



SOUTH YORKSHIRE  
PENSIONS AUTHORITY

# South Yorkshire Pensions Authority

## Annual Report & Accounts 2016/17



“  
*we continue to address  
key issues around  
fund administration,  
investment management  
and the new pooling  
arrangements*”



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# 1 the South Yorkshire Pension Fund

# mission STATEMENT

*“To provide the best possible and most cost-effective pensions administration service to all the employing bodies, pensioners, contributors and dependants, incorporating best practice in corporate governance at all times”*

## Our Strategic Objectives are:

### 1 THE BEST

To be the pensions administrator and investment manager of choice, providing a high quality cost effective and efficient service to all our customers.

### 2 INVESTMENT RETURNS

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

### 3 RESPONSIBLE INVESTMENT

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

### 4 VALUING OUR EMPLOYEES

To improve the capacity and capability of our workforce by investing in our staff development whilst, at the same time, endorsing equality and diversity best practice.

### 5 PENSIONS PLANNING

To encourage and support well informed pensions planning and investment amongst our member organisations and their employees.

### 6 EFFECTIVE AND TRANSPARENT CORPORATE GOVERNANCE

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

# Introduction

## Councillor Sue Ellis Chair of the Authority

*My second year as Chair of the Authority has seen us continue to address key issues around fund administration, investment management and the new pooling arrangements.*



Last year I referred to the problems arising from switching software providers to handle the administrative implications of the LGPS 2014 changes, an ever increasingly complex Scheme, and the impact on our performance levels. To help address this Members have now agreed a new structure which we are in the process of recruiting to for the new financial year ahead of us.

We have now dealt with the considerable work arising from the 2016 Actuarial review with a very well managed process maintaining good working relationships with all our employers. The outcome has

managed the difficult task of balancing the needs of the fund for employer contributions with employers ability to pay as well as we possibly can. Indeed we have seen much flexibility deployed by our major employers in making advance contribution payments to better suit their individual funding scenarios.

During the year the Authority reviewed its key corporate governance policies including responsible investment which will remain a key issue for the Authority. Following the Actuarial review the Authority has also reviewed its asset allocation investment stance and changes are set out in our Investment

Strategy Statement available on our website.

The Government's policy on amalgamating LGPS investment assets has led to this fund joining up with the Border to Coast Pensions Partnership (BCPP). This has seen considerable input from officers and members over the last twelve months as we work to manage the transition as carefully as possible. Twelve funds have now formally agreed to join and the process of appointing the top leadership team has begun. It is expected that the new organisation BCPP Ltd will be operational by June 2018. Governance of the company will include a Joint

Committee of elected members representing the twelve member funds. For the first year of operating Councillor John Weighell (NYCC) has been elected Chair with myself elected as Vice Chair.

I'm pleased with the progress we've made under demanding timescales and thank my fellow councillors for their support as well as the Authority's advisors and officers. We continue to aim for a high standard of service and to work for an effective future solution with new pooling partners. The next twelve months should prove a challenging but interesting agenda as we look maintain our performance and prepare for pooling.

Councillor Sue Ellis  
Chair of the Authority



# 2 the PEOPLE



# Report of the Clerk

## Introduction

A significant challenge facing the Authority which has taken up much time during this year is the move to the pooling of investments in response to Government policy. We are one of twelve funds who have now signed up to form the Borders to Coast Pensions Partnership (BCPP) expected to become operational in June 2018.

Much work still lies ahead in becoming operational; whilst asset allocation decision making and all fund administrative and accounting work will remain here

in Barnsley, the day to day investment activity will transfer to the new pool company BCPP Ltd., along with relevant staff.

This has also been the year of the 2016 Actuarial valuation which brings its own challenges which have been successfully negotiated. Managing the balance between both the needs of the Fund and of employers is key. The Authority aims to ensure that, over the long term, the Fund will have sufficient assets to meet all pension payments as they fall due but to do so in such a way

that contribution rates can be kept as low as possible, as stable as possible and as affordable as possible. Negotiations with employers have now taken place and resulted in flexible options to suit employer needs wherever possible. Fund investment performance has assisted a scenario which leaves us with an increase in funding solvency levels from 76% (2013) to 86% and a recovery plan over 19 years (consistent with the plan as at 2013, over 22 years).





# Report of the Clerk

## Management of the Fund

South Yorkshire Pensions Authority is the administering authority for the South Yorkshire Pension Fund under the auspices of the Local Government Pension Scheme (LGPS) Regulations 2013. Most local authority employees and pensioners (other than teachers and uniformed personnel) employed by the district councils of Barnsley, Doncaster, Rotherham and Sheffield are members of the Fund. In addition, a number of other bodies (notably schools and academies) are also participating employers. This report has been produced in accordance with the Regulations and covers the activities of the Fund during the financial year ended 31 March 2017. The governance of LGPS funds is encased in statute and

the Regulations are regularly updated.

The Authority itself was established by Statutory Instrument in 1987. The twelve councillors who sit on the Authority are co-opted on to it from the four district councils. The Authority meets approximately every quarter and concentrates upon strategy and scrutiny matters. It ensures that the administration of the Fund accords with the statutory framework the LGPS operates under.

Members have a fiduciary duty to the contributors and beneficiaries of the Fund to ensure contributions are collected, that benefits are calculated properly and paid promptly and that any surplus monies are properly and

prudently invested. Members also have a fiduciary duty to the council tax payers of South Yorkshire in so far as any net expenditure of the Authority in any year which cannot be charged to the Fund is liable to be apportioned between the district councils via a levy. In addition, net expenditure on residual employer liabilities which cannot be charged to the Fund is recoverable.

The Authority's meetings are open to the public and are webcast. It has established two Boards to manage the everyday aspects of its duties and responsibilities as an administering authority: the Boards also operate to a roughly quarterly cycle. One Board

focuses upon administration and audit matters whilst the other supervises investment issues. The terms of reference of the Boards and other information regarding the Authority's structure, including details of the delegation arrangements to officers, can be found in the Governance Compliance Statement.

A Local Pension Board is now in its second year of operation adding to the governance profile of the Fund. The Board is designed to assist in securing compliance with Scheme Regulations and is not a decision making body: rather it works alongside the Authority whilst conducting its scrutiny role.

Member involvement also continues to be facilitated through

the long-established annual fund meeting and employers' forum. Trade union representatives attend the public part of Authority and Board meetings as observers.

The LGPS continues to change and grow in complexity and the move to new pooling arrangements will dominate the next twelve months. One of the key objectives of the Authority is to ensure effective stewardship of the Fund's affairs and this is constantly monitored.

All aspects of pensions administration, including calculating and paying benefits, are conducted in house. The Fund also operates advisory offices in the districts. Almost all of the Fund's investments are managed internally, albeit

with the assistance of advisors on real estate matters. Further details of the Fund's investment operations are set out in the Investment Strategy Statement. The Authority has a retained actuary, Mercer Limited, and has appointed an independent investment advisory panel to assist it in achieving its aims.

General legal advice is obtained from BMBC. More specialist property work is garnered from a pool of lawyers which includes Addleshaw Goddard; Burges Salmon; Cameron McKenna; Mills & Reeve and Pinsent Masons. Private equity work is primarily conducted by Maclay Spens. Other lawyers are used dependent upon the nature of the service required.

# Members as at 31<sup>st</sup> March 2017

**BARNSELEY**




LABOUR  
**Councillor M Stowe\***  
(Vice Chair)

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LABOUR  
**Councillor R Wraith**

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**DONCASTER**



LABOUR  
**Councillor E Butler**

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LABOUR  
**Councillor K Rodgers\***  
(up to 3.6.16)

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LABOUR  
**Councillor J McHale**  
(from 4.6.16)

---

CONSERVATIVE  
**Councillor J Wood**

---

**ROTHERHAM**




LABOUR  
**Councillor S Ellis\***  
(Chair)

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LABOUR  
**Councillor K Wyatt**

---

**SHEFFIELD**



LABOUR  
**Councillor J Scott**  
(up to 18.5.16)

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LABOUR  
**Councillor P Wood\***  
(from 19.5.16)

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LABOUR  
**Councillor B Lodge**  
(up to 18.5.16)

---

LABOUR  
**Councillor Z Sykes**  
(from 19.5.16)

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LABOUR  
**Councillor H Mirfin-Boukouris**

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LIBERAL DEMOCRAT  
**Councillor A Sangar**

---

GREEN  
**Councillor B Webster**  
(up to 8.5.16)

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LABOUR  
**Councillor M Maroof**  
(19.5.16 to 7.7.16)

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LABOUR  
**Councillor M Iqbal**  
(8.7.16 to 27.1.17)

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LABOUR  
**Councillor B Curran**  
(from 2.2.17)

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*\*Indicates Section 41 Members*

# Members’ Attendance and Training Records

One of the responsibilities of an administering authority is to ensure that all staff and Members charged with managing its pension fund are fully equipped with the knowledge and skills to enable them to discharge their duties and responsibilities.

Consequently, the Authority regards Member training as a key priority. The approach adopted is a prudent and vigilant one which includes all newly appointed Members receiving induction training, all Members attending the Pensions Fundamentals training programme provided by the Local Government Employers organisation and individual Members being invited to discuss their personal training needs. This results in the production of a training plan which itself reflects

the recommended knowledge and skill requirements set out in the CIPFA Pensions Finance Knowledge and Skill Framework. A formal training report is considered and approved by Members each year.

The ordinary meetings of the Authority and its Boards contain within them a wide range of topical briefings, such as legislation changes, corporate governance matters, the assessment of liabilities, the economy etc and may incorporate presentations from independent advisors, such as the Fund actuary, and consultants. Special meetings are called, if necessary, to consider specific issues.

A programme of in-house training is also delivered by officers and external consultants. Members and officers are encouraged to

attend conferences and seminars relevant to their functions. This year has seen a focus on the 2016 triennial actuarial review with a consequential review of the asset allocation strategy, along with preparations for entering into new investment pooling arrangements from 2018.

In accordance with the requirement of Principle 4 of the Myners’ Principles on best practice Members participate in an annual self-assessment review. A Member is nominated by his peers to lead on all issues pertinent to Members’ training needs but it is the Treasurer who is responsible for ensuring that policies and strategies are implemented.

# Members’ Attendance and Training Records

## Members’ Attendance at Authority Meetings 2016/17

	26 May 2016	9 June 2016	30 June 2016	6 Oct 2016	24 Nov 2016	12 Jan 2017	16 Feb 2017	16 Mar 2017
E Butler	✓	x	x	✓	x	x	x	✓
B Curran	N/A	N/A	N/A	N/A	N/A	N/A	x	✓
S Ellis	✓	✓	✓	✓	x	✓	✓	✓
M Iqbal	N/A	N/A	N/A	x	x	x	N/A	N/A
M Maroof	x	✓	N/A	N/A	N/A	N/A	N/A	N/A
J McHale	N/A	x	✓	✓	x	x	✓	✓
H Mirfin-Boukouris	x	x	x	x	x	✓	✓	✓
K Rodgers	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A
A Sangar	✓	✓	✓	✓	✓	✓	x	✓
M Stowe	✓	✓	x	✓	✓	✓	✓	✓
Z Sykes	x	✓	✓	x	x	✓	x	x
P Wood	✓	✓	x	✓	✓	x	✓	✓
J Wood	✓	✓	✓	✓	x	✓	x	x
R Wraith	✓	✓	✓	✓	✓	✓	✓	✓
K Wyatt	x	✓	✓	x	✓	✓	x	✓



# Members’ Attendance and Training Records

## Board Meetings 2016/17

### SYPA Members Attendance at Corporate Planning and Governance Board

	2 June 2016	20 July 2016	20 Oct 2016	16 Feb 2017
E Butler	x	x	x	x
S Ellis	✓	✓	x	✓
H Mirfin-Boukouris	✓	x	x	✓
M Stowe	N/A	N/A	✓	✓
Z Sykes	N/A	✓	✓	x
J Wood	✓	x	x	x
R Wraith	✓	N/A	N/A	N/A
K Wyatt	✓	✓	✓	x

### SYPA Members Attendance at Investment Board Meetings

	30 June 2016	15 Sept 2016	15 Dec 2016	9 Mar 2017
S Ellis	✓	✓	✓	✓
B Curran	N/A	N/A	N/A	✓
M Iqbal	N/A	x	x	N/A
J McHale	✓	✓	✓	✓
A Sangar	✓	✓	✓	✓
M Stowe	x	✓	✓	✓
P Wood	x	x	x	✓
R Wraith	✓	✓	✓	✓

# Members’ Attendance and Training Records

## Member Training Events 2016/2017

Training Session	Date	E Butler	S Ellis	M Iqbal	J McHale	H Mirfin Boukouris	K Rodgers	A Sangar	M Stowe	Z Sykes	P Wood	J Wood	R Wraith	K Wyatt
Investment Pooling	26.05.16	✓	✓	N/A	N/A	x	✓	✓	✓	x	✓	x	✓	x
Investment Pooling	30.06.16	x	✓	N/A	✓	x	N/A	✓	x	✓	x	✓	✓	✓
Valuation Training	14.09.16	✓	✓	x	x	x	N/A	x	✓	x	x	x	✓	x
Effective Audit Committees	10/11.11.16	✓	x	x	x	x	N/A	✓	✓	✓	x	x	✓	x
Internal Audit & Risk Management	12.12.16	✓	x	x	x	x	N/A	x	✓	✓	x	x	x	✓
Asset & Liabilities Info Session	12.01.17	x	✓	x	x	✓	N/A	✓	✓	✓	x	x	✓	x

# Advisors and Officers

ACTUARY	Mercer Limited	
AUDITOR	KPMG LLP Public Sector Audit	
BANKERS	Lloyds Bank	
CUSTODIAN	HSBC Securities Services	
EXTERNAL ADVISORS	Bidwells	Agricultural Property
	Pensions and Investment Research Consultants Limited	Corporate Governance/ Voting Execution
	Standard Life Pension Funds Limited	Commercial Property
ADVISORS TO THE AUTHORITY	T J A Gardener N MacKinnon W L Robb	
OFFICERS	D Terris	Clerk
	F Foster	Treasurer
	A Frosdick	Solicitor and Monitoring Officer
	J N Hattersley	Fund Director (to 1.7.16)
	S Barrett	Interim Fund Director (from 4.7.16)
	G Chapman	Head of Pensions Administration







# 3 the AUTHORITY

# Report of the Clerk

## Pensions Administration

Our Pensions Administration Strategy was launched on 1<sup>st</sup> April 2016 following a period of consultation with the participating employers. The launch of the strategy was an important event as it formalised the roles and responsibilities of the employers and ourselves in administering the pension scheme for the benefit of our members. One feature of the strategy that we implemented immediately was the ability for us to issue financial penalties to employers who issued their annual contribution return after 31<sup>st</sup> May 2016. This was extremely successful and resulted in 94% of employers issuing their annual returns on time in comparison to 52% in 2015. The receipt of timely annual returns from employers is vital to us as it is the start of the process that culminates in the production of the annual pension forecasts issued to all our current members. The rules of the scheme require annual pension forecasts to be

issued by 31<sup>st</sup> August and with over 50,000 members employed by around 350 employers there is an enormous amount of work to do in a short space of time if we are to achieve the target date. I am pleased to report that we successfully issued forecasts on time to the vast majority of our members but unfortunately it came at a price as we had to suspend work on low-priority work for a number of months and once the forecasts had been issued we had a backlog of cases we needed to catch-up on. The remainder of the year has seen us attempting to clear the backlog of work through a combination of overtime and other internal initiatives. With an ever expanding number of employers the target for producing annual pension forecasts is extremely challenging and without change the cycle described above will repeat each year and this is clearly not desirable. I am

pleased to report therefore that the Pensions Authority has responded quickly and authorised a restructure of the Unit resulting in the expansion of the team as well as some internal reorganisation. The main feature of the restructure is the recruitment of four Pensions Data Analysts who, along with existing team members, will enable the transition to monthly reconciliation of employer contribution data from the annual reconciliation currently in operation. This is a major change in process which requires new software and the co-operation of employers, but once implemented from April 2018 will improve the quality and timeliness of the information we provide to our members and put an end to the negative impact of creating backlogs that I have described above. Workload continues to be significant and although we are completing at least as many cases as in previous years our

performance statistics are not yet back to our usual high levels. Although the problems we had with our new system a few years ago are now largely behind us, the backlogs of work created achieving the annual pension forecast target bring our performance levels down. The restructure will help put this right but it will take a little time. The 2016 actuarial valuation was successfully completed on schedule at the end of March 2017. This is the review of employer contributions that takes place every three years in order to ensure that between employer contributions, scheme member contributions and investment returns there are sufficient funds to ensure that all past, present and future liabilities of the scheme are met. All employers have been made aware of their new contribution requirements for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2020. Despite the issues we have faced

I am delighted to report that we have successfully retained our Customer Service Excellence Award for a further three years. We achieved full compliance in all of the 57 elements. Although we have successfully held a customer service award since 2004 it is especially pleasing this time, given the issues we have faced in the last few years, that we can still demonstrate that our customer service principles remain intact. We continue to operate the formal dispute resolution procedure in compliance with the scheme regulations as well as our local customer service complaints procedure. During the year we had three formal disputes which went all the way through our two stage process. All the disputes were in relation to members who had received pension quotes that were higher than their eventual benefits upon retirement. All three disputes were dismissed as the benefits

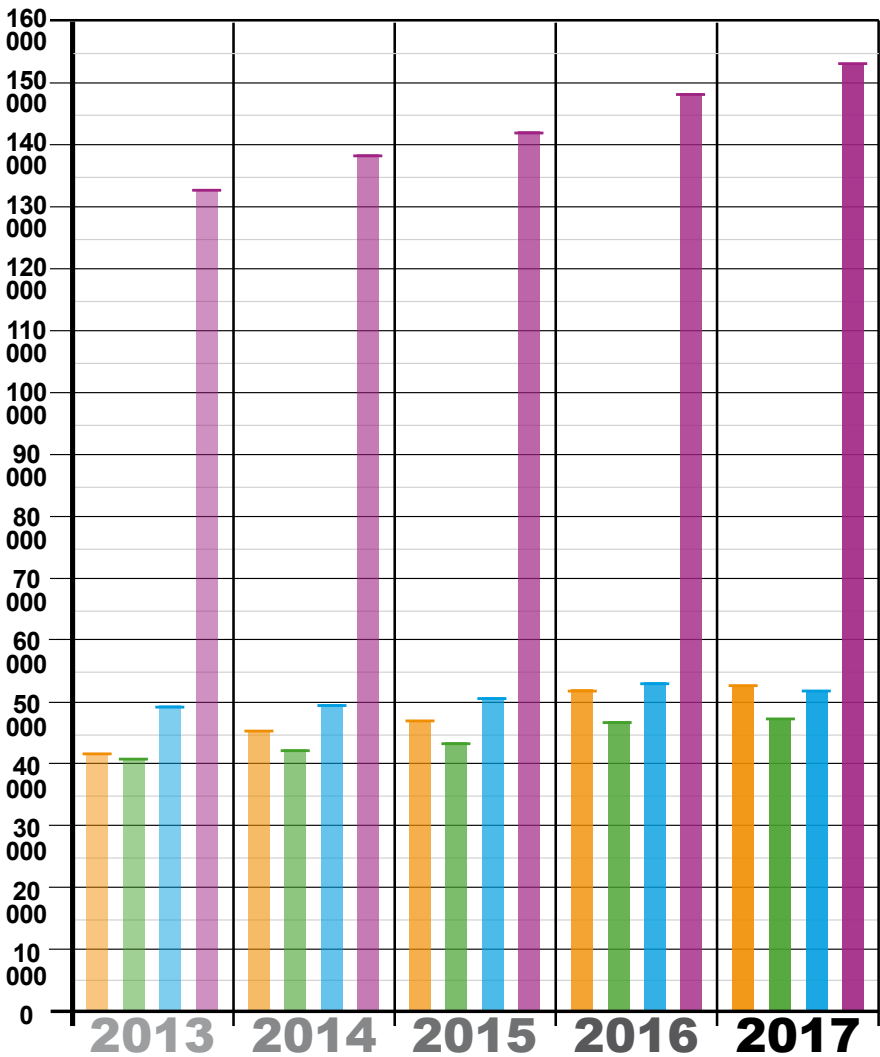
in payment are correct. The members concerned now have the option to seek an independent judgement from the Pensions Ombudsman. We had 10 formal customer service complaints during the year which were personally responded to by our Complaints Manager. This is pleasingly back to normal levels after a few years of increased numbers due to the problems we had associated with the implementation of the new system. The employers of the fund are required to collect contributions from active scheme members and pay them over no later than the 19th of the following month to which the contributions relate. During 2016/17 four employers paid contributions late and were required to pay interest for late payment. The membership statistics for 2016/17 are shown on the following pages. **Gary Chapman,** Head of Pensions Administration

# Report of the Clerk

## Membership

Overall, Fund membership continues to grow. The Fund has **152,289** members compared with **148,695** at March 2016, an increase of 2.417%. There are three main categories of membership, **51,792** active contributing members, **47,756** members and dependants in receipt of a pension and **52,741** deferred members (members who have left employment and deferred their benefits until normal retirement age). For the fourth year running the Fund has seen a slight increase in active contributing members.

- Total membership
- Pensioners (including dependants)
- Active Members
- Deferred Members



# Report of the Clerk

## Your Fund Statistics



### Gender



	2016	2017
Female .....	74%	74%
Male .....	26%	26%

### Averages



Current Age .....	45	44
Age Joined Fund .....	34	34

### Age Profile



16 - 20 .....	1%	1%
21 - 25 .....	6%	6%
26 - 30 .....	7%	7%
31 - 35 .....	9%	9%
36 - 40 .....	10%	11%
41 - 45 .....	14%	13%
46 - 50 .....	17%	17%
51 - 55 .....	17%	17%
56 - 60 .....	12%	13%
61 - 65 .....	5%	5%
66 - 70 .....	Less than 1%	Less than 1%
71 - 75 .....	Less than 1%	Less than 1%



# Report of the Clerk

## Your Fund Statistics



DEFERRED MEMBERS

Gender



Averages



Age Profile



	2016	2017
Female .....	72%	72%
Male .....	28%	28%
Current Age .....	45	45
Annual Pension .....	£1,537.54	£1,481.16
16 - 20 .....	Less than 1%	Less than 1%
21 - 25 .....	3%	2%
26 - 30 .....	8%	7%
31 - 35 .....	11%	11%
36 - 40 .....	10%	11%
41 - 45 .....	15%	14%
46 - 50 .....	18%	19%
51 - 55 .....	19%	20%
56 - 60 .....	13%	13%
61 - 65 .....	2%	2%
66 - 70 .....	Less than 1%	Less than 1%
71 - 75 .....	Less than 1%	Less than 1%

# Report of the Clerk

## Your Fund Statistics



PENSIONERS

(including dependants)

Gender



Averages



Age Profile



	2016	2017
Female .....	62%	62%
Male .....	38%	38%
Current Age .....	70	69
Age Pension Commenced .....	59	59
Current Annual Pension .....	£4,674.38	£4,886.17
Time in Receipt of Pension .....	11 years	11 years
0 - 50 .....	2%	1%
51 - 55 .....	1%	1%
56 - 60 .....	8%	8%
61 - 65 .....	21%	22%
66 - 70 .....	24%	24%
71 - 75 .....	17%	17%
76 - 80 .....	12%	12%
81 - 85 .....	8%	8%
86 - 90 .....	4%	4%
91 - 95 .....	2%	2%
96 - 100 .....	Less than 1%	Less than 1%
101 - 105 .....	Less than 1%	Less than 1%
106 - 110 .....	Less than 1%	0%
Oldest pensioner .....	110	103

# Report of the Clerk

## Retirement Analysis

During 2016/17 we processed and paid 2705 retirements. This was down by 6.35% on the previous year. A breakdown showing the types of retirements processed are listed opposite.

Of the 76 ill health retirements processed, 39 were awarded enhanced membership under the ill health provisions of the scheme. No pension or membership enhancements were granted by the employer for any of the redundancy/efficiency retirement cases.

Type of Retirement	2015/16	2016/17
Early	1,496	1,366
Flexible	48	49
Ill Health	81	76
Redundancy/Efficiency	498	413
Normal	519	559
Late	235	242

# Report of the Clerk

## Pensions Increase

Cost of living increases from Pension Increase Orders, applied to pension benefits (deferred and in payment) from the first Monday following 5 April.

