improve performance. Information from the complaints and appeals processes forms part of the Authority’s performance management framework and influences the development of policy, practice, and processes, including specific projects reflected in the Corporate Strategy.

As part of its assurance and scrutiny role, the Local Pension Board receives a quarterly report outlining the nature of all appeals and complaints and the subsequent actions and learning as well as quarterly information on the results of various rolling customer

satisfaction surveys which examine specific aspects of the service to scheme members, which also include information on learning and actions from this feedback.

Areas for Improvement:

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

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Defining outcomes in terms of sustainable economic, social, and environmental benefits.

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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,

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the environment and society. In order to be confirmed as a signatory, the Authority had to demonstrate in its Stewardship Report how we meet these standards across the 12 core principles for asset owners. The report is published on our website at: Stewardship. The Authority will annually report on this basis in order to remain a signatory.

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

In the last year, the Authority has taken this further and produced its first standalone TCFD Report for 2023/24, which is ahead of the proposed legislative timetable for production of this report by LGPS Funds. The report sets out SYPA's approach to

managing climate risk within the four thematic areas of governance, strategy, risk management and metrics and targets of the TCFD. The TCFD report will be published annually and will show the progress the Fund is making towards its carbon emission reduction targets through the metrics agreed in the Climate Change Policy.

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

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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.

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Determining the interventions necessary to optimise the achievement of the intended outcomes.

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

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

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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.

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

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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.

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

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

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

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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

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procedures etc. as well as continued actions around improving retention.

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

Ongoing learning and development plans for the Authority's workforce are devised annually to support the goals set out in individual appraisals and are kept under review throughout the year. In addition to competency-based progression through the pension administration career grade, this can include professional qualification training, external training courses, and internally provided technical updates and system specific training. In the last year, this has included providing support for relevant staff to complete the newly developed Level 3 qualifications tailored to the LGPS in pensions administration.

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

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

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

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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.

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.

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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.

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This is already having a positive impact in providing managers with a clear view of performance that they are able to use to inform and drive where intervention is required, and to building improvements in the reporting to Authority and Local Pension Board. The performance management framework continues to be an area of focus for the action plan for 2025/26.

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

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

The Authority's Head of Governance and Corporate Services is the Senior Information Risk Owner (SIRO). In addition, resourcing is provided through the Governance team to provide a focus on compliance and continued development of the Authority's information governance framework. The Data Protection Policy Statement was updated during 2024/25 and plans for 2025/26 include the next phase of work which will focus on updating and improving the policy and procedures in place for data retention, classification and disposal as well as information asset registers.

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,

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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 (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.

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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.

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Annual Governance Statement

2024/25

Principle F:

Managing risks and performance through robust internal control and strong public financial management.

Arrangements in Place

Areas for Improvement (continued)

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.

5.0 Governance & Training

Annual Governance Statement

2024/25

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

5.0 Governance & Training

Annual Governance Statement

2024/25

Principle G:

Implementing good practices in transparency and audit to deliver effective accountability.

Arrangements in Place

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.

5.0 Governance & Training

Annual Governance Statement
2024/25

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	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	December 2024	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.

5.0 Governance & Training

Annual Governance Statement
2024/25

Action Plan 2023/24	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.

5.0 Governance & Training

Annual Governance Statement
2024/25

Action Plan 2023/24	Responsible Officer	Target Date	Progress Update 2024/25
Performance Management Develop and implement a new framework which will include central production of performance information that will ensure improved reporting and enable service managers and heads to focus on interpretation and taking remedial actions as necessary.	Head of Finance & Performance and Service Manager – Programmes & Performance	In stages over the course of the year to March 2025	In Progress, Carry Forward to 2025/26 The performance management framework document was approved by the Authority in September 2024. A suite of dashboards have been developed and are now in use by management for performance monitoring and for reporting purposes. Work is ongoing to continue development of the framework and updated performance indicators, that is likely to continue into 2025/26.
Pensions Administration Improvement and Backlog Clearance Plan Deliver the elements of the Pensions Administration Improvement Plan and clear the backlog of casework.	Assistant Director – Pensions	In stages to March 2026.	In Progress, Carry Forward to 2025/26 Good progress is being made on delivery of this action, with detailed updates being reported to the Local Pension Board and to the Authority at each meeting. The current aim is for clearance of the backlog to be concluded by end of December 2025.

5.0 Governance & Training

Annual Governance Statement
2024/25

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

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

Area for Improvement	Actions Required in 2025/26	Responsible Officer	Date for Completion
Carried Forward from 2024/25: Performance Management Framework [Linked to Principle F: Managing risks and performance]	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 [Linked to Principle F: Managing risks and performance]	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 [Linked to Principle B: Ensuring openness and comprehensive stakeholder engagement]	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

5.0 Governance & Training

Annual Governance Statement
2024/25

Principle and Area for Improvement	Actions Required in 2024/25	Responsible Officer	Date for Completion
Contract and supplier management [Linked to Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes]	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 [Linked to Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it]	• 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 [Linked to Principle F: Managing risks and performance through robust internal control and strong public financial management]	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 [Linked to Principle F: Managing risks and performance through robust internal control and strong public financial management]	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

5.0 Governance & Training

Annual Governance Statement
2024/25

Principle and Area for Improvement	Actions Required in 2024/25	Responsible Officer	Date for Completion
Policy Framework [Linked to Principle F: Managing risks and performance through robust internal control and strong public financial management	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:

Donna Sutton

Councillor Donna Sutton

Chair

South Yorkshire Pensions Authority

Date: 6 June 2025

Signed:

George Graham

George Graham

Director

South Yorkshire Pensions Authority

Date: 6 June 2025

5.0 Governance & Training

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 of the South Yorkshire Local Pension Board

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](#).

5.0 Governance & Training

South Yorkshire Local Pension Board - Annual Report
1 May 2024 to 30 April 2025

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 are shown opposite:

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.

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

5.0 Governance & Training

Meeting Attendance

South Yorkshire Local Pension Board - Annual Report
1 May 2024 to 30 April 2025

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

Board Members	8th Aug 2024	7th Nov 2024	20th Feb 2025	27th March 2025 (Note 1)	24th April 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.

5.0 Governance & Training

South Yorkshire Local Pension Board - Annual Report

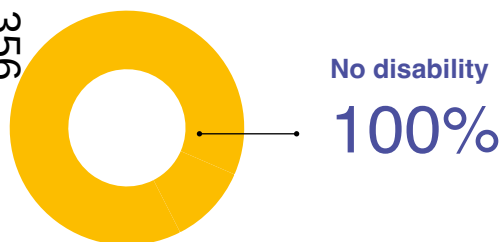
1 May 2024 to 30 April 2025

Board Diversity Characteristics

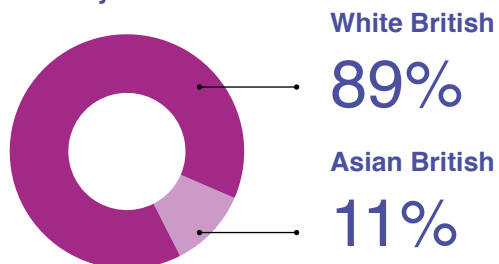
Recording and monitoring of the Board membership's diversity characteristics is now undertaken in line with the recommendations of the Pensions Regulator, and these characteristics are summarised in the following charts.

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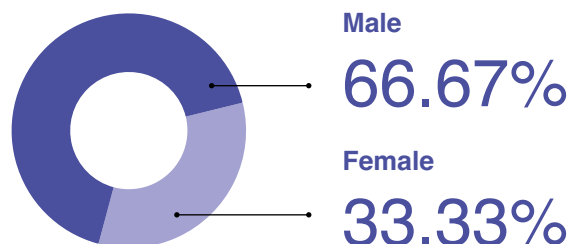
Disability



Ethnicity



Gender



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.

5.0 Governance & Training

South Yorkshire Local Pension Board - Annual Report

1 May 2024 to 30 April 2025

- 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.

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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.
 1. Considered the Risk Register at each formal meeting throughout the year.
 2. 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.

3. 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

5.0 Governance & Training

South Yorkshire Local Pension Board - Annual Report

1 May 2024 to 30 April 2025

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.



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 Induction and Development Session	06/06/2024	✓	✓	N/A	✓	✓	✓	✓	✓	✓	N/A
Border to Coast Pensions Partnership Annual Conference	18/07/2024 – 19/07/2024		✓								
GIU Course: Chairing 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		✓								

Event / Course	Date	Riaz Nurennabi	David Webster	Sheldon McClure	Andrew Gregory	Nicola Gregory	Linda Beresford	Ken Richardson	Martin Badger	Debbie Carrington	Shelagh Carter
SYPA - Members Away Day	28/11/2024	✓	✓	✓	✓	✓			✓	✓	
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 topics opposite:

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.

5.0 Governance & Training

South Yorkshire Local Pension Board - Annual Report

1 May 2024 to 30 April 2025

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.

5.0 Governance & Training

South Yorkshire Local Pension Board - Annual Report
1 May 2024 to 30 April 2025

- 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 opposite.

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%

5.0 Governance & Training

South Yorkshire Local Pension Board - Annual Report

1 May 2024 to 30 April 2025

Budget Variances

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

The variances against the budget are as follows:

- a) 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.
- b) 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.
- c) 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.



5.0 Governance & Training

Audit & Governance Committee - Annual Report 2024/25

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 of the Audit and Governance Committee –
South Yorkshire Pensions Authority

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

5.0 Governance & Training

Audit & Governance Committee - Annual Report

2024/25

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.

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

Membership

The Committee's membership at 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.

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.

Risk Management and Internal Control Core Functions from the CIPFA Guidance

- 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.

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

Internal Audit and External Audit

Core Functions from the CIPFA Guidance

- 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.

Page 367

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

Core Functions from the CIPFA Guidance

- 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:

1. Suitability of, and any changes in, accounting policies;
2. 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;

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

- 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.

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

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

Member/Officer	11th July 2024	19th Sept 2024	5th Dec 2024	6th 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
Independent Member – Emma Dawson	✓	✓	✓	✓
Co-opted Member – Nicola Doolan-Hamer	✓	✓	✓	Note 1
Co-opted Member – Phil Boyes	Note 1	✓	✓	✓
Co-opted Member – Garry Warwick	✓	✓	✓	✓
Director – George Graham	Note 1	✓	✓	✓
Assistant Director – Resources (Chief Financial Officer) – Gillian Taberner	✓	✓	✓	✓
Head of Governance (Monitoring Officer) – Jo Stone	✓	✓	✓	Note 1
Head of Finance & Performance – Will Goddard	✓	✓	✓	✓
External Audit (KPMG)	✓	✓	✓	✓
Internal Audit (Barnsley MBC)	✓	✓	✓	✓

Notes:

1. Apologies
2. Acting Chair.

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

Appendix B: Committee Activity

Function/Issue	11th July 2024	19th Sept 2024	5th Dec 2024	6th 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 the Authority		
Whistleblowing Policy			Recommended to the Authority	
Antifraud, Bribery and Corruption Policy			Recommended to the Authority	
Accounting Policies Year Ending 2025				Noted
Internal Audit				
Quarterly Progress Report	Noted	Noted	Noted	Noted

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

Appendix B: Committee Activity (continued)

Function/Issue	11th July 2024	19th Sept 2024	5th Dec 2024	6th March 2025
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		
Draft Year End Report 2023/24 Audit – Authority		Noted		
Draft Year End Report 2023/24 Audit – Fund		Noted		
Annual Auditor's Report 2023/24			Noted	
Final Year End Report – 2023/24 Audit – Authority			Noted	
Final Year End Report – 2023/24 Audit – Fund			Noted	
Audit Plan 2024/25 - Authority				Noted
Audit Plan 2024/25 - Fund				Noted

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

Appendix B: Committee Activity (continued)

Function/Issue	11th July 2024	19th Sept 2024	5th Dec 2024	6th March 2025
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).

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

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

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

Appendix C: Results of Internal Audit Reviews 2024/25 (continued)

Review Topic	Assurance Level *	High Priority Findings	Medium Priority Findings	Low Priority Findings
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

5.0 Governance & Training

Audit & Governance Committee - Annual Report
2024/25

*Key to Assurance Levels:

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

6.0



Our Organisation

6.0 Our Organisation

SYPA as an 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 xx** 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 on the following page 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.

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.



6.0 Our Organisation

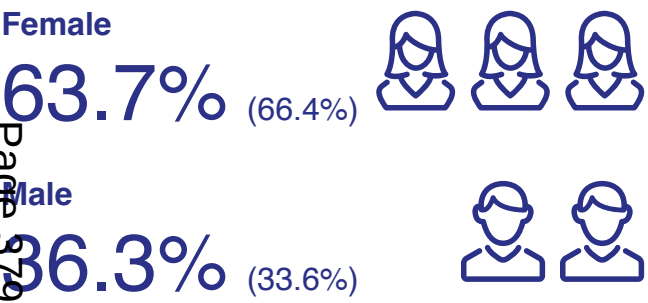
Workforce as at 31 March 2025	Established FTE	Vacant FTE	Vacancy Rate as Percentage	Vacancies
Senior Management Team	4.0	0.0	0.0%	
Investment Strategy	3.0	0.0	0.0%	
Benefits Team	42.1	2.9		1 Service Manager vacancy - filled from 1 April 2025. 1.4 Practitioner vacancies to be filled in 2025/26. Cumulative 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 & Training	7.7	1.0		Temporary role no longer required; deleted from establishment in April 2025.
Pensions	77.2	6.1	7.9%	
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%	

6.0 Our Organisation

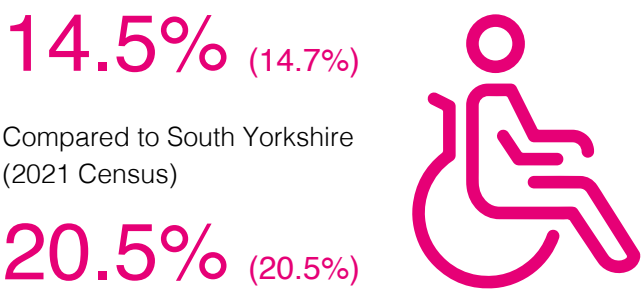
The infographics below present the position for a number of measures of our employee make up and health as an organisation.

Note: 2024 figures in brackets

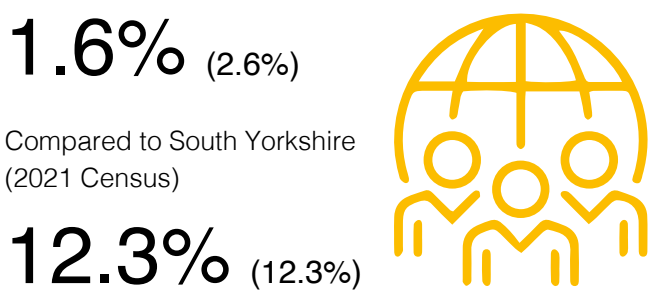
Proportion of Staff



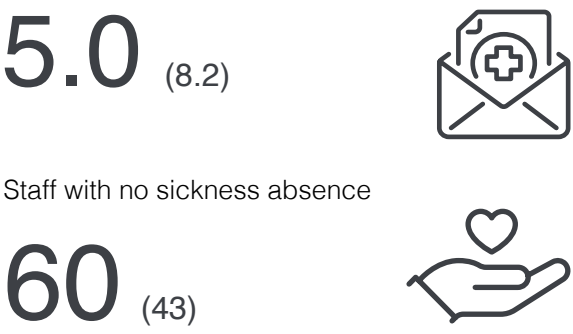
Proportion of Staff with a disability



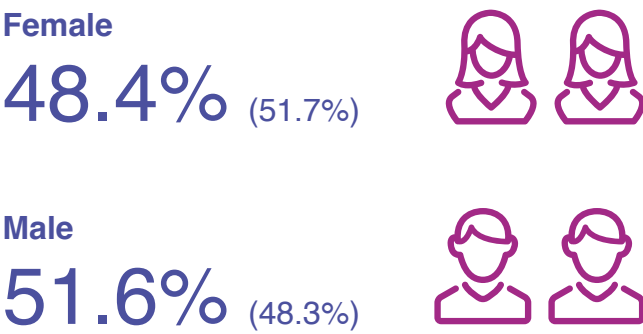
Proportion of non-white Staff



Days lost through sickness per FTE member of Staff



Proportion of top 25% of earners by gender



Average length of service



Average age



6.0 Our Organisation

Note: 2024 figures in brackets

Number of notifiable accidents

0
(0)



Training & apprenticeships

 Number of Staff undertaking professional training

7
(5)

 Number of Apprentices undertaking Apprenticeship Qualification

2
(2)

 Number of staff completing Professional or Apprenticeship Qualifications in the year

9
(2)

Staff turnover

7.8%
(7.9%)



Trade Union facility time (in hours)

308.9
(295.7)



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

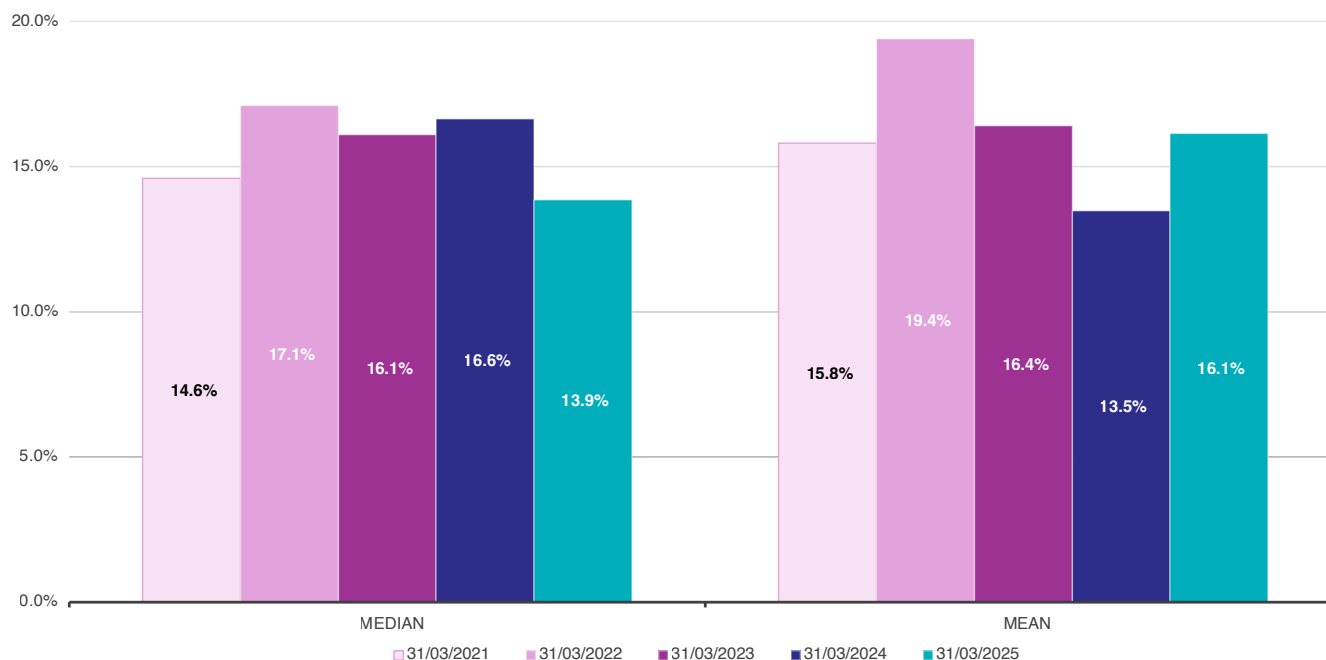
6.0 Our Organisation

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.

South Yorkshire Pensions Authority Gender Pay Gap



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 above. A positive figure means that men are paid more than women.

6.0 Our Organisation

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.

6.0 Our Organisation

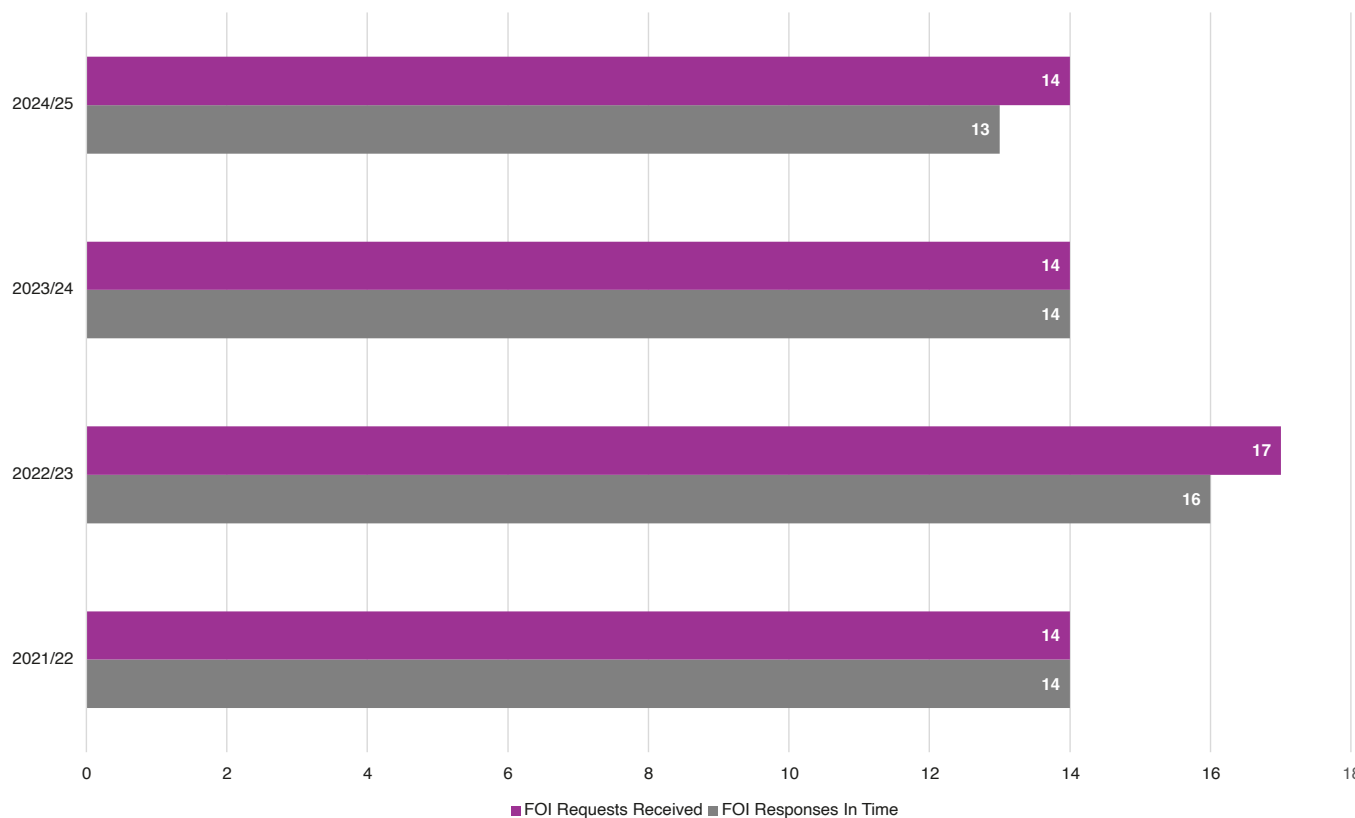
Freedom of Information Requests

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.

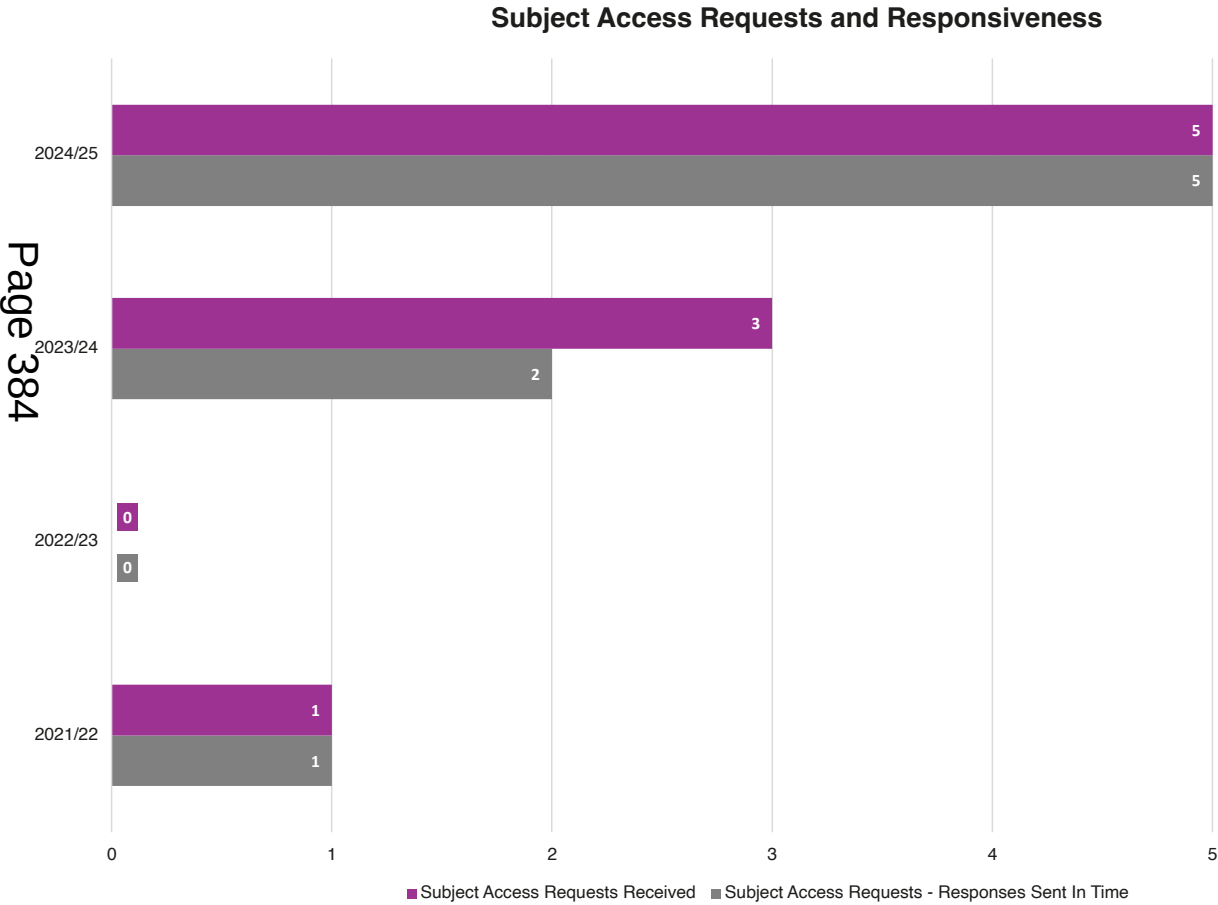
We also receive and need to respond to requests for information under the Freedom of Information Act and to Subject Access Requests made under the GDPR rules.

The figures opposite and on the following page 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.

Freedom of Information - Requests and Responsiveness



6.0 Our Organisation



6.0 Our Organisation

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



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

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.

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

“

A new Volunteering scheme was introduced in 2024 – offering up to 3 days per year per full time employee to undertake volunteer work in the community. In the first year, **SYPA individuals and teams supported Barnsley Foodbank, Barnsley Hospice and Action for Autism.**

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6.0 Our Organisation

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.

6.0 Our Organisation

“

In a special raffle and fundraising event held for 'Wear Red' day in February, **SYPA employees raised an incredible £1,150 for the Children's Heart Surgery Fund.**

”



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

7.0

Financial Performance

7.0 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).

Financial Performance	2023/24 Actual £m	2024/25 Forecast £m	2024/25 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%

7.0 Financial Performance

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% 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.

7.0 Financial 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. 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 2025, an amount of £0.117m remained outstanding (31 March 2024 £0.151m) in respect of 69 invoiced overpayment debts (31 March 2024 74). For 2024/25 this equates to 0.03% of the total benefits paid for the year (2023/24 0.04%). 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 2024/25, a total amount of £0.025m was written off (2023/24 £0.024m) relating to 25 invoiced overpayment balances (2023/24 14).

7.0 Financial Performance

The Authority – Operational Budget

South Yorkshire Pensions Authority Operational Budget	2023/24 Outturn £000	2024/25 Revised Budget £000	2024/25 Outturn £000	2024/25 Outturn Variance £000	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%)

7.0 Financial Performance

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).

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.

7.0 Financial Performance

The total amount charged to the Fund’s management expenses for the Authority’s operational expenditure for the year is summarised opposite.

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.

Authority Expenditure Charged to the Fund’s Management Expenses	Expenditure against the budget £000	Irrecoverable VAT Expense £000	Total Charged to the Fund £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

8.0

Investments & Funding



8.0 Investments & Funding

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, 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

8.0 Investments & Funding

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.

8.0 Investments & Funding

Investment Strategy and Performance

Performance

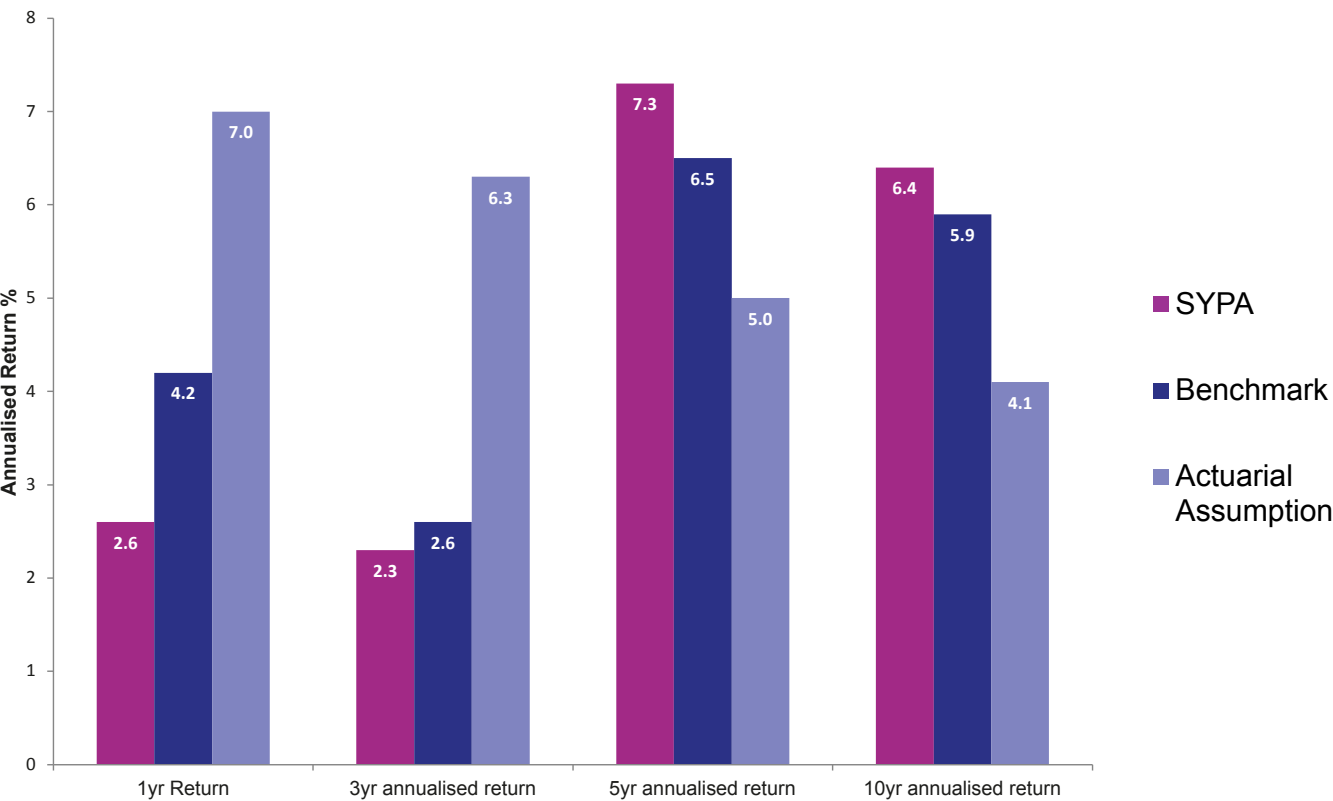
The Investment Strategy of the Fund is carried out in accordance with the Investment Strategy Statement which was last updated in March 2023 with a core objective being to achieve the best financial return, commensurate with the appropriate levels of risk, to ensure the Fund can meet both its immediate 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.

