GMPF
2020 Annual Report

Administered by Tameside Metropolitan Borough

July 2020

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Chair's Introduction

Welcome to the 2019/20 Annual Report of the Greater Manchester Pension Fund (GMPF).

This report has been written at a time when the country, and indeed the world, is grappling with the coronavirus pandemic. Therefore, before I begin, I want to take the opportunity to pay tribute to all those on the frontline of this struggle. This includes the NHS workers and support staff working in our hospital and all care settings across the country that have treated the sick, saved lives and provided comfort to those who, unfortunately, could not be saved. It includes the too often unseen army of carers in our care homes, the charity workers and those who are looking after, or informally keeping an eye on, those in our local communities. We also must recognise those workers who have kept the daily services we all depend on running; the supermarket employees, delivery drivers, technicians, cleaners and public servants. Never has the phrase ‘key workers’ been truer. And a massive thank you must go out as well to every single person who has stayed home to help stop this terrible virus from spreading. You have helped protect the NHS and you have helped to save lives.

These past months have been a challenge like nothing else we have faced. However, we owed it to our staff to put them in the best possible position to do their jobs in support of all our members, many of whom are the key workers that we owe so much to, and those who receive their well deserved pensions, a number of which fall into the vulnerable and shielded groups who require the most protection from the coronavirus pandemic.

The most obvious change in our day to day routines is that much of the work of the Pension Fund has moved into the home and the virtual world. The passing of the Coronavirus Act 2020 contains a clause which allows the Secretary of State to bring in new regulations regarding the proceedings of local authority meetings. This change is necessary because The Local Government Act 1972 previously required elected members to be physically present at committee meetings at which we were pleased to welcome the Pension Regulator. To that end, GMPF became the first Local Government Pension Scheme (LGPS) in the country to host a virtual meeting. More than 95% of our staff has also successfully transitioned to home working, ensuring that GMPF remains fully operational and undertaking the significant majority of the tasks that we usually would. This includes critical processes including the payment of member benefits, retirement processing and bereavement services. We are also being vigilant in protecting against scammers who are unfortunately seeking to take advantage of the uncertain situation.

The need to respect social distancing has meant that we have had to close our offices in Guardsman Tony Downes House in Droylsden. However, all pension fund members continue to have access to our award-winning administration services, including their My Pension online account. In terms of liquidity, we retain significant working capital to cover our payroll for the foreseeable future without the need to raise additional funds, taking into account that some of our employers may be experiencing their own financial difficulties. We are also clear how and where we will get any additional cash should that be necessary. Two thirds of our listed portfolios by value are actively managed, giving us the flexibility to react to events, and our overall long term asset allocation factors in all risks, including left tail risks from events such as a pandemic.

Let us not forget that since the beginnings of GMPF in 1891 we have successfully navigated stormy global financial crashes and other geopolitical challenges spanning over three very different centuries by staying true to our beliefs and public sector principles. We have never let our members down whilst ensuring low cost, sustainable contribution rates for employers and taxpayers alike, and we have no intention of starting now.

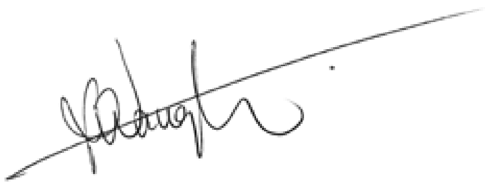
Period	Main Fund return % pa	Benchmark return % pa
2019/20	-6.6%	-4.0%
5 years	4.8%	5.1%
10 years	6.5%	6.6%
Since December 1985	9.3%	8.4%

Even looking beyond the coronavirus pandemic, the past twelve months have been a very busy time for the LGPS as a whole and GMPF in particular.

As was expected, Responsible Investment and Environmental Social and Governance continue to be regular and high priority items. I'm delighted to say that the work of the GLIL platform has secured two new major investments over the past eighteen months in Forth Ports Group, which operates eight major ports in strategic areas such as Tilbury (London), Dundee and Grangemouth, and in Cubico, a leader in sustainable investments in the wind and solar power industries. Our engagement with companies through the Local Authority Pension Fund Forum (LAPFF) also met with success this year as, in conjunction with ShareAction and Barclays plc, we supported a successful climate resolution at Barclays AGM requesting that the multi-national bank set and disclose targets to phase out the provision of financial services to the energy sector and gas and utility companies that are not aligned with the Paris Agreement. The proposal was the first to refer to the 'Just Transition' wording in the Agreement, which says that tackling climate change requires the transformation of sectors and economies with important implications for the global workforce.

We are continuing to work with our Director of Pensions and our consultants, Hymans Robertson, to build on our work to make sure that GMPF's governance remains not only the best in UK local government, but an exemplar. Following the release of the Phase II Good Governance Report at the end of last year, the Scheme Advisory Board's review continues to gather momentum and while some of the details still need to be hammered out, the overall direction of travel is clear. In March Hymans Robertson also undertook the first-ever LGPS National Knowledge Assessment to provide funds with a clear insight into the knowledge levels of their key decision makers on a national basis. By participating in the assessment, GMPF has been able to benchmark its position against other LGPS funds and receive bespoke feedback and training plans for our Pensions Committee and Pensions Board. I was pleased to see we scored the highest results in all areas. Finally, as one of the largest funds in the UK we have broadened and deepened our relationship with the Pension Regulator in the hope that we can learn from each other to make GMPF and other funds better for our members.

In the face of the gravest public health and economic crisis we have faced in living memory, our staff, advisors and members have carried out their work with diligence and professionalism. Where others may have contented themselves with riding out the storm, we have started laying the building blocks to thrive in a post-coronavirus world. Whatever challenges and opportunities the next twelve months bring, know that GMPF will remain at your side as we face the future together. Thank you very much.



Greater Manchester Pension Fund (Chair)
Cllr Brenda Warrington

Key achievements

- GMPF Administration Team won LAPF Investments Awards 2019 Scheme Administration Award.
- Municipal Journal Achievement Award 2019
- Transitioned to a new common custodian for the Northern LGPS unlocking significant savings.
- GMPF's carbon footprinting exercise found that the active equity holdings were 25% more efficient than the combined benchmark on the weighted average carbon intensity method, as recommended by task Force on Climate Related Disclosures (TCFD).
- A key element of our commitment to an orderly transition to a low carbon economy has recently been implemented, involving the replacement of £2.5 billion of GMPF's passive, index tracking investments, with an enhanced approach that has significantly reduced GMPF's exposure to carbon emissions and intensity. This is the biggest divestment by any Local Authority taken anywhere in the UK.

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Management structure

Tameside Metropolitan Borough Council (TMBC) became Greater Manchester Pension Fund's (GMPF) administering authority in 1987, and established a management structure, which is still the backbone of the operation today.

Pension Fund Management Panel

The Management Panel carries out a similar role to the trustees of a pension scheme. They are the key decision makers for:

- investment strategy
- monitoring investment activity and performance
- overseeing administrative activities
- guidance to officers in exercising delegated powers.

Each local authority within Greater Manchester is represented on the Management Panel, as is the Ministry of Justice.

Pension Fund Advisory Panel

The Pension Fund Advisory Panel works closely with the Management Panel and advises them in all areas. Each local authority is represented on the Advisory Panel, and there are six employee representatives nominated by the North West TUC.

The members of the Panels as at 31 March 2020 are listed on the following page.

Local Board

The GMPF Local Pensions Board was established early in 2015 and became operational from April 2015. The role of the Local Board is to assist TMBC in its role as administering authority, in particular to assist with:

- securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme
- ensuring the effective and efficient governance and administration of the Scheme.

External advisors

Four external advisors assist the Advisory Panel regarding investment related issues.

The advisors are:

RS Bowie, Guardian Partner, Hymans Robertson

L Brown OBE, Former Section 151 Officer, Interim Chief Executive Scottish Police Authority

P Moizer, Professor and Dean of Business School, University of Leeds

M Powers, Retired Investment Manager

Management Panel

Councillor B Warrington	*Tameside (Chair)*
Councillor M Smith	*Tameside*
Councillor GP Cooney	*Tameside*
Councillor J Fitzpatrick	*Tameside*
Councillor L Drennan	*Tameside*
Councillor G Newton	*Tameside*
Councillor T Sharif	*Tameside*
Councillor VP Ricci	*Tameside*
Councillor E Wills	*Tameside*
Councillor J Homer	*Tameside*
Councillor D Ward	*Tameside*
Councillor C Patrick	*Tameside*
Councillor J Taylor	*Stockport*
Councillor S O'Neill	*Rochdale*
Councillor J Grimshaw	*Bury*
Councillor M Barnes	*Salford*
Councillor K Cunliffe	*Wigan (from 25.10.19 onwards)*
Councillor A Jabbar	*Oldham*
Councillor A Mitchell	*Trafford*
Councillor D Parkinson	*Bolton*
Councillor P Andrews	*Manchester*
P Herbert	*Ministry of Justice*
Councillor J Lane	*Tameside (to 21.5.19)*
Councillor J Taylor	*Tameside (to 21.5.19)*
Councillor S Quinn	*Tameside (to 21.5.19)*
Councillor T Halliwell	*Wigan (to 25.10.19)*

Fund Observers

Councillor JN Pantall

Councillor O Ryan

Advisory Panel

Councillor B Warrington	*Tameside (Chair)*
Councillor D Parkinson	*Bolton*
Councillor J Grimshaw	*Bury*
Councillor P Andrews	*Manchester*
Councillor A Jabbar	*Oldham*
Councillor S O'Neill	*Rochdale*
Councillor M Barnes	*Salford*
Councillor J Taylor	*Stockport*
Councillor A Mitchell	*Trafford*
Councillor T Halliwell	*Wigan (to 25.10.19)*
Councillor K Cunliffe	*Wigan (from 25.10.19 onwards)*

Employee representatives

A Flatley	*GMB*
M Fulham	*UNISON*
P McDonagh	*UNISON*
K Drury	*UNITE*
F Llewellyn	*UNITE*
J Thompson	*UNITE*

Local Board

Employer representatives

Councillor W Fairfoull	*Tameside (Chair)*
Councillor J Cooper	*Tameside*
J Hammond	*Representative of GM Monitoring Officers*
M Cullen	*Representative of GM Treasurers (from May 2019 onwards)*
P Taylor	*Representative of non-local authority employers*
R Paver	*Representative of GM Treasurers (retired May 2019)*

Scheme Member representatives

D Schofield	*GMB*
C Lloyd	*UNISON*
M Rayner	*UNISON*
C Goodwin	*UNITE*
P Catterall	*Pensioner representative*

Working Groups

During 2019, the Management Panel reviewed its governance arrangements, which resulted in a more focussed set of working groups. All those with investment oversight were pooled into one working group, and all those working groups considering administration, funding viability and risk into another, with oversight being achieved through the Policy and Development working group. There are three working groups:

- Policy and Development.
- Investment Monitoring and Environmental, Social and Governance (ESG).
- Administration, Employer Funding and Viability.

Frequency of meetings

The Panels and working groups typically meet quarterly, where the performance of GMPF's active investment managers is reviewed. Managers attend the Investment Monitoring and ESG working group annually to report on corporate governance and responsible investment matters.

Officers to GMPF 2019/20

The Director of Governance and Pensions is GMPF's administrator and acts as the link for members, advisors and investment managers between meetings.

The Chief Executive and the Director of Governance and Pensions provide legal and secretarial services to the Management and Advisory Panels. The Section 151 Officer, TMBC, is responsible for the preparation of GMPF's Statement of Accounts.

S Pleasant MBE	*Chief Executive, (Head of Paid Service), Tameside MBC*
SJ Stewart	*Director of Governance and Pensions and Solicitor to the Fund, Section 5 Monitoring Officer, Tameside MBC*
K Roe	*Director of Finance, GMPF's Section 151 Officer to the Fund during the period of completion of the accounts, Tameside MBC.*

Consulting Actuary

GMPF's Consulting Actuary is Hymans Robertson.

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Attendance and training 2019/20

The following section shows attendance at the various Management Panel and working group meetings, and includes a list of training events and conferences attended.

Attendance at meetings

	Pension Fund Management Panel	Working Groups		
Councillor B Warrington (Tameside MBC)	19 July 2019 18 October 2019 17 January 2020	Policy and Development 13 June 2019 20 September 2019 19 December 2019 6 March 2020		
Councillor G Cooney (Tameside MBC)	12 April 2019 19 July 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 20 December 2019	Investment Monitoring and ESG 12 July 2019 27 September 2019 20 December 2019	Policy and Development 13 June 2019 20 September 2019 19 December 2019 6 March 2020
Councillor L Drennan (Tameside MBC)	12 April 2019 19 July 2019 18 October 2019	Employer Funding Viability 12 July 2019 27 September 2019 20 December 2019		
Councillor J Fitzpatrick (Tameside MBC)	19 July 2019 18 October 2019 17 January 2020			
Councillor J Homer[1] (Tameside MBC)	18 October 2019 17 January 2020	Investment Monitoring and ESG 12 July 2019 27 September 2019		
Councillor G Newton[1] (Tameside MBC)	19 July 2019	Investment Monitoring and ESG 27 September 2019 20 December 2019		
Councillor C Patrick (Tameside MBC)	17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019		
Councillor V Ricci (Tameside MBC)	12 April 2019 19 July 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019 20 December 2019	Investment Monitoring and ESG 12 July 2019 27 September 2019 20 December 2019	
Councillor T Sharif[1] (Tameside MBC)	19 July 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 20 December 2019		
Councillor M Smith (Tameside MBC)	12 April 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019 20 December 2019	Investment Monitoring and ESG 12 July 2019 27 September 2019 20 December 2019	Policy and Development 13 June 2019 19 December 2019 6 March 2020
Councillor D Ward (Tameside MBC)	19 July 2019 18 October 2019	Investment Monitoring and ESG 12 July 2019		
Councillor E Wills[1] (Tameside MBC)	19 July 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019 20 December 2019		
Councillor J Lane[2] (Tameside MBC)	12 April 2019			
Councillor S Quinn[2] (Tameside MBC)	12 April 2019			
Councillor J Taylor[2] (Tameside MBC)	12 April 2019			
Councillor D Parkinson (Bolton MBC)	19 July 2019 18 October 2019 17 January 2020			

