SOUTH YORKSHIRE
PENSIONS AUTHORITY

Annual Report 2021 - 2022

CONTENTS

Section **One**

MANAGEMENT ARRANGEMENTS

1

Conisbrough Castle, Doncaster

1.1 MANAGEMENT ARRANGEMENTS

Members of the Authority 2021-22 Municipal Year

BARNSLEY Metropolitan Borough Council

Cllr M Stowe* (Chair) (SA)

Cllr Neil Wright (AC)

Doncaster Council

Cllr Steve Cox (AC)

Cllr John Mounsey (Chair) (SA)

Cllr David Nevett* (AC)

Rotherham Metropolitan Borough Council

Cllr David Fisher (AC)

Cllr Marnie Havard* (SA)

Sheffield City Council

Cllr Fran Belbin (from Sept 2021)

Cllr Simon Clement-Jones (AC)

Cllr F Johnson (to July 2021)

Cllr Alan Law* Vice Chair (AC, SA) (until July 2021)

Cllr Chris Rosling-Josephs (AC)

Cllr Andrew Sangar (SA)

Cllr Garry Weatherall* Vice Chair (AC, SA) (from Sept 2021)

NON-VOTING CO-OPTED MEMBERS NOMINATED BY THE TRADES UNIONS

Nicola Doolan (AC) Unison

Doug Patterson (AC) Unite

Garry Warwick (AC) GMB

MEMBERS OF THE SOUTH YORKSHIRE LOCAL PENSION BOARD (AS AT 31 MARCH 2022)

EMPLOYEE REPRESENTATIVES

Garry Warwick *(GMB) - Trades Union* **(Chair)**

Danny Gawthorpe (Unite) *Trades Union*

Nicola Doolan (Unison) *Trades Union*

Andrew Gregory LGPS Member

David Webster LGPS Member

EMPLOYER REPRESENTATIVES

Rob Fennessey (Chair) *'Other Large Employer'* South Yorkshire Police

Nicola Gregory *Academy*

Councillor Mike Chaplin *Local Authority Member (Sheffield)*

Vacancy *1 Local Authority Councillor*

Vacancy *1 Other Employer*

AC = *Member of the Audit Committee,*

SA = *Member of the Staffing, Appointments and Appeals Committee,*

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

Labour representative

Conservative representative

Liberal Democrat representative

1.2

MANAGEMENT ARRANGEMENTS

Officers of the Authority

DIRECTOR AND HEAD OF PAID SERVICE	George Graham
HEAD OF FINANCE AND CORPORATE SERVICES	Gillian Taberner
HEAD OF INVESTMENT STRATEGY	Sharon Smith
HEAD OF PENSION ADMINISTRATION	Jason Bailey
CLERK	Sarah Norman (Chief Executive Barnsley MBC)
MONITORING OFFICER AND SOLICITOR	Garry Kirk (Service Director Barnsley MBC) *(to March 2022)* Jason Field (Head of Legal Services Barnsley MBC) *(from March 2022)*
TREASURER	Neil Copley (Service Director Barnsley MBC)

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MANAGEMENT ARRANGEMENTS

Service Providers

INDEPENDENT INVESTMENT ADVISERS	Aoifinn Devitt . Leslie Robb
INDEPENDENT ADVISER TO THE LOCAL PENSION BOARD	Clare Scott
CUSTODIAN OF THE FUND	HSBC
BANKERS	Lloyds Bank . HSBC
EXTERNAL AUDITOR	Deloitte LLP
INTERNAL AUDITOR	Barnsley MBC
ACTUARY	Mercer (to November 2021) Hymans Robertson (from November 2021)
AVC PROVIDERS	Utmost Life . Prudential . Scottish Widows
INVESTMENT MANAGERS	**The managers of major mandates are:** Aberdeen Standard Investments (Commercial Property) Border to Coast Pensions Partnership Ltd (Listed Equities, new Alternative Commitments, Investment Grade Credit and 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 HERE.
LEGAL ADVISERS	Addleshaw Goddard (property matters) . Pinsent Mason (property matters) Eversheds Sutherland (pensions related and investment matters) Mills and Reeve (agricultural matters)
INDEPENDENT PROPERTY VALUERS	Jones Lang LaSalle (Commercial Property) Fisher German (Agricultural Property)
PERFORMANCE MEASUREMENT	Portfolio Evaluation Ltd
COMMERCIAL PROPERTY MANAGEMENT	Jones Lang LaSalle

1.4 INTRODUCTION

Councillor John Mounsey Chair of the Authority

The last year seems bookended by major events in the wider world which have impacted on the Pensions Authority and its work in various ways. At the beginning of the year, we were still in the teeth of the pandemic with staff working at home and the vaccine programme starting to help things move, albeit in fits and starts back to a more normal basis. The latter part of the year saw the horror of war returning to the European continent after nearly 80 years. All of these events impact on the Authority and its operations in one way or another, whether it be on the effectiveness of our operations because our staff cannot be together or the impact on our investments of the market volatility caused by the economic uncertainty that the conflict has brought.

As you can see in the following pages despite all this our team has delivered a significant amount over the course of the year across the whole range of our activity including:

- The opening of our new home at Oakwell House providing a modern working environment for our staff and designed to support the move to a hybrid working arrangement.
- Processing 61,000 individual transactions with scheme members within the administration service.
- Introducing the facility for deferred members to apply for their pension online, which represents a major step forward in the self-service facilities we are able to provide for scheme members.
- Delivering a very significant upgrade to our website improving both the look and feel but also making more information directly available more easily.
- Running a procurement process for actuarial services which resulted in the appointment of Hymans Robertson as the Fund's new actuary, the first change of actuary since at least the creation of the Authority in 1988, which was followed by a successful transition process.
- Achieving an investment return of 9.6% which was ahead of the performance benchmark by 1.7%.
- Producing our first impact report which sets out the impact of our investments on people and planet for our stakeholders as well as receiving the Impact Investment adopters award from Pensions for Purpose.
- Transferring the remainder of our listed assets into pooled vehicles provided by Border to Coast meaning that just over 70% of the Fund is now managed by the Pool, with the majority of the non-pooled element being legacy alternatives that will transfer when the relevant funds mature.

It seems that no year in the Local Government Pension Scheme is ever quiet as this list shows, but the coming year with the beginning of the process to implement the McCloud remedy and the promised consultation on a range of investment matters which are very important to how we do investment as well as the usual day to day issues and the three-yearly valuation of the Fund promises to be even busier than usual.

We would never be able to deliver as much as we do without the hard work and commitment of all our staff for which the members of the Authority continue to be extremely grateful. We also continue to be extremely grateful for the continued support, engagement and active involvement of so many of our scheme members and employers, who help spur us on to continually improve our service.

Councillor John Mounsey

Chair 2021/22 Municipal Year

Section **Two**

OUR YEAR IN REVIEW

2

Wentworth Woodhouse, Rotherham

2.1 OUR YEAR IN REVIEW

month 01

APRIL 2021

We successfully retained our annual Cyber Essentials Plus certification.

month 02

MAY 2021

Modernisation of back-office software continues with completion of transition to a new Investment Accounting system and commencement of project to implement a new Main Accounting system.

month 03

JUNE 2021

We returned to holding meetings of the Authority in person again.

month 04

JULY 2021

Bespoke, 12-month leadership development programme begins for all our team managers and team leaders.

month 05

AUGUST 2021

External Auditors sign off 2020/21 Accounts with a clean bill of health, making SYPA part of the 9% of local authorities that met the statutory deadline for sign off .

month 06

SEPTEMBER 2021

£10.7m local development loan approved to regenerate the Eyewitness and Ceylon works sites in Sheffield as a key housing site in the new Mesters' Village

month 07

BORDER TO COAST PENSIONS PARTNERSHIP

OCTOBER 2021

£574m in assets transferred to the new Border to Coast Multi-Asset Credit Fund

Award of actuarial services contract to a new provider, Hymans Robertson, following a competitive procurement exercise.

month 08

NOVEMBER 2021

Local development loan of £11.75m approved to fund the redevelopment of the former B&Q site at Darnall Sheffield.

SYPA receives the Impact Investing Adopters Award from Pensions for Purpose

IMPACT INVESTING ADOPTER AWARD 2021

month 09

DECEMBER 2021

New finance system "Advanced Financials by Advanced" implemented

month 10

JANUARY 2022

Local development loans of £12.6m approved to support industrial developments at Gateway 36 in Barnsley and the Advanced Manufacturing Park in Rotherham

month 11

Oakwell House our "forever home".

FEBRUARY 2022

£191m of assets transfer to the new Border to Coast Listed Alternatives Fund.

Oakwell House opened as the Authority's "forever" home

We launched ability to Retire Online for deferred members.

month 12

MARCH 2022

Customer Service Excellence assessment confirms that SYPA can proudly continue to display the CSE Logo for another 12 months.

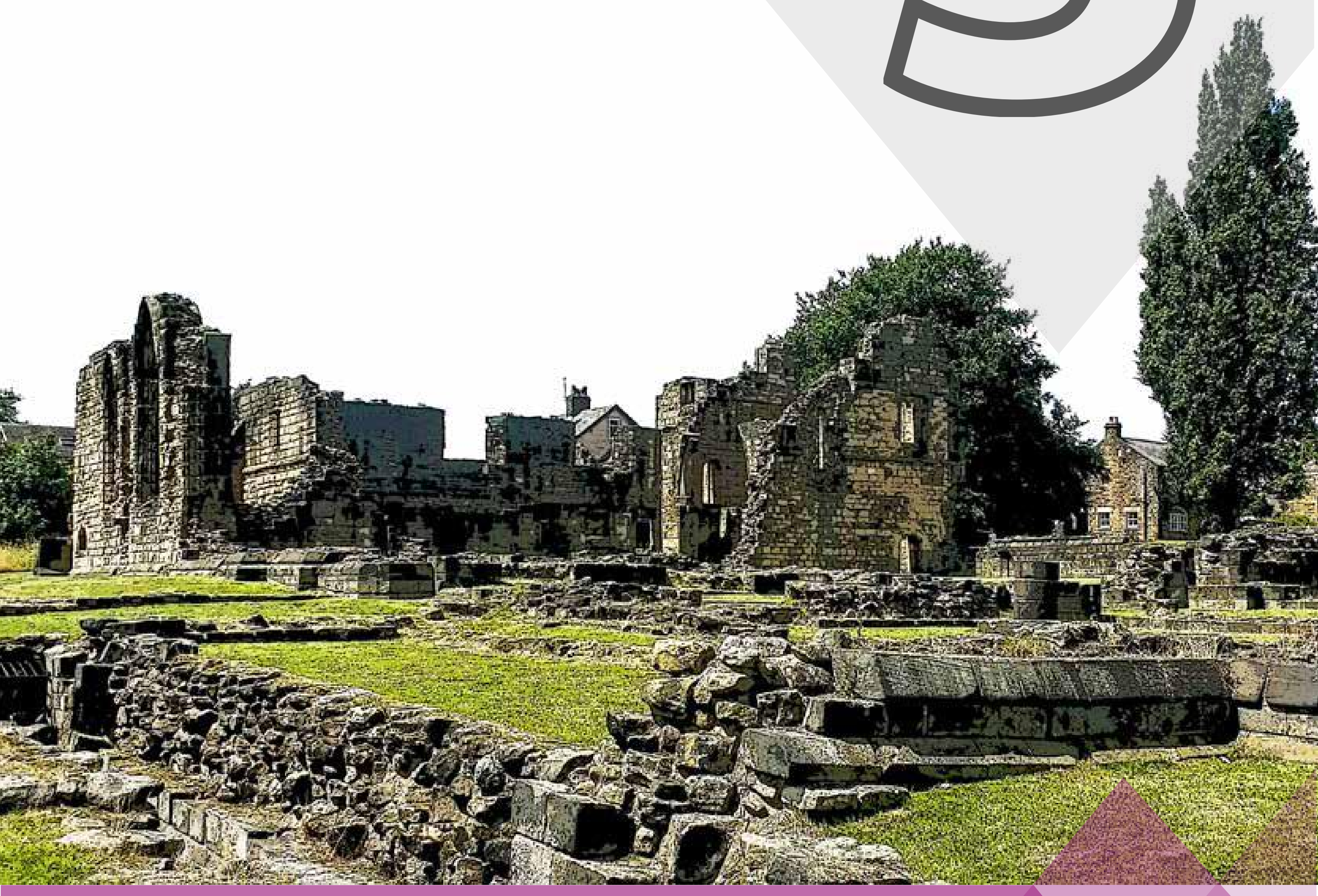
SYPA's first assessment of the impact of our investments on people and planet published

CUSTOMER SERVICE EXCELLENCE CSE

Section **Three**

OUR ORGANISATION

3



Monk Bretton Priory, Barsnley

3.1

MISSION STATEMENT

The South Yorkshire Pensions Authority is a unique organisation created in 1988 to manage the South Yorkshire Pension Fund on behalf of the four district councils in the former metropolitan County area.

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."

3.2

STRATEGIC OBJECTIVES

To achieve our mission we are working to deliver against a number of corporate 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 SYPA and are actively engaged in improving our services.

3.3 OUR ORGANISATION

The Authority itself consists of 12 councillors appointed by the District Councils roughly in proportion to population. In addition 3 representatives of the recognised Trades Unions have been co-opted as non-voting members to represent the interests of scheme members. The work of the Authority during 2021-22 was conducted through meetings of the Authority itself and its Audit Committee together with the Staffing, Appointments and Appeals Committee. The following tables show attendance by members at meetings of the Authority and the Staffing appointments and Appeals Committee during the year. Details of attendance at the Audit Committee are included with the Audit Committee's Annual Report at page 89.

Members' attendance at **Authority meetings 2021/22**

	10 June 2021	9 Sept 2021	9 Dec 2021	10 Feb 2022	17 Mar 2021	% Attendance
Cllr F Belbin			✓	✓	✓	100
Cllr S Clement-Jones	✓	✓	✓	x	✓	80
Cllr S Cox	✓	✓	x	x	✓	60
Cllr D Fisher		✓	✓	x	✓	75
Cllr M Havard	✓	✓	✓	✓	✓	100
Cllr F Johnson	x					0
Cllr A Law	x					0
Cllr J Mounsey	✓	✓	✓	✓	✓	100
Cllr D Nevett	✓	✓	✓	✓	✓	100
Cllr C Rosling-Josephs	✓	✓	✓	✓	✓	100
Cllr A Sangar	✓	✓	✓	✓	✓	100
Cllr M Stowe	✓	✓	✓	✓	x	80
Cllr G Weatherall	✓	✓	✓	✓	✓	100
Cllr N Wright	✓	✓	✓	x	✓	80
Non-Voting Co-Opted Members						
N Doolan-Hamer	✓	✓	✓	✓	✓	100
D Patterson	x	x	✓	✓	x	40
G Warwick	✓	✓	x	x	✓	60

3.4

OUR ORGANISATION

Committee Meetings 2021/22

Attendance at

Staffing Appointments and Appeals Committee

No meetings held

Members’ Learning and Development

All members (whether voting or non-voting) have an obligation in line with the Pensions Regulator’s Code of Practice to ensure that they undertake appropriate learning and development activity, and the table below illustrates the formal activity undertaken by members during the year.

Training Session + Date	F Belbin	S Clement Jones	S Cox	D Fisher	M Havard	A Law	F Johnson	J Mounsey	D Nevett	C Rosling Josephs	A Sangar	M Stowe	N Wright	G Weatherall
PLSA Local Government Conference 18/19 May 21						✓					✓			
Induction Refresher Refresher June 2021		✓		✓			✓	✓	✓			✓		
Border to Coast RI Training 29 June 21		N/A	N/A	N/A			✓	✓		✓	✓			
SYPA Investment 101 Seminar 01 July 21		✓	✓		✓		✓	✓	✓					
B2C RI Workshop 20 July 21							✓				✓			
Border to Coast Investment Seminar 06 Sept 21					✓	✓	✓	✓	✓					
SYPA Seminar 16 Sept 21												✓	✓	
Border to Coast Annual Conference 30 Sept 21 - 01 Oct 21				✓			✓	✓						
Fundamentals Day 1 21 Oct 21											✓	✓	✓	
Internal Audit Functions 21 Oct 21		✓		✓		✓		✓						
SYPA Seminar – Understanding Impact 28 Oct 21	✓	✓	✓	✓				✓						
Fundamentals - Day 2 18 Nov 21						✓	✓	✓		✓	✓			
Fundamentals - Day 3 08 Dec 21				✓		✓	✓	✓		✓	✓			
Border to Coast - Briefing 17 Jan 22							✓	✓	✓		✓	✓		
Annual Governance Conference 20/21 Jan 22							✓	✓	✓		✓	✓		
Geopolitical Risk and the 2022 Valuation 17 Mar 22	✓						✓	✓	✓		✓	✓		

3.5

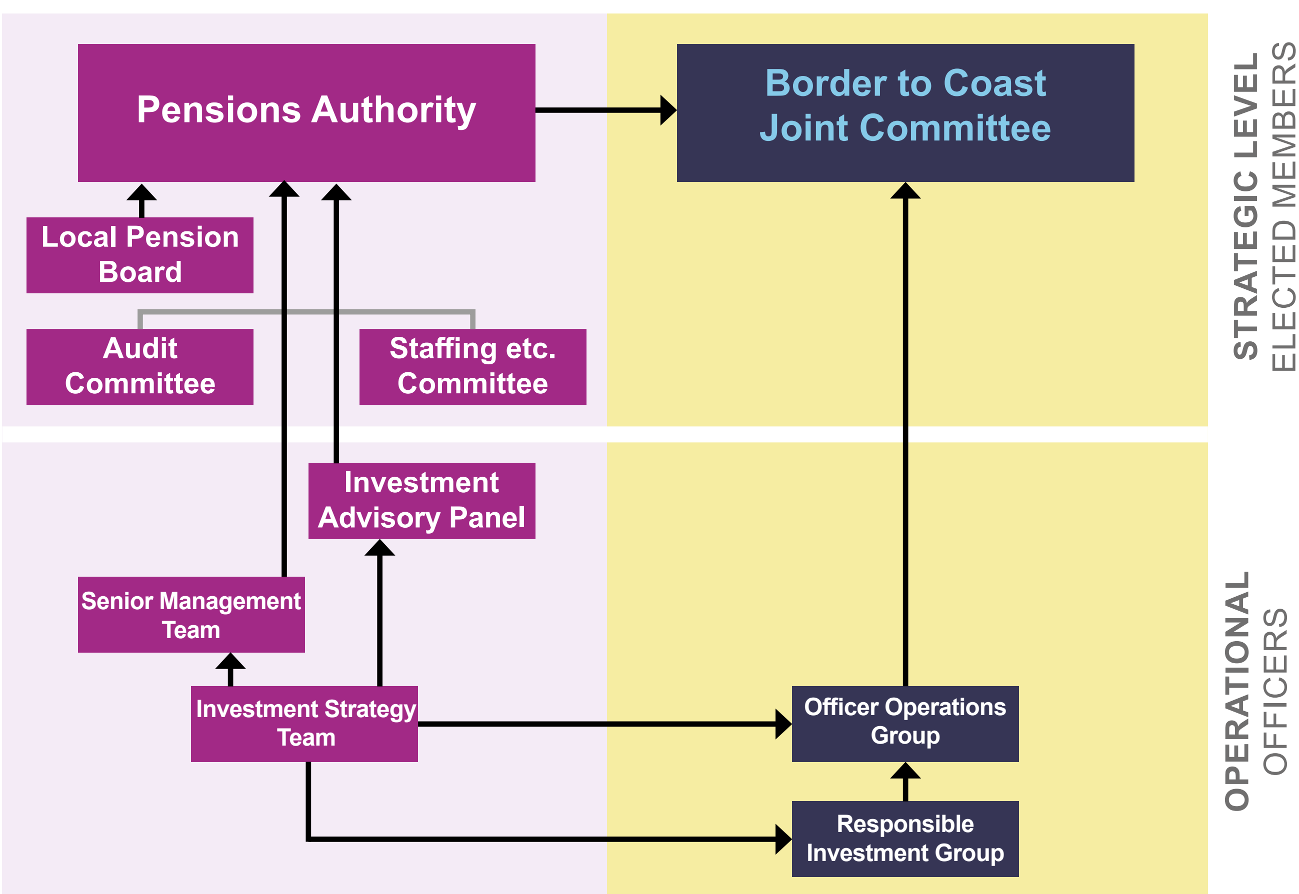
OUR ORGANISATION

SYPA as an organisation

The work of the Authority is overseen and scrutinised by the Local Pension Board as required by the Public Sector Pensions Act 2013. The Board has continued to develop its approach to gaining assurance and providing challenge to the Authority and has conducted a self-assessment of its effectiveness in its role which is reflected in its Annual Report which appears at page 65 of this Annual Report. The diagram below shows how the different elements of our governance arrangements fit together and how they relate to the various elements of the Border to Coast Pensions Partnership in relation to investment matters.

SOUTH YORKSHIRE PENSIONS AUTHORITY

BORDER TO COAST PENSIONS PARTNERSHIP



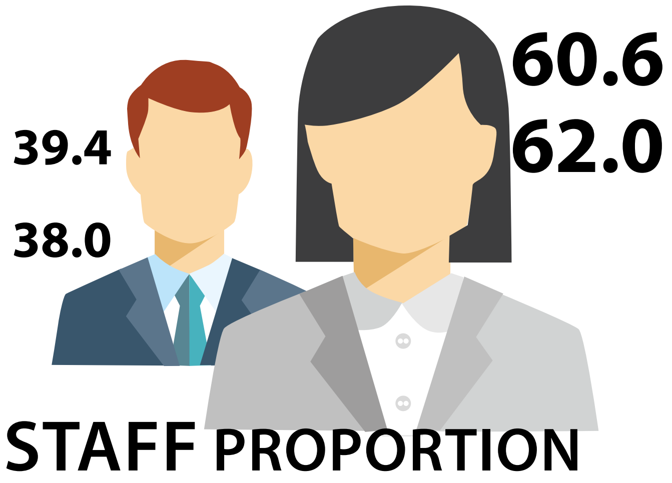
3.5
OUR ORGANISATION
SYPA as an organisation

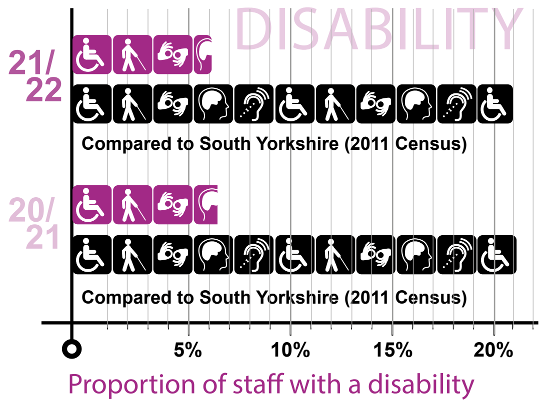
Unlike other administering authorities in the Local Government Pension scheme SYPA is a free -standing organisation with the responsibilities which that brings. We have continued to update our policy framework and further updated the Constitution and the various codes of conduct during the year as well as fundamentally reviewing the information which we publish on our website and significantly upgrading the website to meet current accessibility standards. All our policy documents are available on the Authority's website.

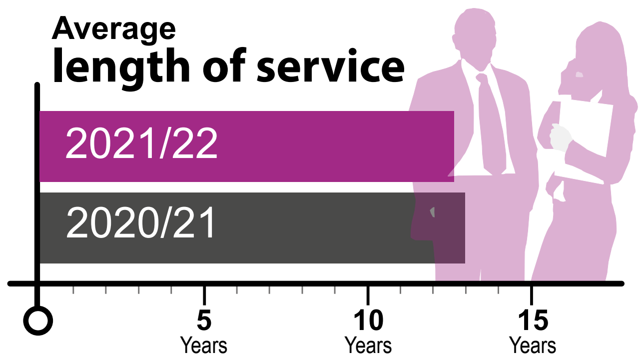
We have continued to place emphasis on being a healthy organisation capitalising on the significant improvement we have been able to achieve in the working environment in recent years. We ran a range of webinars on key health and wellbeing topics for staff during the year including menopause and sleep, many of which were focussed on addressing some of the differing stresses that arise when working at home.

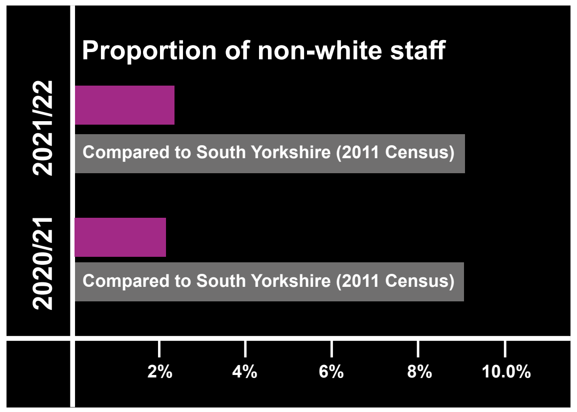
The table below presents the position for a number of measures of our health as an organisation.

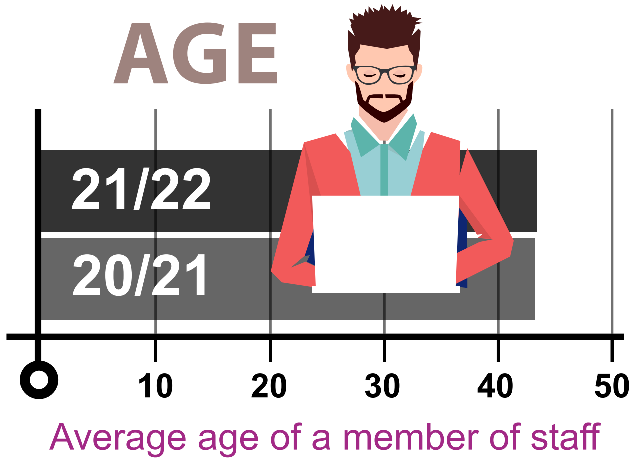
3.6 SYPA AS AN ORGANISATION

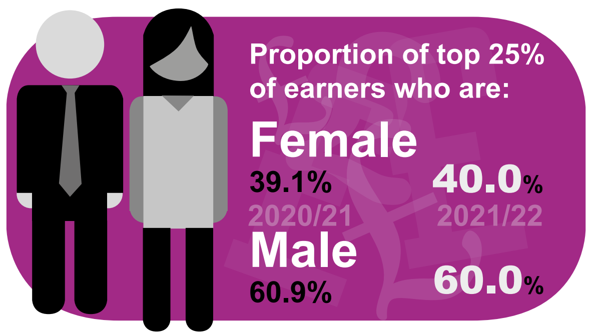


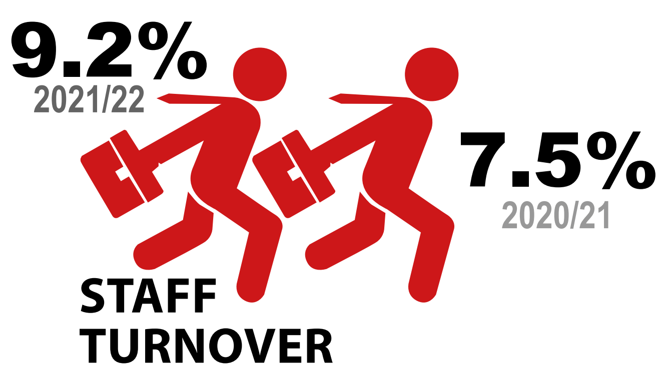












As staff have returned to the office there has been some increase in the level of sickness absence, however, a significant proportion of this increase is due to long term absence cases caused by issues such as cancer. Even so the impact of Covid on short term absence has reduced the number of staff with no sickness during the year.

Staff turnover has increased reflecting wider labour market pressures where we are seeing salary competition impacting on our ability to retain staff in some areas. This risk has been identified in the corporate risk register and a review of the pay and benefits offer is to be undertaken in the coming year. The level of turnover has had some impact on the average length of service with the Authority.

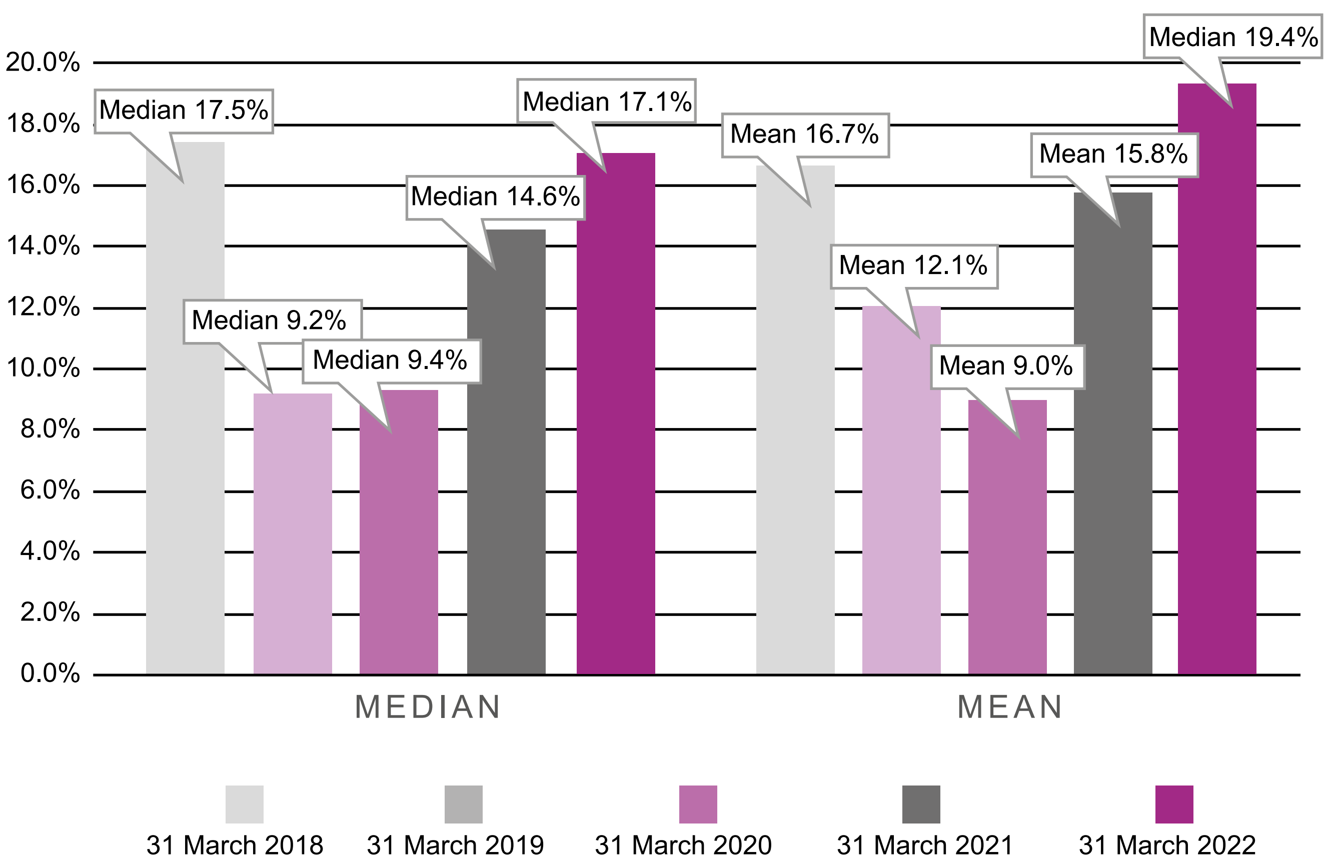
3.6

OUR ORGANISATION

SYPA as an organisation

Previously the gender pay gap had been reducing. However, the relatively small size of our workforce means that relatively small changes in the composition of the workforce can have a large impact on the pay gap. In the last 12 months, three vacant management level roles have been filled by men which has had a significant impact on the pay gap. However at the same time the proportion of women in the top 25% of earners has increased. We will continue to seek ways to address this position going forward.

South Yorkshire Pensions Authority Gender Pay Gap



3.6

OUR ORGANISATION

SYPA as an organisation

We have continued the process of comprehensively reviewing and updating all of our human resources policies in consultation with the recognised trade union, and while there has been some slippage from the original target date of October 2021 all of the key policies in regular use had been updated by the end of 2021/22 and a number of policies have also received their first regular follow up review.

During the year we have developed a range of new online learning materials for staff to support progress through the Pensions Officer career grade. We have also made LinkedIn Learning available to all staff in order to provide access to a wide range of online learning materials in areas such as ICT skills and customer service, We will be transferring our in-house resources on to this platform in order to provide a better structured approach for users and improve the management information available in terms of the volume of learning undertaken.

We also ran a development programme for managers and team leaders during the year supported by some coaching and action learning. The action learning will continue beyond the end of this programme, and further work building on this is planned for both the Senior Management Team and aspiring managers in the coming year.

Our ICT Team continued to deliver a significant range of activity during the year, including the transfer of all users to Microsoft 365 and the introduction of the Authority's own telephony system, which will in due course be integrated with Microsoft Teams. The team also delivered a significant upgrade to our website as well as delivering a range of improvements to network resilience and security including retaining the Cyber Essentials Plus security accreditation.

The biggest project the organisation has undertaken for some years was the project to develop and fit out a "home of our own" at Oakwell House which came to fruition at the beginning of 2022. This is the first time the Authority has had its own front door and having a space which is designed around the way we want to work is a significant step forward for us. Councillor Mounsey the Chair of the Authority officially opened our new base in February 2022. This was a once in a generation project involving staff from across our different teams as well as involving the procurement and management of a significant building contract and the selection and procurement of furniture and of a facilities management contractor.

3.6

OUR ORGANISATION

SYPA as an organisation

Top: Exterior of Oakwell House

Bottom: Councillor John Mounsey, Chair of the Pensions Authority officially opening Oakwell House assisted by Megan Chadd (left) and Sharon Smith (right) who represent our newest and longest serving members of staff.

3.6
OUR ORGANISATION
SYPA as an organisation

Having our new building available and set up to support our move to a hybrid form of working (partly in the office and partly at home) for staff who wish to work in this way just before the various lockdown restrictions was lifted was ideal timing and while we continue to deal with odd snags (things that couldn't be completed as part of the main works due to supply chain issues) staff are now settled and beginning to explore the full potential of our new surroundings.

We have continued to "take the temperature" of the organisation through surveys and other forms of staff engagement. During the year these highlighted a range of issues related to communication and engagement. We have developed an initial range of activity to begin to address these issues and will be focussing more on this in the coming year.

As an organisation we do not exist in isolation from the place in which we exist, and our staff are keen to engage with the wider community. While it has been more difficult to come together to support charity events our staff did all pull together over the Christmas period to raise money for Barnsley Foodbank through Christmas Jumper day, donations in lieu of sending cards and other events. This raised a total of £263 for the very important work the Foodbank does.

Mark Richardson and Emily Taylor shopping for Barnsley Foodbank using the £263 raised by SYPA staff at Christmas 2021

3.6

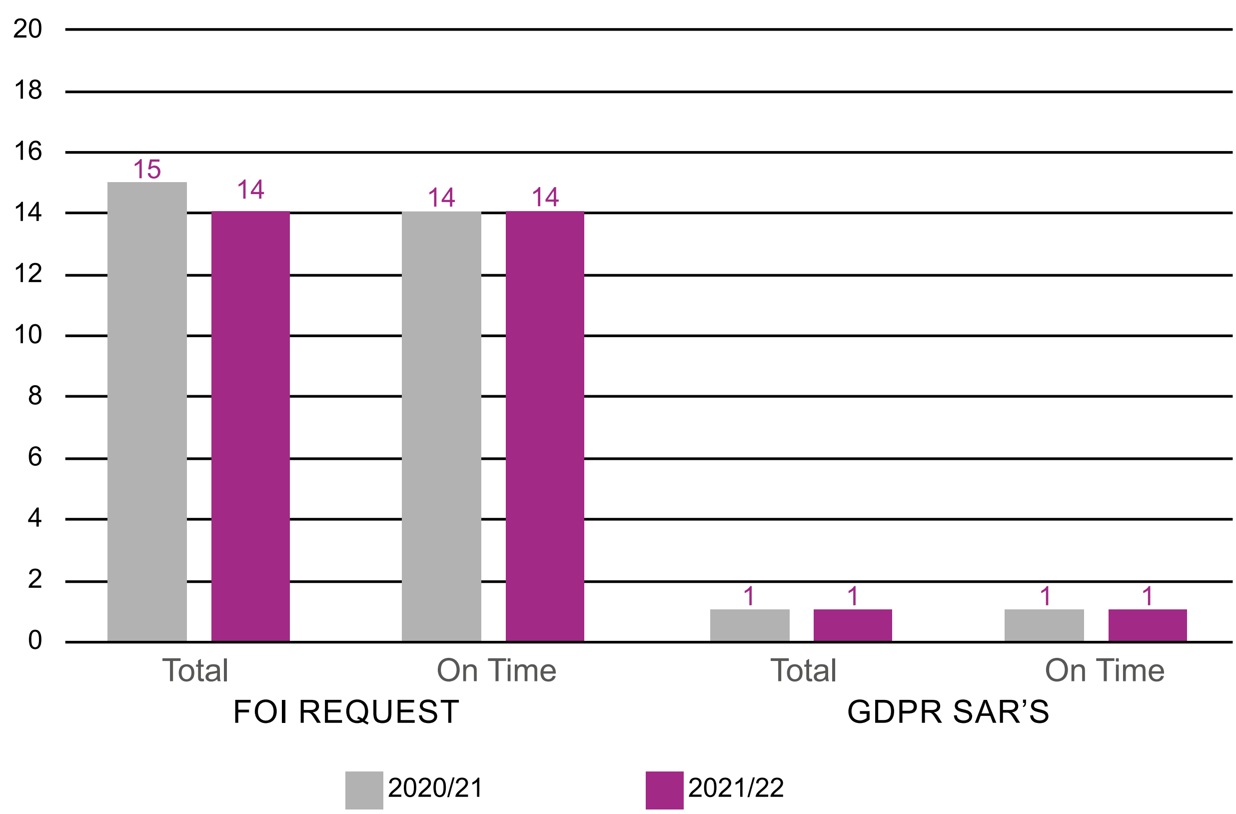
OUR ORGANISATION

SYPA as an organisation

As an organisation we are committed to openness and transparency and we have taken steps in the last 12 months to publish more information on our website so that it is available to the public, and we have significantly upgraded our website so that information is easier to find, including being able to use the structure of our Freedom of Information Publication Scheme as a way of finding information.

At the same time we still receive and need to respond to requests for information under the Freedom of Information Act and to Subject Access Requests (SAR's) made under the GDPR rules. As the graph below shows we have largely responded to these requests in line with the timescales set out in the legislation.

FOI and GDPR Request Responsiveness



As a public authority we are required to keep our governance arrangements and our arrangements for managing risk under review. The following pages set out the statements on this that we are required to produce.

3.7

OUR ORGANISATION

Annual Governance Statement

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. Apart from employing its own officers and advisors, the Authority also receives support services from officers of Barnsley Metropolitan Borough Council (BMBC) under the terms of a service level agreement.

The Authority's Local Code of Governance 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. A copy of the Authority's code is on our website here.

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.

This statement explains how the Authority has complied with the 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 2022 and up to the date of approval of the Statement of Accounts.

3.7
OUR ORGANISATION
Annual Governance Statement

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 which is available here.

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

Behaving with integrity

The Authority has in place codes of conduct covering the behaviour of both members and officers, which form part of its 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.

In line with the requirements of 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 also apply to members of the Local Pension Board, although these are not governed by local government law, but by the Local Government Pension Scheme regulations and the Public Service Pensions Act 2013.

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

The Authority maintains a comprehensive policy framework in relation to issues such as fraud and corruption and has a Whistleblowing Policy in place should any individual wish to make a confidential disclosure, as well as complaints policies in relation to quality of service, and statutory appeals processes in relation to decisions made under the Pensions Regulations.

Demonstrating strong commitment to ethical values

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. This is reflected in the way in which 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.

Respecting the rule of the law

The Authority ensures that it is aware, through the employment of specialist officers and advisers, of the statutory requirements which are placed upon it and takes steps to ensure that it complies with them in an open and transparent way. This includes the maintenance of an up-to-date Constitution which is regularly reviewed and includes definitions of both the Corporate Planning Framework and Pensions Policy Framework, together with terms of reference for committees and an appropriate scheme of delegation to officers.

The Authority maintains up to date job descriptions / 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, and a committee secretariat, provided by Barnsley MBC under a service level agreement, has supported the Authority's democratic processes during the year ensuring compliance with the relevant regulations. This function will be internalised within the Authority during the coming year.

The Authority has a formal policy on the reporting of breaches of the relevant pension regulations and any breaches which occur are reviewed by the Local Pension Board at each of its meetings. The Authority also has clear and effective policies in relation to fraud and corruption and participates in the National Fraud Initiative.

Principle B: **Ensuring openness and comprehensive stakeholder engagement**

Openness

The Authority seeks to be as open as possible with stakeholders, conscious that it is the steward of the savings of around 170,000 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, which has been significantly upgraded and redesigned during the year making information easier to find. The Freedom of Information Act Publication Scheme which specifies the information published by the Authority and how to access was updated last year and is now 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, the agendas and papers for the Authority, the various Committees and the Local Pension Board are published on line a week before each meeting and all meetings are open to the public, and an increasing number of meetings are also webcast. Key decisions made by officers are formally recorded and details published on the website.

3.7
OUR ORGANISATION
Annual Governance Statement

The pandemic has continued to result in some disruption to meeting arrangements during the year, and while in person meetings have resumed they have until the latter part of the year required social distancing measures to be in place which has impacted the nature of the debate. The Local Pension Board which is not subject to the same rules as the Authority has amended its constitution during the year to provide for virtual and hybrid meetings, where appropriate, although the expectation is that in person meetings will be the norm.

In order 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 have to be “cleared” by the statutory officers prior to submission to elected members for decision.

In order to ensure decision makers can consider the views of stakeholders in a systematic way when necessary, the Authority has adopted a Communications and Consultation Strategy which provides a standard framework for engaging with stakeholders.

Engaging comprehensively with employers and other institutional stakeholders

All engagement with employers takes place within the context of the Communications and Consultation Strategy which requires the results of any consultation process to be reported back alongside the actions proposed following the consultation.

Resources have been specifically allocated to support engagement with employers in order to support the maintenance of a productive and supportive relationship between them and the Authority.

In addition, the Authority has in place clear protocols regarding its participation in significant partnerships, the only one currently being 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. The Authority’s participation in the Partnership is also subject to a comprehensive annual review which considers the achievement of both the Authority’s and the Partnership’s objectives.

Emphasis has continued to be placed on increasing the volume and improving the quality of interaction with employers and an employer forum session and survey have been undertaken during the year as well as the institution of a new employer newsletter. Responding to the Local Pension Board there has been an emphasis on monitoring the performance of employers in resolving data queries.

Engaging scheme members effectively

The processes for engaging with and understanding the views of scheme members are set out in the Communications and Consultation Strategy which applies to scheme members in the same way as employers. In addition, the Authority’s complaints and appeals processes are available to scheme members in relation either to quality of service, or specific decisions made under the LGPS regulations. Information from the complaints and appeals processes forms part of the Authority’s performance management framework and influences the development of policy, practice, and processes, including specific projects reflected in the Corporate Strategy. As part of its assurance and scrutiny role, the Local Pension Board receives a quarterly report outlining the nature of all appeals and complaints and the subsequent actions and learning as well as quarterly information on the results of various rolling customer satisfaction surveys which examine specific aspects of the service to scheme members, which also include information on learning and actions from this feedback.

As a result of the pandemic interaction with scheme members was moved entirely online and this has proved successful and popular with members, although the facility for face-to-face meetings will be restored in the coming year. Satisfaction survey data indicate that there has been no material change in levels of scheme member satisfaction with the quality of service as a result of the move to entirely remote interaction.

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

Defining outcomes

The Authority sets out a clear vision supported by specific objectives which assist in the achievement of 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.

Sustainable economic, social and environmental benefits

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. Development in this area has continued over the last year with the completion of an assessment of the impact of the Authority's investments on people and planet together with further updating of policies in the light of wider developments.

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 where possible, although it is impossible for market sensitive information to be placed in the public domain.

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

Beyond the investment sphere, the Authority maintains an Equality and Diversity Scheme to guide its approach to the delivery of fair access to its services for any individual with a protected characteristic.

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

Determining interventions

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 provide the means by which the Authority agrees the relative priority and resource requirements of specific interventions.

Planning interventions

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, and a risk management framework that ensures that both risks to service delivery and risks impacting the assets and liabilities of the Pension Fund can be addressed holistically.

A robust 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.

Optimising achievement of intended outcomes

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 in order 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 taken into account.

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

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

Developing the entity's capacity

The Authority is very aware of both its cost base and performance, and undertakes benchmarking of both of these across both the main streams of operational activity (pension administration and investment). The Authority has also opened itself up to external challenge, through undertaking an independent review of governance, in response to the Good Governance Review undertaken by the Scheme Advisory Board and through the appointment of an independent adviser to the Local Pension Board in order to assist the Board in providing more robust challenge to officers. Steps have also been taken to equip members of the Audit Committee to enable them to provide more effective challenge.

The Authority's Human Resources Strategy also explicitly addresses the way in which the Authority plans and develops its workforce requirements.

Developing the capability of the entity's leadership and other individuals

The Authority has strong constitutional arrangements in place, including an effective scheme of delegation, financial regulations and contract standing orders, which define which individuals can take which decisions. These arrangements are subject to regular review.

Clear role profiles are in place for all posts within the organisation, which are linked to a consistent organisational design framework. The Director's role profile is agreed with elected members and this and the Constitution clearly set out the dividing lines between member and officer responsibilities. Means of maintaining regular dialogue between the Director and the Chair are agreed with each Chair on their taking office.

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 and provides access to both in house and external events as well as on-line learning and specific reading materials. A targeted induction programme is provided for new members. Members of both the Authority and the Local Pension Board are asked to self-assess their learning needs as part of developing the annual training programme.

For staff access is provided to on-going learning and development as necessary to support the goals set out in individual appraisals. In addition to competency based progression through the pension administration career grade this can include professional qualification training, external training courses and internally provided technical updates and system specific training. The career grade scheme for pension administration has been comprehensively revised during the year to make it more clearly competency based and better focussed on meeting the Authority's needs. Similar progression schemes have been developed for Customer Services and Pension Systems teams and for the two levels of the Senior Practitioner role.

All learning and development activity is supported through access to online resources through a range of systems such as on line reading rooms, SharePoint, Modern.Gov and LinkedIn Learning.

The Authority has an appraisal system in place that is used to manage individual performance, and to support the succession planning process which is in place in key risk areas, and following the Director's appraisal for 2021 members of the Authority have asked him to bring forward proposals for strengthening organisational resilience during 2022.

Arrangements for Health, Safety and Wellbeing continue to be given prominence with the addition during the year of a contractual arrangement for Health and Safety advice, and the provision of a range of additional health and support including workplace health checks, a range of webinars and other activities aimed at developing knowledge and understanding of key issues such as stress.

Over the course of the year the Authority has agreed a range of changes to its organisation, including the internalisation of arrangements for the provision of the roles of Treasurer and Monitoring Officer which will be completed during the coming year. In addition the Director has been instructed to produce a medium-term plan to address issues of resilience and sustainability within the organisational structure, for presentation to elected members during the coming year, reflecting a longer term approach to resource planning.

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

Managing risk

A risk management policy framework is in place and was reviewed during the year by the Audit Committee, which sets out clearly the responsibilities for managing the risks facing the organisation, and how they should be assessed and reported. The risk register is reviewed on a monthly basis 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. In addition, during the year an appointment was made to the new role of Governance and Risk Officer increasing the level of resource and amount of focus that can be devoted to this area.

Managing performance

The Authority has robust and transparent arrangements for the reporting and monitoring of its performance in place, including clearly defined timetables for the reporting of information which have been added to during the year by the introduction of improved financial monitoring. Wherever possible data is placed in the public domain and statutory reporting timescales are adhered to.

Where appropriate these arrangements are supported by the use of benchmarking information and other external sources of comparison data.

Members and the Local Pension Board are encouraged to seek improvements in the data provided, and officers have encouraged challenge within the monitoring process from both the Local Pension Board and members of the Authority, including through the appointment of an independent adviser to support the Local Pension Board in order to ensure that it is not being guided by officers.

The Authority welcomes external challenge and has opened itself up to such challenge through commissioning an external review of its governance arrangements. The implementation of the recommendations from this review was completed during the year. A further review will be undertaken during 2023/24 in line with the proposals set out in the Good Governance Project sponsored by the Scheme Advisory Board.

Assurance processes are in place over the production of performance management information which ensure that the reports provided to different bodies are consistent.

The processes for generating and presenting information continue to be subject to constant review and improvement to make it both easier to report and to understand the information generated. The processes to replace the investment accounting and financial management systems were completed during the year and the replacement of the HR and Payroll system is scheduled for the coming year. A need has been identified for an integrated risk management and performance system which will be developed into a business case during the coming year.

Robust Internal Control

The Authority has an Audit 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 which is provided by Barnsley MBC's Internal Audit Service and in particular ensuring that the Internal Audit plan addresses key control risks facing the Authority. The Head of Internal Audit is required under the relevant professional standards to produce an annual opinion on the adequacy of the control environment. For 2021/22 the opinion is that "based on the systems reviewed and reported on by Internal Audit during the year to date, together with management's response to issues raised, I am able to give a reasonable (positive) assurance opinion regarding the effectiveness of the control, risk and governance environment."

Whilst Internal Audit remain positive overall regarding the degree of engagement and support from senior management, it is important for the delivery of audit coverage and to support the Head of Internal Audit's annual opinion that responses to requests for information and for the discussion of draft reports is timely. The Authority's Senior Management Team recognises this as an emerging issue and have identified resources to ensure a more structured and timely approach to responding to Internal Audit.

The Audit Committee has instituted a process of reviewing the progress made in implementing audit recommendations to ensure that the control environment continues to be strengthened as a result of the audit process.

The Audit Committee has reviewed the policy framework for Risk Management during the year and approved updated policies in line with relevant professional standards and which are suited to the scale and nature of the organisation's activities.

While some improvements have been made in the level of challenge provided by the Audit Committee through the provision of additional briefing sessions for members, this remains a work in progress and further developments will be undertaken over the coming year.

Managing Data

High quality data is central to the effectiveness of the organisation in its core function as a pension administrator. The Authority has a strong policy framework in place to ensure both the security and integrity of the large quantities of data which it holds. This includes the Authority's Director acting as the Senior Information Risk Owner (SIRO) and the Head of Internal Audit as the Data Protection Officer. Arrangements for the SIRO role will change in the coming year following the appointment to the new role of Corporate Manager – Governance.

The Authority has received the Cyber Essentials Plus accreditation from government in relation to its arrangements for information security.

The work of the Data Protection Officer is supported by an annual programme of review activity to ensure that the policy framework is being complied with.

An annual assessment of the quality of data held for pension administration purposes is undertaken and a data improvement plan is produced to ensure that any issues identified are addressed. Progress with delivering the data improvement plan is overseen by the Local Pension Board. During the coming year the role of Senior Information Risk Owner will be passed to the new role of Corporate Manager – Governance who will provide additional resource to support the ongoing development of the information governance framework.

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, which has been enhanced in the last year with improvements in both budget preparation and financial monitoring. 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.

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

Implementing good practice in transparency

The Authority seeks to be open and transparent in all its activities maintaining the minimum amount of information possible as confidential. Therefore, the Authority publishes a very significant amount of information about its services and activities 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 on the internet and the public parts of meetings of the Authority (and more recently of committees and the Local Pension Board) are webcast. The Authority's annual report also contains a significant amount of information on its activities in a more user-friendly format. The Freedom of Information Publication Scheme has been updated during the last year and this provides clear signposting to the information which is publicly available and where it can be found.

The Authority took steps, as indicated elsewhere in this statement, to ensure that the pandemic did not negatively impact on the transparency of its operations.

Implementing good practice in reporting

The Authority regards "telling its story" as an organisation, in terms of both its activity and the way in which it demonstrates both value for money and effective stewardship of scheme members' savings, as a key activity. 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 information in a way which allows the reader to set it in the context of the Authority's work and easily understand it.

In order to promote greater understanding by stakeholders of its investment portfolios and support its goals in terms of decarbonisation of its investments, the Authority has commissioned the production of an impact report for 2020/21 which was published in March 2022. This analyses the impact of the Authority's investments on people and planet using the UN Sustainable Development Goals as an analysis framework.

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.

Assurance and effective accountability

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 appropriate professional standards.

The Audit Committee has adopted a process of reviewing progress with the implementation of audit recommendations, to ensure that improvements are being delivered as a result of work carried out by both internal and external audit and potentially other review agencies when the Scheme Advisory Board's Good Governance reforms are introduced.

The Authority has now completed implementation of the recommendations made in Hymans Robertson's review of its governance, pre-empting the Good Governance standards. The Authority has also appointed an independent adviser to support the Local Pension Board in providing effective challenge and scrutiny, and the Board has conducted its own review of its effectiveness.

All of 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. In particular, 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 Issues

The Covid-19 Pandemic continued to impact Britain throughout the period under review and, while at the time of writing restrictions have been lifted, the Pandemic continues to influence the way in which the Authority is operating and key management issues such as the level of staff sickness.

The processes described above have identified a number of governance issues for attention. Some of these are longer term issues and, as such, continue to feature from previous statements. The outcome of the Annual Governance Review suggests that the following significant governance issues need to be included in the 2021/22 Annual Governance Statement Action Plan. These are:

- The need to conduct a comprehensive review of the Constitution to reflect the new statutory officer arrangements to be introduced in April 2023 and ensure that it is up to date in terms of changes in key regulations such as those arising from the UK's exit from the European Union.
- The need to further embed the appraisal process and link it to the organisation's values including adjusting the appraisal year so that appraisals are conducted away from key workload peaks and to ensure that training needs are effectively collated to support a corporate training programme.
- The need to review a range of processes and plans around business continuity and health and safety now that the Authority occupies its own building.
- The need to develop a longer-term view of the Authority's resource requirements and ensure that identified gaps are addressed.
- The need to link programme and project management arrangements more clearly to actions identified in the Corporate Strategy and other key plans.
- The need to make better use of information in managing performance.
- The ongoing need to strengthen internal governance building on the changes to staffing and service delivery arrangements already agreed.
- The need to reinvigorate the approach to staff engagement following a long period of entirely remote working which has made this more difficult.

Conclusion

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. The actions taken to date to address these have or will be reported to the Authority and the Audit Committee. Progress in implementing these improvement actions will be monitored by Managers 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

Chair
South Yorkshire Pensions Authiority

Signed

Director
South Yorkshire Pensions Authiority

Annual Governance Statement Action Plan for 2022/23

Appendix A

Issue	Action Required	Responsible Officer	Date for Completion
Need to update the Constitution	Full review of the Constitution to be commissioned using legal advisers	Corporate Manager – Governance	March 2023
Improvements to the appraisal process and training plan	Changes to appraisal documentation and appraisal year, additional training for managers and move to an online system	Head of Finance and Corporate Services & HR Business Partner	June 2023
Updates to business continuity and health and safety arrangements	Review of arrangements in light of the move to the Authority's own premises and to fully document arrangements beyond those specifically related to ICT which are already documented	Head of Finance and Corporate Services	March 2023
Organisational resilience and sustainability	Prepare medium term proposals addressing both succession planning and resilience for implementation over the Corporate Strategy period	Director	December 2022
Strengthen project management	Implement arrangements to support individual project managers with scoping planning and reporting on corporate strategy projects	Team Manager – Programmes and Performance	March 2023
Strengthen corporate performance management and reporting	Introduce arrangements for the centralised production of performance information allowing managers to focus on interpretation and follow up action	Team Manager – Programmes and Performance	March 2023
Strengthen internal governance	Update and refresh arrangements around key processes such as information governance, procurement, decision recording and scheme of delegation.	Corporate Manager – Governance	March 2023
Reinvigorate staff engagement	Implement action plan developed following staff feedback	Senior Management Team	March 2023

3.8

OUR ORGANISATION

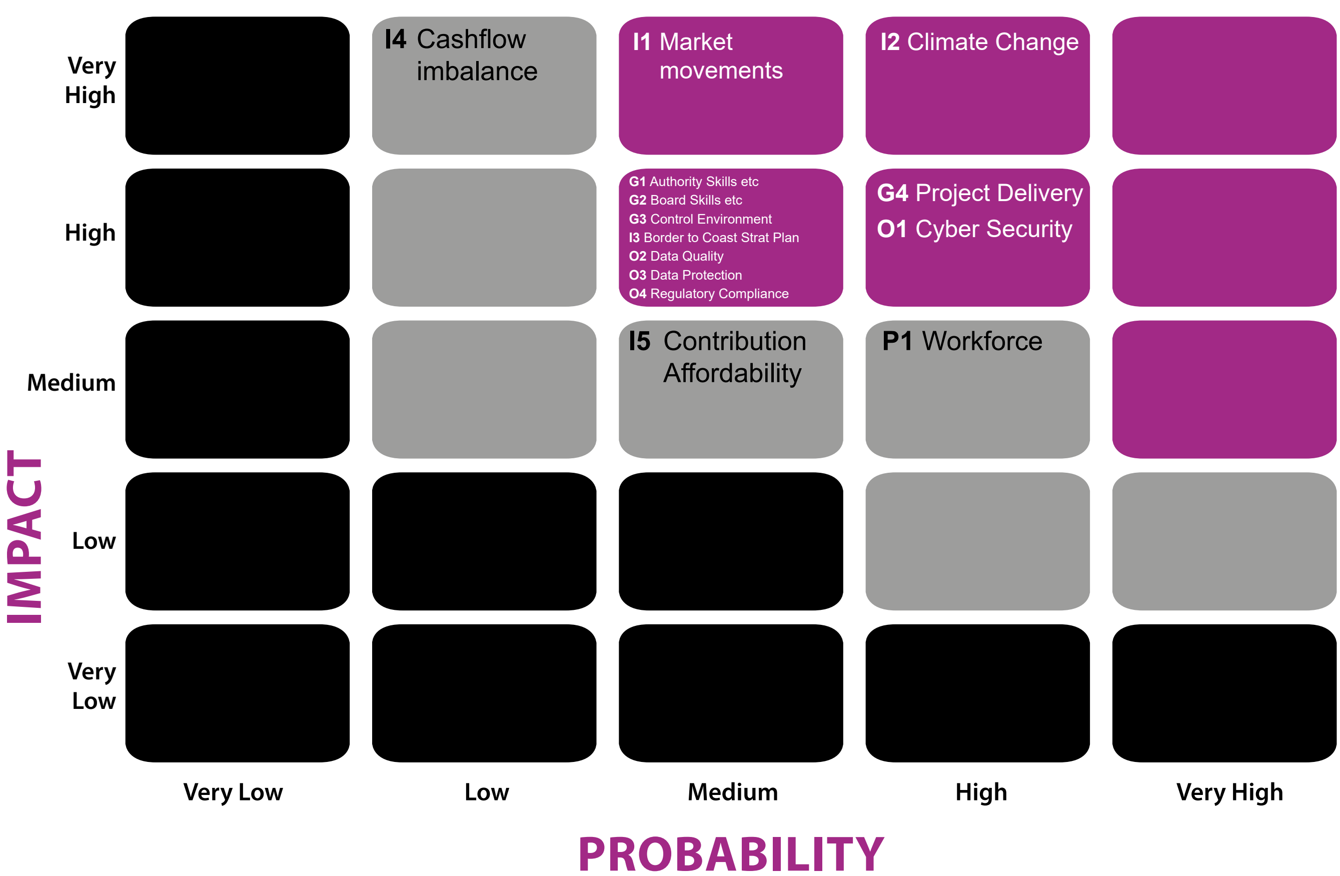
Risk Assessment

Managing the Risks Facing the Authority and the Pension Fund

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.

As indicated in the Annual Governance Statement, the Audit Committee has overseen the Authority's risk management arrangements over the course of the year. The Risk Register, which forms an integral part of the Corporate Strategy, has been regularly reviewed by the Authority's Senior Management Team and changes have been made in the light of changes in the external environment and the progress made in delivering projects such as investment pooling. The key risks identified in the corporate risk register, as at the end of March 2022 are:

Risk Matrix



3.8
OUR ORGANISATION
Risk Assessment

The specific risks previously identified in relation to the pandemic have continued to be managed down, and new risks relating to the wider economic impact of both the pandemic and the war in Ukraine have been incorporated into the risk register as reflected in the diagram above, which reflects an environment of increased risk facing the Authority.

Given the scale of the financial assets managed by the Authority the management of the risks inherent in participation in the financial markets is a crucial part of the overall risk management framework. The Authority sets out broad policies in the Investment Strategy Statement which conform to the LGPS Investment Regulations 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. These are reported on by managers and significant movements or breaches are followed up as part of ongoing performance review.

Over the coming years we will be developing a more comprehensive suite of metrics which will allow us to better monitor the risk exposures within the investment portfolio.

The most significant investment risk exposures over the last year have arisen from the transition of the remaining bond portfolios and the listed alternatives holdings to new Border to Coast products. These have been coupled with continuing volatility and uncertainty in equity markets as a result of the hangover of the pandemic and the war in Ukraine. It has therefore been necessary to maintain a review of over and underweight positions at the strategic level and rebalance to minimise the potential impact should market shocks occur.

The members of the Authority receive assurance as to the effectiveness of both the system of control 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 which is included in the Annual Governance Statement is one of Reasonable (positive) Assurance. The table below indicates the level of assurance received from the various pieces of internal audit work undertaken during the year.

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OUR ORGANISATION

Assurance over our operations

Internal Audit Review Results 2021/22

Review Topic	Assurance Level	Number and priority of findings
Customer Contact Centre c/fwd from 20/21	Substantial	**0** (none)
UPM Payroll c/fwd from 20/21	Substantial	**1** (low priority)
Pensions Review Process - Existence Checks c/fwd from 20/21	Reasonable	**1** (medium priority)
Pension Review Process - Child Pensions c/fwd from 20/21	Limited	**4** (medium priority)
Main Accounting	Reasonable	**1** (medium priority)
UPM Payroll	Substantial	**1** (low priority)
Support Staff Payroll	Substantial	**1** (low priority)
Investment Income	Reasonable	**2** (1 medium and 1 low priority)
Fund Contributions and Rechargeable Pensions	Substantial	**0** (none)
Accounts Payable	Reasonable	**2** (1 medium and 1 low priority)
Cybersecurity	Substantial	**2** (low priority)
HR Governance	Reasonable	**4** (medium priority)
Financial Management and Investment Systems - Design and Implementation	Reasonable	**1** (medium priority)
Data Quality Improvement Plan	Reasonable	**2** (1 high and 1 medium priority)

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OUR ORGANISATION

Assurance over our operations

Internal Audit's different levels of assurance are set out in the table below:

	Current Classification
Positive Opinions	Substantial
	Reasonable
Negative Opinions	Limited
	None

A deliberate approach has been adopted of focussing internal audit effort on areas where it is known that improvements are required in order to support the delivery of improvement, hence the number of less positive assessments and findings has increased, but so has their value to the Authority in that they provide important information to support the improvement of both the running of the organisation and of the services it provides.

External audit has been provided by Deloitte LLP under procurement arrangements managed by Public Sector Audit Appointments Ltd (PSAA) under the terms of the Local Audit and Accountability Act 2014. Deloitte have raised no specific issues in terms of the control framework or the system of governance in their previous reports to those charged with governance and their value for money conclusion. The Authority chose in December 2021 to opt into the next PSAA procurement process which will result in the appointment of auditors for five years from the 2023/24 accounts.

The Authority relies heavily on external organisations to manage money on its behalf. In addition to the manager of listed assets (Border to Coast Pensions Partnership), we have investments in over 150 individual funds within our Alternatives Portfolios, managed by 172 different fund managers. All of these Managers supply us with a copy of their ISAE3402 report (or equivalent) which is reviewed and any issues highlighted pursued with the manager. The table below shows the number of managers by asset class and indicates those with satisfactory assurance, less than satisfactory, and where information is still awaited.

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OUR ORGANISATION

Assurance over our operations

Asset Class	Number of Managers	Number of Funds	Number of Managers with satisfactory assurance	Number of Funds with a qualified opinion	Awaiting latest information
Listed Equity	1	4	1		
Investment Grade Credit	1	1	1		
Multi Asset Credit	1	1	1		
Sterling Index Linked Bonds	1	1	1		
Commercial Property	9	9	9		3
Private Debt	40	40	37	3	9
Private Equity	98	98	98		25
Infrastructure	34	34	34		4
Total	185	188	182		41

Of the three Funds with qualified opinions, two related to the basis of the valuation of underlying investments and one to the impact on the valuation of an underlying investment of an ongoing legal dispute. These issues are unlikely to be material in the context of the whole fund.

3.10

OUR ORGANISATION

Oversight of our assurance arrangements

The Authority maintains an Audit Committee as part of its governance structure in order to provide oversight of its various assurance arrangements. The Committee produces an Annual Report for the Authority which is below:

INTRODUCTION

This report is produced in order to provide stakeholders with information on the work of the Committee over the 2021/22 Municipal Year and to support the process of assurance gathering required in order to produce the Authority's Annual Governance Statement.

It outlines the Committee's:

- Role and responsibilities;
- Membership and attendance; and
- Work programme.

Councillor Garry Weatherall
Chair of the Audit Committee

COMMITTEE INFORMATION

Audit 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:

- The suitability of, and any changes in accounting policies.
- Major judgemental issues e.g. provisions.

m) To receive and agree the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focusing on significant adjustments and material weaknesses in internal control reported by the external auditor.

n) Monitor the Authority's risk register and annual governance action plan, reporting issues of concern to the full Authority.

Membership

The Committee's membership at the end of March 2022 was:

Councillor G Weatherall (Chair)

Councillor S Clement-Jones

Councillor D Fisher

Councillor D Nevett

Councillor C Rosling-Josephs

Councillor N Wright

In addition, the three observers 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:

N Doolan-Hamer (Unison)

D Patterson (Unite)

G Warwick (GMB)

Committee Meetings and Attendance

The Committee held three meetings during the municipal year (July 2021, October 2021 and March 2022). The business conducted reflected the terms of reference and the pattern of work of the Authority's Internal and External Auditors. The schedule of Members' and Officers' attendance is attached as Appendix 1.

During the year Councillor Alan Law who had been appointed by the Authority to Chair the Committee had to resign due to ill health and was replaced by Councillor Garry Weatherall.

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

3.10
OUR ORGANISATION
Oversight of our assurance arrangements

COMMITTEE WORK PROGRAMME AND OUTCOMES

The Committee maintains a broad programme of work for its main areas of activity. The reports received during 2021/22 are shown in Appendix B; the outcomes of the Committee's work in relation to these are summarised below. Under each sub-heading below, the first set of bullet points are the core functions from the CIPFA guidance, followed by details identifying how the Committee has achieved its responsibilities.

Risk Management and Internal Control

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

The Committee has:

- Completed the Annual Review of the Authority's Risk Management Framework in October 2021.
- Received regular progress reports from the Head of Internal Audit on internal matters.
- Received regular reports on progress against audit recommendations.
- Considered the results of the review of internal control and internal audit for 2020/21.

Internal Audit and External Audit

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

The Committee has:

Internal Audit:

- Agreed the Internal Audit Strategy and Annual Plan for 2022/23.
- Received and considered Head of Internal Audit's Annual Report for 2021/22, including the opinion on the Authority's internal control arrangements.
- Received and considered regular reports from the Head of Internal Audit on the Internal Audit Team's progress against the annual plan, including summaries of the reports issued and management's response.

Appointed External Auditor (see also Accounts below):

- Received reports from Deloitte on their Audit Plans for the Authority and their Annual Report which was recommended to the Full Authority for consideration.
- Received regular progress reports from Deloitte.
- Approved Deloitte's fee for the financial year 2020/21.

3.10

OUR ORGANISATION

Oversight of our assurance arrangements

Accounts

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

The Committee has:

- Overseen the production of, and approved the Authority's Annual Governance Statement 2020/21;
- Reviewed and approved the Authority's Statement of Accounts 2020/21;
- Received and approved Deloitte's Annual ISA 260 Report 2020/21 and agreed the responses to the recommendations made.

Working Arrangements

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

The Committee, as part of considering the Annual Report, revisited the self-assessment of its position against the best practice guidance and considered the extent to which its arrangements remained robust.

3.10

OUR ORGANISATION

Oversight of our assurance arrangements

Member/Officer attendance at Audit Committee meetings

Member/Officer	29 July 2021	21 Oct 2021	3 March 2022	% Attendance
Cllr A Law	**Note 2**			**0%**
Cllr G Weatherall		✓	✓	**100%**
Cllr S Clement-Jones	✓	✓	**Note 1**	**67%**
Cllr D Fisher	✓	✓	✓	**100%**
Cllr D Nevett	**Note 3**	✓	✓	**100%**
Cllr C Rosling-Josephs	✓	✓	**Note 1**	**67%**
Cllr N Wright	**Note 1**	✓	✓	**67%**
Non-Voting Co-Opted Members				
N Doolan-Hamer	Note 1	✓	✓	67%
D Patterson	Note 1	Note 1	Note 1	0%
G Warwick	✓	Note 1	✓	**67%**
Director	✓	✓	✓	
Head of Finance & Corporate Services (Deputy Treasurer)	✓	✓	✓	
Treasurer (s73 Officer)	✓	Note 1	Note 1	
Monitoring Officer	✓	✓	Note 1	
Deputy Clerk	Note 1	Note 1	✓	
External Audit (Deloitte)	✓	Note 1	✓	
Internal Audit (Barnsley MBC)	✓	✓	✓	

Notes

1. Apologies
2. Apologies - Cllr M Havard substituted
3. Acted as Chair for the meeting

Councillor Law resigned from the Authority due to ill health and was replaced by Councillor Weatherall.

3.10

OUR ORGANISATION

Oversight of our assurance arrangements

Function/Issue	29 July 2021	21 Oct 2021	3 March 2022
Risk Management			
Annual Review of the Risk Management Framework		Noted	
Governance and Internal Control			
Data Protection Officer's Annual Report			
Annual Review of the Governance Compliance Statement		Approved	
Progress on delivering the 2020/21 Annual Governance Statement Action Plan			Noted
Progress on Implementation of Audit Recommendations	Noted	Noted	Noted
Annual Procurement Report			Noted
Internal Audit			
Progress Report	Noted	Noted	Noted
External Quality Assessment		Noted	
Annual Report 2020/21	Noted		
Internal Audit Charter	Noted		
Internal Audit Plan 2022/23			Noted
External Audit			
Auditor Appointment Process		Recommended action to the Authority	
ISA 260 Report 2020/21	Noted		
Annual Audit Report 2020/21		Noted and recommended to the Authority	
External Audit Plan 2021/22			Noted
Accounts			
Audited Annual Report and Statement of Accounts 2020/21	Approved		
Letter of Representation	Approved		
Board Working Arrangements			
Audit Committee Annual Report 2021/22			Approved

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

3.11 Managing our money

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. All of these are subject to audit by the external auditors and the full financial statements can be found at page 180.

The Operating Budget

Like any public body, we need to be able to show that we have managed our spending on the Operational Budget within the agreed level of resources. The table on the next page illustrates the position for 2021/22.

3.11

OUR ORGANISATION

Managing our money

SYPA Operational Budget	2021/22 Budget £	2021/22 Outturn £	2021/22 Outturn Variance £	%
Pensions Administration	2,719,750	2,500,610	(219,140)	(8.10%)
Investment Strategy	539,760	565,090	25,330	4.70%
Finance & Corporate Services	738,220	772,420	34,200	4.60%
ICT	667,200	635,850	(31,350)	(4.70%)
Management & Corporate	375,050	423,050	48,000	12.80%
Democratic Representation	142,620	124,020	(18,600)	(13.00%)
Subtotal Net Cost of Services	**5,182,600**	**5,021,040**	**(161,560)**	**(3.10%)**
Capital Expenditure Charged to Revenue	1,630,000	1,546,930	(83,070)	(5.10%)
Subtotal Before Transfers to Reserves	**6,812,600**	**6,567,970**	**(244,630)**	**(3.60%)**
Appropriations to Reserves	(1,367,000)	(1,122,370)	244,630	(17.90%)
Total	**5,445,600**	**5,445,600**	**0**	**0.00%**

The operational budget for 2021/22 was approved in January 2021 at a total of £5,445,600. The overall outturn for the year, before transfers from reserves, was an under-spend of £244,630. The main variances included within the overall under-spend for the year are explained below.

3.11

OUR ORGANISATION

Managing our money

- An under-spend on staffing costs across all service areas of (£129k) which includes:
  - Savings of (£133k) in Pensions Administration as a result of staff turnover and vacancies over the course of the year. This includes (£35k) relating to a training officer post that was advertised internally on a secondment basis but not taken up, therefore the post remained vacant all year. This has subsequently been revised to a permanent Technical Specialist post which has been filled in the first quarter of 2022/23. Recruitment of pensions officers and customer services officers posts also took place towards the end of the financial year.
  - A net under-spend of (29k) relating to staff turnover in Finance & Corporate Services – comprising a (£43k) saving on vacancies in the year that has been used to fund additional costs of £14k on overtime that was required in the first half of this year due to having staff shortages at the same time as undertaking major projects to implement a new finance system and a new investment accounting system, and also produce the 2020/21 accounts and ensure the audit was completed successfully to the usual early timescale of 31 July, well ahead of the statutory deadline of 30 September.
  - A planned over-spend of £33k in Finance and Corporate Services to be financed from reserves. Relating to two items: agency staff costs as a result of hiring an interim accountant in the early part of the year to support the accounts closedown and audit process whilst implementing the new main accounting system, and the employment of an HR Undergraduate on a 12-month placement to support work on various HR projects including learning and development.
- The organisational training and development budget was included as a growth item in the budget with effect from 2020/21 but due to the impact of COVID-19 and remote working, progress on the planned activities in this area has been slower than originally anticipated, and the available budget in 2021/22 of £55k has been under-spent this year by (£23k). Nevertheless, the planned work in this area is continuing to progress with a number of initiatives under way including a manager development training programme, implementation of the LinkedIn Learning platform, and an HR Undergraduate student in post on a 12-month placement, which will provide the needed additional staff resource to support and take forward some of the plans around training and development including production of an e-learning package for new staff.
- Additionally, the training budgets for individual service areas of pensions administration and ICT were under-spent by a total of (£17k) – partly affected by the impact of staff vacancies and also some continued impact from the pandemic. Plans are in place to make greater use of these budgeted resources in 2022/23.
- The budget for office accommodation costs, apportioned to services pro-rata to staffing numbers, was over-spent by £90k in total. This is due to a range of issues including the fact that the unavoidable delay in being able to transfer the data centre from Gateway Plaza until January 2022 meant that rent, business rates, utilities etc. for the Gateway Plaza office were all charged for an additional two months (Dec and Jan) that hadn't been included in the budget. In addition, the costs of electricity have been higher than expected as a result of the wider inflation on energy prices. Finally, the costs of the facilities management provision required in the first few months of mobilisation were higher than forecast. This will stabilise now as the transition period comes to an end. An additional charge of £54k was also incurred as an accounting adjustment to spread the lease rental costs over the life of the lease as required by accounting rules under the Code. This has been financed by a transfer from the Corporate Strategy reserve.

- There is an under-spend of (£59k) on actuarial fees for the year. This is partly due to the fact that a prudent approach was taken to setting the budget for 2021/22 based on experience of actual costs in previous years and pending the outcome of procurement for a new contract. The change of contract that resulted from the procurement has resulted in savings being realised.
- Income for Pensions Administration arising from fees and charges is (£13k) more than budget. This includes income from member fees for sharing orders for example, and employer fees in relation to administrative charges. Additionally, funding of (£6k) was received from the Education and Skills Funding Agency (ESFA) for apprenticeships during the year. This will be set aside in reserves to be used towards learning and development.
- ICT received additional income from software sales and maintenance fees of (£38k) more than budget which will be transferred into the ICT Development earmarked reserve for re-investment in future ICT projects.
- The Democratic Representation budget was under-spent by a total of (£19k). This included running costs under-spent by (£14k) due to the fall in expenditure for room hire, catering, travel, subsistence, mainly arising from the knock-on effects of COVID-19. The training budget was also under-spent this year, by (£4k) for Authority members and by (£1k) for Local Pension Board members.
- The total budget for capital expenditure this year was £1,630k, comprising £225k for new pension administration system 5-year contract and £1,405k for the Oakwell House office project. The actual implementation cost of the new pensions administration software contract that commenced in February 2022 was £185k, resulting in a (£40k) under-spend against the budget for this project. The remaining balance of capital expenditure is £1,362k for the Oakwell House project, which is (£43k) under the budgeted 2021/22 spend – which is due to slippage in timing only, on the final stage of AV installation works that were held up as a result of global supply chain delays – this work and therefore the associated expenditure will be carried out during the first quarter of the next financial year.

Earmarked Reserves

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

For 2021/22, movements to and from these reserves have been agreed as shown in the following table.

We operate within a rule which limits the amount we can hold in the revenue reserves, i.e., Corporate Strategy and ICT reserves, to 7.5% of the Operational Budget (resulting in a limit of £408k for 31 March 2022), and the current level remains below this limit at £350k or 6.4%.

Reserves	Balance at 01/04/2021 £	Contributions to Reserves £	Contributions from Reserves £	Balance at 31/03/2022 £
Corporate Strategy Reserve	238,500	90,038	(184,700)	143,838
ICT Reserve	118,300	87,650	0	205,950
Subtotal Revenue Reserves	**356,800**	**177,688**	**(184,700)**	**349,788**
Capital Projects Reserve	1,254,467	105,119	(1,220,470)	139,116
Total Reserves	**1,611,267**	**282,807**	**(1,405,170)**	**488,904**

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 meet the costs of replacement ICT equipment and software on a cyclical basis. Any net income from sales of software to other LGPS funds is added to this reserve allowing either accelerated equipment replacement or the acquisition or enhancement of additional software.
- Capital Projects Reserve – Originally established to fund costs of major projects; Oakwell House office accommodation project and pensions administration software contract implementation. Going forward, the reserve will be maintained for financing of future projects and expenditure in relation to the office accommodation and any further major systems purchases for the Authority.

Future Prospects for the Operating Budget

The operating budget for 2022/23 was approved in February 2022.

For the previous three years – from 2019/20 to 2021/22 inclusive – the budget was held at the same level in cash terms enabled by a re-alignment of financial resources in order to provide the required investment in a range of areas to support delivery of the Authority's corporate priorities.

The budget and medium-term financial strategy (MTFS) for 2022/23 to 2024/25 were prepared in the context of a number of drivers for growth in cost. Having retained the budget at the same cash level for the previous three years, this provided the time necessary for officers to examine all the resourcing requirements and clarify the base position before allowing for any budget growth. This aligns with the wider objectives of how the organisation is to be run, and the completion of this work provided a sound and clear basis for increasing the budget requirement from 2022/23.

The budget for the 2022/23 financial year reflects continued emphasis on equipping the organisation for meeting the challenges expected in the next three years as detailed in the Corporate Strategy. Additional resources are included for four new posts to be established to support various specific areas of the planned work. The budget also includes the impact of some significant savings that have been achieved following completion of previous corporate objectives in respect of business systems and procurement of a new contract for actuarial services.

SYPA Medium Term Financial Strategy	2021/22 Outturn £	2022/23 Budget £	2023/24 Estimate £	2024/25 Estimate £
Pensions Administration	2,500,610	2,717,850	2,710,340	2,763,860
Investment Strategy	565,090	572,750	507,180	521,850
Finance & Corporate Services	772,420	818,800	818,590	834,780
ICT	635,850	738,710	686,490	698,770
Management & Corporate	423,050	911,160	846,410	857,860
Democratic Representation	124,020	137,090	182,230	185,810
Unfunded Liabilities of the former SYCC and Residuary Body	337,477	350,000	351,750	353,510
Subtotal Revenue Expenditure	**5,358,617**	**6,246,360**	**6,102,990**	**6,216,440**
Capital Expenditure	1,546,930	0	0	0
Contribution (from) / to Reserves	(1,122,370)	(66,360)	50,000	50,000
Levy on District Councils	(337,477)	(350,000)	(351,750)	(353,510)
Total Charge to Pension Fund	**5,445,600**	**5,830,000**	**5,801,240**	**5,912,930**

Managing our money

The table below sets out the outturn for the Pension Fund relative to the previous year and to the forecast contained in the Medium Term Financial Strategy, together with the forecast for the following three years which has been reviewed in the light of the outturn for 2021/22.

Dealings with members, employers and others directly involved in the scheme

South Yorkshire Pension Fund Financial Forecast	Actual 2020/21 £m	Forecast 2021/22 £m	Actual 2021/22 £m	Forecast 2022/23 £m	Forecast 2023/24 £m
Contributions receivable & transfers in from other pension funds	(304)	(200)	(211)	(309)	(324)
Benefits payable and payments to or on account of leavers	331	343	338	348	357
Net (additions) withdrawals from dealings with members	**27**	**143**	**127**	**39**	**33**
Management expenses	65	70	106	77	84
Net returns on investments	(1,784)	(943)	(1,045)	(532)	(549)
Net (increase)/decrease in the Fund during the year	**(1,692)**	**(730)**	**(812)**	**(416)**	**(432)**
Net Assets of the Fund at 1 April	(8,170)	(9,862)	(9,862)	(10,674)	(11,090)
Net Assets of the Fund at 31 March	**(9,862)**	**(10,592)**	**(10,674)**	**(11,090)**	**(11,522)**

The actuals for 2021/22 are largely consistent with the forecast figures in relation to members and employers in the scheme. There has been a significant increase from the previous year and from the forecast in relation to management expenses, specifically, investment management expenses. This increase has largely been driven by the increase in performance-related fees, reflecting the increase in both the value held and the strong performance of Pooled Investment Funds in particular.

Section Four

OUR PENSION FUND

Winter Gardens, Sheffield

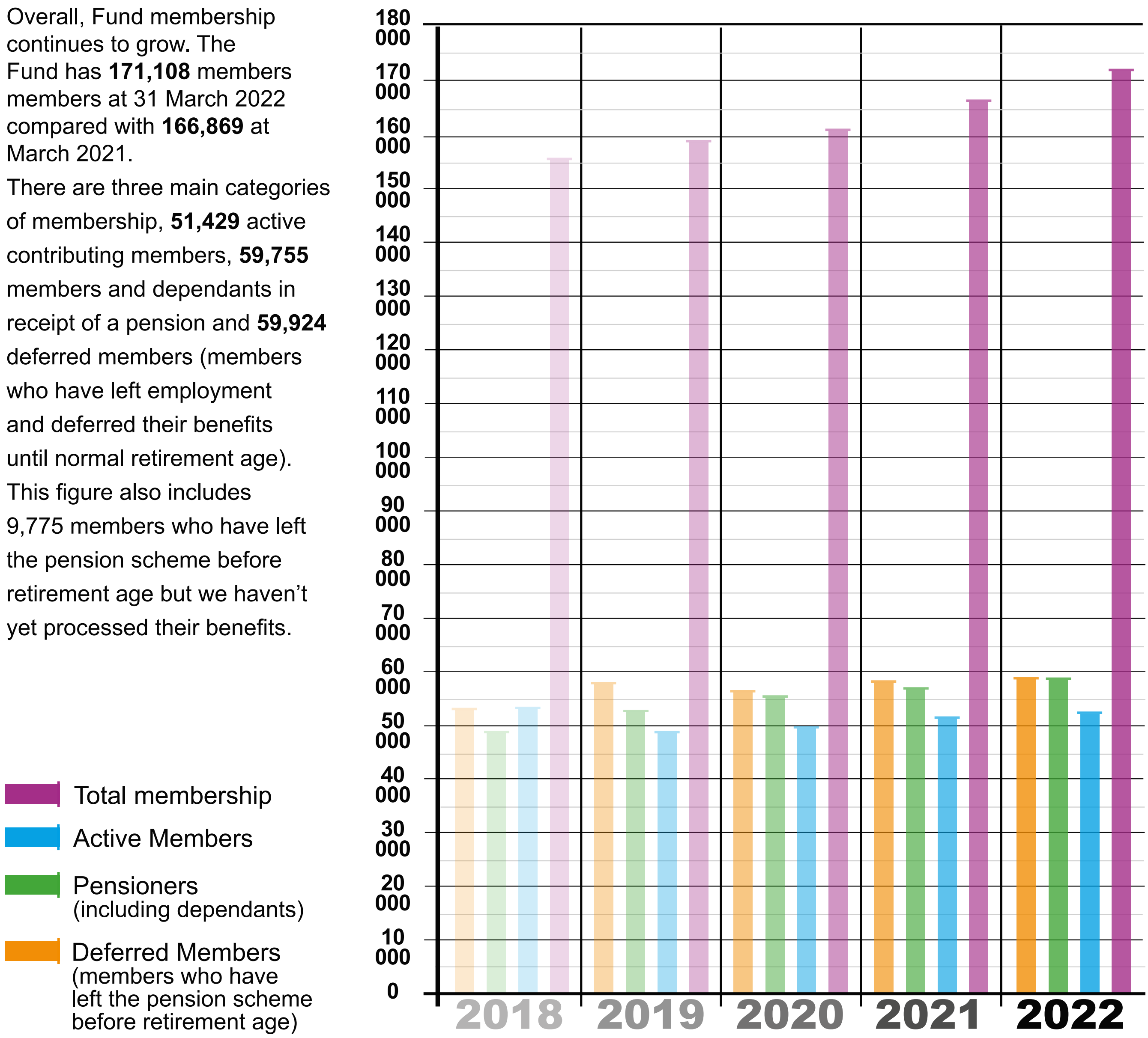
4.1

OUR PENSION FUND

Membership

Overall, Fund membership continues to grow. The Fund has **171,108** members members at 31 March 2022 compared with **166,869** at March 2021.

There are three main categories of membership, **51,429** active contributing members, **59,755** members and dependants in receipt of a pension and **59,924** deferred members (members who have left employment and deferred their benefits until normal retirement age). This figure also includes 9,775 members who have left the pension scheme before retirement age but we haven't yet processed their benefits.



4.1

OUR PENSION FUND

Membership

Fund Statistics

ACTIVE MEMBER

GENDER	Female	74%
	Male	26%
AGE PROFILE	16 - 29	6,635
	30 - 44	16,122
	45 - 54	14,542
	55 - 64	12,766
	65+	1,364
OTHER	Average age	46
	Minimum age	16
	Maximum age	75

DEFERRED MEMBER

GENDER	Female	74%
	Male	26%
AGE PROFILE	16 - 29	2,974
	30 - 44	21,620
	45 - 54	20,627
	55 - 64	13,999
	65+	704
OTHER	Average age	47
	Minimum age	18
	Maximum age	77

PENSIONER MEMBER

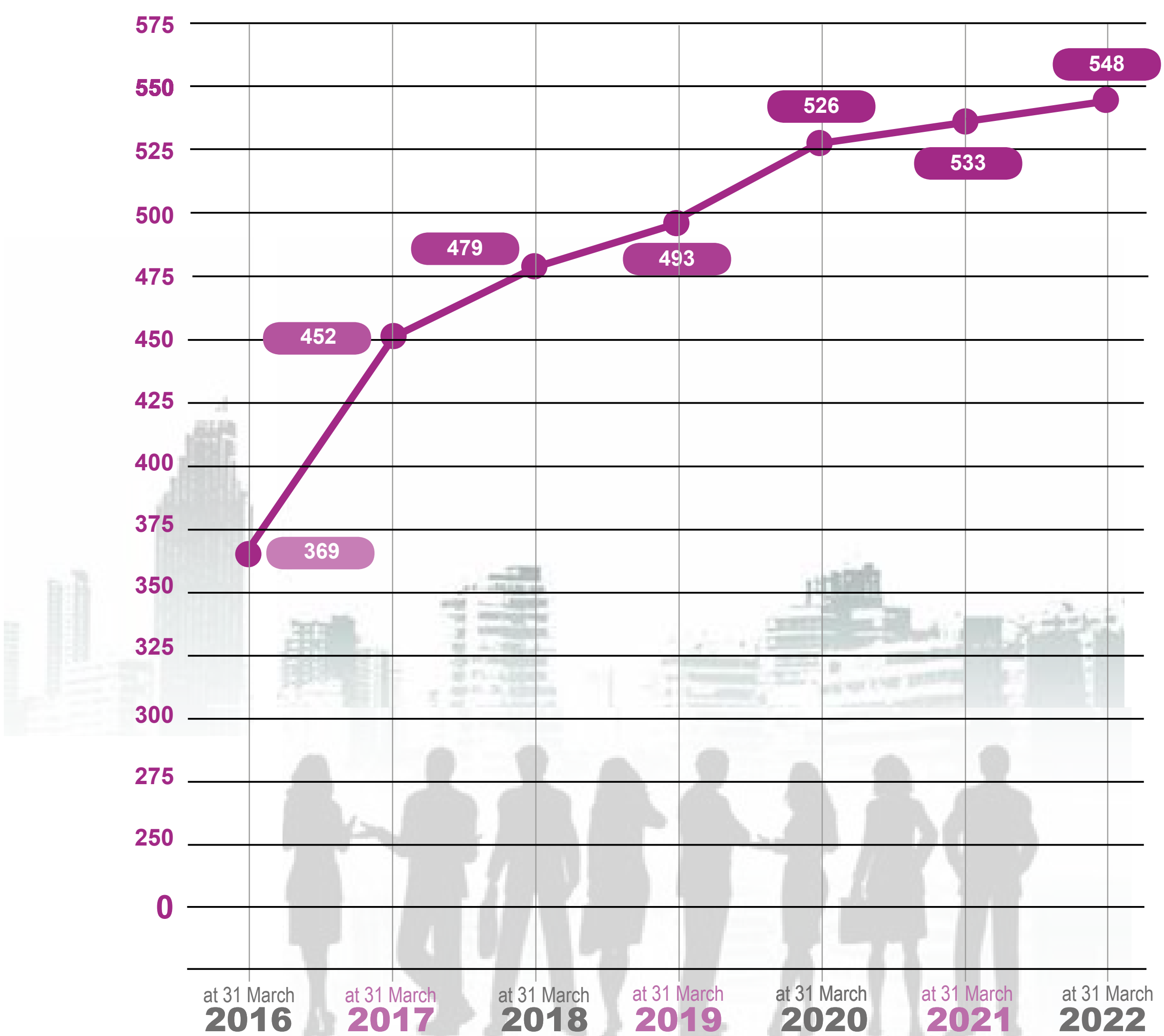
GENDER	Female	64%
	Male	36%
AGE PROFILE	0 - 44	453
	45 - 54	415
	55 - 64	14,883
	65+	44,004
	Oldest pensioner	106
OTHER	Average pension	£4,911.10
	Average age at retirement	59
	Average age of pensioner	71

4.1

OUR PENSION FUND

Membership

Scheme Employers



SYPA is responsible for administering the Local Government Pension Scheme for local authorities and other eligible employers, such as colleges and not-for-profit organisations, mainly located in South Yorkshire. Predominant amongst the contributing employers are the Metropolitan District Councils of Barnsley, Doncaster, Rotherham and Sheffield plus the civilian arm of the South Yorkshire Police and The Police & Crime Commissioner. The chart above shows the number of employers we administer the Scheme for. In recent years, we have seen an increase in the number of contributing employers which is largely due to schools of Local Education Authorities converting to academy status and becoming an independent body.

