



SOUTH YORKSHIRE
PENSIONS AUTHORITY

South Yorkshire Pensions Authority

Annual Report & Accounts 2017/18



“
*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

As the Authority reaches its 30th birthday (on 1st April 2018) it is perhaps appropriate to look back on where we started in April 1988 when the value of the Fund was £491m compared to today's £8bn and membership was around 50,000 compared to today's figure of over 150,000, with fewer than 100 employers compared to today's around 500. Pension funds are institutions that work to a long time horizon, the people who were starting their career in 1988 when the Authority came into being will now be thinking about their retirement. The role of the Authority is to look after their pension savings over that longer term and ensure that their pension is available to be paid when it is due regardless of the ups and

downs of the financial markets and other changes in society over such long periods of time.

This year has seen a concentration on ensuring that the good performance that the Fund's investments have achieved over the last couple of years is protected against external shocks thus protecting scheme employers who face significant financial challenges against having to pay more into the Fund than they are currently doing. While, as ever in financial markets there can be no guarantees we have actively taken steps to ensure that the important improvements in the overall funding level that have been achieved are maintained up to the next actuarial valuation in

2019 and beyond. Alongside this our preparations to transfer both our investment assets and our investment team to the Border to Coast Pension Partnership as part of the Government's pooling agenda have continued. We expect the Fund's equity holdings to transfer to BCPP's pooling vehicle in July 2018 and preparations for this and the transfer of a number of our staff are now in full swing.

In the Pensions Administration field the Authority has continued to deliver incremental improvements in performance and has rolled out new self-service functionality for scheme members. Alongside this we have been working to implement a process for the monthly

submission of data by employers which will allow us to further improve the accuracy of our data which is central to our ability to calculate and pay benefits in an accurate and timely way. This new process will also, once it has bedded in, reduce the volume of queries which need to be resolved by employers.

All of this reflects the fact that change is a constant, even in the staid world of pensions and the Authority has seen more change amongst its officers this year with the appointment of George Graham as our permanent Fund Director and the retirement of Gary Chapman from the role of Head of Pensions Administration after a career of more than 40 years with the Authority and its

predecessors. Gary's replacement will be joining us early in the new financial year. Over the next year we will be looking to complete the pooling journey and prepare for the next actuarial valuation in 2019, in the context of a significantly improved funding level. This provides us with a valuable opportunity to reflect on where we have got to and on our future direction, and this will be a significant focus for the members of the Authority over the coming year.



Councillor Sue Ellis
Chair of the Authority



2

the
PEOPLE

Report of the Clerk

Introduction

The pace of change facing the Authority has not slackened during 2017/18 with the Border to Coast Pensions Partnership (BCPP) continuing to put in place all the arrangements necessary to implement the new pooling arrangements from the beginning of July 2018. In addition the year saw the transfer of the South Yorkshire Passenger Transport Pension Fund, which the Authority administered, to the Greater Manchester Pension Fund.

Alongside this given the significant gains in the overall value of the Fund achieved in the last two years we faced the challenge of how to protect this success against the potential for the markets to move negatively in the future.

At the same time our Administration Team has continued to move forward its service improvement plan while retaining the coveted Customer Service Excellence Award.

During the year the Authority has also seen significant changes in its senior management arrangements with the appointment of a permanent Fund Director, replacing the previous interim arrangements, and the retirement of the Head of Pension Administration for whom a replacement has also been appointed.



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 participating employers. This report has been produced in accordance with the Regulations and covers the activities of the Fund during the financial year ended 31st March 2018. The governance of LGPS funds is laid down in statute and the Regulations are regularly updated.

The Authority itself was established by a Statutory

Instrument enacted in 1987, and began operation in 1988. 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 money is 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 from the District Councils.

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 third year of operation and is designed to assist in securing compliance with Scheme

Regulations. It 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 Authority and Board meetings as observers.

The LGPS continues to change and grow in complexity, as new regulations deal with the increasing complexity and diversity of local public service provision and the pooling arrangements the design of which has dominated the last few years begin to become operational. 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 pension administration, including calculating and paying benefits, are conducted in house. The Fund also operates advisory offices in each of the districts. In the year under review almost all of the Fund's investments were managed internally, albeit with the assistance of advisors on real estate matters, a position that will change radically in the coming months as pooling begins in earnest. 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 Barnsley Metropolitan Borough Council. More specialist property work is undertaken by a pool of lawyers which includes


Addleshaw Goddard; Burges Salmon; CMS Cameron McKenna Nabarro Olswang; 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.

The Future

The year ahead will see the bulk of the Fund's internally managed assets move into BCPP's pooling structures with preparations beginning for the 2019 valuation and the associated review of the investment strategy. This period together with the changes in senior management give the Authority the opportunity to reflect on its corporate strategy in light of the changed LGPS environment in which it is operating in order to develop clear and appropriate plans for the coming years.

Members as at 31st March 2018

BARNSLEY



LABOUR
Councillor R Wraith*
(Vice Chair)

LABOUR
Councillor M Stowe
(up to 23.5.17)

LABOUR
Councillor K Richardson
(from 24.5.17)

DONCASTER



LABOUR
Councillor E Butler
(up to 21.5.17)

LABOUR
Councillor J Mounsey*
(from to 22.5.17)


LABOUR
Councillor J McHale
(up to 24.5.17)

LABOUR
Councillor S Durant
(from 25.5.17)

CONSERVATIVE
Councillor J Wood
(up to 22.6.17)

CONSERVATIVE
Councillor S Cox
(from to 23.6.17)

ROTHERHAM



LABOUR
Councillor S Ellis*
(Chair)

LABOUR
Councillor K Wyatt

SHEFFIELD



LABOUR
Councillor P Wood
(up to 17.5.17)

LABOUR
Councillor K Harpham
(from 18.5.17)

LABOUR
Councillor Z Sykes

LABOUR
Councillor H Mirfin-Boukouris
(from 17.5.17)

LABOUR
Councillor T Hussain
(from 18.5.17)

LIBERAL DEMOCRAT
Councillor A Sangar

**Indicates Section 41 Members*

Members’ Attendance and Training Records

One of the duties of an administering authority is to ensure that all staff and Members responsible for managing its pension fund are fully equipped with the knowledge and skills to enable them to properly perform their different roles.

Consequently, the Authority regards Member training as a key priority. The approach adopted 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 requirements of the CIPFA 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 investment 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

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 Members participate in an annual self-assessment review. A Member is nominated to lead on all issues pertinent to Members’ training needs but the Treasurer is responsible for ensuring that policies and strategies are implemented.

Members’ Attendance and Training Records

Members’ Attendance at Authority Meetings 2017/18

	15 June 2017	5 Oct 2017	30 Nov 2017	18 Jan 2018	15 Mar 2018
S Ellis	✓	✓	✓	✓	✓
S Cox	N/A	✓	✓	✓	✓
S Durant	✓	x	x	✓	x
K Harpham	x	x	✓	✓	x
T Hussain	✓	✓	✓	✓	x
J Mounsey	x	✓	✓	x	x
K Richardson	✓	✓	✓	✓	✓
A Sangar	✓	✓	✓	✓	✓
I Saunders	✓	✓	✓	✓	✓
Z Sykes	x	✓	✓	✓	x
J Wood	x	N/A	N/A	N/A	N/A
R Wraith	✓	✓	✓	✓	✓
K Wyatt	x	x	✓	✓	x

Members’ Attendance and Training Records

Board Meetings 2017/18

SYPA Members Attendance at Corporate Planning and Governance Board

	1 June 2017	20 July 2017	19 Oct 2017	15 Feb 2018
S Ellis	✓	x	✓	✓
S Durant	N/A	✓	✓	x
T Hussain	N/A	✓	✓	✓
K Richardson	N/A	✓	✓	✓
Z Sykes	✓	✓	✓	✓
J Wood	x	N/A	N/A	N/A
R Wraith	N/A	✓	✓	✓
K Wyatt	✓	✓	✓	✓

SYPA Members Attendance at Investment Board Meetings

	22 June 2017	14 Sept 2017	15 Dec 2017	9 Mar 2018
S Ellis	✓	✓	✓	✓
S Cox	N/A	✓	✓	✓
K Harpham	✓	x	x	x
J Mounsey	✓	✓	✓	x
A Sangar	✓	✓	✓	✓
I Saunders	✓	✓	✓	✓
R Wraith	✓	✓	✓	x

Member Training Events 2017/2018

Training Session						
Date	S Cox	S Durant	S Ellis	K Harpham	T Hussain	J Mounsey
BCPP Training Event	11/12.9.17	✓	✓	✓	✓	✓
Treasury Management Training	10.1.18	x	x	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
	N Copley	Treasurer
	A Frosdick	Solicitor and Monitoring Officer
	S Barrett	Interim Fund Director (to 9.2.18)
	G Graham	Fund Director (from 12.2.18)
	G Chapman	Head of Pensions Administration





3 the AUTHORITY

Report of the Clerk

Pensions Administration

We have had a busy and productive year. I mentioned last year that we were restructuring the team and taking on extra staff to implement and run the monthly reconciliation of scheme member contributions. The new staff arrived in May and along with the rest of the team have started to make inroads into the backlog of work as well as setting up the systems for the launch of monthly reconciliation from April 2018. There is still some way to go though as we still have a backlog of work that will drag our overall performance down for at least another year but we are steadily improving.

I have mentioned before that the rules of the scheme require an annual pension forecast to be

issued to scheme members by 31st August and that the annual reconciliation of member contributions makes this deadline very difficult to achieve hence the forthcoming shift to monthly reconciliation. Unfortunately we did not meet the statutory deadline as we issued only 83% of annual statements by the 31st August and as a consequence had to report ourselves to the Pensions Regulator in accordance with their code of practice. We did, however, present our plans which demonstrate our commitment to meet the statutory deadline in future years and as a result the Pensions Regulator was satisfied with the actions we had taken and decided to take no further action.

On a positive note the Pensions Regulator has recommended other pension funds contact us as they believe our development plans are worth sharing.

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 one formal dispute which went all the way through our two stage process. The dispute was in relation to a member who had received a pension quote that was higher than their eventual benefits upon retirement. The appeal was dismissed as the benefits in payment are correct. The member concerned now has the

option to seek an independent judgement from the Pensions Ombudsman. We had 19 formal customer service complaints during the year which were personally responded to by our Complaints Manager. This is an increase from our normal level of complaints and is entirely due to the backlog of transfer type cases that we have. In most cases the complainant had their case processed and was therefore satisfied with the outcome. I should stress that in these cases members are not being withheld benefits that have become due and this is a purely pensions data management issue.

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 2017/18 we had 5 employers that paid contributions late and were required to pay interest for late payment.

Finally I wish to inform you that this will be my last annual report as your Head of Pensions Administration as I am retiring on 31st March 2018. Having worked for the authority for over 41 years I have seen many changes in the pension scheme and worked with hundreds of colleagues along the way. During that time the authority has developed significantly and is always striving to improve the service it provides to our members. I have enjoyed leading the team for the last

seven years and confidently predict a successful future. The membership statistics for 2017/18 are shown on the following pages.

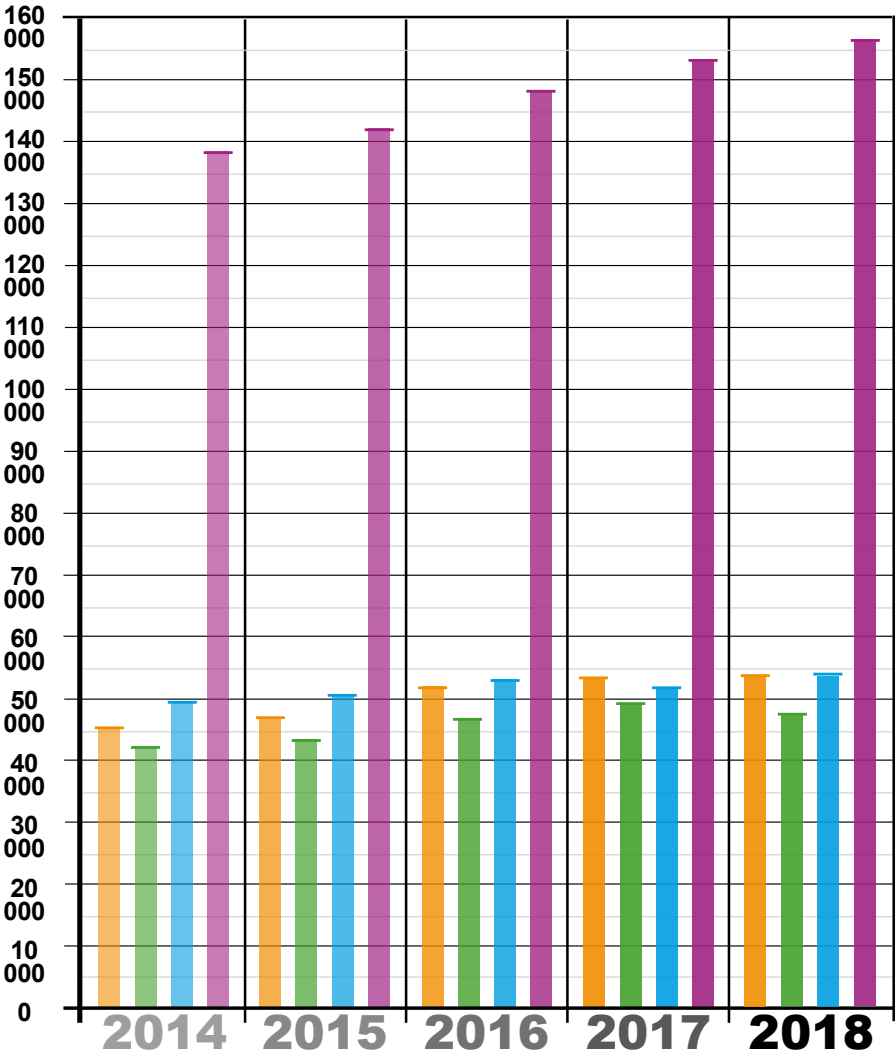
Gary Chapman,
Head of Pensions Administration

Report of the Clerk

Membership

Overall, Fund membership continues to grow. The Fund has **156,880** members compared with **152,289** at March 2017. There are three main categories of membership, **53,471** active contributing members, **49,982** members and dependants in receipt of a pension and **53,427** deferred members (members who have left employment and deferred their benefits until normal retirement age). For the fifth year running the Fund has seen an increase in active contributing members.

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



Report of the Clerk

Your Fund Statistics



ACTIVE MEMBERS

Gender	Female 74%
	Male 26%
Averages	Average Age 45
Age Profile	16 - 29 12%
	30 - 44 31%
	45 - 54 33%
	55 - 64 22%
	65+ 2%



DEFERRED MEMBERS

Gender	Female 72%
	Male 28%
Averages	Average Age 45
Age Profile	16 - 29 6%
	30 - 44 34%
	45 - 54 38%
	55 - 64 21%
	65+ 1%



PENSIONERS (including dependants)

Gender	Female 62%
	Male 38%
Age Profile	0 - 54 2%
	55 - 64 26%
	65+ 72%
	Oldest Pensioner 104

Report of the Clerk

Retirement Analysis

During 2017/18 we processed and paid 2,926 retirements. A breakdown showing the types of retirements processed are listed opposite. Of the 77 ill health retirements processed, 35 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	2016/17	2017/18
Early	1,366	1,680
Flexible	49	106
Ill Health	76	77
Redundancy/Efficiency	413	203
Normal	559	628
Late	242	232

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 2018	3%
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 2017 to 31 March 2018

Date Admitted	Employer	Employer Type*
01/04/2017	Bentley High Street Primary School	Scheduled Body
01/04/2017	Edlington Victoria Primary	Scheduled Body
01/04/2017	Pennine View School	Scheduled Body
01/04/2017	Hilltop Primary School - Edlington	Scheduled Body
01/04/2017	Brampton Ellis C of E Primary	Scheduled Body
03/04/2017	Wates Living Space Maintenance Ltd	Contractor (TAB)
21/04/2017	Dolce Ltd - Swinton Fitzwilliam	Contractor (TAB)
21/04/2017	Dolce Ltd - Intake Primary	Contractor (TAB)
24/04/2017	Dolce Ltd - Wickersley Northfield	Contractor (TAB)
01/05/2017	Netherwood ALC	Scheduled Body
01/05/2017	Our Lady of Sorrows Catholic Voluntary Academy	Scheduled Body
01/05/2017	Scawsby Rosedale Primary School	Scheduled Body
01/06/2017	Southfield Primary School	Scheduled Body
01/06/2017	Armthorpe Tranmoor Primary School	Scheduled Body
01/06/2017	Rossington St Michaels CoE Primary School	Scheduled Body
01/06/2017	Bessacarr Primary School	Scheduled Body
01/06/2017	Hunningley Primary School	Scheduled Body

Date Admitted	Employer	Employer Type*
01/06/2017	Worsbrough Bank End	Scheduled Body
01/06/2017	Highwoods Academy	Scheduled Body
01/06/2017	Brampton Cortonwood Infant School	Scheduled Body
01/06/2017	Wath Victoria Primary	Scheduled Body
01/06/2017	Woodsetts Primary School	Scheduled Body
01/06/2017	Anston Brook Primary School	Scheduled Body
01/07/2017	Turning Point	Contractor (TAB)
01/07/2017	Dimensions (UK) Ltd	Contractor (TAB)
26/07/2017	Engie Services Ltd (Barnsley Schools)	Contractor (TAB)
26/07/2017	ISS Mediclean Ltd	Contractor (TAB)
01/08/2017	Dolce Ltd - Blackburn Primary	Contractor (TAB)
01/08/2017	Compass (Kirk Balk Academy)	Contractor (TAB)
01/09/2017	Dolce Ltd - Rossington St Michaels	Contractor (TAB)
01/09/2017	Mellors (Rawmarsh Ashwood Primary)	Contractor (TAB)
01/09/2017	Caterlink - Hunningley Primary	Contractor (TAB)
01/09/2017	Caterlink - Worsborough Bank End	Contractor (TAB)
01/09/2017	Green Top Academy	Contractor (TAB)

Report of the Clerk

Employer Admissions During the period 1 April 2017 to 31 March 2018

Date Admitted	Employer	Employer Type*
01/09/2017	Dolce Ltd - Elsecar Holy Trinity CoE Academy	Contractor (TAB)
01/09/2017	Dolce Ltd - Dodworth St John Co E Academy	Contractor (TAB)
01/09/2017	Mellors (Thrybergh Primary)	Contractor (TAB)
01/09/2017	Mellors (Sandhill Primary)	Contractor (TAB)
01/09/2017	Mellors (Monkwood Primary)	Contractor (TAB)
01/09/2017	Mellors (Brinsworth Whitehill)	Contractor (TAB)
01/09/2017	Mellors (Aston Lodge Primary)	Contractor (TAB)
01/09/2017	Mellors (Aston Hall Junior & Infants)	Contractor (TAB)
04/09/2017	Dolce Ltd - St Josephs, Handsworth	Contractor (TAB)
01/10/2017	Dolce Ltd - Wentworth CoE School	Contractor (TAB)
01/10/2017	Hatchell Wood Primary Academy	Scheduled Body
01/10/2017	Intake Primary Academy	Scheduled Body
01/10/2017	Treeton C of E Primary Academy	Scheduled Body
28/10/2017	Dolce Ltd - Todwick	Contractor (TAB)
01/11/2017	Atlas Academy	Scheduled Body
01/11/2017	Roughwood Primary School	Scheduled Body
06/11/2017	Dolce Ltd - Kiveton Park	Contractor (TAB)

Date Admitted	Employer	Employer Type*
06/11/2017	Dolce Ltd - Harthill Primary	Contractor (TAB)
01/12/2017	Stocksbridge High School	Scheduled Body
01/12/2017	Clifton Community School	Scheduled Body
01/12/2017	Wath Central Primary School	Scheduled Body
01/12/2017	Kilnhurst St Thomas C of E Primary Academy	Scheduled Body
23/12/2017	Dolce Ltd - St Mary's Maltby	Contractor (TAB)
01/01/2018	Norfolk Community Primary School	Scheduled Body
01/01/2018	Diocese of Sheffield Academies Trust	Scheduled Body
01/01/2018	Anston Park Infants School	Scheduled Body
08/01/2018	Dolce Ltd - Swinton Queen Primary	Contractor (TAB)
01/02/2018	Greenhill Primary School	Scheduled Body
01/02/2018	Windmill Hill School Academy	Scheduled Body
01/03/2018	Premiserv - Blackburn Primary	Contractor (TAB)
01/03/2018	Milton School Swinton	Scheduled Body
01/03/2018	High Storrs School	Scheduled Body
01/03/2018	Affinity Trust - NHS Transfer (SCC)	Contractor (TAB)
26/03/2018	TnS - DeWarenne Academy	Contractor (TAB)