	Pension Fund Management Panel	Working Groups		
Councillor J Grimshaw (Bury MBC)	12 April 2019 19 July 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019 20 December 2019		
Councillor P Andrews (Manchester CC)	19 July 2019 18 October 2019	Investment Monitoring and ESG 12 July 2019 27 September 2019		
Councillor A Jabbar (Oldham MBC)	18 October 2019	Administration and Employer Funding Viability 12 July 2019	Investment Monitoring and ESG 12 July 2019 27 September 2019 20 December 2019	
Councillor S O'Neill (Rochdale MBC)	12 April 2019 19 July 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019 20 December 2019	Investment Monitoring and ESG 12 July 2019 27 September 2019 20 December 2019	
Councillor M Barnes (Salford CC)	19 July 2019 17 January 2020	Investment Monitoring and ESG 12 July 2019 27 September 2019		
Councillor J Taylor[1] (Stockport MBC)	17 January 2020	Investment Monitoring and ESG 12 July 2019 27 September 2019 20 December 2019		
Councillor A Mitchell (Trafford MBC)	12 April 2019 19 July 2019 18 October 2019	Administration and Employer Funding Viability 12 July 2019 27 September 2019 20 December 2019	Investment Monitoring and ESG 12 July 2019 27 September 2019 20 December 2019	
Councillor T Halliwell[3] (Wigan MBC)	12 April 2019			
P Herbert (Ministry of Justice Representative)	12 April 2019 18 October 2019 17 January 2020			
A Flatley (GMB)	12 April 2019 18 October 2019	Administration and Employer Funding Viability 27 September 2019	Investment Monitoring and ESG 27 September 2019 20 December 2019	
M Fulham (UNISON)	12 April 2019 19 July 2019 18 October 2019 17 January 2020	Investment Monitoring and ESG 12 July 2019 20 December 2019		
P McDonagh (UNISON)	17 January 2020	Administration and Employer Funding Viability 27 September 2019 20 December 2019		
K Drury (UNITE)	12 April 2019 19 July 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019 20 December 2019	Investment Monitoring and ESG 12 July 2019 27 September 2019 20 December 2019	
F Llewellyn (UNITE)	12 April 2019 19 July 2019 18 October 2019	Administration and Employer Funding Viability 27 September 2019	Investment Monitoring and ESG 20 December 2019	
J Thompson (UNITE)	12 April 2019 19 July 2019 18 October 2019 17 January 2020	Policy and Development 13 June 2019 20 September 2019 19 December 2019 6 March 2020		
Councillor J Pantall (Observer - Stockport MBC)	12 April 2019 19 July 2019 18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019	Investment Monitoring and ESG 27 September 2019	Policy and Development 13 June 2019 20 September 2019 19 December 2019 6 March 2020
Councillor O Ryan (Observer - Tameside MBC)	18 October 2019 17 January 2020	Administration and Employer Funding Viability 12 July 2019 27 September 2019	Investment Monitoring and ESG 27 September 2019 20 December 2019	Policy and Development 6 March 2020

[1] Appointed in May 2019
[2] Left the Panel May 2019
[3] Left the Panel October 2019

Conferences & training events

Member name	Training events attended				
Councillor B Warrington (Tameside MBC)	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020
	CEM Investment Management Cost and Administration Benchmarking 17 January 2020	Housing Investment Seminar 6 February 2020			
Councillor G Cooney (Tameside MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	PIRC Local Authority Pension Performance Analytics 12 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019
	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020	LGPS Governance Conference 23-24 January 2020	Housing Investment Seminar 6 February 2020	
Councillor L Drennan (Tameside MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019
	Trucost GMPF Approach to Climate Risk 18 October 2019				
Councillor J Fitzpatrick (Tameside MBC)	Climate Change - Investing in A Just Transition 19 July 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	Club Vita Hymans Robertson 18 October 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020
Councillor J Homer[1] (Tameside MBC)	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020
Councillor G Newton[1] (Tameside MBC)	Climate Change - Investing in A Just Transition 19 July 2019				
Councillor C Patrick (Tameside MBC)	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020	
Councillor V Ricci (Tameside MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019
	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020			
Councillor T Sharif[1] (Tameside MBC)	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020
	CEM Investment Management Cost and Administration Benchmarking 17 January 2020				

Member name	Training events attended				
Councillor M Smith (Tameside MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020
	CEM Investment Management Cost and Administration Benchmarking 17 January 2020				
Councillor D Ward (Tameside MBC)	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	
Councillor E Wills[1] (Tameside MBC)	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020
	CEM Investment Management Cost and Administration Benchmarking 17 January 2020				
Councillor J Lane[2] (Tameside MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019			
Councillor S Quinn[2] (Tameside MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019			
Councillor J Taylor[2] (Tameside MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019			
Councillor D Parkinson (Bolton MBC)	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020
	CEM Investment Management Cost and Administration Benchmarking 17 January 2020				
Councillor J Grimshaw (Bury MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019
	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020	LGPS Governance Conference 23-24 January 2020		
Councillor P Andrews (Manchester CC)	Climate Change - Investing in A Just Transition 19 July 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019		
Councillor A Jabbar (Oldham MBC)	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019		
Councillor S O'Neill (Rochdale MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	LGE Fundamentals Training Day 1 17 October 2019
	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGE Fundamentals Training Day 2 17 November 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020

Member name	Training events attended				
Councillor M Barnes (Salford CC)	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020
	CEM Investment Management Cost and Administration Benchmarking 17 January 2020				
Councillor J Taylor[1] (Stockport MBC)	UBS Trustee Training 18 September 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020	Alliance MBS Event ESG Lecture 30 January 2020	
Councillor A Mitchell (Trafford MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019
	Trucost GMPF Approach to Climate Risk 18 October 2019				
Councillor T Halliwell[3]	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019			
P Herbert (Ministry of Justice Representative)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019
	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020			
A Flatley (GMB)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019
M Fulham (UNISON)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019
	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020		
P McDonagh (UNISON)	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020
K Drury (UNITE)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	Climate Change - Investing in A Just Transition 19 July 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019
	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020		
F Llewellyn (UNITE)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	UBS Trustee Training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019
	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020			

Member name	Training events attended				
J Thompson (UNITE)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	Climate Change - Investing in A Just Transition 19 July 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019
	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020			
Councillor J Pantall (Observer - Stockport MBC)	CEM Cost Benchmarking – What Gets Measured Gets Managed 12 April 2019	Hymans Robertson Assessing Performance (with reference to Multi-Asset Credit) 12 April 2019	Climate Change - Investing in A Just Transition 19 July 2019	SPS Optimising Value from Fixed Income Investments 5 September 2019	UBS Trustee Training 18 September 2019
	Professional Pensions Trustee Senate 3 October 2019	PLSA Annual Conference 16-18 October 2019	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	APPG Longevity Summit 12 November 2019
	SPS ESG for Local Government Pension Funds 14 November 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020	Alliance MBS Event ESG Lecture 30 January 2020	APPG Longevity Summit 12 February 2020
Councillor O Ryan (Observer - Tameside MBC)	Club Vita Hymans Robertson 18 October 2019	Trucost GMPF Approach to Climate Risk 18 October 2019	LGPS Performance Update Training 17 January 2020	CEM Investment Management Cost and Administration Benchmarking 17 January 2020	

[1]Appointed in May 2019
[2] Left the Panel May 2019
[3] Left the Panel October 2019

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GMPF Local Pension Board

Report of Councillor Bill Fairfoull, Chair, GMPF Local Pension Board.

The Greater Manchester Pension Fund (GMPF) Local Pension Board (the Board) was established following the 2013 Pensions Act, which required all public sector pension schemes to set up representative local pension boards by 1 April 2015.

The formal remit of local pension boards is to assist the administering authority to secure compliance with all regulations and legislation, and to help ensure the effective and efficient governance and administration of the Scheme.

Local pension boards do not have executive powers. The Board can scrutinise compliance with regulations and call GMPF Officers or the GMPF Management and Advisory Panel to account, but we are not a decision making body. We aim to focus our discussions on providing scrutiny and added value to the GMPF Management Panel's decision making processes and providing input from a scheme member and employers' perspective.

The Board ensures compliance with all relevant legislation and regulations and contributes to the effective and efficient governance and administration of the Scheme. It also assists GMPF in implementing any new requirements imposed by the Pensions Regulator in relation to the Scheme.

We have a duty to report any material breaches of law to the Pensions Regulator, and the Board has adopted a standardised policy and procedure to deal with these situations should they occur. It's a function we take very seriously to ensure the best standards of administration and governance for GMPF.

Board membership

The makeup of the Board is determined by Regulation 107(2) of the Act, which states that Local Pension Boards are required to contain an equal number of employer and scheme member representatives. Due to the large number of members and employers participating in GMPF and the scale of assets it holds, we have five scheme representatives and five employer representatives.

The members of the Board at 31 March 2020 and their attendance record at Board meetings during 2019/20 is shown in the table below. The Board seeks to meet on a quarterly basis, however due to unforeseen events impacting the meeting cycle, the Board only met three times during the 2019/20 year because the March meeting was intended to take place just as the Coronavirus lockdown took place.

Local Pension Board Meeting Dates and Attendance		
13 June 2019	**26 September 2019**	**9 January 2020**
Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull
J Hammond	M Cullen	M Cullen
P Taylor	P Taylor	J Hammond
D Schofield	D Schofield	P Taylor
C Goodwin	C Lloyd	D Schofield
P Catterall		C Lloyd
C Lloyd		C Goodwin
M Cullen		P Catterall
		M Rayner

The minutes of meetings, including from previous years, can be found on the [Tameside Metropolitan Borough Council website](#).

The Board has an annual budget of £46,900. During the 2019/20 year, the costs of the Board were £39,641.

Local Pension Board member development

The Public Service Pensions Act 2013 requires that members of local pension boards have an appropriate level of knowledge and understanding in order to carry out their role. The structure and membership of the Board has been designed to try and ensure there is a broad range of knowledge and experience in all relevant areas.

The Board periodically analyses its level of knowledge and understanding, both on an individual member basis and on a collective basis and training is focused in the areas where improvements can be made to the knowledge and understanding of the Board as a whole.

The table below shows attendance of Board members at training events and conferences over the year. In addition, all Board members have completed the Pension Regulator's public service toolkit.

Conferences and Training Events Attendance

Conference and Training Events	UBS Trustee training 18 September 2019	Club Vita Hymans Robertson 18 October 2019	LGPS Good governance project Hymans Robertson 9 January 2020	LGPS performance update training 17 January 2020	Cybersecurity training 17 January 2020	Cybersecurity training 24 January 2020
Attendees	Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull	C Lloyd	Cllr B Fairfoull
	Cllr J Cooper	Cllr J Cooper	J Hammond		P Catterall	P Taylor
	P Taylor	D Schofield	P Taylor		D Schofield	
	C Lloyd		M Rayner		M Cullen	
	M Cullen		C Lloyd			
			D Schofield			

Both the Board and the GMPF Management Panel see great benefits in a close working relationship between the Board and the Panel and a culture of openness and transparency between the two bodies.

Board members are encouraged to attend the GMPF Management Panel meetings and to read the Management Panel's reports. The Board considers relevant Panel reports in detail at Board meetings and commissions additional reports from GMPF Officers as appropriate.

The minutes for each Board meeting are noted at the subsequent Management Panel meeting.

Annual Report 2020

Local Pension Board Annual Review

As will be the case for all LGPS funds, 2019/20 has been an exceptionally busy year for GMPF with the 2019 valuation process taking place and the completion of several key projects, such as finalising the roll-out of monthly data collection from employers and the development of a new GMPF website. Considerable effort has been required from all stakeholders to ensure the governance and administration of GMPF continues to function highly effectively, even when faced with challenges as unprecedented as the Covid-19 pandemic. I was proud to be able to attend the first virtual Management Panel, which I believe was the first in the UK, to support the oversight and scrutiny of the Fund's business continuity plans, and assurance of the Fund's ability to meet its pension commitments in the rapidly evolving landscape

Even aside from Covid-19, across the LGPS as a whole there are several ongoing areas of uncertainty, such as the potential outcomes of the 'McCloud' case and consultations on changes to Regulations, which have faced delays and, in some cases, legal challenge in the courts.

The GMPF Local Pensions Board continues to fulfil two important functions: offering constructive scrutiny to the GMPF Management Panel and its officers; and providing valuable member and employer perspectives on GMPF's operation, which will help ensure GMPF's continued success. This is particularly relevant during such times of significant change and uncertainty. The Board combines significant expertise drawn from a diverse range of sources, which allows it to effectively engage in the administration and governance of GMPF ensuring positive outcomes for members and employers.

A key focus of the Board over the past year has been to support the further development of GMPF's risk management processes. The Board worked closely with senior officers to create a new risk register, which is comprehensive yet concise and allows the effectiveness of risk mitigation actions to be easily assessed. The risk assessment also links to the work of the internal audit team, targeting where this valuable resource can be most effectively deployed.

A particularly high-profile risk over the last year has been cybersecurity and I attended a full day workshop alongside other Board and Management Panel members and GMPF officers, which was facilitated by a renowned and leading expert in this field. The Board continues to seek appropriate training opportunities and I was delighted to note the Board's recent engagement in the National Knowledge Assessment being facilitated across the LGPS by GMPF's actuary, Hymans Robertson. We look forward to analysing the output of this project at our next meeting and using this to help structure our future training plans.

We have also provided guidance and support on GMPF's new Pensions Administration Strategy. This will help ensure timely and accurate data submission from employers and introduces clear escalation procedures for any employers that are not fulfilling their obligations.

The Pensions Regulator's increased involvement in the LGPS has been notable over the last year. Whilst GMPF was not one of the cohort of funds analysed as part of the Regulator's 'Deep Dive' project, we noted with interest the Regulator's findings and GMPF has sought to ensure that it is fully compliant with all the Regulator's recommendations of best practice. An update on compliance with these recommendations has been presented at each meeting of the Board. As the largest LGPS fund we look forward to working closely with the Regulator in future and hope we can be leaders in demonstrating the quality of LGPS governance and administration and the value of local pension boards.

We also continue to remain focused on our existing obligations to the Pensions Regulator, in particular ensuring compliance with the Regulator's Code of Practice 14, which includes the monitoring of contributions payments and determining whether any breaches of the law are likely to be of material significance to the Regulator.

Looking forward, 2020/21 is shaping up to be a particularly challenging year in light of the Covid-19 pandemic, which has already impacted almost all aspects of GMPF's operation. I have been extremely impressed by how GMPF has transitioned to a remote working environment whilst maintaining a high level of service to members and employers, which highlights the value of business continuity planning, appropriate management structures and investment in systems and technology. GMPF has the distinction of hosting the first online LGPS Pensions Committee meeting in April.