Fund Performance to 31 March 2025



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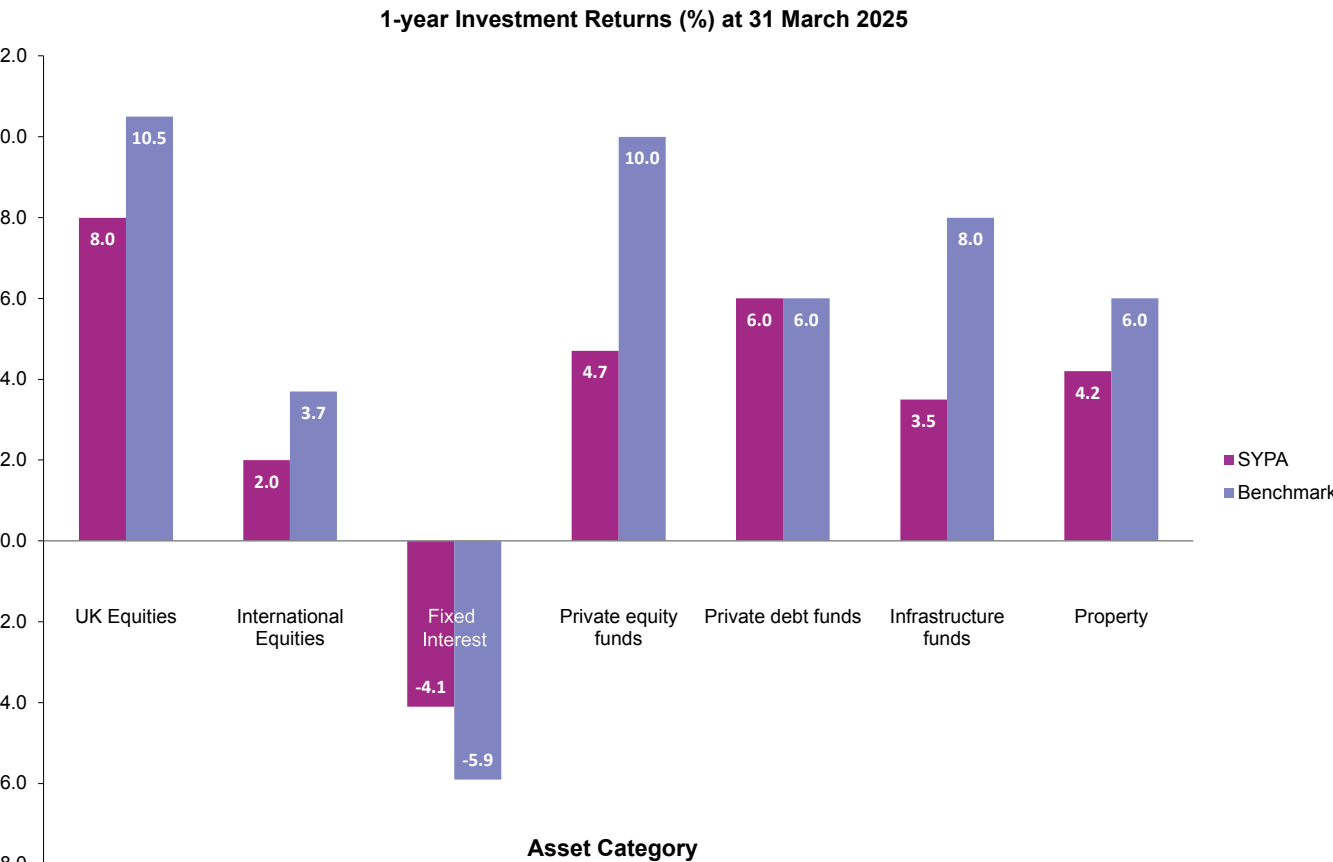
At the end of March 2025, the Fund's net investment assets were valued at £11,060m, this represents an increase of £92m since 31st March 2024.

The following graphs 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: 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,

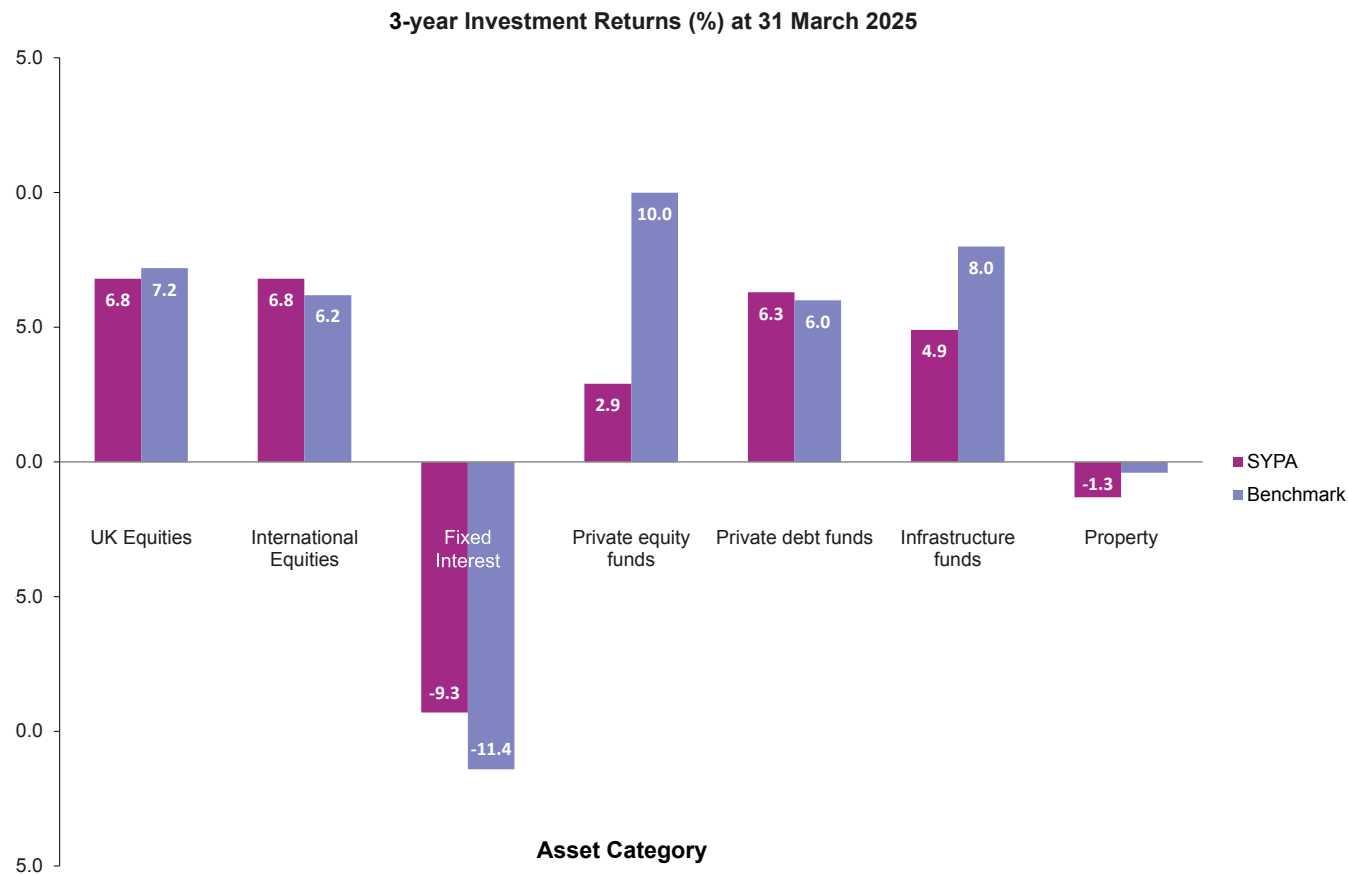


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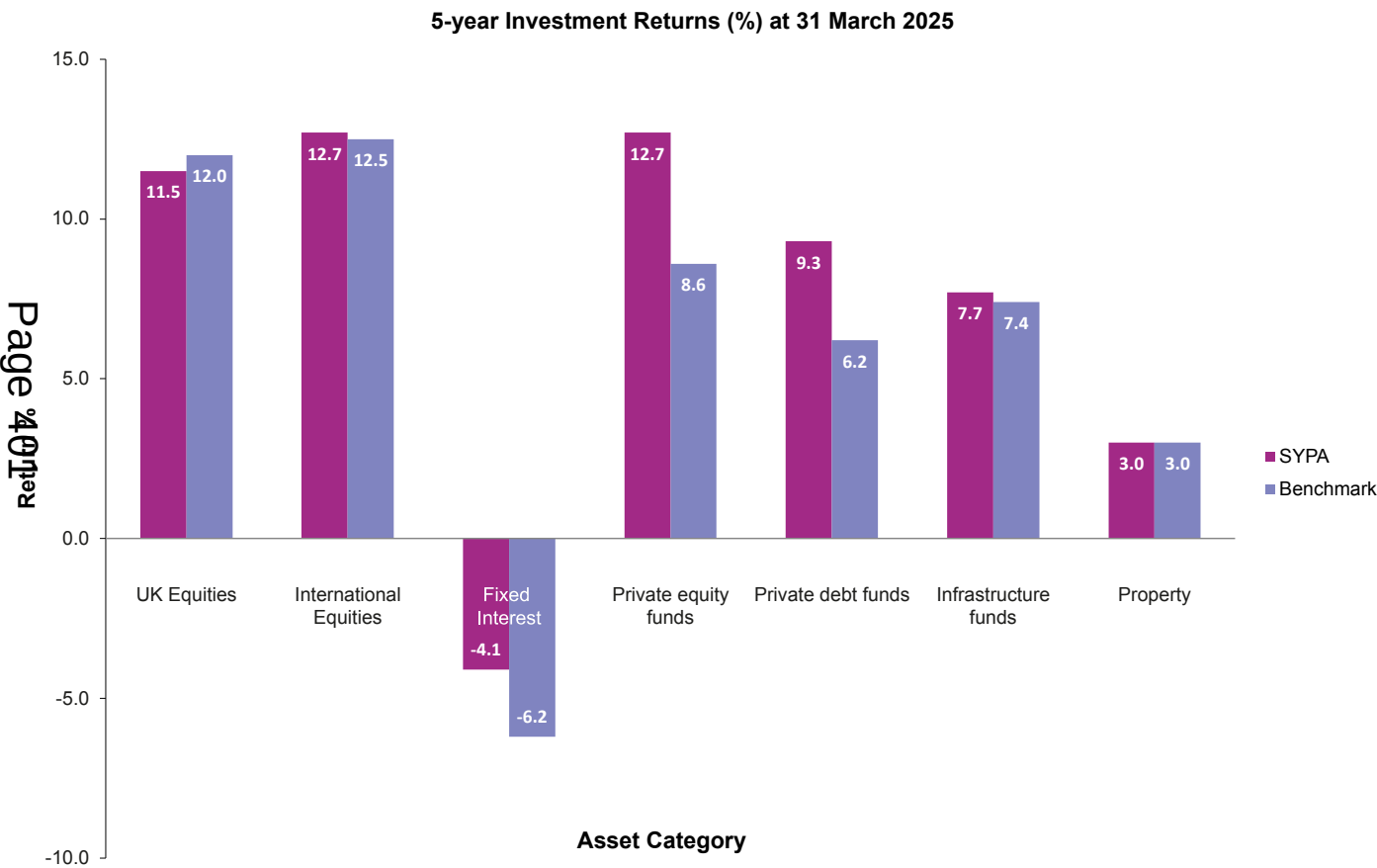
relative to its long-term strategic target, hence we have continued to reduce its exposure to listed equities. These cashflows have been redirected towards fixed income and private market asset classes, in order to bring the Fund closer to its strategic weightings in income and protection assets.

Implementing the Investment Strategy Statement

The Investment Strategy for the Fund is derived from Asset Liability Modelling (ALM) 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.



8.0 Investments & Funding



8.0 Investments & Funding

The table opposite 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 assets such as 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.

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.

Asset Class	Asset Allocation					
	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

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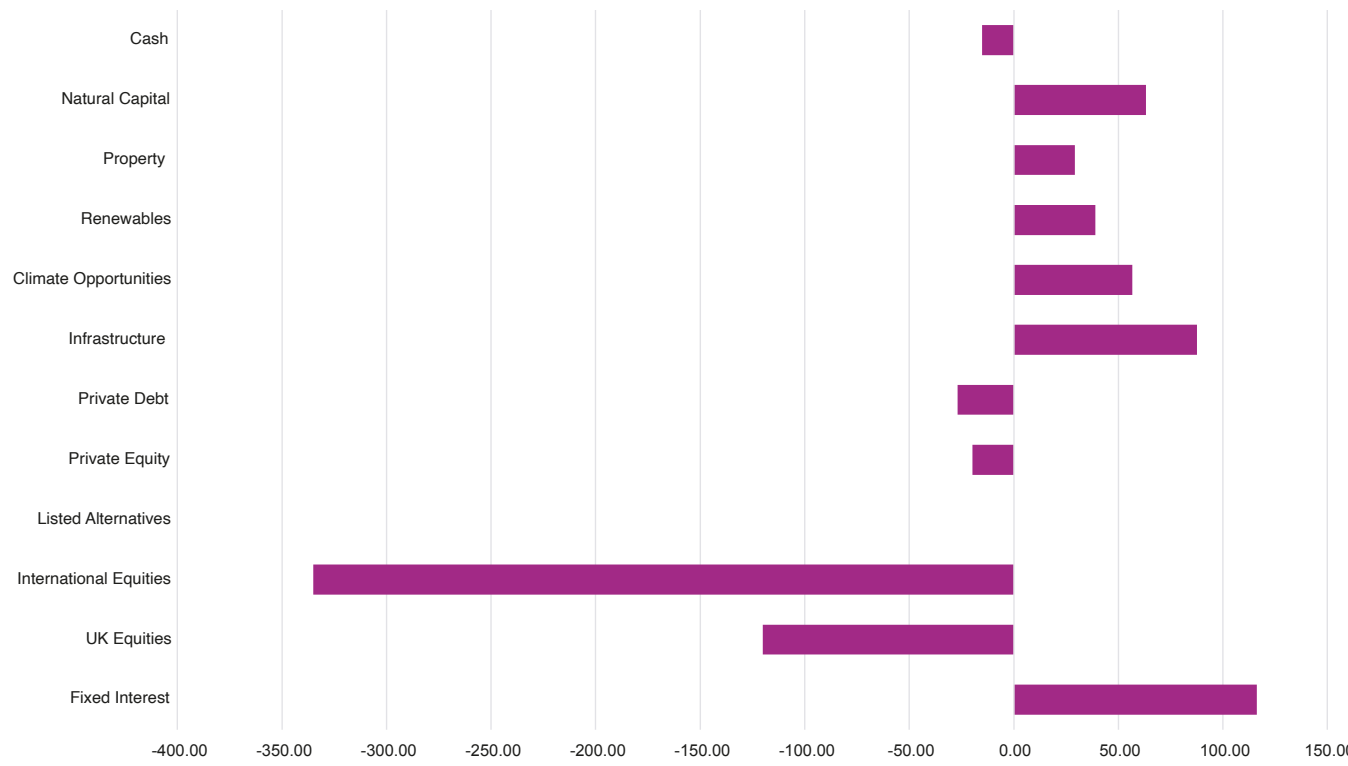
Place Based Impact Investing

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. 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 in the section starting on **page 144. [check on completion]**

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

Net investment over the year to 31 March 2025 £m



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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

8.0 Investments & Funding

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.

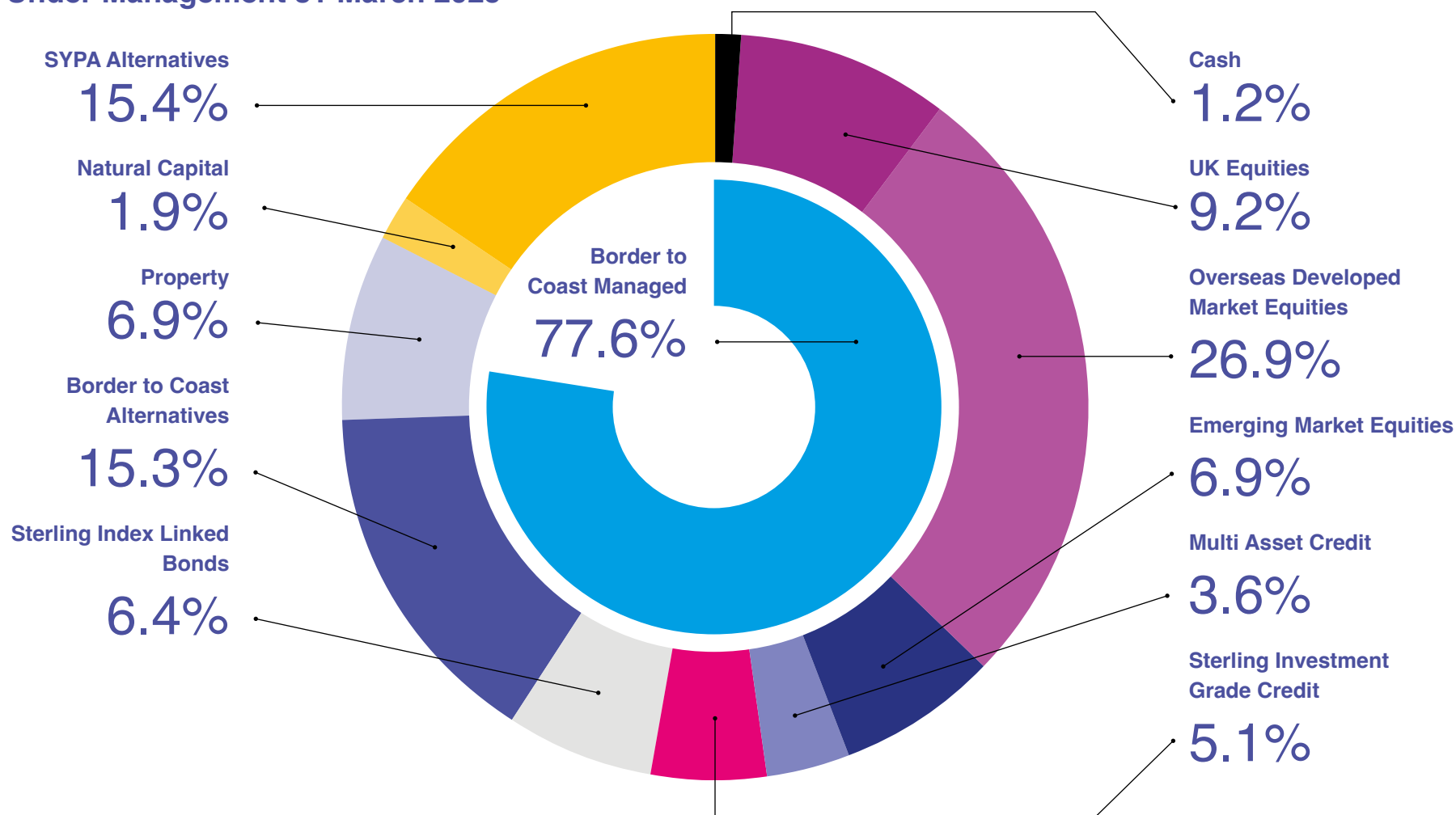
SYPA made commitments to the following private market capabilities run by Border to Coast at the beginning of the 2024/25 financial year:

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.

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

8.0 Investments & Funding

Assets Under Management 31 March 2025



8.0 Investments & Funding

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.

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

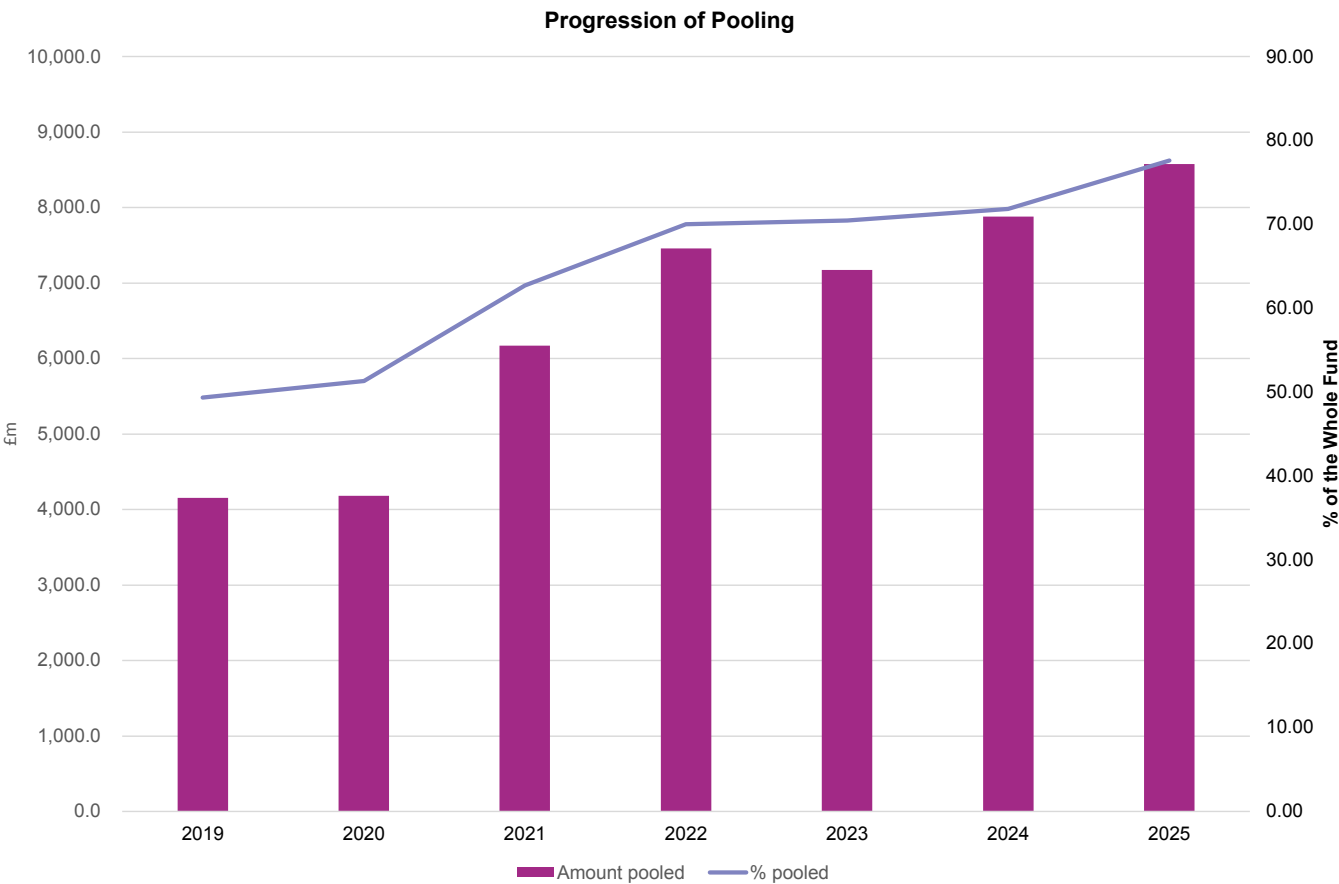
Asset Values at 31 March 2025	Pooled £m	Under Pool Management £m	Not Pooled £m	Total £m
Equities	4,755.5	0.0	0.6	4,756.1
Fixed income (listed)	1,670.4	0.0	0.0	1,670.4
Private markets	1,688.1	0.0	1,705.5	3,393.6
Property	465.9	52.4	378.7	897.0
Cash / net current assets	0.0	0.0	138.1	138.1
Other – Natural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

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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



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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 on the previous page.

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.

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.

Costs of Pooling	Cumulative to 31 March 2024 £m	2024/25 Costs / (Savings) £m
Pooling set up costs/governance	4.0	0.4
BCPP Public Markets (additional Costs)	18.1	3.9
BCPP Private Market Savings	(16.2)	(12.3)
BCPP UK Real Estate	-	0.1
BCPP Global Real Estate	-	0.1
Transition Costs	2.8	-
Other Savings	(3.4)	(0.7)
Net Costs (savings shown as negative)	(2.3)	(8.5)
Cumulative Costs	2.2	(6.4)

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.

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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		2024/25			
Total £m	Investment Management Costs	Management Fees £m	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

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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

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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. SYPA has holdings in each asset class with Border to Coast, which will continue to gradually build over time, in addition to legacy

8.0 Investments & Funding

portfolios which were largely committed to prior to the advent of pooling. The following sections detail these areas.

Private Debt

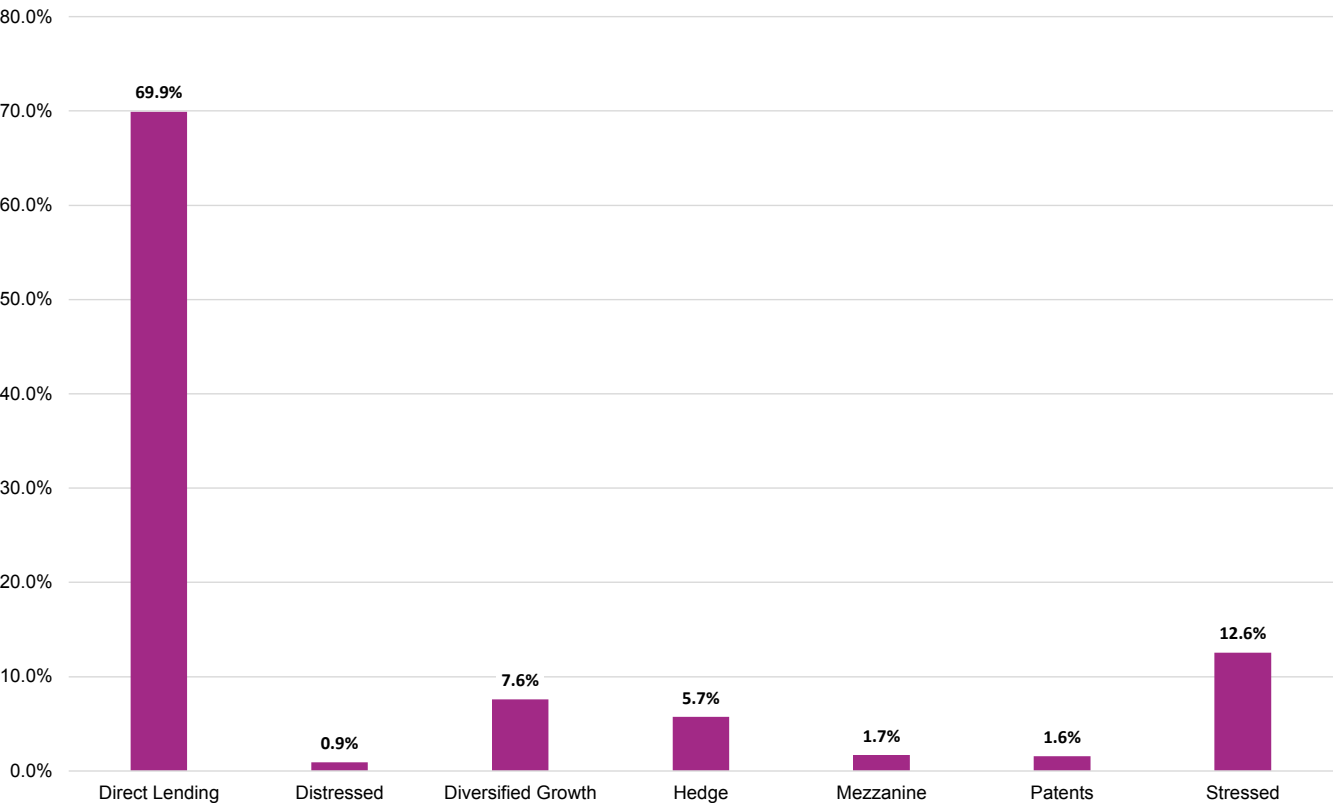
Private debt is a sub-set of the broader leveraged credit markets, characterised by mostly private equity-generated activity in companies that are typically too small, or with financing needs too specialised, to be financed by the larger public markets.