April 2017	1%
April 2016	0%
April 2015	1.2%
April 2014	2.7%
April 2013	2.2%
April 2012	5.2%
April 2011	3.1%

# Report of the Clerk

## Employer Admissions During the period 1 April 2016 to 31 March 2017

Date Admitted	Employer	Employer Type*
01/04/2016	The Police and Crime Commissioner	Scheduled Body
01/04/2016	Alcohol & Drug Service	Contractor (TAB)
01/04/2016	Waverley Academy	Scheduled Body
01/04/2016	Places for People - Wisewood Sports Centre	Contractor (TAB)
01/04/2016	Hucklow Primary School	Scheduled Body
01/04/2016	Morley Place Junior School	Scheduled Body
01/05/2016	ABM Catering - Bramley Grange	Contractor (TAB)
01/05/2016	Dinnington Community Primary School	Scheduled Body
01/05/2016	Tinsley Meadows Primary School	Scheduled Body
01/05/2016	Reach 4 Academy Trust	Scheduled Body
01/06/2016	SPS Security Ltd (Doncaster College)	Contractor (TAB)
01/06/2016	Kelford School	Scheduled Body
01/06/2016	Maltby Hilltop School	Scheduled Body
01/06/2016	Abbey School	Scheduled Body
01/07/2016	Cordant Cleaning Ltd	Contractor (TAB)
01/07/2016	Argent Catering Solutions Ltd	Contractor (TAB)
01/07/2016	Lower Meadow Primary Academy	Scheduled Body

Date Admitted	Employer	Employer Type*
01/07/2016	High Greave Junior School	Scheduled Body
01/07/2016	High Greave Infant School	Scheduled Body
01/07/2016	Catcliffe Primary School	Scheduled Body
01/08/2016	Brinsworth Whitehill Academy	Scheduled Body
01/08/2016	Aston Lodge Primary School	Scheduled Body
01/08/2016	Dolce Ltd - St Maries Primary School	Contractor (TAB)
01/08/2016	Aston Hall Junior & Infant School	Scheduled Body
01/08/2016	Aspens Services Ltd - E-ACT Pathways A	Contractor (TAB)
01/08/2016	Abbeyfield Primary (Firs Hill Community)	Scheduled Body
01/08/2016	Aspens Services Ltd - Parkwood Academy	Contractor (TAB)
01/08/2016	Byron Wood Academy	Scheduled Body
01/08/2016	Dolce Ltd - Greengate Lane Academy	Contractor (TAB)
01/08/2016	Hillside Academy (Conisbrough Balby Str)	Scheduled Body
01/08/2016	Edenthorpe Hall Academy	Scheduled Body
01/09/2016	Dolce Ltd - Trinity Croft	Contractor (TAB)
01/09/2016	Dolce Ltd - Thrybergh Fullerton	Contractor (TAB)
01/09/2016	Dolce Ltd - Aston All Saints	Contractor (TAB)

# Report of the Clerk

## Employer Admissions During the period 1 April 2016 to 31 March 2017

Date Admitted	Employer	Employer Type*
01/09/2016	Hexthorpe Primary School	Scheduled Body
01/09/2016	Consilium Academies Trust	Scheduled Body
01/09/2016	Learn Sheffield	Community Admission Body
01/09/2016	Swinton Queen Primary School	Scheduled Body
05/09/2016	Dolce Ltd - Sitwell Juniors (Academy)	Contractor (TAB)
05/09/2016	Dolce Ltd - Sitwell Infants	Contractor (TAB)
26/09/2016	Dolce Ltd - Wickersley St Albans	Contractor (TAB)
01/10/2016	Swinton Community School	Scheduled Body
01/10/2016	Denaby Main Primary Academy	Scheduled Body
01/10/2016	Ward Green Primary	Scheduled Body
01/10/2016	Aughton Junior Academy	Scheduled Body
01/10/2016	Brodsworth Parish Council	Resolution Body
03/10/2016	Dolce Ltd - Flanderwell Primary	Contractor (TAB)
14/10/2016	Edwards Commercial Cleaning (NORTH)	Contractor (TAB)
01/11/2016	Swinton Fitzwilliam Primary	Scheduled Body
01/12/2016	Woodfield Primary School	Scheduled Body
01/12/2016	Manor Lodge Primary	Scheduled Body

Date Admitted	Employer	Employer Type*
01/12/2016	Acres Hill Community Primary Academy	Scheduled Body
01/12/2016	Wybourn Community Primary Academy	Scheduled Body
01/12/2016	Phillimore Community School	Scheduled Body
01/12/2016	Mexborough St John The Baptist CoE Primary	Scheduled Body
12/12/2016	Compass (The Hayfield School)	Contractor (TAB)
01/01/2017	Dolce Ltd - Whiston Worrygoose	Contractor (TAB)
01/01/2017	Dolce Ltd - Whiston J&I	Contractor (TAB)
01/01/2017	Dolce Ltd - Dinnington Primary	Contractor (TAB)
20/01/2017	Dolce Ltd - Kilnhurst J&I	Contractor (TAB)
01/02/2017	Wellgate Primary School	Scheduled Body
01/02/2017	Kexborough Primary School	Scheduled Body
01/02/2017	Oakwell Rise Primary Academy	Scheduled Body
01/02/2017	Kingfisher Primary School	Scheduled Body
01/02/2017	Balby Central Primary School	Scheduled Body
01/02/2017	Charnock Hall Primary School	Scheduled Body
01/02/2017	Rainbow Forge Primary School	Scheduled Body
01/02/2017	Birley Primary Academy	Scheduled Body



# Report of the Clerk

## Employer Admissions During the period 1 April 2016 to 31 March 2017

Date Admitted	Employer	Employer Type*
01/02/2017	Birley Academy	Scheduled Body
01/02/2017	Birley Spa Primary Academy	Scheduled Body
06/02/2017	Dolce Ltd - Anston Brook	Contractor (TAB)
06/02/2017	Dolce Ltd - Woodsetts	Contractor (TAB)
01/03/2017	Wath C of E Primary School	Scheduled Body

## Employer Terminations During the period 1 April 2016 to 31 March 2017

Date Terminated	Employer	Reason for Termination
30/06/2016	Kier (Sheffield Heating 735)	Contractor (TAB)
30/06/2016	Kier Asset Partnership Services Ltd (620)	Contractor (TAB)
31/07/2016	Taylor Shaw (Parkwood Academy)	Contract Cessation
31/08/2016	ABM Catering (Wales High School)	Contractor (TAB)

**\*Key:**

**Scheduled Body:** A body listed in Schedule 2 of the Regulations e.g. a Local Authority. All scheduled body employers are automatically admitted to the Fund and eligible employees entered in the Scheme.

**Community Admission Body:** A body admitted under an Admission Agreement which is a not-for-profit organisation and shares a community interest with

a scheme employer. Requires an Admission Agreement between SYPA and the admission body plus a financial guarantor. Employees are nominated by the admission body for membership.

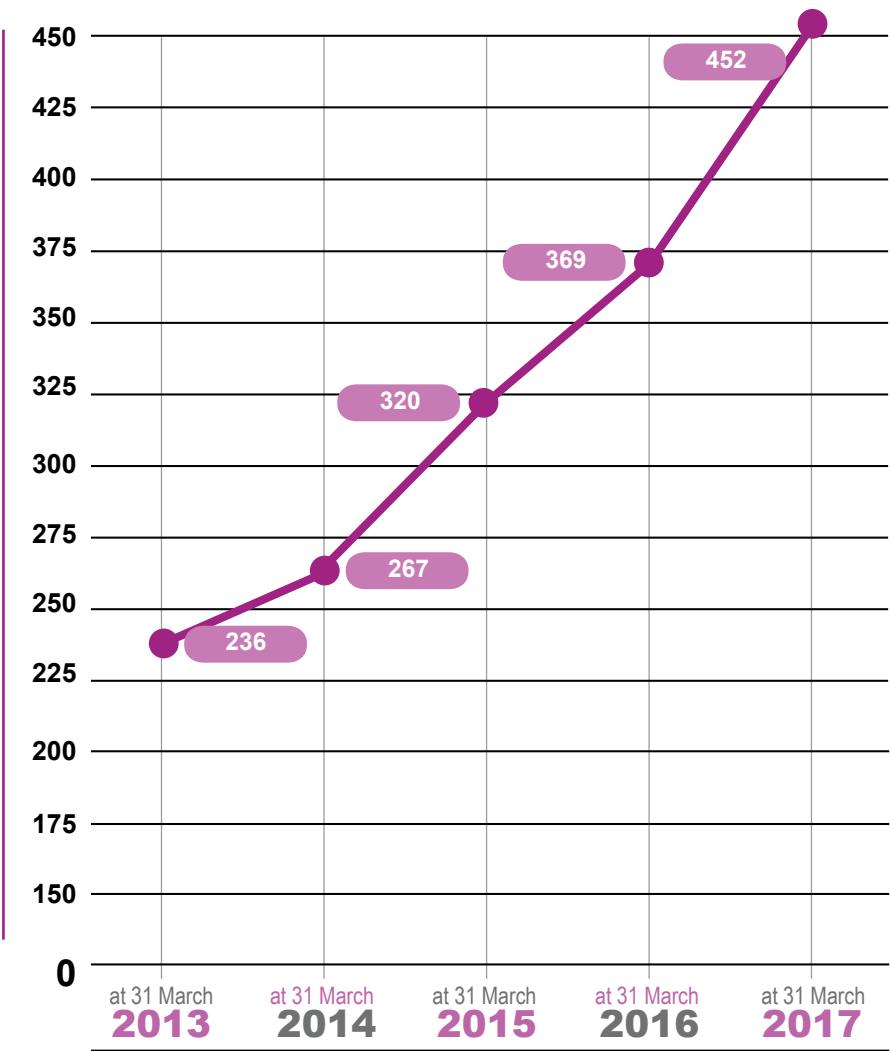
**Contractor (TAB):** A body admitted under an Admission Agreement which employs staff transferred from a scheme employer, undertaking an

outsourcing service or asset of that scheme employer. Requires an Admission Agreement between SYPA, the Contractor and the Outsourcing Authority. The Contractor may be required to provide a bond to guarantee liabilities. Named employees are transferred from the outsourcing employer and retain their membership of the Scheme.

# Report of the Clerk

## 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 police and The Police & Crime Commissioner. The chart opposite 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.



# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer COMMUNITY ADMISSION BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Danvm Drainage Commissioners	1,533.07	4,811.40	3,200.00
National Childrens Bureau	109,787.51	172,323.78	168,500.00
Action Housing & Support Ltd	68,688.57	111,271.19	119,400.00
Northern Racing College	11,757.41	24,226.63	37,216.63
Leonard Cheshire Disability	2,953.06	10,346.26	7,400.00
South Yorkshire Housing Association	£8,895.83	21,752.22	28,966.63
Northern College	57,742.27	144,924.29	97,441.63
Dial a Ride	773.46	3,240.80	19,250.00
Barnsley Premier Leisure	105,153.85	182,403.55	105,141.74
Doncaster Community Transport	2,731.98	10,036.68	-916.63
Roth Don and South Humber Mental Health NHS Foundation Trust	19,145.70	48,046.20	9,300.00
Sheffield Community Transport	17,745.47	56,675.13	13,933.37
Sheffield International Venues Ltd	32,363.28	71,260.03	270,600.00
Sheffield Students Union	4,029.63	12,752.60	8,341.63
Sheffield Health & Social Care NHS Foundation Trust	94,127.51	238,202.89	163,075.00
Great Places Housing Association	16,341.90	31,472.23	14,799.96

Employer COMMUNITY ADMISSION BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Sheffield City Trust	128,584.68	255,893.72	-31,599.96
7 Hills Leisure Trust	65,072.26	119,908.30	-18,999.96
Voluntary Action Barnsley	3,845.09	10,122.09	9,716.63
Barnsley BIC Ltd	5,509.76	13,729.30	10,633.37
Independent Training Services Ltd	8,078.40	19,479.73	13,566.63
Priory Campus Ltd	1,512.61	5,585.04	11,499.96
Royston & Carlton Community Partnership	0.00	0.00	5,200.00
Forge Community Partnership	5,044.74	9,605.58	9,400.00
Wentworth Castle & Stainborough Park Heritage Trust	5,577.17	13,701.54	24,200.00
Independent Living at Home (Barnsley)	83,937.71	242,788.31	0.00
Doncaster Deaf Trust	98,016.97	206,938.94	134,108.37
Age Concern Doncaster	2,439.99	9,185.79	0.00
Shaw Trust	3,289.82	13,325.01	2,750.00
Doncaster Culture & Leisure Trust	33,131.10	79,031.99	140,891.63
Doncaster Childrens Services Trust Ltd	941,471.78	1,798,599.76	0.00
Voluntary Action Rotherham	1,578.16	5,198.04	0.00

## Employers' Contribution Returns for 2016 - 2017

[illegible]

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Midshire Catering Ltd	569.69	1,823.03	0.00
KGB Cleaning - Doncaster College	3,987.89	12,544.46	0.00
Compass (RCAT Catering Contract)	3,094.66	10,357.16	0.00
Alcohol & Drug Service	2,195.71	5,521.56	0.00
SPS Security Ltd (Doncaster College)	3,914.10	15,086.08	0.00
Carillion Government Services	9,394.51	29,550.66	5,683.37
Kier (Barnsley Housing Stock Maintenance)	94,015.90	256,940.36	-36,800.00
NPS Barnsley Ltd	136,394.71	294,294.43	40,516.63
Civica (Barnsley Schools 335)	1,660.96	4,088.55	0.00
Barnsley Schools (PFI 336)	29,401.01	106,709.66	3,850.00
Barnsley Schools (Non PFI 337)	7,767.23	27,203.20	3,850.00
Peter Duffy Ltd (BMBC Drainage Contract)	1,322.28	4,149.50	0.00
Barnsley Norse Ltd	51,953.90	169,765.34	-5,866.63
Trustclean Ltd (Athersley North)	653.00	2,231.99	0.00
Caterlink (Barnsley Academy)	2,807.66	12,796.37	0.00
Taylor Shaw - Forest Academy Catering Contract	1,223.73	4,515.88	0.00



# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
RM Education Ltd (Dearne ALC)	1,072.13	3,715.43	0.00
Crispin & Borst	4,862.71	14,267.95	-£3,200.00
Creative Support Ltd	4,367.80	13,692.56	0.00
Chartwells (De Warenne Academy Catering)	4,108.73	13,433.52	0.00
Trustclean (Mexborough Highwoods)	214.56	784.10	0.00
Compass (Grange Lane Infants)	562.76	1,672.84	0.00
Compass (Hatfield Woodhouse)	950.52	3,508.55	0.00
Compass (Pheasant Bank)	784.74	2,825.97	0.00
Compass (Rowena)	339.70	1,439.30	0.00
Compass (Hatfield Crookesbroom)	534.75	1,769.70	0.00
Compass (Armthorpe Academy)	3,583.23	11,894.95	0.00
Independent Cleaning Services (Danum Academy)	4,300.81	14,778.85	0.00
Carroll Cleaning Company (De Warenne Academy)	2,824.01	10,166.33	0.00
Aspens Services Ltd - Catering Contract at McAuley Academy	8,088.87	29,853.60	0.00
Compass (Don Valley Academy Catering)	5,068.40	17,338.61	0.00
Compass (Rossington All Saints Academy Catering)	2,730.68	8,987.36	0.00

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Independent Cleaning Services Ltd - McAuley High	4,558.14	17,796.40	0.00
Mellors (Danum Academy)	4,777.96	15,536.25	0.00
Engie	7,591.85	25,763.70	7,700.00
May Gurney Fleet and Passenger Services Ltd	5,460.60	15,100.02	0.00
Fortem Solutions Ltd	178,025.53	441,794.69	0.00
Morrison Facilities Service Ltd	181,547.09	438,724.78	0.00
Mellors (Rawmarsh Comprehensive School)	820.60	2,894.61	0.00
Trustclean (Wath CE School)	189.60	803.52	0.00
Places for People Leisure Limited	53,564.04	139,736.19	0.00
Churchill Contract Services	1,144.26	3,848.95	0.00
Trustclean (Wath Victoria Primary School)	277.82	858.86	0.00
Mellors - Brinsworth Catering Contract	3,104.44	9,990.42	0.00
ABM Catering - Bramley Grange	1,259.35	9,027.30	0.00
Capita (Outstanding Sheffield Programme)	53,400.74	138,266.09	-47,300.00
Taylor Woodrow Construction (Cleaning 617)	814.72	3,154.34	-£2,200.00
Taylor Shaw (Sheffield Catering 618)	1,411.85	6,413.99	-2,925.03

# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Civica (Sheffield ICT 627)	£4,777.37	£11,995.08	0.00
Mellors (Longley Primary)	£202.14	£797.54	0.00
Taylor Shaw (Sheff School Meals Central Contract)	£38,191.61	£142,034.21	0.00
Mellors (Sheffield Schools)	£527.94	£2,572.54	-846.12
Amey LG Limited (Sheffield Highways)	657,972.99	1,778,901.78	-473,399.97
Interserve FM Ltd	1,449.75	3,880.87	26,033.37
Veolia Environmental Services PLC	137,757.95	432,204.94	54,266.63
Mitie Ltd	1,054.88	2,255.25	916.63
Kier Managed Services (688)	7,912.94	28,769.44	-5,200.00
Mellors Catering Services Ltd	1,884.70	6,333.84	-461.53
Civica (Sheffield Schools)	7,387.91	18,072.24	4,766.63
Taylor Woodrow Construction (Sheffield Schools 698)	3,044.01	8,710.51	-2,200.00
Vinci Construction UK Ltd (Bradfield FM)	1,140.48	4,126.52	0.00
Taylor Shaw (Bradfield School)	357.30	1,734.47	0.00
Mellors (Hinde House/King Ecgbert School)	3,273.19	11,751.87	0.00
Kier (Sheffield Corporate Property Repairs 730)	52,202.27	124,261.63	0.00

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Kier (Sheffield Social Housing Repairs 731)	587,407.80	1,513,189.69	0.00
Kier (Sheffield Adaptation of Social Housing 732)	31,936.01	90,782.46	0.00
Caterlink (Sheffield Park Academy)	3,380.58	11,656.54	0.00
Places for People (747)	15,554.33	40,799.42	0.00
British Red Cross (748)	1,049.88	4,706.42	0.00
Taylor Shaw - St John Fisher Academy	769.22	2,718.57	0.00
Places for People - Wisewood Sports Centre	3,755.10	10,169.43	0.00
Cordant Cleaning Ltd	25,041.82	90,786.47	0.00
Aspens Services Ltd - Parkwood Academy	935.23	4,446.21	0.00
Aspens Services Ltd - E-ACT Pathways Academy	340.98	1,475.51	0.00
Argent Catering Solutions Ltd	2,924.76	9,612.60	0.00
Dolce Ltd - Greengate Lane Academy	386.32	1,952.71	0.00
Dolce Ltd - St Maries Primary School	379.93	1,271.02	0.00
Edwards Commercial Cleaning (NORTH) Ltd	633.86	2,362.66	0.00
Dolce Ltd - Aston All Saints	469.45	1,288.82	0.00
Dolce Ltd - Flanderwell Primary	745.56	2,453.61	0.00

# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Dolce Ltd - Sitwell Infants	226.92	779.81	0.00
Dolce Ltd - Sitwell Juniors (Academy)	1,366.89	4,156.15	0.00
Dolce Ltd - Thrybergh Fullerton	138.75	476.83	0.00
Dolce Ltd - Wickersley St Albans	507.58	2,131.77	0.00
Dolce Ltd - Trinity Croft	780.08	2,609.60	0.00
Dolce Ltd - Dinnington Primary	116.74	430.85	0.00
Dolce Ltd - Kilnhurst J&I	186.02	602.01	0.00
Dolce Ltd - Whiston J&I	196.86	697.96	0.00
Dolce Ltd - Whiston Worrygoose	250.02	945.52	0.00
Dolce Ltd - Woodsetts	77.35	284.11	0.00

Employer RESOLUTION BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Brodsworth Parish Council	175.50	561.66	0.00
Shafton Parish Council	1,129.59	4,215.97	0.00
Penistone Town Council	3,700.30	9,977.73	4,200.00
Silkstone Parish Council	839.51	1,563.22	183.26
Askern Town Council	2,252.91	10,919.38	400.00
Barnby Dun with Kirk Sandall Parish Council	1,280.32	3,424.16	0.00
Edlington Town Council	6,266.96	19,433.49	4,200.00
Hatfield Town Council	4,275.22	15,867.96	2,799.96
Rossington Parish Council	3,231.84	13,155.56	2,199.96
Stainforth Town Council	924.76	3,446.82	9,399.96
Thorne Moorend Town Council	5,616.61	18,211.56	12,466.67
Sprotbrough & Cusworth Parish Council	2,931.42	11,881.19	1,300.00
Armthorpe Parish Council	3,611.23	7,588.46	1,000.00
Barnburgh & Harlington Parish Council	377.06	1,984.10	0.00
Anston Parish Council	6,459.81	22,437.30	1,200.00
Thrybergh Parish Council	1,760.73	6,164.39	100.00

## Employers' Contribution Returns for 2016 - 2017

[illegible]

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
SCHEDULED BODY			
South Yorkshire Passenger Transport Executive	281,578.75	488,911.67	0.00
Barnsley College	382,714.57	698,761.93	330,916.66
Doncaster College	293,564.06	589,018.60	383,075.00
The Sheffield College	559,673.65	1,272,683.51	572,183.37
Sheffield Hallam University	3,104,193.34	5,350,889.57	2,861,455.56
The Hayfield School	42,469.46	130,513.05	22,100.00
R N N Group	439,848.42	932,013.17	295,558.40
Thomas Rotherham College	59,808.12	146,193.62	23,524.06
Longley Park Sixth Form College	55,048.15	93,799.53	34,286.11
University Technology College (Sheffield)	30,569.36	55,209.83	0.00
South Yorkshire Pensions Authority	163,125.26	320,495.43	193,700.00
Consilium Academies Trust	5,056.26	5,099.03	0.00
The Chief Constable	2,873,927.35	5,013,769.56	1,990,450.00
South Yorkshire Fire Authority	326,472.66	644,047.34	518,191.63
The Police and Crime Commissioner	69,971.92	96,653.64	26,217.00
Barnsley MBC	5,171,584.83	10,478,475.49	9,477,589.96



# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Berneslai Homes	759,607.28	1,477,009.48	239,004.00
Barnsley Academy	35,028.30	74,697.38	17,416.63
St Marys Academy Trust	18,046.02	48,259.84	14,483.37
Oakhill Primary Academy	18,130.67	49,568.62	25,850.00
The Hill Academy	27,412.47	59,948.88	31,900.02
Highgate Academy	15,672.51	39,263.37	26,199.96
Carrfield Academy	13,281.07	40,829.76	16,400.00
Gooseacre Academy	18,787.63	48,061.80	22,100.04
All Saints Academy (Darfield)	12,586.90	28,695.06	15,858.37
Upperwood Academy	18,100.00	54,315.07	19,500.00
Carlton Primary	18,669.26	45,573.93	16,200.00
Royston Parkside Academy	17,960.79	41,291.12	22,200.00
Royston Summer Fields Primary	13,011.65	26,011.43	17,400.00
Shafton Primary Academy	11,050.19	25,484.32	19,400.00
St Helens Primary Academy	17,314.76	38,237.51	20,258.37
The Forest Academy	54,454.98	83,341.37	15,500.04

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Meadstead Primary Academy	15,814.69	36,903.76	21,549.92
Heather Garth Primary School	21,707.63	51,935.47	32,300.00
Queens Road Academy	12,688.02	29,874.97	16,866.63
Outwood Primary Academy Littleworth Grange	21,841.76	61,341.50	35,200.00
Darfield Valley School	8,723.55	21,525.01	14,300.00
Hoyland Common Primary School	21,488.66	41,970.54	39,032.59
West Meadows Primary School	14,552.29	41,638.32	19,891.63
Dodworth St John the Baptist CE Primary Academy	11,523.63	25,808.12	20,716.63
Darton Primary School	11,915.34	34,034.05	22,183.37
The Mill Academy	13,994.41	43,890.85	24,456.63
Springwell Special Academy	40,257.31	62,916.32	91,074.34
Springwell Alternative Academy	£39,630.68	£68,312.55	79,913.36
Kirk Balk Community College	52,849.31	136,088.40	307,657.50
Outwood Academy Shafton	49,954.65	119,096.55	87,450.00
Sandhill Primary School	10,134.83	22,299.53	25,980.00
Greenacre Academy	159,139.69	297,860.59	300,300.00

# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Laithes Primary School	14,183.86	28,587.52	27,960.00
Elsecar Holy Trinity CE Primary Academy	6,005.85	17,605.65	11,724.13
High View Primary Learning Centre	33,792.40	89,269.84	57,699.96
Wombwell Park Street Primary School	15,104.11	30,038.87	27,260.00
Hoyland Springwood Primary School	13,999.88	43,179.02	20,059.92
Outwood Academy - Carlton	56,454.80	126,911.10	122,930.87
Royston St John the Baptist School	15,235.29	37,020.22	33,745.87
Ward Green Primary	7,814.65	26,694.99	0.00
Wellgate Primary School	1,668.39	4,062.19	0.00
Kexborough Primary School	1,005.98	3,150.46	3,195.00
Oakwell Rise Primary Academy	1,227.99	4,838.02	0.00
Doncaster MBC	6,443,614.11	13,356,152.72	-402,000.00
Trinity Academy	65,046.83	153,111.46	11,550.00
St Leger Homes of Doncaster	1,169,501.20	2,111,229.63	225,775.00
De Warenne Academy	55,359.71	119,494.83	-4,766.63
Outwood Academy Adwick	60,027.64	162,316.53	-9,716.63