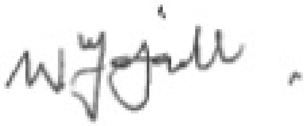
We all hope it is soon safe to return to a more traditional working environment, but there will likely be elements of what we are currently doing that may be beneficial to retain. For example, more flexible working and reducing business travel. The Board will have a key role in providing its usual mixture of support and challenge in ensuring an expedient service continues to be provided by GMPF to all its stakeholders.

There are also considerable challenges being faced by GMPF's employers, which will continue to evolve over the next year as the Government's support measures are gradually unwound.

Our sincerest condolences go to all of those who have lost loved ones and our thanks go to the significant proportion of our members who have been on the frontline of the fight against Covid-19 or dealing with its impact. The Board will continue to use all its efforts to help ensure that GMPF provides the financial safety-net that members and their dependants require.

A further area of interest will be the completion of the LGPS Scheme Advisory Board's Good Governance project, which has been a project that we have been following closely and hope will help further drive up standards across the LGPS.

Finally, I would like to thank all members of the Board for their valuable contributions over the past year and on behalf of the Board also thank the GMPF Management Panel, officers and advisors for their continued support and assistance.



Cllr Bill Fairfoull

Chair of the GMPF Local Pension Board

Key achievements

A number of notable pensions administration projects were completed, including:

- Roll-out of monthly data collection from employers.
- Revised Pensions Administration Strategy.
- Development of new website.

Further strengthening of GMPF's risk management processes, including:

- Development of new risk register.
- New GMPF cyber-security policy.

Participation in national LGPS initiatives including:

- National Knowledge Assessment.
- Good governance review.

Annual Report 2020

Top 20 equity holdings

Royal Dutch Shell
£244 million
1

BP
£235 million
2

GlaxoSmithKline
£181 million
3

HSBC Holdings
£139 million
4

Rio Tinto
£137 million
5

Barclays
£122 million
6

Roche Holdings
£106 million
7

3i Group
£104 million
8

Tesco
£101 million
9

Lloyds Banking Group
£97 million
10

Unilever
£91 million
11

Anglo American
£90 million
12

Man Group
£88 million
13

Glencore
£88 million
14

Microsoft
£80 million
15

BT Group
£79 million
16

Astrazeneca
£78 million
17

Novartis
£78 million
18

Prudential
£78 million
19

Samsung
£61 million
20

Major holdings

GMPF publishes a list of all its equity and bond holdings each year, following the completion of its external audit.

The list can be found on GMPF's website at: www.gmpf.org.uk/about/how-do-gmpf-invest

Annual Report 2020
Investment report

Investment management

Management of Greater Manchester Pension Fund's (GMPF) assets is determined within the context of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. These require GMPF to have regard to both the diversification and suitability of its investments and to take proper advice in making investment decisions.

During 1994, the Management Panel decided to separate GMPF's assets into two distinct parts – a Main Fund and a Designated Fund – in order to reflect a major difference between most of GMPF's employers and that of a small number of employers in their liability profiles. The Designated Fund is used for employers who have a very high proportion of pensioner liabilities.

At 31 March 2020, the total Fund value was £22,034 million. Of this total £21,089 million was held in the Main Fund whilst £945 million was held in the Designated Fund, all of which was invested across a broad spread of assets.

The majority of the Designated Fund investments are passively managed by Legal & General Investment Management, whilst the bulk of the cash portfolios are managed internally.

During the course of 2000/01 an extensive review of the external management arrangements of the Main Fund was undertaken and culminated in the adoption of a Fund specific benchmark. UBS Asset Management (UK) act as an active manager and Legal & General Investment Management act as a passive manager. UBS manage a securities portfolio investing in equities, fixed interest and index linked bonds on a multi-asset discretionary basis, whilst Legal & General manage a multi-asset indexed securities portfolio.

In 2014 the Management Panel reaffirmed its decision to introduce two new mandates, a global equity mandate and a debt/credit mandate. The global equity mandate was awarded to Ninety One (formally Investec Asset Management Ltd) and was funded in 2015. The debt/credit mandate was awarded to Stone Harbor Investment Partners and was funded in 2017.

In 2018 the Management Panel adopted recommendations, which established a Factor Indexing allocation and portfolio within the Main Fund. Funded in 2019, the portfolio comprises investments in Global Equity (developed markets) tracking a Scientific Beta index with UBS as replicator.

All GMPF's external managers are signatories to the Scheme Advisory Board's Transparency Code in relation to costs, and the information obtained is used by GMPF for cost benchmarking purposes.

GMPF published a Core Belief Statement in 2009 setting out the key underlying beliefs of the Management Panel in relation to investment issues and GMPF's overall approach to investment matters. These beliefs were reviewed in 2018 and provide the bedrock rationale underpinning GMPF's investment activity. The Core Belief Statement can be found at the back of this report.

The chart on page 21 summarises the management arrangements for the Main Fund at the end of the year.

Custody of financial assets and banking

GMPF uses an independent custodian – currently Northern Trust – to safeguard its financial assets and the rights attaching to those assets. The Custodian is responsible for the safe keeping of GMPF's financial assets, the settlement of transactions, income collection, overseas tax reclamation and other administrative actions in relation to the investments.

GMPF's banker is Royal Bank of Scotland PLC.

The remaining comments and results in this Investment Report relate solely to the Main Fund.

Investment strategy

In December 2000 the Panel adopted a GMPF specific benchmark, which defines the proportion of the Main Fund to be invested in each asset class.

Each year the Management Panel reviews the Main Fund's investment strategy restrictions for the coming year. The benchmark in place at the end of 2019/20 is summarised in the charts on page 21.

Each of the asset managers has been given a specific benchmark reflecting their perceived skills and the relative efficiency of markets. UBS is given a range for each asset class allowing them to make tactical asset allocation decisions. Ninety One and Stone Harbor are relatively unconstrained against Global Equity and absolute return benchmarks respectively.

GMPF's target allocations to private equity, private debt and infrastructure funds are each 3% of Main Fund value, which at year end, were implemented by new commitments to specialised funds of £448 million, £150 million and £240 million per year respectively. The allocation to the Special Opportunities Portfolio (SOP) is limited at 5% of Main Fund value. Current realistic benchmark allocations for private equity, private debt, infrastructure funds and SOP are 4%, 0.5%, 2.5% and 2.5% respectively.

GMPF targets local investment through the Property Venture Fund (target allocation range up to 3% of the Main Fund) and other allocations. Such local investment is restricted to 5% of Main Fund value.

The following statements can be found later in this report by clicking the hyperlinks below. These are also available in hard copy on request:

• Funding Strategy Statement	The statement sets out how the Management Panel balances the conflicting aims of affordability, stability and prudence in the funding basis and is fully compliant with statutory guidance.
• Governance Policy • Governance Compliance Statement	GMPF is required to maintain and publish a Governance Policy and a Governance Compliance Statement detailing its governance arrangements.
• Core Belief Statement	This statement sets out the underlying beliefs of the Management Panel in relation to investment issues.
• Investment Strategy Statement	GMPF is required to maintain and publish an Investment Strategy Statement detailing its investment arrangements and is fully compliant with statutory guidance.
• Responsible Investment Policy	This policy sets out GMPF's approach to Responsible Investment activities, and includes information on its implementation and GMPF's commitments to reporting and accountability.
• Communications Policy	The Policy outlines how GMPF communicates and engages with all its stakeholders.
• Pension Administration Strategy	This strategy recognises that for administration costs to be minimised, and the mutual service to the member be maximised, employers and the administering authority must cooperate closely.

Management Arrangements

Total Main Fund
£22,034 million

Externally managed million £17,083

Securities Portfolio	
UBS	£7,119 million
UBS SciBeta	£1,912 million
Legal & General	£4,520 million
Ninety One (formerly Investec)	£1,430 million
Stone Harbor	£1,058 million
Property	
Lasalle	£880 million
Avison Young (formerly GVA)	£164 million

Internally managed million £4,951

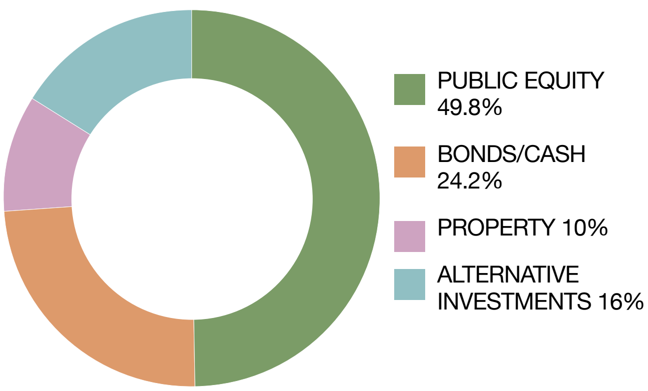
Cash & Alternatives	£3,987 million
Property	£964 million

LGPS Pooled assets£523 million

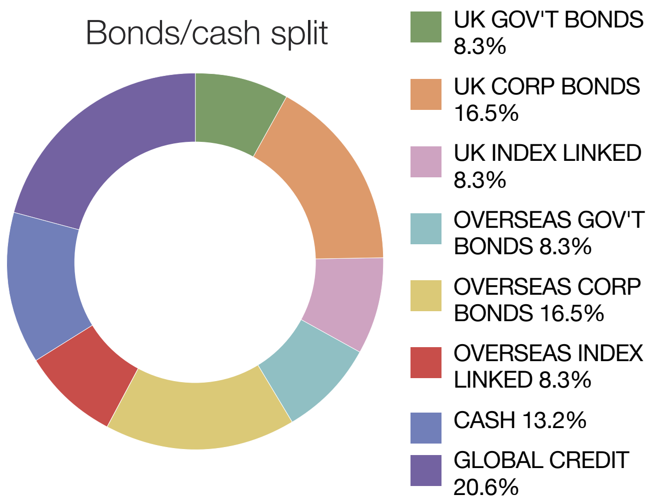
NPEP	£47 million
GLIL	£476 million

Benchmark Asset Allocation

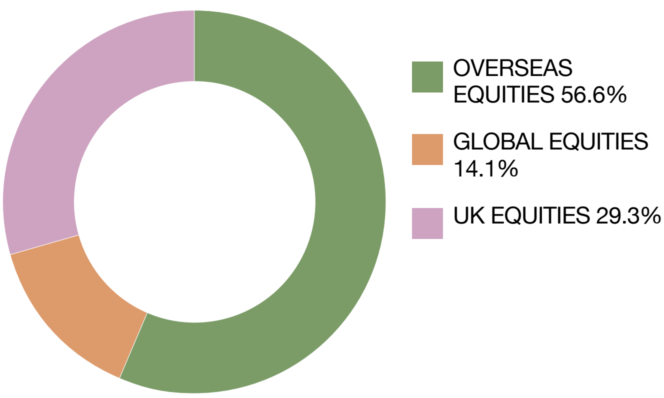
Major asset class split



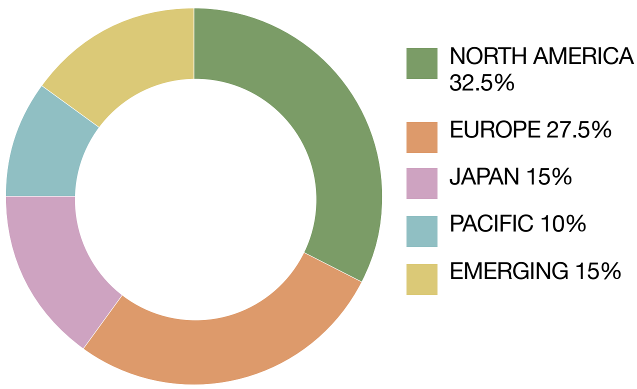
Bonds/cash split



UK/Non-UK equity split



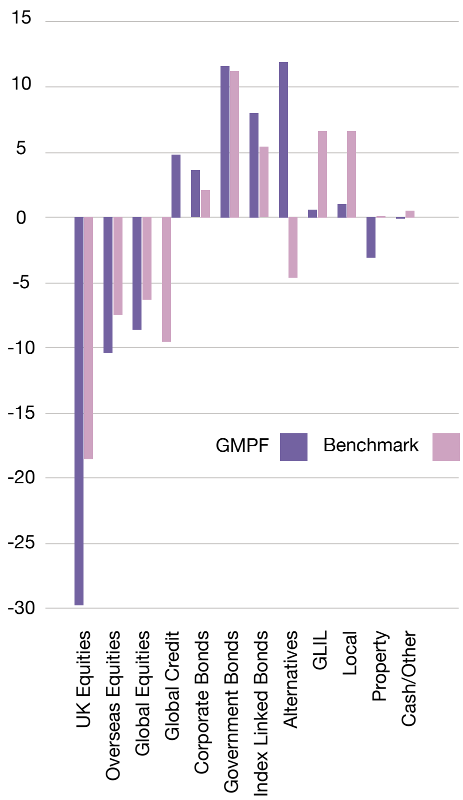
Overseas equity split



Investment Returns

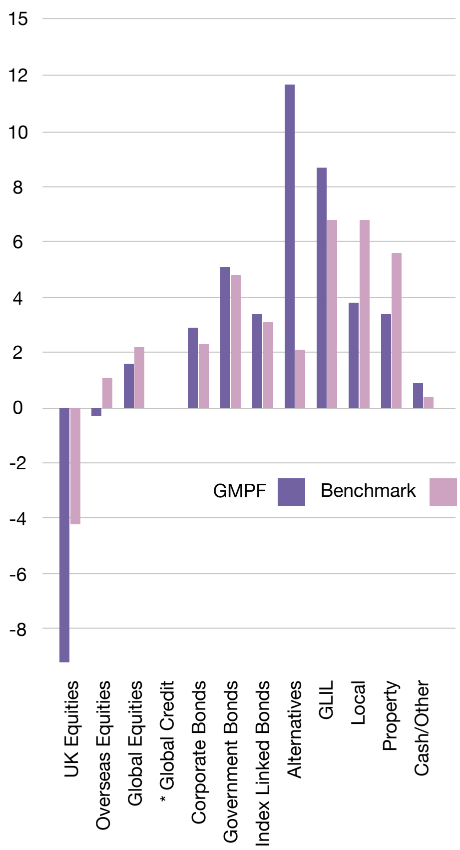
INVESTMENT RETURNS (%)

1 Year ended 31 March 2020



INVESTMENT RETURNS (%)

3 Year ended 31 March 2020



* Portfolio was not active for the full period

Performance

The graphs on this page compare the return achieved by the Main Fund with the benchmark index return in each of the main investment categories during the year, over three years and over five years to 31 March 2020.