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

Private Debt - NAV breakdown by Strategy

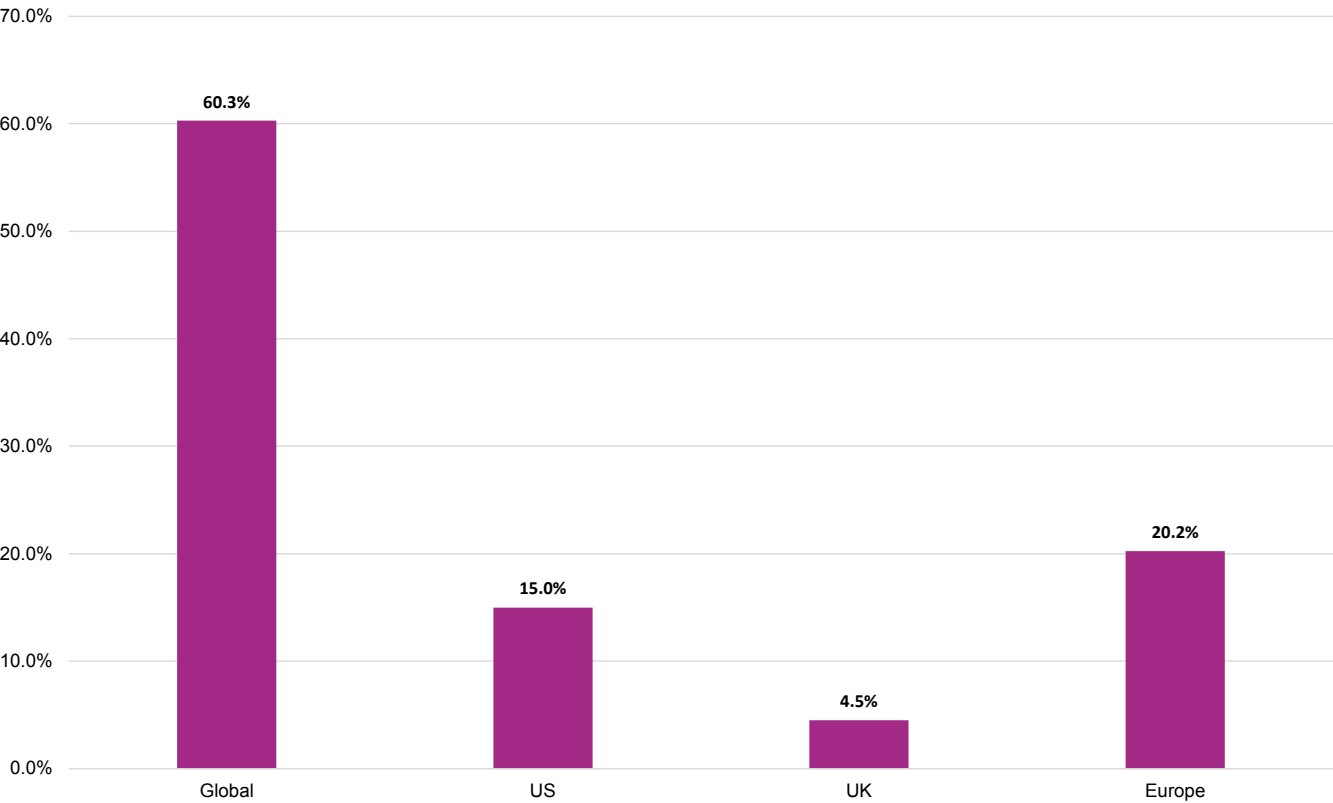


8.0 Investments & Funding

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 Debt - NAV breakdown by Geography



8.0 Investments & Funding

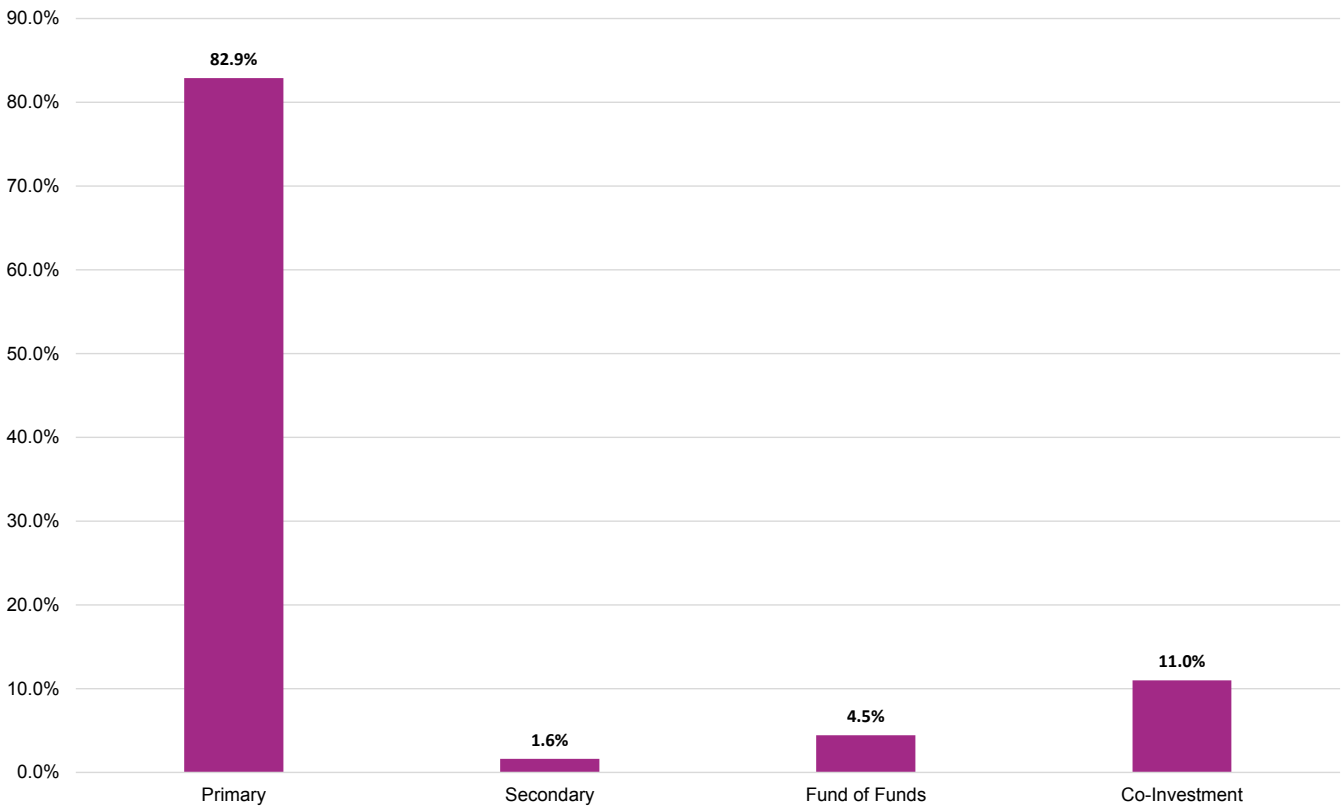
Private Equity

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.

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

Private Equity - NAV Breakdown by Investment Type



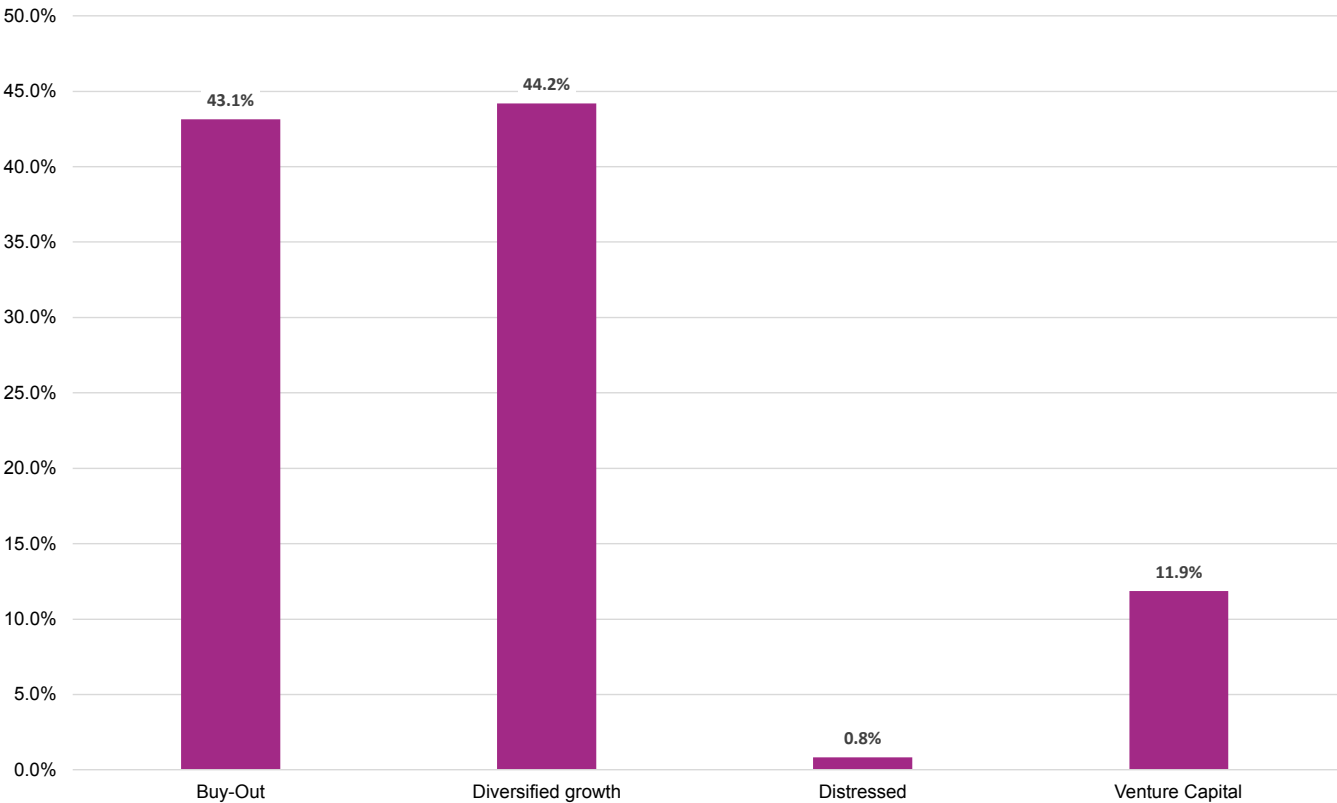
8.0 Investments & Funding

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.

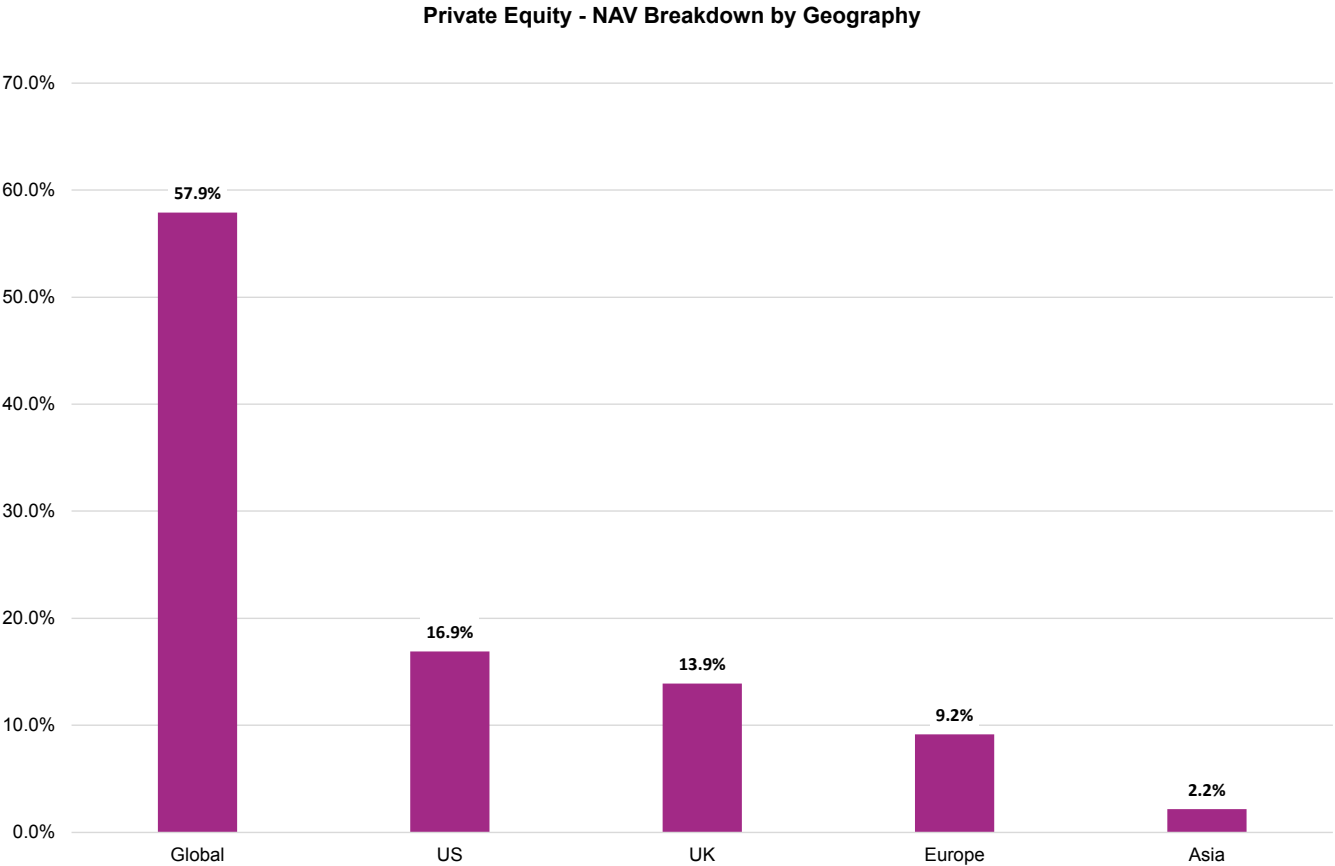
Private Equity - NAV Breakdown by Strategy



8.0 Investments & Funding

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.

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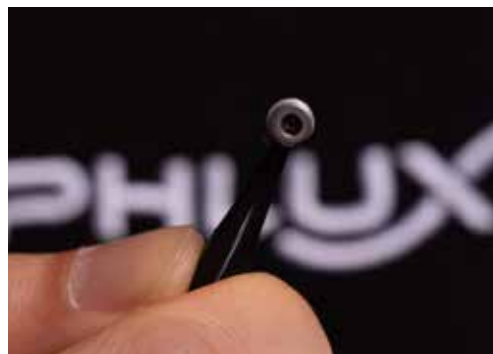
8.0 Investments & Funding

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.



“

SYPA has an investment in Northern Gritstone. One investment made by Northern Gritstone is in a company called Phlux who are viewed as a high-potential investment **which could deliver a double-digit investment return upon exit.**

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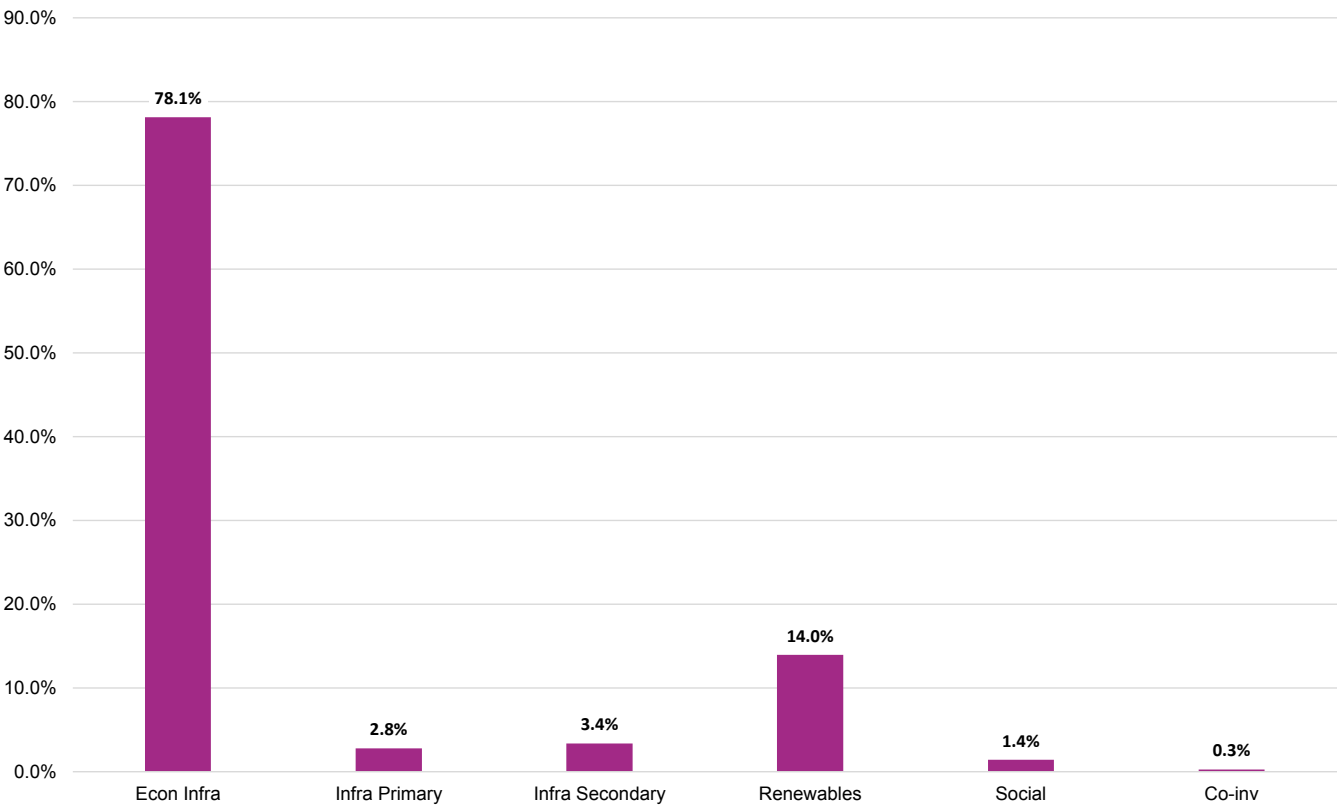
8.0 Investments & Funding

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 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.

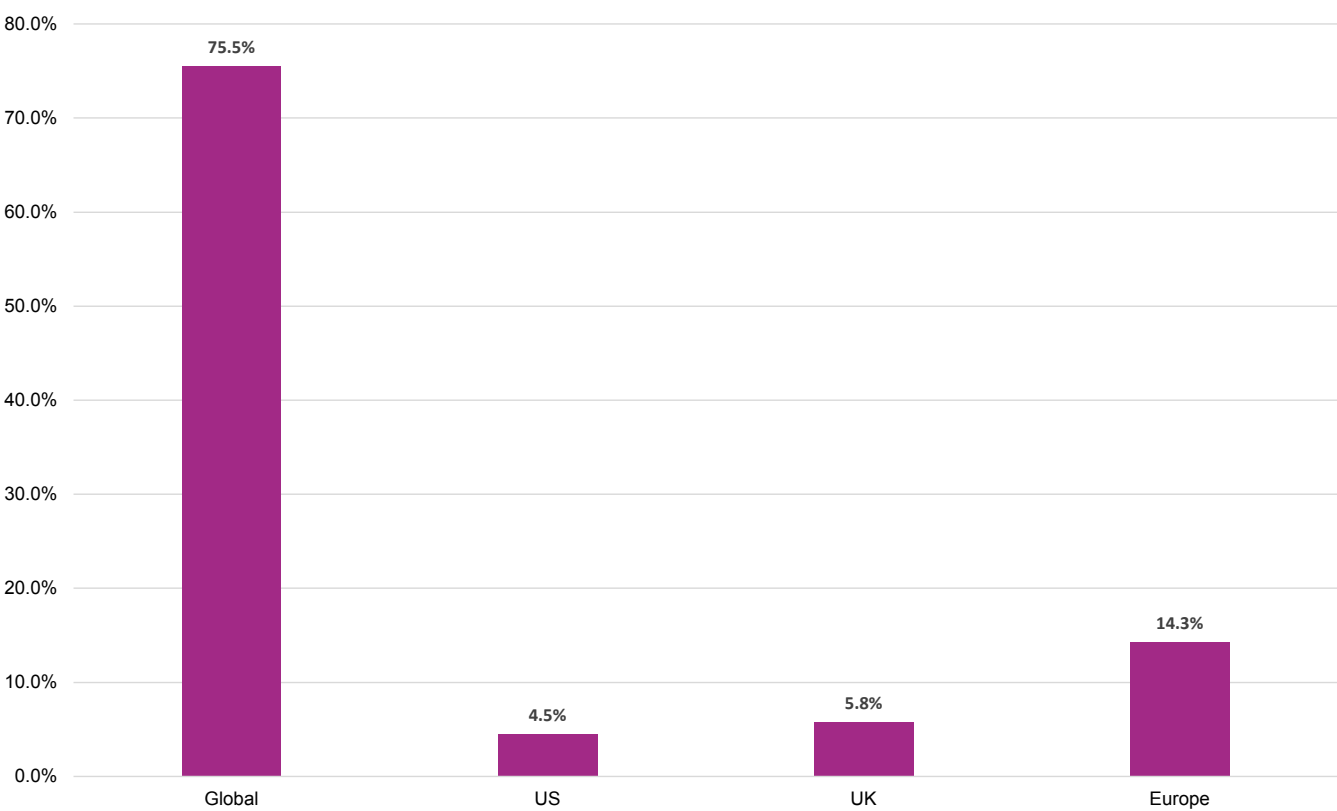
Infrastructure - NAV Breakdown by Strategy



8.0 Investments & Funding

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 Geography



8.0 Investments & Funding

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



8.0 Investments & Funding

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.

8.0 Investments & Funding

The Authority is fully committed both to investing responsibly and to the good stewardship of its investments across all asset classes.

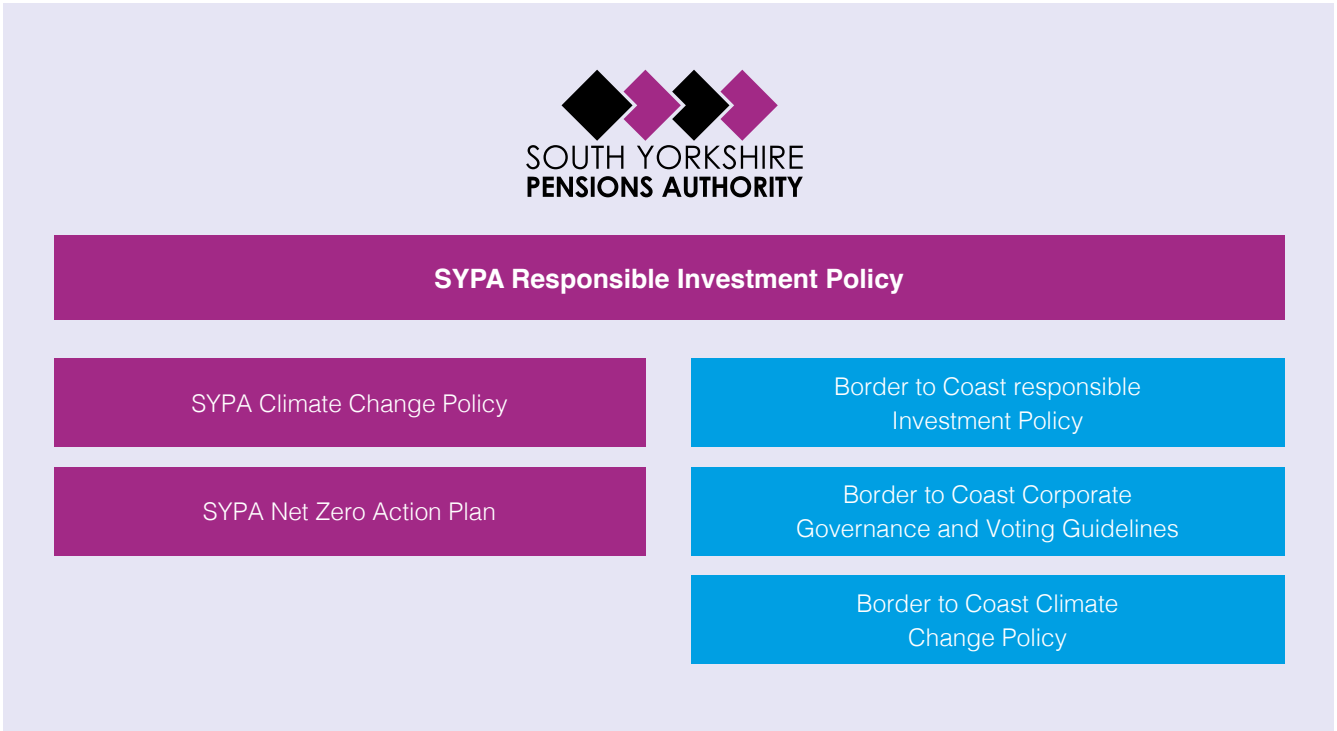
Responsible Investment

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).



8.0 Investments & Funding

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.

The infographics opposite represent a summary of voting activity over the last year.

Total number of meetings voted at in 2024/25



641

Votes cast across 4 invested funds



PENSIONS PARTNERSHIP

8,376

Votes against the position taken by management



11%

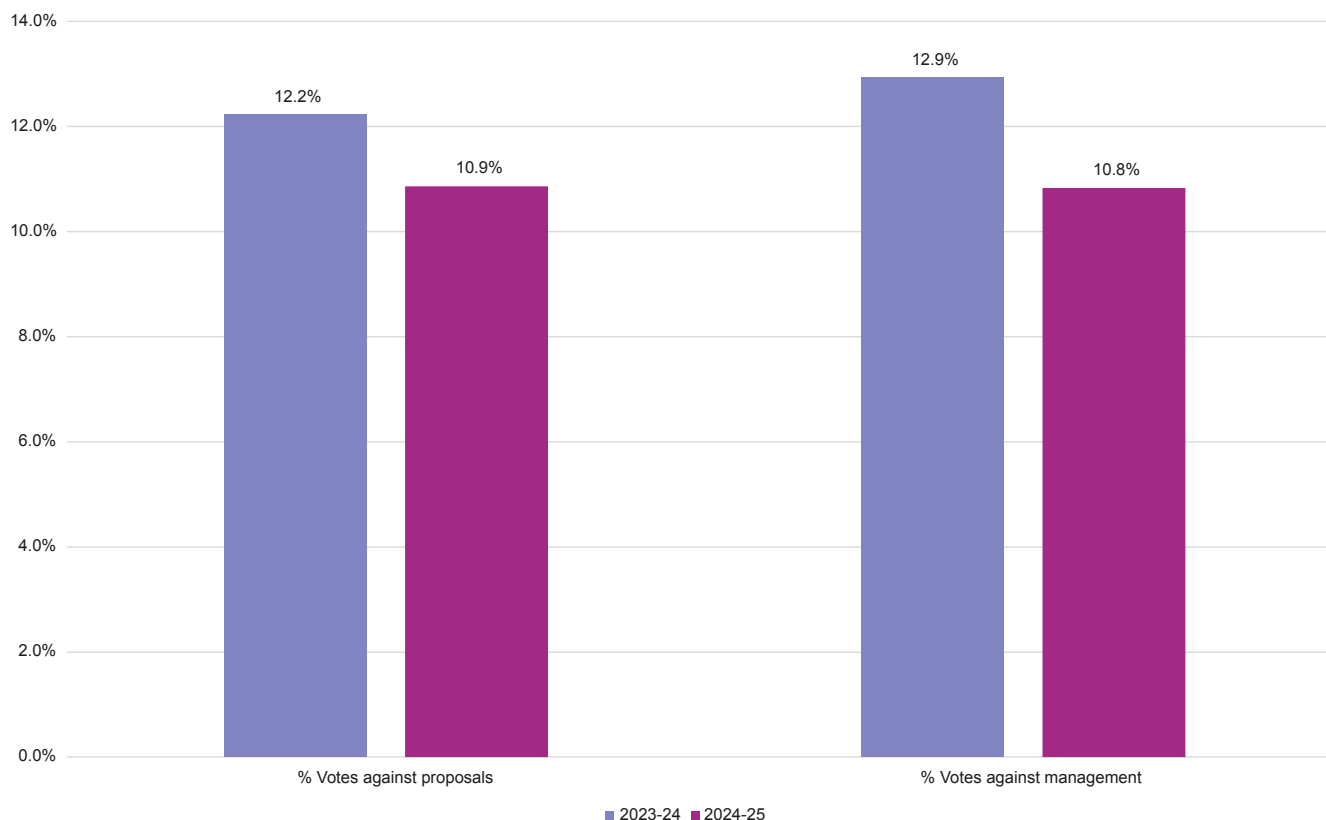
8.0 Investments & Funding

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 opposite.

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.

Opposition Votes 2023 - 24 v 2024 - 25



8.0 Investments & Funding

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.

Subject of Oppose Votes 2024-25



8.0 Investments & Funding

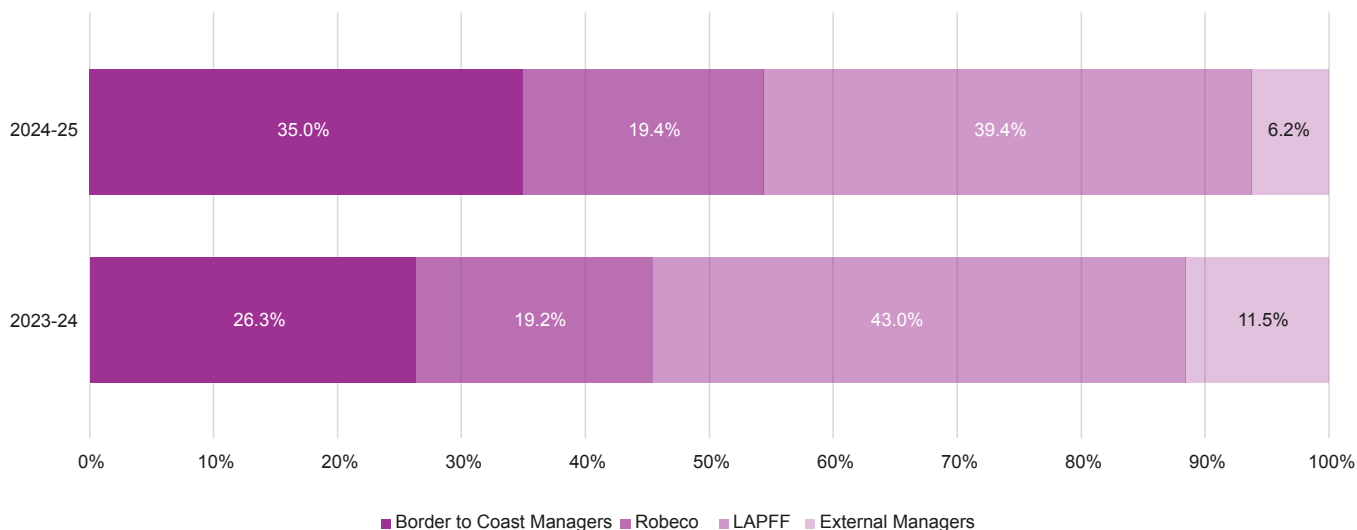
Engagement

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

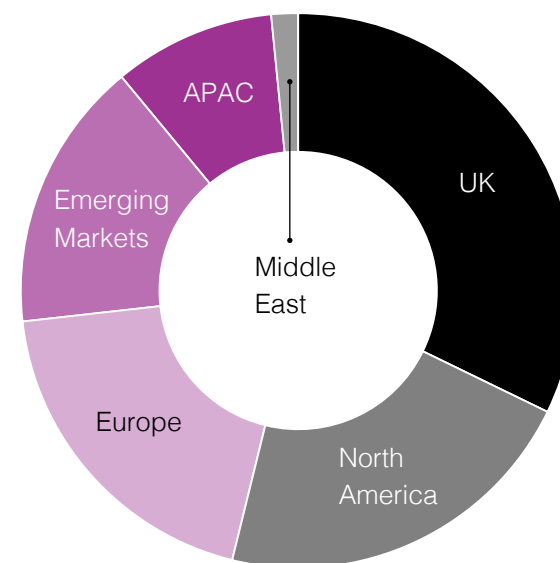
Direct engagement with companies by Fund Managers at Border to Coast Pensions Partnership;

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

Engagement Routes



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

8.0 Investments & Funding

Engagements undertaken in 2024/25

With companies over the year



On environmental & social issues



With UK listed companies



Engagement Priorities

The Border to Coast Partnership continued with the four engagement themes set to run for three years (from January 2022). The diagram below sets these out together with the aims of the engagements and

also indicates how these themes link to the SDG priorities and characteristics of good assets set out in the Authority's beliefs statement.

Nature of Risk	Systematic Issues	Environmental	Social	Governance
Issue to Address	Climate Transition	Waste and Water Management	Social Inclusion through Labour Management	Diversity of thought
SYPA Priority / Characteristics	Climate Action SDG 13 / Affordable and Clean Energy SDG7	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

8.0 Investments & Funding

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.

8.0 Investments & Funding



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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.

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.



8.0 Investments & Funding

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.

8.0 Investments & Funding

Place-Based Impact of Our Investments

2024/25

South Yorkshire Pensions Authority (SYPA) is committed to making investments that contribute to inclusive and sustainable development in the UK, with a focus on South Yorkshire and the region.

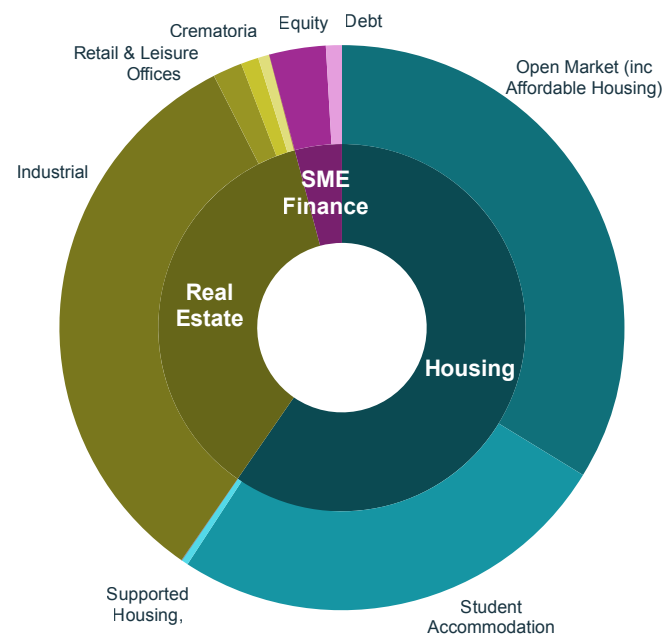
Page 432

- £606.4 million has been committed to investments intended on generating a positive impact alongside providing a financial return (5.5% of SYPA value)
- Of this, £334 million is currently invested in 725 business, housing and real estate assets (£299 million FY23/24).