Report of the Clerk

Employer Terminations During the period 1 April 2017 to 31 March 2018

Date Terminated	Employer	Reason for Termination
25/07/2017	Carillion Government Services	Contractor (TAB): Termination of contract
31/07/2017	Age Concern Doncaster	Employer chose to close their participation.
31/07/2017	The Centre for Full Employment	Withdrawing from scheme.
31/07/2017	Mellors (Danum Academy)	Contractor (TAB)
31/07/2017	Civica (Sheffield ICT 627)	End of contract
31/07/2017	Civica (Sheffield Schools)	Contract being taken back in house.
06/09/2017	Dolce Ltd - Anston Brook	Contractor (TAB): Last (only) member left
30/09/2017	Independent Living at Home (Barnsley)	Function being taken back in house.
01/10/2017	Groundwork Dearne Valley	Last active member transferred to BMBC
27/10/2017	Dolce Ltd - Dinnington Primary	Contractor (TAB): Final member left.
31/10/2017	Wentworth Castle & Stainborough Park Heritage Trust	Community Admission Body
01/11/2017	SYITA (Properties) Ltd (Bus Fund)	Responsibility transfered to GMPF

Date Terminated	Employer	Reason for Termination
01/11/2017	Mainline Group Limited	Responsibility transfered to GMPF
01/11/2017	First South Yorkshire Limited	Responsibility transfered to GMPF

***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.

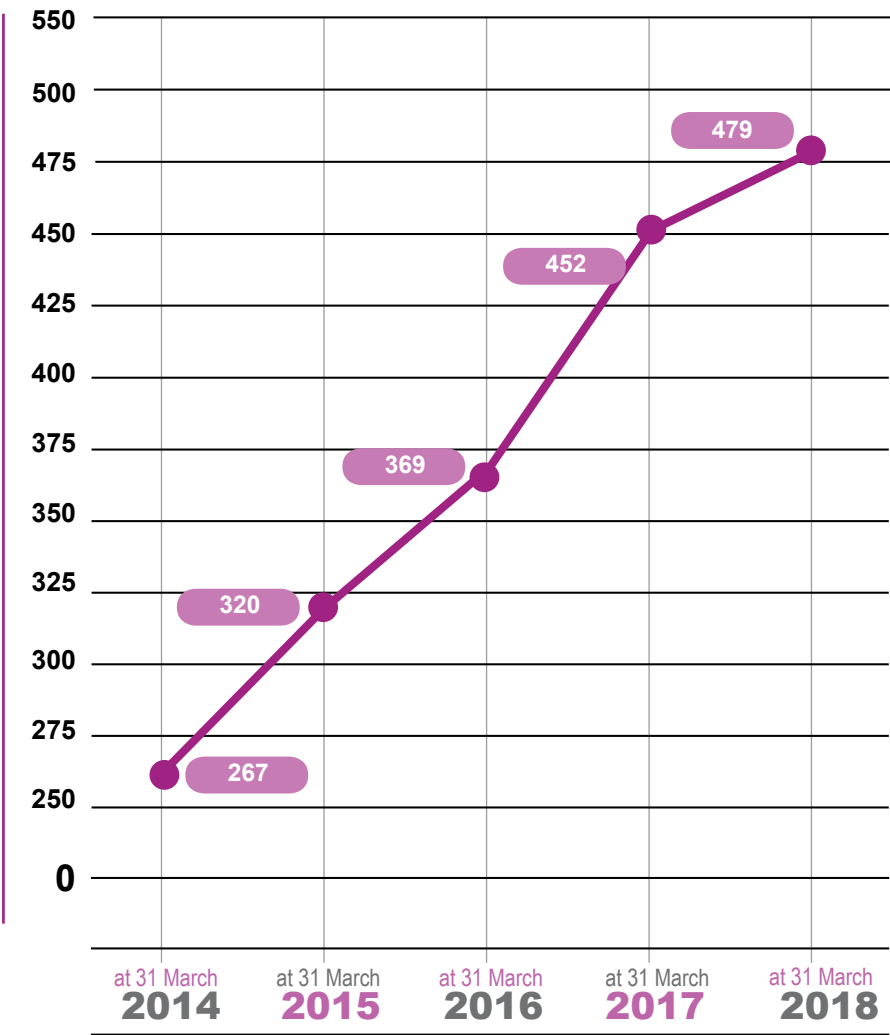
Contractor (TAB): A body admitted under an Admission Agreement which employs staff transferred from a scheme employer, undertaking an

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 2017 - 2018

Employer COMMUNITY ADMISSION BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Danvm Drainage Commissioners	1,577.84	3,835.40	9,600.00
National Childrens Bureau	98,473.89	168,202.68	172,200.00
Action Housing & Support Ltd	65,399.21	133,256.11	122,000.00
Northern Racing College	12,410.90	26,546.40	32,600.04
Leonard Cheshire Disability	1,854.12	6,616.98	0.00
South Yorkshire Housing Association	9,667.48	24,272.08	32,300.00
Northern College	64,638.86	152,290.29	215,100.00
Dial a Ride	850.10	3,722.94	21,499.92
Barnsley Premier Leisure	109,966.54	195,621.67	117,200.04
Doncaster Community Transport	1,121.18	4,397.43	-4,049.54
Roth Don and South Humber Mental Health NHS Foundation Trust	19,720.92	50,206.13	-12,900.00
Sheffield Community Transport	19,399.80	65,049.31	-15,900.00
Sheffield International Venues Ltd	32,743.06	68,796.75	276,600.00
Sheffield Students Union	4,643.04	11,935.64	-999.96
Sheffield Health & Social Care NHS Foundation Trust	87,803.52	229,296.46	181,800.00
Great Places Housing Association	15,780.57	32,584.13	15,099.96

Employer COMMUNITY ADMISSION BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Sheffield City Trust	117,916.07	259,195.64	-73,750.00
7 Hills Leisure Trust	59,004.53	149,783.74	-56,750.00
Voluntary Action Barnsley	3,893.33	10,616.20	10,800.00
Barnsley BIC Ltd	6,109.89	15,056.42	34,400.00
Independent Training Services Ltd	7,460.74	20,042.87	15,099.96
Priory Campus Ltd	1,650.12	6,143.52	11,799.96
Forge Community Partnership	5,810.12	9,746.10	12,000.00
Doncaster Deaf Trust	102,051.97	221,996.57	149,500.08
Shaw Trust	2,682.41	11,360.69	0.00
Doncaster Culture & Leisure Trust	29,923.57	72,732.29	153,900.00
Doncaster Childrens Services Trust Ltd	1,136,151.88	2,343,588.82	0.00
Voluntary Action Rotherham	1,727.64	5,912.40	0.00
Sheffield Mind Ltd	1,305.37	2,590.59	22,600.00
Community Action Halfway Home	1,208.76	4,147.18	11,900.00
Sheffield Industrial Museums Trust Ltd	22,205.82	54,769.98	8,600.00
Sheffield Galleries & Museums	9,494.48	19,516.22	51,600.00

Report of the Clerk

Employers' Contribution Returns for 2017 - 2018

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
COMMUNITY ADMISSION BODY			
Sheffcare Ltd	19,760.95	54,334.24	253,900.00
Sheffield Unison	5,369.20	10,570.65	6,400.00
Sheffield Futures	140,120.36	313,993.32	193,700.00
Learn Sheffield	18,386.38	31,559.67	0.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
CONTRACTOR (TAB)			
Midshire Catering Ltd	692.77	2405.76	0.00
KGB Cleaning - Doncaster College	2,787.53	9,021.81	0.00
Compass (RCAT Catering Contract)	5,547.05	21,631.83	-300.00
Alcohol & Drug Service	2,419.20	6,332.76	0.00
SPS Security Ltd (Doncaster College)	2,525.37	9,929.21	0.00
Dimensions (UK) Ltd	24,327.41	84,270.02	0.00
Kier (Barnsley Housing Stock Maintenance)	93,367.88	272,784.10	-118,896.00
NPS Barnsley Ltd	129,465.14	294,698.76	-14,499.96
Civica (Barnsley Schools 335)	1,844.58	4,767.56	-2,899.92
Barnsley Schools (PFI 336)	28,479.84	105,185.19	4,399.92
Barnsley Schools (Non PFI 337)	8,766.85	31,645.36	4,400.04
Barnsley Norse Ltd	63,079.91	208,898.65	-28,700.04
Trustclean Ltd (Athersley North)	731.12	2,884.70	-699.96
Caterlink (Barnsley Academy)	3,131.87	10,057.34	-300.00
Taylor Shaw - Forest Academy Catering Contract	1,343.68	5,604.59	0.00

Report of the Clerk

Employers' Contribution Returns for 2017 - 2018

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
RM Education Ltd (Dearne ALC)	1,169.28	4,052.10	-100.00
Crispin & Borst	4,025.43	14,698.97	-6,200.00
Creative Support Ltd	4,905.25	16,210.67	-1,800.00
Chartwells (De Warenne Academy Catering)	5,074.71	16,759.02	-399.98
Trustclean (Mexborough Highwoods)	409.78	1,490.02	-300.00
Compass (Grange Lane Infants)	629.29	1,912.07	0.00
Compass (Hatfield Woodhouse)	1,053.82	3,813.11	0.00
Compass (Pheasant Bank)	885.57	4,183.46	-300.00
Compass (Rowena)	406.37	1,699.48	0.00
Compass (Hatfield Crookesbroom)	592.57	2,015.13	-600.00
Compass (Armthorpe Academy)	3,586.46	12,326.83	3,999.98
Independent Cleaning Services (Danum Academy)	3,257.62	11,490.67	11,900.00
Carroll Cleaning Company (De Warenne Academy)	2,863.50	10,569.05	-100.00
Aspens Services Ltd - Catering Contract at McAuley Academy	8,818.65	32,599.87	5,500.00
Compass (Don Valley Academy Catering)	3,221.20	11,590.20	-1,400.02
Compass (Rossington All Saints Academy Catering)	2,393.45	7,920.78	-800.02

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Independent Cleaning Services Ltd - McAuley High	3,724.83	14,875.90	-300.00
Compass (The Hayfield School)	3,866.37	13,763.87	0.00
Engie Services Ltd (Rotherham Schools)	8,449.74	29,664.50	8,600.04
Essential Fleet Services Ltd	5,166.16	15,154.44	-4,999.92
Fortem Solutions Ltd	181,621.53	476,375.50	-77,199.96
Morrison Facilities Service Ltd	190,053.24	494,674.71	-105,699.96
Mellors (Rawmarsh Comprehensive School)	963.30	3,993.28	0.00
Trustclean (Wath CE School)	219.45	949.78	0.00
Places for People Leisure Limited	54,382.11	153,808.92	-13,599.96
Churchill Contract Services	765.51	2,644.43	0.00
Trustclean (Wath Victoria Primary School)	219.87	467.77	0.00
Mellors - Brinsworth Catering Contract	3,697.84	12,235.54	599.95
ABM Catering - Bramley Grange	370.62	1,310.44	0.00
Capita (Outstanding Sheffield Programme)	46,453.09	127,727.93	-93,949.33
Taylor Woodrow Construction (Cleaning 617)	885.87	3,365.28	-2,300.00
Taylor Shaw (Sheffield Catering 618)	1,601.57	7,700.58	0.00

Report of the Clerk

Employers' Contribution Returns for 2017 - 2018

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Taylor Shaw (Sheff School Meals Central Contract)	41,845.59	157,826.51	0.00
Mellors (Sheffield Schools)	398.21	2,041.78	-999.96
Amey LG Limited (Sheffield Highways)	657,276.99	1,839,301.63	-953,200.08
Interserve FM Ltd	1,487.14	4,141.11	29,000.04
Veolia Environmental Services PLC	148,069.93	471,644.00	-58,500.00
Mitie Ltd	1,016.57	2,331.14	999.96
Kier Managed Services (688)	5,475.99	22,057.99	-15,696.00
Taylor Woodrow Construction (Sheffield Schools 698)	2,937.68	8,813.01	-7,600.00
Vinci Construction UK Ltd (Bradfield FM)	1,179.72	4,440.36	-600.00
Taylor Shaw (Bradfield School)	411.37	2,109.20	0.00
Mellors (Hinde House/King Ecgbert School)	4,029.98	14,688.50	-499.98
Caterlink (Sheffield Park Academy)	2,666.31	10,864.37	-300.00
Places for People (747)	15,141.87	42,712.84	5,499.96
British Red Cross (748)	1,019.27	4,621.91	0.00
Taylor Shaw - St John Fisher Academy	934.63	3,160.70	0.00
Places for People - Wisewood Sports Centre	3,831.95	11,114.10	0.00

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Cordant Cleaning Ltd	34,359.58	129,971.85	0.00
Aspens Services Ltd - Parkwood Academy	1,592.20	7,951.80	0.00
Aspens Services Ltd - E-ACT Pathways Academy	596.86	2,626.34	0.00
Argent Catering Solutions Ltd	2,857.18	9,901.66	0.00
Dolce Ltd - Greengate Lane Academy	636.52	3,240.46	0.00
Dolce Ltd - St Maries Primary School	418.70	1,454.02	0.00
Edwards Commercial Cleaning (NORTH) Ltd	901.03	3358.39	0.00
Wates Living Space Maintenance Ltd	26,757.30	84,006.77	0.00
Dolce Ltd - Aston All Saints	756.76	2,201.46	0.00
Dolce Ltd - Flanderwell Primary	1,823.44	6,322.22	0.00
Dolce Ltd - Sitwell Infants	274.69	978.92	0.00
Dolce Ltd - Sitwell Juniors (Academy)	2,328.79	7,422.66	0.00
Dolce Ltd - Thrybergh Fullerton	261.06	930.38	0.00
Dolce Ltd - Wickersley St Albans	997.78	4281.44	0.00
Dolce Ltd - Trinity Croft	1,804.01	6,264.68	0.00
Dolce Ltd - Kilnhurst J&I	1,721.35	5,570.95	0.00

Report of the Clerk

Employers' Contribution Returns for 2017 - 2018

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Dolce Ltd - Swinton Fitzwilliam	1,856.69	6,143.94	0.00
Dolce Ltd - Whiston J&I	949.19	3,365.14	0.00
Dolce Ltd - Whiston Worrygoose	1,516.41	5,925.42	0.00
Dolce Ltd - Wickersley Northfield	2,403.88	8,872.41	0.00
Dolce Ltd - Woodsetts	1,358.89	4,990.75	0.00
Dolce Ltd - Intake Primary	1,103.58	3,431.10	0.00
Mellors (Aston Hall Junior & Infants)	788.51	2,695.27	0.00
Mellors (Aston Lodge Primary)	913.93	2,592.22	0.00
Mellors (Brinsworth Whitehill)	781.28	2,968.88	0.00
Mellors (Monkwood Primary)	1,182.20	3,956.61	0.00
Mellors (Rawmarsh Ashwood Primary)	493.63	1,812.90	0.00
Mellors (Sandhill Primary)	879.20	2,957.28	0.00
Mellors (Thrybergh Primary)	1,399.95	5,472.47	0.00
Dolce Ltd - Blackburn Primary	810.77	2,682.85	0.00
Dolce Ltd - Kiveton Park	305.39	882.84	0.00
Dolce Ltd - Harthill Primary	289.17	1,119.88	0.00

Employer CONTRACTOR (TAB)	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Dolce Ltd - Todwick	1,216.54	4,535.39	0.00
Dolce Ltd - St Josephs, Handsworth	298.30	1,301.79	0.00
Dolce Ltd - Dodworth St John Co E Academy	725.84	3,359.25	0.00
Dolce Ltd - Rossington St Michaels	1,386.92	5,179.5	0.00
Dolce Ltd - Wentworth CoE School	423.13	1,446.32	0.00
Dolce Ltd - Elsecar Holy Trinity CoE Academy	476.38	1,654.42	0.00
Dolce Ltd - Swinton Queen Primary	481.18	1,557.24	0.00
Dolce Ltd - St Mary's Maltby	186.49	586.58	0.00
Turning Point	23,242.66	76,734.51	0.00
Compass (Kirk Balk Academy)	4,909.44	18,642.44	0.00
ISS Mediclean Ltd	4,990.96	17,777.02	0.00
Engie Services Ltd (Barnsley Schools)	2,293.15	9,450.51	0.00
Caterlink - Hunningley Primary	1,190.92	4,311.21	0.00
Caterlink - Worsborough Bank End	418.85	1,410.21	0.00

Employers' Contribution Returns for 2017 - 2018

Employer RESOLUTION BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Brodsworth Parish Council	351.00	1,231.92	0.00
Shafton Parish Council	1,029.93	3,987.14	0.00
Penistone Town Council	3,668.77	10,061.52	4,300.00
Silkstone Parish Council	924.96	2,121.13	199.92
Askern Town Council	1,528.75	5,670.52	-500.00
Barnby Dun with Kirk Sandall Parish Council	1,291.35	3,997.84	-499.92
Edlington Town Council	7,107.57	19,157.76	14,000.00
Hatfield Town Council	4,301.74	13,893.30	2,900.04
Rossington Parish Council	3,155.50	10,331.88	2,199.96
Stainforth Town Council	1,165.05	4,109.49	9,600.00
Thorne Moorend Town Council	5,695.27	17,893.97	13,600.00
Sprotbrough & Cusworth Parish Council	3,052.32	12,656.24	3,700.00
Armthorpe Parish Council	3,864.68	8,604.11	1,000.00
Barnburgh & Harlington Parish Council	411.84	1,066.69	0.00
Anston Parish Council	6,501.59	22,000.38	300.00
Thrybergh Parish Council	1,933.22	7,077.99	400.00

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Report of the Clerk

Employers' Contribution Returns for 2017 - 2018

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
South Yorkshire Passenger Transport Executive	310,087.08	564,594.83	3,988,400.00
Barnsley College	418,775.03	802,345.02	368,900.00
DN Colleges Group	317,819.23	736,288.66	444,800.00
The Sheffield College	603,432.83	1,388,889.54	637,900.00
Sheffield Hallam University	3,496,320.11	6,358,958.86	3,155,090.46
The Hayfield School	43,848.95	123,893.50	22,600.00
R N N Group	586,195.37	1,275,298.58	374,700.00
Thomas Rotherham College	61,791.31	157,402.48	26,197.73
Longley Park Sixth Form College	59,750.11	106,403.01	23,173.42
University Technology College (Sheffield)	39,648.45	73,509.69	6,600.00
South Yorkshire Pensions Authority	176,509.95	391,700.91	198,000.00
Consilium Academies Trust	15,056.21	17,743.50	0.00
The Chief Constable	3,486,193.17	6,553,539.04	2,653,300.00
South Yorkshire Fire Authority	378,394.62	786,319.28	1,665,400.00
The Police and Crime Commissioner	67,594.53	105,901.78	44,500.00
Barnsley MBC	5,690,001.94	12,859,145.83	26,484,200.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Berneslai Homes	804,805.06	1,837,617.81	-40,399.92
Barnsley Academy	36,497.76	69,482.30	19,400.04
St Marys Academy Trust	22,485.11	53,461.08	16,400.00
Oakhill Primary Academy	15,353.64	44,415.12	28,900.00
The Hill Academy	35,120.30	79,297.99	32,600.04
Highgate Academy	16,787.06	43,757.35	26,799.96
Carrfield Academy	15,706.50	43,721.06	16,800.00
Gooseacre Academy	20,232.29	47,529.19	22,599.96
All Saints Academy (Darfield)	14,938.64	39,326.54	17,700.00
Upperwood Academy	17,293.40	48,457.24	19,900.00
Carlton Primary	17,007.10	46,472.57	16,600.08
Royston Parkside Academy	21,174.37	51,506.25	22,700.04
Royston Summer Fields Primary	14,565.80	30,726.80	17,800.08
Shafton Primary Academy	12,062.80	28,084.23	19,800.00
St Helens Primary Academy	16,027.96	37,768.75	23,100.00
The Forest Academy	93,707.69	127,741.06	18,900.00