The year saw both positive and negative returns within the categories, with the highest returns being achieved in Government Bonds, Index Linked Bonds and Alternatives.

The Main Fund realised a return of -6.6% during the year, and outperformed the benchmark index in Corporate Bonds, Government Bonds, Index Linked Bonds and Alternatives, but underperformed the benchmark in UK Equities, Overseas Equities, Global Equities, Global Credit, GLIL, Local, Property and Cash.

The three year results saw a majority of positive returns within the categories, with the highest returns being achieved in Government Bonds, Alternatives and GLIL.

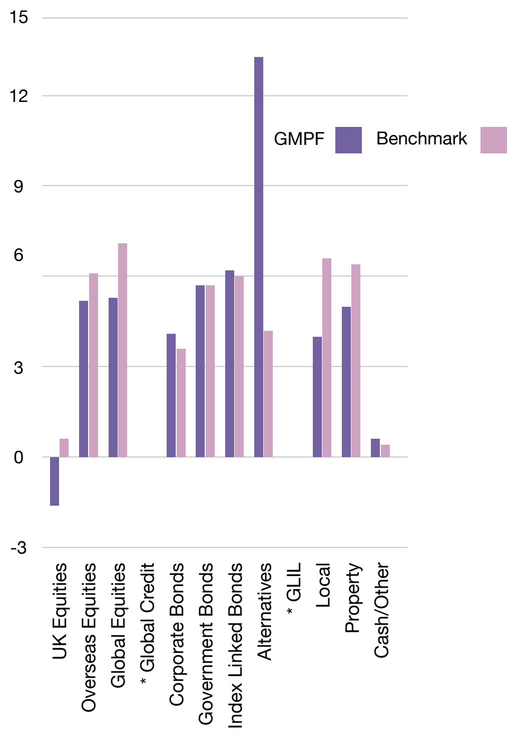
The Main Fund realised a return of 0.9% per year for the three year period, and outperformed the benchmark index in Corporate Bonds, Government Bonds, Index Linked Bonds, Alternatives, GLIL and Cash, but underperformed the benchmark in UK Equities, Overseas Equities, Global Equities, Local and Property.

The five year results also saw a majority of positive returns within the categories, with the highest returns being achieved in Alternatives.

The Main Fund realised a return of 4.8% per year for the five year period, and outperformed the benchmark in Corporate Bonds, Index Linked Bonds, Alternatives and Cash, and matched the benchmark in Government Bonds, but underperformed the benchmark in UK Equities, Overseas Equities, Global Equities, Local and Property.

INVESTMENT RETURNS (%)

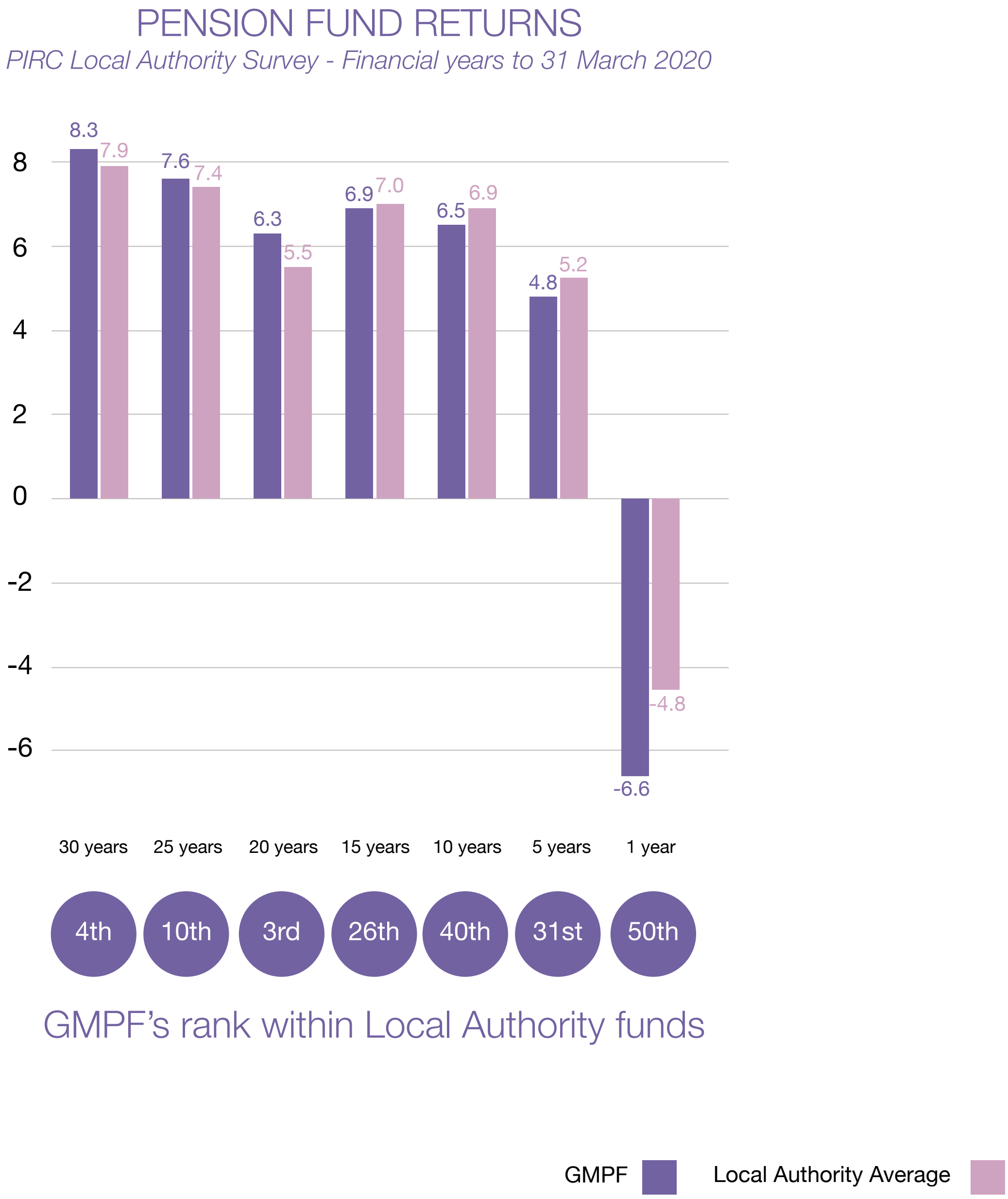
5 Year ended 31 March 2020



* Portfolio was not active for the full period

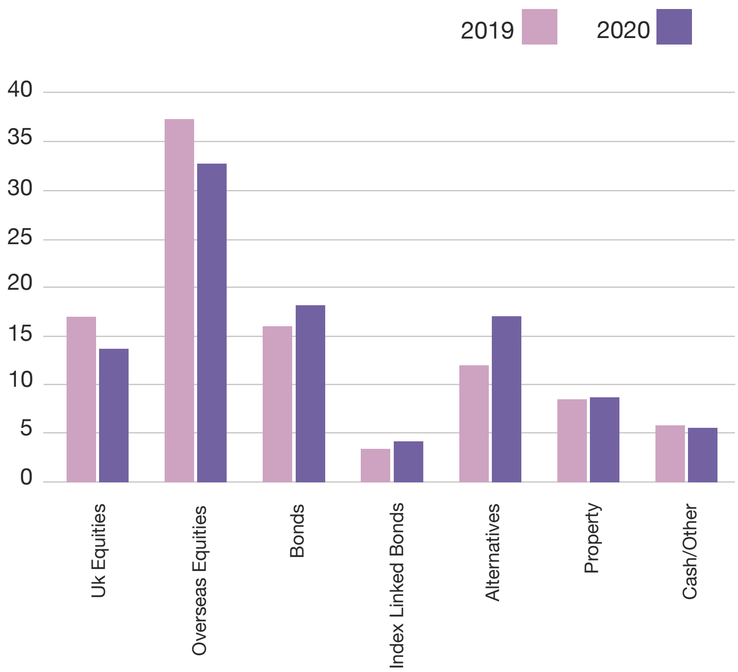
Pension Fund Returns

Greater Manchester Pension Fund (GMPF) subscribes to PIRC's Local Authority Pension Performance Analytics Service in order to assess its performance relative to other funds which operate under the same regulations. The graph on this page looks at the Main Fund's performance as compared to the local authority average over various durations extending between 1 year and 30 years. Over the long term the Main Fund has consistently outperformed the average local authority, and over the periods of 20, 25 and 30 years, has ranked third, tenth and fourth of such funds, respectively.



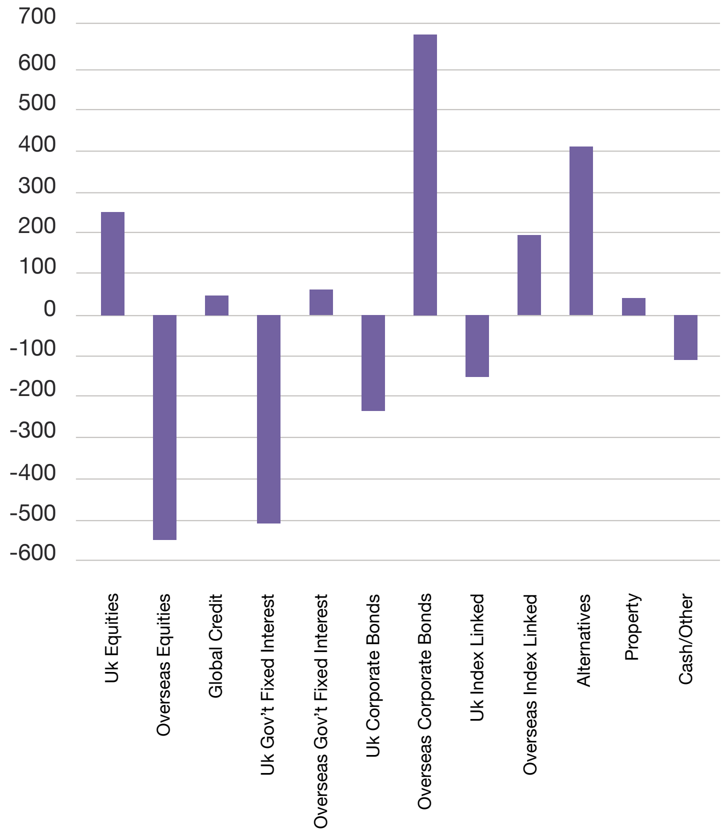
PORTFOLIO DISTRIBUTION (%)

Market value at 31 March



NET INVESTMENT (£m)

Year ended 31 March 2020



Portfolio Distribution

The distribution of assets across the main investment categories within the Main Fund changes as a result of the investment strategy followed by the managers and the performance achieved within each investment category. These changes are shown, on an economic exposure basis, in the graph top left.

Net Investment

The graph bottom left shows the net effect, on an economic basis, of the total investment activity of the Main Fund during the year, based on the Panel's restrictions. As can be seen, there has been a switch out of Overseas Equities and UK Government Bonds, predominately into Overseas Corporate Bonds and Alternatives.

Public Market Equities – Thermo Fisher Scientific Inc

Thermo Fisher Scientific Inc. (NYSE: TMO) is the world leader in serving science, with annual revenue exceeding $25 billion. The company's mission is to enable its customers to make the world healthier, cleaner and safer.

Whether customers are accelerating life sciences research, solving complex analytical challenges, improving patient diagnostics and therapies or increasing productivity in their laboratories, Thermo Fisher are there to support them.

The business has a global team of more than 75,000 colleagues who deliver an unrivaled combination of innovative technologies, purchasing convenience and pharmaceutical services through its industry-leading brands, including Thermo Scientific, Applied Biosystems, Invitrogen, Fisher Scientific, Unity Lab Services and Patheon.

Thermo Fisher is at the heart of the global response to Covid-19. Alongside government agencies and researchers, the company is working to ensure priority access to instruments, consumables, safety supplies and other products to address the outbreak, particularly in analysis of the virus, diagnosis and personal protection.

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Economic background

Towards the end of May 2019, Prime Minister Theresa May announced her intention to resign on 7 June. With no viable way for her Brexit deal with the European Union (EU) to be approved by parliament, the path was open for a new Conservative party leader to be elected over the summer months. Sterling fell as these events made a no-deal Brexit appear more likely.

Looking ahead to the remainder of the year, the key unknown was the relationship between the US and China over trade and technology. Nevertheless, there was an optimistic mood ahead of the G20 summit in late June as investors hoped for a positive outcome to the meeting between President Trump and President Xi.

The second quarter began positively with a resumption of the trade talks between the US and China, although it was clear that the road to any agreement was likely to be a difficult one.

More broadly, geopolitical risks remained elevated amidst the uncertain economic backdrop. In September, a drone attack damaged key energy infrastructure in Saudi Arabia, resulting in Brent crude having its largest one day rise in almost 30 years, illustrating how wider events affected market sentiment.

Boris Johnson became Prime Minister in July and immediately increased preparations for a UK exit from the EU at the end of October which caused sterling to decline on foreign exchange markets. Johnson requested a prorogation of Parliament from the Queen, but this was later quashed by the Supreme Court, allowing Parliament to pass a law preventing the UK from leaving the EU at the end of October without a deal.

The Federal Reserve (Fed) cut interest rates by 0.25% in August and September in line with market expectations. Signs of any further monetary policy easing remained elusive despite President Trump's clarion call for them.

EU Policymakers allowed interest rates to fall further into negative territory and announced the restart of its Quantitative Easing programme as concerns about the outlook for economic growth deepened.

In China, the economy showed further signs of slowing amidst the ongoing uncertainty over trade. Growth in industrial output fell to rates not seen for 17 years as manufacturing continued to contract over the summer.

Boris Johnson was returned to office after the pre-Christmas election, opening the way for the UK to leave the EU at the end of January 2020. The news boosted UK equities and sterling; however, the positive impact on the latter reversed as it became clear that the new administration was resolutely committed to ending the Withdrawal Agreement with the EU by the end of 2020, even if this meant failing to secure a deal that substantially replaced existing trading arrangements (the equivalent of a no-deal Brexit).