4.1
OUR PENSION FUND
Membership

NUMBER OF EMPLOYERS AT 31 MARCH 2022

548

PENSIONS INCREASE APRIL 2022

1.3%

OLDEST PENSIONER

106

4.2

OUR PENSION FUND

Employer admissions & contributions

Date Admitted	Employer	Employer Type*
01/04/2021	Brook House Junior School	Scheduled Body
01/05/2021	Anston Hillcrest Primary	Scheduled Body
01/07/2021	Milefield Primary	Scheduled Body
21/07/2021	ABM Catering (The Hayfield School)	Contractor (TAB)
01/09/2021	Mellors (Hall Cross Academy)	Contractor (TAB)
01/09/2021	Carcroft Primary	Scheduled Body
01/09/2021	New Pastures Primary Academy	Scheduled Body
01/09/2021	Woodthorpe Community Primary School	Scheduled Body
01/10/2021	ABM Catering (Maltby Learning Trust)	Contractor (TAB)
01/10/2021	Ferham Primary	Scheduled Body
23/10/2021	Relish School Foods (Nexus)	Contractor (TAB)
01/12/2021	RCCN (Hall Cross Academy)	Contractor (TAB)
01/12/2021	Castle Hills Primary	Scheduled Body
01/01/2022	Independent Cleaning Services Ltd (Montagu Academy)	Contractor (TAB)
01/01/2022	Malin Bridge School	Scheduled Body
01/01/2022	St Clare CMAT	Scheduled Body
04/01/2022	Churchill Contract Services (St Helens)	Contractor (TAB)
17/01/2022	Churchill Contract Services (Brigantia Learning Trust)	Contractor (TAB)
01/02/2022	Meadow View Primary	Scheduled Body
21/02/2022	Mellors (Highfields Primary)	Contractor (TAB)

The following employers ceased to participate in the Fund during the year largely due to the end of service contract

Date Terminated	Employer	Employer Type*
31/03/2021	Sheffield Galleries & Museums	Community Admission Body - merger
31/03/2021	Sheffield Industrial Museums Trust Ltd	Community Admission Body - merger
02/04/2021	Taylor Shaw (Sheffield Catering)	Contractor (TAB)
16/05/2021	NPS Barnsley Ltd	Contractor (TAB)
21/06/2021	Caterlink (Sheffield Park Academy)	Contractor (TAB)
30/06/2021	Optime Support Limited	Contractor (TAB)
31/08/2021	Compass (Hillside Academy)	Contractor (TAB)
31/08/2021	Compass (The Hayfield School)	Contractor (TAB)
31/08/2021	Hillside Academy	Scheduled Body
03/09/2021	Compass (Castle Academy)	Contractor (TAB)
14/01/2022	Medequip	Contractor (TAB)
22/02/2022	Compass (Kirk Balk Academy)	Contractor (TAB)

4.2

OUR PENSION FUND

Employer admissions & contributions

Employers within the Fund paid over the following amounts during the scheme year 2021/22. All figures shown represent contributions received in year, including any deficit/surplus amounts agreed at the last triennial valuation. They do not include any pre-payments made in earlier years in respect of 2021/2022. A nil employees figure indicates that there are no active employees; a nil employers figure indicates that no extra funding is required.

ADMITTED BODIES (includes Community and Transferee Admission Bodies) **Employer**	**Employees Total (£)**	**Employers Total (£)**	**Total Contributions (£)**
Sheffield Museums Trust	26,533.15	29,193.32	55,726.47
National Childrens Bureau	75,767.43	175,929.15	251,696.58
Action Housing & Support Ltd	36,252.49	196,741.07	232,993.56
National Horseracing College	8,451.78	53,334.31	61,786.09
Leonard Cheshire Disability	0.00	68,750.00	68,750.00
South Yorkshire Housing Association	11,056.69	44,579.76	55,636.45
Northern College	55,999.98	244,831.60	300,831.58
Barnsley Premier Leisure	113,048.99	401,593.45	514,642.44
Doncaster Community Transport	5,997.30	0.00	5,997.30
Roth Don and South Humber Mental Health NHS Foundation Trust	14,947.12	7,260.89	22,208.01
Sheffield Community Transport	7,645.15	0.00	7,645.15
Sheffield Students Union	6,743.22	12,835.72	19,578.94
Sheffield Health & Social Care NHS Foundation Trust	71,658.31	102,300.95	173,959.26
Great Places Housing Association	5,057.53	13,678.92	18,736.45
Sheffield City Trust	132,992.32	337,922.18	470,914.50
Voluntary Action Barnsley	4,365.34	18,714.36	23,079.70
Barnsley BIC Ltd	5,542.02	10,444.50	15,986.52
Independent Training Services Ltd	5,525.04	20,919.96	26,445.00
Priory Campus Ltd	1,782.48	13,121.58	14,904.06

4.2

OUR PENSION FUND

Employer admissions & contributions

ADMITTED BODIES (includes Community and Transferee Admission Bodies) **Employer**	**Employees Total (£)**	**Employers Total (£)**	**Total Contributions (£)**
Forge Community Partnership	0.00	7,250.00	7,250.00
Doncaster Deaf Trust	92,888.89	389,427.54	482,316.43
Shaw Trust	3,004.92	0.00	3,004.92
Doncaster Culture & Leisure Trust	14,248.79	176,368.93	190,617.72
Doncaster Childrens Services Trust Ltd	1,297,534.46	2,995,695.85	4,293,230.31
Sheffield Mind Ltd	0.00	23,859.24	23,859.24
Sheffcare Ltd	14,757.50	89,685.60	104,443.10
Sheffield Unison	6,265.27	26,097.15	32,362.42
Sheffield Futures	25,242.79	63,894.01	89,136.80
Learn Sheffield	21,824.36	53,927.06	75,751.42
National College of Advanced Transport & Infrastructure	23,720.48	36,318.82	60,039.30
Border to Coast Pensions Partnership Ltd	124,228.85	698,927.13	823,155.98
Mellors (Hatfield Woodhouse Primary)	1,174.64	4,847.92	6,022.56
Medequip	405.86	3,992.23	4,398.09
CH & CO Group (RCAT Catering)	4,519.01	17,849.14	22,368.15
Happy Kids Childcare (RMBC Thrybergh)	504.00	6,650.28	7,154.28
Taylor Shaw (West Road Primary)	2,843.85	10,835.65	13,679.50
Mellors (Montagu Academy)	936.88	3,304.53	4,241.41
Coombs Catering Ltd (Bramley Grange)	535.07	2,415.14	2,950.21
Hutchison Catering Ltd (AET MAT)	12,509.83	49,506.43	62,016.26
Aspens Services Ltd (Brinsworth)	4,383.24	17,002.51	21,385.75
Enviroserve (Blackburn Primary)	295.10	1,357.60	1,652.70
NowThen (Prince Edward School Cleaning)	1,583.18	6,931.64	8,514.82

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OUR PENSION FUND

Employer admissions & contributions

ADMITTED BODIES (includes Community and Transferee Admission Bodies) **Employer**	**Employees Total (£)**	**Employers Total (£)**	**Total Contributions (£)**
Mellors (Hall Cross Academy)	3,966.76	16,548.59	20,515.35
Taylor Shaw (Hoylandswaine Primary)	1,331.39	4,460.28	5,791.67
ABM Catering (The Hayfield School)	449.63	1,798.55	2,248.18
Independent Cleaning Services Ltd (Montagu Academy)	504.20	2,145.17	2,649.37
RCCN (Hall Cross Academy)	3,938.54	13,067.28	17,005.82
ABM Catering (Maltby Learning Trust)	10,553.39	40,790.71	51,344.10
Churchill Contract Services (St Helens)	81.42	331.62	413.04
Mellors (Highfields Primary)	60.55	268.65	329.20
Midshire Catering Ltd	769.32	3,468.87	4,238.19
Amey Community Ltd (Barnsley BSF Design & Building Schools)	7,005.37	28,671.02	35,676.39
Amey Community Ltd SPV1 (Barnsley BSF/PFI)	4,653.73	19,894.02	24,547.75
Amey Community Ltd SPV2 (Barnsley BSF/PFI)	2,389.57	11,123.33	13,512.90
Amey Community Ltd SPV3 (Barnsley BSF/PFI)	8,965.37	41,236.50	50,201.87
NPS Barnsley Ltd	1,030.08	0.00	1,030.08
Barnsley Norse Ltd	49,696.93	42,125.78	91,822.71
Trustclean Ltd (Athersley North)	777.01	3,377.09	4,154.10
Caterlink (Barnsley Academy)	3,022.86	10,253.55	13,276.41
Dimensions (UK) Ltd	25,037.93	91,087.96	116,125.89
Turning Point	30,231.71	113,288.32	143,520.03
Compass (Kirk Balk Academy)	3,691.86	14,751.06	18,442.92
ISS Mediclean Ltd	4,267.82	19,788.03	24,055.85
Equans Engie Services Ltd (Barnsley Schools)	1,677.96	8,808.37	10,486.33
Caterlink (Hunningley Primary)	475.57	2,031.87	2,507.44

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OUR PENSION FUND

Employer admissions & contributions

ADMITTED BODIES (includes Community and Transferee Admission Bodies) **Employer**	**Employees Total (£)**	**Employers Total (£)**	**Total Contributions (£)**
Sodexo (Oakhill Academy Wellspring)	1,921.24	8,192.34	10,113.58
Sodexo (Greenacre Academy Wellspring)	4,120.18	20,168.72	24,288.90
Sodexo (Springwell Special Academy Wellspring)	906.57	5,151.62	6,058.19
Crispin & Borst	3,814.65	0.00	3,814.65
Independent Cleaning Services Ltd (Danum Academy)	1,184.65	5,018.69	6,203.34
Carroll Cleaning Company (De Warenne Academy)	2,590.38	10,851.22	13,441.60
Aspens Services Ltd (McAuley Academy)	7,939.76	32,002.32	39,942.08
Compass (The Hayfield School)	197.97	813.88	1,011.85
Equans Engie Services Ltd (Rotherham Schools)	6,379.17	12,449.40	18,828.57
Morrison Facilities Service Ltd	155,008.28	365,732.68	520,740.96
Mellors (Rawmarsh Comprehensive)	465.10	0.00	465.10
Trustclean (Wath CE School)	247.08	1,226.42	1,473.50
Places for People (RMBC)	40,471.76	71,241.80	111,713.56
Capita (Outstanding Sheffield Programme)	9,865.34	0.00	9,865.34
Taylor Shaw (Sheff School Meals Central Contract)	25,715.47	103,368.18	129,083.65
Mellors (Sheffield Schools)	490.07	0.00	490.07
Amey LG Limited (Sheffield Highways)	506,745.31	0.00	506,745.31
Mitie FM Limited	1,229.16	0.00	1,229.16
Veolia Environmental Services PLC	91,652.97	0.00	91,652.97
Mitie Ltd	1,134.25	2,845.34	3,979.59
Kier Managed Services	1,649.69	0.00	1,649.69
Taylor Woodrow Construction (Sheffield Schools)	1,915.54	138.25	2,053.79
Vinci Construction UK Ltd (Bradfield FM)	957.96	2,247.42	3,205.38

ADMITTED BODIES (includes Community and Transferee Admission Bodies) **Employer**	**Employees Total (£)**	**Employers Total (£)**	**Total Contributions (£)**
Mellors (Hinde House/King Ecgbert)	2,274.75	4,204.25	6,479.00
Caterlink (Sheffield Park Academy)	196.16	294.64	490.80
Places for People (SCC)	11,753.77	17,776.94	29,530.71
Taylor Shaw (St John Fisher Academy)	919.76	3,712.53	4,632.29
Places for People (Wisewood Sports Centre)	1,797.32	2,762.18	4,559.50
Aspens Services Ltd (Parkwood Academy)	1,029.44	5,558.76	6,588.20
Aspens Services Ltd (E-ACT Pathways Academy)	646.92	3,152.04	3,798.96
Wates Living Space Maintenance Ltd	18,393.61	89,674.55	108,068.16
Dolce Ltd (Sitwell Juniors)	2,741.76	8,822.43	11,564.19
Dolce Ltd (Kilnhurst Junior & Infants)	618.49	2,001.69	2,620.18
Dolce Ltd (Swinton Fitzwilliam)	1,318.93	5,949.74	7,268.67
Dolce Ltd (Whiston Junior & Infants)	390.92	1,385.95	1,776.87
Dolce Ltd (Whiston Worrygoose)	548.40	2,840.97	3,389.37
Dolce Ltd (Wickersley Northfield)	758.53	2,799.62	3,558.15
Dolce Ltd (Woodsetts)	1,323.97	4,862.57	6,186.54
Mellors (Aston Hall Junior & Infants)	642.25	6,317.19	6,959.44
Mellors (Aston Lodge Primary)	1,956.12	7,072.89	9,029.01
Mellors (Brinsworth Whitehill)	1,513.27	9,807.91	11,321.18
Mellors (Monkwood Primary)	1,517.64	7,570.47	9,088.11
Mellors (Rawmarsh Ashwood Primary)	673.99	4,385.75	5,059.74
Mellors (Sandhill Primary)	766.72	4,688.00	5,454.72
Mellors (Thrybergh Primary)	1,053.21	10,142.69	11,195.90
Dolce Ltd (Kiveton Park)	854.30	2,469.69	3,323.99

Employer admissions & contributions

ADMITTED BODIES (includes Community and Transferee Admission Bodies) **Employer**	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Dolce Ltd (Dodworth St Johns)	1,242.16	5,757.75	6,999.91
Dolce Ltd (Elsecar Holy Trinity)	1,024.23	3,556.92	4,581.15
Dolce Ltd (Swinton Queen Primary)	1,287.64	4,167.23	5,454.87
Sodexo (Oakwell Rise Academy Wellspring)	1,444.53	9,704.20	11,148.73
Sodexo (Forest Primary Academy Wellspring)	1,395.32	8,325.25	9,720.57
Affinity Trust - NHS Transfer (SCC)	2,912.52	9,508.68	12,421.20
Compass (St Pius X Catholic High School)	1,398.75	6,043.69	7,442.44
Mitie Catering Services Limited	2,837.04	11,587.47	14,424.51
Aspens Services Ltd - Netherwood Catering Contract	1,879.57	7,107.99	8,987.56
Churchill Contract Services - Dinnington High School	5,395.71	21,337.76	26,733.47
MAM (Doncaster) Ltd - Doncaster Markets	9,006.16	26,480.22	35,486.38
Compass (Hatfield Primary)	3,876.99	13,664.42	17,541.41
Compass (Atlas Academy)	1,048.50	4,181.97	5,230.47
Compass (Hexthorpe Primary)	2,767.39	9,552.04	12,319.43
Compass (Highgate Primary)	1,635.93	7,148.18	8,784.11
Compass (Hillside Academy)	196.09	875.88	1,071.97
Compass (Intake Primary)	1,123.41	4,304.22	5,427.63
Compass (Kingfisher Academy)	1,769.07	7,167.45	8,936.52
Compass (The Hill Primary)	2,760.35	9,844.54	12,604.89
Compass (Waverley Academy)	440.29	1,786.20	2,226.49
Compass (Carrfield Primary)	623.90	2,477.07	3,100.97
Compass (Castle Academy)	338.56	1,311.28	1,649.84
Compass (Denaby Main Academy)	1,377.77	5,902.70	7,280.47

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OUR PENSION FUND

Employer admissions & contributions

ADMITTED BODIES (includes Community and Transferee Admission Bodies) **Employer**	**Employees Total (£)**	**Employers Total (£)**	**Total Contributions (£)**
Compass (Edenthorpe Hall Academy)	950.82	3,360.89	4,311.71
Compass (Gooseacre Primary)	462.38	1,824.75	2,287.13
Compass (Hartley Brook Primary)	3,940.67	13,587.70	17,528.37
Aspens Services Ltd (Astrea Academy Dearne)	5,872.34	23,223.61	29,095.95
Mellors (Hatfield Crookesbroom Primary)	776.92	3,093.57	3,870.49
Mellors (Pheasant Bank Academy)	1,099.20	5,935.66	7,034.86
Mellors (Rowena Academy)	496.92	2,141.33	2,638.25
RM Education Ltd (Firth Park Academy)	1,189.22	4,490.38	5,679.60
Happy Kids Childcare (Rotherham)	252.84	985.08	1,237.92
Taylor Shaw (Aston All Saints C of E Primary)	1,166.12	4,227.25	5,393.37
Taylor Shaw (Flanderwell Primary school)	1,326.56	5,459.39	6,785.95
Taylor Shaw (Laughton All Saints Primary)	1,016.08	3,815.86	4,831.94
Taylor Shaw (Rossington St Michaels C of E Primary)	1,739.92	6,675.90	8,415.82
Taylor Shaw (St Oswalds Finningley Academy)	1,028.48	4,333.14	5,361.62
Taylor Shaw (Wickersley St Albans C of E Primary)	300.34	1,550.57	1,850.91
Aspens Services Ltd (Astrea Woodfields Academy)	3,575.51	14,041.61	17,617.12
Equans Engie Services Ltd (Rotherham Council)	110,361.90	331,701.88	442,063.78
Churchill Contract Services (Outwood Academy City)	4,562.68	19,392.01	23,954.69
Wates Ltd (Barnsley Housing Maintenance)	53,565.32	168,153.02	221,718.34
Mellors (Catcliffe Primary and High Greave Junior)	3,581.37	12,666.48	16,247.85
	3,573,220.42	**8,591,812.06**	**12,165,032.48**

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Brodsworth Parish Council	368.64	1,421.04	1,789.68
Penistone Town Council	2,053.93	7,111.52	9,165.45
Silkstone Parish Council	872.52	2,451.72	3,324.24
Askern Town Council	2,553.41	6,060.06	8,613.47
Barnby Dun with Kirk Sandall Parish Council	656.13	1,530.79	2,186.92
Edlington Town Council	6,176.89	20,956.59	27,133.48
Hatfield Town Council	5,123.92	14,485.27	19,609.19
Rossington Parish Council	1,525.33	5,908.86	7,434.19
Stainforth Town Council	631.61	14,334.34	14,965.95
Thorne Moorends Town Council	6,769.42	19,567.50	26,336.92
Sprotbrough & Cusworth Parish Council	3,555.63	12,875.58	16,431.21
Armthorpe Parish Council	4,263.85	9,326.73	13,590.58
Anston Parish Council	8,676.10	22,188.30	30,864.40
Thrybergh Parish Council	2,335.12	11,075.39	13,410.51
Aston-cum-Aughton Parish Council	7,385.11	29,149.42	36,534.53
Wickersley Parish Council	3,946.56	12,787.98	16,734.54
Bradfield Parish Council	6,151.33	2,410.63	8,561.96
Ecclesfield Parish Council	4,012.48	7,387.86	11,400.34
Stocksbridge Town Council	1,711.04	5,990.65	7,701.69
Dalton Parish Council	13,314.86	7,793.89	21,108.75
Waverley Community Council	753.69	2,220.01	2,973.70

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Goldthorpe Primary Academy	23,883.64	74,629.86	98,513.50
Peak Edge MAT HQ	4,391.48	10,074.65	14,466.13
Thurcroft Infant School	18,080.67	51,370.50	69,451.17
Outwood Primary Academy Woodlands	24,191.40	71,795.22	95,986.62
Brook House Junior School	15,443.14	43,739.78	59,182.92
Anston Hillcrest Primary	16,740.24	46,475.91	63,216.15
Milefield Primary	12,501.72	41,231.18	53,732.90
New Pastures Primary Academy	11,070.55	32,909.76	43,980.31
Woodthorpe Community Primary School	17,741.56	54,462.74	72,204.30
Carcroft Primary	10,930.37	27,059.74	37,990.11
Ferham Primary	7,884.34	22,944.98	30,829.32
Castle Hills Primary	9,195.09	33,389.67	42,584.76
Malin Bridge School	11,366.56	33,887.17	45,253.73
Meadow View Primary	2,565.34	7,210.01	9,775.35
St Clare CMAT	2,128.50	3,762.51	5,891.01
South Yorkshire Passenger Transport Executive	358,292.96	428,805.94	787,098.90
Danum Drainage Commissioners	6,590.67	16,743.73	23,334.40
Barnsley College	505,750.25	1,392,228.93	1,897,979.18
DN Colleges Group	467,849.45	1,093,305.59	1,561,155.04
The Sheffield College	720,838.99	1,580,182.52	2,301,021.51
Sheffield Hallam University	3,909,132.27	10,959,517.02	14,868,649.29

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
The Hayfield School	50,663.04	126,390.50	177,053.54
R N N Group	530,203.07	1,390,573.37	1,920,776.44
Thomas Rotherham College	75,216.88	203,237.06	278,453.94
Longley Park Sixth Form College	53,066.98	130,629.11	183,696.09
University Technology College (Sheffield)	52,019.86	155,795.46	207,815.32
Consilium Academies Trust	74,063.08	162,529.52	236,592.60
The Chief Constable	4,353,187.06	10,822,898.12	15,176,085.18
South Yorkshire Fire Authority	484,673.65	54,337.29	539,010.94
The Police and Crime Commissioner	90,497.59	160,169.41	250,667.00
Berneslai Homes	992,400.10	1,667,526.26	2,659,926.36
Barnsley Academy	49,171.86	102,141.70	151,313.56
St Marys Academy Trust	35,725.21	118,429.22	154,154.43
Oakhill Primary Academy	16,778.07	39,405.98	56,184.05
The Hill Academy	36,643.06	138,883.15	175,526.21
Highgate Academy	19,406.38	68,062.95	87,469.33
Carrfield Academy	19,769.48	62,079.49	81,848.97
Gooseacre Academy	20,405.48	62,132.46	82,537.94
All Saints Academy (Darfield)	13,268.32	55,704.32	68,972.64
Upperwood Academy	20,680.89	74,174.86	94,855.75
Carlton Primary	24,447.47	90,442.30	114,889.77
Royston Parkside Academy	21,275.99	94,522.49	115,798.48

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Royston Summer Fields Primary	15,097.11	59,672.59	74,769.70
Shafton Primary Academy	10,792.16	53,847.44	64,639.60
St Helens Primary Academy	10,381.86	63,415.62	73,797.48
The Forest Academy	23,683.05	57,398.61	81,081.66
Meadstead Primary Academy	20,913.85	100,164.97	121,078.82
Heather Garth Primary School	22,317.36	106,743.39	129,060.75
Queens Road Academy	14,519.89	66,972.08	81,491.97
Outwood Primary Academy Littleworth	24,742.87	132,643.81	157,386.68
Outwood Primary Academy Darfield	11,481.61	58,591.98	70,073.59
Hoyland Common Primary School	52,402.16	160,181.58	212,583.74
West Meadows Primary School	13,535.26	74,948.13	88,483.39
Dodworth St John the Baptist CE Primary Academy	9,273.79	53,746.61	63,020.40
Darton Primary School	12,541.25	69,312.77	81,854.02
The Mill Academy	19,197.81	85,965.56	105,163.37
Springwell Special Academy	61,422.98	140,402.42	201,825.40
Springwell Alternative Academy	16,137.71	37,728.81	53,866.52
Kirk Balk Community College	47,848.34	119,619.91	167,468.25
Outwood Academy Shafton	104,589.04	311,878.47	416,467.51
Sandhill Primary School	14,298.20	68,706.90	83,005.10
Greenacre Academy	170,983.77	401,560.04	572,543.81
Laithes Primary School	23,081.04	93,025.09	116,106.13

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Elsecar Holy Trinity CE Primary Academy	8,837.89	37,735.73	46,573.62
High View Primary Learning Centre	47,717.25	232,005.18	279,722.43
Wombwell Park Street Primary School	28,424.69	105,998.51	134,423.20
Hoyland Springwood Primary School	30,659.95	142,391.94	173,051.89
Outwood Academy Carlton	72,558.13	325,630.92	398,189.05
Royston St John the Baptist School	15,348.98	88,852.02	104,201.00
Ward Green Academy	31,091.83	139,608.89	170,700.72
Wellgate Primary School	21,560.30	107,830.63	129,390.93
Kexborough Primary School	13,659.18	70,902.85	84,562.03
Oakwell Rise Primary Academy	16,339.05	37,631.86	53,970.91
Netherwood ALC	47,940.75	235,716.80	283,657.55
Worsbrough Bank End	14,597.23	66,238.36	80,835.59
Hunningley Primary School	21,086.41	107,093.35	128,179.76
Trinity Academy	72,666.38	216,201.71	288,868.09
St Leger Homes of Doncaster	1,336,362.42	2,501,601.51	3,837,963.93
De Warenne Academy	63,101.23	157,855.58	220,956.81
Outwood Academy Adwick	77,852.07	177,843.16	255,695.23
Rossington All Saints Academy	55,719.18	159,181.16	214,900.34
Ash Hill Academy	46,645.15	132,579.36	179,224.51
Auckley Junior & Infant Academy	18,186.15	77,062.63	95,248.78
Don Valley Academy & Performing Arts College	54,600.30	153,614.67	208,214.97

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Grange Lane Infant Academy	18,372.91	55,000.33	73,373.24
Pheasant Bank Academy	18,995.88	58,612.32	77,608.20
Campsmount Academy	67,956.12	248,489.64	316,445.76
Outwood Academy Danum	60,291.01	227,236.78	287,527.79
Rowena Academy	15,811.54	46,360.69	62,172.23
The Academy at Ridgewood Trust	57,188.93	238,320.94	295,509.87
Conisbrough Ivanhoe Primary Academy	21,816.14	82,598.83	104,414.97
Highfields Primary Academy	9,860.63	29,541.03	39,401.66
Hall Cross Academy Trust	92,195.62	443,828.66	536,024.28
Hungerhill Academy Trust	71,884.97	277,982.94	349,867.91
Hatfield Woodhouse Primary	12,428.71	36,320.24	48,748.95
Crookesbroom Primary Academy	12,920.98	38,992.21	51,913.19
Willow Primary	20,327.20	83,378.28	103,705.48
Armthorpe Academy	37,513.21	145,346.50	182,859.71
Barnby Dun Primary Academy	14,146.69	63,073.17	77,219.86
Castle Academy	11,268.60	29,398.03	40,666.63
St Oswalds C of E Academy	14,072.76	42,657.69	56,730.45
Armthorpe Shaw Wood Academy	34,190.22	143,176.24	177,366.46
Kirk Sandall Infant School	15,357.13	74,326.99	89,684.12
Dunsville Primary School	22,356.58	71,071.40	93,427.98
Sir Thomas Wharton Academy	37,885.35	164,802.04	202,687.39

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Astrea Academy - Woodfields	59,099.88	341,719.02	400,818.90
St Josephs Catholic School (Rossington)	14,796.94	62,859.64	77,656.58
Richmond Hill Primary Academy	33,795.31	145,349.31	179,144.62
McAuley Catholic High School	71,482.09	327,998.86	399,480.95
Montagu Academy	23,542.95	68,718.11	92,261.06
Holy Family Catholic Primary	18,980.17	66,689.02	85,669.19
St Wilfrids Academy	20,435.57	58,785.49	79,221.06
The Laurel Academy	39,851.60	114,454.33	154,305.93
Kirk Sandall Junior School	16,331.12	83,438.87	99,769.99
XP School	54,113.95	118,622.79	172,736.74
Carr Lodge Academy	30,413.76	96,631.55	127,045.31
Waverley Academy	13,963.54	77,780.84	91,744.38
Morley Place Academy	14,493.07	41,713.63	56,206.70
Hillside Academy	1,740.95	19,815.42	21,556.37
Edenthorpe Hall Academy	13,439.75	54,708.92	68,148.67
Hexthorpe Primary Academy	27,229.47	127,312.94	154,542.41
Denaby Main Primary Academy	13,936.29	65,280.04	79,216.33
Woodfield Primary School	19,025.39	89,004.52	108,029.91
Mexborough St John The Baptist C of E Primary	20,762.94	89,370.29	110,133.23
Balby Central Primary School	24,979.27	121,507.98	146,487.25
Kingfisher Primary School	23,975.42	128,786.10	152,761.52

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Edlington Victoria Academy	20,211.90	87,601.09	107,812.99
Maltby Academy	52,552.45	51,103.50	103,655.95
Brinsworth Academy	111,115.32	269,147.50	380,262.82
Wales High School (Academy Trust)	124,202.16	355,013.67	479,215.83
Aston Academy	113,648.08	474,921.49	588,569.57
Thurcroft Junior Academy	16,359.05	57,315.32	73,674.37
St Bernards Catholic High School	48,910.65	178,257.81	227,168.46
Thrybergh Academy & Sports College	33,577.06	242,033.93	275,610.99
East Dene Primary	22,432.01	59,660.92	82,092.93
Coleridge Primary School	19,285.14	53,269.95	72,555.09
St Bedes Catholic Primary School	25,008.40	107,167.26	132,175.66
St Gerards Catholic Primary - Thrybergh	10,955.52	52,680.96	63,636.48
St Marys Catholic Primary School (Herringthorpe)	14,316.79	64,070.63	78,387.42
Wingfield Academy	55,388.25	226,934.89	282,323.14
St Marys Catholic Primary (Maltby)	12,884.25	53,722.49	66,606.74
Canklow Woods Primary Academy	24,030.13	109,786.03	133,816.16
Whiston Junior & Infant School	12,951.31	62,164.97	75,116.28
Whiston Worrygoose Junior & Infant School	34,332.35	141,894.83	176,227.18
Oakwood High School	72,211.44	179,563.08	251,774.52
Sandhill Primary Academy	15,828.94	60,996.37	76,825.31
Brookfield Primary Academy	18,743.30	83,088.46	101,831.76

4.2

OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
St Josephs Catholic Primary (Dinnington)	10,547.21	61,570.94	72,118.15
Maltby Redwood Academy	14,221.87	53,075.83	67,297.70
Wickersley School and Sports College	113,602.55	504,131.64	617,734.19
Rawmarsh Ashwood Primary School	11,424.51	44,069.72	55,494.23
Sitwell Junior School	18,049.63	52,741.22	70,790.85
Thrybergh Primary School	9,432.45	53,740.16	63,172.61
Rawmarsh Community School	61,504.92	274,862.08	336,367.00
Wickersley St Albans C of E Primary School	15,425.61	69,808.67	85,234.28
Bramley Grange Primary	10,011.88	53,608.51	63,620.39
Monkwood Primary Academy	22,402.66	98,998.72	121,401.38
Anston Greenlands Primary School	13,744.96	55,611.17	69,356.13
Aston All Saints C of E School	10,042.12	49,592.45	59,634.57
Dinnington High School	62,664.74	302,314.04	364,978.78
Trinity Croft C of E Primary Academy	14,878.10	52,018.88	66,896.98
Listerdale Primary School	15,039.05	75,379.04	90,418.09
Wickersley Northfield Primary	26,913.34	136,149.35	163,062.69
Thrybergh Fullerton Primary	14,554.79	55,328.86	69,883.65
Flanderwell Primary School	24,342.47	106,525.41	130,867.88
Maltby Manor Academy	23,816.30	105,007.68	128,823.98
Maltby Lilly Hall Academy	24,082.21	115,487.20	139,569.41
Ravenfield Primary Academy	11,928.53	59,766.08	71,694.61

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Winterhill School	65,889.46	308,771.37	374,660.83
Herringthorpe Junior Academy	27,398.14	106,797.86	134,196.00
Springwood Junior Academy	19,643.05	81,380.70	101,023.75
Greasbrough Academy	19,115.62	77,650.60	96,766.22
Eastwood Village Primary School	16,287.27	43,283.77	59,571.04
Dinnington Community Primary School	19,681.48	97,062.24	116,743.72
Abbey School	55,824.04	186,552.64	242,376.68
Maltby Hilltop School	89,979.97	365,660.89	455,640.86
High Greave Infant School	8,613.58	35,444.14	44,057.72
High Greave Junior School	14,256.76	69,826.71	84,083.47
Kelford School	73,325.68	299,028.05	372,353.73
Brinsworth Whitehill Academy	16,987.10	56,214.03	73,201.13
Aston Hall Junior & Infant School	9,795.29	46,335.90	56,131.19
Swinton Queen Primary School	17,668.88	83,346.54	101,015.42
Aston Lodge Primary School	10,545.09	49,111.28	59,656.37
Swinton Community School	68,303.76	274,950.29	343,254.05
Notre Dame High School	84,702.90	267,938.45	352,641.35
St John Fisher Primary - A Catholic Voluntary Academy	14,151.89	48,198.38	62,350.27
All Saints Catholic High School	62,759.45	178,902.43	241,661.88
St Anns RC Primary School	7,018.61	18,677.47	25,696.08
St Josephs Primary School	14,488.92	43,881.58	58,370.50

4.2

OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Clifford All Saints C of E School	13,172.20	48,985.05	62,157.25
St Theresas RC School	16,627.30	41,728.90	58,356.20
St Patricks Catholic Academy Trust	26,400.78	85,320.88	111,721.66
Totley All Saints C of E School	11,263.46	27,593.37	38,856.83
Broomhill Infant School	9,930.00	32,028.36	41,958.36
Parkwood Academy	66,519.78	114,884.78	181,404.56
Tapton School	101,091.69	236,074.71	337,166.40
Yewlands Academy	51,159.61	251,098.69	302,258.30
Hartley Brook Academy	50,234.64	199,876.42	250,111.06
Hatfield Academy	28,737.22	102,989.61	131,726.83
Meadowhead School Academy Trust	87,191.82	225,985.24	313,177.06
Chaucer School	79,531.18	221,885.66	301,416.84
St Thomas of Canterbury Trust	19,222.79	80,570.54	99,793.33
King Ecgbert School	68,409.02	253,081.98	321,491.00
St Maries School Catholic Voluntary Academy	17,326.41	83,484.39	100,810.80
Sheffield Springs Academy	46,743.69	122,705.23	169,448.92
Sheffield Park Academy	62,446.69	157,584.44	220,031.13
St Wilfrids Catholic Primary School	15,744.76	76,476.80	92,221.56
Fir Vale School Academy Trust	61,567.27	184,833.29	246,400.56
Bradfield School	53,240.73	137,629.09	190,869.82
Southey Green Primary School & Nurseries	82,482.70	195,457.49	277,940.19

4.2

OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Silverdale School	61,435.42	169,887.41	231,322.83
Greengate Lane Academy	9,817.57	38,155.84	47,973.41
Meynell Primary School	40,206.35	101,453.97	141,660.32
Mansel Primary School	36,615.07	139,834.65	176,449.72
Monteney Primary School	67,597.02	247,568.69	315,165.71
Fox Hill Primary School	35,347.36	147,394.81	182,742.17
Hinde House 3-16 School	104,007.21	421,413.98	525,421.19
Lound Infant School	8,865.18	56,214.93	65,080.11
Lound Junior School	16,619.42	91,194.25	107,813.67
Firth Park Academy	62,363.66	340,810.54	403,174.20
Porter Croft C of E Primary Academy	16,835.92	82,186.05	99,021.97
E-ACT Pathways Academy	31,282.60	128,581.03	159,863.63
Hillsborough Primary School	26,974.26	72,449.71	99,423.97
St Marys Primary School (High Green)	12,460.46	64,998.23	77,458.69
Sacred Heart School A Voluntary Academy	14,363.29	78,400.44	92,763.73
Outwood Academy City	63,029.25	284,666.17	347,695.42
Totley Primary School	21,704.55	89,064.89	110,769.44
St Catherines Catholic Primary School	40,441.55	180,213.40	220,654.95
Concord Junior School	9,165.86	54,769.88	63,935.74
Ecclesfield School	68,413.30	325,732.20	394,145.50
Wincobank Nursery & Infant School	14,866.08	75,960.99	90,827.07

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES **Employer**	**Employees Total (£)**	**Employers Total (£)**	**Total Contributions (£)**
Newfield Secondary School	59,642.70	260,727.82	320,370.52
Emmaus Catholic & C of E Voluntary Academy	19,690.15	87,188.24	106,878.39
Forge Valley School	87,241.50	227,650.27	314,891.77
St Marys C of E Academy (Walkley)	14,843.70	72,922.63	87,766.33
Lowedges Junior Academy	25,328.65	103,188.74	128,517.39
Oasis Academy (Firvale)	30,227.72	73,729.42	103,957.14
Oasis Academy (Watermead)	27,782.12	66,398.80	94,180.92
Chapeltown Academy	7,592.20	23,212.77	30,804.97
Handsworth Grange Community Sports College	59,461.60	277,725.00	337,186.60
Emmanuel Junior School	11,345.09	64,183.69	75,528.78
High Hazels Junior Academy	22,162.84	96,889.47	119,052.31
Woodlands Primary	40,206.83	182,694.69	222,901.52
High Hazels Nursery Infants Academy	21,874.37	104,765.47	126,639.84
Nether Edge Primary Academy	26,698.29	114,456.24	141,154.53
Wisewood Community Primary	15,747.26	52,524.67	68,271.93
Hallam Primary Academy	36,140.55	101,400.38	137,540.93
Oasis Academy (Don Valley)	49,789.08	114,170.93	163,960.01
Beck Primary School	61,963.69	248,089.16	310,052.85
St Thomas More Catholic Primary Academy	13,689.88	58,704.19	72,394.07
Hucklow Primary School	46,046.81	181,380.86	227,427.67
Tinsley Meadows Primary School	60,563.51	225,650.55	286,214.06

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Lower Meadow Primary Academy	20,944.33	81,466.46	102,410.79
Astrea Academy Trust	183,329.38	383,652.35	566,981.73
Byron Wood Academy	36,740.16	189,736.67	226,476.83
Abbeyfield Primary Academy	31,935.05	151,301.01	183,236.06
Manor Lodge Primary School	24,242.89	114,320.85	138,563.74
Acres Hill Community Primary Academy	20,090.17	102,927.80	123,017.97
Phillimore Community Academy	32,685.39	162,544.10	195,229.49
Wybourn Community Primary Academy	43,901.26	229,831.44	273,732.70
Birley Academy	69,668.53	374,756.71	444,425.24
Birley Primary Academy	33,874.96	176,568.62	210,443.58
Rainbow Forge Primary School	23,371.14	96,561.71	119,932.85
Charnock Hall Primary Academy	17,061.21	93,087.23	110,148.44
Birley Spa Primary Academy	25,686.29	159,423.91	185,110.20
Catcliffe Primary School	20,032.14	77,028.74	97,060.88
Aughton Junior Academy	11,176.01	46,498.13	57,674.14
Swinton Fitzwilliam Primary Academy	16,369.99	80,966.44	97,336.43
Wath C of E Primary School	30,050.12	108,646.33	138,696.45
Hilltop Academy	37,410.28	153,593.31	191,003.59
Wath Central Primary School	26,979.60	118,508.44	145,488.04
Southfield Primary School	24,537.03	107,716.49	132,253.52
Bentley High Street Primary School	39,939.31	196,981.94	236,921.25

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Scawsby Rosedale Primary School	14,524.04	69,505.65	84,029.69
Brampton Ellis C of E Primary	35,618.63	152,717.29	188,335.92
Armthorpe Tranmoor Primary School	25,277.21	133,551.91	158,829.12
Pennine View School	37,267.47	169,132.41	206,399.88
Our Lady of Sorrows Catholic Academy	11,107.52	56,956.06	68,063.58
Bessacarr Primary School	25,868.74	117,044.79	142,913.53
Highwoods Academy	16,424.82	75,792.11	92,216.93
Rossington St Michaels C of E Primary School	17,435.73	86,833.93	104,269.66
Wath Victoria Primary School	28,786.79	128,820.86	157,607.65
Brampton Cortonwood Infant School	16,066.71	64,956.32	81,023.03
Anston Brook Primary School	7,865.57	38,802.98	46,668.55
Woodsetts Primary School	10,902.09	56,553.92	67,456.01
Green Top Academy	23,019.07	103,973.87	126,992.94
Hatchell Wood Primary Academy	21,248.84	103,097.52	124,346.36
Treeton C of E Primary Academy	13,020.87	65,981.57	79,002.44
Intake Primary Academy	16,500.06	76,103.31	92,603.37
Atlas Academy	22,387.50	81,936.66	104,324.16
Roughwood Primary School	21,283.15	87,275.19	108,558.34
Kilnhurst St Thomas C of E Primary Academy	17,540.62	66,769.55	84,310.17
Stocksbridge High School	39,385.53	198,603.73	237,989.26
Clifton Community School	54,316.72	227,377.23	281,693.95

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Diocese of Sheffield Academies Trust	14,684.34	33,598.95	48,283.29
Windmill Hill School Academy	23,405.25	111,780.49	135,185.74
Anston Park Infants School	9,629.39	52,985.74	62,615.13
Norfolk Community Primary School	34,924.00	175,944.52	210,868.52
Milton School Swinton	40,441.97	156,916.99	197,358.96
Greenhill Primary School	34,395.06	172,034.84	206,429.90
High Storrs School	61,703.88	277,864.97	339,568.85
Hooton Pagnell All Saints School	5,846.16	24,267.78	30,113.94
Holy Trinity Academy	93,813.88	396,399.19	490,213.07
Brinsworth Manor Juniors	15,844.95	63,626.98	79,471.93
Kilnhurst Primary School	12,724.55	63,092.69	75,817.24
Rockingham Junior & Infant School	23,224.94	95,319.49	118,544.43
Canon Popham C of E Primary & Nursery School	10,634.67	69,938.66	80,573.33
James Montgomery Trust	25,718.29	62,623.77	88,342.06
Wentworth CoE Junior & Infant School	6,695.37	19,242.57	25,937.94
Darton Academy	55,543.90	157,201.55	212,745.45
Laughton J & I School	16,456.55	62,927.90	79,384.45
Kiveton Park Infant School	13,512.58	55,339.99	68,852.57
Westfield School	57,042.34	152,199.77	209,242.11
Sandringham Primary School	27,929.92	128,668.23	156,598.15
Owston Park Primary School	28,428.45	140,604.89	169,033.34

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Wickersley Partnership Trust	108,279.29	269,613.61	377,892.90
Askern Moss Road Infant Academy	6,152.48	32,138.98	38,291.46
Astrea Academy Dearne	69,592.41	288,555.46	358,147.87
Mercia School	19,927.42	52,825.72	72,753.14
Astrea Academy-Sheffield	52,062.82	133,471.52	185,534.34
Askern Littlemoor Infant Academy	12,337.64	66,593.75	78,931.39
Maltby Learning Trust MAT HQ	28,276.11	78,304.61	106,580.72
Wath Comprehensive School	84,254.05	232,117.14	316,371.19
South Yorkshire Mayoral Combined Authority	275,700.61	514,022.61	789,723.22
Marshland Primary	7,861.85	27,101.63	34,963.48
Thorne Brooke Primary	18,839.24	60,415.82	79,255.06
Oughtibridge Primary School	24,095.75	71,594.31	95,690.06
Chorus Education Trust - MAT HQ	25,864.03	55,078.91	80,942.94
Bradfield Dungworth Primary	7,423.88	25,221.93	32,645.81
Nook Lane Junior School	15,683.80	55,000.77	70,684.57
Loxley Primary School	10,146.82	38,196.07	48,342.89
Stannington Infant School	9,743.29	30,565.19	40,308.48
Wharncliffe Side Primary	21,799.93	73,076.72	94,876.65
Askern Spa Primary	22,162.88	80,794.63	102,957.51
Minerva Learning Trust - MAT HQ	45,288.28	99,010.90	144,299.18
Mercia Learning Trust MAT HQ	32,369.76	61,956.60	94,326.36

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OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Horizon Community College	120,521.23	362,998.55	483,519.78
Pye Bank C of E School	43,278.35	123,226.14	166,504.49
Optime Support Limited	541.29	1,932.39	2,473.68
Lakeside Primary Academy	23,547.56	70,200.07	93,747.63
Laughton All Saints C of E Primary	9,887.80	29,750.10	39,637.90
West Road Primary Academy	25,311.85	77,133.74	102,445.59
Woodseats Primary Academy	30,876.79	105,549.91	136,426.70
Heatherwood Community Special School	35,596.31	116,796.91	152,393.22
Norton Junior School	12,345.87	29,884.34	42,230.21
Norton Infant School	9,214.14	22,967.31	32,181.45
Crags Community School	34,853.10	90,169.31	125,022.41
Brinsworth Howarth Primary	13,719.82	39,547.81	53,267.63
Churchfield Primary School	28,649.02	87,558.41	116,207.43
Coppice Community Special School	55,959.32	177,543.49	233,502.81
Kiveton Park Meadows Junior School	13,968.63	40,538.69	54,507.32
Worsbrough Common Primary	39,234.88	112,136.20	151,371.08
Mapplewell Primary	15,889.03	57,707.48	73,596.51
Sheep Dip Lane Primary School	15,811.47	44,635.36	60,446.83
Owler Brook Primary	43,550.07	113,521.29	157,071.36
Whiteways Primary School	37,248.40	105,232.85	142,481.25
North Ridge Community School	47,111.23	157,446.21	204,557.44

4.2

OUR PENSION FUND

Employer admissions & contributions

SCHEDULED/RESOLUTION BODIES Employer	Employees Total (£)	Employers Total (£)	Total Contributions (£)
Hawthorn Primary School	19,476.16	59,985.04	79,461.20
Becton School	49,986.29	135,464.92	185,451.21
Harthill Primary School	8,969.44	25,668.38	34,637.82
Wellspring Trust MAT HQ	162,150.42	291,925.92	454,076.34
Plover Primary School	22,007.39	53,114.06	75,121.45
Athersley South Primary	21,374.31	70,766.08	92,140.39
Woodhouse West Primary	26,390.19	78,492.69	104,882.88
Waverley Junior Academy	35,120.49	105,784.60	140,905.09
Thorpe Hesley Primary School	39,480.07	119,118.12	158,598.19
Redscope Primary School	33,917.68	103,165.81	137,083.49
Bader Free School	27,590.40	72,831.47	100,421.87
Doncaster UTC	27,973.61	71,996.38	99,969.99
Sheffield South East Trust (MAT HQ)	10,837.72	27,164.35	38,002.07
St Anns Primary School	34,214.45	95,885.10	130,099.55
Nexus Multi Academy Trust	48,409.83	76,878.35	125,288.18
	25,845,251.83	**74,952,932.08**	**100,798,183.91**
South Yorkshire Pensions Authority	174,242.92	381,610.95	555,853.87
Barnsley MBC	6,435,640.78	15,786,074.01	22,221,714.79
Doncaster MBC	6,529,907.03	2,772,060.06	9,301,967.09
Rotherham MBC	7,389,352.21	4,751,791.24	12,141,143.45
Sheffield City Council	16,250,212.64	12,559,507.00	28,809,719.64
	36,779,355.58	**36,251,043.26**	**73,030,398.84**
	66,197,827.83	**119,795,787.40**	**185,993,615.23**

4.3

OUR PENSION FUND

Local Pension Board Annual Report

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.

We have also continued to engage with other Local Pension Boards on matters of mutual interest through meeting with the Chairs of the other Boards within the Border to Coast Partnership.

On behalf of the Board, I would like to thank the staff at the Authority for continuing to deliver the pensions service throughout the pandemic. Your efforts are very much appreciated by the Board.

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

Garry Warwick, Chair

Role of the Local Pension Board

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

- Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund;
- Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest;
- Ensure the South Yorkshire Pension Fund effectively complies with the Code of Practice on the Governance and Administration of Public Service Pensions Schemes issued by the Pensions Regulator and is effectively managed and administered in compliance with the Code.

Membership during the year

There were no changes to the Board's membership over the year. Membership was as follows:

Name	Date of joining	Nominated by/ Representing:	Term of Office (to)
Employee Representatives			
Nicola Doolan-Hamer	July 2015	Unison	June 2024 (3rd term end)
Garry Warwick (Chair)	July 2015	GMB	June 2024 (3rd term end)
Daniel Gawthorpe	June 2020	Unite	May 2023 (1st term end)
Andrew Gregory	July 2019	Selected from active, deferred and pensioner members	June 2022 (1st term end)
David Webster	October 2019	Selected from active, deferred and pensioner members	September 2022 (1st term end)
Employer Representatives			
Nicola Gregory	January 2018	Academies	December 2023 (2nd term end)
Steve Loach	October 2019	Local Authority (Senior Manager)	September 2022 (1st term end)
Rob Fennessy (Vice Chair)	April 2019	Other Large Employers (South Yorkshire Police)	March 2025 (2nd term end)
Councillor Mike Chaplin	July 2019	Local Authority	2 yr District Council appt (term extended to 2023)
Vacancy		Local Authority	
Independent Advisor			
Clare Scott	October 2019		September 2022 (1st term)

Meeting attendance

Member and employer representatives give their time freely. Attendance at the Board's meetings through the year was as follows:

	15 July 2021	14 Oct 2021	27 Jan 2022	22 Mar 2022 (Informal)	28 Apr 2022	% Att (Formal meetings)
Employee Representatives						
Nicola Doolan-Hamer	✓	x	✓	✓	✓	75
Garry Warwick	✓	✓	✓	✓	✓	100
Daniel Gawthorpe	✓	✓	x	✓	x	50
Andrew Gregory	✓	✓	✓	✓	✓	100
David Webster	✓	✓	✓	✓	✓	100
Employer Representatives						
Nicola Gregory	✓	x	✓	x	✓	75
Steve Loach	x	x	x	x	x	0
Rob Fennessy	x	✓	✓	✓	✓	75
Cllr Mike Chaplin	✓	✓	✓	✓	✓	100
Independent Adviser						
Clare Scott	✓	✓	✓	✓	✓	100

Work of the Board 2021/22

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

Pensions Administration:

- **Pensions Administration Performance** - The Board received quarterly administration performance reports.
- **Breaches Complaints and Appeals** - The Board received quarterly reports on breaches, complaints and appeals.
- **Data Quality Improvement** - The Board monitored progress on the Data Quality Improvement Plan.
- **Actuary** - The Board were updated on the appointment of a new Actuary for the Fund and the impact on service to employers.

Governance:

- **Decisions of the Authority** - Members of the Board receive all agenda papers issued to Members of the Pensions Authority and Board members are able to observe meetings of the Authority.
- **The Constitution** - The Board approved revisions to its Constitution following the annual review.
- **The Pensions Regulator** - The Board was updated on current levels of compliance with TPR Code of Practice 14 and discussed the regulator's consultation on a single combined code.
- **Risk Management** - Considered the Risk Register and the wider risk management framework.
- **Annual Report and Accounts** - Reviewed the Authority's Annual Report and Accounts.
- **Governance Compliance Statement** - Reviewed the Authority's revised Governance Compliance Statement.
- **Governance Review** - The Board considered updates on the actions from the governance review undertaken in 2020 and welcomed the decision to establish a dedicated governance team within the Authority.
- **Regulatory Changes** - The Board has been kept informed of the potential impact of regulatory changes such as the McCloud Judgement and the exit cap.

Learning and Development

- During the year, the Board welcomed the Authority's new Learning and Development Strategy including its extension to Board members and the commitment to progress knowledge and training needs assessments for individual members. Early in 2022, all Board members completed a knowledge assessment.
- The Board have requested that training records of both the Authority and Board members should be reported to the Board on a regular basis to demonstrate compliance with the Learning and Development Strategy.
- During the year, Board Members have attended the following training events:

Event	Date	Attendees
PLSA Local Government Conference	18-19 May 2021	
Barnet Waddingham/ CIPFA LPB Members' Annual Event	23 June 2021	N Doolan-Hamer, R Fennessy, A Gregory, N Gregory, G Warwick
Border to Coast Seminar - Investment Issues	6 Sept 2021	
SYPA LGPS Seminar	16 Sept 2021	M Chaplin, N Doolan-Hamer, R Fennessy, A Gregory, D Gawthorpe, D Warwick, D Webster
Barnet Waddingham Governance Update	28 Sept 2021	R Fennessy, D Webster
CIPFA LPB Members Seminar	Sept/Oct 2021	D Warwick, D Webster
Barnet Waddingham - Overview of the LGPS	28 Oct 2021	A Gregory
Understanding Impact	28 Oct 2021	M Chaplin, R Fennessy, G Warwick
Valuation Training	11 Nov 2021	D Webster
Breaches of the Law & Responsible Investing	22 March 2022	M Chaplin, N Doolan-Hamer, R Fennessy, D Gawthorpe, A Gregory, G Warwick, D Webster
Hymans Robertson Online Learning Academy		All members registered

Review of Effectiveness

During March 2022, members of the Board completed a survey and held a workshop to agree potential changes in the way the Board works to improve its effectiveness. This was the second time the Board had undertaken such a review. The survey included questions on the way meetings are conducted and knowledge, skills and capacity.

The results of the survey were positive in a number of areas and were broadly consistent with the results from 2021. All (or a significant majority of) members of the Board agreed that:

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

The Board agreed that the ongoing improvements from the Board's review in 2021 continue to be relevant including improving communication between with the Authority and requesting that the tenure of councillor membership be extended from the current 2 years. Further improvements were agreed this year including overseeing the Authority's meetings/governance, training and dealing with vacancies on the Board. The Board will work with the Authority to put these improvements in place.

Future Plans

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

- Assess compliance with, and the potential requirements of the Pensions Regulator's consolidation of its Codes of Practice;
- Develop training plans based on the recent knowledge and training needs assessment, in line with the new Learning and Development Strategy;
- Oversee the 2022 actuarial valuation.

Local Pension Board spending for 2021/22

Expenditure	2021/22 Budget £	2021/22 Forecast Outturn £	2021/22 Outturn Variance £	2021/22 Outturn Variance %
Independent advisor	6,090	7,300	1,210	19.9%
Room hire & catering	660	370	(290)	-43.9%
Training and Development	6,000	3,540	(2,460)	-41.0%
Member travel expenses	500	110	(390)	-78.0%
Printing and Postage (Agendas etc.)	750	0	(750)	-100.0%
Totals	**14,000**	**11,320**	**(2,680)**	**-19.1%**

The forecast outturn against the budget for 2021/22 is £11,320 which represents an under-spend of (£2,680).

The expenditure in relation to the Independent Adviser includes fees for additional services in relation to the work on member learning and development, and travel and subsistence expenses for the latter half of the year following the return to meetings being held in person.

The remaining under-spends reflect reductions in various running costs arising from items such as holding meetings online in the first half of the year, the continuing move to paperless operations, and the new office accommodation enabling meetings to be held in our own venue.

4.4

OUR PENSION FUND

Actuarial Statement for 2021/22

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2020. In summary, the key funding principles are as follows:

- to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target) over a reasonable period and ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment;
- to ensure that employer primary contribution rates are reasonably stable where appropriate, and, where a shortfall exists at the effective date of the valuation, a deficit recovery plan is put in place which requires additional contributions to correct the shortfall;
- 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.

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 2019. This valuation revealed that the Fund's assets, which at 31 March 2019 were valued at £8,440 million, were sufficient to meet 99% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2019 valuation was £63 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving full funding within a time horizon as per the FSS. Individual employers' contributions for the period 1 April 2020 to 31 March 2023 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 2019 valuation report.

4.4

OUR PENSION FUND

Actuarial Statement for 2021/22

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 May 2022 002 assets at their market value.

The key financial assumptions adopted for the 2019 valuation were as follows:

Financial assumptions	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary Rate of Contribution)
Discount rate	3.90%	4.75%
Salary increase assumption*	3.65%	3.65%
Benefit increase assumption (CPI)	2.40%	2.40%

*** Short term salary increase assumption of 3% p.a. to 31 March 2023 then 3.65% thereafter**

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the S3PA, S3DA and S3IA tables with appropriate weighting, projected using improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long term rate of 1.75%p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current pensioners	22.4 years	25.1 years
Future pensioners*	23.8 years	27.0 years

***Aged 45 at the 2019 Valuation.**

Copies of the 2019 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund.

Experience over the period since 31 March 2019

Markets were severely disrupted by COVID 19 in March 2020, but over most of 2020/21 and 2021/22 they recovered strongly. However, due to the war in Ukraine, March 2022 markets were particularly volatile, which affects values as at the accounting date. All other things being equal, the funding level of the Fund as at 31 March 2022 is likely to be better than that reported at the previous formal valuation as at 31 March 2019.

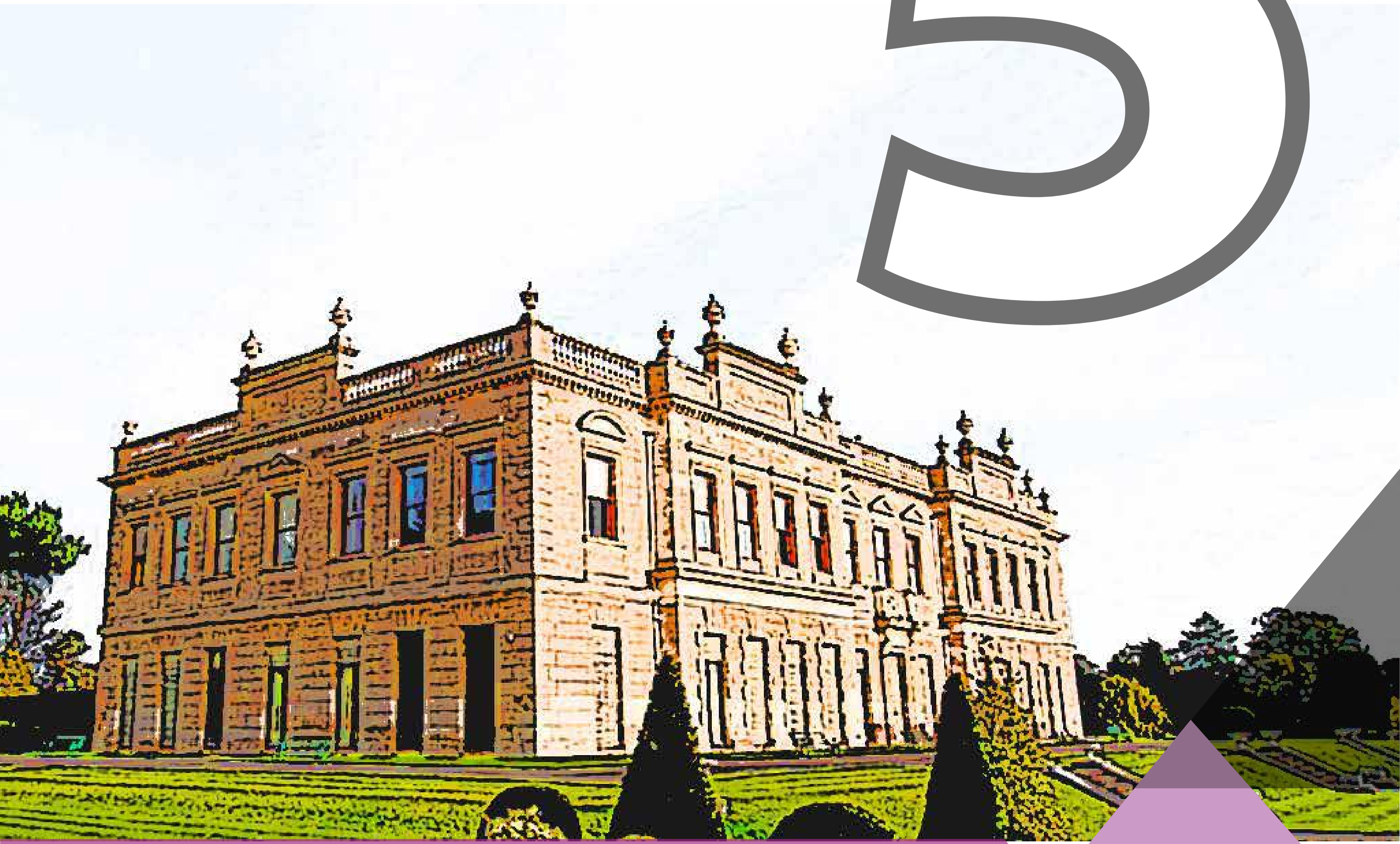
It is important to note that the formal triennial funding valuation exercise is as at 31 March 2022 and this may showa different picture when the finalised position is disclosed in next year's annual report. In particular, changes in Fund membership, changes in anticipated real investment returns, and changes in demographic assumptions will affect the valuation results. The Funding Strategy Statement will also be reviewed as part of the triennial funding valuation exercise.earlier date of leaving pensionable membership.

Douglas Green FFA
6 May 2022
For and on behalf of Hymans Robertson LLP

Section **Five**

ADMINISTERING THE PENSION FUND

5



Brodsworth Hall, Doncaster

5.1

ADMINISTERING THE PENSION FUND

Summary

Reviewing the 2021-22 year in administration, the continued impact of Covid-19 was undoubtedly a contributing factor to the progress made by the operational teams during the year. Although there were various short-lived attempts to return to the office for part of the week, most staff spent the majority of the year continuing to work at home. For more experienced staff with low reliance on colleagues for day to day case processing this is unlikely to have had a material impact on productivity, but the administration service continued to appoint a number of new joiners before and during the year and, despite the positive use of technology, it is inevitable that the lack of in-person contact has an impact on the level of supervision and mentoring it is possible to offer new staff who are learning complex subject matter.

That being said, operational performance when measured against our own robust internal service standards was broadly maintained at a comparable level to the previous year (see table on page 102) with performance in half the subject areas slightly above the previous year and half slightly below. There were no material differences in performance levels across the key areas of measurement set out (in the table on page 102) and this continued to be reflected in the volumes of complaints we received from our scheme members and our customer satisfaction ratings (see pages 103 -104).

We reported in 2020/21 that, in addition to measuring against our own key service standards, we had started to report quarterly to the Local Pensions Board on our performance against the various statutory disclosure targets set out in overriding legislation. The table on page 102 shows that we were generally meeting 100% of the statutory timescales throughout 2021/22, though this does exclude the time cases were placed on hold pending receipt of information from a third party. Whilst this continues to provide a degree of assurance, we do want to focus on understanding and improving the complete end to end customer experience and investigating the reasons for the time cases are spend 'on hold'. This was intended to be a focus for 2021/22 and some limited progress was made in this area during the year. As an example, we helped to ease the burden on employers by simplifying and standardising some of our online employer data captures. However, it is fair to say that this remains a focus for 2022/23 and our Customer Services team will be looking to make greater use of customer journey mapping to assist us with this work.

The Customer Centre, which was established in January 2020, continues to develop as the first point of contact for our scheme members and employers. The number of calls received by the Customer Centre increased by more than 10% from 2020/21 to approximately 28,800. The primary causes for this increase in numbers are likely to be the phasing out of publication of individual direct contact numbers across the administration service as well as a reflection of the overall growth in membership across the fund. Despite the increase in call volumes, the Customer Centre continued to retain a first point resolution level of over 90% (i.e. over 9 in 10 calls were successfully resolved directly by the Customer Centre without the need to refer to second line support). In reporting on first point resolution, it should be noted that approximately 30% of calls resulted in a request for case work to be processed by the administration service. For example, a member telephoning the Customer Centre to advise us of an impending retirement would not need to be referred to second line support but would instead generate a request for retirement claim documentation to be issued.

The introduction of a new web-based telephony system (with specific Contact Centre functionality) in the last quarter of 2021/22 should help to provide invaluable insight into common issues experienced by our customers to form the basis for further service improvements in future. Several new staff joined the Customer Centre during the year and the introduction of call recording and monitoring with the new telephony system is also proving a valuable training aid.

In addition to handling calls, the Customer Centre also responded to over 10,000 emails in the 2021/22 year which reflects the increasing popularity of this form of communication. We also offered webchats as an alternative means of contacting the Customer Centre, though take-up here is still relatively low and can be measured in the low hundreds over the course of the year. Customer satisfaction levels with emails and webchats are reflected in the details shown on page 103.

During 2021/22 we continued to increase the numbers of members signed up to our portal from 59k to 71k and the percentage of members engaged online compares favourably to other large LGPS funds. We also continue to increase the support we provide to our employers via our Support and Engagement team. As well as the production of a regular employer newsletter, we have continued to offer an increasing range of different courses (mostly virtual) and we were able to reinstate our popular Employer Forum in late 2021/22 for the first time in over two years, albeit that this was a virtual forum this time round. We hope to offer a hybrid event later this year.

One of our aims for the last two years has been to focus on the application of new technologies to improve the efficiency of our services. Although we have continued to find that much of our resourcing is focused on 'business as usual' activity (something we clearly need to address as part of our forward resourcing planning) in 2021/22 we were able to finally launch our "retire online" platform which allows deferred members to apply for (and be paid) their retirement benefits online. The advantage to members here is that this can be done instantly and without the need for paperwork to be completed, albeit there are restrictions for certain members (e.g. those with separate Additional Voluntary Contribution accounts). Although only launched in February 2022, this is already proving a popular mechanism for members to claim their retirement benefits, and during the year ahead we will be investigating whether we can adapt the technology to allow members retiring from active membership to utilise this route. The obvious potential drawback here is that members retiring from active status are dependent on timely information being issued to SYPA from their employer (whereas deferred members are not) but this should not act as a barrier to developing efficiencies for the benefit of our members.

5.1

ADMINISTERING THE PENSION FUND

Summary

Our performance in terms of meeting our published service standards over the year ending 31 March 2022 are given in the table below. As indicated in the table, our performance response times have improved in a number of areas and decreased in others, providing a broadly neutral outcome overall.

This should be seen in the context that our own research has confirmed that the service standards that SYPA sets itself are stringent compared with LGPS funds more widely, accepting that there is no nationally agreed benchmark target set for individual case work.

Key Service Standards	Target Days	Number Processed 2020 - 2021	Number Processed 2021 - 2022		Performance 2020 - 2021	Performance 2021 - 2022		Statutory Target Performance 2021/22
Retirement benefits	**5**	**3222**	**3182**	▼	**77.65**	**73.95**	▼	**100%**
Death benefits - initial	**5**	**1934**	**1098**			**94.54**	▲	See commentary **100%**
Death benefits - payment	5		1512			98.57	▲	See commentary 100%
Retirement estimates	5	3510	3667	▲	80.48	76.96	▼	100%
Pension rights on Divorce	10	330	400	▲	84.55	75.25	▼	100%
Preserved Benefits	20	2944	3885	▲	54.14	69.91	▲	97%
Transfer Out	7	596	639	▲	80.87	71.52	▼	100%
Refund of contributions	9	405	593	▲	87.9	89.21	▲	Not applicable
Transfers In	7	1031	929	▼	63.63	56.94	▼	99%
Additional benefits	8	347	272	▼	91.35	80.51	▼	Not applicable
General enquiries	5	3463	3930	▲	88.28	90.08	▲	Not applicable
Setting up a record	10	10819	10080	▼	77.68	93.24	▲	Not applicable
Totals		**28601**	**30187**					

The following provides an explanation for some significant variations compared with previous years:-

DEATH BENEFITS The key standard has been updated in recognition of the fact that the handling of a death case is broadly split into two separate work processes. The first is the initial contact with the next of kin once a notification has been received and the second is the subsequent payment of any benefits once claimed (such as partner's pension, any death grant and any child benefits). The overall performance in terms of processing of death benefits is shown as well over 95% within our 5 day target time.

TOTALS The table would suggest an overall increase in the volume of work processed under these key standards. Whilst this is the case (and reflects the increase in membership numbers), the comparison with 2020-21 is not a direct one because the death process has been split into two parts (see paragraph above) whereas these would previously have been counted as a single case.

5.1

ADMINISTERING THE PENSION FUND

Summary

The table on the next page shows our performance rating against satisfaction levels provided on response to surveys issued to scheme members and employers for the last three years.

In line with our Consultation & Communication Strategy and our mission to deliver high levels of customer service, we are committed to issuing satisfaction surveys to customers throughout a twelve month period to ensure the Authority is providing the service that people want.

Satisfaction surveys develop benchmarks, set improvement targets and monitor progress. In January 2020 we introduced a dedicated Customer Centre to deal with member queries at the first point of contact and we wanted to know how this service was being received. Therefore throughout 2021/2022 we have continued to issue focused surveys to members who had reason to contact us by telephone and email. We also wanted to hear from members who had recently retired to understand their experiences.

In total, we issued over 38,000 surveys in 2021/22 which represents over 20% of our overall scheme membership. The surveys were a combination of the following:-

- Retiring members survey
- Customer Centre telephony survey
- Live chat survey
- Customer Centre email survey
- Fund new joiner survey

From these surveys, a total of 2,961 responses were received which provides invaluable insight into the things we are getting right and those which we need to work on.

Each of our surveys ends with a specific question about overall satisfaction with SYPA. The results are shown in the table on the next page. Our overall satisfaction levels remain over 90% from both our scheme members and employers with the overall results broadly consistent with 2020/21. It is important to view these results in the context that the number of surveys we issued has increased substantially since the establishment of the Customer Centre and we have also made it easier for members to respond.

Whist we are generally encouraged by the results in this context, we know there is still work to be done. To improve the service we provide, we must take action from our survey results and a clear message from the feedback we received has prompted us to devote more resource to ensuring we keep scheme members updated when there is a delay on their case caused by a third party (for example - an employer, previous pension provider or AVC provider)

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ADMINISTERING THE PENSION FUND

Summary

	VERY SATISFIED		SATISFIED	
	2020/2021	2021/2022	2020/2021	2021/2022
EMPLOYERS	36%	25%	58%	69%
MEMBERS	63%	62%	28%	29%

	DISSATISFIED		VERY DISSATISFIED	
	2020/2021	2021/2022	2020/2021	2021/2022
EMPLOYERS	3%	6%	3%	0%
MEMBERS	6%	5%	3%	4%

5.1

ADMINISTERING THE PENSION FUND

Summary

Benchmarking of our cost

Traditionally a number of LGPS funds have participated in a benchmarking exercise run by CIPFA, and SYPA had been a contributor to this benchmarking "club" for many years. Unfortunately, in recent years the numbers of LGPS funds participating in the CIPFA exercise have dwindled in numbers (to well under a third of all LGPS funds) and the value of comparisons under the CIPFA club has therefore diminished significantly. For 2020 and 2021 therefore SYPA chose not to participate in this specific exercise. We are aware that the production of benchmarking comparisons in the administration area is something that the Scheme Advisory Board are keen to follow up as one of the outcomes of the Good Governance project and we welcome any developments that will facilitate meaningful comparisons to be produced.

In 2019 SYPA, along with a number of the larger LGPS funds, signed up to a benchmarking project run by CEM (an independent benchmarking organisation operating in the pensions environment). CEM benchmark the overall cost effectiveness of pension schemes in both the private and public sector by looking at a number of measures designed to assess customer service as well as administration costs. Although the initial results (as reported in 2019/20) were helpful, the value of this exercise relative to the cost did not justify an annual commitment and SYPA will participate in this exercise again in 2022 instead.

As a more widely available, but perhaps broader brush, alternative to the above benchmarking exercises, the Government publishes a set of cost data which it obtains annually through an exercise (known as SF3) in which it collects data based on the audited accounts from all LGPS funds. Each fund is required to provide details of their total administration costs as well as their membership numbers.

The table below shows the total administration costs per member for the last four years when compared with other groups of funds across the UK. Although these costs are generalised and should always be treated with caution (e.g. they are not adjusted for capital investment for example) they do provide a degree of assurance that the costs incurred by SYPA compare positively with other funds.

	2016/17 Admin Cost £/Member	2017/18 Admin Cost £/Member	2018/19 Admin Cost £/Member	2019/20 Admin Cost £/Member	2020/21 Admin Cost £/Member
South Yorkshire	**£16.44**	**£19.73**	**£21.02**	**£18.73**	**£17.75**
Shire Funds	£18.48	£19.15	£20.58	£21.37	£21.25
London incl LPFA	£37.70	£34.22	£38.33	£40.22	£45.14
Met & Transport Funds	£15.21	£16.03	£16.82	£17.39	£17.95
England and Wales	£20.73	£21.03	£22.57	£23.53	£24.13
Scotland	£21.76	£23.01	£25.78	£25.52	£27.84
Northern Ireland	£36.60	£38.13	£42.67	£35.97	£32.75
UK	£23.63	£21.53	£23.45	£23.96	£24.64

5.1

ADMINISTERING THE PENSION FUND

Summary

Employer Performance

One of the key factors influencing the level of service we are able to provide to our scheme members is of course the timeliness and accuracy of the data we require from employers to allow us to complete our statutory duties.

Since April 2018 we have been collecting individual scheme member data on a monthly rather than annual basis (Monthly Data Collection – MDC) and in April 2020 we introduced the monthly collection of contributions income by Direct Debit derived directly from the MDC files submitted by employers and their payroll providers.

For the 2021/22 year, we continued to receive good co-operation from employers with regard to the submission of monthly data and reported on a quarterly basis to the Local Pension Board on the levels of compliance. These are set out below for ease of reference.

Period reported to Local Pension Board	Percentage of submissions on time
Quarter 1	99%
Quarter 2	99%
Quarter 3	99%
Quarter 4	99%

Despite the challenges of the last year, it is reassuring that with very few exceptions employers have been able to continue to provide monthly data files in a timely manner.

The provision of a monthly data file is a significant part of the employer's responsibilities but there are routine individual member transactions where we also require timely data from the employer. In 2021/22 we developed our reporting in this area sufficiently that we were able to measure the effectiveness of employer response times and identify any individual employers (or their payroll providers) who may require support to complete their statutory responsibilities. The table on the following page shows the position of the ten employers/providers with the highest volumes of queries outstanding at the end of 2021/22, though it should be noted that many of these reflect the size of the employer rather than necessarily an area of concern. The trend analysis is reported to the Local Pensions Board on a quarterly basis and forms the basis of our engagement with the relevant bodies aimed at improving performance where required. In line with our Pensions Administration Strategy, this engagement is carried out on an informal basis initially (with offers of training support for example where providers have experienced staff turnover) with recourse to more formal measures (such as financial penalties for additional resource demands on SYPA) available if required.

5.1

ADMINISTERING THE PENSION FUND

Summary

Employer	Q1 2021/22			Q2 2021/22			Q3 2021/22			Q4 2021/22		
	Raised in Quarter	Completed in Quarter	Outstanding Quarter End	Raised in Quarter	Completed in Quarter	Outstanding Quarter End	Raised in Quarter	Completed in Quarter	Outstanding Quarter End	Raised in Quarter	Completed in Quarter	Outstanding Quarter End
(00500) **Rotherham MBC**	**270**	**178**	**566**	**280**	**121**	**725**	**199**	**137**	**787**	**271**	**242**	**816**
High	59	57	9	49	40	18	48	62	4	75	68	11
Standard	211	121	557	231	81	707	151	75	783	196	174	805
(00400) **Doncaster MBC**	**207**	**163**	**494**	**338**	**119**	**713**	**124**	**131**	**706**	**286**	**597**	**395**
High	53	55	10	47	43	14	28	41	1	65	61	5
Standard	154	108	484	291	76	699	96	90	705	221	536	390
(00600) **Capita**	**44**	**17**	**297**	**48**	**31**	**314**	**48**	**34**	**328**	**98**	**73**	**353**
High	6	4	22	6	3	25	8	9	24	16	9	31
Standard	38	13	275	42	28	289	40	0	304	82	64	322
(00600) **Sheffield City Council**	**192**	**283**	**240**	**234**	**295**	**179**	**154**	**183**	**150**	**219**	**228**	**141**
High	39	57	2	59	58	3	46	43	6	74	69	11
Standard	153	226	238	175	237	176	108	140	144	145	159	130
(00600) **EPM**	**25**	**18**	**171**	**26**	**24**	**173**	**24**	**13**	**184**	**75**	**19**	**240**
High	4	4	9	10	6	13	4	3	14	1	6	9
Standard	21	14	162	16	18	160	20	10	170	74	13	231
(00473) **Doncaster Childrens Services**	**36**	**62**	**115**	**50**	**31**	**134**	**24**	**30**	**128**	**71**	**98**	**101**
High	10	7	6	10	12	4	6	10	0	15	14	1
Standard	26	55	109	40	19	130	18	20	128	56	84	100
(00300) **Barnsley MBC**	**97**	**89**	**82**	**94**	**86**	**90**	**66**	**91**	**65**	**105**	**90**	**80**
High	41	43	9	26	28	7	34	38	3	28	29	2
Standard	56	46	73	68	58	83	32	53	62	77	61	78
(00372) **Greenacre Academy**	**9**	**0**	**41**	**32**	**8**	**65**	**8**	**2**	**71**	**14**	**12**	**73**
High	0	0	0	1	1	0	0	0	0	3	2	1
Standard	9	0	41	31	7	65	8	2	71	11	10	72
(00222) **Sheffield College**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**50**	**16**	**7**	**59**
High	0	0	0	0	0	0	0	0	1	4	0	5
Standard	0	0	0	0	0	0	0	0	49	12	7	54
(00295) **The Chief Constable**	**38**	**61**	**50**	**42**	**35**	**57**	**28**	**37**	**48**	**56**	**50**	**54**
High	17	20	3	15	13	5	9	0	3	16	17	2
Standard	21	41	47	27	22	52	19	0	45	40	33	52

Section **Six**

MANAGING THE PENSION FUND'S INVESTMENTS

Waterloo Kiln, Rotherham

6.1

MANAGING THE FUND'S INVESTMENTS

Investment Review

At the beginning of the fiscal year many countries still had some restrictions in place due to Covid-19, but the rollout of the vaccine programmes led to optimism that economic and corporate activity would recover quickly. However, there was a great deal of volatility in markets over the year as several new variants emerged which appeared to be more transmissible and led to further restrictions on the economy, although these weren't as prolonged as the original restrictions. China is the one main region that has very low vaccine rollout, instead having a Covid Zero strategy which meant that they initiated strict lockdown measures whenever Covid cases arose.

Although Covid-19 continued to disrupt economic and corporate activity for the period to the end of December 2021, a sharp recovery in global growth and continued monetary and fiscal support led to strong gains in equity markets.

Beyond the growth concerns arising from the pandemic, inflation became a focus with pressures across both goods and services building towards the end of 2021. Energy and commodity prices strengthened sharply as demand increased and the sharp rise in natural gas prices was of notable concern in Europe. Central banks became increasingly hawkish and pulled forward expectations of interest rate rises and also announced the scaling back of the levels of asset purchases that were in place.

In December the Bank of England raised rates for the first time since 2018 and the US Federal Reserve at its last meeting of 2021 announced that it would end the emergency quantitative easing programme a few months earlier than had been expected in a bid to curb inflation, and also signalled to the markets that both rate rises and the withdrawal of liquidity would be coming in 2022.

The first quarter of 2022 was then dominated by heightened geopolitical tensions as Russia invaded Ukraine. Russia is a major energy and commodity producer and the escalation of tensions pushed energy and commodity prices to more extreme levels which exacerbated the surge in inflation, supply chain disruption and the risk to global growth. Brent oil and natural gas prices were very volatile with brent oil ending March at $107 per barrel which was up 70% from a year ago. While acknowledging the uncertainties related to the geopolitical situation and its economic implications, central banks have indicated that they see inflation as the more pressing problem to tackle, that is unless the growth outlook markedly deteriorates. At the end of March Euro area inflation was at 5.9%, with the UK at 6.2% and the US reached a 40 year high of 7.9%. Inflation is expected to remain at high levels over the next few quarters.

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The European Central Bank confirmed that the tapering of the pandemic emergency purchase programme will end in June and its asset purchase programme will gradually end over the third quarter of 2022 but with the usual caveat that it will be data dependent. President Christine Lagarde indicated that a first rate hike could arrive "some time" after the end of the asset purchases. The Federal Reserve raised its target rate by 0.25% and made it clear that there would be further increases to follow and has plans to reverse quantitative easing. The Bank of England raised its policy rate by 0.25% twice within the quarter saying that geopolitical risks had accentuated its expectations for weak growth and high inflation this year. The trend of policy normalisation was also followed by some emerging market central banks, with Brazil, Taiwan, Korea and Hong Kong all announcing rate hikes. In contrast, the Bank of Japan stayed on hold, maintaining its current easing stance as it emphasised concerns regarding the impact of the Russia-Ukraine situation on growth rather than inflation, which in Japan is still very low at around 1%.

The US stock market continued to lead the recovery on a global basis although along with most regions saw stocks declining during the last quarter. The war in the Ukraine amplified existing concerns over inflation pressures, particularly through food and energy, and although consumer sentiment deteriorated during the last quarter in reaction to inflation the US economic data remained stable. The US labour market remained robust. The February jobs report was better than expected with the unemployment rate dropping to 3.6% in March and wage growth coming in at 5.1% year-on-year.

Europe is a large importer of oil and natural gas from Russia which made it particularly vulnerable to negative sentiment when the conflict in the Ukraine started and caused some fears about the security of supply. The European Commission announced a plan, RePowerEU, which is designed to diversify sources of gas and speed up the roll-out of renewable energy but this is a long term measure and in the short term there are fears that high energy prices will hit economic activity. Consumer confidence figures fell sharply in March as a direct consequence of the surge in prices. The Purchasing Managers' Index (PMI) showed resilience with a positive figure of 54.5 in March but it had fallen from 55.5 in February.

The UK is less dependent on Russian energy imports but is a heavy user of gas and oil and so is exposed to risks from persistently higher energy prices. The Chancellor did announce a fiscal package for the period 2022/23 that will provide some support to household incomes. The UK labour market is still showing signs of tightening with strong jobs growth in February. The unemployment rate fell to 3.9% and wage growth was faster than expected. The flash PMI business survey was better than expected at 59.7 which would indicate that the economy is currently still growing at a decent pace despite the higher energy prices. However, it should be noted that consumer confidence fell sharply. The equity market was actually more resilient than many other developed markets due to the structure of the index and the heavy weights to oil, mining, healthcare and banking sectors that performed well.

Japan continued its lacklustre performance. The economy is very export oriented and the manufacturing sector has suffered from supply constraints due to virus-induced factory shutdowns in China and the persistent semiconductor shortages, especially in the auto sector. In a bid to support household consumption through the energy shock the government introduced some petrol subsidies.

Emerging markets lagged developed market performance as the lack of vaccine rollout and the impact of the variants impacted growth within these regions. Within emerging markets, China was a notable area of weak performance over the year. There was a regulatory crackdown on the internet, education and gaming sectors and also concern over property markets, notably with Evergrande under pressure as it struggled to meet scheduled debt payments. The first quarter of 2022 was particularly tough for Chinese markets with the main concern the new outbreak of Omicron and the subsequent severe lockdowns in Shenzhen, Shanghai and many other large cities. Manufacturing plant shutdowns exacerbated global supply constraints. However, towards the end of March there was rebound in the Chinese equity markets as economic stimulus measures were announced and confirmation of a 5.5% growth target for 2022 brought back some confidence to markets.

Bond markets, except for index-linked had negative returns for the year and this performance was particularly bad in the first quarter of 2022 as investors focused on the high and rising inflationary pressures. Government bond yields rose sharply and due to the inverse relationship with prices, bonds fell in value. As central banks became more hawkish markets began pricing in a faster pace of monetary normalisation. The extent of yield moves differed across markets with the US Treasury market in one of its worst sell-offs on record, but moves are less pronounced in core Europe and the UK. Corporate bonds saw widening spreads and generally underperformed government bonds. High yield spreads widened more than investment grade, although they saw less negative total returns due to income.

Geopolitical and monetary risks are higher than we have seen for many years. Monetary policy tightening and the subsequent implications for economies will be key for the markets. Inflation risk is the greatest challenge for most investors with concern that higher than expected inflation accelerates the removal of policy accommodation. Central banks will have to manage monetary conditions well to avoid falling into recession.

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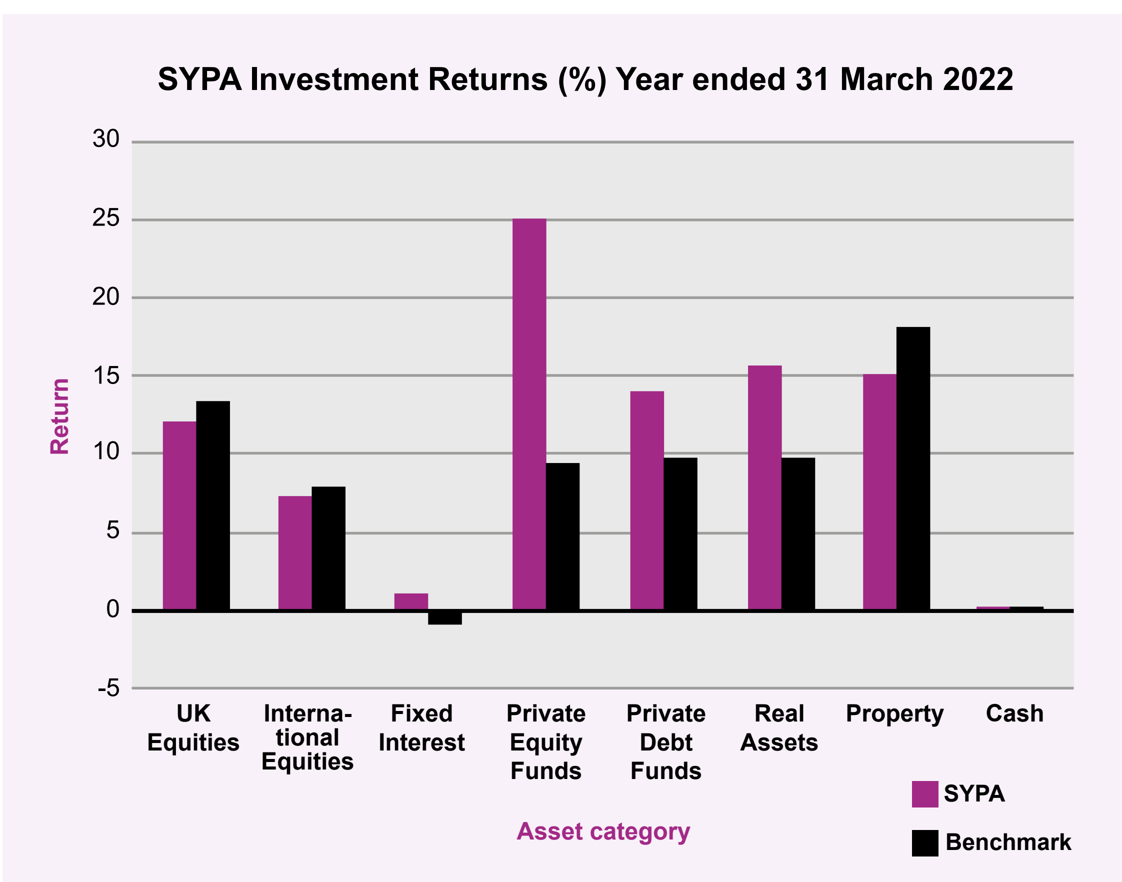
INVESTMENT STRATEGY & PERFORMANCE

Performance

The investment strategy of the Fund is carried out in accordance with the Investment Strategy Statement 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.

Over the year to March 2022, the Fund delivered a return of 9.6% outperforming SYPA's strategic benchmark return of 7.7% by 1.9%. This return was also above the triennial discount rate assumption set by the Scheme's actuary at the 2019 actuarial valuation. This is an inflation-linked measure, CPI+1.75% p.a. which at the current time is 8.25%. The net assets of the Fund at 31 March 2022 was £10,653.9m, up from £9,862.1m at 31 March 2021.

The graph below compares the return achieved by the Fund in each of the main investment categories during the year.



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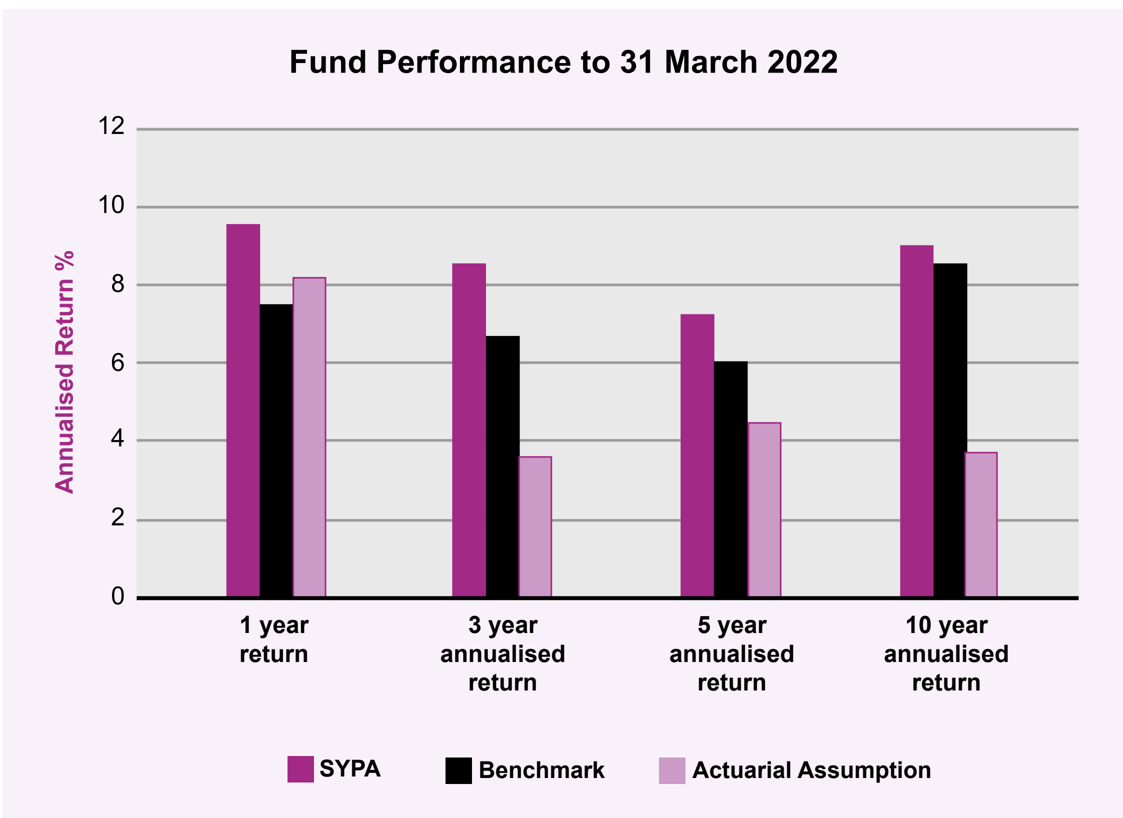
INVESTMENT STRATEGY & PERFORMANCE

This year the equity portfolios showed positive absolute returns, but marginally underperformed their respective benchmarks as did the property portfolio. In contrast, the bond portfolios gave only small absolute returns, but they outperformed their respective benchmarks. The performance of the alternative asset classes were the most significant out-performers, in particular Private Equity.

The Fund always invests with the longer term aim of having sufficient assets to meet its liabilities and it can be seen below that the Fund has comfortably outperformed its benchmark and the actuarial assumptions over-all longer-term periods.



The funding level at the last actuarial valuation as at March 2019 was 99.3% and at 31 March 2022 is estimated to be 109%.

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INVESTMENT STRATEGY & PERFORMANCE

The Fund has continued to reduce its exposure to listed equities to reduce its equity risk and has been increasing allocations to the alternative asset classes, in particular to infrastructure which also increases the Fund's allocation to income generating assets. This is in line with its stated strategy of improving diversification and the risk-adjusted return.