Report of the Clerk

Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Meadstead Primary Academy	17,325.02	42,204.12	26,300.04
Heather Garth Primary School	24,166.45	61,337.50	33,000.00
Queens Road Academy	13,782.10	36,049.86	18,800.00
Outwood Primary Academy Littleworth Grange	23,763.07	62,627.13	41,300.04
Darfield Valley School	11,542.12	29,334.12	17,900.04
Hoyland Common Primary School	25,959.13	51,688.74	43,899.96
West Meadows Primary School	17,216.05	45,008.93	23,700.00
Dodworth St John the Baptist CE Primary Academy	13,092.13	31,463.90	23,100.00
Darton Primary School	13,625.94	35,859.59	24,700.00
The Mill Academy	18,171.98	47,586.76	27,300.00
Springwell Special Academy	43,912.40	74,920.91	62,400.00
Springwell Alternative Academy	47,073.92	84,415.64	68,600.04
Kirk Balk Community College	50,881.46	127,866.88	0.00
Outwood Academy Shafton	49,891.50	126,560.57	104,000.04
Sandhill Primary School	10,140.27	23,962.48	26,600.00
Greenacre Academy	176,417.25	336,386.05	608,000.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Laithes Primary School	17,719.63	36,367.44	28,600.00
Elsecar Holy Trinity CE Primary Academy	6,561.02	17,859.32	13,100.04
High View Primary Learning Centre	38,210.74	96,093.53	59,000.04
Wombwell Park Street Primary School	18,349.90	38,518.91	27,900.00
Hoyland Springwood Primary School	16,271.49	44,543.85	22,800.00
Outwood Academy - Carlton	56,176.13	144,964.98	116,400.00
Royston St John the Baptist School	16,933.43	44,615.40	32,000.00
Ward Green Primary	19,089.29	56,252.01	32,100.00
Wellgate Primary School	20,653.75	51,459.63	41,400.00
Kexborough Primary School	12,265.49	41,115.75	22,500.00
Oakwell Rise Primary Academy	15,138.82	39,461.46	17,240.00
Netherwood ALC	43,292.89	116,969.74	77,969.98
Worsbrough Bank End	12,223.25	27,177.12	22,040.00
Hunningley Primary School	15,929.59	40,628.46	29,590.00
Doncaster MBC	6,028,034.23	32,434,817.66	27,352,400.00
Trinity Academy	68,212.43	165,616.65	12,900.00

Report of the Clerk

Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
St Leger Homes of Doncaster	1,180,712.03	2,261,200.58	70,200.00
De Warenne Academy	53,698.28	116,432.56	-17,000.04
Outwood Academy Adwick	68,303.76	186,830.91	-21,099.96
Rossington All Saints Academy	63,181.85	151,282.19	126,900.00
Ash Hill Academy	47,975.12	117,714.82	79,000.08
Auckley J&I Academy	15,504.74	43,599.69	16,300.00
Don Valley Academy & Performing Arts College	43,178.08	106,119.76	102,200.04
Grange Lane Infant Academy	14,149.37	36,853.23	15,099.96
Pheasant Bank Academy	16,274.64	43,529.89	17,799.96
Campsmount Academy	56,444.53	145,866.64	61,300.00
Outwood Academy Danum	50,334.72	133,651.19	140,100.00
Rowena Academy	15,968.32	40,124.33	20,600.04
The Academy at Ridgewood Trust	55,349.73	133,102.65	87,500.00
Conisbrough Ivanhoe Primary Academy	17,881.20	41,625.41	0.00
Highfields Primary Academy	8,438.19	21,581.69	9,900.00
Hall Cross Academy Trust	117,064.40	298,924.06	140,200.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Hungerhill Academy Trust	60,341.44	148,801.07	85,500.00
Hatfield Woodhouse Primary	10,831.23	27,397.23	14,400.00
Crookesbroom Primary Academy	11,356.62	29,209.71	15,600.00
Willow Primary	16,220.30	42,432.46	16,100.04
Armthorpe Academy	26,630.74	68,918.55	50,500.00
Barnby Dun Primary Academy	17,886.73	49,741.26	21,600.00
Castle Academy	10,762.40	30,091.32	11,900.04
St Oswalds CoE Academy	13,779.53	33,695.46	22,000.00
Armthorpe Shaw Wood Academy	29,528.30	68,187.90	30,200.04
Kirk Sandall Infant School	25,456.29	58,537.16	21,699.96
Dunsville Primary School	23,017.24	50,857.13	24,399.96
Sir Thomas Wharton Academy	53,792.95	123,933.91	74,000.04
Balby Carr Academy	69,788.07	164,846.00	158,800.00
St Joseph's Catholic School (Rossington)	12,001.18	37,342.01	18,399.96
Richmond Hill Primary Academy	28,264.22	72,153.64	31,500.00
McAuley Catholic High School	61,361.32	152,269.85	108,300.00

Report of the Clerk

Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Montagu Academy	27,690.41	75,036.65	41,200.00
Holy Family Catholic Primary	14,480.17	32,620.09	19,500.00
St Wilfrids Academy	23,533.68	57,396.96	1,299.96
Mexborough Academy	45,056.29	103,879.84	96,800.00
Kirk Sandall Junior School	14,378.02	38,147.91	22,500.00
XP School	10,912.31	19,123.13	100.00
Carr Lodge Academy	18,377.15	38,044.33	200.00
Waverley Academy	14,475.32	46,692.58	22,100.04
Morley Place Junior School	14,345.56	42,738.76	19,700.08
Hillside Academy (Conisbrough Balby Street)	6,169.47	22,569.52	10,800.00
Edenthorpe Hall Academy	7,241.31	17,201.44	11,400.00
Hexthorpe Primary School	23,755.34	52,035.65	34,599.96
Denaby Main Primary Academy	13,054.82	33,621.74	21,099.96
Woodfield Primary School	19,572.44	45,881.27	35,900.00
Mexborough St John The Baptist CoE Primary	12,228.21	39,319.19	15,600.00
Balby Central Primary School	20,427.27	52,410.97	33,000.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Kingfisher Primary School	25,956.98	79,564.71	40,700.04
Edlington Victoria Primary	16,425.43	54,242.58	26,600.00
Rotherham MBC	7,092,016.00	16,293,816.52	21,802,900.00
Maltby Academy	87,578.73	180,438.41	-47,400.00
Brinsworth Academy	77,102.52	158,077.88	12,099.96
Wales High School (Academy Trust)	97,200.91	230,065.31	0.00
Aston Academy	102,180.79	231,718.24	101,000.00
Thurcroft Junior Academy	13,765.59	34,637.04	15,300.00
St Bernards Catholic High School	44,986.25	91,446.89	83,799.96
Thrybergh Academy & Sports College	58,556.55	126,646.02	106,200.00
East Dene Primary	23,246.25	50,920.37	28,300.00
Coleridge Primary School	20,931.65	45,665.64	29,100.00
St Bedes Catholic Primary School	20,902.79	52,468.19	27,900.00
St Gerards Catholic Primary - Thrybergh	9,527.65	28,961.46	14,100.00
St Mary's Catholic Primary School (Herringthorpe)	12,854.11	39,778.92	17,700.00
Wingfield Academy	47,208.12	106,247.74	73,300.00

Report of the Clerk

Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
St Mary's Catholic Primary (Maltby)	13,481.72	38,795.21	15,288.00
Canklow Woods Primary Academy	27,551.53	71,083.34	28,800.00
Whiston Junior & Infant School	12,721.32	33,656.83	13,200.00
Whiston Worrygoose Junior & Infant School	23,217.14	61,402.18	21,000.00
Oakwood High School	61,052.51	146,992.95	85,600.00
Sandhill Primary Academy	11,839.11	26,486.58	13,100.00
Brookfield Primary Academy	17,805.00	44,631.06	20,100.00
St Josephs Catholic Primary (Dinnington)	13,409.43	31,889.46	18,300.00
Maltby Redwood Academy	18,677.55	43,211.75	15,800.00
Wickersley School and Sports College	160,422.78	347,937.99	207,400.00
Rawmarsh Ashwood Primary School	11,795.76	33,426.80	25,000.00
Sitwell Junior School	14,615.14	31,647.63	24,200.00
Thrybergh Primary School	15,475.32	38,912.61	19,899.92
Rawmarsh Community School	64,766.84	126,140.03	105,800.04
Wickersley St Albans C of E Primary School	13,523.79	36,939.90	19,700.04
Bramley Grange Primary	11,614.49	26,263.57	20,200.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Monkwood Primary Academy	19,304.09	46,230.87	35,700.00
Anston Greenlands Primary School	13,028.84	34,188.82	18,200.00
Aston All Saints C of E School	10,944.65	32,716.78	16,700.04
Dinnington High School	63,813.59	162,420.04	100,699.92
Trinity Croft C of E Primary Academy	8,183.76	15,230.06	8,400.00
Listerdale Primary School	14,849.16	38,657.45	28,200.00
Wickersley Northfield Primary	25,890.37	71,112.68	39,600.00
Thrybergh Fullerton Primary	8,578.68	20,451.47	12,000.00
Flanderwell Primary School	21,352.90	45,347.79	30,600.00
Maltby Manor Academy	26,974.16	64,067.34	34,400.00
Maltby Lilly Hall Academy	26,754.81	70,426.13	31,800.00
Ravenfield Primary Academy	11,477.38	33,555.74	17,000.00
Winterhill School	76,615.03	172,460.41	123,399.96
Herringthorpe Junior Academy	22,928.84	50,073.64	26,600.00
Springwood Junior Academy	12,911.31	30,056.52	17,500.00
Greasbrough Academy	13,774.57	33,787.18	28,251.00

Report of the Clerk

Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Eastwood Village Primary School	20,356.22	37,775.66	100.00
Dinnington Community Primary School	21,737.82	48,324.20	25,300.00
Abbey School	24,331.65	70,459.32	13,597.65
Maltby Hilltop School	75,390.81	178,428.34	72,800.00
High Greave Infant School	11,485.05	28,309.22	15,600.00
High Greave Junior School	16,984.60	34,943.80	22,366.61
Kelford School	55,103.85	131,487.33	61,599.96
Brinsworth Whitehill Academy	16,511.91	41,469.86	19,599.96
Aston Hall Junior & Infant School	10,487.76	26,665.19	13,325.00
Swinton Queen Primary School	17,182.25	53,818.86	15,099.96
Aston Lodge Primary School	13,587.00	40,475.35	13,400.00
Swinton Community School	67,879.73	176,521.06	62,400.00
Sheffield City Council	12,336,250.83	28,719,793.63	0.00
Notre Dame High School	74,462.18	165,984.55	28,600.00
St John Fisher Primary - A Catholic Voluntary Academy	11,369.55	35,484.99	4,400.00
All Saints Catholic High School	57,629.83	134,549.07	32,900.06

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
St Anns RC Primary School	5,090.41	14,562.53	0.00
St Josephs Primary School	11,689.06	41,296.39	2,200.00
Clifford C of E School	7,630.58	16,454.58	3,300.00
St Therasas RC School	12,894.22	35,530.68	0.00
St Patrick's Catholic Academy Trust	17,316.37	54,377.89	12,900.00
Totley All Saints C of E School	10,721.64	33,051.12	5,300.00
Broomhill Infant School	7,873.82	21,922.59	2,600.00
Parkwood Academy	62,675.85	142,476.79	-10,333.28
Tapton School	74,385.08	147,370.07	102,300.00
Yewlands Academy	52,277.21	112,568.24	101,000.04
Hartley Brook Academy	44,393.71	87,913.99	56,000.04
Hatfield Academy	20,899.44	44,002.36	23,900.04
Meadowhead School Academy Trust	72,393.78	150,050.55	279,000.00
Chaucer School	66,685.32	159,284.40	96,999.96
St Thomas of Canterbury Trust	14,992.12	42,106.88	21,000.00
King Ecgbert School	73,101.90	158,498.31	73,200.00

Report of the Clerk

Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
St Maries School Catholic Voluntary Academy	16,798.90	38,151.37	25,400.00
Sheffield Springs Academy	32,131.01	67,058.52	21,099.96
Sheffield Park Academy	51,323.40	106,846.52	25,800.00
St Wilfrid's Catholic Primary School	17,512.96	44,281.43	21,700.00
Fir Vale School Academy Trust	59,461.48	125,733.58	78,999.96
Bradfield School	32,017.68	86,385.03	36,204.00
Southey Green Primary School & Nurseries	55,602.96	112,832.35	54,300.00
Silverdale School	58,867.60	130,083.68	73,000.00
Greengate Lane Academy	9,217.10	21,786.86	12,900.00
Meynell Primary School	33,335.74	76,553.43	44,900.04
Mansel Primary School	30,342.68	70,442.10	37,900.00
Monteney Primary School	42,936.15	86,227.09	58,500.00
Fox Hill Primary School	30,281.49	72,740.02	40,300.00
Hinde House 3-16 School	57,732.77	126,467.49	121,900.80
Lound Infant School	9,844.45	25,484.80	22,400.04
Lound Junior School	16,222.17	46,701.86	23,499.96

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Firth Park Academy	61,980.92	134,531.47	137,499.96
Porter Croft C of E Primary Academy	18,139.79	42,143.95	26,758.33
E-ACT Pathways Academy	32,971.80	76,533.40	29,300.00
Hillsborough Primary School	24,511.47	63,492.78	42,600.00
St Marys Primary School (High Green)	10,060.95	27,116.91	18,699.96
Sacred Heart School, A Voluntary Academy	11,084.02	31,172.72	21,700.00
Outwood Academy City	53,347.38	121,684.73	92,199.96
Totley Primary School	13,137.81	37,912.38	21,000.00
St Catherines Catholic Primary School	33,860.83	73,487.64	43,500.00
Concord Junior School	8,682.93	17,952.83	22,200.00
Ecclesfield School	78,188.56	181,605.00	118,899.96
Wincobank Nursery & Infant School	15,463.55	37,611.97	21,999.96
Newfield Secondary School	40,936.27	97,143.17	84,400.00
Emmaus Catholic & CoE Voluntary Academy	19,066.40	45,572.42	31,800.00
Forge Valley School	68,205.44	180,874.64	151,298.31
St Marys C of E Academy (Walkley)	12,137.21	27,112.92	27,600.00

Report of the Clerk

Employers' Contribution Returns for 2016 - 2017

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Lowedges Junior Academy	20,788.51	41,250.80	20,100.00
Oasis Academy (Firvale)	17,939.77	26,043.15	1,100.00
Oasis Academy (Watermead)	15,677.73	28,971.13	500.00
Chapelton Academy	7,180.82	17,124.77	200.00
Handsworth Grange Community Sports College	54,567.75	134,530.52	101,799.57
Emmanuel Junior School	11,621.97	32,770.87	20,199.96
High Hazels Junior Academy	20,199.22	48,127.79	42,300.00
Valley Park Community Primary	34,849.19	77,028.68	72,500.00
High Hazels Nursery Infants Academy	18,130.56	36,716.20	48,499.92
Nether Edge Primary Academy	22,023.03	48,028.96	44,900.00
Wisewood Community Primary	14,303.19	40,410.47	22,599.96
Hallam Primary Academy	26,905.52	65,119.73	23,941.69
Oasis Academy Don Valley	16,856.99	25,333.77	100.00
Beck Nursery Infant and Junior School	50,015.31	100,634.88	97,299.92
St Thomas More Catholic Primary - A Voluntary Academy	11,598.58	26,286.01	23,500.00
Hucklow Primary School	33,628.53	75,733.02	25,500.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Tinsley Meadows Primary School	45,075.96	105,081.81	53,400.00
Lower Meadow Primary Academy	19,719.41	43,059.80	25,800.00
Astrea Academy Trust	60,585.19	76,997.47	0.00
Byron Wood Academy	34,012.69	79,846.24	75,699.96
Abbeyfield Primary (Firs Hill Community Primary)	30,747.70	69,603.45	42,600.00
Manor Lodge Primary	20,615.38	53,116.25	29,300.04
Acres Hill Community Primary Academy	20,561.76	53,989.56	43,100.00
Phillimore Community School	26,919.76	65,409.13	53,700.00
Wybourn Community Primary Academy	36,758.99	91,984.31	70,400.00
Birley Academy	67,416.40	189,552.26	133,299.96
Birley Primary Academy	27,134.91	71,478.09	54,000.00
Rainbow Forge Primary School	16,632.78	35,186.48	12,999.96
Charnock Hall Primary School	18,611.55	49,524.54	35,400.00
Birley Spa Primary Academy	29,618.95	85,823.00	67,800.00
Catcliffe Primary School	20,523.59	46,941.21	20,400.00
Aughton Junior Academy	8,050.87	22,262.63	10,300.00

Report of the Clerk

Employers' Contribution Returns for 2017 - 2018

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Swinton Fitzwilliam Primary	17,548.18	46,552.27	20,300.00
Wath C of E Primary School	28,336.43	71,445.66	22,200.00
Hilltop Primary School - Edlington	21,070.57	59,278.37	32,500.00
Wath Central Primary School	8,318.29	24,421.49	10,340.00
Southfield Primary School	17,700.84	47,686.47	24,330.00
Bentley High Street Primary School	35,893.80	95,244.69	67,470.04
Scawsby Rosedale Primary School	11,719.12	31,158.71	21,329.99
Brampton Ellis C of E Primary	33,877.59	89,178.46	33,500.04
Armthorpe Tranmoor Primary School	23,968.44	71,090.27	40,240.00
Pennine View School	31,873.91	81,932.10	55,300.00
Our Lady of Sorrows Catholic Voluntary Academy	9,480.44	31,164.41	15,160.00
Bessacarr Primary School	18,582.95	50,356.35	25,150.00
Highwoods Academy	11,176.98	29,726.23	17,820.00
Rossington St Michaels CoE Primary School	12,908.50	32,861.12	26,020.00
Wath Victoria Primary	23,087.34	56,101.06	23,360.00
Brampton Cortonwood Infant School	11,794.43	29,247.87	11,100.00

Employer SCHEDULED BODY	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
National College for High Speed Rail	48,691.11	50,988.15	0.00
Anston Brook Primary School	8,342.87	22,341.34	6,100.00
Woodsetts Primary School	10,425.37	26,863.85	14,600.00
Green Top Academy	14,306.61	35,162.78	21,710.01
Hatchell Wood Primary Academy	9,493.73	27,518.22	16,399.98
Treeton C of E Primary Academy	8,839.39	25,460.47	9,920.01
Intake Primary Academy	7,857.27	19,552.07	13,500.00
Atlas Academy	5,320.23	13,979.96	9,620.00
Roughwood Primary School	7,050.66	20,389.69	8,220.00
Kilnhurst St Thomas C of E Primary Academy	3,894.03	10,024.91	5,460.00
Stocksbridge High School	11,988.10	31,927.12	10,180.00
Clifton Community School	20,505.28	45,897.41	26,200.00
Diocese of Sheffield Academies Trust	1,002.69	1,085.28	0.00
Windmill Hill School Academy	3,236.98	9,294.51	5,810.00
Anston Park Infants School	3,481.17	10,248.30	4,200.00
Norfolk Community Primary School	8,073.16	35,906.49	14,630.00

Report of the Clerk

Employers' Contribution Returns for 2017 - 2018

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
SCHEDULED BODY			
Milton School Swinton	2,396.30	6,341.52	3,420.00
Greenhill Primary School	5,240.12	18,147.53	0.00
High Storrs School	4,069.60	18,122.56	6,420.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
TERMINATED			
First South Yorkshire Limited	130,978.20	598,591.98	0.00
Wentworth Castle & Stainborough Park Heritage Trust	2832.66	6,350.07	16,050.00
Carillion Government Services	3,023.48	10,736.73	0.00
Independent Living at Home (Barnsley)	42,694.08	124,798.99	10,208.31
Mellors (Danum Academy)	1,465.02	4,879.07	-123.08
Groundwork Dearne Valley	844.80	2,318.82	0.00
The Centre for Full Employment	943.27	2,285.57	0.00
Civica (Sheffield ICT 627)	1,044.36	3,256.84	0.00
Civica (Sheffield Schools)	3,043.28	9,742.49	-4,125.00
Kier (Sheffield Corporate Property Repairs 730)	156.27	370.83	0.00
Kier (Sheffield Social Housing Repairs 731)	21.91	56.97	0.00
Dolce Ltd - Anston Brook	169.09	504.18	0.00
Dolce Ltd - Dinnington Primary	380.21	1,403.25	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 31st March 2018 are given in the table on page 77.

In addition to the key service standards, shown on the next page, we have processed around 66,000 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 50,000 plus pensioners remains our top priority and we continue to do so without fail.

Key Service Standard	Target Days	Number Processed	In Time	Previous Year 2016 - 2017	Performance 2017 - 2018
Setting Up a Record	5	4677	4047	88.69%	86.53%
Transfers In	7	420	184	45.74%	43.81%
General Enquiries	5	2675	2395	74.74%	89.53%
Additional Benefits	12	971	800	49.25%	82.39%
Pension Rights on Divorce	5	349	256	48.04%	73.35%
Retirement Estimates	5	1174	889	60.25%	75.72%
Refund of Contributions	9	888	772	79.90%	86.94%
Preserved Benefits	20	3254	2086	53.73%	64.11%
Transfers Out	5	491	247	58.74%	50.31%
Retirement Benefits	5	1147	858	82.32%	74.80%
Death Benefits	4	2740	2093	31.90%	76.39%
All Key Tasks	-	18,786	14,627	67.54%	77.86%

Report of the Clerk

Service Delivery continued

Our performance rating against satisfaction levels given by employers and members for 2016 - 2017 & 2017 - 2018.