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Rossington All Saints Academy	59,547.41	120,030.67	113,850.00
Ash Hill Academy	46,451.93	121,698.39	70,858.37
Auckley J&I Academy	14,528.38	40,217.94	14,800.00
Don Valley Academy & Performing Arts College	43,574.09	108,484.79	89,650.00
Grange Lane Infant Academy	11,231.94	37,829.70	13,566.63
Pheasant Bank Academy	13,764.51	37,933.05	15,950.00
Campsmount Academy	54,660.22	137,074.15	60,000.00
Outwood Academy Danum	63,601.13	161,507.51	125,675.00
Rowena Academy	14,165.46	37,971.52	18,516.63
The Academy at Ridgewood Trust	57,440.00	132,470.26	82,100.00
Conisbrough Ivanhoe Primary Academy	17,257.70	38,962.21	17,700.00
Highfields Primary Academy	8,087.80	19,560.76	8,891.63
Hall Cross Academy Trust	109,903.76	270,695.81	134,700.00
Hungerhill Academy Trust	63,309.10	148,242.13	83,700.00
Hatfield Woodhouse Primary	10,780.67	30,134.20	12,925.00
Crookesbroom Primary Academy	9,390.52	24,169.47	14,025.00

# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Willow Primary	14,267.94	37,866.59	11,850.03
Armthorpe Academy	33,127.32	79,361.12	49,399.92
Barnby Dun Primary Academy	17,823.39	48,632.83	19,341.67
Castle Academy	8,762.56	28,868.73	11,599.92
St Oswalds CoE Academy	11,978.44	36,176.19	10,700.00
Armthorpe Shaw Wood Academy	31,227.38	72,392.64	27,224.97
Kirk Sandall Infant School	24,039.91	53,698.16	21,200.04
Dunsville Primary School	22,901.84	49,554.72	23,900.04
Sir Thomas Wharton Academy	49,871.73	109,597.75	72,399.96
Balby Carr Academy	79,238.58	181,219.91	127,334.00
St Joseph's Catholic School (Rossington)	10,542.58	38,688.52	18,000.00
Richmond Hill Primary Academy	23,029.05	58,354.23	29,199.96
McAuley Catholic High School	60,626.85	147,677.57	105,950.00
Montagu Academy	28,802.85	81,589.87	34,384.13
Holy Family Catholic Primary	11,542.54	28,099.15	14,438.64
St Wilfrids Academy	24,609.09	33,576.33	0.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Mexborough Academy	49,086.97	110,620.93	94,700.04
Kirk Sandall Junior School	13,165.07	34,129.38	21,630.00
XP School	6,432.99	11,692.08	0.00
Carr Lodge Academy	15,903.83	32,589.05	0.00
Waverley Academy	16,599.65	48,533.46	27,020.04
Morley Place Junior School	13,868.98	39,037.14	21,825.87
Hillside Academy (Conisbrough Balby Street)	3,976.46	13,989.78	9,520.00
Edenthorpe Hall Academy	4,423.93	9,379.66	11,450.00
Hexthorpe Primary School	14,028.13	28,366.92	23,690.03
Denaby Main Primary Academy	7,262.68	17,476.67	13,400.00
Woodfield Primary School	6,906.60	14,506.75	11,340.00
Mexborough St John The Baptist CoE Primary	2,532.56	5,860.98	0.00
Balby Central Primary School	3,236.64	7,358.65	0.00
Kingfisher Primary School	4,350.24	11,547.95	0.00
Rotherham MBC	6,644,517.96	13,582,259.42	-61,800.00
Maltby Academy	90,553.13	173,880.58	0.00

# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Brinsworth Academy	71,099.88	138,706.77	4,766.63
Wales High School (Academy Trust)	84,703.75	192,806.97	77,500.00
Aston Academy	80,602.24	183,300.73	87,813.00
Thurcroft Junior Academy	9,677.63	25,170.89	15,000.00
St Bernards Catholic High School	37,826.17	72,852.57	82,000.04
Thrybergh Academy & Sports College	55,071.05	111,788.76	87,500.04
East Dene Primary	21,007.40	44,356.77	27,700.00
Coleridge Primary School	19,041.68	39,464.81	26,125.00
St Bedes Catholic Primary School	18,199.09	44,390.94	25,025.00
St Gerards Catholic Primary - Thrybergh	8,653.58	24,502.57	13,800.00
St Mary's Catholic Primary School (Herringthorpe)	11,964.52	35,298.96	16,700.00
Wingfield Academy	41,233.59	88,393.87	69,600.00
St Mary's Catholic Primary (Maltby)	11,907.74	33,088.85	14,800.00
Canklow Woods Primary Academy	26,184.98	65,623.43	28,200.00
Whiston Junior & Infant School	10,915.65	27,218.43	12,800.00
Whiston Worrygoose Junior & Infant School	18,967.96	49,434.35	20,300.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Oakwood High School	53,686.56	126,062.01	82,600.00
Sandhill Primary Academy	11,633.05	25,620.57	11,400.00
Brookfield Primary Academy	15,925.90	38,943.68	16,416.70
St Josephs Catholic Primary (Dinnington)	10,310.29	23,638.21	16,567.00
Maltby Redwood Academy	15,472.18	34,851.70	14,700.00
Wickersley School and Sports College	146,717.40	306,747.73	165,750.00
Rawmarsh Ashwood Primary School	11,718.07	32,018.21	24,460.00
Sitwell Junior School	14,022.49	30,698.74	23,740.00
Thrybergh Primary School	14,035.54	36,914.22	17,856.63
Rawmarsh Community School	58,685.92	109,072.04	103,520.04
Wickersley St Albans C of E Primary School	12,251.25	31,921.29	17,545.00
Bramley Grange Primary	11,635.03	27,606.31	19,790.00
Monkwood Primary Academy	19,387.15	49,314.89	34,490.00
Anston Greenlands Primary School	11,408.58	31,240.21	17,780.00
Aston All Saints C of E School	9,234.03	26,705.53	16,260.00
Dinnington High School	61,851.47	154,826.03	89,219.13



# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Trinity Croft C of E Primary Academy	5,358.71	9,303.12	8,150.00
Listerdale Primary School	12,776.86	33,273.98	27,110.00
Wickersley Northfield Primary	23,951.69	63,637.93	38,739.96
Thrybergh Fullerton Primary	6,657.96	15,498.70	10,688.26
Flanderwell Primary School	17,733.57	35,613.74	27,435.76
Maltby Manor Academy	24,111.89	55,407.76	31,220.00
Maltby Lilly Hall Academy	23,415.73	60,165.62	29,379.96
Ravenfield Primary Academy	11,542.04	32,474.69	16,060.00
Winterhill School	70,788.41	165,622.18	110,614.13
Herringthorpe Junior Academy	20,052.81	42,643.87	0.00
Springwood Junior Academy	10,920.90	27,708.97	15,642.00
Greasbrough Academy	13,003.97	30,597.36	21,980.01
Eastwood Village Primary School	13,639.10	25,519.55	0.00
Dinnington Community Primary School	19,076.77	38,064.59	35,860.00
Abbey School	12,322.48	33,266.29	16,970.00
Maltby Hilltop School	50,265.85	109,897.13	81,840.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
High Greave Infant School	7,498.88	17,059.22	17,430.00
High Greave Junior School	10,867.23	19,996.86	17,340.00
Kelford School	36,188.03	77,739.42	55,376.00
Brinsworth Whitehill Academy	8,733.06	20,156.93	18,820.00
Aston Hall Junior & Infant School	7,294.43	16,469.73	9,960.00
Swinton Queen Primary School	9,969.32	29,441.88	11,734.26
Aston Lodge Primary School	6,941.04	19,330.46	11,803.75
Swinton Community School	25,067.28	62,416.60	41,850.00
Sheffield City Council	10,801,130.03	21,530,013.69	65,100,000.00
Notre Dame High School	74,635.87	153,998.90	26,400.00
St John Fisher Primary - A Catholic Voluntary Academy	11,588.11	38,156.25	4,200.00
All Saints Catholic High School	52,142.52	109,613.00	28,966.63
St Anns RC Primary School	4,555.85	12,828.80	2,700.00
St Josephs Primary School	11,502.15	40,276.65	2,200.00
Clifford C of E School	6,787.89	13,991.77	3,200.00
St Therasas RC School	10,542.98	33,856.44	5,500.00

# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
St Patrick's Catholic Academy Trust	15,657.09	47,091.30	13,650.00
Totley All Saints C of E School	10,014.75	32,935.21	5,200.00
Broomhill Infant School	8,190.41	21,661.91	2,200.00
Parkwood Academy	61,807.46	118,793.68	-9,712.99
Tapton School	63,998.19	129,607.06	97,900.00
Yewlands Academy	48,404.19	99,834.13	98,808.00
Hartley Brook Academy	43,441.88	81,748.05	54,800.00
Hatfield Academy	17,965.21	38,439.61	34,800.00
Meadowhead School Academy Trust	61,700.72	123,126.34	86,812.00
Chaucer School	58,997.54	138,464.69	94,896.00
St Thomas of Canterbury Trust	11,199.81	30,363.27	20,400.00
King Ecgbert School	59,138.49	124,085.09	71,600.04
St Maries School Catholic Voluntary Academy	15,126.35	33,677.30	24,200.00
Sheffield Springs Academy	34,353.53	68,414.12	17,416.63
Sheffield Park Academy	48,233.12	97,117.53	23,100.00
St Wilfrid's Catholic Primary School	16,475.57	40,256.09	21,200.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Fir Vale School Academy Trust	50,859.82	100,395.60	77,299.92
Bradfield School	29,556.36	76,887.06	35,400.00
Southey Green Primary School & Nurseries	48,599.75	107,642.17	48,783.33
Silverdale School	54,871.48	121,494.87	71,400.00
Greengate Lane Academy	9,146.03	22,115.31	12,600.00
Meynell Primary School	27,794.35	78,111.85	39,141.63
Mansel Primary School	25,133.51	56,002.18	36,100.00
Monteney Primary School	39,964.72	81,744.62	54,400.00
Fox Hill Primary School	25,788.17	59,923.47	37,400.00
Hinde House 3-16 School	54,065.18	114,541.83	109,358.37
Lound Infant School	9,231.36	26,054.24	18,700.00
Lound Junior School	14,418.08	40,224.66	18,425.00
Firth Park Academy	59,351.84	121,763.40	134,499.96
Porter Croft C of E Primary Academy	15,610.10	35,015.27	22,233.34
E-ACT Pathways Academy	30,532.56	68,361.24	24,500.00
Hillsborough Primary School	21,619.30	54,128.36	41,700.00

# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
St Marys Primary School (High Green)	10,000.00	28,855.69	17,499.96
Sacred Heart School, A Voluntary Academy	9,592.44	27,867.91	19,066.63
Outwood Academy City	45,518.76	99,717.30	82,683.37
Totley Primary School	9,100.78	25,471.14	20,499.96
St Catherines Catholic Primary School	30,329.24	63,716.11	34,500.00
Concord Junior School	12,177.77	25,000.49	19,341.68
Ecclesfield School	75,535.03	176,392.53	116,570.27
Wincobank Nursery & Infant School	12,549.73	28,286.83	19,387.50
Newfield Secondary School	36,209.44	82,103.82	82,600.31
Emmaus Catholic & CoE Voluntary Academy	15,201.10	37,431.12	31,120.00
Forge Valley School	59,924.95	153,589.34	209,193.93
St Marys C of E Academy (Walkley)	11,186.84	26,047.04	26,970.00
Lowedges Junior Academy	16,557.84	33,672.03	19,660.56
Oasis Academy (Firvale)	17,692.48	22,548.25	0.00
Oasis Academy (Watermead)	13,747.29	25,684.57	0.00
Chapelton Academy	5,028.08	10,867.64	0.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Handsworth Grange Community Sports College	52,019.89	124,658.99	91,508.45
Emmanuel Junior School	10,975.58	28,624.37	19,749.96
High Hazels Junior Academy	18,027.09	41,301.13	37,931.63
Valley Park Community Primary	27,016.48	65,563.24	70,899.96
High Hazels Nursery Infants Academy	16,552.70	32,247.14	43,730.05
Nether Edge Primary Academy	17,538.16	35,907.64	43,869.96
Wisewood Community Primary	11,065.39	30,847.63	21,820.00
Hallam Primary Academy	20,140.51	46,033.50	23,356.66
Oasis Academy Don Valley	13,950.83	19,547.07	0.00
Beck Nursery Infant and Junior School	44,433.00	84,732.56	87,239.13
St Thomas More Catholic Primary - A Voluntary Academy	9,988.92	25,480.52	23,040.00
Hucklow Primary School	31,338.60	64,181.89	34,219.92
Tinsley Meadows Primary School	51,477.05	81,709.91	56,590.90
Lower Meadow Primary Academy	14,255.79	28,064.13	27,580.00
Reach 4 Academy Trust	16,017.80	16,401.61	0.00
Byron Wood Academy	19,528.20	41,420.06	62,990.00

# Report of the Clerk

## Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Abbeyfield Primary (Firs Hill Community Primary)	18,080.70	36,991.91	35,227.50
Manor Lodge Primary	4,746.91	13,939.03	9,500.00
Acres Hill Community Primary Academy	5,312.78	16,353.08	0.00
Phillimore Community School	6,460.98	19,211.40	0.00
Wybourn Community Primary Academy	8,966.34	26,457.70	0.00
Birley Academy	6,228.47	16,912.88	22,000.00
Birley Primary Academy	2,127.14	5,636.24	8,800.00
Rainbow Forge Primary School	1,294.64	2,743.31	2,000.00
Charnock Hall Primary School	1,607.35	4,267.40	5,800.00
Birley Spa Primary Academy	2,615.10	7,541.27	11,100.00
Catcliffe Primary School	12,310.74	25,765.17	21,889.98
Aughton Junior Academy	3,516.50	9,233.78	5,860.00
Swinton Fitzwilliam Primary	5,722.52	14,147.70	10,840.10
Wath C of E Primary School	0.00	0.00	5,000.00

Employer TERMINATED	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Dearne Valley College	146,426.81	287,857.76	56,166.68
ABM Catering (Wales High School)	964.86	3,303.42	0.00
Kier Asset Partnership Services Ltd (620)	35,604.74	102,578.63	-55,800.00
Taylor Shaw (Parkwood Academy)	525.31	2,377.54	-333.32
Kier (Sheffield Heating 735)	10,676.18	21,969.67	0.00

All figures shown are basic contribution payments and do not include any arrears or cash injections that may have been paid by the employer.

**\*Key**  
A **minus** figure indicates that the funding requirement is in surplus.  
A **nil** figure indicates that no extra funding is required.



# Report of the Clerk

## Service Delivery

Our performance in terms of meeting our published service standards over the year ending 31<sup>st</sup> March 2017 are given in the table on page 73.

In addition to the key service standards, shown on the next page, we have processed around 35,000 other items of casework during the year. These include changes to key membership data when scheme members have variations to their contracts of employment or leave to work with other scheme employers within the Fund.

Aside from the performance standards we continue to provide regular newsletters to our members as well as information

booklets and other web based content. Annual Forecasts were issued to active and deferred members during the year and we held our Annual Fund Meeting in October which was well supported and appreciated by those who attended. We also have Facebook and Twitter accounts to encourage members of all ages to engage with the Fund.

Paying our 47,000 plus pensioners remains our top priority and we continue to do so without fail.

Key Service Standard	Target Days	Number Processed	In Time	Performance 2016 - 2017	Previous Year 2015 - 2016
Setting Up a Record	5	4581	4063	88.69%	54.10%
Transfers In	7	962	440	45.74%	34.90%
General Enquiries	5	2581	1929	74.74%	79.09%
Additional Benefits	12	873	430	49.25%	85.61%
Pension Rights on Divorce	5	281	135	48.04%	50.89%
Retirement Estimates	5	1527	920	60.25%	54.83%
Refund of Contributions	9	836	668	79.90%	74.48%
Preserved Benefits	20	4627	2486	53.73%	67.46%
Transfers Out	5	223	131	58.74%	47.95%
Retirement Benefits	5	2828	2328	82.32%	77.81%
Death Benefits	4	1357	433	31.90%	69.31%
All Key Tasks	-	20,676	13,963	67.54%	65.57%

# Report of the Clerk

## Service Delivery continued

Our performance rating against satisfaction levels given by employers and members for 2015 - 2016 & 2016 - 2017.

	VERY SATISFIED		SATISFIED	
	2015 - 2016	2016 - 2017	2015 - 2016	2016 - 2017
EMPLOYERS	38%	26%	59%	69%
MEMBERS	38%	56%	51%	28%

	DISSATISFIED		VERY DISSATISFIED	
	2015 - 2016	2016 - 2017	2015 - 2016	2016 - 2017
EMPLOYERS	3%	5%	0%	0%
MEMBERS	0%	7%	11%	9%

The ratings shown are derived from responses to our consultation questionnaires. Each questionnaire ends with a specific question about overall satisfaction with SYPA.

It is pleasing to see the results show an improvement from the previous year as we are constantly striving to innovate and improve our overall service delivery.

# Report of the Clerk

## National Benchmarking

Each year we participate in a national pension administration benchmarking survey which measures our performance along with our cost effectiveness against other Local Government Pension Funds (in 2016 there were 34 participants). The results enable us to make relevant comparisons in order to monitor how effectively we administer the pension scheme.

Opposite is a summary of the latest results from the benchmarking report issued at the beginning of November 2016. Due to the timing of the report this will always be one year out of step with the period covered by the annual report.

The benchmarking results once again show our costs to be below average. This is something we

1 <sup>st</sup> November 2015	
Cost per member <i>(Benchmarking average</i>	<b>£15.87</b> £18.37)
Payroll cost per pensioner <i>(Benchmarking average</i>	<b>£3.56</b> £6.52)
Number of employers <i>(Benchmarking average</i>	<b>452</b> 259)
SYPA retirees opting for maximum cash lump sum <i>(Benchmarking average</i>	<b>90%</b> 54%)
Staff with more than 15 years experience <i>(Benchmarking average</i>	<b>44%</b> 28%)

have consistently maintained over the last thirteen years and the 2016 result is the lowest since 2004. Whilst the results do not give an indication of the quality of service the member can expect to receive from us we know from our external verification (Customer Service Excellence) and our consultation surveys that this is highly rated too.

From the bare facts we can derive that, in terms of cost, our overall unit costs are below average as are our combined staff and payroll costs. Only our overheads are shown to be above average. The overall cost per member has reduced for the sixth consecutive year despite the fact that the amount of workload continues to increase.

# Report of the Clerk

## Investment Management



Steve Barrett, Interim Fund Director

Risk remains ever present in the investment world and it has been a turbulent year with global unrest and political change playing its part in making investment management an ongoing challenge.

June 23<sup>rd</sup> 2016 proved an historic moment with an unexpected vote in favour of Brexit. This caused immediate market turbulence which subsequently settled but remains an ongoing issue. The Brexit vote was followed by a change in political leadership with Theresa May becoming Prime Minister, the subsequent triggering of Article 50 in March 2017 followed by a surprise snap election called for 8<sup>th</sup> June 2017.

Political movement against the establishment was a theme, following the election of Donald Trump in the USA eyes then turned to the European political landscape particularly in France and Germany. The Netherlands (Parliament) and France (Presidential) have concluded, however French Parliamentary and a German general election are still to take place. Markets have expressed some relief over a win for the centrist (and pro Europe) Emmanuel Macron. While the Presidential election may be settled, the June Parliamentary elections could see a reshaped legislature, which may impact on policy implementation for the new President.

Readers of previous annual reports will be aware of Central Banks attempts to stimulate recovery following the banking crisis. In the UK the Bank of England reduced interest rates and announced additional quantitative easing - the introduction of new money into the money supply by the central bank. The UK has experienced a historically low level of interest rates with the Bank Rate pegged at 0.5% for over seven years from March 2009 up to August 2016. On 4th August 2016 the BoE Monetary Policy Committee (MPC) announced a package of measures designed to provide additional monetary stimulus to support economic growth and

to achieve a sustainable return of inflation to its 2% target. The package included a cut in Bank Rate to 0.25% along with further quantitative easing. Economic statistics have provided comfort to investors with data improving during the year. However, other economic factors should be borne in mind for the UK. The UK economy has weathered the storm of Brexit uncertainty better than expected, with GDP growing at 2% in 2016. However, significant falls in the value of sterling that followed the vote have translated into higher inflation, which reached 2.7% in April 2017. The UK stock market performance continues to be overshadowed by investors trying

to grapple with the implications for Brexit on the UK economy going forwards. A snap election introduces a new short term political issue to the uncertainty for the UK but markets expect that a clear majority would strengthen the Prime Minister's strategy on Brexit and that this may reduce some of the feared uncertainty. The fiscal year saw the UK stock market post a 22% return (as measured by the FTSE All Share Index) with the broader global stock market index (FTSE All World Index) gaining 33%. This was a quite remarkable outturn given that the year began with concerns about global growth and possible recessionary outcomes,

# Report of the Clerk

## Investment Management continued

extending a prolonged ‘bull run’ in equities.

Fixed income returns were more modest after a prolonged period of outperformance relative to equities. This was due to the pick-up in yields towards the end of the period under review. The total property return at 5% lagged other asset classes.

Macroeconomic data in the US continued to be positive for equities. Reflecting this improving outlook the Federal Reserve raised rates by 0.25% in December and March and expectation is for another two rate hikes this year. The market remained optimistic about Trump’s plans to cut taxes, boost infrastructure spending and to

reduce the regulatory burden on businesses although there has been no concrete announcement by the administration to date.

Eurozone equities have experienced improved economic data which led to stock markets rebounding in the second half of the year. The European Central Bank (ECB) upgraded its growth and inflation forecasts for 2017 and 2018.

Japanese equities have benefited from an accommodative Bank of Japan policy but the greatest influence on Japanese equities has been the movement of the Yen. When the Yen strengthened then the stock market weakened but conversely when the Yen weakened it led to an

improvement in the equity market.

Elsewhere in Asia equities rebounded strongly at the end of the fiscal year. Chinese stocks were particularly strong driven by continuing better than expected data and a stabilising currency.

Within other emerging markets the returns were diverse. The upturn in global growth and also the lack of follow through on protectionist trade policy from Trump’s administration provided support to the markets at the end of the period.

It was against this background that following the Triennial Valuation, Members reviewed the Fund’s investment strategy. Overall the existing balance as

between ‘growth’ and ‘protection’ assets will be maintained. The strategy proposes a shift over time from the current allocation to quoted equities to other growth and ‘inflation protection’ assets. The aim is to play to the Funds’ strengths as a long-term investor whilst meeting the need for both return on investments and inflation protection.

The Fund’s tactical strategy remained largely unchanged during the year being overweight in international equities and alternative funds and relatively light in UK equities and bonds. Overall, remarkable returns have been seen, the Fund produced a return of 22.5% compared to the benchmark return of 22.8%, due

to the ‘bull run’ performance of equities markets.

The outlook for financial markets remains unpredictable. The economic backdrop is showing a gradual improvement for the global economy with all regions improving. There is now much discussion about a stronger and synchronised economic recovery across both developed and emerging economies. This raises the question of whether we are at the end of the period of low interest rates coupled with central bank asset purchases because the need for an ultra-accommodative policy is diminishing and this could predicate a fall in bond markets.