- £60 million has been invested across 48 assets in the past year.
- £108.6 million is invested in South Yorkshire across 26 assets, £12.7 million invested in the past year.

How we invest

(% of value invested)



8.0 Investments & Funding

Place-Based Impact of Our Investments

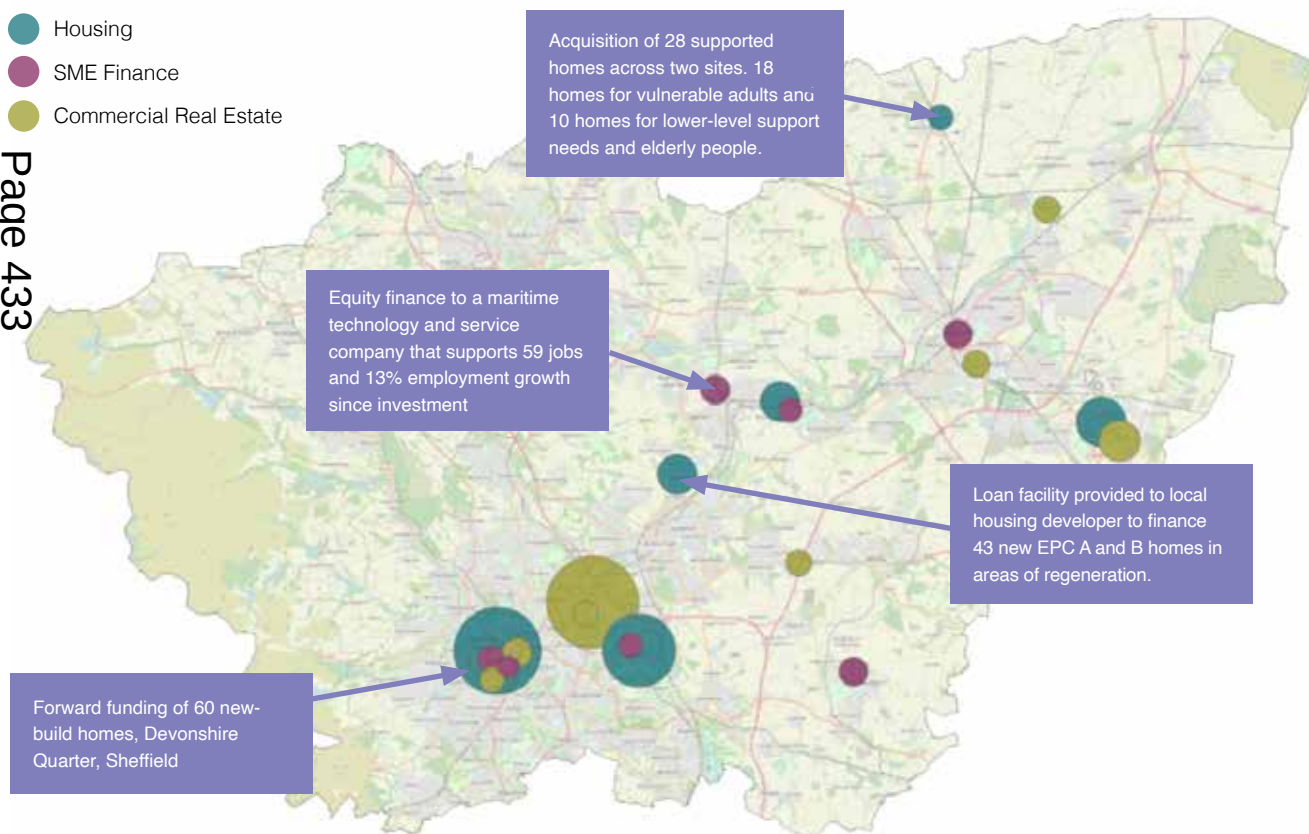
2024/25

Where we invest (% of value invested)

Asset Type

- Housing
- SME Finance
- Commercial Real Estate

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Contributing to South Yorkshire's sustainable economic growth through Investing in Real Estate and Businesses

- 2 directly funded redevelopment projects intended to remediate and regenerate land and support local advanced manufacturing businesses
- 367,000 sq. ft. high quality employment space being developed.
- Creating employment space for an estimated 805 jobs.
- Attracting an additional £41 million private sector co-investment.
- 6 real estate assets acquired since 2013 via two investment funds.
- 6 assets have been refurbished or had environmental improvements made since investment.
- 10 investee businesses supporting at least 346 jobs in advanced technologies manufacturing and professional services.
- 115 further jobs created.
- 67% of businesses reporting jobs growth since investment.

8.0 Investments & Funding

Contributing to the delivery of high quality and affordable housing stock in South Yorkshire

- 1 direct housing development.
- Development of high-quality purpose-built accommodation for 494 students.
- £24 million additional private co-investment across both schemes.
- 5 housing developments financed through a partnership between SYPA and specialist investment manager.
- 403 homes to be delivered for up to 1,128 people.
- All developments provide low-cost ownership opportunities for first- and second-time buyers, two schemes provide affordable housing.
- 2 supported living acquisitions for vulnerable adults (see case study).
- Providing homes for 28 residents that have learning and or physical disabilities.
- All supported housing units at 100% occupancy.

The National Picture

Since 2010, SYPA has been making investments with the intent of delivering positive benefits across the UK. These investments support inclusive and sustainable development across the country, alongside generating a financial return.

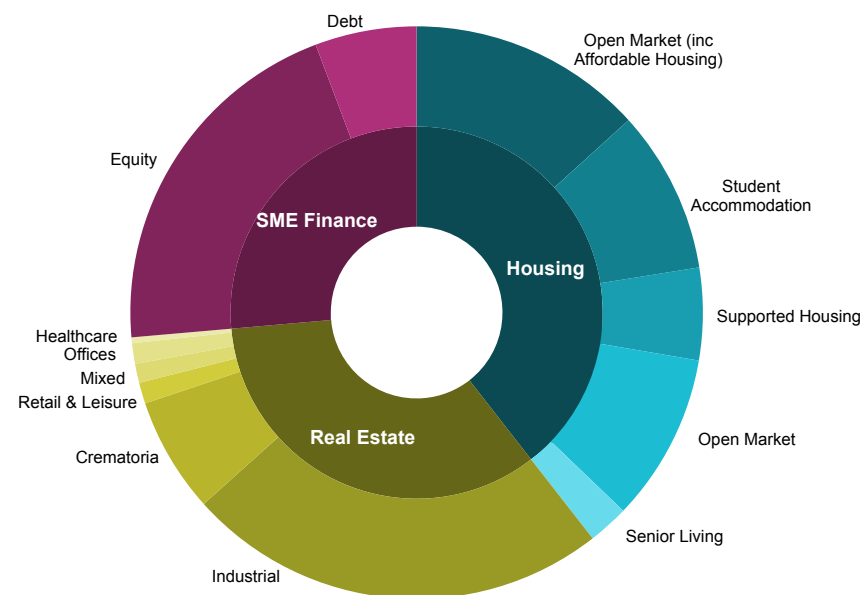
- 35 funds across 16 fund managers (SYPA share ranges from 3.5% - 100%), 5 new funds in the past year.
- 23 SME finance funds, one of which has regional focus.
- 5 housing funds, including one for specialist supported housing and another tackling homelessness.
- 7 national real estate funds.

Place-Based Impact of Our Investments

2024/25

How we invest

(% of value invested)

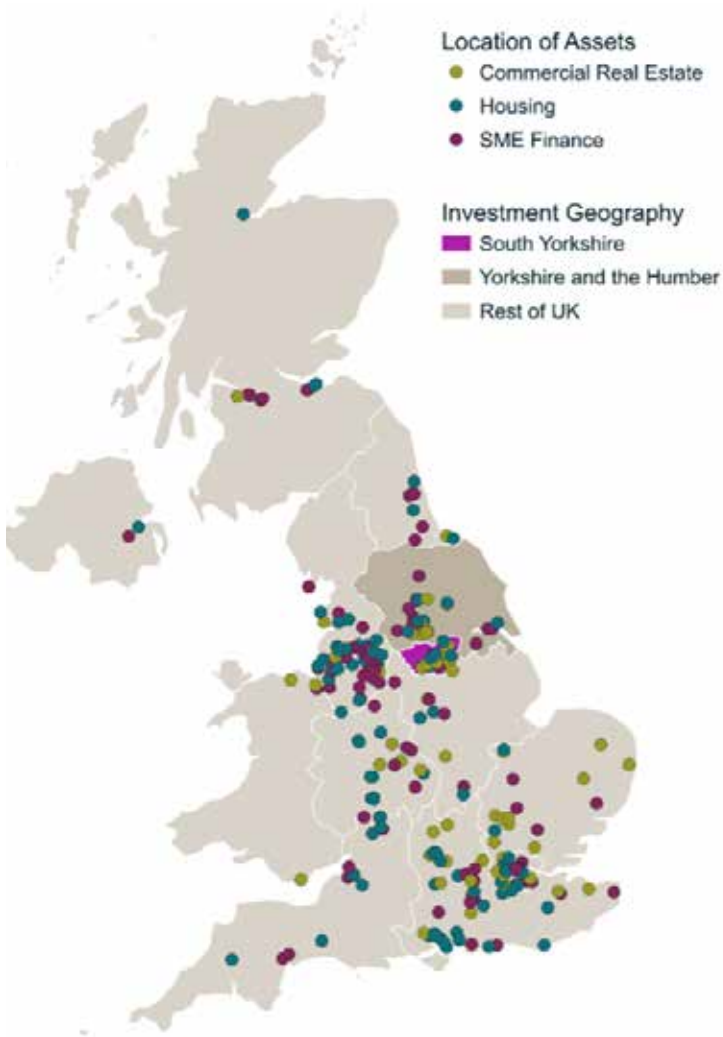
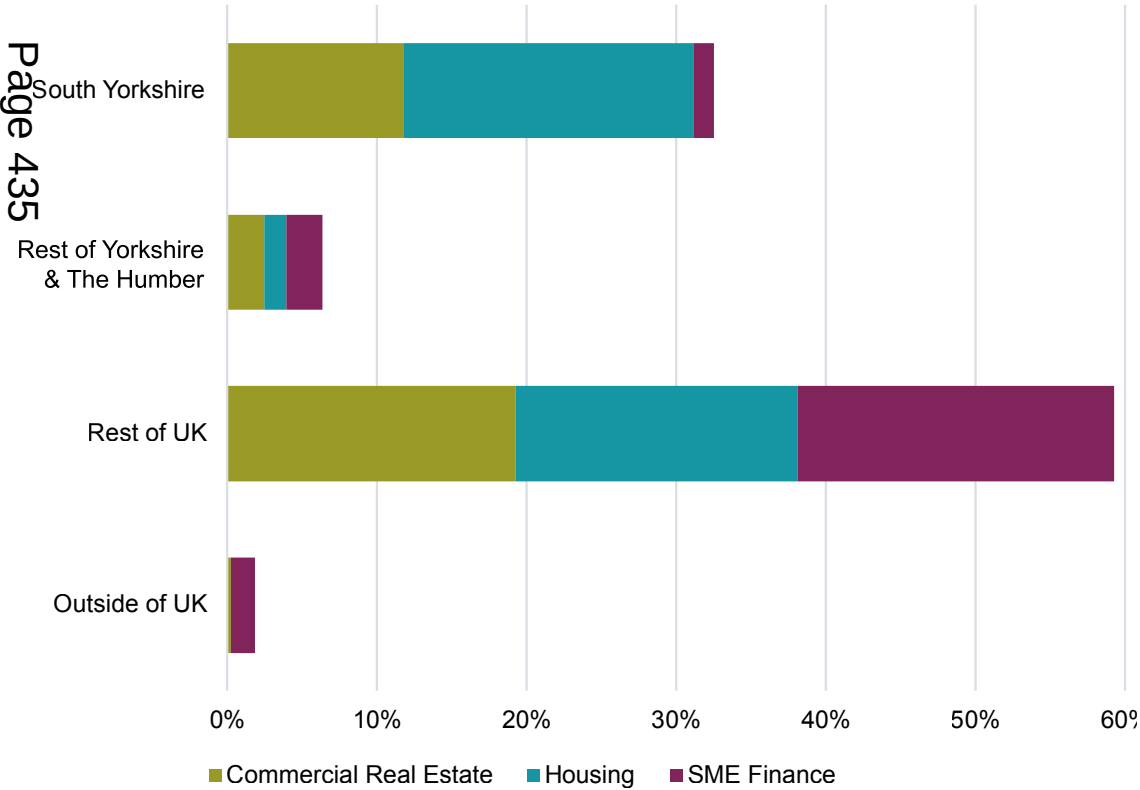


8.0 Investments & Funding

Place-Based Impact of Our Investments
2024/25

Where we invest (% of value invested)

£129.8 million (39%) of SYPA's impact portfolio is invested in Yorkshire and The Humber, compared to £122.9 million (41% of the impact portfolio) last year.



8.0 Investments & Funding

Place-Based Impact of Our Investments

2024/25

Supporting businesses growth

- 224 SME businesses supported through equity or debt finance since 2010. 136 businesses are currently invested in 22 new businesses have received finance in the past year.

Over 16,351 people employed in businesses currently invested in, 11% are in businesses receiving investment in the past year.

68% of the 65 businesses with data experienced job growth since investment, creating at least 3,795 jobs.

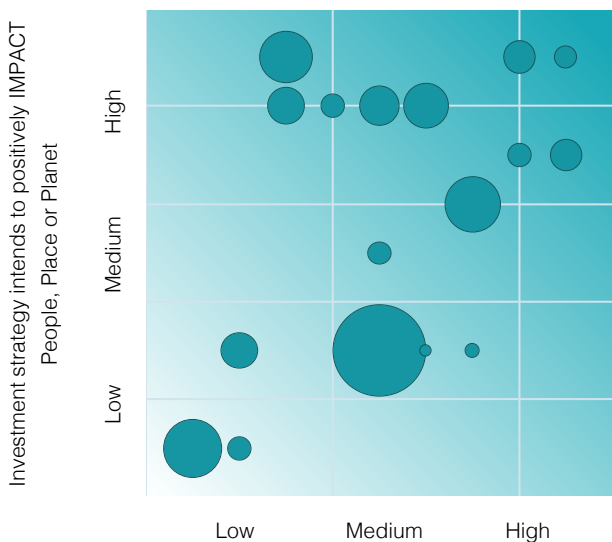
- 11 businesses are Living Wage Foundation businesses or pay all employees the Real Living Wage.

Helping to address the nation's housing needs

- 4,065 open market homes for rent or ownership for at least 8,371 people.
- 90% of homes in 17 newly developed housing projects, 53% of projects include affordable or low-cost ownership homes.
- 81 assets providing supported or assisted housing for 1,175 people.

- 55% of people with specialist needs, 45% of people in affordable homes for people who are or at risk of being homeless.
- 5 senior living assets providing homes for 299 older people and 4 assets providing purpose-built accommodation for 1,567 students.

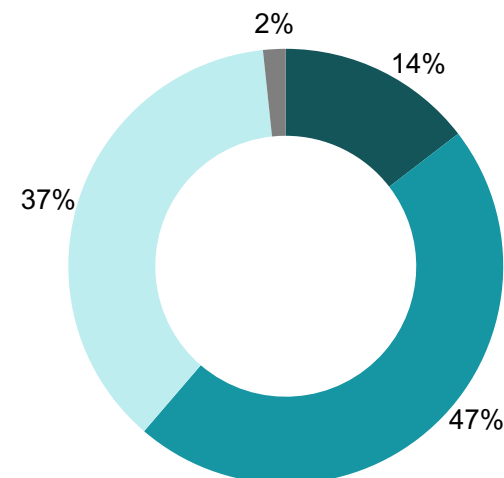
How our investments align with the Traits of Place Based Impact Investing



Investment strategy considers the needs of PLACE and engages with local stakeholders

Our type of Impact

(% of value invested)



Impact Classes

- Contribute to Solutions
- Benefit Stakeholders
- Avoid Harm
- No Data (May Cause Harm)

8.0 Investments & Funding

Place-Based Impact of Our Investments
2024/25

Case Study: UK Supported Housing

Henley Fund Management: Secure Income
Property Unit trust II (SIPUT II)

Total Committed Fund:	£85 million
Of which	95% invested/drawn
SYPA commitment:	£10 million
Target IRR (net)	6-7%

Launched in 2023, the Secure Unit Property Trust II is a UK-focused property fund managed by Henley Fund Management. SIPUT II invests in high-quality Supported Living properties that provide long-term homes for vulnerable adults, with a primary focus on working age adults with learning disabilities, physical disabilities, or mental health conditions who require additional support to live independently.

The fund’s goal is to deliver secure, inflation-linked income while generating measurable social impact through increased housing supply, improved outcomes for residents, and long-term cost savings to the public sector.

A key feature of the fund is its focus on expanding the supply of Supported Living properties in the UK, helping to address the UK’s significant shortfall in social housing - with more than 1 million households currently on waitlists for social houses. The fund invests in a mix of both newly built accommodation and existing properties that are purpose-built or adapted for supported living.

As of March 2025, South Yorkshire had invested £20 million in SIPUT II, granting it a 12% ownership stake. The Fund has since deployed 95% of £85 million raised, of which 10% is invested in homes in the South Yorkshire region.



The buildings in South Yorkshire, are purpose-built mix of Supported Housing flats and affordable rent low level support bungalows replacing a decommissioned care home, which required extensive works. The decision was made to address the need for more supported housing in the region. The new buildings



were designed to offer Supported Housing for 18 people with carer accommodation along with 10 bungalows which are affordable for people who require less support in their day to day lives.

8.0 Investments & Funding

Investment in South Yorkshire – Supported Living homes



Doncaster I

- £2.8m invested, of which SYPA contributed 11.3%
- 18 homes for vulnerable adults

The properties provide secure homes with care and support on site to help the residents live as independently as possible.

Ajay moved from a residential care home where they felt restricted and struggled with shared living and felt their previous care plan didn't reflect their wishes. Since moving, Ajay now receives a few hours of 1:1

support each day, with a background team available if needed. Ajay now has greater independence and control and is thriving in their new home

“

My home now is my sanctuary and safe space. The accommodation helps me do things I want to do, I am supporting local charity events and raising funds for service activities.

Resident, Ajay, 20s, Learning Disability and Autism

”

Doncaster II

- £856k invested of which SYPA contributed 11.3%
- 10 homes for adults with support needs

The bungalows provide homes for people with lower-level support needs and elderly people, which are designed to be affordable for independent living and for the residents to have a community.

Place-Based Impact of Our Investments

2024/25



Shay (40s, learning disability and physical health) moved into from a privately rented 2nd floor apartment that wasn't suitable for their health needs. Shay is enjoying the move away from a busy town centre into a quieter community and having a garden. Shay knew the area before moving and has visited family and friends, alongside making friends in the neighbourhood.

“

Shay is extremely well settled in their home and has built on friendships in the community and improved their independence. They have really made their garden their own and it looks beautiful for all to see!

The Housing Team, Doncaster II

”

8.0 Investments & Funding

Place-Based Impact of Our Investments
2024/25

Case Study: UK Private Equity investment in SMEs Private Equity: Foresight Group III

Total Committed Fund:	£109 million
Of which	79% invested/drawn
SYPA commitment:	£15 million
Target IRR (net)	15%

Launched in 2021, Foresight Regional Investment III LP is a private equity fund that invests in SMEs across targeted UK regions in the North West. Its goal is to deliver strong economic returns while creating long-term community benefits, such as sustainable, quality jobs, by applying a professional approach to private equity investment often in underserved areas.

As of March 2025, SYPA had invested £15 million into Foresight Regional Investment III LP, granting it a 13.5% ownership stake. The Fund has since deployed 79% of £109 million raised, of which 10% is invested in SMEs in the South Yorkshire region.

Foresight Group is sector agnostic and supports strong management teams with solid business plans. All investments are aligned to one of four outcomes themes, which are informed by the UN Sustainable Development Goals; employment at scale, health, research and innovation and sustainable and inclusive local infrastructure and environment.

ESG criteria form an integral part of Foresight Group’s investment process. All new investments since 2018 undergo ESG due diligence and are monitored against five principles comprising over 100 KPIs. Portfolio companies are supported to enhance their ESG performance against these principles and to deliver against bespoke outcomes themes set for them at investment through active board-level management and regular reporting and annual assessments.

The Fund targets businesses based in or with significant operations in areas such as South Yorkshire, Greater Manchester, Lancashire, Cheshire and North Wales. By providing equity, the fund enables these businesses to pursue strategies focusing on product development, job creation and expansion into new markets.

14 Assets across manufacturing technology, healthcare and business services

10% Invested in South Yorkshire

21% Invested in Yorkshire & the Humber

“Sheffield and the South Yorkshire region is a key growth area for Foresight. The region is now a hotbed of entrepreneurship and home to cutting-edge companies in the technology, precision manufacturing and engineering sectors which present excellent growth opportunities”

Rob Jones, Director at Foresight Group

8.0 Investments & Funding

Investment in South Yorkshire – Martek Marine



Martek Marine

- £8m invested, of which SYPA contributed 10%
- 59 jobs supported since investment
- 7 jobs created since investment

Founded and based in 2000 in Rotherham, South Yorkshire, Martek Marine is a maritime technology and services company that is a market leader in supplying products for ship safety, performance and crew welfare.

In 2024, Foresight Group backed a management buyout of Martek Marine Ltd, marking a pivotal moment in the company's journey toward independent growth. Under the leadership of CEO Karen Bedford and newly appointed Chair Nick Alexander, Martek Marine is focused on expanding its market presence to continue delivering high-quality, regulation-savvy products. Foresight's backing brings not just capital, but strategic expertise to help Martek Marine scale sustainably.

Martek Marine's is a two-time recipient of the Queen's Award for Enterprise, recognizing its contribution to international trade and innovation.

“

Martek Marine demonstrates all the qualities we look for when investing in a business. The company has a dynamic management team, sells excellent products and has a deep understanding of the complex regulatory environment in the sector. This enables Martek Marine to deliver a market-leading service to its customers.

Rob Jones, Director at Foresight Group

”

Place-Based Impact of Our Investments

2024/25

“

We are excited to return to the agility of independent ownership and secure the backing of Foresight, who share our values and vision.

Rob Jones, Director at Foresight Group

”

As well as Martek Marine, Foresight Regional Investment III LP also invests in mobility equipment retailer Eden Mobility, which operates across the North of England including in South Yorkshire. Other South Yorkshire based businesses supported by Foresight Group across its private equity and venture funds include Phlux Technology, an infrared sensor developer, MRMK, a specialist manufacturer of knives for the food industry, AMT, a 3D printing technology business, Professionals At Play, a competitive socialising operator and Mowgli, an Indian street food restaurant chain.

8.0 Investments & Funding

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.

8.0 Investments & Funding

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.

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

Physical Impacts	Transition Risk
For example, increases in the number of extreme weather events	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
Technological Changes	Litigation Risk
For example, the development of new battery storage technologies and hydrogen powered vehicles	For example, the risk to a company of losing a legal action in relation to its action or inaction in relation to carbon emissions
Regulatory and Policy Impacts	
For example, the introduction of a law to prevent the sale of petrol/diesel powered vehicles	

8.0 Investments & Funding

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.

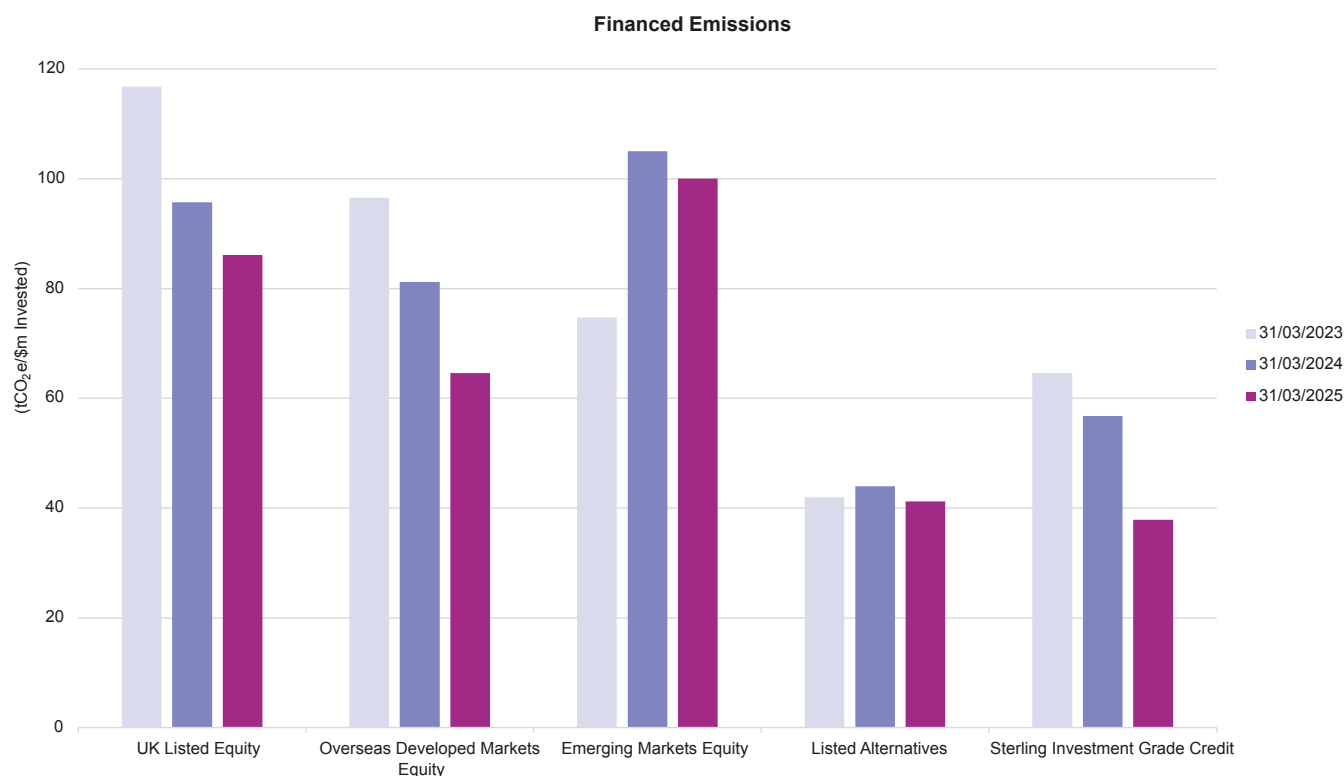
The Authority recognises that climate issues can be more relevant and readily implementable within some parts of the portfolio than others. In this section of the Annual Report, we provide an overview of the approach to climate-related governance, strategy and risk management that applies to all Border 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



Source: MSCI ESG Research LLC, 31/03/2025

- 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

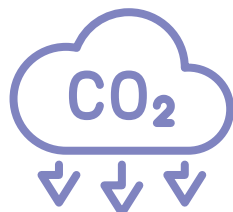
8.0 Investments & Funding

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.