		VERY SATISFIED		SATISFIED	
		2016 - 2017	2017 - 2018	2016 - 2017	2017 - 2018
EMPLOYERS		26%	43%	69%	57%
MEMBERS		56%	35%	28%	15%

		DISSATISFIED		VERY DISSATISFIED	
		2016 - 2017	2017 - 2018	2016 - 2017	2017 - 2018
EMPLOYERS		5%	0%	0%	0%
MEMBERS		7%	45%	9%	5%

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

The members results are disappointing, however it is difficult to draw conclusive conclusions to the responses from such a small number of surveys completed. Amongst the surveys was a complaints procedure survey where only one member responded. The member was dissatisfied with our overall performance, however given the nature of the consultation this is not unexpected, but has certainly had an impact on the overall results.

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. 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 2017. 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 st November 2017	
Cost per member <i>(Benchmarking average</i>	£15.40 £20.14)
Payroll cost per pensioner <i>(Benchmarking average</i>	£2.49 £5.54)
Number of employers <i>(Benchmarking average</i>	420 311)
SYPA retirees opting for maximum cash lump sum <i>(Benchmarking average</i>	82% 56%)
Staff with more than 15 years experience <i>(Benchmarking average</i>	44% 32%)

have consistently maintained over the last fourteen years and the 2017 result is the lowest since 2004. Whilst the results do not give an indication of the quality of service the members can expect to receive from us we know from our external verification (Customer Service Excellence) and our member feedback 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 payroll costs. The overall cost per member has reduced for the seventh consecutive year despite the fact that the amount of workload continues to increase.

Report of the Clerk

Investment Management



George Graham,
Fund Director, South Yorkshire
Pensions Authority

2017/18 saw the continuation of key trends in the world’s financial markets which have continued to be beset by uncertainty arising from a number of causes, Brexit, US Trade Policy, the impact of US tax cuts, international tensions arising from confrontations between various nations and in different areas of the world, are among the issues that at one time or another caused sudden market movements.

This turbulence which saw a marked increase in market measures of volatility over the course of the year supported the decision made by the Fund in last

year’s investment strategy review to gradually reduce listed equity exposure and build up exposure to alternative sources of capital growth. Over the course of the year the Fund sold £610m of equities, and while the rate of deployment into new alternative assets and property investments has not been as quick as we might have liked, being out of the market particularly towards the end of the year when the market was at its most volatile worked to the benefit of the Fund. This does, though, mean that at the end of the year the Fund was holding considerably more cash than would usually be the case.

Although the Fund has moved money out of equity holdings over the last year these still represent a very significant proportion of our investments and a large absolute sum. Given that the level of volatility in the markets and the risk that a sharp downward adjustment in the value of equities could result in a significant backward step in the Fund’s progress towards eliminating the deficit the Fund instituted an equity protection strategy towards the end of the year. This uses the sale and purchase of derivative contracts to “insure” the Fund against losses of between 5% and 30%

in the value of the equity portfolio, in return for giving up gains above 14.25%. This approach aims to ensure that the gains in the overall value of the Fund resulting from the strength of the equity markets are protected through to the implementation of the results of the next actuarial valuation in 2020.

10 years after the financial crash central banks have started the process of gradually increasing interest rates, and in the case of the US Federal Reserve unwinding quantitative easing. Both these trends look as though they are going to be extremely gradual meaning that it will be

some considerable time before the current distortions in the behaviour of key bond markets are removed. This remains a very low interest rate environment with with current indications that the Bank of England “base rate” might reach 1% - 1.5% by the end of 2018, hence the Fund has continued to seek different forms of investment in credit instruments, looking to a wider range of governments’ and companies’ bonds in order to achieve appropriate levels of real (i.e. in excess of inflation) return.

Over the year the Fund continued to seek new opportunities in the fields of private equity, credit,

Report of the Clerk

Investment Management continued

and infrastructure making new investment commitments of £860m, particularly looking to capture the benefits of investment in disruptive new technologies. Increasingly the Fund is looking at these investments together with other members of the Border to Coast partnership and also looking to secure rights to co-investment in order to achieve greater benefit from the scale of investment that we are able to deploy. This combined portfolio now stands at £1.48bn, with outstanding commitments of £1.03bn which are likely to be drawn down over a period of up to 5 years.

Specific highlights within the new investments agreed this year were:

- A commitment of £20m to the new Epiris Private Equity Fund where we worked with four other LGPS funds both to share the costs of due diligence and negotiate preferential fee rates, as cornerstone investors.
- Direct investment in individual “real asset” infrastructure projects such as the trains currently being built by Bombardier in Derby for the South West Regional lines and social housing through Civitas.

- An investment in Leeds Bradford Airport which is one of the assets within the AMP infrastructure fund in which SYPA is an investor

The Fund continues to see property as a core investment and continued to gradually move out of more risky types of property and into somewhat larger properties with higher covenant tenants.

The coming year will see the Fund transfer its investment team to the Border to Coast Pension Partnership and begin the process of transition of assets into the pool with its equity

portfolio. Over the last 12 months we have seen an increasing trend to aligning the work of the various members of the pool in preparation for assets transferring into the new structures and this is a trend that will continue in the run up to the launch of the various pooling structures covering the full range of asset classes.



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investment FIGURES & REPORTS

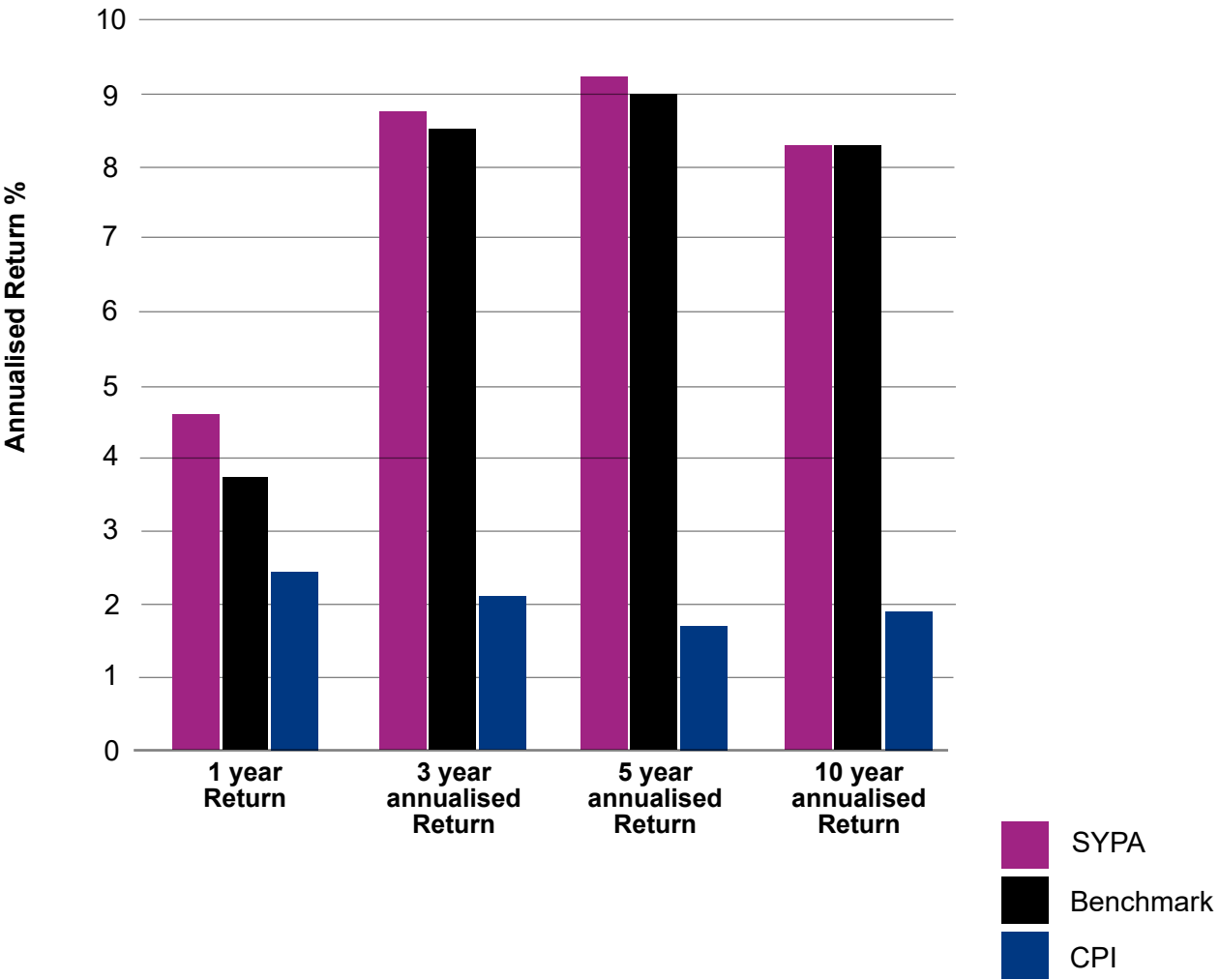
Report of the Clerk

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	1.6	1.2	6.1	5.9	6.9	6.6	7.1	6.7
OVERSEAS EQUITIES								
Europe	4.6	4.3	8.3	8.5	10.0	10.0	6.9	6.4
US	1.8	1.6	12.9	12.8	14.8	15.0	13.4	13.3
Japan	8.0	7.5	12.3	11.3	12.2	11.5	10.4	8.1
Pacific-x-Japan	7.2	6.0	10.6	10.1	8.8	8.3	9.8	9.1
Other Intl	8.4	4.3	10.9	9.9	5.2	4.0	4.7	5.4
FIXED INTEREST								
Index-Linked Gilts	1.3	1.1	8.8	9.3	9.3	10.0	9.5	19.2
Corporate Bonds	1.3	1.3	4.2	3.6	5.5	5.0	n/a	
High Yield Bonds	3.7	1.3	6.3	3.6	4.9	3.5	n/a	
Emerging Market Bonds	3.9	3.1	6.9	3.5	4.9	3.0	n/a	
PROPERTY	9.4	10.7	6.4	8.8	9.1	11.8	6.8	6.2
PRIVATE EQUITY	6.3	5.5	11.9	5.1	12.5	5.3	8.4	6.0
ALTERNATIVE INCOME	-0.5	5.5	6.5	5.1	6.2	4.7		
CASH	0.1	0.2	0.3	0.3	0.3	0.3	0.7	0.6
TOTAL RETURN	4.7	3.8	8.8	8.5	9.2	9.0	8.3	8.3

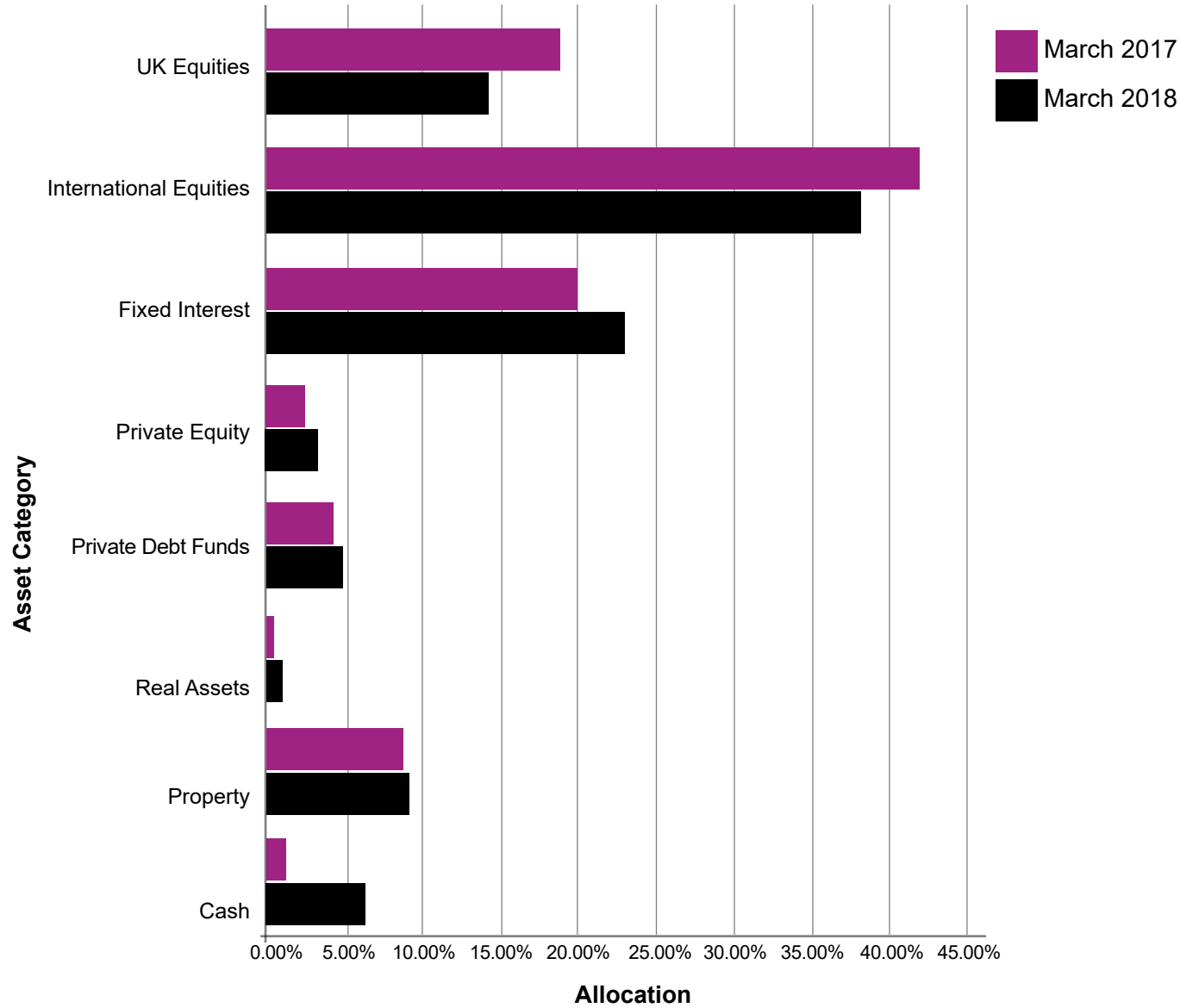
Report of the Clerk

Fund Performance



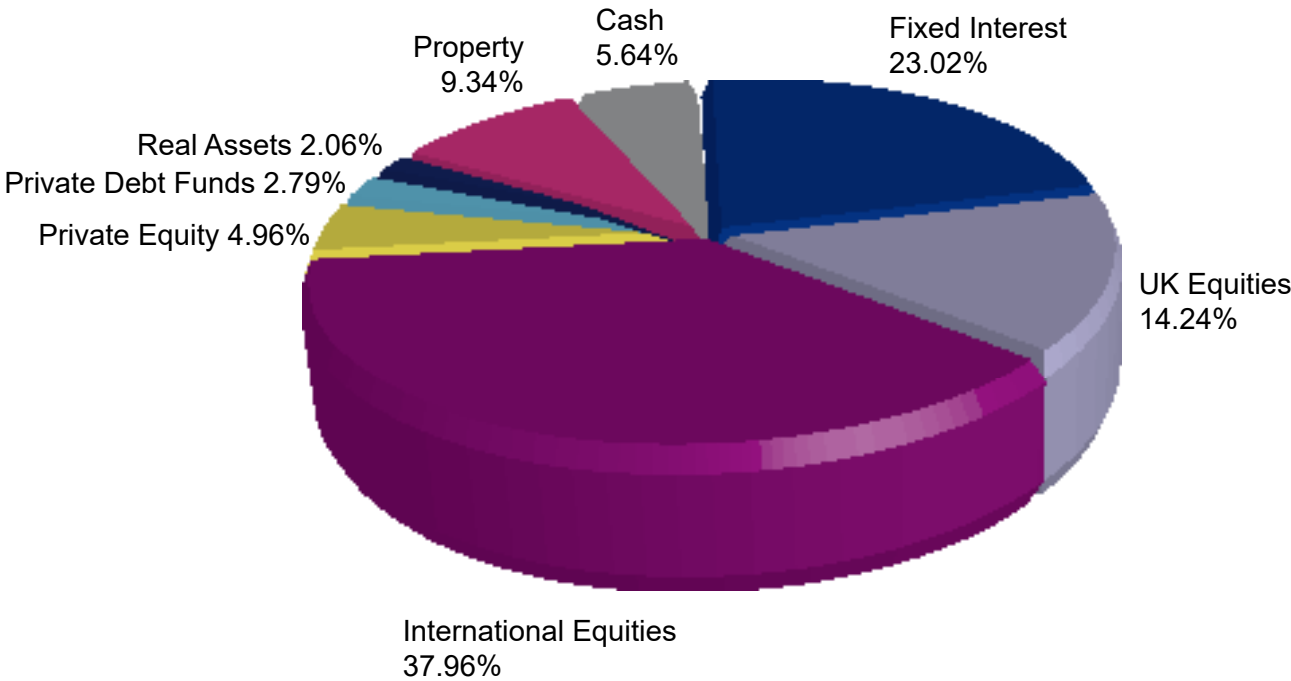
Report of the Clerk

Portfolio Structure



Report of the Clerk

Asset Allocation by asset class at 31.03.18



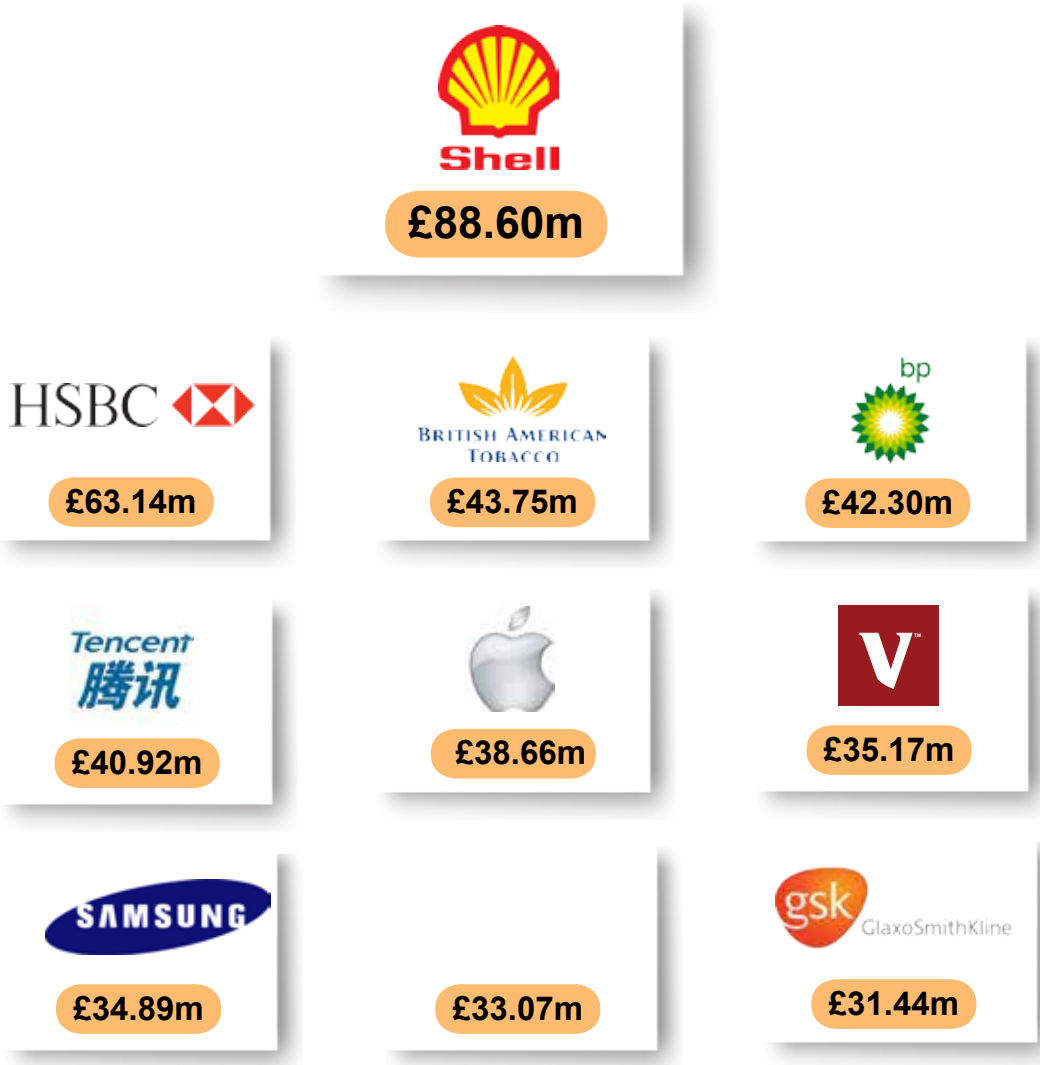
Report of the Clerk

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

31 March 2018	£m
Network Rail 1.375% 2037	65.38
EBRD 2.746% 2024	18.01
Network Rail 1.75% 2027	16.67
Artesian Finance 3.625% 2032	11.97
Bank of Scotland 2.64% 2020	11.77
Tesco 1.982% 2036	10.11
Aberdeen City Council 0.1% 2054	9.15
Network Rail 1.125% 2047	7.49
Road Management 2.8332% 2035	7.39
Nordic Investment Bank 2.805% 2024	7.28