**Steve Barrett**, Interim Fund Director,  
South Yorkshire Pensions Authority



# 4

investment  
**FIGURES &  
REPORTS**



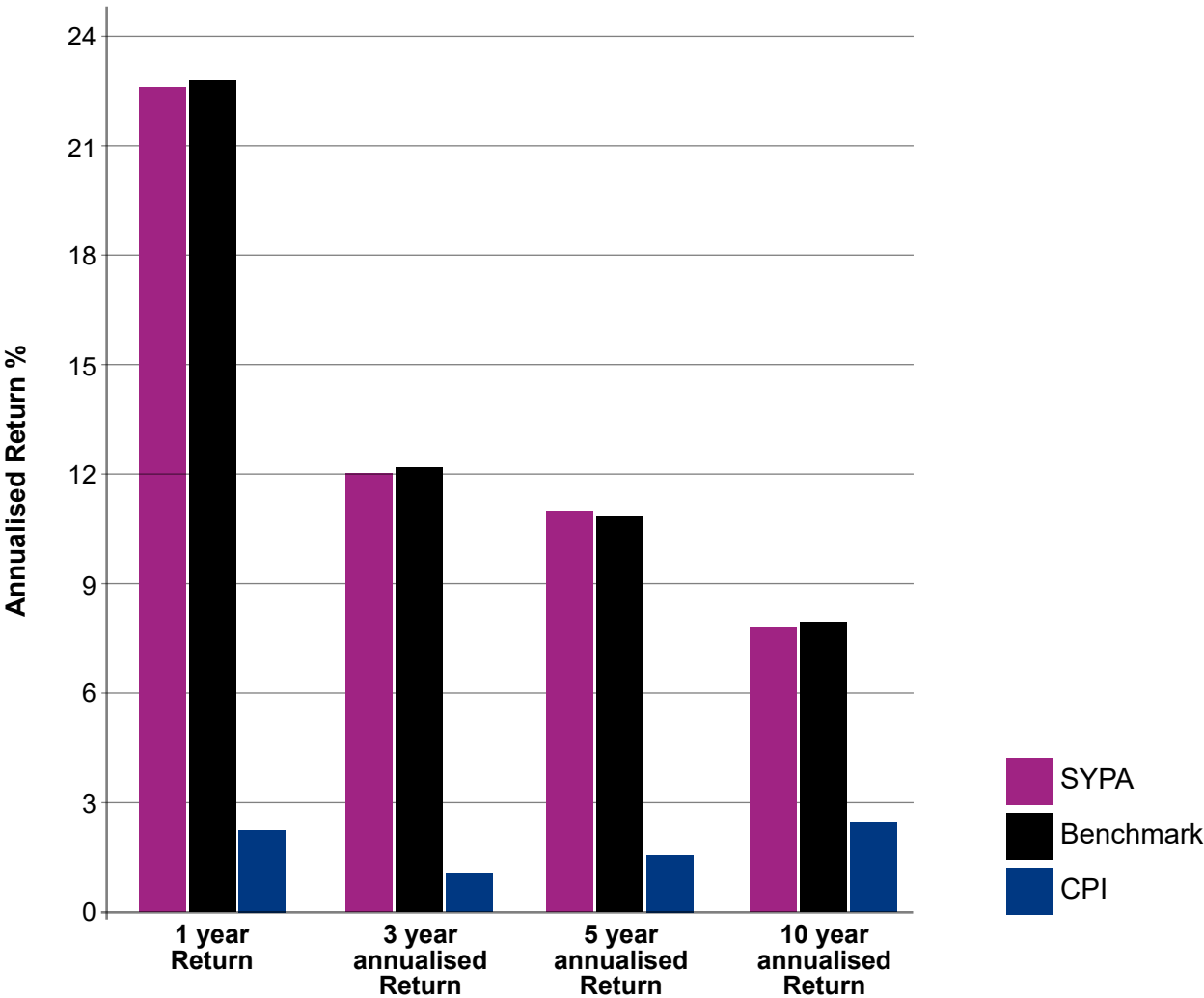
# Report of the Clerk

## 10 Year Annualised Figures - Comparison with Benchmark

CATEGORY	1 Yr Return		3 Yr Annualised Return		5 Yr Annualised Return		10 Yr Annualised Return	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
UK EQUITIES	21.6	22.0	8.0	7.7	10.0	9.8	6.1	5.7
OVERSEAS EQUITIES								
Europe	26.5	27.9	9.5	9.6	12.9	12.8	6.8	6.3
US	34.2	34.7	21.0	21.4	18.5	18.9	12.7	12.4
Japan	28.8	32.8	17.9	17.7	14.3	12.9	7.2	5.5
Pacific-x-Japan	35.9	36.8	14.8	14.6	10.8	10.4	10.5	9.6
Other Intl	36.7	36.9	9.4	9.3	5.3	5.0	5.3	6.7
FIXED INTEREST								
Index-Linked Gilts	24.8	26.1	16.7	18.2	11.6	12.3	10.5	10.5
Corporate Bonds	10.3	9.2	8.3	7.5	7.6	7.1	n/a	
High Yield Bonds	13.9	9.2	7.3	5.9	7.9	6.8	n/a	
Emerging Market Bonds	12.6	6.9	8.6	5.7	7.2	5.2	n/a	
PROPERTY	2.0	4.8	7.6	11.3	9.0	10.1	5.3	4.0
PRIVATE EQUITY	18.6	5.3	16.3	4.1	13.2	7.6	8.9	4.6
ALTERNATIVE INCOME	16.0	5.3	9.7	4.6	7.3	4.5	4.0	5.3
CASH	0.3	0.2	0.4	0.3	0.4	0.3	1.3	1.2
TOTAL RETURN	22.5	22.8	12.0	12.1	11.0	10.9	7.7	7.8

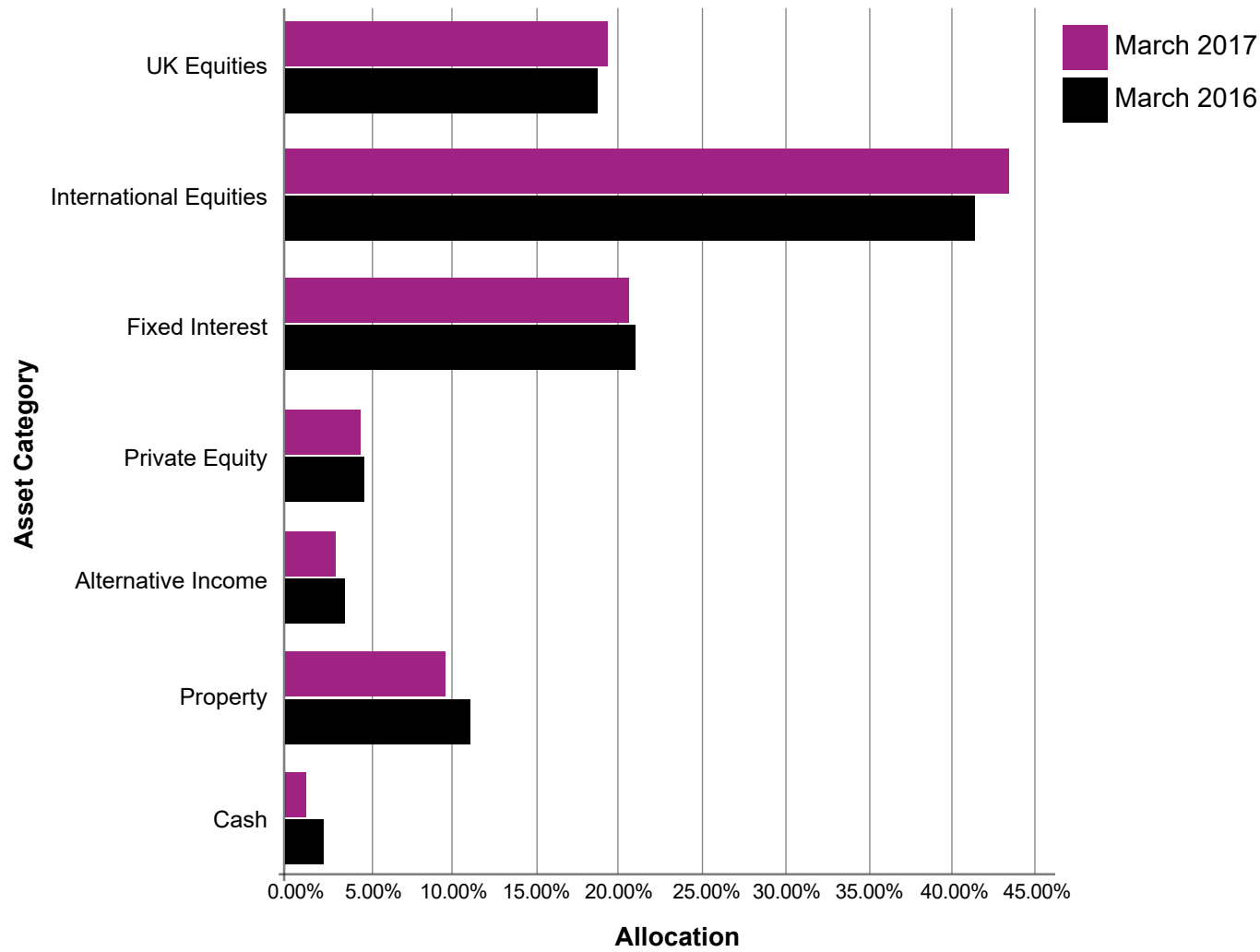
# Report of the Clerk

## Fund Performance



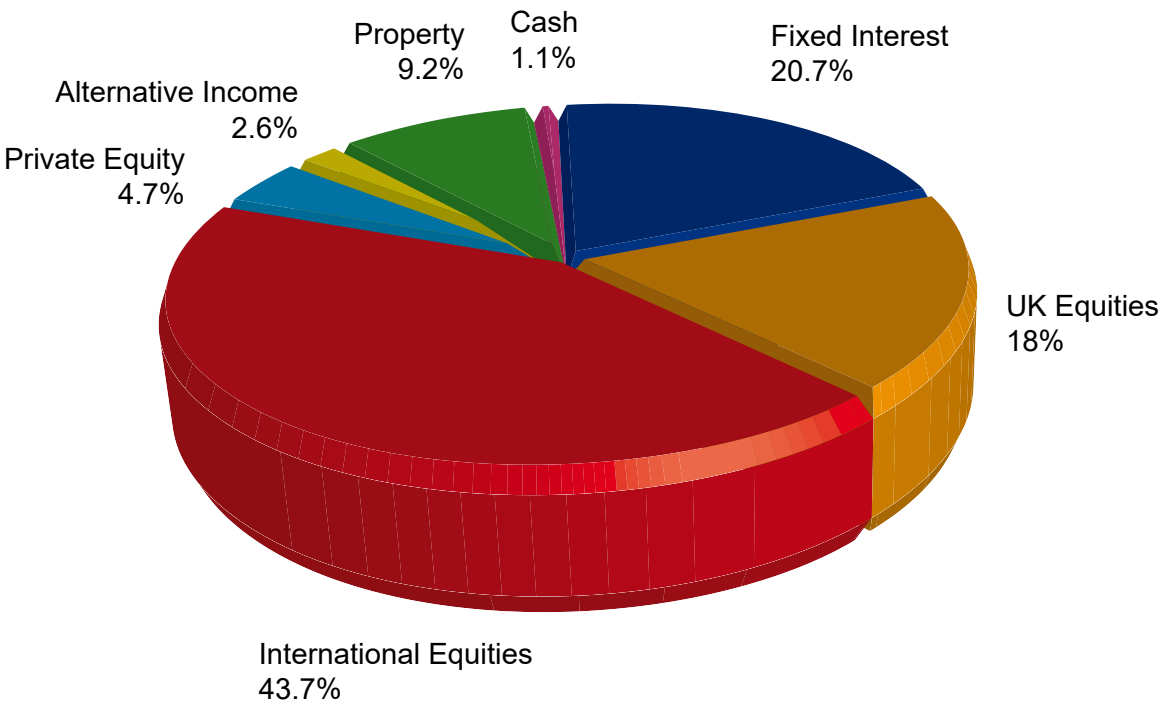
# Report of the Clerk

## Portfolio Structure



# Report of the Clerk

## Asset Allocation by asset class at 31.03.17



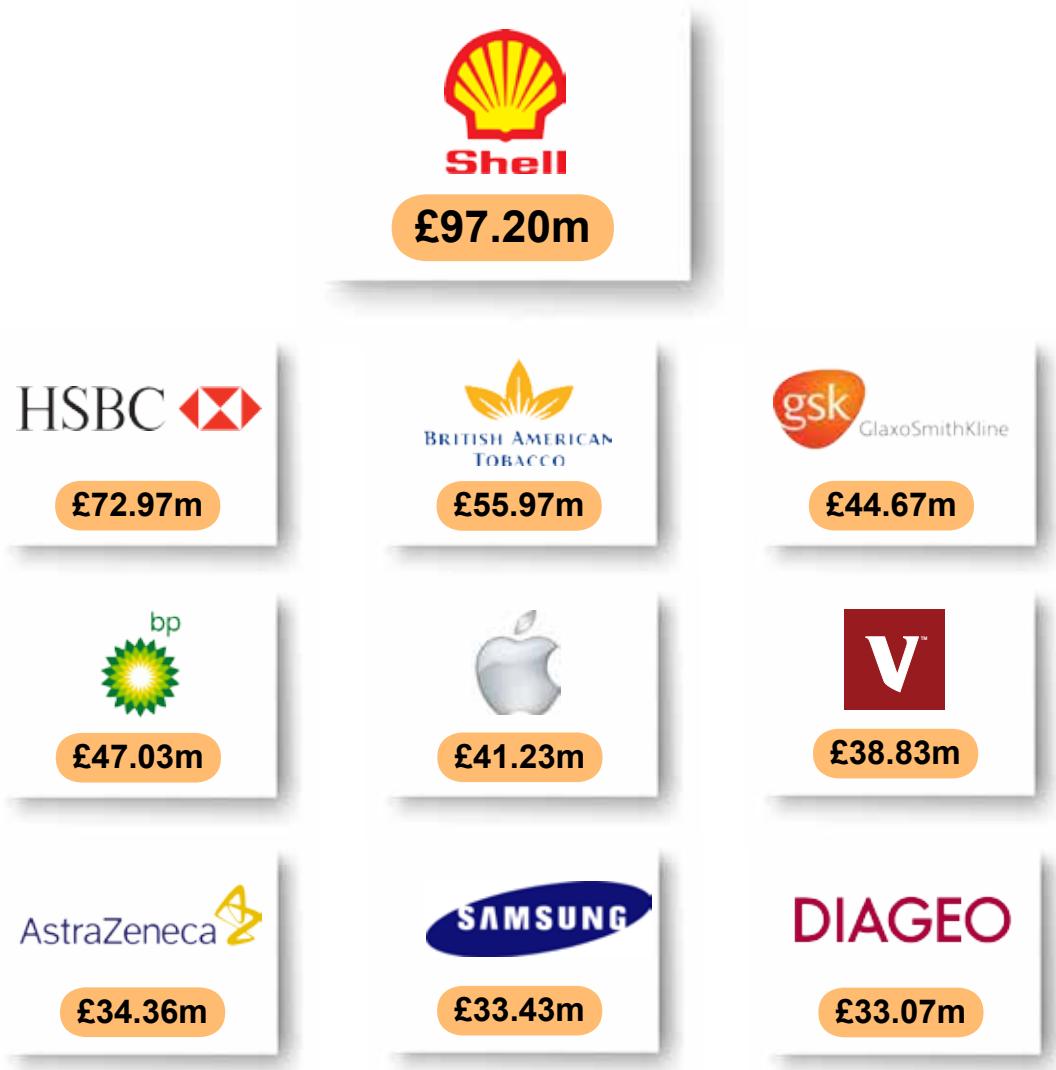
# Report of the Clerk

Ten largest directly held publicly quoted bond holdings by market value:-

31 March 2017	£m
UK Index Linked 0.75% 2047	105.89
UK Index Linked 0.125% 2046	84.62
UK Index Linked 0.50% 2050	74.60
UK Index Linked 0.125% 2058	66.60
Network Rail 1.375% 2037	65.01
UK Index Linked 0.25% 2052	61.66
UK Index Linked 1.25% 2055	56.12
UK Index Linked 0.125% 2068	54.58
UK Index Linked 0.125% 2044	50.87
UK Index Linked 0.125% 2065	46.94

# Report of the Clerk

Ten largest directly held publicly quoted equity holdings by market value - at March 2017



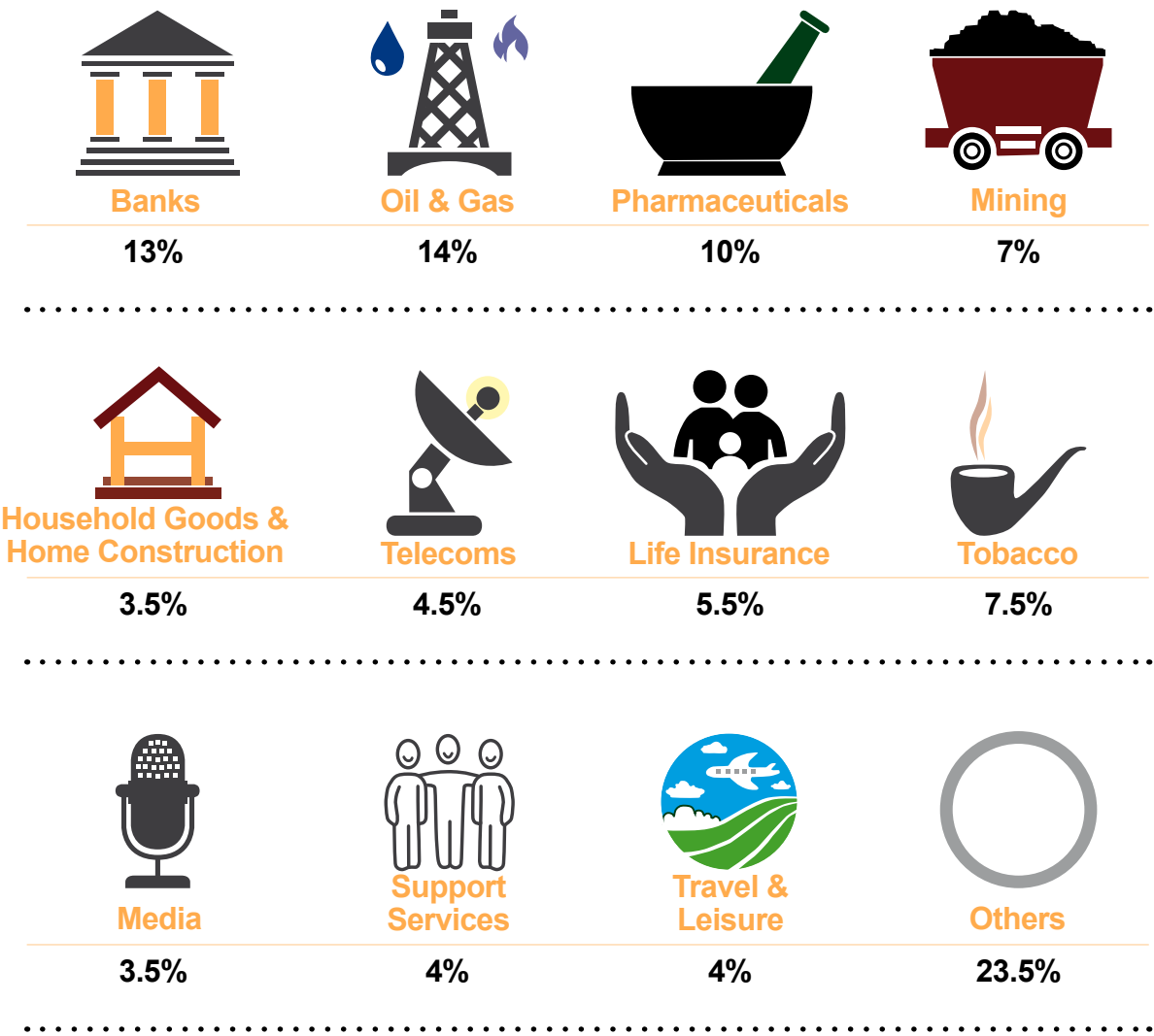
# Report of the Clerk

## Five largest holdings in externally managed investment funds by market value

	£m
Marathon Japan Equity Fund	177.83
Aberdeen Latin America Equity Fund	103.03
Coronation Global Opportunities Fund - All Africa	52.50
Traditional Funds plc - Eastern Europe	42.95
Ashmore Latin America SICAV	25.26




# Report of the Clerk






## Breakdown of FTSE 100



# Report of the Clerk

## Treasury Management Deposits with Institutions

Bank Deposit Accounts		Rating as at 31 March 2017	Balances as at 31 March 2016 £'000	Balances as at 31 March 2017 £'000
HSBC Call A/C		F1+ -Fitch	14,601,000	5,157,000
ANZ Bank		F1+ -Fitch	15,000,000	-
DZ Bank		F1+ -Fitch	15,000,000	-
DBS Bank		F1+ -Fitch	-	15,000,000
Landesbank Hessen (Helaba)		F1+ -Fitch	15,000,000	-
Lloyds Bank Capital A/C		F1 -Fitch	13,191,000	7,631,000

Bank Deposit Accounts		Rating as at 31 March 2017	Balances as at 31 March 2016 £'000	Balances as at 31 March 2017 £'000
National Bank of Canada		F1 -Fitch	15,000,000	10,000,000
Oversea Chinese Banking Corporation		F1+ -Fitch	15,000,000	-
RABOBANK		F1+ -Fitch	-	15,000,000
SMBCE		F1 -Fitch	15,000,000	15,000,000
United Overseas Bank		F1+ -Fitch	15,000,000	15,000,000



# Report of the Clerk

## Property

The Fund holds direct UK property assets, valued at a little under £600m, in a diversified portfolio of agricultural, industrial, office, retail and other properties. These include single-let and multi-let industrial and office buildings and estates. The Fund also has holdings in some specialist UK and European property funds which give it exposure to assets and sectors which it would otherwise find gaining access to difficult.

During the year the Fund sold a central London office block and bought a couple of newly constructed industrial estates in South Eastern England. It also

committed to a further round of financing in a Yorkshire regional fund.

The EU Referendum outcome took the property market by surprise and there was an immediate and adverse reaction. Moreover, an absence of transactions over the Referendum period made it difficult to value assets for quite some time. As the year progressed, however, and it became clear that the domestic economy was weathering the storm better than commentators predicted and foreign buyers remained major buyers of UK real estate assets, boosted by the

currency advantage, property prices stabilised to a degree. Overall, though, returns were relatively low and depended upon income growth offsetting falls in capital values. The outlook for the next couple of years looks set to be similarly focussed. However, compared to returns to be gained from other asset classes UK real estate continues to offer attractions. Forecasts at the time of writing for 2017 range from -6.0% to nearly 5% with the consensus about 1.5%. Even so, the yield gap compared to bonds remains compelling.

It has always been important to realise value through active

asset management but this is increasingly the case in an environment where income return and income security are more attractive. The Fund continues to pursue programmes to achieve this, be it by refurbishing units upon surrender, upgrading common parts and enhancing estate surroundings or by converting redundant farm buildings into dwellings. This strategy will continue.

The motor village development in Edinburgh is now fully let and construction works have already, or are about to begin, on the last three plots. The immediate strategy is to try to increase

exposure to regional logistical units and other properties that will benefit from the shift to online retailing. At the same time the high street retail portfolio is being consolidated and reworked. However, the Fund is not alone in identifying this as the appropriate strategy and competition is fierce for the best assets. Pricing is already tight, particularly in industrials, and the Fund is, as a consequence, looking to acquire appropriate buildings in other sectors that are either insulated from structural change or which will directly benefit from it.

At the end of March 2017 the five largest direct commercial holdings by market value were :

1. Stockbridge Road, Chichester.  
*Student accommodation*  
**£30.2m**
2. Winterhill Retail Park, Milton Keynes.  
*Retail warehouse*  
**£25.3m**
3. High Street, Epping.  
*Retail*  
**£22.9m**
4. Cavendish Street, London. *Single Let Office*  
**£22.6m**
5. Goldsworth Road, Woking. *Multi-Let Office*  
**£20.4m**

# Report of the Clerk

## Property



- Property Investments at;
1. **Avalon House, Richmond upon Thames**
  2. **Trade City, Bracknell**
  3. **Tavern Street, Ipswich**
  4. **Morrisons, Deeside Centre, Connah's Quay**
  5. **Nordelph Farm, Outwell, Norfolk**

*Photographs 1-4 supplied by courtesy of Standard Life Investments*

*Photograph 5 supplied by courtesy of Strutt & Parker*





# 5 the GOVERNANCE

# Report of the Clerk

## Corporate Governance, Responsible Investing and Stewardship Review

The Authority is fully committed to both responsible investing and good stewardship of its investments across all asset classes. It acts at all times in the best long-term interests of all its members to protect and enhance the value of the companies in which it invests on their behalf. Responsible Investment (RI) considers how environmental, social and governance (ESG) factors may pose a financial risk to a company and subsequently the pension fund and takes into account both an investor's financial needs and the impact an investment has on society and the environment. It is driven by

financial not ethical or moral implications, with its main purpose being to decrease risk and improve returns. ESG factors can affect the performance of companies and therefore investment portfolios. The Authority believes that incorporating ESG considerations into the investment decision making process, along with encouraging companies to improve their practices in these areas should enhance profitability, leading to superior returns.

As a shareholder the Fund is also a 'share owner' and must assume the responsibilities that go along

with ownership; this involves stewardship and being an active not passive holder. Therefore, along with integrating ESG factors into investment decision making, the Authority also carries out corporate engagement and exercises its voting rights in order to use its influence as an investor to promote and support good ESG practices.

### Climate Change

The Authority believes that the associated risks and opportunities of climate change may have a material impact on the financial performance of the Fund and therefore issued a

Climate Change Policy in March 2016. Progress made since the policy was implemented was reported in December and includes co-filing climate related shareholder resolutions at a number of AGMs; making further investments in low carbon assets and continuing to encourage companies to assess their business models.

The Authority commissioned a carbon audit of its four main equity portfolios in December 2015 and is due to carry out the next footprint in December 2017. Additional to this, officers are in the process of developing in-

house monitoring of the carbon intensity of equity and bond portfolios managed internally. The carbon audit highlighted companies across the portfolios for engagement on GHG emissions targets, carbon risk strategy and carbon disclosure. Although the Authority will engage directly with companies where feasible and appropriate, collaborative engagement is more productive. Engagement is a long term process, therefore, horizons for engagement improvements need to be sufficiently long to enable companies to initiate change. The Authority is a member of a

number of organisations which work to mitigate the risks of climate change through engagement with both companies and policy makers. This includes membership of the Local Authority Pension Fund Forum (LAPFF) which continues engaging with large oil and gas companies, and the Institutional Investors Group on Climate Change. The Authority is also a signatory to the CDP (previously known as the Carbon Disclosure Project) and took the lead in engaging with some UK based companies to disclose environmental information.