The Bank of England (BoE) left interest rates unchanged despite signs of sluggish economic growth as 2019 ended. Although Gross Domestic Product (GDP) grew by 0.3% in the third quarter, it was the slowest rate since the start of the decade. The BoE noted that it expected a rebound of growth in 2020 based on reduced Brexit uncertainty, increased government spending and improved global growth.

Economic data updates for the last months of 2019 were mixed as the new year began. While GDP in the US was in line with expectations and there were initial signs of improvement in China, Eurozone growth was disappointing, with activity shrinking in both France and Italy.

However, the mood darkened in the first quarter of 2020 as investors assessed the likelihood of the Covid-19 outbreak having a major impact on global economic activity. The speed of the spread of coronavirus and the scale of steps taken to mitigate its impact, on both population health and economic activity, left investors struggling to adjust.

Against this febrile backdrop, repeated announcements of monetary and fiscal intervention from authorities worldwide had little impact initially. It was only as it became clear that a widespread rescue package had been agreed by the US Congress, that the market started to stabilise towards the end of March.

In the UK there was a change at the Treasury as Boris Johnson completed a first cabinet reshuffle since winning the general election in December. Chancellor of the Exchequer Sajid Javid was replaced by Rishi Sunak. The new Chancellor's first budget contained a £30 billion stimulus package to ease the impact of the Covid-19 outbreak.

The UK left the EU on 31 January 2020, with senior members of the government indicating that their focus would be to secure a 'bare bones' deal in the forthcoming negotiations on the future trading relationship.

President Trump signed a ‘Phase One’ trade deal with China in January which committed China to purchasing US agricultural goods, tightened protections on intellectual property and cut some of the newly introduced tariffs on imports into the US.

In February, President Trump’s impeachment trial ended in his acquittal as widely expected given the Republican’s majority in the upper house. With the trial concluded, political focus in the US turned to the Democratic primary race ahead of the presidential election with former Vice President Joe Biden emerging as the favourite to win the Democratic nomination.

The Fed cut interest rates back to zero in March, whilst also announcing a range of measures to support the Treasury and Mortgage Backed Security markets. In addition, stimulus approved by Congress allowed the purchase of corporate bonds, support for small and medium businesses and cash payments directly to individuals.

As the year to 31 March 2020 came to an end, there were tentative signs that businesses in China were slowly resuming operations. Investors were also encouraged by signs that the growth of new Covid-19 cases in Italy was slowing and by the lack of domestic infections in China. However, it was clear that the global economic impact was only starting to be felt: major parts of the global economy were going into lockdown, sporting and cultural events were postponed and the rate of cases in countries such as the US continued to accelerate.

Private equity

Greater Manchester Pension Fund (GMPF) has been an investor in private companies through pooled partnership vehicles for nearly four decades and currently has interests in 107 active partnerships creating a portfolio that is very well diversified by stage of investment - from early stage growth investments to large buyout investments – and by geography – with portfolio companies spread across the United Kingdom, Continental Europe, North America and Asia.

In 2018, the three funds that comprise Northern LGPS formed Northern Private Equity Pool (NPEP), a joint venture that combines the private equity investing activities of the three funds. Through its involvement in the NPEP joint venture, GMPF added eight funds to its portfolio, representing total commitments of £220 million.

At the end of 2019, Northern Private Equity Pool took a significant step towards its objectives through the establishment of a co-investment partnership with a leading global alternatives asset manager. This will enable GMPF, through NPEP, to implement its targeted private equity exposure at lower cost through partnering more directly with its preferred managers in certain transactions.

Performance of the Private Equity portfolio to the end of December 2019 has been strong, in line with the trend for much of the past decade with percent per annum rates of return for mature funds invested in during the last decade in the high teens.

Near term returns have been blunted by the impact of the Covid-19 virus pandemic and its severe effect on social and economic activity levels. The Private Equity portfolio was valued at £1.3 billion as at 31 March 2020 although it will take some time to fully understand the impact of Covid-19 on the portfolio and for this to be fully reflected in portfolio company valuations.

Northern Private Equity Pool (NPEP)

Private equity has been one of the best performing asset classes over recent decades and has been an area of successful investment for all Northern Local Government Pension Scheme (LGPS) funds, who are each amongst the most well established private equity investors in the UK.

Investment in private equity is complex and in recognition of the strong cost benefit rationale for combining investing efforts in this area, Northern LGPS established the Northern Private Equity Pool in May 2018; an investment joint venture structured as an English Limited Partnership. The partnership operates as a single legal entity through which the three Northern LGPS funds can invest collectively and collaboratively in private equity assets.

The Northern Private Equity Pool will draw on the combined expertise and experience of the internal teams at each of the respective Northern LGPS funds, and the administration capabilities of Northern LGPS's pool-wide external custodian. The combined scale and resources of the Northern Private Equity Pool will enable funds in Northern LGPS to invest in private equity through lower cost implementation approaches than have been the case historically.

The Northern Private Equity Pool will look to build a global portfolio of private equity assets, diversified across several aspects such as economic sector and geographic location and through a combination of growth financing investments and small, medium and large sized buyout transactions. Northern Private Equity Pool will continue to work with some the world's leading private equity management groups, as each of the Northern LGPS funds have done previously, to develop effective relationships for the benefit of Northern LGPS and which will complement each fund's historic efforts in this area.

Investment pace since inception has been consistent with targets, with £850 million committed to 15 investment funds. In addition, a substantial agreement was signed at the end of 2019 that will see the Northern LGPS partner funds, through Northern Private Equity Pool, access a lower cost implementation method for the private equity asset class through co-investment alongside preferred managers.

Northern LGPS has made good progress to establish Northern Private Equity Pool as one of the pre-eminent investors in private equity with a strategy that provides access to the best opportunities in the market with a cost position that is a material advancement over historic approaches undertaken by each Northern LGPS fund individually.

Northern LGPS
Greater Manchester, Merseyside and West Yorkshire
Pension Funds working together

Private Equity portfolio: Moneypenny

Through its private equity partner ECI Partners, GMPF has invested in Moneypenny.

Moneypenny is the world's leading outsourced communications provider, delivering telephone answering, live chat, switchboard and omnichannel customer services support for businesses. Moneypenny works with organisations of all shapes and sizes, from sole traders right up to multinational corporations. The company was founded by brother and sister Ed Reeves and Rachel Clacher CBE in 2000 and now has offices in Wrexham and London, UK, and Charleston, South Carolina and Atlanta, Georgia, USA.

Moneypenny invests heavily in technology; especially in the area of cutting edge voice technology, working with the likes of Google and Amazon alongside developing in house client facing support systems and applications. It provides bespoke services to clients to support their end customers and helps businesses improve productivity and efficiency by outsourcing non-core processes. No two clients are the same for Moneypenny's friendly and experienced team, who love delivering exceptional customer service, solving their clients' problems and developing innovative solutions in the communications space.

In the UK Moneypenny has over 750 staff, a figure that is growing at a rapid rate and has over 220 employees in the US, following their recent acquisition of VoiceNation and Ninja Number. VoiceNation is an award-winning bilingual telephone answering provider, and Ninja Number is a cutting-edge business phone app which provides a virtual phone system for entrepreneurs. The Moneypenny family of businesses currently manage nearly 20 million customer communications annually for over 20,000 companies.

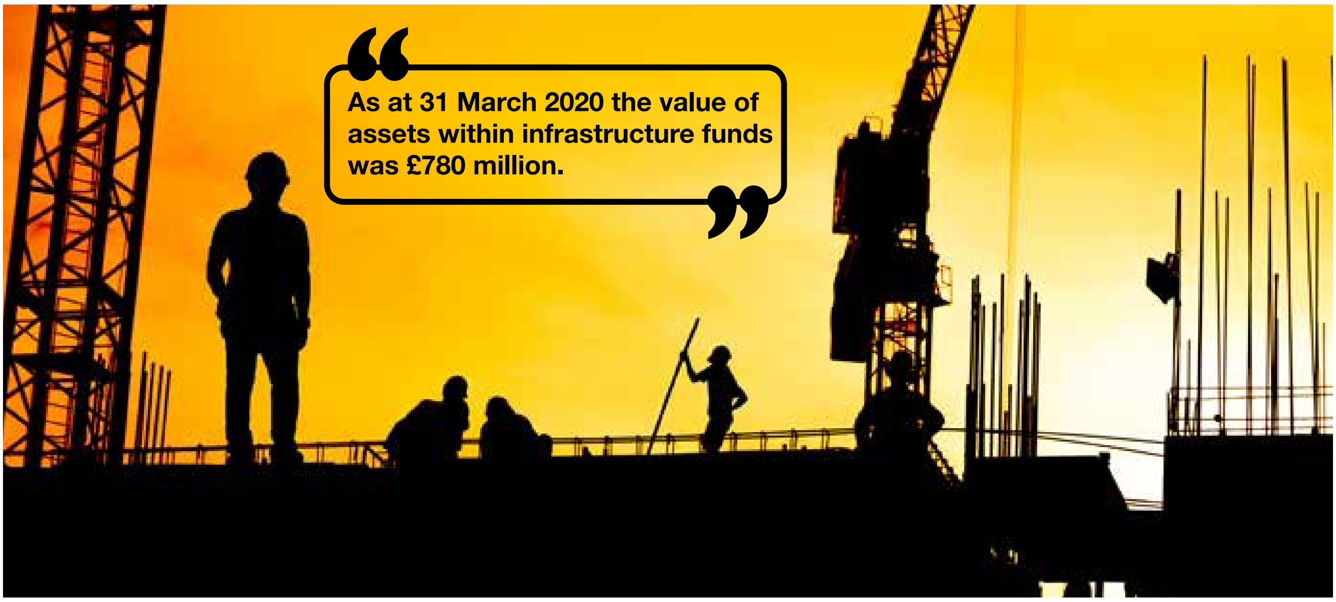
Moneypenny is regularly referred to as one of the happiest workplaces in the UK and has been awarded the Queen's Award for Enterprise and been recognised six times in The Sunday Times '100 Best Companies to Work For'.


Infrastructure Funds

Greater Manchester Pension Fund (GMPF) has invested in private infrastructure partnerships for nearly two decades and has continued to grow its portfolio in the past 12 months. Three new fund commitments were made, totalling £240 million whilst fund managers called £181 million of GMPF capital during the 12 months to 31 March 2020 for investment into a wide range of infrastructure assets and businesses.

Further growth in the size of the Infrastructure portfolio is envisaged through an annual programme of new fund commitments, mainly with existing managers that have shown specific competences in infrastructure investing.

As at 31 March 2020 the value of the Infrastructure funds portfolio was £780 million. The performance of the portfolio is consistent with its objectives, delivering investment returns in the high single to low double-digit range. In the near term, the value of the portfolio has been impacted, to a degree, by the Covid-19 virus pandemic, particularly in transport related assets such as toll roads and airports, but it is anticipated that the portfolio will prove to be relatively resilient given the essential nature of the services and assets held.



Special Opportunities portfolio

The Special Opportunities portfolio exists to broaden the range of assets in which Greater Manchester Pension Fund (GMPF) invests with the aim of increasing diversification and reducing returns variability. It also exists to take advantage of opportunities as they arise or as market conditions allow.

As with senior secured Private Debt in the preceding year, 2019/20 saw the promotion of another Special Opportunities' investment theme, Factor Based Investing, to its own defined portfolio within GMPF. As a result, the Special Opportunities portfolio now consists of investments in funds that fall under the headings of Credit Opportunities (nine funds), Absolute Return Funds (two funds), and Real Assets (two funds investing in Agriculture and Timberland).

One new Credit Opportunities fund commitment was made in 2019/20, resulting in a portfolio of thirteen active investments. Several potential opportunities are under active consideration at the year end and officers continue to evaluate the future potential of both the existing investment types, as listed above, and also new investment types which may, in time, replicate the success of Private Debt and Factor Based Investing, in becoming separate allocations within GMPF.

As at 31 March 2020, the value of the investments within the Special Opportunities portfolio was £344 million.

Private Debt portfolio

Greater Manchester Pension Fund (GMPF) established the Private Debt portfolio in July 2018 to segregate, from the Special Opportunities portfolio, commitments made to funds targeting investments in the private senior secured loans of privately owned, typically private equity backed, companies.

The target allocation is 5% of main fund assets by value and is to be achieved over time by making new commitments to private investment funds at an appropriate annual rate.

One new fund commitment of £150 million was made by GMPF in 2019/20, resulting in a total portfolio of seven active investments. A total of £930 million has been committed since the portfolio's inception, of which £430 million has been drawn down and invested by managers. Further investments within the portfolio remain under active consideration.

The value of the investments within Private Debt portfolio was £432 million as at 31 March 2020. The short lifespan of the portfolio does not lend itself to meaningful performance commentary although the economic environment created by the Covid-19 pandemic is likely to provide a stiff test of the defensive return characteristics that the portfolio's construction is predicated upon.

Direct Infrastructure

In April 2015, Greater Manchester Pension Fund (GMPF) and the London Pensions Fund Authority formed a joint venture to invest directly in infrastructure assets, with a focus on the UK. The joint venture is structured as a limited liability partnership and has been named GLIL Infrastructure LLP (GLIL). As part of the Local Government Pension Scheme (LGPS) pooling discussions, West Yorkshire, Merseyside and Lancashire County Council pension funds joined GLIL in December 2016. In March 2018 GLIL was re-structured as an open ended fund to facilitate potential new members. Additional commitments made by existing members in October 2018 mean GLIL now has committed capital in excess of £1.8 billion. GMPF remains the largest participant in the venture.

GLIL began investing in October 2015 and has completed nine transactions with a total value in excess of £1.1 billion.

One of GLIL's earliest transactions was the purchase from SSE of a 21.7% stake in Clyde wind farm for £150 million. At the time of investment, Clyde had 152 operational turbines capable of generating 350 megawatts (MW) and a further 54, more powerful turbines, under construction. The new turbines became fully commissioned in September 2017. At this point GLIL invested an additional £30 million with a further £88 million invested in the summer of 2018. Clyde now has a total generation capacity of 522MW, making it one of the largest onshore windfarms in Europe.

Our most recent transaction, which was completed in January, is the £93 million acquisition of a 49% stake in Cubico's portfolio of 250MW of solar and wind assets across the UK. Combined with Clyde and other assets,

GLIL now has exposure to over 800MW of renewable energy.