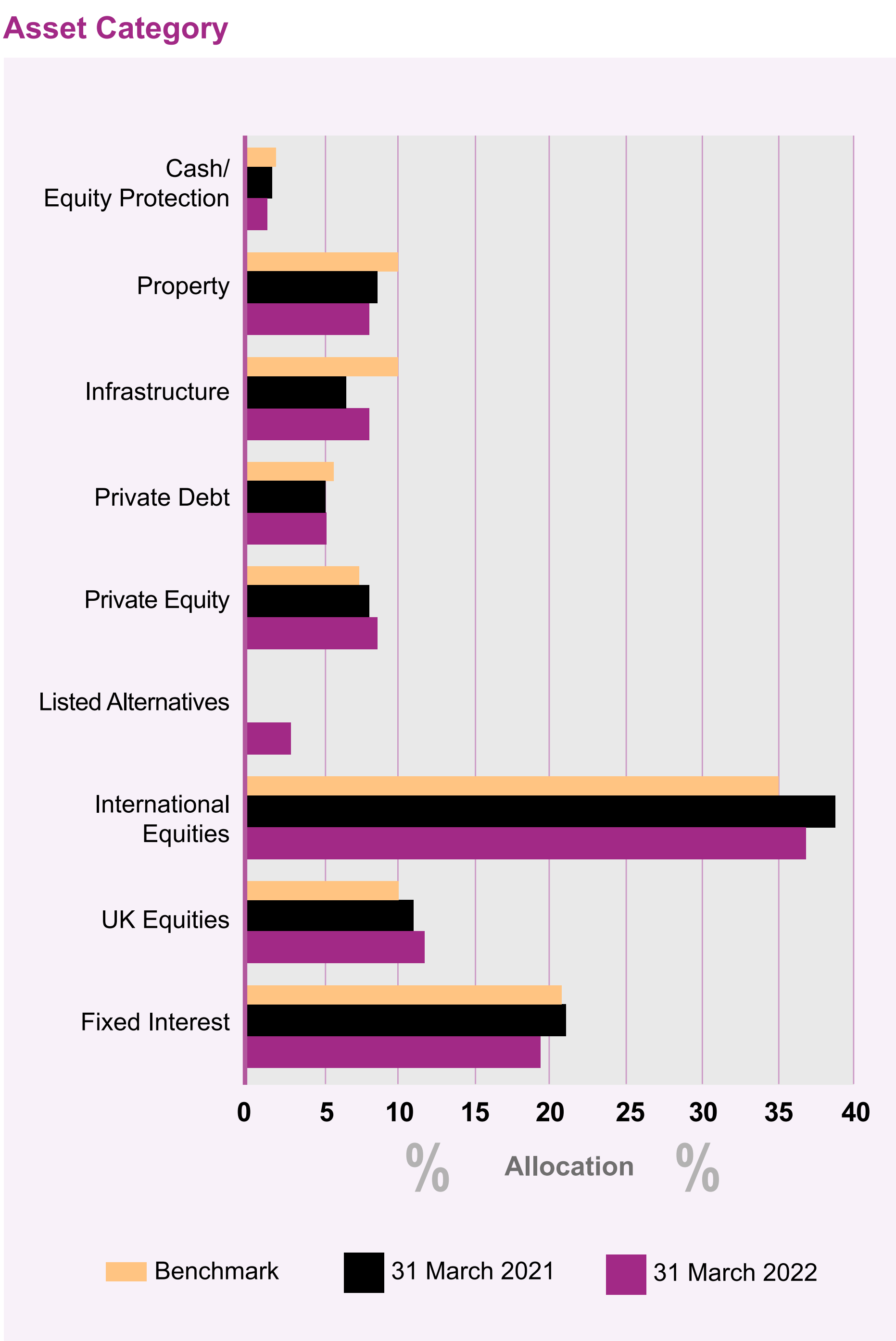
STRATEGIC ASSET ALLOCATION

The following table shows a summary of the asset distribution for the year ended 31 March 2022 compared with the strategic target agreed by the Authority in operation during the financial year 2021-22.

Asset Allocation at 31 March 2022

Asset Class	Current Asset Allocation		SAA Target	Range
	£m	%	%	%
Index Linked Gilts	934.2	8.8	10	8 - 12
Sterling Inv Grade Credit	454.7	4.3	5	3 - 7
Other Fixed Income	587.3	5.5	6	4 - 8
UK Equities	1140.8	10.7	10	5 - 15
Overseas Equities	3846.4	36.1	35	30 - 40
Listed Alternatives	198.6	1.9	0	0-2
Private Equity	1043.8	9.8	7	5 - 9
Private Debt	532.5	5.0	5.5	4.5-6.5
Infrastructure	879.7	8.3	10	8-12
Property	911.8	8.6	10	8 - 12
Cash	118.7	1.1	1.5	0 - 5
Total	10648.5	100	100	

The following table shows how the asset allocation has changed over the year versus the benchmark.



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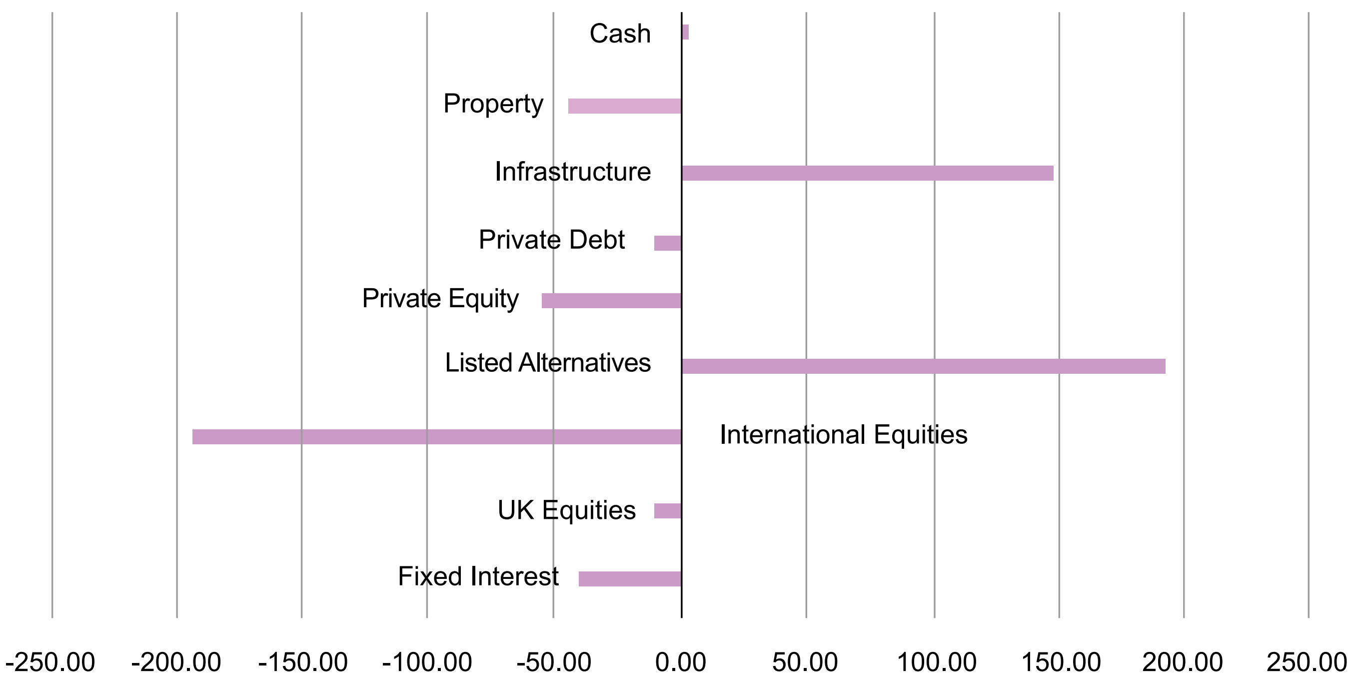
INVESTMENT STRATEGY & PERFORMANCE

The change in distribution is a result of investment transactions and the performance achieved within each investment category.

The changes in the Fund's asset allocation compared to the previous year can be seen below. It includes a reduction in the overall bond exposure and UK and international equities to fund the new Border to Coast listed alternatives fund within the alternative asset classes and increased exposure to infrastructure funds. This has brought these allocations closer to their strategic targets.

Net investment over the year to 31 March 2022 £m



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INVESTMENT STRATEGY & PERFORMANCE

Investment Pooling

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

The Company's investment performance and capability is overseen by the partner funds by the Fund's senior officers via the Officer Operations Group and on a quarterly basis by the Joint Committee which is constituted of elected representatives from each partner fund.

The partner funds and the Company work collaboratively to build the capabilities required to ensure that partner funds can deliver their strategic asset allocations.

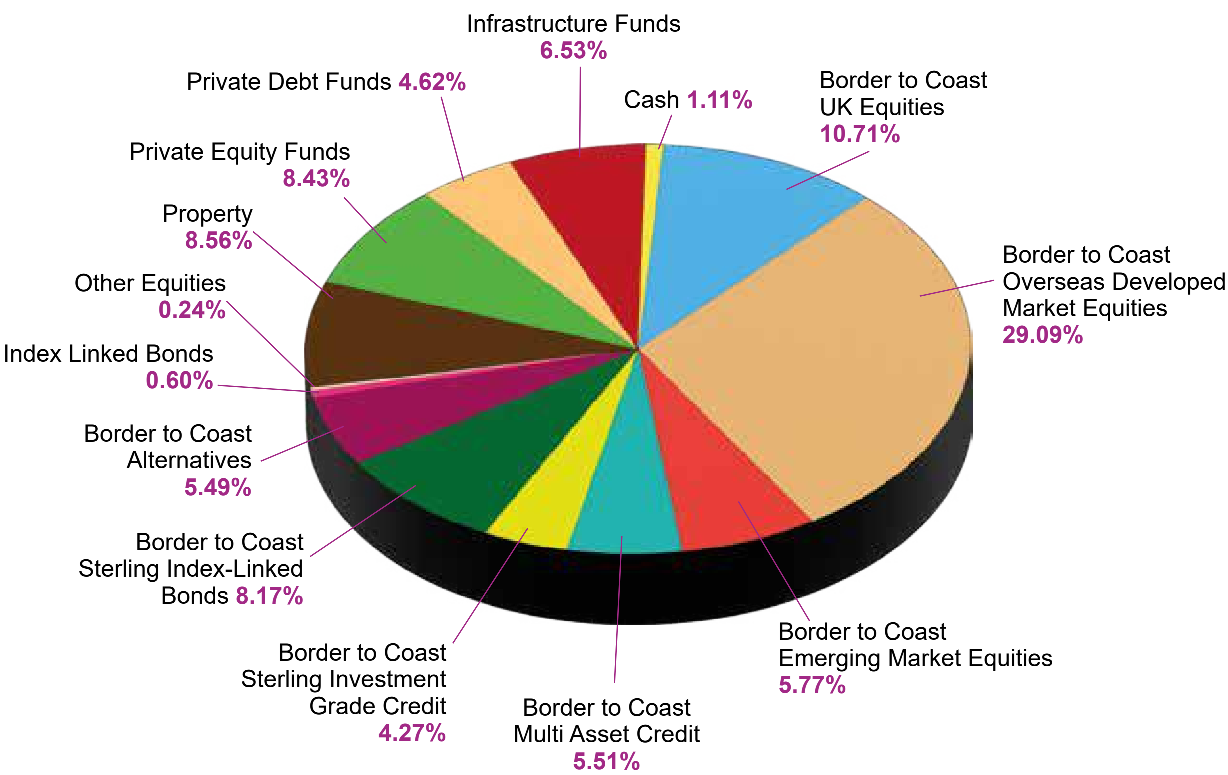
As at 31 March 2022 Border to Coast had launched six equity sub-funds and three bond funds. SYPA have investments in seven of these funds. During the year SYPA was involved in two transitions to Border to Coast. We transferred high yield and emerging market bonds into the Multi Asset Credit fund and also listed alternative holdings into Border to Coast's Listed alternative fund. These assets were previously managed internally by SYPA. The performance achieved includes the cost of the transition of these assets. The Fund's existing investments in closed ended funds for private assets sit outside the Pool but most new investments in this area during the year were made by Border to Coast. They committed £430m to private equity, private debt and infrastructure funds for SYPA and these investments started to draw down during the year.

Five largest holdings in externally managed investments by market value as at 31 March 2022

Holding	£m
Border To Coast - **Overseas Developed Markets Equity**	3,099.6
Border To Coast - **UK Listed Equity**	1,140.8
Border To Coast - **Sterling Index-Linked Bonds**	870.6
Border To Coast - **Emerging Markets Equity**	721.2
Border To Coast - **Sterling Investment Grade Credit**	587.3

6.2 INVESTMENT STRATEGY & PERFORMANCE

Assets Under Management



At 31 March 2022 Border to Coast managed 69.96% of the Fund's assets which has grown from 62.74% last year because we transitioned assets into two new fund launches during the year and this will grow as Border to Coast develop more products and further assets are transitioned to them.

The progression in the transfer of assets to Border to Coast Pensions Partnership can be illustrated in the chart above.

LGPS Pooling Savings

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

COSTS OF POOLING	CUMULATIVE TO 2020/21 £M	2021/22 £M
Internal Costs	**(1.4)**	**(0.7)**
FEES ON FUNDS HELD DIRECTLY	(12.7)	(6.0)
POOLING SET UP COSTS/GOVERNANCE	3.7	0.5
BCPP MANAGEMENT FEES/COSTS	16.3	9.6
BCPP -PRIVATE MARKET SAVINGS	(0.8)	(2.6)
TRANSITION COSTS	2.6	0.1
OTHER SAVINGS	(1.8)	(0.7)
NET COSTS	5.9	0.2
Cumulative Costs	**5.9**	**6.1**

Index-Linked Gilts

The Fund has a significant exposure to index-linked gilts which although not managed passively is very much a buy and hold for the long-term strategy. Most of the index-linked holdings are under Border to Coast management. Within this portfolio they also hold some corporate index-linked bonds as a means of adding value. These assets play a valuable role in relation to providing inflation linked income. The portfolio performed in line with its benchmark returning 3.9% over the year.

The bonds that were retained by SYPA were sold down in line with the change to our strategic benchmark.

Corporate Bonds

At the start of the year, SYPA had three separate portfolios within this category, an investment grade credit portfolio, an emerging market bond portfolio and a high yield bond portfolio. These are held for the stable cash flows and the credit spread above gilts. The investment grade credit portfolio was under Border to Coast management. (The Border to Coast portfolio is managed equally by three external bond managers, Royal London, M&G and Insight). The other two asset categories are higher risk bond portfolios and in October these two portfolios were transitioned into a newly formed Border to Coast Multi Asset Credit (MAC) fund. The overall bond performance over the year was positive although the MAC fund has underperformed its benchmark since inception of the fund.

Ten largest bond holdings by market value at 31 March 2022

1. UK Government Index-Linked 2044
   £84.47m
2. UK Government Index-Linked 2055
   £77.71m
3. UK Government Index-Linked 2068
   £69.37m
4. UK Government Index-Linked 2065
   £66.15m
5. UK Government Index-Linked 2062
   £64.44m
6. Barings GIF -Global loan strategy fund
   £62.03m
7. UK Government Index-Linked 2040
   £58.39m
8. UK Government Index-Linked 2047
   £58.07m
9. UK Government Index-linked 2050
   £55.95m
10. PIMCO Loan fund
   £44.62m

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INVESTMENT STRATEGY & PERFORMANCE

UK Equities

SYPA has an investment in the Border to Coast UK Listed Equity. This is an internally managed UK portfolio which has a moderate target to provide a total return which outperforms the total return of the FTSE All Share Index by at least 1% per annum over rolling 3-year periods. The portfolio achieved a 12.2% return which was a 0.8% underperformance of its target during 2021/22 and so now since inception the portfolio has not achieved its target as it has only outperformed the benchmark by 0.5% per annum. The index return of 13% for the year was the strongest of the main developed market returns over the year and this is mainly due to the high weighting of oil, mining and banking sectors which performed well in the final quarter. The strength in the banks reflected rising interest rate expectations and the oil and mining stocks performed well on the back of the conflict in the Ukraine.

Global Equities

SYPA has holdings in the Border to Coast Developed Markets Equity Fund and the Border to Coast Emerging Markets Equity Fund. These are both internally managed funds. The benchmark for the overseas developed markets fund is a composite of 40% S&P 500 Index: 30% FTSE Developed Europe ex-UK: 20% FTSE Developed Asia pacific ex-Japan: 10% FTSE Japan. The performance of global equities overall was positive at 7% with developed markets outperforming emerging markets. The performance of the developed market portfolio returned 11.4% and outperformed the benchmark index by 0.9% over 2021/22 whilst the emerging market portfolio returned -8.4% and underperformed its target benchmark by 4.6%.

The emerging market portfolio has shown disappointing performance since inception and after consideration a decision was taken by Border to Coast to supplement the internal management capabilities with external support creating a hybrid fund. After assessing various options it was concluded that covering the large and rapidly developing China market without a presence in the country was a constraint given the importance of language, culture and political understanding. Two specialist China managers were appointed, and transition to the new fund structure took place at the beginning of the financial year. Since transition the two Chinese managers together have performed in line with their benchmark.

Ten largest publicly quoted equity holdings by market value held via Border to Coast Equity ACS at 31 March 2022.

Microsoft £89.28m

£87.53m

Shell £81.72m

MFC VANGUARD MID-CAP ETF £80.51m

AstraZeneca £79.09m

SAMSUNG £68.78m

Alphabet £61.05m

tsmc £59.91m

amazon £55.18m

HSBC £47.07m

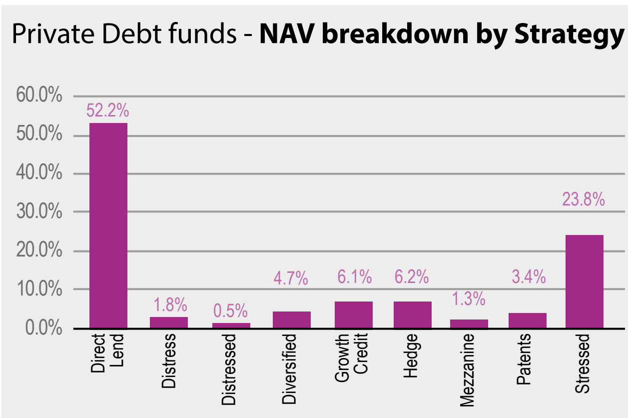
Private Debt

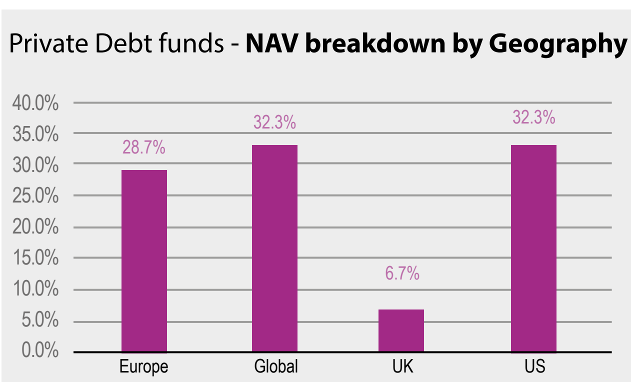
Private debt is a sub-set of the broader leveraged credit markets, characterised by mostly private equity-generated activity in companies that are typically too small or with financing needs too specialised to be financed by the larger public markets.

Private debt encompasses a broad range of strategies which provide financing across all elements of the capital structure including direct lending, mezzanine, unitranche, distressed debt and special situations. The income generated from these funds is a useful source of cash to meet liability payments. The legacy portfolio of 40 funds is diversified by strategy and geographic location and the current value of assets in this category is £536.6m. The breakdown of the portfolio is shown in the graphs below.

£100m was committed by Border to Coast on our behalf over the year to March 2022. The target allocation is 5.5% of the Fund and this will be achieved by making annual commitments to this sector at an appropriate rate.

The overall portfolio returned 13.9% in the year to 31 March 2022 compared to the benchmark return of 9.5%





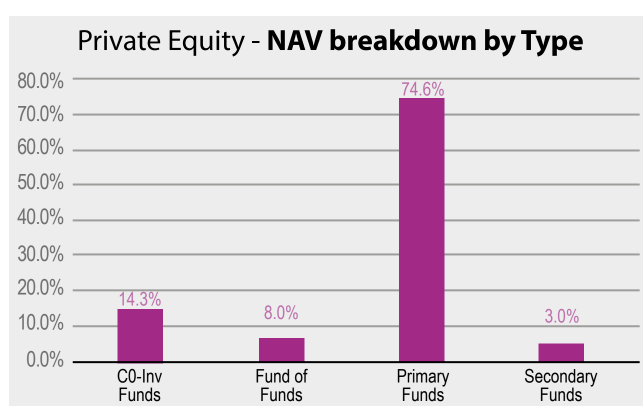
Private Equity

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

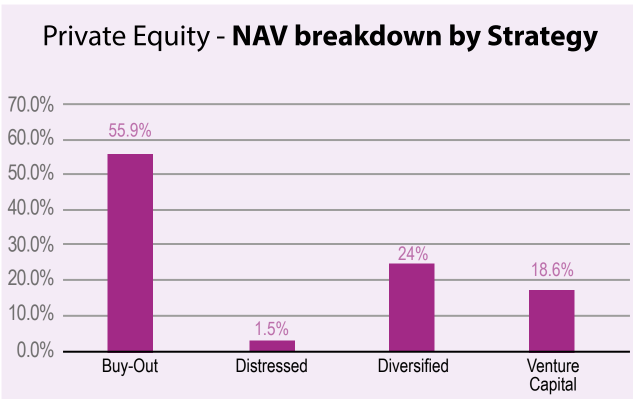
The portfolio of 104 funds is diversified by investment type, strategy and geographic location and the breakdown can be seen in the graphs below. The value of assets currently invested in private equity is £1042.6m.

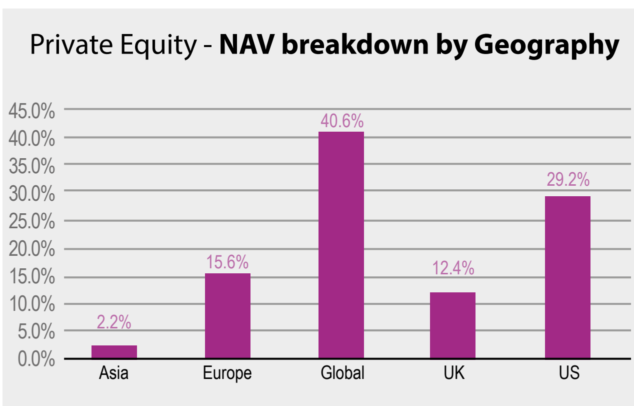
The general background for private equity was positive in 2021 with strong fundraising throughout the year and exits were similarly successful with IPO proceeds outstripping the positive 2020 levels. The one-year performance of the portfolio showed a gain of 25.1% with a number of managers posting even stronger returns. Due to the nature of private equity investments, the process of valuing them takes longer than for a public equity and therefore some of this was a delayed impact seen from listed equity markets last year. The outperformance over the year was due to a significant uplift of valuation that was seen from the successful realisation of existing investments.

New investment into this area is now via a Border to Coast limited partnership. A commitment of £130m was made by SYPA during 2021/22. This rate of commitment is lower than over the last few years but is in accordance with the Fund's strategic asset allocation. We are now over the optimum weighting against our strategy and want to reduce the exposure and not to increase it. Investment is being made in such a way to ensure that we still have vintage and strategy diversification.



6.2
INVESTMENT STRATEGY & PERFORMANCE





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. This aligns with our views that businesses that incorporate ESG as part of their mission statement and overall ethos, tend to achieve better returns as well as being able to manage risk sensibly especially over the long term.

Our investments are made by limited partnerships managed by various managers. An example of one our managers is Palatine and we have holdings in four of their funds.

Palatine sees private equity as a force for good and strives for sustainable growth with a commitment to the environment and society. Palatine works with portfolio companies to help shape businesses that prosper and has an award winning 6 pillar framework approach to ESG. Palatine believes the proactive management of ESG results in positive and inclusive company cultures with higher employee engagement and productivity as well as better financial returns. Doing the right thing isn't just good for society and the environment, but business too.

An example of ESG implementation in the portfolio is CET from their third buyout fund. CET Group has two separate business divisions: Property Assurance ("CET") which white-labels first response services for domestic emergencies and repairs on behalf of major insurance companies and Infrastructure (CTS), which operates as an accredited materials testing business, servicing construction related clients, from 16 laboratory sites nationally. CET was sold in Q3 2021 to Homeserve plc and a bank refinancing was also completed at CTS, this combination resulted in a 2x return of total cost of investment. If the valuation of CTS as at 31 March 2022 is included,the return to date on the original investment is 3.5x cost of investment.

ESG materiality considerations at CET are health and safety of staff and the public, including domestic customers; storage, handling and exposure to highly hazardous materials in labs; Maintaining laboratory accreditations; Customer care, especially for domestic customers; Recruitment and engagement of good staff, especially front line; Significant direct and indirect business travel resulting in fuel consumption and vehicle emissions.

6.2
INVESTMENT STRATEGY & PERFORMANCE

CET's performance across the 6 Pillars is shown below:

- **Climate:** Travel and associated emissions have reduced across the group as a result of upskilling technicians, the implementation of a telematics system (CTS) and increasing the number of engineers across different geographies. CET has reduced it's carbon footprint by greater than 50% year on year. CTS has procured 5 electric vans for its Heathrow site.
- **One planet:** Waste minimisation, segregation and recycling has been a priority for both parts of the business. CTS has switched to bulk delivery of chemicals in reusable Intermediate bulk containers (rather than smaller plastic drums). CET has benefitted from a secure document retrieval system which has reduced printing. CTS has a water recycling facility at one site, saving over 731,000 litres in 2 years.
- **Supply Chain:** There has been a focus on human rights and implementation of the Modern Slavery Policy across the group. CTS surveyed suppliers to gauge understanding and compliance with the Modern Slavery Act. The results demonstrated no breaches within the current supply chain. Sustainable performance is considered in procurement but in an informal way, CET is supporting working on a sustainably procurement policy.
- **People:** Significant focus on mental health and wellbeing across the group. Key advancements include: roll out of mental health first aid, domestic abuse and sexual harassment training rolled out. CTS introduced a formalised wellbeing strategy and has benefitted from reduced absences of more than 180 hours each month. Learning and development is a key focus area across the group with investment in supporting teams and individuals in achieving qualifications. Benefits have been reviewed as part of wellbeing support. Staff attrition has reduced considerably across the group. Initiatives implemented to improve diversity and inclusion include: the senior leadership team completing unconscious bias training; and the launch the COFE (creating opportunities for and development is a key focus area across the group with investment in supporting teams and individuals in achieving qualifications. Benefits have been reviewed as part of wellbeing support. Staff attrition has reduced considerably across the group. Initiatives implemented to improve diversity and inclusion include: the senior leadership team completing unconscious bias training; and the launch the COFE (creating opportunities for excellence) business club for women. They have introduced an employee engagement survey and have started to deliver on the actions highlighted.
- **Customers & Community:** Digitisation of customer engagement through CTS has improved the CTS customer experience. CET has also further developed its digital offering and enables customers to 'track their tradesperson', send automated updates (saving incoming calls by almost 400k) and enable engineers to upload data directly from the site, reducing the time taken to administer repair specifications. Charitable giving continues to support mental health and children's good causes.

6.2
INVESTMENT STRATEGY & PERFORMANCE

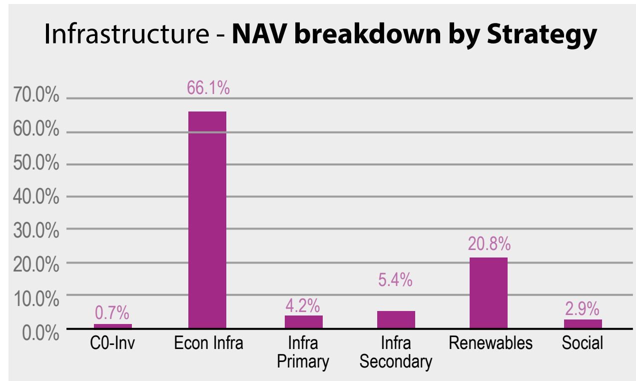
- **Leadership:** Strong leadership focus on ESG implementation throughout the business with initiatives across all the 6 pillars. Work has commenced on refinement of the company vision, strategy and values to fit with the ESG agenda and will be communicated to employees. Policy reviews and updates completed with associated communications / training delivered. Wellbeing has been an important theme alongside safety and reduction of carbon.

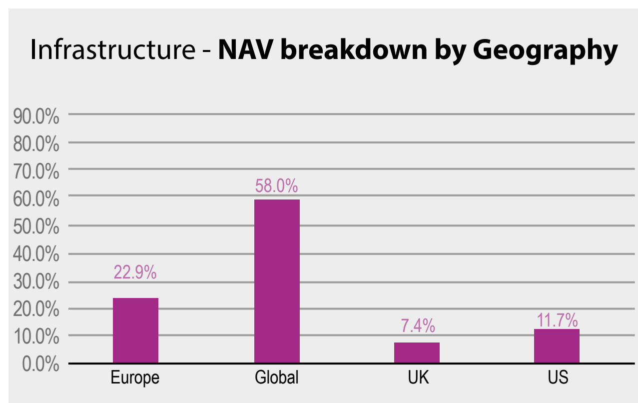
Infrastructure

Infrastructure investments typically offer long-term returns which have a close match to the objectives of the Fund, preservation of value over the long term, inflation linkage and they have a cash flow focus as well as providing a good means of diversification for the Fund.

The allocation to infrastructure has been made via a number of global and regional investment funds. The portfolio is still immature and below the target allocation of 10% of Fund assets but this will be achieved by making appropriate annual commitments through our Border to Coast limited partnership.

The exposure includes investments in renewable projects and UK Social Housing. The portfolio has 36 legacy investment funds and this year made a £200m commitment to the Border to Coast limited partnership. The current value of these investments is £879m but the value should increase as commitments are drawn down. The exposure is well diversified and is shown below. The performance during 2021/22 was ahead of the targeted return but as this is an immature portfolio it is expected that initial costs may still impact performance in the short-term.





An example of a manager that we have infrastructure investments with is Quinbrook which is a specialist manager focused on renewables, storage and grid infrastructure and we now have investments in four of their funds.

An example of an investment that they have made is the recent commissioning of the synchronous condenser, located at Rassau, Ebbw Vale, (the “Rassau SynCon”), which has been designed to enable more variable and weather-dependent renewable generation capacity to be safely accommodated on the UK power grid.

- The Rassau SynCon is expected to play a key role in National Grid's new approach to managing the stability of the electricity system. Assets like the Rassau SynCon provide stability without having to provide electricity – allowing more renewable generation to operate and ensuring system stability at lower costs.
- Projects such as the Rassau SynCon are expected to be a fundamental component of the stable decarbonisation of electricity supply, and the drive to increase the percentage of power that is generated from renewable sources on the road to Net Zero. National Grid is endeavouring to bring the British electricity system to a position where it can run on purely zero-carbon electricity by 2025. The services offered by synchronous condensers are seen by National Grid as key to enabling that goal, facilitating the electricity system's ability to accommodate "whatever quantity of renewable electricity is being generated at that [2025] time".
- Synchronous Condensers can provide multiple grid support services including: inertia to strengthen the grid; short circuit power to ensure a reliable operation; and reactive power for voltage control. Historically, grid stability had been maintained by large, predominantly fossil fuel power plants. These traditional plants are being phased out and renewable generators like wind and solar connect to the grid in a different way, without the same stabilising properties - so National Grid launched the Pathfinder Programme to source new ways to manage stability.
- The idea of synchronous condensers is not new - in the early days of electricity, they were used quite widely, but once synchronous grids were established, they were considered to be obsolete and largely fell out of use. The changing generation mix has reintroduced the need for the services these machines can offer.

6.2

INVESTMENT STRATEGY & PERFORMANCE

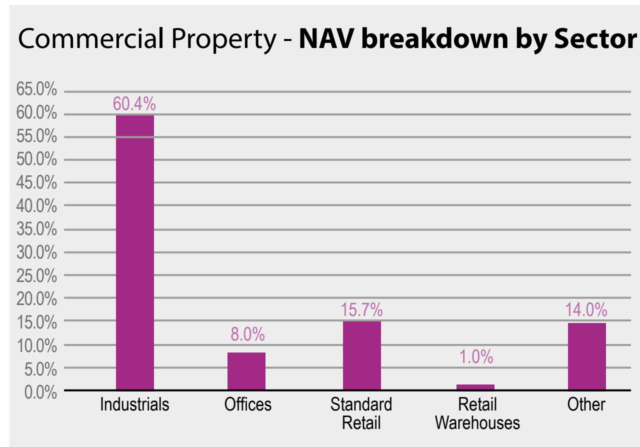
Property

SYPA has a 10% allocation to property as an asset class and it is an important source of income for the Fund. SYPA has three elements to its property exposure. At 31 March 2022 it comprised 31 directly held commercial properties valued at £606m, an agricultural portfolio valued at £189m and twelve indirectly held specialist holdings valued at £116m.

At the sector level we have been favouring sectors with more defensive characteristics, preferring to invest in areas where the structural drivers of demand are positive. Over the year we have sold peripheral retail holdings and also some office assets that we had longer term concerns about. We completed on the purchase of a business park in Oldham and also bought a 4.7acre development site at Newcraighall, Edinburgh which is adjacent to the Authority's existing holdings. This leaves the Fund underweight its strategic allocation.

Top 5 Commercial Property Holdings

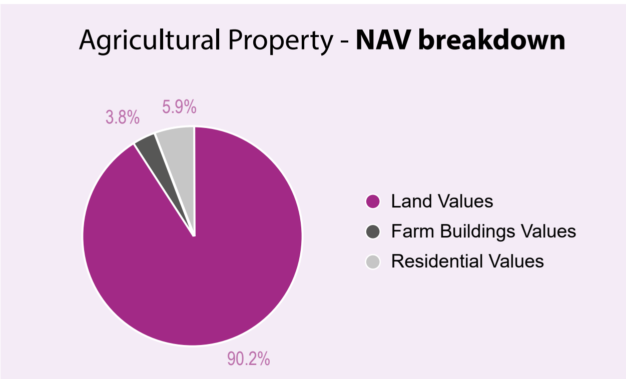
1. **Langley Park, Slough**
   Industrial estate **£39.93m**
2. **Stockbridge Road, Chichester**
   Student accommodation **£39.50m**
3. **Oxgate Centre**
   Industrial estate **£38.80m**
4. **Sainsbury's, Butterley Park, Ripley**
   Retail Supermarket **£35.15m**
5. **Fradley Park, Lichfield**
   Industrial estate **£33.55m**

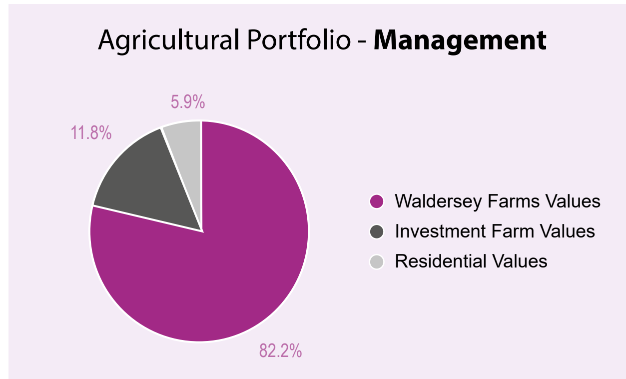


Annual performance of the direct commercial portfolio was 19% compared to the benchmark return of 20.1%, although the three and five year performance outperformed the benchmark. The Fund's investment manager Aberdeen Standard have identified the opportunity for some diversification of the holdings to add value in the coming year.

Within the agricultural portfolio, the farm operating business Waldersey Farms Ltd faced another tough year with the impact of the pandemic still affecting its farming and operations throughout 2021. However, the company provided a profit over the year. The underlying trading performance for its root crops was excellent but due to the dull weather experienced in late summer there was pressure on the cereal harvest.

The charts below show the breakdown of the agricultural portfolio capital values. The land values represent 90% of the Authority's portfolio. The valuation is also shown split between holdings farmed by Waldersey Farms Ltd and those holdings held as investment farms and let to third parties.





Specialist Holdings

Within the specialist holdings we have set up a portfolio of regional development debt which has CBRE as an advisor to invest c£80m in local (Sheffield City Region/South Yorkshire) development projects. The portfolio has the aim of generating a commercial return whilst delivering a positive local impact.

Two loans were repaid during the year, four loans are in place and there are further loans in various stages of the due diligence process.

The loans which finalised during this financial year were for Vidrio, a digital Campus near to the railway station in Sheffield, Eyewitness, which is to fund the redevelopment of two former mill buildings into 97 residential units near the centre of Sheffield and the third loan is to fund a scheme to regenerate the 130,000 sq ft existing B&Q warehouse on Greenland Road, Sheffield and to develop a further 58,000 sg ft of new industrial units and trade counters. The loan portfolio has generated an IRR of over 7% this year.

6.2
INVESTMENT STRATEGY & PERFORMANCE

6.2
INVESTMENT STRATEGY & PERFORMANCE

The photo above shows the Eyewitness building before development began and below that is a computer-generated picture of what is being developed shown from the inside of the site.

Also, within these specialist holdings we have investment in the Bridges Property Alternative Funds which have a 12 year track record of executing higher value-add transactions which deliver future-proofed, alternative property assets in needs-driven sectors that combine attractive financial returns and positive social and environmental outcomes. To date:

- They have executed 13 low cost and affordable housing deals of which 8 are exited or pre-sold. These transactions have or are developing over 3,000 low cost and affordable housing units across the UK which have a carbon footprint that is on average 40% below their baseline.
- They operate in the low carbon logistics sector, having executed 21 deals to provide a total of 7.3m sq. ft. industrial space. These facilities have achieved or are targeting Very Good/Excellent BREEAM ratings. Included in these are some recent developments that are net zero carbon in construction and development.
- They also operate in the healthcare and elderly accommodation market. They have developed or are developing in total 949 care home beds and 408 assisted living for rent units with the majority having an EPC A or B rating.

Over the last twelve months the overall property portfolio generated a positive return of 15.2%, although this underperformed the weighted index benchmark of 17.8%.

Cash

Cash is only held pending investment and during the year money has been invested into infrastructure funds. At 31 March 2022 the sterling cash figure was at £103m down from the previous year's level of £117m. £30m of this was held within a sterling liquidity fund, £68m held with five F1 rated banks and £5m held as short term deposits with a local authority.

6.3

RESPONSIBLE INVESTMENT

Beliefs and Approach

The Authority is fully committed both to investing responsibly and to the good stewardship of its investments across all asset classes. It seeks to act at all times in the best long-term interests of all its members and protect and enhance the value of the companies in which it invests on their behalf. As set out in our *Responsible Investment Policy* (RI Policy), we define responsible investment as follows:

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 believe that well governed assets will present the following characteristics:

- A recognition of the key risks to the long-term sustainability of the business, in particular climate change, and will have created action plans to address these risks over reasonable but not unduly prolonged timescales.
- Transparency in their governance, balancing the interests of shareholders, executives and other stakeholders including the workforce.
- Respect for the human rights of the communities with which they interact and their various stakeholders.
- Acknowledgment of the environmental impacts of their activities and takes steps to minimise and / or mitigate them.

The Authority expects those managing money on its behalf to reflect these factors in their investment process and where specific risks or concerns are identified to engage with assets in order to ensure that these characteristics are met. Engagement activity will:

- Have clear and specific objectives.
- Be time limited.
- Where unsuccessful link to clear consequences reflecting the degree to which the investment thesis for the asset has been undermined by non-compliance.

The Authority will report each year on the impact of its investment portfolio on society using the framework of the UN Sustainable Development Goals (SDGs) and will, where possible, given the constraints of pooling, seek to prioritise investments which address the opportunities presented in relation to:

- SDG 13 - Climate Action
- SDG 6 - Clean Water and Sanitation
- SDG 7 - Affordable and Clean Energy

The Authority's fundamental belief is that this approach is entirely consistent with securing the long term returns the Pension Fund is required to deliver, and that it is therefore in the best interests of both scheme members and employers.

6.3

RESPONSIBLE INVESTMENT

Beliefs and Approach

Our RI Policy was most recently updated in March 2022 and is kept under regular review by the Pension Authority.

The SYPA Responsible Investment Policy frames our overall approach to these issues. As with our broader investment approach, as described in Section 7 of this report above, we put this responsible investment approach into operation through our relationships with service providers, with whom we work actively and hold to account for delivery. In particular, our work within the Border to Coast Pensions Partnership (as our LGPS Investment Pool) to achieve our objectives sits within this framework and the policy framework within which we do this is illustrated in the diagram below (the purple boxes are owned by SYPA and the grey ones by the Partnership).

The Authority's policies are reviewed in March each year. Our review considers wider policy developments across the industry as well as what has been achieved in relation to positions which have been set out in previous versions of the policy. In part, this timing is chosen to enable us to influence the development of the Partnership policies. These are reviewed annually over the summer, with approval by SYPA alongside our Border to Coast partners in the autumn, ahead of peak voting season.

This process has enabled the Authority to influence the development of the Border to Coast Partnership's Climate Change strategy and the formulation of its Net Zero goal of 2050. Among other developments, this has seen a strengthening of the voting position on companies which are making insufficient progress towards decarbonisation and on improving the diversity of thought within their boards.

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RESPONSIBLE INVESTMENT
Beliefs and Approach

Our policy update and work with our partners have also led to specific investment changes, for example, the Authority has exerted its influence to encourage the development of investment products supportive of the transition to a low carbon economy. This has resulted in the launch by Border to Coast in April 2022 of a £1.3bn Climate Opportunities Fund.

Through Border to Coast we hold accountable stewardship and ESG service providers, including Robeco, the chosen stewardship overlay service, and the pool fund managers, for delivery. In addition, we retain our direct oversight of the work done on our behalf by the Local Authority Pension Fund Forum (LAPFF) and the fund managers that we retain, which have not yet been subject to the pooling process.

Minimising and managing conflicts

As with any public body, SYPA faces obligations to minimise and manage conflicts of interest and we do so actively and appropriately across all our activities. We have adopted, and are bound by, a Code of Conduct. This requires that in respect of any conflicts of interest within SYPA activities, our members are obliged to make declarations of any relevant interests at the start of meetings.

The ways in which relevant conflicts of interest may be managed include:

- the individual concerned abstaining from discussion, decision-making or providing advice regarding the relevant issue;
- the individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a Pensions Authority meeting); or
- a working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen).

Members and officers are required annually to make any declarations of material related party transactions which are reported in the Statement of Accounts.

As part of our Code and approach to conflicts, we expect all of our service providers themselves to abide by appropriate conflicts policies. We require any external asset manager to have effective policies in place, and which are made publicly available. Similarly, we assure ourselves that the approach of Border to Coast to conflicts is both robust and applied in substance. Border to Coast has a Conflicts of Interest policy and as an FCA authorised and regulated entity needs to live up to its obligations under the FCA's Principles for Business. All its staff receive compulsory and regular training to assist them in identifying, preventing or managing Conflicts of Interest. This policy has been supplied to the Authority and is detailed in the Partnership's Governance Charter which is publicly available.

Although not FCA regulated ourselves, SYPA adopts the FCA's approach on managing personal interests. The Authority's Compliance Manual therefore requires procedures to be in place for the investment staff in respect of personal dealing. Permission must be obtained from the compliance officer prior to portfolio managers dealing on a personal basis. Disclosure of personal investments by individual employees must be made annually. A register is kept to record "inside information" should any be received by investment managers. A restriction on dealing is then enforced for the Authority, and personal dealing by investment staff, until the information is made public.

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RESPONSIBLE INVESTMENT
Beliefs and Approach

As part of our work on stewardship, we have taken specific advice from experts in this area and are working to further develop our approach to stewardship-specific conflicts. In large part, we believe that these are minimised by our approach of delegating day-to-day responsibility for stewardship to our service providers, Border to Coast, Robeco and LAPFF. But given that we retain the power always to take our own decisions on voting and other matters we do need to understand what might amount to sources of potential direct conflicts of interest in relation to stewardship. We have so far identified the following:

- Situations involving companies with operations within South Yorkshire, or property or infrastructure investments within our region, particularly if there are specific proposals that might affect those operations
- Companies which have direct contractual relationships with the Authority or councils who are employers in the Pension Fund.

We are therefore developing a record of such circumstances to enable us to monitor them appropriately. Our expectation is that our approach will be never to intrude into our service providers' stewardship decision-making in these situations.

We experienced no stewardship-specific conflicts during the year.

Resources

The Authority's approach to investment generally is to have a lean central function whose main role is to hold service providers to account for delivery. We take the same approach to stewardship: we do not carry out stewardship of underlying assets ourselves. Rather, our role is to set expectations of our various service providers, understand their activities and hold them accountable for the outcomes of their actions. This work is led by the Director, supported by input to specific pieces of work by other members of the team. At times this resourcing has been stretched and overly reliant on key individuals who have much wider responsibilities. Plans are therefore in hand to add additional resource dedicated to this area.

In order to deliver on its ESG and stewardship aims, the Authority employs consultants to provide specialist advice and input to specific projects. Among these has been the impact work reported elsewhere in this annual report. With regard to stewardship, the Authority leverages its relationships with Border to Coast, and its engagement partner Robeco, and also with the LAPFF. We continually assess the value for money and effectiveness of delivery that we receive from these service providers and continue to be confident that our level of resourcing of stewardship enables us to deliver effectively for our beneficiaries. Further, we are able to benefit from the range of other partnerships and collaborations highlighted later in this report.

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RESPONSIBLE INVESTMENT

Beliefs and Approach

As well as our work alongside Border to Coast to hold the pool's managers to account for their delivery of stewardship, we also challenge the managers of the assets not yet subject to pooling with regard to integrating ESG factors into investment decision-making and stewardship. We assess investment manager engagement with companies and other investments, whilst also retaining the right to exercise voting rights directly ourselves in order to use our influence as an investor to promote and support good ESG practices.

Transparency and beneficiary needs

As befits a public body, the Authority believes in being fully transparent about our stewardship and ESG activities. As well as this annual report on our approach and activities, we produce quarterly reports on the activities undertaken on our behalf by Border to Coast, their engagement partner Robeco, and on collaborative activity undertaken by the LAPFF. These reports are freely available through our website *here*.

We also use these reports as a vehicle to make visible our broader ESG approach. For example, we also include, where available, details of the ESG ratings and characteristics of specific portfolios.

We believe that this high level of transparent reporting drives increased accountability for stewardship delivery to our beneficiaries. Like many local authority pension schemes, we receive a good deal of input from members about their perspectives and perceptions regarding stewardship and ESG matters. We respond to this as appropriate and where relevant may factor it into our approach.

Our assets

Our asset allocation is more fully set out in section 6.2, page 113 of this report. In summary, around 11% is allocated to UK equities, 29% to overseas developed market equities and 7% to emerging market equities. The benchmark for the developed market exposure is split roughly 40% US, 30% Europe ex-UK, 10% Japan and 20% developed Asia ex-Japan (around 12%, 9%, 3% and 6% of the overall portfolio respectively). The US therefore represents our largest single market exposure for equities, just ahead of the UK. But given the UK is our home market and we believe is of most interest to our members, we pay somewhat more stewardship attention here. Our credit portfolio is significantly weighted to the UK, again making our focus on stewardship within this market appropriate.

Engagement

Within this context of our portfolio, we recognise the value that active and persistent stewardship - both engagement and voting - can bring for members over the long-term investment horizons that matter to them. Engagement is the process by which investors use their influence to encourage companies (and other assets in which they invest) to improve their behaviour and management of ESG issues in order to improve the companies' long term financial performance. The pooling of our assets has enabled the Authority to develop further ways in which such active engagement is now delivered on behalf of beneficiaries. SYPA's main role is to hold each of these providers effectively to account for their delivery:

- 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, our voting and engagement partner, as appointed by Border to Coast
- 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.

Where assets are not yet subject to pooling, we seek to engage with those managing money on our behalf, for example, in private equity and infrastructure funds. Our aim is to encourage them to ensure that the underlying investments in these funds comply with good practice in terms of environmental, social and governance issues. In addition, Border to Coast have continued to work with Allbourne on wider industry initiatives to strengthen the assessment of ESG practice within the managers of funds within the various alternatives portfolios which they are building out for us and other partner funds. We welcome this as a necessary element of the pooled vehicles into which we will feel it appropriate to invest funds on behalf of our beneficiaries.

Engagement Priorities

Working alongside other funds within Border to Coast, we work to identify engagement themes which represent financially significant issues which could have a material impact on shareholder value over the time horizons that matter for beneficiaries. For the period up to the end of 2021, we have agreed the following themes:

- Transparency and disclosure;
- Governance;
- Diversity; and
- Climate Change

The engagement programme of LAPFF is determined jointly by the membership, of which the Authority is one of more than 80. As the range of issues covered is subject to agreement between a larger group of stakeholders, the focus of the LAPFF's work is broader than the activity undertaken on our behalf through Border to Coast. However, there is a significant commonality in the areas of most importance to us (both the characteristics of good assets and our SDG priorities, as identified in the Authority's beliefs statement), including:

- Transparency and disclosure (in particular issues around lobbying).
- Diversity (in particular in the composition of Boards).
- Climate Change (in particular around issues around company's plans to deliver zero emissions).

In addition to this, LAPFF has focussed in two further areas which the Authority has particularly supported:

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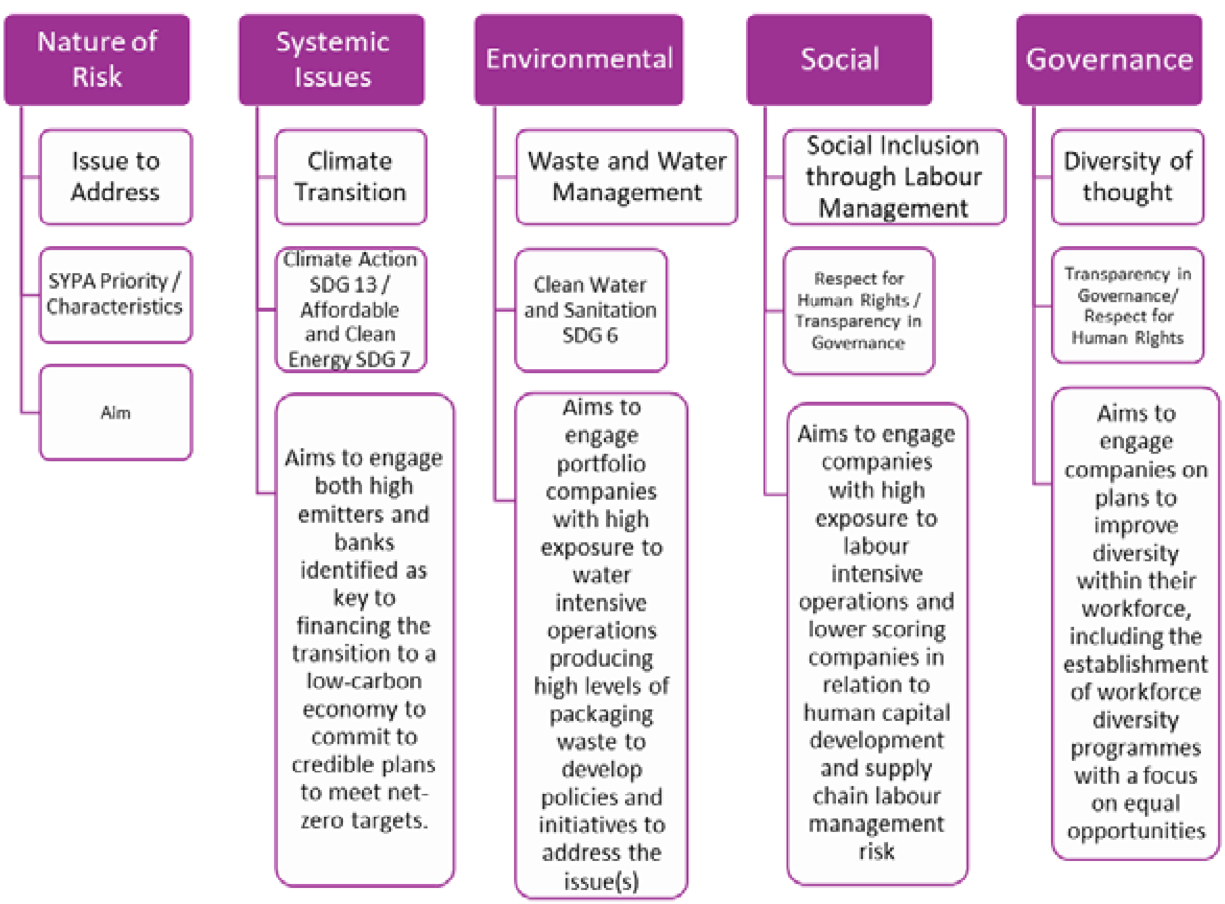
RESPONSIBLE INVESTMENT
Beliefs and Approach

- Human Rights and Social issues, particularly, in terms of companies' relationships with indigenous communities. This is a particular issue in the mining industry associated with issues such as tailings dams but is also evidenced by the destruction of rock shelters in the Juukan Gorge, an aboriginal heritage site in Australia.
- Reliable accounts where LAPFF has been instrumental in a long-standing campaign to address the regulatory failures which have contributed to a number of major corporate failures such as Carillion. This is gradually bearing fruit in the UK with the proposed replacement of the Financial Reporting Council with a new more independent body.

Following dialogue this year between SYPA and its partner funds about our shared Responsible Investment policy, the Border to Coast Partnership agreed to adopt four new engagement themes for the coming 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. As can be seen the work done by the Authority to input into the Partnership's policy review has resulted in a significant overlap with between our priorities and these engagement themes.



6.3

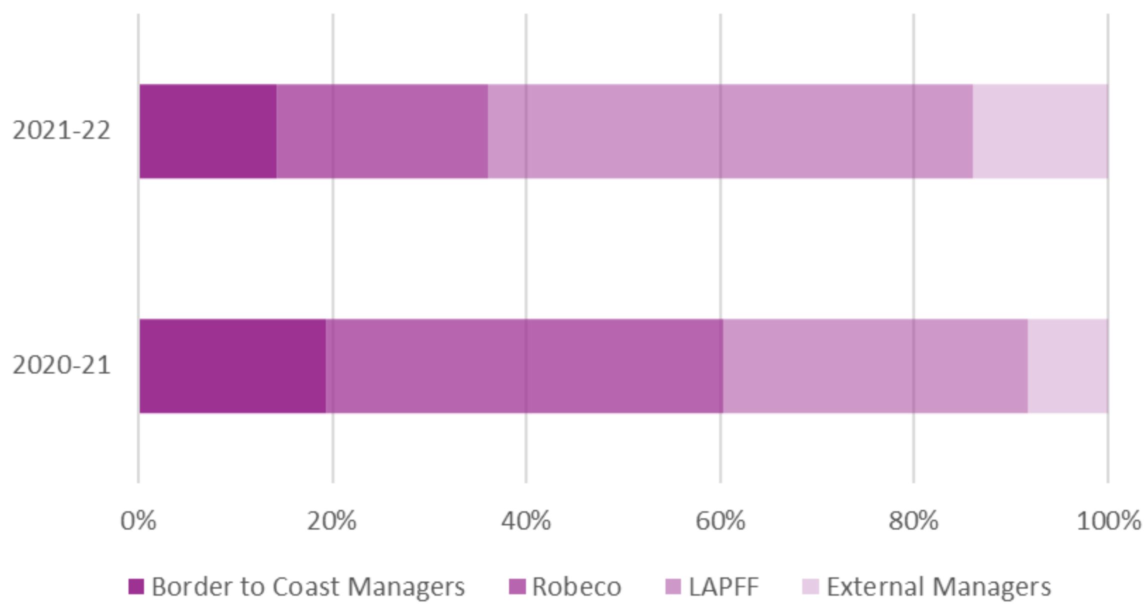
RESPONSIBLE INVESTMENT

Activity During the Year

We are pleased to note an increase in the level of overall engagement by our service providers. This reflects two principal positive steps, both supported and encouraged by SYPA:

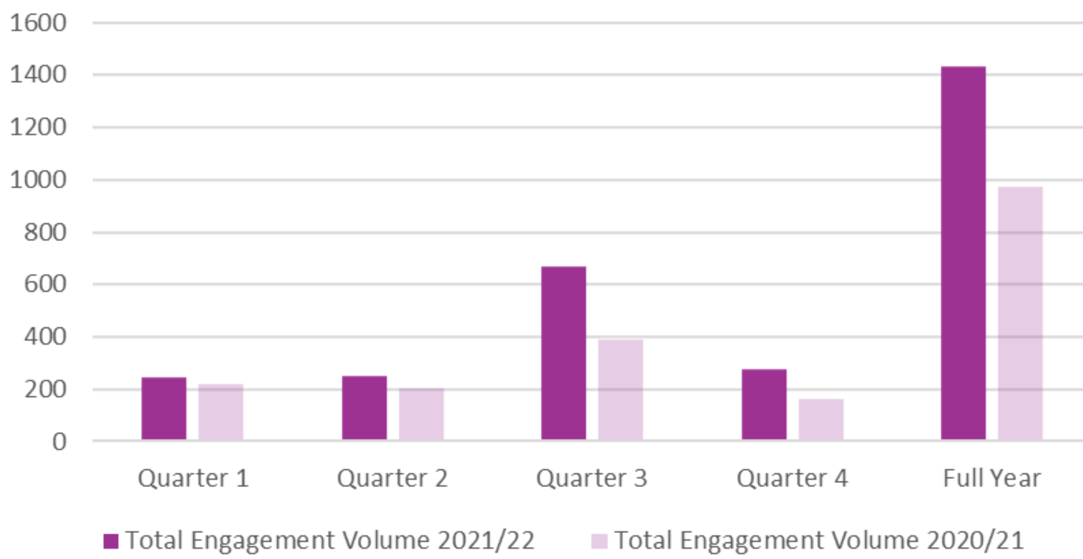
- Greater activity in non-equity asset classes, particularly by the external managers within the Investment Grade Credit fund, as well as an increase in activity by the Border to Coast in-house team.
- Significant engagement activity delivered by LAPFF with UK companies around climate issues in the run-up to CoP 26 in Glasgow in November 2021.

Engagement Routes



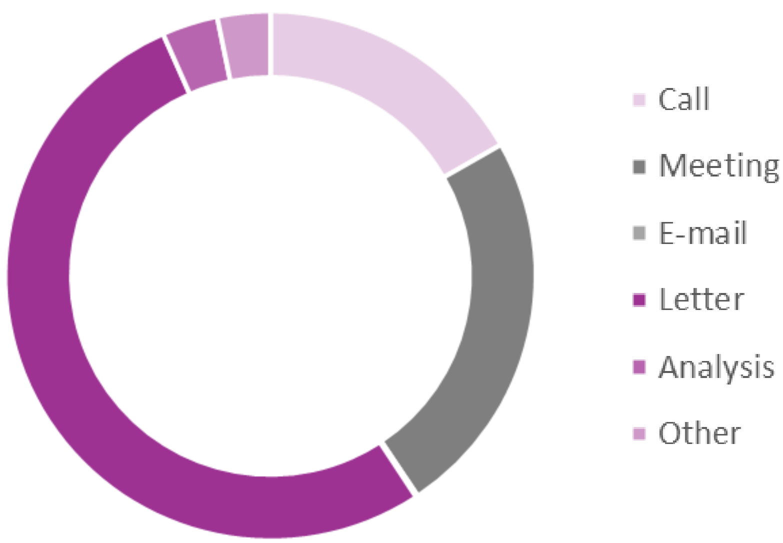
The overall level of engagement activity increased from 974 specific engagements to 1,435 in 2021/22. This increase was largely driven by the activity around CoP 26 undertaken by LAPFF, but there was an increase in activity across all engagement routes. The chart below showing the pattern of engagement activity over the course of the year shows the impact of CoP 26 as a significant peak in activity in the third quarter.

Total Engagement Activity Volumes



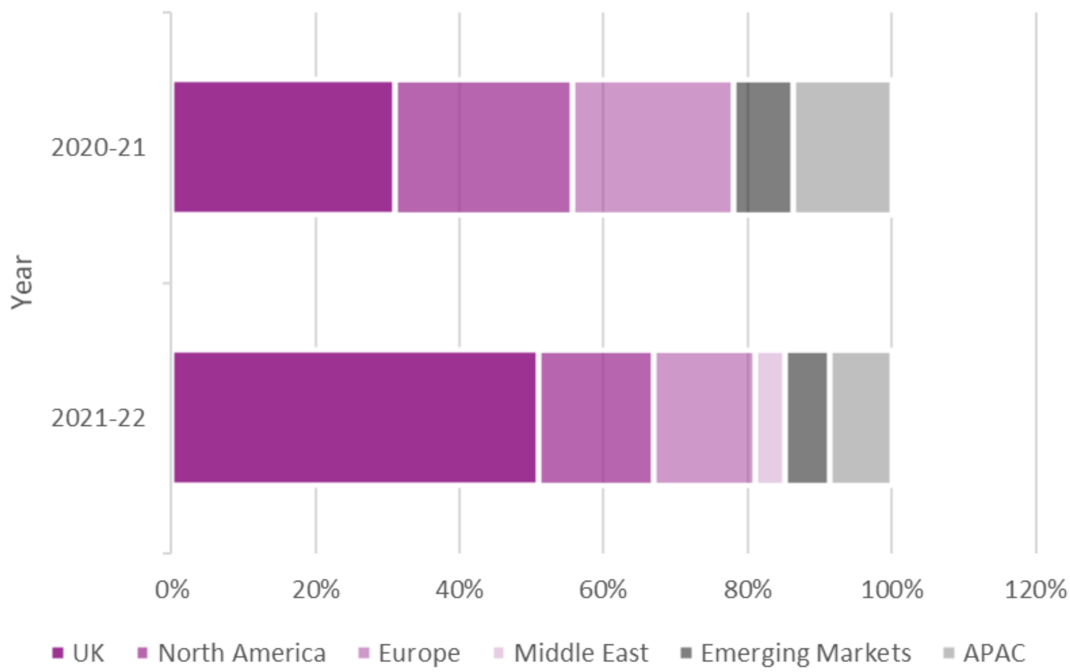
Engagement can take many forms ranging from writing to a company to formal meetings with the company including with Board Members. We see most value from engagement through actual dialogue rather than what amounts to a written exchange of established positions, and encourage all our service providers in this direction. The specific work undertaken by LAPFF around CoP 26 significantly skews the picture shown in the graph below and, if this is excluded, over half of the engagement activity in the year was of a higher quality form involving genuine dialogue with companies.

Engagement Method 2021-22



The market focus of engagement which is shown in the graph below has continued to be very much in the developed markets, which reflects the weighting of SYPA assets (both equity and non-equity). Nonetheless, we welcome the fact that the overall increase in activity has led to increased activity in all markets. The apparent increase in activity in the UK reflects the focus of the CoP 26 related work undertaken by LAPFF which somewhat skews the analysis; if this is excluded, the overall pattern would be similar to the previous year.

Market Focus of Engagement

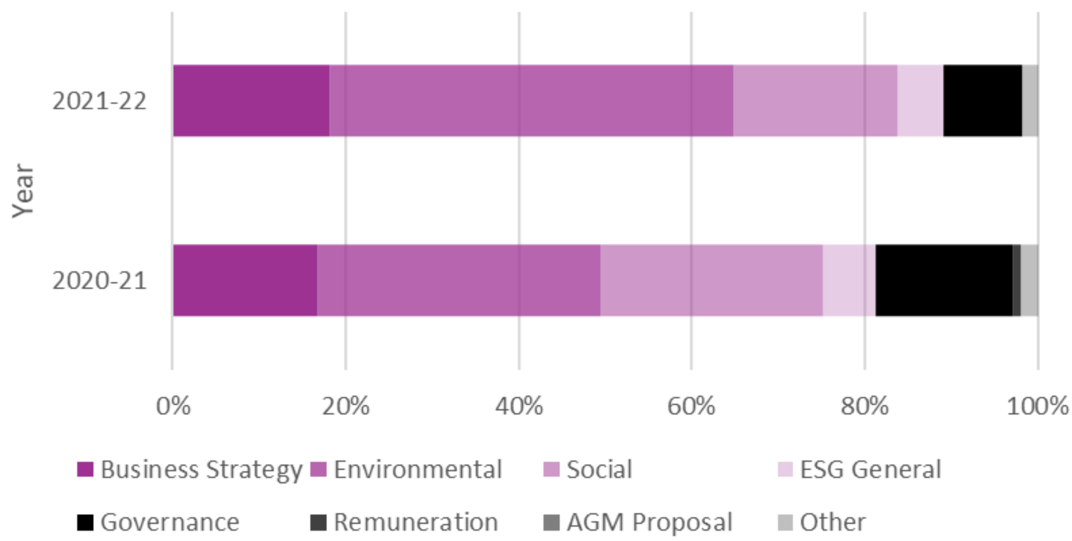


Through all these different forms of engagement we talked to companies about a very wide range of issues, as shown in the graph below. Fuller details are available in the various quarterly reports produced by Border to Coast, Robeco and LAPFF which are available at:

Border to Coast/Robeco *here*.

LAPFF *here*.

Engagement Topics



Nearly half of the engagements undertaken in 2021/22 related to environmental issues compared to around 1/3 in the previous year, reflecting the importance of CoP 26 for our focus during the year. While the proportion of engagements on social issues did reduce because of this, the absolute number remained higher than prior to the pandemic. This reflects our increased focus on these issues. We also retain a focus on key governance issues such as board diversity and independence.

Case study: Climate change engagement (Robeco)

On our behalf, Robeco carried forward a Climate Action themed engagement over three years, bringing it to a close in early 2022. This engagement theme focused on a number of high-emitting companies, and set objectives in line with the Climate Action 100+ initiative. Among these objectives were:

- implementation of strong governance frameworks for climate-related issues,
- implementation of risk management systems to identify, assess and manage climate risk,
- action to reduce emissions across the value chain, and
- enhancements to corporate disclosure in line with TCFD recommendations.

By the end of the engagement process, the activities on our behalf had driven positive change at all four of the companies held by us that were subject to Robeco's engagement on our behalf.

The graphic on the next page gives details on the outcomes of a number of our engagement programmes which closed out during the year and an update on other new and ongoing programmes. The idiosyncratic nature of engagement progress and outcomes makes it difficult for us to aggregate these across our various providers, but we maintain close attention on their effectiveness and practical delivery on our behalf.

Labour Practices in eCommerce

Robeco launched an engagement aimed at ensuring the e-commerce hospitality and online food delivery companies in light of the evidence from the pandemic of the vulnerability and precarious employment status of many of these workers. These and associated human rights issues represent very real reputational risks to companies and to shareholder value. The engagement focuses on four comapnies held in the equity portfolios Amazon, Meituan, Intercontinental Hotels, and Walmart. The engagement will be regarded as a success if the companies place labour practices and human capital strategies at the core of their corporate strategies mitigating the risk identified and therefore providing more sustainable outcomes for investors.

Food Security

Robeco's 3 year programme of work in this area concluded. The work focussed on sustainability reporting and transparency, product portfolios, the geographic distribution of operations, innovation management and public-private partnerships. Nearly 2/3 of the dialogues undertaken were successfully closed and most progress was achieved in formalising sustainability governance. Less progress was made with food processors and commodity traders who have the potential be active participants in developing economies agricultural sector and dialogues with two companies in this sector were closed unsuccessfully. This theme is intrinsically linked to the risks arising from the loss of global bio-diversity and future work will be linked to the developing engagement theme around bio-diversity and habitat loss.

Living Wages in the Garment Industry

Robeco's three-year engagement around living wages in the garment industry closed out. Five companies were engaged focussing on how companies uphold the payment of living wages across the business and how this is supported by responsible purchasing practices. Significant progress was achieved by companies in a number of areas including transparency around supplier lists and on risk assessment processes, the introduction of independent complaints processes with disclosure of results and a strengthening of social dialogue and collective bargaining agreements.

Cyber Security

Robeco began an engagement project on the issue in 2018 targeting 9 companies in the payments, telecoms and household products sectors in relation to best practice in cyber-risk management. The targets were chosen because of the amount of sensitive customer data they handle and / or because they have experienced significant data breaches. The engagement concluded successfully in 7 cases. The focus of the engagement was around, governance and oversight, policy and procedure, risk management and controls, transparency and disclosure and privacy by design. Most companies acknowledged cyber-crime as a risk but they varied in the priority attached to it. Companies were understandably reluctant to provide transparency on some areas and affected the success of the policy and procedure and transparency themes with success in only slightly more than half of companies in both cases. Dialogues was easier in relation to privacy issues and dialogue on these was closed successfully in 2/3 of cases. The companies engaged with had responded to and in several cases gone well beyond legal requirements. The specific issues addressed in this engagement will now be followed up in future engagements addressing the digitalization of healthcare and the social impact of AI.

Mining and Human Rights

LAPFF has continued its engagement in relation to mining and human rights. Many of the largest mining companies are facing very significant costs as a result of legal actions following their actions in relation to indigenous communities in various parts of the world. In some cases, these are safety issues such as lead poisoning in Zambia, sometimes issues around cultural sensitivity such as the destruction of culturally sensitive sites and sometimes failure to address issues such as some of the issues flowing from the tailings dam collapses. LAPFF is continuing to raise these issues and asking companies to quantify the impact of their actions or lack of action in terms of costs to the business which will have impacted shareholder value. There has been some progress in this area, however, too much of it has been in reaction to things going wrong, and LAPFF's aim is to encourage companies to put themselves on the front foot in this area.

Single Use Plastics

Robeco's engagement begun in 2019 around Single Use Plastics was closed. This involved active dialogue with a range of companies. Five companies within the Border to Coast portfolios were engaged and over the three-year period positive progress was made with all the companies. Examples relevant to SYPA's portfolio are:

Nestle: Made progress in its roadmap to eliminate harmful plastics and deforestation mitigation. The process is expected to complete in 2024 through fully eliminating products made up of a mix of plastics and papers, including laminates, caps and pvc liners.

PepsiCo: Has established best practice in avoiding waste via its SodaStream platform. The platform enables users to track their intake, set goals and measure their positive environmental contribution via plastic bottles avoided.

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RESPONSIBLE INVESTMENT

Collaborations

By nature of our main routes to engagement, through Border to Coast, Robeco and LAPFF, the majority of SYPA's engagement activity is already collaborative, taking advantage of the greater influence that we can leverage through working with others.

We further bolster this collaborative approach by supporting a number of specific investor groups aiming to deliver change in company practices in specific areas. These groups focus on areas we regard as important to our work in relation to ESG. By bringing larger coalitions of investors together, we are better able to influence the behaviour of companies. Details of the significant activity by some of the collaborations with which the Authority and Border to Coast are engaged during the last year are given below.

The Transition Pathway Initiative introduced new benchmark low-carbon scenarios to their analysis enabling investors to track company performance in relation to a 1.5oC pathway and applied this to the energy sector in the first instance. TPI have also become a key part of post the CoP 26 infrastructure looking to increase coverage to 10,000 companies (from 400) and to add coverage of corporate and sovreign debt.

Climate Action 100+ the major climate engagement initiative published the second round of Net Zero Company Benchmark assessments. The results show some corporate climate progress but find much more action is required to support efforts to limit temperature rise to 1.5oC. Border to Coast's voting guidelines have been adjusted to vote against Chairs where climate policies do not meet minimum standards and where the first four indicators of the nenchmark are failed.

The Workforce Disclosure Initiative launched its 2020 survey results with a 20% increase in participation across all economic sectors. High levle findings saw companies

- Improving transparency on pay but with more progress required to address inequalities
- Prioritising areas of diversity and inclusion for action
- Making commitments to human rights which are not always matched in parctice.
- Often not explaining how they are taking responsibility for their spply chains

The Institutional Investors Group on Climate Change has produced a number of pieces of work during the year including the "Net Zero Standard for Oil and Gas", and "Investor Expectations of Companies on Physical Climate Risks and Opportunities". The use of the Group's frameworks for supporting the drive to Net Zero has also continued to increase and they are widely recognised as an industry standard in this area.

The Taskforce on Nature Related FInancial Disclosure is a global initiative aiming to develop a risk management and disclosure framework for nature related risks and opportunities. The first version of its framework was released in March covering science based concepts to define risks and opportunities, disclosure recommendations, and guidance on incorporating nature into risk management processes. It is expected that the framework will be refined with a final version being released in late 2023.

Responding to a 2020 report from the Asset Management Taskforce the Department of Work and Pensions has created the Occupational Stewardship Council as a forum for sharing experience, best practice and research and providing practical support. Border to Coast have joined the Council as an inaugural member.

Much of LAPFF's work is reported on elsewhere but the Forum sponsors the All Party Parliamentary Group on Local Authority Pension Funds which during the year published a report on the role of LGPS funds in the Just Transition to a Net Zero world. SYPA contributed evidence to this work which makes recommendations to government, LGPS funds and the wider investment community.

6.3
RESPONSIBLE INVESTMENT

In addition to these collaborations, which are focussed on specific individual investment outcomes, the Authority supports a number of other organisations whose aims in promoting the good management of pension funds align with its values and objectives. These collaborations are more focussed within the pensions industry and aim to share good practice in various ways:

GIIN
GLOBAL IMPACT INVESTING NETWORK

The Global Impact Investing Network (the GIIN) is a global champion of impact investing. SYPA participated with a group of around 15 other investors from Europe and North America in a project to understand how a framework for asset owners to set monitor and manage impact objectives could be created. This work will continue in the coming year working on three practical case studies.

PENSIONS FOR PURPOSE

The Authority contributed to work sponsored by Pensions for Purpose and the Impact Investing Institute to identify and promote the potential of place based impact investing. Following this SYPA has joined a forum sponsored by Pensions for Purpose to share good practice in this area and to develop an appropriate reporting framework.

National LGPS Frameworks

The Authority acted as one of the founders for the new LGPS framework for Stewardship Services which will make it easier for LGPS funds to procure voting, engagement and other specialist advisory services in this area. This involved participating in the specification of the contract and the evaluation of bids.

As well as being members of these organisations, we are active contributors to their work and effectiveness. The Authority's Director is a member of the LGPS Scheme Advisory Board's Responsible Investment Advisory Group, and has contributed to research and policy development work by the Global Impact Investing Network and the Impact Investing Institute.

6.3
RESPONSIBLE INVESTMENT

The Authority was also honoured to receive the Impact Investing Adopters Award from Pensions for Purpose (sponsored by the Impact Investing Institute and Earth Capital). The nomination was based on a case study interview provided by the Authority as part of its commitment to the Impact Investing Principles. The judges commented;

"This was the best submission in my view. The adoption of a clear net-zero target is ambitious but impressive. There is a clear focus on particular SDGs. The engagement strategy is work in progress as is their impact measurement approach, but the timelines look good."

The Authority's Director, George Graham (3rd left), receiving the Impact Investor Adopters Award from (l to r) Charlotte O'Leary (Pensions for Purpose), Sarah Teacher (Impact Investing Institute) and Phil Culver-Evans (Earth Capital).

6.3
RESPONSIBLE INVESTMENT

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 us and our partner funds.

Voting in the Border to Coast pooled vehicles in which the Authority is invested is undertaken in all markets through Robeco as Border to Coast's proxy voting adviser. We assess the quality of delivery by these service providers and hold them to account in respect of any concerns. We also retain the power to overrule voting decisions in situations where we have particular concerns - a discretion that we exercised during the year, as discussed in detail below. This enables us to ensure that our voting rights are exercised fully in what we believe to be beneficiaries' best interests.

The full guidelines can be found on the Border to Coast website but, in summary, the position on key issues is set out below:

6.3
RESPONSIBLE INVESTMENT

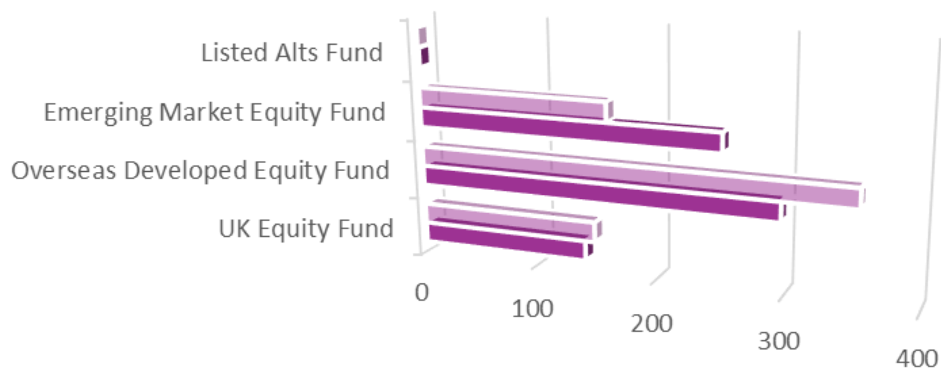
Voting Guidelines Summary

- **Company boards, composition and independence:**
  The composition and effectiveness of the board are crucial to determining corporate performance as company behaviour has implications for shareholders and other stakeholders.
- **Leadership:**
  The role of the chair is distinct from that of other board members and should generally be seen as such but should not be responsible for the day-to-day management of the business.
- **Non-executive directors:**
  The role of non-executive directors is to challenge and scrutinise the performance of management in relation to company strategy and performance. To do this effectively they need to be independent.
- **Succession planning:**
  We expect the board to disclose its policy on succession planning, the factors considered, and where decision-making responsibilities lie.
- **Board evaluation:**
  A requisite of good governance is that boards have effective processes in place to evaluate their performance and appraise directors at least once a year.
- **Stakeholder engagement:**
  Companies should take into account the interests of and feedback from stakeholders, which include the workforce.
- **Directors' remuneration, annual bonus and long-term incentives:**
  Remuneration has serious implications for corporate performance. Bonuses should reflect individual and corporate performance targets which are sufficiently challenging, ambitious, and linked to delivering the strategy of the business and performance over the longer term.
- **Audit:**
  The audit process must be objective, rigorous and independent if it is to provide assurance to users of accounts and maintain the confidence of the capital markets.
- **Political donations and lobbying:**
  Companies should disclose all political donations and demonstrate where they intend to spend the money and that it is the interest of the company and shareholders.
- **Dividends:**
  Shareholders should have the chance to approve a company's dividend policy, and this is considered best practice. The resolution should be separate from the resolution to receive the report and accounts.
- **Shareholder proposals:**
  Shareholder proposals are assessed on a case-by-case basis. Consideration will be given as to whether the proposal reflects Border to Coast's Responsible Investment policy and supports the long-term economic interests of shareholders.

6.3
RESPONSIBLE INVESTMENT

The graphs below show the number of meetings where votes have been cast on behalf of the Authority and the number of votes cast over the last year compared to the previous year.

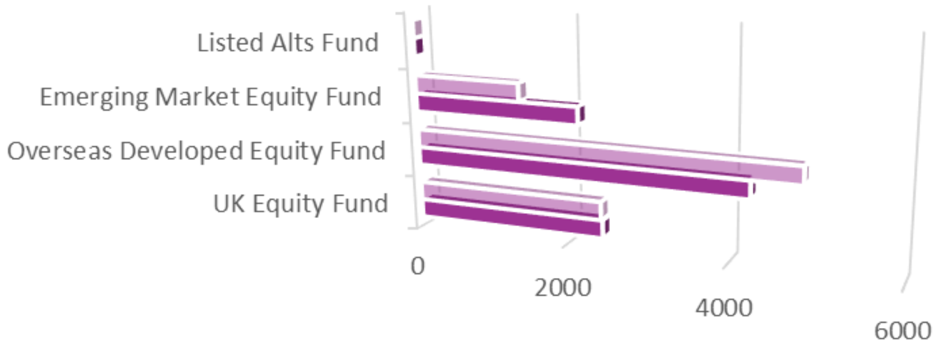
Number of Meetings Voted 2021-22



	UK Equity Fund	Overseas Developed Equity Fund	Emerging Market Equity Fund	Listed Alts Fund
2020-21	149	355	160	0
2021-22	141	297	252	1

6.3
RESPONSIBLE INVESTMENT

Individual Resolutions Voted 2021-22



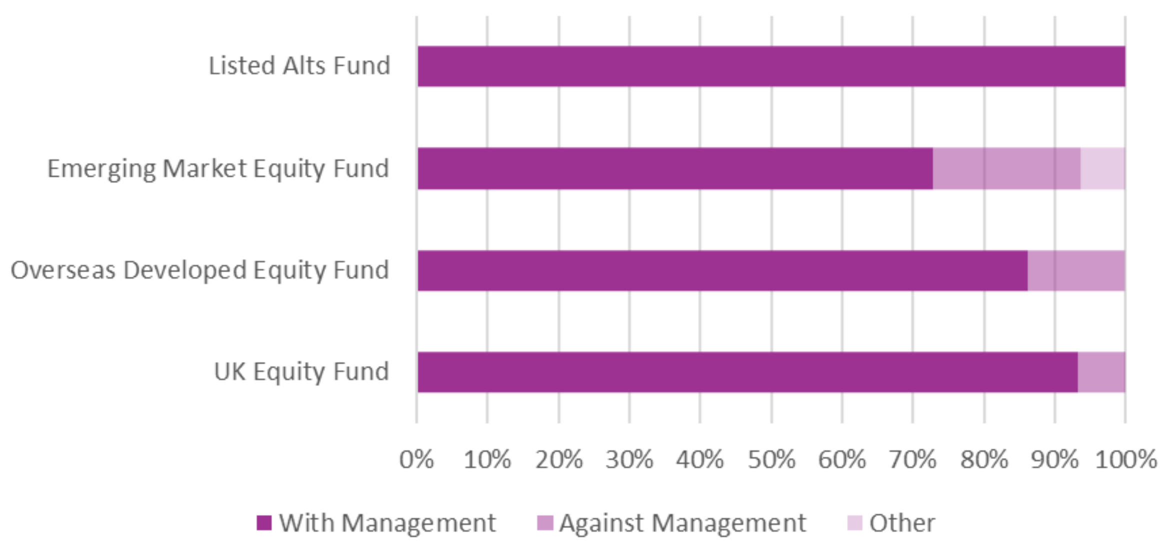
	UK Equity Fund	Overseas Developed Equity Fund	Emerging Market Equity Fund	Listed Alts Fund
2020-21	2430	4859	1393	0
2021-22	2450	4253	2155	1

The changes in the number of meetings voted in the Overseas and UK funds reflects the greater concentration that is being undertaken in these portfolios, which results in a reduction in the number of holdings, while the changes in the Emerging Market Fund reflect some degree of post pandemic catch up and the changes to the portfolio arising from the introduction of China specialist managers. The Listed Alternatives Fund was launched towards the end of the fourth quarter and therefore there was very little activity during the year.

6.3
RESPONSIBLE INVESTMENT

In general, we look to support management of companies where they are taking actions which will secure both the sustainability of the business and long-term value for shareholders. However, we do not always agree with the views that management take and where that is the case we vote against management and in line with the policy we have agreed with our Border to Coast partners, as shown in the graph below.

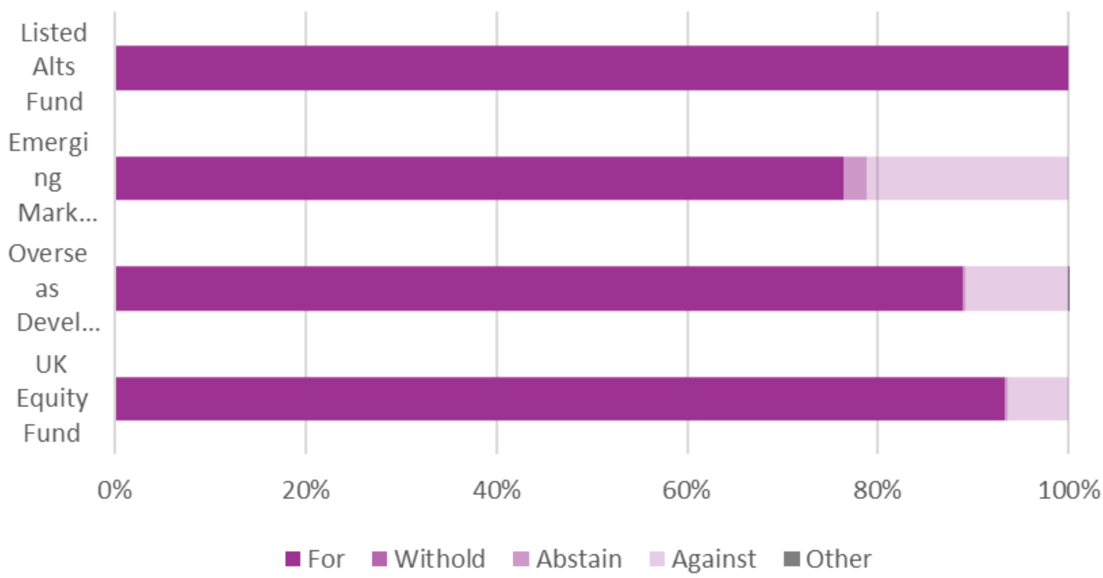
Votes for and Against Mangement By Fund 2021-22



6.3 RESPONSIBLE INVESTMENT

The cases where we vote against management form a significant proportion of the cases where we vote against resoultions proposed at company meetings and the balance between supported and opposed resolutions is shown below.

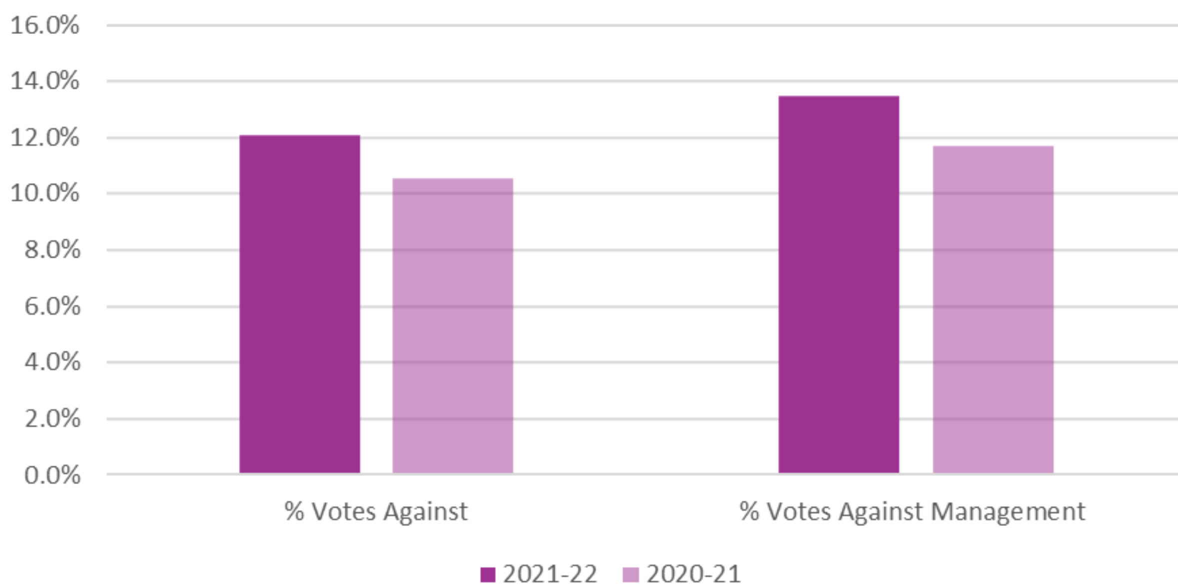
Support and Oppose Votes By Fund 2021-22



6.3
RESPONSIBLE INVESTMENT

The proportion of cases where we have either not supported management or opposed resolutions has increased compared to the previous year as shown below.

Opposition Votes 2020-21 v 2021-22



This reflects the tightening of the voting guidelines, particularly in relation to voting against the Chairs of companies and remuneration committees where the company has failed to achieve sufficient board diversity. Significant votes against management recommendations have also been cast in support of shareholder resolutions - particularly those aimed at ensuring companies have robust plans for the transition away from carbon supported by science-based targets.

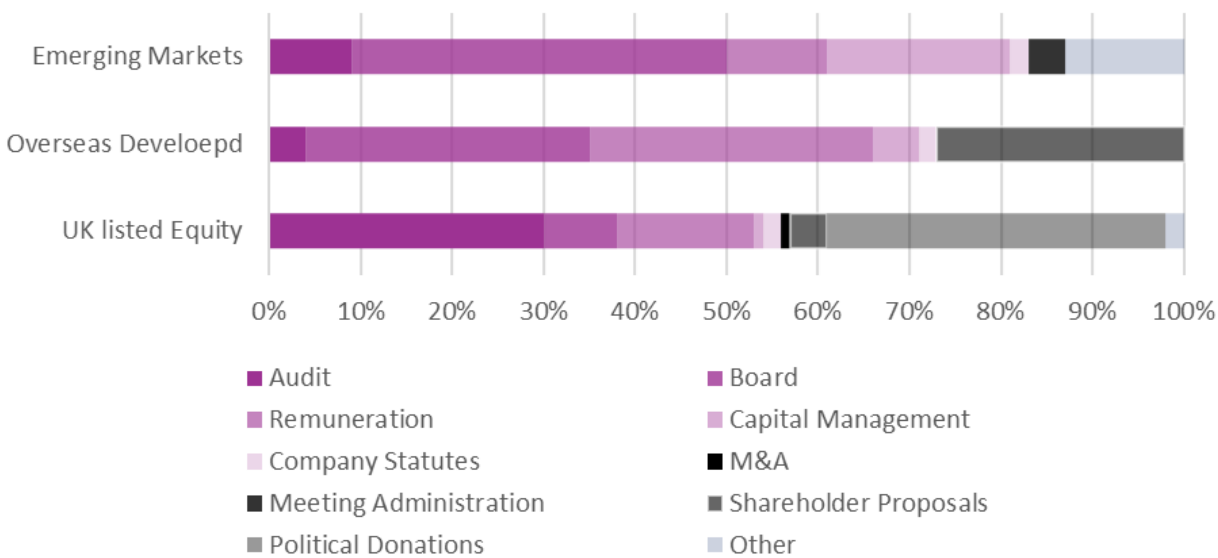
The major issues on which we voted against company proposals include:

- Encouraging companies to ensure the independence of their auditors by limiting the length of audit appointments.
- Voting to encourage companies to ensure genuine diversity and independence in the membership of their boards.
- Voting against excessive remuneration packages for executives and performance incentive packages which focus on short-term incentives, and which have opaque targets which are too easily achieved.

These topics reflect the fact that these types of issues are dealt with at every company's annual meeting. Other topics, such as climate and workforce issues, are driven by shareholder resolutions which in some countries are difficult or impossible to put forward.

The graph below shows the topics on which we voted against management in each of the main equity portfolios (the listed alternatives portfolio is not shown as there were no votes against management).

Subjects of Oppose Votes 2021-22



In addition, we have also supported resolutions put forward by shareholders which encourage companies to actively decarbonise their business and to adopt science-based targets for doing so.