# Report of the Clerk

## 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 its voting rights as an asset and uses them carefully, exercising its votes where practicable on its UK, European and North American holdings. The Authority uses an external provider to implement the Authority’s bespoke UK voting guidelines which are informed

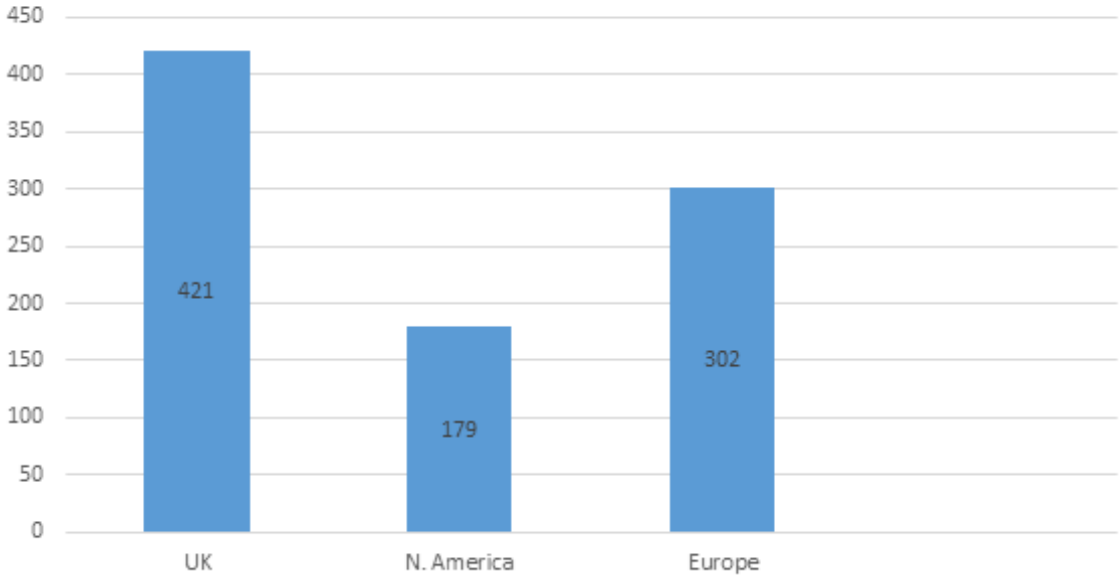
through the interpretation of best practice guidelines and reviewed annually. They can be viewed on the Authority’s website. For Europe and North America the proxy advisor’s guidelines are used.

During the last year the Fund exercised its voting rights at a total of 902 meetings across the UK, Europe and North America. The meetings were a mixture of AGMs, EGMs and Court Meetings. 63.6% of resolutions

were supported by the Authority and 29.3% were opposed. Most of the oppose votes across the three areas were regarding re-election of directors, share issues and repurchases.

The Authority supported a number of shareholder resolutions relating to climate issues including resolutions at the Chevron and Exxon Mobil AGMs. It also co-filed shareholder resolutions at the Rio Tinto, Glencore and Anglo American AGMs.

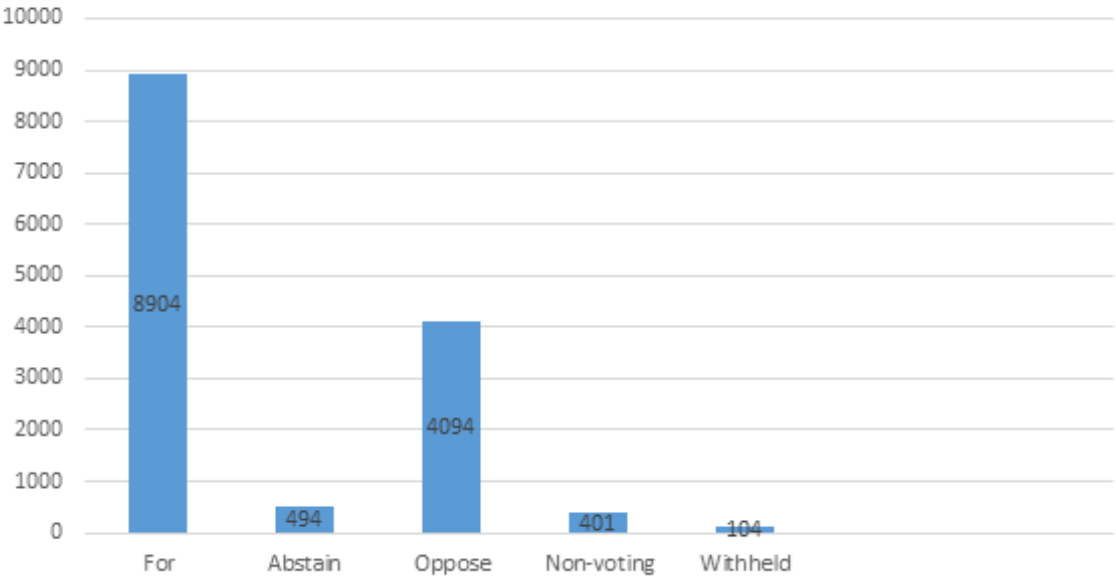
Number of Meetings Voted By Geography



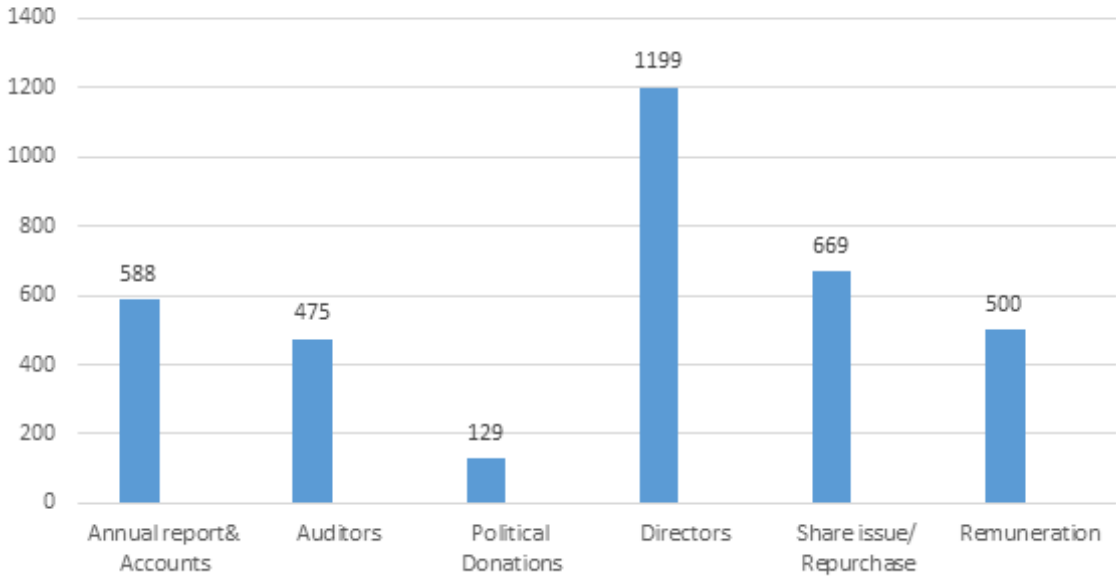


# Report of the Clerk

Resolutions by Vote Category



Resolution Categories with Most Oppose Votes



# Report of the Clerk

## Engagement

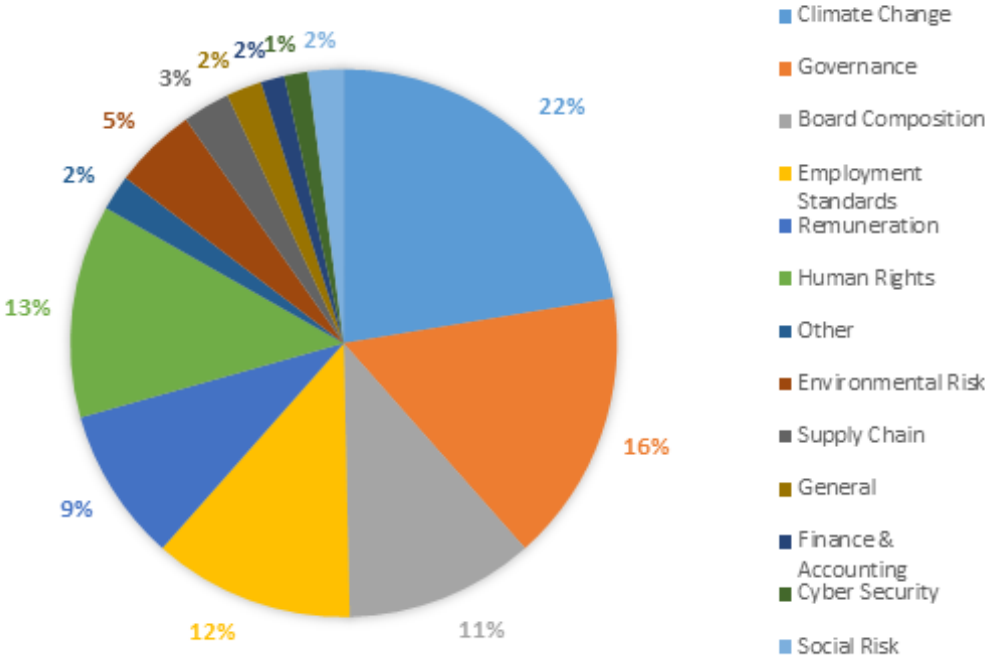
Engagement is the process by which investors use their influence to encourage companies to improve their behaviour and management of ESG issues which may improve the companies’ financial performance. The Authority engages with companies either directly where feasible or through collaboration when needed. Most of the engagement work undertaken this year has been through the Authority’s membership of LAPFF. The Forum has engaged by holding meetings with senior directors,

sending letters, attending AGMs to ask questions, collaborating with other shareholders and issuing voting alerts. LAPFF establishes engagement priorities every year covering a wide range of issues including human capital management, remuneration, climate change and environmental risk to name but a few.

The Authority has been a member of the Institutional Investors Group on Climate Change (IIGCC) since 2004. It is a forum for collaboration on climate change encouraging public policies, investment

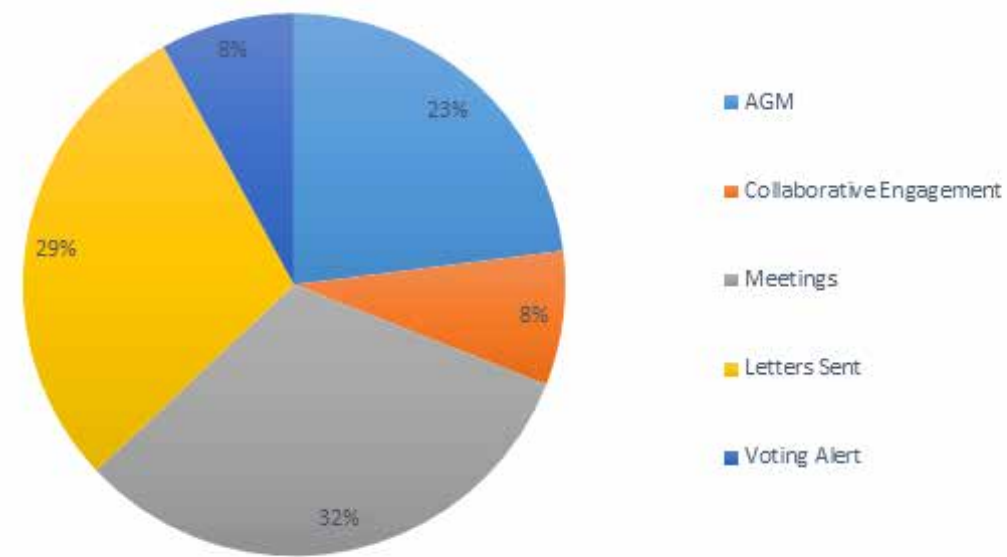
practices and corporate behaviour that addresses long-term risks and opportunities associated with climate change. Over the last year the Forum published or updated six guides covering a number of high CO2 emitting sectors. It collaborated with other investors ahead of the G20 summit in Hangzhou, China, urging countries to ratify the Paris Agreement and coordinated an engagement programme targeting multinational companies looking at the lobbying positions and practices of companies on climate change.

LAPFF ENGAGEMENT TOPICS



# Report of the Clerk

LAPFF Engagement Activities



**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 Statement of Investment Principles (changing to the Investment Strategy Statement from April 2017). The six Principles provide a basis for monitoring good investment governance. The Authority believes it is fully compliant.

**Stewardship**

The integration of ESG risks and robust approach to stewardship is strongly stated in the new Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which came into force on 1 November 2016. The Guidance makes a number of new points including that funds should become signatories to the UK Stewardship Code. The Authority has previously had a Stewardship Code compliance statement but

has not been a signatory. After a review the Authority developed an updated statement which was submitted to the Financial Reporting Council (FRC) and given Tier 1 Signatory status. Tiering distinguishes between signatories who report well and demonstrate their commitment to stewardship, and those where reporting improvements are necessary with Tier 1 being the highest status. The Fund’s Stewardship Code Statement can be found on the Authority’s website.

# Report of the Clerk

## Risk Management

The effective management of risk is a key consideration which lies at the heart of the Authority’s operations and this is reflected in the Authority’s governance arrangements.

The Authority manages a range of risks. These are addressed in three key areas. The Funding Strategy Statement (FSS) seeks to strike the right balance between the Fund’s need to meet obligations and stability in employer contributions. The Investment Strategy Statement (ISS) sets out the key risks involved in making investments and how these are mitigated. Thirdly, significant strategic and operational risks are set out in the Authority’s risk register and kept under review by the Corporate Planning and Governance Board which also reviewed the Authority’s risk policy during the year.

The Authority recognises that potentially the greatest risk the

Fund faces is to have a fundamental mismatch between its assets and liabilities: the latter fall largely outside of its control. Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund whilst, at the same time, maximising the ability to make meaningful gains. The returns achieved will reflect the level of risk which the Authority is comfortable with accepting when setting its investment strategy. Given the unique characteristics of the Fund, the Authority has approved a strategy which aims to reduce the level of uncontrolled risk but in such a manner that is compatible with its liability profile. This is partly achieved through asset diversification which reduces exposure to market risk (price risk, currency risk and interest rate). The Fund’s customised benchmark, determined by the Investment

Board, demonstrates this. Liquidity risk is also managed to ensure that the Fund’s forecast cash needs are met. The benchmark which reflects the risk and return expectations of the Authority is reproduced within the ISS which was updated in March 2017. It is, of course, not possible to control the absolute return on investments. Over the longer term, however, by recognising the types of risks outlined the Authority seeks to achieve the returns required to achieve the objectives of the FSS. Further information regarding those objectives and how they relate to the actuarial valuation can be found in the FSS.

The Authority recognises that risk is inherent in many of its activities and seeks to control risk rather than try to eliminate it. Without taking risks it will be difficult for the Fund to achieve the performance it needs if it is to meet its objectives.

## Freedom of Information Act

During the year a total of 22 requests for information were received. All of them were responded to within the statutory timescales. Nearly all of the requests related to investment topics rather than administration matters and most of those were received from commercial organisations. The majority of enquiries concerned private equity holdings.

The Freedom of Information Scheme is published on the Authority website and an annual report is presented to the Authority for scrutiny.

## Health & Safety

Officers monitor performance with regard to health and safety matters appertaining to its own employees and to its investment properties. The Authority occupies its operational premises as a tenant and does not own them. A Health and Safety Committee, comprising employee and trades union representatives as well as management, meets regularly. The Authority employs a specialist external consultant to monitor the status of its commercial investment properties, in addition to its managing agent, and the outcomes are reported annually to members.

**Diana Terris**  
Clerk

# Publications

As required by the LGPS Regulations a number of statutory documents are published by the Authority separately. The Government has recognised that amalgamating all of the prescribed disclosures into the annual report will result in an unwieldy document and has advised that the statutory requirement to publish these can be satisfied via references to them within the report. The following documents can be found on the Authority’s website ([www.sypensions.org.uk](http://www.sypensions.org.uk)):-

- Consultation and Communication Policy
- Funding Strategy Statement
- Governance Compliance Statement
- Responsible Investment Policies
- Shareholder Engagement Statement
- Investment Strategy Statement
- Treasury Management Policy
- Voting Guidelines







# 6 the REPORTS

# Report of the Advisors 2016 - 2017

2016 proved to be an interesting and challenging year for investors, characterised by unusual political and economic uncertainties. The year started with concerns over a slump in oil prices which, rather than boosting consumer spending, resulted in oil producers cutting back investment and employment. The drop in oil prices negatively affected the energy sectors in the major equity markets as well as in high yield credit markets where US shale producers were burdened by a prior build up in debt. Markets only stabilised when OPEC decided that a production agreement was required to prevent further declines in the oil price.

There were additional worries at the start of 2016 about the

risk of a “Made in China” global recession reflecting China’s currency devaluations and a “hard landing” for the Chinese economy. Given that China is both the world’s leading commodity importer and the world’s second biggest economy, economic upsets in China could easily derail the nascent global economic recovery. This uncertain backdrop forced America’s Federal Reserve to reconsider its original intention at the start of 2016 to increase the benchmark interest rates by four quarter-points through the year. In the event, the Federal Reserve ended up increasing the benchmark rate only once and that was at the end of the year. This dampened market expectations of a strong US

dollar which encouraged renewed portfolio inflows into emerging markets.

Central bank “dovishness” was complemented by steps taken by the Chinese authorities in the form of fiscal and credit expansion to bolster the Chinese economy. Investors responded by switching investment themes from a deflationary and recessionary scenario to one based on reflation and inflation. US equity markets moved to new highs and major government bond yields started to turn up in the summer with some investors questioning whether the 35 year bull market in fixed income had come to a close.

Political developments also constituted a challenge for

investment strategies. Notably the June Brexit referendum resulted in a surprise narrow majority to leave the EU. Helped by sterling’s weakness, the negative reaction in the markets proved short-lived and equity markets soon regained their poise. In the US, Donald Trump also surprisingly won the November Presidential election. Again, a negative market reaction proved short-lived as the US equity market took encouragement from President Trump’s pro-growth and pro-business agenda while down-playing the potentially adverse effects of an increasingly protectionist US trade policy.

Over the year Stockmarket returns were strong, +33% for global equities in sterling terms,

and +22% for UK equities. Returns from the other major asset classes lagged, but were still well ahead of inflation. The Fund has navigated its way through the economic and political developments of 2016 well and its value has increased substantially, to over £7.5bn.

During the year, the advisers worked closely with the investment team and the trustees to assess the impact of the 2016 actuarial valuation and the move to pooling of assets within BCPP, next year. The commitment to internal management in equities and otherwise, where practical, was reinforced. The investment consultant produced a detailed report on investment strategy, concluding that overall, the Fund was taking an appropriate level

of risk to meet its longer term objectives. However, some refinements are being considered to dampen the reliance on equities after strong performance. These will be finalised and implemented in the current scheme year.

**Tim Gardener**  
**Neil MacKinnon**  
**Leslie Robb**

# Local Pension Board

The Secretary of State granted the two South Yorkshire LGPS funds permission to establish a Joint Local Pension Board. The role of the Local Pension Board is defined by Sections 5(1) and (2) of the Public Service Pensions Act 2013.

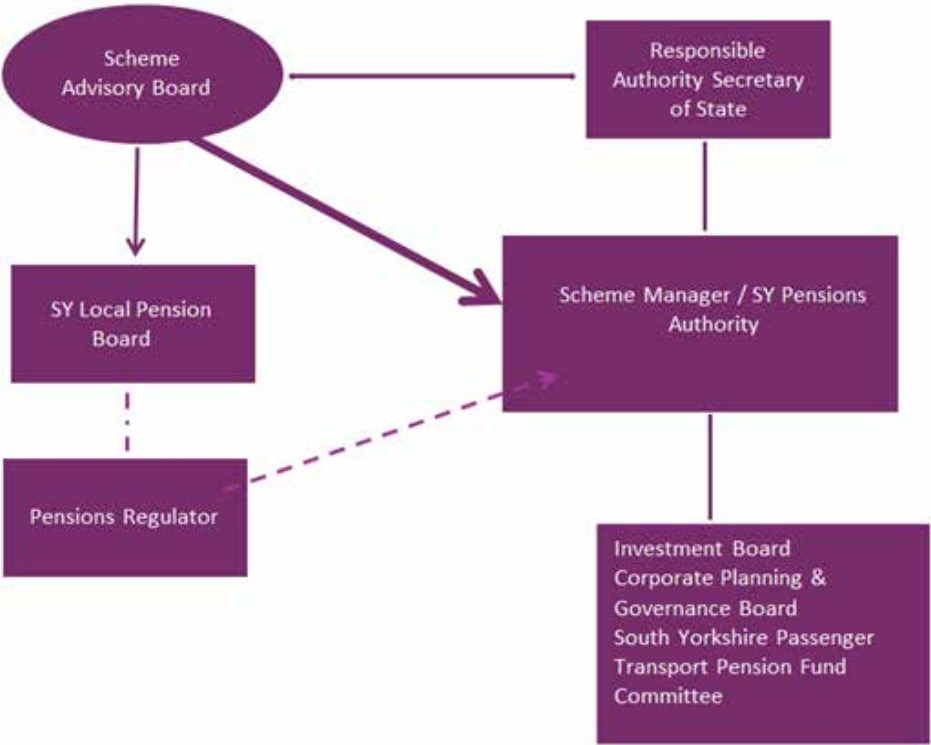
The Board seeks to assist the South Yorkshire Pensions Authority and the South Yorkshire Passenger Transport Pension Fund to maintain effective and efficient administration and governance. Members of the Scheme can now have direct influence on how the Fund is managed. The LPB comprises both Scheme members, retired and active, together with employer representatives. Employer representation is not restricted to the four large local Councils.

During the year the Board have considered all agenda papers presented to the Authority and have paid particular attention to:

- Annual Fund Member Survey.
- 2016 Actuarial Valuation.
- Risk Management Strategy.
- Work Programmes of the Authority and its Boards.
- The work of Internal Audit.
- The work of External Audit.
- Investment Pooling.

The Board has produced its first annual report which has been posted on the Authority’s website.

The following diagram shows the governance framework as it now operates and the following table reveals the membership of the Board.



## Employee Representatives

Glyn Boyington  
*LGPS Member (Chairman)*

Garry Warwick (GMB)  
*Trades Union*

Kevin Morgan (UNITE)  
*Trades Union*

Nicola Doolan-Hamer (Unison)  
*Trades Union*

Susan Ross  
*LGPS Member*

Steve Carnell  
*SYTPF Member*

## Employer Representatives

Jill Thompson (Action Housing)  
*Admitted Body (Vice-Chair)*

Geoff Berrett (South Yorkshire Police)  
*‘Other Large Employer’*

Councillor Tony Corden  
*Local Authority Member (Doncaster)*

Councillor Adam Hurst  
*Local Authority Member (Sheffield)*

Vacancy  
*(Academy)*

Vacancy  
*(Academy)*

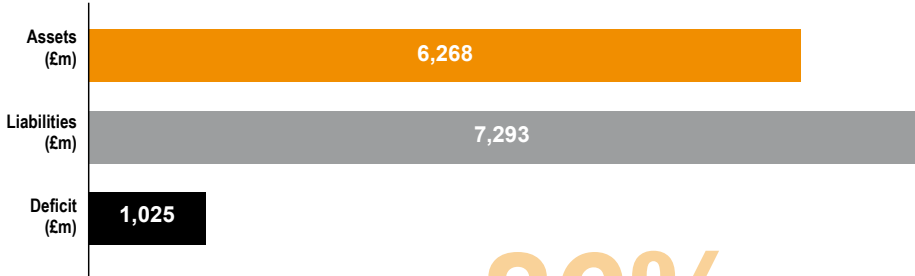
# Statement by the Consulting Actuary

## Accounts for the year ended 31 March 2017

This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

An actuarial valuation of the South Yorkshire Pension Fund was carried out as at 31 March 2016 to determine the contribution rates with effect from 1 April 2017 to 31 March 2020.

On the basis of the assumptions adopted, the Fund’s assets of £6,268\* million represented 86% of the Fund’s past service liabilities of £7,293\* million (the “Funding Target”) at the valuation date. The deficit at the valuation was therefore £1,025 million.



86%  
Funded

\*the assets and liability values included allowance for a bulk transfer that took place prior to the valuation date but for which the transfer payment hadn't been finalised by 31 March 2016.

The valuation also showed that a Primary contribution rate of 15.0% 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.

The funding objective as set out in the Funding Strategy Statement (FSS) is to achieve and then 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 (or contribution reductions to refund any surplus). The Secondary rate of the employer’s contribution is an adjustment to the Primary rate to arrive at the overall rate the employers are required to pay.

The FSS sets out the process for determining the recovery plan in respect of each employer. At this actuarial valuation the average deficit recovery period is 19 years, and the total initial recovery payment (the “Secondary rate”) for 2017/18 is approximately £95.2 million. With the agreement of the Administering Authority employers may also opt to pay some of their employer contributions early (after suitably agreed reductions), with either

all three years being paid in April 2017 or payment being made in the April of the year in question. The Secondary rate quoted above for 2017/18 makes allowance for some employers to phase in any increases or to prepay their contributions in April 2017.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated 31 March 2017.

In practice, each individual employer’s position is assessed separately and the contributions required are set out in the report.

For those employers in the ill-health captive arrangement payments to cover additional liabilities arising from non ill-health early retirements will be made to the Fund.