GLIL's remit includes investment in new build (so-called 'greenfield') infrastructure projects. Alongside our partnership with Iona to construct £130 million of bioenergy plants around the UK, we have also financed two joint ventures for the build and commissioning of more than a thousand new rail vehicles across two rail franchises in the south of England. The first of these fleets is already entering service on the Greater Anglian network.

The Owls Hatch solar farm, located in Kent, is part of the Cubico portfolio and is one of the largest privately owned solar farms in the UK. It can generate up to 50MW of electricity and covers 213 acres.

One of 38 new bi-mode trains entering service on the Greater Anglian network. Built by Stadler in Switzerland, they offer state-of-the-art, environmentally friendly technology and feature low floor and level boarding, vastly improving the customer experience.

LPP
Local Pensions Partnership

Northern LGPS
Greater Manchester, Merseyside and West Yorkshire Pension Funds working together

Property portfolio

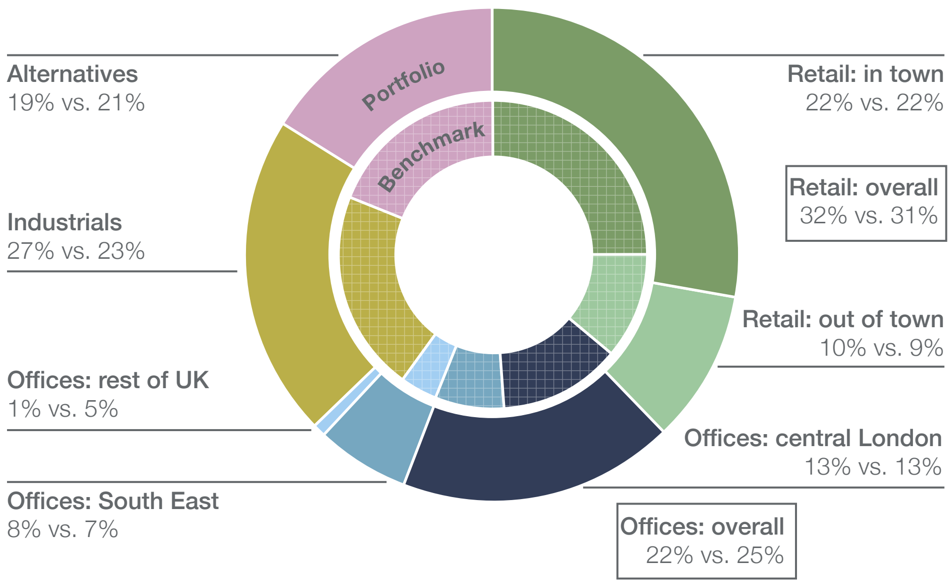
At 31 March 2020, Greater Manchester Pension Fund's (GMPF) main UK property portfolio comprised 39 directly owned assets (two of which are owned through joint ventures and one via a co-mingled fund). The portfolio is valued at £815 million. Including a forward funding commitment, this would increase to £851 million. This portfolio is managed by LaSalle Investment Management.

There is an additional £549 million invested in UK pooled property vehicles. This comprises eight UK balanced funds totalling £434 million and eight alternative or sector specialist funds totalling £115 million.

LaSalle Investment Management completed its fifth year as property investment manager. No acquisitions were made in the year by LaSalle, with the team focused on asset management and seeking to deliver value from the existing portfolio.

There were four asset sales during the year for a total consideration of £32.2 million which continued LaSalle's strategy of disposing of small, secondary assets.

In terms of sector weightings, the direct portfolio is now closely aligned to its respective benchmark with a slight overweight to industrial and retail and underweight to offices, particularly outside of London and the South East.



The current direct portfolio currently has a high vacancy rate and subsequent low initial yield. Most of this vacancy is comprised in two industrial estates in Reading and Southampton, which were acquired in 2018 and have been slower to lease up than was initially expected, as well as an office campus in Docklands London, of which a significant amount has recently been comprehensively refurbished. Whilst these assets remain vacant, LaSalle reports strong occupational demand and once let will substantially reduce the portfolio's vacancy rate and increase its initial yield.

Similarly, the average lease length of 7.1 years is materially lower than the benchmark of 12.9 years. This is expected to increase to about 8.2 years upon completion of the new Premier Inn hotel. This will have a 25 year lease and will therefore provide some strong income certainty. Furthermore, an imminent lease restructure to a large central London office block is anticipated to further increase the portfolio lease term by approximately 1 year.

Metric	Direct Portfolio	Benchmark
Average lot size	£20.9 million	£16.5 million
Initial Yield	4.3%	4.5%
Equivalent Yield	5.4%	5.5%
Vacancy Rate	12.8%	6.7%
Average Lease Length	7.1 years	12.9 years

In 2019, the aggregate total return for the main property portfolio (which does not include the property pooled vehicles) was -2.5%, underperforming the IPD benchmark of 3.2%, and ranking the portfolio in the eighty-eighth percentile. Underperformance was largely as a result of a 6.1% capital value fall for the year which came from a combination of sector allocation and stock selection. The largest asset detractor to returns was the Intu Chapelfield Shopping Centre in Norwich, which reduced portfolio returns by 1.4% led by a capital value fall of 20% in the year. This asset was acquired by LaSalle in January 2018 and has since been severely impacted by the demise of the retail sector and in particularly House of Fraser entering administration. LaSalle and Intu (the centre's appointed asset manager and joint venture partner) continue to explore ways of securing and diversifying as much income as possible in the backdrop of a challenged market.

Short and long term performance still remains behind the IPD benchmark as demonstrated in the table below.

TOTAL PROPERTY PERFORMANCE

Period ending 31 December 2019

Duration	GMPF	Benchmark IPD Median	Percentile
1 year	-2.5%	0.7%	88th
3 years	2.6%	5.1%	83rd
5 years	4.4%	6.5%	85th
10 years	6.4%	8.7%	84th

In recognition of this continued underperformance GMPF, together with its external advisors, undertook a strategic review of GMPF's property allocation.

A key outcome of the review was a recommendation to establish a procurement framework for various property services and, as part of GMPF's commitment to the pooling agenda, this framework has been tendered collectively by the Northern LGPS. Responses to the request for proposal are due in July 2020.

East India Dock, London

The Hive, London

GMPF commenced its overseas real estate programme in 2015 with the investment thesis based upon increasing the investable universe whilst also providing for opportunities to outperform UK property returns and benefit from diversification.

As of 31 March, GMPF had made 13 commitments to overseas discretionary funds across the US, Europe and Asia Pacific. The portfolio provides a balance of risk profiles and currently has only a modest level of leverage. As at 31 December 2019, over £470 million had been committed (translated as at the subscription date) across 13 funds. Of this, £381 million had been drawn down against these commitments, representing over 57% of committed capital. The overseas portfolio, whilst still immature, delivered an annualised GBP return of 10.52% as at 31 December 2019.

The overseas programme was considered within the wider property strategy review during the year, which included agreement on relevant benchmarking, portfolio attribution and composition, meaning that no additional commitments were made during the year. However, since 31 March, the Investment Committee approved two investments with existing managers for €40 million and $65 million respectively with two further commitments expected later in 2020.

Greater Manchester Property Venture Fund (GMPVF)

The Greater Manchester Property Venture Fund (GMPVF) has an allocation of over £650 million and creates property investments by a process of site acquisition, building design, direct property development and property letting/management, in order to generate state of the art office, residential, retail and industrial/workshop accommodation. GMPVF also provides debt finance to projects, generating a commercial rate of return and supporting a broader range of developments than could be carried out by GMPVF alone. Since its establishment in 1990, GMPVF has developed more than 1.5 million square feet of commercial buildings within the Greater Manchester area.

GMPVF has the twin aims of generating a commercial rate of return and supporting the local area. GMPVF also seeks to make an environmental impact through regeneration. To date, all completed developments have generated a profit. In 2017 we began allocating up to one third of the GMPVF to established, income producing assets, creating a stable income producing base for the portfolio.

The target area for GMPVF is the North West of England with a particular focus on Greater Manchester. However, in line with Greater Manchester Pension Fund's (GMPF) commitment to the Northern LGPS, a proportion of GMPVF may also be invested in the wider Northern LGPS area. Avison Young, a firm of international property consultants, is the advisor to GMPVF.

GMPVF made several acquisitions in the year, including the ASDA supermarket in Altrincham for £23 million. The asset was built in 2015 and is a well specified unit within an established out of town retail destination. Given the long secure inflation linked income that supermarkets provide, the acquisition is well suited to GMPVF's current investment requirements, being a defensive asset with a long unexpired lease term to a sound tenant. GMPVF's also purchased an industrial unit located at Stakehill Industrial Estate, near Rochdale on the M62, for £9 million. The property is occupied by Parcel Force and is the main distribution warehouse for parcels for North Manchester. The property is entirely let to Royal Mail Group Ltd for a further nine years. Stakehill Industrial Estate has long been established as one of the premier industrial and distribution locations in the North West of England with excellent long term growth potential.

ASDA Supermarket Altrincham, the latest acquisition for the GMPVF portfolio.

Several GMPVF's construction projects were completed during the year, including two new industrial warehouse sites in Runcorn, which GMPVF purchased via a forward funding agreement in 2018 for a combined sum of approximately £21 million. The units are now both occupied by tenants and will provide GMPVF with a strong income return whilst also further increasing its exposure to the industrial sector, in a location, which is forecast to see strong market growth. Also completed is the 175,000 square foot office development at First Street in Manchester city centre.

GMPVF has supported several other projects by providing debt finance and a number of these have completed or are nearing completion. In Stockport, GMPVF and the Greater Manchester Housing Investment Fund (GMHIF) have jointly provided development debt to fund the redevelopment of the former Stockport Sorting Office. The building now provides 119 apartments and commercial space. In Whalley Range, construction of 92 apartments is now close to completion following the provision of an £8 million loan, also alongside the GMHIF. Finally, a development loan has also been provided for the ongoing refurbishment and new build at the Crusader Mill site in Manchester city centre. This development will provide 201 apartments, which are being marketed for sale to local residents.

GMPVF remains directly involved in several construction and development projects. A joint venture has been formed this year with Henry Boot Developments Ltd to re-develop the derelict commercial site on John Dalton Street in Manchester city centre. The conversion of offices and building of new homes continues at the former office site owned by GMPVF in Didsbury, Manchester. This is being carried out via a development agreement with an experienced house builder. A total of 85 homes will be provided by the development.

Construction is also progressing in the joint venture with Select Property Group, known as Circle Square, to develop two apartment buildings at the former BBC site, at Oxford Road, Manchester city centre. This will provide 683 units, which will be available for rent by the end of 2021. Site works also continue in the joint venture with Urban & Civic to develop three apartment buildings at Princess Street, Manchester city centre. This development will provide 351 apartments and ground floor retail/leisure space, which are being offered for sale. The first building is due to complete in late 2020.

Other sites owned by GMPF, on which development plans are being progressed, include:

- A 0.38 acre cleared site at Old Haymarket, Liverpool city centre
- Chorlton Cross Shopping Centre
- Soapworks Phase 2, Salford

GMPVF is a minority partner with Manchester Airport Group and Beijing Construction and Engineering Group to develop Airport City, on land within the Enterprise Zone adjacent to Manchester Airport. This £800 million project will develop offices, advanced industrial, hotel and logistics accommodation, over the next 10 – 15 years.

Construction of two apartment blocks at the former BBC site at Oxford Road, Manchester, due to complete in 2021. GMPVF is a joint venture partner in the development.

Local Investments

Invest 4 Growth

The objective of the Invest 4 Growth portfolio was to make investments that provided a commercial return, but also had a beneficial economic, social or environmental impact. These aims followed and implemented the ideas of a significant report, of the same name, authored by the Smith Institute, and commissioned by local authority funds. This is consistent with the twin aims applied successfully over many years to local investment. Greater Manchester Pension Fund (GMPF) approved an allocation of £50 million in the initiative in March 2014.

Invest 4 Growth was a collaborative project with several other Local Government Pension Scheme (LGPS) funds, where several participating funds pooled resources to carry out due diligence and negotiate investment management fees with external managers. This resource sharing and the economies of scale enabled GMPF and the other LGPS funds to make savings on the investment costs and achieve a diversified portfolio.

GMPF is the largest participant of the Invest 4 Growth initiative and has now fully committed its allocation of £50 million. During 2019/20, there was a net repayment of £8 million capital to GMPF, as some fund managers exited investments previously made, leaving £35 million of capital drawn and invested by the fund managers as at 31 March 2020.

It is still too early to judge investment performance overall, but to date the managers are making satisfactory progress against the initial objectives.

Impact Portfolio

Following on from the Invest 4 Growth initiative, Greater Manchester Pension Fund (GMPF) has approved an allocation of up to £350 million into an Impact Portfolio. This portfolio has the same twin aims of generating a commercial return and delivering a positive local impact. GMPF is seeking to collaborate with other pension funds, specifically the Northern Pool members, to develop a diversified portfolio and achieve cost benefits from greater economies of scale.

As at 31 March 2020, total commitments of £364 million have been made into several investments, with £168 million cash drawn down. Areas of investment include: the provision of supported living accommodation, renewable energy, loans to small and medium sized businesses and private equity with a focus on impact investing. Alongside investments into nationally focused pooled funds, GMPF will seek co-investment opportunities to enhance the impact in the North West and reduce the overall investment management costs.

GMPF has invested in the Palatine Impact Fund, which has enabled Veincentre to expand its network of clinics.

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Estio Training, a business invested in by one of GMPF fund managers (Palatine Impact Fund), which provides ten different apprenticeship programmes.

Annual Report 2020
Approach to Climate Risk

Greater Manchester Pension Fund (GMPF) actively supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and sets out below its approach to managing climate risk within the TCFD's four thematic areas of governance, strategy, risk management and metrics and targets.

GOVERNANCE

Recommended disclosure (a)

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

The Pension Fund Management Panel (the Panel) is responsible for managing climate-related issues as part of its remit of having responsibility for GMPF's investment strategy. The Investment Monitoring and ESG (Environment, social and governance) Working Group, a specialist subcommittee of the Panel, also considers issues relating to climate change. The Panel and Working Group consider climate change issues across GMPF and specifically in areas such as strategic asset allocation, investment strategy and risk management with the aim of minimising adverse financial impacts and maximising the opportunities for long term economic returns on our assets.

GMPF has committed to undertake annual carbon footprints of GMPF's applicable assets. The results of these are reported to the Panel.