Page 444
portfolio reduction of

59%

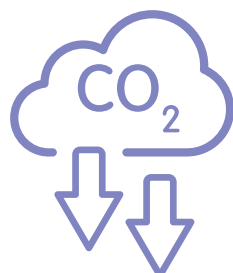
in financed emissions has been achieved by 31st March 2025 compared to the 2019 baseline



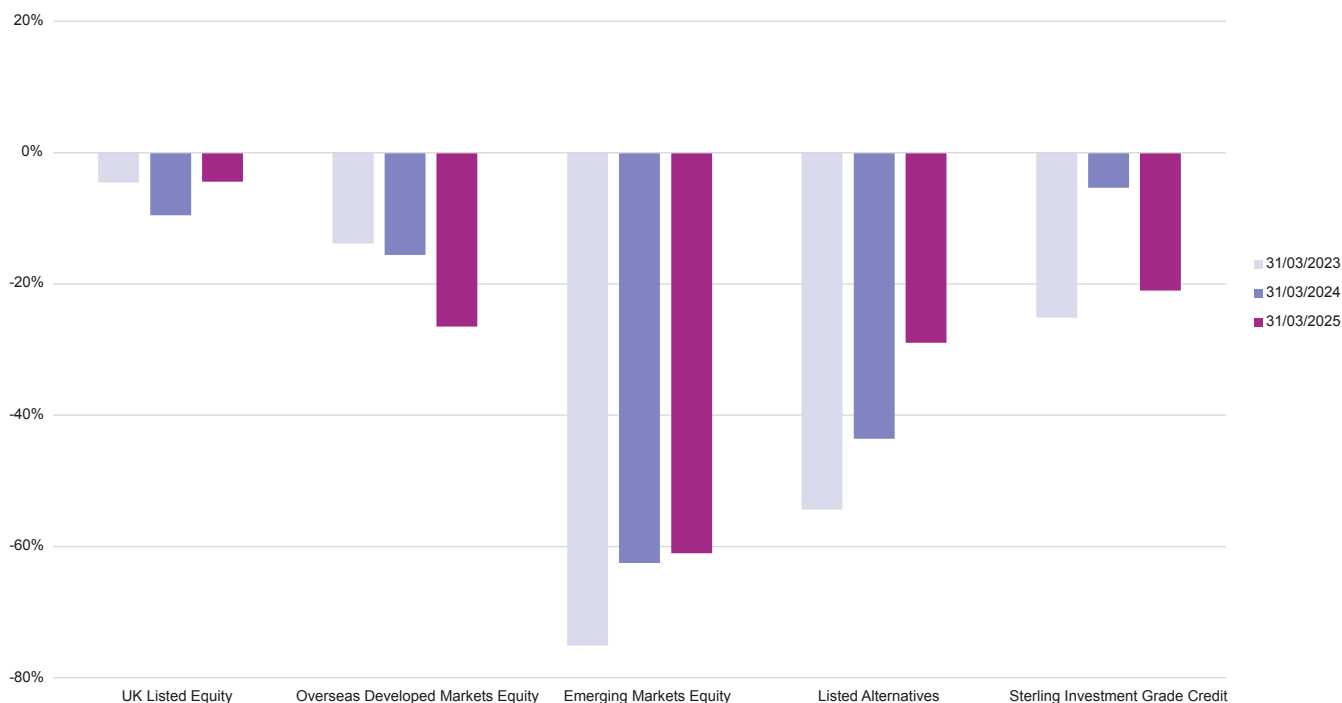
All invested funds have a

Lower

Financed emissions figure compared to respective benchmarks

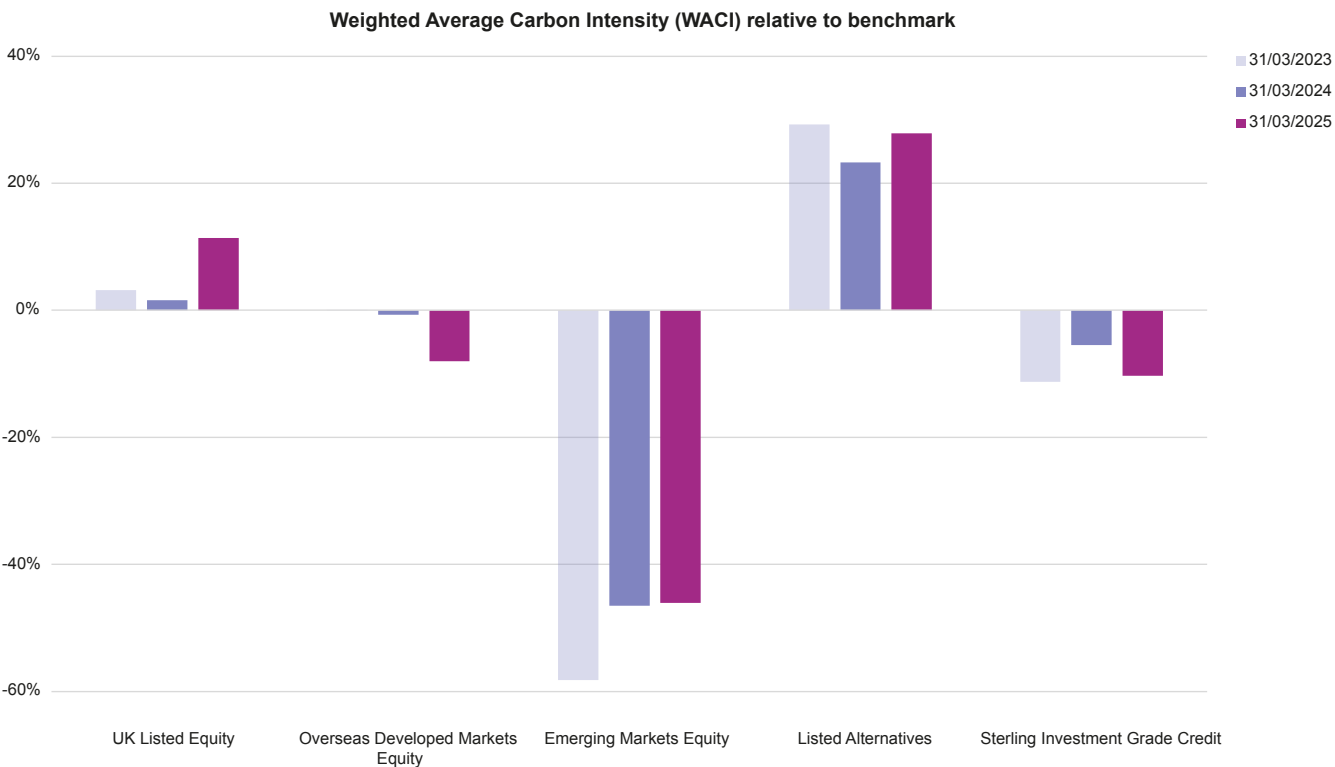


Financed Emissions relative to benchmark



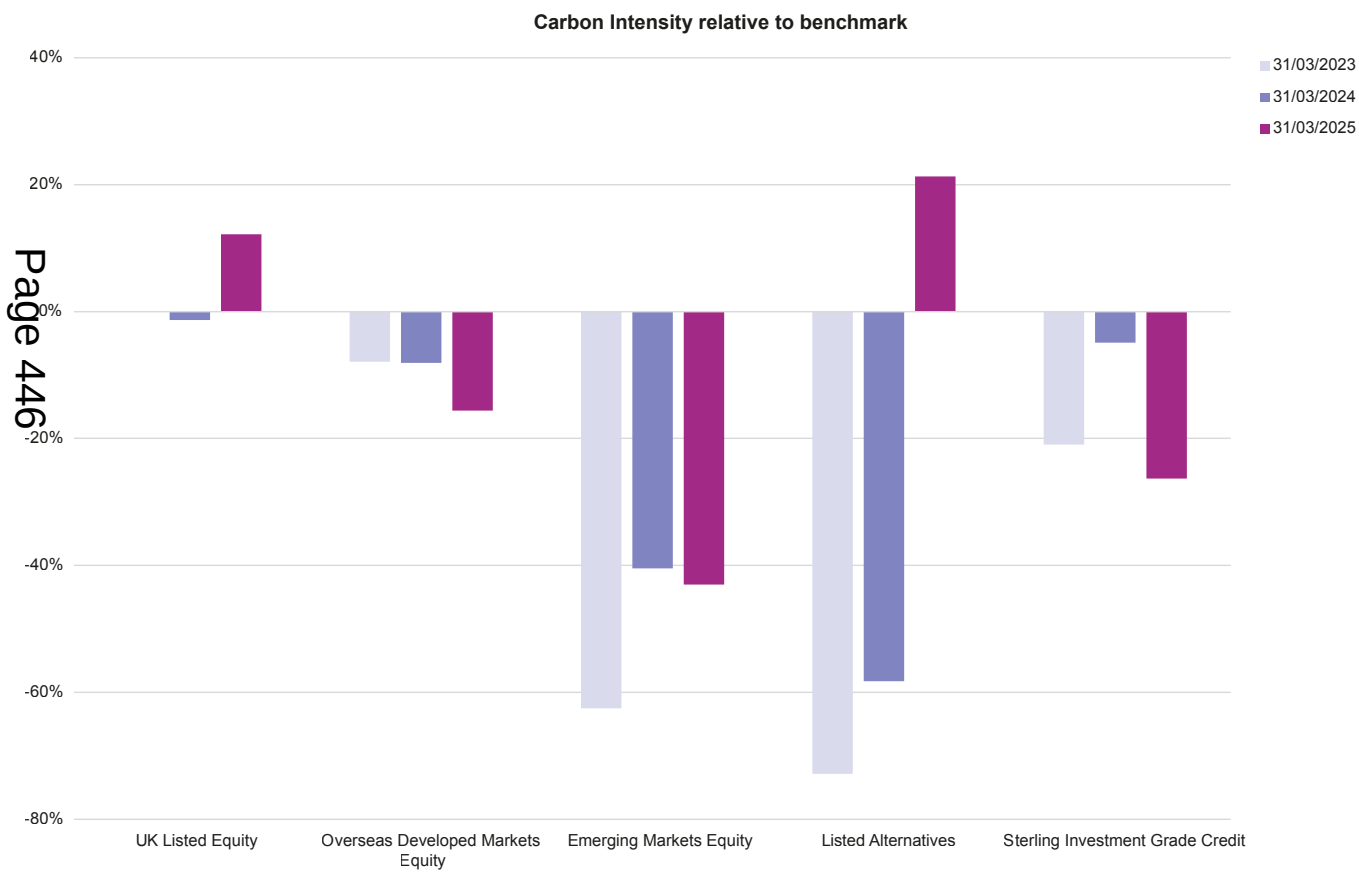
8.0 Investments & Funding

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.



Source: MSCI ESG Research LLC, 31/03/2025

8.0 Investments & Funding



Source: MSCI ESG Research LLC, 31/03/2025

8.0 Investments & Funding

Commercial Property

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

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

Due to this transition, a number of the ESG reporting standards, such as GRESB and the Green Building Certification were unable to be submitted and much of the data is no longer directly comparable as the SYPA properties are now pooled with a number of other real estate assets. Reporting in line with TCFD transition and physical risks is included in a standalone TCFD report with fuller reporting to resume within this Annual Report in 2025/26 once Border to Coast have pooled all Partner Fund assets.



100%

of landlord electricity is
from renewable sources

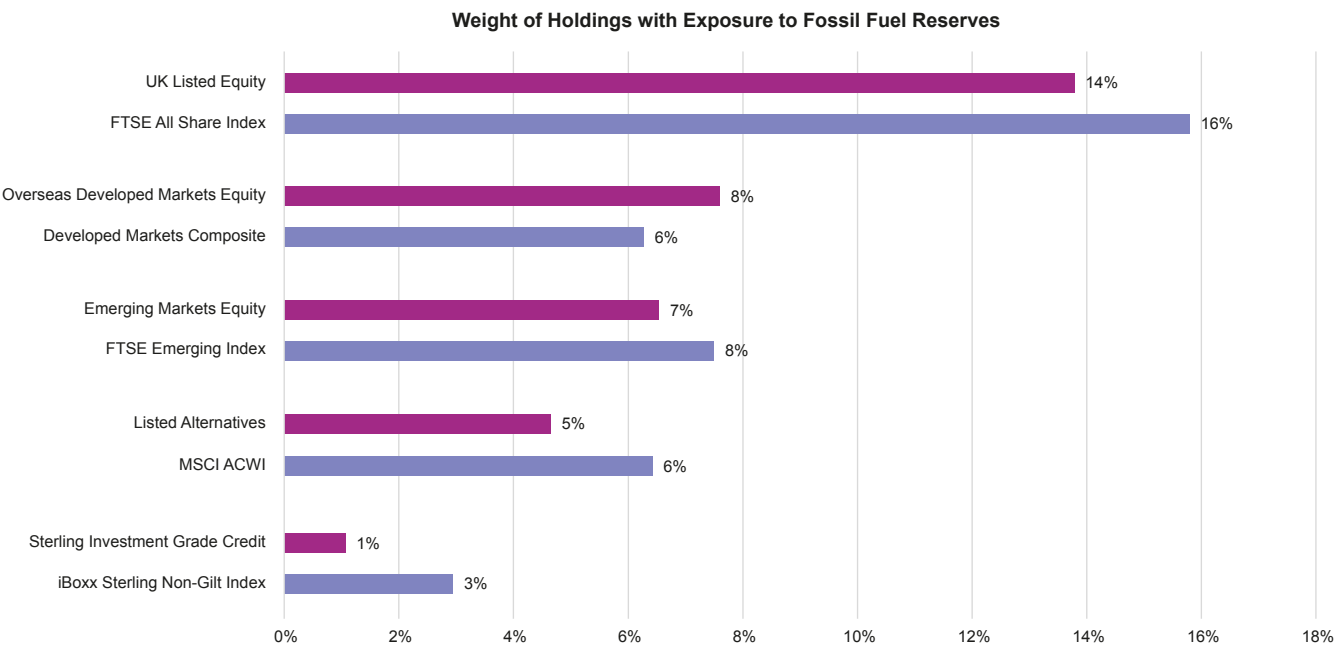
Holdings Analysis

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 following charts.

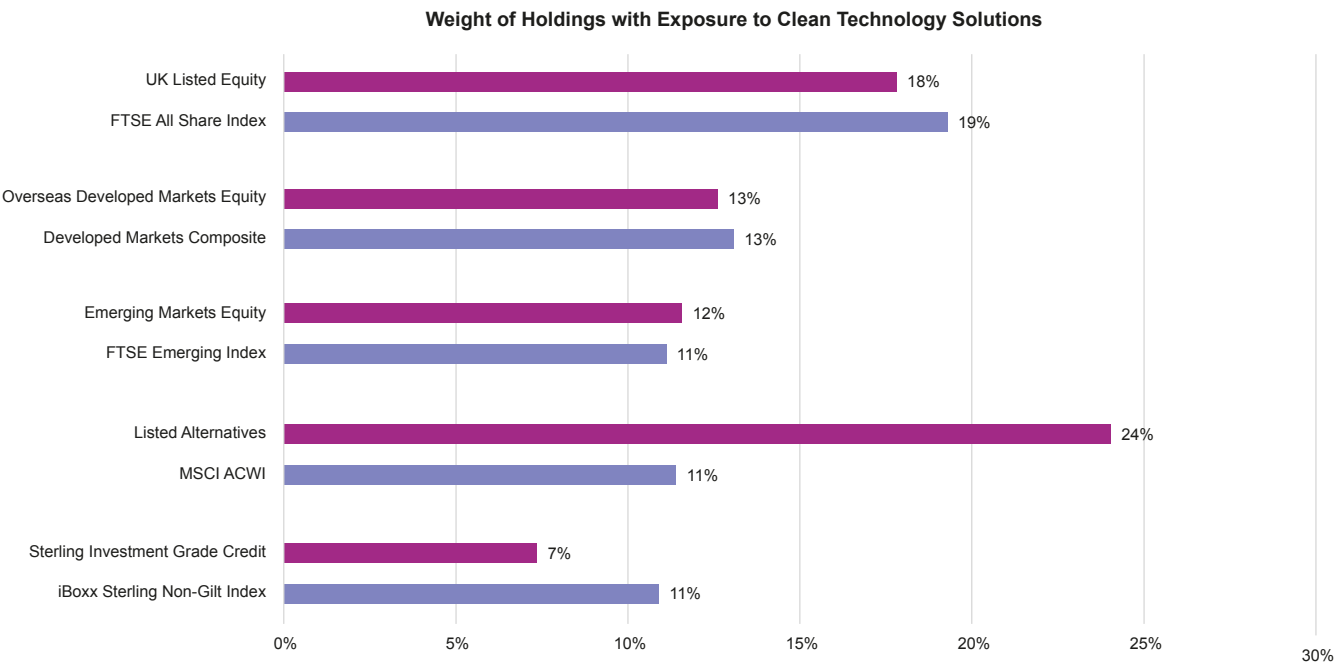
8.0 Investments & Funding

From the graph opposite, 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.



8.0 Investments & Funding

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 opposite uses MSCI's methodology, which may differ from that of other data providers.



Source MSCI ESG Research LLC 31/03/2025

8.0 Investments & Funding

In the last 12 months...

we have invested over

£75m

into sustainably managed forestry



Investment in portfolios...

owning clean technology solutions and natural capital

2.7

times greater than in fossil fuel reserves



Assets invested in portfolios...

owning clean technology solutions or natural capital

7%

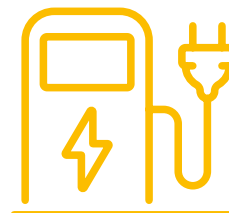


Since 2018...

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.

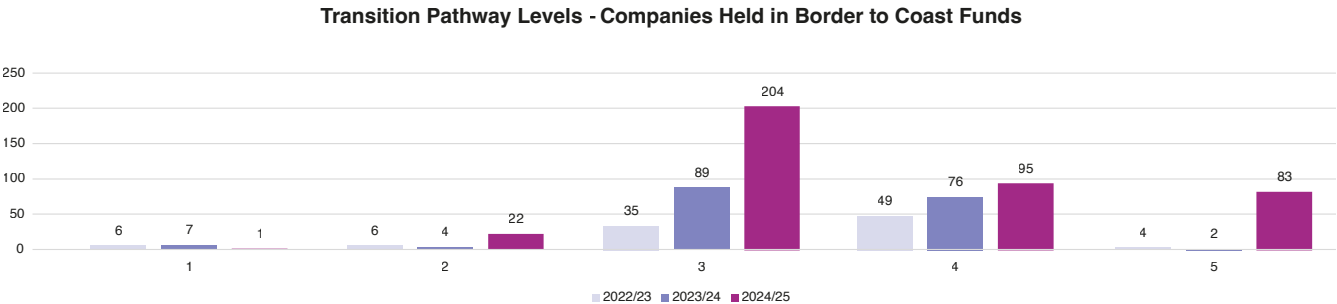


8.0 Investments & Funding

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.

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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%).



8.0 Investments & Funding

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.

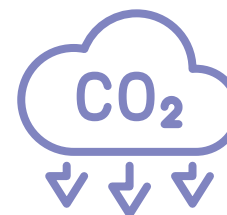
While the Authority would wish to see these portfolios achieve Net Zero by 2030 this is not something that is entirely within our gift; given our dependence on Border to Coast for the provision of investment products, and the fact that the broader partnership goal is set as 2050. Additionally, the world 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.

Interim target reduction in financed emissions of



52%
on 2019 levels by 2025

A portfolio level reduction of



59%
has been achieved by
31 March 2025

8.0 Investments & Funding

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.

8.0 Investments & Funding

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8.0 Investments & Funding

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:

- Page 455**
- The calculation of employer contributions and the associated calculations of assets and liabilities and the basis for requiring additional contributions to be paid.
 - Processes for employers to join and leave the Fund.
 - Processes related to the transfer of staff between employers, either within the Fund or to another Fund.
 - Processes for reviewing contributions between valuations.
 - Specific policies related to schools converting to academy status.
 - Policies relating to the review and monitoring of employer covenant.
 - Policies related to the prepayment of contributions.

- Policies related to managing the risks arising from ill health retirement.
- Policies related to the treatment of contractors within the Fund.

The objectives of the Funding Strategy are to:

- Take a prudent, long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants.
- Use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency.
- Where appropriate, ensure stable employer contribution rates.
- Reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy.
- Use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

These policies are reviewed every three years alongside the valuation of the Fund, or more frequently if there is a change in the regulations.

This section of the Annual Report outlines the way in which the various policies contained in the Funding Strategy Statement have been implemented during the year.

This year saw:

- 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.

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Ordinary Contributions

The Fund collected employer contributions of £192.7 million (£314.2 million in 2023/24) and employee contributions of £81.9 million (£78.0 million in 2023/24) during the year.

The Fund paid out £15.5 million of the employer contributions (£39.7 million paid out 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 additional contributions of £5.6 million (£4.5 million in 2023/24) 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 £0.3 million (2023/24 £0.3 million) 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 £1.3 million (2023/24 £1.6 million). 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. 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 ill health retirements in 2024/25 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.

	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
Total ¹	53		51	

¹Note: Employers may have ill health retirements in more than one tier therefore employer numbers are not totalled to avoid double counting.

8.0 Investments & Funding

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 set out in the table below.

Of the contractors entering the Fund, all utilised the

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

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 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).
- There were no employers who had a deficit on ending their participation in the Fund this year, which is a reflection of the overall improved funding position. (In 2023/24, the Authority received £59,750 from 8 employers who had a deficit on cessation).

8.0 Investments & Funding

Prepayment of Contributions

In agreement with the Fund's actuary, the Authority allows employers to prepay their employer 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 opposite which clearly demonstrates the front loading of contributions in 2023/24 following the implementation of the 2022 Valuation results.

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

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

next triennial valuation and update of the Funding Strategy Statement, there were no compelling special circumstances put forward for consideration.

9.0

Scheme Administration

9.0 Scheme Administration

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.

Summary of administration activities undertaken during the year

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 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

9.0 Scheme Administration

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.

9.0 Scheme Administration

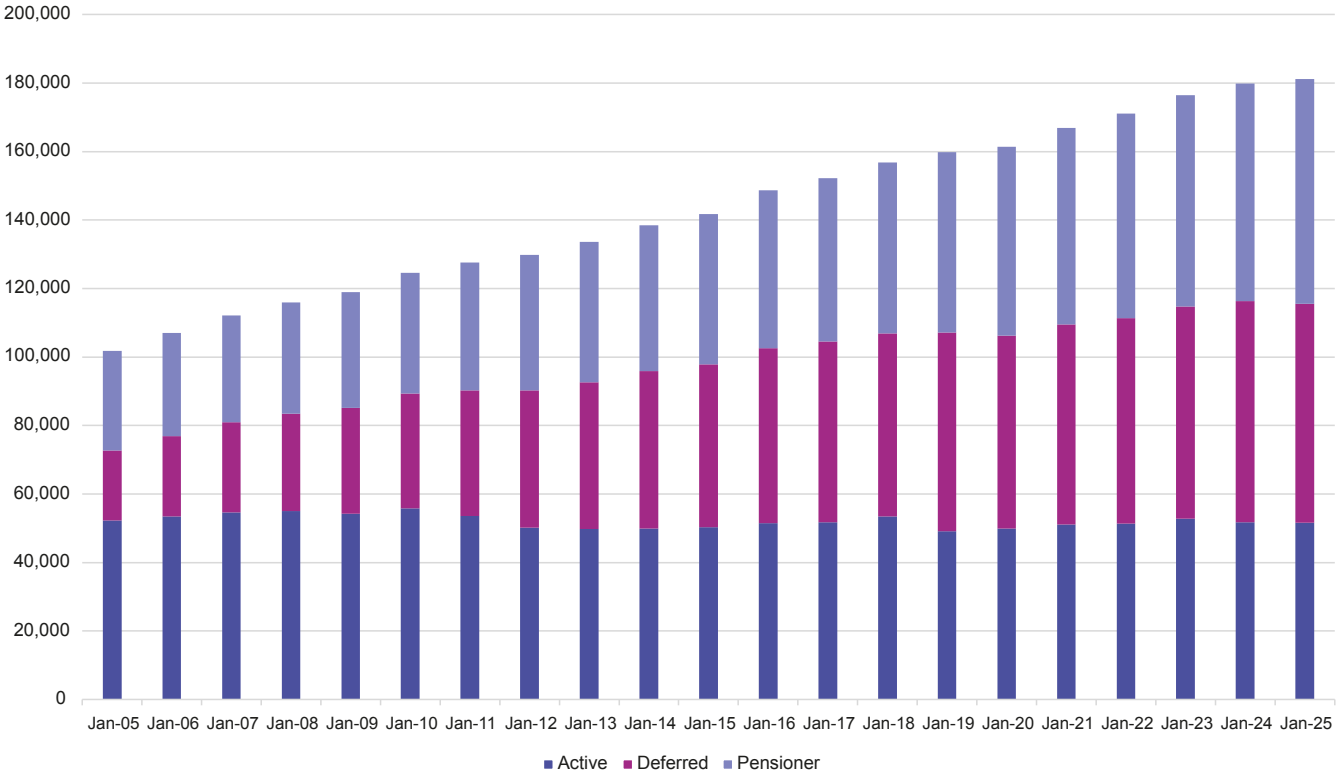
Services provided to all Fund members

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.

South Yorkshire Pension Fund - Membership Trend Since 2005



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- 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.

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.

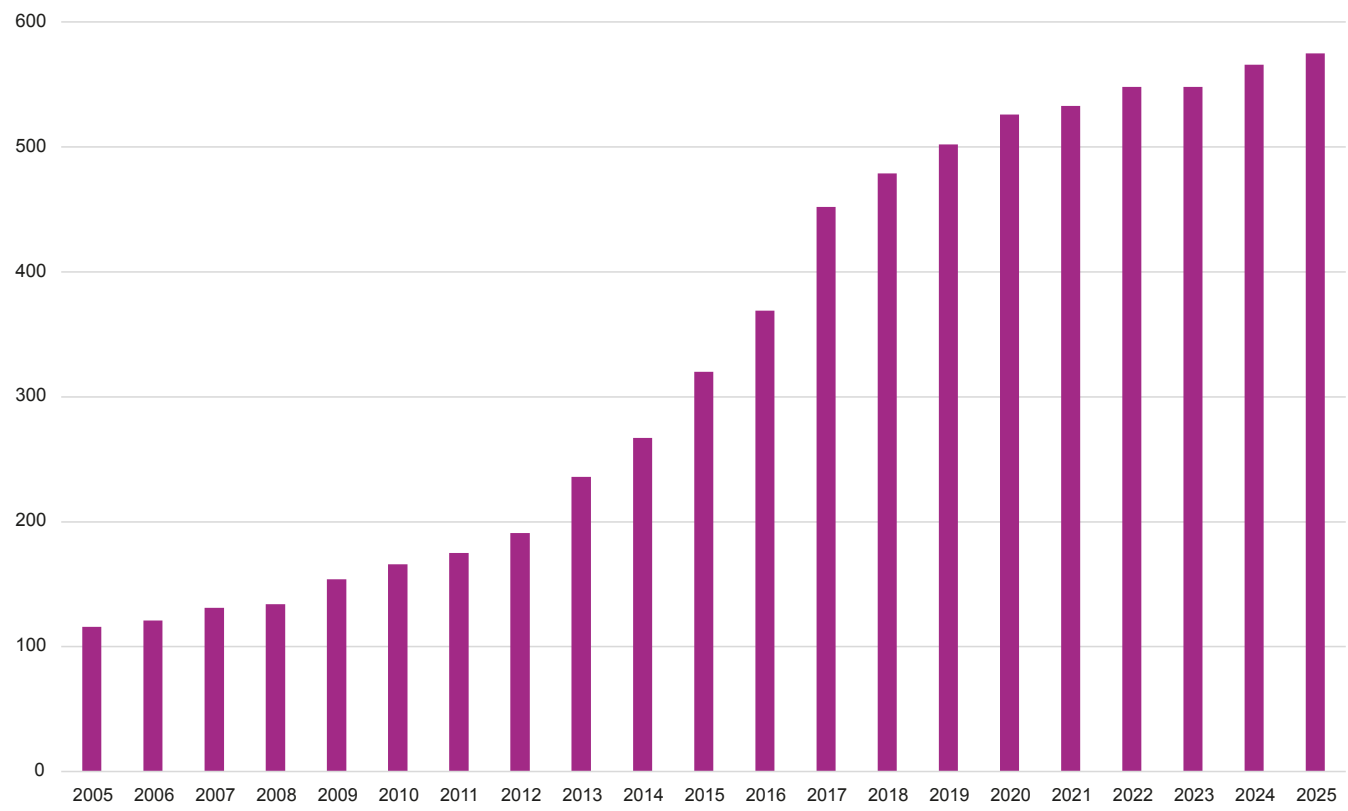
These events provide the Fund with a valuable opportunity to demonstrate new developments as well as enhancing service delivery based on the feedback received from participants. Employer Services continue to deliver and develop employer coaching sessions to support new employers, those with staff changes or a need for refresher training. These sessions have been delivered via webinars and videos, with the aim of increasing understanding

9.0 Scheme Administration

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.

South Yorkshire Pension Fund - Employer Numbers Trend Since 2005



9.0 Scheme Administration

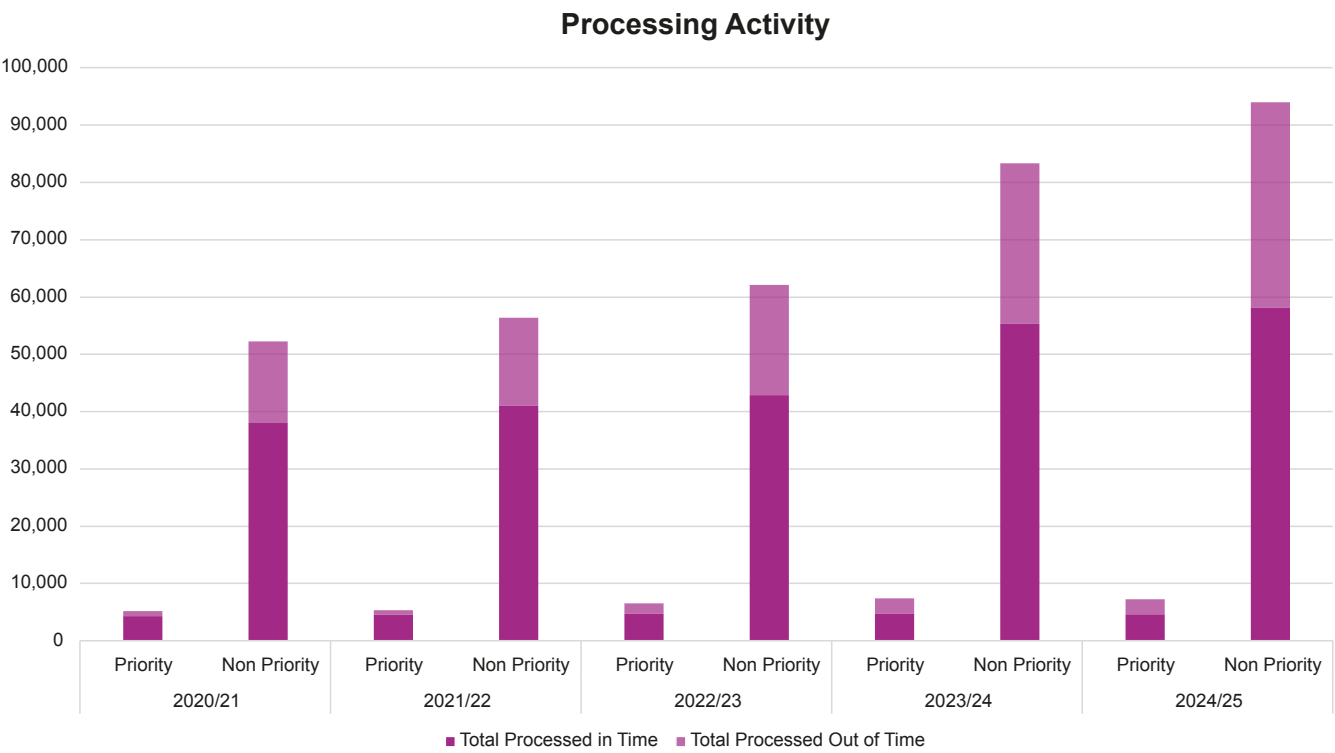
Administration key performance indicators

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.



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Table A

Code	Casework KPI	Total number of cases open start of year	Total number of new cases created in year	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and dependent members	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%

9.0 Scheme Administration

Code	Casework KPI	Total number of cases open start of year	Total number of new cases created in year	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
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%
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.

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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

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Code	Casework KPI	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%

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Code	Casework KPI	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
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%
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%

9.0 Scheme Administration

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%
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%

9.0 Scheme Administration

Table C (continued)

Ref	Engagement with Online portals	Percentage as at 31 March 2024	Percentage as at 31 March 2025	Trend
C11	Number of active members who received a one to one (in person and online) Excluding offsite at employer	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

9.0 Scheme Administration

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 Table 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.

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.

9.0 Scheme Administration

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	Q1 2024/25				Q2 2024/25				Q3 2024/25				Q4 2024/25			
	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 Primary	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

9.0 Scheme Administration

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'.

9.0 Scheme Administration

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.



1 FTE staff member per 2,499 scheme members
vs an average of 1:2476

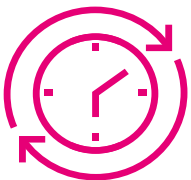


Average remuneration
2.3%
more than average



72%
72% of deferred members retiring received their pension within a month

Quality - areas for improvement



Call wait times
330s vs average of 163s

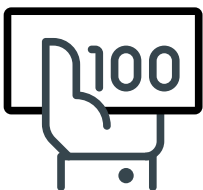
Quality - positives



Member Service Score
64/100
vs average of 61



Face to face meetings with members
most peers no longer offer this



50%
of active retirements paid within a month vs 66%

Administration



SYPA cost per member
£26.77



Average cost per member
£30.12

9.0 Scheme Administration

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 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

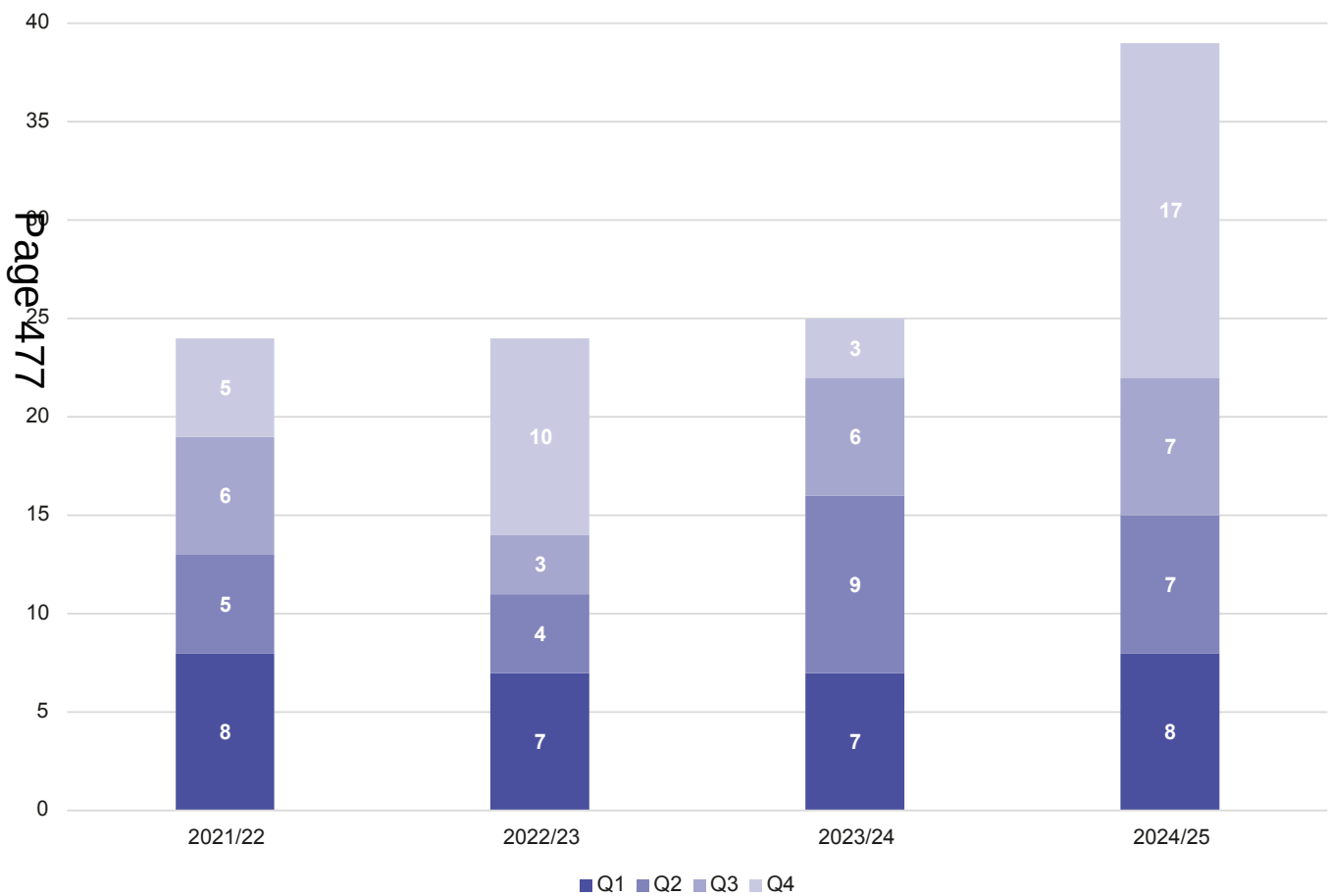
In terms of complaints the following chart shows the trends over the last four years. 39 complaints were received across this reporting year, which is an increase on the previous years. This is due to the newly appointed Complaints Resolution Officer improving internal recording, monitoring and reporting 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.