For those employers not in the ill-health captive arrangement, the certified contribution rates normally included specific allowances to meet the additional liabilities arising from ill-health and voluntary early retirements. For these employers, payments to cover any further liabilities arising from early retirements will also be made to the Fund.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Any different approaches adopted, e.g. with regard to the implementation of contribution increases and deficit recovery periods, are as determined through the FSS consultation process.

continues overleaf >>



# Statement by the Consulting Actuary

The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Funding Target and the Primary rate of contribution were as follows:

	For past service liabilities (Funding Target)	For future service liabilities (Primary Rate of Contribution)
Rate of return on investments (discount rate)	4.2% per annum	4.95% per annum
Rate of pay increases (long term)	3.45% per annum	3.45% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.2% per annum	2.2% per annum

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

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2019. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2020.

### Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund’s promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19

rather than the assumptions and methodology used for funding purposes.

To assess the value of the benefits on this basis, we have used the following financial assumptions as at 31 March 2017 (the 31 March 2016 assumptions are included for comparison):

	31 March 2016	31 March 2017
Rate of return on investments (discount rate)	3.6% per annum	2.6% per annum
Rate of pay increases*	3.75% per annum	3.55% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.0% per annum	2.3% per annum

\* includes a corresponding allowance to that made in the actuarial valuation for short-term public sector pay restraint.

The demographic assumptions are the same as those used for funding purposes. Full details of these assumptions are set out in the formal report on the actuarial valuation dated March 2017.

During the year, corporate bond yields fell, resulting in a lower discount rate being used for IAS 26 purposes at the year end than at the beginning of the year (2.60% p.a. versus 3.60% p.a.). The expected long-term rate of CPI inflation increased during the year, from 2.0% p.a. to 2.3%. Both of these factors combined served to significantly increase the liabilities over the year. The pay increase assumption at the year end has also changed to allow for short-term public sector

pay restraint, together with a lower assumed level of “real” pay growth above CPI inflation, both of which serve to reduce the liabilities.

The value of the Fund’s promised retirement benefits for the purposes of IAS 26 as at 31 March 2016 was estimated as £8,525 million. Interest over the year increased the liabilities by c£307 million, and allowing for net benefits accrued/paid over the period decreased them by c£8 million (after allowing for any increase in liabilities arising as a result of early retirements/ augmentations). There was then a further increase in liabilities of £1,784 million made up of “actuarial losses” (mostly

changes in the actuarial assumptions used, primarily the discount rate and assumed rate of future CPI as referred to above).

The net effect of all the above is that the estimated total value of the Fund’s promised retirement benefits as at 31 March 2017 is £10,608 million.



**Paul Middleman**  
**Fellow of the Institute and Faculty of Actuaries**  
**Mercer Limited**  
**May 2017**



# Independent Auditor’s Report

to the members of South Yorkshire Pensions Authority on the pension fund financial statements published with the Pension Fund Annual Report



We have examined the pension fund financial statements for the year ended 31 March 2017 on pages 130 to 188.

## Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of the Treasurer’s Responsibilities the Treasurer is responsible for the preparation of the pension fund financial statements in accordance with applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements included in the Pension Fund Annual Report with the pension fund financial statements included in the annual published statement of accounts

of South Yorkshire Pensions Authority, and their compliance with applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

In addition, we read the information given in the Pension Fund Annual Report to identify material inconsistencies with the pension fund financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our report on the administering authority’s annual published statement of accounts describes the basis of our opinion on those financial statements.

## Opinion

In our opinion, the pension fund financial statements are consistent with the pension fund financial statements included in the annual published statement of accounts of South Yorkshire Pensions Authority for the year ended 31 March 2017 and comply with applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

## Matters on which we are required to report by exception

The Code of Audit Practice requires us to report to you if:

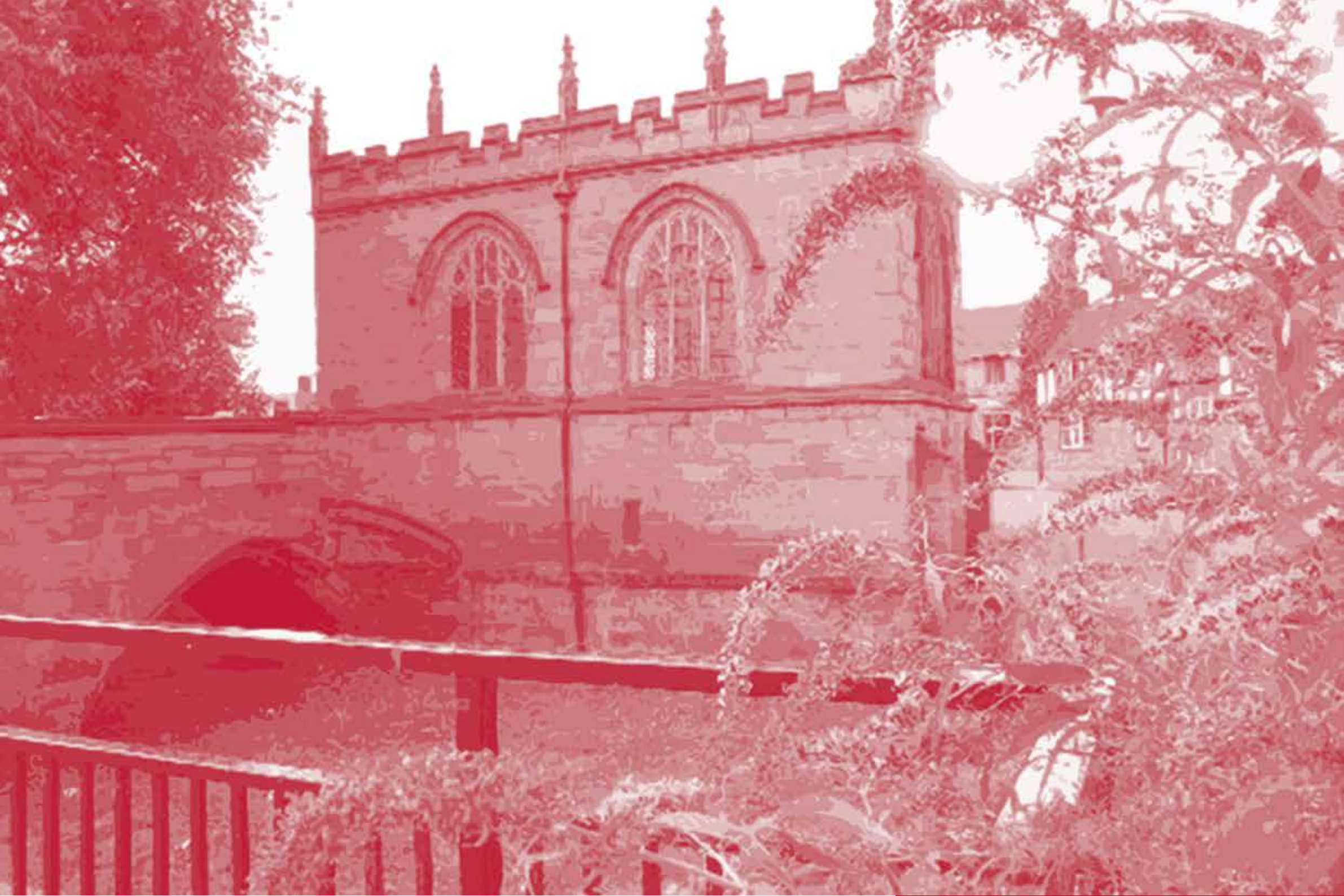
- the information given in the Pension Fund Annual Report for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters relating to the pension fund have been reported in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit.

We have nothing to report in respect of these matters.

**Rashpal Khangura**  
**for and on behalf of KPMG LLP,**  
**Statutory Auditor**

*Chartered Accountants*  
1 Sovereign Square,  
Sovereign Street,  
Leeds,  
LS1 4DA

26 July 2017



# 7 the FINANCE



# 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 the economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

**I confirm that these Accounts were approved at the Corporate Planning and Governance Board meeting held on the 20<sup>th</sup> July 2017.**

**Signed on behalf of the Pensions Authority by the Chair of the meeting approving the Accounts:**

R. Wraith

Date: 20<sup>th</sup> July 2017

# Statement of Responsibilities for the Statement of Accounts

## The Treasurer’s Responsibilities

The Treasurer is responsible for the preparation of the Authority’s Statement of Accounts which, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (“the Code”), is required to present fairly the financial position of the Authority at 31 March 2017 and its income and expenditure for the year ended 31 March 2017.

In preparing the 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 Code.

The Treasurer has also:

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

**In accordance with Regulation 9(1) of the Accounts and Audit Regulations 2015, I certify that the attached Statement of Accounts presents a true and fair view of the financial position of South Yorkshire Pensions Authority at 31 March 2017 and its income and expenditure for the year then ended.**

**The date represents that on which the Accounts are authorised for issue.**

N.Copley, Treasurer

Date: 20<sup>th</sup> July 2017

## Fund Account

2015/16		2016/17		Note
£'000		£'000	£'000	
<b>Dealings with members, employers and others directly involved in the Fund</b>				
220,190	Contributions receivable	268,794		7
6,797	Transfers in from other pension funds	13,830		8
226,987			282,624	
(255,197)	Benefits payable	(261,966)		9
(12,388)	Payments to and on account of leavers	(12,374)		10
(267,585)			(274,340)	
<b>(40,598)</b>	<b>Net additons/(withdrawals) from dealings with members</b>		<b>8,284</b>	
(20,268)	Management expenses		(24,896)	11
<b>Returns on investments</b>				
159,438	Investment income	179,813		12
(119,013)	Profit and losses on disposal of investments and changes in value of investments	1,234,857		13a
(2,273)	Taxes on income	(2,635)		12
38,152	<b>Net return on investments</b>		1,412,035	
<b>(22,714)</b>	<b>Net increase (decrease) in the net assets available for benefits during the year</b>		<b>1,395,423</b>	
<b>6,277,138</b>	<b>Net assets of the Fund at 1 April</b>		<b>6,254,424</b>	
<b>6,254,424</b>	<b>Net assets of the Fund at 31 March</b>		<b>7,649,847</b>	

## Net Assets Statement

31 March 2016		31 March 2017		Note
£'000		£'000	£'000	
<b>Investment assets</b>				
560,389	Fixed Interest Securities	662,999		
3,609,944	Equities	4,688,952		
727,628	Index-Linked Securities	901,148		
554,998	Pooled Investment Vehicles	631,136		
611,891	Property	605,123		13d
-	Forward currency contracts	8,551		14
21,799	Cash - Foreign currency	31,782		
136,929	Cash - Sterling	83,925		
22,611	Other investment balances	27,340		
6,246,189			7,640,956	
<b>Investment liabilities</b>				
(3,364)	Forward currency contracts	(-)		14
(2)	Other investment liabilities	(187)		
(3,366)			(187)	
6,242,823	<b>Net investment assets</b>		7,640,769	13
20,079	<b>Current assets</b>		17,792	20
1,454	<b>Long Term Debtors</b>		712	21
(9,932)	<b>Current liabilities</b>		(9,426)	22
<b>6,254,424</b>	<b>Net assets of the Fund available to fund benefits at 31 March</b>		<b>7,649,847</b>	

The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 19

# Notes to the Pension Fund Accounts

## 1. Description of the Fund

### a) General

The South Yorkshire Pension Fund (“the Fund”) is part of the Local Government Pension Scheme (LGPS) and is administered by South Yorkshire Pensions Authority. It is a funded contributory defined benefit pension scheme which provides pensions and other benefits for pensionable employees of the 4 district councils of South Yorkshire and a range of other scheduled and admitted bodies within South Yorkshire.

All aspects of pensions administration, including calculating and paying benefits, are conducted in house in accordance with the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended). All of the Fund’s investments are managed

internally, albeit with the assistance of advisors on real estate matters, in accordance with the LGPS (Management and Investment of Funds) regulations 2016. The Authority has a retained actuary, Mercer Limited, and has appointed an independent investment advisory panel.

The Authority meets approximately every quarter and concentrates upon strategy and scrutiny matters. It has appointed two Boards to manage everyday aspects of its duties and responsibilities as an administering authority under the LGPS: the Boards operate to an approximately quarterly cycle.

In accordance with sections 5(1) and (2) of the Public Service Pensions Act 2013 the Authority created a Local Pension Board. The Secretary of State granted the two South Yorkshire LGPS funds the power to establish a

Joint Local Pension Board and this held its first meeting in July 2015.

The Authority’s Investment Strategy Statement (ISS) was reviewed during the year and is available, along with more detail of the activities of the Fund, on the Fund’s website ([www.sypensions.org.uk](http://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.

There are 413 employer organisations contributing to the fund as at 31 March 2017, these are listed in Schedules A and B.

The following table summarises the position with regard to membership of the Fund as at 31 March:

	31 March 2017	31 March 2016
Active Contributors	51,792	51,516
Pensioners & Dependents	47,756	46,050
Deferred Pensions	52,741	51,129
Totals	152,289	148,695

### 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 2017.

Employee contributions are matched by employer’s contributions which are set based on triennial actuarial funding valuations. The last such valuation was as at 31 March 2016. In 2016/17 employer contribution rates required to cover the cost of the accruing benefits and expenses ranged from 9.7% to 27.5% of pensionable pay (common rate of 12.8%). As a result of the 2016 actuarial valuation contribution rates for 1 April 2017 to 31 March 2020 will range from 8.8% to 28.2% of pensionable pay (common rate 15%).



# Notes to the Pension Fund Accounts

## d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below:

	Service pre 1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary	Each year worked is worth 1/60 x final pensionable salary
Lump sum	Automatic lump sum of 3/80 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

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 1/49<sup>th</sup>. Accrued pension is uprated annually in line with the Consumer Prices Index.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For more details please refer to the LGPS website.

## e) Investment Performance

The Fund’s market value (not including current net assets) increased over the year and closed at just under £7,641m (£6,243m in 2015/16) producing an overall return of 22.5% (0.5% in 2015/16). The Fund’s benchmark return was 22.8% (0.1% in 2015/16).

Two political surprises dominated financial markets this year. The first was the June UK referendum vote to leave the EU. The most significant impact for UK investors has been the marked depreciation of sterling and thus the significant increase in the value of overseas investments. The other event was the Trump victory in the US presidential election. This led to a reflation rally in markets. The economic backdrop improved towards the end of the financial year with all regions improving. There is now

much discussion about a stronger and synchronised economic recovery across both developed and emerging economies. This raises the question of whether we are at the end of the period of low interest rates coupled with central bank asset purchases because the need for an ultra-accommodative policy is diminishing and this could predicate a fall in bond markets. The Fund’s tactical strategy remained largely unchanged during the year being overweight in international equities and alternative investment funds and relatively light in UK equities and bonds.

# Notes to the Pension Fund Accounts

## 2. Basis of preparation

The Statement of Accounts summarises the Fund’s transactions for 2016/17 and its position at the year end of 31 March 2017. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and show the net assets at the disposal of the Authority. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year.

## 3. Accounting policies

### Fund account - revenue recognition

#### A. Contributions income

Normal contributions, both from the members and from the employers, are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Employers’ augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in 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

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations 2013 (see notes 8 and 10).

Individual transfers in/out are accounted for when received/ paid, which is normally when the member liability is accepted or discharged.

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 (see Note 8).

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

#### C. Investment Income

##### i. Interest income

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

##### ii. Dividend income

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

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

Property-related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis. 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. Movement in the net market value of investments

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.

# Notes to the Pension Fund Accounts

**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. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

**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 Code does not require any breakdown of pension fund administration expenses. However, in the interests of greater transparency, the Authority discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016).

*Administration expenses*  
administration expenses are accounted for on an accruals basis. All costs incurred by South Yorkshire Pensions Authority (the administering authority) in respect of administration expenses are charged directly to the Fund.

*Oversight and governance costs*  
All oversight and governance expenses are accounted for on an accruals basis. All costs incurred by South Yorkshire

Pensions Authority (the administering authority) in respect of oversight and governance are charged directly to the Fund.

*Investment management expenses*

All investment management expenses are accounted for on an accruals basis.

Fees of the corporate bond fund manager, 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.

In addition the Fund has negotiated with the corporate bond fund manager that an element of their fee be performance related. This

performance related fee was nil in 2016/17 (nil in 2015/16). All costs incurred by South Yorkshire Pensions Authority (the administering authority) in respect of investment management expenses are also charged directly to the Fund.

**Net assets statement**

**G. Financial assets**

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 by the Fund.

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 IFRS13 (see Note 15). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

**H. Freehold and leasehold properties**

Properties are valued quarterly by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors’ Valuation Standards, see Note 15 for more details.

**I. Foreign Currency transactions**

Dividends, interest and purchases and sales of investments in

foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period. Any gains or losses arising on conversion or translation are dealt with as part of the change in market value.

**I. 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.

The value of forward currency contracts is based on market forward exchange rates at the

# Notes to the Pension Fund Accounts

year-end date and determined as the gain or loss that would arise if the outstanding contracts were matched at the year end with an equal and opposite contract. (see Note 14)

**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. Financial liabilities**

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes

in the fair value of liability are recognised by the Fund.

**M. Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed at the period end using a roll forward of the results of the triennial valuation (as at 31 March 2016) allowing for the different financial assumptions required under IAS19.

As permitted under IAS26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to these accounts (Note 19).

**N. Additional Voluntary Contributions (AVCs)**

In accordance with regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds)

Regulations 2016 Additional Voluntary Contributions (AVCs) have not been included in either the Authority’s Fund Account or Net Assets Statement, as they are paid directly to the AVC providers by employers of contributors. AVCs are specifically for the provision of additional benefits for individual contributors. AVC funds returned to the Scheme and benefits paid as a result of this are included in the Fund account as part of Transfer values received and Benefits paid respectively.

Details of AVC investments are however shown as a note (Note 23).

**O. Contingent assets and 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.

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of a note (Notes 25 and 26).

**4. Critical judgements in applying accounting policies**

**Pension Fund liability**

The pension fund liability is calculated every three years by the Fund’s actuary, Mercer Limited, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with financial standards. Assumptions underpinning the valuations are agreed with the actuary and are disclosed in Notes 18 and 19. This estimate is subject to significant variances based on changes to the underlying assumptions.

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

The preparation of the Pension Fund Accounts requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end date and the amounts reported for the revenues and expenses during the year.

Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.



The items in the Pension Fund Accounts at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability (Note 18)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries (Mercers) is engaged to provide the Authority with expert advice about the assumptions to be applied.	The funding level at the 2016 actuarial valuation was 86% (a deficit of £1,025m) The effects on the deficit of changes in individual assumptions can be measured. For instance, a 0.25% reduction in the real investment return would increase the deficit by £333m. A 0.25% increase in salary growth would increase the deficit by £54m. A 1 year increase in life expectancy would increase the deficit by £168m.
Private equity investments (Note 15)	Private equity funds are valued at fair value in accordance with International Private Equity and Venture Capital Valuation guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity fund investments in the financial statements are £476.2m. There is a risk that this investment may be under or overstated in the accounts by £47.6m.
Hedge fund of funds (Note 15)	The fund of funds is valued at the sum of the fair values provided by the administrators of the underlying funds plus adjustments that the funds' directors or independent administrators judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total value of hedge fund of funds in the financial statements is £9.09m. There is a risk that this investment may be under or overstated in the accounts by £0.9m.
Freehold and leasehold property Pooled property funds (Note 15)	Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, but where this is not possible management uses the best available data. Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property.	The effect of variations in the factors supporting the valuation would be an increase or decrease in the value of directly held property of £59.1m, on a fair value of £591.6m.

6. Events after the Balance sheet date

There are no notifiable events after the balance sheet date.

7. Contributions receivable

Contributions represent the total amount receivable from the various employing authorities and admitted bodies in respect of their own contributions and those of their pensionable employees.

When an employer retires staff early, on redundancy or efficiency grounds, a strain on the Fund is generated through the early payment of their benefits. The Authority requires employers to reimburse the Fund for that strain by making capital injections over a phased period of up to 3 years. These capital injections are accounted for in full when they occur.

Lists of scheduled bodies and admitted bodies contributing to the Fund are shown in Schedule A and B.



Notes to the Pension Fund Accounts

Analysis of contributions receivable:-	2016/17	2015/16
	£'000	£'000
<b>Employers' contributions</b>		
Normal Contributions	111,205	109,995
Deficit Funding Lump Sums	91,584	44,030
Augmentation	0	0
Additional Capital Contributions	672	319
Additional Cost of Early Retirement	11,141	11,620
	<b>214,602</b>	<b>165,964</b>
<b>Employees' contributions</b>	54,192	54,226
	<b>268,794</b>	<b>220,190</b>

Analysis by employer type:-	2016/17	2015/16
	£'000	£'000
<b>Administering Authority</b>		
South Yorkshire Pensions Authority	677	787
<b>Scheduled Bodies</b>		
Barnsley MBC	28,350	28,492
Doncaster MBC	22,300	22,648
Rotherham MBC	22,646	43,501
Sheffield CC	103,061	37,532
Other Scheduled Bodies	72,545	67,522
<b>Admitted Bodies</b>	19,215	19,708
<b>Totals</b>	<b>268,794</b>	<b>220,190</b>

8. Transfers In from other pension funds

	2016/17	2015/16
	£'000	£'000
Group transfers	1,545	0
Individual transfers	12,285	6,797
<b>Totals</b>	<b>13,830</b>	<b>6,797</b>

# Notes to the Pension Fund Accounts

## 9. Benefits payable

Analysis of benefits payable:-	2016/17	2015/16
	£'000	£'000
Retirement Pensions	205,361	198,299
Commutation of benefits and lump sum retirement benefits	51,881	51,714
Lump sum death benefits	4,724	5,184
Totals	261,966	255,197

Analysis by employer type:-	2016/17	2015/16
	£'000	£'000
Administering Authority		
South Yorkshire Pensions Authority	955	514
Scheduled Bodies		
Barnsley MBC	34,620	36,743
Doncaster MBC	40,707	38,347
Rotherham MBC	38,284	37,812
Sheffield CC	83,299	78,502
Other Scheduled Bodies	44,661	44,199
Admitted Bodies	19,440	19,080
Totals	261,966	255,197

## 10. Payments to and on account of leavers

	2016/17	2015/16
	£'000	£'000
Individual transfers out	11,650	11,852
Group transfers out	0	1
Refunds of contributions	502	362
Payments for members joining state scheme	222	173
Totals	12,374	12,388

## 11. Management Expenses

	2016/17	2015/16
	£'000	£'000
Administrative costs	2,886	2,848
Investment Management Expenses	20,622	16,395
Oversight and Governance costs	1,388	1,025
	24,896	20,268

This analysis of the costs of managing the South Yorkshire Pension Fund during the period has been prepared in accordance with CIPFA guidance.

These management expenses include a VAT liability of £332,161 (£289,018 in 2015/16)

Oversight and governance costs include audit fees (KPMG) of £41,342 (£41,342 in 2015/16)

# Notes to the Pension Fund Accounts

## 11a. Investment Management Expenses

	2016/17	2015/16
	£'000	£'000
Internal management costs	872	814
Bond Manager	436	355
Property Advisor fees	1,018	999
Custody	270	251
Transaction costs	1,979	1,546
Management fees deducted at source	15,867	12,249
VAT Liability	180	181
	<b>20,622</b>	<b>16,395</b>

In accordance with CIPFA guidance management fees deducted at source and transaction costs are now 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.

It is important to note that this is a change in reporting only and does not represent an actual increase in costs, nor a decrease in the Fund's resources available to pay pension benefits.

## 12. Investment Income

	2016/17	2015/16
	£'000	£'000
Interest from fixed interest securities	30,965	28,526
Dividends from equities	116,289	98,502
Income from index-linked securities	4,787	5,058
Income from pooled investment vehicles	3,983	3,031
Net property income	21,731	22,518
Interest on cash deposits	413	443
Other	1,645	1,360
	179,813	159,438
Irrecoverable withholding tax	(2,635)	(2,273)
<b>Total Investment Income</b>	<b>177,178</b>	<b>157,165</b>

## 12a. Property Income

	2016/17	2015/16
	£'000	£'000
Rental income	23,159	23,651
Other dividends and interest	62	54
Direct operating expenses	(1,490)	(1,187)
<b>Net Income</b>	<b>21,731</b>	<b>22,518</b>

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

13.  
Net  
Investment  
Assets

Investment Assets	31/03/17 £'000	31/03/16 £'000
<strong>Fixed Interest Securities</strong>		
UK public sector quoted	0	0
UK corporate bonds	320,011	274,591
Overseas public sector quoted	118,549	97,638
Overseas other quoted	224,439	188,160
	662,999	560,389
<strong>Equities</strong>		
UK quoted	1,367,333	1,091,322
Overseas quoted	3,321,619	2,518,622
UK unquoted	0	0
	4,688,952	3,609,944
<strong>Index Linked Securities</strong>		
UK public sector quoted	804,967	648,942
Overseas public sector quoted	0	0
UK corporate bonds	96,181	78,686
	901,148	727,628
<strong>Pooled Investment Vehicles</strong>		
<strong>UK</strong>		
Limited Partnerships	114,093	96,404
Unit Trusts	0	14
Other managed funds	14,252	16,679
<strong>Overseas</strong>		
Limited Partnerships	362,183	283,162
Hedge fund of funds	9,095	11,333
Other managed funds	38,083	53,821
UK Property	69,403	72,486
Overseas Property	24,027	21,099
	631,136	554,998
<strong>Property</strong>		
UK Freehold	484,431	422,115
UK Leasehold	107,150	175,306
UK Other	13,542	14,470
	605,123	611,891
<strong>Derivative Contracts</strong>		
Forward currency contracts	8,551	0
	8,551	0
<strong>Cash - Foreign currency</strong>	31,782	21,799
<strong>Cash - Sterling</strong>	83,925	136,929
<strong>Investment income due (outstanding dividend entitlement and recoverable withholding tax)</strong>	26,408	22,611
<strong>Amounts receivable from sales</strong>	932	0
<strong>Investment liabilities</strong>		
Forward currency contracts	(0)	(3,364)
Amounts payable for purchases	(187)	(2)
<strong>Net Investment Assets</strong>	<strong>7,640,769</strong>	<strong>6,242,823</strong>

The Fund has no investments that represent more than 5% of the net investment assets of the Scheme.