Recommended disclosure (b)

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

Day to day management of GMPF's climate change strategy is delegated to the external Fund Managers, who operate under GMPF's policies on ESG. An annual carbon footprinting exercise is used to assess both the risks from climate change, but also areas of opportunity. GMPF employs a specialist advisor, PIRC, to instruct its voting activity on active equity holdings, including on areas such as climate change. GMPF also incorporates Voting Alerts from the Local Authority Pension Fund Forum on climate change within its policy. The Panel are ultimately responsible for these relationships.

STRATEGY

Recommended disclosure a)

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

GMPF considers climate-related issues across multiple timeframes and has strategies to help address these. GMPF identifies climate-related issues through collaboration with its external Fund Managers, and organisations such as the Local Authority Pension Fund Forum, the Institutional Investor Group on Climate Change, the Transition Pathway Initiative, Climate Action 100+, Investing in a Just Transition and the Principles for Responsible Investment. This has led to co-filing and supporting resolutions for action related to climate change and better disclosures of climate-related issues.

GMPF has signed up to the 'Investing in a Just Transition' initiative because we know delivering a just transition will be key to the UK's success in building a zero carbon and resilient economy. We need to do this in a sustainable way that supports an inclusive economy, with a particular focus on workers and communities across the country. Analysis shows that unless a transition is effected carefully, there will be significant impacts on workers and communities in the North.

Recommended disclosure b)

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

GMPF's ESG policies and considerations, including climate change, are incorporated into the mandates of the external Fund Managers via their respective Investment Management Agreements. External Fund Manager appointments also take ESG considerations into account, and these are monitored on an ongoing basis.

GMPF has replaced over £2 billion of its passive, index tracking investments, with an enhanced factor based index approach that has also significantly reduced its exposure to carbon emissions and intensity. GMPF sees the Low Carbon version of the index as a means of substantially reducing our footprint, whilst maintaining well-diversified exposure to rewarded factors and preserving our expectations around long term returns. Some would describe this approach as partial divestment.

GMPF also makes several investments with positive impacts on climate change; these are only made where an acceptable level of financial return is also expected. Climate-related investment opportunities are available in areas such as energy efficiency, choice of energy sources, products and services and new markets. GMPF considers that currently there are relatively limited climate related investment opportunities in the public markets with more opportunities existing in the private markets across private equity, private debt, infrastructure and real assets. This has asset allocation implications due to the illiquidity and complexity of some of these asset classes. Property is a significant asset class allocation and GMPF is aware that buildings are responsible for over one-third of total greenhouse gas emissions in the UK. For directly held properties, GMPF works with its property management teams on focus areas such as energy management and owner-occupier relations to reduce these emissions, and indirectly held property managers do likewise.

GMPF has increased its long term strategic allocation to infrastructure to 10%, unlocking over £2 billion of assets for this purpose. A key strategy within this allocation is investments in low carbon and renewable energy opportunities.

By investing in low carbon and clean energy projects and ventures with the twin aims of a commercial return as well as a positive environmental and social impact, GMPF has identified opportunities in the medium to long term which complement GMPF's ambition of a just transition to a low carbon economy. These investments are made from the dedicated Impact Portfolio.

Recommended disclosure c)

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

GMPF has compared several of its portfolios against a two degrees benchmark, as part of a collaboration with ShareAction on a European-wide project led by the World Wide Fund for Nature (WWF) using a methodology currently being developed and tested by the Sustainable Energy Investment (SEI) metrics research consortium, led by 2 Degrees Investing Initiative. This pointed out areas of alignment or otherwise with a two degrees scenario within GMPF's investments, noting that scenario testing is an inexact science, and is being held back by a lack of disclosure from many companies. The Panel continue to campaign for enhanced company disclosure to address this issue.

RISK MANAGEMENT

Recommended disclosure a)

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

GMPF believes that each of the following categories of risks, as outlined by the TCFD, pose a material financial risk, and are thus each a cause for concern:

- Market and technology shifts (eg reduced market demand for higher carbon products).
- Reputation (eg growing expectations for responsible conduct from stakeholders).
- Policy and legal (eg increased input/operating costs for high carbon activities).
- Physical risks (eg chronic changes and more frequent and severe extremes of climate).

Day to day management of GMPF's climate change strategy is delegated to the external Fund Managers, who operate under GMPF's policies on ESG issues. This means that the external Fund Managers fully integrate any climate-related risks when making their investment decisions.

GMPF's annual carbon footprinting exercise, coupled with the use of the Transition Pathway initiative (TPI) toolkit, also help assess climate-related risks, including the identification of companies to engage with.

Recommended disclosure b)

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

A significant pillar of GMPF's efforts to manage climate change risk is through engagement with companies, both through the external Fund Managers and in collaboration with wider industry groups such as the Local Authority Pension Fund Forum, the Institutional Investor Group on Climate Change, the Transition Pathway Initiative, Climate Action 100+, Investing in a Just Transition and the Principles for Responsible Investment. For example, through collaborative activities, GMPF aims to support 1.5 to 2 degree business model scenarios and participate in:

- engagement with companies to improve their approaches to climate change as well as encourage them to report on their actions for future business model scenarios;
- influencing policy makers; and
- promotion of relevant research projects in areas such as developing standardised carbon intensity measures, and investment initiatives that improve information flow and investment opportunities.

GMPF's external Fund Managers will also implement our ESG policies in their management of the portfolios.

Recommended disclosure c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate change is included within GMPF's risk register in the context of the risk of the strategic allocation underperforming. Relevant controls and mitigating actions are also documented. The risk register is reviewed by the Management Panel. In addition, as set out above, the external Fund Managers have GMPF's ESG policies incorporated into their Investment Management Agreements. Day to day management of climate change strategy is delegated to the external Fund Managers. This means that the external Fund Managers consider any climate-related risks when making their investment decisions.

METRICS AND TARGETS

Recommended disclosure a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	GMPF monitors the voting and engagement of all its external Fund Managers and proxy voting advisor on issues including climate change. GMPF has also undertaken carbon footprinting and measured the CO2 equivalent intensity per million pounds of revenue. The two degrees analysis measured GMPF's exposure to fossil fuels in relation to electric power generation, fossil fuel reserves and vehicle production.
Recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	GMPF has considered Scopes 1 and 2 in its analysis as at the time of measurement, Scope 3 data was not considered to be of a sufficiently robust standard to incorporate. GMPF's carbon footprinting exercise found that as at 31 March 2020, the active equity holdings were 25% more efficient than the combined benchmark on the weighted average carbon intensity method, as recommended by TCFD. This compares with a figure of 19% as at 31 March 2019.
Recommended disclosure c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	GMPF's long term goal is for 100% of assets to be compatible with the net zero emissions ambition by c2050 in line with the Paris Agreement.

Annual Report 2020
Voting activity

Greater Manchester Pension Fund's (GMPF) approach to proxy voting is described in section 10 of the Investment Strategy Statement.

GMPF has delegated the exercising of voting rights attached to its direct holdings to Pensions & Investment Research Consultants Ltd (PIRC). PIRC are an independent corporate governance and shareholder advisory consultancy that advises and provides research to GMPF on governance and other environmental, social and governance (ESG) issues. This will mean that GMPF's votes are typically cast in line with PIRC's voting policy. This aligns GMPF's approach with that of its pooling partners, Merseyside Pension Fund and West Yorkshire Pension Fund, enabling a shared voice on corporate governance issues.

With this delegation, GMPF's voting record is provided online, and can be found at.

https://www.gmpf.org.uk/about/how-do-gmpf-invest

In order to track the performance of various regional equity indices, the appointed external passive securities manager, Legal & General, holds shares in thousands of companies around the world. In the normal course of events, Legal & General typically implements its own voting policy for GMPF but may vote the relevant holding according to GMPF's instructions on a case by case basis should GMPF so require.

More information on Legal & General's voting policy and records can be found at www.lgim.com

Annual Report 2020

Financial performance report

Key financials

	£m	£m	£m
GMPF value at 31 March 2019			**23,844**
Contributions & benefits			(265)
Employee contributions	152		
Employer contributions	460		
Pension benefits paid		(860)	
Net Transfers		(17)	
Management costs			(35)
Investment		(27)	
Administration		(6)	
Oversight		(2)	
Investments			(1,509)
Income	520		
Change in fair value		(2,029)	
Total change in value of GMPF			**(1,809)**
GMPF value at 31 March 2020			**22,035**

Out-turn against prediction

The table below shows the financial out-turn against the prediction for the year 2019/20 as agreed by the Management Panel at its meeting on January 2019. The main variances were

- investment returns were significantly lower than the long term average this year with the final quarter seeing an exceptional level of volatility due to the Covid-19 crisis
- pensions paid were higher than predicted
- contributions received were less than predicted
- there was a significant bulk transfer due to Greater Manchester Pension Fund (GMPF) continuing to take on board the pension assets and liabilities for subsidiaries of First Group plc from other LGPS funds.

	2019/20 prediction £m	2019/20 actual £m	Variance £m
GMPF size at start of year	**23,844**	**23,844**	
GMPF size at end of year	**24,897**	**22,035**	**(2,862)**
Pension benefits paid	(835)	(860)	(25)
Contributions received	684	612	(72)
Transfers	0	(17)	(17)
Net cashflow	**(151)**	**(265)**	**(114)**
Management costs	(35)	(35)	
Investment income	433	520	87
Increase in value of investments	806	(2,029)	(2,835)
Net return from investments	**1,239**	**(1,509)**	**(2,748)**
Net change in value of GMPF	**1,053**	**(1,809)**	**(2,862)**

Three year financial plan

The table below shows the financial forecast for period 2020-2023 as approved by GMPF Management Panel on 17 July 2020. Key issues to draw out remain similar to those in recent years.

- During 2020-21 GMPF receives some employer contributions from local authorities in advance.
- The net negative cash flow from contribution income less benefits paid in later years is offset by investment income meaning that the fund is not a forced seller of assets
- These figures are based on long term projected average investment performance of 5.2% taken from and short term volatility may cause significant variations to the figures in this forecast.
- GMPF is considering changes to way in which it discloses costs for private market assets that are deducted at source by investment managers, effectively netting against investment performance. At present these are disclosed as note to accounts but not expensed through accounts. If implemented this would have the effect of increasing the projected increase in investments and at the same time costs, but would not affect the projected change in fund value for the three year period

	2020/21 £m	2021/22 £m	2022/23 £m
GMPF size at start of year	**22,035**	**23,113**	**23,922**
GMPF size at end of year	**23,113**	**23,922**	**24,747**
Pension benefits paid	877	916	956
Contributions received	844	558	572
Transfers	0	0	0
Net cashflow	**(33)**	**(358)**	**(384)**
Management costs	35	35	35
Investment income	433	456	480
Increase in value of investments	712	746	764
Net return from investments	**1,146**	**1,202**	**1,244**
Net change in value of GMPF	**1,078**	**809**	**825**

Expenditure monitoring statement for the 12 months to 31 March 2020

	12 months to March 2020		
	➊ Original estimate 2019/20 £000	➋ Actual expenditure 2019/20 £000	➌ (➋ - ➊) Variation £000
Type of expenditure			
Staff costs			
Staff costs	**7,290**	**6,328**	**(963)**
Direct costs			
Publications & subscriptions	105	110	5
Travel and subsistence	95	77	(18)
Premises	944	892	(52)
Postage, printing, telephone	215	148	(67)
Office equipment & software	1,065	1,062	(3)
Investment advisory expenses	68	66	(2)
Bank charges and nominee fees	447	284	(163)
Investment management fees	19,751	19,047	(704)
Actuary and professional fees	1,554	1,318	(236)
Performance measurement services	127	116	(11)
Communications	371	365	(6)
	24,742	**23,482**	**(1,260)**
Central establishment charges	411	376	(35)
Less:			
Recovery of management and legal fees	(1,176)	(1,399)	(222)
Administration fees	(36)	(52)	(16)
Commission recapture	(50)	(12)	38
	31,181	**28,723**	**(2,458)**

Commentary on out turn for year

During the year the expenditure on administration and investments was less than budgeted. The main variances were:

- Expenditure on investment managers was less than predicted due to implementation of changes in strategy and fee reductions following negotiations.
- Expenditure on actuary and professional fees was lower than expected due to more efficient implementation of pooling arrangements.
- Staffing costs were less than predicted due to implementation of changes in management structure.

The Fund Account splits out expenditure into three activities in note 8, these are investment, administration, and oversight and governance functions as required and defined by accounting standards. During the year monitoring of management expenditure is made on an overall basis and at service management level which may cut across these functions. It should be noted that the figure in the accounts of £35m includes investment transaction costs (£6m) which are not controlled internally or monitored in same way.

Three year budgeted expenditure

Due to the general uncertainty, specific forthcoming issues with how costs from pooled investments are treated, and a desire to review budgets on a zero-based basis, the Management Panel has not approved a three year expenditure budget. The Panel has assumed constant expenditure on administration, investment management and oversight for the period 2020-2023 in the Medium-Term Financial Plan. This will be subject to review when there is more visibility on future arrangements.

gmpf

Annual Report

Statement of Accounts

2020

Administered by

Tameside Metropolitan Borough

Independent auditor's statement to the members of Tameside Metropolitan Borough Council on the pension fund financial statements included within the Greater Manchester Pension Fund Annual Report

Report on the financial statements

We have examined the Pension Fund financial statements for the year ended 31 March 2020 included within the Greater Manchester Pension Fund annual report, which comprise the Fund Account, the Net Assets Statement and the notes to the financial statements, including the summary of significant accounting policies.

Opinion

In our opinion, the Pension Fund financial statements are consistent with the audited financial statements of Tameside Metropolitan Borough Council for the year ended 31 March 2020 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Respective responsibilities of the Director of Finance (Section 151) and the auditor

As explained more fully in the Statement of the Director of Finance's Responsibilities, the Director of Finance is responsible for the preparation of the Pension Fund's financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to the Members of Tameside Metropolitan Borough Council as a body, whether the Pension Fund financial statements within the Pension Fund annual report are consistent with the financial statements of Tameside Metropolitan Borough Council.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the Pension Fund financial statements contained within the audited financial statements of Tameside Metropolitan Borough Council describes the basis of our opinions on the financial statements.

Use of this auditor's statement

This report is made solely to the members of Tameside Metropolitan Borough Council, as a body and as administering authority for the Greater Manchester Pension Fund, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of Tameside Metropolitan Borough Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Tameside Metropolitan Borough Council and Tameside Metropolitan Borough Council members as a body, for our audit work, for this statement, or for the opinions we have formed.