Details of the votes cast on our behalf are published quarterly and are made available through our website. Below are the details of some of the more notable or significant votes cast during the year. These are examples chosen to cover the breadth of the type of votes cast and the geographical and industry spread of the companies to which we are exposed within the equity portfolios.

For obvious reasons, over the last 12 months there has been a significant focus in shareholder resolutions on climate issues and in particular the setting of Net Zero goals and the production of the accompanying targets and action plans in the run up to CoP26 in Glasgow in November 2021. There are, however, a much wider range of systemic risks facing companies and the shareholder resolutions we have supported are intended to give prominence to all these issues.

While the Authority's equity investments are made through pooled products provided by Border to Coast, we retain the right to vote our proportion of shares differently to the other participants in the pool if we believe that Border to Coast's proposed vote is not in line with our views on the specific issue. During the year (alongside one other Border to Coast partner fund) we exercised this discretion on one occasion, in relation to votes on two climate change-related resolutions at the AGM of Royal Dutch Shell. More details of this are given below.

6.3

RESPONSIBLE INVESTMENT

Royal Dutch Shell - Alongside one other Border to Coast partner fund we voted our proportion of shares differently to the rest of the Partnership, in support of a shareholder resolution on climate action and opposing the Company's transition plan – which we believed did not link real action within the business to the achievement of the Company's Net Zero target. Our position was supported by 11% of shareholders but also by a Dutch court. Engagement continues to seek to turn the Company's commitment into real emisssions reductions.

Berkshire Hathaway - We witheld our vote for the reelection of the Chair and CEO due to governance and climate action concerns and supported shareholder proposals in relation to climate and diversity and inclusion reporting. The combination of Chair and CEO and absence of a lead director are contrary to governance expectations and the company is rated 0 by the Transition Pathway Initiative. Given the Chair controlsc 1/3 of the votes a 25% vote in favour of these resolutions was significant.

Logitech International - This is a Swiss IT company. Following significant shareholder reaction to previous remuneration reports this year changes were made by the company particularly relating to long term incentives. However, we believed that some of the targets were not challenging as payouts could be made as a result of underperformance. Consequently we voted against the proposals as part of a material degree of opposition by shareholders indicating a continuing concern in this area.

Alibaba Holdings - We opposed the election of a number of directors at the Chinese technology company on the grounds of insufficient independence. This was a particular concern for proposed members of the Remuneration Committee. This position is mirrored in many Chinese companies. The level of sharehoder opposition to the proposals doubled compared to the previous vote on the issue indicating a significant raising of shareholder expectations in this important and growing market.

BHP - We voted against the Climate Transition Action plan at this mining company as despite positive aspects we had concerns about the level of ambition for emissions reduction and the lack of clarity about the proposed use of offsets. The plan received 85% support which is much lower than comparable plans. The company has been and remains open to constructive engagement on the issue.

Microsoft - We supported a resolution supporting the reporting of median pay gaps across gender and race. While the company is disclosing the steps it is taking to promote pay equity without measurement there is no clarity on their success. This resolution received 40% support and a further resolution on transparency in relation to the effectiveness of workplace sexual harrassment policies received 70% support. In both cases we will continue to monitor progress.

Costco - We supported a resolution at this US wholesale warehouse operator requiring the setting and reporting of science based targets to achieve Net Zero by 2050. This received 70% support. We also supported resolutions to improve transparency by requiring reporting on structural racism, nutrition insecurity and health disparities whcih represent significnat reputational risk for the company. These received 17% support but this was the first resolution of its sort at the company so this was in itself significant.

6.3
RESPONSIBLE INVESTMENT

Impact

We take the impact of our investments on both people and planet very seriously, and as we reported last year, we are undertaking work with Minerva Analytics to understand the nature of the impact of our investments using the UN Sustainable Development Goals as a framework for analysis. We have now completed the first year of an initial three year project and we published the results in March 2022, which can be viewed in detail on our website *here*.

In summary, the work undertaken for us by Minerva involved and found the following:

Given the concentration of our investments in 5 industry sectors (Manufacturing, Financial and Insurance Activities, Public Administration and Defence, Real Estate Activities, and Information and Communication), we chose to establish the combined negative impact that these sectors might have on the delivery of individual SDGs. To achieve this, Minerva weighted the size of the Authority's investment in these 5 industry sectors against the potential negative impact of each sector on the individual SDGs, to come up with the following analysis:

Top 5 Sectors - Greatest Potential Detracting Impact on the SDG's

6.3
RESPONSIBLE INVESTMENT

The relative size of each box in the diagram above relates to the amount of Fund investments that have the potential to negatively impact the delivery of each individual SDG - the bigger the box, a larger proportion of the Authority's assets have the potential to detract from the delivery of the specific SDG. The point of this analysis is that it helps the reader visualise the relative importance of the Authority's current investment against specific SDGs. This also allows the Authority to consider focussing on how the assets invested in the top 5 industry sectors are being 'stewarded' in terms of their potential impact on specific SDGs.

The top 5 negative impacts are on

SDG 6 Clean Water and Sanitation

SDG 8 Decent Work and Economic Growth

SDG 12 Responsible Consumption and Production

SDG 14 Life Below Water

SDG 15 Life on Land

These can all be seen to link to elements of the priorities for engagement and stewardship activity which we have identified as set out below.

6 CLEAN WATER AND SANITATION

This SDG is specifically referenced in our beliefs statement as a priority for action and as an area where we will seek to achieve positive impact through specifc investments. It also relates to the characterisitic of good assets concerned with the human rights of communities.

8 DECENT WORK AND ECONOMIC GROWTH

This SDG relates to the characterisitics of good assets set out in our beliefs statement concerned with balancing the interests of stakeholders and long term sustainability.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

This SDG relates to the characteristics of good assets set out in our beliefs statement concerned with the long term sustainability, the human rights of communities and environmental impact.

14 LIFE BELOW WATER

There is some read across from SDG 6 to this SDG but this also relates to the characteristics of good assets concerned with long term sustainability and environamental impact.

15 LIFE ON LAND

This SDG related to the characteristics of good assets set out in our beliefs statement concerned with the long term sustainability, the human rights of communities and environmental impact.

6.3
RESPONSIBLE INVESTMENT

A number of the specific pieces of engagement activity described above also relate specifically to these SDG's:

Labour Practices in e Commerce – SDG 8

Food Security – SDG 12 and SDG 15

Living Wages in the Garment Industry – SDG 8

Mining and Human Rights – SDG 6 SDG 8 and SDG 12

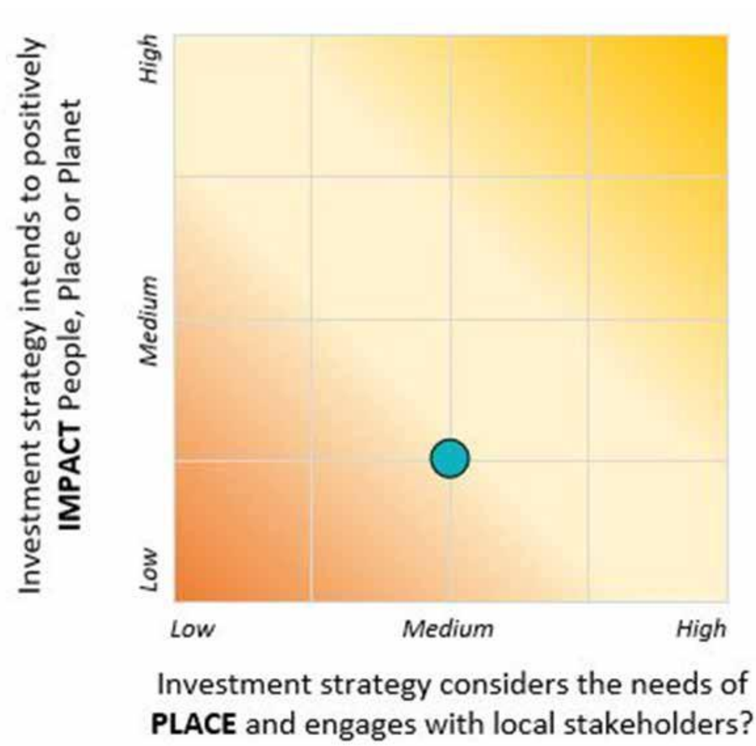
Single Use Plastics – SDG 14

This demonstrates that our engagement activity is focussed on addressing those areas where we have identified that our investments potentially have the most negative impacts on people and planet. However, while this concerns the impacts of the totality of our investments, we do make some investments with the specific intention of having a positive impact while, at the same time, achieving the returns we need to make to pay pensions. These investments are particularly focussed in South Yorkshire and the infographic below shows the positive impacts that this investment has had on the place which our scheme members and their employers serve, and, as set out in the investment review, these investments achieved a 7% return for the year while contributing to a number of the county's economic goals. The infographic has been produced by the Good Economy as part of pilot work on the reporting of place based impacts supported by the Authority.

South Yorkshire Pension Fund have an £80m dedicated fund for investing in the local area with the aim of contributing to economic growth (1% of total SYPA fund value)

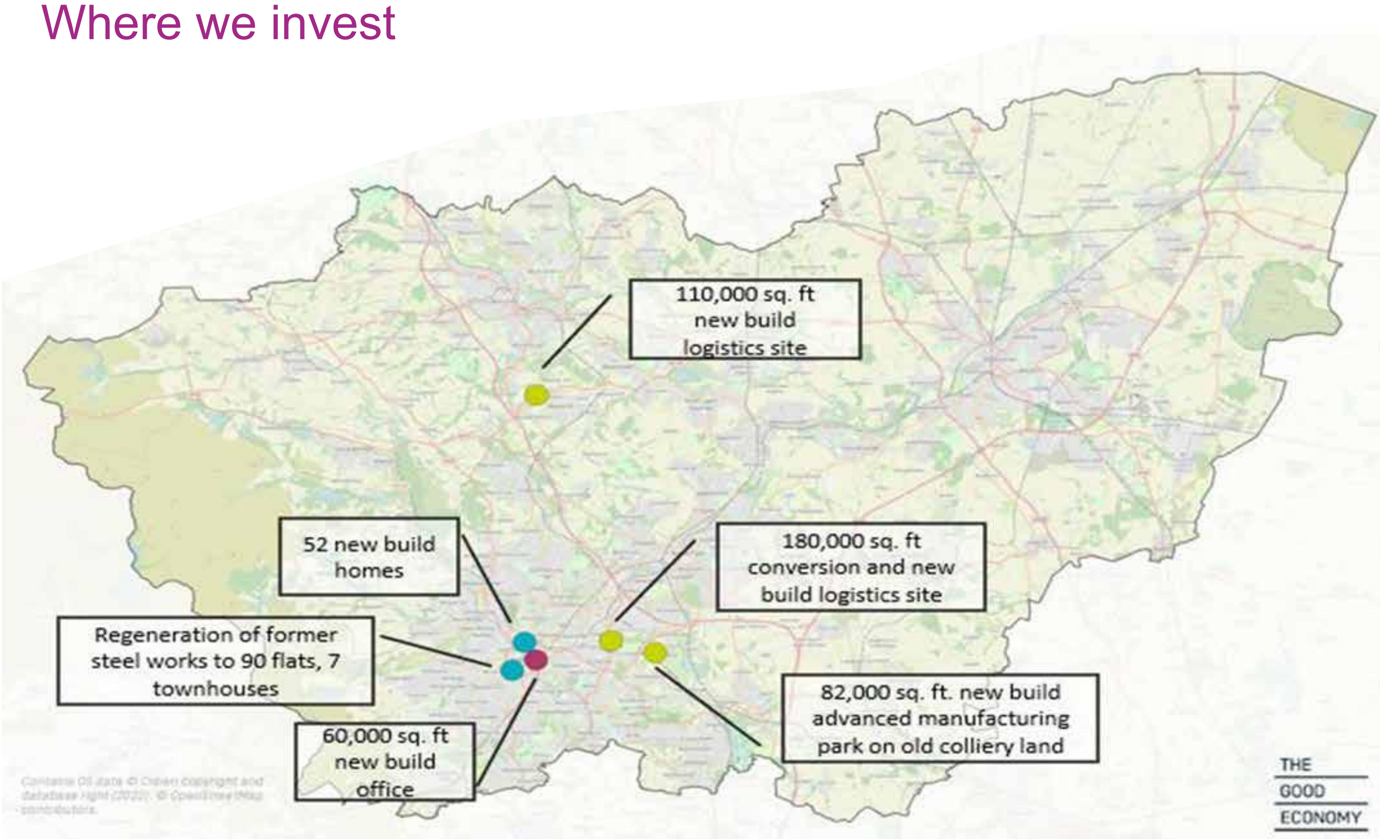
£57.9m of this has been invested so far.

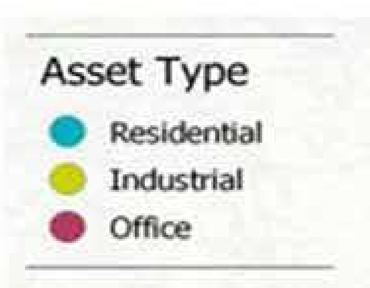
How our investment aligns with the Traits of Place Based Impact Investing



6.3
RESPONSIBLE INVESTMENT

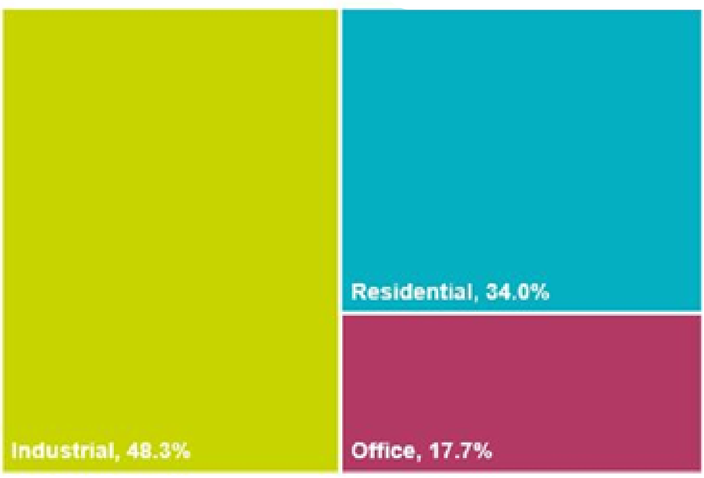
Where we invest





6.3
RESPONSIBLE INVESTMENT

How we invest in the local area
(% of current asset value)



How our investment is supporting the local area

- **122** acres brownfield land developed
- **149** private sector homes built
- **619,905** sq. ft. employment space created
  38% of which regenerated
- **677** potential jobs created
- **£40.3m** private sector funding leveraged

How our investment is contributing to the South Yorkshire Economic Plan 2021-2041

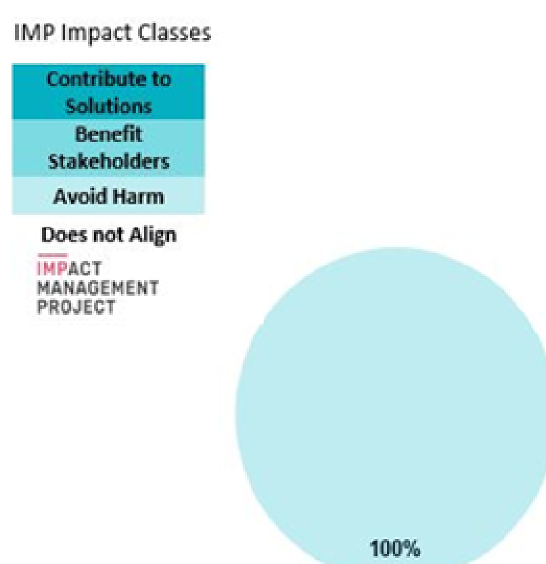
8.2.1 Land to deliver growth aspirations

8.2.2 Unlocking our housing potential (New Homes and Housing Innovation)

3.3.1 Increasing density in our successful innovation district (AMID) and emerging clusters

3.3.2 Supporting businesses to flourish and drive economic growth

Our level of impact
(% of assets)



6.3
RESPONSIBLE INVESTMENT

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 which can be found *here* and its compliance with the principles during the year.

Stewardship

The integration of ESG risks and a robust approach to stewardship is strongly supported in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which govern how the Authority should manage its investments. Guidance made under the regulations states that funds should become signatories to the UK Stewardship Code. The Authority was recognised as a Tier 1 signatory of the previous version of the Stewardship Code.

A new version of the Stewardship Code which, for asset owners like SYPA, is based on 12 principles has now been introduced. This Code requires us to report on how we have addressed each of the principles in the way in which we have run the Pension Fund. To avoid breaking up the flow of this annual report, a specific section of this report on the next page signposts the information that demonstrates our compliance with these principles.

SYPA is confident, after due process, that this report is a fair, balanced and understandable description of our approach.

6.3
RESPONSIBLE INVESTMENT

Alignment of this report to UK Stewardship Code 2020 principles

The following table sets out where the key elements of the UK Stewardship Code 2020 are covered within the body of this report.

Principle	Key elements	Section discussed, relevant page(s)
Principle 1: Purpose, Strategy and Culture	Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for beneficiaries leading to sustainable benefits for the economy, the environment and society	Responsible Investment - Beliefs and Approach, p132
Principle 2: Governance, resources and incentives	Signatories' governance, resources and incentives support stewardship	Our Organisation, p16 Resources, p135
Principle 3: Conflicts of Interest	Signatories manage conflicts of interest to put the best interests of beneficiaries first	Minimising and managing conflicts, p134
Principle 4: Promoting well-functioning markets	Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system	Climate Change, p165 Impact, p158
Principle 5: Review and assurance	Signatories review their policies, assure their processes and assess the effectiveness of their activities	Responsible Investment - Beliefs and Approach, p132 Assurance over our operations, p40 Oversight of our assurance arrangements, p43
Principle 6: Beneficiary needs	Signatories take account of beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them	Our Pension Fund, p56 Transparency & Beneficiary Needs, p136 Our assets, p118
Principle 7: Stewardship, investment and ESG Integration	Signatories systematically integrate stewardship and investment, including material ESG issues, and climate change, to fulfil their responsibilities	Investment review, p109 Investment strategy, p112 Investment pooling, p117 Investment performance, p117
Principle 8: Monitoring managers and service providers	Signatories monitor and hold to account managers and service providers	Investment pooling, p117 Responsible Investment - Beliefs and Approach, p132 Resources, p135
Principle 9: Engagement	Signatories engage with issuers to maintain or enhance the value of assets	Engagement, p136
Principle 10: Collaboration	Signatories, where necessary, participate in collaborative engagement to influence issuers	Engagement, p136
Principle 11: Escalation	Signatories, where necessary, escalate stewardship activities to influence issuers	Engagement, p136
Principle 12: Exercising rights and responsibilities	Signatories actively exercise their rights and responsibilities	Voting, p149

6.4

RESPONSIBLE INVESTMENT

Climate Change

The Authority recognises that Climate Change poses possibly the greatest risk external to the Authority to the value of its investment portfolios. 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, including factors such as the life expectancy of scheme members rather than just the value of investment assets. All of this creates a range of risks and opportunities that can be characterised in various ways.

Physical Impacts -
For example, increases in the number of extreme weather events.

Technological Changes -
For example, the development of new battery storage technologies and hydrogen powered vehicles.

Regulatory and Policy Impacts -
For example, the introduction of a law to prevent the sale of petrol/diesel powered vehicles.

Transition Risk -
For example, the risk to business that its plan for the transition away from carbon is not aligned with the timescale of changes in regulation.

Litigation Risk -
For example, the risk to a company of losing a legal action in relation to its action or inaction in relation to carbon emissions.

In December 2015, the G20 finance ministers and Central Bank governors asked the Financial Stability Board (FSB) to review how the financial sector can take account of climate related issues.

Such information is needed by investors, lenders, and insurance underwriters in order to be able to assess climate related risks and opportunities. This led to the Task Force on Climate-related Financial Disclosures (TCFD) being established. Its remit was to develop a set of voluntary climate-related disclosures which would assist in understanding the associated material risks of climate change. The final report with recommendation was published in June 2017.

It considers that asset managers and asset owners, including public and private-sector pension funds, should implement the recommendations. The reporting framework recommended by the Task Force is structured around four themes: Governance, Strategy, Risk Management and Metrics and was updated in late 2021.

The recommendations of the TCFD have been widely adopted across the investment industry and by companies and the UK Government has announced an intention to make reporting in line with TCFD compulsory for companies and pension schemes, including the Local Government Pension Scheme.

6.4

RESPONSIBLE INVESTMENT

Climate Change

Source – TCFD Final Report June 2017

Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Risk Management
The processes used by the organisation to identify, assess, and manage climate-related risks.

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

The Authority is supportive of the TCFD recommendations, regardless of any forthcoming requirement to do so, and this section of the Annual Report aims to fulfil its commitments to reporting on progress in line with the recommendations using the four pillars. This report specifically looks at the Authority from the point of view of its activities as a financial institution. The equally important, but quantitatively far less significant issues arising from the Authority's own operations, are not directly addressed, although work is ongoing to develop our approach in this area.

Governance
Describe the board's oversight of climate-related risks and opportunities.

The Authority as a whole determines the attitude to and appetite for all risks and sets the policy framework within which management are required to address risks and opportunities. The policy framework includes the Authority's own Responsible Investment policy which sits above the policy agreed with the other Border to Coast Partner Funds and its own Climate Change policy and policy on Responsible Investment in Commercial Property. The Climate Change Policy was originally approved in 2016 and revised in 2018 to reflect the TCFD recommendations. The policy was further revised during 2020 to include more specific goals. The policy on Responsible Investment in Commercial Property which addresses climate risk was comprehensively reviewed during the 2020 financial year. During 2020/21, the Authority approved a belief statement in relation to Responsible Investment which provides a framework within which the Responsible Investment and Climate Change policies sit.

The Authority receives a quarterly update on Responsible Investment activities which includes activities related to climate change carried out directly and through collaborative arrangements such as Border to Coast and the Local Authority Pension Fund Forum. The Authority usually meets formally 5 times per year and also has several informal seminars and training sessions which may cover climate risk issues.

This report forms part of the Authority's Annual Report and Accounts which is approved by the Audit Committee on behalf of the Authority as a whole.

Describe management's role in assessing and managing climate-related risks and opportunities.

The Director and the Head of Investment Strategy are responsible for the implementation of the Investment Strategy and the Responsible Investment and Climate Change policies with oversight provided by the Authority. They are also responsible for the contribution made by the Authority to collaborative and partnership activity in this area, including seeking to influence the behaviour of partners within the Border to Coast Pensions Partnership.

As the Authority no longer directly manages assets through its own team the Policy Framework sets out clear expectations of those that manage money on our behalf in a wide range of areas including the way in which they look to address climate risk. We expect those managing our money to actively consider and give considerable weight to climate risk in making individual investment decisions. This includes making use of emissions data and other metrics (where available) within their decision-making processes. We also expect those managing our money to actively engage with investee companies to ensure that they address specific risks and issues and as indicated in the previous section addressing climate risk and associated issues forms a very significant proportion of this activity.

The Authority's management maintains an ongoing dialogue with those managing money on the Authority's behalf (and in the case of Border to Coast with the other partners in the enterprise) to monitor whether our expectations are being met. Where this is not the case a process of escalation will be undertaken which could, once all other options are exhausted, result in the moving of assets to another product and/or not making further investments with the specific fund manager if their approach to responsible investment in the round does not meet the Authority's requirements. It would be unlikely that a decision of this sort would be solely made on climate related grounds.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.

The Authority's Climate Change Policy recognises the following specific risks arising from Climate Change.

- Physical impacts – damage to land, infrastructure, and property due to extreme weather events, rising sea levels and flooding.
- Technological changes - innovations such as battery storage, energy efficiency, and carbon capture and storage will displace old technologies with winners and losers emerging.
- Regulatory and policy impact - financial impairment due to policy and regulation changes such as carbon pricing or levies, capping emissions, or withdrawal of subsidies.
- Transitional risk - financial risk associated with the transition to a low-carbon economy. This may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change, creating investment opportunities as well as risks.
- Litigation risk - litigation is primarily aimed at companies failing to mitigate, adapt or disclose.

The strategies used to address these risks necessarily vary:

- Between asset classes where for example different levels of information are available about these different risks within listed equity investments as opposed to fixed income and as between public and private markets.
- Between markets where for example different levels of information and preparedness of investee companies to engage on these issues can exist between say the UK and emerging and frontier markets.

We expect those managing money on our behalf to start from our perspective as a long-term investor who wants to support companies that are sustainable in the long term. This is a view that applies across asset classes and means that managers should give weight in their stock selection to companies which are:

- Positively contributing to the transition to a lower carbon economy.
- Or have recognised the risks to their business model from the transition and put plans in place to manage the process thereby sustaining the business through the transition.

This means that we want those managing our money to be conscious of the risks that climate change and the transition to a low carbon economy pose to businesses and use data within their stock selection processes to fully understand how businesses are addressing these risks.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

The way in which society as a whole (including the Authority) addresses climate change will impact on the path of future economic growth and the level of potential investment returns. Therefore, the degree to which the climate changes has the potential to fundamentally alter the Authority's strategy and therefore the call that it has to make on employers for contributions to the Pension Fund. Given the need to achieve consistent and affordable contribution rates we need to understand how our strategy will behave in the event of differing climate outcomes to be able to adjust it in the light of events.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.

6.4

RESPONSIBLE INVESTMENT

Climate Change

Scenario analysis is still very much a developing field and there are limitations to its usefulness created both by data and the ability to forecast the impact of potential actions. The Authority looks to consider climate change and how this will impact future asset allocation decisions when reviewing investment strategy and undertook a scenario analysis as part of the review of the Investment Strategy carried out during 2019/20. This analysis considered the likely impact on the value of the Fund's portfolio and liabilities in the context of differing scenarios in terms of society's changes in behaviour in response to climate change. While such an analysis can only give an indication of what might happen if a large number of assumptions are borne out it does give an indication of how robust the strategy is against particular types of shock. It must be borne in mind that none of these scenarios is prediction of what will happen they are simply constructs of a mathematical modelling process designed to examine the inter-relationship of a wide range of factors such as economic growth and longevity, and consequently contain a large number of subjective views. The position in relation to the three scenarios identified in this analysis is shown below.

Head in the Sand

A total lack of response to climate risk resulting in global crop failures, an influx of new diseases, temperature fluctuations resulting in flu epidemics. Anti-biotic resistance rises as new discoveries are limited.

12% reduction in liabilities very poor funding outcomes

Challenging Times

Some adaptation achieved, "peak oil flow" is reached constraining economies of the future. Increasing fuel prices, constrained government finances, difficulty obtaining access to imported foods. More / less severe for lower / higher socio -economic groups.

4% reduction in liabilities very few scenarios where full funding is achieved in most cases a worsening funding position

Green Revolution

Rapid technological advances leading to positive adaptation to climate change. Healthier lifestyles prevail (walking, cycling etc.), diets improve with less processed food consumption, homes protected against extreme temperatures.

5% increase in liabilities with the impact of the steps taken to address climate change having a positive impact on markets and funding levels

Broadly the conclusion that can be drawn from this analysis is that it is in the Fund's financial interest to see faster progress towards climate goals such as net zero carbon emissions. Consequently, the way in which the investment strategy is implemented should seek to support the transition to a low carbon economy in line with the goals of the Paris Agreement.

The latest iteration of the Investment Strategy and its predecessor move a significant weight of assets out of public listed markets and into private market assets, or "alternatives". To some extent this has increased exposure to assets that may be less sensitive to climate change risks, as well as moving into areas more exposed to climate related investment opportunities such as renewable energy and other low or no carbon technologies as these types of business tend to raise capital through the private markets. This modelling will be updated over the course of the coming year as part of the next review of the investment strategy.

While the Authority does not actively disinvest on ESG grounds, considering the significant potential financial impacts of climate change, carbon risk and stranded assets, it has made the decision not to invest in pure coal and tar sand companies. Over the coming year we will continue to discuss with other investors in Border to Coast's internally managed equity strategies ways in which these portfolios can become more climate aware and supportive of the move to a lower carbon economy in line with the Authority's and the Partnership's Net Zero goals.

Risk Management

Describe the organisation's processes for identifying and assessing climate-related risks.

The Authority has a clearly defined Risk Management Framework which allocates key responsibilities to individuals and teams within the organisation. The responsibility for the ongoing process or monitoring and assessment of risk (including climate risk) at corporate level lies with the Senior Management Team. Risk can be identified via several drivers including, process, strategy, horizon scanning, and scenario analysis. Identified risks are included in the Corporate Risk Register. These risks are reviewed by the Senior Management Team monthly and reported to the Authority on a quarterly basis. The Audit Committee and Local Pension Board have a shared responsibility for oversight of the effectiveness this process.

We expect those managing money on our behalf to recognise and address climate risk in their investment process and we review these arrangements through our oversight processes.

Describe the organisation's processes for managing climate-related risks.

We seek to manage climate-related risks in several different ways:

- We work with those managing money on our behalf to ensure that they have firstly understood the scale of the risk and are committed to addressing it.
- We seek to ensure that Border to Coast acting on our behalf gives weight to arrangements for the management of climate related risk in appointing external fund managers and in the ongoing monitoring of their performance, and that climate risk is covered during the due diligence process on private market investments.

- We require those managing money on our behalf to engage with portfolio companies in relation to:
  - business sustainability; and
  - disclosure of climate risk in line with the TCFD recommendations; and
  - adaptation of their business strategy in alignment with a low carbon economy.
- We expect companies to publish targets and report on steps taken to reduce greenhouse gas emissions. Engagement is conducted by Border to Coast, their engagement partner Robeco and external managers appointed to their fixed income funds and through our support of collaborations such as the Climate Action 100+ and the Local Authority Pension Fund Forum (LAPFF). Engagement is supported by a voting policy which supports moves by companies to improve disclosure and take positive action in relation to climate issues.

Describe how processes identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Climate risk is, as described above, managed in the same way as other risks through a standardised corporate process which is led by the Authority's Senior Management Team.

The Risk Management Framework, which is subject to approval and review by the Audit Committee, allows us to identify, assess and manage risks. The effectiveness of the process is overseen by the Audit Committee and the Local Pension Board.

Climate risk is specifically included within the Corporate Risk Register.

Metrics and Targets

Describe the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

The Authority has previously conducted two audits (in 2015 and 2017) of the carbon intensity of its equity portfolios presenting results in terms of tonnes of CO2e/$m Revenue.

With the transition of these portfolios to Border to Cost pooled products it is not possible to compare these previous results with results for the new products.

In future the Authority will produce measures of the carbon intensity of its listed equity investments and fixed income investments made through Border to Coast. These data will begin to be published 12 months after transition to the Border to Coast products.

It is important to recognise that these are backward looking and static metrics that measure only one aspect of a portfolio's exposure to climate-related transition risk. These data are produced using MSCI's carbon portfolio analytics. We will be looking to develop and adopt appropriate forward-looking measures over the coming year.

We expect those managing money on our behalf to use these data together with data from the Transition Pathway Initiative which indicates how well a company is prepared for the move to a lower carbon economy as part of their investment decision making process and in deciding which companies to engage with on climate issues.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse (GHG) emissions, and the related risks.

6.4

RESPONSIBLE INVESTMENT

Climate Change

The Authority currently invests in a wide range of listed and private market assets. Data in relation to emissions for private market assets is at best sketchy and difficult to gather. Therefore we concentrate on areas where there is a wide range of data available. This does not mean that we ignore private market assets which represent a significant part of our portfolio and we are supporting Border to Coast in their efforts to support the development of industry standards in this area.

Listed Assets

SYPA has investments in listed equities, fixed income and private markets funds managed by Border to Coast Pensions Partnership Limited. Carbon footprinting of the index-linked bonds, Multi Asset Credit and private markets portfolios has not been conducted due in part to the paucity of available data and, in the case of private markets, the relative immaturity of these portfolios. It should also be noted that carbon data coverage for fixed income markets generally is less mature and a systemic issue which the market is yet to address. The Border to Coast Listed Alternatives Fund, in which the Authority also invests, was launched in mid-February 2022 and has therefore been excluded from this year's disclosures.

Carbon footprint data is an evaluation of emissions at company, sector, and portfolio level at a point-in-time. It is widely acknowledged that carbon footprints continue to have limitations and are backward looking, with data sometimes being up to two years out of date. This data cannot be used in isolation to measure risk to an investor's portfolio. Some estimations must be made for companies that do not disclose data. As a carbon footprint captures a snapshot in time, we need to identify trends developing as the data we have increases. It should therefore be used in conjunction with other metrics whilst remaining aware of its limitations.

Data Quality

Although data is improving as companies provide better climate-related financial disclosures, the quality of corporate reporting remains inconsistent. For all Funds this year, we have also included carbon data availability metrics set out in the graph below. These metrics indicate the degree to which carbon data is available for the Fund, as well as the proportion of the data that is reported by the company or estimated by the data provider.

Data availability is more challenging in fixed income markets. Issuers of debt may not be covered by third-party data providers or, may be mapped to the parent company often operating in a different sector to the issuer itself. We provided disclosure for the Sterling Investment Grade Credit Fund for the first time last year without subsidiary mapping and have maintained this approach for this year's disclosures. This is due to our view that, despite data availability being lower, the data quality is higher.

6.4

RESPONSIBLE INVESTMENT

Climate Change

Emissions Measurement

Border to Coast's current funds are actively managed, and therefore carbon footprints may vary due to investment decisions made. Carbon footprints can increase at the same time as the carbon intensity decreases in a portfolio, and vice versa, and without the full picture it is impossible to understand the reasons behind this. Furthermore, some companies with a high carbon footprint may be important actors in the move to renewable energy and the transition to a low carbon economy. Portfolio Managers are required to document the investment rationale for the inclusion in the portfolio of companies with high carbon footprints. This enables managers to be challenged and facilitates ongoing monitoring and review. The table below shows the position on each of the funds relative to their benchmark at 31 March 2022.

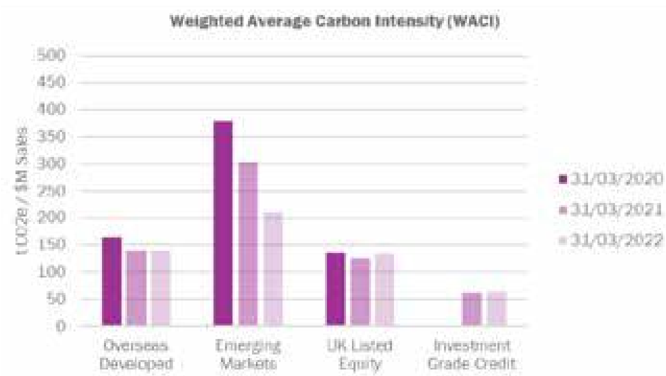
Portfolio	Weighted Average Carbon Intensity (tCO2e / $m Sales		Carbon Intensity (tCO2e/ $m Sales)		Carbon Emissions (per $m invested)	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Equity						
Overseas Developed	139	149	162	186	84	101
Emerging Markets	211	376	247	438	101	234
UK Listed	134	132	132	138	100	106
Fixed Income						
Investment Grade Credit	65	66	56	74	67	104

Carbon emissions, carbon intensity and weighted average carbon intensity data is considered in assessing risks when conducting carbon footprints. Reporting of data is best shown on a three-year rolling basis so that trends can be established rather than focussing on the distorted picture that may be given by a point in time metric and the following charts give the carbon data for all three metrics in absolute terms and relative to the benchmarks for the last three reporting periods (31st March 2020 to and including 31st March 2022), or since inception for Funds launched post 2020. Reporting covers the listed equity funds and Sterling Investment Grade Credit Fund.

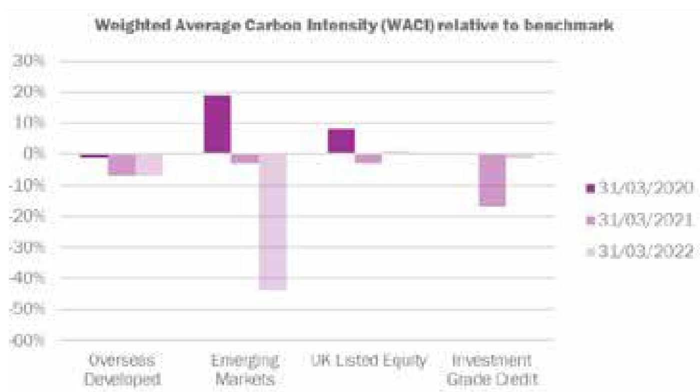
6.4

RESPONSIBLE INVESTMENT

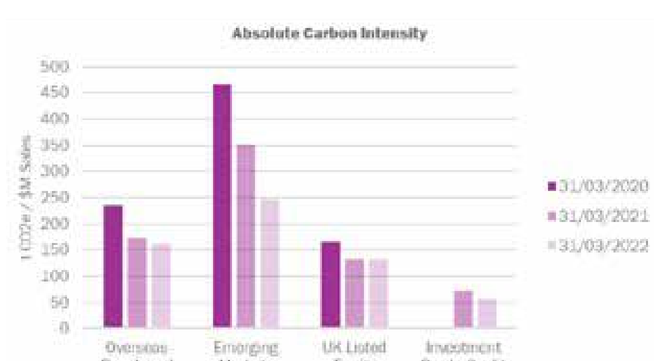
Climate Change



Source: MSCI ESG Research LLC, 31/03/2022

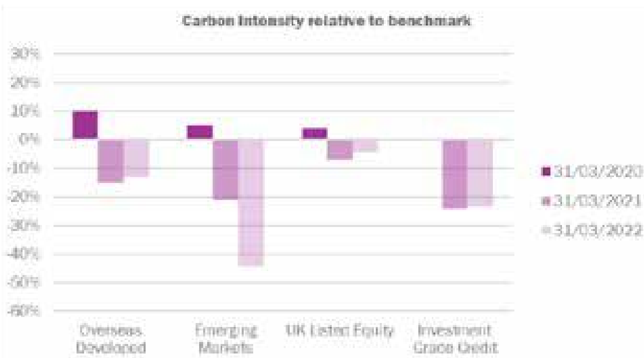


Source: MSCI ESG Research LLC, 31/03/2022

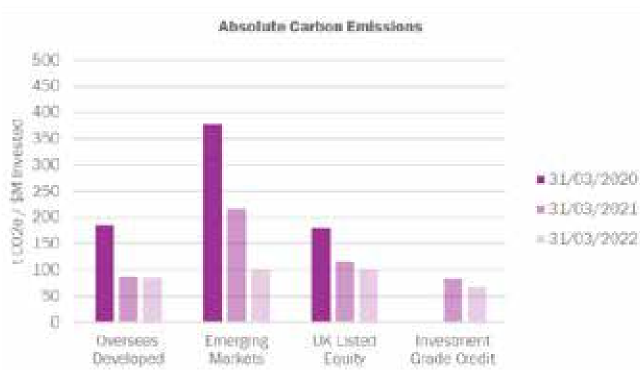


Source: MSCI ESG Research LLC, 31/03/2022

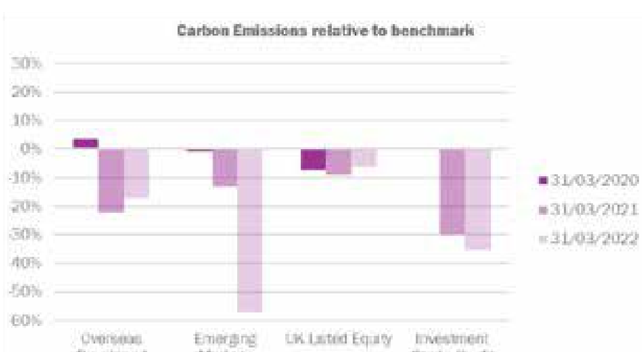
6.4
RESPONSIBLE INVESTMENT
Climate Change



Source: MSCI ESG Research LLC, 31/03/2022



Source: MSCI ESG Research LLC, 31/03/2022



Source: MSCI ESG Research LLC, 31/03/2022

6.4

RESPONSIBLE INVESTMENT

Climate Change

Over the three-year period covered in this report, all Funds are either broadly in-line or significantly below their benchmark for WACI. The biggest movement has been seen in the Emerging Market Fund following its restructuring in the second quarter of 2021 with the appointment of specialist managers to cover China. In absolute terms, all Funds have shown decreases or remained stable.

The carbon intensity for all Funds is below the respective benchmark and Funds have either shown material reductions over the period or remained stable. Again, the Emerging Markets Fund stands out due to the restructuring undertaken.

Commercial Property

The other major area where it is possible to assess the environmental performance of the portfolio on a consistent basis is the commercial property portfolio which is assessed using the Global Real Estate Sustainability Benchmark (GRESB).

The chart below shows how the Authority's portfolio has scored against the GRESB benchmark overall and against the Environmental Social and Governance components in the three years from 2019. It is important to note that over time GRESB is becoming more stringent, thus seeking to make asset owners continuously improve their performance.

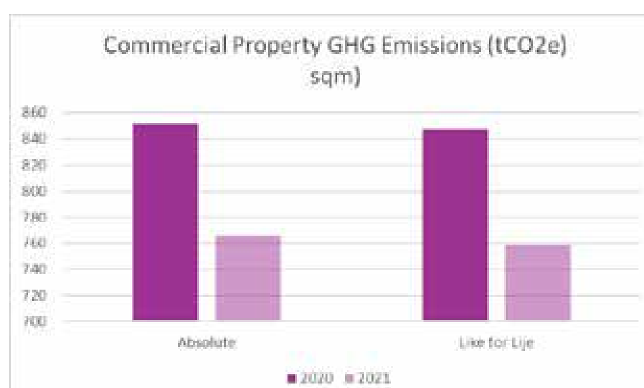
Source: Global Real Estate Benchmark 2021

SYPA's scores have improved year on year although generally they lag the benchmark, often because there is a dependency on the provision of data by tenants. While reporting requirements of this sort can be built into new leases, this will take some time to be universally adopted across the portfolio.

Progress has been made in a number of areas set out in last year's action plan, including:

- Developing ESG Action plans for individual assets.
- Achieving the target of 70% of the portfolio by rental value with energy performance certificates in the A-C range.
- Progressing a number of solar PV and EV charging installations.
- Improving the reporting of ESG metrics as part of the regular reporting of performance by the fund manager.

This progress is evident in the emissions data shown below, for the first time, which covers Scope 1 and 2 emissions and has been calculated in line with the Greenhouse Gas Protocol using the location-based emissions factors methodology.

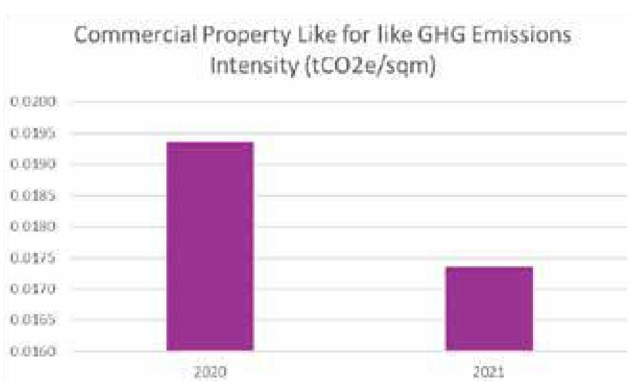


Source: abrdn March 2022

6.4
RESPONSIBLE INVESTMENT
Climate Change

This shows a 10% reduction in GHG emissions on both an absolute basis and a like for like basis (i.e. properties held at both reference dates). The most significant reductions were in the retail warehouse and shopping centre sectors with offices also showing a significant reduction particularly in Scope 2 emissions. The main drivers of these reductions are reductions in energy consumption and improvements in the efficiency of the UK's electricity grid which means that each kWh used produces less CO2e emissions.

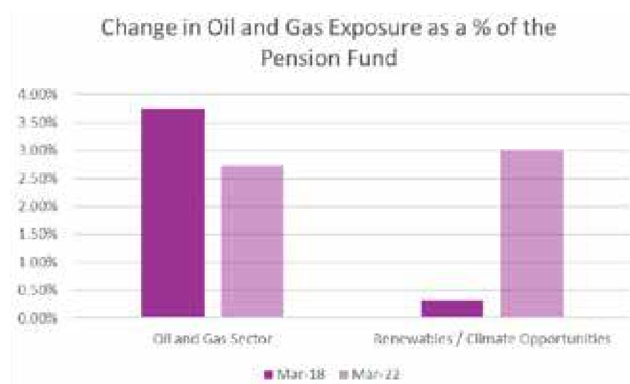
A similar pattern is evident when intensity of GHG emissions, which are only available on a like for like basis are examined as shown below.



Source: abrdn March 2022

Holdings Analysis

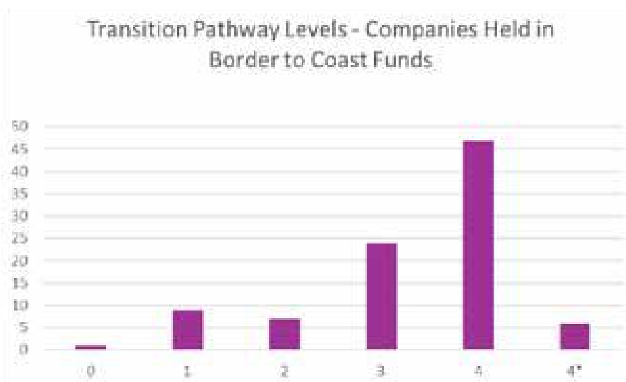
An alternative way of looking at the impact of the Authority's investments on climate change is by looking at the nature of the things in which we are invested. The data below compares the position at March 2018 to March 2022.



Source; SYPA Holdings Analysis and Border to Coast Source Data

What this shows is that the policy of tilting the overall portfolio away from oil and gas stocks as representative of the "old economy" and towards renewables and other climate opportunities is being delivered with a 28% reduction in the proportion of the Fund invested in "old economy" stocks over the period. Given the increased commitment to "new economy" related investments in future years, while traditional equities are likely to remain static this gap is likely to grow further.

It is also possible to consider the degree of commitment by companies in which we are invested to adapting themselves to the transition to a low/no carbon economy. We can do this through external assessment of companies position on the transition pathway. This technique only applies to listed companies held within the portfolios managed by Border to Coast. This year a total of 94 (81 in 2021) portfolio companies have been rated by the Transition Pathway Initiative (TPI). Of these, 77 (70 in 2021) were ranked Level 3/4/4* for their Management Quality of carbon. TPI determines that these companies are "integrating climate change into operational decision making" and/or making a "strategic assessment" of climate. The distribution of companies across the various TPI categories is shown below.



Source: Border to Coast March 2022

During last year the Authority set out its goal of making its investment portfolios net zero in terms of carbon emissions by 2030. This is an extremely ambitious goal and reflects:

- The assessment of the seriousness of the risk that climate change poses to the value of the Fund's investments if action is not taken.
- An ambition to exploit the opportunities that the transition to a low carbon economy can provide; and
- A desire to provide leadership and clear direction within the Border to Coast partnership.

We have now defined provisional targets for carbon emissions (also known as financed emissions) towards achievement of this goal and these will be firmed up as part of the forthcoming investment strategy review, together with the addition of information on the portfolio's degree of alignment with the targets set out in the Paris agreement. 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 SYPA will need to develop aspects of its investment strategy, particularly in private markets to include "carbon negative" investments and other offsets, with the agricultural property portfolio providing particular opportunities in this regard which will be investigated in the coming year.

The interim targets set are for the equity portfolios in aggregate and the Investment Grade Credit portfolio to deliver a reduction in financed emissions of 52% on 2019 levels by 2025. This is significantly greater than implied in the International Energy Agency's Net Zero Emissions 2050 pathway. Given the reductions achieved to date this will require around a 2% p.a. year on year reduction for the remainder of the period to 2025. Thus, given previous performance there is a strong possibility of overachieving this goal.

While the Authority would wish to see these portfolios achieve Net Zero by 2030 this is not something that is entirely within our gift. Therefore based on current information available these portfolios could achieve a 65% reduction in emissions by 2030 compared to 2019 compared to the 41% reduction implied in the pathway to 2050. This would require reductions of approximately 6% p.a., which is close to the reduction required by Paris aligned equity benchmarks.

For Real Estate the setting of targets is complicated by the likely transition of assets into a Border to Coast product during 2023. At this point SYPA's assets will become part of a much larger pool of assets, most of which we have no knowledge of, making the setting of targets difficult. It would therefore not be sensible to set a formal target for this portfolio at this stage. However, it is acknowledged that emissions will need to be reduced by at least 50% on 2020 levels by 2025 to be aligned with the Authority's Net Zero goal. This implies ongoing reductions in emissions of at least 10% p.a.

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:

- 55% of financed emissions to be aligned to Net Zero by 2025, and 70% by 2030 and
- 80% of financed emissions to be subject to engagement by 2025 and 90% by 2030.

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 types of investment held by the Fund, which can also have an impact on overall emissions.

The above applies to information within this section of the Annual Report provided by Border to Coast using data generated by MSCI who are their data provider
This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Border to Coast Pensions Partnership Limited's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or redisseminated in any form* and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.*
**In accordance with the Licence Agreement between Border to Coast Pensions Partnership Limited and MSCI ESG Research (UK) Limited.*

Section **Seven**

FINANCIAL STATEMENTS

7

Cannon Hall, Barnsley

7.1

FINANCIAL STATEMENTS

Statement of Responsibilities for the Statement of Accounts

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 Treasurer.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts.

The Treasurer's Responsibilities

The Treasurer 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 Treasurer 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 Treasurer 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.

Treasurer'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 2022 and its income and expenditure for the year then ended.

Neil Copley
BA (Hons), CPFA
Date: 07 September 2022

Treasurer

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 Committee of South Yorkshire Pensions Authority.

Councillor Garry Weatherall
Date: 07 September 2022
Chair, Audit Committee

7.3

FINANCIAL STATEMENTS

Fund Account

2020/21 £'000		2021/22 £'000	Note
	Dealings with Members, Employers and Others Directly Involved in the Fund		
(282,816)	Contributions	(192,000)	[7]
(20,726)	Transfers In from other pension funds	(18,584)	[8]
(303,542)		**(210,584)**	
314,330	Benefits	320,872	[9]
16,870	Payments to and on account of leavers	17,136	[10]
331,200		338,008	
27,658	**Net (Additions)/withdrawals from dealings With members**	**127,424**	
64,658	Management Expenses	105,678	[11]
92,316	**Net (Additions)/withdrawals including fund management expenses**	**233,102**	
	Returns On Investments		
(68,114)	Investment income	(66,794)	[12]
0	Taxes on income	0	[12]
(1,715,874)	Profit and losses on disposal of investments and changes in the value of investments	(977,797)	[14b]
(1,783,988)	**Net return on investments**	**(1,044,591)**	
(1,691,672)	**Net (increase)/decrease in the net assets available for benefits during the year**	**(811,489)**	
(8,170,401)	**Opening net assets of the scheme**	**(9,862,073)**	
(9,862,073)	**Closing net assets of the scheme**	**10,673,562)**	

7.4

FINANCIAL STATEMENTS

Net Assets Statement

31/3/2021 £'000		31/3/2022 £'000	Note
	Long Term Investments		
1,182	Equities	1,182	
	Investment Assets		
55,941	Equities	25,621	
602,488	Bonds	64,692	
8,296,976	Pooled Investment Vehicles	9,648,130	
762,177	Direct Property	795,555	[14a]
186	Derivative Contracts	0	[15]
125,890	Cash	118,756	
7,443	Other Investment Assets	2,468	
	Investment Liabilities		
(3,361)	Derivative Contracts	0	[15]
(4)	Other Investment Liabilities	0	
9,848,918	**Total Net investments**	**10,656,404**	**[14a]**
26,472	Current Assets	33,828	[21a]
39	Long Term Debtors	0	[21b]
9,875,429		**10,690,232**	
(13,356)	Current Liabilities	(16,670)	[22]
9,862,073	**Net assets of the fund available to fund benefits at the end of the reporting period**	**10,673,562**	

Note: The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 20.

7.5

FINANCIAL STATEMENTS

Notes to the South Yorkshire Pension Fund for the year ended 31 March 2022

1. Description of the Fund

The South Yorkshire Pension Fund ('the Fund') is part of the 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 2014 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2016.

The Fund is a contributory defined benefit pension scheme administered by South Yorkshire Pensions Authority (the Authority) to provide pensions and other benefits for pensionable employees of South Yorkshire Pensions Authority, the four district councils in South Yorkshire and a range of other scheduled and admitted bodies. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The Fund is overseen by the Authority, which consists of 12 councillors appointed by the District Councils roughly in proportion to population. In addition, 3 representatives of the recognised Trades Unions act as observers to represent the interests of scheme members. In accordance with the requirements of the Public Services Pensions Act 2013, the Authority has established a Local Pension Board. The Board holds regular meetings and provides oversight, challenge and scrutiny over how the administering authority exercises its responsibilities. It publishes its own annual report which is available on the Authority's website and within the Annual Report.

The Border to Coast Pensions Partnership (Border to Coast) was created in response to Government policy on the pooling of investments. South Yorkshire Pension Fund, along with 10 other partner funds, are equal shareholders in the company. Most of the Fund's equity investments have been managed by Border to Coast since July 2018 and transition of the Fund's assets from internal management to Border to Coast is a continuing process that is expected to take a number of years to complete fully. At 31 March 2022, approximately 70% (31 Mar 2021: 63%) 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, a new contract for which was let during the year. The actuary is now Hymans Robertson LLP from November 2021, and was previously Mercer Limited.

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 2021	31 March 2022
Number of employers with active members	533	548
Number of employees (active contributors)	51,050	51,429
Number of pensioners	57,308	59,755
Number of deferred pensioners *	58,511	59,924
Total number of members in the pension scheme	**166,869**	**171,108**

* The total shown for deferred pensioners includes 9,775 unprocessed leavers at 31 March 2022 (9,073 at 31 March 2021). Bulk processing tools are being developed to ensure these will be processed for valuation purposes. Once processed, these leavers could be a combination of deferred pensioners, frozen refunds, and aggregations. Until processed, this outcome is not known.

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2022. Employer contributions are set based on triennial actuarial funding valuations. The latest triennial valuation was undertaken as at 31 March 2019 and this determined the employer contribution rates payable from April 2020 to March 2023. These rates ranged from 12.5% to 29.9% of pensionable pay in 2021/22.

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

A sharp recovery in global growth and continued monetary and fiscal support led to strong equity market gains up to the end of December, with all equity asset classes, except for emerging markets, showing positive returns. However, global inflationary pressures were felt across both goods and services, and central banks became increasingly hawkish towards the end of 2021. Bond markets thus gave lower returns as the expectation was for interest rates to rise although expectations were still for global economic growth to continue, albeit at a lower rate than we had seen in 2021.

In equity markets, a bear market at the end of March 2020 quickly transformed into a bull market as investors became reassured by the extent of the monetary and fiscal support being delivered. Markets also had to contend with protracted negotiations over the terms of the UK's trade agreement with the European Union and one of the most contentious US elections seen. With a Brexit deal agreed the uncertainty of a no-deal Brexit evaporated and the UK market rallied in the final quarter of the financial year. Markets globally continued to reach new highs during the financial year, especially with the further impetus provided by the potential for the vaccine roll-out to generate a more sustainable recovery.

From the beginning of January, the investor focus became the escalating inflation in many developed economies and the prospect of rising interest rates accounted for the sell-off in markets. This scenario was then exacerbated by the Russian invasion of Ukraine which triggered a massive round of sanctions by western allies which had effects on the global economy and its supply chains, with energy costs and food costs in particular spiralling upwards. Commodity prices rose and commodity currencies benefited from safe haven flows. Inflation rates rose globally ending almost thirty years of low and stable inflation. This unsettled capital markets and businesses with the prospect of rising interest rates and higher borrowing costs.

Within UK commercial property, transaction volumes increased over the course of the year driven by overseas investors and this led to a strong annual return.

Over the year, the Fund continued the long-term strategy to deliver a lower risk return by continuing to switch from listed equities to new investments within the alternative asset classes, in particular infrastructure.

This year our investments in private equity were the big driver of growth for the Fund, with additional contributions from our investments in infrastructure, private credit and property.

Over the year the Fund delivered a return of 9.6% against an expected return of 7.7% (21.1% in 2020/21 against an expected return of 18%) and it had a marketvalue (net investment assets only) of £10,656 million at 31 March 2022 (£9,848 million at 31 March 2021).

2. Basis Of Preparation

The Statement of Accounts summarises the Fund's transactions for 2021/22 and its financial position at 31 March 2022. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (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 2021/22.

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 20.

The accounts have been prepared on a going concern basis.

3. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently during the financial year and the previous financial year.

Fund Account - Revenue Recognition

a) Contribution Income

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they related.

Employer deficit funding contributions are accounted for on the basis advised by the Fund actuary in the rates and adjustment certificate issued to the relevant employing body or on receipt if received earlier than the due date. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfers in and out relate to members who have either joined or left the fund.

Individual transfers in/out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 8).

Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

c) Investment Income

i. Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii. Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as an investment asset.

iii. Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as an investment asset.

iv. Property-related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straightline 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:

Administration 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 2022. 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 16). 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 16 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) Derivatives

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

k) 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.

l)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.

m) 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.

n) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of International Accounting Standards (IAS) 19 and relevant accounting standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 20).

o) 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 23.

p) 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.

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 from November 2021 (Mercer Limited to November 2021), 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 19 and 20. Actuarial re-valuations 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 2022, taking consideration of audited accounts for the company at 31 December 2021, 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 2022.

Directly Held Property

The Fund's property portfolio includes a number of directly owned properties which are leased commercially to various tenants with rental periods between three months and ten years. The Fund has determined that these contracts all constitute operating lease arrangements under the classifications permitted by IAS 17 and the Code, therefore the properties are retained on the Net Assets Statement at fair value. Rental income is recognised in the Fund Account on a straight-line basis over the life of the lease.

Private Equity

It is important to recognise the highly subjective nature of determining the fair value of unquoted private equity investments. They are inherently based on forward looking estimates and it is necessary to apply judgement to the valuation. Unquoted private equities and infrastructure investments are valued by the investment managers in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

5. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However actual outcomes could be different from the assumptions and estimates made. The items in the net assets statement for which there is a significant risk of material adjustment for the following year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 20)	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 2022 is £13,269 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 £265 million • a 0.1% p.a. increase in salary growth would increase the promised retirement benefits by approximately £41 million • a 0.1% p.a. increase in the pension increase rate (CPI) would increase the promised retirement benefits by approximately 2% or £222 million • a 1 year increase in member life expectancy would increase the promisedretirement benefits by approximately 4% or £531million
Private equity investments (Note 16)	Private equity instruments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation guidelines (2012). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation. 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. 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 2021, then rolled forward for known cash flows in order to derive the valuation at 31 March 2022. 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.	Private equity investments are valued at £4,128 million at 31 March 2022 (£3,133 million at 31 March 2021) in the financial statements. Based on the assessed level of volatility using the same methodology as outlined in the sensitivity analysis shown in Note 18, if prices fell by 11.8% this would reduce the value of these assets by £487 million.
Freehold, leasehold property and pooled property funds (Note 16)	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 £912 million including both directly held property and property held in pooled investment vehicles. At 31 March 2022 there is a range of potential outcomes. Note 18 shows the effect, based on an assessed volatility range, of a fall of 5% in these property values. For illustrative purposes, a fall of 10% would result in a reduction to the values in the Net Assets Statement of £91.2 million. However, it should be noted that this is illustrative only and is not necessarily indicative of the actual effects that would be experienced.

6. Events after the Reporting Period

The Statement of Accounts was authorised for issue on 07 September 2022. 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 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

7. Contributions receivable

By category	2020/21	2021/22
	£'000	£'000
Employees' contributions	**63,014**	**66,198**
Employers' contributions*		
Normal Contributions*	193,420	111,550
Deficit Recovery Contributions	20,720	8,246
Augmentation Contributions	5,662	6,006
Total Employers' Contributions	**219,802**	**125,802**
Total Contributions	**282,816**	**192,000**

By employer type	2020/21	2021/22
	£'000	£'000
Administering Authority	624	556
Scheduled Bodies		
Barnsley MBC	24,803	23,002
Doncaster MBC	51,281	10,427
Rotherham MBC	55,315	12,276
Sheffield CC	25,733	31,104
Other Scheduled Bodies	111,278	101,164
Admitted Bodies	13,782	13,471
Totals	**282,816**	**192,000**

*** Employer Contributions: Prepayments**

In April 2020, Doncaster Metropolitan Borough Council, Rotherham Metropolitan Borough Council and one Other Scheduled Body (South Yorkshire Fire &Rescue Authority) made prepayments in relation to their employer contributions due for the period April 2020 to March 2023. By making the paymentsearly, 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 each employer over the 3 year period. The prepayments amounted to £87.366 million in respect of normal contributions. These amounts were accounted for in the period received and are included in the figures shown above for 2020/21.

Additionally, Barnsley Metropolitan Borough Council and 46 Other Scheduled Bodies (primarily Multi Academy Trusts and large employers including South Yorkshire Fire & Rescue Authority and The Chief Constable) opted to make prepayments in relation to their deficit recovery contributions due for the period April 2020 to March 2023. The cash amount payable for these contributions over the period is similarly reduced as a result of the early payment, and this discount is calculated by the Fund's actuary. The prepayments of these deficit recovery contributions amounted to £13.241 million accounted for in the period received and included in the relevant figures shown above for 2020/21.

Sheffield City Council made a prepayment in the final quarter of 2019/20 in relation to their employer contributions due for the period April 2020 to March 2023 on the same principles as outlined above. The prepayment amounted to £87.551 million in respect of normal contributions and £3.169 million in respect of deficit recovery contributions. These amounts were accounted for in the period received (2019/20) and are therefore not included in the figures shown above.

8. Transfers In from other pension funds

	2020/21 £'000	2021/22 £'000
Group transfers	0	0
Individual transfers	20,726	18,584
Totals	**20,726**	**18,584**

9. Benefits payable

By category	2020/21 £'000	2021/22 £'000
Pensions	250,114	257,953
Commutation and lump sum retirement benefits	56,345	57,102
Lump sum death benefits	7,871	5,817
Totals	**314,330**	**320,872**

By employer type	2020/21 £'000	2021/22 £'000
Administering Authority	673	771
Scheduled Bodies		
Barnsley MBC	41,194	42,772
Doncaster MBC	46,269	45,239
Rotherham MBC	44,369	46,540
Sheffield CC	93,648	95,093
Other Scheduled Bodies	59,102	61,938
Admitted Bodies	29,075	28,519
Totals	**314,330**	**320,872**

10. Payments to and on account of leavers

	2020/21 £'000	2021/22 £'000
Refunds to members leaving service	365	535
Group transfers	0	0
Individual transfers	16,507	16,605
Payments for members joining state scheme	(2)	(4)
Totals	**16,870**	**17,136**

11. Management expenses

	2020/21 £'000	2021/22 £'000
Administrative costs	2,962	3,382
Investment management expenses (Note 11a)	59,600	100,279
Oversight and governance costs	2,096	2,017
Totals	**64,658**	**105,678**

11a. Investment management expenses

2020/21					2021/22			
Management Fees	Perfornace Related Fees	Transition Costs	Total		Total	Management Fees	Perfornace Related Fees	Transition Costs
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
22,634	21,915	293	44,842	South Yorkshire Pensions Authority	75,877	22,867	52,874	136
11,175	1,272	1,002	13,449	Border to Coast Pensions Partnership	**2,977**	**21,559**	**0**	**1,418**
1,157	0	0	1,157	Abrdn	**1,325**	**1,325**	**0**	**0**
33	0	0	33	Bidwells	**40**	**40**	**0**	**0**
81	0	0	81	Schroder	**0**	**0**	**0**	**0**
35,080	23,187	1,295	59,562		**100,219**	**45,791**	**52,874**	**1,554**
			38	**Custody fees**				**60**
			59,600	**Total**				**100,279**

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.

The overall increase in expenses for 2021/22 from the previous year has largely been driven by the increase in performance-related fees; reflecting the increase in value held and the strong performance of Pooled Investment Funds in particular.

12. Investment income

	2020/21 £'000	2021/22 £'000
Income from equities	971	572
Bonds	30,167	10,394
Income from pooled investment vehicles	9,381	28,267
Net property income (Note 12a)	26,640	27,278
Interest on cash deposits	353	168
Stock lending	129	80
Other	385	35
Total Before Taxes	**68,114**	**66,794**
Irrecoverable withholding tax on equities	0	0
Net Investment income	**68,114**	**66,794**

The Fund's equity holdings, together with its investment grade and index linked bond holdings, are now managed in pooled funds provided by Border to Coast and there is no direct income from those funds; the value of that income is instead reflected within the valuation of the Fund holdings. The income is accumulated and reinvested; therefore, the value of the income is reflected in the price of the units held and would only be realisable by the Fund by selling the units. The value of this re-invested income is reported separately and is shown below for information.

Re-Invested Income In Border to Coast Pooled Investment Vehicles

	2020/21 Restated £'000	2021/22 £'000
Border to Coast UK	30,795	37,894
Border to Coast Developed Overseas	53,370	62,472
Border to Coast Emerging Markets	16,775	17,977
Border to Coast Investment Grade Credit	12,347	11,661
Border to Coast Sterling Index Linked Bonds	527	16,945
Border to Coast MAC Fund	0	8,990
Border to Coast Listed Alternative Fund	0	1,141
	113,814	**157,080**

12a. Property income

	2020/21 £'000	2021/22 £'000
Rental income	28,752	28,714
Other dividends and interest	0	186
Direct operating expenses	(2,112)	(1,622)
Net income	**26,640**	**27,278**

No contingent rents have been recognised as income during the period.

13a. Other fund account disclosures - External audit costs

	2020/21 £'000	2021/22 £'000
Fees payable in respect of external audit	49	46
	49	**46**

The external audit costs total above is included within the Oversight and Governance costs shown in Note 11.

13b. Other fund account disclosures - Irrecoverable VAT

	2020/21 £'000	2021/22 £'000
Irrecoverable VAT included in administration cost	101	298
Irrecoverable VAT included in investment management expense	211	144
Irrecoverable VAT included in Oversight & Governance cost	50	95
	362	**537**

Unlike other local authorities, the Authority does not currently have Section 33 status under the VAT Act 1994 that would enable it to reclaim VAT incurred.

This is due to its unique nature as a local authority with the sole purpose of administering the Pension Fund. Instead, a special exemption method agreed with HMRC is used for reclaiming a proportion of the Authority's VAT expense only. The remaining proportion that is not recoverable is charged to the management expenses of the Fund as outlined above. This irrecoverable proportion is approximately 65% of the total VAT expense incurred. The amounts shown here are included in the respective totals shown in Note 11.

7.5

FINANCIAL STATEMENTS

Notes to the South Yorkshire Pension Fund for the year

14a. Investments

2020/21 Restated		2021/22 £'000	2021/22 £'000
	Long Term Investments		
1,182	Equities		1,182
1,182		*1,182*	
	Investment Assets		
55,941	Equities	25,621	
602,488	Bonds	64,692	
658,429			**90,313**
	Pooled Investments		
4,748,184	Equities	5,160,249	
815,245	Private Equity	1,019,328	
1,865,408	Credit	2,386,759	
431,897	Infrastructure	721,538	
99,594	Indirect Property	116,269	
0	Hedge Fund of Funds	14	
336,648	Other Managed Funds	243,973	
8,296,976			**9,648,130**
	Other Investments		
748,214	Direct Property	779,745	
13,963	Property Other	15,810	
	Derivative Contracts:		
186	*Forward Currency Contracts*	*0*	
762,363			**795,555**
125,890	Cash Deposits	118,756	
7,443	Investment Income Due	2,468	
0	Amounts Receivable - Sales		
133,333			**121,224**
9,852,283	**Total Investment Assets**		**10,656,404**
	Investment Liabilities		
	Derivative Contracts		
(3,361)	Forward Currency Contracts	0	
(4)	Amounts Payable - Purchases	0	
(3,365)	**Total Investment Liabilities**		**0**
9,848,918	**Net Investment Assets**		**10,656,404**

14b. Reconciliation of movements in investments and derivatives

Period 2021/22	Market value 1 April 2021	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in value during the year	Market value 31 March 2022
	£'000	***£'000***	***£'000***	***£'000***	***£'000***
Equities	57,123	0	(32,567)	2,247	26,803
Bonds	602,488	660,910	(734,960)	(463,746)	64,692
Pooled Investments	8,296,976	815,214	(804,183)	1,340,123	9,648,130
Property	762,177	29,792	(83,893)	87,479	795,555
	9,718,764	**1,505,916**	**(1,655,603)**	**966,103**	**10,535,180**
Derivative Contracts:					
Forward Currency Contracts	(3,175)	67	(3,089)	6,197	0
	9,715,589	**1,505,983**	**(1,658,692)**	**972,300**	**10,535,180**
Other Investment Balances:					
Cash Deposits	125,890			5,497	118,756
Other Investment Assets	7,443				2,468
Other Investment Liabilities	(4)				0
NET INVESTMENT ASSETS	**9,848,918**			**977,797**	**10,656,404**

Period 2020/21	Market value 1 April 2020	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in value during the year	Market value 31 March 2021
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Equities	75,482	348	(44,386)	25,679	57,123
Bonds	561,727	2,022,802	(2,041,374)	59,333	602,488
Pooled Investments	6,656,270	540,593	(497,026)	1,597,139	8,296,976
Property	697,748	58,565	0	5,864	762,177
	7,991,227	**2,622,308**	**(2,582,786)**	**1,688,015**	**9,718,764**
Derivative Contracts:					
Forward Currency Contracts	(11,995)	7,372	(27,946)	29,394	(3,175)
	7,979,232	**2,629,680**	**(2,610,732)**	**1,717,409**	**9,715,589**
Other Investment Balances:					
Cash Deposits	170,769			(1,535)	125,890
Other Investment Assets	8,950				7,443
Other Investment Liabilities	0				(4)
NET INVESTMENT ASSETS	**8,158,951**			**1,715,874**	**9,848,918**

14c. Investments analysed by Fund Manager

Market value 31 March 2021 **Market value 31 March 2022**

Investments managed by Border to Coast Pensions Partnership:

%	£'000		£'000	%
8.5%	837,108	Border to Coast Sterling Index Linked Bonds	870,683	8.2%
10.4%	1,025,943	Border to Coast UK	1,140,799	10.7%
29.8%	2,935,183	Border to Coast Developed Overseas	3,099,642	29.1%
8.0%	787,058	Border to Coast Emerging Markets	721,195	6.8%
0.0%	0	Border to Coast MAC (Multi Asset Credit) Fund	587,328	5.5%
5.0%	487,249	Border to Coast Investment Grade Credit	454,652	4.3%
0.0%	0	Border to Coast Listed Alternatives Fund	198,613	1.9%
0.5%	50,649	Border to Coast Private Equity Series	155,695	1.4%
0.1%	6,753	Border to Coast Private Credit Series	45,989	0.4%
0.4%	43,376	Border to Coast Infrastructure Series	184,374	1.7%
62.7%	**6,173,319**		**7,458,970**	**70.0%**

Investments managed outside of Border to Coast Pensions Partnership:

	Restated			
29.7%	2,927,385	South Yorkshire Pensions Authority	2,417,689	22.7%
5.9%	580,180	Abrdn - Direct Property - Commercial Portfolio	606,190	5.7%
1.7%	168,034	Bidwells - Direct Property - Agricultural Portfolio	173,555	1.6%
37.3%	**3,675,599**		**3,197,434**	**30.0%**
100.0%	**9,848,918**	**Total Net Investment Assets**	**10,656,404**	**100.0%**

The following investments each represent over 5% of the net assets of the Fund.

		Security		
8.5%	837,108	Border to Coast Sterling	870,683	8.2%
10.4%	1,025,943	Border to Coast UK	1,140,799	10.7%
29.8%	2,935,183	Border to Coast Developed Overseas	3,099,642	29.1%
8.0%	787,058	Border to Coast Emerging Markets	721,195	6.8%
5.9%	580,180	Abrdn - Direct Property - Commercial Portfolio	606,190	5.7%
0.0%	0	Border to Coast MAC Fund	587,328	5.5%
	6,165,472		**7,025,837**	

14d. Stock lending

The Fund's investment strategy sets the parameters for its stock lending programme. The stock lending activity and associated income has been reducing over the last two years as assets have transitioned to Border to Coast. During the year, a further transition of listed alternative assets took place. At the year end, all of the assets that remain with the custodian bank for the Fund are not attractive for stock lending purposes and therefore there are no assets on loan or collateral held as at 31 March 2022.

The assets on loan at the previous year end of 31 March 2021 were recognised in the Fund's financial statements. No liabilities were associated with the loaned assets.

Counterparty risk was managed through holding collateral at the Fund's custodian bank as per the details shown below at 31 March 2021.

	31/03/21	**31/03/22**
	£'000	*£'000*
Assets on loan		
UK Corporate Bonds	3,935	0
Overseas Corporate Bonds	26,461	0
Overseas Government Bonds	40,602	0
Total Value of Stock on Loan	**70,998**	**0**

Collateral held		
UK Gilts	11,199	0
Overseas Bonds	64,505	0
	75,704	**0**

Income generated from stock lending in the year was £0.080 million (2020/21: £0.129 million) as shown in note 12. This income has reduced over the last two years in line with the reduction in stock lending activity as explained above.

14e. Property holdings

The Fund's investment property portfolio comprises investments in pooled property funds and a number of directly owned properties which are leased commercially to various tenants. Details of these directly owned properties are as follows:

	2020/21 £'000	2021/22 £'000
Opening balance	**684,047**	**748,214**
Additions:		
Purchases	54,780	23,707
New Construction	449	718
Subsequent Expenditure	3,336	3,510
Disposals	0	(83,893)
Net Increase / (Reduction) in Market Value	5,602	87,489
Closing balance	**748,214**	**779,745**

The Fund holds a number of buildings in prime locations. There are no legal restrictions on the ability to realise these properties or on the remittance of income or disposal proceeds, although the Fund recognises that it could take six months to achieve disposal on favourable terms.

As at 31 March 2022, there was one vacant property (31 March 2021: one) and six (31 March 2021: seven) vacant units 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.

15. Analysis of derivatives

The Fund ceased forward currency transactions, through the custodian bank, following settlement in June 2021 of the contracts held at 31 March 2021. The underlying assets were transitioned to Border to Coast Pensions Partnership, this meant there was no longer a need for the Fund to hedge the currencies. Any future hedging for the Fund will be at the discretion of Border to Coast Pensions Partnership, or the external fund manager responsible.

The Fund previously used currency hedging to manage risk, its foreign currency exposure and volatility in the bond and property fund portfolio. The exposure at 31 March 2021 shown below is in US Dollar and Euro denominated assets and was transacted by forward currency contracts with the custodian bank, whereby the parties agree to exchange two currencies on a specified future date at an agreed rate of exchange.

	Asset Value £'000	Liability Value £'000
Open forward currency contracts at 31 March 2022	**0**	**0**
Net forward currency contracts at 31 March 2022		**0**
Open forward currency contracts at 31 March 2021	186	(3,361)
Net forward currency contracts at 31 March 2021		(3,175)

16. 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 2022, taking consideration of audited accounts for the company at 31 December 2021, 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 2022.

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
Bonds	Level 2	Average of broker prices (Valued on a "clean basis" i.e. not including accrued interest)	Evaluated price feeds/ Composite prices	Not required
Pooled investments - listed debt funds and property funds	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
Pooled investments - Limited partnerships, hedge fund of funds, other funds and property funds	Level 3	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Valuations could be affected by post balance sheet events, changes to expected cash flows, or by any differences between audited and unaudited accounts
Freehold and leasehold properties	Level 3	Valued at fair value at the year-end using the investment method of valuation by Jones Lang LaSalle for the commercial portfolio and Fisher German for the agricultural portfolio in accordance with the RICS Valuation – Professional Standards January 2014	• Existing lease terms and rentals • Independent market research • Vacancy levels • Estimated rental growth • Discount rate	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices.

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2022.

Asset type	Assessed valuation range (+/-)	Value as at 31 March 2022	Value on increase	Value on decrease
2022		*£'000*	*£'000*	*£'000*
Equities (Long Term)	0%	1,182	1,182	1,182
Equities	15%	52	60	44
Pooled Investment Vehicles	12%	2,227,306	2,494,583	1,960,029
Pooled Property Funds	5%	81,120	85,176	77,064
Property	4%	779,745	810,935	748,555
Property Other	4%	15,810	16,442	15,178
		3,105,215	3,408,378	2,802,052

16a. 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.

2022	**Quoted market price**	**Using observable inputs**	**With significant unobservable inputs**	
Value at 31 March 2022	**Level 1** *£'000*	**Level 2** *£'000*	**Level 3** *£'000*	**Total** *£'000*
Financial assets at fair value through profit and loss	235,553	7,196,880	2,324,288	9,756,721
Non-financial assets at fair value through profit and loss (Note 14e)	0	0	779,745	779,745
Net investment assets	**235,553**	**7,196,880**	**3,104,033**	**10,536,466**

The following assets were carried at cost: **Values at 31 March 2022**	
Investments in Border to Coast Pensions Partnership Pool	1,182
Investments held at cost	**1,182**

Reconciliation to net assets statement	
Total analysed above	10,537,648
Plus Cash	118,756
Total net investments per net assets statement	**10,656,404**

2021	Quoted market price	Using observable inputs	With significant unobservable inputs	
Value at 31 March 2021	**Level 1** *£'000*	**Level 2** *£'000*	**Level 3** *£'000*	**Total** *£'000*
Financial assets at fair value through profit and loss	341,959	6,862,002	1,769,671	8,973,632
Non-financial assets at fair value through profit and loss (Note 14e)	0	0	748,214	748,214
Net investment assets	**341,959**	**6,862,002**	**2,517,885**	**9,721,846**
The following assets were carried at cost: **Values at 31 March 2021**				
Investments in Border to Coast Pensions Partnership Pool				1,182
Investments held at cost	**0**	**0**	**0**	**1,182**

Reconciliation to net assets statement	
Total analysed above	9,723,028
Plus Cash	125,890
Total net investments per net assets statement	**9,848,918**

17a. Classification Of Financial Instruments

The financial instruments of the Fund comprises its investment assets, debtors and creditors as shown in the Net Assets Statement. Property held is classified as investment property and is not a financial instrument so is not included in the classification below.

31 March 2021				31 March 2022		
Fair value through profit and loss	**Asset at amortised cost**	**Liabilities at amortised cost**		**Fair value through profit and loss**	**Asset at amortised cost**	**Liabilities at amortised cost**
£'000	*£'000*	*£'000*		*£'000*	*£'000*	*£'000*
			Financial Assets			
57,123	0	0	Equities	26,803	0	0
602,488	0	0	Bonds	64,692	0	0
8,296,976	0	0	Pooled Investments	9,648,130	0	0
13,963	0	0	Property Other	15,810	0	0
186	0	0	Forward Currency Contracts	0	0	0
7,443	0	0	Other Investment Balances	2,468	0	0
0	125,890	0	Cash	0	118,756	0
0	26,511	0	Sundry Debtors and Prepayments	0	33,828	0
8,978,179	**152,401**	**0**		**9,757,903**	**152,584**	**0**
			Financial Liabilities			
(3,361)	0	0	Forward Currency Contracts	0	0	0
(4)	0	(13,356)	Sundry Creditors	0	0	(16,670)
8,974,814	**152,401**	**(13,356)**	**Total**	**9,757,903**	**152,584**	**(16,670)**
	9,113,859				9,893,817	

17b. Net gains and losses on financial instruments

	2020/21 *£'000*	2021/22 *£'000*
Financial assets		
Gain / (Loss) on assets at fair value through profit and loss	1,682,151	878,624
Gain / (Loss) on assets at amortised cost	(1,535)	5,497
Financial liabilities		
Gain / (Loss) on Liabilities at Fair value through profit and loss	29,394	6,197
Net Gain / (Loss) on financial instruments	**1,710,010**	**890,318**

All realised gains and losses arise from the sale or disposal of financial assets which have been derecognised in the financial statements.

18. Nature and extent of risks arising from financial instruments

Risk and Risk Management

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows.

The management of risk is described within the Fund's Investment Strategy Statement (ISS) which is included in the published annual report and accounts and is also available in the 'Investments' area of the Fund's website (https://www.sypensions.org.uk). It centres upon the adoption of an investment strategy, as represented by the Fund's customised benchmark, which is appropriate to meet the objectives of the Funding Strategy Statement. It focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the resources available to fund services.

The cash balances of the Fund are managed by the Administering Authority. The Authority's treasury management activities are governed by the Local Government Act 2003 and the Fund has broadly adopted CIPFA's Treasury Management Code of Practice. The annual Treasury Management Strategy was approved by the Authority in March 2021.

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 2022/23, assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same:

Asset type 2022	Value as at 31 March 2022 £'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
UK Equities	9,776	15.05%	11,247	8,305
Overseas Equities	15,845	12.96%	17,899	13,791
UK Bonds	63,538	15.34%	73,285	53,791
Overseas Bonds	1,153	7.11%	1,235	1,071
Pooled Investment Vehicles	9,531,861	11.77%	10,653,761	8,409,961
Indirect Property	116,269	4.74%	121,780	110,758
Total	**9,739,624**		**10,880,389**	**8,598,859**

Asset type 2021 Restated Analysis	Value as at 31 March 2021 £'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
UK Equities	1,025,943	15.98%	1,189,889	861,997
Overseas Equities	3,778,182	13.56%	4,290,503	3,265,861
UK Bonds	261,567	11.82%	292,491	230,643
Overseas Bonds	340,921	6.92%	364,513	317,329
Pooled Investment Vehicles	3,449,198	3.99%	3,586,868	3,311,528
Indirect Property	99,594	4.23%	103,807	95,381
Total	**8,956,587**		**9,829,253**	**8,083,921**

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 2022 and 31 March 2021 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

The Fund recognises that interest rates can vary and can affect both income to the Fund and the carrying value of Fund assets, both of which affect the value of the net assets available to pay benefits. The sensitivity analysis shown below is based on the Fund's methodology for this risk and shows the potential impact of a 0.64% 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	Value as at 31 March 2022	Potential interest rate movement	Potential value on increase	Potential value on decrease
2022	*£'000*	*(+/-)*	*£'000*	*£'000*
Cash - Sterling	103,978	0.64%	104,643	103,313

Exposure to interest rate risk	Value as at 31 March 2021	Potential interest rate movement	Potential value on increase	Potential value on decrease
2021	*£'000*	*(+/-)*	*£'000*	*£'000*
Cash - Sterling	116,520	0.69%	117,324	115,716

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 thatapproach 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 6.54%. A strengthening/weakening of the pound by 6.54% 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 2022	Potential market movement	Value on increase	Value on decrease
2022	*£'000*	*£'000*	*£'000*	*£'000*
Overseas Equities	15,845	1,036	16,881	14,809
Overseas Bonds	1,153	75	1,228	1,078
Overseas Pooled Funds	6,650,544	434,946	7,085,490	6,215,598
Overseas indirect property	14,342	938	15,280	13,404
Cash - Currency	14,778	966	15,744	13,812
Total change in assets available to pay benefits	6,696,662	437,961	7,134,623	6,258,701

Assets exposed to currency risk Restated Analysis	Asset value as at 31 March 2021	Potential market movement	Value on increase	Value on decrease
2021	*£'000*	*£'000*	*£'000*	*£'000*
Overseas Equities	3,778,182	315,856	4,094,038	3,462,326
Overseas Bonds	340,921	28,501	369,422	312,420
Overseas Pooled Funds	1,709,590	142,922	1,852,512	1,566,668
Overseas indirect property	13,556	1,133	14,689	12,423
Forward currency contracts	(3,175)	(265)	(3,440)	(2,910)
Cash - Currency	9,370	783	10,153	8,587
Total change in assets available to pay benefits	5,848,444	488,930	6,337,374	5,359,514

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 counterparts, brokers and financial institutions minimises credit risk that may occur through the failure of third parties to settle transactions in a timely manner.

The Fund's benchmark allowance for cash at 31 March 2022 was a maximum of 10% of the Fund (10% at 31 March 2021). The actual cash held at 31 March 2022 represented 0.98% of the Fund value (1.2% at 31 March 2021).

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		Balances at 31/03/21	Balances at 31/03/22
Counterparty type	**Rating**	***£'000***	***£'000***
Money Market Funds	AAA	5,000	30,000
Banks	Minimum of F1	42,020	68,978
Other Local Authorities	-	69,500	5,000
Total		**116,520**	**103,978**

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 2022 was £103.9 million (31 March 2021 £116.5 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. In addition, the Fund holds Government bonds amounting to £63.5 million (£170.2 million at 31 March 2021) which could be realised within a week in normal market conditions, if necessary, to meet expected or unexpected demands for cash.

19. 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 2019 and the next valuation will be reported as at 31 March 2022.

The key elements of the funding policy are:

1. to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment
2. to ensure that employer contribution rates are as stable as possible
3. to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
4. to reflect the different characteristics of employing bodies in determining contributions rates where it is possible to do so
5. 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 aim is to achieve solvency over a period as set out in the Funding Strategy Statement (FSS) and to provide stability in employer contribution rates by spreading any increases over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet expected future pension benefits payable.

An actuarial valuation of the South Yorkshire Pension Fund was carried out as at 31 March 2019 to determine the contribution rates with effect from 1 April 2020 to 31 March 2023.

Based on the assumptions adopted, the Fund was assessed as 99% funded (86% at the 2016 valuation). This corresponded to a deficit of £63 million (2016 valuation: £1,025 million).

Primary contribution rate

The valuation also showed that a Primary contribution rate of 16.1% of pensionable pay per annum was required from employers. 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.

Valuation Date	Employers' Primary Contribution Rate
31 March 2016	15.00%
31 March 2019	16.10%

Secondary contribution rate

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall.

The FSS sets out the process for determining the recovery plan in respect of each employer. At this actuarial valuation the average recovery period adopted is 15 years, and the total initial recovery payment (the “Secondary rate” for 2020-2023) is an addition of approximately £19.5 million per annum on average in £ terms (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), although this varies year on year.

Valuation Assumptions

The valuation was carried out using the projected unit actuarial method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The main actuarial assumptions used for assessing the Solvency Funding Target were as follows.

Financial Assumptions	31/03/16	31/03/19
Rate of return on investments (discount rate)	4.2% per annum	3.9% per annum
Price inflation (CPI)	2.4% per annum	2.4% per annum
Rate of salary increases (short term) *	1.25% per annum for 4 years	3% per annum for 4 years
Rate of salary increases (long term) *	3.45% per annum	3.65% per annum
Rate of increases in pensions in payment	2.2% per annum	2.4% per annum

** Allowance was also made for short-term public sector pay restraint over a 4 year period.*

Demographic Assumptions	Years
Life expectancy for a male aged 65 now	22.4
Life expectancy at 65 for a male aged 45 now	23.8
Life expectancy for a female aged 65 now	25.1
Life expectancy at 65 for a female aged 45 now	27.0

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.

Following an analysis of the take-up rates, it has been assumed that, on average, retiring members will take 90% of the maximum tax-free cash available at retirement. This is slightly more than the assumption used at the 2016 actuarial valuation, which was broadly equivalent to members taking 80% of the maximum tax-free cash available.

The McCloud Judgment

The "McCloud judgment" refers to a legal challenge in relation to historic benefit changes for all public sector schemes being age discriminatory. The Government has accepted that remedies are required for all public sector pension schemes and a consultation was issued in July 2020 including a proposed remedy for the LGPS. The key feature of the proposed remedy was to extend the final salary underpin to a wider group of members for service up to 31 March 2022. This applies to all members who were active on or before 31 March 2012 and who either remain active or left service after 1 April 2014.

In line with guidance issued by the LGPS Scheme Advisory Board, the above funding level and Primary contribution rate do not include an allowance for the estimated cost of the McCloud judgment. However, at the overall Fund level, the actuary estimates that the cost of the judgment could be an increase in past service liabilities of broadly £74 million and an increase in the Primary Contribution rate of 0.7% of Pensionable Pay per annum. To the extent that employers have opted to pay additional contributions over 2020/23 in relation to the McCloud judgement, these emerge in the secondary contribution rate figures quoted above.

Overall, based on the decisions taken by employers, it is expected that an additional £38.4 million will be paid into the Fund over 2020 to 2023 as a provision in relation to the potential costs emerging from the McCloud judgment. This represents 97% of the total £39.7 million calculated across all employers. It also represents approximately 7% of the total contributions (primary and secondary rate) payable over 2020 to 2023.

McCloud Judicial Review

In December 2021, several unions filed for a joint judicial review against the Government on the inclusion of the McCloud remedy costs within the cost control mechanism for public sector pension schemes. On 4 July 2022, the judicial review was granted permission to be heard, with no further detail currently available on the timeline for a hearing. Even if the judicial review is successful, it is unclear what remedy the court may order, and the Government would then need to consider how to proceed following that. Any attempt to predict such outcomes would be highly speculative at this stage.

Experience Over the Period Since March 2019

Markets were severely disrupted by COVID 19 in March 2020, but over most of 2020/21 and 2021/22 they recovered strongly. However, due to the war in Ukraine, March 2022 markets were particularly volatile, which affects values as at the accounting date. All other things being equal, the funding level of the Fund as at 31 March 2022 is likely to be better than that reported at the previous formal valuation as at 31 March 2019.

It is important to note that the formal triennial funding valuation exercise is as at 31 March 2022 and this may show a different picture when the finalised position is disclosed in next year's annual report. In particular, changes in Fund membership, changes in anticipated real investment returns, and changes in demographic assumptions will affect the valuation results. The Funding Strategy Statement will also be reviewed as part of the triennial funding valuation exercise.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated 31 March 2020; this is available in the 'Publications' area on the Fund's website at: www.sypensions.org.uk

20. 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 (setnout below) from those used for funding purposes set out in Note 19. The actuary has also valued ill health and death benefits in line with IAS 19.

Financial Assumptions	31/03/21	31/03/22
Rate of return on investments (discount rate)	2.1% per annum	2.7% per annum
Price inflation (CPI)/CARE benefit revaluation	2.7% per annum	3.2% per annum
Rate of salary increases*	3.95% per annum	4.45% per annum

** This is the long term assumption. An allowance corresponding to that made at the latest formal actuarial valuation for short-term public sector pay restraint was also included.*

Demographic Assumptions

The demographic assumptions are the same as those used for funding purposes (shown in Note 19).

Results	31/03/21	31/03/22
Present value of promised retirement benefits	£13,421 million	£13,269 million

The actuary estimates that the impact of the change in financial assumptions to 31 March 2022 is to decrease the actuarial present value by £543 million.

There is no impact from any change in the demographic assumptions because they are identical to the previous period.

21a. Current Assets

Short Term Debtors:	31/3/21 £'000	31/3/22 £'000
Contributions due - employees	5,344	6,108
Contributions due - employers	12,769	14,844
	18,113	**20,952**
Early retirement strain contributions receivable	633	2,379
Sundry debtors	7,726	10,497
Total	**26,472**	**33,828**

21b. Long Term Debtors

Long Term Debtors:	31/3/21 £'000	31/3/22 £'000
Early retirement strain contributions receivable	39	0
Total	**39**	**0**

22. Current Liabilities

	31/3/21 £'000	31/3/22 £'000
Sundry creditors	(2,574)	(5,939)
Payroll expenses payable	(2,201)	(2,390)
Advance property rents	(5,736)	(5,433)
Property rental deposits	(2,670)	(2,677)
Other balances	(175)	(231)
Total	**(13,356)**	**(16,670)**

The Fund Net Assets Statement at 31 March 2022 includes a creditor of £1.536 million (£2.145 million at 31 March 2021) for sums due to the Authority. This is included in the 'Sundry Creditors' line above.