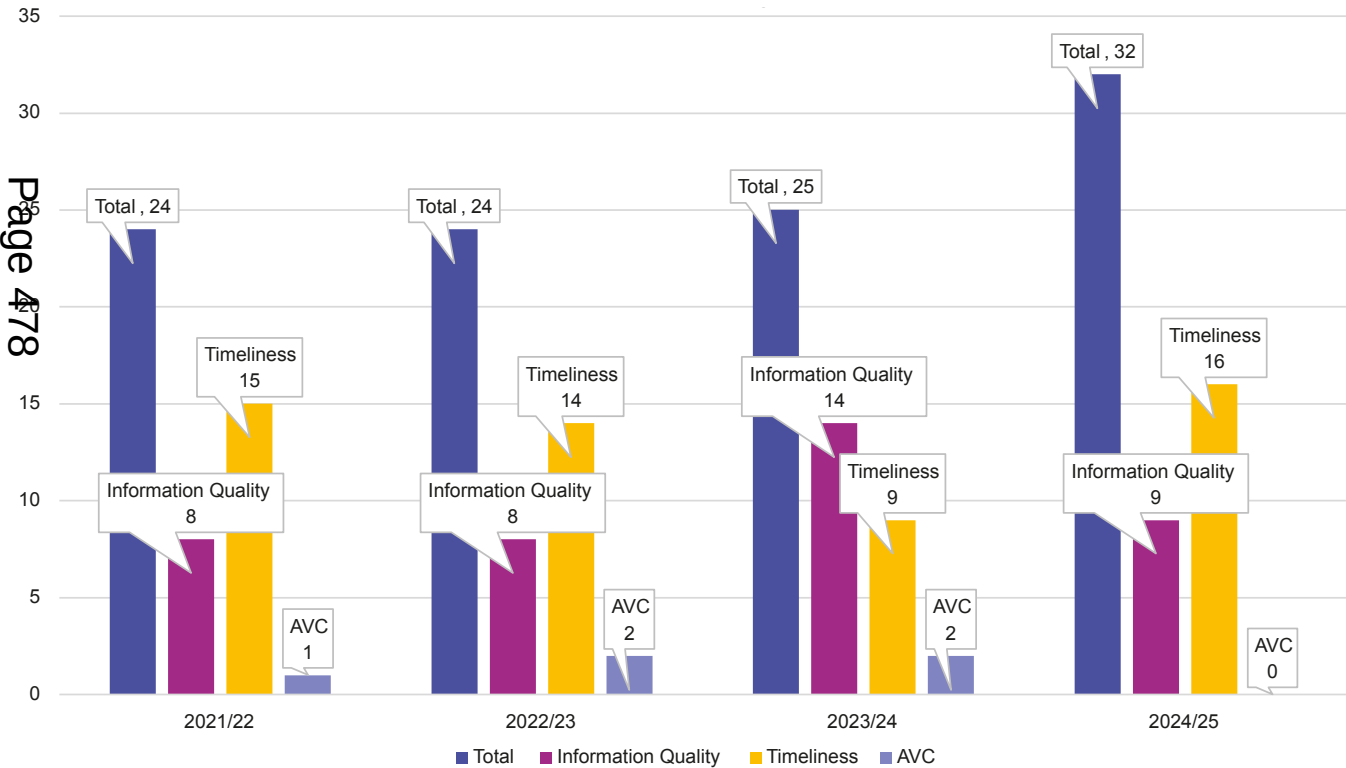
9.0 Scheme Administration

Trends in Complaints Received



9.0 Scheme Administration

Complaints by Cause



9.0 Scheme Administration

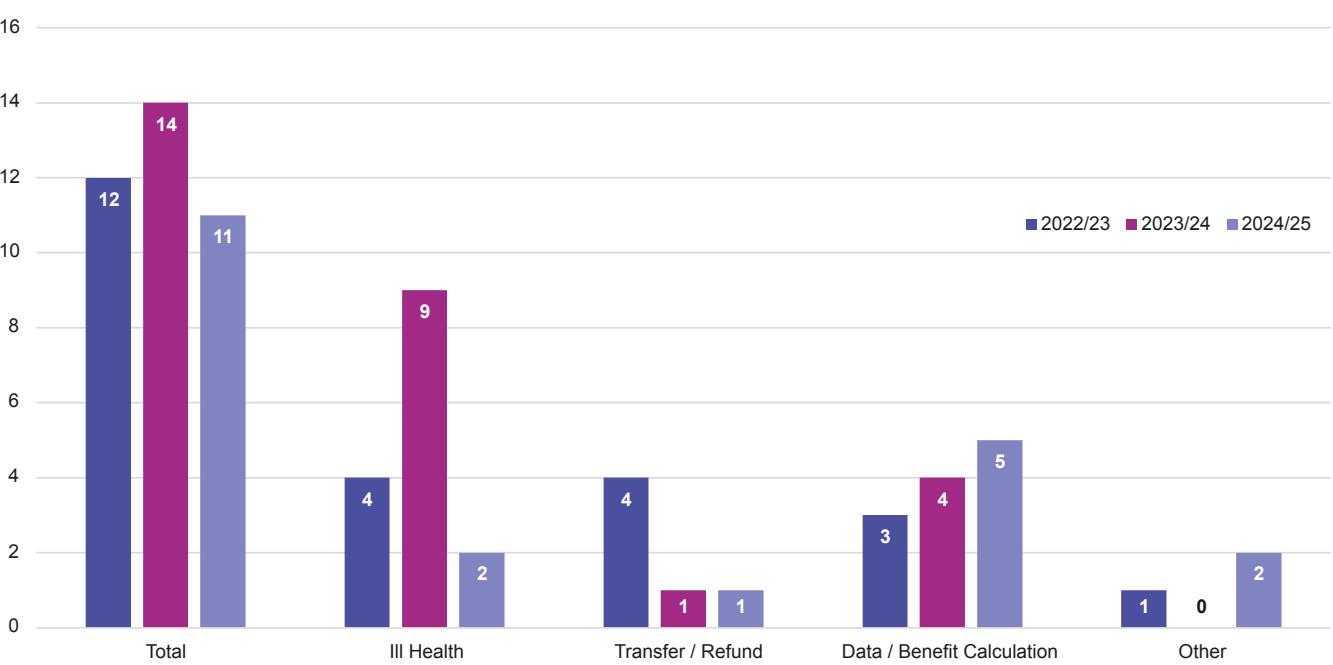
A key indicator of customer satisfaction is the volume and causes of appeals and complaints. The Authority analyses these and reports on them each quarter to the Local Pension Board. The chart below sets out the underlying cause of stage 2 appeals over the last three years. In 2024/25 there were 29 stage 2 appeals.

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

Stage 2 Appeals by Cause



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.

9.0 Scheme Administration

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.

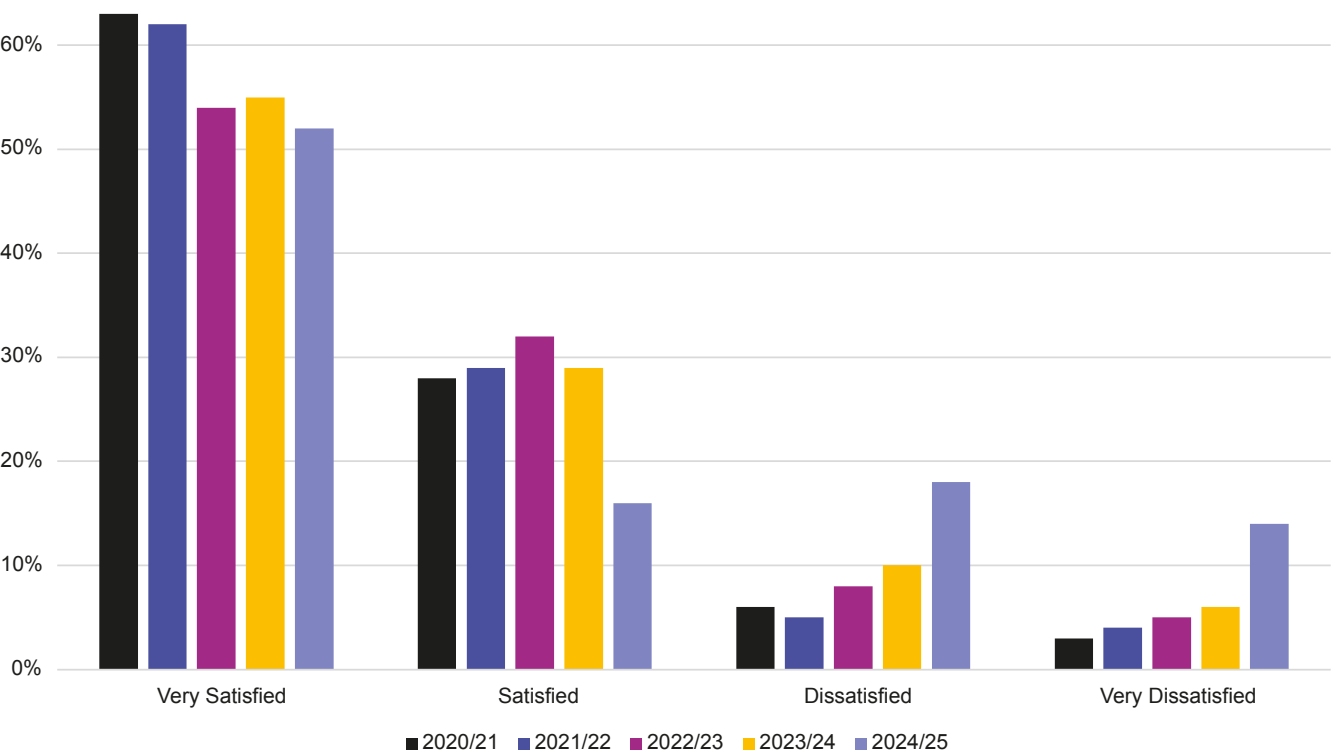
In total, over 63,300 surveys were issued in 2024/25 which represents around 35% of our overall scheme membership.

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

Member satisfaction



surveys ends with a specific question about overall satisfaction with the Authority. The results are shown in the table above.

9.0 Scheme Administration

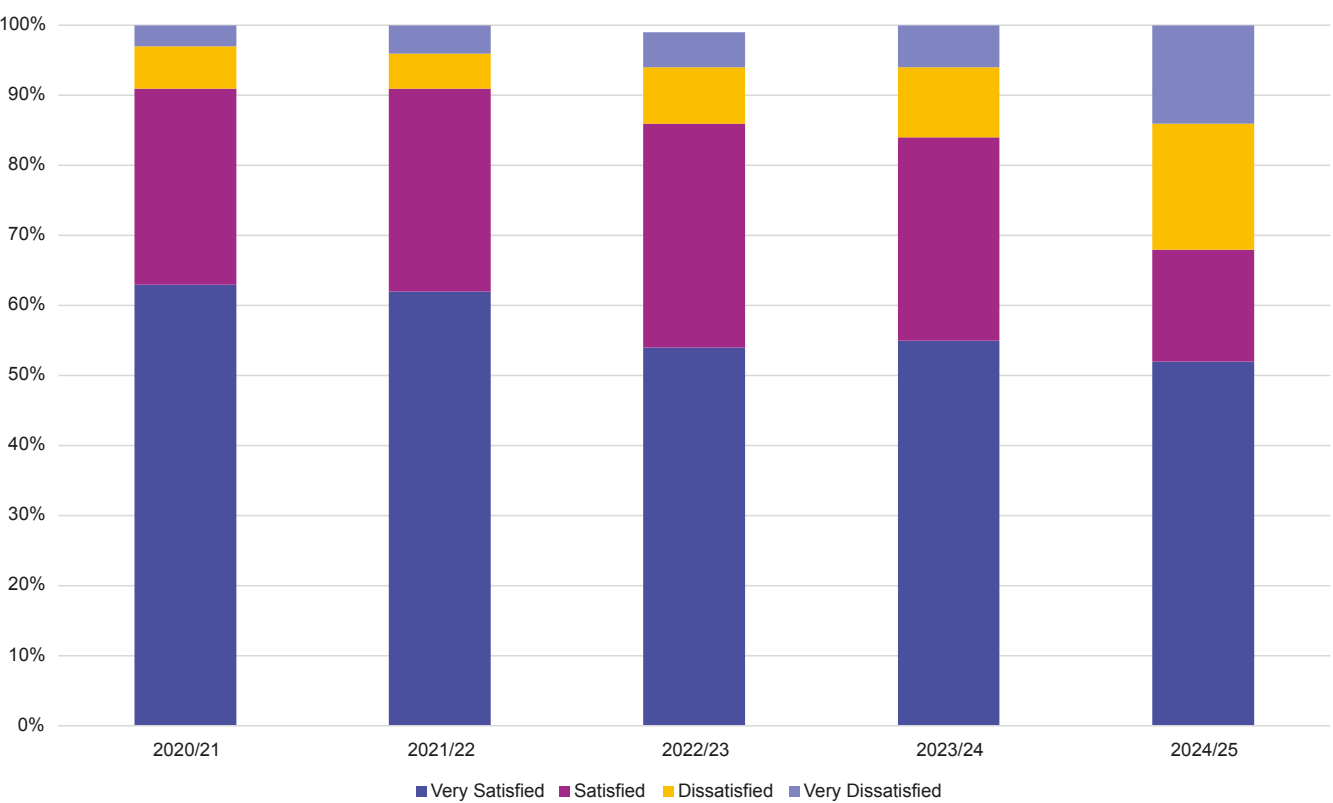
Although satisfaction levels are high, they have dropped to 68%. The Authority is not complacent and as mentioned above is tackling the areas of dissatisfaction. This includes issuing a website survey at the end of the year to obtain feedback to drive improvements. The following are areas where changes have been made because of member feedback:

- Page 481
- 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

Trend in Customer Satisfaction



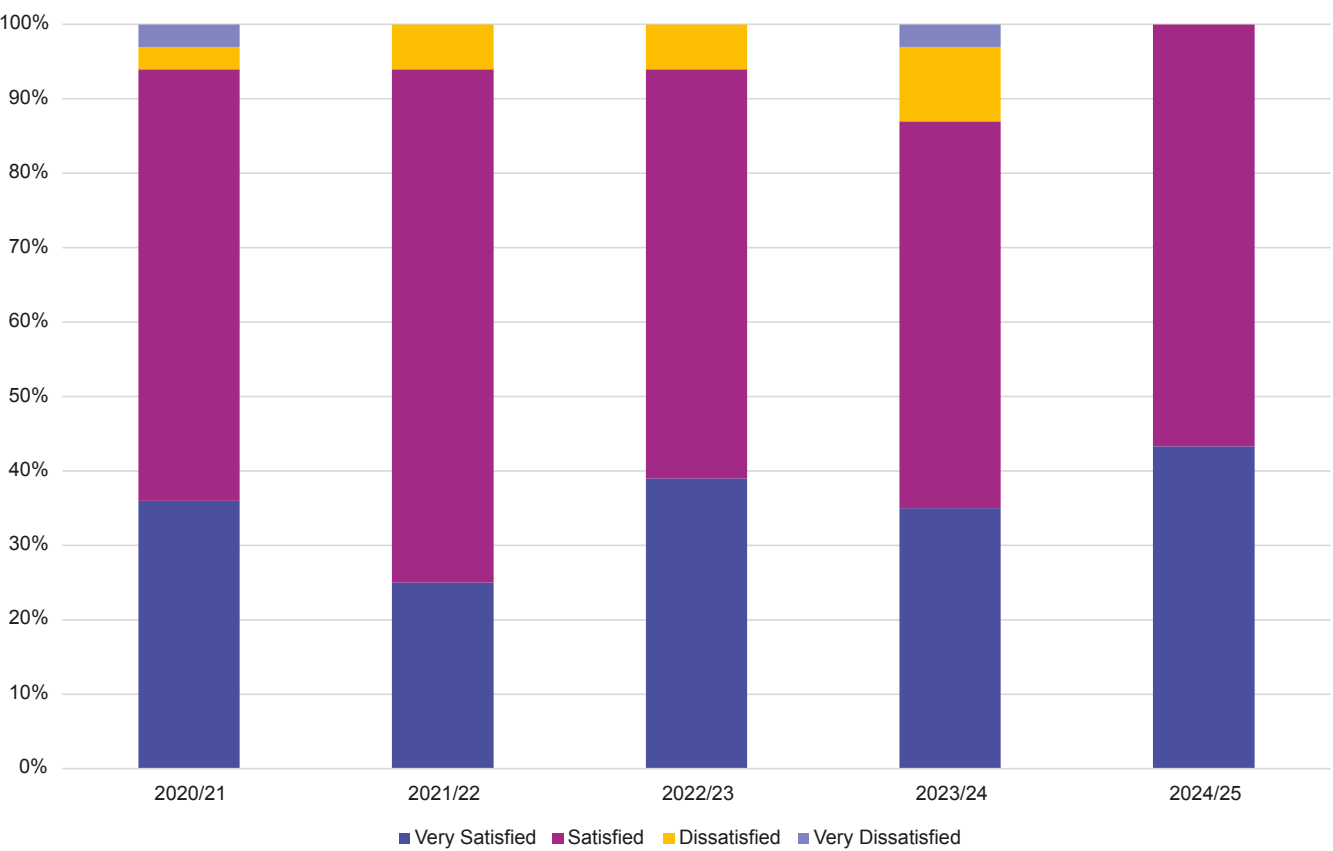
9.0 Scheme Administration

continued focus upon delivering best practice and innovation to customers.

Employer satisfaction surveys

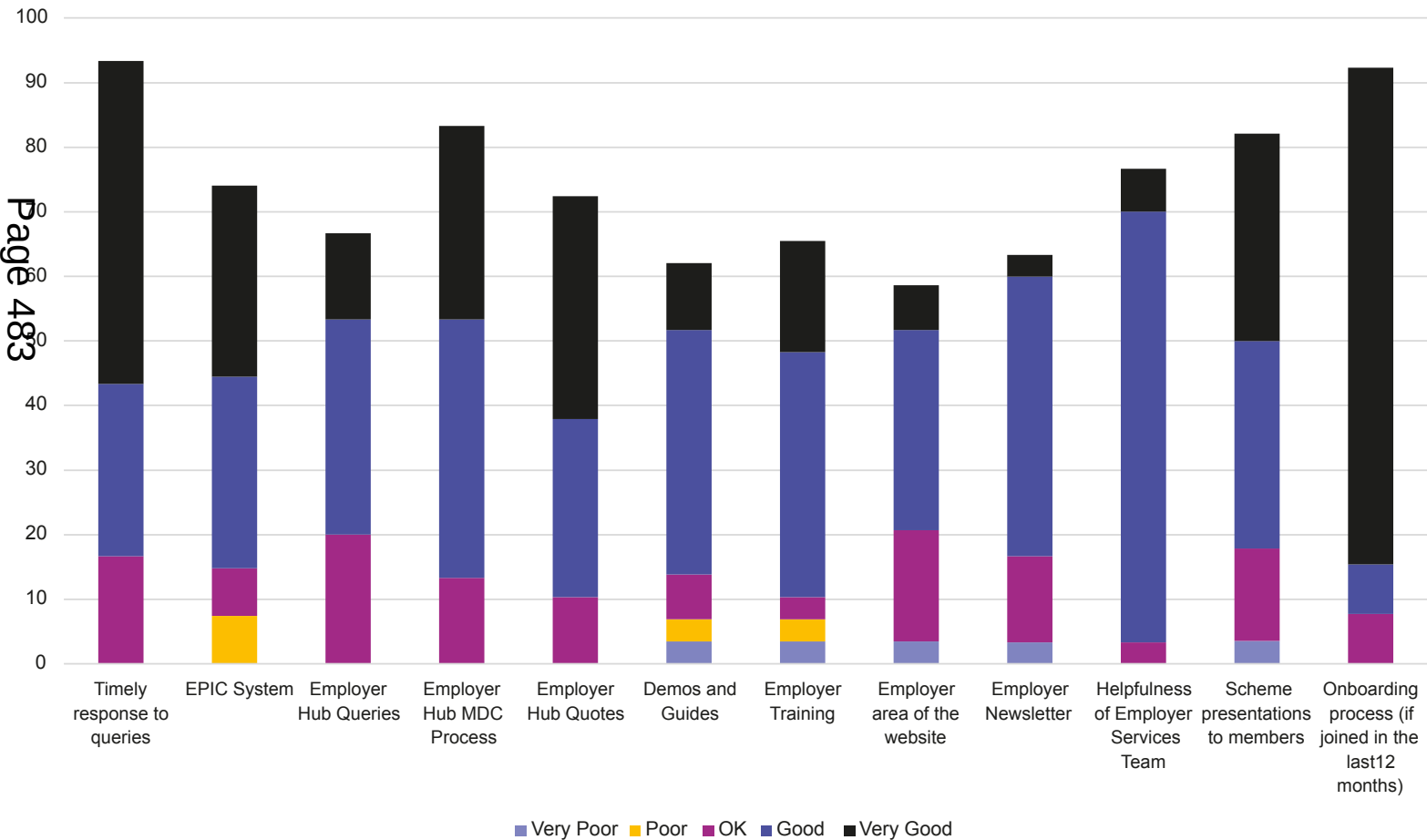
The response rate for employer surveys is much lower but is sufficient to be useful. The largest areas for comment amongst employers over recent years was the employer area of the website and the employer Web Portal. The web portal has now been closed and we have introduced EmployerHub a more up to date 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.

Employer satisfaction



9.0 Scheme Administration

Analysis of Employer Satisfaction – Underlying Data



10.0



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Actuarial Statement

10.0 Actuarial Statement

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 1 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

10.0 Actuarial Statement

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.

10.0 Actuarial Statement

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 April 2026.

Jamie Baxter

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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12.0

Glossary

Glossary of Terms

A

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.

Glossary of Terms

B – C

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.

Glossary of Terms

C – D

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.

Glossary of Terms

D – F

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.

Glossary of Terms

F – I

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.

Glossary of Terms

I – M

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.

Glossary of Terms

M – P

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.

Glossary of Terms

P – S

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 from 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.

Glossary of Terms

S – U

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)

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.

Glossary of Terms

V

Voting policy

This is how South Yorkshire Pensions Authority through Border to Coast applies its shareholder voting rights. We will vote as follows.

For - when the proposal meets best practice guidelines and is in the shareholders' long-term interests.

Abstain – when the proposal raises issues which do not meet best practice guidelines but either the concern is not regarded as sufficiently material to warrant opposition, or an oppose vote could have a detrimental impact on corporate structures or the issue is being raised formally with the company for the first time.

Oppose - when the proposal does not meet best practice guidelines and is not in the shareholders' interests over the long term.

The voting policy will be applied to all reportable companies held by the Fund.

In supporting any resolution of any type, we will only vote on a resolution if:

- The resolution deals with one substantive issue and is not bundled with other items.
- The resolution is fully explained and justified by the proposers, and
- There is full disclosure of information relevant to the consideration of a resolution and such information is presented in a fair and balanced way.

13.0

Appendices

Appendix A

Contributions Received 01/04/2024 to 31/03/2025

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Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Administering Authority	00250	South Yorkshire Pensions Authority	£295,499	£689,719	£985,218
Scheduled Body	00300	Barnsley MBC	£7,894,726	£19,811,159	£27,705,885
Scheduled Body	00400	City of Doncaster Council (CDC)	£9,389,349	£23,984,986	£33,374,335
Scheduled Body	00500	Rotherham MBC	£9,268,638	£25,197,112	£34,465,750
Scheduled Body	00600	Sheffield City Council	£19,969,353	£6,461,632	£26,430,985
		Subtotal	£46,817,564	£76,144,608	£122,962,173
Other Scheduled Bodies	00001	Goldthorpe Primary Academy	£22,763	£92,428	£115,191
Other Scheduled Bodies	00002	Peak Edge MAT HQ	£7,657	£18,728	£26,385
Other Scheduled Bodies	00003	Thurcroft Infant School	£23,832	£89,225	£113,057
Other Scheduled Bodies	00005	Outwood Primary Academy Woodlands	£31,390	£134,710	£166,100
Other Scheduled Bodies	00006	Brook House Junior School	£20,061	£88,130	£108,191
Other Scheduled Bodies	00008	Anston Hillcrest Primary School	£20,253	£73,816	£94,070
Other Scheduled Bodies	00016	Milefield Primary School	£21,335	£76,865	£98,200
Other Scheduled Bodies	00019	New Pastures Primary School	£26,611	£85,610	£112,222
Other Scheduled Bodies	00020	Woodthorpe Primary School	£44,203	£200,101	£244,304
Other Scheduled Bodies	00022	Carcroft Primary School	£27,341	£101,364	£128,704
Other Scheduled Bodies	00024	Ferham Primary School	£19,922	£71,405	£91,328
Other Scheduled Bodies	00026	Castle Hills Primary Academy	£31,091	£125,694	£156,785
Other Scheduled Bodies	00027	Malin Bridge Primary School	£54,330	£203,237	£257,567

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00029	Meadow View Primary School	£19,805	£71,077	£90,882
Other Scheduled Bodies	00034	St Clare CMAT	£34,880	£103,528	£138,408
Other Scheduled Bodies	00037	Ravenfield Parish Council	£1,167	£3,353	£4,519
Other Scheduled Bodies	00038	St Francis CMAT	£20,138	£59,559	£79,697
Other Scheduled Bodies	00039	Elements Academy	£68,449	£262,834	£331,283
Other Scheduled Bodies	00041	St Albans Catholic Primary and Nursery School	£24,613	£88,476	£113,089
Other Scheduled Bodies	00042	Discovery Academy	£38,535	£127,533	£166,068
Other Scheduled Bodies	00043	Stocksbridge Nursery and Infant School	£23,039	£78,654	£101,693
Other Scheduled Bodies	00044	St Peter's Catholic Primary School	£14,913	£65,391	£80,305
Other Scheduled Bodies	00045	Our Lady of Mount Carmel Catholic Primary	£13,543	£57,588	£71,131
Other Scheduled Bodies	00046	University Technical College (Central Team)	£22,744	£64,171	£86,914
Other Scheduled Bodies	00047	University Technical College (Sheffield Olympic Legacy Park)	£16,374	£50,422	£66,797
Other Scheduled Bodies	00054	Foljambe Primary School	£14,552	£60,156	£74,708
Other Scheduled Bodies	00057	Kenwood Academy	£71,169	£229,966	£301,136
Other Scheduled Bodies	00060	Thurcroft Parish Council	£2,470	£7,141	£9,611
Other Scheduled Bodies	00061	Highfield Farm Primary School	£7,852	£28,468	£36,320
Other Scheduled Bodies	00063	Bankwood Primary School	£36,569	£152,306	£188,875
Other Scheduled Bodies	00064	Birdwell Primary School	£11,115	£39,022	£50,137
Other Scheduled Bodies	00065	Travis St Lawrence Church of England Primary School	£26,501	£75,625	£102,125
Other Scheduled Bodies	00066	Swallownest Primary School	£15,521	£46,585	£62,105
Other Scheduled Bodies	00074	Town Field Primary School	£36,265	£165,390	£201,656
Other Scheduled Bodies	00075	Scawsby Junior Academy	£23,300	£104,354	£127,654

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00089	Barnburgh Primary Academy	£17,859	£72,444	£90,303
Other Scheduled Bodies	00090	Cascade CMAT	£28,497	£91,610	£120,108
Other Scheduled Bodies	00098	The Willows School	£76,090	£252,509	£328,598
Other Scheduled Bodies	00103	Anns Grove Primary School	£28,576	£76,553	£105,129
Other Scheduled Bodies	00104	Hoylandswaine Primary	£8,011	£27,910	£35,921
Other Scheduled Bodies	00105	Brighter Futures Learning Partnership CMAT	£29,965	£98,470	£128,435
Other Scheduled Bodies	00108	Stocksbridge Junior School	£18,657	£66,556	£85,213
Other Scheduled Bodies	00111	Gleadless Primary School	£37,912	£176,616	£214,528
Other Scheduled Bodies	00114	Ladywood Primary School	£21,622	£58,660	£80,282
Other Scheduled Bodies	00121	Wilthorpe Primary	£34,277	£91,591	£125,868
Other Scheduled Bodies	00122	Barugh Green Primary	£12,211	£31,110	£43,321
Other Scheduled Bodies	00123	Adwick Primary School	£27,828	£92,522	£120,350
Other Scheduled Bodies	00126	Newman School	£76,664	£185,748	£262,412
Other Scheduled Bodies	00127	Grenoside Primary School	£13,045	£43,005	£56,050
Other Scheduled Bodies	00129	Exceed Learning Partnership CMAT	£40,702	£145,395	£186,096
Other Scheduled Bodies	00130	Lotus Academy	£24,980	£78,886	£103,867
Other Scheduled Bodies	00134	Tornedale Infant Academy	£8,690	£34,758	£43,448
Other Scheduled Bodies	00138	Willow Park School	£10,312	£21,096	£31,408
Other Scheduled Bodies	00139	The Mallard Academy	£5,255	£21,975	£27,230
Other Scheduled Bodies	00146	Anston Park Junior School	£2,246	£10,455	£12,701
Other Scheduled Bodies	00147	Dobcroft Nursery Infant School	£4,002	£13,378	£17,380
Other Scheduled Bodies	00148	Abbey Lane Primary School	£2,568	£8,510	£11,077