Report of the Clerk

Ten largest directly held publicly quoted equity holdings by market value - at March 2018



Report of the Clerk

Five largest holdings in externally managed investment funds by market value

	£m
Marathon Japan Equity Fund	152.40
Aberdeen Latin America Equity Fund	75.20
Coronation All Africa Equity Fund	58.87
Eastern European USD B	26.00
JP Morgan Japan Sm Cos IT	10.05

Report of the Clerk

Treasury Management Deposits with Institutions

Bank Deposit Accounts	Rating as at 31 March 2018	Balances as at 31 March 2017 £	Balances as at 31 March 2018 £
Australia & New Zealand Banking	F1+	0	25,000,000
Border to Coast Pension Partnership		0	1,800,000
DBS Bank Ltd	F1+	15,000,000	40,000,000
HSBC Call A/C	F1+	5,157,000	11,000,000
Landesbank Hessen Thuringen (Helaba)	F1+	0	25,000,000
Lloyds Bank Capital A/C	F1	7,631,000	7,830,000

Bank Deposit Accounts	Rating as at 31 March 2018	Balances as at 31 March 2017 £	Balances as at 31 March 2018 £
Lloyds Bank 6 month fixed term depost	F1	0	10,000,000
National Bank of Canada	F1	10,000,000	25,000,000
Oversea Chinese Banking Corporation	F1+	0	40,000,000
RABOBANK	F1+	15,000,000	15,000,000
Sumitomo Mitsui BKG Corp Europe Ltd.	F1	15,000,000	40,000,000
United Overseas Bank Ltd.	F1+	15,000,000	40,000,000

Report of the Clerk

Treasury Management Deposits with Institutions

Local Authorities	Rating as at 31 March 2018	Balances as at 31 March 2017 £	Balances as at 31 March 2018 £
Cornwall Council		0	15,000,000
Leeds Council		0	15,000,000
London Borough of Haringey		0	15,000,000
London Borough of Newham		0	15,000,000
Stockport MBC		0	15,000,000
Suffolk CC		0	15,000,000
Wirral CC		0	15,000,000

Money Market Funds	Rating as at 31 March 2018	Balances as at 31 March 2017 £	Balances as at 31 March 2018 £
HSBC Sterling Liquidity Fund	AAA rated	0	50,000,000

Fitch Short-term Ratings

Rating	
F1	Highest credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added “+” to denote an exceptionally strong credit feature.
F1	Good credit quality. Good intrinsic capacity for timely payment of financial commitments.
F3	Fair credit quality. The intrinsic capacity for timely payment of financial commitments is adequate.

Report of the Clerk

Property

The Fund owns a number of UK properties which are collectively valued at a little over £650m. It is a diversified portfolio of agricultural, industrial, office, retail and other properties including single-let and multi-let industrial and office buildings and estates. The Fund also has some holdings in a handful of specialist UK and European property funds which give it exposure to assets and sectors which it would otherwise find gaining access to difficult.

Macro headwinds, such as the signalling of a gradual increase in interest rates and the fallout from the Brexit Referendum dominated sentiment in the UK property market. Overseas investors continued to buy large offices and trophy buildings, notably in London and South East England,

encouraged by the initial weakness of Sterling but as the currency gradually recovered the number of these trades declined. Domestic institutions returned to the market later in 2017 and through into 2018 but spread their catchment throughout the UK. The favourite sectors continued to be logistical and industrial warehousing and these produced healthy returns. The laggard remained retail, especially high street and secondary shopping centres, as investors became nervous about the strength of online sales and a growing number of corporate administrations or restructurings being announced.

Another noticeable trend over the period was the gradual decline in capital value growth although, as already noted, yield compression

saw industrials enjoy further appreciation. Overall, income continued to be a more and growing constituent of overall return with those assets offering secure and/or inflation linked leases attracting market premiums.

The Fund has always been keen to add value through active asset management and the validity of this approach has been demonstrated over the last twelve months. Achieving a secure income return is becoming increasingly imperative and the Fund continues to pursue programmes to achieve this, e.g. units are refurbished upon surrender, common parts upgraded and redundant farm buildings converted into affordable dwellings wherever possible. The commercial

portfolio is undergoing a thorough energy audit at the moment and the Fund continues to discuss with its rural partners, such as the RSPB and Norfolk Wildlife Trust, options regarding the development of its sustainability strategy.

The motor village development in Edinburgh is now fully occupied with franchises let to Jaguar Land Rover, Mercedes and Porsche joining the longer established Honda unit. The Fund's exposure to regional industrial parks and trade counter estates has proved to be beneficial in enhancing performance as did the underweighting to high street retailing. The Fund continues to target logistical units and other properties that will benefit from the shift to online retailing. Competition for quality assets

in these sectors has been fierce and the Fund has been careful when bidding for properties. At the same time the Fund continues to seek to acquire appropriate buildings in other sectors that are either insulated from structural change or which will directly benefit from it. During the year there were no major disposals but a multi-let freehold office block close to Reading station was acquired. This building should benefit from the launching of Crossrail. It also committed to a further round of financing in a Yorkshire regional fund.

At the end of March 2018 the five largest direct commercial holdings by market value were:

1. Stockbridge Road, Chichester.
Student accommodation
£33.25m
2. Winterhill Retail Park, Milton Keynes.
Retail warehouse
£25.55m
3. Oxgate Centre, London NW2.
Industrial estate
£24.27m
4. Langley Park, Slough.
Industrial estate
£23.46m
5. High Street, Epping
Retail
£23m

Report of the Clerk

Property



- Property Investments at;
1. Mullens Farm, Pewsey, Wiltshire
 2. Bingham Lodge Farm, Holbeach, St Marks, Lincolnshire
 3. Stockbridge Campus, Chichester
 4. Clumber Street, Nottingham
 5. Travelodge, Birmingham
 6. Forbury Works, Reading

Photographs 1&2 supplied by courtesy of Bidwells
Photographs 3-6 supplied by courtesy of Aberdeen Standard Investments



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, as an investor. It 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 reduce 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 rather than a passive holder of any investment. 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.

The Authority believes in being transparent in regard to its

Stewardship and RI activities. It reports quarterly to the Investment Board in respect of collaborative engagement via the Local Authority Pension Fund Forum (LAPFF), and annually in respect of all engagement activity. The Authority also discloses voting activity on a quarterly basis via its website. In March the Authority updated its Climate Change Policy in which it committed, where possible, to report progress in line with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. The policy was developed using the LAPFF climate change policy framework as guidance.

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 proxy voting adviser to provide analysis and execute voting on its behalf. The Authority has a set of bespoke voting guidelines for UK companies which can be viewed on the Authority’s website; these are informed through the interpretation of best practice guidelines and reviewed annually. For non-UK markets the Authority uses the proxy voting adviser’s guidelines.

The Fund will aim to support management where possible. During the last year the Fund exercised its voting rights at a total of 931 meetings across the

UK, Europe and North America. The meetings were a mixture of AGMs, EGMs and Court Meetings. 62% of resolutions were supported by the Authority and 29% were opposed. Resolutions receiving the most oppose votes across the three geographies were in relation to directors’ re-election (31%), share issues and repurchases (20%), and executive remuneration (19%)

Key reasons for voting against directors’ re-election were:

- Combined Chairman and CEO role
- Tenure of more than nine years, which is viewed as compromising the independence of a non-executive director.
- Concerns over potential time commitments due to other non-executive roles

Key reasons for voting against share issues and repurchases were:

- No rational and compelling case demonstrating that share buybacks are in the best interest of the investor
- Approval to issue additional share capital, on top of the 5% limit already sought, in relation to an acquisition

Key reasons for voting against executive remuneration were:

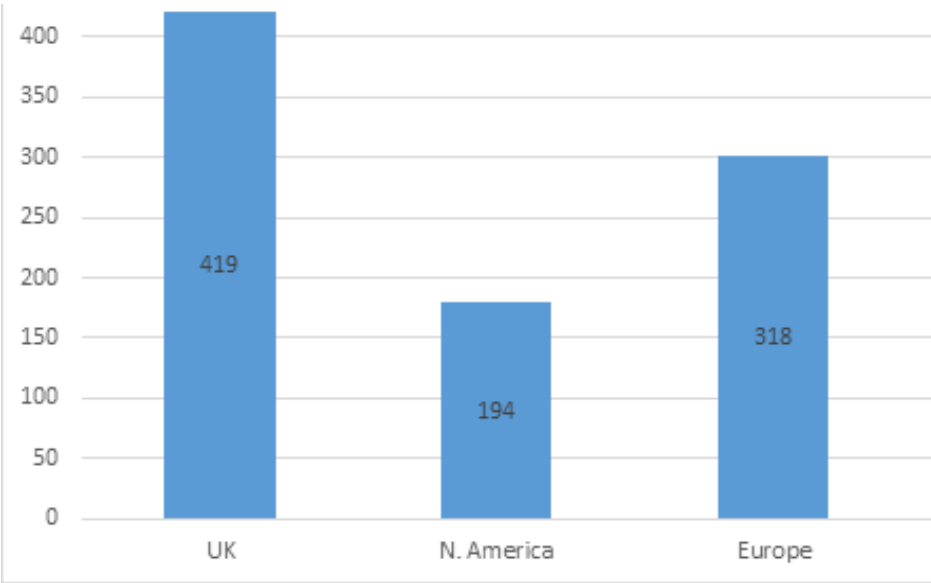
- Potential excessive quantum of pay
- The ratio of CEO pay compared to average employee pay
- Relationship between pay and performance

The Authority supported a number of shareholder resolutions relating to climate issues including resolutions at the Chevron, Exxon Mobil and Royal Dutch Shell AGMs.

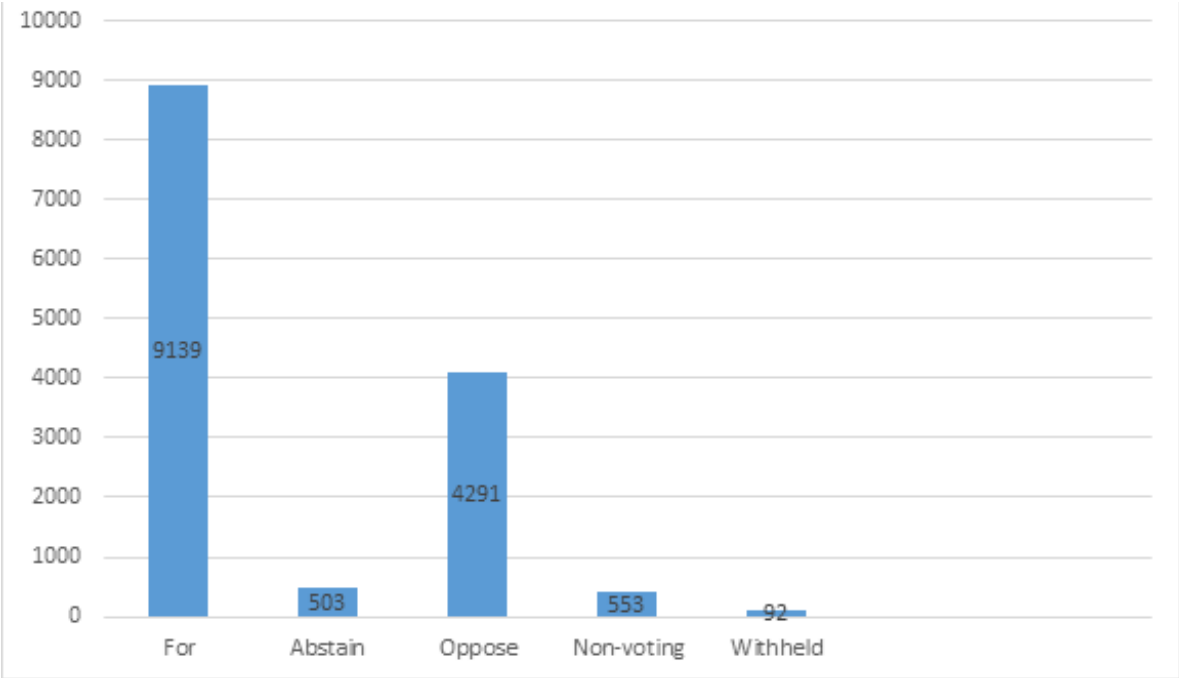
Report of the Clerk

Corporate Governance, Responsible Investing and Stewardship Review

Number of Meetings Voted by Geography



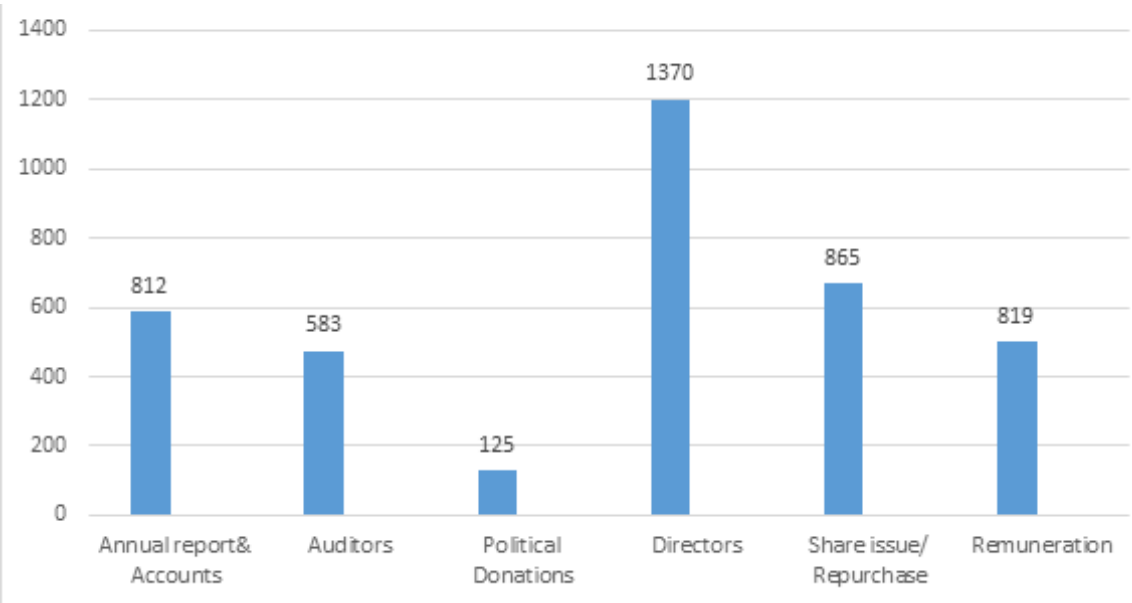
Resolutions by Vote Category



Report of the Clerk

Corporate Governance, Responsible Investing and Stewardship Review

Resolution Categories With Most Oppose Votes



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, this year, human capital management,

remuneration, climate change and environmental risk.

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 address the long-term risks and opportunities associated with climate change. The Authority by itself is unable to engage with national and international policy makers to influence policies; therefore, it utilises its membership of the IIGCC to fulfil this responsibility. The Group has maintained engagement with policy makers across Europe, was present at COP23 in Bonn, and is also continuing to influence the global agenda. A joint report was published with the Carbon

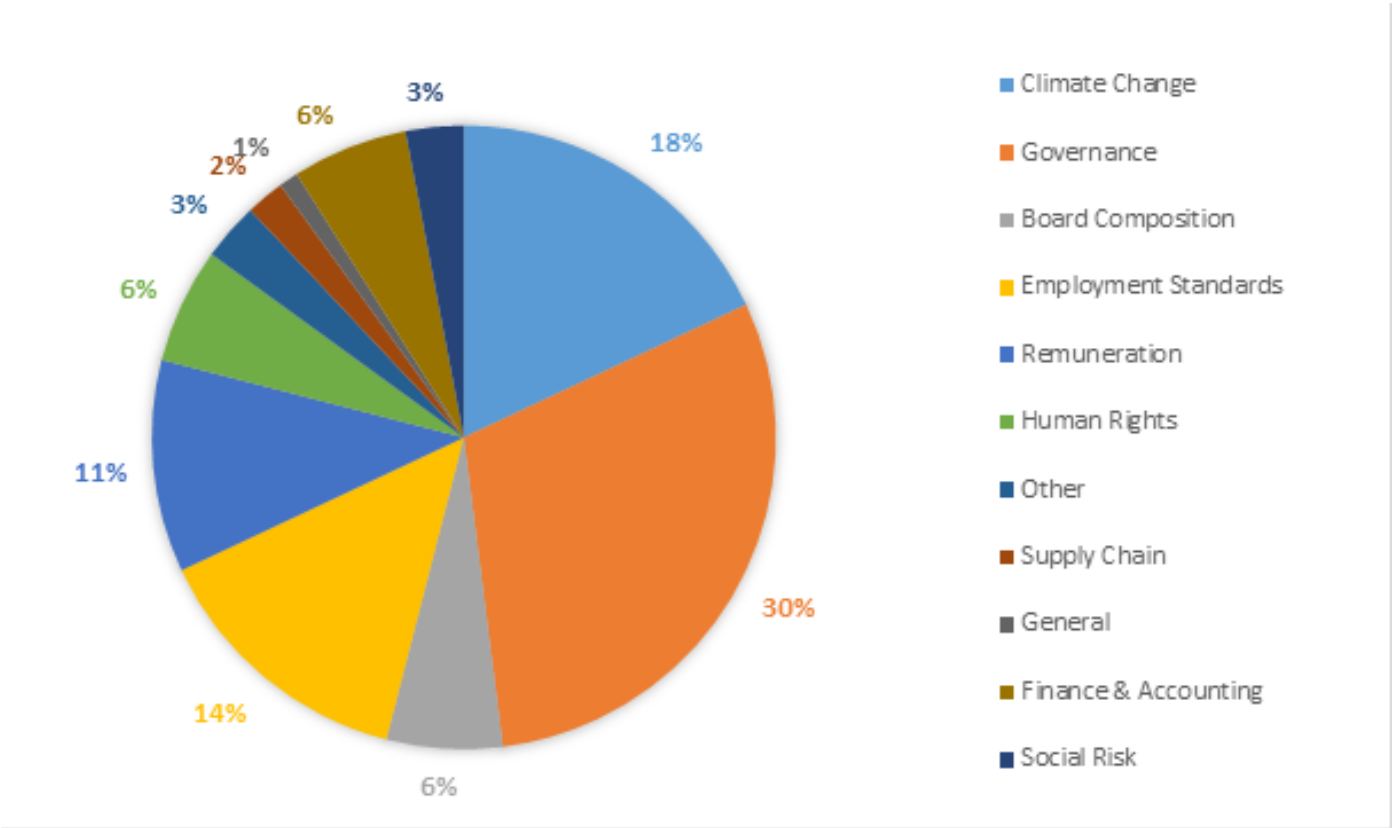
Disclosure Project and the Global Investor Coalition on Climate Change. This analysed the impact on 10 large global oil and gas companies of continued climate-focused investor engagement, through private engagement and shareholder resolutions.

The Authority became a signatory to The Workforce Disclosure Initiative (WDI) in June 2017. This is a new project focusing on human capital management reporting by companies. A coalition of 79 institutional investors with nearly \$8 trillion AUM have become founding signatories to the WDI. In this, the WDI’s first year, the survey was sent to the FTSE 50 plus 25 mega cap companies listed on global stock exchanges. The pilot year report was published in May.