23. 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 at	31/3/21 Restated £'000	31/3/22 £'000
Prudential[1]	10,066	N/A
Scottish Widows	4,798	4,186
Utmost Life & Pensions	1,860	1,861
Total	**16,724**	**6,047**

AVCs Paid to Providers	2020/21 Restated £'000	2021/22 £'000
Prudential[1]	1,866	N/A
Scottish Widows	187	366
Utmost Life & Pensions	5	6
Total	**2,058**	**372**

[1]At the date the 2020/21 statement of accounts was authorised for issue, it was reported that it had not been possible to obtain the information from Prudential on the market value at 31 March 2021 and the AVCs paid in year for 2020/21 in the required timescale to be included.
At the end of the 2021/22 financial year, the above information from Prudential for the 2020/21 year has been provided and is now disclosed above. However, the equivalent information for 2021/22 has again not been provided by Prudential to the required timescales. This situation has been reported to the Pensions Regulator.

24. 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.

Payments on behalf of:	2020/21	2021/22
	£'000	*£'000*
South Yorkshire Pensions Authority	14	14
Barnsley MBC	2,511	2,435
Doncaster MBC	1,825	1,796
Rotherham MBC	1,295	1,266
Sheffield CC	5,915	5,670
Other Scheduled Bodies	1,574	1,477
Admitted Bodies	59	60
Total	**13,193**	**12,718**

25. 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 £5.983 million (2020/21 £5.808 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 £0.337 million (2020/21: £0.364 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.

One officer of the Authority is a director of the Fund's wholly owned subsidiaries, Waldersey Farms Limited and F H Bowser Limited (see Note 25a).

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 2022 (£31 March 2021: £1,182 million).

Direct costs of £4.345 million (2020/21 £3.891 million) were paid to Border to Coast during the 2021/22 year.

25a. Related party transactions- Subsidiary Companies

The Fund has within its portfolio two wholly owned subsidiary companies; Waldersey Farms Limited and F H Bowser Limited.

Waldersey Farms Limited

Waldersey Farms Limited is primarily a farming company. The book value of the company is included in the Net Assets Statement under the heading of Investment Assets, to reflect the exposure of the Pension Fund. One officer of the Authority is a director of the company.

	31/3/21 £'000	31/3/22 £'000
Pension fund investment at book cost	1,365,012	1,365,012
Debenture loan	6,143,100	8,000,100
Total investment at book cost	7,508,112	9,365,112
Pension fund investment market value (included in the net assets statement)	7,508,100	9,365,100

Waldersey Farms Limited has a year end of 31 December, the latest available accounts for Waldersey Farms Limited contain the following information:

	31/12/20 Restated £'000	31/12/21 £'000
Profit/(loss) on ordinary activites before taxation	40,721	707,557
Profit/(loss) after taxation	37,452	223,954
Retained profit/(loss)	4,818,881	5,042,835
Net assets	6,683,881	6,907,835
Rent paid to South Yorkshire Pensions Authority	2,502,884	2,242,549
Dividends paid to South Yorkshire Pensions Authority	0	0

The 31 December 2020 figure for Dividends paid to South Yorkshire Pensions Authority has been restated to £0 - the prior year accounts showed this as £20,475 which was incorrect as that dividend had been paid in 2019.

A full Statement of Accounts for Waldersey Farms Limited can be obtained from the Company at Northfield Farm, Lynn Road, Southery, Norfolk, PE38 0HT.

The Authority has a debenture in the company of up to £12 million with a maturity date of 21 July 2030, of which £8.000 million has been drawn down as at 31 March 2022 (£6.143 million at 31 March 2021).

FH Bowser Limited

F H Bowser Limited owns property which it lets to third parties. The book value of the company is included in the net assets statement under the heading of Investment assets, to reflect the exposure of the Pensions Authority. One officer of the Authority is a director of the company.

	31/3/21 £'000	31/3/22 £'000
Pension fund investment at book cost	10,497,338	10,497,338
Pension fund investment market value (included in the net assets statement)	6,455,001	6,455,000

F H Bowser has a year end of 31 December, the latest available accounts for F H Bowser Limited contain the following information:

	31/12/20 £'000	31/12/21 £'000
Fixed Assets	6,930,600	7,000,600
Current Assets	290,226	515,834
Current Liabilities	(38,679)	(178,615)
Net Assets	7,182,147	7,337,819
Profit/(loss) on ordinary activities	(32,719)	212,554

A full Statement of Accounts for F H Bowser Limited can be obtained from the Company at Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, South Yorkshire, S71 1HG.

25b. 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 19 to the Authority's accounts.

26. Contractual Commitments and Contingent Assets

Outstanding capital commitments (investments) at 31 March are shown below. These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of a number of years from the date of the original commitment. The following table shows the commitments analysed according to the different currencies in which they are designated.

31/3/21		31/3/22	
Currency *'000*	£ equivalent *£'000*	Currency *'000*	£ equivalent *£'000*
£328,147	328,147	£303,881	303,881
€ 271,092	230,931	€ 325,277	273,964
US $919,316	666,316	US $977,289	743,864
	1,225,394		**1,321,709**

At 31 March 2022, 17 admitted body employers (31 March 2021: 13) 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 2021/22 (2020/21: Nil).

7.6

FINANCIAL STATEMENTS

Independent Auditor's Report

Independent Auditor's Statement

to the members of South Yorkshire Pensions Authority on the Pension Fund financial statements

We have examined the pension fund financial statements for the year ended 31 March 2022, which comprise the Fund Account, the Net Assets Statement and the related notes 1 to 26.

Respective responsibilities of the Treasurer and the auditor

As explained more fully in the Statement of the Treasurer's Responsibilities, the Treasurer is responsible for the preparation of the pension fund's financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to you my opinion on the consistency of the pension fund financial statements within the pension fund annual report with the pension fund financial statements in the statement of accounts of South Yorkshire Pensions Authority, and its compliance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

We also read the other information contained in the pension fund annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the administering authority's full annual statement of accounts describes the basis of our opinion on those financial statements.

Opinion

In our opinion, the pension fund financial statements are consistent, in all material respects, with the pension fund financial statements in the full annual statement of accounts of South Yorkshire Pensions Authority for the year ended 31 March 2022 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

We have not considered the effects of any events between the date we signed our report on the pension fund financial statements in the full annual statement of accounts (07 September 2022) and the date of this statement.

Use of our report

This report is 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 members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Wright

Nicola Wright (Appointed auditor)
For and on behalf of Deloitte LLP
Newcastle upon Tyne, United Kingdom
9 November 2022.

Section **Eight**

GLOSSARY

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8.1

GLOSSARY

Glossary of terms

Accruals (Accrual Accounting)
The fundamental accounting principle that income and expenditure are recognised as they are earned or incurred, not as 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 they 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 benefits. Members can also pay AVCs to provide 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.

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.

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Best Value
Best Value was introduced in England and Wales by the Local Government Act 1999. Its provisions came into force in April 2000. The aim was to improve local services in terms of both cost and quality. A Best Value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, taking into account a combination of economy, efficiency and effectiveness.

BREEAM
BREEAM is the world's leading sustainability assessment method for masterplanning 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.

Brent oil price
Brent Crude is a major trading classification of sweet light crude oil that serves as a benchmark price for purchases of oil worldwide. It is quoted in US$ in price per barrel.

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 Prices Index.

Cash equivalent value (CEV)
This is the cash value of a member's pension rights for the purposes of divorce or dissolution of a civil partnership.

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
A change in global or regional climate patterns, in particular, a change apparent from the mid to late 20th century onwards and attributed largely to the increased levels of atmospheric carbon dioxide produced by the use of fossil fuels.

Code of Practice on Local Authority Accounting in the United Kingdom (the Code)
This document is produced by CIPFA. It defines proper accounting practices for local authorities in the United Kingdom, and is generally abbreviated to 'the Code' in the text. The Code is based on International Financial Reporting Standards.

Consumer Price Index (CPI)
This is a method of measuring the changes in the cost of living, similar to the Retail Price Index. From April 2011 the amount pensions are increased annually is based on movement in the Consumer Price Index during the 12 months to the previous September.

Contingent Assets
These are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the Authority.

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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 representatives of a member who dies.

Debtors
Sums of money owed to the Authority but not received at the end of the year.

Deferred pensioner
A former member of the LGPS who has left the scheme, but still has benefits in the scheme and will collect a pension from the LGPS on retirement.

Deficit payments
Pension schemes have a legal requirement to reduce any deficit - the difference between a scheme's assets and its liabilities - over time, by making additional payments

Denomination
This is the face value of a banknote, coin, or postage stamp, as well as bonds and other fixed-income investments. Denomination can also 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.

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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.

Emoluments
Payments received in cash and benefits for employment.

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.

Equity Risk Premium
Also referred to as simply equity premium, this is the excess return that investing in the stock market provides over a risk-free rate, such as the return from government treasury bonds. This excess return compensates investors for taking on the relatively higher risk of equity investing.

Finance Lease
A lease that transfers substantially all of the risks and rewards of ownership of property, plant and equipment to the lessee. The payments usually cover the full cost of the asset together with a return for the cost of finance.

Financial instruments
A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability of another. The term covers both financial liabilities and financial assets and includes the borrowing, lending, soft loans, financial guarantees and bank deposits of the Authority.

Fixed income securities
A fixed-income security is an investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity. Unlike a variable-income security, where payments change based on some underlying measure such as short-term interest rates, the payments of a fixed-income security are known in advance.

Fund of funds (FoF)
This is a fund that holds a portfolio of other investment funds.

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Glossary of terms

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.

GRESB

The Global Real Estate Sustainability Benchmark is a source of reliable and comparable data on the ESG performance of real estate investments.

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).

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.

Internal rates of return (IRR)

This is the discount rate often used in capital budgeting that makes the net present value of all cash flows from a particular project equal to zero.

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

Amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

Local government

As well as the staff of local councils this term 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.

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Materiality
An item is material if its omission, non-disclosure or mis-statement in financial statements could be expected to lead to a distortion of the view given by the financial statements.

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.

Pension board
Pension boards 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 pension board members have a duty to act in line with scheme regulations and other governing documents.

Pension liberation fraud
Members with deferred benefits may be approached by companies offering to release funds early from these benefits.

The Pensions Regulator has advised pension funds to make members aware of the potential warning signs of pension liberation fraud.

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.

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GLOSSARY

Glossary of terms

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.

Prior Year Adjustments
Material adjustments applicable to prior years, arising from changes in accounting policies or from other corrections.

Private Equity
Private equity is equity capital that is not quoted on a public exchange. Private equity consists of investors and funds that make investments directly into private companies or conduct buyouts of public companies that result in a delisting of public equity. Capital for private equity is raised from retail and institutional investors, and can be used to fund new technologies, expand working capital within an owned company, make acquisitions, or to strengthen a balance sheet.

Provisions
Contributions to provisions are amounts charged to the revenue account during the year for costs with uncertain timing where a reliable estimate of the cost involved can be made.

Quality management
This makes sure that an organisation, product or service is consistent. It has four main components: quality planning, quality control, quality assurance and quality improvement.

Quantitative easing
Quantitative easing (QE) is when a central bank creates new money electronically to buy financial assets like government bonds with the aim of directly increasing private sector spending in the economy and returning inflation to target.

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
This is an arrangement between two parties joined by a special relationship before a deal, like a business transaction between a major shareholder and a corporation.

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.

Rule of 85
Under previous regulations, when a member elected to retire before age 65, the Rule of 85 test was used to find out whether the member retired on full or reduced pension benefits. The agreement of the employer was required for employees who wished to retire before the age of 60. If the sum of the member's age and the number of whole years of their Scheme membership was 85 or more, benefits were paid in full; if the total was less than 85, the benefits were reduced. The employer had the power to waive the reduction on compassionate grounds and to pay the benefits in full. The Rule of 85 was not relevant where a member was made redundant, or was retired on grounds of efficiency or ill health.

The Rule of 85 was abolished on 1st October 2006. However, members contributing to the LGPS prior to this date will have some or all of their pension benefits protected under this rule.

8.1 GLOSSARY

Glossary of terms

Scheduled body
Scheduled bodies are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.

Spot rate
This is the price quoted for immediate settlement on a commodity, a security or a currency. It's based on the value of an asset at the moment of the quote, and this in turn is based on how much buyers are willing to pay and how much sellers are willing to accept, which depends on factors such as current market value and expected future market value.

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.

State Second Pension (S2P)
The State Second Pension (formerly SERPS) is the additional state pension, payable from State pension age by the Department for Work and Pensions. LGPS members are contracted out of S2P and most pay lower national insurance contributions as a result.

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.

Subsumption
This is when a new company takes over an old company so that the old company becomes one with the new.

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 have transferred into the LGPS from a previous pension arrangement that now counts towards their LGPS membership.

Treasury management
This is the administration of an organisation's cash flow as well as the creation and governance of policies and procedures that ensure the company manages risk successfully.

Unitised funds
A unitised fund is a fund structure that allows investors to pool assets while retaining individual net asset values for each participant and keeping track of historical fund records. Each investor in the fund is accounted for separately and has their own unit – their own class of shares of the portfolio's total assets.

Usable Reserves
Reserves that can be applied to fund expenditure, all other reserves retained on the balance sheet cannot.

8.1

GLOSSARY

Glossary of terms

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 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 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.

Section **Nine**

APPENDICES

SOUTH YORKSHIRE
PENSIONS AUTHORITY

Consultation & Communication Strategy

July 2020

What we are here for and what we need to do to achieve it

Our mission, or what SYPA as an organisation is here for 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 or, 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.

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

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

The achievement of our Mission and objectives will require the fulfilment of the respective responsibilities of the elected Members of the Pensions Authority and its officers.

In relation to consultation and communication, we both have responsibilities which contribute to the delivery of an improved service in this area. We intend to consult and communicate with all our stakeholders as set out in the document, and use those results to review our service delivery on a yearly basis.

The aim of this document is to explain our consultation and communication strategy, the various ways in which we consult and communicate, why and what happens with the results.

George Graham
Fund Director
South Yorkshire Pensions Authority

Cllr M Stowe
Chair
South Yorkshire Pensions Authority

POLICY REVIEW DATES

Date	Version	Author	Comment
January 2009	V1.0	Joanne Webster	Merge of service and authority policies
July 2010	V2.0	Gary Chapman	Cosmetic changes
July 2011	V2.1	Joanne Webster	Change of personnel and group names
June 2012	V3.0	Joanne Webster	Major revision
July 2013	V3.1	Karen Roberts	Minor changes
June 2014	V3.2	Joanne Webster	Cosmetic changes
July 2015	V3.3	Joanne Webster	Minor changes
August 2016	V3.4	Joanne Webster	Minor changes
January 2019	V3.5	Joanne Webster	Minor changes
January 2020	V3.6	Joanne Webster	Minor changes

Date of next review June 2020

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CONSULTATION STRATEGY

South Yorkshire Pensions Authority (SYPA) is committed to managing our resources wisely whilst at the same time delivering services that our stakeholders want and expect. Seeking the views of our stakeholders is consequently of utmost importance to us in order to ensure firstly, that priorities reflect members opinion and secondly, that the priorities are being achieved.

Engagement as a clear, simple and transparent activity

Pension issues can be technical, legalistic and complex, and can work in a way that is very different from some other organisations and cultures.

This means that consultation exercises must be well planned and carefully delivered, allowing those outside the Authority to understand that there is a chance to participate in our work planning, helping them add to any discussions whilst at the same time appreciate the limitations of what can be done with their input.

The design of SYPA's consultation exercises should therefore feature:

- **Clarity** We will consider and state what the consultation exercise is about, what we hope to achieve by consulting, who the consultees are, and what impact the results of the consultation might have.
- **Simplicity** Issues and terminology must be explained in a simple and concise manner, making participation accessible and attractive.
- **Transparency** In line with our Freedom of Information responsibilities and other existing commitments, those wishing to participate or examine our consultation processes should have access to relevant supporting materials. These would include specific consultation documents, reports and papers, and records of subsequent decisions and actions.
- **Information** To enable those participating to make an informed contribution.

The following elements will assist in our strategy:

- **Inform** Providing stakeholders with balanced and objective information to assist them in understanding issues, alternatives, opportunities and/or solutions.
- **Research** Seeking information and involving stakeholders in the decision making process.
- **Consult** Obtaining stakeholder feedback on analysis, alternatives and/or decisions.
- **Involve** To work directly with the stakeholders throughout the process to ensure that concerns and objectives are consistently understood and considered.
- **Collaborate** To work together with our stakeholders in each aspect of the decision including the development of alternatives and the identification of the preferred solution.

STRATEGIC AIMS: where do we want to be?

This strategy seeks to build on the good practice we have already established over time.

The strategy aims to:

- Strengthen strategic planning and co-ordination of consultation activities and demonstrate how consultation fits into the Authority's decision-making processes;
- Ensure the effective use of consultation to improve services and policy by supporting officers and elected Members to help them make informed choices on appropriate consultation methods and delivery;
- Improve equality of opportunity in consultation using a wide range of methods and technologies to enable participation in consultation especially from 'harder to engage' groups;
- Make our consultation processes more meaningful for stakeholders through better communication about the purpose, topics and outcomes of consultation.

Why Consult?

To ensure that the Authority provides the services that people want in the way they want them. Consultation is used to:

- Involve users to advise the decision making process relating to priorities, policies, projects, and strategies.
- Target areas more closely by providing what people say they need and want.
- Monitor user satisfaction with services over time.
- Improve the quality of services.
- Improve the take up of services.
- Address issues arising from proposed changes to services.

Who does SYPA consult with?

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

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

Scheme Member Consultation Groups

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

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

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

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

Local Pension Board

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

Types of Consultation

1. **Regular Consultation**

   ### Employee Satisfaction

   This is issued to all South Yorkshire Pensions Authority personnel every two years. Its purpose is to monitor staff morale and provide information to managers and supervisors to maintain high levels of customer service.

   ### Scheme Member Satisfaction

   Focused surveys are carried out annually with a sample of members taken from the range of stakeholder groups. The minimum number of surveys throughout a twelve month period will be two.

   The results will be used to:

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

   ### Scheme Employer Satisfaction

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

   The results will be used to:

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

2. **Ad-Hoc Consultation**

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

COMMUNICATION

SYPA recognises that in fulfilling its objectives, and in order to be fully effective, it has a duty to communicate with all its stakeholders about its actions, views, policies and service standards. Our Communication Strategy sets out how we intend to do this.

AIMS

The aims of this communication element of SYPA's Consultation and Communication Strategy is to ensure that the SYPA's role, achievements and effectiveness are widely understood, and that we have a positive image with our stakeholders. This complements the consultation element of the overall strategy, so that there is an effective two-way dialogue in place.

COMMUNICATION PRINCIPLES

Stakeholders first

Putting stakeholders at the heart of everything we do.

Open and honest

Giving honest, open and evidence-based messages and be open to debate and questions.

Timely and relevant

Communicating proactively with our stakeholders with relevant targeted messages - the right message to the right people at the right time.

Accessible for all

Offering an appropriate choice of communications methods to help ensure that no one in our scheme is disadvantaged.

Feedback

Facilitating two-way communications and encouraging participation and feedback.

Listening

Proactively seeking opinions, acknowledging them and responding quickly, helpfully, honestly and consistently.

Value for money

Making the best possible use of resources and budgets by working with colleagues and employers to share best practice.

Overriding Principles

The main aim of this Communications Strategy is to review and develop current methods of communications, introduce new methods appropriately and continually measure impact.

This will mean that:

- All members, employers and organisations involved with SYPA in the delivery of our services will have a clear, consistent and positive perception of SYPA's values, services and achievements.
- Communication messages will be devised, tailored and targeted at specific audience sectors. It's important to know your audience - one size doesn't fit all. We will target the content and method of delivery to our audience to ensure that we engage our members and they relate to what we are saying.
- Communications will support consultation and, in turn, be informed by the views expressed through consultation.
- Measurement and evaluation will be an integral part of all communication activity.

Good communications will:

- Be clear about key messages to be communicated;
- Help to deliver member/corporate priorities;
- Be of a high standard and effective;
- Develop a clear brand across the organisation, including publications, presentation slides, email formats, letters and other forms of communication, under our SYPA style guidelines;
- Set out the principles that underpin all communications including press, web, email, letter, presentation template, consultation exercises;
- Identify the most effective methods of communicating with members, employers and stakeholders;
- Co-ordinate communications activity across the Authority with accepted strategic communications objectives;
- Identify an action plan and methods of monitoring performance/effectiveness.

Targeted Audiences and Methods of Communication

The principal audiences with whom SYPA wishes to communicate are set out below. The nature of the message which the Authority wants to communicate varies between audiences.

Section **1**: **Contributing Members**

Section **2**: **Deferred Beneficiary Members**

Section **3**: **Pensioner Members**

Section **4**: **Employing Authorities**

Section **5**: **Other interested parties**

Section 1: COMMUNICATING WITH CONTRIBUTING MEMBERS

Pension Forecasts

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

Pension Planning Newsletter

At least annually we will publish a newsletter. The main purpose is to keep members informed about changes in the pension scheme that may affect them. The newsletter is not produced at fixed times and is driven by the timeliness of the content. Newsletters will be digital by default. We live in a digital age, and while paper versions will be made available on request, our digital by default position recognises that the vast majority of our members now have access to the internet. We will also produce online only newsletters aimed at different age groups. Young people who may have recently joined the scheme and older members planning for retirement are interested in different aspects of the scheme and may warm to a different style of delivery. The type of publication being issued will determine the intended audience; however we will be looking to target, younger members, mid-life and pre-retirement.

In addition to pension scheme content we aim to include lifestyle articles and ensure the newsletter is interesting to read and visually stimulating.

Presentations

We deliver group information sessions in members' places of work. These are provided on demand in conjunction with employers. We deliver more specialist sessions for members affected by issues such as a public services transferring to a private organisation. We also participate in induction, mid-life and pre-retirement courses, which are organised by a number of our employers, and providing their is sufficient interest.

Section 2: COMMUNICATING WITH DEFERRED BENEFIT MEMBERS

Deferred Benefit Statements

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

Your Past is Your Future Newsletter

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

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

Section 3: COMMUNICATING WITH PENSIONER MEMBERS

Retirement Insight

Bi-annually we produce a newsletter, the main purpose is to inform retired members about issues that affect them such as annual cost of living increases. This newsletter is generally produced at fixed times in the spring and autumn to coincide with pensions increase and annual report content. Despite our increasing focus on e-communication channels, the twice-yearly Retirement Insight newsletter will still be issued to pensioner members in hard copy form, if we don't hold an email address. All new pensioners will be digital by default, with the exception of members who aren't online, and request a hard copy.

The spring issue of the newsletter will be issued with the members April pay advice and P60.

Payslips

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

Section 4: COMMUNICATING WITH EMPLOYERS

Support and Engagement

SYPA have dedicated staff to assist employers with all aspects of their pension duties. Our engagement officers will be employers first port of call for any staff training and presentation requests for both Payroll and HR issues to help them administer the scheme effectively. They will also offer a range of presentations to scheme members to help them understand their pension benefits. Handover meetings will be provided from the point employers are admitted to the scheme, where our team will explain the services we provide and cover the responsibilities of the employer. We offer seminars aimed primarily at topical and administrative issues as well as one to one meetings to help with any issues that may arise.

Employers Pensions Information Centre (EPIC)

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

Employer Web

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

Section 5: COMMUNICATING WITH ALL VIA:

Website

www.sypensions.org.uk This is the scheme members website which is an information source on all aspects of the scheme. Simply set out with quick links and a comprehensive A-Z, the website also contains booklets and publications together with the link to our secure online portal (mypension).

Secure Online Portal - 'mypension' Members can register to gain access to their secure online account. Once registered for mypension it's a great way for members to keep track of their pension account, view and amend personal details, make and update death grant nomination details as well as active and deferred members having the facility to produce retirement quotes. Annual benefit statements will be available for both active and deferred members. For retired members monthly payslips and P60s are available to view.

www.southyorks.gov.uk This is the website relating to business of the Elected Members. Here you will find the calendar of Authority meetings along with agenda, minutes and reports. This site also provides access to the Webcast area that will allow you to watch Authority meetings as they happen.

Special Requests

We offer an appropriate choice of communication methods to help ensure that no one in our scheme is disadvantaged. To assist members with special needs when communicating we can make arrangements to have a signer or interpreter present should a member wish to attend an information service. We can also provide communication material in large print, audio CD and braille.

Literature

The main point of reference for members to find out about the key aspects of the LGPS is our *Employee Guide*. This is supported by a range of literature, on the various aspects of the Scheme.

Annual Fund Meeting

This event is rotated between the four major council areas in South Yorkshire and usually held in October. The AFM is an opportunity to meet the Chair/Vice Chair of the authority and senior management face to face. Presentations usually focus on fund performance and topical events followed by questions from attendees. To allow members who aren't able to attend the AFM we will record the meeting and upload the event to our YouTube account.

By Telephone - Customer Centre

The Customer Centre is the main communications channel between members/employers within the Authority. The Customer Centre will play an important role in delivering a reliable customer experience on a daily basis. Members and employers can contact us by telephone which is prominently advertised on all our literature.

Email

Members can contact us by email which is prominently advertised on all our literature. A secure e-mail service is in operation to allow personal information to be included in e-mail responses.

Pensions Information Service

A comprehensive pensions information service on pension matters is provided by the Authority at all our four offices across the county. Appointments are made online at www.sypensions.org.uk/advisory.

Text Messaging

Our preferred method of communication is email however in the absence of an email address, where appropriate we will use text messaging. SMS messages are ideal for reminders and simple instructions and announcements.

You Tube

Video recording opens the door to new opportunities to interact with members. Recording of events such as the AFM will be uploaded to YouTube to enable members who couldn't attend on the day a chance to view the meeting.

Social Networking Sites

People of all ages are using social media. Our aim is to connect with as many of our members as possible, deepening relationships and engagement. We currently have a Facebook page and members can follow us on Twitter and LinkedIn.

Annual Report

Provides a comprehensive report on the authority's activities throughout the preceding year.

Meetings/Presentations

Our staff are available to attend meetings and deliver presentations on a range of topics upon request.

Customer Centre

Getting customer service right in an organisation, and continually improving it, is a long term commitment. The customer centre will be the first point of contact for all scheme members and employers whether it's by telephone, email, letter or live chat. The main aim is to provide excellent customer service whilst promoting our online services.

The Customer Centre will welcome feedback. We will resolve any problems to the best of our ability, we will stop them being repeated and learn lessons. We will measure our performance making sure we measure the right things, making sure it's relevant and taking any necessary action. Benchmarking will be a key part of our measurement programme.

Customer Centre Contact Details

Telephone: 01226 772923

Email: customerservices@sypa.org.uk

FUNDING STRATEGY STATEMENT

SOUTH YORKSHIRE PENSION FUND

MARCH 2020

South Yorkshire Pensions Authority

This Funding Strategy Statement has been prepared by South Yorkshire Pensions Authority (the Administering Authority) to set out the funding strategy for the South Yorkshire Pension Fund ("the Fund"), in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013 (as amended) and guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

EXECUTIVE SUMMARY

It is the fiduciary responsibility of the Administering Authority (South Yorkshire Pensions Authority) to ensure that the South Yorkshire Pension Fund (the "Fund") has sufficient assets to meet its pension liabilities in the long term. The Funding Strategy adopted by the South Yorkshire Pension Fund will therefore be critical in achieving this statutory duty.

The purpose of this Funding Strategy Statement ("FSS") is to set out a clear and transparent funding strategy that will identify how each Fund employer's pension liabilities are to be met going forward.

> The details contained in this Funding Strategy Statement will have a financial and operational impact on all participating employers in the South Yorkshire Pension Fund.
>
> It is imperative therefore that each existing or potential employer is aware of the details contained in this statement.

Given this, and in accordance with governing legislation, all interested parties connected with the South Yorkshire Pension Fund have been consulted and given opportunity to comment prior to this Funding Strategy Statement being finalised and adopted. This statement takes into consideration all comments and feedback received.

MEETING THE FUND'S SOLVENCY OBJECTIVE

The Administering Authority's long-term objective is for the Fund to achieve a 100% solvency level over a reasonable time period. Contributions are set in relation to this objective which means that once 100% solvency is achieved, if assumptions are borne out in practice, there would be sufficient assets to pay all benefits earned up to the valuation date as they fall due.

However, because financial and market conditions/outlook change between valuations, the assumptions used at one valuation may need to be amended at the next to meet the primary objectives. This in turn means that contributions will be subject to change from one valuation to another.

This objective is considered on an employer specific level when setting individual contribution rates so each employer has the same fundamental objective in relation to their liabilities. The general principle adopted by the Fund is that the assumptions used, taken as a whole, will be chosen sufficiently prudently for this objective to be reasonably achieved in the long term at each valuation.

The funding strategy set out in this document has been developed alongside the Fund's investment strategy on an integrated basis, taking into account the overall financial and demographic risks inherent in the Fund to meet the objective for all employers over different periods. The funding strategy includes appropriate margins to allow for the possibility of adverse events (e.g. material reduction in investment returns, economic downturn and higher inflation outlook) leading to a worsening of the funding position which would normally lead to volatility of contribution rates at future valuations if these margins were not included.

This prudence is required by the Regulations and guidance issued by professional bodies and Government agencies to assist the Fund in meeting its primary solvency and long term cost efficiency objectives.

The level of prudence has been quantified by the Actuary to show the level of contingency to provide protection against future adverse experience in the long term. Individual employer results will also have regard to their covenant strength. Broadly speaking the discount rate has been set so that there is approximately a 66% (or two-in-three) chance that the real returns achieved will be at least those assumed in the discount rate. The level of prudence will be reviewed each valuation taking into account the solvency and long term cost efficiency objectives for the Fund.

SOLVENCY AND LONG TERM COST EFFICIENCY

Each employer's contributions are set at such a level to achieve full solvency in a reasonable timeframe. Solvency is defined as a level where the Fund's liabilities i.e. benefit payments can be reasonably met as they arise.

Employer contributions are also set in order to achieve long-term cost efficiency. Long-term cost-efficiency requires that any funding plan must provide equity between different generations of taxpayers. This means that the contributions must not be set at a level that is likely to give rise to additional costs in the future, which fall on later generations of taxpayers or put too high a burden on current taxpayers. The funding parameters and assumptions e.g. deficit recovery period must have regard to this requirement, which means a level of prudence is needed. Furthermore, the FSS must have regard to the desirability of maintaining as nearly constant a primary rate of contribution as possible.

When formulating the funding strategy, the Administering Authority has taken into account these key objectives and also considered the implications of the requirements under Section 13(4)(c) of the Public Service Pensions Act 2013. As part of these requirements the Government Actuary's Department (GAD) must, following an actuarial valuation, report on whether the rate of employer contributions to the Fund is set at an appropriate level to ensure the "solvency" of the pension fund and "long term cost efficiency" of the Scheme so far as relating to the Fund.

DEFICIT RECOVERY PLAN AND CONTRIBUTIONS

As the solvency level of the Fund is 99% at the valuation date i.e. the assets of the Fund are less than the liabilities, a deficit recovery plan needs to be implemented such that additional contributions are paid into the Fund to meet the shortfall. At an individual employer level, there will be some instances where an employer's asset share is higher than the liabilities and therefore a surplus will exist. In such cases, a plan may need to be implemented to remove some, or all, of the surplus over an agreed timeframe, taking into account any increases to the Primary Rate, which also emerge.

For those employers where a shortfall exists, deficit contributions paid to the Fund by each employer will be expressed as £s amounts (flat or increasing year on year) and it is the Fund's objective that any funding deficit is eliminated as quickly as the participating employers can reasonably afford given other competing cost pressures. This may result in some flexibility in recovery periods by employer, which would be at the sole discretion of the Administering Authority. The recovery periods will be set by the Fund, although employers will be free to select any shorter deficit recovery period if they wish. Employers may also elect to make prepayments of contributions, which could result in a cash saving over the valuation certificate period.

The objective is to recover any deficit over a reasonable timeframe, and this will be periodically reviewed which in the long term provides equity between different generations of taxpayers whilst ensuring the deficit payments are eliminating a significant proportion of the capital element of the deficit, thereby reducing the interest cost. This will be periodically reviewed depending on the maturity profile of the Fund.

Subject to affordability considerations and individual employer circumstances, where a deficit exists and depending on the level of deficit, a guiding principle will be to maintain the total contributions at the prescribed monetary levels from the preceding valuation (including any indexation in these monetary payments over the recovery period). Contributions will only be reduced if the Fund deems this reasonable based on covenant and other risk factors. Full details are set out in this FSS.

Where there is a material increase in contributions required at this valuation, in certain circumstances the employer will be able to 'phase in' contributions over a period of 3 years in a pattern agreed with the Administering Authority and depending on the affordability of contributions as assessed in the covenant review of an employer. Employers will also be able to prepay deficit contributions if they have sufficient cash reserves to assist with affordability. Equally, certain employers will be able to align their contributions changes with their financial year if this does not end on 31 March.

The maximum recovery period for the Fund as a whole is 16 years at this valuation, which is 3 years shorter than the average recovery period from the previous valuation. Subject to affordability and other considerations individual employer recovery periods would also be expected to reduce by a minimum of 3 years at this valuation. The average recovery period emerging from this valuation is 15 years.

The Government has confirmed that a remedy is required for the LGPS in relation to the McCloud judgment. Therefore, the Fund has considered its policy in relation to costs that could emerge from the McCloud judgment in line with the guidance from the Scheme Advisory Board in conjunction with the Actuary. Whilst the remedy is not known and may not be known for some time, for the purpose of this valuation, when considering the appropriate contribution provision, we have assumed that the judgment would have the effect of removing the current age criteria applied to the underpin implemented in 2014 for the LGPS. This underpin therefore would apply to all active members as at 1 April 2012. The relevant estimated costs have been quantified and notified to employers on this basis, but also highlighting that the final costs may be significantly different. Employers will be able to choose to include these estimated costs over 2020/23 in their certified contributions. Alternatively, they will need to make allowance within their budgets and note that backdated contributions could be payable if the remedy is known before the next valuation. The majority of employers have made provisions directly in their contributions.

ACTUARIAL ASSUMPTIONS

The actuarial assumptions used for assessing the funding position of the Fund and the individual employers, the "Primary" contribution rate, and any contribution variations due to underlying surpluses or deficits (i.e. included in the "Secondary" rate) are set out in Appendix A to this FSS.

The discount rate in excess of CPI inflation (the "real discount rate") has been derived based on the expected return on the Fund's assets based on the long-term strategy set out in its Investment Strategy Statement (ISS). When assessing the appropriate prudent discount rate, consideration has been given to the level of expected asset returns in excess of CPI inflation (i.e. the rate at which the benefits in the LGPS generally increase each year).

The assumption for the long-term expected future real returns has fallen since the last valuation. This is principally due to a combination of expectations the returns on the Fund's assets and the level of inflation in the long-term. Also, the Fund has implemented a number of risk management strategies since the last valuation and the expected volatility of returns has fallen i.e., provides more certainty to outcomes. This is also taken into account by the Actuary when proposing the assumptions and at this valuation means that the level of prudence has been reduced. The assumption has therefore been adjusted so that in the Actuary's opinion, when allowing for the resultant employer contributions emerging from the valuation, the Fund can reasonably be expected to meet the Solvency and Long Term Cost Efficiency objectives.

Taking into account the above the Fund Actuary is proposing that the long term real return over CPI inflation assumptions for determining the baseline past service liabilities should be 1.5% per annum and 2.35% per annum for determining the future service ("primary") contribution rate. This compares to 2.0% per annum and 2.75% per annum respectively at the last valuation.

Based on the assumptions being borne out in practice and the membership at the valuation date the aggregate projected expected return for the Fund as a whole over the 16 recovery period is a real return of CPI+1.75% per annum.

Alternative Funding Targets and Risk Management Framework

In the short to medium term, the Fund intends to implement a risk management strategy whereby employers will be categorised into different "investment" buckets. In such cases, a different investment strategy would apply to the different groups of employers resulting in lower investment risk than the current whole fund strategy.

The Fund is therefore beginning to categorise employers in the following way. This will form the basis for any initial allocation into the different "investment" buckets.

Local Authorities – District Councils (including maintained schools), Police Fire, Combined Authority Group and SYPA. These employers either have the power to raise income through taxation or, in the case of SYPA, costs are entirely met by the Pension Fund.

Education Sector – F&HE Institutions and Academies. All these employers are ultimately funded by central government, although in different ways and with different forms of support. They do represent similar forms of risk although the likelihood of default can vary significantly between institutions.

Contractors – These employers can range from large multi-nationals to relatively small local businesses. Where contracts are let by a local authority, there tends to be a guarantee, while the situation with contracts let by academies is more variable. However, in all cases the ultimate position is that the council or academy would need (at least in the short term) to take on any service (and hence pension liability) in the event of failure.

Others – While an extremely varied group this group probably presents the greatest likelihood of default (if possibly the least financial impact). In general, such employers have no or limited guarantees and therefore there is a danger that in the event of default liabilities will fall on the remaining employers.

If an employer is deemed to have a weaker covenant than others in the Fund, is planning to exit the Fund or would like to target a lower risk strategy, the Administering Authority has the discretion to move that employer (typically following discussions with the employer) into another strategy to protect the Fund as a whole. The current overall Fund investment strategy (as set out in the Investment Strategy Statement) will be known as the "higher risk investment strategy".

The investment strategy for each of the investment pots will be reviewed, following each actuarial valuation, as a minimum. The discount rate assumption that will be used for employers' liabilities who fall into each category is linked directly to the relevant pot's underlying assets allowing for the underlying level of risk associated.

Given that this risk management strategy will not be implemented before 1 April 2020, for the purpose of the 2019 actuarial valuation the setting of contribution rates to apply between 1 April 2020 and 31 March 2023, the Administering Authority will, depending on the circumstances of the employer, potentially apply a different funding target to certain employers in order to protect all stakeholders in the Fund i.e. to reflect different covenant / objectives etc. The different funding targets will be achieved by applying either a **5%** or **10%** loading to the employer's baseline liabilities. In particular, where employers with a weaker covenant and in particular those with no guarantee have achieved a significant surplus based on a 100% funding target, a higher funding target will be set so as to deliver increased certainty that the employer will not fall into deficit in future.

Where a different funding target applies, this will be reflected in the employer's deficit contributions / surplus offset over the period to 31 March 2023.

Demographic Assumptions

The demographic assumptions under all groups are based on the Fund Actuary's bespoke analysis for the Fund, also taking into account the experience of the wider LGPS where relevant. For those employers terminating participation in the Fund, a more prudent mortality assumption will apply (see further comments below).

EMPLOYER ASSET SHARES

The Fund is a multi-employer pension scheme that is not formally unitised and so individual employer asset shares are calculated at each actuarial valuation. This means it is necessary to make some approximations in the timing of cashflows and allocation of investment returns when deriving each employer's asset share.

At each review, cashflows into and out of the Fund relating to each employer, any movement of members between employers within the Fund, along with investment return earned on the asset shares, are allowed for when calculating asset shares at each valuation. Once the risk management strategy referred to above has been implemented, the investment return credited will depend on which bucket the employer's assets are in. In addition, the asset share may be restated for changes in data or other policies.

Other adjustments are also made on account of the funding positions of orphan bodies, which fall to be met by all other active employers in the Fund.

FUND POLICIES

In addition to the information/approaches required by overarching guidance and Regulation, this statement also summarises the Fund's practice and policies in a number of key areas:

1. Covenant assessment and monitoring

An employer's financial covenant underpins its legal obligation and crucially the ability to meet its financial responsibilities to the Fund now and in the future. The strength of covenant to the Fund effectively underwrites the risks to which the Fund is exposed. These risks include underfunding, longevity, investment and market forces.

The strength of employer covenant can be subject to substantial variation over relatively short periods of time and, as such, regular monitoring and assessment is vital to the overall risk management and governance of the Fund. The employers' covenants will be assessed and monitored objectively in a proportionate manner, and an employer's ability to meet their obligations in the short and long term will be considered when determining its funding strategy.

After the valuation, the Fund will continue to monitor employers' covenants in conjunction with their funding positions over the inter-valuation period. This will enable the Fund to anticipate and pre-empt any material issues arising and thus adopt a proactive approach in partnership with the employer. More details are provided in the **Appendix E** to this statement.

2. Admitting employers to the Fund

Various types of employers are permitted to join the LGPS under certain circumstances, and the conditions upon which their entry to the Fund is based and the approach taken is set out in **Appendix C**. Examples of new employers include:

- Mandatory Scheme Employers - for example new academies (see later section)
- Designated bodies - those that are permitted to join if they pass a resolution for example Town and Parish Councils.
- Admission bodies - usually arising as a result of an outsourcing or a transfer to an entity that provides some form of public service and their funding primarily derives from local or central government.
- Employers may also join the Fund under the 'Deemed Employer' route, should there be a change in the regulations. Further information on this is set out within **Appendix C** and further details will be provided if and when any regulatory change is made.

The key objective for the Fund is to only admit employers where the risk to the Fund is mitigated as far as possible. The different employers pose different risks to the Fund.

In general, there will be a presumption against the admission of further, what were previously termed "Community Admission Bodies". Any such admission that is made will require a guarantee from a tax raising body.

Certain employers may be required to provide a guarantee (e.g. from a parent company) or alternative security before entry will be allowed, in accordance with the Regulations and Fund policies.

3. New academy conversions and multi-academy trusts

Current Fund policy regarding the treatment of schools when converting to academy status is for the new academy to inherit the school's share of the historic local authority deficit prior to its conversion. This deficit is calculated as the capitalised deficit funding contributions (based on the local authority deficit recovery period) the school would have made to the Fund had it not converted to academy status, subject to a minimum asset share of nil.

If the contribution rate for a local authority does not include any allowance for deficit funding contributions at the point at which a school converts to academy status, then no deficit will be allocated to the academy at the point of conversion.

In cases where numerous academies, which participate in the Fund, are in the same Multi-Academy Trust, the Fund's default position is that a combined funding position and average contribution requirements will apply (unless the Multi-Academy Trust requests separate contribution rates). Notwithstanding this, the Fund will continue to track the constituent academies separately on an approximate basis, in the interests of transparency and clarity around entry and exit of individual academies to the Trust in future.

The full policy is shown in **Appendix D**.

4. Termination policy for employers exiting the Fund

When an employer ceases to participate within the Fund, it becomes an exiting employer under the Regulations. The Fund is then required to obtain an actuarial valuation of that employer's liabilities in respect of the benefits of the exiting employer's current and former employees, along with a termination contribution certificate.

Where there is no guarantor who would subsume the liabilities of the exiting employer, the Fund's policy is that a discount rate linked to minimum risk investment returns (i.e. those that will be linked to any lower risk investment strategy subsequently implemented) and a more prudent longevity assumption is used for assessing liabilities on termination. Any exit payments due should be paid immediately although instalment plans will be considered by the Administering Authority on a case by case basis.

Any exit credits (surplus assets over liabilities) will be paid from the Fund to the exiting employer within 6 months of completion of the cessation assessment by the Actuary. The Administering Authority will seek to modify this approach on a case by case basis if circumstances warrant it (for example, it may work with the outsourcing scheme employer to adjust any exit payment or exit credit to take into account any risk sharing arrangements which exist between the exiting employer and other Fund employers).

This is subject to the exiting employer providing sufficient notice to the Fund of their intent to exit; any delays in notification will impact on the payment date. The Administering Authority also reserves the right to modify this approach on a case by case basis if circumstances warrant it based on the advice of the Actuary.

Where there is a **guarantor** who would subsume the assets and liabilities of the outgoing employer, the default policy is that any deficit or surplus would be subsumed into the guarantor and taken into account at the following valuation. In some instances an exit debt may be payable by an employer before the assets and liabilities are subsumed by the guarantor, this will be considered on a case-by-case basis. No exit credit would be payable in these circumstances.

In line with the amending Regulations (The Local Government Pension Scheme (Amendment) Regulations 2020) the parties will need to make representations to the Administering Authority if they believe an Exit Credit should be paid outside the policy set out above, or if they dispute the determination of the Administering Authority. The Administering Authority will provide details of the information required to make their determination for each case when the need arises.

The Administering Authority can modify this approach on a case by case basis if circumstances warrant it and the parties make representation. For example if the parties make representation it may be appropriate to adjust any exit payment or exit credit to take into account any risk sharing arrangements which exist between the exiting employer and the outsourcing scheme employer.

The Fund will inform the guarantor of the exiting employer’s request to receive the surplus before making payment of the exit credit. However, the Fund will not become embroiled in any disagreement over the refund of any surplus, which is contrary to commercial agreements.

Ultimately, the Fund will have to comply with the Regulations and therefore pay any exit credit should this be deemed appropriate once representations have been made. It is then up to the guarantor to contest the surplus payment citing the commercial contract in place and the desire for equal treatment in the event of a deficit.

In the event of parties unreasonably seeking to crystalise the exit credit on termination, the Fund will consider its overall policy and seek to recover termination deficits as opposed to allowing them to be subsumed with no impact on contribution requirements until the next assessment of the contribution requirements for the guarantor. Equally, where a guarantor decides not to underwrite the residual liabilities the basis of assessment on termination will assume the liabilities are orphaned and thus the minimum risk basis will apply.

Subject to the relevant changes in Regulations being made, if applicable, an employer may continue to participate in the Fund with no contributing members and utilise the “Deferred Debt” Arrangements at the sole discretion of the Administering Authority, which will be subject to a satisfactory covenant review on an ongoing basis. In this circumstance they will continue to be treated as per any other participating employer in relation to overall funding strategy (including potentially requiring a final exit payment at some point) allowing for the covenant. Further details will be available should any regulatory change be made.

5. Insurance arrangements

For certain employers, the Fund currently insures ill health retirement costs via an internal captive insurance arrangement, which pools these risks for eligible employers. The captive arrangement will be operated as per the objectives set out in **Appendix F**.

CONTENTS

APPENDICES

1
INTRODUCTION

The Local Government Pension Scheme Regulations 2013 (as amended) (“the 2013 Regulations”) and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (“the 2014 Transitional Regulations”) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (all as amended) (collectively; “the Regulations”) provide the statutory framework from which the Administering Authority is required to prepare a Funding Strategy Statement (FSS). The key requirements for preparing the FSS can be summarised as follows:

- After consultation with all relevant interested parties involved with the South Yorkshire Pension Fund the Administering Authority will prepare and publish their funding strategy;
- In preparing the FSS, the Administering Authority must have regard to:
  - the guidance issued by CIPFA for this purpose; and
  - the Investment Strategy Statement (ISS) for the Scheme published under Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (as amended);
- The FSS must be revised and published whenever there is a material change in either the policy set out in the FSS or the ISS.

BENEFITS

The benefits provided by the South Yorkshire Pension Fund are specified in the governing legislation contained in the Regulations referred to above. Benefits payable under the South Yorkshire Pension Fund are guaranteed by statute and thereby the pensions promise is secure for members. The FSS addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time facilitating scrutiny and accountability through improved transparency and disclosure.

The Fund is a defined benefit arrangement with principally final salary related benefits from contributing members up to 1 April 2014 and Career Averaged Revalued Earnings (“CARE”) benefits earned thereafter. There is also a “50:50 Scheme Option”, where members can elect to accrue 50% of the full scheme benefits in relation to the member only and pay 50% of the normal member contribution.

EMPLOYER / EMPLOYEE CONTRIBUTIONS

The required levels of employee contributions are specified in the Regulations.

Employer contributions are determined in accordance with the Regulations (which require that an actuarial valuation is completed every three years by the actuary, including a rates and adjustments certificate specifying the “primary” and “secondary” rate of the employer’s contribution).

Primary Rate

The “Primary rate” for an employer is the contribution rate required to meet the cost of the future accrual of benefits including ancillary, death in service and ill health benefits together with administration costs. It is expressed as a percentage of pensionable pay, ignoring any past service surplus or deficit, but allowing for any employer-specific circumstances, such as its membership profile, the funding strategy adopted for that employer, the actuarial method used and/or the employer's covenant.

The Primary rate for each employer is specified in the rates and adjustments certificate.

The Primary rate for the whole fund is the weighted average (by payroll) of the individual employers' Primary rates.

Secondary Rate

The "Secondary rate" is an adjustment to the Primary rate to reflect any past service deficit or surplus, to arrive at the rate each employer is required to pay. The Secondary rate will be expressed as a cash adjustment in each of the three years beginning 1 April in the year following that in which the valuation date falls.

The Secondary rate for each employer is specified in the rates and adjustments certificate.

For any employer, the rate they are actually required to pay is the sum of the Primary and Secondary rates.

Secondary rates for the whole fund in each of the three years shall also be disclosed. These will be calculated as the total amount in respect of cash adjustments.

2

PURPOSE OF FSS IN POLICY TERMS

Funding is the making of advance provision to meet the cost of accruing benefit promises. Decisions taken regarding the approach to funding will therefore determine the rate or pace at which this advance provision is made. Although the Regulations specify the fundamental principles on which funding contributions should be assessed, implementation of the funding strategy is the responsibility of the Administering Authority, acting on the professional advice provided by the actuary.

The Administering Authority's long-term objective is for the Fund to achieve a 100% solvency level over a reasonable time period and then maintain sufficient assets in order for it to pay all benefits arising as they fall due.

The purpose of this Funding Strategy Statement is therefore:

- to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward by taking a prudent longer-term view of funding those liabilities;
- to establish contributions at a level to "secure the solvency" of the pension fund and the "long term cost efficiency",
- to have regard to the desirability of maintaining as nearly constant a primary rate of contribution as possible.

The intention is for this strategy to be both cohesive and comprehensive for the Fund as a whole, recognising that there will be conflicting objectives, which need to be balanced and reconciled. Whilst the position of individual employers must be reflected in the statement, it must remain a single strategy for the Administering Authority to implement and maintain.

3
AIMS AND PURPOSE OF THE FUND

THE AIMS OF THE FUND ARE TO:

- manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due
- enable employer contribution rates to be kept at a reasonable and affordable cost to taxpayers, scheduled, designating and admitted bodies, while achieving and maintaining fund solvency and long term cost efficiency, which should be assessed in light of the profile of the Fund now and in the future due to sector changes
- maximise the returns from investment within reasonable risk parameters taking into account the above aims.

THE PURPOSE OF THE FUND IS TO:

- receive monies in respect of contributions, transfer values and investment income, and
- pay out monies in respect of scheme benefits, transfer values, exit credits, costs, charges and expenses as defined in the Regulations.

4

RESPONSIBILITIES OF THE KEY PARTIES

The efficient and effective management of the pension fund can only be achieved if all parties exercise their statutory duties and responsibilities conscientiously and diligently. The key parties for the purposes of the FSS are the Administering Authority, the individual employers and the Fund Actuary and details of their roles are set out below. Other parties required to play their part in the fund management process are bankers, custodians, investment managers, auditors and legal, investment and governance advisors, along with the Local Pensions Board created under the Public Service Pensions Act 2013.

KEY PARTIES TO THE FSS

The **Administering Authority** should:

- operate the pension fund
- collect employer and employee contributions, investment income and other amounts due to the pension fund as stipulated in the Regulations
- pay from the pension fund the relevant entitlements as stipulated in the Regulations
- invest surplus monies in accordance the Regulations
- ensure that cash is available to meet liabilities as and when they fall due
- take measures as set out in the Regulations to safeguard the fund against the consequences of employer default
- manage the valuation process in consultation with the Fund's actuary
- prepare and maintain a FSS and an ISS, both after proper consultation with interested parties, and
- monitor all aspects of the Fund's performance and funding, amending the FSS/ISS as necessary
- effectively manage any potential conflicts of interest arising from its dual role as both fund administrator and a scheme employer, and
- establish, support and monitor a Local Pension Board (LPB) as required by the Public Service Pensions Act 2013, the Regulations and the Pensions Regulator's relevant Code of Practice.

The **Individual Employer** should:

- deduct contributions from employees' pay correctly after determining the appropriate employee contribution rate (in accordance with the Regulations)
- pay all contributions, including their own as determined by the actuary, promptly by the due date
- undertake administration duties in accordance with the Pension Administration Strategy.
- develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework
- make additional contributions in accordance with agreed arrangements in respect of, for example, additional pension contracts, early retirement strain, and

- have regard to the Pensions Regulator's focus on data quality and comply with any requirement set by the Administering Authority in this context, and
- notify the Administering Authority promptly of any changes to membership, which may affect future funding.
- Understand the pensions impacts of any changes to their organisational structure and service delivery model.
- Understand that the quality of the data provided to the Fund will directly impact on the assessment of the liabilities and contributions. In particular, any deficiencies in the data would normally result in employer paying higher contributions than otherwise would be the case if the data was of high quality.

The **Fund Actuary** should:

- prepare valuations including the setting of employers' contribution rates at a level to ensure fund solvency and long term cost efficiency after agreeing assumptions with the Administering Authority and having regard to their FSS and the Regulations
- prepare advice and calculations in connection with bulk transfers and individual benefit-related matters such as pension strain costs, ill health retirement costs etc.
- provide advice to the Administering Authority and valuations on the termination of admission agreements including any exit credit payments.
- provide advice to the Administering Authority on bonds and other forms of security against the financial effect on the Fund of employer default
- assist the Administering Authority in assessing whether employer contributions need to be revised between valuations as required by the Regulations
- advise the Administering Authority on funding strategy, the preparation of the FSS and the inter-relationship between the FSS and the ISS, and
- ensure the Administering Authority is aware of any professional guidance or other professional requirements, which may be of relevance to the Fund Actuary's role in advising the Fund.

5
SOLVENCY FUNDING TARGET

Securing the "solvency" and "long term cost efficiency" is a regulatory requirement. To meet these requirements, the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "funding target") assessed on an ongoing past service basis including allowance for projected final pay where appropriate. In the long term, an employer's total contribution rate would ultimately revert to its Primary rate of contribution.

SOLVENCY AND LONG TERM COST EFFICIENCY

Each employer's contributions are set at such a level to achieve full solvency in a reasonable timeframe. Solvency is defined as a level where the Fund's liabilities i.e. benefit payments can be reasonably met as they arise.

Employer contributions are also set in order to achieve long-term cost efficiency. Long-term cost-efficiency implies that contributions must not be set at a level that is likely to give rise to additional costs in the future. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the appropriate time.

When formulating the funding strategy, the Administering Authority has taken into account these key objectives and also considered the implications of the requirements under Section 13(4)(c) of the Public Service Pensions Act 2013. As part of these requirements the Government Actuary's Department (GAD) must, following an actuarial valuation, report on whether the rate of employer contributions to the Fund is set at an appropriate level to ensure the "solvency" of the pension fund and "long term cost efficiency" of the Scheme so far as relating to the Fund.

DETERMINATION OF THE SOLVENCY FUNDING TARGET AND DEFICIT RECOVERY PLAN

The principal method and assumptions to be used in the calculation of the funding target are set out in **Appendix A**. The Employer Deficit Recovery Plans are set out in **Appendix B.**

Underlying these assumptions are the following two tenets:

- that the Fund is expected to continue for the foreseeable future; and
- favourable investment performance can play a valuable role in achieving adequate funding over the longer term.

This allows the Fund to take a longer-term view when assessing the contribution requirements for certain employers.

In considering this the Administering Authority, based on the advice of the Actuary, will consider if this results in a reasonable likelihood that the funding plan will be successful potentially taking into account any changes in funding after the valuation date up to the finalisation of the valuation by 31 March 2020 at the latest.

As part of each valuation separate employer contribution rates are assessed by the Fund Actuary for each participating employer or group of employers. These rates are assessed taking into account the experience and circumstances of each employer, following a principle of no cross-subsidy between the distinct employers and employer groups in the Fund.

The Administering Authority, following consultation with the participating employers, has adopted the following objectives for setting the individual employer contribution rates arising from the 2019 actuarial valuation.

Individual employer contributions will be expressed and certified as two separate elements:

- the **Primary rate**: a percentage of pensionable payroll in respect of the cost of the future accrual of benefits and ancillary death in service and ill health benefits / ill-health premiums.

- the **Secondary rate**: a schedule of lump sum monetary amounts over 2020/23 in respect of an employer's surplus or deficit (including phasing adjustments).

For any employer, the total contributions they are actually required to pay in any one year is the sum of the Primary and Secondary rates (subject to an overall minimum of zero). Both elements are subject to review from 1 April 2023 based on the results of the 2022 valuation.

Where an employer is in a surplus position, the Secondary rate deduction from the Primary rate will be subject to a minimum threshold of £100, below which no deduction will be made.

DEFICIT RECOVERY PLAN

It is the Fund's objective that any funding deficit is eliminated as quickly as the participating employers can reasonably afford based on the Administering Authority's view of the employer's covenant and risk to the Fund.

Recovery periods will be set by the Fund on a consistent basis across employer categories where possible and communicated as part of the discussions with employers. This will determine the minimum contribution requirement and employers will be free to select any shorter deficit recovery period and higher contributions if they wish, including the option of prepaying the deficit contributions in one lump sum either on an annual basis or a one-off payment. This will be reflected in the monetary amount requested via a reduction in overall deficit contributions payable.

The Administering Authority does retain ultimate discretion in applying these principles for individual employers on grounds of affordability and covenant strength.

The key principles when considering deficit recovery are as follows:

- The Fund does not believe it appropriate for total contribution reductions to apply compared to the existing funding plan (allowing for indexation where applicable) where deficits remain unless there is compelling reason to do so.

- Subject to consideration of affordability, for scheduled and resolution bodies, and those admission bodies (not operating outsourced services) backed by a scheduled body guarantee, as a general rule the deficit recovery period will reduce by at least 3 years for employers at this valuation when compared to the preceding valuation (subject to a maximum of 16 years). This is to target full solvency over a similar (or shorter) time horizon. This is to maintain (as far as possible) equity between different generations of taxpayers and to protect the Fund against the potential for an unrecoverable deficit. The deficit recovery period will be set to at least cover the expected interest costs (actual interest costs will vary in line with investment performance) on the deficit.

- Employers will have the freedom to adopt a recovery plan on the basis of a shorter period if they so wish. Subject to affordability considerations and other factors, a bespoke period may be applied in respect of particular employers where the Administering Authority considers this to be warranted. The average recovery period adopted by all employers will be set out within the Actuary's report. Employers will be notified of their individual deficit recovery period as part of the provision of their individual valuation results.

- Those admission bodies operating outsourced services under a contract, which expires within the maximum 16-year recovery period, the recovery period, to apply will be the lifetime of the contract unless the body is in surplus (see comment below).

- Due to their weaker covenant, admission bodies not backed by a scheduled body guarantee will be subject to the same conditions as above but subject to a maximum recovery period of 11 years unless their defined (or expected) lifespan within the Fund is limited. Such known (or expected) events that could impact on their participation in the Fund should be notified to the administering authority by the body as soon as practically possible.

- For any employer, the total contributions they are actually required to pay in any one year is the sum of the Primary and Secondary rates (subject to an overall minimum of zero). Both elements are subject to further review from April 2023 based on the results of the 2022 actuarial valuation.

- Where an employer is in a surplus position, the Secondary rate deduction from the Primary rate will be adjusted to such an extent that any surplus is used (i.e. run off) over the maximum 16-year period unless agreed otherwise with the administering authority e.g. where the employer's participation in the Fund is expected cease within the next three years.

  Such deductions will be subject to a minimum threshold of £100 p.a., below which no deduction will be made. The current level of contributions payable by the employer may also be phased down to the reduced level as appropriate.

- Where increases (or decreases) in employer contributions are required from 1 April 2020, following completion of the 2019 actuarial valuation, the increase (or decrease) from the rates of contribution payable in the year 2019/20 may be implemented in steps depending on affordability of contributions as determined by the administering authority. This will be notified to employers as part of the valuation process. It may be possible to have a different phasing pattern in certain circumstances subject to the agreement of the administering authority.

- Where increases in the primary rate and/or secondary rate contributions are to be phased in, the Administering Authority's policy is that any adjustment in 2020/21 should be rectified in 2022/23 i.e. so that the total level of primary and secondary rate contributions payable is the same over the three-year period.

- However, where a surplus exists or where there has been a reduction in contributions paid in respect of an employer's deficit at the valuation, the Fund would not consider it appropriate for any increase in contributions paid in respect of future accrual of benefits to be implemented in steps.

- For employers that do not have a financial year end of 31 March 2020 (e.g. 31 July 2020), the Fund can, at the employers request before 28th February 2020 allow the employer to continue to pay their current contribution plan until their financial year end date. The new contribution plan would then be implemented after this date (i.e. 1 August 2020 if the year-end is 31 July 2020)

Special circumstances to consider alternative deficit recovery plans

As part of the process of agreeing funding plans with individual employers, the Administering Authority will consider the use of contingent assets and other tools such as bonds or guarantees that could assist employing bodies in managing the cost of their liabilities or could provide the Fund with greater security against outstanding liabilities. All other things being equal this could result in a longer recovery period being acceptable to the Administering Authority, restricted to the maximum periods set out in Appendix B, although employers will still be expected to at least cover expected interest costs on the deficit.

It is acknowledged by the Administering Authority that, whilst posing a relatively low risk to the Fund as a whole, a number of smaller employers may be faced with significant contribution increases that could seriously affect their ability to function in the future. The Administering Authority therefore would be willing to use its discretion to accept an evidence-based affordable level of contributions for the organisation for the three years 2020/2023. Any application of this option is at the ultimate discretion of the Fund officers in order to effectively manage risk across the Fund. It will only be considered after the provision of the appropriate evidence as part of the covenant assessment and also the appropriate professional advice.

For those bodies identified as having a weaker covenant, the Administering Authority will need to balance the level of risk plus the solvency requirements of the Fund with the sustainability of the organisation when agreeing funding plans. As a minimum, the annual deficit payment must meet the on-going interest costs to ensure, everything else being equal, that the deficit does not increase in monetary terms.

Notwithstanding the above principles, the Administering Authority, in consultation with the actuary, has also had to consider whether any exceptional arrangements should apply in particular cases.

Ill-Health Captive

For those employers who are eligible for the ill-health captive arrangement, the contributions payable over the period 1 April 2020 to 31 March 2023 will be adjusted accordingly to reflect the premium charged to provide continued protection against the risks of excessive ill-health retirement costs emerging. Further details are provided in Appendix F of these adjustments.

Prepayment of Primary Rate and Secondary Rate Contributions

For certain larger employers, subject to the agreement of the administering authority, the option to prepay Primary rate contributions may be made available. This option would be on the proviso that a “top-up” payment would be made by the employer prior to the end of the prepayment period in order to ensure that no underpayment emerges versus the minimum required by the valuation certificate.

The facility to prepay secondary rate contributions where a deficit exists will be made available to all employers.

EMPLOYERS EXITING THE FUND

Employers must notify the Fund as soon as they become aware of their planned exit date. Where appropriate, or at the request of the Scheme Employer, the Fund will review their certified contribution in order to target a fully funded position at exit. The costs of the contribution rate review will be payable by the employer or the outsourcing Scheme Employer (where necessary).

On the cessation of an employer's participation in the Fund, in accordance with the Regulations, the Fund Actuary will be asked to make a termination assessment. In such circumstances

The policy for employers who have a guarantor participating in the Fund:

The residual assets and liabilities and hence any surplus or deficit will transfer back to the guarantor as a default policy. The interested parties will need to consider any separate contractual agreements that have been put in place between the exiting employer and the guarantor. In some instances an exit credit or debt may be payable by an employer before the assets and liabilities are subsumed by the guarantor, this will be considered on a case-by-case basis.

If there is any dispute, then the following arrangements will apply:

- In the case of a surplus, in line with the amending Regulations (The Local Government Pension Scheme (Amendment) Regulations 2020) the parties will need to make formal representations to the Administering Authority if they believe an Exit Credit should be paid outside the policy set out above, or if they dispute the determination of the Administering Authority. The Fund will notify the parties of the information required to make the determination on request.

- If the Fund determines an Exit Credit is payable then they will pay this directly to the exiting employer within 6 months of completion of the cessation assessment by the Actuary.

- In the case of a deficit, in order to maintain a consistent approach, the Fund will seek to recover this from the exiting employer in the first instance although if this is not possible then the deficit will be recovered from the guarantor either as a further contribution collection or at the next valuation.

In some instances, the outgoing employer may only be responsible for part of the residual deficit or surplus as per the separate risk sharing agreement. The default is that any surplus would be retained by the Fund in favour of the outsourcing employer/guarantor unless representation is made by the relevant parties in line with the Regulations (as noted above). For the avoidance of doubt, where the outgoing employer is not responsible for any costs under a risk sharing agreement then no exit credit will be paid as per the Regulations, provided that the Fund is aware of the provisions of the risk sharing agreement in any representation made

The Fund will inform the guarantor of the exiting employer's request to receive the surplus before making payment of the exit credit. However, the Fund will not become embroiled in any disagreement over the refund of any surplus, which is contrary to commercial agreements.

Ultimately, the Fund will have to comply with the Regulations and therefore pay any exit credit should this be deemed appropriate once representations have been made. It is then up to the guarantor to contest the surplus payment citing the commercial contract in place and the desire for equal treatment in the event of a deficit.

The Government has confirmed that a remedy is required for the LGPS in relation to the McCloud judgment, however the final remedy is not known. Where a surplus or deficit is being subsumed, no allowance will be made for McCloud within the calculations. However, if a representation is made to the Administering Authority then a reasonable estimate for the potential cost of McCloud will need to be included. This will be calculated in line with the treatment set out in this Funding Strategy Statement for all members of the outgoing employer. For the avoidance of doubt, there will be no recourse for an employer with regard to McCloud, once the final termination has been settled and payments have been made. Once the remedy is known, any calculations will be performed in line with the prevailing regulations and guidance in force at the time.

In the event of parties unreasonably seeking to crystalise the exit credit on termination unreasonably the Fund will consider its overall policy and seek to recover termination deficits as opposed to allowing them to be subsumed with no impact on contribution requirements until the next assessment of the contribution requirements for the guarantor. Equally, where a guarantor decides not to underwrite the residual liabilities then the basis on termination the basis of assessment will assume the liabilities are orphaned and the minimum risk basis of termination will apply.

The policy for employers who do not have a guarantor participating in the Fund:

In the case of a surplus, the Fund pays the exit credit to the exiting employer following completion of the termination process (within 6 months of completion of the cessation by the Actuary). This is subject to the exiting employer providing sufficient notice to the Fund of their intent to exit; any delays in notification will impact on the payment date.

In the case of a deficit, the Fund would require the exiting employer to pay the termination deficit to the Fund as an immediate lump sum cash payment (unless agreed otherwise by the Administering Authority at their sole discretion) following completion of the termination process.

The Administering Authority also reserves the right to modify this approach on a case-by-case basis at its sole discretion if circumstances warrant it based on the advice of the Actuary.

Where an employer with no guarantor leaves the Fund and leaves liabilities with the Fund, which the Fund must meet without recourse to that employer, the valuation of the termination payment, will be calculated using a discount rate based on the minimum risk basis of termination.

The Government has confirmed that a remedy is required for the LGPS in relation to the McCloud judgment, however the final remedy is not known. Where a surplus or deficit is being subsumed, no allowance will be made for McCloud within the calculations. However, if a representation is made to the Administering Authority then a reasonable estimate for the potential cost of McCloud will need to be included. This will be calculated in line with the treatment set out in this Funding Strategy Statement for all members of the outgoing employer. For the avoidance of doubt, there will be no recourse for an employer with regard to McCloud, once the final termination has been settled and payments have been made. Once the remedy is known, any calculations will be performed in line with the prevailing regulations and guidance in force at the time

Subject to the relevant changes in Regulations being made, if applicable, an employer may continue to participate in the Fund with no contributing members and utilise the “Deferred Debt” Arrangements at the sole discretion of the Administering Authority, which will be subject to a satisfactory covenant review on an ongoing basis. In this circumstance they will continue to be treated as per any other participating employer in relation to overall funding strategy (including potentially requiring a final exit payment at some point) allowing for the covenant. Further details will be available should any regulatory change be made.

The termination policy is set out in **Appendix C**. This will be reviewed at least on an annual basis to take into account any emerging trends or changes in financial or demographic factors e.g. longevity trends and RPI reform, which will affect the termination assessment for employers.

In all cases, the Administering Authority reserves the right to apply a different approach at its sole discretion, taking into account the risk associated with an employer in proportion to the Fund as a whole. Any employer affected will be notified separately.

ALTERNATIVE FUNDING TARGETS

In certain circumstances, as a pre-cursor to the Fund implementing a risk management framework involving investment buckets, a higher funding target may be adopted for certain employers as deemed appropriate by the Administering Authority. Initially this will be particularly applied to admitted body employers without a guarantor and will be used as a means of increasing the certainty of achieving or maintaining full funding.

The contribution rate for these employers will be determined to target a funding position of either 105% or 110% for the baseline liabilities. The principles around the recovery period will be as noted earlier after the change in funding target has been applied.

FUNDING FOR NON-ILL HEALTH EARLY RETIREMENT COSTS

All Employers are required to meet non ill-health early retirement strain costs arising on the grounds of redundancy / efficiency by immediate capital payments into the Fund.

FUNDING FOR ILL HEALTH RETIREMENT COSTS

Should a member retire on ill health grounds, this will normally result in a funding strain for that employer (i.e. increased liability). The size of any funding strain will depend on how the cost of that ill health retirement compares with the expected cost built in the actuarial assumptions for that employer. The actual cost will also depend on the level of any benefit enhancements awarded (which depend on the circumstances of the ill health retirement) and also how early the benefits are brought into payment. The treatment of any ill-health retirement strain cost emerging will vary depending on the type of employer:

- For those employers who participate in the ill-health insurance captive, any ill-health retirement strain cost emerging will be met by a contribution from the captive fund as part of the subsequent actuarial valuation (or termination assessment if sooner). No additional contributions will be due immediately from the employer although an adjustment to the "premium" payable may emerge following the subsequent actuarial valuation, depending on the overall experience of the captive fund.

- For those employers who don't participate in the ill-health captive, the "primary rate" payable over 2020/23 includes an allowance for ill-health retirement costs. Any ill-health retirement strain costs emerging will form part of the contribution rate assessment for the employer at the subsequent actuarial valuation (or termination assessment if sooner). No additional contributions will be due immediately from the employer.

FUNDING FOR DEATHS IN SERVICE

The financial impact of the benefits that become payable on the death of a member differ depending on whether the member dies before or after retirement.

The extent of any funding strain/profit which emerges on the death of a pensioner member (typically a profit) will be determined by the age of the pensioner at death and whether or not any dependants' benefits become payable.

In the event of a member dying whilst in active service, it is not certain that a funding profit would emerge. Whilst the Fund would no longer have to pay the accrued benefits at retirement for the deceased member, a lump sum death grant and also dependants' benefits would become payable instead. The dependants' benefits would also be based on the pensionable service that the member could have accrued had they remained in service until retirement.

Typically, the death of a young member with low pensionable service and dependants is likely to result in a large funding strain for the employer. However, the death of an older/long serving member with no dependants could actually result in a funding profit. Any funding strain or profit will emerge at the next actuarial valuation through increased/reduced deficit, except where the employer is in the termination process when it will be taken into account when the Actuary determines the termination position.

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LINK TO INVESTMENT POLICY AND THE INVESTMENT STRATEGY STATEMENT (ISS)

In assessing the value of the Fund's liabilities in the valuation, allowance has been made for growth asset out-performance as described below, taking into account the investment strategy adopted by the Fund, as set out in the ISS.

It is not possible to construct a portfolio of investments, which produces a stream of income exactly matching the expected liability outgo. However, it is possible to construct a portfolio, which represents the "minimum risk" investment position, which would deliver a very high certainty of real returns above assumed CPI inflation. Such a portfolio would consist of a mixture of long-term index-linked gilts, fixed interest gilts and possible investment derivative contracts known as "swaps".

Investment of the Fund's assets in line with this portfolio would minimise fluctuations in the Fund's funding position between successive actuarial valuations.

If, at the valuation date, the Fund had been invested in this portfolio, then in carrying out this valuation it would not be appropriate to make any allowance for growth assets out-performance or any adjustment to market implied inflation assumption due to supply/demand distortions in the bond markets. This would result in real return versus CPI inflation of minus 1% per annum at the valuation date. On this basis of assessment, the assessed value of the Fund's liabilities at the valuation would have been significantly higher, resulting in a funding level of c61%. This is a measure of the level of reliance on future investment returns.

Departure from a minimum risk investment strategy, in particular to include growth assets such as equities, gives a better prospect that the assets will, over time, deliver returns in excess of CPI inflation and reduce the contribution requirements. The target solvency position of having sufficient assets to meet the Fund's pension obligations might in practice therefore be achieved by a range of combinations of funding plan, investment strategy and investment performance.

The overall strategic asset allocation is set out in the ISS and are as follows. The table shows the position before and after March 2020:

Asset Class	Current Benchmark %	New Benchmark %	Tolerance
UK Equities*	15.0	10.0	} +/- 5%
Global Equities*	35.0	35.0	}
Private equity	7.0	7.0	+/- 2%
Total Growth	**57.0**	**52.0**	
Multi Asset Credit	6.0	6.0	+/- 2%
Infrastructure	5.0	10.0	+/- 3%
Private Debt	3.5	5.5	+/- 1%
UK Property	10.0	10.0	+/- 2%
Total Income	**24.5**	**31.5**	
UK Index-Linked Gilts	12.0	10.0	+/- 3%
Corporate Bonds	5.0	5.0	+/- 1%
Cash	1.5	1.5	+/- 1%
Total Protection	**18.5**	**16.5**	
Total	**100.0**	**100.0**	

For the 2019 valuation, the investment return expectations as calculated by the Actuary equated to an overall best estimate average expected return of 2.65% per annum in excess of CPI inflation at the valuation date i.e. a 50/50 chance of achieving this real return. For the purposes of setting funding strategy however, the Administering Authority believes that it is appropriate to take a margin for prudence on these return expectations and this is expected under the Regulations and guidance. Broadly speaking the discount rate of CPI+1.5% p.a. has been set so that there is approximately a 65% (or broadly two-in-three) chance that the returns achieved will be at least those assumed in the discount rate.

This margin however, has been reduced to take account of the risk management strategies implemented to reduce the volatility of returns within the investment strategy.

RISK MANAGEMENT STRATEGY

In the context of managing various aspects of the Fund's financial risks, the Administering Authority has implemented a number of risk management techniques. In particular:

- Equity Protection - the Fund has implemented protection against potential falls in the equity markets via the use of derivatives. The aim of the protection is to provide further stability in employer contributions (all other things equal) in the event of a significant equity market fall (although it is recognised that it will not protect the Fund in totality).

The principal aim of these risk management techniques is to effectively look to provide more certainty of real investment returns vs CPI inflation and/or protect against volatility in the termination position. It is designed to reduce risk and provide more stability/certainty of outcome for funding and ultimately employer contribution rates. The effect of these techniques has been allowed for in the 2019 actuarial valuation calculations and could have implications on future actuarial valuations and the assumptions adopted. Further details of the framework have been included in the ISS.

ALTERNATIVE INVESTMENT STRATEGIES

Within the next valuation cycle, the Fund will be considering the merits of implementing alternative investment strategies. Such strategies will have a lower level of growth assets compared with the current "higher risk" whole Fund strategy and will apply to certain employers in the Fund depending on their characteristics and objectives, as determined by the Administering Authority.

The applicable investment strategy will be reflected in the relevant employer's notional asset share, funding basis and contribution requirements as assessed at subsequent actuarial valuations.

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IDENTIFICATION OF RISKS AND COUNTER-MEASURES

The funding of defined benefits is by its nature uncertain. Funding of the Scheme is based on both financial and demographic assumptions. These assumptions are specified in the actuarial valuation report. When actual experience is not in line with the assumptions adopted a surplus or shortfall will emerge at the next actuarial assessment and will require a subsequent contribution adjustment to bring the funding back into line with the target.

The Administering Authority has been advised by the actuary that the greatest risk to the funding level is the investment risk inherent in the predominantly equity based strategy, so that actual asset out-performance between successive valuations could diverge significantly from that assumed in the long term. The Actuary's formal valuation report includes quantification of some of the major risk factors.

FINANCIAL

The financial risks are as follows:-

- Investment markets fail to perform in line with expectations
- Protection and risk management policies fail to perform in line with expectations
- Market outlook moves at variance with assumptions
- Investment Fund Managers fail to achieve performance targets over the longer term
- Asset re-allocations in volatile markets may lock in past losses
- Pay and price inflation significantly more or less than anticipated
- Future underperformance arising as a result of participating in the larger asset pooling vehicle.
- An employer ceasing to exist without prior notification, resulting in a large exit credit requirement from the Fund impacting on cashflow requirements.

Any increase in employer contribution rates (as a result of these risks), may in turn impact on the service delivery of that employer and their financial position.

In practice the extent to which these risks can be reduced is limited. However, the Fund's asset allocation is kept under constant review and the performance of the investment managers is regularly monitored. In addition, the implementation of a risk management framework to manage the key financial risks will help reduce risk over time.

DEMOGRAPHIC

The demographic risks are as follows:-

- Future changes in life expectancy (longevity) cannot be predicted with any certainty
- Potential strains from ill health retirements, over and above what is allowed for in the valuation assumptions
- Unanticipated acceleration of the maturing of the Fund resulting in materially negative cashflows and shortening of liability durations

Increasing longevity is something which government policies, both national and local, are designed to promote. It does, however, result in a greater liability for pension funds.

Ill health retirements can be costly for employers, particularly small employers where one or two costly ill health retirements can take them well above the "average" implied by the valuation assumptions. Increasingly we are seeing employers mitigate the number of ill health retirements by employing HR / occupational health preventative measures. These in conjunction with ensuring the regulatory procedures in place to ensure that ill-health retirements are properly controlled, can help control exposure to this demographic risk. The Fund's ill health captive arrangement will also help to ensure that the eligible employers are not exposed to large deficits due to the ill health retirement of one or more of their members (see further information in **Appendix F**).

Apart from the regulatory procedures in place to ensure that ill-health retirements are properly controlled, **employing bodies should be doing everything in their power to minimise the number of ill-health retirements**.

Early retirements for reasons of redundancy and efficiency do not immediately affect the solvency of the Fund because they are the subject of a direct charge.

With regards to increasing maturity (e.g. due to further cuts in workforce and/or restrictions on new employees accessing the Fund), the Administering Authority regularly monitors the position in terms of cashflow requirements and considers the impact on the investment strategy.

INSURANCE OF CERTAIN BENEFITS

The contributions for any employer may be varied as agreed by the Actuary and Administering Authority to reflect any changes in contribution requirements as a result of any benefit costs (aside from ill-health retirement costs which are already insured for eligible employers) being insured with a third party or internally within the Fund. More detail on how the Fund currently insures ill health costs for eligible employers is set out in **Appendix F**.

REGULATORY

The key regulatory risks are as follows:-

- Changes to Regulations, e.g. changes to the benefits package, retirement age, potential new entrants to scheme. Typically these would be via the Cost Management Process although in light of the McCloud discrimination case (see further comment in Section 9) there can be exceptional circumstances which give rise to unexpected changes in Regulations
- Changes to national pension requirements and/or HMRC Rules
- Political risk that the guarantee from the Department for Education for academies is removed or modified along with the operational risks as a consequence of the potential for a large increase in the number of academies in the Fund due to Government policy.

Membership of the Local Government Pension Scheme is open to all local government staff and should be encouraged as a valuable part of the contract of employment. However, increasing membership does result in higher employer monetary costs.

GOVERNANCE

The Fund has done as much as it believes it reasonably can to enable employing bodies and scheme members (via their trades unions) to make their views known to the Fund and to participate in the decision-making process. So far as the revised Funding Strategy Statement is concerned,

- consultation took place with employers at the end of 2018 on a range of key issues and assumptions influencing the valuation process. These issues were also discussed at the 2018 Employer Forum.
- Copies of the draft Funding Strategy Statement were circulated to all employers during November 2019 for their comments and an invitation to comment was placed on the Fund's website.
- The Fund Actuary and Fund Officers presented details in relation to specific issues and changes at workshops for specific groups of employers and at the 2019 Employer Forum

The final Funding Strategy Statement was approved on 23rd January 2020.

Governance risks are as follows:-

- The quality of membership data deteriorates materially due to breakdown in processes for updating the information resulting in liabilities being under or overstated
- Administering Authority unaware of structural changes in employer's membership (e.g. large fall in employee numbers, large number of retirements) with the result that contribution rates are set at too low a level
- Administering Authority not advised of an employer closing to new entrants, something which would normally require an increase in contribution rates
- An employer ceasing to exist with insufficient funding or adequacy of a bond.
- Political risk that the academies guarantee from the Department for Education is removed, especially given the large increase in the number of academies in the Fund.

For these risks to be minimised much depends on information being supplied to the Administering Authority by the employing bodies. Arrangements are strictly controlled and monitored (e.g. with regular data reconciliations with employers), but in most cases the employer, rather than the Fund as a whole, bears the risk.

PENSIONS AUTHORITY

South Yorkshire Pensions Authority, as the Administering Authority for South Yorkshire Pension Fund, has responsibility and accountability for overseeing the Fund.

Full details of the business of the authority including the meeting dates of the various Boards, minutes and agenda's, the contact details of the current Members and links to live webcasting of meeting can be accessed through the Authority's website https://www.sypensions.org.uk/Home/About-Us

PENSIONS ADMINISTRATION STRATEGY

The Pensions Administration Strategy (PAS) sets out clear standards of service to members by defining employer and Fund responsibilities in administering the Scheme and sets out the requirements for the two-way flow of information. The employer should notify the administering authority of the following events.

- Structural change in employer's membership e.g. large fall in employee numbers or large number of retirements.
- A closure in accessibility of the scheme to new entrants.
- An employer ceasing to exist.

The strategy has been developed and adopted in consultation and agreement with the participating Fund Employers and is provided for through statute by Regulation 59 of the Local Government Pension Scheme Regulations 2013 (as amended). It sets out, amongst other things, how the Administering Authority, SYPA, will administer the Pension Scheme and Fund on behalf of Employing Organisations, and their Scheme Members, participating in the South Yorkshire Pension Fund, its requirements for employers in terms of the timely and accurate provision of information pertinent to the administration of the Scheme and Fund, and the penalties to be applied to those employing organisations failing to meet their duties, responsibilities and obligations as detailed within the strategy document.

The strategy has been developed and adopted in consultation to improve the overall standard of administration of the Scheme and the Fund and is intended to apply in a spirit of partnership working and co-operation where every assistance, tool, facility, system, training and guidance will be provided where possible to enable employers to improve administrative performance and meet the requirements of the strategy. Any penalties and censures carried within the strategy are not intended to apply as a first resort but rather as a last resort following a period of time and opportunity given for improvement to any organisation struggling to meet its obligations.

LOCAL PENSION BOARD

The Pension Board was established in April 2015 in accordance with the Public Service Pensions Act 2013, the national statutory governance framework delivered through the LGPS Regulations and guidance as issued by the Scheme Advisory Board.

The Board seeks to assist the South Yorkshire Pensions Authority to maintain effective and efficient administration and governance. The LPB comprises both Scheme members, retired and active, together with employer representatives. Employer representation is not restricted to the four large local Councils.

It meets quarterly and all Board Members have undertaken training and have established a work programme that will enable them to meet their obligations to ensure that the Fund complies with the relevant codes of practice and current legislation.

The Board is now supported by an Independent Adviser in order to ensure that it can provide effective challenge to the Authority and its officers.

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MONITORING AND REVIEW

The Administering Authority has taken advice from the actuary in preparing this Statement, and has consulted with the employers participating in the Fund.

A full review of this statement will occur no less frequently than every three years, to coincide with completion of a full statutory actuarial valuation and every review of employer rates or interim valuation. Any review will take account of the current economic conditions and will also reflect any legislative changes.

The Administering Authority will monitor the progress of the funding strategy between full actuarial valuations. If considered appropriate, the funding strategy will be reviewed (other than as part of the valuation process), for example, if there:

- has been a significant change in market conditions, and/or deviation in the progress of the funding strategy
- have been significant changes to the Scheme membership, or LGPS benefits
- have been changes to the circumstances of any of the employing authorities to such an extent that they impact on or warrant a change in the funding strategy
- have been any significant special contributions paid into the Fund.

When monitoring the funding strategy, if the Administering Authority considers that any action is required, the relevant employers will be contacted. In the case of admitted bodies, there is statutory provision for rates to be amended between valuations and this will be considered in conjunction with the employer affected and any associated guarantor of the employer’s liabilities (if relevant).

REVIEW OF CONTRIBUTIONS

In line with any future change in Regulations, the Administering Authority may have the ability to review employer contributions or request a full interim valuation. If considered appropriate, the Fund will carry out an interim valuation or a review of contributions for a specific employer or employer(s), if there:

1. has been a significant change in market conditions and/or deviation in the progress of the Funding Strategy,
2. has been a material change in an employer’s covenant assessed in line with the policy in Appendix E.
3. the employer has notified the Fund of their intention to exit within the next 3 years. Employers must notify the Fund as soon as they become aware of their planned exit date.
4. has been a deviation in the progress of the funding strategy for the employer.
5. have been significant changes to the Scheme membership, or LGPS benefits.
6. has been a change in employer status.
7. have been any significant special contributions paid into the Fund.
8. have been significant statutory or regulatory changes.

In the normal course of events, contributions will only be reviewed for statutory or tax raising employers as part of a full actuarial valuation (statutory or interim valuation).

In exceptional circumstances, not envisaged in the Funding Strategy Statement, the Fund can apply for a direction from the Secretary of State to carry out an interim valuation. The Secretary of State would also have a power to require interim valuations of the Fund either on representation from the Fund, scheme employers or of his own volition.

Where the contribution review is triggered by an employer request (e.g. points 2, 3, 4, 5, 6 and 7 above), the costs associated with the review will be met by the employer(s) concerned.

COST MANAGEMENT AND THE MCLOUD JUDGMENT

The cost management process was set up by the Government, with an additional strand set up by the Scheme Advisory Board (for the LGPS). The aim of this was to control costs for employers and taxpayers via adjustments to benefits and/or employee contributions.

As part of this, it was agreed that employers should bear the costs/risks of external factors such as the discount rate, investment returns and inflation changes, whereas employees should bear the costs/risks of other factors such as wage growth, life expectancy changes, ill health retirement experience and commutation of pension.

The outcomes of the cost management process were expected to be implemented from 1 April 2019, based on data from the 2016 valuations for the LGPS. This has now been put on hold due to age discrimination cases brought in respect of the firefighters and judges schemes, relating to protections provided when the public sector schemes were changed (which was on 1 April 2014 for the LGPS and 1 April 2015 for other Schemes).

The Government have confirmed that this judgment will result in a remedy being required for the LGPS. The Scheme Advisory Board issued guidance, which sets out how the McCloud case should be allowed for within the 2019 valuation.

The Government have confirmed that this judgment will result in a remedy being required for the LGPS. The Scheme Advisory Board issued guidance here, which sets out how the McCloud case should be allowed for within the 2019 valuation. As a consequence, cost management is expected to remain paused until the remedy is known and therefore no allowance has been made in this valuation. This will be reconsidered once the final outcomes are known.

The potential impact of the McCloud judgment (based on the information available at the time) has been quantified and communicated to employers as part of the 2019 valuation. This has been assessed by removing the current age criteria applied to the underpin implemented in 2014 for the LGPS. This underpin therefore would apply to all active members as at 1 April 2012. Employers will be able to choose to pay these estimated costs over 2020/23 in their certified contributions. Alternatively, they will need to make provision within their budgets and backdated contributions would be paid once the remedy is known. The mechanism to achieve this has been set out in the Actuary’s certificate.

APPENDIX A - ACTUARIAL METHOD AND ASSUMPTIONS

METHOD

The actuarial method to be used in the calculation of the solvency funding target is the Projected Unit method, under which the salary increases assumed for each member are projected until that member is assumed to leave active service by death, retirement or withdrawal from service. This method implicitly allows for new entrants to the scheme on the basis that the overall age profile of the active membership will remain stable. As a result, for those employers which are closed to new entrants, an alternative method is adopted, which makes advance allowance for the anticipated future ageing and decline of the current closed membership group potentially over the period of the rates and adjustments certificate.

FINANCIAL ASSUMPTIONS – SOLVENCY FUNDING TARGET AND COST OF FUTURE ACCRUAL

Investment return (discount rate) – Solvency Funding Target

The discount rate has been derived based on the expected return on the Fund assets based on the long-term strategy set out in the Investment Strategy Statement (ISS). It includes appropriate margins for prudence. When assessing the appropriate discount rate consideration has been given to the returns in excess of CPI inflation (as derived below). The discount rate at the valuation has been derived based on an assumed return of 1.5% per annum above CPI inflation i.e. a real return of 1.5% per annum and a total discount rate of 3.9% per annum. This real return will be reviewed from time, to time, typically at the time of a formal valuation or bond review based on the investment strategy, market outlook and the Fund's overall risk metrics. The discount rate will be reviewed as a matter of course at the time of a formal valuation.

For those employers for whom the Administering Authority deems an alternative funding target should apply, a 5% or 10% loading will be applied to the baseline liabilities determined using the discount rate above, as deemed appropriate.

Investment return (discount rate) – Cost of Future Accrual

The future service liabilities are calculated using the same assumptions as the solvency funding target except that a different financial assumption for the discount rate is used. A critical aspect here is that the Regulations state the desirability of keeping the "Primary Rate" (which is the future service rate) as stable as possible so this needs to be taken into account when setting the assumptions.

As future service contributions are paid in respect of benefits built up in the future, the Primary Rate should take account of the market conditions applying at future dates, not just the date of the valuation, thus it is justifiable to use a slightly higher expected return from the investment strategy. In addition, the future liabilities for which these contributions will be paid have a longer average duration than the past service liabilities as they relate to active members only.

The financial assumptions in relation to future service (i.e. the normal cost) are based on an overall assumed real discount rate of 2.35% per annum above the long-term average assumption for consumer price inflation of 2.4% per annum. This leads to a discount rate of 4.75% per annum.

Inflation (Consumer Prices Index)

The inflation assumption will be taken to be the investment market's expectation for RPI inflation as indicated by the difference between yields derived from market instruments, principally conventional and index-linked UK Government gilts as at the valuation date, reflecting the profile and duration of the Scheme's accrued liabilities, but subject to an adjustment due to retirement pensions being increased annually by the change in the Consumer Price Index rather than the Retail Price Index.

The overall average reduction to the assumption to long-term RPI inflation to arrive at the CPI inflation assumption at the valuation date is 1.0% per annum. The CPI inflation assumption at the valuation date is 2.4% per annum.

This adjustment to the RPI inflation assumption will be reviewed from time to time to take into account any reform of the RPI index as announced by the Chancellor in the March 2020 budget. Any change will then be implemented for all relevant policies in this Funding Strategy Statement.