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00149	Bramley Sunnyside Junior School	£4,271	£15,121	£19,393
Other Scheduled Bodies	00201	Danum Drainage Commissioners	£8,866	£41,340	£50,206
Other Scheduled Bodies	00220	Barnsley College	£591,224	£1,939,993	£2,531,216
Other Scheduled Bodies	00221	DN Colleges Group	£447,510	£1,248,321	£1,695,831
Other Scheduled Bodies	00222	The Sheffield College	£1,001,224	£2,638,804	£3,640,028
Other Scheduled Bodies	00224	Sheffield Hallam University	£4,221,315	£13,437,092	£17,658,407
Other Scheduled Bodies	00229	The Hayfield School	£69,047	£170,568	£239,615
Other Scheduled Bodies	00232	R N N Group	£614,059	£1,995,308	£2,609,367
Other Scheduled Bodies	00233	Thomas Rotherham College	£98,308	£350,461	£448,769
Other Scheduled Bodies	00240	Longley Park Sixth Form	£67,510	£292,369	£359,879
Other Scheduled Bodies	00246	University Technology College (Sheffield)	£45,907	£146,530	£192,437
Other Scheduled Bodies	00254	Brodsworth Parish Council	£716	£3,034	£3,750
Other Scheduled Bodies	00255	Consilium Academies Trust	£91,527	£253,228	£344,755
Other Scheduled Bodies	00295	The Chief Constable	£5,185,577	£15,347,207	£20,532,785
Other Scheduled Bodies	00296	South Yorkshire Fire Authority	£644,571	£1,712,096	£2,356,667
Other Scheduled Bodies	00297	The Police and Crime Commissioner	£13,503	£24,817	£38,319
Other Scheduled Bodies	00305	Penistone Town Council	£1,958	£8,970	£10,928
Other Scheduled Bodies	00321	Berneslai Homes	£1,179,815	£1,813,799	£2,993,614
Other Scheduled Bodies	00327	Barnsley Academy	£55,769	£186,476	£242,245
Other Scheduled Bodies	00329	Silkstone Parish Council	£1,139	£4,535	£5,673
Other Scheduled Bodies	00340	St Marys Academy Trust	£35,040	£158,635	£193,675
Other Scheduled Bodies	00341	Oakhill Primary Academy	£28,119	£102,426	£130,546

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00342	The Hill Primary Academy	£46,024	£187,926	£233,951
Other Scheduled Bodies	00343	Highgate Primary Academy	£29,518	£120,478	£149,996
Other Scheduled Bodies	00344	Carrfield Primary Academy	£26,185	£109,793	£135,978
Other Scheduled Bodies	00345	Gooseacre Primary Academy	£29,730	£122,705	£152,434
Other Scheduled Bodies	00347	All Saints Academy	£16,729	£83,486	£100,215
Other Scheduled Bodies	00348	Upperwood Academy	£24,541	£87,626	£112,167
Other Scheduled Bodies	00349	Carlton Primary Academy	£28,903	£116,672	£145,575
Other Scheduled Bodies	00350	Parkside Primary Academy	£29,925	£123,241	£153,166
Other Scheduled Bodies	00351	Summerfields Primary Academy	£25,565	£83,595	£109,160
Other Scheduled Bodies	00352	Shafton Primary Academy	£12,693	£72,624	£85,317
Other Scheduled Bodies	00353	St Helens Primary Academy	£11,320	£64,347	£75,667
Other Scheduled Bodies	00354	The Forest Academy	£29,979	£114,576	£144,556
Other Scheduled Bodies	00355	Meadstead Primary Academy	£22,209	£127,077	£149,286
Other Scheduled Bodies	00356	Heather Garth Primary School	£25,234	£124,222	£149,457
Other Scheduled Bodies	00357	Queens Road Academy	£14,897	£71,236	£86,133
Other Scheduled Bodies	00358	Outwood Primary Academy Littleworth Grange	£26,115	£112,235	£138,350
Other Scheduled Bodies	00359	Outwood Primary Academy Darfield	£15,079	£65,647	£80,726
Other Scheduled Bodies	00360	Hoyland Common Primary School	£88,719	£261,292	£350,011
Other Scheduled Bodies	00361	West Meadows Primary School	£12,669	£62,315	£74,984
Other Scheduled Bodies	00362	Dodworth St John's C of E Academy	£10,139	£49,093	£59,232
Other Scheduled Bodies	00363	Darton Primary School	£13,671	£66,569	£80,241
Other Scheduled Bodies	00365	The Mill Academy	£20,815	£100,997	£121,812

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00366	Springwell Learning Community	£91,821	£331,420	£423,241
Other Scheduled Bodies	00367	Springwell Alternative Academy	£2,543	£8,645	£11,188
Other Scheduled Bodies	00368	Kirk Balk Academy	£73,265	£247,246	£320,512
Other Scheduled Bodies	00369	Outwood Academy Shafton	£91,326	£375,381	£466,708
Other Scheduled Bodies	00371	Sandhill Primary School	£22,197	£115,207	£137,405
Other Scheduled Bodies	00372	Greenacre School	£220,161	£817,238	£1,037,399
Other Scheduled Bodies	00373	Laithes Primary School	£40,829	£158,615	£199,444
Other Scheduled Bodies	00374	Elsecar Holy Trinity CE Primary Academy	£11,984	£58,607	£70,591
Other Scheduled Bodies	00375	High View Primary Learning Centre	£55,620	£262,691	£318,311
Other Scheduled Bodies	00376	Wombwell Park Street Primary School	£31,253	£129,331	£160,584
Other Scheduled Bodies	00377	Hoyland Springwood Primary School	£35,117	£158,695	£193,812
Other Scheduled Bodies	00380	Outwood Academy Carlton	£103,002	£425,113	£528,115
Other Scheduled Bodies	00381	Royston St John Baptist C of E Primary School	£13,904	£67,449	£81,353
Other Scheduled Bodies	00382	Ward Green Primary School	£35,567	£127,012	£162,579
Other Scheduled Bodies	00383	Wellgate Primary School	£29,469	£142,505	£171,974
Other Scheduled Bodies	00384	Kexborough Primary School	£16,189	£74,321	£90,510
Other Scheduled Bodies	00385	Oakwell Rise Primary Academy	£24,169	£89,067	£113,236
Other Scheduled Bodies	00386	Netherwood Academy	£68,740	£274,218	£342,958
Other Scheduled Bodies	00387	Bank End Primary Academy	£12,763	£43,066	£55,829
Other Scheduled Bodies	00388	Hunningley Primary Academy	£31,492	£101,413	£132,904
Other Scheduled Bodies	00404	Askern Town Council	£4,274	£14,572	£18,845
Other Scheduled Bodies	00405	Barnby Dun with Kirk Sandall Parish Council	£1,949	£6,728	£8,678

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00406	Edlington Town Council	£0	£35,348	£35,348
Other Scheduled Bodies	00407	Hatfield Town Council	£7,746	£33,386	£41,132
Other Scheduled Bodies	00408	Rossington Parish Council	£1,496	£6,004	£7,500
Other Scheduled Bodies	00409	Stainforth Town Council	£1,510	£11,376	£12,886
Other Scheduled Bodies	00410	Thorne Moorends Town Council	£15,765	£51,687	£67,451
Other Scheduled Bodies	00411	Sprotbrough & Cusworth Parish Council	£4,201	£12,248	£16,448
Other Scheduled Bodies	00423	Armthorpe Parish Council	£8,841	£28,282	£37,124
Other Scheduled Bodies	00427	Trinity Academy	£95,686	£285,239	£380,925
Other Scheduled Bodies	00428	St Leger Homes of Doncaster	£1,737,396	£2,721,155	£4,458,551
Other Scheduled Bodies	00430	De Warrenne Academy	£87,387	£304,980	£392,367
Other Scheduled Bodies	00431	Outwood Academy Adwick	£95,983	£395,751	£491,734
Other Scheduled Bodies	00433	Rossington All Saints Academy	£62,831	£246,480	£309,310
Other Scheduled Bodies	00434	Ash Hill Academy	£67,803	£265,157	£332,960
Other Scheduled Bodies	00435	Auckley Junior & Infant Academy	£21,614	£91,352	£112,966
Other Scheduled Bodies	00436	Don Valley Academy	£70,621	£276,304	£346,925
Other Scheduled Bodies	00437	Grange Lane Infant Academy	£26,354	£105,982	£132,336
Other Scheduled Bodies	00438	Pheasant Bank Academy	£23,212	£99,125	£122,337
Other Scheduled Bodies	00439	Campsmount Academy	£103,621	£384,713	£488,334
Other Scheduled Bodies	00440	Outwood Academy Danum	£81,682	£334,357	£416,039
Other Scheduled Bodies	00441	Rowena Academy	£17,024	£68,989	£86,013
Other Scheduled Bodies	00442	Ridgewood School	£82,068	£308,973	£391,041
Other Scheduled Bodies	00443	Conisbrough Ivanhoe Primary Academy	£29,944	£119,684	£149,628

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00444	Highfields Primary Academy	£10,959	£46,290	£57,248
Other Scheduled Bodies	00445	Hall Cross Academy	£102,061	£401,973	£504,033
Other Scheduled Bodies	00446	Hungerhill School	£73,711	£270,587	£344,298
Other Scheduled Bodies	00447	Hatfield Woodhouse Primary School	£13,681	£55,710	£69,390
Other Scheduled Bodies	00448	Crookesbroom Primary Academy	£13,416	£55,696	£69,112
Other Scheduled Bodies	00449	Willow Primary School	£24,254	£102,235	£126,489
Other Scheduled Bodies	00450	Armthorpe Academy	£50,890	£166,043	£216,933
Other Scheduled Bodies	00451	Barnby Dun Primary Academy	£14,260	£56,798	£71,058
Other Scheduled Bodies	00452	Castle Academy	£16,278	£69,865	£86,143
Other Scheduled Bodies	00453	St Oswalds Church of England Academy	£12,936	£49,117	£62,053
Other Scheduled Bodies	00454	Armthorpe Shaw Wood Academy	£43,206	£178,799	£222,005
Other Scheduled Bodies	00455	Kirk Sandall Infant School	£15,438	£61,563	£77,000
Other Scheduled Bodies	00456	Dunsville Primary School	£15,212	£59,007	£74,219
Other Scheduled Bodies	00457	Sir Thomas Wharton Academy	£52,986	£178,322	£231,308
Other Scheduled Bodies	00462	Astrea Academy Woodfields	£78,613	£311,972	£390,585
Other Scheduled Bodies	00463	St Josephs Catholic School (Rossington)	£21,060	£90,790	£111,850
Other Scheduled Bodies	00464	Richmond Hill Primary Academy	£41,550	£173,548	£215,097
Other Scheduled Bodies	00465	McAuley Catholic High School	£82,450	£358,241	£440,691
Other Scheduled Bodies	00466	Montagu Academy	£25,185	£101,153	£126,338
Other Scheduled Bodies	00467	Holy Family Catholic Primary	£23,450	£106,244	£129,694
Other Scheduled Bodies	00474	St Wilfrids Academy	£26,873	£103,689	£130,562
Other Scheduled Bodies	00475	The Laurel Academy	£55,091	£216,714	£271,806

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00476	Kirk Sandall Junior School	£19,815	£76,492	£96,307
Other Scheduled Bodies	00480	XP School	£79,438	£276,542	£355,979
Other Scheduled Bodies	00481	Carr Lodge Academy	£37,856	£159,522	£197,378
Other Scheduled Bodies	00487	Waverley Primary Academy	£18,944	£77,484	£96,428
Other Scheduled Bodies	00488	Morley Place Academy	£18,202	£74,584	£92,786
Other Scheduled Bodies	00490	Edenthorpe Hall Academy	£19,462	£82,059	£101,522
Other Scheduled Bodies	00491	Hexthorpe Primary Academy	£42,221	£178,639	£220,860
Other Scheduled Bodies	00492	Denaby Main Primary Academy	£18,859	£78,100	£96,958
Other Scheduled Bodies	00493	Woodfield Primary School	£28,414	£125,483	£153,897
Other Scheduled Bodies	00494	Mexborough St John the Baptist Primary School	£26,916	£98,080	£124,995
Other Scheduled Bodies	00496	Balby Primary Academy	£38,912	£177,737	£216,650
Other Scheduled Bodies	00497	Kingfisher Primary Academy	£33,001	£139,192	£172,193
Other Scheduled Bodies	00498	Edlington Victoria Academy	£22,812	£95,542	£118,353
Other Scheduled Bodies	00509	Anston Parish Council	£6,723	£22,781	£29,504
Other Scheduled Bodies	00510	Thrybergh Parish Council	£2,456	£10,429	£12,885
Other Scheduled Bodies	00512	Aston-cum-Aughton Parish Council	£10,977	£40,146	£51,123
Other Scheduled Bodies	00515	Wickersley Parish Council	£6,768	£25,678	£32,445
Other Scheduled Bodies	00529	Maltby Academy	£74,959	£54,821	£129,781
Other Scheduled Bodies	00530	Brinsworth Academy	£127,051	£420,996	£548,047
Other Scheduled Bodies	00531	Wales High School (Academy Trust)	£144,130	£444,810	£588,940
Other Scheduled Bodies	00534	Aston Academy	£163,296	£617,011	£780,307
Other Scheduled Bodies	00538	Thurcroft Junior Academy	£21,719	£90,506	£112,225

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00539	St Bernards Catholic High School	£50,121	£204,140	£254,261
Other Scheduled Bodies	00540	Thrybergh Academy	£44,940	£174,968	£219,908
Other Scheduled Bodies	00542	East Dene Primary School	£31,344	£147,377	£178,721
Other Scheduled Bodies	00543	Coleridge Primary School	£26,073	£95,564	£121,637
Other Scheduled Bodies	00544	St Bedes Catholic Primary School	£32,507	£142,285	£174,792
Other Scheduled Bodies	00545	St Gerards Catholic Primary - Thrybergh	£15,175	£68,829	£84,004
Other Scheduled Bodies	00546	St Marys Catholic Primary School (Herringthorpe)	£19,375	£81,676	£101,051
Other Scheduled Bodies	00547	Wingfield Academy	£69,863	£242,001	£311,864
Other Scheduled Bodies	00549	St Marys Catholic Primary School (Maltby)	£13,440	£57,836	£71,276
Other Scheduled Bodies	00550	Canklow Woods Primary School	£28,297	£134,603	£162,900
Other Scheduled Bodies	00551	Whiston Junior & Infant School	£12,481	£61,279	£73,759
Other Scheduled Bodies	00552	Whiston Worrygoose Junior & Infant School	£53,364	£225,629	£278,993
Other Scheduled Bodies	00554	Oakwood High School	£76,034	£255,925	£331,959
Other Scheduled Bodies	00555	Rawmarsh Sandhill Primary School	£18,332	£76,474	£94,806
Other Scheduled Bodies	00556	Brookfield Junior Academy	£18,482	£81,977	£100,459
Other Scheduled Bodies	00557	St Josephs Catholic Primary (Dinnington)	£12,637	£53,841	£66,478
Other Scheduled Bodies	00558	Maltby Redwood Academy	£19,322	£78,879	£98,201
Other Scheduled Bodies	00559	Wickersley School and Sports College	£120,928	£494,124	£615,052
Other Scheduled Bodies	00561	Rawmarsh Ashwood Primary School	£14,789	£61,698	£76,487
Other Scheduled Bodies	00562	Sitwell Junior School	£22,409	£78,062	£100,471
Other Scheduled Bodies	00563	Thrybergh Primary School	£14,734	£61,716	£76,450
Other Scheduled Bodies	00565	Rawmarsh Community School	£84,287	£350,203	£434,489

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00566	St Albans Church of England Primary School	£19,090	£90,582	£109,672
Other Scheduled Bodies	00567	Bramley Grange Primary School	£14,329	£69,621	£83,949
Other Scheduled Bodies	00568	Monkwood Primary School	£27,889	£116,938	£144,826
Other Scheduled Bodies	00569	Anston Greenlands Primary School	£16,574	£60,247	£76,821
Other Scheduled Bodies	00570	Aston All Saints Church of England Primary School	£11,603	£58,359	£69,961
Other Scheduled Bodies	00571	Dinnington High School	£68,051	£270,670	£338,721
Other Scheduled Bodies	00572	Trinity Croft Church of England Primary School	£19,022	£82,546	£101,568
Other Scheduled Bodies	00573	Listerdale Junior Academy	£26,490	£113,198	£139,688
Other Scheduled Bodies	00574	Wickersley Northfield Primary School	£26,886	£132,182	£159,068
Other Scheduled Bodies	00575	Thrybergh Fullerton Church of England Primary Academy	£18,830	£79,556	£98,385
Other Scheduled Bodies	00576	Flanderwell Primary School	£30,134	£126,805	£156,939
Other Scheduled Bodies	00577	Maltby Manor Academy	£26,095	£117,240	£143,335
Other Scheduled Bodies	00578	Maltby Lilly Hall Academy	£28,612	£123,985	£152,597
Other Scheduled Bodies	00579	Ravenfield Primary Academy	£16,379	£78,640	£95,019
Other Scheduled Bodies	00580	Winterhill School	£61,151	£202,210	£263,361
Other Scheduled Bodies	00582	Herringthorpe Junior School	£32,265	£132,867	£165,133
Other Scheduled Bodies	00583	Springwood Junior Academy	£16,642	£75,874	£92,516
Other Scheduled Bodies	00584	Greasbrough Primary School	£25,052	£106,342	£131,394
Other Scheduled Bodies	00586	Eastwood Village Primary School	£20,887	£60,202	£81,088
Other Scheduled Bodies	00587	Dinnington Community Primary School	£19,918	£94,374	£114,293
Other Scheduled Bodies	00588	Abbey School	£71,827	£243,154	£314,981
Other Scheduled Bodies	00589	Hilltop School	£102,294	£349,894	£452,188

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00590	High Greave Infant School	£9,671	£48,275	£57,946
Other Scheduled Bodies	00591	High Greave Junior School	£12,005	£60,114	£72,119
Other Scheduled Bodies	00593	Kelford School	£84,930	£296,863	£381,793
Other Scheduled Bodies	00594	Brinsworth Whitehill Primary School	£26,521	£111,828	£138,349
Other Scheduled Bodies	00595	Aston Hall Junior & Infant School	£17,371	£73,148	£90,519
Other Scheduled Bodies	00596	Swinton Queen Primary School	£27,991	£136,768	£164,759
Other Scheduled Bodies	00597	Aston Lodge Primary School	£16,556	£69,857	£86,413
Other Scheduled Bodies	00598	Swinton Academy	£68,287	£286,657	£354,944
Other Scheduled Bodies	00604	Notre Dame High School	£95,722	£321,314	£417,036
Other Scheduled Bodies	00605	St John Fisher Primary	£19,513	£70,417	£89,930
Other Scheduled Bodies	00606	All Saints Catholic High School	£77,853	£280,508	£358,361
Other Scheduled Bodies	00607	St Anns Catholic Primary School	£11,003	£40,367	£51,370
Other Scheduled Bodies	00608	St Josephs Primary School	£18,040	£59,491	£77,531
Other Scheduled Bodies	00609	Clifford All Saints C of E Primary School	£15,336	£55,635	£70,971
Other Scheduled Bodies	00611	St Therasas RC School	£23,289	£60,410	£83,698
Other Scheduled Bodies	00612	St Patricks Catholic Voluntary Academy	£36,193	£112,622	£148,815
Other Scheduled Bodies	00613	Totley All Saints Church of England Primary School	£12,484	£50,446	£62,930
Other Scheduled Bodies	00614	Broomhill Infant School	£12,736	£42,865	£55,601
Other Scheduled Bodies	00622	E-ACT Parkwood Academy	£82,102	£202,769	£284,871
Other Scheduled Bodies	00639	Tapton School	£127,819	£449,786	£577,605
Other Scheduled Bodies	00650	Yewlands Academy	£62,070	£261,264	£323,335
Other Scheduled Bodies	00651	Hartley Brook Primary Academy	£63,558	£259,575	£323,133

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00652	Hatfield Primary Academy	£33,167	£134,795	£167,963
Other Scheduled Bodies	00654	Meadowhead School Academy Trust	£120,804	£421,502	£542,306
Other Scheduled Bodies	00656	Chaucer School	£88,647	£337,198	£425,845
Other Scheduled Bodies	00657	St Thomas of Canterbury School	£24,729	£91,814	£116,543
Other Scheduled Bodies	00658	King Ecgbert School	£88,257	£346,259	£434,516
Other Scheduled Bodies	00659	St Maries School	£16,871	£59,245	£76,116
Other Scheduled Bodies	00660	Bradfield Parish Council	£6,487	£14,156	£20,643
Other Scheduled Bodies	00661	Ecclesfield Parish Council	£6,328	£22,225	£28,554
Other Scheduled Bodies	00662	Stocksbridge Town Council	£1,978	£8,043	£10,021
Other Scheduled Bodies	00691	Sheffield Springs Academy	£82,408	£262,915	£345,323
Other Scheduled Bodies	00692	Sheffield Park Academy	£106,728	£328,266	£434,993
Other Scheduled Bodies	00700	St Wilfrids Catholic Primary School	£24,898	£90,871	£115,769
Other Scheduled Bodies	00701	Fir Vale School Academy Trust	£60,209	£189,917	£250,126
Other Scheduled Bodies	00704	Bradfield School	£70,544	£266,848	£337,391
Other Scheduled Bodies	00705	Southey Green Primary School & Nurseries	£99,757	£375,748	£475,506
Other Scheduled Bodies	00706	Silverdale School and Sixth Form	£79,540	£278,925	£358,465
Other Scheduled Bodies	00707	Greengate Lane Academy	£17,936	£76,017	£93,953
Other Scheduled Bodies	00708	Meynell Primary School	£47,144	£187,759	£234,903
Other Scheduled Bodies	00710	Mansel Primary School	£44,256	£191,269	£235,525
Other Scheduled Bodies	00711	Monteney Primary School	£80,414	£315,109	£395,523
Other Scheduled Bodies	00712	Fox Hill Primary School	£33,499	£146,037	£179,536
Other Scheduled Bodies	00714	Hinde House 2-16 Academy	£169,286	£674,760	£844,046

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00715	Lound Infant School	£11,984	£53,318	£65,302
Other Scheduled Bodies	00716	Lound Junior School	£15,769	£69,018	£84,788
Other Scheduled Bodies	00717	Firth Park Academy	£92,405	£509,045	£601,450
Other Scheduled Bodies	00718	Porter Croft C of E Primary Academy	£22,010	£106,693	£128,702
Other Scheduled Bodies	00719	E-ACT Pathways Academy	£41,129	£103,575	£144,704
Other Scheduled Bodies	00720	Hillsborough Nursery and Primary School	£31,855	£127,445	£159,300
Other Scheduled Bodies	00721	St Marys Primary School (High Green)	£13,072	£47,504	£60,576
Other Scheduled Bodies	00722	Sacred Heart School	£16,731	£61,503	£78,234
Other Scheduled Bodies	00723	Outwood Academy City	£69,258	£279,246	£348,504
Other Scheduled Bodies	00724	Totley Primary School	£25,106	£105,885	£130,991
Other Scheduled Bodies	00725	St Catherines Catholic Primary School	£50,526	£180,344	£230,870
Other Scheduled Bodies	00726	Concord Junior School	£15,052	£67,253	£82,304
Other Scheduled Bodies	00727	Ecclesfield School	£88,686	£389,222	£477,907
Other Scheduled Bodies	00728	Wincobank Nursery & Infant School	£18,623	£85,625	£104,248
Other Scheduled Bodies	00729	Newfield School	£73,640	£323,784	£397,424
Other Scheduled Bodies	00736	Emmaus Catholic & C of E Primary School	£28,047	£102,380	£130,428
Other Scheduled Bodies	00737	Forge Valley School	£133,399	£509,036	£642,435
Other Scheduled Bodies	00738	St Marys Church of England Academy (Walkley)	£19,287	£88,208	£107,495
Other Scheduled Bodies	00739	Lowedges Junior Academy	£29,234	£122,039	£151,273
Other Scheduled Bodies	00740	Oasis Academy (Firvale)	£28,463	£84,698	£113,162
Other Scheduled Bodies	00741	Oasis Academy (Watermead)	£36,976	£112,758	£149,734
Other Scheduled Bodies	00742	Chapelton Academy	£10,533	£47,396	£57,929

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00743	Handsworth Grange Community Sports College	£80,017	£348,585	£428,603
Other Scheduled Bodies	00744	Emmanuel Junior Academy	£14,528	£72,946	£87,474
Other Scheduled Bodies	00745	High Hazels Junior Academy	£31,899	£103,327	£135,227
Other Scheduled Bodies	00746	Woodlands Primary School	£46,202	£221,388	£267,591
Other Scheduled Bodies	00749	High Hazels Nursery Infants Academy	£23,227	£79,003	£102,230
Other Scheduled Bodies	00750	Nether Edge Primary School	£32,931	£142,246	£175,177
Other Scheduled Bodies	00751	Wisewood Primary School	£20,684	£81,578	£102,262
Other Scheduled Bodies	00752	Hallam Primary School	£52,320	£207,978	£260,297
Other Scheduled Bodies	00753	Oasis Academy (Don Valley)	£57,062	£166,676	£223,738
Other Scheduled Bodies	00755	Beck Primary School	£69,108	£246,224	£315,332
Other Scheduled Bodies	00756	St Thomas More Catholic Primary Academy	£16,898	£80,593	£97,490
Other Scheduled Bodies	00757	Hucklow Primary School	£48,938	£172,445	£221,383
Other Scheduled Bodies	00758	Tinsley Meadows Primary Academy	£71,231	£300,471	£371,702
Other Scheduled Bodies	00761	Lower Meadow Primary Academy	£29,021	£119,867	£148,888
Other Scheduled Bodies	00762	Astrea Academy Trust	£304,566	£1,002,661	£1,307,227
Other Scheduled Bodies	00763	Byron Wood Primary Academy	£40,169	£166,472	£206,641
Other Scheduled Bodies	00766	Abbeyfield Primary Academy	£40,709	£182,014	£222,723
Other Scheduled Bodies	00771	Manor Lodge Community Primary and Nursery School	£36,574	£169,689	£206,263
Other Scheduled Bodies	00772	Acres Hill Community Primary and Nursery School	£26,677	£125,408	£152,086
Other Scheduled Bodies	00773	Phillimore Community Primary and Nursery School	£37,277	£174,076	£211,353
Other Scheduled Bodies	00774	Wybourn Community Primary and Nursery School	£59,829	£278,804	£338,633
Other Scheduled Bodies	00775	The Birley Academy	£80,755	£433,836	£514,590

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00776	Birley Primary Academy	£40,183	£223,215	£263,398
Other Scheduled Bodies	00777	Rainbow Forge Primary Academy	£34,636	£193,581	£228,218
Other Scheduled Bodies	00778	Charnock Hall Primary Academy	£20,419	£112,463	£132,882
Other Scheduled Bodies	00779	Birley Spa Primary Academy	£24,863	£138,459	£163,322
Other Scheduled Bodies	00800	Catcliffe Primary School	£30,280	£138,360	£168,640
Other Scheduled Bodies	00808	Aughton Junior Academy	£11,067	£46,908	£57,974
Other Scheduled Bodies	00809	Swinton Fitzwilliam Primary School	£23,460	£112,909	£136,369
Other Scheduled Bodies	00818	Wath C of E Primary School	£32,770	£120,908	£153,678
Other Scheduled Bodies	00819	Hill Top Academy	£46,644	£187,113	£233,757
Other Scheduled Bodies	00820	Wath Central Primary School	£24,502	£89,049	£113,550
Other Scheduled Bodies	00821	Southfield Primary School	£28,695	£116,552	£145,247
Other Scheduled Bodies	00822	Bentley High Street Primary School	£35,693	£153,570	£189,263
Other Scheduled Bodies	00823	Rosedale Primary School	£10,089	£44,410	£54,498
Other Scheduled Bodies	00824	Brampton The Ellis C of E Aided Primary School	£38,324	£139,977	£178,301
Other Scheduled Bodies	00825	Armthorpe Tranmoor Primary School	£31,305	£143,430	£174,736
Other Scheduled Bodies	00826	Pennine View School	£51,927	£172,597	£224,524
Other Scheduled Bodies	00828	Our Lady of Sorrows Catholic Academy	£17,758	£76,461	£94,219
Other Scheduled Bodies	00829	Bessacarr Primary School	£29,470	£136,493	£165,963
Other Scheduled Bodies	00830	Highwoods Academy	£18,064	£81,647	£99,711
Other Scheduled Bodies	00831	Rossington St Michaels Church of England Primary School	£21,791	£93,993	£115,784
Other Scheduled Bodies	00832	Wath Victoria Primary School	£38,192	£137,423	£175,614
Other Scheduled Bodies	00833	Brampton Cortonwood Infant School	£15,112	£54,704	£69,816

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00835	Anston Brook Primary School	£9,616	£45,148	£54,764
Other Scheduled Bodies	00836	Woodsetts Primary School	£14,878	£71,983	£86,861
Other Scheduled Bodies	00844	Green Top Primary School	£28,910	£107,202	£136,111
Other Scheduled Bodies	00845	Hatchell Wood Primary Academy	£28,948	£139,401	£168,349
Other Scheduled Bodies	00846	Treeton Church of England Primary School	£21,268	£108,465	£129,734
Other Scheduled Bodies	00856	Intake Primary Academy	£22,372	£94,310	£116,682
Other Scheduled Bodies	00857	Atlas Academy	£37,454	£153,680	£191,134
Other Scheduled Bodies	00858	Roughwood Primary School	£28,415	£119,681	£148,097
Other Scheduled Bodies	00859	Kilnhurst St Thomas Church of England Primary Academy	£19,467	£91,187	£110,654
Other Scheduled Bodies	00860	Stocksbridge High School	£53,740	£241,437	£295,177
Other Scheduled Bodies	00861	Clifton Community School	£65,910	£268,396	£334,306
Other Scheduled Bodies	00863	Diocese of Sheffield Academies Trust	£33,233	£89,804	£123,037
Other Scheduled Bodies	00866	Windmill Hill Primary School	£24,670	£106,290	£130,960
Other Scheduled Bodies	00867	Anston Park Infants School	£11,612	£56,023	£67,635
Other Scheduled Bodies	00868	Norfolk Community Primary and Nursery School	£50,901	£234,746	£285,647
Other Scheduled Bodies	00869	Milton School	£52,273	£164,947	£217,219
Other Scheduled Bodies	00870	Greenhill Primary School	£43,730	£186,898	£230,628
Other Scheduled Bodies	00871	High Storrs School	£83,530	£373,295	£456,825
Other Scheduled Bodies	00873	Hooton Pagnell All Saints C of E Primary School	£9,009	£33,436	£42,445
Other Scheduled Bodies	00878	Holy Trinity Catholic & Church of England School	£91,690	£326,289	£417,978
Other Scheduled Bodies	00879	Brinsworth Manor Junior School	£19,027	£91,238	£110,265
Other Scheduled Bodies	00880	Kilnhurst Primary School	£11,508	£54,510	£66,018

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00882	Rockingham Junior & Infant School	£27,106	£117,260	£144,366
Other Scheduled Bodies	00883	Canon Popham Church of England Primary Academy	£14,846	£98,789	£113,636
Other Scheduled Bodies	00885	James Montgomery Trust	£43,432	£125,241	£168,673
Other Scheduled Bodies	00888	Wentworth CofE Junior & Infants School	£6,275	£29,684	£35,959
Other Scheduled Bodies	00889	Darton Academy	£68,290	£272,913	£341,203
Other Scheduled Bodies	00890	Laughton Junior and Infant School	£17,417	£63,626	£81,043
Other Scheduled Bodies	00891	Kiveton Park Infant School	£16,843	£62,750	£79,593
Other Scheduled Bodies	00892	Westfield School	£82,172	£292,373	£374,545
Other Scheduled Bodies	00893	Sandringham Primary School	£31,722	£130,510	£162,232
Other Scheduled Bodies	00894	Owston Park Primary Academy	£37,321	£170,838	£208,159
Other Scheduled Bodies	00895	Wickersley Partnership Trust	£175,570	£698,424	£873,994
Other Scheduled Bodies	00898	Askern Moss Road Infant Academy	£8,236	£35,996	£44,231
Other Scheduled Bodies	00899	Astrea Academy Dearne	£102,585	£402,786	£505,370
Other Scheduled Bodies	00900	Mercia School	£45,347	£143,550	£188,897
Other Scheduled Bodies	00901	Astrea Academy Sheffield	£91,575	£368,736	£460,310
Other Scheduled Bodies	00902	Askern Littlemoor Infant Academy	£19,115	£77,110	£96,225
Other Scheduled Bodies	00903	Maltby Learning Trust MAT HQ	£69,108	£193,213	£262,322
Other Scheduled Bodies	00904	Wath Academy	£108,375	£301,422	£409,798
Other Scheduled Bodies	00905	South Yorkshire Mayoral Combined Authority	£1,077,939	£1,968,904	£3,046,843
Other Scheduled Bodies	00907	Marshland Primary Academy	£11,656	£38,011	£49,667
Other Scheduled Bodies	00908	Brooke Primary Academy	£28,572	£92,808	£121,379
Other Scheduled Bodies	00909	Oughtibridge Primary School	£30,693	£105,348	£136,041