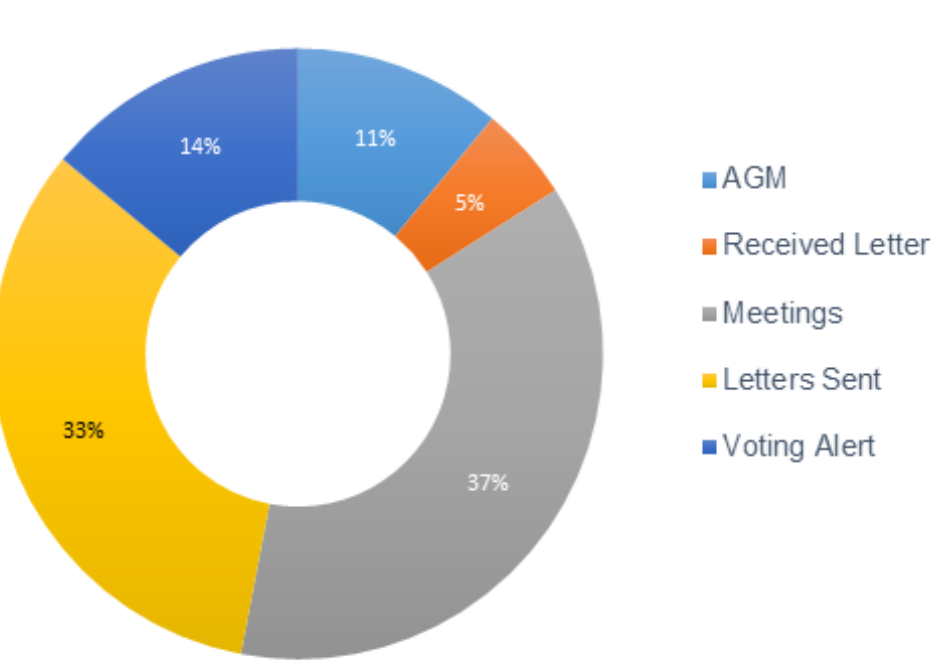
Report of the Clerk

Corporate Governance, Responsible Investing and Stewardship Review

LAPFF Engagement topics



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 Investment Strategy Statement. 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 Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which came into force on 1 November 2016. The Guidance states that funds should become signatories to the UK Stewardship Code. The Authority has submitted a Stewardship Code compliance statement to the Financial

Report of the Clerk

Corporate Governance, Responsible Investing and Stewardship Review

Reporting Council (FRC) and been granted 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.

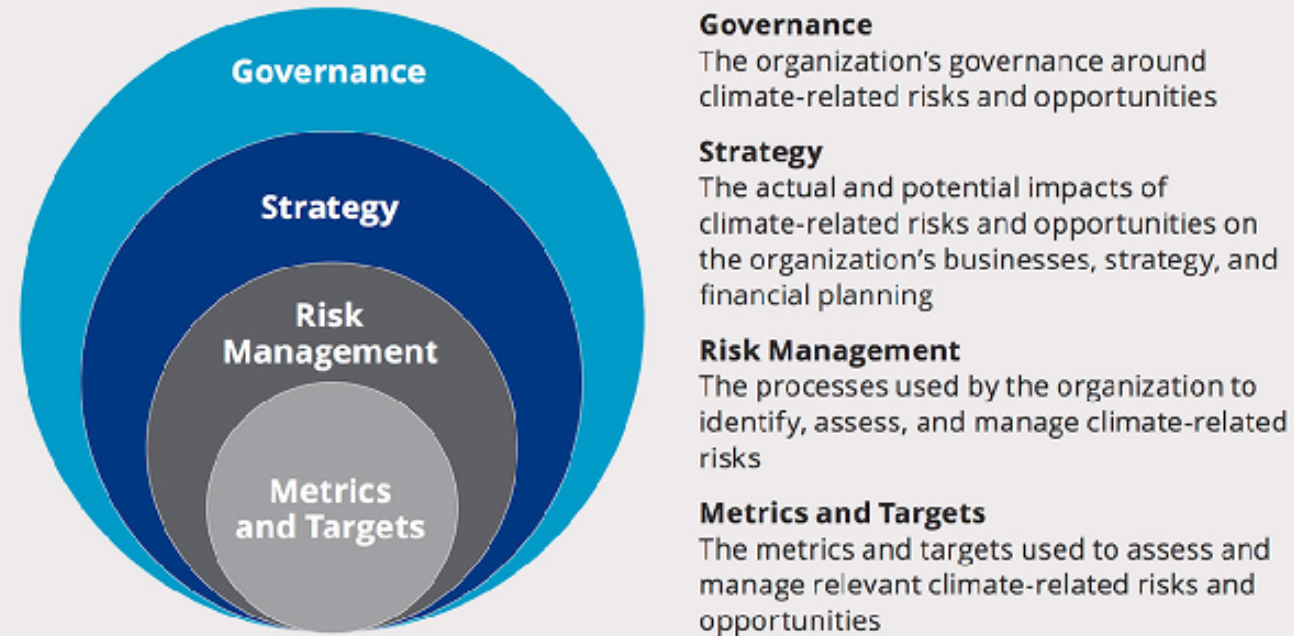
Climate Change
The greatest potential environmental risk to the Authority’s investments is climate change, where the associated risks and opportunities may have a material financial impact across all asset classes. The inter-connected nature of climate change has the potential to reduce returns across all asset classes and will have a macro-economic impact that could affect the entire Fund. Risks and opportunities can be presented in a number of ways and include: physical impacts, technological changes, regulatory and policy impacts, transitional risk and litigation risk.

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

related issues.

Such information is needed by investors, lenders and insurance underwriters in order to be able to assess climate related risks and opportunities. This led to the Task Force on Climate-related Financial Disclosures (TCFD) being established. Its remit was to develop a set of voluntary climate-related disclosures, which would assist in understanding the associated material risks of climate change. The final report with recommendation was published in June 2017; it considers that asset managers and asset owners, including public and private-sector pension funds, should implement the recommendations. The reporting framework recommended by the Task Force is structured around four themes; Governance, Strategy, Risk Management and Metrics.

Figure 2
Core Elements of Recommended Climate-Related Financial Disclosures



Source – TCFD Final Report June 2017

The Authority is supportive of the TCFD recommendations and this section of the Annual Report aims to fulfil commitments to reporting progress in line with the recommendations using the four pillars.

Report of the Clerk

Corporate Governance, Responsible Investing and Stewardship Review

Governance

The Authority published its first Climate Change Policy in 2016; this has been substantially reworked to reflect the TCFD recommendations and was re-issued in March 2018. The Climate Change Policy is owned by the Authority and approved by the Investment Board with implementation and oversight of the Policy being by the Fund Director. Climate change is also referenced in the Authority’s Responsible Investment Policy as a risk factor with the potential to cause financial and reputational risk, ultimately resulting in a reduction in shareholder value. Both policies are reviewed on a regular basis.

Strategy

The Authority actively considers how climate change, the shifting regulatory environment and potential macroeconomic impact will affect its investments. It encourages companies to improve disclosure in relation to climate change and to report and disclose in line with the Financial Stability Board’s Task Force on Climate-related Financial Disclosures.

The Authority will look to consider climate change and how this will impact future asset allocation decisions when reviewing investment strategy. It will not actively divest from companies solely or principally because of social, ethical or environmental reasons. However, in light of the

significant potential financial impacts of climate change, carbon risk and stranded assets, it has made the decision not to invest in pure coal and tar sand companies.

The current investment strategy which is being put in place to provide further diversification and reduce volatility of expected future returns, has led to a reduction in investment in listed equities and a move into alternatives. This has therefore increased exposure to assets that may be less sensitive to climate change risks. Climate change, and the associated risks and opportunities, is integrated into the investment process by portfolio managers.

Risk Management

The Authority measures and aims to manage climate risk across portfolios by monitoring carbon intensity (where possible). It commissioned the second carbon audit of its four main equity portfolios in December 2017; it has committed to a carbon audit of its investments on a biennial basis.

Collaboration with other like-minded investors leads to greater shareholder power to influence company change and behaviour. The Authority utilises its membership of LAPFF to constructively engage with companies on climate related issues, including business sustainability and disclosure of climate risk, in line with TCFD

recommendations. In December 2017 the Authority signed on to the Climate Action 100+ initiative, a five-year programme led by investors to engage with the world’s largest corporate greenhouse gas emitters. The aim is to improve governance on climate change, curb emissions and strengthen the climate-related financial disclosures of the companies targeted. The Authority supports and co-files climate related shareholder resolutions at company AGMs where appropriate. It encourages greater levels of disclosure from companies through voting, and direct and collaborative engagement. 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 on the disclosure of environmental information. Governments’ climate change policies are unpredictable which leads to public policy uncertainty. The Authority, through its membership of the Institutional Investors Group on Climate Change (IIGCC), actively engages with policy makers to accelerate the development of a realistic carbon price. Carbon pricing is vital for businesses and investors to properly incorporate climate-related risk into investment decision-making.

Report of the Clerk

Corporate Governance, Responsible Investing and Stewardship Review

Metrics and Targets

The Authority will measure its portfolios’ exposure to carbon-intensive companies, where it is able to do so, by conducting a biennial carbon audit expressed in tons CO2e/\$M Revenue. This is the metric recommended by the Task Force. This information will be used to highlight specific risks and inform company and fund manager engagement. It is widely acknowledged that carbon footprinting still has limitations and weaknesses. Data cannot be used in isolation to measure risk to an investor’s portfolio. Although data is improving as

companies provide better climate-related financial disclosures, investors still need to be aware that data is patchy; for example emerging markets have the highest carbon intensity but the lowest levels of disclosure and lowest quality disclosure. The Authority will also report on additional metrics which will include company engagement meetings, both direct and collaborative.

In September 2015 the Investment Board made the decision to engage a specialist contractor to measure the carbon footprint of the Fund’s four main

equity portfolios. Subsequent carbon audits would then be undertaken on a biennial basis. The second analysis was carried out by the same contractor on data as at the end of September 2017. Results showed that each of the individual equity portfolios (UK, US, European, Other Far East) is more carbon efficient than in 2015.

Portfolio	2015 Portfolio Carbon Footprint (tCO2e/£m)	2017 Portfolio Carbon Footprint (tCO2e/£m)	
UK	412.72	357.73	-13%
US	445	324.12	-27%
EUROPE	497.71	404.21	-19%
OTHER FAR EAST	699.53	527.86	-24%
TOTAL	2054.96	1613.92	-21%

Three of the portfolios are more carbon efficient than their respective benchmark indices, with the UK tracking its benchmark very closely. The sector allocation effects for all individual funds are positive.

The Authority, through its current investment strategy, has increased its allocation to alternative asset classes making substantial new investments in private equity and infrastructure funds which are invested in

renewable energy provision. It has also invested in a UK quoted investment trust which invests predominantly in UK wind farm projects.

Report of the Clerk

Risk Management

The effective management of risk is at the heart of the way the Authority organises and manages its business.

The Authority faces a range of risks which are analysed and addressed in three key areas:

- The Funding Strategy Statement (FSS) seeks to strike the right balance between the Fund’s need to be able to pay pensions when they become due 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.

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 in a manner that is compatible with its liability profile. This is partly achieved through asset diversification which reduces exposure to market risk (a combination of price risk,

currency risk and interest rate risk). 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. 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 required to meet its objectives.

Freedom of Information Act

During the year a total of 19 requests for information were received. All of them were satisfied 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 and Safety

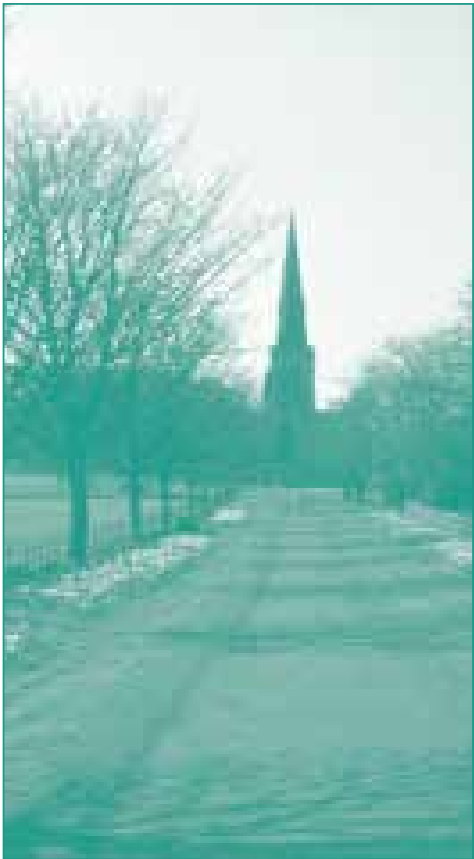
Officers monitor performance with regard to health and safety matters appertaining to its own employees and to its investment properties. The Authority occupies its operational premises as a tenant and does not own them. A Health and Safety Committee, comprising employee and trades union representatives as well as management is in place. 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):-

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





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REPORTS

Report of the Advisors 2017 - 2018

Economic and Financial Market Backdrop

The economic backdrop for 2017 was characterised by further expansion in the global economic recovery that became broader-based and more synchronized through the course of the year. The volume of world trade recovered after a period of stagnation. Inflation in the major economies remained subdued and unemployment rates generally declined. However, global debt as a percentage of GDP rose to a record high and the debt overhang from the 2007-2008 financial crisis remained persistent. The main downside risks for the global economy emanated from protectionist risks from the new White House Administration and the threat of

a “hard landing “ for the Chinese economy reflecting high levels of corporate debt and excess leverage. Chinese economic growth has accounted for a significant part of global growth in recent years. In the UK, the economy remained resilient in the aftermath of the Brexit referendum and predictions of a recession and higher unemployment from the Bank of England failed to materialise. In the US, the Federal Reserve started to “normalise” interest rates by raising the official fed funds rate three times to a range at the end of the year at 1.25-1.50%. The Central Bank also started to unwind its quantitative easing program in October. Other central banks such as the Bank of England, European Central

Bank and the Bank of Japan continued to pursue very accommodative monetary policies. In the US, President Trump announced plans to cut taxes and increase spending to help spur US economic growth.

These economic policies helped fuel a further increase in the prices of financial assets alongside very low levels of volatility and minor market corrections. All major asset categories posted positive trends though some investors started to worry about historically high US equity market valuations. Financial markets shrugged off a number of potential geo-political risks ranging from military tensions in North Korea to political uncertainty surrounding

the French and German elections. There was a large outperformance of perceived growth stocks relative to those of lower valuations and global corporate earnings expectations increased through the year. Non-US equities out-performed US equities as a depreciation in the US dollar helped fuel capital inflows into Emerging Markets especially. The FTSE 100 index posted a record high and UK gilt yields remained at low levels. Oil prices and commodity prices generally strengthened. The major government markets experienced steady levels of bond yields and credit markets featured further spread compression against Treasury risk-free rates.

Over the year, the Fund’s strategy moved to reflect the conclusions of the 2016 investment strategy review. Strength in equity markets later in the period was used to reduce holdings towards the revised equity benchmark of 50%, down from 60% previously. These sales were balanced by increased investment in alternative, less liquid assets and a build-up in cash assets.

In addition, following discussions between the investment consultant, the advisers, officers and the Board, it was agreed to put in place an equity protection strategy. The purpose of this ‘protection’ is to cushion the Fund against falls in the markets before the next actuarial valuation, which might otherwise erode this improved position.

Work continued to agree the process and timing of the transition of the Fund’s assets to BCPP’s management starting with internally managed equity portfolios later in 2018.

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.

In November 2017, the Passenger Transport Pension Fund was transferred to Greater Manchester Pension Fund at the request of First, therefore the Board now only deals with issues relating to South Yorkshire Pensions Authority.

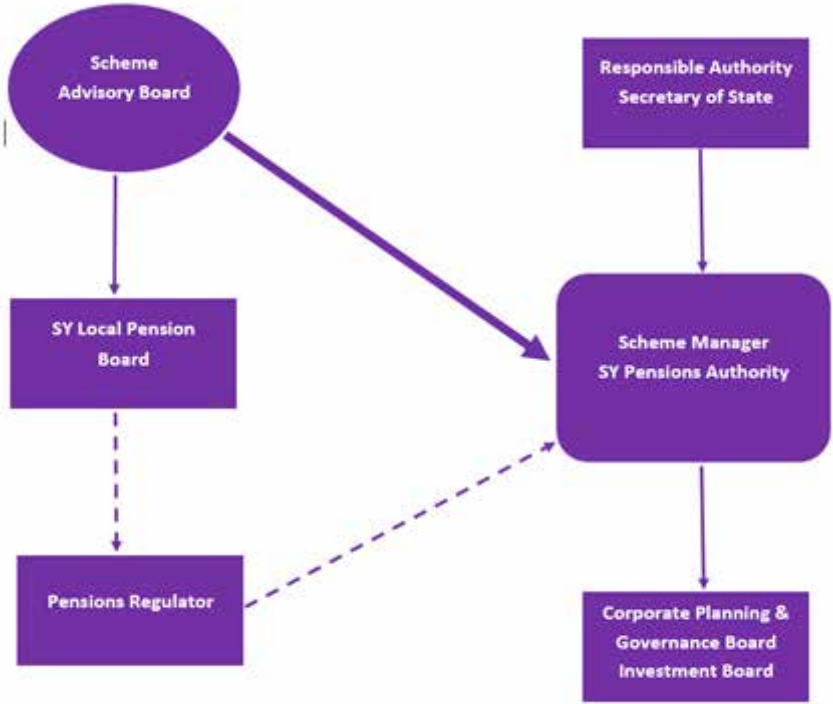
The Board seeks to assist South Yorkshire Pensions Authority to maintain effective and efficient administration and governance. Members of the Scheme now have direct influence on how the Fund is managed. The LPB comprises both Scheme members, retired and active, together with employer representatives. 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.
- Risk Management Strategy. Work Programmes of the Authority and its Boards.
- The work of Internal Audit.
- The work of External Audit.
- Investment Pooling.
- Reporting Breaches of the Law.
- General Data Protection Regulation.

The Board has produced an 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 (Chair)
- Nicola Doolan-Hamer (Unison)
Trades Union
- Kevin Morgan (UNITE)
Trades Union
- Susan Ross
LGPS Member
- Garry Warwick
SYTPF Member
- Vacancy

Employer Representatives

- Jill Thompson (Action Housing)
Admitted Body (Vice-Chair)
- Geoff Berrett (South Yorkshire Police)
‘Other Large Employer’
- Councillor Phillip Lofts
Local Authority Member (Barnsley)
- Nicola Simpson
(Academy)
- Nicola Gregory
(Academy)
- Vacancy
- Local Authority Member
Local Authority Member (Rotherham)

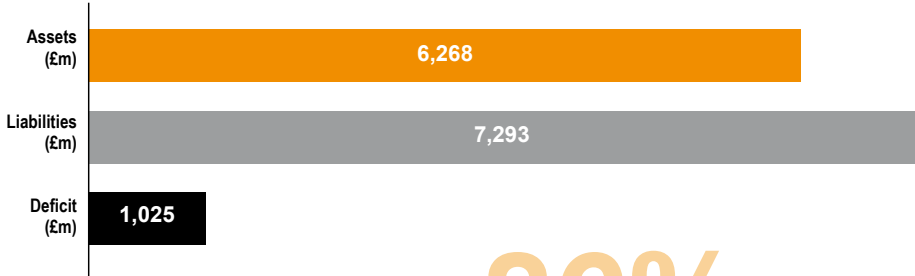
Statement by the Consulting Actuary

Accounts for the year ended 31 March 2018

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 the most recent actuarial valuation the average deficit recovery period was 19 years, and the total initial recovery payment (the “Secondary rate”) for 2018/19 is approximately £18 million. With the agreement of the Administering Authority employers could 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 2018/19 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 2018 (the 31 March 2017 assumptions are included for comparison):

	31 March 2018	31 March 2018
Rate of return on investments (discount rate)	2.50% per annum	2.6% per annum
Rate of pay increases*	3.55% per annum	3.55% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension) /deferred revaluation	2.30% per annum	2.20% per annum
Rate of CPI Inflation / benefit revaluation / CARE	2.30% per annum	2.10% 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 rose slightly, resulting in a higher discount rate being used for IAS 26 purposes at the year-end than at the beginning of the year (2.6% p.a. versus 2.5% p.a.). The expected long-term rate of CPI inflation decreased during the year, from 2.3% p.a. to 2.1%. Both of these factors served to decrease the liabilities over the year.

The value of the Fund’s promised retirement benefits for the purposes of IAS 26 as at 31 March 2017 was estimated as £10,608 million. Interest over the year increased the liabilities by c£266 million, and net benefits accrued/paid over the period also increased the liabilities by c£71 million (after allowing for any increase in liabilities arising as a result of early retirements/ augmentations). There was then a decrease in liabilities of £431 million due to “actuarial gains” (i.e. the effect of the actuarial assumptions used, 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 2018 is therefore £10,514 million.

Paul Middleman
Fellow of the Institute and Faculty of Actuaries
Mercer Limited
May 2018

Independent Auditor’s Report

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



Opinion

We have examined the pension fund financial statements for the year ended 31 March 2018 which comprise the Fund Account, Net Asset Statement and the related notes, including the accounting policies in note 3.

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 2018 and comply with applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

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 2017 /18.

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 2017 /18.

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, the purpose of our audit work and to whom we owe our responsibilities.