Salary increases

In relation to benefits earned prior to 1 April 2014, the assumption for real salary increases (salary increases in excess of price inflation) will be determined by an allowance of 1.25% p.a. over the inflation assumption as described above. This includes allowance for promotional increases. In addition to the long term salary increase assumption allowance has been made for expected short term pay restraint for employers The default assumption is for pay growth of 3% (covering both headline increases and incremental drift) each year from the valuation date up to 31st March 2023 although employers will be able to opt for the long-term assumption only should they wish.

Application of bespoke salary increase assumptions as put forward by individual employers will be at the ultimate discretion of the Administering Authority but as a minimum must be reasonable and practical. Employers will need to provide clear evidence that justifies any bespoke assumptions (for example a long-term pay agreement) To the extent that experience differs to the assumption adopted, the effects will emerge at the next actuarial valuation.

Pension increases/Indexation of CARE benefits

Increases to pensions are assumed to be in line with the inflation (CPI) assumption described above. This is modified appropriately to reflect any benefits, which are not fully indexed in line with the CPI (e.g. Guaranteed Minimum Pensions where the LGPS is not required to provide full indexation).

For members in pensionable employment, their CARE benefits are also indexed by CPI although this can be less than zero i.e. a reduction in benefits, whereas for pension increases this cannot be negative, as pensions cannot be reduced.

DEMOGRAPHIC ASSUMPTIONS

Mortality/Life Expectancy

The mortality in retirement assumptions will be based on the most up-to-date information in relation to self-administered pension schemes published by the Continuous Mortality Investigation (CMI), making allowance for future improvements in longevity and the experience of the scheme. The mortality tables used are set out below, with a loading reflecting Fund specific experience. The derivation of the mortality assumption is set out in a separate paper as supplied by the Actuary.

A specific mortality assumption has also been adopted for current members who retire on the grounds of ill health.

For all members, it is assumed that the trend in longevity seen over recent time periods (as evidenced in the 2018 CMI analysis) will continue in the longer term and as such, the assumptions build in a level of longevity 'improvement' year on year in the future in line with the CMI 2018 projections and a long term improvement trend of 1.75% per annum.

The mortality before retirement has also been reviewed based on LGPS wide experience.

Commutation

Based on scheme specific analysis undertaken over a long period, it has been assumed that, on average, retiring members will commute pension up to 90% of the maximum tax-free cash available at retirement (allowing for any standard 3/80ths cash sum that may be payable). The option, which members have to commute part of their pension at retirement in return for a lump sum, is a rate of £12 cash for each £1 p.a. of pension given up.

Other Demographics

Following an analysis of Fund experience carried out by the Actuary, the incidence of ill health retirements, withdrawal rates and the proportions married/civil partnership assumption remain in line with the assumptions adopted for the last valuation. In addition, no allowance will be made for the future take-up of the 50:50 option. Where any member has actually opted for the 50:50 scheme, this will be allowed for in the assessment of the rate for the next 3 years. Other assumptions are as per the last valuation.

Expenses

Expenses are met out the Fund, in accordance with the Regulations. This is allowed for by adding 0.5% of pensionable pay to the contributions as required from participating employers. This addition is reassessed at each valuation. Investment expenses have been allowed for implicitly in determining the discount rates.

Discretionary Benefits

The costs of any discretion exercised by an employer in order to enhance benefits for a member through the Fund will be subject to additional contributions from the employer as required by the Regulations as and when the event occurs. As a result, no allowance for such discretionary benefits has been made in the valuation

EMPLOYER ASSET SHARES

The Fund is a multi-employer pension scheme that is not formally unitised and so individual employer asset shares are calculated at each actuarial valuation. This means it is necessary to make some approximations in the timing of cashflows and allocation of investment returns when deriving the employer asset share.

In attributing the overall investment performance obtained on the assets of the Scheme to each employer a pro-rata principle is adopted. This approach is effectively one of applying a notional individual employer investment strategy identical to that adopted for the Scheme as a whole unless agreed otherwise between the employer and the Fund at the sole discretion of the Administering Authority.

At each review, cashflows into and out of the Fund relating to each employer, any movement of members between employers within the Fund, along with investment return earned on the asset share, are allowed for when calculating asset shares at each valuation. In addition, the asset share may be restated for changes in data or other policies.

Other adjustments are also made on account of the funding positions of orphan bodies, which fall to be met by all other active employers in the Fund.

SUMMARY OF KEY WHOLE FUND ASSUMPTIONS USED FOR CALCULATING FUNDING TARGET AND COST OF FUTURE ACCRUAL (THE "PRIMARY RATE") FOR THE 2019 ACTUARIAL VALUATION

Long-term yields	
Market implied RPI inflation	3.40% p.a.
Solvency Funding Target financial assumptions	
Investment return/Discount Rate	3.90% p.a.
CPI price inflation	2.40% p.a.
Long Term Salary increases*	3.65% p.a.
Pension increases/indexation of CARE benefits	2.40% p.a.
Future service accrual financial assumptions	
Investment return/Discount Rate	4.75% p.a.
CPI price inflation	2.40% p.a.
Long Term Salary increases*	3.65% p.a.
Pension increases/indexation of CARE benefits	2.40% p.a.

* in addition to this, an allowance for further short-term pay restraint may be made. This will be 3% per annum for 4 years to 31 March 2023 depending on an employer's circumstances.

Life expectancy assumptions

The post retirement mortality tables adopted for this valuation, along with sample life expectancies, are set out below:

-Post retirement mortality tables

Current Status	Retirement Type	Mortality Table
Annuitant	Normal Health	101% S3PMA_CMI_2018 [1.75%] 88% S3PFA_M_CMI_2018 [1.75%]
	Dependant	133% S3PMA_CMI_2018 [1.75%] 89% S3DFA_CMI_2018 [1.75%]
	Ill Health	125% S3IMA_CMI_2018 [1.75%] 122% S3IFA_CMI_2018 [1.75%]
	Future Dependant	128% S3PMA_CMI_2018 [1.75%] 107% S3DFA_CMI_2018 [1.75%]
Active	Normal Health	109% S3PMA_CMI_2018 [1.75%] 90% S3PFA_M_CMI_2018 [1.75%]
	Ill Health	125% S3IMA_CMI_2018 [1.75%] 139% S3IFA_CMI_2018 [1.75%]
Deferred	All	131% S3PMA_CMI_2018 [1.75%] 105% S3PFA_M_CMI_2018 [1.75%]
Future Dependant	Dependant	137% S3PMA_CMI_2018 [1.75%] 113% S3DFA_CMI_2018 [1.75%]

-Life expectancies at age 65

Membership Category	Male Life Expectancy at 65	Female Life Expectancy at 65
Pensioners	22.4	25.1
Actives aged 45 now	23.8	27.0
Deferreds aged 45 now	22.4	25.9

Further detail and other demographic assumptions are set out in the Actuary's formal report.

APPENDIX B – EMPLOYER DEFICIT / SURPLUS RECOVERY PLANS

As the assets of the Fund are less than the liabilities at the effective date, a deficit recovery plan needs to be adopted such that additional contributions are paid into the Fund to meet the shortfall.

Deficit contributions paid to the Fund by each employer will be expressed as £s amounts and will increase at 2.4% p.a. (unless agreed with the Administering Authority). It is the Fund's objective that any funding deficit is eliminated as quickly as the participating employers can reasonably afford based on the Administering Authority's view of the employer's covenant and risk to the Fund.

Recovery periods will be set by the Fund on a consistent basis across employer categories where possible and communicated as part of the discussions with employers. This will determine the minimum contribution requirement and employers will be free to select any shorter deficit recovery period and higher contributions if they wish, including the option of prepaying the deficit contributions in one lump sum either on annual basis or a one-off payment. This will be reflected in the monetary amount requested via a reduction in overall £ deficit contributions payable.

The principles used to determine the recovery periods is summarised in the table below. These will be used to derive the minimum contributions payable subject to reasonable affordability and covenant assessment. In some cases, the actuary may recommend a higher deficit contribution for 2020/23.

Category	Maximum Deficit Recovery Period	Derivation
District Councils	16 years	Determined by reducing the period from the preceding valuation by at least 3 years
Other Tax-raising Scheduled and Designating Bodies	16 years	Determined by reducing the period from the preceding valuation by at least 3 years and to ensure, where appropriate, total contributions do not reduce versus the current contributions from the existing recovery plan.
Academies and Multi-Academy Trusts	16 years	Determined by reducing the period from the preceding valuation by at least 3 years and to ensure, where appropriate, total contributions do not reduce versus the current contributions from the existing recovery plan.
Higher and Further Education Bodies (Universities and Colleges)	16 years	Determined by reducing the period from the preceding valuation by at least 3 years and to ensure, where appropriate, total contributions do not reduce versus the current contributions from the existing recovery plan.

Community Admission Bodies (guaranteed by another Scheme Employer within the Fund)	16 years	Determined by reducing the period from the preceding valuation by at least 3 years and to ensure, where appropriate total contributions do not reduce versus the current contributions from the existing recovery plan.
Community Admission Bodies (with no guarantee),	11 years	Determined by reducing the period from the preceding valuation by at least 3 years (unless the expected participation in the Fund is known and is shorter) and to ensure, where appropriate, total contributions do not reduce versus the current contributions from the existing recovery plan.
Transferee Admission Bodies (guaranteed by the letting Scheme Employers)	16 years	Deficit recovery period to be limited to the lifetime of the contract. For those employers in surplus, the maximum recovery period may apply unless the contract is expected to expire in the next three years.

The recovery period adopted for individual employers has been notified to them along with their individual valuation results.

In determining the actual recovery period to apply for any particular employer or employer grouping, the Administering Authority may take into account some or all of the following factors:

- The size of the funding shortfall;
- The business plans of the employer;
- The assessment of the financial covenant of the Employer, and security of future income streams;
- Any contingent security available to the Fund or offered by the Employer such as guarantor or bond arrangements, charge over assets, etc.

The objective is to recover any deficit over a reasonable timeframe, and this will be periodically reviewed. Subject to affordability considerations a key principle will be to maintain the total contributions at the expected monetary levels from the preceding valuation (allowing for any indexation in these monetary payments over the recovery period).

For any employers assessed to be in surplus, their individual contribution requirements may be adjusted to such an extent that any surplus is unwound over a maximum 16 year period unless agreed with the Administering Authority (if surpluses are sufficiently large, contribution requirements will be set to a minimum nil total amount). The current level of contributions payable by the employer may also be phased down to the reduced level as appropriate.

Other factors affecting the Employer Deficit Recovery Plans

As part of the process of agreeing funding plans with individual employers and managing risk in the intervaluation period, the Administering Authority will exceptionally consider the use of contingent assets (for example a charge on a property) and other tools such as bonds or guarantees that could assist employing bodies in managing the cost of their liabilities or could provide the Fund with greater security against outstanding liabilities. All other things equal this could result in a longer recovery period being acceptable to the Administering Authority, restricted to a maximum period of 16 years, although employers will still be expected to at least cover expected interest costs on the deficit.

It is acknowledged by the Administering Authority that, whilst posing a relatively low risk to the Fund as a whole, a number of smaller employers may be faced with significant contribution increases that could seriously affect their ability to function in the future. The Administering Authority therefore would be willing to use its discretion to accept an evidenced based affordable level of contributions for the organisation for the three years 2020/2023. Any application of this option is at the ultimate discretion of the Fund officers in order to effectively manage risk across the Fund. It will only be considered after the provision of the appropriate evidence as part of the covenant assessment and also the appropriate professional advice.

For those bodies identified as having a weaker covenant, the Administering Authority will need to balance the level of risk plus the solvency requirements of the Fund with the sustainability of the organisation when agreeing funding plans. As a minimum, the annual deficit payment must meet the on-going interest costs to ensure, everything else being equal, that the deficit does not increase in monetary terms.

Notwithstanding the above, the Administering Authority, in consultation with the actuary, has also had to consider whether any exceptional arrangements should apply in particular cases.

APPENDIX C - ADMISSIONS AND TERMINATION POLICY

ENTRY TO THE FUND

MANDATORY SCHEME EMPLOYERS

Certain employing bodies are required to join the scheme under the Regulations. These bodies include tax raising bodies, those funded by central government (academies and colleges) and universities (reliant on non-government income). Academies also fall under this category.

DESIGNATING BODIES

Designating bodies are permitted to join the scheme if they pass a resolution to this effect. Designating bodies, other than connected entities, are not required under the Regulations to provide a guarantee. These bodies usually have tax raising powers and include Parish and Town Councils.

ADMISSION BODIES

An admitted body is an employer, which, if it satisfies certain regulatory criteria, can apply to participate in the Fund. If its application is accepted by the administering authority, it will then have an "admission agreement". In accordance with the Regulations, the admission agreement sets out the conditions of participation of the admitted body including which employees (or categories of employees) are eligible to be members of the Fund.

Admitted bodies can join the Fund if

- They provide a service for a scheme employer as a result of an outsourcing (formerly known as Transferee Admission Bodies)
- They provide some form of public service and their funding in most cases derives primarily from local or central government. In reality they take many different forms but the one common element is that they are "not for profit" organisations (formerly known as Community Admission Bodies).

Admitted bodies may only join the Fund if they are guaranteed by a scheme employer. When the agreement or service provision ceases, the Fund's policy is that in all cases it will look to recover any outstanding deficit from the outgoing body unless appropriate instruction is received from the outsourcing employer or guaranteeing employer, in which case the assets and liabilities of the admission body will in revert to the outsourcing scheme employer or guaranteeing employer.

JOINING THE FUND VIA THE 'DEEMED EMPLOYER' ROUTE

Joining the fund through the deemed employer route would rely on a regulatory change. This is an alternative route to the admitted body route for achieving pension protection. It relates to employers which have employees working for a third party but fall under the deemed employer for the purposes of the Regulations.

It will be the outsourcing Scheme Employer's choice, when initially putting the contract out to tender, whether the Admission Agreement or Deemed Employer approach will be used. The outsourcing scheme employer will be also known as the deemed employer with regard to this admitted body.

If the Deemed Employer route is chosen, the admitted body will not join the Fund and will instead be grouped/pooled with the original scheme employer. This may be used when a pass through arrangement has been agreed.

The Fund's policy would be dependent on the deemed employer's policy and approach to dealing with these outsourcings. This makes it imperative that each outsourcing scheme employer would need to have a clear policy on the treatment of each type of admitted body. The Fund also requires an agreement (similar to the admission agreement) with the admitted body to ensure their duties are fulfilled e.g. payment of contributions. Further details will be available should there be a change to the Regulations facilitating this route.

CONNECTED ENTITIES

Connected entities by definition have close ties to a scheme employer given that a connected entity is included in the financial statements of the scheme employer.

Although connected entities are "Designating Bodies" under the Regulations, they have similar characteristics to admitted bodies (in that there is an "outsourcing employer"). However, the Regulations do not strictly require such bodies to have a guarantee from a scheme employer.

However, to limit the risk to the Fund, the Fund will require that the scheme employer provides a guarantee for their connected entity, in order that the ongoing funding basis will be applied to value the liabilities.

CHILDREN'S CENTRE TRANSFER TO ACADEMY TRUSTS

Local education authorities have an obligation to provide Children's Centres under the Childcare Act 2006. The Act places duties on these authorities in relation to establishing and running Children's Centres and therefore the financial obligation to cover the LGPS costs of eligible staff remains a responsibility of the local education authority regardless of service delivery vehicle. The local education authority is liable for all the LGPS liabilities of the Children's Centre.

As the staff cannot be employed directly by an Academy or Academy Trust, the South Yorkshire Pension Fund will permit admission of a separate participating employer (with its own contribution rate requirements based on the transferring staff), through a tri-partite admission agreement between the South Yorkshire Pension Fund, the Local Education Authority of the ceding Council and the body responsible for managing the Children's Centre (this could be an Academy Trust or private sector employer).

SECOND GENERATION OUTSOURCINGS FOR STAFF NOT EMPLOYED BY THE SCHEME EMPLOYER CONTRACTING THE SERVICES TO AN ADMITTED BODY

A 2nd generation outsourcing is one where a service is being outsourced for the second time, usually after the previous contract has come to an end. For Best Value Authorities, principally the unitary authorities, they are bound by The Best Value Authorities Staff Transfers (Pensions) Direction 2007 so far as 2nd generation outsourcings are concerned. In the case of most other employing bodies, they should have regard to Fair Deal Guidance issued by the Government.

It is usually the case that where services have previously been outsourced, the transferees are employees of the contractor as opposed to the original scheme employer and as such will transfer from one contractor to another without being re-employed by the original scheme employer. There are even instances where staff can be transferred from one contractor to another without ever being employed by the outsourcing scheme employer that is party to the Admission Agreement. This can occur when one employing body takes over the responsibilities of another, such as a maintained school (run by the local education authority) becoming an academy. In this instance the contracting body is termed a 'Related Employer' for the purposes of the Local Government Pension Scheme Regulations and is obliged to guarantee the pension liabilities incurred by the contractor

“Related employer” is defined as “any Scheme employer or other such contracting body which is a party to the admission agreement (other than an administering authority in its role as an administering authority)”.

LGPS REGULATIONS 2013: SCHEDULE 2 PART 3, PARA 8

Where, for any reason, it is not desirable for an admission body to enter into an indemnity or bond, the admission agreement must provide that the admission body secures a guarantee in a form satisfactory to the administering authority from—

(a) a person who funds the admission body in whole or in part;

(b) in the case of an admission body falling within the description in paragraph 1(d), the Scheme employer referred to in that paragraph;

> *(d) a body that is providing or will provide a service or assets in connection with the exercise of a function of a Scheme employer as a result of—*
>
> *(i) the transfer of the service or assets by means of a contract or other arrangement,*
>
> *(ii) a direction made under section 15 of the Local Government Act 1999 (115) (Secretary of State’s powers),*
>
> *(iii) directions made under section 497A of the Education Act 1996 (116)* ;

(c) a person who—

(i) owns, or

(ii) controls the exercise of the functions of, the admission body; or

In accordance with the above Regulations, the Fund requires a guarantee from the related employer. The related employer may seek a bond from the admitted body taking into account the risk assessment carried out by the Fund actuary.

ILL-HEALTH CAPTIVE

Those employers determined by the administering authority as being automatically eligible for the ill-health captive arrangement on entry to the Fund are as follows:

- Academies
- Admitted Bodies formerly known as Community Admission Bodies
- Designating / Resolution Bodies
- Transferee Admission Bodies
- All other bodies with less than 100 members

EXITING THE FUND

INTRODUCTION

Admission bodies are required to have an "admission agreement" with the Fund. In conjunction with the Regulations, the admission agreement sets out the conditions of participation of the admission body including which employees (or categories of employees) are eligible to be members of the Fund.

A list of all current admission bodies participating in the Fund is published in the Fund's annual report http://www.sypensions.org.uk/Publications/Annual-Reports

TERMINATION POLICY

When an employer's participation in the Fund comes to its end, or is prematurely terminated for any reason (e.g. a contract with a local authority comes to an end or the employer chooses to voluntarily cease participation), employees may transfer to another employer, either within the Fund or elsewhere. If this is not the case the employees will retain pension rights within the Fund i.e. either deferred benefits or immediate retirement benefits.

In addition to any liabilities for current employees the Fund will also retain liability for payment of benefits to former employees, i.e. to existing deferred and pensioner members.

Where the Fund obtains advance notice that an employer's participation is coming to an end, the Regulations enable the Fund to commission a funding assessment leading to a revised contribution certificate which is designed to eliminate, as far as possible, any surplus or deficit by the cessation date.

Whether or not an interim contribution adjustment has been initiated once participation in the Fund has ceased, the employer becomes an exiting employer under the Regulations and the Fund is then required to obtain an actuarial valuation of that employer's liabilities in respect of benefits of the exiting employer's current and former employees along with a revision of the rates and adjustment certificate showing any contributions due from the admission body.

When an employer exits the Fund the Regulations give power to the Fund to set a repayment plan to recover the outstanding debt over a period at its sole discretion and this will depend on the affordability of the repayments and financial strength of the exiting employer. Once this repayment plan is set the payments would not be reviewed for changes in the funding position due to market or demographic factors.

The Fund's policy for termination payment plans is as follows:

- The default position is for exit payments and exit credits to be paid immediately in full unless there is a risk sharing arrangement in place with a separate guarantor in the Fund. In these cases the default position is no exit credit will be paid as default unless representation is made by the parties to the contrary.
- At the discretion of the administering authority, instalment plans over a defined period will only be agreed when there are issues of affordability that risk the financial viability of the organisation and the ability of the Fund to recover the debt.
- Any costs associated with the exit valuation will be paid by the employer by either increasing the exit payment or reducing the exit credit by the appropriate amount. In the case of an employer where the exit debt/credit is the responsibility of the original employer through a

risk sharing agreement the costs will be charged directly to the employer unless the original employer directs otherwise.

In the event that unfunded liabilities arise that cannot be recovered from the exiting employer, these will normally fall to be met by the Fund as a whole (i.e. all employers) unless there is a guarantor or successor body within the Fund.

BASIS OF TERMINATION

Whilst reserving the right to consider the options on a case by case basis, the Fund's general policy is that a termination assessment will be made based on a more cautious "minimum risk" funding basis, unless a Transferor Body (e.g. guaranteeing employer within the Fund) exists to take over the admission body's liabilities (including those for former employees). This is to protect the other employers in the Fund as, at termination, the admitted body's liabilities will become "orphan liabilities" within the Fund, and there will be no recourse to the admission body if a shortfall emerges in the future (after the admission has terminated).

Under the "minimum risk" basis of termination the discount rate assumption used will be derived to be consistent with a lower risk investment strategy linked to low risk income generating assets such as bonds. At the 2019 valuation date the discount rate adopted would have been 1.5% per annum. The "minimum risk" assumptions will be updated on a case-by-case basis, with reference to prevailing market conditions at the relevant employing body's cessation date. This is subject to the financial assumptions used being no less cautious than the equivalent valuation assumptions updated appropriately based on the advice of the actuary.

In addition to using a more cautious discount rate, the Actuary will also use a more cautious mortality assumption when assessing the size of the liabilities for termination purposes. In particular, the Actuary will assume a higher improvement rate for future improvements to life expectancy than is used for ongoing funding purposes. Where it is appropriate to apply a more cautious assumption the Actuary will assume that the accelerated trend in longevity seen in recent years will continue in the longer term and as such, the assumption will build in a minimum level of longevity 'improvement' year on year in the future in line with the CMI projections subject to a minimum rate of improvement of 2% per annum for males and females, compared to 1.75% per annum used in the 2019 valuation for ongoing funding and contribution purposes. This assumption will be reviewed from time to time to allow for any material changes in life expectancy trends and will be formally reassessed at the next valuation.

In addition, since the valuation date, it has been announced that RPI inflation is likely to be reformed with the reform potentially meaning the index is closer to the CPIH inflation measure. This would need to be reflected when deriving an updated market estimate of CPI inflation. For example when assessing a termination position (at February 2020) we will adjust the market RPI inflation to arrive at the CPI inflation assumption by deducting 0.7% per annum as opposed to the 1.0% per annum at the valuation date when assessing an employer's termination position. This adjustment will be kept under review as more details emerge on the reform of RPI.

If a Transferor Body exists to take over the admission body's liabilities, the Fund's policy is that the most recent valuation funding basis will be used for the termination assessment updated for market yields and inflation applying at the termination date. The Transferor Body will then, following any termination payment made, subsume the assets and liabilities of the admission body within the Fund (sometimes known as the "novation" of the admission agreement). This will include the novation to the Transferor Body of any funding deficit (or surplus) on closure, which the Authority has been unable to resolve with the exiting employer or its insurer, indemnifier or bondsman.

Subject to sufficient financial covenant and at the sole discretion of the Administering Authority an employer may continue to participate in the Fund with no contributing members under the Deferred Debt arrangement, should the relevant regulations be changed as discussed in the earlier sections above

IMPLEMENTATION

The policy for employers who have a guarantor participating in the Fund:

The residual assets and liabilities and hence any surplus or deficit will transfer back to the guarantor as a default policy. The interested parties will need to consider any separate contractual agreements that have been put in place between the exiting employer and the guarantor. In some instances an exit credit or debt may be payable by an employer before the assets and liabilities are subsumed by the guarantor, this will be considered on a case-by-case basis.

If there is any dispute, then the following arrangements will apply:

- In the case of a surplus, in line with the amending Regulations (The Local Government Pension Scheme (Amendment) Regulations 2020) the parties will need to make formal representations to the Administering Authority if they believe an Exit Credit should be paid outside the policy set out above, or if they dispute the determination of the Administering Authority. The Fund will notify the parties of the information required to make the determination on request.
- If the Fund determines an Exit Credit is payable then they will pay this directly to the exiting employer within 6 months of completion of the cessation assessment by the Actuary.
- In the case of a deficit, in order to maintain a consistent approach, the Fund will seek to recover this from the exiting employer in the first instance although if this is not possible then the deficit will be recovered from the guarantor either as a further contribution collection or at the next valuation.

In some instances, the outgoing employer may only be responsible for part of the residual deficit or surplus as per the separate risk sharing agreement. The default is that any surplus would be retained by the Fund in favour of the outsourcing employer/guarantor unless representation is made by the relevant parties in line with the Regulations (as noted above). For the avoidance of doubt, where the outgoing employer is not responsible for any costs under a risk sharing agreement then no exit credit will be paid as per the Regulations, provided that the Fund is aware of the provisions of the risk sharing agreement in any representation made

The Fund will inform the guarantor of the exiting employer's request to receive the surplus before making payment of the exit credit. However, the Fund will not become embroiled in any disagreement over the refund of any surplus which is contrary to commercial agreements.

Ultimately the Fund will have to comply with the Regulations and therefore pay any exit credit should this be deemed appropriate once representations have been made. It is then up to the guarantor to contest the surplus payment citing the commercial contract in place and the desire for equal treatment in the event of a deficit.

The Government has confirmed that a remedy is required for the LGPS in relation to the McCloud judgment, however the final remedy is not known. Where a surplus or deficit is being subsumed, no allowance will be made for McCloud within the calculations. However, if a representation is made to the Administering Authority then a reasonable estimate for the potential cost of McCloud will need to be included. This will be calculated in line with the treatment set out in this Funding Strategy Statement for all members of the outgoing employer. For the avoidance of doubt, there will be no recourse for an employer with regard to McCloud, once the final termination has been settled and payments have been made. Once the remedy is known, any calculations will be performed in line with the prevailing regulations and guidance in force at the time.

In the event of parties unreasonably seeking to crystalise the exit credit on termination unreasonably the Fund will consider its overall policy and seek to recover termination deficits as opposed to allowing them to be subsumed with no impact on contribution requirements until the next assessment of the contribution requirements for the guarantor. Equally where a guarantor decides not to underwrite the residual liabilities then the basis on termination the basis of assessment will assume the liabilities are orphaned and the minimum risk basis of termination will apply.

As the guarantor will absorb the residual assets and liabilities under the default policy above, it is the view of the Actuary that the ongoing valuation basis described above should be adopted for the termination calculations. This is the way the initial admission agreement would typically be structured i.e. the admission would be fully funded based on liabilities assessed on the valuation basis.

If the guarantor refuses to take responsibility, then the residual deferred pensioner and pensioner liabilities should be assessed on the more cautious minimum risk basis. In this situation the size of the termination payment would also depend on what happened to the active members and if they all transferred back to the original Scheme Employer (or elsewhere) and aggregated their previous benefits. As the transfer would normally be effected on a "fully funded" valuation basis the termination payment required would vary depending on the circumstances of the case. Where this occurs the exiting employer would then be treated as if it had no guarantor as per the policy below.

The Administering Authority also reserves the right to modify this approach on a case by case basis at its sole discretion if circumstances warrant it based on the advice of the Actuary, based on representations from the interested parties where appropriate.

NON CONTRACT BASED ADMISSION BODIES WITH A GUARANTOR IN THE FUND

The approach for these will be the same as that above and will depend on whether the guarantor is prepared to accept responsibility for residual liabilities. Indeed, it may be that Fund is prepared to accept that no actual termination payment is needed (even if one is calculated) and that all assets/liabilities can simply be absorbed by the guarantor.

The policy for employers who do not have a guarantor participating in the Fund:

In the case of a surplus, the Fund pays the exit credit to the exiting employer following completion of the termination process (within 6 months of completion of the cessation by the Actuary). This is subject to the exiting employer providing sufficient notice to the Fund of their intent to exit; any delays in notification will impact on the payment date.

In the case of a deficit, the Fund would require the exiting employer to pay the termination deficit to the Fund as an immediate lump sum cash payment (unless agreed otherwise by the Administering Authority at their sole discretion) following completion of the termination process.

The Administering Authority also reserves the right to modify this approach on a case by case basis at its sole discretion if circumstances warrant it based on the advice of the Actuary.

Where an employer with no guarantor leaves the Fund and leaves liabilities with the Fund, which the Fund must meet without recourse to that employer, the valuation of the termination payment, will be calculated using a discount rate based on the minimum risk basis of termination.

The Government has confirmed that a remedy is required for the LGPS in relation to the McCloud judgment, however the final remedy is not known. Where a surplus or deficit is being subsumed, no allowance will be made for McCloud within the calculations. However, if a representation is made to the Administering Authority then a reasonable estimate for the potential cost of McCloud will need to be included. This will be calculated in line with the treatment set out in this Funding Strategy Statement for all members of the outgoing employer. For the avoidance of doubt, there will be no recourse for an employer with regard to McCloud, once the final termination has been settled and payments have been made. Once the remedy is known, any calculations will be performed in line with the prevailing regulations and guidance in force at the time

EMPLOYERS THAT JOINED VIA THE 'DEEMED EMPLOYER' ROUTE

Should the "Deemed Employer" route be made available following a change to the Regulations, in the event of cessation, the assets and liabilities will remain with the outsourcing scheme employer and no termination assessment or payment will be required.

CONNECTED ENTITIES

In the event of cessation, the connected entity will be required to meet any outstanding liabilities valued in line with the approach outlined above. In the event there is a shortfall, the assets and liabilities will revert to the Fund as a whole (i.e. all current active employers).

In the event that a scheme employer provides a guarantee for their connected entity, the assets and liabilities will revert in totality to that scheme employer on termination, including any unrecovered deficit.

RELEVANT REGULATIONS WITHIN THE LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013 (AS AMENDED BY THE LOCAL GOVERNMENT PENSION SCHEME (AMENDMENT) REGULATIONS 2018)

Regulation 64 sets out special circumstances where revised actuarial valuations and certificates must be obtained including Regulation 64 (2) where an admission agreement ceases to have effect, the Administering Authority who made it must obtain –

• an actuarial valuation as at the date it ceases the liabilities in respect of current and former employees of the admission body which is a party to that admission agreement ("the outgoing admission body"),

• a revision of any rates and adjustments certificate for any Pension Fund which is affected, showing the exit payment due from the exiting body or exit credit payable to the exiting body. Where it is not possible for any reason to obtain revised contributions from the exiting body, or from an insurer or any person providing an indemnity or bond on behalf of the body, the Administering Authority may obtain a further revision of any rates and adjustment certificate for the Pension Fund, showing –

a) in the case where the exiting body falls within paragraph 1(d) of Part 3 of Schedule 2 the revised contributions due from the body which is the related employer in relation to that admission body, and

b) in any other case, the revised contributions due from each employing authority who contributes to the fund.

If the Administering Authority becomes aware or is of the opinion of a Scheme employer becoming an exiting employer, Regulation 64 (4) provides that it may obtain from an actuary a certificate specifying, in the case of an admission body, the percentage or amount by which, in the actuary's opinion -

- • the contribution at the primary rate should be adjusted, or
- • any prior secondary rate adjusted should be increased or reduced, with a view to providing that assets equivalent to the exit payment that will fall due from the Scheme employer are provided to the fund by the likely exit date or, where the Scheme employer is unable to meet the liability by that date, over such period of time thereafter as the administering authority considers reasonable.

APPENDIX D - ACADEMIES / MULTI-ACADEMY TRUSTS

ACADEMY CONVERSIONS AND DEFICIT TRANSFERS

The Fund's policy regarding the treatment of schools when converting to academy status is for the new academy to inherit the school's share of the historic local authority deficit prior to its conversion. This is in accordance with the Department for Education (DfE) guidance issued when the Academy conversion programme was extended to cover all schools.

Therefore, the transferring deficit is calculated as the capitalised amount of deficit funding contributions (based on the local authority deficit recovery period) the school would have made to the Fund had it not converted to academy status. This deficit amount is subject to a limit to ensure that the minimum asset share of the new academy is nil.

If the contribution rate for a local authority does not include any allowance for deficit funding contributions at the point at which a school converts to academy status, then no deficit will be allocated to the academy at the point of conversion.

MULTI ACADEMY TRUSTS

Multi Academy Trusts (MATS) are groups of Academies managed and operated by one proprietor. The employer of non-teaching staff in Academies is the proprietor of the Academy Trust and not the individual Academy within the Trust. It is therefore the proprietor who is the employer for LGPS purposes making the MAT legally responsible for staff across all schools in the pool.

Within a MAT all Academies are governed by one Trust and a Board of Directors. The MAT holds ultimate responsibility for all decisions regarding the running of the individual Academies, however, the governing bodies of the individual academies remain in place and the MAT will need to decide the extent to which it delegates functions to these governing bodies to enable more focused local control.

Multi-Academy Trusts are set up to cover a number of academies across England. The employees of the former schools can be employed directly by the Trust so they can be deployed across different academy schools in the Trust if necessary.

In cases where numerous academies which participate in the Fund are in the same Multi-Academy Trust, the Fund's default position is that the combined funding position and average contribution requirements will apply (unless the Multi-Academy Trust requests separate contribution rates). Notwithstanding this, the Fund will continue to track the constituent academies separately on an approximate basis, in the interests of transparency and clarity around entry and exit of individual academies to the Trust in future.

APPROACH TO SETTING CONTRIBUTION RATES

The South Yorkshire Pension Fund must have a separate employer number for each academy for transparency of cashflows, managing risks should an academy need to leave one Trust for another and for accounting reporting where disaggregated disclosure reports are required. It should also be noted that, at the present time, the Department for Education (DfE) have confirmed that guarantee relates to individual academies and MATs.

As commented above, unless requested otherwise by the MAT, the Fund's policy is that the actuary will certify a common primary rate for all the academies within the MAT bearing in mind that the risks of under and over payments will be shared by all academies in the MAT pool. The Fund has requested confirmation from the DfE that the guarantee extends to MATs. In the event that MATs are not guaranteed, the Fund will review any option for MATs to have a common primary rate.

The past service deficit will still be assessed at an individual academy level so that it only relates to the staff of the respective academy. The ceding local authority requires a corresponding adjustment for the share of the deficit that transfers on conversion therefore individual academy figures will be required. In line with the approach adopted for the Primary Rate, the Fund's policy is that the actuary will certify a combined secondary rate for all academies within the MAT unless requested otherwise by the MAT.

Any new academies joining an existing MAT pool in the South Yorkshire Pension Fund can contribute at the employer contribution rate already established for the MAT but an actuarial assessment will still need to be carried out to determine the deficit applicable to the transferring staff and thus the additional secondary rate contributions payable.

For any academies who exit a MAT pool during the inter-valuation cycle, the MATs secondary rate contributions will be adjusted at the point of exit, based on the outcomes for the exiting academy at the most recent actuarial valuation.

OUTSOURCINGS BY MULTI ACADEMY TRUSTS

The South Yorkshire Pension Fund's current policy is in accordance with the regulations requiring a separate admission agreement in respect of separate contracts.

Under **Schedule 2, Part 3, paragraph 5. of the 2013 Regulations**, if the admission body is exercising the functions of the Scheme employer in connection with more than one contract or other arrangement under paragraph 1(d)(i), the administering authority and the admission body shall enter into a separate admission agreement in respect of each contract or arrangement.

The Fund will need to have sight of the contract in order to satisfy the regulatory requirement that the Admission Agreement covers one contract. The Admission Agreement will need to have provision for adding future employees should any academies join the MAT subsequent to the commencement date.

The Scheme employer, the Multi Academy Trust in this instance, needs to be a party to any admission agreement and, as such, is the ultimate guarantor. In the event of contractor failure, the LGPS regulations provide that the outstanding liabilities assessed by the Fund's actuary can be called from the Scheme employer i.e. the Multi Academy Trust.

If academies are to comply with "new" Fair Deal guidance, employees carrying out a service on behalf of the Academies must be allowed continued access to the LGPS. This can be achieved by entering into an Admission Agreement with the Administering Authority, Multi Academy Trust and the contractor (admitted body).

At every triennial valuation the actuary reviews the funding level of the admitted body and adjusts its employer contribution rate as required. Once either the service contract comes to an end or all the LGPS members have left, the admission agreement terminates and, in accordance with Fund policy, the Fund will commission a cessation valuation in all cases from the Fund actuary to recovery any outstanding deficit unless instructed otherwise by the Trust. The Trust will then become responsible for the assets and liabilities standing to the account of the admitted body.

APPENDIX E – COVENANT ASSESSMENT AND MONITORING POLICY

An employer's covenant underpins its legal obligation and ability to meet its financial responsibilities now and in the future. The strength of covenant depends upon the robustness of the legal agreements in place and the likelihood that the employer can meet them. The covenant effectively underwrites the risks to which the Fund is exposed, including underfunding, longevity, investment and market forces.

An assessment of employer covenant focuses on determining the following:

> Type of body and its origins
> Nature and enforceability of legal agreements
> Whether there is a bond in place and the level of the bond
> Whether a more accelerated recovery plan should be enforced
> Whether there is an option to call in contingent assets
> Is there a need for monitoring of ongoing and termination funding ahead of the next actuarial valuation?

The strength of employer covenant can be subject to substantial variation over relatively short periods of time and, as such, regular monitoring and assessment is vital.

RISK CRITERIA

The assessment criteria upon which an employer should be reviewed could include:

- Nature and prospects of the employer's industry
- Employer's competitive position and relative size
- Management ability and track record
- Financial policy of the employer
- Profitability, cashflow and financial flexibility
- Employer's credit rating
- Position of the economy as a whole

Not all of the above would be applicable to assessing employer risk within the Fund; rather a proportionate approach to consideration of the above criteria would be made, with further consideration given to the following:

- The scale of obligations to the pension scheme relative to the size of the employer's operating cashflow
- The relative priority placed on the pension scheme compared to corporate finances

- An estimate of the amount, which might be available to the scheme on insolvency of the employer as well as the likelihood of that eventuality.

ASSESSING EMPLOYER COVENANT

The employer covenant will be assessed objectively and its ability to meet their obligations will be viewed in the context of the Fund's exposure to risk and volatility based on publically available information and/or information provided by the employer. The monitoring of covenant strength along with the funding position (including on the termination basis) enables the Fund to anticipate and pre-empt employer funding issues and thus adopt a proactive approach. In order to objectively monitor the strength of an employer's covenant, adjacent to the risk posed to the Fund, a number of fundamental financial metrics will be reviewed to develop an overview of the employer's stability and a rating score will be applied using a Red/Amber/Greed (RAG) rating structure.

In order to accurately monitor employer covenant, it will be necessary for research to be carried out into employers' backgrounds and, in addition, for those employers to be contacted to gather as much information as possible. Focus will be placed on the regular monitoring of employers with a proactive rather than reactive view to mitigating risk.

The covenant assessment will be combined with the funding position to derive an overall risk score. Action will be taken if these metrics meet certain triggers based on funding level, covenant rating and the overall risk score

FREQUENCY OF MONITORING

The funding position and contribution rate for each employer participating in the Fund will be reviewed as a matter of course with each triennial actuarial valuation. However, it is important that the relative financial strength of employers is reviewed regularly to allow for a thorough assessment of the financial metrics. The funding position will be monitored (including on the termination basis) using an online system provided to officers by the Fund Actuary.

Employers subject to a more detailed review, where a risk criterion is triggered, will be reviewed at least every six months, but more realistically with a quarterly focus.

COVENANT RISK MANAGEMENT

The focus of the Fund's risk management is the identification and treatment of the risks and it will be a continuous and evolving process which runs throughout the Fund's strategy. Mechanisms that will be explored with certain employers, as necessary, will include but are not limited to the following:

1. Parental Guarantee and/or Indemnifying Bond.
2. Transfer to a more prudent actuarial basis (e.g. the termination basis).
3. Shortened recovery periods and increased cash contributions.
4. Managed exit strategies and bespoke investment strategies in the run up to exit.
5. Contingent assets and/or other security such as escrow accounts.

APPENDIX F – ILL-HEALTH CAPTIVE INSURANCE ARRANGEMENT

OVERVIEW

With effect from 1 October 2014, for certain employers in the Fund, following discussions with the Fund Actuary and after considering potential alternative insurance arrangements, a captive insurance arrangement was established by the administering authority to cover ill-health retirement costs.

The captive arrangement operates as follows:

- “Premiums” are paid by the eligible employers into a captive fund which is tracked separately by the Fund Actuary in the valuation calculations.
- The captive fund is then used to meet strain costs emerging from ill-health retirements i.e. there is no impact on funding position for employers within the captive
- Any shortfall in the captive fund is effectively be underwritten by all other employers within the Fund i.e. with potential for increases to their own contribution requirements at subsequent actuarial valuations to meet the shortfall. If any excess funds are built up in the Captive, some or all of those excess funds will be held in reserve to act as a contingency against future adverse experience at the discretion of the administering authority based on the advice of the actuary,
- Premiums payable subject to review from valuation to valuation depending on experience and included in employer rates.
- Over the longer-term, given the regular review of the premiums payable into the Captive fund there would be expected to be no net cost to those employers underwriting the Captive Fund in the long-term i.e. any fluctuations in their own contribution requirements arising from experience would smooth out over time.

EMPLOYERS

Those employers (both existing and new) determined by the administering authority as being eligible for the arrangement are as follows:

- Academies and former Grant Maintained Schools
- Admitted Bodies formerly known as Community Admission Bodies
- Designating / Resolution Bodies
- Transferee Admission Bodies
- Other scheduled bodies meeting certain criteria at the inception of the arrangement.
- All other bodies with less than 100 members

For all other employers who do not form part of the captive arrangement, the any costs associated with ill-health retirements will emerge as part of subsequent actuarial assessments.

The Fund and the Actuary will also monitor the number of retirements that each captive employer is granting over time. If any employer has an unusually high incidence of ill health retirements, consideration will be given to the governance around the eligibility criteria applied by the employer and it is possible that some or all of the costs would fall on that employer if the governance was not deemed strong enough.

PREMIUM REVIEW

As part of each actuarial valuation exercise (or earlier review if appropriate), the Fund Actuary will review the experience of the captive fund since the last review.

Should the premiums paid into the captive fund over the period not be sufficient to cover the ill-health retirement costs emerging, any shortfall in the fund will be allocated across all those employers within the Fund underwriting the captive. If any excess funds are built up in the Captive, some or all of those excess funds will be held in reserve to act as a contingency against future adverse experience at the discretion of the administering authority based on the advice of the actuary.

The ongoing premium payable by those employers within the captive fund will also be assessed as part of this process and will be set by the Actuary to cover the period until the next review (e.g. to the next actuarial valuation assessment). The Premiums that will be assessed will take into account the expected level of future ill-health retirements across those employers within the captive and also to reflect any adverse/favourable experience where appropriate.

APPENDIX G - GLOSSARY

Actuarial Valuation: an investigation by an actuary into the ability of the Fund to meet its liabilities. For the LGPS the Fund Actuary will assess the funding level of each participating employer and agree contribution rates with the administering authority to fund the cost of new benefits and make good any existing deficits as set out in the separate Funding Strategy Statement.

Benchmark: a measure against which fund performance is to be judged.

Best Estimate Assumption: an assumption where the outcome has a 50/50 chance of being achieved.

Bonds: loans made to an issuer (often a government or a company) which undertakes to repay the loan at an agreed later date. The term refers generically to corporate bonds or government bonds (gilts).

Career Average Revalued Earnings Scheme (CARE): with effect from 1 April 2014, benefits accrued by members in the LGPS take the form of CARE benefits. Every year members will accrue a pension benefit equivalent to 1/49th of their pensionable pay in that year. Each annual pension accrued receives inflationary increases (in line with the annual change in the Consumer Prices Index) over the period to retirement.

Corporate Bond Basis: an approach where the discount rate used to assess the liabilities is determined based on the market yields of high quality corporate bond investments (usually at least AA rated) based on the appropriate duration of the liabilities being assessed. This is usually adopted when an employer is exiting the Fund.

Contingent Assets: assets held by employers in the Fund that can be called upon by the Fund in the event of the employer not being able to cover the debt due upon termination. The terms will be set out in a separate agreement between the Fund and employer.

CPI: acronym standing for “Consumer Prices Index”. CPI is a measure of inflation with a basket of goods that is assessed on an annual basis. The reference goods and services differs from those of RPI. These goods are expected to provide lower, less volatile inflation increases. Pension increases in the LGPS are linked to the annual change in CPI.

CPIH: An alternative measure of CPI which includes owner-occupiers’ housing costs and Council Tax (which are excluded from CPI).

Deficit: the extent to which the value of the Fund’s past service liabilities exceeds the value of the Fund’s assets.

Discount Rate: the rate of interest used to convert a cash amount e.g. future benefit payments occurring in the future to a present value.

Employer Covenant: the degree to which an employer participating in an occupational pension scheme is willing and able to meet the funding requirements of the scheme.

Employer's Future Service Contribution Rate: the contribution rate payable by an employer, expressed as a % of pensionable pay, as being sufficient to meet the cost of new benefits being accrued by active members in the future. The cost will be net of employee contributions and will include an allowance for the expected level of administrative expenses.

Equities: shares in a company, which are bought and sold on a stock exchange.

Equity Protection: an insurance contract, which provides protection against, falls in equity markets. Depending on the pricing structure, this may be financed by giving up some of the upside potential in equity market gains.

Exit Credit: the amount payable from the Fund to an exiting employer where the exiting employer is determined to be in surplus at the point of cessation based on a termination assessment by the Fund Actuary.

Funding or Solvency Level: the ratio of the value of the Fund's assets and the value of the Fund's liabilities expressed as a percentage.

Funding Strategy Statement: This is a key governance document that outlines how the administering authority will manage employer's contributions to the Fund.

Solvency Funding Target: an assessment of the present value of benefits to be paid in the future. The desired funding target is to achieve a solvency level of a 100% i.e. assets equal to the past service liabilities assessed on the ongoing concern basis.

Government Actuary's Department (GAD): the GAD is responsible for providing actuarial advice to public sector clients. GAD is a non-ministerial department of HM Treasury.

Ill-Health Captive: this is a notional fund designed to immunise certain employers against excessive ill-health costs in return for an agreed insurance premium.

Investment Strategy: the long-term distribution of assets among various asset classes that takes into account the Funds objectives and attitude to risk.

Past Service Liabilities: this is the present value of the benefits accrued by members up to the valuation date. It is assessed based on a set of assumptions agreed between the Administering Authority and the Actuary.

Percentiles: relative ranking (in hundredths) of a particular range. For example, in terms of expected returns a percentile ranking of 75 indicates that in 25% of cases, the return achieved would be greater than the figure, and in 75% of cases, the return would be lower.

Prepayment: the payment by employers of contributions to the Fund earlier than that certified by the Actuary. The amount paid will be reduced compared to the certified amount to reflect the early payment.

Present Value: the value of projected benefit payments, discounted back to the valuation date.

Prudent Assumption: an assumption where the outcome has a greater than 50/50 chance of being achieved i.e. the outcome is more likely to be overstated than understated. Legislation requires the assumptions adopted for an actuarial valuation to be prudent.

Real Return or Real Discount Rate: a rate of return or discount rate net of CPI inflation.

Recovery Plan: a strategy by which an employer will make up a funding deficit over a specified period of time ("the recovery period", as set out in the Funding Strategy Statement.

Section 13 Valuation: in accordance with Section 13 of the Public Service Pensions Act 2014, the Government Actuary's Department (GAD) have been commissioned to advise the Department for Communities and Local Government (DCLG) in connection with reviewing the 2019 LGPS actuarial valuations. All LGPS Funds therefore will be assessed on a standardised set of assumptions as part of this process.

50/50 Scheme: in the LGPS, active members are given the option of accruing a lower benefit in the 50/50 Scheme, in return for paying a lower level of contribution.

MERCER

Report on the actuarial valuation as at 31 March 2019

South Yorkshire Pension Fund

31 March 2020

Contents

Appendices

Introduction

This report is addressed to South Yorkshire Pensions Authority ("the Administering Authority") as the Administering Authority of the South Yorkshire Pension Fund ("the Fund") and is provided to meet the requirements of Regulation 62 of the Local Government Pension Scheme Regulations 2013 (as amended) ("the Regulations"). It describes the factors considered by the Administering Authority when carrying out the actuarial valuation as at 31 March 2019 and the decisions reached as a result.

The purpose of the actuarial valuation is for the Administering Authority to determine:

- The expected cost of providing the benefits built up by members at the valuation date (the "liabilities"), and compare this against the funds held by the Fund (the "assets").
- The contributions needed to cover the cost of the benefits that active members will build up in the future and other costs incurred in running the Fund (the 'Primary Contribution Rate').
- An appropriate plan for making up the shortfall if the Fund has less assets than liabilities. This plan will cover the amounts which will need to be paid (the 'Secondary Contribution Rate') and the timeframe over which they will be paid ('the Recovery Period').

Signature		
Name	Paul Middleman	Clive Lewis
Qualification	Fellow of the Institute and Faculty of Actuaries	Fellow of the Institute and Faculty of Actuaries
Date	31 March 2020	

This report uses various technical terms. These are explained in more detail in the explanatory boxes which appear throughout this report, and in the Glossary at Appendix I.

This report has been prepared in accordance with Technical Actuarial Standards TAS 100: Principles for Technical Actuarial Work and TAS 300: Pensions which are issued by the Financial Reporting Council. The calculations referred to in the report use methods and assumptions appropriate for reviewing the financial position of the Fund and determining a contribution rate for the future. Mercer does not accept liability to any third party in respect of this report; nor do we accept liability to the Administering Authority if the information provided in this report is used for any purpose other than that stated. The report may be disclosed to members and others who have a statutory right to see it. It may also be disclosed to any participating employer and, if the Administering Authority and Mercer consent, it may be disclosed to other third parties.

1 Funding Strategy – Key Elements

Fundamental to the valuation results is the funding strategy adopted by the Fund. This funding strategy is set out in a specific document (the Funding Strategy Statement or FSS for short) which is one of the Administering Authority's key governance documents for the Fund. In essence, the FSS sets out an overview of the approach to be used for the actuarial valuation. Amongst other things it outlines the assumptions, both economic and demographic, to be used in calculating the value of the liabilities built up, the contributions required to correct any funding shortfall or surplus, and the contribution rate required to fund the benefits for future service. It also sets out the strategy for making good any funding shortfall, in particular how any shortfall is expected to be financed in terms of the balance between future contributions and future investment returns, and the period over which any surplus or shortfall is expected to be recovered.

> The FSS is the Administering Authority's key governance document in relation to the actuarial valuation. It sets out the funding policies adopted, the actuarial assumptions used, and the timescales over which deficits will be paid off. Employers are consulted about the FSS as part of the actuarial valuation process.

The principal elements of the funding strategy adopted for this actuarial valuation are as follows:

- The McCloud judgment (see Appendix D for details) – the Solvency Funding Position and Primary Contribution Rate set out in Section 2 of this report do not include an allowance in relation to the potential cost of the McCloud judgment. However, an estimate of the effect of the judgment for the whole Fund is shown at the end of that section. Each employer has been notified of a reasonable estimate of the potential cost of the judgment and given the option to pay additional contributions over 2020/23 in respect of this, which would not be reviewed until the next actuarial valuation unless this is a requirement of the final, remedy process. Once the final remedy for McCloud is known, employers who did not make an allowance in their rates will be notified of the costs and any additional payments required.

> The "McCloud judgment" refers to a legal challenge in relation to historic benefit changes for all public sector schemes being age discriminatory. The Government announced in 2019 that this needs to be remedied for all schemes including the LGPS. This is likely to result in increased costs for some employers. This remedy is not yet agreed but guidance issued requires that the each Fund sets out its policy on addressing the implications.

- Assumed rate of future long term average CPI inflation – 2.4% p.a., based on the yields available on gilts and index-linked gilts of appropriate duration less an adjustment of 1% p.a. to allow for the difference between market-implied future RPI and estimated future CPI inflation.
- Real investment returns over and above CPI for past service – 1.50% p.a., based on the anticipated real returns achievable on the Fund's expected long-term investment strategy with a suitable margin for prudence.
- Real investment returns over and above CPI for future service – 2.35% p.a., based on the anticipated real returns achievable on future invested contributions.

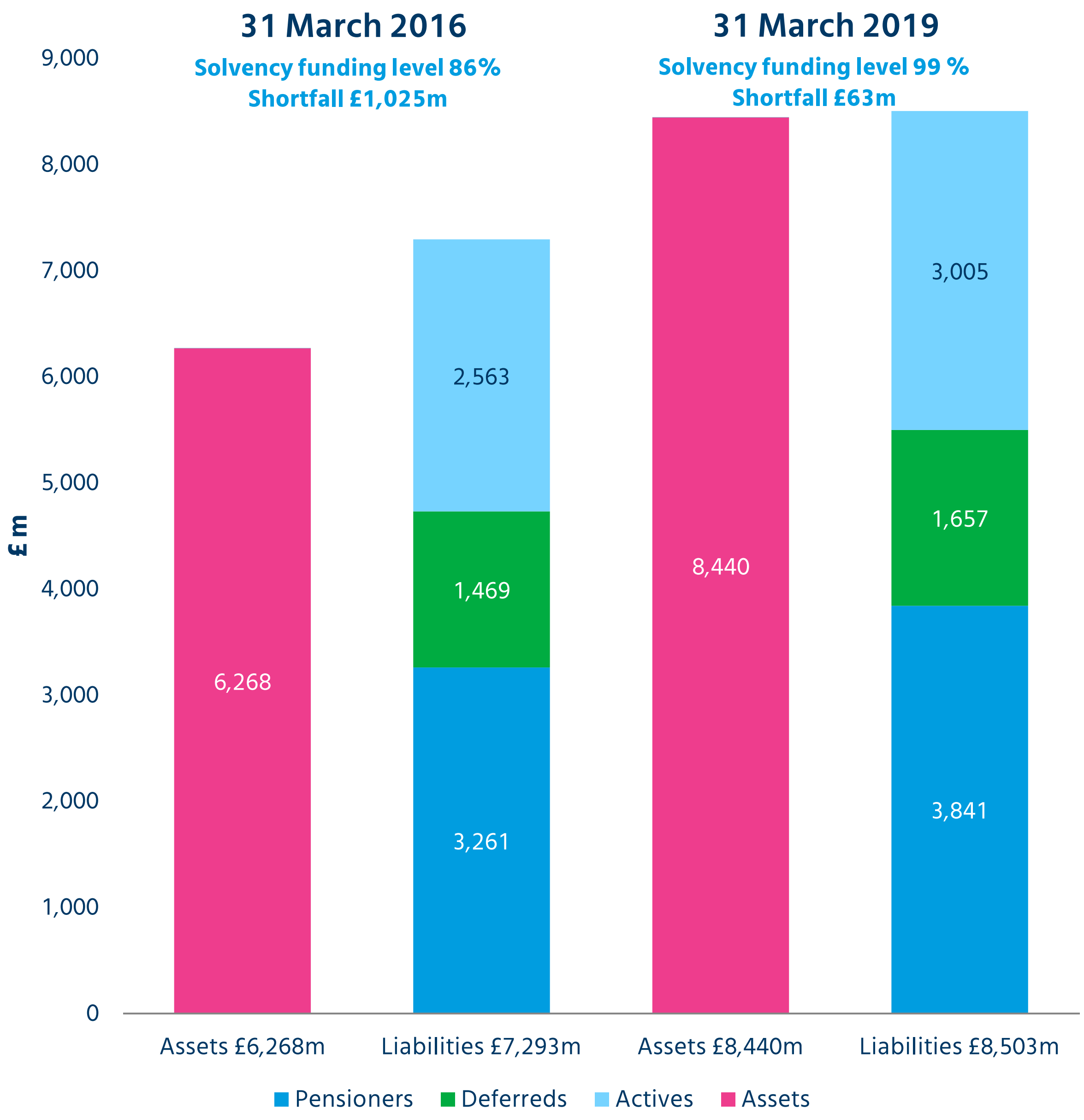
- Future pay growth – 3% p.a. over the 4 years to April 2023, taking into account the government's policy on pay restraint in the public sector, and then 1.25% p.a. over and above CPI in the longer term.
- Baseline life expectancy based on a scheme-specific mortality study.
- Future mortality improvements based on the CMI 2018 model with a long-term improvement trend of 1.75% p.a.
- An average recovery period of 15 years for correcting any imbalance between the existing assets and past service liabilities. The FSS sets out the circumstances in which this might vary from one employer to another.

2

Key results of the funding assessment

Solvency funding position

The table below compares the assets and liabilities of the Fund at 31 March 2019. Figures are also shown for the last valuation as at 31 March 2016 for comparison.



The chart shows that **at 31 March 2019 there was a shortfall of £63m** against the Fund's solvency funding target. An alternative way of expressing the position is that **the Fund's assets were sufficient to cover 99% of its liabilities** – this percentage is known as the solvency funding level of the Fund.

At the previous valuation at 31 March 2016 the shortfall was £1,025m, equivalent to a solvency funding level of 86%. The key reasons for the changes between the two valuations are considered in Section 4.

The liability value at 31 March 2019 shown in the table above is known as the Fund's "solvency funding target". The solvency funding target is calculated using assumptions that the Administering Authority has determined are appropriate having consulted with the actuary, and are also set out in the FSS.

The LGPS Regulations require the contributions to be set so as to secure the Fund's solvency and long-term cost efficiency. In this context solvency means being able to meet the liabilities as and when they arise, with long-term cost efficiency meaning that contribution levels should not be set so as to give rise to additional costs at a later date. In practice, contribution levels have been set so as to target a solvency funding level of 100%, based on the funding parameters outlined in Section 2 above.

Further details of the way in which the solvency funding target has been calculated are set out in Appendix A.

Primary Contribution Rate

The valuation looks at the normal employer contribution rate required to cover the cost of the benefits (including death benefits and expenses) that will be built up over the year after the valuation date (the "Primary Contribution Rate"). A summary of the assumptions used is provided in Appendix A.

The "Primary rate" of the employers' contribution is the contribution rate required to meet the cost of the future accrual of benefits including ancillary, death in service and ill health benefits together with administration costs.

The table below gives a breakdown of the Primary Contribution Rate at 31 March 2019 and also shows the corresponding rate at 31 March 2016 for comparison. In calculating the average Primary Contribution Rate we have not made any allowance for future members to opt for the 50:50 scheme

Active members pay contributions to the Fund as a condition of membership in line with the rates required under the governing Regulations (see Appendix D).

	% of Pensionable Pay	
PRIMARY CONTRIBUTION RATE	**31 March 2019**	**31 March 2016**
Normal Contribution rate for retirement and death benefits	22.0	21.0
Allowance for administrative expenses	0.5	0.4
Total normal contribution rate	22.5	21.4
Average member contribution rate	6.4	6.4
Primary contribution rate*	16.1	15.0

** In line with updated CIPFA guidance, the 2019 Primary Contribution Rate is the weighted average of the individual employer Primary Contribution Rates as derived based on their individual circumstances (e.g. whether or not they are closed to new entrants).*

Correcting the imbalance – Secondary Contribution Rate

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus it is usually appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the recovery plan in respect of each employer. At this actuarial valuation the average recovery period adopted is 15 years, and the total initial recovery payment (the "Secondary rate" for 2020/21) is an addition of approximately £20.0m plus 0.7% of pensionable pay (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), including the estimated costs in relation to the McCloud judgment and prepayments where appropriate.

> The "Secondary rate" of an individual employer's contribution is an adjustment to the Primary Contribution Rate to reflect any past service deficit or surplus, to arrive at the rate the employers are required to pay.

The Secondary rate for 2020/21 quoted above does not include any allowance for the advance payment of deficit contributions by Sheffield City Council and Borders to Coast Pension Partnership prior to 31 March 2020 (totaling £3.7m).

The McCloud Judgment

As described in Section 1 of this report, the **Solvency Funding Position and Primary Contribution Rate** figures do **not** include an allowance for the estimated cost of the McCloud judgment. However, at the overall Fund level we estimate that the cost of the judgment could be an increase in past service liabilities of broadly £74 million and an increase in the Primary Contribution rate of 0.7% of Pensionable Pay per annum.

> The "McCloud judgment" refers to a legal challenge in relation to historic benefit changes for all public sector schemes being age discriminatory. The Government announced in 2019 that this needs to be remedied for all schemes including the LGPS. This is likely to result in increased costs for some employers. This remedy is not yet agreed but guidance issued requires that each Fund sets out its policy on addressing the implications.

To the extent that employers have opted to pay additional contributions over 2020/23 in relation to the McCloud judgment, these emerge in the **Secondary Contribution Rate figures** quoted above.

Overall, based on the decisions taken by employers, it is expected that an additional £38.4m will be paid into the Fund over 2020/23 as a provision in relation to the potential costs emerging from the McCloud judgment. This represents 97% of the total £39.7m calculated across all employers. It also represents approximately 8% of the total contributions (Primary and Secondary Rate) payable over 2020/23.

3

Experience since last valuation

Summary of key inter-valuation experience

The last actuarial valuation was carried out with an effective date of 31 March 2016. With effect from 1 April 2014 the scheme's benefit structure changed from a Final Salary Scheme to a Career Average Revalued Earnings (CARE) Scheme, and the 2016 actuarial valuation took these changes into account.

The average Pensionable Salary increase for the Fund members who were in service for the whole of the inter-valuation period was 3.2% per annum.

Pensions in payment (in excess of Guaranteed Minimum Pensions (GMPs) were increased as guaranteed under the Fund as follows:

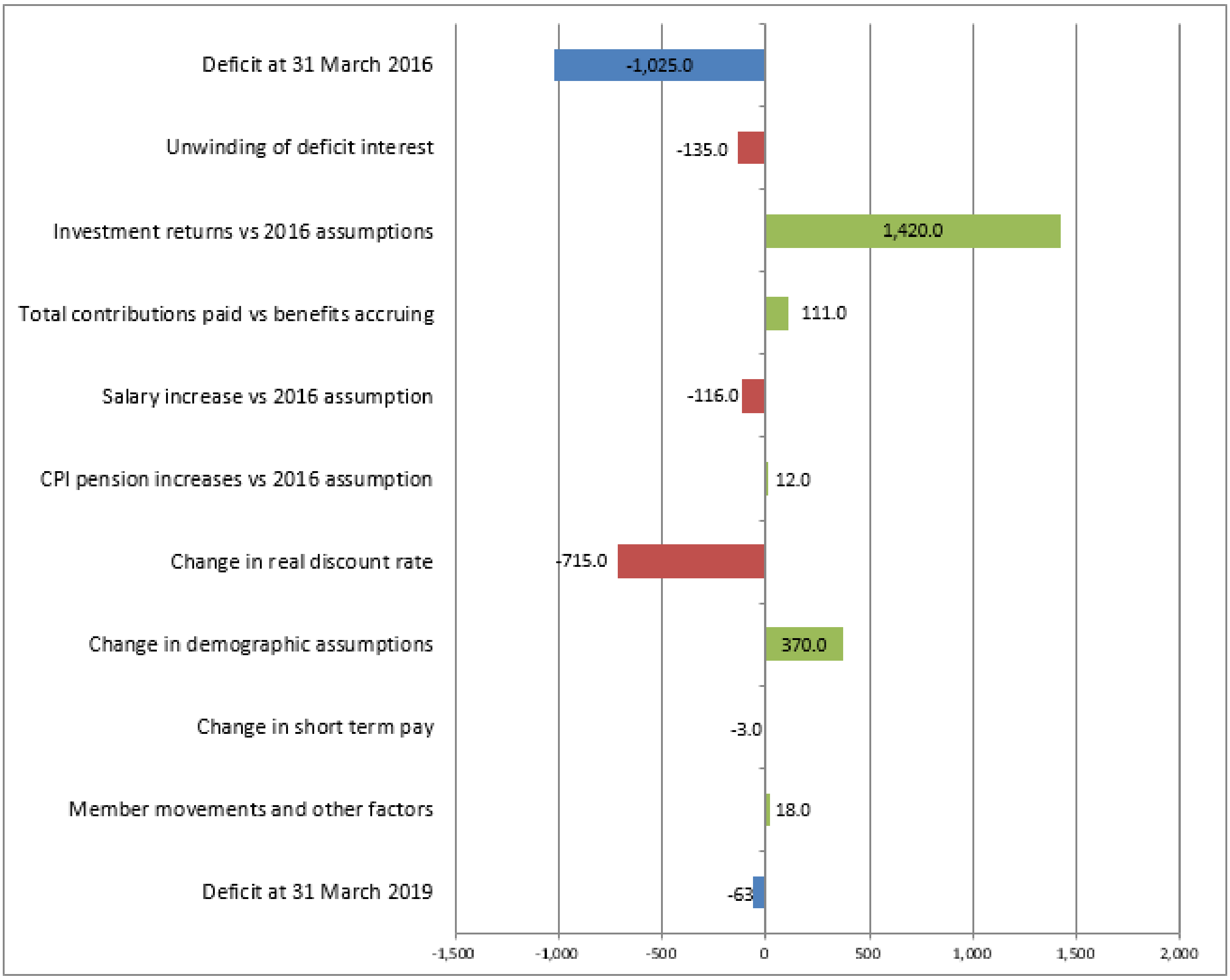
- April 2017 1.0%
- April 2018 3.0%
- April 2019 2.4%

The outcomes from the valuation are determined both by the assumptions adopted for the future, and the Fund's historic experience relative to assumptions made in the past. In this section we consider the effect of the Fund's experience over the last three years.

Over the inter-valuation period, benefit inflation has averaged 2.1% p.a. Over the three years to 31 March 2019 the gross investment return on the Fund's assets has averaged 10.7% per annum, meaning that the average real return over CPI inflation has been about 8.4% p.a.

Reasons for the change in funding position since the last actuarial valuation

The shortfall at the last valuation date was £1,025m. The chart below sets out the main reasons for the change in the shortfall between 31 March 2016 and 31 March 2019 (figures shown in £m).



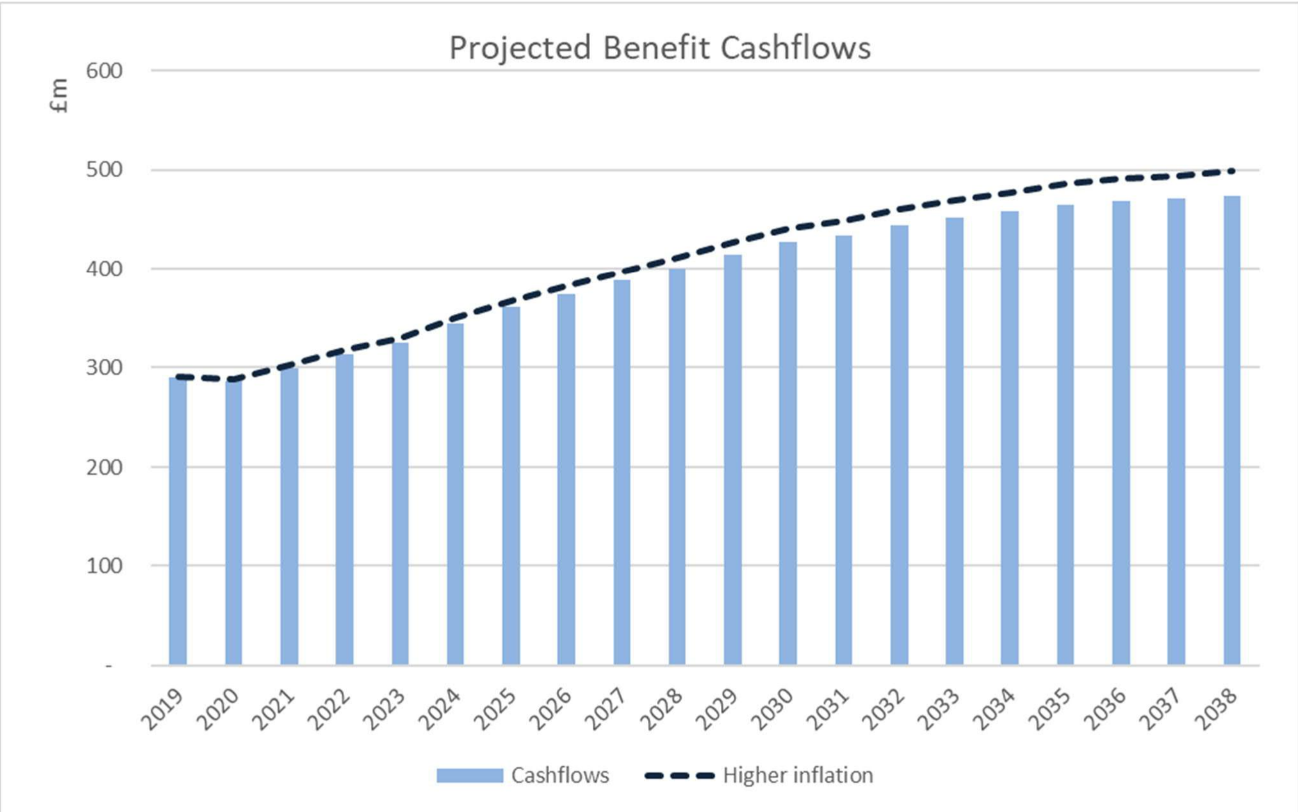
4

Cash flows, risks and alternative funding positions

Benefit cash flows

The projected benefit cash flows which result from applying the assumptions as set out in Section 2 are shown in the chart below. The additional trendline sets out how those total projected benefit cash flows would change if we were to assume inflation of 0.25% p.a. higher than the assumption of 2.4% p.a. used for the actuarial valuation. Over the 20 years following the valuation date, the extra benefit payments which would result from the extra 0.25% p.a. inflation assumption are projected to be £239m.

The actuarial valuation process is principally concerned with projecting all the expected benefit cash flows into the future, and then converting them into present day values by discounting them to allow for assumed future investment returns. The chart shows those projected cash flows, and also illustrates how sensitive they are to the future inflation assumption.



Projected funding position at next actuarial valuation

As part of this valuation, the Administering Authority has set an average recovery plan of approximately 15 years. The next actuarial valuation will take place with an effective date of 31 March 2022. If experience up to that date were to be in line with the assumptions made for this current actuarial valuation and contributions are paid at the agreed rates or amounts, there would be a shortfall at 31 March 2022 of £21m, equivalent to a funding level of close to 100% (prior to any potential impact of the McCloud judgment).

Material risks faced by the Fund

The Fund is subject to some potentially material risks that are, to an extent, outside the Administering Authority's control, but could affect the funding level and ultimately the employer contribution requirements. Any material worsening of the funding level will mean more contributions are needed (either at an increased rate or at the same rate over a longer period) to be able to provide the benefits built up in the Fund – unless experience acts in other ways to improve the funding level. Examples of such risks, and how the Administering Authority manages them, are:

> Funding a defined benefit pension scheme such as the LGPS which is open to new members is by its nature uncertain, and involves some level of risk. The principal funding risks are investment (e.g. whether the Fund earns the desired level of long-term real returns) and demographic (e.g. whether longevity of members is longer or shorter than anticipated). In practice, the key is whether such risks can be managed and mitigated.

- If an Employer becomes unable to pay contributions or to make good deficits in the future, the Fund's assets will be lower than expected and the funding level will be worse than expected. The Administering Authority regularly monitors the financial strength of the Employers so that actions can be taken to mitigate (but not fully remove) the risk.

- If future investment returns on assets are lower than assumed in the valuation, the Fund's assets will be lower, and the funding level worse, than expected. The Administering Authority has a process in place to monitor investment performance quarterly, and it reviews the Fund's investment strategy alongside each actuarial valuation. The Fund has also put in place a strategy of "equity protection", which offers some protection to the Fund's asset values in the event of an equity market fall.

- If improvements in life expectancy are greater than assumed, the cost of benefits will increase because members are living longer than expected. This will mean the funding level will be worse than expected. The Administering Authority regularly reviews the Fund's experience and ensures that the assumptions it makes about members' life expectancy take the most recent information available into account.

- If members make decisions about their options which increase the Fund's liabilities, the funding level will be worse than expected. An example would be if members commute less pension for cash than is being assumed. The Administering Authority reviews the Fund's experience at each valuation to ensure that their treatment of member options remains appropriate.

Impact of COVID-19

The valuation results and employer contributions shown in this report are assessed as at 31 March 2019. In March 2020 we have seen significant volatility and disruption to markets for all asset classes around the world to as a result of the uncertainty and slowdown in economic activity caused by the

COVID-19 pandemic. This potentially has far-reaching consequences in terms of funding and risk which will need to be kept under review. Our view is that it is important to take stock of the situation as opposed to make immediate decisions in what is an unprecedented set of events. The Fund has a risk management framework in place and in particular, equity protection is in place, which will may help mitigate some of the impact of these equity market falls if they persist. The level of mitigation will depend on the structure of the arrangements. Our view is that employer contributions should not be revisited but the position should be kept under review by the Administering Authority who will monitor the development of the situation and keep all stakeholders informed of any potential implications so that the outcome can be managed effectively. If necessary and subject to the regulations in place at the time it may be necessary to review contributions for some employers prior to the next scheduled valuation, particularly where there have been material changes in employer covenant.

Sensitivity of funding position to changes in key assumptions

The value placed on the Fund's liabilities is critically dependent on the assumptions used to carry out the calculations. If future experience differs from the assumptions the Administering Authority has used after consulting with the Employers, then the projected future funding level will be different from the level described above.

To illustrate how sensitive the funding level is to experience being different from assumed, the table below shows how the valuation results at 31 March 2019 would have differed given small changes in the key assumptions.

Assumption change	Reduction in surplus/increase in deficit at 31 March 2019 (£m)	Resultant surplus (deficit) at 31 March 2019 (£m)
Original solvency funding position	-	(63)
Real investment return 0.25% lower than assumed	379	(442)
Pensionable Salary growth 0.25% higher than assumed	32	(95)
Long term improvement rate in life expectancy reduced by 0.25% per annum	(64)	1
Assets fall by 25%	2,110	(2,173)

Minimum risk funding position

In assessing the value of the Fund's liabilities (the solvency funding target), allowance has been made for investment returns as described in Appendix A, taking into account the investment strategy adopted by the Fund, as set out in the Fund's Investment Strategy Statement (ISS).

It is not possible to construct a portfolio of investments which produces a stream of income exactly matching the expected liability outgo. However, it is possible to construct a portfolio which attempts closely to match the liabilities and provide a high level of certainty in future investment returns above CPI inflation. This represents a "minimum risk" investment position.

Such a portfolio would consist mainly of a mixture of long-term index-linked and fixed interest gilts. Investment of the Fund's assets in line with the minimum risk portfolio would minimise fluctuations in the Fund's minimum risk funding level between successive actuarial valuations but would result in much higher employer contributions (all other things equal).

If, at the valuation date, the Fund had been invested in this portfolio, then in carrying out the valuation it would not be appropriate to make any allowance for out-performance of the Fund investments. In this event the value of the Fund liabilities would have increased substantially, to £13,851m, and the funding level would have reduced correspondingly to 61%. If the actuarial assumptions are borne out in practice and contributions are paid in line with the Rates and Adjustment Certificate for all employers, the projected funding level on this basis at the next actuarial valuation would be slightly higher at 62% (prior to any potential impact of the McCloud judgment).

The value of the liabilities on the ongoing solvency funding target assumptions was £8,503m, which is £5,348m less than the value on the minimum risk basis. The funding plan is therefore making a prudent allowance for future investment returns of £5,348m over and above those available from the notional minimum risk investment portfolio to support the funding of member benefits along with contributions payable. This is an indication of the expected return built into the funding strategy for the Fund as a whole.

APPENDICES

Appendix A
Assumptions

How the benefits are valued

In order to calculate the liabilities, there is a need to make assumptions about various factors that affect the cost of the benefits provided by the Fund – for example, how long members will live, or the future level of inflation. The table below explains the key assumptions being made in the valuation.

Assumption	Why it is important and how it impacts on the liabilities
Discount rate	The majority of benefits in a pension fund are paid many years in the future. In the period before the benefits are paid, the Administering Authority invests the funds held by the Fund with the aim of achieving a return on those funds. When calculating how much money is needed now to make these benefit payments, it is appropriate to make allowance for the investment return that is expected to be earned on these funds. This is known as "discounting". The higher the investment return achieved, the less money needs to be set aside now to pay for benefits. The calculation reflects this by placing a lower value on the liabilities if the "discount rate" is higher.
Inflation	Pensions in payment increase in line with Consumer Price Inflation (CPI). Salary growth is also normally linked to price inflation in the long term. A higher inflation assumption will, all other things being equal, lead to a higher value being placed on the liabilities.
Pensionable Salary growth	Benefits earned prior to 1 April 2014 for active members are based on their salaries immediately before retirement, so it is necessary to make an assumption about future Pensionable Salary growth. The higher this assumption, the higher the value placed on the liabilities for active members.
Life expectancy	Pensions are paid while the member (and potentially their spouse or partner) is alive. The longer people live, the greater is the cost of providing a pension. Allowing for longer life expectancy therefore increases the liabilities.

The liabilities of the Fund are calculated by projecting forward all of the future benefit cash flows and discounting them back to the effective date of the valuation, using these assumptions. For example, the liability for a single pensioner is calculated by estimating the amount of each pension payment they will receive in the future, multiplying by the probability that the member will still be alive by the date of each payment, and then discounting each payment back to the effective date of the valuation using the appropriate discount rate, and then summing up all of these discounted amounts. The liabilities for the whole Fund are calculated by summing the liabilities for each of the individual members.

Financial assumptions used to calculate the solvency funding target

The table below summarises the key financial assumptions used in the calculation of the solvency funding target at whole Fund level and those used for the 31 March 2016 actuarial valuation. Section 1 of this report sets out how these assumptions might vary from one employer to another.

Financial assumptions	31 March 2019	31 March 2016
Discount rate	3.9 % p.a.	4.2 % p.a.
Price inflation (CPI)	2.4% p.a.	2.2% p.a.
Salary increases (short term)	3% p.a. for 4 years*	1.25% p.a. for 4 years*
Salary increases (long term)	3.65% p.a.	3.45% p.a.
Pension increases in payment:	2.4% p.a.	2.2% p.a.

* unless agreed with the Administering Authority

The key financial assumption is the expected long term investment return above CPI inflation as this is usually the principal factor which determines the long term cost to employers via their contributions. In determining this we consider first the long term real returns (i.e. returns above CPI) which the Fund's investment strategy can be expected to deliver based on market outlook at the valuation date taking into account the projected cashflow position of the Fund. This analysis then helps us recommend and agree with the Administering Authority on a suitably prudent assumption for the valuation discount rate based on the investment strategy, any risk management framework in place, and reasonably allowing for the likely changes in investment strategy as the Fund matures. In order to consider the level of prudence we look at the likelihood of the expected real return from the Fund's assets exceeding the assumption made. We measure this by considering the percentile expected return from the analysis. A return assumption higher than the 50th percentile return from the analysis can be deemed to be prudent and retain margins to provide some protection against increases in contributions at future valuations.

> Our analysis of expected future real investment returns uses a Monte Carlo simulation (stochastic) model, based on 4,000 simulations. Within the overall analysis we specify and calibrate a range of economic and asset class models. Our analysis uses an asset correlation matrix to help generate each stochastic simulation. The model includes estimates for long-term expected returns and inflation along with volatilities each asset class and inflation.

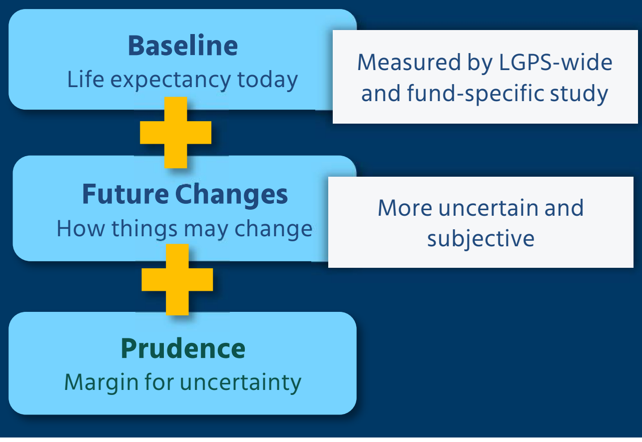
At this actuarial valuation the real discount rate which we have used is 1.5 % p.a., which is the 63rd percentile return from our analysis. At the previous valuation the real discount rate used was 2.0 % p.a., which at the time was a similar percentile return.

Demographic assumptions used

Post-retirement Mortality

There are two separate decisions on mortality assumptions:

- The baseline table for the current rates of mortality; and
- The allowance for future improvements.



Mortality (or life expectancy) tables are typically made up of three elements: a baseline table (equivalent to the expected current mortality), an allowance for future improvements, and a margin for prudence. Very few pension funds are large enough for them to be able to determine a bespoke set of baseline assumptions based purely on the fund's own membership experience. Typically, the life expectancy assumptions are set by benchmarking a fund's membership profile and mortality experience against larger external datasets. For this actuarial valuation, we have benchmarked the Fund's membership profile and experience against the "S tables" published by the CMI. We have applied weightings and age ratings as appropriate to adjust the standard tables so as to arrive at assumptions which are appropriate for the Fund. We have generally used the S3PA tables ("middle" tables for females), other than for female dependants where the S3DA tables have been used and ill-health retirements where the S3IA tables have been used. At the 2016 actuarial valuation the S2PA tables were used (S2DA tables for female dependants).

The weightings and age ratings applied to the above are set out in the table below.

Current Status	Retirement Type	2019 weighting/age rating	2016 weighting/age rating
Annuitant	Normal Health	101% males, 88% females	96% males, 88% females
	Dependant	133% males, 89% females	122% males, 104% females
	Ill Health	125% males, 122% females	96% males, 88% females with an age rating of +3 years in each case
	Future Dependant	128% males, 107% females	119% males, 114% females
Active	Normal Health	109% males, 90% females	96% % males, 88% females
	Ill Health	125% males, 139% females	96% males, 88% females with an age rating of +4 years in each case
Deferred	All	131% males, 105% females	96% males, 88% females
Active/ deferred	Future Dependant	137% males, 113% females	119% males, 114% females

A weighting applied to an actuarial table has the effect of increasing or reducing the chance of survival at each age, which increases or reduces the corresponding life expectancy. Similarly, an age rating applied to an actuarial table has the effect of assuming that beneficiaries have a life expectancy equal to those older (or younger) than their actual age.

Future improvements are assumed to follow the CMI 2018 model with a 1.75% p.a. long-term improvements trend. At the 2016 actuarial valuation the CMI 2015 model with 1.5% p.a. long-term trend was used.

The mortality assumptions used for the 31 March 2019 valuation result in the following life expectancies.

	Years
Life expectancy for a male aged 65 now	22.4
Life expectancy at 65 for a male aged 45 now	23.8
Life expectancy for a female aged 65 now	25.1
Life expectancy at 65 for a female aged 45 now	27.0

Pre-retirement Mortality

The following mortality tables (together with any appropriate weightings and age ratings) have been adopted for mortality rates in the period up to retirement.

	31 March 2019	31 March 2016
Base Table	DxL08 tables with adjustments of 80% (male) 50% (female) to reflect the Fund's membership profile	DxL08 tables with adjustments of 80% (male) 50% (female) to reflect the Fund's membership profile
Allowance for Future Improvements	CMI_2015 [1.5%]	CMI_2015 [1.5%]

Commutation

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. Following an analysis of the take-up rates, it has been assumed that, on average, retiring members will take 90% of the maximum tax-free cash available at retirement. This is slightly more than the assumption at the 2016 actuarial valuation, which was broadly equivalent to members taking 80% of the maximum tax-free cash available.

Retirement lump sums are less costly for the Fund to provide than the alternative pension, as members receive only £12 of each £1 p.a. of pension given up. If members take the cash sum option at a higher rate than has been assumed then this will normally lead to an improvement in the funding level.

Early retirement

For those members who are entitled to receive their accrued benefits (or part of those benefits) prior to the Fund's normal pension age, a proportion of the active membership is assumed to retire in normal health prior to age 65, as set out below:

If members take early retirement to a greater extent than has been assumed then this will typically lead to a worsening of the funding level. This is because many members are able to take substantial parts of their benefits from age 60 without them being reduced for early payment.

	% retiring per annum	% retiring per annum
Age	Males	Females
60	10	20
61	8	15
62	8	15
63	8	15
64	8	15
65	100	100

The appropriate early retirement factors applied to the relevant tranche of benefits are in line with the Government Actuary's Department (GAD) guidance.

Ill health retirement

A small proportion of the active membership has been assumed to retire owing to ill health. As an example of the rates assumed, the following is an extract from the decrement table used:

> The level of ill-health retirement benefit provided for a member falls into one of three "tiers", depending on whether and when the member might be expected to resume gainful employment. Tier 1, for example, is on the basis that the member is unlikely to be able to do so before Normal Pension Age. Full details are set out in the LGPS Regulations and associated guidance.

	% retiring per annum	% retiring per annum
Age	Males	Females
35	0.02	0.01
45	0.05	0.04
55	0.21	0.18

The proportion of ill health early retirements falling into each tier category, split by males and females, has been assumed to be as set out below:

	Tier 1	Tier 2	Tier 3
Males	75%	12.5%	12.5%
Females	75%	12.5%	12.5%

Withdrawal

This assumption relates to those members who leave the scheme with an entitlement to a deferred pension or transfer value. It has been assumed that active members will leave the Scheme at the following sample rates:

	% leaving per annum	% leaving per annum
Age	Males	Females
25	20.25	22.38
35	5.09	6.27
45	2.54	3.89

In relation to pre 2014 benefits, deferred benefits tend to be less costly for the Fund to provide than if the member had remained in the Fund until retirement. If the number of members leaving the Fund is greater than expected then this will typically lead to a slight improvement in the funding level.

Partners' and Dependants' Proportions

It has been assumed that the proportions of members below will on death give rise to a dependant's pension (spouse's and partner's), and that spouses/partners of female (male) members are three years older (younger), on average than the member.

	% spouse/partner	% spouse/partner
Age	Males	Females
25	43	46
35	69	60
45	72	60
55	74	60
65	76	55

If more members than assumed have partners then this will lead to an increase in the number of dependants pensions coming into payment over and above that expected. This would lead to a worsening of the funding level.

Assumptions used to calculate the Primary Contribution Rate

The cost of future accrual (the Primary Contribution Rate) has been calculated using the same actuarial assumptions as used to calculate the solvency funding target and recovery plan as set out above except that the financial assumptions adopted are as described below.

The financial assumptions for assessing the future service contribution rate should take account of the fact that contributions will be invested in market conditions applying at future dates, which are unknown at the effective date of the valuation, and which are not directly linked to market conditions at the valuation date.

The financial assumptions in relation to future service (i.e. the Primary Contribution Rate) are not specifically linked to investment conditions as at the valuation date itself, and are based on an overall assumed real return (i.e. return in excess of price inflation) of 2.35% per annum. This represents a reduction of 0.40% per annum compared to the 2016 valuation, which increases the estimated cost of providing LGPS benefits. With a long term average assumption for price inflation of 2.4% per annum, this gives rise to an overall discount rate of 4.75% p.a. (the corresponding discount rate at the 2016 actuarial valuation was 4.95% p.a.).

Nevertheless, it is instructive to consider the assumption against the long term real returns (i.e. returns above CPI) which the Fund’s investment strategy can be expected to deliver based on the current market outlook. At this actuarial valuation the real discount rate used was 2.35% p.a., which is the 51st percentile return from our analysis. At the previous valuation the real discount rate used was 2.75% p.a., which at the time was a marginally higher percentile return.

Appendix B
Summary membership data

The membership data is summarised in the table, with figures at the previous valuation shown for comparison.

Data in relation to members of the Fund was supplied by the Administering Authority. The accuracy of the data provided has been relied on. While reasonableness checks on the data have been carried out, they do not guarantee the completeness or the accuracy of the data. Consequently, Mercer does not accept any liability in respect of its advice where it has relied on data that is incomplete or inaccurate.

	31 March 2019	31 March 2016
Active members		
Number	50,518	51,377
Total Pensionable Salaries (£000s p.a.)	925,570	868,395
Average Pensionable Salary (£ p.a.)	18,322	16,902
Average age (pension weighted)	50.1	49.5
Deferred pensioners		
Number	66,488	58,542
Total deferred pensions revalued to valuation date (£000s p.a.)	90,176	79,652
Average deferred pension (£ p.a.)	1,356	1,361
Average age (pension weighted)	49.2	48.9
Pensioners (including dependants)		
Number	52,555	45,939
Total pensions payable (£000s p.a.)	234,915	201,666
Average pension (£ p.a.)	4,470	4,390
Average age (pension weighted)	70.5	69.8

Appendix C
Assets

The market value of the Fund's assets was £8,440,000,000 on the valuation date.

The Administering Authority's investment strategy is to proportion the Fund's assets by asset class as shown in the table below. The actual distribution of assets will vary over time due to changes in financial markets. The table also shows the distribution of assets at the valuation date.

	Investment strategy (March 2020 changes in brackets)	Actual market value of assets at 31 March 2019	
	%	£m	%
UK equities	15.0 (10.0)	1,232.3	14.6
Overseas equities	35.0	3,097.8	36.7
Private equity	7.0	745.6	8.8
Emerging Market / High Return / Private Debt	9.5 (11.5)	788.8	9.4
Infrastructure	5.0 (10.0)	207.2	2.5
Property	10.0	760.9	9.0
Fixed interest gilts	5	138.9	1.6
Index-linked gilts	12.0 (10.0)	1,112.3	13.2
Hedge Funds / Derivatives	0	6.1	0.1
Cash (including net Current assets / liabilities)	1.5	350.1	4.1
Total	100.0	£8,440.0m	100%

The Administering Authority also holds additional voluntary contributions (AVCs) which are separately invested. These assets have been excluded from the market value shown as they exactly match the value of the benefits they cover.

The details of the assets at the valuation date and the financial transactions during the inter-valuation period have been obtained from the audited accounts for the Fund.

Appendix D
Scheme benefits

The benefits valued within our calculations are those in force at the effective date of the valuation. Full details of these can be found in the Local Government Pension Scheme Regulations 2013 (as amended). The principal details are as follows:

The Local Government Pension Scheme Regulations 2013 (http://www.legislation.gov.uk/uksi/2013/2356/contents/made)

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (http://www.legislation.gov.uk/uksi/2014/525/contents/made)

Directions made by the Treasury under Section 59A of the Social Security Pensions Act 1975 (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/761639/Treasury_Direction_under_section_59A_Social_Security_Pensions_Act_1975.pdf). We have made no allowance for the possibility that the directions may be extended to require the LGPS to become responsible for increases to GMPs for members reaching State Pension Age after 5 April 2021.