13a. Change in Market Value of Investments

The change in market value of investments during the year comprises all the increases and decreases in the market value of investments held at any time during the year, including all realised and unrealised profits and losses.

Indirect costs are incurred through the bid-offer spread on investments. The amount of indirect costs is not separately provided to the scheme.

	Mkt Value at 1/4/16	Purchases at Cost	Sale Proceeds	Change in Mkt Value	Mkt Value at 31/3/17
	£'000	£'000	£'000	£'000	£'000
Fixed Interest Securities	560,389	131,128	(90,970)	62,452	662,999
Equities	3,609,944	415,060	(276,654)	940,602	4,688,952
Index-Linked Securities	727,628	73,066	(73,785)	174,239	901,148
Pooled Investment Vehicles	554,998	148,636	(161,407)	88,909	631,136
Property	611,891	38,073	(33,755)	(11,086)	605,123
<strong>Total Purchases/(Sales)</strong>		<strong>805,963</strong>	<strong>(636,571)</strong>		
Foreign currency contracts	(3,364)	42,781	(1,207)	(29,659)	8,551
	<strong>6,061,486</strong>	<strong>848,744</strong>	<strong>(637,778)</strong>	<strong>1,225,457</strong>	<strong>7,497,909</strong>
Cash - Foreign currency	21,799			9,316	31,782
Cash - Sterling	136,929			84	83,925
				<strong>1,234,857</strong>	
Other investment assets	22,611				27,340
Other investment liabilities	(2)				(187)
<strong>NET INVESTMENT ASSETS</strong>	<strong>6,242,823</strong>				<strong>7,640,769</strong>

# Notes to the Pension Fund Accounts

## Prior year comparative

	Mkt Value at 1/4/15	Purchases at Cost	Sale Proceeds	Change in Mkt Value	Mkt Value at 31/3/16
	£'000	£'000	£'000	£'000	£'000
Fixed Interest Securities	557,164	587,198	(574,937)	(9,036)	560,389
Equities	3,763,549	339,807	(306,368)	(187,044)	3,609,944
Index-Linked Securities	718,122	182,003	(180,964)	8,467	727,628
Pooled Investment Vehicles	504,436	117,409	(113,525)	46,678	554,998
Property	581,396	43,537	(40,814)	27,772	611,891
<b>Total Purchases/(Sales)</b>		<b>1,269,954</b>	<b>(1,216,608)</b>		
Foreign currency contracts	938	20,588	(14,505)	(10,385)	(3,364)
	<b>6,125,605</b>	<b>1,290,542</b>	<b>(1,231,113)</b>	<b>(123,548)</b>	<b>6,061,486</b>
Cash - Foreign currency	10,622			4,372	21,799
Cash - Sterling	110,241			163	136,929
				<b>(119,013)</b>	
Other investment assets	17,046				22,611
Other investment liabilities	(1,305)				(2)
<b>NET INVESTMENT ASSETS</b>	<b>6,262,209</b>				<b>6,242,823</b>

## 13b. Investments analysed by Fund Manager

	Market Value at 31/3/17		Market Value at 31/3/16	
	£'000	%	£'000	%
South Yorkshire Pensions Authority	7,303,690	95.59	5,937,802	95.11
Royal London (Corporate bonds)	337,079	4.41	305,021	4.89
	<b>7,640,769</b>		<b>6,242,823</b>	



Notes to the Pension Fund Accounts

13c. Stocklending

The value of stocklending as at 31 March was as follows:

	2016/17 £'000	2015/16 £'000
UK Index-linked securities	123,145	119,520
UK Corporate bonds	9,217	1,106
UK Equities	160,746	89,961
Overseas Corporate bonds	33,357	5,969
Overseas Bonds	13,490	5,909
Overseas Equities	259,508	149,679
<b>Value of stock on loan</b>	<b>599,463</b>	<b>372,144</b>
Value of collateral held	642,496	397,058

Collateral held was in the form of Gilt DBV's (collection of Gilt edged securities), FTSE 100 DBV's (collection of FTSE 100 equities), overseas bonds and UK and overseas equities.

13d. Property Holdings

The Fund has investment in pooled property funds and directly owned properties. The direct property is both freehold and leasehold and amounts to £591.581m (£597.421m in 2015/16).

The following table summarises the movement in the fair value of investment properties over the year:

	2016/17 £'000	2015/16 £'000
<b>Balance at start of the year</b>	<b>597,421</b>	<b>565,285</b>
Additions		
Purchase	34,088	38,205
Construction	1,112	1,165
Subsequent Expenditure	2,373	4,167
	<b>37,573</b>	<b>43,537</b>
Disposals	(33,115)	(40,674)
Net gains/(losses) from fair value adjustments	(10,298)	29,273
<b>Balance at end of the year</b>	<b>591,581</b>	<b>597,421</b>

There are no restrictions on the Fund's ability to realise the value inherent in its investment property or on the Fund's right to the remittance of income and the proceeds of disposal. The Fund has 3 Development Funding Agreements at 31 March 2017 with outstanding commitments of £10.5m (none at 31 March 2016).

Notes to the Pension Fund Accounts

14. Derivative Contracts

The Fund uses currency hedging to manage risk and the foreign currency exposure and volatility in the bond and property fund portfolio. This exposure is US dollar and Euro denominated assets and has been 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.

Open forward currency contracts at 31 March 2017

Settlement	Currency bought	Local value	Currency sold	Local value	Asset value	Liability value
		£'000		£'000	£'000	£'000
Up to three months	GBP	4,352	EUR	5,000	107	
Up to three months	GBP	65,853	USD	80,000	2,101	
Up to three months	GBP	26,114	EUR	30,000	643	
Up to three months	GBP	168,507	USD	205,000	5,143	
Up to three months	GBP	22,632	EUR	26,000	557	
					8,551	
Net forward currency contracts at 31 March 2017						8,551

Open forward currency contracts at 31 March 2016

Settlement	Currency bought	Local value	Currency sold	Local value	Asset value	Liability value
		£'000		£'000	£'000	£'000
Up to six months	GBP	292	EUR	370		(3)
Up to three months	GBP	34,750	USD	50,000		(72)
Up to three months	GBP	2,263	EUR	3,000		(117)
Up to three months	GBP	37,708	EUR	50,000		(1,942)
Up to three months	GBP	125,101	USD	180,000		(259)
Up to three months	GBP	18,854	EUR	25,000		(971)
						(3,364)
Net forward currency contracts at 31 March 2016						(3,364)

# Notes to the Pension Fund Accounts

## 15. Fair Value - Basis of valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of Asset	Valuation hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published closing bid market price ruling on the final day of the accounting period	Not required	Not required
Bonds	Level 2	Average of broker prices valued on a “clean” basis (not including accrued interest)	Composite prices/ Evaluated price feeds	Not required
Exchange traded pooled investments and property funds	Level 1	Closing bid value on published exchanges	Not required	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 material events occurring between the date of the financial statements provided and the pension fund’s own reporting date, by changes to expected cashflows, and 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 in accordance with the RICS Valuation - Professional Standards January 2014 and Savills (UK) Limited for the agricultural portfolio.	Existing lease terms and rentals. Independent market research. Assumed 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 as 31 March 2017.

Asset type	Assessed valuation range (+/-)	Value as at 31 March 2017	Value on increase	Value on decrease
2017		£'000	£'000	£'000
Pooled investment funds	10%	494,662	544,128	445,196
Pooled property funds	10%	75,959	83,555	68,363
Freehold and leasehold property	10%	591,581	650,739	532,423
Other property (wholly owned subsidiaries)	10%	13,542	14,896	12,188
Total		1,175,744	1,293,318	1,058,170

15a. Valuation of financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

**Level 1**  
Financial instruments at Level 1 are those where the fair value are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities.

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**  
Financial instruments at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data. This includes composite prices for fixed income instruments and fund net asset value prices.

**Level 3**  
Financial instruments at level 3 are those 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 would 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 following table provides an analysis of the financial assets and liabilities of the Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Notes to the Pension Fund Accounts

2017	Quoted market price	Using observable inputs	With significant unobservable inputs	
Value at 31 March 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Financial assets at fair value through profit and loss	4,763,440	1,586,065	584,163	6,933,668
Non-financial assets at fair value through profit and loss (see Note 13d)			591,581	591,581
Financial liabilities at fair value through profit and loss	(187)			(187)
Net investment assets	4,763,253	1,586,065	1,175,744	7,525,062

2016	Quoted market price	Using observable inputs	With significant unobservable inputs	
Value at 31 March 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Financial assets at fair value through profit and loss	3,695,211	1,303,293	491,536	5,490,040
Non-financial assets at fair value through profit and loss (see Note 13d)			597,421	597,421
Financial liabilities at fair value through profit and loss	(3,366)			(3,366)
Net investment assets	3,691,845	1,303,293	1,088,957	6,084,095



Notes to the Pension Fund

16. Financial Instruments

The Fund’s financial instruments are the investment assets and debtors and creditors, these are all disclosed on the Net Assets Statement. The assets and debtors are all carried at fair value. The creditors are carried at amortised cost.

The Net Assets Statement also includes property which is classified as investment property (see Note 13d).

a) Classification of Financial Instruments

The items in the Net Assets Statement (excluding investment property) are made up of the following categories of financial instrument:

FAIR VALUE THROUGH PROFIT OR LOSS	31 March 2017 £'000	31 March 2016 £'000
<b>Financial Assets</b>		
Fixed Interest Securities	662,999	560,389
Equities	4,688,952	3,609,944
Index-Linked Securities	901,148	727,628
Pooled Investment Vehicles	631,136	554,998
Forward currency contracts	8,551	-
Other investment balances	27,340	22,611
<b>Total</b>	<b>6,920,126</b>	<b>5,475,570</b>
<b>Financial Liabilities</b>		
Forward currency contracts	(0)	(3,364)
Other investment balances	(187)	(2)
<b>Total</b>	<b>(187)</b>	<b>(3,366)</b>
<b>LOANS AND RECEIVABLES</b>		
<b>Financial Assets</b>		
Cash – Foreign currency	31,782	21,799
Cash - Sterling	83,925	136,929
Current assets	17,792	20,079
Long Term Debtors	712	1,454
<b>Total</b>	<b>134,211</b>	<b>180,261</b>
<b>FINANCIAL LIABILITIES AT AMORTISED COST</b>		
<b>Financial Liabilities</b>		
Current liabilities - creditors	(9,426)	(9,932)
<b>Total</b>	<b>(9,426)</b>	<b>(9,932)</b>

See note 15 re method of valuation of asset classes. Debtors and creditors are included at cost.

b) Net gains and losses on Financial Instruments

	31 March 2017 £'000	31 March 2016 £'000
<b>Financial Assets</b>		
Fair value through profit and loss	1,266,202	(140,935)
Loans and receivables	9,400	4,535
<b>Financial Liabilities</b>		
Fair value through profit and loss	(29,659)	(10,385)
Financial liabilities measured at amortised cost	-	-
<b>Total</b>	<b>1,245,943</b>	<b>(146,785)</b>

# Notes to the Pension Fund Accounts

## 17. Nature and extent of risks arising from Financial Instruments

### Risk and risk management

The fund's primary long-term risk is that its assets will fall short of its liabilities (ie 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's activities expose it to a variety of financial risks:

- market risk - the possibility that financial loss might arise for the Fund as a result of changes in such measures as interest rates and stock market movements.
- credit risk - the possibility that other parties might fail to pay amounts due to the Fund

- liquidity risk - the possibility that the Fund might not have funds available to meet its commitments to make payments

The management of risk is described within the Fund's Investment Strategy Statement (ISS) which is included in the published report and accounts and also posted on the Fund's website ([www.sypensions.org.uk](http://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 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 2016.

As a pension fund the primary risks which affect it are market risk and credit risk.

### a. Market Risk

#### Market Risk – Price Risk –

The Fund publishes its ISS which details how the real risk of negative returns due to price fluctuations is managed.

Because different asset classes have different risk and return characteristics they will react differently to external events and will not necessarily do so in a pre-determined or correlated manner to each other. 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 following movements in market price risk are reasonably possible for the 2016/17 reporting period.

Asset type	Potential market movements (+/-) 31 March 2017
Bonds	5.08%
UK Equities	8.22%
Overseas Equities	10.02%
Index Linked securities	13.82%
Private Equity	6.46%
Absolute return	5.81%
Property	3.15%

This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

# Notes to the Pension Fund Accounts

Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows:

Asset type	Value as at 31 March 2017	Potential Market Movement	Value on increase	Value on decrease
2017	£'000	£'000	£'000	£'000
Bonds	662,999	33,680	696,679	629,319
UK Equities	1,367,333	112,395	1,479,728	1,254,938
Overseas equities	3,321,619	332,826	3,654,445	2,988,793
Index linked securities	901,148	124,539	1,025,687	776,609
Private equity	347,944	22,477	370,421	325,467
Absolute return	189,762	11,025	200,787	178,737
Property (unit trusts)	93,430	2,943	96,373	90,487
Forward currency contracts	8,551	0	8,551	8,551
Cash – Foreign currency	31,782	0	31,782	31,782
Cash – Sterling	83,925	0	83,925	83,925
Other investment assets	27,340	0	27,340	27,340
Forward Currency contracts	(0)	0	(0)	(0)
Other investment liabilities	(187)	0	(187)	(187)
Net investment assets	7,035,646	639,885	7,675,531	6,395,761

Asset type	Value as at 31 March 2016	Potential Market Movement	Value on increase	Value on decrease
2016	£'000	£'000	£'000	£'000
Bonds	560,389	27,795	588,184	532,594
UK Equities	1,091,322	109,460	1,200,782	981,862
Overseas equities	2,518,622	241,284	2,759,906	2,277,338
Index linked securities	727,628	89,789	817,417	637,839
Private equity	296,418	15,947	312,365	280,471
Absolute return	164,995	6,468	171,463	158,527
Property (unit trusts)	93,585	3,032	96,617	90,553
Forward currency contracts	0	0	0	0
Cash – Foreign currency	21,799	0	21,799	21,799
Cash – Sterling	136,929	0	136,929	136,929
Other investment assets	22,611	0	22,611	22,611
Forward Currency contracts	(3,364)	0	(3,364)	(3,364)
Other investment liabilities	(2)	0	(2)	(2)
Net investment assets	5,630,932	493,775	6,124,707	5,137,157

# Notes to the Pension Fund Accounts

**Market Risk – Interest Rate Risk –** This primarily impacts upon the valuation of the Fund’s bond holdings and, to a lesser degree, the return it receives on cash held. A rise in interest rates would lead to the income earned on variable rate investments increasing but would cause the value of fixed rate investments to fall. The Fund’s correlation to interest rates will vary depending upon the profile of investments held.

The Fund manages its cash investments with a view to obtaining the best returns possible whilst ensuring the security of the deposits. The Fund also holds foreign currency balances which could be affected by interest rate movements but are more sensitive

to exchange rate movements (see Market risk – Currency risk).

The Fund’s direct exposure to interest rate movements as at 31 March 2017 and 31 March 2016 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

Asset type	As at 31 March 2017	As at 31 March 2016
	£’000	£’000
Cash - Sterling	83,925	136,929
<b>Total</b>	<b>83,925</b>	<b>136,929</b>

**Interest rate risk – sensitivity analysis**  
The Authority recognises that interest rates can vary and can affect both income to the fund and the value of the net assets.

The one standard deviation of the 10 year government bond yield (annualised) amounts to 0.93%.

The following analysis assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets of a +/- 0.93% change in interest rates:

Asset type	Carrying amount as at 31 March 2017	Potential movement on 0.93% change in interest	Value on increase	Value on decrease
<b>2017</b>	£’000	£’000	£’000	£’000
Cash - Sterling	83,925	781	84,706	83,144
<b>Total change in assets available</b>	<b>83,925</b>	<b>781</b>	<b>84,706</b>	<b>83,144</b>

Asset type	Carrying amount as at 31 March 2016	Potential movement on 0.93% change in interest	Value on increase	Value on decrease
<b>2016</b>	£’000	£’000	£’000	£’000
Cash - Sterling	136,929	1,273	138,202	135,656
<b>Total change in assets available</b>	<b>136,929</b>	<b>1,273</b>	<b>138,202</b>	<b>135,656</b>

# Notes to the Pension Fund Accounts

## Market Risk – Currency Risk

– the Fund holds cash balances in foreign currency and has investments quoted in foreign currency. The risk of exchange rate movements is accepted as part of the overall management strategy of the Fund.

### Currency risk – sensitivity analysis

The potential volatility of the aggregate currency exposure within the fund based on historical data for the last 3 years associated with foreign exchange rate movements is 13.43%.

A 13.43% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets as follows:

Currency exposure Asset type	Asset value as at 31 March 2017	Potential Market Movement	Value on increase	Value on decrease
2017	£'000	£'000	£'000	£'000
Overseas fixed interest securities	342,988	46,063	389,051	296,925
Overseas quoted securities	3,321,619	446,093	3,767,712	2,875,526
Overseas limited partnerships	362,183	48,641	410,824	313,542
Overseas hedge fund of funds	9,095	1,222	10,317	7,873
Overseas other managed funds	38,083	5,115	43,198	32,968
Overseas property funds	24,027	3,227	27,254	20,800
Forward currency contracts	8,551	1,148	9,699	7,403
Cash - Foreign currency	31,782	4,268	36,050	27,514
Total change in assets available	4,138,328	555,777	4,694,105	3,582,551

Currency exposure Asset type	Asset value as at 31 March 2016	Potential Market Movement	Value on increase	Value on decrease
2016	£'000	£'000	£'000	£'000
Overseas fixed interest securities	285,798	38,383	324,181	247,415
Overseas quoted securities	2,518,622	338,251	2,856,873	2,180,371
Overseas limited partnerships	283,162	38,029	321,191	245,133
Overseas hedge fund of funds	11,333	1,522	12,855	9,811
Overseas other managed funds	53,821	7,228	61,049	46,593
Overseas property funds	21,099	2,833	23,932	18,266
Forward currency contracts	(3,364)	(452)	(3,816)	(2,912)
Cash - Foreign currency	21,799	2,928	24,727	18,871
Total change in assets available	3,192,270	428,722	3,620,992	2,763,548



# Notes to the Pension Fund Accounts

## b. Credit Risk

**Credit Risk** - arises from deposits with banks and financial institutions, as well as credit exposures to the Fund's customers. The risk is minimised through the Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum criteria set by the Authority. The Treasury Management Strategy also imposes a maximum sum to be invested with each institution. Deposits are limited to £15m with any counterparty and counterparties must have a short term debt credit rating of F1 or better.

The Fund's benchmark allowance for cash at 31 March 2017 was a maximum of 10% of the Fund (same at 31 March 2016). The actual cash holdings were 1.10% (2.19%).

Interest received on advances during 2016/17 was just over £0.320m (£0.393m) at an average rate of 0.25% (0.39%) (as the Fund maintains short term deposits only, the rate of interest is closely aligned to the Bank of England base rate which reduced to 0.25% in August 2016, previously the rate had remained at 0.5% since March 2009). For illustration purposes an increase of 0.25% in interest rates achieved would have resulted in an increase of £0.320m (£0.393m) in interest received provided that bank balances had remained the same.

## c. Liquidity Risk

**Liquidity Risk** - the Fund ensures it has adequate cash resources to meet its commitments. This is particularly the case for cash to meet pensioner payroll costs and investment commitments.

The Fund has immediate access to its cash holdings with a majority of cash being deposited for no longer than a week and no cash being deposited for more than a month. Also the Fund holds Government bonds amounting to £804.9m (£648.9m at 31 March 2016) which can be realised within a week in normal market conditions, if necessary, to meet expected or unexpected demands for cash.

All financial liabilities are due to be paid in less than one year.

## 18. Actuarial Position

The Authority's appointed actuary, Mercer Limited, carried out an actuarial valuation of the assets and liabilities of the Fund as at 31 March 2016. The market value of the Fund's assets at the date of the valuation was £6,268m. The previous valuation had been completed as at 31 March 2013 (market value £5,288m). The valuation was conducted in accordance with the requirements of Regulation 62 of the Local Government Pension Scheme Regulations 2013 (as amended).

The actuary has taken a long term view when setting the future service basis. The assumptions adopted are:-

	31 March 2016	31 March 2013
Discount Rate	4.2%	4.6%
Price inflation (CPI)	2.2%	2.6%
Salary increases (short term)	1.25% for 4 yrs	1.00%pa for 3 yrs
Salary increases (long term)	3.45% pa	4.35% pa
Pension increases in payment	2.2% pa	2.6% pa

Mortality assumptions	31 March 2016	31 March 2013
Retired members' mortality – future improvements	CMI 2015 model methodology with 1.5%p.a. long term trend	CMI 2012 model methodology with 1.5%p.a. long term trend

The above mortality rates relate to members retiring in normal health.

**The mortality assumptions used for the 31 March 2016 valuation result in the following life expectancies.**

Life expectancy for a male aged 65 now	22.8 years
Life expectancy at 65 for a male aged 45 now	25.0 years
Life expectancy for a female aged 65 now	25.6 years
Life expectancy at 65 for a female aged 45 now	27.9 years

# Notes to the Pension Fund Accounts

## Commutation assumption

It has been assumed that, on average, 50% of retiring members will take the maximum tax-free cash available at retirement and 50% will take the standard 3/80ths cash sum. 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 £1p.a. of pension given up.

This assumption is unchanged from the previous actuarial valuation.

The funding objective is to achieve and then maintain assets equal to 100% of projected accrued liabilities, assessed on an ongoing basis including allowance for projected final pay. The funding plan, in accordance with the Funding Strategy Statement (FSS), is to achieve the funding objective over a maximum period of 19 years (22 years at 2013 valuation). The notional funding deficit revealed by the valuation was £1,025m at 31 March 2016 (£1,709m deficit at 31 March 2013). This represents a funding level of 86% at 31 March 2016 (76% at 31 March 2013).

The funding plan is set out in the FSS, as prepared by South Yorkshire Pensions Authority. Individual employer funding plans, and the resulting certified contributions, have been determined in

accordance with the FSS. Depending on individual circumstances, different approaches to the funding of benefits have been adopted, as part of the FSS consultation process.

The Authority’s contribution rate for 2016/17 was 13.2% with an additional payment of £193,700 and the rate for 2017/18 is 14.9% with an additional payment of £198,000.

The contribution rates for the four district councils for 2017/18 are:-

Employer	%	Additional deficit Payment
		£’000
Barnsley MBC	14.7	26,484
Doncaster MBC	14.0	27,352
Rotherham MBC	14.9	21,802
Sheffield City Council <i>Already paid in December 2016</i>	15.2	65,100

## 19. Actuarial Present Value of Promised Retirement Benefits

IAS 26 requires the present value of the Fund’s promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS19 rather than the assumptions and methodology used for funding purposes.

For the purpose of IAS26/IAS19 the actuary has treated all benefits as vested obligations.

In order to assess the value of the benefits on this basis, the actuary has used the following financial assumptions:

	31 March 2017	31 March 2016
Rate of return on investments (discount rate)	2.6% p.a.	3.6% p.a.
Rate of pay increases	3.55% p.a.	3.75% p.a.
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.3% p.a.	2.0% p.a.

The demographic assumptions are the same as those used for funding purposes. Full details of these assumptions are set out in the formal report on the actuarial valuation dated 31 March 2017.

During the year, corporate bond yields fell, resulting in a lower discount rate being used for IAS26 purposes at the year-end than at the beginning of the year (2.60% p.a. versus 3.60% p.a.). The expected long-term rate of CPI inflation increased during the year, from 2.0% p.a. to 2.3%. Both of these factors combined served to significantly increase the liabilities over the year. The pay increase assumption at the year-end has also changed to allow for short-term public sector pay restraint, together with a lower assumed level of “real” pay growth above CPI inflation, both of which serve to reduce the liabilities.

The value of the Fund’s promised retirement benefits for the purposes of IAS 26 as at 31 March 2016 was estimated as £8,525 million. Interest over the year increased the liabilities by c£307 million, and allowing for net benefits accrued/paid over the period decreased them by c£8 million (after allowing for any increase in liabilities arising as a result of early retirements/ augmentations). There was then a further increase in liabilities of £1,784 million made up of “actuarial losses” (mostly changes in the actuarial assumptions used, primarily the discount rate and assumed rate of future CPI as referred to above). The net effect of all the above is that the estimated total value of the Fund’s promised retirement benefits as at 31 March 2017 is therefore £10,608 million.