Matters on which we are required to report by exception

The Code of Audit Practice requires us to report to you if we have exercised our responsibilities in respect of the pension fund in the following areas:

- any matters 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;
- any recommendations have been made under Section 24 of the Local Audit and Accountability Act 2014;

- an application has been made to the court for a declaration that an item of account is contrary to-law under Section 28 of the Local Audit and Accountability Act 2014;
- an advisory notice has been issued under Section 29 of the Local Audit and Accountability Act 2014;
- an application for judicial review has been made under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

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

Chartered Accountants

1 Sovereign Square,
Sovereign Street,
Leeds,
LS1 4DA

25 July 2018



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 19th July 2018.

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

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 2017/18 (“the Code”), is required to present fairly the financial position of the Authority at 31 March 2018 and its income and expenditure for the year ended 31 March 2018.

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 2018 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:

Fund Account

2016/17		2017/18		Note
£'000		£'000	£'000	
Dealings with members, employers and others directly involved in the Fund				
268,794	Contributions receivable	304,424		7
13,830	Transfers in from other pension funds	20,044		8
282,624			324,468	
(261,966)	Benefits payable	(270,322)		9
(12,374)	Payments to and on account of leavers	(28,979)		10
(274,340)			(299,301)	
8,284	Net additons/(withdrawals) from dealings with members		25,167	
(24,896)	Management expenses		(28,544)	11
Returns on investments				
179,813	Investment income	196,772		12
1,234,857	Profit and losses on disposal of investments and changes in value of investments	190,228		13a
(2,635)	Taxes on income	(3,117)		12
1,412,035	Net return on investments		383,883	
1,395,423	Net increase (decrease) in the net assets available for benefits during the year		380,506	
6,254,424	Net assets of the Fund at 1 April		7,648,847	
7,648,847	Net assets of the Fund at 31 March		8,030,353	

Net Assets Statement

31 March 2017		31 March 2018		Note
£'000		£'000	£'000	
Investment assets				
662,999	Fixed Interest Securities	789,113		
4,688,952	Equities	4,153,447		
901,148	Index-Linked Securities	220,964		
631,136	Pooled Investment Vehicles	1,657,903		
605,123	Property	657,110		13d
8,551	Forward currency contracts	9,153		14
31,782	Cash - Foreign currency	50,345		
83,925	Cash - Sterling	455,934		
27,340	Other investment balances	28,917		
7,640,956			8,022,886	
Investment liabilities				
(-)	Forward currency contracts	(-)		14
(187)	Other investment liabilities	(1,000)		
(187)			(1,000)	
7,640,769	Net investment assets		8,021,886	13
17,792	Current assets		16,967	20
712	Long Term Debtors		609	21
(9,426)	Current liabilities		(9,109)	22
7,649,847	Net assets of the Fund available to fund benefits at 31 March		8,030,353	

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.

As a result of the government policy on pooling of investments most of the Fund’s investments will be managed by Border to Coast Pensions Partnership from July 2018. This partnership was created in response to the government policy and this Fund is one of 12 funds that make it up. Some assets will remain under internal management and asset allocation remains the responsibility of the Authority.

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).

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.

	31 March 2018	31 March 2017
Active Contributors	53,471	51,792
Pensioners & Dependents	49,982	47,756
Deferred Pensions	53,427	52,741
Totals	156,880	152,289

Table summarises the position with regard to membership of the Fund as at 31 March:

- 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 469 employer organisations contributing to the fund as at 31 March 2018, these are listed in Schedules A and B.

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 2018.

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. 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%). Rates for 2016/17 ranged from 9.7% to 27.5% of pensionable pay (common rate of 12.8%).

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 1/49th. 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 £8,023m (£7,641m in 2016/17) producing an overall return of 4.7% (22.5% in 2016/17). The Fund’s benchmark return was 3.8% (22.8% in 2016/17).

Global equity markets continued to rise over the year against a backdrop of positive economic data. Global growth was the principal driver of the equity market moves as they moved from a recovery to an expansionary phase. All the major markets indices gave positive returns with emerging markets being the star performer. Sterling fluctuated but appreciated towards the end of the year due to some progress in Brexit negotiations. Bond yields remained low for much of the year but increased during the second half of the year as the Federal Reserve started the process of “normalising” interest rates and the Bank of England also raised rates as inflation

breached the higher end of its target range. This resulted in low returns for bonds.

The Fund started to implement the 10% switch from quoted equity markets to “alternative asset classes” which was recommended in the strategy review following the 2016 Actuarial Valuation. However, it maintained the tactical strategy of being more weighted towards international equities than UK equities and remained underweight bonds. Valuations of equity markets are now high and concerns about a pull-back have increased. At the end of the financial year an equity protection strategy was put in place which should help to withstand falls in the equity markets.

Equity protection strategy

At the 31st March 2016 Valuation the Fund’s deficit was projected to be c£1,022m at 31 March 2019. However due in the main to the strong rise in global equity markets the Fund is actually showing a small surplus with the funding level of around 102% as at the end of 2017/18. To protect

this improvement in funding level the Authority has taken steps to de-risk this position. We are continuing to actively reduce the equity allocation moving money into “alternative assets” and have implemented an equity protection strategy on two thirds of the equity allocation.

The strategy implemented by SYPA is a nil premium put-spread collar structure which means that insurance against losses of between 5% and 30% of the relevant equity markets is paid for by giving up returns above 14.25% on average.

Each collar is made up of three components:

- 1 the purchase of a put option which protects against equity market falls 5% below the strike level
- 2 selling another put option at 30% below the strike level which means that we would start to participate in losses beyond this level.
- 3 Selling a call option to finance the cost of the protection. ie we do not participate in the upside beyond 14.25%

Notes to the Pension Fund Accounts

2. Basis of preparation

The Statement of Accounts summarises the Fund’s transactions for 2017/18 and its position at the year end of 31 March 2018. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18, 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 paid during the financial year.

E. Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

F. Management expenses

The 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

All 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.

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.

J. Derivatives

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

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

Notes to the Pension Fund Accounts

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 2018 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 £639.8m. There is a risk that this investment may be under or overstated in the accounts by £63.9m.
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 £7.32m. There is a risk that this investment may be under or overstated in the accounts by £0.7m.
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 £64.4m, on a fair value of £644.1m.

6. Events after the Balance sheet date

The Local Government Pension Scheme Investment Regulations 2016 required LGPS fund's to pool their assets in order to achieve cost savings whilst maintaining investment performance. South Yorkshire Pension Authority, as administering authority of the South Yorkshire Pension Fund, has approved the Fund's membership of the Border to Coast Pension Partnership, a pool with a total of 12 funds. During the financial year 2018/19 the phased transition of investment assets from the Fund to Border to Coast Pension Partnership will begin. Some investment assets will continue to be managed by the current Internal and External managers.

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:-	2017/18	2016/17
	£'000	£'000
Employers' contributions		
Normal Contributions	142,847	111,205
Deficit Funding Lump Sums	100,175	91,584
Augmentation	139	0
Additional Capital Contributions	275	672
Additional Cost of Early Retirement	5,796	11,141
	249,232	214,602
Employees' contributions	55,192	54,192
	304,424	268,794

Analysis by employer type:-	2017/18	2016/17
	£'000	£'000
Administering Authority		
South Yorkshire Pensions Authority	766	677
Scheduled Bodies		
Barnsley MBC	46,328	28,350
Doncaster MBC	67,015	22,300
Rotherham MBC	45,901	22,646
Sheffield CC	42,209	103,061
Other Scheduled Bodies	86,046	72,545
Admitted Bodies	16,159	19,215
Totals	304,424	268,794

8. Transfers In from other pension funds

	2017/18	2016/17
	£'000	£'000
Group transfers	0	1,545
Individual transfers	20,044	12,285
Totals	20,044	13,830

Notes to the Pension Fund Accounts

9. Benefits payable

Analysis of benefits payable:-	2017/18 £'000	2016/17 £'000
Retirement Pensions	213,384	205,361
Commutation of benefits and lump sum retirement benefits	50,050	51,881
Lump sum death benefits	6,888	4,724
Totals	270,322	261,966

Analysis by employer type:-	2017/18 £'000	2016/17 £'000
Administering Authority		
South Yorkshire Pensions Authority	696	955
Scheduled Bodies		
Barnsley MBC	37,273	34,620
Doncaster MBC	39,440	40,707
Rotherham MBC	39,246	38,284
Sheffield CC	83,436	83,299
Other Scheduled Bodies	46,335	44,661
Admitted Bodies	23,896	19,440
Totals	270,322	261,966

10. Payments to and on account of leavers

	2017/18 £'000	2016/17 £'000
Individual transfers out	28,375	11,650
Group transfers out	0	0
Refunds of contributions to members	554	502
Payments for members joining state scheme	50	222
Totals	28,979	12,374

11. Management Expenses

	2017/18 £'000	2016/17 £'000
Administrative costs	3,095	2,886
Investment Management Expenses	24,140	20,622
Oversight and Governance costs	1,309	1,388
	28,544	24,896

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 £407,608 (£332,161 in 2016/17)

Oversight and governance costs include audit fees (KPMG) of £41,342 (£41,342 in 2016/17)

Notes to the Pension Fund Accounts

11a. Investment Management Expenses

	2017/18	2016/17
	£'000	£'000
Internal management costs	974	853
Pooling implementation costs	406	19
Bond manager	488	436
Property advisor fees	1,067	1,018
Equity Protection manager	33	0
Custody	289	270
Research fees	149	0
Transaction costs	1,738	1,979
Management fees deducted at source	18,741	15,867
VAT liability	255	180
	24,140	20,622

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

	2017/18	2016/17
	£'000	£'000
Interest from fixed interest securities	34,639	30,965
Dividends from equities	125,856	116,289
Income from index-linked securities	4,436	4,787
Income from pooled investment vehicles	5,363	3,983
Net property income	22,737	21,731
Interest on cash deposits	903	413
Other	2,838	1,645
	196,772	179,813
Irrecoverable withholding tax - equities	(3,117)	(2,635)
Total Investment Income	193,655	177,178

12a. Property Income

	2017/18	2016/17
	£'000	£'000
Rental income	23,765	23,159
Other dividends and interest	57	62
Direct operating expenses	(1,085)	(1,490)
Net Income	22,737	21,731

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

13.
Net
Investment
Assets

Investment Assets	31/03/18 £'000	31/03/17 £'000
Fixed Interest Securities		
UK corporate bonds	378,422	320,011
Overseas public sector quoted	123,819	118,549
Overseas other quoted	286,872	224,439
	789,113	662,999
Equities		
UK quoted	1,138,595	1,367,333
Overseas quoted	3,014,852	3,321,619
	4,153,447	4,688,952
Index Linked Securities		
UK public sector quoted	123,983	804,967
UK corporate bonds	96,981	96,181
	220,964	901,148
Pooled Investment Vehicles		
UK		
Limited Partnerships	173,677	114,093
Other managed funds	859,650	14,252
Overseas		
Limited Partnerships	466,096	362,183
Hedge fund of funds	7,320	9,095
Other managed funds	61,720	38,083
Indirect Property		
UK Property	68,799	69,403
Overseas Property	20,641	24,027
	1,657,903	631,136
Direct Property		
UK Freehold	530,878	484,431
UK Leasehold	113,225	107,150
UK Other	13,007	13,542
	657,110	605,123
Derivative Contracts		
Forward currency contracts	9,153	8,551
	9,153	8,551
Cash - Foreign currency	50,345	31,782
Cash - Sterling	455,934	83,925
Investment income due (outstanding dividend entitlement and recoverable withholding tax)	25,910	26,408
Amounts receivable from sales	3,007	932
Investment liabilities		
Amounts payable for purchases	(1,000)	(187)
Net Investment Assets	8,021,886	7,640,769

At 31st March 2018 the Fund held 5.68% of net investment assets in cash (1.1% in 2016/17). The Fund has one investment that represents more than 5% of the net investment assets of the Scheme (none in 2016/17).

2017/18 Security	Holding	Valuation £'000	% of Net Investment Assets
Schroder Matching Plus Inv Fund	744567.79	809,725	10.09

This fund is held for the equity protection strategy (see note 1e).

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 1/4/17	Purchases at Cost	Sale Proceeds	Change in Mkt Value	Mkt Value at 31/3/18
	£'000	£'000	£'000	£'000	£'000
Fixed Interest Securities	662,999	276,037	(108,118)	(41,805)	789,113
Equities	4,688,952	318,363	(947,279)	93,411	4,153,447
Index-Linked Securities	901,148	872,232	(790,499)	(761,917)	220,964
Pooled Investment Vehicles	631,136	412,835	(226,569)	840,501	1,657,903
Property	605,123	17,768	(129)	34,348	657,110
Total Purchases/(Sales)		1,897,235	(2,072,594)		
Foreign currency contracts	8,551	2,386	(24,960)	23,176	9,153
	7,497,909	1,899,621	(2,097,554)	187,714	7,487,690
Cash - Foreign currency	31,782			2,514	50,345
Cash - Sterling	83,925			0	455,934
				190,228	
Other investment assets	27,340				28,917
Other investment liabilities	(187)				(1,000)
NET INVESTMENT ASSETS	7,640,769				8,021,886

Notes to the Pension Fund Accounts

Previous year comparative

	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
Total Purchases/(Sales)		805,963	(636,571)		
Foreign currency contracts	(3,364)	42,781	(1,207)	(29,659)	8,551
	6,061,486	848,744	(637,778)	1,225,457	7,497,909
Cash - Foreign currency	21,799			9,316	31,782
Cash - Sterling	136,929			84	83,925
				1,234,857	
Other investment assets	22,611				27,340
Other investment liabilities	(2)				(187)
NET INVESTMENT ASSETS	6,242,823				7,640,769

13b. Investments analysed by Fund Manager

	Market Value at 31/3/18		Market Value at 31/3/17	
	£'000	%	£'000	%
South Yorkshire Pensions Authority	7,636,104	95.19	7,303,690	95.59
Royal London (Corporate bonds)	385,782	4.81	337,079	4.41
	8,021,886		7,640,769	

Notes to the Pension Fund Accounts

13c. Stocklending

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

	31/03/18 £'000	31/03/17 £'000
UK Index-linked securities	0	123,145
UK Corporate bonds	21,447	9,217
UK Equities	357,747	160,746
Overseas Corporate bonds	31,983	33,357
Overseas Bonds	37,230	13,490
Overseas Equities	505,713	259,508
Value of stock on loan	954,120	599,463
Value of collateral held	1,032,114	642,496

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.

The income generated from stock lending was £1.97m (2016/17 £1.67m).

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 £644.103m (£591.581m in 2016/17).

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

	2017/18 £'000	2016/17 £'000
Balance at start of the year	591,581	597,421
Additions		
Purchase	11,626	34,088
Construction	5,136	1,112
Subsequent Expenditure	1,006	2,373
	17,768	37,573
Disposals	(0)	(33,115)
Net gains/(losses) from fair value adjustments	34,754	(10,298)
Balance at end of the year	644,103	591,581

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 2018 with outstanding commitments of £5.4m (£10.5m at 31 March 2017).

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 2018

Settlement	Currency bought	Local value	Currency sold	Local value	Asset value	Liability value
		£'000		£'000	£'000	£'000
Up to three months	GBP	8,881	EUR	10,000	110	
Up to three months	GBP	88,288	USD	120,000	2,803	
Up to three months	GBP	22,202	EUR	30,000	274	
Up to three months	GBP	180,256	USD	205,000	5,724	
Up to three months	GBP	19,537	EUR	26,000	242	
					9,153	
Net forward currency contracts at 31 March 2018						9,153

Prior year comparative

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

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 2018.

Asset type	Assessed valuation range (+/-)	Value as at 31 March 2018	Value on increase	Value on decrease
2018		£’000	£’000	£’000
Pooled investment funds	10%	658,193	724,012	592,374
Pooled property funds	10%	71,260	78,386	64,134
Freehold and leasehold property	10%	644,103	708,513	579,693
Other property (wholly owned subsidiaries)	10%	13,007	14,308	11,706
Total		1,386,563	1,525,219	1,247,907

Notes to the Pension Fund Accounts

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.

2018	Quoted market price	Using observable inputs	With significant unobservable inputs	
Value at 31 March 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Financial assets at fair value through profit and loss	4,279,327	1,850,717	742,460	6,872,504
Non-financial assets at fair value through profit and loss (see Note 13d)			644,103	644,103
Financial liabilities at fair value through profit and loss	(1,000)			(1,000)
Net investment assets	4,278,327	1,850,717	1,386,563	7,515,607

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

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 2018 £'000	31 March 2017 £'000
Financial Assets		
Fixed Interest Securities	789,113	662,999
Equities	4,153,447	4,688,952
Index-Linked Securities	220,964	901,148
Pooled Investment Vehicles	1,657,903	631,136
Other property (wholly owned subsidiaries)	13,007	13,542
Forward currency contracts	9,153	8,551
Other investment balances	28,917	27,340
Total	6,872,504	6,933,668
Financial Liabilities		
Forward currency contracts	(0)	(0)
Other investment balances	(1,000)	(187)
Total	(1,000)	(187)
LOANS AND RECEIVABLES		
Financial Assets		
Cash - Foreign currency	50,345	31,782
Cash - Sterling	455,934	83,925
Current assets	16,967	17,792
Long Term Debtors	609	712
Total	523,855	134,211
FINANCIAL LIABILITIES AT AMORTISED COST		
Financial Liabilities		
Current liabilities - creditors	(9,109)	(9,426)
Total	(9,109)	(9,426)

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

Notes to the Pension Fund Accounts

b) Net gains and losses on Financial Instruments

	31 March 2018	31 March 2017
	£'000	£'000
Financial Assets		
Fair value through profit and loss	130,190	1,266,202
Loans and receivables	2,514	9,400
Financial Liabilities		
Fair value through profit and loss	23,176	(29,659)
Financial liabilities measured at amortised cost	-	-
Total	155,880	1,245,943

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). 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 2017.

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

Notes to the Pension Fund Accounts

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 2017/18 reporting period.

Asset type	Potential market movements (+/-) 31 March 2018
Bonds	4.67%
UK Equities	8.67%
Overseas Equities	10.33%
Index Linked securities	13.61%
Private Equity	7.04%
Alternative Income	6.51%
Infrastructure	6.60%
Property	3.42%

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

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 2018	Potential Market Movement	Value on increase	Value on decrease
2018	£'000	£'000	£'000	£'000
Bonds	789,113	36,852	825,965	752,261
UK Equities	1,138,595	98,716	1,237,311	1,039,879
Overseas equities	3,014,852	311,434	3,326,286	2,703,418
Index linked securities	220,964	30,073	251,037	190,891
Private equity	381,596	26,864	408,460	354,732
Absolute return	217,515	14,160	231,675	203,355
Infrastructure	159,627	10,535	170,162	149,092
Property (unit trusts)	89,440	3,059	92,499	86,381
Equity Protection Fund	809,725	0	809,725	809,725
Forward currency contracts	9,153	0	9,153	9,153
Cash - Foreign currency	50,345	0	50,345	50,345
Cash - Sterling	455,934	0	455,934	455,934
Other investment assets	28,917	0	28,917	28,917
Forward Currency contracts	(0)	0	(0)	(0)
Other investment liabilities	(1,000)	0	(1,000)	(1,000)
Net investment assets	7,364,776	531,693	7,896,469	6,833,083

Notes to the Pension Fund Accounts

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	30,962	693,961	632,037
UK Equities	1,367,333	118,548	1,485,881	1,248,785
Overseas equities	3,321,619	343,123	3,664,742	2,978,496
Index linked securities	901,148	122,646	1,023,794	778,502
Private equity	347,944	24,495	372,439	323,449
Absolute return	189,762	12,354	202,116	177,408
Property (unit trusts)	93,430	3,195	96,625	90,235
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	655,323	7,690,969	6,380,323

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 2018 and 31 March 2017 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 2018	As at 31 March 2017
	£'000	£'000
Cash - Sterling	455,934	83,925
Total	455,934	83,925

Notes to the Pension Fund Accounts

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 0.90%.

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 +/- 0.90% change in interest rates:

Asset type	Carrying amount as at 31 March 2018	Potential movement on 0.90% change in interest	Value on increase	Value on decrease
2018	£'000	£'000	£'000	£'000
Cash - Sterling	455,934	4,103	460,037	451,831
Total change in assets available	455,934	4,103	460,037	451,831

Asset type	Carrying amount as at 31 March 2017	Potential movement on 0.90% change in interest	Value on increase	Value on decrease
2017	£'000	£'000	£'000	£'000
Cash - Sterling	83,925	755	84,680	83,170
Total change in assets available	83,925	755	84,680	83,170

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 8.08%.