The Fund is also responsible for paying and, where appropriate, recharging to employers the benefits arising from the award of compensatory added years (CAY) of service on premature retirement. Unless these CAY benefits have been converted into "funded" benefits, they are normally recharged to the relevant employer (together with associated pension increases), and so are excluded from the valuation.

The benefits that will emerge from money purchase AVCs paid by members, and SCAVCs paid by employers, and the corresponding invested assets in respect of these AVCs and SCAVCs, have been excluded from the valuation.

UK and European law requires pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the "Barber" judgment) and this includes providing equal benefits accrued from that date to reflect the differences in GMPs. Following the Lloyds Bank case in 2018, HM Treasury has issued a consultation on equalising and indexation of GMPs in all the public service pension schemes, including the LGPS, and discussions are ongoing about the extent of any inequalities and how these might be addressed.

The valuation makes no allowance for removal of these inequalities. It is consequently possible that additional funding will be required for equalisation once the law has been clarified. It is recommended that the Administering Authority seek further legal advice if it is concerned about this issue.

The McCloud Judgment

The McCloud judgment in the LGPS refers to the legal decisions (initially by the Employment Appeal Tribunal and then ratified by the Court of Appeal) in the Sargeant/McCloud cases for the Fire and Judiciary pension arrangements. The Court ruled that transitional protections afforded to older members when these schemes were amended constituted unlawful age discrimination. Remedial action, in the form of benefit changes for these schemes, will therefore be required.

Although the above cases did not relate directly to the LGPS, the LGPS also put in place protections for older members as part of the reforms which came into effect from 2014. For the LGPS these took the form of an underpin, where older members would get the better of the benefits payable under the new and old schemes. The UK Government confirmed on 15 July 2019 that, alongside the process to remedy the Fire and Judiciary schemes, it will also bring forward proposals to address the issue for the other public service pension schemes, including the LGPS, although it is unclear at this stage what the exact extent will be of any required changes.

Following discussions with the Administering Authority, in order to consider a reasonable provision for the potential costs in employer contributions, we have assumed that the eventual remedy will be that the underpin which applies to older members will also apply to younger members who joined the Fund before 1 April 2012 (the cut-off date for the protections to apply), in the same way as for older members. More specifically we have agreed with the Administering Authority to:

- Estimate the underpin benefits for active members for service after 31 March 2014 (when the new scheme took effect).
- Compare this to the actual post 31 March 2014 benefits.
- Calculate the cost for each member as the value of the underpin benefits less the value of the actual benefits (ignoring members where the value of the actual benefits is higher).
- Sum these costs across all active members to give the impact of the underpin for each employer.

We have calculated this cost across all benefits (including deferred benefits for active members who are assumed to leave the scheme before retirement in the future).

At this stage, as the data was not readily available for the valuation we have not calculated any costs for members who had already left service or retired as at 31 March 2019. Given the nature of the underpin we expect any costs for this group of members to be immaterial at whole Fund. We also believe the approach applied to active members and the assumptions underlying the actuarial valuation contain prudential margins which are sufficient to cover the vast majority of such costs for the affected employers.

The LGPS Scheme Advisory Board has issued guidance on the approach to including the costs of the McCloud judgment within the 2019 LGPS actuarial valuations and this can be found at http://www.lgpsboard.org/images/Other/Advice_from_the_SAB_on_McCloud_May_2019.pdf.

Appendix E
Analysis of membership experience

The analysis below compares the actual experience over the 3 year period with the assumptions used for the 2019 valuation.

	Actual	Expected	%
Ill Health Retirements	122	186	66
Withdrawals	14,946	7,557	198
Pensioner Deaths (lives)	4,379	2,928	150

Note that actual withdrawals can include members moving to another LGPS Fund, bulk transfers and also transfers under the special transfer club terms.

Appendix F

Valuation Dashboard as agreed by Scheme Advisory Board

Past service funding position - local funding basis	
Funding level (assets/liabilities)	99%
Funding level (change since last valuation)	13%
Asset value used at the valuation (£m)	8,440
Value of liabilities (£m)	8,503
Surplus (deficit) (£m)	(63)
Discount rate(s)	3.9 % p.a. past service 4.75% p.a. future service
Assumed pension increases (CPI)	2.4% p.a.
Method of derivation of discount rate, plus any changes since previous valuation	See Appendix A
Assumed life expectancies at age 65	
Average life expectancy for current pensioners - men currently age 65	22.4
Average life expectancy for current pensioners - women currently age 65	25.1
Average life expectancy for future pensioners - men currently age 45	23.8
Average life expectancy for future pensioners - women currently age 45	27.0

> The basis for the purposes of the LGPS Scheme Advisory Board funding position (the "SAB basis") is a set of assumptions determined by the SAB. Its purposes are to set out the funding position on a standardised approach so that comparisons can be made with other LGPS Funds, and to assist with the "Section 13 review" as carried out by the Government Actuary's Department. We are happy to supply further details of the SAB basis as requested.

Past service funding position - SAB basis	
Market value of assets	8,440
Value of liabilities	7,092
Funding level on SAB basis (assets/liabilities)	119%
Funding level on SAB basis (change since last valuation)	20%
Contribution rates payable	
Primary contribution rate	16.1%
Secondary contributions:	
Secondary contributions 2020/21 (£m)	30.6 (includes those paid prior to 31 March 2020)
Secondary contributions 2021/22 (£m)	13.7
Secondary contributions 2022/23 (£m)	14.2
Giving total expected contributions:	
Total expected contributions 2020/21 (based on assumed payroll of £979m) (£m)	188.2 (includes those paid prior to 31 March 2020)
Total expected contributions 2021/22 (based on assumed payroll of £1,008m) (£m)	176.0
Total expected contributions 2022/23 (based on assumed payroll of £1,038m) (£m)	181.3
Average employee contribution rate	6.4%
Employee contributions (based on assumed payroll of £978m) (£m)	62.7
Additional information	
Percentage of liabilities relating to employers with deficit recovery periods of longer than 20 years	0%
Percentage of total liabilities that are in respect of Tier 3 employers	11%

Appendix G

Rates and Adjustments Certificate issued in accordance with Regulation 62

Name of fund	South Yorkshire Pension Fund

Primary Contribution Rate

I hereby certify that, in my opinion, the primary rate of the employers' contribution for the whole Fund for each of the three years beginning 1 April 2020 is 16.1% of pensionable pay.

The primary rate of contribution for each employer for the three year period beginning 1 April 2020 is set out in the attached schedule.

Secondary Contribution Rate

I hereby certify that, in my opinion, the secondary rate of the employer's contribution for the whole Fund for each of the three years beginning 1 April 2020 is as follows:

2020/21 £20.0 million plus 0.7% of pensionable pay

2021/22 £6.6 million plus 0.7% of pensionable pay

2022/23 £6.8 million plus 0.7% of pensionable pay

The Secondary rate for 2020/21 quoted above does not include any allowance for the advance payment of deficit contributions by Sheffield City Council and Borders to Coast Pension Partnership prior to 31 March 2020 (totaling £3.7m).

The secondary rate of contribution for each employer for each of the three years beginning 1 April 2020 is set out in the attached schedule. The above secondary rates, and the secondary rates for each employer, where appropriate include a provision for the costs of the McCloud judgment as set out in the notes to Appendix H.

Contribution amounts payable

The total contribution payable for each employer is the total of the primary and secondary rates as detailed in the attached schedule. Contributions will be paid monthly in arrears with each payment normally being due by the 19th of the following month (or the 22nd if paid electronically) or at intervals agreed with the Administering Authority) unless otherwise noted in the schedule.

Further adjustments

A further individual adjustment shall be applied in respect of each non-ill health early retirement occurring in the period of three years covered by this certificate. This further individual adjustment will be calculated in accordance with methods agreed from time to time between the Fund's Actuary and the Administering Authority.

The contributions set out in the attached schedule represent the minimum contribution which may be paid by each employer in total over the 3 years covered by the certificate. Additional contributions or a different pattern of contributions may be paid if requested by the employer concerned at the sole discretion of the Administering Authority as agreed with the Actuary. The total contributions payable by each employer will be subject to a minimum of £nil.

The individual employer contributions may be varied as agreed by the Actuary and Administering Authority to reflect any changes in contribution requirements as a result of the McCloud judgment remedy as set out in this report and/or any benefit costs being insured with a third party or parties including where the third party or parties participate in the Fund.

In cases where an element of an existing Scheme employer's surplus or deficit is transferred to a new employer on its inception, the Scheme employer's secondary contributions, as shown on the schedule to this Certificate in Appendix H, may be reallocated between the Scheme employer and the new employer to reflect this, on the advice of the Actuary and as agreed with the Administering Authority so that the total payments remain the same overall.

The Administering Authority and employer with advice from the Fund's Actuary can agree that contributions payable under this certificate can be sourced under an alternative financing arrangement which provides the Fund with equivalent cash contributions.

Regulation 62(8)

No allowance for non-ill health early retirements has been made in determining the results of the valuation, on the basis that the costs arising will be met by additional contributions. Allowance for ill health retirements has been included in each employer's contribution rate, on the basis of the method and assumptions set out in the report (and the FSS for those employers in the ill-health captive).

Signature:

Name:	Paul Middleman	Clive Lewis
Qualification:	Fellow of the Institute and Faculty of Actuaries	Fellow of the Institute and Faculty of Actuaries
Date of signing:	31 March 2020	

Appendix H
Schedule to the Rates and Adjustments Certificate dated 31 March 2020

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Local Authorities									
Barnsley MBC	300	2	15.6%	0.7% plus £2,344,150	0.7%	0.7%	16.3% plus £2,344,150	16.3%	16.3%
Doncaster MBC	400	4	16.3%	0.7% less £654,800	0.7% less £670,500	0.7% less £686,600	17.0% less £654,800	17.0% less £670,500	17.0% less £686,600
Rotherham MBC	500	4,13	16.4%	0.8% plus £61,800	0.8% plus £63,300	0.8% plus £64,800	17.2% plus £61,800	17.2% plus £63,300	17.2% plus £64,800
Sheffield City Council	600	6	16.6%	0.9%	0.9%	0.9%	17.5%	17.5%	17.5%
South Yorkshire Fire Authority	296	2, 4	14.5%	0.5% plus £213,840	0.5%	0.5%	15.0% plus £213,840	15.0%	15.0%

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
South Yorkshire Passenger Transport Executive	100		15.4%	1.0% less £412,200	1.0% less £422,100	1.0% less £432,200	16.4% less £412,200	16.4% less £422,100	16.4% less £432,200
South Yorkshire Pensions Authority	250		14.4%	1.7% less £41,700	1.7% less £42,700	1.7% less £43,700	16.1% less £41,700	16.1% less £42,700	16.1% less £43,700
The Chief Constable	295	2	15.3%	0.8% plus £3,668,180	0.8%	0.8%	16.1% plus £3,668,180	16.1%	16.1%
The Police and Crime Commissioner	297	2	14.8%	0.3% plus £138,410	0.3%	0.3%	15.1% plus £138,410	15.1%	15.1%
Local Authorities - Post 31 March 2019									
Sheffield City Region - Combined Authority	905		13.5%	0.6%	0.6%	0.6%	14.1%	14.1%	14.1%
Other Scheme Employers									
Anston Parish Council	509		18.4%	0.4% less £3,900	0.4% less £4,000	0.4% less £4,100	18.8% less £3,900	18.8% less £4,000	18.8% less £4,100
Armthorpe Parish Council	423		16.6%	1.2% less £3,100	1.2% less £3,100	1.2% less £3,200	17.8% less £3,100	17.8% less £3,100	17.8% less £3,200
Askern Town Council	404		16.9%	(£1,600)	(£1,600)	(£1,700)	16.9% less £1,600	16.9% less £1,600	16.9% less £1,700

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Aston-cum-Aughton Parish Council	512		25.0%	(£700)	(£700)	(£700)	25.0% less £700	25.0% less £700	25.0% less £700
Barnburgh and Harlington Parish Council	424		16.7%	(£1,000)	(£1,000)	(£1,000)	16.7% less £1,000	16.7% less £1,000	16.7% less £1,000
Barnby Dun with Kirk Sandall Parish Council	405		19.3%	1.0% less £800	1.0% less £800	1.0% less £800	20.3% less £800	20.3% less £800	20.3% less £800
Barnsley College	220	3,13	14.8%	£173,000	£177,200	£181,500	14.8% plus £173,000	14.8% plus £177,200	14.8% plus £181,500
Berneslai Homes	321		16.1%	0.9% less £862,500	0.9% less £883,200	0.9% less £904,300	17.0% less £862,500	17.0% less £883,200	17.0% less £904,300
Bradfield Parish Council	660		20.7%	0.3% less £18,200	0.3% less £18,600	0.3% less £19,100	21.0% less £18,200	21.0% less £18,600	21.0% less £19,100
Brodsworth Parish Council	254		21.2%	£0	£0	£0	21.2%	21.2%	21.2%
DN Colleges Group	221		16.6%	0.5% less £187,100	0.5% less £191,600	0.5% less £196,200	17.1% less £187,100	17.1% less £191,600	17.1% less £196,200
Edlington Town Council	406	2	20.1%	0.3% plus £11,900	0.3%	0.3%	20.4% plus £11,900	20.4%	20.4%

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Hatfield Town Council	407		19.1%	0.3% less £2,000	0.3% less £2,100	0.3% less £2,100	19--.4% less £2,000	19.4% less £2,100	19.4% less £2,100
Penistone Town Council	305		19.8%	£100	£100	£100	19.8% plus £100	19.8% plus £100	19.8% plus £100
R N N Group	232		15.2%	£48,500	£49,700	£50,900	15.2% plus £48,500	15.2% plus £49,700	15.2% plus £50,900
Rossington Parish Council	408	2	22.8%	0.3% plus £3,490	0.3%	0.3%	23.1% plus £3,490	23.1%	23.1%
Sheffield Hallam University	224	13	14.5%	0.8% plus £1,952,700	0.8% plus £1,999,600	0.8% plus £2,047,600	15.3% plus £1,952,700	15.3% plus £1,999,600	15.3% plus £2,047,600
Silkstone Parish Council	329		TBC	TBC	TBC	TBC	TBC	TBC	TBC
Sprotbrough & Cusworth Parish Council	411		27.2%	(£1,400)	(£1,400)	(£1,500)	27.2% less £1,400	27.2% less £1,400	27.2% less £1,500
St Leger Homes of Doncaster	428		15.1%	0.9% less £736,400	0.9% less £754,100	0.9% less £772,100	16.0% less £736,400	16.0% less £754,100	16.0% less £772,100
Stainforth Town Council	409		16.6%	1.6% plus £10,700	1.6% plus £10,900	1.6% plus £11,200	18.2% plus £10,700	18.2% plus £10,900	18.2% plus £11,200
The Sheffield College	222		17.2%	0.5% less £389,100	0.5% less £398,400	0.5% less £408,000	17.7% less ++*£389,100	17.7% less £398,400	17.7% less £408,000

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Thorne Moorend Town Council	410		18.4%	(£2,160)	(£2,260)	(£2,260)	18.4% less £2,160	18.4% less £2,260	18.4% less £2,260
Thrybergh Parish Council	510	3	24.2%	£980	£980	£980	24.2% plus £980	24.2% plus £980	24.2% plus £980
Wickersley Parish Council	515		20.2%	(£700)	(£700)	(£700)	20.2% less £700	20.2% less £700	20.2% less £700
Other Scheme Employers - Post 31 March 2019									
Dalton Parish Council	917		16.7%	£0	£0	£0	16.7%	16.7%	16.7%
Academies and Free Schools									
Abbeyfield Primary Academy	766		13.7%	0.2% plus £72,100	0.2% plus £73,800	0.2% plus £75,600	13.9% plus £72,100	13.9% plus £73,800	13.9% plus £75,600
All Saints Catholic High School	606		15.6%	0.3% plus £10,400	0.3% plus £10,700	0.3% plus £10,900	15.9% plus £10,400	15.9% plus £10,700	15.9% plus £10,900
Anston Brook Primary School	835		15.9%	0.5% plus £15,600	0.5% plus £16,000	0.5% plus £16,300	16.4% plus £15,600	16.4% plus £16,000	16.4% plus £16,300
Anston Greenlands Primary School	569		17.1%	0.5% plus £13,200	0.5% plus £13,500	0.5% plus £13,800	17.6% plus £13,200	17.6% plus £13,500	17.6% plus £13,800

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Anston Park Infants School	867		18.8%	0.4% plus £20,300	0.4% plus £20,800	0.4% plus £21,200	19.2% plus £20,300	19.2% plus £20,800	19.2% plus £21,200
Armthorpe Academy	450		17.5%	0.1% plus £35,000	0.1% plus £35,900	0.1% plus £36,700	17.6% plus £35,000	17.6% plus £35,900	17.6% plus £36,700
Armthorpe Shaw Wood Academy	454		16.4%	0.7% plus £39,300	0.7% plus £40,200	0.7% plus £41,200	17.1% plus £39,300	17.1% plus £40,200	17.1% plus £41,200
Armthorpe Tranmoor Primary School	825		17.9%	0.6% plus £49,600	0.6% plus £50,800	0.6% plus £52,000	18.5% plus £49,600	18.5% plus £50,800	18.5% plus £52,000
Aston All Saints C of E School	570		19.0%	0.2% plus £14,700	0.2% plus £15,000	0.2% plus £15,400	19.2% plus £14,700	19.2% plus £15,000	19.2% plus £15,400
Auckley Junior & Infant Academy	435		17.2%	0.2% plus £19,700	0.2% plus £20,200	0.2% plus £20,600	17.4% plus £19,700	17.4% plus £20,200	17.4% plus £20,600
Balby Central Primary School	496		16.4%	0.3% plus £46,600	0.3% plus £47,700	0.3% plus £48,800	16.7% plus £46,600	16.7% plus £47,700	16.7% plus £48,800
Barnby Dun Primary Academy	451		17.3%	0.9% plus £17,000	0.9% plus £17,500	0.9% plus £17,800	18.2% plus £17,000	18.2% plus £17,500	18.2% plus £17,800
Barnsley Academy	327		13.4%	0.5% less £10,400	0.5% less £10,600	0.5% less £10,900	13.9% less £10,400	13.9% less £10,600	13.9% less £10,900

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Bessacarr Primary School	829		15.4%	0.2% plus £43,500	0.2% plus £44,500	0.2% plus £45,600	15.6% plus £43,500	15.6% plus £44,500	15.6% plus £45,600
Bradfield School	704	3	16.3%	0.1% plus £28,650	0.1% plus £29,330	0.1% plus £30,020	16.4% plus £28,650	16.4% plus £29,330	16.4% plus £30,020
Bramley Grange Primary	567		17.0%	0.3% plus £23,500	0.3% plus £24,000	0.3% plus £24,700	17.3% plus £23,500	17.3% plus £24,000	17.3% plus £24,700
Brinsworth Academy	530		14.7%	0.7% less £9,400	0.7% less £9,600	0.7% less £9,900	15.4% less £9,400	15.4% less £9,600	15.4% less £9,900
Brinsworth Manor Juniors	879		16.3%	0.4% plus £16,100	0.4% plus £16,500	0.4% plus £16,900	16.7% plus £16,100	16.7% plus £16,500	16.7% plus £16,900
Broomhill Infant School	614		18.4%	(£100)	(£100)	(£100)	18.4% less £100	18.4% less £100	18.4% less £100
Canklow Woods Primary Academy	550		16.7%	0.5% plus £39,000	0.5% plus £39,900	0.5% plus £40,900	17.2% plus £39,000	17.2% plus £39,900	17.2% plus £40,900
Canon Popham C of E Primary & Nursery School	883		18.8%	0.5% plus £32,200	0.5% plus £33,000	0.5% plus £33,700	19.3% plus £32,200	19.3% plus £33,000	19.3% plus £33,700
Catcliffe Primary School	800		14.4%	0.5% plus £27,200	0.5% plus £27,800	0.5% plus £28,500	14.9% plus £27,200	14.9% plus £27,800	14.9% plus £28,500
Chapeltown Academy	742		16.7%	0.1% plus £1,900	0.1% plus £1,900	0.1% plus £2,000	16.8% plus £1,900	16.8% plus £1,900	16.8% plus £2,000

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Chaucer School	656	2	17.0%	0.4% plus £143,790	0.4%	0.4%	17.4% plus £143,790	17.4%	17.4%
Clifford All Saints C of E School	609		18.3%	0.1% plus £5,600	0.1% plus £5,800	0.1% plus £6,000	18.4% plus £5,600	18.4% plus £5,800	18.4% plus £6,000
Conisbrough Ivanhoe Primary Academy	443		14.0%	£29,500	£30,300	£31,000	14.0% plus £29,500	14.0% plus £30,300	14.0% plus £31,000
Consilium Academies Trust	255		14.8%	0.5% plus £9,700	0.5% plus £10,000	0.5% plus £10,200	15.3% plus £9,700	15.3% plus £10,000	15.3% plus £10,200
Dinnington Community Primary School	587		14.8%	0.7% plus £42,600	0.7% plus £43,700	0.7% plus £44,600	15.5% plus £42,600	15.5% plus £43,700	15.5% plus £44,600
Dinnington High School	571	3	16.3%	0.4% plus £122,730	0.4% plus £125,670	0.4% plus £128,710	16.7% plus £122,730	16.7% plus £125,670	16.7% plus £128,710
Diocese of Sheffield Academies Trust	863		14.3%	0.7% plus £2,800	0.7% plus £2,800	0.7% plus £3,000	15.0% plus £2,800	15.0% plus £2,800	15.0% plus £3,000
Dunsville Primary School	456		16.1%	0.6% plus £13,800	0.6% plus £14,100	0.6% plus £14,400	16.7% plus £13,800	16.7% plus £14,100	16.7% plus £14,400
E-ACT Pathways Academy	719		14.9%	0.4% plus £46,500	0.4% plus £47,600	0.4% plus £48,700	15.3% plus £46,500	15.3% plus £47,600	15.3% plus £48,700

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Emmanuel Junior School	744		19.1%	0.3% plus £24,900	0.3% plus £25,500	0.3% plus £26,100	19.4% plus £24,900	19.4% plus £25,500	19.4% plus £26,100
Emmaus Catholic & C of E Voluntary Academy	736		16.7%	0.3% plus £28,500	0.3% plus £29,200	0.3% plus £29,900	17.0% plus £28,500	17.0% plus £29,200	17.0% plus £29,900
Fir Vale School Academy Trust	701		13.5%	0.2% plus £49,100	0.2% plus £50,300	0.2% plus £51,500	13.7% plus £49,100	13.7% plus £50,300	13.7% plus £51,500
Flanderwell Primary School	576		16.5%	0.8% plus £31,900	0.8% plus £32,700	0.8% plus £33,400	17.3% plus £31,900	17.3% plus £32,700	17.3% plus £33,400
Forge Valley School	737	2	15.8%	£483,770	£0	£0	15.8% plus £483,770	15.8%	15.8%
Fox Hill Primary School	712		16.1%	0.4% plus £44,900	0.4% plus £45,900	0.4% plus £47,000	16.5% plus £44,900	16.5% plus £45,900	16.5% plus £47,000
Greenhill Primary School	870		16.7%	0.7% plus £66,000	0.7% plus £67,600	0.7% plus £69,300	17.4% plus £66,000	17.4% plus £67,600	17.4% plus £69,300
Hall Cross Academy Trust	445		17.4%	0.8% plus £158,000	0.8% plus £161,800	0.8% plus £165,600	18.2% plus £158,000	18.2% plus £161,800	18.2% plus £165,600
Hallam Primary Academy	752	2	15.8%	0.2% plus £47,870	0.2%	0.2%	16.0% plus £47,870	16.0%	16.0%

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Hatchell Wood Primary Academy	845		14.4%	0.2% plus £45,200	0.2% plus £46,300	0.2% plus £47,500	14.6% plus £45,200	14.6% plus £46,300	14.6% plus £47,500
Heather Garth Primary School	356		18.5%	0.3% plus £35,200	0.3% plus £36,000	0.3% plus £36,900	18.8% plus £35,200	18.8% plus £36,000	18.8% plus £36,900
High Greave Infant School	590		13.1%	0.4% plus £14,700	0.4% plus £15,000	0.4% plus £15,400	13.5% plus £14,700	13.5% plus £15,000	13.5% plus £15,400
High Greave Junior School	591		15.4%	0.4% plus £29,200	0.4% plus £29,900	0.4% plus £30,600	15.8% plus £29,200	15.8% plus £29,900	15.8% plus £30,600
High Hazels Junior Academy	745		16.5%	0.5% plus £33,800	0.5% plus £34,600	0.5% plus £35,500	17.0% plus £33,800	17.0% plus £34,600	17.0% plus £35,500
High Hazels Nursery Infants Academy	749		15.7%	1.0% plus £38,700	1.0% plus £39,600	1.0% plus £40,600	16.7% plus £38,700	16.7% plus £39,600	16.7% plus £40,600
High View Primary Learning Centre	375		17.7%	0.3% plus £87,100	0.3% plus £89,200	0.3% plus £91,400	18.0% plus £87,100	18.0% plus £89,200	18.0% plus £91,400
Highwoods Academy	830		16.7%	0.1% plus £28,000	0.1% plus £28,700	0.1% plus £29,300	16.8% plus £28,000	16.8% plus £28,700	16.8% plus £29,300
Hillsborough Primary School	720	2	15.3%	0.1% plus £136,140	0.1%	0.1%	15.4% plus £136,140	15.4%	15.4%
Holy Family Catholic Primary	467		15.4%	0.4% plus £15,700	0.4% plus £16,000	0.4% plus £16,500	15.8% plus £15,700	15.8% plus £16,000	15.8% plus £16,500

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Holy Trinity Academy	878		17.5%	0.5% plus £135,700	0.5% plus £139,000	0.5% plus £142,300	18.0% plus £135,700	18.0% plus £139,000	18.0% plus £142,300
Hoyland Common Primary School	360		13.2%	0.9% plus £47,700	0.9% plus £48,900	0.9% plus £50,100	14.1% plus £47,700	14.1% plus £48,900	14.1% plus £50,100
Hoyland Springwood Primary School	377		18.2%	0.9% plus £39,900	0.9% plus £40,800	0.9% plus £41,800	19.1% plus £39,900	19.1% plus £40,800	19.1% plus £41,800
Hungerhill Academy Trust	446		16.2%	£80,800	£82,700	£84,700	16.2% plus £80,800	16.2% plus £82,700	16.2% plus £84,700
Hunningley Primary School	388		16.1%	0.2% plus £46,800	0.2% plus £47,800	0.2% plus £49,000	16.3% plus £46,800	16.3% plus £47,800	16.3% plus £49,000
James Montgomery Trust	885		17.0%	£900	£900	£900	17.0% plus £900	17.0% plus £900	17.0% plus £900
Kexborough Primary School	384		17.9%	£26,900	£27,600	£28,200	17.9% plus £26,900	17.9% plus £27,600	17.9% plus £28,200
Kilnhurst Primary School	880		19.7%	0.1% plus £19,300	0.1% plus £19,900	0.1% plus £20,300	19.8% plus £19,300	19.8% plus £19,900	19.8% plus £20,300
Kilnhurst St Thomas C of E Primary Academy	859		16.9%	0.3% plus £14,000	0.3% plus £14,400	0.3% plus £14,800	17.2% plus £14,000	17.2% plus £14,400	17.2% plus £14,800

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King Ecgbert School	658		14.7%	0.5% plus £77,800	0.5% plus £79,600	0.5% plus £81,600	15.2% plus £77,800	15.2% plus £79,600	15.2% plus £81,600
Kirk Balk Community College	368	2	14.8%	0.1% plus £168,150	0.1%	0.1%	14.9% plus £168,150	14.9%	14.9%
Kirk Sandall Infant School	455		14.8%	0.5% plus £31,100	0.5% plus £31,900	0.5% plus £32,600	15.3% plus £31,100	15.3% plus £31,900	15.3% plus £32,600
Kirk Sandall Junior School	476		17.9%	0.2% plus £30,700	0.2% plus £31,400	0.2% plus £32,200	18.1% plus £30,700	18.1% plus £31,400	18.1% plus £32,200
Laithes Primary School	373		15.0%	0.5% plus £30,300	0.5% plus £31,000	0.5% plus £31,800	15.5% plus £30,300	15.5% plus £31,000	15.5% plus £31,800
Lound Infant School	715		15.6%	0.7% plus £30,000	0.7% plus £30,700	0.7% plus £31,500	16.3% plus £30,000	16.3% plus £30,700	16.3% plus £31,500
Lound Junior School	716		19.5%	£38,300	£39,200	£40,100	19.5% plus £38,300	19.5% plus £39,200	19.5% plus £40,100
Maltby Academy	529		15.0%	0.4% less £86,300	0.4% less £88,300	0.4% less £90,500	15.4% less £86,300	15.4% less £88,300	15.4% less £90,500
Maltby Lilly Hall Academy	578		17.5%	0.4% plus £35,100	0.4% plus £35,900	0.4% plus £36,800	17.9% plus £35,100	17.9% plus £35,900	17.9% plus £36,800
Maltby Manor Academy	577		14.8%	0.3% plus £40,900	0.3% plus £41,900	0.3% plus £42,800	15.1% plus £40,900	15.1% plus £41,900	15.1% plus £42,800

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Maltby Redwood Academy	558		13.6%	0.1% plus £17,400	0.1% plus £17,800	0.1% plus £18,200	13.7% plus £17,400	13.7% plus £17,800	13.7% plus £18,200
Mansel Primary School	710		13.5%	0.5% plus £49,300	0.5% plus £50,500	0.5% plus £51,700	14.0% plus £49,300	14.0% plus £50,500	14.0% plus £51,700
McAuley Catholic High School	465		17.3%	0.4% plus £112,200	0.4% plus £114,900	0.4% plus £117,600	17.7% plus £112,200	17.7% plus £114,900	17.7% plus £117,600
Meadowhead School Academy Trust	654	2	15.4%	0.8% plus £322,320	0.8%	0.8%	16.2% plus £322,320	16.2%	16.2%
Mercia School	900		15.0%	£200	£200	£200	15.0% plus £200	15.0% plus £200	15.0% plus £200
Meynell Primary School	708	2	14.5%	0.2% plus £165,410	0.2%	0.2%	14.7% plus £165,410	14.7%	14.7%
Milton School Swinton	869		15.4%	0.3% plus £46,400	0.3% plus £47,500	0.3% plus £48,700	15.7% plus £46,400	15.7% plus £47,500	15.7% plus £48,700
Monteney Primary School	711		14.7%	0.9% plus £79,100	0.9% plus £81,100	0.9% plus £83,000	15.6% plus £79,100	15.6% plus £81,100	15.6% plus £83,000
National College for High Speed Rail	834		14.3%	£2,800	£2,900	£2,900	14.3% plus £2,800	14.3% plus £2,900	14.3% plus £2,900

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Nether Edge Primary Academy	750		15.1%	0.4% plus £41,200	0.4% plus £42,100	0.4% plus £43,200	15.5% plus £41,200	15.5% plus £42,100	15.5% plus £43,200
Newfield Secondary School	729		16.0%	0.5% plus £96,600	0.5% plus £98,900	0.5% plus £101,300	16.5% plus £96,600	16.5% plus £98,900	16.5% plus £101,300
Notre Dame High School	604		15.9%	1.0% plus £37,600	1.0% plus £38,500	1.0% plus £39,400	16.9% plus £37,600	16.9% plus £38,500	16.9% plus £39,400
Our Lady of Sorrows Catholic Academy	828		18.2%	0.2% plus £20,700	0.2% plus £21,200	0.2% plus £21,700	18.4% plus £20,700	18.4% plus £21,200	18.4% plus £21,700
Owston Park Primary School	894		18.0%	0.3% plus £43,600	0.3% plus £44,600	0.3% plus £45,700	18.3% plus £43,600	18.3% plus £44,600	18.3% plus £45,700
Parkwood Academy	622		15.1%	0.4% less £46,200	0.4% less £47,400	0.4% less £48,300	15.5% less £46,200	15.5% less £47,400	15.5% less £48,300
Porter Croft C of E Primary Academy	718		16.0%	0.5% plus £32,600	0.5% plus £33,400	0.5% plus £34,200	16.5% plus £32,600	16.5% plus £33,400	16.5% plus £34,200
Ravenfield Primary Academy	579		18.4%	0.2% plus £20,100	0.2% plus £20,600	0.2% plus £21,100	18.6% plus £20,100	18.6% plus £20,600	18.6% plus £21,100
Richmond Hill Primary Academy	464		15.6%	0.3% plus £60,500	0.3% plus £62,000	0.3% plus £63,500	15.9% plus £60,500	15.9% plus £62,000	15.9% plus £63,500

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Rossington St Michaels C of E Primary School	831		16.6%	1.0% plus £30,900	1.0% plus £31,600	1.0% plus £32,300	17.6% plus £30,900	17.6% plus £31,600	17.6% plus £32,300
Sacred Heart School A Voluntary Academy	722	3	19.3%	0.3% plus £28,940	0.3% plus £29,730	0.3% plus £30,410	19.6% plus £28,940	19.6% plus £29,730	19.6% plus £30,410
Sandhill Primary School	371		15.5%	0.5% plus £28,600	0.5% plus £29,200	0.5% plus £30,000	16.0% plus £28,600	16.0% plus £29,200	16.0% plus £30,000
Sheffield Park Academy	692		14.5%	0.8% plus £10,000	0.8% plus £10,200	0.8% plus £10,500	15.3% plus £10,000	15.3% plus £10,200	15.3% plus £10,500
Sheffield Springs Academy	691		14.9%	0.5% plus £3,500	0.5% plus £3,600	0.5% plus £3,700	15.4% plus £3,500	15.4% plus £3,600	15.4% plus £3,700
Sir Thomas Wharton Academy	457		17.4%	0.7% plus £45,900	0.7% plus £47,000	0.7% plus £48,200	18.1% plus £45,900	18.1% plus £47,000	18.1% plus £48,200
Southey Green Primary School & Nurseries	705	2	14.9%	£166,450	£0	£0	14.9% plus £166,450	14.9%	14.9%
Southfield Primary School	821		15.6%	1.1% plus £40,500	1.1% plus £41,400	1.1% plus £42,400	16.7% plus £40,500	16.7% plus £41,400	16.7% plus £42,400
St Anns RC Primary School	607		17.0%	(£2,100)	(£2,200)	(£2,200)	17.0% less £2,100	17.0% less £2,200	17.0% less £2,200

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St Bedes Catholic Primary School	544		17.9%	0.6% plus £24,200	0.6% plus £24,900	0.6% plus £25,400	18.5% plus £24,200	18.5% plus £24,900	18.5% plus £25,400
St Bernards Catholic High School	539		16.2%	0.7% plus £43,300	0.7% plus £44,300	0.7% plus £45,500	16.9% plus £43,300	16.9% plus £44,300	16.9% plus £45,500
St Catherines Catholic Primary School	725		15.9%	0.8% plus £65,400	0.8% plus £67,000	0.8% plus £68,700	16.7% plus £65,400	16.7% plus £67,000	16.7% plus £68,700
St Gerards Catholic Primary - Thrybergh	545	3	21.3%	0.6% plus £10,690	0.6% plus £11,090	0.6% plus £11,280	21.9% plus £10,690	21.9% plus £11,090	21.9% plus £11,280
St John Fisher Primary - A Catholic Voluntary Academy	605	3	18.5%	0.5% plus £2,160	0.5% plus £2,160	0.5% plus £2,350	19.0% plus £2,160	19.0% plus £2,160	19.0% plus £2,350
St Josephs Catholic Primary (Dinnington)	557		19.5%	0.4% plus £23,600	0.4% plus £24,200	0.4% plus £24,700	19.9% plus £23,600	19.9% plus £24,200	19.9% plus £24,700
St Josephs Catholic School (Rossington)	463		16.6%	0.7% plus £17,400	0.7% plus £17,900	0.7% plus £18,200	17.3% plus £17,400	17.3% plus £17,900	17.3% plus £18,200
St Josephs Primary School	608		19.4%	0.3% less £4,700	0.3% less £4,800	0.3% less £4,900	19.7% less £4,700	19.7% less £4,800	19.7% less £4,900

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St Marys C of E Academy (Walkley)	738		16.5%	1.0% plus £26,200	1.0% plus £26,800	1.0% plus £27,500	17.5% plus £26,200	17.5% plus £26,800	17.5% plus £27,500
St Marys Catholic Primary (Maltby)	549		18.5%	0.4% plus £10,600	0.4% plus £10,800	0.4% plus £11,100	18.9% plus £10,600	18.9% plus £10,800	18.9% plus £11,100
St Marys Catholic Primary School (Herringthorpe)	546		19.1%	0.1% plus £16,500	0.1% plus £17,000	0.1% plus £17,400	19.2% plus £16,500	19.2% plus £17,000	19.2% plus £17,400
St Marys Primary School (High Green)	721	3	17.9%	0.2% plus £25,210	0.2% plus £25,800	0.2% plus £26,490	18.1% plus £25,210	18.1% plus £25,800	18.1% plus £26,490
St Oswalds C of E Academy	453		14.6%	0.2% plus £5,600	0.2% plus £5,700	0.2% plus £5,800	14.8% plus £5,600	14.8% plus £5,700	14.8% plus £5,800
St Patricks Catholic Academy Trust	612		19.2%	£900	£1,000	£1,000	19.2% plus £900	19.2% plus £1,000	19.2% plus £1,000
St Theresas RC School	611		17.8%	0.4% less £10,500	0.4% less £10,800	0.4% less £11,000	18.2% less £10,500	18.2% less £10,800	18.2% less £11,000
St Thomas More Catholic Primary Academy	756	3	17.0%	0.4% plus £17,360	0.4% plus £17,760	0.4% plus £18,250	17.4% plus £17,360	17.4% plus £17,760	17.4% plus £18,250
St Thomas of Canterbury Trust	657		17.6%	0.3% plus £21,600	0.3% plus £22,100	0.3% plus £22,600	17.9% plus £21,600	17.9% plus £22,100	17.9% plus £22,600

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St Wilfrids Catholic Primary School	700		18.1%	0.3% plus £26,000	0.3% plus £26,600	0.3% plus £27,300	18.4% plus £26,000	18.4% plus £26,600	18.4% plus £27,300
Swinton Fitzwilliam Primary Academy	809		17.6%	0.7% plus £27,900	0.7% plus £28,700	0.7% plus £29,300	18.3% plus £27,900	18.3% plus £28,700	18.3% plus £29,300
Swinton Queen Primary School	596		16.7%	0.4% plus £28,700	0.4% plus £29,300	0.4% plus £30,100	17.1% plus £28,700	17.1% plus £29,300	17.1% plus £30,100
Tapton School	639	2	15.4%	0.4% plus £377,080	0.4%	0.4%	15.8% plus £377,080	15.8%	15.8%
The Academy at Ridgewood Trust	442	2	16.0%	0.3% plus £78,780	0.3% plus £80,640	0.3% plus £82,600	16.3% plus £78,780	16.3% plus £80,640	16.3% plus £82,600
The Hayfield School	229		17.3%	0.2% less £19,900	0.2% less £20,400	0.2% less £20,900	17.5% less £19,900	17.5% less £20,400	17.5% less £20,900
Thrybergh Academy & Sports College	540		15.6%	0.7% plus £152,900	0.7% plus £156,500	0.7% plus £160,400	16.3% plus £152,900	16.3% plus £156,500	16.3% plus £160,400
Thrybergh Fullerton Primary	575		16.9%	0.6% plus £11,500	0.6% plus £11,800	0.6% plus £12,000	17.5% plus £11,500	17.5% plus £11,800	17.5% plus £12,000
Tinsley Meadows Primary School	758		12.6%	0.4% plus £95,200	0.4% plus £97,600	0.4% plus £99,900	13.0% plus £95,200	13.0% plus £97,600	13.0% plus £99,900

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Totley All Saints C of E School	613		15.6%	0.1% less £3,200	0.1% less £3,300	0.1% less £3,400	15.7% less £3,200	15.7% less £3,300	15.7% less £3,400
Totley Primary School	724		15.5%	0.1% plus £29,000	0.1% plus £29,700	0.1% plus £30,500	15.6% plus £29,000	15.6% plus £29,700	15.6% plus £30,500
Treeton C of E Primary Academy	846		15.7%	0.6% plus £26,600	0.6% plus £27,200	0.6% plus £27,900	16.3% plus £26,600	16.3% plus £27,200	16.3% plus £27,900
Trinity Croft C of E Primary Academy	572		15.7%	£10,600	£10,900	£11,100	15.7% plus £10,600	15.7% plus £10,900	15.7% plus £11,100
University Technology College (Sheffield)	246		15.3%	0.4% plus £24,700	0.4% plus £25,200	0.4% plus £25,800	15.7% plus £24,700	15.7% plus £25,200	15.7% plus £25,800
Upperwood Academy	348	3	15.3%	0.8% plus £16,870	0.8% plus £17,360	0.8% plus £17,660	16.1% plus £16,870	16.1% plus £17,360	16.1% plus £17,660
Valley Park Community Primary	746		13.7%	0.8% plus £81,200	0.8% plus £83,200	0.8% plus £85,100	14.5% plus £81,200	14.5% plus £83,200	14.5% plus £85,100
Wales High School (Academy Trust)	531	2	16.7%	0.6% plus £86,390	0.6%	0.6%	17.3% plus £86,390	17.3%	17.3%
Ward Green Academy	382		16.1%	0.3% plus £47,400	0.3% plus £48,600	0.3% plus £49,700	16.4% plus £47,400	16.4% plus £48,600	16.4% plus £49,700

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Wellgate Primary School	383		15.2%	0.9% plus £45,700	0.9% plus £46,800	0.9% plus £47,900	16.1% plus £45,700	16.1% plus £46,800	16.1% plus £47,900
Wentworth CoE Junior & Infant School	888		13.1%	£5,500	£5,600	£5,800	13.1% plus £5,500	13.1% plus £5,600	13.1% plus £5,800
Whiston Junior & Infant School	551		19.0%	0.5% plus £17,800	0.5% plus £18,200	0.5% plus £18,600	19.5% plus £17,800	19.5% plus £18,200	19.5% plus £18,600
Whiston Worrygoose Junior & Infant School	552		17.5%	1.4% plus £43,000	1.4% plus £44,000	1.4% plus £45,000	18.9% plus £43,000	18.9% plus £44,000	18.9% plus £45,000
Wickersley Northfield Primary	574		18.4%	0.7% plus £44,400	0.7% plus £45,400	0.7% plus £46,600	19.1% plus £44,400	19.1% plus £45,400	19.1% plus £46,600
Wickersley St Albans C of E Primary School	566		18.9%	0.5% plus £18,100	0.5% plus £18,500	0.5% plus £18,900	19.4% plus £18,100	19.4% plus £18,500	19.4% plus £18,900
Windmill Hill School Academy	866		16.7%	0.3% plus £41,900	0.3% plus £42,900	0.3% plus £43,900	17.0% plus £41,900	17.0% plus £42,900	17.0% plus £43,900
Wingfield Academy	547	3	15.6%	0.7% plus £78,780	0.7% plus £80,740	0.7% plus £82,600	16.3% plus £78,780	16.3% plus £80,740	16.3% plus £82,600
Winterhill School	580	3	14.9%	0.8% plus £135,290	0.8% plus £138,520	0.8% plus £141,860	15.7% plus £135,290	15.7% plus £138,520	15.7% plus £141,860

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Wisewood Community Primary	751	2	19.2%	0.2% plus £76,940	0.2%	0.2%	19.4% plus £76,940	19.4%	19.4%
Wombwell Park Street Primary School	376		14.2%	0.6% plus £31,400	0.6% plus £32,200	0.6% plus £32,900	14.8% plus £31,400	14.8% plus £32,200	14.8% plus £32,900
Woodfield Primary School	493		16.2%	0.2% plus £34,800	0.2% plus £35,700	0.2% plus £36,500	16.4% plus £34,800	16.4% plus £35,700	16.4% plus £36,500
Woodsetts Primary School	836		17.6%	0.1% plus £22,300	0.1% plus £22,800	0.1% plus £23,300	17.7% plus £22,300	17.7% plus £22,800	17.7% plus £23,300
Worsbrough Bank End	387		13.9%	0.3% plus £28,900	0.3% plus £29,600	0.3% plus £30,300	14.2% plus £28,900	14.2% plus £29,600	14.2% plus £30,300
Academies and Free Schools - 1 September Change									
Abbey School	588		14.2%	2.5% plus £5,900 to 31 August 2020	0.2% plus £20,200 to 31 August 2021	0.2% plus £20,700 to 31 March 2022	16.7% plus £5,900 to 31 August 2020	14.4% plus £20,200 to 31 August 2021	14.4% plus £20,700 to 31 March 2022
				0.2% plus £28,300 from 1 September 2020 to 31 March 2021	0.2% plus £28,900 from 1 September 2021 to 31 March 2022	0.2% plus £29,600 from 1 September 2022 to 31 March 2023	14.4% plus £28,300 from 1 September 2020 to 31 March 2021	14.4% plus £28,900 from 1 September 2021 to 31 March 2022	14.4% plus £29,600 from 1 September 2022 to 31 March 2023

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Kelford School	593		13.5%	- 0.1% plus £26,800 to 31 August 2020	0.7% plus £45,200 to 31 August 2021	0.7% plus £46,300 to 31 March 2022	13.4% plus £26,800 to 31 August 2020	14.2% plus £45,200 to 31 August 2021	14.2% plus £46,300 to 31 March 2022
				0.7% plus £63,400 from 1 September 2020 to 31 March 2021	0.7% plus £64,900 from 1 September 2021 to 31 March 2022	0.7% plus £66,400 from 1 September 2022 to 31 March 2023	14.2% plus £63,400 from 1 September 2020 to 31 March 2021	14.2% plus £64,900 from 1 September 2021 to 31 March 2022	14.2% plus £66,400 from 1 September 2022 to 31 March 2023
Maltby Hilltop School	589		14.7%	- 0.4% plus £31,700 to 31 August 2020	0.4% plus £52,000 to 31 August 2021	0.4% plus £53,200 to 31 March 2022	14.3% plus £31,700 to 31 August 2020	15.1% plus £52,000 to 31 August 2021	15.1% plus £53,200 to 31 March 2022
				0.4% plus £72,800 from 1 September 2020 to 31 March 2021	0.4% plus £74,600 from 1 September 2021 to 31 March 2022	0.4% plus £76,400 from 1 September 2022 to 31 March 2023	15.1% plus £72,800 from 1 September 2020 to 31 March 2021	15.1% plus £74,600 from 1 September 2021 to 31 March 2022	15.1% plus 76,400 from 1 September 2022 to 31 March 2023
St Maries School Catholic	659		17.1%	- 2.4% plus £11,600 to 31 August 2020	0.5% plus £13,700 to 31 August 2021	0.5% plus £14,000 to 31 March 2022	14.7% plus £11,600 to 31 August 2020	17.6% plus £13,700 to 31 August 2021	17.6% plus £14,000 to 31 March 2022

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Voluntary Academy				0.5% plus £19,100 from 1 September 2020 to 31 March 2021	0.5% plus £19,600 from 1 September 2020 to 31 March 2021	0.5% plus £20,100 from 1 September 2021 to 31 March 2022	17.6% plus £19,100 from 1 September 2020 to 31 March 2021	17.6% plus £19,600 from 1 September 2020 to 31 March 2021	17.6% plus £20,100 from 1 September 2021 to 31 March 2022
Pennine View School	826		15.4%	- 0.6% plus £24,000 to 31 August 2020	0.3% plus £27,600 to 31 August 2021	0.3% plus £28,300 to 31 March 2022	14.7% plus £24,000 to 31 August 2020	15.7% plus £27,600 to 31 August 2021	15.7% plus £28,300 to 31 March 2022
				0.3% plus £38,700 from 1 September 2020 to 31 March 2021	0.3% plus £39,600 from 1 September 2021 to 31 March 2022	0.3% plus £40,500 from 1 September 2022 to 31 March 2023	15.7% plus £38,700 from 1 September 2020 to 31 March 2021	15.7% plus £39,600 from 1 September 2021 to 31 March 2022	15.7% plus £40,500 from 1 September 2022 to 31 March 2023
Academies and Free Schools - Post 31 March 2019									
Bradfield Dungworth Primary School	911		18.4%	£900	£900	£1,000	18.4% plus £900	18.4% plus £900	18.4% plus £1,000
Chorus Education Trust	910		14.3%	0.9%	0.9%	0.9%	15.2%	15.2%	15.2%
Churchfield Primary School	956		15.8%	0.3% plus £4,800	0.3% plus £4,900	0.3% plus £5,000	16.1% plus £4,800	16.1% plus £4,900	16.1% plus £5,000

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Hawthorn Primary School	980		16.9%	0.7%	0.7%	0.7%	17.6%	17.6%	17.6%
Horizon Community College	921		16.6%	0.5% plus £26,900	0.5% plus £27,600	0.5% plus £28,200	17.1% plus £26,900	17.1% plus £27,600	17.1% plus £28,200
Lakeside Primary School	940		15.8%	0.5% plus £3,700	0.5% plus £3,800	0.5% plus £3,900	16.3% plus £3,700	16.3% plus £3,800	16.3% plus £3,900
Laughton All Saints C of E Primary	941		16.9%	0.3%	0.3%	0.3%	17.2%	17.2%	17.2%
Loxley Primary School	913		20.2%	£1,200	£1,300	£1,300	20.2% plus £1,200	20.2% plus £1,300	20.2% plus £1,300
Maltby Learning Trust MAT HQ	903		16.8%	0.2%	0.2%	0.2%	17.0%	17.0%	17.0%
Mapplewell Primary	975		18.3%	0.2% plus £4,600	0.2% plus £4,700	0.2% plus £4,800	18.5% plus £4,600	18.5% plus £4,700	18.5% plus £4,800
Marshland Primary	907		17.6%	0.8% plus £1,400	0.8% plus £1,500	0.8% plus £1,500	18.4% plus £1,400	18.4% plus £1,500	18.4% plus £1,500
Mercia Learning Trust MAT HQ	920		13.1%	0.1%	0.1%	0.1%	13.2%	13.2%	13.2%
Minerva Learning Trust	919		16.0%	0.2%	0.2%	0.2%	16.2%	16.2%	16.2%

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Nook Lane Junior School	912		19.2%	£2,400	£2,400	£2,500	19.2% plus £2,400	19.2% plus £2,400	19.2% plus £2,500
Oughtibridge Primary School	909		15.9%	0.3% plus £2,800	0.3% plus £2,800	0.3% plus £2,900	16.2% plus £2,800	16.2% plus £2,800	16.2% plus £2,900
Pye Bank C of E Primary School	922		15.7%	0.5% plus £4,700	0.5% plus £4,800	0.5% plus £4,900	16.2% plus £4,700	16.2% plus £4,800	16.2% plus £4,900
Stannington Infant School	914		16.1%	0.5% plus £1,300	0.5% plus £1,400	0.5% plus £1,400	16.6% plus £1,300	16.6% plus £1,400	16.6% plus £1,400
Thorne Brooke Primary	908		16.6%	0.7% plus £3,300	0.7% plus £3,400	0.7% plus £3,400	17.3% plus £3,300	17.3% plus £3,400	17.3% plus £3,400
Wath Academy	904		15.2%	0.9% plus £7,900	0.9% plus £8,100	0.9% plus £8,300	16.1% plus £7,900	16.1% plus £8,100	16.1% plus £8,300
West Road Primary School	942		16.4%	0.5% plus £1,200	0.5% plus £1,300	0.5% plus £1,300	16.9% plus £1,200	16.9% plus £1,300	16.9% plus £1,300
Wharncliffe Side Primary	915		18.5%	0.5% plus £2,400	0.5% plus £2,400	0.5% plus £2,500	19.0% plus £2,400	19.0% plus £2,400	19.0% plus £2,500
Woodseats Primary Academy	943		18.3%	0.4% plus £5,200	0.4% plus £5,300	0.4% plus £5,500	18.7% plus £5,200	18.7% plus £5,300	18.7% plus £5,500
Worsbrough Common Primary	959		14.8%	0.5% plus £6,800	0.5% plus £6,900	0.5% plus £7,100	15.3% plus £6,800	15.3% plus £6,900	15.3% plus £7,100

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Multi Academy Trusts									
Becton School	981		15.6%	2.5% to 31 August 2020	0.4% plus £1,600 to 31 August 2021	0.4% plus £1,700 to 31 March 2022	18.1% to 31 August 2020	16.0% plus £1,600 to 31 August 2021	16.0% plus £1,700 to 31 March 2022
				0.4% plus £2,300 from 1 September 2020 to 31 March 2021	0.4% plus £2,300 from 1 September 2021 to 31 March 2022	0.4% plus £2,400 from 1 September 2022 to 31 March 2023	16.0% plus £2,300 from 1 September 2020 to 31 March 2021	16.0% plus £2,300 from 1 September 2021 to 31 March 2022	16.0% plus £2,400 from 1 September 2022 to 31 March 2023
Coppice Community Special School	957		17.8%	- 0.3% to 31 August 2020	0.1% plus £900 to 31 August 2021	0.1% plus £900 to 31 March 2022	17.5% to 31 August 2020	17.9% plus £900 to 31 August 2021	17.9% plus £900 to 31 March 2022
				0.1% plus £1,300 from 1 September 2020 to 31 March 2021	0.1% plus £1,300 from 1 September 2021 to 31 March 2022	0.1% plus £1,300 from 1 September 2022 to 31 March 2023	17.9% plus £1,300 from 1 September 2020 to 31 March 2021	17.9% plus £1,300 from 1 September 2021 to 31 March 2022	17.9% plus £1,300 from 1 September 2022 to 31 March 2023
Crags Community School	954		15.8%	1.7% to 31 August 2020	0.6% plus £500 to 31 August 2021	0.6% plus £600 to 31 March 2022	17.5% to 31 August 2020	16.4% plus £500 to 31 August 2021	16.4% plus £600 to 31 March 2022
				0.6% plus £800 from 1 September 2020 to 31 March 2021	0.6% plus £800 from 1 September 2021 to 31 March 2022	0.6% plus £800 from 1 September 2022 to 31 March 2023	16.4% plus £800 from 1 September 2020 to 31 March 2021	16.4% plus £800 from 1 September 2021 to 31 March 2022	16.4% plus £800 from 1 September 2022 to 31 March 2023

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Heatherwood Community Special School	944		17.6%	- 0.1% from 1 September 2020 to 31 March 2021	0.6% plus £600 to 31 August 2021	0.6% plus £600 to 31 March 2022	17.5% from 1 September 2020 to 31 March 2021	18.2% plus £600 to 31 August 2021	18.2% plus £600 to 31 March 2022
				0.6% plus £800 from 1 September 2020 to 31 March 2021	0.6% plus £900 from 1 September 2021 to 31 March 2022	0.6% plus £900 from 1 September 2022 to 31 March 2023	18.2% plus £800 from 1 September 2020 to 31 March 2021	18.2% plus £900 from 1 September 2021 to 31 March 2022	18.2% plus £900 from 1 September 2022 to 31 March 2023
North Ridge School	979		18.8%	- 1.3% to 31 August 2020	0.1% to 31 August 2021	0.1% to 31 March 2022	17.5% to 31 August 2020	18.9% to 31 August 2021	18.9% to 31 March 2022
				0.1% from 1 September 2020 to 31 March 2021	0.1% from 1 September 2021 to 31 March 2022	0.1% from 1 September 2022 to 31 March 2023	18.9% from 1 September 2020 to 31 March 2021	18.9% from 1 September 2021 to 31 March 2022	18.9% from 1 September 2022 to 31 March 2023
Multi Academy Trusts									
Academies Enterprise Trust	MAT9		16.2%	0.1% plus £256,600	0.1% plus £262,600	0.1% plus £269,000	16.3% plus £256,600	16.3% plus £262,600	16.3% plus £269,000
Aston Community Education Trust	MAT29		16.9%	0.5% plus £363,770	0.5% plus £372,510	0.5% plus £381,430	17.4% plus £363,770	17.4% plus £372,510	17.4% plus £381,430
Astrea Academy Trust	MAT7		14.9%	0.4% plus £994,100	0.4% plus £1,018,200	0.4% plus £1,042,400	15.3% plus £994,100	15.3% plus £1,018,200	15.3% plus £1,042,400

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Brigantia Learning Trust	MAT2		16.5%	0.6% plus £303,100	0.6% plus £310,400	0.6% plus £317,800	17.1% plus £303,100	17.1% plus £310,400	17.1% plus £317,800
Cascade Multi Academy Trust	MAT51		14.1%	0.5% plus £171,500	0.5% plus £175,600	0.5% plus £179,700	14.6% plus £171,500	14.6% plus £175,600	14.6% plus £179,700
Central Learning Partnership Trust	MAT31	2	14.8%	1.0% plus £216,390	1.0%	1.0%	15.8% plus £216,390	15.8%	15.8%
Chorus Education Trust	MAT44	2	15.6%	0.7% plus £462,050	0.7%	0.7%	16.3% plus £462,050	16.3%	16.3%
Delta Academies Trust	MAT16	2	16.6%	0.3% plus £1,863,880	0.3%	0.3%	16.9% plus £1,863,880	16.9%	16.9%
Emmanuel Schools Foundation	MAT15		17.5%	0.2% plus £1,100	0.2% plus £1,100	0.2% plus £1,100	17.7% plus £1,100	17.7% plus £1,100	17.7% plus £1,100
Exceed Learning Partnership	MAT26		16.9%	0.3% plus £123,600	0.3% plus £126,700	0.3% plus £129,500	17.2% plus £123,600	17.2% plus £126,700	17.2% plus £129,500
Inspire Multi Academy Trust	MAT1	2	15.7%	0.6% plus £317,030	0.6%	0.6%	16.3% plus £317,030	16.3%	16.3%
Inspiring Futures	MAT19		17.0%	0.4% plus £117,200	0.4% plus £120,100	0.4% plus £122,900	17.4% plus £117,200	17.4% plus £120,100	17.4% plus £122,900

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James Montgomery Trust	MAT27		15.3%	0.2% plus £252,300	0.2% plus £258,200	0.2% plus £264,800	15.5% plus £252,300	15.5% plus £258,200	15.5% plus £264,800
L.E.A.D	MAT54		17.4%	0.3% plus £379,700	0.3% plus £388,700	0.3% plus £398,100	17.7% plus £379,700	17.7% plus £388,700	17.7% plus £398,100
Leger Education Trust	MAT57		19.9%	0.6% plus £48,200	0.6% plus £49,400	0.6% plus £50,600	20.5% plus £48,200	20.5% plus £49,400	20.5% plus £50,600
Minerva Learning trust	MAT49		16.1%	0.5% plus £432,300	0.5% plus £442,700	0.5% plus £453,400	16.6% plus £432,300	16.6% plus £442,700	16.6% plus £453,400
Oasis Community Learning	MAT50	3	12.3%	0.2% plus £27,180	0.2% plus £27,760	0.2% plus £28,350	12.5% plus £27,180	12.5% plus £27,760	12.5% plus £28,350
Outwood Grange Academies Trust	MAT10		16.5%	0.4% plus £426,300	0.4% plus £436,300	0.4% plus £446,600	16.9% plus £426,300	16.9% plus £436,300	16.9% plus £446,600
Pioneer Academies Community Trust	MAT8		17.7%	0.8% plus £51,600	0.8% plus £53,000	0.8% plus £54,200	18.5% plus £51,600	18.5% plus £53,000	18.5% plus £54,200
Sheffield South East Trust	MAT53		16.3%	0.4% plus £325,300	0.4% plus £333,200	0.4% plus £341,000	16.7% plus £325,300	16.7% plus £333,200	16.7% plus £341,000
St Mary's Academy Trust	MAT5		17.1%	0.8% plus £209,800	0.8% plus £214,900	0.8% plus £220,200	17.9% plus £209,800	17.9% plus £214,900	17.9% plus £220,200

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Wellspring Academy Trust	MAT6	2	13.0%	0.5% plus £1,743,020	0.5%	0.5%	13.5% plus £1,743,020	13.5%	13.5%
Wickersley Partnership Trust	MAT33		14.8%	0.7% plus £548,700	0.7% plus £561,900	0.7% plus £575,300	15.5% plus £548,700	15.5% plus £561,900	15.5% plus £575,300
Willow Tree Academy	MAT37		15.8%	0.4% plus £111,100	0.4% plus £113,800	0.4% plus £116,500	16.2% plus £111,100	16.2% plus £113,800	16.2% plus £116,500
XP Trust	MAT25		13.7%	£49,500	£50,600	£51,900	13.7% plus £49,500	13.7% plus £50,600	13.7% plus £51,900
Admitted Bodies ("Community Admission Bodies")									
Action Housing & Support Ltd	204	12	16.9%	0.4% plus £103,600	0.4% plus £106,100	0.4% plus £108,600	17.3% plus £103,600	17.3% plus £106,100	17.3% plus £108,600
Barnsley BIC Ltd	308	12	19.7%	(£2,300)	(£2,400)	(£2,400)	19.7% less £2,300	19.7% less £2,400	19.7% less £2,400
Barnsley Premier Leisure	228	12	15.8%	0.9% plus £117,400	0.9% plus £120,200	0.9% plus £123,100	16.7% plus £117,400	16.7% plus £120,200	16.7% plus £123,100
Border to Coast Pensions Partnership Ltd	881	7	14.7%	1.0%	1.0%	1.0%	15.7%	15.7%	15.7%
Community Action Halfway Home	520	12	29.9%	£2,500	£2,600	£2,600	29.9% plus £2,500	29.9% plus £2,600	29.9% plus £2,600

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Danum Drainage Commissioners	201	12	22.0%	(£2,200)	(£2,300)	(£2,300)	22.0% less £2,200	22.0% less £2,300	22.0% less £2,300
Doncaster Childrens Services Trust Ltd	473	12	14.5%	0.4% plus £135,000	0.4% plus £138,200	0.4% plus £141,500	14.9% plus £135,000	14.9% plus £138,200	14.9% plus £141,500
Doncaster Community Transport	230	12	14.7%	(£16,500)	(£16,900)	(£17,300)	14.7% less £16,500	14.7% less £16,900	14.7% less £17,300
Doncaster Culture & Leisure Trust	432	12	20.5%	0.1% plus £120,100	0.1% plus £123,000	0.1% plus £125,900	20.6% plus £120,100	20.6% plus £123,000	20.6% plus £125,900
Doncaster Deaf Trust	412	12	17.4%	£140,700	£144,100	£147,500	17.4% plus £140,700	17.4% plus £144,100	17.4% plus £147,500
Forge Community Partnership	322	12	15.4%	0.8% plus £27,000	0.8% plus £27,600	0.8% plus £28,300	16.2% plus £27,000	16.2% plus £27,600	16.2% plus £28,300
Great Places Housing Association	241	12	17.7%	1.4% less £1,400	1.4% less £1,500	1.4% less £1,500	19.1% less £1,400	19.1% less £1,500	19.1% less £1,500
Independent Training Services Ltd	310	12	28.8%	£2,100	£2,200	£2,200	28.8% plus £2,100	28.8% plus £2,200	28.8% plus £2,200
Learn Sheffield	768	3, 12	18.1%	£7,650	£7,850	£8,040	18.1% plus £7,650	18.1% plus £7,850	18.1% plus £8,040

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
National Childrens Bureau	202	12	18.0%	0.6% less £58,800	0.6% less £60,200	0.6% less £61,700	18.6% less £58,800	18.6% less £60,200	18.6% less £61,700
Northern College	226	3, 12	16.4%	0.5% plus £106,740	0.5% plus £109,290	0.5% plus £111,940	16.9% plus £106,740	16.9% plus £109,290	16.9% plus £111,940
Northern Racing College	209	12	20.0%	0.1% plus £27,200	0.1% plus £27,900	0.1% plus £28,500	20.1% plus £27,200	20.1% plus £27,900	20.1% plus £28,500
Priory Campus Ltd	311	12	26.7%	£5,700	£5,800	£6,000	26.7% plus £5,700	26.7% plus £5,800	26.7% plus £6,000
Roth Don and South Humber Mental Health NHS Foundation Trust	231	12	21.0%	0.4% less £44,100	0.4% less £45,200	0.4% less £46,200	21.4% less £44,100	21.4% less £45,200	21.4% less £46,200
Shaw Trust	422	12	24.9%	(£45,600)	(£46,700)	(£47,800)	24.9% less £45,600	24.9% less £46,700	24.9% less £47,800
Sheffcare Ltd	610	3, 12	20.5%	£44,640	£45,720	£46,800	20.5% plus £44,640	20.5% plus £45,720	20.5% plus £46,800
Sheffield City Trust	242	12	18.5%	0.9% less £40,500	0.9% less £41,600	0.9% less £42,500	19.4% less £40,500	19.4% less £41,600	19.4% less £42,500
Sheffield Community Transport	235	12	22.0%	(£39,500)	(£40,500)	(£41,400)	22.0% less £39,500	22.0% less £40,500	22.0% less £41,400

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Sheffield Futures	666	12	16.7%	0.4% less £85,700	0.4% less £87,800	0.4% less £89,900	17.1% less £85,700	17.1% less £87,800	17.1% less £89,900
Sheffield Galleries & Museums	523	12	18.1%	(£29,500)	(£30,200)	(£30,900)	18.1% less £29,500	18.1% less £30,200	18.1% less £30,900
Sheffield Health & Social Care NHS Foundation Trust	239	12	20.9%	(£131,300)	(£134,500)	(£137,700)	20.9% less £131,300	20.9% less £134,500	20.9% less £137,700
Sheffield Industrial Museums Trust Ltd	521	12	15.3%	0.1% less £2,000	0.1% less £2,100	0.1% less £2,100	15.4% less £2,000	15.4% less £2,100	15.4% less £2,100
Sheffield MIND	518		TBC	TBC	TBC	TBC	TBC	TBC	TBC
Sheffield Students Union	237	12	20.9%	(£1,400)	(£1,400)	(£1,500)	20.9% less £1,400	20.9% less £1,400	20.9% less £1,500
Sheffield Unison	663	3, 12	18.6%	0.1% plus £7,550	0.1% plus £7,750	0.1% plus £7,850	18.7% plus £7,550	18.7% plus £7,750	18.7% plus £7,850
South Yorkshire Housing Association	214	12	22.1%	£5,900	£6,100	£6,200	22.1% plus £5,900	22.1% plus £6,100	22.1% plus £6,200
Voluntary Action Barnsley	307	12	20.1%	0.4% plus £4,600	0.4% plus £4,700	0.4% plus £4,800	20.5% plus £4,600	20.5% plus £4,700	20.5% plus £4,800

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Voluntary Action Rotherham	506		26.5%	0.1% less £30,100	0.1% less £30,800	0.1% less £31,600	26.6% less £30,100	26.6% less £30,800	26.6% less £31,600
Admitted Bodies ("Transferee Admission Bodies")									
Affinity Trust - NHS Transfer (SCC)	877		22.2%	£11,300	£0	£0	22.2% plus £11,300	22.2%	22.2%
Amey Community Ltd (Barnsley BSF Design & Building Schools)	256		24.0%	£300	£300	£300	24.0% plus £300	24.0% plus £300	24.0% plus £300
Amey Community Ltd SPV1 (Barnsley BSF/PFI)	257		23.4%	£100	£100	£100	23.4% plus £100	23.4% plus £100	23.4% plus £100
Amey Community Ltd SPV2 (Barnsley BSF/PFI)	258		26.2%	£0	£0	£0	26.2%	26.2%	26.2%
Amey Community Ltd	259		23.8%	£2,800	£2,900	£2,900	23.8% plus £2,800	23.8% plus £2,900	23.8% plus £2,900

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SPV3 (Barnsley BSF/PFI)									
Amey LG Limited (Sheffield Highways)	655		19.7%	0.6% less £1,878,300	0.6% less £1,923,400	0.6% less £1,969,600	20.3% less £1,878,300	20.3% less £1,923,400	20.3% less £1,969,600
Argent Catering Solutions Ltd	767		22.4%	£68,400	£0	£0	22.4% plus £68,400	22.4%	22.4%
Aspens Services Ltd - Netherwood Catering Contract	887		20.8%	£69,300	£0	£0	20.8% plus £69,300	20.8%	20.8%
Aspens Services Ltd (E-ACT Pathways Academy)	765		26.8%	£1,500	£0	£0	26.8% plus £1,500	26.8%	26.8%
Aspens Services Ltd (McAuley Academy)	482		22.7%	(£22,300)	£0	£0	22.7% less £22,300	22.7%	22.7%
Aspens Services Ltd (Parkwood Academy)	764		29.7%	(£12,900)	£0	£0	29.7% less £12,900	29.7%	29.7%
Barnsley Norse Ltd	339		22.4%	0.4% less £146,100	0.4% less £149,600	0.4% less £153,200	22.8% less £146,100	22.8% less £149,600	22.8% less £153,200

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
British Red Cross	748		28.9%	(£34,600)	£0	£0	28.9% less £34,600	28.9%	28.9%
Capita (Outstanding Sheffield Programme)	616		19.9%	0.6% less £1,654,600	0.6% less £1,694,300	0.6%	20.5% less £1,654,600	20.5% less £1,694,300	20.5%
Carroll Cleaning Company (De Warenne Academy)	479		23.1%	(£15,100)	£0	£0	23.1% less £15,100	23.1%	23.1%
Caterlink (Barnsley Academy)	364		21.7%	£9,800	£0	£0	21.7% plus £9,800	21.7%	21.7%
Caterlink (Hunningley Primary)	394		23.5%	£9,200	£0	£0	23.5% plus £9,200	23.5%	23.5%
Caterlink (Sheffield Park Academy)	733		24.4%	(£40,000)	£0	£0	24.4% less £40,000	24.4%	24.4%
Churchill Contract Services - Dinnington High School	896		22.0%	£1,600	£0	£0	22.0% plus £1,600	22.0%	22.0%

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Compass (Don Valley Academy)	483		22.1%	0.1% less £74,600	0.1%	0.1%	22.2% less £74,600	22.2%	22.2%
Compass (Kirk Balk Academy)	391		22.2%	£80,100	£0	£0	22.2% plus £80,100	22.2%	22.2%
Compass (RCAT)	248		23.3%	(£30,900)	£0	£0	23.3% less £30,900	23.3%	23.3%
Compass (Rossington All Saints Academy)	484		22.0%	7.5% plus £4,100	7.5%	7.5%	29.5% plus £4,100	29.5%	29.5%
Compass (St Pius X Catholic High School)	884		22.9%	£10,500	£0	£0	22.9% plus £10,500	22.9%	22.9%
Compass (The Hayfield School)	495		21.4%	0.2% plus £15,800	0.2%	0.2%	21.6% plus £15,800	21.6%	21.6%
Cordant Cleaning Ltd	760		22.3%	£44,100	£0	£0	22.3% plus £44,100	22.3%	22.3%
Crispin & Borst	429		18.3%	1.6% less £14,300	1.6% less £14,600	1.6% less £15,000	19.9% less £14,300	19.9% less £14,600	19.9% less £15,000
Dimensions (UK) Ltd	389		22.1%	0.2% plus £242,300	0.2%	0.2%	22.3% plus £242,300	22.3%	22.3%

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Dolce - Conisbrough Ivanhoe Primary Academy	906		22.3%	£100	£100	£100	22.3% plus £100	22.3% plus £100	22.3% plus £100
Dolce Ltd (Blackburn Primary)	847		18.6%	0.3% plus £5,500	0.3%	0.3%	18.9% plus £5,500	18.9%	18.9%
Dolce Ltd (Dodworth St Johns)	852		26.8%	£100	£0	£0	26.8% plus £100	26.8%	26.8%
Dolce Ltd (Elsecar Holy Trinity)	855		20.0%	£3,600	£0	£0	20.0% plus £3,600	20.0%	20.0%
Dolce Ltd (Harthill Primary)	849		23.6%	£1,400	£0	£0	23.6% plus £1,400	23.6%	23.6%
Dolce Ltd (Kilnhurst Junior & Infants)	812		21.7%	0.4% less £900	0.4%	0.4%	22.1% less £900	22.1%	22.1%
Dolce Ltd (Kiveton Park)	848		18.6%	£1,700	£0	£0	18.6% plus £1,700	18.6%	18.6%
Dolce Ltd (Sitwell Juniors)	804		21.8%	0.2% plus £13,100	0.2%	0.2%	22.0% plus £13,100	22.0%	22.0%
Dolce Ltd (St Josephs - Handsworth)	851		24.4%	£2,800	£0	£0	24.4% plus £2,800	24.4%	24.4%

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Dolce Ltd (St Marys Maltby)	865		19.7%	£2,600	£0	£0	19.7% plus £2,600	19.7%	19.7%
Dolce Ltd (Swinton Fitzwilliam)	813		21.8%	£3,700	£0	£0	21.8% plus £3,700	21.8%	21.8%
Dolce Ltd (Swinton Queen Primary)	864		20.6%	£5,800	£0	£0	20.6% plus £5,800	20.6%	20.6%
Dolce Ltd (Todwick)	850		22.8%	£13,700	£0	£0	22.8% plus £13,700	22.8%	22.8%
Dolce Ltd (Whiston Junior & Infants)	814		22.8%	£8,400	£0	£0	22.8% plus £8,400	22.8%	22.8%
Dolce Ltd (Whiston Worrygoose)	815		22.2%	£800	£0	£0	22.2% plus £800	22.2%	22.2%
Dolce Ltd (Wickersley Northfield)	816		22.5%	£1,600	£0	£0	22.5% plus £1,600	22.5%	22.5%
Dolce Ltd (Woodsetts)	817		22.5%	(£100)	£0	£0	22.5% less £100	22.5%	22.5%
Edwards Commercial Cleaning (NORTH) Ltd	780		21.6%	0.3% plus £7,300	0.3%	0.3%	21.9% plus £7,300	21.9%	21.9%

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Engie Services Ltd (Barnsley Schools)	393		23.6%	£1,600	£1,600	£1,600	23.6% plus £1,600	23.6% plus £1,600	23.6% plus £1,600
Engie Services Ltd (Rotherham Schools)	513		25.2%	0.3% less £14,300	0.3% less £14,600	0.3% less £14,900	25.5% less £14,300	25.5% less £14,600	25.5% less £14,900
Go Plant Fleet Services Ltd	514	12	22.3%	(£206,600)	£0	£0	22.3% less £206,600	22.3%	22.3%
Independent Cleaning Services Ltd (Danum Academy)	478		23.1%	0.2% less £40,400	0.2%	0.2%	23.3% less £40,400	23.3%	23.3%
Interserve - SCC Catering Contract	886		22.9%	£7,400	£0	£0	22.9% plus £7,400	22.9%	22.9%
Interserve FM Ltd	671		22.3%	(£25,800)	(£26,400)	(£27,100)	22.3% less £25,800	22.3% less £26,400	22.3% less £27,100
ISS Mediclean Ltd	392		23.8%	£700	£700	£700	23.8% plus £700	23.8% plus £700	23.8% plus £700
Kier (Barnsley Housing Stock Maintenance)	332		20.9%	0.4% less £944,500	0.4%	0.4%	21.3% less £944,500	21.3%	21.3%
Kier Managed Services	688		25.8%	(£53,300)	(£54,600)	(£55,900)	25.8% less £53,300	25.8% less £54,600	25.8% less £55,900

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Mellors (Aston Hall Junior & Infants)	837		20.7%	£3,800	£3,900	£4,100	20.7% plus £3,800	20.7% plus £3,900	20.7% plus £4,100
Mellors (Aston Lodge Primary)	838		18.2%	£600	£600	£600	18.2% plus £600	18.2% plus £600	18.2% plus £600
Mellors (Brinsworth Whitehill)	839		22.0%	0.2% plus £3,600	0.2% plus £3,700	0.2% plus £3,900	22.2% plus £3,600	22.2% plus £3,700	22.2% plus £3,900
Mellors (Brinsworth)	585		20.7%	0.6% less £5,400	0.6%	0.6%	21.3% less £5,400	21.3%	21.3%
Mellors (Hinde House/King Ecgbert)	709		23.8%	(£5,200)	(£5,300)	£0	23.8% less £5,200	23.8% less £5,300	23.8%
Mellors (Monkwood Primary)	840		19.1%	£2,300	£2,300	£2,400	19.1% plus £2,300	19.1% plus £2,300	19.1% plus £2,400
Mellors (Rawmarsh Ashwood Primary)	841		21.1%	£1,700	£1,800	£1,800	21.1% plus £1,700	21.1% plus £1,800	21.1% plus £1,800
Mellors (Rawmarsh Comprehensive)	537		28.5%	(£6,100)	(£6,300)	(£6,500)	28.5% less £6,100	28.5% less £6,300	28.5% less £6,500
Mellors (Sandhill Primary)	842		20.0%	£1,900	£1,900	£2,000	20.0% plus £1,900	20.0% plus £1,900	20.0% plus £2,000

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Mellors (Sheffield Schools)	653		30.8%	(£9,500)	(£9,700)	(£10,000)	30.8% less £9,500	30.8% less £9,700	30.8% less £10,000
Mellors (Thrybergh Primary)	843		23.2%	£5,500	£5,700	£5,700	23.2% plus £5,500	23.2% plus £5,700	23.2% plus £5,700
Midshire Catering Ltd	244		24.8%	(£9,200)	£0	£0	24.8% less £9,200	24.8%	24.8%
Mitie Ltd	686		19.1%	(£900)	(£900)	(£900)	19.1% less £900	19.1% less £900	19.1% less £900
Morrison Facilities Service Ltd	533		18.8%	1.1% less £98,200	1.1% less £100,500	1.1% less £102,900	19.9% less £98,200	19.9% less £100,500	19.9% less £102,900
NPS Barnsley Ltd	334	12	19.7%	0.6% less £201,100	0.6% less £205,900	0.6% less £210,900	20.3% less £201,100	20.3% less £205,900	20.3% less £210,900
Places for People (RMBC)	548		20.0%	0.6% less £65,100	0.6% less £66,600	0.6% less £68,300	20.6% less £65,100	20.6% less £66,600	20.6% less £68,300
Places for People (SCC)	747		20.5%	0.3% less £22,100	0.3% less £22,600	0.3% less £23,100	20.8% less £22,100	20.8% less £22,600	20.8% less £23,100
Places for People (Wisewood Sports Centre)	759		18.5%	(£3,200)	(£3,300)	(£3,300)	18.5% less £3,200	18.5% less £3,300	18.5% less £3,300

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Premiserv (Blackburn Primary)	872		24.6%	0.5% plus £2,400	0.5%	0.5%	25.1% plus £2,400	25.1%	25.1%
Sodexo (Forest Primary Academy Wellspring)	875		20.2%	£3,200	£3,200	£3,300	20.2% plus £3,200	20.2% plus £3,200	20.2% plus £3,300
Sodexo (Greenacre Academy Wellspring)	397		18.2%	0.5% plus £7,000	0.5% plus £7,200	0.5% plus £7,400	18.7% plus £7,000	18.7% plus £7,200	18.7% plus £7,400
Sodexo (Oakhill Academy Wellspring)	396		17.6%	1.1% plus £1,700	1.1% plus £1,800	1.1% plus £1,900	18.7% plus £1,700	18.7% plus £1,800	18.7% plus £1,900
Sodexo (Oakwell Rise Academy Wellspring)	874		26.1%	£2,300	£2,400	£2,400	26.1% plus £2,300	26.1% plus £2,400	26.1% plus £2,400
Sodexo (Springwell Special Academy Wellspring)	398		24.0%	£1,400	£1,400	£1,500	24.0% plus £1,400	24.0% plus £1,400	24.0% plus £1,500
Taylor Shaw (Bradfield School)	703		30.3%	(£1,200)	(£1,200)	(£1,300)	30.3% less £1,200	30.3% less £1,200	30.3% less £1,300

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Taylor Shaw (Sheff School Meals Central Contract)	629		23.4%	(£991,000)	£0	£0	23.4% less £991,000	23.4%	23.4%
Taylor Shaw (Sheffield Catering)	618		30.4%	(£7,400)	(£7,600)	(£7,800)	30.4% less £7,400	30.4% less £7,600	30.4% less £7,800
Taylor Shaw (St John Fisher Academy)	754		22.2%	£4,200	£0	£0	22.2% plus £4,200	22.2%	22.2%
TnS (DeWarenne Academy)	876		19.0%	£3,600	£0	£0	19.0% plus £3,600	19.0%	19.0%
Trustclean (Wath CE School)	541		27.3%	(£1,500)	£0	£0	27.3% less £1,500	27.3%	27.3%
Trustclean (Wath Victoria Primary)	581		24.5%	(£300)	£0	£0	24.5% less £300	24.5%	24.5%
Trustclean Ltd (Athersley North)	346		23.9%	(£20,000)	£0	£0	23.9% less £20,000	23.9%	23.9%
Turning Point	390		20.7%	£125,000	£0	£0	20.7% plus £125,000	20.7%	20.7%

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Veolia Environmental Services PLC	676		22.1%	(£762,100)	(£780,400)	(£799,100)	22.1% less £762,100	22.1% less £780,400	22.1% less £799,100
Vinci Construction UK Ltd (Bradfield FM)	702		23.9%	(£1,700)	(£1,700)	(£1,800)	23.9% less £1,700	23.9% less £1,700	23.9% less £1,800
Wates Living Space Maintenance Ltd	781		21.2%	0.5% plus £150,600	0.5%	0.5%	21.7% plus £150,600	21.7%	21.7%
Admitted Bodies ("Transferee Admission Bodies") - Post 31 March 2019									
Aspens Services Ltd (Astrea Academy Dearne)	948		21.9%	0.2%	0.2%	0.2%	22.1%	22.1%	22.1%
Aspens Services Ltd (Astrea Woodfields Academy)	974		21.6%	£0	£0	£0	21.6%	21.6%	21.6%
Caterleisure (Riverside House)	939		23.3%	£0	£0	£0	23.3%	23.3%	23.3%
Compass (Atlas Academy)	924		21.9%	£0	£0	£0	21.9%	21.9%	21.9%

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Compass (Carrfield Primary)	932		21.6%	£0	£0	£0	21.6%	21.6%	21.6%
Compass (Castle Academy)	933		20.7%	0.6%	0.6%	0.6%	21.3%	21.3%	21.3%
Compass (Denaby Main Primary Academy)	934		24.4%	£0	£0	£0	24.4%	24.4%	24.4%
Compass (Edenthorpe Hall Primary Adademy)	935		20.5%	£0	£0	£0	20.5%	20.5%	20.5%
Compass (Gooseacre Primary Academy)	936		21.4%	£0	£0	£0	21.4%	21.4%	21.4%
Compass (Hartley Brook Primary School)	937		20.4%	£0	£0	£0	20.4%	20.4%	20.4%
Compass (Hatfield Primary)	923		21.1%	£0	£0	£0	21.1%	21.1%	21.1%
Compass (Hexthorpe Primary School)	925		19.2%	£0	£0	£0	19.2%	19.2%	19.2%

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				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Compass (Highgate Primary Academy)	926		23.9%	£0	£0	£0	23.9%	23.9%	23.9%
Compass (Hillside Academy)	927		24.5%	£0	£0	£0	24.5%	24.5%	24.5%
Compass (Intake Primary Academy)	928		20.1%	£0	£0	£0	20.1%	20.1%	20.1%
Compass (Kingfisher Academy)	929		22.5%	£0	£0	£0	22.5%	22.5%	22.5%
Compass (The Hill Primary)	930		20.0%	£0	£0	£0	20.0%	20.0%	20.0%
Compass (Waverley Academy)	931		21.6%	£0	£0	£0	21.6%	21.6%	21.6%
Engie Services Ltd (Rotherham Council)	982		19.1%	0.5%	0.5%	0.5%	19.6%	19.6%	19.6%
Happy Kids Childcare (Rotherham)	961		20.9%	£0	£0	£0	20.9%	20.9%	20.9%

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
MAM Doncaster Ltd - Doncaster Markets	916		19.3%	0.8%	0.8%	0.8%	20.1%	20.1%	20.1%
Mellors (Bramley Grange)	973		25.2%	£0	£0	£0	25.2%	25.2%	25.2%
Mellors (Grange Lane Infant Academy)	947		20.4%	£0	£0	£0	20.4%	20.4%	20.4%
Mellors (Hatfield Crookesbroom Primary)	949		21.9%	£0	£0	£0	21.9%	21.9%	21.9%
Mellors (Hatfield Woodhouse Primary)	950		22.7%	£0	£0	£0	22.7%	22.7%	22.7%
Mellors (Pheasant Bank Academy)	951		29.7%	£0	£0	£0	29.7%	29.7%	29.7%
Mellors (Rowena Academy)	952		23.7%	£0	£0	£0	23.7%	23.7%	23.7%
Optime Support Limited	938		20.1%	£0	£0	£0	20.1%	20.1%	20.1%

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
RM Education Ltd (Firth Park Academy)	960		21.9%	£0	£0	£0	21.9%	21.9%	21.9%
Taylor Shaw Aston All Saints	962		20.3%	£0	£0	£0	20.3%	20.3%	20.3%
Taylor Shaw Canon Popham	963		21.9%	£0	£0	£0	21.9%	21.9%	21.9%
Taylor Shaw Flanderwell Primary	964		22.7%	£0	£0	£0	22.7%	22.7%	22.7%
Taylor Shaw Kilnhurst St Thomas	965		21.3%	£0	£0	£0	21.3%	21.3%	21.3%
Taylor Shaw Laughton All Saints	966		20.7%	£0	£0	£0	20.7%	20.7%	20.7%
Taylor Shaw Rossington St Michaels	967		21.7%	£0	£0	£0	21.7%	21.7%	21.7%
Taylor Shaw St Oswald's Finningley	968		23.2%	£0	£0	£0	23.2%	23.2%	23.2%
Taylor Shaw Thrybergh Fullerton	969		21.9%	£0	£0	£0	21.9%	21.9%	21.9%

Employer	Employer Number	Notes	Primary rate 2020/21 to 2022/23	Secondary rates (including any allowance for potential McCloud adjustment and/or phasing)			Total Contribution Rate from 2019 Valuation		
				2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Taylor Shaw Treeton C of E Primary	970		23.1%	0.3%	0.3%	0.3%	23.4%	23.4%	23.4%
Taylor Shaw Trinity Croft	971		28.6%	£0	£0	£0	28.6%	28.6%	28.6%
Taylor Shaw Wickersley St Albans	972		28.4%	£0	£0	£0	28.4%	28.4%	28.4%

Other Interested Bodies with no Pensionable Employees (see note 13)	
Employer	Proportion of Pension Increases to be Recharged %
National Water Council	100
Sheffield Alcoholic Advisory Service	100
Youth Association South Yorkshire	60
Sheffield Racial Equality Council	100
Yorkshire % Humberside Regional Examination Board	100

The following employers exited the Fund during 2016/20. Termination assessments will be required and any additional contributions required will be notified separately:

Employer
Shafton Parish Council
SPS Security Ltd (Doncaster College)
Dolce Ltd (Sitwell Infants)
Dial a Ride
Creative Support
KGB Cleaning
Mellors (Thrybergh Fullerton)
Taylor Woodrow Construction (Cleaning)
Dolce Greengate Lane
Compass (Rowena)
Caterlink (Worsborough Bank End)
Dolce (Aston All Saints)
Dolce (Flanderwell)
Dolce (Wickersley St Albans)
Dolce (Trinity Croft)
Dolce (Rossingotn St Michaels)
Dolce Ltd (Intake Primary)
Compass (Hatfield Crookesbroom)
Compass (Hatfield Woodhouse)
Compass (Pheasant Bank)
CIVICA (Barnsley Schools)
Compass (Grange Lane Infants)

Employer
ADS Doncaster Substance Misuse
Churchill Contract Services (Brinsworth Academy)
Termination Assessment - ABM Catering (Bramley Grange)
RM Education (Dearne ALC)
Leonard Cheshire Disability

Important notes to the Certificate:

1. The percentages shown are percentages of pensionable pay and apply to all members, including those who are members under the 50:50 option under the LGPS.

2. The employer has chosen to pay their required lump sum secondary rate over the three years as one payment. Cash payments in respect of the total £ lump sums are payable by 30 April 2020. The amounts shown each year have been reduced to reflect the early payment.

3. The employer has chosen to pay each year's lump sum secondary rate as one payment each year. These annual cash payments are payable by 30 April of the year in which they are due. These amounts have been reduced to reflect this early payment.

4. With the agreement of the Administering Authority employers may also opt to pay any other element of their employer contributions in advance instead of monthly amounts, with either all three years being paid in April 2020 or payment being made in the April of the year in question. The cash amounts payable will be reduced in return for this early payment as follows:

    - Payments made in the April of the certified year will be reduced by 1.89% (i.e. the above amounts will be multiplied by 0.9811)
    - 2021/22 payments made in April 2020 will be reduced by 5.58% (i.e. the above amounts will be multiplied by 0.9442)
    - 2022/23 payments made in April 2020 will be reduced by 9.12% (i.e. the above amounts will be multiplied by 0.9088)

    The employers shown under this note in the schedule above have already opted to prepay % contributions in April 2020.

5. Where % contributions are being paid in advance, for these cases the employer will need to estimate in advance the pensionable pay for the entire period (subject to an agreed adjustment with the Administering Authority) and a balancing adjustment to reflect the actual pensionable pay over the period would be made at the end of the period (no later than 30th April as appropriate following the year-end). Consideration will be required for employers in surplus as at 31 March 2019, where any surplus offset would be made up front before any reduction for early payment is applied. Further information on the policy for prepayments can be provided by the Fund upon request. It should be noted that only certain employers will be able to pay their primary rate in advance due to the operational complexity.

6. The lump sum secondary rate (£3.2m) for this employer and a proportion of the % contributions in relation to the period 1 April 2020 to 31 March 2023 were paid prior to 31 March 2020.

7. The lump sum secondary rate (£0.5m) for this employer in relation to the period 1 April 2020 to 31 March 2023 was paid prior to 31 March 2020.

8. Where an employer initially opts to prepay contributions and this subsequently does not happen then the contribution schedule will be updated to reflect the undiscounted contribution amounts which would be payable monthly or at and interval otherwise agreed with the Administering Authority.

9. Where the secondary rate is a £ deduction to the primary rate due to an employer being in surplus, the total annual contributions payable by each employer will be subject to a minimum of £nil i.e. no monies can be refunded to an employer whilst they participate in the Fund.

10. Employers were given the option of whether to pay additional contributions over 2020/23 in respect of the potential additional McCloud costs or any other factors. Where employers did not opt to pay the additional contributions for the McCloud costs, they are expected to make provision for this within their budgets. Once the final remedy for McCloud is known, additional contributions will be required from such employers, which will include allowance for any additional McCloud liabilities built up after 31 March 2019. Employers will therefore be notified of the additional payments required once the remedy has been agreed and the costs are known. This certificate will then be updated if appropriate to reflect these changes to contribution requirements.

For those employers who did opt to pay the additional contributions for the McCloud costs, the above secondary contributions include provision for the estimated effect of the McCloud judgment. Once the final remedy for McCloud is known, the position will be reviewed. Whilst it is possible that the Fund may require additional contributions from employers at that point in time if the McCloud remedy is substantially different from that currently anticipated, based on the Administering Authority's current knowledge and understanding of the likely outcome it believes that requiring such additional contributions is an unlikely outcome. In the event that additional contributions are required, this certificate will then be updated to reflect these changes.