# Notes to the Pension Fund Accounts

## 20. Current Assets

Debtors:

	31 March 2017	31 March 2016
	£'000	£'000
Contributions due - employers	7,172	7,972
Contributions due - employees	3,577	3,476
Additional costs of early retirement	2,268	3,049
Sundry debtors	4,775	5,582
	17,792	20,079

Analysis of debtors:

	31 March 2017	31 March 2016
	£'000	£'000
Central government bodies	10	10
Other local authorities	8,600	10,653
NHS bodies	52	38
Public corporations and trading funds	262	641
Other entities and individuals	8,868	8,737
	17,792	20,079

## 21. Long Term Debtors

Long term debtors are all additional costs of early retirement due later than 2016/17.

	31 March 2017	31 March 2016
	£'000	£'000
Central government bodies	-	-
Other local authorities	531	1,204
NHS bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals	181	250
	712	1,454

# Notes to the Pension Fund Accounts

## 22. Current Liabilities

Creditors:

	31 March 2017	31 March 2016
	£'000	£'000
Sundry creditors	(842)	(1,386)
Payroll deductions	(2,010)	(2,185)
Benefits payable	(1,336)	(1,126)
Advance property rents	(4,402)	(4,265)
Holding accounts	(836)	(970)
	<b>(9,426)</b>	<b>(9,932)</b>

The cash balance is held by the Authority and the Fund Net Assets Statement includes a creditor of £0.705m (creditor of £1.220m in 2015/16) for sums due to the Authority at the year end.

Analysis of creditors:

	31 March 2017	31 March 2016
	£'000	£'000
Central government bodies	(2,019)	(2,018)
Other local authorities	(710)	(1,220)
NHS bodies	-	-
Public corporations and trading funds	(416)	(364)
Other entities and individuals	(6,281)	(6,330)
	<b>(9,426)</b>	<b>(9,932)</b>

## 23. Additional Voluntary Contributions

Additional Voluntary Contributions (AVCs) made by pension fund contributors are managed by Equitable Life, Scottish Widows and Prudential. The fund value of AVCs with these managers and contribution received during the year are shown opposite:

	Fund Value		Contributions received	
	31/3/17	31/3/16	2016/17	2015/16
	£'000	£'000	£'000	£'000
Equitable Life	2,043	2,137	7	12
Scottish Widows	4,769	5,316	361	387
Prudential	6,318	5,067	1,925	1,685

Notes to the Pension Fund Accounts

24. Related Party Transactions

There are no material transactions with related parties other than those which have been properly recorded and disclosed elsewhere in the Fund accounts. South Yorkshire Pensions Authority is a related party to the Fund as the administering authority and all transactions are shown either in the Authority’s statements or in the Fund account. One officer of the Authority is a director of Waldersey Farms Limited and F H Bowser limited (see note 28). All employers listed in schedules A and B attached 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.

Elected Members of the Authority are related parties to the Fund and signed declarations are made where they are also members of the Fund. External fund managers are also related parties to the Fund and fees paid to them are included within investment management expenses (see note 11a).

25. Contingent Liabilities and contractual commitments

Outstanding investment commitments at 31 March 2017 were £424.997m (£315.903m at 31 March 2016).The figures are based on commitments made to private equity limited partnerships and infrastructure funds (some of which are designated in Australian Dollars, Euros and US Dollars) which have not yet been drawn down. 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.

31/3/17		31/3/16	
Currency '000	£ equivalent £'000	Currency '000	£ equivalent £'000
£112,180	112,180	£77,816	77,816
€53,425	45,348	€63,480	50,321
US\$335,540	267,469	US\$269,595	187,766
	424,997		315,903



# Notes to the Pension Fund Accounts

## 26. Contingent Assets

Eleven admitted body employers in the 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.

## 27. Compensation Payments

The Fund makes compensation payments in respect of non-statutory pension benefits (e.g. compensatory added years). These costs are not chargeable to the Fund, but are recovered from the employing authorities. During 2016/17, the Fund made payments in respect of non-statutory pension benefits of £14.371m (£14.771m in 2015/16).

## Analysis of compensation payments

	2016/17 £'000	2015/16 £'000
<b>Administering Authority</b>		
South Yorkshire Pensions Authority	15	15
<b>Scheduled Bodies</b>		
Barnsley MBC	2,569	2,629
Doncaster MBC	1,914	1,952
Rotherham MBC	1,346	1,374
Sheffield CC	6,472	6,644
Other Scheduled Bodies	1,989	2,090
<b>Admitted Bodies</b>	66	67
<b>Totals</b>	<b>14,371</b>	<b>14,771</b>

# Notes to the Pension Fund Accounts

## 28. Subsidiary Companies

The Authority had, within its portfolio, two wholly owned subsidiary companies; Waldersey Farms Limited and F H Bowser 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 Property - Other UK, to reflect the exposure of the Pensions Authority. One officer of the Authority is a director of the company.

The latest available accounts for Waldersey Farms Limited show the following information:  
  
Waldersey Farms Limited has a year end of 31 December.

Waldersey Farms Limited	2016/17	2015/16
	£	£
Pension Fund investment at book cost at 31 March	5,508,112	5,508,112
(Debenture loan included within above)	4,143,100	4,143,100
Pension Fund investment value at 31 March		
(included in net asset statement)	5,508,100	5,508,100
	31/12/2016	31/12/2015
	£	£
Profit (loss) on ordinary activities before taxation	77,075	(476,452)
Profit (loss) after taxation	58,575	(406,494)
Rent paid to SYPA	2,182,840	2,059,127
Dividend paid to SYPA	-	-
Retained profit (loss)	3,670,772	3,612,197
Net assets	5,535,772	5,477,197

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

The ten year debenture granted to Waldersey by the Authority was renewed on 1 April 2015 is for £7m, of which £4.143m (£4.143m in 2015/16) has been drawn down.

# Notes to the Pension Fund Accounts

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 Property - Other UK, to reflect the exposure of the Pensions Authority. One officer of the Authority is a director of the company.

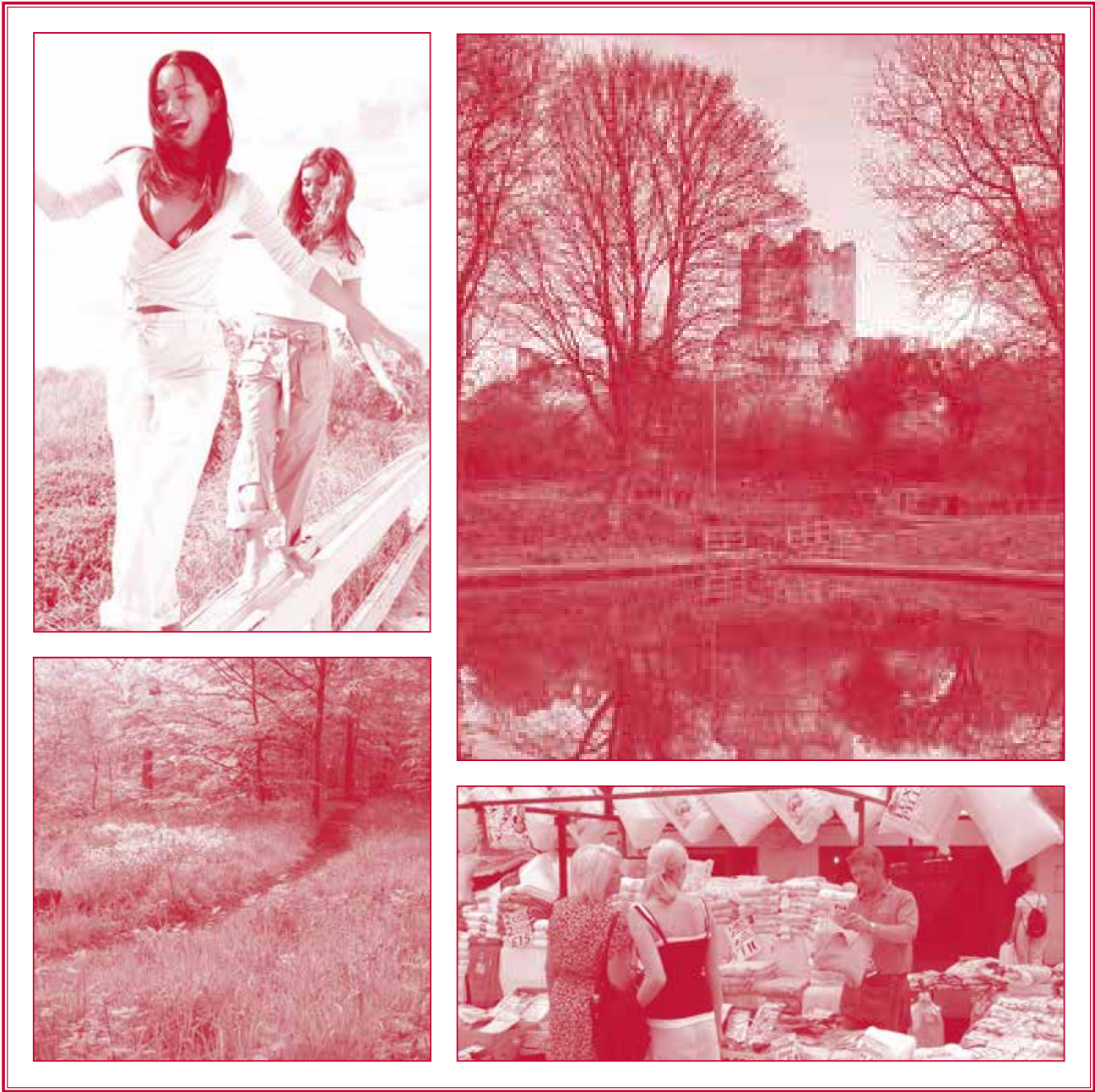
The latest available accounts for F H Bowser Limited show the following information:

F H Bowser accounts has a year end of 31 December.

F H Bowser Limited	2016/17	2015/16
	£	£
Pension Fund investment at book cost at 31 March	10,641,194	10,781,694
Pension Fund investment value at 31 March (included in net asset statement)	8,033,856	8,962,350
	31/12/2016	31/12/2015 (re-stated)
	£	£
Fixed Assets	8,132,990	9,490,900
Current Assets	12,157	57,015
Current Liabilities	(219,538)	(404,371)
Net assets	7,925,609	9,143,544
Profit on Ordinary Activities	(1,183,255)	(480,439)

A full Statement of Accounts for F H Bowser Limited can be obtained from the Company at 18 Regent Street, Barnsley.

The company has a loan from the Authority and £173,856 was outstanding as at 31 December 2016 (£359,356 at 31 December 2015) (the date of the company’s accounts).



# Notes to the Pension Fund Accounts

## SCHEDULE A - Scheduled Bodies contributing to the Fund

South Yorkshire Pensions Authority (Administering Authority)

Barnsley Metropolitan Borough Council

Doncaster Metropolitan Borough Council

Rotherham Metropolitan Borough Council

Sheffield City Council

Abbey School

Abbeyfield Primary (Firs Hill Community Primary)

Acres Hill Community Primary Academy

All Saints RC School

Anston Greenlands Primary School

Anston Parish Council

Armthorpe Academy

Armthorpe Parish Council

Armthorpe Shaw Wood Academy

Ash Hill Academy

Askern Town Council

Aston Academy

Aston All Saints Academy

Aston Hall Junior & Infant School

Aston Lodge Primary School

Aston-cum-Aughton PC

Auckley Junior & Infant Academy

Aughton Junior Academy

Balby Carr Academy

Balby Central Primary School

Barnburgh & Harlington Parish Council

Barnby Dun Parish Council

Barnby Dun Primary Academy

Barnsley Academy

Barnsley College

Beck Nursery, Infant & Junior School

Berneslai Homes

Birley Academy

Birley Primary Academy

Birley Spa Primary Academy

Bradfield Parish Council

Bradfield School

Bramley Grange Primary

Brinsworth Academy

Brinsworth Whitehill Academy

Brodsworth Parish Council

Brookfield Primary Academy

Broomhill Infant School

Byron Wood Primary School

Campsmount Technology College

Canklow Woods Primary Academy

Carlton Primary

Carr Lodge Academy

Carrfield Academy

Castle Academy

Catcliffe Primary School

Chapelton Academy

Charnock Hall Primary School

Chaucer School

Clifford C of E School

Coleridge Primary School

Concord Junior School

Conisbrough Ivanhoe Primary Academy

Consilium Academies Trust

Crookesbroom Primary Academy

Danum School Technology College

Darfield All Saints Academy

Darfield Valley School

Darton Primary

De Warenne Academy

Dearne Valley College

Denaby Main Primary Academy

Dinnington Community Primary School

Dinnington High School

Dodworth St John the Baptist CE Primary Academy

Don Valley Academy & Performing Arts Coll

Doncaster College

Dunsville Primary School

E-ACT Pathways Academy

East Dene Primary

Eastwood Village Primary School

Ecclesfield Parish Council

Ecclesfield School

Edenthorpe Hall Academy

Edlington Town Council

Elsecar Holy Trinity CE Primary Academy

Emmanuel Junior School

Emmaus Catholic & CoE Voluntary Academy

Fir Vale School

Firth Park Academy

Flanderwell Primary School

Forge Valley School

Fox Hill Primary School

Gooseacre Academy

Grange Lane Infant Academy

Greasbrough Primary Acdemy

Greenacre Special School Academy

Greengate Lane Academy

Hall Cross Academy Trust

Hallam Primary Academy

Hallam University

Handsworth Grange Academy

Hartley Brook Academy

Hatfield Academy

Hatfield Town Council

Hatfield Woodhouse Primary

Hayfield School

Heather Garth Primary School

Herringthorpe Junior Academy

Hexthorpe Primary School

High Greave Infants

High Greave Juniors

High Hazels Infant Academy

High Hazels Junior Academy

High View Primary Learning Centre

Highfields Primary

Highgate Academy

Hillsborough Primary School



# Notes to the Pension Fund Accounts

## SCHEDULE A - Scheduled Bodies contributing to the Fund

Hillside Academy (Conisbrough Balby Street)	Lound Junior School	Monteney Primary School	Queens Road Academy	Shafton Primary Academy	St Helen's Primary Academy
Hinde House 3-16 School	Lowedges Junior Academy	Morley Place Junior School	Rainbow Forge Primary School	Sheffield College	St John Fisher RC J&I School
Holy Family Catholic Primary	Lower Meadows Academy	Nether Edge Primary Academy	Ravenfield Academy	Sheffield Park Academy	St Josephs Catholic Primary (Dinnington)
Hoyland Common Primary School	Maltby Academy	Newfield Secondary School	Rawmarsh Ashwood Primary School	Sheffield Springs Academy	St Josephs Catholic School (Rossington)
Hoyland Springwood Primary School	Maltby Hilltop School	Notre Dame School	Rawmarsh Community School	Silkstone Parish Council	St Joseph's Primary School
Hucklow Primary School	Maltby Lilly Hall Academy	Oakhill Primary Academy	Reach 4 Academy Trust	Silverdale School	St Leger Homes of Doncaster
Hungerhill Academy Trust	Maltby Manor Academy	Oakwell Rise Primary Academy	Richmond Hill Primary Academy	Sir Thomas Wharton Community College	St Marie's School A Catholic Voluntary Academy
Kelford School	Maltby Redwood Primary Academy	Oakwood High School	RNN Group	Sitwell Junior School	St Marys Catholic Primary (Maltby)
Kexborough Primary School	Manor Lodge Primary	Oasis Academy Don Valley	Rossington All Saints Academy	Southey Green Primary School & Nurseries	St Marys Catholic Primary School (Herringthorpe)
King Ecgbert School	Mansel Primary School	Oasis Academy Firvale	Rossington Parish Council	Springwell Alternative Academy	St Mary's Catholic Primary School (High Green)
Kingfisher Primary School	McAuley Catholic High School	Oasis Academy Watermead	Rowena Academy	Springwell Special Academy	St Marys CoE Academy (Walkley)
Kirk Balk Community College	Meadowhead School Academy Trust	Outwood Academy Adwick	Royston Parkside	Springwood Junior Academy	St Marys CofE Primary (Barnsley)
Kirk Sandal Junior School	Meadstead Primary Academy	Outwood Academy Carlton	Royston St John the Baptist	Sprotbrough Parish Council	St Oswald's CofE Academy
Kirk Sandall Infant School	Mexborough School	Outwood Academy City	Royston Summer Fields	St Ann's RC Primary School	St Patrick's RC School
Laithes Primary School	Mexborough St John The Baptist CoE Primary	Outwood Academy Shafton	Sacred Heart Schhol, A Voluntary Catholic Academy	St Bernards Catholic High School	St Theresa's RC School
Listerdale Primary School	Meynell Primary School	Parkwood Academy	Sandhill Primary Academy	St Catherines Catholic Primary School	St Thomas More Catholic Primary
Littleworth Academy	Monkwood Primary Academy	Penistone Town Council	Sandhill Primary Schhol (Great Houghton)	St Gerard's Catholic Primary	
Longley Park 6th Form College	Montague Primary Academy - Mexborough	Pheasant Bank Academy	Shafton Parish Council		
Lound Infant School		Phillimore Community School			
		Porter Croft CofE Primary Academy			



# Notes to the Pension Fund Accounts

## SCHEDULE A - Scheduled Bodies contributing to the Fund

St Thomas of Canterbury Trust	Thrybergh Academy & Sports College	Whiston Junior & Infant School
St Wilfreds Academy	Thrybergh Fullerton Primary	Whiston Worrygoose Junior & Infant School
St Wilfrid's Catholic Primary School	Thrybergh Parish Council	Wickersley Northfield Primary
Stainforth Town Council	Thrybergh Primary School	Wickersley Parish Council
Stocksbridge Town Council	Thurcroft Junior Academy	Wickersley School & Sports College
Swinton Community School	Tinsley Meadows Primary School	Wickersley St Albans C of E Primary School
Swinton Fitzwilliam Primary	Totley All Saints C of E School	Willow Primary
Swinton Queen Primary School	Totley Primary School	Wincobank Nursery & Infant School
SY Fire Authority	Trinity Academy	Wingfield Academy
SYLTE	Trinity Croft CoE Primary Academy	Winterhill School
Tapton School	University Technology College (Sheffield)	Wisewood Community Primary Academy
The Academy at Ridgewood Trust	Upperwood Academy	Wombwell Park Street Primary School
The Chief Constable	Valley Park Community Primary	Woodfield Primary School
The Forest Academy	Wales Academy	Wybourn Community Primary Academy
The Hill Academy	Ward Green Primary	XP School
The Mill Academy	Wath CofE Primary School	Yewlands Technology College
The Police & Crime Commissioner for Sth Yorks	Waverley Academy	
Thomas Rotherham College	Wellgate Primary School	
Thorne & Moorend Town Council	West Meadows Primary School	

# Notes to the Pension Fund Accounts

## SCHEDULE B - Admitted Bodies contributing to the Fund

ABM Catering - Bramley Grange	Carroll Cleaning Company - De Warenne Academy	Compass-Hatfield Woodhouse (SPT)
ABM Catering - Wales High School	Caterlink - Barnsley Academy	Compass-Pheasant Bank (SPT)
Action Housing Association	Caterlink - Sheffield Park Academy	Compass-Rowena (SPT)
ADS - Doncaster Substance Misuse Contract	Centre for Full Employment	Cordant Cleaning Ltd
Age Concern, Doncaster	Chartwells - De Warenne Academy Catering Con	Creative Support Ltd
Amey LG Limited	Churchill Contract Services	Crsipin & Borst - DMBC PFI
Argent Catering Solutions Ltd	Civica - Barnsley BSF	Danvm Drainage Commissioners
Aspens Services Limited	Civica (Sheffield BSF PFI 4)	Dolce Ltd - Anston Brook
Aspens Services Ltd - E-Act Pathways Academy	Civica Phase 2 ICT Function - Sheff BSF	Dolce Ltd - Aston All Saints
Aspens Services Ltd - Parkwood Academy	Community Action Halfway Home	Dolce Ltd - Dinnington Primary
Barnsley BIC	Compass - Don Valley	Dolce Ltd - Flanderwell Primary
Barnsley Dial a Ride	Compass - RCAT	Dolce Ltd - Greengate Lane Academy
Barnsley Norse Ltd	Compass - Rossington All Saints	Dolce Ltd - Kilnhurst J&I
Barnsley Premier Leisure	Compass-Armthorpe Academy	Dolce Ltd - Sitwell Infants
British Red Cross - SCC	Compass-Grange Lane Infants (SPT)	Dolce Ltd - Sitwell Juniors (Academy)
Capita - Outstanding Sheffield Prog.	Compass-Hatfield Crookesbroom (SPT)	Dolce Ltd - St Maries Primary School
Carillion Integrated Solutions		Dolce Ltd - Thrybergh Fullerton
		Dolce Ltd - Trinity Croft

# Notes to the Pension Fund Accounts

## SCHEDULE B - Admitted Bodies contributing to the Fund

Dolce Ltd - Whiston J&I  
Dolce Ltd - Whiston Worrygoose  
Dolce Ltd - Wickersley St Albans  
Dolce Ltd - Woodsetts  
Doncaster Childrens Services Trust  
Doncaster Community Transport  
Doncaster Culture & Leisure Trust  
Doncaster Deaf Trust  
Edwards Commercial Cleaning (NORTH) Ltd  
Engie  
Forge Community Partnership  
Fortem Solutions Ltd  
Great Places Housing Assoc  
Groundwork Dearne Valley  
ICS Cleaning Services - Danum Academy  
Independent Cleaning Services - McAuley High  
Independent Living at Home (Barnsley) Ltd  
Independent Training Services Ltd

InterserveFM Ltd  
JLIS Non-PFI Barnsley BSF  
JLIS PFI FM sub contract (Barnsley BSF )  
KAPS  
KGB Cleaning - Doncaster College  
Kier Managed Services Ltd  
Kier Services - SCC - ASHS  
Kier Services - SCC - CSSR  
Kier Services - SCC - Heating  
Kier Services - SCC - SHRM  
Kier Support Services  
Learn Sheffield  
Leonard Cheshire Foundation  
May Gurney Fleet and Passenger Services  
Mellors - Hinde House/King Ecgbert Scl Catering  
Mellors (Danum Academy)  
Mellors Catering Services  
Mellors Catering Services (Brinsworth Comp)

Mellors Catering Services (Longley Pr Scl)  
Mellors Catering Services (Rawmarsh Com Scl)  
Mellors Catering Services (Sheff Schools)  
Midshire Catering Ltd  
Mitie PFI Ltd  
Morrison Facilities Service Ltd  
National Children's Bureau  
Northern College  
Northern Racing College  
NPS Barnsley Ltd  
Peter Duffy Ltd  
Places for People Leisure Ltd  
Places for People Leisure Ltd - SCC Leisure Ltd  
Places for People Leisure Ltd - Wisewood Sports Centre  
Priory Campus  
RM Education Ltd (ICT contract Dearne ALC)  
Rotherham Doncaster & South Humber

# Notes to the Pension Fund Accounts

## SCHEDULE B - Admitted Bodies contributing to the Fund

Royston & Carlton Community Part.  
Seven Hills Leisure Trust (7HLT)  
Shaw Trust  
Sheff H + SC NHS Found Trust  
Sheffcare Limited  
Sheffield City Trust  
Sheffield Community Transport  
Sheffield Futures  
Sheffield Galleries & Museums Trust  
Sheffield Industrial Musuems Trust  
Sheffield International Venues  
Sheffield MIND  
Sheffield Students' Union  
Sheffield UNISON  
SPS Security Ltd (Doncaster College)  
SY Housing Association  
Taylor Shaw - Forest Academy Catering

Taylor Shaw - St John Fisher Academy  
Taylor Shaw (Bradfield School)  
Taylor Shaw (catering BSF PFI4)  
Taylor Shaw (Sheff Scl Meals)  
Taylor Shaw-Parkwood Academy  
Taylor Woodrow Const (CleanSheff PFI 4)  
Taylor Woodrow Const (Sheff PFI 4)  
Trustclean - Mexborough Highwoods  
Trustclean Ltd - Wath CoE School  
Trustclean Ltd (Athersley North)  
Trustclean Ltd (Wath Victoria Primary)  
Veolia  
Vinci Construction UK Ltd (Bradfield School)  
Voluntary Action - Barnsley (CVS)  
Voluntary Action - Rotherham (CVS)  
Wentworth Castle

# Glossary

**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.

**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.

**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).

**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.

**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.

**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.

**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.

**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.

**Debtors**

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

**Earmarked Reserve**

A sum set aside for a specific purpose.

**Emoluments**

Payments received in cash and benefits for employment.

**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.

**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.

**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.

**Operating Leases**

Leases other than a finance lease. Under operating leases the risks and rewards of ownership remain substantially with the lessor.

# Glossary

**Prior Year Adjustments**

Material adjustments applicable to prior years, arising from changes in accounting policies or from other corrections.

**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.

**Related Parties**

Individuals or bodies who have the potential to influence or control the Authority or to be influenced or controlled by the Authority.

**Scheduled Body**

Scheduled bodies are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.

**Usable Reserves**

Reserves that can be applied to fund expenditure, all other reserves retained on the balance sheet cannot.

Produced by

**South Yorkshire Pensions Authority ·**

**18 Regent Street · Barnsley · S70 2HG ·**

**Telephone 01226 772923 ·**

FCA No. 121977