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00910	Chorus Education Trust - MAT HQ	£68,264	£198,524	£266,788
Other Scheduled Bodies	00911	Bradfield Dungworth Primary	£10,876	£36,481	£47,357
Other Scheduled Bodies	00912	Nook Lane Junior School	£17,077	£56,852	£73,930
Other Scheduled Bodies	00913	Loxley Primary School	£13,400	£45,888	£59,289
Other Scheduled Bodies	00914	Stannington Infant School	£15,083	£51,276	£66,359
Other Scheduled Bodies	00915	Wharnccliffe Side Primary School	£25,354	£83,181	£108,535
Other Scheduled Bodies	00917	Dalton Parish Council	£14,141	£12,916	£27,057
Other Scheduled Bodies	00918	Spa Academy Askern	£31,871	£124,099	£155,969
Other Scheduled Bodies	00919	Minerva Learning Trust - MAT HQ	£87,053	£334,450	£421,503
Other Scheduled Bodies	00920	Mercia Learning Trust MAT HQ	£51,072	£135,478	£186,550
Other Scheduled Bodies	00921	Horizon Community College	£147,624	£503,144	£650,768
Other Scheduled Bodies	00922	Pye Bank Church of England Primary School	£44,633	£158,441	£203,074
Other Scheduled Bodies	00940	Lakeside Primary Academy	£29,331	£129,781	£159,112
Other Scheduled Bodies	00941	Laughton All Saints Church of England Primary School	£8,724	£35,143	£43,867
Other Scheduled Bodies	00942	West Road Primary Academy	£31,967	£125,416	£157,383
Other Scheduled Bodies	00943	Woodseats Primary School	£40,043	£166,214	£206,257
Other Scheduled Bodies	00944	Heatherwood School	£49,532	£171,460	£220,993
Other Scheduled Bodies	00945	Norton Junior School	£9,996	£38,091	£48,087
Other Scheduled Bodies	00946	Norton Infant School	£12,326	£46,058	£58,385
Other Scheduled Bodies	00954	Crags Community School	£37,907	£119,956	£157,864
Other Scheduled Bodies	00955	Brinsworth Howarth Primary School	£13,546	£50,043	£63,589
Other Scheduled Bodies	00956	Churchfield Primary School	£36,530	£118,277	£154,807

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00957	Coppice School	£77,718	£265,462	£343,180
Other Scheduled Bodies	00958	Kiveton Park Meadows Junior School	£14,316	£51,564	£65,880
Other Scheduled Bodies	00959	Worsbrough Common Primary School	£40,501	£142,850	£183,351
Other Scheduled Bodies	00975	Mapplewell Primary School	£18,849	£67,700	£86,548
Other Scheduled Bodies	00976	Sheep Dip Lane Academy	£20,933	£86,121	£107,055
Other Scheduled Bodies	00977	Owler Brook Primary School	£48,265	£167,923	£216,187
Other Scheduled Bodies	00978	Whiteways Primary School	£42,586	£152,790	£195,376
Other Scheduled Bodies	00979	North Ridge Community School	£71,736	£246,878	£318,614
Other Scheduled Bodies	00980	Hawthorn Primary School	£20,695	£92,559	£113,254
Other Scheduled Bodies	00981	Becton School	£39,236	£128,064	£167,300
Other Scheduled Bodies	00983	Harthill Primary School	£12,217	£45,458	£57,675
Other Scheduled Bodies	00985	Wellspring Trust MAT HQ	£254,688	£752,547	£1,007,235
Other Scheduled Bodies	00986	Plover Primary School	£26,520	£100,493	£127,013
Other Scheduled Bodies	00987	Athersley South Primary	£25,906	£96,093	£121,999
Other Scheduled Bodies	00989	Woodhouse West Primary and Nursery School	£33,514	£154,700	£188,213
Other Scheduled Bodies	00990	Waverley Junior Academy	£47,209	£208,347	£255,556
Other Scheduled Bodies	00991	Thorpe Hesley Primary School	£52,240	£185,750	£237,990
Other Scheduled Bodies	00992	Redscope Primary School	£47,564	£173,062	£220,625
Other Scheduled Bodies	00993	Bader Academy	£49,926	£164,826	£214,752
Other Scheduled Bodies	00994	Doncaster UTC	£42,380	£152,105	£194,485
Other Scheduled Bodies	00995	Sheffield South East Trust (MAT HQ)	£16,169	£60,614	£76,783
Other Scheduled Bodies	00996	St Anns Primary School	£37,191	£132,009	£169,200

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Other Scheduled Bodies	00998	Nexus Multi Academy Trust	£170,228	£449,755	£619,983
Other Scheduled Bodies	00999	Waverley Community Council	£2,501	£9,013	£11,513
		Subtotal Other Scheduled Bodies	£33,156,146	£107,145,873	£140,302,018

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00009	Happy Kids Childcare (RMBC Thrybergh)	£1,660	£5,725	£7,385
Admitted Bodies	00010	Sheffield Museums Trust	£24,522	£84,284	£108,806
Admitted Bodies	00012	Mellors (Montagu Academy)	£1,541	£5,687	£7,228
Admitted Bodies	00014	Hutchison Catering Ltd (AET MAT)	£7,133	£29,597	£36,730
Admitted Bodies	00015	Aspens Services Ltd (Brinsworth)	£3,201	£10,677	£13,878
Admitted Bodies	00017	Enviroserve (Blackburn Primary)	£304	£1,104	£1,408
Admitted Bodies	00018	NowThen (Prince Edward School Cleaning)	£1,331	£8,324	£9,655
Admitted Bodies	00021	Mellors (Hall Cross Academy)	£3,196	£0	£3,196
Admitted Bodies	00025	ABM Catering (The Hayfield School)	£0	£10,165	£10,165
Admitted Bodies	00028	Independent Cleaning Services Ltd (Montagu Academy)	£648	£5,131	£5,779
Admitted Bodies	00030	RCCN (Hall Cross Academy)	£5,384	£17,242	£22,626
Admitted Bodies	00031	ABM Catering (Maltby Learning Trust)	£17,545	£74,782	£92,327
Admitted Bodies	00032	Churchill Contract Services (St Helens)	£555	£2,472	£3,027
Admitted Bodies	00035	Relish School Foods (Nexus)	£3,955	£0	£3,955
Admitted Bodies	00040	RCCN Limited (Armthorpe Academy)	£544	£2,846	£3,390

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00048	Mellors (West Road Primary)	£246	£1,454	£1,700
Admitted Bodies	00049	Mellors (Barnby Dunn Primary)	£1,804	£10,267	£12,071
Admitted Bodies	00050	Mellors (Dunsville Primary)	£1,934	£9,549	£11,484
Admitted Bodies	00051	Mellors (Hungerhill)	£5,578	£33,164	£38,743
Admitted Bodies	00052	Mellors (Kirk Sandall Infant)	£833	£4,060	£4,893
Admitted Bodies	00053	Mellors (Kirk Sandall Junior)	£1,487	£7,676	£9,163
Admitted Bodies	00055	ABM Catering (Inspire Trust)	£2,964	£15,758	£18,721
Admitted Bodies	00056	Mellors (Goldthorpe Primary Academy)	£3,153	£16,531	£19,684
Admitted Bodies	00059	Mellors (Morley Place)	£555	£2,501	£3,055
Admitted Bodies	00067	Taylor Shaw (Aston Lodge Primary)	£1,816	£8,199	£10,015
Admitted Bodies	00069	Taylor Shaw (Monkwood Primary)	£2,003	£10,252	£12,256
Admitted Bodies	00070	Taylor Shaw (Sandhill Primary)	£786	£3,773	£4,559
Admitted Bodies	00071	Taylor Shaw (Foljambe Primary)	£494	£2,514	£3,008
Admitted Bodies	00073	Taylor Shaw (Thrybergh Primary)	£639	£3,671	£4,310
Admitted Bodies	00076	Solutions 4 Cleaning (Nether Edge Primary)	£2,472	£9,170	£11,642
Admitted Bodies	00077	Solutions 4 Cleaning (Woodlands Primary)	£2,905	£10,828	£13,733
Admitted Bodies	00079	RCCN Limited (Atlas Academy)	£1,180	£4,183	£5,362
Admitted Bodies	00080	RCCN Limited (Carrfield Academy)	£38	£134	£172
Admitted Bodies	00081	RCCN Limited (Castle Academy)	£506	£1,795	£2,302
Admitted Bodies	00082	RCCN Limited (Denaby Main Primary Academy)	£781	£2,733	£3,513
Admitted Bodies	00083	RCCN Limited (Edenthorpe Hall Academy)	£309	£1,097	£1,407
Admitted Bodies	00084	RCCN Limited (Hexthorpe Primary Academy)	£1,516	£5,375	£6,891

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00085	RCCN Limited (Highgate Academy)	£641	£2,273	£2,915
Admitted Bodies	00086	RCCN Limited (Intake Primary Academy)	£1,532	£5,431	£6,962
Admitted Bodies	00088	RCCN Limited (Waverley Academy)	£2,432	£8,411	£10,843
Admitted Bodies	00091	Caterlink (Outwood Primary Woodlands)	£2,778	£10,049	£12,827
Admitted Bodies	00092	RCCN Limited (Churchfield School)	£31	£111	£143
Admitted Bodies	00093	Carroll Cleaning Company (Rowena Academy)	£300	£1,125	£1,426
Admitted Bodies	00094	Carroll Cleaning Company (Pheasant Bank Academy)	£920	£3,447	£4,368
Admitted Bodies	00095	Carroll Cleaning Company (Morley Place Academy)	£523	£1,960	£2,483
Admitted Bodies	00096	Carroll Cleaning Company (Crookesbroom Primary Academy)	£379	£1,418	£1,797
Admitted Bodies	00097	Carroll Cleaning Company (Grange Lane Primary School)	£539	£2,019	£2,558
Admitted Bodies	00099	Norse Group (Bader Free School)	£770	£2,774	£3,544
Admitted Bodies	00102	Taylor Shaw (Barnsley Academy)	£5,335	£16,856	£22,191
Admitted Bodies	00107	RCCN (Kingfisher Primary Academy)	£1,942	£6,884	£8,826
Admitted Bodies	00109	Bulloughs Cleaning Services Ltd (Astrea Academy Sheffield)	£1,142	£4,739	£5,881
Admitted Bodies	00110	Bulloughs Cleaning Services Ltd (Lower Meadow)	£871	£3,802	£4,674
Admitted Bodies	00112	Aramark Ltd (RCAT Catering)	£2,599	£9,167	£11,765
Admitted Bodies	00113	Churchill Contract Service (Shafton Academy)	£805	£2,884	£3,689
Admitted Bodies	00115	Compass Contract Services (King Edward VII School)	£1,219	£4,296	£5,515
Admitted Bodies	00116	Compass Contract Services (Ecclesfield Secondary School)	£1,849	£6,697	£8,546
Admitted Bodies	00117	Compass Contract Services (King Ecgbert)	£971	£3,561	£4,532
Admitted Bodies	00118	Independent Cleaning Services Ltd (Outwood City)	£2,682	£9,846	£12,529
Admitted Bodies	00119	Independent Cleaning Services (Outwood Primary Woodlands)	£694	£2,613	£3,307

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00120	Caterlink (Outwood Academy City)	£5,401	£19,905	£25,306
Admitted Bodies	00124	Waythrough	£4,620	£13,333	£17,953
Admitted Bodies	00125	OCS Group UK Ltd (Leger Education Trust)	£6,981	£26,573	£33,554
Admitted Bodies	00128	Taylor Shaw (Travis Lawrence Primary School)	£1,419	£4,020	£5,439
Admitted Bodies	00131	Caterlink Ltd (Churchfields School)	£313	£1,178	£1,491
Admitted Bodies	00132	Mellors (Pye Bank Primary School)	£2,671	£9,222	£11,892
Admitted Bodies	00133	Mellors (Exceed Learning Partnership Trust)	£9,338	£34,169	£43,507
Admitted Bodies	00135	Taylor Shaw (Sheff School Meals Central Contract 2)	£11,318	£57,412	£68,730
Admitted Bodies	00136	Norse Group (Nexus MAT)	£5,723	£20,617	£26,340
Admitted Bodies	00137	Taylor Shaw (St Pius X Catholic High School)	£1,159	£4,299	£5,458
Admitted Bodies	00140	Cleantec Services (E-ACT)	£2,768	£10,016	£12,784
Admitted Bodies	00141	SLM Ltd (Everyone Active)	£17,188	£55,823	£73,012
Admitted Bodies	00142	Bulloughs Cleaning Services Ltd. (Leger Education Trust)	£4,613	£17,429	£22,042
Admitted Bodies	00143	SMG (UK) Limited (Utiltia Arena Sheffield)	£2,919	£7,724	£10,643
Admitted Bodies	00144	SMG (UK) Limited (Sheffield City Hall)	£2,582	£7,976	£10,559
Admitted Bodies	00145	RCCN (St Pius X Catholic High School)	£3,071	£11,392	£14,463
Admitted Bodies	00150	Mellors - Brighter Futures Learning Partnership Trust	£1,067	£5,101	£6,169
Admitted Bodies	00204	Action Housing & Support Ltd	£19,064	£63,398	£82,462
Admitted Bodies	00209	National Horseracing College	£8,753	£52,073	£60,826
Admitted Bodies	00214	South Yorkshire Housing Association	£11,099	£68,927	£80,027
Admitted Bodies	00226	Northern College	£79,042	£319,337	£398,379
Admitted Bodies	00228	Barnsley Premier Leisure	£133,276	£412,410	£545,686

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00230	Doncaster Community Transport	£6,479	£26,181	£32,660
Admitted Bodies	00231	Roth Don and South Humber Mental Health NHS Foundation Trust	£6,785	£25,877	£32,662
Admitted Bodies	00235	Sheffield Community Transport	£4,961	£25,074	£30,035
Admitted Bodies	00237	Sheffield Hallam Students Union	£6,119	£23,538	£29,657
Admitted Bodies	00239	Sheffield Health & Social Care NHS Foundation Trust	£57,693	£253,410	£311,103
Admitted Bodies	00241	Great Places Housing Association	£5,317	£26,176	£31,493
Admitted Bodies	00242	Sheffield City Trust	£123,524	£307,087	£430,611
Admitted Bodies	00244	Midshire Catering Ltd	£1,040	£0	£1,040
Admitted Bodies	00256	Amey Community Ltd (Barnsley BSF Design & Building Schools)	£6,219	£26,334	£32,553
Admitted Bodies	00257	Amey Community Ltd SPV1 (Barnsley BSF/PFI)	£6,145	£30,939	£37,084
Admitted Bodies	00258	Amey Community Ltd SPV2 (Barnsley BSF/PFI)	£414	£3,582	£3,996
Admitted Bodies	00259	Amey Community Ltd SPV3 (Barnsley BSF/PFI)	£9,628	£59,613	£69,241
Admitted Bodies	00310	Independent Training Services Ltd	£6,430	£20,350	£26,780
Admitted Bodies	00339	Barnsley Norse Ltd	£37,667	£129,508	£167,175
Admitted Bodies	00346	Trustclean Ltd (Athersley North)	£618	£0	£618
Admitted Bodies	00389	Dimensions (UK) Ltd	£16,869	£35,719	£52,588
Admitted Bodies	00390	Turning Point	£23,285	£101,053	£124,338
Admitted Bodies	00392	ISS Mediclean Ltd	£4,818	£26,194	£31,012
Admitted Bodies	00393	Equans Services Ltd (Barnsley Schools)	£1,744	£10,463	£12,207
Admitted Bodies	00412	Doncaster Deaf Trust	£78,410	£422,268	£500,678
Admitted Bodies	00429	Crispin & Borst	£4,286	£17,028	£21,314

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00432	Doncaster Culture & Leisure Trust	£10,813	£87,837	£98,649
Admitted Bodies	00478	Independent Cleaning Services Ltd (Danum Academy)	£439	£0	£439
Admitted Bodies	00479	Carroll Cleaning Company (De Warenne Academy)	£2,500	£0	£2,500
Admitted Bodies	00513	Equans Services Ltd (Rotherham Schools)	£5,339	£18,745	£24,084
Admitted Bodies	00533	Mears Limited	£139,650	£0	£139,650
Admitted Bodies	00541	Trustclean (Wath CE School)	£365	£0	£365
Admitted Bodies	00548	Places for People (RMBC)	£33,590	£142,907	£176,497
Admitted Bodies	00610	Sheffcare Ltd	£12,086	£61,924	£74,010
Admitted Bodies	00616	Capita (Outstanding Sheffield Programme)	£6,301	£0	£6,301
Admitted Bodies	00629	Taylor Shaw (Sheff School Meals Central Contract)	£9,671	£0	£9,671
Admitted Bodies	00655	Amey LG Limited (Sheffield Highways)	£480,656	£0	£480,656
Admitted Bodies	00663	Sheffield Unison	£6,332	£27,832	£34,164
Admitted Bodies	00666	Sheffield Futures	£7,648	£25,406	£33,054
Admitted Bodies	00671	Mitie FM Limited	£1,828	£9,550	£11,378
Admitted Bodies	00676	Veolia Environmental Services PLC	£58,313	£0	£58,313
Admitted Bodies	00686	Mitie Ltd	£1,430	£7,282	£8,711
Admitted Bodies	00688	Kier Managed Services	£1,630	£0	£1,630
Admitted Bodies	00698	Taylor Woodrow Construction (Sheffield Schools)	£1,948	£9,859	£11,807
Admitted Bodies	00702	Vinci Construction UK Ltd (Bradfield FM)	£689	£3,835	£4,525
Admitted Bodies	00747	Places for People (SCC)	£12,741	£63,343	£76,084
Admitted Bodies	00754	Taylor Shaw (St John Fisher Academy)	£894	£3,558	£4,452
Admitted Bodies	00759	Places for People (Wisewood Sports Centre)	£2,495	£9,542	£12,037

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00765	Aspens Services Ltd (E-ACT Pathways Academy)	£552	£3,659	£4,211
Admitted Bodies	00768	Learn Sheffield	£22,058	£64,346	£86,404
Admitted Bodies	00781	Wates Living Space Maintenance Ltd	£3,580	£0	£3,580
Admitted Bodies	00804	Dolce Ltd (Sitwell Juniors)	£0	£14,000	£14,000
Admitted Bodies	00812	Dolce Ltd (Kilnhurst Junior & Infants)	£0	£3,000	£3,000
Admitted Bodies	00813	Dolce Ltd (Swinton Fitzwilliam)	£972	£4,858	£5,830
Admitted Bodies	00814	Dolce Ltd (Whiston Junior & Infants)	£512	£0	£512
Admitted Bodies	00815	Dolce Ltd (Whiston Worrygoose)	£600	£0	£600
Admitted Bodies	00816	Dolce Ltd (Wickersley Northfield)	£588	£0	£588
Admitted Bodies	00838	Mellors (Aston Lodge Primary)	£0	£16,000	£16,000
Admitted Bodies	00848	Dolce Ltd (Kiveton Park)	£663	£2,352	£3,015
Admitted Bodies	00849	Dolce Ltd (Harthill Primary)	£727	£3,833	£4,560
Admitted Bodies	00864	Dolce Ltd (Swinton Queen Primary)	£1,681	£7,763	£9,445
Admitted Bodies	00881	Border to Coast Pensions Partnership Ltd	£18,664	£44,223	£62,887
Admitted Bodies	00896	Churchill Contract Services - Dinnington High School	£4,406	£18,627	£23,034
Admitted Bodies	00906	Dolce - Conisbrough Ivanhoe Primary Academy	£0	£3,000	£3,000
Admitted Bodies	00916	MAM (Doncaster) Ltd - Doncaster Markets	£1,983	£2,033	£4,016
Admitted Bodies	00923	Compass (Hatfield Primary)	£0	£7,000	£7,000
Admitted Bodies	00947	Mellors (Grange Lane Infants)	£0	£1,000	£1,000
Admitted Bodies	00949	Mellors (Hatfield Crookesbroom Primary)	£522	£2,040	£2,562
Admitted Bodies	00950	Mellors (Hatfield Woodhouse Primary)	£589	£2,731	£3,320
Admitted Bodies	00962	Taylor Shaw (Aston All Saints C of E Primary)	£976	£3,515	£4,491

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00964	Taylor Shaw (Flanderwell Primary school)	£1,650	£8,055	£9,706
Admitted Bodies	00966	Taylor Shaw (Laughton All Saints Primary)	£118	-£29	£89
Admitted Bodies	00967	Taylor Shaw (Rossington St Michaels C of E Primary)	£1,449	£0	£1,449
Admitted Bodies	00968	Taylor Shaw (St Oswalds Finningley Academy)	£1,525	£0	£1,525
Admitted Bodies	00972	Taylor Shaw (Wickersley St Albans C of E Primary)	£386	£0	£386
Admitted Bodies	00982	Equans Regeneration Ltd (Rotherham Council)	£97,930	£0	£97,930
Admitted Bodies	00988	Wates Ltd (Barnsley Housing Maintenance)	£49,708	£167,788	£217,496
Admitted Bodies	00997	Mellors (Catcliffe Primary and High Greave Junior)	£2,154	£6,776	£8,930
		Subtotal Admitted Bodies	£1,890,660	£4,184,006	£6,074,665

Employers Paid An Exit Credit During 2024/25

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00007	CH & CO Group (RCAT Catering)	£0	-£5,630	-£5,630
Admitted Bodies	00011	Taylor Shaw (West Road Primary)	£0	-£1,260	-£1,260
Admitted Bodies	00033	Churchill Contract Services (Brigantia Learning Trust)	£0	-£5,891	-£5,891
Admitted Bodies	00036	Mellors (Highfields Primary)	£0	-£2,049	-£2,049
Admitted Bodies	00072	Taylor Shaw (Rawmarsh Ashwood)	£0	-£1,825	-£1,825
Admitted Bodies	00247	KGB Cleaning (Doncaster College)	£0	-£1,380	-£1,380
Admitted Bodies	00334	NPS Barnsley Ltd	£0	-£1,986	-£1,986
Admitted Bodies	00364	Caterlink (Barnsley Academy)	£0	-£40,909	-£40,909

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00391	Compass (Kirk Balk Academy)	£0	-£9,067	-£9,067
Admitted Bodies	00394	Caterlink (Hunningley Primary)	£0	-£7,149	-£7,149
Admitted Bodies	00396	Sodexo (Oakhill Academy Wellspring)	£0	-£11,620	-£11,620
Admitted Bodies	00397	Sodexo (Greenacre Academy Wellspring)	£0	-£40,820	-£40,820
Admitted Bodies	00398	Sodexo (Springwell Special Academy Wellspring)	£0	-£3,581	-£3,581
Admitted Bodies	00460	Chartwells (De Warenne Academy)	£0	-£1,902	-£1,902
Admitted Bodies	00482	Aspens Services Ltd (McAuley Academy)	£0	-£21,714	-£21,714
Admitted Bodies	00483	Compass (Don Valley Academy)	£0	-£9,775	-£9,775
Admitted Bodies	00495	Compass (The Hayfield School)	£0	-£3,874	-£3,874
Admitted Bodies	00537	Mellors (Rawmarsh Comprehensive)	£0	-£9,953	-£9,953
Admitted Bodies	00653	Mellors (Sheffield Schools)	£0	-£12,248	-£12,248
Admitted Bodies	00709	Mellors (Hinde House/King Ecgbert)	£0	-£8,773	-£8,773
Admitted Bodies	00837	Mellors (Aston Hall Junior & Infants)	£0	-£2,763	-£2,763
Admitted Bodies	00839	Mellors (Brinsworth Whitehill)	£0	-£2,443	-£2,443
Admitted Bodies	00840	Mellors (Monkwood Primary)	£0	-£3,814	-£3,814
Admitted Bodies	00841	Mellors (Rawmarsh Ashwood Primary)	£0	-£1,124	-£1,124
Admitted Bodies	00842	Mellors (Sandhill Primary)	£0	-£2,815	-£2,815
Admitted Bodies	00874	Sodexo (Oakwell Rise Academy Wellspring)	£0	-£14,337	-£14,337
Admitted Bodies	00875	Sodexo (Forest Primary Academy Wellspring)	£0	-£13,156	-£13,156
Admitted Bodies	00884	Compass (St Pius X Catholic High School)	£0	-£15,303	-£15,303
Admitted Bodies	00887	Aspens Services Ltd - Netherwood Catering Contract	£0	-£8,850	-£8,850
Admitted Bodies	00924	Compass (Atlas Academy)	£0	-£5,747	-£5,747

Employer Classification	Employer No.	Employer Name	Employee Contributions Total	Employer Contributions Total	Total Contributions
Admitted Bodies	00925	Compass (Hexthorpe Primary)	£0	-£10,284	-£10,284
Admitted Bodies	00926	Compass (Highgate Primary)	£0	-£11,949	-£11,949
Admitted Bodies	00928	Compass (Intake Primary)	£0	-£5,704	-£5,704
Admitted Bodies	00929	Compass (Kingfisher Academy)	£0	-£11,383	-£11,383
Admitted Bodies	00930	Compass (The Hill Primary)	£0	-£20,779	-£20,779
Admitted Bodies	00931	Compass (Waverley Academy)	£0	-£2,889	-£2,889
Admitted Bodies	00932	Compass (Carrfield Primary)	£0	-£9,020	-£9,020
Admitted Bodies	00933	Compass (Castle Academy)	£0	-£3,488	-£3,488
Admitted Bodies	00934	Compass (Denaby Main Academy)	£0	-£7,056	-£7,056
Admitted Bodies	00935	Compass (Edenthorpe Hall Academy)	£0	-£4,250	-£4,250
Admitted Bodies	00936	Compass (Gooseacre Primary)	£0	-£6,483	-£6,483
Admitted Bodies	00951	Mellors (Pheasant Bank Academy)	£0	-£759	-£759
Admitted Bodies	00952	Mellors (Rowena Academy)	£97	-£477	-£380
Admitted Bodies	00961	Happy Kids Childcare (Rotherham)	£100	-£1,326	-£1,226
Admitted Bodies	00974	Aspens Services Ltd (Astrea Woodfields Academy)	£0	-£5,913	-£5,913
Admitted Bodies	00984	Churchill Contract Services (Outwood Academy City)	£0	-£29,284	-£29,284
Subtotal Exit Credits Paid			£198	-£402,803	-£402,605
Grand Total Contributions Received			£81,864,567	£187,071,684	£268,936,251

South Yorkshire Pensions Authority
Oakwell House
2 Beevor Court
Pontefract Road
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2025

Subject	Progress on Agreed Management Actions	Status	For Publication
Report to	Audit & Governance Committee	Date	02 October 2025
Report of	Head of Governance & 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**

- 1.1 To update Members on the actions being taken in response to audit review findings during the current financial year and in previous financial years.

2. **Recommendations**

- 2.1 Members are recommended to:
- Note the progress being made on implementing agreed management actions; and**
 - 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 objectives:

Effective and Transparent Governance

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

- 3.2 The reporting of audit findings and management actions being taken to address these is a key part of providing assurance on the adequacy of the Authority's corporate governance arrangements, particularly those relating to internal control and financial and risk management.

4. **Implications for the Corporate Risk Register**

- 4.1 The contents of this report do not link to a specific risk in the corporate risk register; instead, they set out the actions being taken in a number of areas that will contribute to addressing various risks in relation to operations and governance as detailed in the original audit reports.

5. **Background and Options**

- 5.1 The Authority's Local Code of Corporate Governance sets out the framework in which the Authority complies with the seven principles of good governance; one of which is "managing risks and performance through robust internal control and strong public financial management." One aspect of achieving this is having arrangements for assurance and effective accountability in place and ensuring that findings arising from the work of both external audit and internal audit are acted upon.
- 5.2 The Audit & Governance Committee receives reports of the external auditor and of the Head of Internal Audit at regular intervals throughout the financial year. The report attached at Appendix A summarises the actions taken, and progress being made on implementing the actions agreed in response to internal audit findings.

Pensions Review Process – Child Pensions

- 5.3 The table at Appendix A shows two additional agreed management actions that have been added since the last update report presented back in March 2025, both in relation to the child pensions process. One of these has been completed and was actioned at the point of the draft outcome report being issued, the second in relation to SMT reporting is ongoing and has a due date of December 2025.

Budget Management and Monitoring – Remaining Agreed Management Action

- 5.4 This action is not yet due however Appendix A gives an update to the current position of this action. It sets out that there is one remaining element to be completed against this agreed management action which had a target completion date of December 2025.
- 5.5 Following a review of the training and development required for budget holders the target implementation date has been revised to 31 July 2026. This will also allow for further development of the reports and dashboards to support budget holders to actively monitor budgets via the finance system.
- 5.6 The progress of implementing agreed management actions will continue to be reported to the Audit & Governance Committee at regular intervals.

6. **Implications**

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

Financial	No additional financial implications; the costs of the internal audit service and the fees for the external audit are met from existing budgets.
Human Resources	None
ICT	None
Legal	None
Procurement	None

Jo Stone

Head of Governance & Corporate Services

Background Papers	
Document	Place of Inspection
None	-

Outstanding Actions Due by October 2025

None

Actions Fully Completed Since Last Report

Audit Review Title: Pensions Review Process - Child Pensions Issued Date: September 2025			
Finding: The audit found inconsistencies in working practices resulting in a lack of clarity with regards to processes to be adopted and individual roles / responsibilities. Implication: This may result an increased risk of not meeting the applicable legislative / regulatory requirements and the potential for untimely or misplaced payments, causing possible financial and reputational damage to the Authority.			
Priority	Agreed Action	Progress Against Action	Officer Responsible and Timescale
Medium	Staff are to be reminded of the importance of actioning requests in a timely manner. Examples of areas requiring vigilance, will be provided to staff to demonstrate issues stemming from a lack of due diligence in certain areas. Regular reminders of these scenarios are also to be integrated within team meetings.	An email covering this action was sent to relevant staff and arrangements are in place for regular reviews. In addition to this the Service Manager - Benefits will be looking at reporting to ensure any child pension in payment that may go past the future review date is picked up immediately. AMA Completed	Service Manager - Benefits Completed August 2025

Summary of Agreed Actions Not Yet Due

	Audit Title	Summary of Agreed Action	Owner and Target Timescale
1	Budget Management and Monitoring	Ensure proactive ownership and involvement of budget holders in setting and monitoring budgets. Update - The roll-out of the eProcurement system has now taken place across the Authority, meaning budget holders now have access to the Finance system. The only final outstanding element of the AMA is: <i>Developing and delivering training for these budget holders – both on how to use the system and on budget management / monitoring.</i> We are currently engaging the Finance software provider to develop the reports and dashboards that will enable budget holders to actively monitor their budgets in the system from Q1 2026/27. Alongside this piece of work we are pulling together a training plan involving both external specialists and internal specialists to develop the budget holders' skills and confidence. The target implementation date has been revised to 31 July 2026 to allow for training and development.	Head of Finance & Performance Revised from 31 December 2025 to 31 July 2026
2	Pensions Review Process - Child Pensions SMT Reporting	Report to be presented to SMT detailing the outcome of the Child Pension exercise, including how any issues arising from the exercise will be addressed to provide assurance that the overall procedures and UPM system are functioning as intended.	Service Manager - Benefits 31 December 2025