Any contribution changes will take effect from a date to be determined by the Administering Authority.

11. The Fund has an internal captive insurance arrangement in place in order to pool the risks associated with ill health retirement costs. The captive has been designed for employers that could be materially affected by the ill health retirement of one or more of their members. Those employers (both existing and new) that will be included in the captive are set out in the separate policy in the FSS. These employers will be notified of their participation. New employers entering the Fund who fall into this category will also be included. For those employers in the ill-health captive arrangement, allowance for ill health retirements has been included in each employer's contribution rate, on the basis of the method and assumptions set out in the report. Details of the arrangement are set out in the FSS.

12. The secondary rate for these employers have been determined using the separately agreed solvency target.

13. The secondary rate contributions for these employers over 2020/23 also include an allowance for the recovery of excess ill-health retirement costs.

14. The pension increase recharges in relation to former employers will continue at the current levels.

Appendix I
Glossary

Actuarial Valuation: an investigation by an actuary into the ability of the Fund to meet its liabilities. For the LGPS the Fund Actuary will assess the funding level of each participating employer and agree contribution rates with the administering authority to fund the cost of new benefits and make good any existing deficits as set out in the separate Funding Strategy Statement.

Best Estimate Assumption: an assumption where the outcome has a 50/50 chance of being achieved.

Bonds: loans made to an issuer (often a government or a company) which undertakes to repay the loan at an agreed later date. The term refers generically to corporate bonds or government bonds (gilts).

Career Average Revalued Earnings Scheme (CARE): with effect from 1 April 2014, benefits accrued by members in the LGPS take the form of CARE benefits. Every year members will accrue a pension benefit equivalent to 1/49th of their pensionable pay in that year. Each annual pension accrued receives inflationary increases (in line with the annual change in the Consumer Prices Index) over the period to retirement.

CPI: acronym standing for "Consumer Prices Index". CPI is a measure of inflation with a basket of goods that is assessed on an annual basis. The reference goods and services differs from those of RPI. These goods are expected to provide lower, less volatile inflation increases. Pension increases in the LGPS are linked to the annual change in CPI.

Deficit: the extent to which the value of the Fund's past service liabilities exceeds the value of the Fund's assets.

Discount Rate: the rate of interest used to convert a cash amount e.g. future benefit payments occurring in the future to a present value.

Employer Covenant: the degree to which an employer participating in an occupational pension scheme is willing and able to meet the funding requirements of the scheme.

Employer's Future Service Contribution Rate: the contribution rate payable by an employer, expressed as a % of pensionable pay, as being sufficient to meet the cost of new benefits being accrued by active members in the future. The cost will be net of employee contributions and will include an allowance for the expected level of administrative expenses. It is normally the same as an employer's Primary Contribution Rate under the Regulations.

Employer's Primary Contribution Rate: the contribution rate required to meet the cost of the future accrual of benefits including ancillary, death in service and ill health benefits together with administration costs. It is expressed as a percentage of pensionable pay, ignoring any past service surplus or deficit, but allowing for any employer-specific circumstances, such as its membership profile, the funding strategy adopted for that employer, the actuarial method used and/or the employer's covenant. The Primary Contribution Rate for the whole Fund is the weighted average (by payroll) of the individual employers' Primary Contribution Rates.

Employer's Secondary Contribution Rate: an adjustment to the Primary Rate to reflect any past service deficit or surplus, to arrive at the rate each employer is required to pay. The Secondary Rate may be expressed as a percentage adjustment to the Primary Rate, and/or a cash adjustment in each of the three years beginning 1 April in the year following that in which the valuation date falls. The Secondary Rate is specified in the Rates and Adjustments Certificate. For any employer, the rate they are actually required to pay is the sum of the Primary and Secondary Rates. Secondary Rates for the whole fund in each of the three years shall also be disclosed. These will be calculated as the weighted average based on the whole fund payroll in respect of percentage rates and as a total amount in respect of cash adjustments.

Equities: shares in a company which are bought and sold on a stock exchange.

Funding Strategy Statement (FSS): This is a key governance document that outlines how the administering authority will manage employer's contributions to the Fund.

Guaranteed Minimum Pension (GMP): This part of a member's pension which was earned between 6 April 1978 and 5 April 1997 and which replaces part of that member's State Scheme benefits in respect of that period.

Investment Strategy: the long-term distribution of assets among various asset classes that takes into account the Funds objectives and attitude to risk.

McCloud Judgment: This refers to the linked legal cases of Sargeant and McCloud, and which found that the transitional protections (which were afforded to older members when the public service pension schemes were reformed in 2014/15) constituted unlawful age discrimination.

Past Service Liabilities: this is the present value of the benefits accrued by members up to the valuation date. It is assessed based on a set of assumptions agreed between the Administering Authority and the Actuary.

Percentile: A method of ranking a series of outcomes. For example, a 10th percentile outcome means that only 10% of results would be expected to be as good as or better than the 10th percentile and 90% of results would be expected to be worse.

Prepayment: the payment by employers of contributions to the Fund earlier than that certified by the Actuary. The amount paid will be reduced compared to the certified amount to reflect the early payment.

Present Value: the value of projected benefit payments, discounted back to the valuation date.

Primary rate of the employers' contribution: the contribution rate required to meet the cost of the future accrual of benefits including ancillary, death in service and ill health benefits together with administration costs. It is expressed as a percentage of pensionable pay, ignoring any past service surplus or deficit, but allowing for any employer-specific circumstances, such as its membership profile, the funding strategy adopted for that employer, the actuarial method used and/or the employer's covenant. The Primary rate for the whole fund is the weighted average (by payroll) of the individual employers' Primary rates.

Prudent Assumption: an assumption where the outcome has a greater than 50/50 chance of being achieved i.e. the outcome is more likely to be overstated than understated. Legislation and guidance requires the assumptions adopted for an actuarial valuation overall to be prudent.

Real Return or Real Discount Rate: a rate of return or discount rate net of CPI inflation.

Recovery Plan: a strategy by which an employer will make up a funding deficit over a specified period of time ("the recovery period", as set out in the Funding Strategy Statement.

SAB Funding Basis or SAB Basis: a set of actuarial assumptions determined by the LGPS Scheme Advisory Board (SAB). Its purposes are to set out the funding position on a standardised approach so that comparisons can be made with other LGPS Funds, and to assist with the "Section 13 review" as carried out by the Government Actuary's Department. As an example, the real discount rate over and above CPI used in the SAB Basis as at 31 March 2019 was 2.4% p.a., so it can be substantially different from the actuarial assumptions used to calculated the Fund's solvency funding position and contribution outcomes for employers.

Solvency/Funding Level: the ratio of the value of the Fund's assets and the value of the Fund's liabilities expressed as a percentage.

Solvency Funding Target: an assessment of the present value of benefits to be paid in the future. The desired funding target is to achieve a solvency level of a 100% i.e. assets equal to the past service liabilities assessed on the ongoing concern basis.

50/50 Scheme: in the LGPS, active members are given the option of accruing a lower benefit in the 50/50 Scheme, in return for paying a lower level of contribution.

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SOUTH YORKSHIRE
PENSIONS AUTHORITY

Investment Strategy Statement

March 2020

Introduction

The South Yorkshire Pension Fund ("the Fund") is administered by the South Yorkshire Pensions Authority ("the Administering Authority") which is required to maintain an Investment Strategy Statement (ISS) in accordance with Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The ISS is an important governance tool for the Fund as well as providing transparency in relation to how the Fund investments are managed. The regulations establish the range of matters that the Authority must consider when carrying out its responsibilities. In addition, the Authority is required to manage the Fund in the best financial interests of its members and beneficiaries at all times.

In preparing this statement officers have taken advice from an investment consultant, the Fund's actuary and from out two retained independent advisors.

The Statement is subject to review periodically, but at least every three years, and without delay after any significant change in investment policy. The ISS should be read in conjunction with the Fund's Funding Strategy Statement, which is available on our website at www.sypensions.org.uk.

Investment objectives

The Fund's primary investment objective is to ensure that over the long term it will have sufficient assets to meet all of its pension liabilities as they fall due. This objective is more fully explained in the Authority's Funding Strategy Statement (FSS) derived from the actuarial valuations of the Fund.

The crux of the FSS is the need to achieve a future funding level of 100% or better whilst keeping employer contribution rates as low and reasonably stable and affordable as possible. In order to achieve this the Fund's actuary estimates that an investment return of CPI+1.75%pa (equivalent to a nominal figure of approximately 4.15%pa) is required.

To meet this objective the Authority manages the Fund from a long term viewpoint and endeavours to maximise its returns but, at the same time, operates within a closely controlled range of acceptable risks. It also ensures that liquidity requirements are at all times met.

Process for ensuring suitability of investments

The Authority manages the Fund's investments and it has delegated its day to day management responsibilities to its officers. The Scheme of Delegation to Officers is formally approved by the Authority and forms part of its constitution. The Authority comprises twelve councillors drawn from the four district councils of South Yorkshire (together with three trade union observers). The constituent councils appoint members to the Authority in accordance with the provisions of the Local Government Act 1985. The Authority also liaises with the Local Pension Board which includes representatives of employers and scheme members.

The Authority is responsible for setting the investment strategy of the Fund. As well as obtaining advice from Authority's officers it has also appointed independent investment advisors to advise it on investment matters and an actuary for the production of actuarial valuations and for advice on liability issues. For other work it appoints consultants when required.

In order to ensure as far as possible that the investment strategy is appropriate for the Fund's liabilities the Authority has created its own bespoke or customised strategic asset allocation. This benchmark acts as a framework and is adopted only after analysing the Fund's liability structure in detail. It is reviewed at least every three years and always after the statutory actuarial valuation.

The Regulations define the types of investments the Fund can hold. The Authority participates in stock lending, where it holds investments directly to the limit permitted and the programme is managed by the custodian bank in accordance with best market practice. The Fund's directly owned securities are held by the custodian bank or its agents or directly by the Authority.

The Fund has recently carried out an asset and liability study alongside the 2019 actuarial valuation. The Fund's liability data was used in the modelling and the implications of adopting a range of alternative investment strategies were assessed. The implications for the future development of the Fund were considered under a wide range of different scenarios.

The investment strategy is determined based on the expected return on asset classes (for equities, bonds, property etc.) with the appetite for risk as measured by the dispersion (likely range) of these returns. The Fund may also make use of derivatives, either directly or in pooled investments, for the purposes of efficient portfolio management or to hedge specific risks, in order to protect the value of the Fund's assets.

The conclusion of the study was that although the current strategy has a good chance of meeting the long-term objective there was an opportunity to marginally improve the risk and return balance that increases the likelihood of achieving the long term objective and reduces the potential for adverse outcomes. This is done by reducing the exposure to equities and index-linked gilts and allocating to alternative and income focussed assets such as multi-asset credit and private debt.

Changes to the allocations to public markets investments can take place relatively quickly but change to private market investments will take several years. The Authority is satisfied that the investment strategy has a sufficient probability (65.2%) of meeting its return targets over the long-term and it is expected that the Fund's long term investment returns will be at least in line with these assumptions and those published in the FSS.

The long term benchmark positions before and after March 2020 are set out in the table below. Due to the amount of time it will take to increase the allocations to private market investments, interim benchmarks will be used over an appropriate period to reflect these changes.

Asset Class	Current Benchmark %	New Benchmark %	Tolerance
UK Equities*	15.0	10.0	} +/- 5%
Global Equities*	35.0	35.0	}
Private equity	7.0	7.0	+/- 2%
Total Growth	**57.0**	**52.0**	
Multi Asset Credit	6.0	6.0	+/- 2%
Infrastructure	5.0	10.0	+/- 3%
Private Debt	3.5	5.5	+/- 1%
UK Property	10.0	10.0	+/- 2%
Total Income	**24.5**	**31.5**	
UK Index-Linked Gilts	12.0	10.0	+/- 3%
Corporate Bonds	5.0	5.0	+/- 1%
Cash	1.5	1.5	+/- 1%
Total Protection	**18.5**	**16.5**	
Total	**100.0**	**100.0**	

*Note for the purposes of these tolerances listed equity allocations will be treated as a single allocation

As indicated above this asset allocation is constructed on the basis that it delivers an x% probability of achieving the actuarially required return target of CPI+1.75% which equates to 4.15% pa over the longer term.

In line with the regulations, the authority's investment strategy does not permit more than 5% of the total value of all investments of fund money to be invested in entities which are connected with the authority within the meaning of section 212 of the Local Government and Public Involvement in Health Act 2007. At the time of writing there are no such investments.

In order to measure the performance of each asset class against its benchmark index and monitor the investment objective, the Authority requires detailed performance measurement figures. These are independently provided by Portfolio Evaluation and are presented to the Authority on a quarterly basis.

Risk measurement and management

The Fund's main long-term risk is that assets do not match liabilities, and that funding objectives are not achieved. There are many different types of risk involved in capital stewardship and the Authority notes that without taking "risks" it will be difficult for the Fund to achieve the performance it needs if it is to meet its objectives. The Authority recognises that risk is inherent in any investment or operational activity and seeks to control risk rather than try to eliminate it. The approach aims to mitigate risk without compromising returns. In order to generate the required investment returns necessary to match the growth in liabilities this implies that the Fund will continue to take an active risk relative to its liability profile.

The key risks inherent in the Fund, and how these risks are mitigated, are below.

Risk	Description	Mitigants
Counter Party	Counterparty risk in every transaction in which the Authority takes part.	Use reputable service providers who operate effective controls. Independent investment advisers appointed to assist in the scrutiny of the internal investment management activity.
Funding strategy risk	There is a risk that the value of Fund assets will not match the increase in its liabilities which could result in a deteriorating financial position.	The effect can be reduced by diversifying the Fund's portfolios across a broad spectrum of assets and markets, taking into account these differences and the correlations between them and by granting the Fund's managers sufficient freedom to meet their targets but setting range constraints. An equity protection strategy is currently implemented
Performance	The Fund's investment managers fail to deliver returns in line with the underlying asset classes.	Analysis of market performance and investment managers' performance relative to their index benchmark on a quarterly basis. Manager performance is also reviewed regularly with support from external advisers.
Demographic	Demographic factors including the uncertainty around longevity/mortality projections (e.g. longer life expectancies) can also contribute to funding risk.	Demographic assumptions are conservative, regularly monitored, and reviewed on a triennial basis.
Liquidity	Liquidity or market risk associated with the volatility of prices in certain assets and under certain market conditions.	Part of the Fund is held in securities that can be realised quickly in normal market conditions. Management of Authority cash flows to ensure future payments can be met.
Inflation & 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.	It is important that the Fund's strategy takes into account these differences and the correlation between them. The Fund regularly monitors its exposure to interest rates.

Risk	Description	Mitigants
Foreign exchange	Investing overseas exposes the Fund to fluctuations in exchange rates.	The Fund's customised benchmark regulates such exposure: part of that approach involves the Authority passively hedging its overseas property portfolio's currency risk.
Environmental, Social and Governance (ESG)	ESG risks have the ability to impact a company's profitability and the Fund's investment performance.	The Fund has a suite of Responsible Investment (RI) policies, acts as a responsible share owner and factors ESG into investment decision making. These are also referenced elsewhere in the report.
Employers	The financial capacity and willingness of sponsoring employers to support the Fund.	This is regularly reviewed by the Authority.
Governance	The risk of poor governance and the potential issue of Committee member turnover.	Ensure that Members are well informed by officers and independent advisers. A Member training programme is in operation. The Local Pension Board and external and internal audit also support the scrutiny and governance process.

Asset Pooling

The Fund is a participating scheme in the Border to Coast Pensions Partnership (BCPP). This is a Financial Conduct Authority regulated company set up to manage the assets of the following 12 administering Authorities.

> Bedfordshire Pension Fund, Cumbria Pension Fund, Durham Pension Fund, East Riding Pension Fund, Lincolnshire Pension Fund, North Yorkshire Pension Fund, Northumberland Pension Fund, South Yorkshire Pension Fund, Surrey Pension Fund, Teesside Pension Fund, Tyne and Wear Pension Fund, Warwickshire Pension Fund.

The July 2016 submission to Government of the Border to Coast Pool provided a statement addressing the structure and governance of the Pool and the mechanisms by which the Fund can hold the Pool to account.

As anticipated in the legal documentation surrounding the creation of Border to Coast the Northumberland and Tyne and Wear funds have announced a proposal to merge, a proposal which if approved will become operational during 2020/21. While this will reduce the number of funds in the pool to 11 it will have no other practical implications for the operation of the Pool.

Border to Coast's role is to independently and professionally deliver Partner Funds asset allocation choices. It will make decisions relating to and monitor the investment managers (including employees of Border to Coast) who manage the administering authorities' "fund money" with the aim of maximising the long-term net of fees investment returns attributable to each of the Parties. Border to Coast has a strong corporate governance philosophy, focused on the delivery of long term value through active corporate engagement, the rationale being that this aligns directly with ensuring the Partner Funds exercise their fiduciary duty in the best interests of their members and employers.

The Partner Funds acknowledge that there may be occasions where Border to Coast is unable to implement all asset allocation strategy decisions made because it would not be cost effective to do so, but the Parties and Border to Coast will work together to try to avoid this situation.

The Fund will hold Border to Coast to account through the following mechanisms:

- The Authority will monitor and regularly review the investment performance of the assets under Border to Coast's management, seeking explanation and attendance of Border to Coast personnel at meetings where necessary.
- The conducting of an annual review of the performance of Border to Coast by the Authority's officers and independent advisers resulting in an annual report to the Authority.
- Two shareholder nominated Non-Executive Directors on the Board of the Company, with equal voting rights, who will provide oversight and control of the corporate operations of Border to Coast.
- A representative on the Joint Committee who will monitor and oversee the investment operations of Border to Coast.
- Officer support to the above representatives from the Officer Operations Group and the Statutory Officer Group.

The Pension Fund will retain the decision making powers regarding investment strategy and will delegate the investment management function to Border to Coast.

It is the intention that a large proportion of the Fund's investments will be made through Border to Coast. At the time of writing 55% of the Fund's assets have been transferred to Border to Coast and other assets will transfer across to the pool on a phased basis. We have also made significant new commitments to three alternative asset class sub funds.

Where it is not practical or cost effective for assets to be transferred into the pool they will continue to be managed at the Fund level. These are expected to predominantly include unquoted investments such as limited partnerships. Whilst these assets are unlikely to be transferred it is expected that once these investments mature the proceeds will be reinvested into suitable Border to Coast sub-funds.

The Fund currently has an equity protection strategy in place and the Index-Linked Gilt holdings are used as collateral for this and as such will remain outside of the Pool.

The Fund has a significant holding invested directly in a portfolio of agricultural property. Border to Coast are not proposing to develop a product in this area and if this portfolio is retained it will continue to be managed directly.

The Fund is also permitted to directly invest locally, subject to suitable risk/return characteristics, where this is not available through the Pool. Allocations have been made to two investments of this type, one of which has a 10 year investment period and the other of which is a rolling investment.

Social, environmental and corporate governance policy

The Authority is fully committed to responsible investment and good stewardship of its investments. It acts at all times in the best long-term interests of all its members and looks to protect and enhance the economic value of the companies in which it invests on their behalf. It believes that well governed companies produce sustainable and superior long term returns. Responsible investment is fundamental to the Authority as it is in accordance with the fiduciary duty owed to stakeholders.

The Authority takes its responsibilities as a long-term investor seriously integrating environmental, social and governance factors into the investment process. Environmental risks include climate change; the Authority believes that the associated risks and opportunities may have a material impact on the financial performance of the Fund and has therefore published a Climate Change policy statement which can be found on the Authority's website.

The Authority believes that the pursuit of standards of best practice aligns the interest of Fund members with those of fellow shareholders and with society as a whole. The Authority recognises that it is unable to use its policies to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries other than where formal legal sanctions, embargoes and restrictions have been put in place by the Government. The Authority has published a separate Responsible Investment policy statement available to view on its website.

These policy statements and a statement specifically related to the application of responsible investment in the context of the Commercial Property portfolio are regularly updated.

This is an area where the Authority works together with Border to Coast and the other 11 partner funds, who have agreed a policy framework in this area which the Company is required to follow. This ensures that the Company is able to apply a consistent framework in this area across all aspects of its work.

The Authority invests in sustainable and impact funds which have positive social and environmental impacts. It does so only when returns are considered to be commercial and will not forego financial return in order to generate social impact.

Under Regulations issued in 2009 administering authorities of the LGPS are required to report their compliance against the Principles for Investment Governance. The six Principles are intended to guide institutional investors on matters such as investment, scheme governance, disclosure and consultation and the Authority publishes a separate statement outlining its full compliance with the Principles.

Responsibility for the practical implementation of the Fund's approach to responsible investment is devolved to Border to Coast as the provider of investment management services. As such they are required to publish their own responsible investment policy and sign up to both the UK Stewardship Code and the UN Principles of Responsible Investment compliance with both of which will be externally monitored on an ongoing basis. Border to Coast procedures ensure that ESG issues are routinely monitored as part of the investment analysis and incorporated into the due diligence leading to investment selection and reviewed as part of the active ownership of assets under management.

Stewardship

The Fund has a statement of compliance with the UK Stewardship Code which references a suite of policies addressing responsible investment and stewardship.

The Authority recognises that it is not always possible for it to conduct constructive engagement alone: therefore, it will enter directly or through Border to Coast, into collaboration with other like-minded investors when the occasion warrants doing so.

It is an active member of the Local Authority Pension Fund Forum and will join other collaborative pressure or lobbying groups if it feels it is appropriate to do so. The Authority is a member of the IIGCC which is a forum for collaboration on climate change for European investors. The Authority believes that risks and opportunities associated with climate change may have a material impact on the financial performance of the Fund and, therefore, supports the Group's objective to catalyse greater investment in a low-carbon economy by bringing investors together to use their collective influence with companies, policymakers and investors.

Border to Coast has also signed up to the 30% Club whose aim is to pursue gender diversity on company boards, the Workforce Disclosure Initiative, Climate Action 100+ and the Task Force on Climate Related Financial Disclosure.

Voting rights

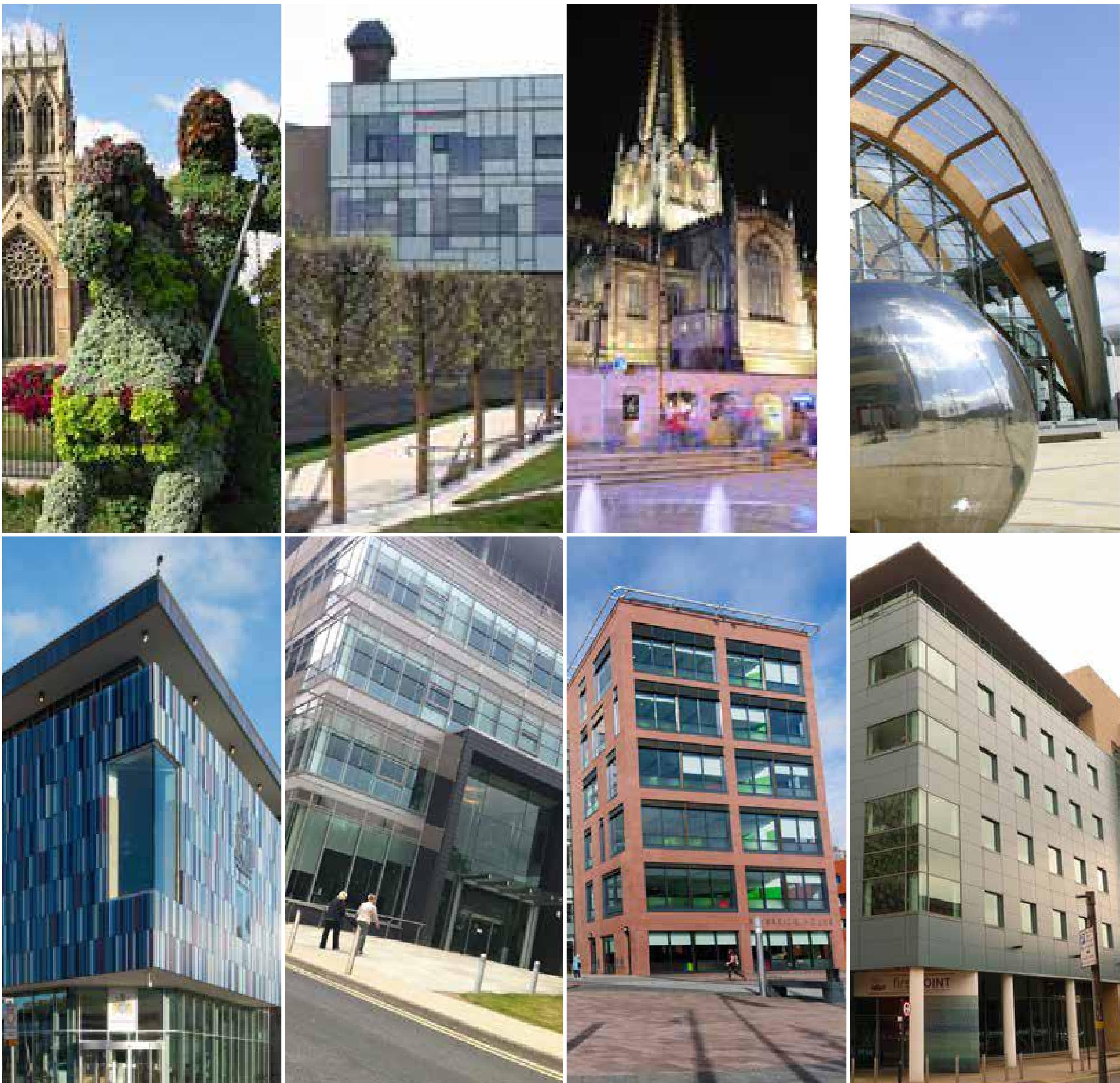
The Authority regards its voting rights as an asset to be used carefully. The voting power is delegated to Border to Coast as investment manager. Border to Coast aims to vote in every market in which it operates. It has appointed a contractor to ensure that its votes are effectively executed.

The Authority subscribes to the Border to Coast voting policy which has been agreed by all partner funds and has been informed through the interpretation of best practice guidelines in consultation with the proxy advisor. Voting decisions, nonetheless, are made on a case-by-case basis bearing in mind a company's circumstances. Voting decisions will be available to view via the Fund's website quarterly.

Constructive shareholder engagement, with the aim of promoting and supporting good corporate governance principles and practice, will be pursued whenever it is deemed appropriate to do so. The Voting Guidelines collectively agreed by all 12 funds participating in the Border to Coast pool are available on the internet and can be accessed through the Responsible Investment pages of the Authority's website www.sypensions.org.uk

Administration Strategy

SOUTH YORKSHIRE
PENSIONS AUTHORITY



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SOUTH YORKSHIRE PENSIONS AUTHORITY

STRATEGY FOR THE ADMINSTRATION OF THE LOCAL GOVERNMENT PENSION SCHEME IN SOUTH YORKSHIRE

Incorporating:

- Employer Service Level Agreements with the Fund Administrator
- Fund Administrator Service Level Agreement with Employers
- Communication Policy and Strategy (Elements of)
- Consultation Policy and Strategy (Elements of)
- IDR Procedure (Charging Policy)
- Actuarial Services (Charging for certain elements)
- Interest (Policy & Rates)
- Funding and Debt Recovery Strategies (Elements of and Policy)

The following, revised, document details the strategy to be adopted in the administration of the Local Government Pension Scheme by South Yorkshire Pensions Authority and participating Fund Employers with effect from 1 April 2020.

It has been updated in consultation with the participating Fund Employers and is provided for through statute by Regulation 59 of the Local Government Pension Scheme Regulations 2013 (as amended).

It sets out, amongst other things, how the Administering Authority, SYPA, will administer the Pension Scheme and Fund on behalf of Employing Organisations, and their Scheme Members, participating in the South Yorkshire Pension Fund, its requirements for employers in terms of the timely and accurate provision of information pertinent to the administration of the Scheme and Fund, and the penalties to be applied to those employing organisations failing to meet their duties, responsibilities and obligations as detailed within this strategy document.

The strategy has been developed and adopted in consultation to improve the overall standard of administration of the Scheme and the Fund in the South Yorkshire Fund area and is intended to apply in a spirit of partnership working and co-operation where every assistance, tool, facility, system, support, training and guidance will be provided where possible to enable employers to improve administrative performance and meet the requirements of the strategy.

Any penalties and censures carried within the strategy are not intended to apply as a first resort but rather as a last resort following a period of grace during which time any organisation struggling to meet its obligations will be given the opportunity to make the necessary improvements to their performance.

Jason Bailey

Head of Pensions Administration
South Yorkshire Pensions Authority

REVIEW DATE

This Administration Strategy will be reviewed as follows:

- Every 5 years as a matter of routine
- Whenever impacted by Regulatory Changes
- Whenever impacted by other legislative changes
- Whenever impacted by major changes to other policies, statements and strategies used by the Administering Authority
- As required by operational changes and demands

Where changes are planned or thought to be necessary outside of the routine review period then consultation will begin on those proposals for change as soon as possible after the potential requirement(s) for change has been identified, or at the beginning of year five if the review is as a result of the routine review policy.

REGULATIONS AND OTHER LEGISLATION GOVERNING THE STRATEGY

- The Local Government Pension Scheme 1995, 1997 and 2008 Regulations as they still have effect in part
- The Local Government Pension Scheme (Transitional Protection) Regulations 2014
- The Local Government Pension Scheme Regulations 2013 in force now or as amended and in force at any future date
- The Public Sector Pensions Act 2013
- The Pensions Act 1993
- The Pensions Act 1995
- The Pensions Act 2014
- The 2004, 2006 and 2014 Finance Acts
- The Occupational & Personal Pension Schemes (Disclosure of Information) Regulations in force and as amended
- The Occupational Pension Schemes (Transfer Values) Regulations in force and as amended

This list is not exhaustive and other Legislation and Regulations may and will apply in certain specific circumstances

SERVICE LEVEL AGREEMENTS

South Yorkshire Pensions Authority is using its powers under Regulation 59 of the Local Government Pension Scheme Regulations 2013, Pension Administration Strategy, to consolidate its former Service Level Agreement documents, (which were signed by Employing Organisations on a voluntary basis when they were first introduced and only made compulsory for new organisations joining the Fund later), into, and make them, an integral part of, this formal Administration Strategy document

The original publication of, and any subsequent revisions and amendments to, this Strategy follows consultation with Employers and means that there will no longer be a requirement for Employers to have a separate SLA with SYPA. It is implicit that this strategy, and therefore the Service Level Standards contained within it, applies to ALL Employing Organisations participating in the South Yorkshire Pension Fund.

Where either necessary, relevant or appropriate those standards are detailed in the following pages so that all parties are aware of the requirements of this element of the Strategy as the administration of the Scheme in South Yorkshire moves forward under this document.

SCOPE

These are the tasks and issues falling within the scope of the Administration Strategy:

- The requirements and obligations of New Employers joining the Fund
- The routine notification and provision of information by employers about individual scheme members
- The monthly provision of information and data of sufficient quality and quantity such as to enable the Administering Authority to collect payment of employee and employer contributions from employers via direct debit, to post member contributions, create records for new entrants to the Scheme, amend records to reflect personal and contractual changes and to create the leaver process for those members leaving the Scheme for whatever reason
- The non-routine bulk notification and provision of information by employers about their scheme members where event driven
- The payment to the Fund of employee and employer contributions including any additional contributions paid by scheme members
- The payment to the Fund’s appropriate third party AVC providers of employee Additional Voluntary Contributions, AVCs
- The payment by employers of deficit contributions in accordance with the Funding Strategy Statement

- The payment by employers of any costs associated with the early termination of employment of scheme members or policy decisions requiring additional funding
- The development and publication of Employer Discretionary Policies
- The IDR Procedure and/or Formal Member Complaints about Employing Organisations
- Actuarial Services
- The Provision of Scheme compliant Payroll Services by employing organisations
- Accounting Standard Exercises for Employers
- Fund Valuation Exercises
- TUPE Transfers, Admission and/or Bond Agreements, School Conversions
- The provision of information to employers in relation to their scheme members for the purposes of:
  - Individual member retirement benefit estimates
  - Bulk member retirement benefit estimates
  - Bulk costings for employer led early retirement exercises
- The Communication Strategy
- The Consultation Strategy
- Reporting to the Regulator
- Debt Collection Procedure
- The National Fraud Initiative Exercise
- Service Standards to Employers
- Service Standards to Scheme Members
- Funding Strategy Requirements where appropriate and inter-related
- The provision of information to third parties in relation to transfer values and deferred benefits for individual scheme members
- Reporting to the Authority and its Boards

STATEMENT OF ADMINISTERING AUTHORITY OBJECTIVES AND AIMS

The following is SYPA's statement of its objectives and aims in relation to how it intends to deliver its administration service to all of its stakeholders:

"The Authority wishes and intends to provide a high quality pensions' service to employing organisations and members of the Fund by:

- **Supporting member organisations in their planning, promotion and use of pension provision for their employment needs**
- **Administering pension provision for member organisations in accordance with statutory requirements**
- **Being recognised as a continually improving provider of cost effective, efficient and high quality pension administration**
- **Providing a first class, accurate and timely service to its members, their dependants and representatives for the entire lifetime of their relationship with the Authority"**

EQUALITY STATEMENT

The Authority is committed to equal opportunities for our members and will take all necessary steps to ensure that is complies with the specific duties that have been placed upon it.

It is the Authority's intention, in addition to the specific promises made in its Customer Charters, to strive at all times to attain the aims of that commitment.

Additionally, the Authority recognises that some of its members may have special personal needs that may differ from the majority of its members and as such it aims to tailor some of its services to meet those needs.

Examples of where a bespoke service can be provided are:

- Large print documents
- Audio CD recordings of Customer Charter Service Standards
- Home visits where a member is unable to visit any of the Authority's premises
- Signing facilities for visiting members who are hard of hearing
- Limited Interpreter Services for any visiting members and/or their representatives who may have difficulties with spoken English

Some services will necessarily require advance notification of their requirement in order to help the Authority make the necessary arrangements and may not always be available even where notice is provided.

MEMBER SERVICES

PENSION INFORMATION SURGERIES

SYPA currently runs an on-line booking service for appointments by members at any one of its four locations. More detail can be found on the website at: www.sypensions.org.uk

SYPA is committed to continuing these services for as long as there is sufficient demand and it has access to premises at the four District Councils and has the facilities at the location of its HQ premises wherever that might be now or in the future.

PENSION SAVINGS TAX ISSUES

Whilst tax is a personal issue, some tax liabilities can arise as a result of pension savings growth for an individual exceeding that allowed by HMRC in any given tax year. As a result SYPA will notify members of any tax implications arising from their pension's savings in the LGPS:

- By an initial notification on their Annual benefit Statement
- By a follow up letter confirming the excess savings amount and the implications for tax if any
- By providing further information on the options available through the Scheme for discharging any tax liability arising

Additionally, to assist SYPA in providing as timely and accurate a service as possible in relation to Annual Allowance issues it will, at the end of March each year, write to every participating organisation having any members deemed to be at risk of breaching the Allowance to request additional details of those members' pay for the period 6 April to 5 April for the year in question. This information will have to be provided to SYPA by the 21 April. This is in addition to the provision of a monthly return and covers a slightly different but critical period to that covered by the return.

REPORTING POLICY

The Pensions Regulator

The Pensions Regulator is the UK regulator of work-based pension schemes. It works with trustees, employers, pension specialists and business advisors, giving guidance on what is expected of them.

It also has functions under legislation passed in 2008 and a statutory objective to maximise compliance with the employer duties under that legislation relating to automatic enrolment.

Its principal aim is to prevent problems from developing. It uses its powers flexibly, reasonably and appropriately, with the aim of putting things right and keeping schemes, and employers on the right track for the long-term.

The Pensions Regulator has published a Code of Practice for Public Sector Pension Schemes that in itself is not law but which is designed to help Scheme Administrators comply with the law. SYPA intends to comply fully with this code of practice at all times and to self-report instances where it fails to do so.

It also has a policy of reporting "material" employer breaches that it becomes aware of where such a breach is deemed to be detrimental to the Fund's position or reputation or where member benefits could be in jeopardy, for example where an employer deducts pension contributions from members' pay but either fails consistently to remit those contributions to the Fund by the statutory deadline or fails to remit them at all.

The Pensions Regulator will decide on any appropriate course of action or censure deemed appropriate.

More information about the role and responsibility of the Pensions Regulator can be found at: **www.thepensionsregulator.gov.uk**

South Yorkshire Pensions Authority Annual Report

The Authority will, as a matter of Policy, include the names of those organisations incurring financial penalties in any year for poor performance or non-compliance with the Administration Strategy, in its Annual report.

Office of the Information Commissioner

SYPA has a policy of self-reporting "material" data protection breaches to the Office of the Information Commissioner. This policy will continue under both current and future legislation such as GDPR which is effective from May 2018.

DATA HANDLING AND SHARING

General

The business of the Authority requires it to transmit and receive personal data to a number of individuals and organisations, often electronically.

Where it transmits data electronically it will do so using a secure method and in accordance with any other Policies the Authority has in place, for instance, its E-Mail Usage Policy.

Where it receives data from individuals or organisations within the Fund it will require that data to be sent to it in a secure manner and may require the sender to adopt and use the Authority's own secure electronic transmission facility.

It will only collect, store and use Data for the purposes for which it was collected and for the purposes of administering the Pension Scheme.

It will delete data in accordance with its Document Retention Policy.

General Data Provisions Regulations 2018

The General Data Protection Regulations 2018 came into force in May 2018. Although of European Genesis the UK Government has confirmed it will enshrine the principles of the Regulations in UK Law and the Regulations will therefore apply.

SYPA, who for the purposes of the Regulations are classified as a "Data Controller", will comply with this legislation wholly and fully and will:

- Requisition the services of an independent and qualified Data protection officer
- Publish a Memorandum of Understanding with employers to clarify the arrangements for sharing personal data
- Ensure data sharing partners are themselves fully compliant with the requirements of the Regulations
- Publish a Privacy Notice to explain how and why it uses personal data
- Only use their data for the purposes for which it was collected

- Only hold that data for as long as is necessary to administer the Scheme for the members concerned
- Ensure members are able to have their data deleted from the Authority's systems in accordance with the Regulations

ADMINISTERING AUTHORITY DUTIES, RESPONSIBILITIES AND OBLIGATIONS

The main duties, responsibilities and obligations of an Administering Authority are detailed and can be viewed in the Local Government Pension Scheme Regulations 2013, Part 2 - Administration.

The major compliance tasks are as follows:

- To prepare and publish the Pension Fund Annual Report
- To prepare, publish and maintain its Funding Strategy Statement
- To prepare, publish and maintain its Communications' Policy
- To commission and obtain a valuation of Fund assets and liabilities as at the 31 March in every third year commencing on 31 March 2016 and to obtain a report and a rates and adjustments certificate prepared by an Actuary in respect of that valuation
- To decide any question concerning a person's previous service or employment, the crediting of additional pension and the amount of benefit to which any person has or will become entitled out of the Fund
- To publish a statement concerning its policy on the use of its discretions
- To issue annual benefits statements in respect of its active, deferred, deferred pensioner and pension credit members
- To appoint an adjudicator to consider applications from members affected by first instances decisions or any acts or omissions of the Administering Authority and to make a decision on such applications

The above list is not exhaustive nor is it as detailed as the Regulations which should be referred to in the event of any doubt.

ADMINISTERING AUTHORITY DISCRETIONS

The main discretions afforded to an Administering Authority are detailed and can be viewed in the Local Government Pension Scheme Regulations 2013, Part 2 - Administration.

The major discretions are concerned with and relate to the following:

- The waiving of reductions in any benefits of members where there is no longer a scheme employer to fulfil that function
- The person(s) or bodies to whom it will pay any death grant arising from the death of a member

In addition, the Administering Authority is also required to exercise its discretion, together with the Employing Organisation concerned, in the matter of extending the time frame in which a member can request an inwards transfer of pension rights from a previous arrangement.

Because of the Regulatory requirement for both employing and administering authority to agree on the use of this discretion it will be a requirement placed on all employers within the Fund to notify SYPA of any decision to allow an extension of time for requesting such a transfer. That notification must be submitted on the Late Transfer Form which is available on EPIC. Where appropriate it must be accompanied by any supporting minute from the Board, Panel or Committee ratifying the decision.

In addition **Absolute Discretion** is afforded under the Statutory Regulations to Administering Authorities to determine to whom any Death Grant is payable, even where an expression of wish exists for the deceased member. For operational expediency, SYPA have delegated this discretionary decision making power to the Officer occupying the post of Pension Benefits Team Manager, this avoids any conflict with the IDRP Adjudicator who may need to look at any decisions made under this discretion and subsequently appealed against and make a determination about the correctness of that decision. Currently the role of Adjudicator is delegated to the Post of Head of Pensions Administration. It is not practical for the Authority to have to make these decisions given the frequency of cases occurring balanced against the additional report writing required and the infrequency of Authority meetings which could delay payment of these benefits to the detriment of the potential recipients.

EMPLOYING ORGANISATION DUTIES AND OBLIGATIONS

The main duties, responsibilities and obligations of a Scheme Employer are detailed and can be viewed in the Local Government Pension Scheme Regulations 2013, Part 2 - Administration.

The major compliance tasks are as follows:

- To contribute to the Fund in each year covered by the rates and adjustment certificate the amount determined by reference to that certificate
- To pay over all amounts received from employees by way of their contributions to the Fund
- To deduct from a person’s pay any contributions payable by the member under the Regulations
- To decide any question relating to a person’s rights or liabilities under the Scheme not falling to the Administering Authority to determine
- To appoint an adjudicator to consider applications from members affected by first instances decisions or any acts or omissions of the employer and to make a decision on such applications
- To provide the Administering Authority, within three months of the end of the Scheme Year, with a statement of details of every employee that has been an active member

during the scheme year. Employers now meet this requirement via the submission of monthly data files.

The above list is not exhaustive nor is it as detailed as the Regulations which should be referred to in the event of any doubt.

EMPLOYING ORGANISATION DISCRETIONS

The main discretions afforded to a Scheme Employer are detailed and can be viewed in the Local Government Pension Scheme Regulations 2013, Part 2 - Administration.

The major discretions are concerned with and relate to the following:

- The Funding of additional pension
- Flexible Retirement
- Waiving of actuarial reductions
- Award of additional pension

PROVISION OF INFORMATION BY THE ADMINISTERING AUTHORITY TO:

Members and Member Representatives

The Authority is required to provide members and/or their representatives with a wide range of information under Regulation and other legislation which may also prescribe timeframes in which the information must be provided. SYPA has published Customer Charters detailing its own service standards. These are invariably much tighter and more stringent than those allowed for in law and are the standards SYPA always aims to achieve. However, the fall-back position at particularly busy or demanding times, and SYPA reserves the right to move to that fall-back position without notice, will be the legislative requirements governing the type of case(s) concerned.

Therefore, as a minimum, SYPA will always administer the Scheme in relation to the provision of information to members and/or their representatives in line with the Regulations in force at any time and in line with any other appropriate legislation.

The major requirements in this respect are as follows:

- The notification to individual members and/or their representatives of the type of benefit and amount of benefit to which the member and/or their representatives or dependants have become entitled as a result of an actual event, such as retirement or death, will be issued in line with the standards detailed in the Authority's Customer Charters. Any payments due from the Fund as a result will also be dealt with in line with the same service standards. The detailed content of such information will, as a minimum, meet the requirements of any Regulations or legislation in force at the time.

- The issuing of Annual Benefits Statements to Active, Deferred, Deferred Pensioner and Pension Credit members. Regulation states that these must be issued by 31 August and, although the Authority relies heavily on its Employing Organisation Partners for data upon which to base these statements it is the Authority's intention and objective to comply with Regulation in this respect and to issues Annual Benefit Statements by the 31 August each year or by whatever date subsequent changes in the Regulations dictate.
- The provision of information for matrimonial proceedings is a statutory duty under both Regulation and over-riding Divorce legislation. The Authority will administer the provision of this information in accordance with both sets of legal requirements both in terms of timeframes and the persons to whom the information is to be released. The service standards for this are also contained with the Authority's Customer Charters. Where matrimonial proceedings result in an actual Pension Sharing order then SYPA's Policy is to make a charge of £350 plus VAT for the implementation and maintenance of such an order. SYPA may increase the charge to reflect the cost of living and/or any changes to the information required to be issued which result in additional resourcing requirements. Costs will usually be charged to the ex-spouse of the member but may be allocated or apportioned by the Court in which case the Authority will comply with such direction and invoice the parties according to the Court's direction.
- The provision of Preserved Benefit and Transfer Value information is also prescribed for in Regulation and specific legislation. The Authority will provide such information in accordance with its legal obligations to members and/or their representatives. In this context a member's representative may be any financial advisor appointed by the member, any third party administrator authorised by the member to obtain such information or the administrators of any occupational scheme acting for the member in a new or subsequent employment. Where transfer value information is requested by an advisor or pensions' administration company for an active member of the pension scheme, then a statement of entitlement will only be provided as a result of a direct request by the member concerned. This is to ensure, so far as possible, that the member is fully aware of the implications associated with the requirements of the Scheme for the member to opt-out in order to transfer out. The information will then be sent directly to the member concerned and not any third party.

The Authority's Policy on the provision of this information is to only provide it to the member and or their representative once in any twelve month rolling period. The Authority reserves the right to make a charge for the provision of this information prior to the commencement of a new 12 month period and the right to introduce such a charging policy at any time without notice. Any such charge so levied will only ever seek to cover the actual cost to the Authority of the work undertaken in producing the information again.

Independent Financial Advisors or other advisors acting for or on behalf of the member

The Authority will provide information to Independent Financial or other Advisors appointed or authorised by the member in accordance with any Regulatory or legislative obligations and, where Preserved Benefit and/or Transfer Value information is concerned, in accordance with the Policy described in the preceding paragraph.

The Authority:

- Will provide all member specific information it is obligated to provide in the timeframes required of it in law
- Will provide all generic Scheme information it is able to provide in order to assist the enquirers to advise their client(s)
- Will not respond to additional questions it deems not relevant to the enquiry
- Will not engage in follow up discussions by telephone, or communications by e-mail or letter until such time as the member has made a decision in relation to any transfer out of the Scheme, but
- Will provide all information required by the member or their representatives to enable members to take advantage of the Freedoms of Choice as announced by the Government in the 2015 Spring Budget and enabled in subsequent legislation

Participating Employer Organisations

Information will be provided to participating employers as a matter of routine in some instances and upon request in others.

Where information is provided as a matter of routine it will be provided in timeframes and schedules as follows:

- Employer performance, as measured against the agreed service standards, will be reported quarterly in retrospect for the periods:
    - 1 January to 31 March
    - 1 April to 30 June
    - 1July to 30 September
    - 1 October to 31 December

in each calendar year. Employer performance will also be reported to the Authority.

- Electronic Employer Newsletters will be issued as and when circumstances dictate that Regulatory or legislative change needs to be communicated
- Employer specific alerts of outstanding tasks will be communicated through the EPIC System or any subsequent replacement system developed and introduced by the Authority
- The Authority will hold an Employers' workshop/training event at least once a year, to disseminate other important and relevant information
- The Authority will, either pro-actively or upon request, where appropriate and/or necessary, disseminate information by the use of roadshows, presentations, advisory surgeries, training seminars, on-line tutorials, and other electronic media. There would usually be no charge for these services

Where information is provided following a request from the employer then the following service standards will apply:

- Employers will be directed to the online portal to process requests for retirement estimates. However, where the online portal is not available. Estimate requests for individual employees will be provided **within 5 working days** of the Authority being in possession of all information necessary to ensure the accuracy of the estimate.
- Bulk Retirement Estimate requests **involving 20 or more employees** will be provided **within 10 working** days of receipt of the bulk request template assuming this is populated correctly and accurate estimates can be provided as a result
- Early Retirement Strain on the Fund Costs as part of a bulk estimate request will also be provided **within 10 working** days of receipt of the bulk request template

None of the information detailed above or the services used to provide this information will incur any fee or charge to employing organisations.

Other Administering Authorities:

The working relationship between SYPA and other LGPS Administering Authorities is usually one based on member administration except where the Authority undertakes an element of collaborative working with another Administering Authority or the Administering Authority has become a software/systems client of SYPA.

Member administration would usually involve:

- Supplying information to Fund Actuaries and the other Administering Authority where a bulk transfer of staff was taking place between employers of the respective Funds and either receiving and investing or paying out a subsequent bulk transfer payment, or
- Administering the Scheme in respect of individual voluntary member movement between funds and receiving and investing or paying out individual transfer payments

The Authority will conduct the administration of member business in respect of either of these scenarios in accordance with the requirements of any Regulations in force at the time and the service standard targets set by SYPA for individual member administration.

The Fund Actuary:

Typically, the routine business of the Authority with its Fund Actuary will fall into one of the following categories:

- Triennial Fund Valuation
- Accounting Standards exercises for participating employers
- Individual contribution rate assessments for new employers
- Risk assessments for new outsourced contract employers and bond assessments for the outsourcing employer
- Employer covenant assessments
- Liability assessments for employers leaving the Fund
- Re-assessment of Employer’s Contribution Rate where any allowance is exceeded

Fund Valuation

The Fund Valuation is a Statutory Duty of the Administering Authority and SYPA will carry out this duty in accordance with the Regulations in force at the time.

The Authority will, as a partner and under Regulation, consult and work closely with employing organisations to ensure that member data and financial data relating to employer cash flow is accurate and up to date at all times and that year end data, or as the case may be, monthly data, submissions, are accurate, timely and usable. The objective being that immediately following the 31 March in any given valuation year the Authority will be in a position to provide the Fund Actuary with data of sufficient quality and timeliness to allow for accurate calculations of the Fund's assets and liabilities to be performed using agreed methodology and assumptions.

The target schedule in any valuation year will be as follows:

Year End work completed by SYPA and Valuation Data Extract to Fund Actuary	**July**
Interim Results	**September/October**
Individual Employer Results Consultation	**October/November**
Formal Report	**March**

There are no employer charges or fees related to the Valuation unless additional bespoke work is requested. Before the commencement of each financial year the Authority will publish each employing organisation's contribution statement for the next financial year. The statement will be placed on SYPA's EPIC System. Organisations must ensure that they read, check and comply with it by submitting a monthly data file to facilitate the collection of contributions by direct debit. This is an Audit requirement.

Accounting Standards Exercises

Although not required to do so under Regulation the Authority does offer to obtain and provide the appropriate accounting standards requisite information as a voluntary service to employers.

By making use of the readily available expertise and Fund profile familiarity of the Actuary the Authority feels it is able to offer a structured and efficient method of providing this information to participating employers whilst also using efficiency of scale to save employers money compared to the potential cost involved in individual approaches for actuarial assessments.

There are three scheduled exercises each year as follows:

- Organisations with a Year End of 31 March
- Educational Establishments with a Year End of 31 July
- Academies with a Year End of 31 August.

The procedure and schedule for all organisations is driven and set by the Fund Actuary following consultation and agreement on the assumptions to be used in the exercises.

The typical target schedule for organisations with a 31 March Year End would be:

End of January prior to Year End	-	SYPA writes to employers inviting participation and collection of data begins
Mid-February prior to Year End	-	Data issued to Actuary
Mid-April following Year End	-	Results issued to participating employers

The typical target schedule for organisations with a 31 July Year End would be:

End of May prior to Year End	-	SYPA writes to employers inviting participation and collection of data begins.
By 3rd week in July	-	Data issued to Actuary
End of August following Year End	-	Results issued to participating employers

The typical target schedule for organisations with a 31 August Year End would be:

Mid-July prior to Year End	-	SYPA writes to employers inviting participation and collection of data begins
By Mid-August	-	Data issued to Actuary
End of September following Year End	-	Results issued to participating employers

There is a cost for this service as the Authority has to commission and pay the Actuary for the work performed.

SYPA will negotiate an overall cost with the Actuary each year based on the numbers participating in the exercises. This cost will then be notified to those employers when known as part of the communication process.

In addition the Authority makes an administrative charge to cover its own costs of the additional work involved. Currently this charge is £100.00 per employing organisation but the Authority reserves the right to increase this in future should its own costs of administering the exercise(s) increase.

Employers will be invoiced by the Authority for their individual charge.

Individual contribution rate assessments for new employers

As part of the process of setting up a new employer when it joins the Fund, member data will be collected and submitted to the Actuary for an assessment of the indicative contribution rate payable for the remainder of the valuation period by the employer in question.

Typically, such assessments take about six weeks to complete. There is a schedule of charges for such work which is set by the Actuary and not the Authority. This is updated by the Actuary at regular intervals. The latest schedule is available upon request.

The new employer or the outsourcing employer is expected to pay any charges incurred in this respect.

Risk assessments for new outsourced contract employers and bond assessments for the outsourcing employer

Where a participating scheme employer outsources a service to a private contractor and that contractor enters into an admission agreement to admit transferred employees to the Scheme then, as a matter of routine, or at the instigation of the outsourcing employer, SYPA will, through the Fund Actuary, commission a risk and bond assessment as provided for by Regulation, in order to protect the outsourcing employer and the Fund from incurring unfunded liabilities in the event of early termination of the contract and the possible redundancy of employees upon re-absorption of the service.

The cost of the actuarial work will recharged to the outsourcing employer.

Employer covenant assessments

Covenant assessment may form part of the routine work associated with the admission of a new employer, in which case the cost of such work will be included in the overall cost of the risk/bond assessment and recharged accordingly.

However, where the Fund undertakes covenant assessment work at its own initiative as part of long-term risk management strategy then no charge will be passed on to employing organisations as a result.

Liability assessments for employers leaving the Fund

These assessments are commissioned by the Authority when an employer exits the Fund. An exit from the Fund may be triggered by:

- The natural end of a set period outsourced service contract
- The early termination of an outsourced service contract by the outsourcing employer or by the contractor
- The forced termination of an organisation as a result of financial issues
- The natural effluxion of active members leaving no contributors to the Fund

The Authority's Policy, as set out in its Funding Strategy Statement, (FSS), is that termination assessments, where required, will be calculated on a "least risk" basis to ensure that residual liabilities are fully funded and that, subject to prudent investment, sufficient money is recovered from the exiting employer to fund those liabilities for the remaining lifetime of its members and their dependants. However, its Termination Funding Policy under Regulation, set out within the FSS allows certain flexibilities in how, when and over how long it will recover those costs. In addition, employers within the scheme whose active membership has reduced to nil for some reason, will not automatically be required to exit the Scheme, thereby triggering an exit cost calculation. Instead they will be allowed a period of grace to allow for recruitment strategies to bring in new active members.

Where the exiting employer is solvent and able to discharge its liabilities in respect of the Fund the cost of the actuarial work will be added to the total to be recovered in respect of those liabilities.

Where the exiting employer is insolvent the cost of the actuarial work will be added to any claim made by the Authority, as a creditor, to the appointed administrator(s).

Where the exiting employer is a contractor and the exit is triggered by the natural expiry of the contract then SYPA will normally have endeavoured to manage the contributions required over the period leading to the exit to avoid any deficit or surplus arising.

Government and other Public Sector Agents

The Authority has signed up to be included in the National Audit Office's (NAO) bi-annual National Fraud Initiative (NFI) in which Public Sector Bodies and Organisations share Pensions and Payroll information in an effort to combat benefit fraud and reduce overpayments in both areas to individuals no longer entitled to receive them.

As a participant in this exercise SYPA will share information about its Fund Members with:

- The National Audit Office
- Its own Internal and External Auditors where appropriate
- The Auditors of other Local Authorities and other Local Government Organisations
- Other Local Authority Benefit Departments
- The Department for Work and Pensions
- The Police where appropriate and/or necessary

The Data Protection Act, and the General Data Protection Regulations, (effective May 2018), permit the sharing of data without the express consent of the individuals concerned where the object of such sharing is the prevention or investigation of fraud and other crimes.

Prior to the release of the reports SYPA will notify its members of its participation in the forthcoming exercise and confirm the intent to share data with other agencies.

Upon the release and receipt of the NFI Reports at the commencement point of each bi-annual exercise the Authority will nominate a senior officer to manage the project.

It will then prioritise and address the workload arising as follows:

- Apparent un-notified pensioner member deaths will be investigated within two months. Pensions in payment from the South Yorkshire Fund will be immediately suspended
- Apparent un-notified preserved pensioner deaths will be investigated within three months

As a matter of Policy, SYPA will in all cases:

- Report instances of suspected Fraud to the NAO, its Internal Audit Office and the Police
- Pursue the recovery of all overpayment of pensions resulting from the non-notification of pensioner deaths whether fraud is suspected or not*

*See later section on Debt recovery

As part of its management and administration of casework the Authority will also share some data with other Administering Authorities through the Local Government Association's (LGA) National Database. It will also participate in the National "Tell us Once" initiative.

As part of its Communication Strategy the Authority will also share and/or provide member data to its printer Agents, for the provision of information to members, and its Tracing Agents for the purposes of paying benefits.

General

It should be noted that where information is required by any member, member representative, dependant or advisor, whether legal or financial, in order to pursue a claim through the courts for financial loss, damages or compensation for any event not connected to the Authority's actions or inactions or omissions, then the Authority will always make a charge to cover the cost of the work done in connection with the provision of the information requested. Any such charge will not be negotiable and will always need to be settled prior to the release of the information required.

POTENTIAL NEW EMPLOYERS

Potential new employers will have certain obligations to enable their admittance to participate in the LGPS in South Yorkshire to be completed in a timely and accurate manner and ensure that there is no subsequent detriment to members. Admission Agreements cannot be backdated.

The LGPS can be an expensive commitment and any potential new employers having a choice of pension provision, either through legislation or constitution, should satisfy themselves as to the appropriateness and suitability of the Scheme for their staff, organisation, budget and business plan.

Schools converting to Academy Status

Academies are required to enroll their non-teaching staff into LGPS upon conversion. Schools considering conversion to Academy Status should:

- Liaise with their LEA well in advance of any proposed conversion date in relation to the current funding of the Pension Scheme and any potential financial deficit to be inherited
- Assess whether their budget will allow for the payment of employer contributions based on the pensionable payroll of their non-teaching staff being transferred to the new organisation, any deficit payments necessary and any business development plans under consideration following conversion
- Be aware of the Funding Strategy of the South Yorkshire Fund
- Provide SYPA with at least six months' notice of their intent to convert together with a proposed conversion date
- Be able to provide a full and detailed personal and payroll data set of the non-teaching staff being taken on by the new organisation from the old school at least three months in advance of the proposed conversion date
- Have a Payroll System (or agent) and staff, together with HR staff, ready and able to take over the management of the employer's pensions' administration function in relation to the LGPS from day one following the conversion
- Familiarise themselves with the requirements of the Fund, Regulations and other legislation associated with the administration of the Scheme and with this Administration Strategy
- Have other systems and staff in place to ensure continuity of the pensions administration function upon conversion
- Pay the actuarial fees associated with the creation of the academy as a new employer in the SYPA fund

Transferee Admission Bodies

Potential Transferee Admission Bodies considering pensions implications of bidding for a Local Authority or other public sector service contract where transferring staff would normally be eligible for the LGPS should:

- Liaise with the letting body well in advance of any proposed contract date in relation to the pension costs and liabilities involved in the running the contract
- Be aware of, and committed to meeting, the requirements of the Regulations in respect of Admission Bodies
- Ensure the lead-time is sufficient for the Actuarial work to be completed prior to the transfer date
- Be in a position to provide a bond or such guarantee as might be required by the letting body

- Be aware of the Funding Strategy of the South Yorkshire Fund
- Be aware of, or, where the appropriate, the Parent Company should be aware of, the financial implications for early termination of the contract, and also be aware of the Authority’s Policy on the pursuit and recovery of debt, including Closure Costs, as detailed elsewhere in this document
- Have a Payroll System (or agent) and staff, together with HR staff, ready to take over the management of the employer’s pensions’ administration function in relation to the LGPS from day one of the contract
- Have other systems and staff in place to ensure continuity of the pensions administration function from day one of the contract

Community Admission Bodies

Community Bodies have absolute discretion in deciding whether to apply for admission to the Fund. Any organisation meeting the criteria for admission to the Fund as a Community Admission Body and considering applying should:

- Make their formal application at least six months prior to any proposed admission date
- Be aware of, and committed to meeting, the requirements of the Regulations in respect of Admission Bodies
- Ensure the lead-time is sufficient for the Actuarial work to be completed prior to the transfer date
- Be able to provide financial and personal data about the employees to be admitted under the terms of the Admission Agreement at least three months prior to any proposed admission date
- Be able to demonstrate strength of covenant
- Be aware of the Funding Strategy of the South Yorkshire Fund
- Be aware of the Authority’s Policy on the pursuit and recovery of debt, including Closure Costs, as detailed elsewhere in this document
- Have a Payroll System (or agent) and staff, together with HR staff, ready to take over the management of the employer’s pensions’ administration function in relation to the LGPS from day one following the conversion
- Have other systems and staff in place to ensure continuity of the pensions administration function upon conversion
- Ensure they can provide a third party financial guarantor in line with the Authority’s policy on the admission of Community Bodies

Town & Parish Councils

Town and Parish Councils are precepting, resolution bodies. There is no compulsion upon them to offer employees membership of the LGPS. Town and Parish Councils considering using the LGPS in South Yorkshire should:

- Assess whether their budget will allow for the payment of employer contributions based on the pensionable payroll of the employees they wish to give access to Scheme to
- Be aware of the Funding Strategy of the South Yorkshire Fund
- Provide SYPA with at least six months' notice of their intent to implement a Resolution to use the LGPS for their staff
- Ensure an appropriate resolution is passed at least one month prior to the proposed implementation date detailing the staff or posts to be designated as pensionable and to provide SYPA with copies of the Council Approved Resolution(s)
- Be able to provide a full and detailed personal and payroll data set of the employees joining the Scheme at least three months in advance of the proposed admission date
- Ensure that where they operate their own payroll, the Payroll System, or where the Payroll Function is provided by a third party that the third party system, can provide the range of information required by the Scheme in the format required
- Familiarise themselves with the requirements of the Fund, Regulations and other legislation associated with the administration of the Scheme and with this Administration Strategy

NEW EMPLOYER REQUIREMENTS

All new employers to the Fund will be required to:

- Attend a scheme administration meeting with officers of the Authority to ensure they understand the administration requirements of the Scheme in relation to their role as a scheme employer
- Ensure that the appropriate people attend such a meeting so that where responsibilities and duties in relation to the Pension Scheme are split across different posts all responsible people are aware of their obligations in this respect
- Undergo training where training needs are identified by either the Administering Authority or the Employer. Such training may be held either on site at the Employer's premises or at SYPA HQ where access to systems may be more easily facilitated if necessary
- Submit electronic documentation in relation to the formal notification of new joiners to the Scheme and any subsequent contractual changes affecting their employee members' pensionable circumstances, through the Authority's Employer Web System or any replacement system introduced in the future. Paper documentation will not be accepted
- Nominate specific contacts with whom the Authority can work on the various aspects of Scheme Administration requiring specialist knowledge or authority

FEES FOR THE PROVISION OF INFORMATION AND ADDITIONAL NON-STANDARD WORK

The Authority recognises that Employers already contribute to the administration of the Scheme through an actuarial allowance built into their contribution rates by the Fund Actuary as part of the triennial valuation exercise and, as such, it will carry out all of its statutory and routine duties and obligations under the Regulations and any other legislation affecting it without further charge.

However, the Authority reserves the right to charge for work associated with the creation and termination of employers and for any work unique to an Employer (or Group of Employers) such as a bulk transfer of pension rights.

The Authority also reserves the right to make a charge for bulk routine work that is required as a matter of urgency in exceptional circumstances that would lead the Authority to incur additional costs to complete the work, for example by the use of overtime, or where the work is required, exceptionally, well within the agreed service standards for that work which could then compel the Authority to resource the work at a cost to other work, members or employers.

Any such charge or fee would always be made clear and agreed at the outset before any such work was commenced or service provided.

Possible examples of instances where the Authority may deem it appropriate to make such a charge are:

- A bulk redundancy exercise where an employer may require benefit estimates and employer costs more quickly than the agreed service standard time for providing such information
- Non-routine or bespoke actuarial work, (see later Section on Actuarial Services)
- Officer attendance at special meetings outside normal working hours

The above list is not exhaustive.

INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)

Under the Local Government Pension Scheme Regulations 2013, both Administering Authority and Employing Organisations are required to appoint an Adjudicator to review First Instance Decisions upon receipt of an application by the member or member's representatives. This is generally referred to as Stage 1 of the IDRP.

Where a Scheme Employer reviews a First Instance Decision under Regulation 74 and makes a consequential decision under Regulation 75 that results in the member making a referral to the Administering Authority for reconsideration of that decision, generally referred to as Stage 2 of the IDRP, then the Administering Authority Adjudicator will reconsider the First Instance decision and notify the employer and the member accordingly.

Where the Administering Authority makes a decision to uphold the member's appeal against the First Instance Decision and to refer the matter back to the employer for re-consideration then the Administering Authority may take the view that there has been a failing by the Employing organisation in the original decision making review process. Possibly as a result of the Employer concerned:

- Not taking into account all relevant evidence, or
- Taking into account non-relevant evidence, or
- Disregarding the relevant evidence and making a decision that would be perverse or contrary to Regulation

SYPA's Adjudicator will always be happy to discuss these referrals and to provide any assistance, advice and guidance where appropriate or requested in the interests of ensuring that correct decisions are reached for right reasons and the member receives fair and equitable treatment through the process.

ACTUARIAL SERVICES

Actuarial services are provided by the Fund Actuary.

This service is subject to periodic tender and the appointed Fund Actuary may change.

The Fund Actuary is independent.

The retention of the Fund Actuary is a Regulatory requirement for the Authority and a number of the services commissioned from him are also required by Regulation.

Where a service or exercise is provided to the Administering Authority or Fund as a result of a statutory requirement then the Authority will fund this work from its administration budget.

Where a non-statutory service, task, exercise or some bespoke work is offered by the Authority to employing organisations then it is on the understanding that the Actuarial fees or charges will be passed through either proportionately or as previously agreed to those employing organisations on a non-profit basis for the Authority and/or Fund.

Where a service, task, exercise or bespoke work is requested specifically by an employing organisation to be commissioned by the Authority then it is on the understanding that the

Actuarial fees or charges will be passed through to the employing organisation(s) concerned on a non-profit basis for the Authority and/or Fund.

Where an employing organisation chooses to approach the Fund Actuary independently, whether for advice, guidance, consultancy work or anything else then it is on the understanding that no charges will be incurred on behalf of the Authority or Fund and the employer concerned will be solely responsible for the settlement of any fees or charges arising.

It should be noted that the Fund Actuary will rarely invoice an employing organisation directly but will submit their bill for any work carried out to SYPA who will then recharge the amount invoiced to the employer concerned.

Where the Fund Actuary provides a schedule of standard charges for certain categories of work then SYPA will provide this to Employing organisations on request.

PAYROLL SERVICES AND PROVIDERS

All employing organisations must ensure that they procure payroll services and systems that:

- Store the personal and financial data of its scheme member employees that is required by SYPA in order to maintain its business and meet its duties and obligations as an Administering Authority
- Are able to provide data extracts that meet the reporting requirements of the Administering Authority and the Scheme and are in the appropriate format to interface with the Authority's Computerised Pensions Administration System

Where an employing organisation takes its Payroll Services from a third party or from a payroll located in another part of the organisation or parent company then responsibility for providing timely, quality data from the Payroll remains with the employing organisation concerned that is participating in the South Yorkshire Fund.

Where an employing organisation changes payroll providers in the financial year then that organisation must ensure that the new service provider's payroll must be able to:

- Store the personal and financial data of its scheme member employees that is required by SYPA in order to maintain its business and meet its duties and obligations as an Administering Authority
- Provide data extracts that meet the reporting requirements of the Administering Authority and the Scheme and are in the appropriate format to interface with the Authority's Computerised Pensions Administration System

The employing organisation concerned must also ensure that the new service provider has advance knowledge of the requirements of the Pension Scheme in terms of data supply and reporting, has a system in place that is able to meet those requirements and has sufficient notice of its duties and responsibilities to enable it to seamlessly take over the supply of data to ensure that the monthly posting of member contributions is maintained from the first month of the new provider's contract. Failure to ensure this will result in a finacial penalty being applied to the employing organisation responsible as outlined in Appendix A of this document.

Additionally, for scheme management, accounting and data control and quality purposes and to ensure continuity of the pensions administration side of the business for members, data on the previous payroll up to the date of termination and change must remain available for extraction and provision to SYPA as appropriate and necessary.

SERVICE STANDARDS – SERVICE LEVEL AGREEMENTS

All service standards for SLA purposes are measured by reference to the time taken by the Authority from the first day when it has all of the necessary information to hand to enable it to perform the task and exclude the day of receipt of the information or final part of the information required.

Administering Authority to Employing Organisations

- Respond to employer queries — **5 working days**
- Individual retirement benefit estimates — **5 working days**
- Individual early retirement employer costs — **5 working days**
- Bulk retirement benefits estimates (20 or more) — **10 working days**
- Bulk early retirement employer costs — **10 working days**

All service standards for SLA purposes are measured by reference to the time taken by the Authority from the "event date" to the date of receipt by SYPA in its HQ Office at, Barnsley,

Employing Organisation to Administering Authority

- Notification of a new scheme joiner — **6 weeks**
- Notification of a member's contractual change — **4 weeks**
- Notification of a member leaving the Scheme with a right to immediate payment of benefits — **4 weeks**
- Notification of a member leaving the Scheme without a right to immediate payment of benefits — **6 weeks**
- Notification of the death of an active member — **1 week**
- Provide a written response to any query — **1 week**

SERVICE STANDARDS - CUSTOMER CHARTER

All service standards in the Customer Charters are measured by reference to the time taken by the Authority from the first day when it has all of the necessary information to hand to enable it to perform the task and exclude the day of receipt of the information or final part of the information required.

All Members

• Complaints	**3 working days**
• General Enquiries	**5 working days**
• Provision of information for Divorce Proceedings	**5 working days**
• Notification of death benefit entitlements to Dependants and/or representatives	**5 working days**

Active Members

• Setting up a new joiner record	**5 working days**
• Making changes to records	**5 working days**
• Providing information about Additional Benefits	**12 working days**
• Provision of Retirement Benefit Estimates*	**5 working days**
• Providing transfer value quotations	**10 working days**

Preserved Pensioner Members

• Notification of Entitlement	**20 working days**
• Provide an updated benefit statement	**5 working days**

Pensioner Members

• Information on re-employment	**7 working days**

*Subject to the Authority's policy in force at the date of the request.

FINANCIAL PENALTIES FOR NON-COMPLIANCE BY EMPLOYING ORGANISATIONS

The Authority has determined that there will be a range of financial penalties for non-compliance with the requirements of this Administration Strategy under Regulation 70 of the Local Government Pension Scheme Regulations 2013, “Additional Costs arising from Scheme Employers’ level of performance”.

In addition it has determined a Policy to apply under the umbrella of this strategy document whereby penalties imposed on the Administering Authority by third party agencies as a result of, whether directly or indirectly, the poor administrative performance or decision making process of a scheme employer, will be recovered from the Employing organisation concerned.

Penalties imposed on the Administering Authority by other Agencies

The penalties that will be recovered are as follows:

- Financial penalties imposed on the Administering Authority by Agencies such as the Pensions’ Regulator for a breach of its statutory duties, such as the issuing of Annual Benefit Statements, but where the breach was occasioned by the poor performance of an employing organisation by reason of non-provision of member and/or financial data, provision of data not fit for purpose or the late provision of data or a combination of all these factors.

  The penalty will be paid by the Authority but will be recovered from the Employing Organisation concerned.

- Financial Penalties imposed on the Administering Authority by HMRC, for instance Scheme Sanction Charges that arise as a result of the decision of a Scheme Employer, (for example, by allowing a member to claim benefits that will entail the Authority making an unauthorised payment).

  The penalty will be paid by the Authority but will be recovered from the Employing Organisation concerned.

- Any penalties imposed by the Office of the Information Commissioner following a data breach where the breach was occasioned by the actions of a scheme employer.

  The penalty will be paid by the Authority but will be recovered from the Employing Organisation concerned.

The list is not exhaustive and the Authority reserves the right to utilise the same principles and policy for other penalties imposed on it by outside agencies not detailed here.

Financial penalties for non-compliance by employing organisations

Financial penalties as detailed here may be applied by SYPA where failure of an employing organisation to:

- Meet the requirements of the Administration Strategy
- Meet the requirements of the Regulations
- Meet the requirements of other legislation

Results in:

- Additional work for the Authority or its Agent(s)
- Additional cost(s) for the Authority or its Agent(s)
- Failure of the Authority to meet its own obligations under Regulation, other legislation or guidance
- Complaints by organisations or Members
- Appeals by members or their representatives

Then the Authority will impose either a fixed penalty or a charge based on the cost of the work occasioned.

The table in **Appendix A** provides details of the fixed penalty.
Any such penalties imposed will be recovered from the Employing Organisation concerned through additions to any existing deficit or deductions from any existing surplus with effect from the next contribution year (1st April).

INTEREST

It is the Authority's Policy, supported by Regulation in a number of areas, to charge interest for late payment on the following items and at the following rates. Late is defined as being a month or more after the due date:

- Payment of Employees' Pension Contributions, including any additional contributions paid by the employee, remitted to the Fund
- Payment of lump sum employer contributions arising from an employer decision to backdate membership for an individual or group of individuals (but cannot apply to Admission Agreements)
- Payment of Employer's Pension Contributions remitted to the Fund

Employee and Employer Contributions have to be with the Fund by the 19th of the month following the month of deduction. (Pensions Act 1993).

- Payment of any Lump Sum Deficit Contributions owed to the Fund

Deficit payments are calculated as an annual amount due by the Fund Actuary. That annual figure is then sub-divided into 12 equal payments for remittance on a monthly basis by Employers. To allow for the spread of payments over a 12 month period and to compensate the Fund for lost investment return an element of interest is already included in the monthly amounts to be paid. Late payment of these amounts will however incur additional interest.

- Any rechargeable payments due in respect of Injury Allowances, Gratuities and Added Compensatory years
- Any costs arising from initial and annual invoices in respect of strain on the Fund costs arising from the early release of retirement benefits
- Lump sum payments arising from the granting of additional pension

- Any fees or charges arising from the use of additional or bespoke Actuarial Services or Employer initiatives
- Any fees or charges arising from the voluntary participation in Accounting Standards Exercises
- Any costs arising from the termination or exit from the Fund of a solvent employing organisation
- Any liability settlement charge arising from a claim on a Bond Agreement or similar charge that would have arisen from such a claim but where no Bond was required by the outsourcing employer. In these latter circumstances the liability falls to the employer concerned

Annual Invoices carry an element of interest in their costs already at the point of issue to allow for the spread of the cost over three years (or less). However, further interest will be incurred if annual invoices are settled late.

The rate of interest charged on all of the above items is 1% above the Bank of England Base Rate compounded with quarterly rests.

DEBT RECOVERY POLICY AND PROCEDURE

The Authority has a Debt Recovery Policy and Strategy in place.

It is the Authority's Policy to attempt recovery of ALL debts whether invoiced or not.

The Policy applies to individual Scheme Members, their dependants, their representatives, employing organisations, third party or outside agencies, purchasers of goods or services from the Authority and any other person or persons upon whom the Authority has a reasonable claim for payment.

The debt recovery procedure is as follows:

- Once the amount of the debt and the debtor is identified the Authority will issue an account
- If no response is received within one month of the date of issue of the account the Authority will issue one reminder
- No further reminders will be issued
- If no response is received within one month of the date of issue of the reminder the debt will be passed to the Authority's Debt Recovery Agents who will pursue the debt using the full force of the law if necessary
- Any additional costs incurred as a result of the debt recovery process, including interest for late payment, agent's fees and legal fees will be added to the total amount to be recovered
- Any party receiving an account from the Authority should immediately contact the number provided with a view to settling the debt in full or arranging a payment plan

No debt will be written off unless there is no prospect of recovery for any reason, for example there are no assets of value belonging to the debtor, (organisation insolvency), or the debtor's estate or where there is no estate and no surviving family.

Where the debt is in respect of overpaid pension and the pensioner has died recovery proceedings will be commenced against the estate through the pensioners surviving family, dependants or personal representatives.

SPECIAL REQUIREMENTS FOR EDUCATIONAL ESTABLISHMENTS

For business continuity purposes and for ensuring that scheme members of Educational Establishments are able to be provided with, and have access to, the same level of service as scheme members in other organisations during educational holiday breaks such as end of term and half term holidays as well as the extended summer break holiday, Educational Establishments must:

- Provide contact details of Payroll, HR, Finance and Business officers who are able to continue to conduct the pensions administration side of the employers business during any closedown or holiday period including third party service providers where appropriate
- Ensure officers are available to deal with routine pensions administration tasks and queries during any closedown or holiday period
- Ensure specialist personnel are available to maintain the Accounting Standards Exercises during any closedown or holiday period, especially given that these exercises affect other employers and are Actuary driven

If at any point in the future SYPA experiences difficulties in business continuity with any Educational Establishment during a holiday break because the organisation has failed to ensure that contacts are available then it reserves the right to introduce and impose finacial penalties on the organisation(s) concerned.

Member complaints submitted as a result of the above failure will be forwarded to the organisation concerned for a response to the member concerned.

The Authority will not be responsible for the effects of any failure of Educational Establishments to have arrangements in place during closedown or holiday periods that will enable an establishment to:

- respond to invitations,
- respond to data collection requests
- respond to queries on such information
- provide member information and documentation as normal to ensure member benefits are not delayed
- enable records to be kept up to date and
- ensure that the normal daily business of pensions administration is able to be continued for that establishment

ADMINISTRATION GUIDE FOR EMPLOYERS

To assist all participating employing organisations with the task of administering the employers' functions in relation to the Local Government Pension Scheme, the Authority has produced an online administration guide.

The guide can currently be found on EPIC and should be referred to whenever an employer is in any doubt about what is required of them in terms of their pension scheme administrative duties and obligations.

In addition, help, advice and guidance will always be available from Member Services Management Teams for employers falling within their purview.

Contact can be made by e-mail, telephone or letter.

APPENDIX A

Tables of charges and financial penalties

Charges

Implementation of a Pension Splitting order	**£350 + VAT**
Provision of information in relation to Accounting Standards Exercises	Currently **£100 + VAT** but subject to review
Provision of additional transfer value within 12 months should the Authority introduce a charging policy. The current policy reserves the right to charge.	**£350 + VAT**
Bespoke Pensions Administration work	At the appropriate hourly rate to recover the actual cost of the work only
Rechargeable Actuarial work	At the appropriate hourly rate to recover the actual cost of the work only

Penalties

Monthly Returns from April 2020 Failure to submit an accurate monthly return permitting the correct collection of contributions by direct debit by the 5th of the month following the month of employees' contribution deduction	A fixed penalty of **£500** plus a further fixed penalty of **£50 per day** for every further day late following that deadline
Service Level Agreements Failure to submit member event information in line with the requirements of the SLA	**£25** per case
Discretionary Policy Statements Failure to devise and publish any statement of policy on the use of discretionary powers under the Regulations by any statutory deadline	A fixed penalty of **£500** plus a Further fixed penalty of **£250** for every further week late following that deadline
Payroll Provider Service Failure to ensure that any new Payroll Service Provider is able to maintain the continuity of the monthly posting system	A fixed penalty of **£1000** for every monthly report that fails to be submitted from month 1 of the new contract by the standard monthly deadline **plus** the standard penalty for late submission of monthly returns
Direct Debit Mandate Failure to complete a mandate to consent to the collection of contributions via direct debit prior to 1 April 2020 or the date of joining the SYPA fund or date of change in banking arrangements if later	A fixed penalty of **£500** plus a further fixed penalty of **£50** per day for every further day late following that deadline

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SOUTH YORKSHIRE PENSIONS AUTHORITY

Governance Compliance Statement

October 2021

1. Introduction

1.1 As a statutory public service scheme the Local Government Pension Scheme (LGPS) has a different legal status compared to trust-based schemes and therefore, the governance arrangements are different as well. This is especially true given the interface with local democratic practice since it is elected councillors who ultimately bear responsibility for the stewardship and management of local authority pension funds. Publication of this Statement is a statutory requirement under s 55(1) of the Local Government Pension Scheme Regulations 2013, which requires:

An administering authority must prepare a written statement setting out—

(a) whether the authority delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee, or an officer of the authority;

(b) if the authority does so—

- (i) the terms, structure, and operational procedures of the delegation,
- (ii) the frequency of any committee or sub-committee meetings,
- (iii) whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights;

(c) the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and

(d) details of the terms, structure and operational procedures relating to the local pension board established under regulation 53(4) (Scheme managers).

An administering authority must keep a statement prepared under paragraph (1) under review, and make such revisions as are appropriate, following a material change to any of the matters mentioned in that paragraph.

Before preparing or revising a statement under this regulation, an administering authority must consult such persons as it considers appropriate.

An administering authority must publish its statement under this regulation, and any revised statement.

1.2 This statement has been revised following an annual review undertaken in preparing the Authority's report and accounts for 2020/21.

2. Governance of the South Yorkshire Pension Fund

2.1 The Authority was created by the Local Government Reorganisation (Pensions etc.)(South Yorkshire) Order 1987 made under the Local Government Act 1985, and is a Joint Authority created under that act. As such it is a local authority in its own right, albeit with a prescribed set of functions, limited to fulfilling the role of LGPS administering authority and meeting the unfunded pension liabilities of the former South Yorkshire County Council for which it is able to make a levy on the District Councils.

2.2 The Authority does not operate under a cabinet structure. The Chair and Vice-Chair are nominated from and elected by its own membership but the Authority as a whole carries the strategic responsibilities of an administering authority.

2.3 Under Section 41 of the Local Government Act 1985 arrangements are made enabling the members of the district councils to raise questions at council meetings. The Authority is required to nominate a member or members to answer questions on the discharge of the Authority's functions in meetings of each of the constituent councils. One member from each district has been nominated as the Section 41 spokesperson.

2.4 The Authority has created two committees to support it in its work:

2.5 The **Audit Committee** which is responsible for fulfilling 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:

- the suitability of, and any changes in accounting policies;

- 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.

2.6 The **Staffing Appointments and Appeals Committee** which is responsible for the following functions.

(1) To exercise all the Authority's functions in respect of:

a) Appeals by staff (where a right of appeal exists).

b) Complaints against senior officers.

(2) To exercise the Authority's functions in relation to the appointment of Statutory Officers and Chief Officers, subject to legislative requirements regarding the approval of statutory officer appointments by the Authority.

(3) To approve proposals for changes to the organisation of the Authority's staffing where more than 5 posts are affected.

(4) Determining appeals and requests under the Local Government Pension Scheme Regulations not otherwise delegated to officers.

(5) To make appointments of Independent Investment Adviser (s) on behalf of the Authority.

(6) To approve arrangements for the procurement of external fund managers, the Fund Actuary and Custodian

(7) To deal with all matters concerning complaints concerning member conduct under the Standards regime.

3. Representation

3.1 Unlike other Administering Authorities within the Local Government Pension Scheme the Authority's membership is laid down in the Local Government Reorganisation (Pensions etc.) (South Yorkshire) Order 1987 made under the Local Government Act 1985. The four district councils in South Yorkshire nominate members to the Authority, from their own elected members, in the specified proportion –

Constituent Council	Number of Members
Barnsley	2
Doncaster	3
Rotherham	2
Sheffield	5

3.2 In addition the Authority has co-opted 3 non-voting members nominated by the Regional Secretaries of the three largest trade unions recognised by the National Joint Council for Local Government Services. These individuals are provided with the facility to attend and participate in meetings of the Authority and its committees, other than in matters concerned with staffing and labour relations.

3.3 The Audit Committee is chaired by the Authority's Vice-Chair and contains 5 other Authority Members (including the Chair). Representatives from the trade unions attend as non-voting co-optees.

3.4 The Staffing Appointments and Appeals Committee is chaired by the Authority's Chair and contains 5 other Authority members. Given that the major business of this Committee is concerned with staffing and labour relations the non-voting co-opted members nominated by the Trades Unions do not routinely attend meetings of this committee.

3.5 Both Committees have full delegated powers but only the Elected Members have voting rights.

4. Reasons for Current Representation

4.1 Myners' first Principle states that decisions should only be taken by persons or organisations with the skills, information, and resources necessary to take them effectively. Where trustees elect to take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice they take. All members of the Authority are required to complete an on-line Learning Academy and the Pensions Regulator's Public Sector Toolkit and are supported to undertake LGA' fundamentals training where they are able to do so as well as being exposed, on the occasions that they review investment performance and strategy, to presentations on topical issues, and differing types of investment. In addition, a Learning and Development Strategy is in place which identifies individual learning needs and aims to address through both internal and external means.

4.2 Formal statutory responsibility for the LGPS and fund investment remains with the administering authority that is answerable for the effective and prudent management of the scheme. Current representation on the Authority provides the appropriate balance between accountability and inclusion as required by best practice with councillors serving on the Authority having full voting rights as a matter of course.

5. Arrangements Outside of Formal Governance

5.1 The Authority is committed to inclusion of all stakeholders in consultation and communication outside of the formal governance arrangements. A separate Communications Policy Statement can be viewed on our website and is included with the Annual Report as required by the relevant regulations.

5.2 Meetings of the Authority are webcast to provide scheme members and other stakeholders with the opportunity to see the decisions that are being made on their behalf.

5.3 The Authority holds an annual meeting, in October or November, to which scheme members and employers are invited. Scheme members attending receive presentations on the financial position of the Fund, a review of investment and administration performance together with news of topical issues. Attendees are encouraged to raise questions. A video of this meeting is made available on the internet.

5.4 The Authority has in line with the requirements of the Public Sector Pensions Act 2013 established a Local Pension Board comprising equal numbers of employer and scheme member representatives.

5.5 The Authority provides each participating organisation with an employer's guide to the Scheme. In addition, regular newsletters are produced to keep employers up to date with scheme developments and administration issues. These are provided via our dedicated employers' website and can also be made available in hard copy. Employers' attention is drawn to LGPC Circulars whenever these are published so that they can view the national perspective as well as the local view.

5.6 A variety of meetings are used to communicate with employers. In addition to the Annual Fund Meeting described earlier, the Authority normally holds an annual employers' forum. This is primarily aimed at topical and administrative issues but is also valuable in providing an opportunity for employer representatives to raise questions and discussion points. Further to these, ad-hoc meetings are called to consider specific issues as and when appropriate. Every employer is offered at least one annual meeting with the Authority's officers on a one-to-one basis to discuss any topic either side wishes to raise, although experience shows that very few take advantage of this facility.

5.7 Officers attend the quarterly meeting of finance department representatives from the four district councils and the other South Yorkshire joint authorities as and when required.

6. Comparison with "Best Practice" Principles

6.1 The Authority is required to make a statement as to the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying.

6.2 The appendix to this document provides that statement, setting out against each of the principles the extent of compliance supported by further explanation or comments where further action is to be considered.

Appendix A

Principle A – Structure

		Compliant*
a)	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	**Yes**
b)	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	**Mainly**
c)	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	**Yes**
d)	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	**Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above :-

The Authority's separate legal status ensures that a), c) and d) are complied with and ensure representation (proportionate to size) of the major local authority employers. It is not practical for the many (over 500) non-local authority employers, whose activities are extremely diverse, to be separately represented. Trades unions representatives attend meetings of the Authority and Audit committee as non-voting co-opted members representing the interests of scheme members. The Local Pension Board as required by regulations operates alongside the formal Authority structure but is intrinsically linked with it and includes representation from other employer and scheme member groups.

Principle B – Representation

		Compliant*
a)	That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include :- i) employing authorities (including non-scheme employers, e.g., admitted bodies); ii) scheme members (including deferred and pensioner scheme members), iii) independent professional observers, and iv) expert advisors (on an ad-hoc basis).	**Mainly**
b)	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.	**Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please see the answer to A(b) above.

Please use this space if you wish to add anything to explain or expand on the ratings given above :-

The Authority appoints 2 independent investment advisers who attend meetings of the Authority and give advice to members during discussion of investment related matters.

The work of the Local Pension Board is also supported by an Independent Adviser who ensures that the Board, which acts in a form of scrutiny role, is not inadvertently led by those it is scrutinising.

Principle C- Selection and role of lay members

		Compliant*
a)	That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Yes

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above :-

Induction courses are held for all new members who are also required to attend initial basic training via an online Learning Academy and the Pensions Regulator's Public Sector Toolkit. New members who are able to attend are also automatically supported to attend the LGA's 3-day fundamentals course. Members are also provided with an annually updated handbook which clearly sets out their responsibilities as "quasi-trustees".

A series of member seminars to address new topics or cyclical issues such as the actuarial valuation are included in the programme of meetings and members (whether elected or co-optees or members of the Local Pension Board) are able to attend approved conferences and external seminars details of which are circulated to all members at the beginning of the year and throughout the year as they become available.

Principle D – Voting

		Compliant*
a)	The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	**Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above :- The Order creating the Authority and its constitution provides full voting rights to all elected Members. Co-optees do not have voting rights.

Principle E – Training/Facility time/Expenses

		Compliant*
a)	That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	**Yes**
b)	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	**Yes**
c)	That the administering authority considers the adoption of training plans for committee members and maintains a log of all such training undertaken.	**Mainly**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above :-

Induction and in-house training events are made available to all members of the Authority, its Boards and Committees, including Trade Union Observers. In addition, all Authority members are required to undertake an on line Learning Academy and the Pensions Regulators Public Service Toolkit, and where they are able to attend supported to undertake the Fundamentals course provided by the LGA within the first year of their appointment.

Members are offered individual training plans. Records of training received are logged and published as part of the Annual Report.

All members (whether councillors, co-optees or members of the Local Pension Board) are eligible for the reimbursement of legitimate expenses incurred in undertaking learning and development activity. Councillors receive allowances paid by the Authority in respect of their membership of the Authority. Co-opted members and members of the Local Pension Board are not eligible for such allowances.

Principle F – Meetings (frequency/quorum)

		Compliant*
a)	That an administering authority's main committee or committees meet at least quarterly.	**Yes**
b)	That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	**Yes**
c)	That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented	**Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above :-

The Authority meets at least quarterly, and the Audit Committee meets three times per year. The Staffing Appointments and Appeals Committee, given the nature of its business meets as required. In addition annual forums are held for both fund employers and Scheme members. The Local Pension Board meets 4 times per year which is in excess of the minimum set out in regulations.

Principle G – Access

		Compliant*
a)	That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	**Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations) The only exception to this general principle is that non-voting co-optees are not permitted access to papers concerned with individual staffing matters.

Please use this space if you wish to add anything to explain or expand on the ratings given above :-

Principle H Scope

		Compliant*
a)	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements	**Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above :-

Principle I – Publicity

		Compliant*
a)	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	**Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above :- Details of the Authority's governance arrangements are published both on its website and in its annual report. The details of the Authority's meetings are publicised both on the website and social media and the public parts of meetings of the full Authority are webcast. The Authority maintains a specific policy that the number of items to be considered in private is minimised thus opening up the maximum amount of its business to scrutiny by scheme members and the wider public.