An 8.08% 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 2018	Potential Market Movement	Value on increase	Value on decrease
2018	£'000	£'000	£'000	£'000
Overseas fixed interest securities	410,691	33,184	443,875	377,507
Overseas quoted securities	3,014,852	243,600	3,258,452	2,771,252
Overseas limited partnerships	466,096	37,661	503,757	428,435
Overseas hedge fund of funds	7,320	591	7,911	6,729
Overseas other managed funds	61,720	4,987	66,707	56,733
Overseas property funds	20,641	1,668	22,309	18,973
Forward currency contracts	9,153	739	9,892	8,414
Cash - Foreign currency	50,345	4,068	54,413	46,277
Total change in assets available	4,040,818	326,498	4,367,316	3,714,320

Notes to the Pension Fund Accounts

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	27,713	370,701	315,275
Overseas quoted securities	3,321,619	268,387	3,590,006	3,053,232
Overseas limited partnerships	362,183	29,264	391,447	332,919
Overseas hedge fund of funds	9,095	735	9,830	8,360
Overseas other managed funds	38,083	3,077	41,160	35,006
Overseas property funds	24,027	1,942	25,969	22,085
Forward currency contracts	8,551	691	9,242	7,860
Cash - Foreign currency	31,782	2,568	34,350	29,214
Total change in assets available	4,138,328	334,377	4,472,705	3,803,951

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 £40m 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 2018 was a maximum of 10% of the Fund (same at 31 March 2017). The actual cash holdings were 5.68% (1.10%).

Interest received on advances during 2017/18 was just under £0.632m (£0.32m) at an average rate of 0.28% (0.25%) (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). Rates have started to increase in the last 4 months with the expectation of a base rate increase. For illustration purposes an increase of 0.25% in interest rates achieved would have resulted in an increase of £0.564m (£0.320m) 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 substantial amount of cash being deposited for no longer than a week. Whilst cash balances are high some cash deposits are placed for up to 6 months with nothing being invested for more than 364 days. Also the Fund holds Government bonds amounting to £123.9m (£804.9m at 31 March 2017) 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.

Notes to the Pension Fund Accounts

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

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 2017/18 was 13.2% with an additional payment of £198,000 and the rate for 2018/19 is 14.9% with an additional payment of £202,400.

The contribution rates for the four district councils for 2018/19 are (no additional deficit payments are due for this period):-

Employer	%
Barnsley MBC	14.7
Doncaster MBC	15.2
Rotherham MBC	14.9
Sheffield City Council	15.2

Although a full actuarial valuation has not been undertaken the funding level at 31st March 2018 is calculated at over 100% and the Fund has a protection strategy in place to de-risk this position as far as possible (see note 1e).

IAS26 requires the calculation in note 19 to be undertaken using IAS19 assumptions and not funding assumptions hence the variation between the two values produced.

Notes to the Pension Fund Accounts

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 2018	31 March 2017
Rate of return on investments (discount rate)	2.6% p.a.	2.5% p.a.
Rate of pay increases	3.35% p.a.	3.55% p.a.
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.2% p.a.	2.3% p.a.
Rate of CPI Inflation/benefit revaluation/CARE	2.1% p.a.	2.3%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 rose slightly, resulting in a higher discount rate being used for IAS 26 purposes at the year-end than at the beginning of the year (2.6% p.a. versus 2.5% p.a.). The expected long-term rate of CPI inflation decreased during the year, from 2.3% p.a. to 2.1%. Both of these factors served to decrease the liabilities over the year.

The value of the Fund’s promised retirement benefits for the purposes of IAS 26 as at 31 March 2017 was estimated as £10,608 million. Interest over the year increased the liabilities by c£266 million, and net benefits accrued/paid over the period also increased the liabilities by c£71 million (after allowing for any increase in liabilities arising as a result of early retirements/augmentations). There was then a decrease in liabilities of £431 million due to “actuarial gains” (i.e. the effect of the actuarial assumptions used, 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 2018 is therefore £10,514 million.

20. Current Assets

Debtors:

	31 March 2018	31 March 2017
	£'000	£'000
Contributions due - employers	7,618	7,172
Contributions due - employees	3,736	3,577
Additional costs of early retirement	1,395	2,268
Sundry debtors	4,218	4,775
	16,967	17,792

Analysis of debtors:

	31 March 2018	31 March 2017
	£'000	£'000
Central government bodies	8	10
Other local authorities	7,306	8,600
NHS bodies	4	52
Public corporations and trading funds	344	262
Other entities and individuals	9,305	8,868
	16,967	17,792

Notes to the Pension Fund Accounts

21. Long Term Debtors

Long term debtors are all additional costs of early retirement due later than 2018/19.

	31 March 2018	31 March 2017
	£'000	£'000
Central government bodies	-	-
Other local authorities	429	531
NHS bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals	180	181
	609	712

22. Current Liabilities

Creditors:

	31 March 2018	31 March 2017
	£'000	£'000
Sundry creditors	(1,460)	(842)
Payroll deductions	(2,024)	(2,010)
Benefits payable	(0)	(1,336)
Advance property rents	(4,594)	(4,402)
Property rental deposits	(914)	(816)
Other miscellaneous balances	(117)	(20)
	(9,109)	(9,426)

The cash balance is held by the Authority and the Fund Net Assets Statement includes a creditor of £1.151m (creditor of £0.705m in 2016/17) for sums due to the Authority at the year end.

Analysis of creditors:

	31 March 2018	31 March 2017
	£'000	£'000
Central government bodies	(2,011)	(2,019)
Other local authorities	(1,252)	(710)
NHS bodies	-	-
Public corporations and trading funds	(347)	(416)
Other entities and individuals	(5,499)	(6,281)
	(9,109)	(9,426)

Notes to the Pension Fund Accounts

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	
	31/3/18	31/3/17	2017/18	2016/17
	£'000	£'000	£'000	£'000
Equitable Life	1,919	2,043	7	7
Scottish Widows	5,591	4,769	240	361
Prudential	7,438	6,318	2,134	1,925

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).

Notes to the Pension Fund Accounts

25. Contingent Liabilities and contractual commitments

Outstanding investment commitments at 31 March 2018 were £1,034.961m (£424.997m at 31 March 2017).

The figures are based on commitments made to private equity limited partnerships and infrastructure funds (some of which are designated in 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.

31/3/18		31/3/17	
Currency '000	£ equivalent £'000	Currency '000	£ equivalent £'000
£195,172	195,172	£112,180	112,180
€287,187	251,777	€53,425	45,348
US\$824,863	588,012	US\$335,540	267,469
1,034,961		424,997	

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.

The Fund, along with a number of other funds, has been pursuing a claim for the recovery of tax withheld on some overseas dividends over a number of years. The claim has been successful in the Upper Tribunal following an appeal by the test claimant. The value of the claim is several million pounds, however, as there is a possibility of a further appeal no provision has been made in the accounts.

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 2017/18, the Fund made payments in respect of non-statutory pension benefits of £14.085m (£14.371m in 2016/17).

Notes to the Pension Fund Accounts

Analysis of compensation payments

	2017/18 £'000	2016/17 £'000
Administering Authority		
South Yorkshire Pensions Authority	15	15
Scheduled Bodies		
Barnsley MBC	2,529	2,569
Doncaster MBC	1,884	1,914
Rotherham MBC	1,318	1,346
Sheffield CC	6,324	6,472
Other Scheduled Bodies	1,949	1,989
Admitted Bodies	66	66
Totals	14,085	14,371

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.

Notes to the Pension Fund Accounts

Waldersey Farms Limited	2017/18	2016/17
	£	£
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
	31/12/2017	31/12/2016
	£	£
Profit (loss) on ordinary activities before taxation	265,149	77,075
Profit (loss) after taxation	189,849	58,575
Rent paid to SYPA	2,212,775	2,182,840
Dividend paid to SYPA	-	-
Retained profit (loss)	3,860,621	3,670,772
Net assets	5,725,621	5,535,772

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 2016/17) has been drawn down.

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	2017/18	2016/17
	£	£
Pension Fund investment at book cost at 31 March	10,512,194	10,641,194
Pension Fund investment value at 31 March (included in net asset statement)	7,498,856	8,033,856
	31/12/2017	31/12/2016
	£	£
Fixed Assets	8,050,600	8,132,990
Current Assets	52,453	12,157
Current Liabilities	(117,627)	(219,538)
Net assets	7,985,426	7,925,609
Profit on Ordinary Activities	152,567	(1,183,255)

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 £68,856 was outstanding as at 31 December 2017 (£173,856 at 31 December 2016) (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**)

District Councils

Barnsley Metropolitan Borough Council

Doncaster Metropolitan Borough Council

Rotherham Metropolitan Borough Council

Sheffield City Council

Other Scheduled Bodies

Abbey School

Abbeyfield Primary (Firs Hill Community Primary)

Acres Hill Community Primary Academy

All Saints RC School

Anston Brook Primary School

Anston Greenlands Primary School

Anston Parish Council

Anston Park Infants School

Armthorpe Academy

Armthorpe Parish Council

Armthorpe Shaw Wood Academy

Armthorpe Tranmoor Primary School

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

Atlas Academy

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

Bentley High Street Primary School

Berneslai Homes

Bessacar Primary School

Birley Academy

Birley Primary Academy

Birley Spa Primary Academy

Bradfield Parish Council

Bradfield School

Bramley Grange Primary

Brampton Cortonwood Infant School

Brampton Ellis C of E Primary

Brinsworth Academy

Brinsworth Whitehill Academy

Brodsworth Parish Council

Brookfield Primary Academy

Broomhill Infant School

Byron Wood Primary School

Campsmount Technology College

Notes to the Pension Fund Accounts

SCHEDULE A - Scheduled Bodies contributing to the Fund

Canklow Woods Primary Academy
Carlton Primary
Carr Lodge Academy
Carrfield Academy
Castle Academy
Catcliffe Primary School
Chapeltown Academy
Charnock Hall Primary School
Chaucer School
Clifford C of E School
Clifton Community 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
Denaby Main Primary Academy
Diocese of Sheffield Academies Trust
Dinnington Community Primary School
Dinnington High School
DN Colleges Group
Dodworth St John the Baptist CE Primary Academy
Don Valley Academy & Performing Arts Coll
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
Edlington Victoria Primary

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 Academy
Greenacre Special School Academy
Greengate Lane Academy
Greenhill Primary School
Green Top Academy
Hall Cross Academy Trust
Hallam Primary Academy
Hallam University
Handsworth Grange Academy

Hartley Brook Academy
Hatchell Wood Primary School
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 Storrs School
High View Primary Learning Centre
Highfields Primary
Highgate Academy
Highwoods Academy
Hillsborough Primary School
Hillside Academy (Conisbrough Balby Street)

Hilltop Primary School - Edlington
Hinde House 3-16 School
Holy Family Catholic Primary
Hoyland Common Primary School
Hoyland Springwood Primary School
Hucklow Primary School
Hungerhill Academy Trust
Hunningley Primary School
Intake Primary Academy
Kelford School
Kexborough Primary School
Kilnhurst St Thomas C of E Primary Academy
King Ecgbert School
Kingfisher Primary School
Kirk Balk Community College
Kirk Sandal Junior School
Kirk Sandal Infant School
Laithes Primary School
Listerdale Primary School
Littleworth Academy

Longley Park 6th Form College
Lound Infant School
Lound Junior School
Lowedges Junior Academy
Lower Meadows Academy
Maltby Academy
Maltby Hilltop School
Maltby Lilly Hall Academy
Maltby Manor Academy
Maltby Redwood Primary Academy
Manor Lodge Primary
Mansel Primary School
McAuley Catholic High School
Meadowhead School Academy Trust
Meadstead Primary Academy
Mexborough School
Mexborough St John the Baptist CoE Primary
Meynell Primary School
Milton School Swinton

Notes to the Pension Fund Accounts

SCHEDULE A - Scheduled Bodies contributing to the Fund

Monkwood Primary Academy
Montague Primary Academy - Mexborough
Monteney Primary School
Morley Place Junior School
National College for High Speed Rail
Nether Edge Primary Academy
Netherwood ALC
Newfield Secondary School
Norfolk Community Primary School
Notre Dame School
Oakhill Primary Academy
Oakwell Rise Primary Academy
Oakwood High School
Oasis Academy Don Valley
Oasis Academy Firvale
Oasis Academy Watermead
Our Lady of Sorrows Catholic Voluntary Academy
Outwood Academy Adwick

Outwood Academy Carlton
Outwood Academy City
Outwood Academy Shafton
Parkwood Academy
Penistone Town Council
Pennine View School
Pheasant Bank Academy
Phillimore Community School
Porter Croft CofE Primary Academy
Queens Road Academy
Rainbow Forge Primary School
Ravenfield Primary Academy
Rawmarsh Ashwood Primary School
Rawmarsh Community School
Reach 4 Academy Trust
Richmond Hill Primary Academy
RNN Group
Rossington All Saints Academy
Rossington Parish Council

Rossington St Michaels C of E Primary School
Roughwood Primary School
Rowena Academy
Royston Parkside
Royston St John the Baptist
Royston Summer Fields
Sacred Heart School, A Voluntary Catholic Academy
Sandhill Primary Academy
Sandhill Primary School (Great Houghton)
Scawsby Rosedale Primary School
Shafton Parish Council
Shafton Primary Academy
Sheffield College
Sheffield Park Academy
Sheffield Springs Academy
Silkstone Parish Council
Silverdale School
Sir Thomas Wharton Community College

Sitwell Junior School
Southey Green Primary School & Nurseries
Souhtfield Primary School
Springwell Alternative Academy
Springwell Special Academy
Springwood Junior Academy
Sprotbrough Parish Council
St Ann's RC Primary School
St Bedes Catholic Primary School
St Bernards Catholic High School
St Catherines Catholic Primary School
St Gerard's Catholic Primary
St Helen's Primary Academy
St John Fisher RC J&I School
St Josephs Catholic Primary (Dinnington)
St Josephs Catholic School (Rossington)
St Joseph's Primary School
St Leger Homes of Doncaster

St Marie's School A Catholic Voluntary Academy
St Marys Catholic Primary (Maltby)
St Marys Catholic Primary School (Herringthorpe)
St Mary's Catholic Primary School (High Green)
St Marys CoE Academy (Walkley)
St Marys CofE Primary (Barnsley)
St Oswald's CofE Academy
St Patrick's RC School
St Theresa's RC School
St Thomas More Catholic Primary
St Thomas of Canterbury Trust
St Wilfreds Academy
St Wilfrid's Catholic Primary School
Stainforth Town Council
Stocksbridge High School
Stocksbridge Town Council
Swinton Community School
Swinton Fitzwilliam Primary

Swinton Queen Primary School
SY Fire Authority
SYPT
Tapton School
The Academy at Ridgewood Trust
The Chief Constable
The Forest Academy
The Hill Academy
The Mill Academy
The Police & Crime Commissioner for Sth Yorks
Thomas Rotherham College
Thorne & Moorend Town Council
Thrybergh Academy & Sports College
Thrybergh Fullerton Primary
Thrybergh Parish Council
Thrybergh Primary School
Thurcroft Junior Academy
Tinsley Meadows Primary School
Totley All Saints C of E School
Totley Primary School

Notes to the Pension Fund Accounts

SCHEDULE B - Admitted Bodies contributing to the Fund

Treeton C of E Primary Academy	Wickersley St Albans C of E Primary School
Trinity Academy	Willow Primary
Trinity Croft CoE Primary Academy	Wincobank Nursery & Infant School
University Technology College (Sheffield)	Windmill Hill School Academy
Upperwood Academy	Wingfield Academy
Valley Park Community Primary	Winterhill School
Wales Academy	Wisewood Community Primary Academy
Ward Green Primary	Wombwell Park Street Primary School
Wath Central Primary School	Woodfield Primary School
Wath CofE Primary School	Woodsetts Primary School
Wath Victoria Primary	Worsborough Bank End
Waverley Academy	Wybourn Community Primary Academy
Wellgate Primary School	XP School
West Meadows Primary School	Yewlands Technology College
Whiston Junior & Infant School	
Whiston Worrygoose Junior & Infant School	
Wickersley Northfield Primary	
Wickersley Parish Council	
Wickersley School & Sports College	

ABM Catering - Bramley Grange	Caterlink - Sheffield Park Academy	Compass - Rossington All Saints
Action Housing Association	Caterlink – Worsborough Bank End	Compass - Rowena (SPT)
ADS - Doncaster Substance Misuse Contract	Centre for Full Employment	Compass (The Hayfield School)
Amey LG Limited	Chartwells - De Warenne Academy Catering Con	Cordant Cleaning Ltd
Argent Catering Solutions Ltd	Churchill Contract Services	Creative Support Ltd
Aspens Services Limited	Civica - Barnsley BSF	Crsipin & Borst - DMBC PFI
Aspens Services Ltd - E-Act Pathways Academy	Civica (Sheffield BSF PFI 4)	Danvm Drainage Commissioners
Aspens Services Ltd - Parkwood Academy	Civica Phase 2 ICT Function - Sheff BSF	Dimensions (UK) Ltd
Barnsley BIC	Community Action Halfway Home	Dolce Ltd - Anston Brook
Barnsley Dial a Ride	Compass - Armthorpe Academy	Dolce Ltd - Aston All Saints
Barnsley Norse Ltd	Compass - Don Valley	Dolce Ltd - Blackburn Primary
Barnsley Premier Leisure	Compass - Grange Lane Infants (SPT)	Dolce Ltd - Dodworth St John CoE Academy
British Red Cross - SCC	Compass - Hatfield Crookesbroom (SPT)	Dolce Ltd - Dinnington Primary
Capita - Outstanding Sheffield Prog.	Compass - Hatfield Woodhouse (SPT)	Dolce Ltd – Elsecar Holy Trinity CoE Academy
Carillion Integrated Solutions	Compass (Kirk Balk Academy)	Dolce Ltd - Flanderwell Primary
Carroll Cleaning Company - De Warenne Academy	Compass - Pheasant Bank (SPT)	Dolce Ltd - Greengate Lane Academy
Caterlink - Barnsley Academy	Compass - RCAT	Dolce Ltd – Harthill Primary
Caterlink – Hunningley Primary		Dolce Ltd – Intake Primary
		Dolce Ltd - Kilnhurst J&I
		Dolce Ltd – Kiveton Park

Notes to the Pension Fund Accounts

SCHEDULE B - Admitted Bodies contributing to the Fund

Dolce Ltd – Rossington St Michaels
Dolce Ltd - Sitwell Infants
Dolce Ltd - Sitwell Juniors (Academy)
Dolce Ltd – St Josephs Handsworth
Dolce Ltd - St Maries Primary School
Dolce Ltd – St Mary’s Maltby
Dolce Ltd – Swinton Fitzwilliam
Dolce Ltd – Swinton Queen Primary
Dolce Ltd - Todwick
Dolce Ltd - Thrybergh Fullerton
Dolce Ltd - Trinity Croft
Dolce Ltd – Wentworth CoE School
Dolce Ltd - Whiston J&I
Dolce Ltd - Whiston Worrygoose
Dolce Ltd - Wickersley St Albans
Dolce Ltd – Wickersley Northfield
Dolce Ltd - Woodsetts

Doncaster Childrens Services Trust
Doncaster Community Transport
Doncaster Culture & Leisure Trust
Doncaster Deaf Trust
Edwards Commercial Cleaning (NORTH) Ltd
Engie
Engie Services Limited (Barnsley Schools)
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
ISS Mediclean Ltd

JLIS Non-PFI Barnsley BSF
JLIS PFI FM sub contract (Barnsley BSF)
KGB Cleaning - Doncaster College
Kier Managed Services Ltd
Kier Services - SCC - CSSR
Kier Services - SCC - SHRM
Kier Support Services
Learn Sheffield
Leonard Cheshire Foundation
May Gurney Fleet and Passenger Services
Mellors (Aston Hall Junior & Infants)
Mellors (Aston Lodge Primary)
Mellors (Brinsworth Whitehill)
Mellors Catering Services (Brinsworth Comp)
Mellors Catering Services (Rawmarsh Com Scl)
Mellors Catering Services (Sheff Schools)
Mellors (Danum Academy)

Mellors - Hinde House/King Ecgbert Scl Catering
Mellors (Monkwood Primary)
Mellors (Rawmarsh Ashwood Primary)
Mellors (Sandhill Primary)
Mellors (Thrybergh Primary)
Midshire Catering Ltd
Mitie PFI Ltd
Morrison Facilities Service Ltd
National Children’s Bureau
Northern College
Northern Racing College
NPS Barnsley 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

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 Museums 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 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)
Turning Point
Veolia
Vinci Construction UK Ltd (Bradfield School)
Voluntary Action - Barnsley (CVS)
Voluntary Action - Rotherham (CVS)
Wates Living Space Maintenance Ltd
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.