Karen Murray

Karen Murray

for and on behalf of Mazars LLP

One St Peter's Square, Manchester, M2 3DE

25 March 2021

Fund Account for the year ended 31 March 2020

31 March 2019 £000		Note	31 March 2020 £000
	Contributions and benefits		
(145,922)	Contributions from employees	5	(152,068)
(447,440)	Contributions from employers	5	(460,162)
(593,362)			(612,230)
(313,591)	Transfers in (bulk)		(0)
(24,031)	Transfers in (individual)		(25,694)
(930,984)			**(637,924)**
803,614	Benefits payable	6	860,201
42,967	Payments to and on account of leavers	7	42,351
32,505	Management expenses	8	34,734
879,086			**937,286**
	Returns on investments		
(436,702)	Investment income	9	(523,587)
(868,166)	Increase in fair value of investments	11	2,029,030
5,192	Taxation	10	3,973
4,496	Loss on foreign currency		56
(1,295,180)	**Net (profit)/loss on investments**		**1,509,472**
(1,347,078)	Net (increase)/decrease in the Fund during the year		1,808,834
(22,496,545)	Net assets of the Fund at start of year		(23,843,623)
(23,843,623)	**Net assets of the Fund at end of year**		**(22,034,789)**

Net Assets Statement at 31 March 2020

31 March 2019 £000		Note	31 March 2020 £000
3,611,360	UK equities		2,832,381
3,577,832	Overseas equities		4,996,751
1,003,365	Bonds	11	1,433,695
369,914	Overseas index linked government bonds		416,356
881,991	Investment property	11	835,885
0	Derivative contracts	11	13,975
13,453,499	Pooled investment vehicles	11	10,783,943
755,437	Cash and deposits	11	484,347
212,544	Other investment assets	11	186,718
23,865,942	**Investment assets**		**21,984,051**
(0)	Derivative contract liabilities	11	(1,354)
(73,279)	Other investment liabilities	11	(6,219)
(73,279)	**Investment liabilities**		**(7,573)**
73,556	Current assets	11	78,517
(22,596)	Current liabilities	11	(20,206)
50,960	**Net current assets**		**58,311**
23,843,623	**Net assets of Fund**		**22,034,789**

1. Notes to the Accounts

From 1 April 2010 GMPF was required to prepare its financial statements under International Financial Reporting Standards (IFRS). The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 based on IFRS, published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This requires that GMPF accounts should be prepared in accordance with International Accounting Standard (IAS) 26, except where interpretations or adaptations to fit the public sector are detailed in the Code. The financial statements summarise the transactions of GMPF and deal with net assets at the disposal of the Management Panel. They do not take account of obligations to pay pensions and benefits which fall due after the end of the GMPF financial year. Under IFRS, GMPF is required to disclose the actuarial present value of promised retirement benefits. This is disclosed as a separate note (note 25). The full actuarial position of GMPF which does take account of pension and benefit obligations falling due after the year end is outlined in note 22. These financial statements should be read in conjunction with that information.

2. Accounting policies

Basis of preparation:

The accounts have been prepared on an accruals basis. That is, income and expenditure is recognised as it is earned or incurred including contributions receivable and pension benefits payable. The exception is that individual and bulk transfers, due to uncertainty over final settlement and timing of payments, are recognised on a received or paid basis. There are no accounting standards issued but not adopted in the preparation of the financial statements.

Financial assets and liabilities:

On initial recognition, GMPF is required to classify financial assets and liabilities into amortised cost, fair value through profit and loss, fair value through other comprehensive income investments. Financial assets may be classified as at fair value through profit and loss only if such classification eliminates or significantly reduces a measurement or recognition of inconsistency.

Contribution income:

Normal contributions, both from the members and from the employer, 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 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

Additional voluntary contributions (AVC):

GMPF provides an AVC scheme for its contributors, the assets of which are invested separately from GMPF. These AVC sums are not included in GMPF's financial statements because GMPF has no involvement in the management of these assets. Members participating in this arrangement each receive an annual statement confirming the amount held in their account and the movements in the year. Further details are provided in note 24.

Additional voluntary contributions income:

Where a member is able and chooses to use their AVC fund to buy scheme benefits, this is treated on a cash basis and is categorised within transfers in.

Investment income:

Interest, property rent and dividends on fixed interest and equity investments and on short term deposits has been accounted for on an accruals basis.

Accrued investment income:

Accrued investment income has been categorised within investments in accordance with the appropriate Pensions Statement of Recommended Practice (SORP).

Foreign income:

Foreign income is translated into sterling at the rate applicable at the date of conversion. Income due at the year end is translated at the rate applicable at 31 March 2020.

Foreign investments:

Foreign investments are translated at the exchange rate applicable at 31 March 2020. Any gains or losses arising on translation of investments into sterling are accounted for as a change in market value of investment.

Rental income:

Rental income from operating leases on investment properties owned by GMPF is recognised on a straight line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Contingent rents are only recognised when contractually due.

Benefits:

Benefits includes all benefit claims payable by GMPF during the financial year.

Investment values:

All financial assets are valued at their fair value as at 31 March 2020 determined as follows:

At 31 March 2020	Valuation basis/technique	Main assumptions
Equities and bonds	Pricing from market data providers based on observable bid price quotations.	Use of pricing source. There are minor variations in the price dependent upon the pricing feed used.
Direct investment property	Independent valuations for freehold and leasehold investment properties at fair value; the main investment property portfolio has been valued by Colliers International Valuation UK LLP, Chartered Surveyors, as at 31 March 2020. The Greater Manchester Property Venture Fund portfolio has been valued as at 31 March 2020 by Avison Young. In both cases valuations have been in accordance with Royal Institute of Chartered Surveyors (RICS) Red Book.	Investment properties have been valued on the basis of open market value (the estimated amounts for which a property should exchange between a willing buyer and seller) and market rent (the expected benefits from holding the asset) in accordance with the RICS Appraisal and Valuation Manual. The values are estimates and may not reflect the actual values. See caveat below *
Indirect property (part of Pooled Investment Vehicles)	Independent valuations for freehold and leasehold properties less any debt within the individual property fund plus/minus other net assets.	Freehold and leasehold properties valued on an open market basis. Valuation carried out in accordance with the principles laid down by the RICS Appraisal and Valuation Manual and independent audit review of the net assets within the individual property fund. See caveat below *
Cash and other net assets	Value of deposit or value of transaction.	Cash and account balances are short term, highly liquid and subject to minimal changes in value.

* Valuations were caveated with the following:

'The outbreak of the novel coronavirus (Covid-19), declared by the World Health Organisation as a 'global pandemic' on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes to inform opinions of value. Indeed, the current response to Covid-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is/are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution - should be attached to our valuation than would normally be the case. Given the unknown future impact that Covid-19 might have on the real estate market, we recommend that you keep the valuation of the properties in this portfolio under frequent review'.

This material uncertainty is considered further in note 2a: Major areas of estimation uncertainty.

At 31 March 2020	Valuation basis/technique	Main assumptions
Derivatives	Derivative contracts are valued at fair value. Futures contracts' fair value is determined using exchange prices at the reporting date. The fair value is the unrealised profit or loss at the current bid market quoted price. The amounts included in change in market value are the realised gains and losses on closed futures contracts and the unrealised gains and losses on open futures contracts. The fair value of the 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 contract was matched at the year end with an equal and opposite contract.	
Private equity, infrastructure and special opportunities portfolios	The funds are valued either in accordance with Accounting Standards Codification 820 or with International Financial Reporting Standards (IFRS). The valuation basis, determined by the relevant fund manager, may be any of quoted market prices, broker or dealer quotations, transaction price, third party transaction price, industry multiples and public comparables, transactions in similar instruments, discounted cash flow techniques, third party independent appraisals or pricing models. The valuation of these assets can take up to six months to come through. GMPF practice when closing accounts is to use the latest available valuation and adjust for cashflows. For this year, given the uncertainty over valuations, the cut off for receipt of valuations was left as late as possible. Whilst up to 20% of valuations may not be a 31 March valuation from an external source, the ultimate effect is not estimated to be material by management.	In reaching the determination of fair value, the investment managers consider many factors including changes in interest rates and credit spreads, the operating cash flows and financial performance of the investments relative to budgets, trends within sectors and/or regions, underlying business models, expected exit timing and strategy and any specific rights or terms associated with the investment, such as conversion features and liquidation preferences. The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and assumptions are reviewed on an on-going basis.

Financial instruments at fair value through profit and loss:

Financial assets and liabilities are stated at fair value as per the Net Assets Statement which is prepared in accordance with the Pensions SORP, requiring assets and liabilities to be reported on a fair value basis. Gains and losses on financial instruments that are classified as at fair value through profit and loss are recognised in the Fund Account as they arise. The carrying values are therefore the same as fair values.

Loans and receivables:

Non-derivative financial assets which have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables.

Cash and cash equivalents:

Cash comprises of 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 values.

Acquisition costs of investments:

Acquisition costs of non-equity investments are included in the purchase price.

Management expenses:

Investment management expenses paid directly by GMPF are included within management expenses within the Fund Account on page 51. These costs together with other management costs are met from within the employer contribution rate. Certain of GMPF's external securities managers have contracts which include performance fees in addition to the annual management fees. The performance fees are based upon one off, non-rolling, Three yearly calculations. It is GMPF policy to accrue for any performance fees which are considered to be potentially payable.

In addition certain investments in pooled vehicles, predominantly in private markets, alternatives and property have investment costs deducted directly by the investment managers. These costs are not charged directly to the Fund Account nor analysed in note 8. They are included in the fair value adjustments applied to assets concerned within the Fund Account and corresponding notes. The performance of these investments is reported on a net basis. In line with CIPFA recommendations on improving disclosure of investment costs, note 11a includes an estimate of these costs for this financial year and previous financial year.

Administration expenses are included within management expenses within the Fund Account. These costs are accounted for on an accruals basis. The costs of administration are met by employers through their employer contribution rate. All staff costs of the administering authority's pension service are charged direct to GMPF.

Net (profit)/loss on foreign currency:

Net (profit)/loss on foreign currency comprise the change in value of short term deposits due to exchange rate movements during the year.

Actuarial present value of promised retirement benefits:

The actuarial present value of promised retirement benefits is assessed on an annual basis by the Actuary in accordance with the requirements of IAS19 and relevant actuarial standards. As permitted under IAS26, GMPF has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Asset Statement (see note 25).

Derivatives:

GMPF uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. GMPF does not hold derivatives for speculative purposes. Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in fair value of derivative contracts are included in change in fair value.

Future contracts are exchange traded and fair value is determined using exchange prices at their reporting date. Amounts due or owed to the broker are amounts outstanding in respect of initial margin and variation margin.

Forward foreign exchange contracts are over the counter contracts and are valued by determining the gain or loss that would arise from closing out the contract at the reporting date, by entering into an equal and opposite contract at that date.

Transfers:

Transfer values represent amounts received and paid during the period for individual members who have either joined or left GMPF during the financial year and are calculated in accordance with Local Government Pension Scheme Regulations.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged. This reflects when liabilities are transferred and received. Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are included in transfers in. Bulk (group) transfers, due to uncertainty over final settlement and timing of payments, are recognised on a received or paid basis.

Taxation:

GMPF 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.

2a. Critical judgements in applying accounting policies

In applying the policies, GMPF has had to make certain judgements about complex transactions, or those involving uncertainty. Those with most significant effect are:

- GMPF will continue in operational existence for the foreseeable future as a going concern.
- No investments are impaired (further detail on the investment strategy and approach to managing risk can be found in note 4).

Any judgements made in relation to specific assets and liabilities, in addition to information stated in the relevant notes, can also be found in note 2: Accounting policies.

Compliance with IFRS requires the assumptions and uncertainties contained within figures in the accounts and the use of estimates to be explained. GMPF accounts contain estimated figures, taking into account historical experience, current trends and other relevant factors, as detailed below:

Unquoted equity, infrastructure and special opportunities investments

Unquoted equities are valued by the investment managers in accordance with Accounting Standards Codification 820 or with International Financial Reporting Standards (IFRS). The value of unquoted equities, infrastructure and special opportunities held via investment in specialist pooled investment vehicles at 31 March 2020 was £2,942,866,000 (£2,160,177,000 at 31 March 2019).

The valuation of these assets can take up to six months to come through. GMPF practice when closing accounts is to use the latest available valuation and adjust for cashflows. For this year, given the uncertainty over valuations, the cut off for receipt of valuations was left as late as possible. Whilst up to 20% of valuations may not be a 31 March valuation from an external source, the ultimate effect is not estimated to be material by management.

Pension Fund liability

The present value of GMPF's liabilities is calculated every three years by an appointed actuary. For the purpose of reporting the actuarial present value of promised retirement benefits, this liability value is updated annually in intervening years by the Actuary. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuations are agreed with the Actuary and are summarised in note 25. This estimate is subject to significant variances based on change to the underlying assumptions.

Major areas of estimation uncertainty

A small proportion (approximately 9.127%) of GMPF's investments relate to level 3 unquoted property assets via the direct property portfolio and indirect property related investments. As none of these investments are publicly listed, there is a degree of estimation involved in the valuations. The impact of Covid-19 has resulted in a significant reduction in the number of transactions in the market and consequently the relevant observable data available upon which to base a valuation judgement. As such a material valuation uncertainty clause has been included in a number of valuation reports due to the possible impact of Covid-19 (which we have disclosed in note 2 in relation to our property investments). Therefore, there is less certainty and a higher degree of caution should be attached to our valuations of Level 3 property assets than would normally be the case. There is a risk that current valuations may be under or over stated in the accounts.

3. Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

	At 31 March 2020		
	Designated as fair value through profit and loss £000	Loans and receivables £000	Financial liabilities £000
Financial assets:			
Equities	7,829,132	0	0
Bonds	1,433,695	0	0
Index linked	416,356	0	0
Derivatives	13,975	0	0
Pooled investment vehicles	10,783,943	0	0
Cash	0	484,347	0
Other investment assets	0	186,718	0
Current assets	0	78,517	0
	20,477,101	**749,582**	**0**
Financial liabilities:			
Derivatives	0	0	(1,354)
Other investment liabilities	0	0	(6,219)
Current liabilities	0	0	(20,206)
	0	**0**	**(27,779)**
Total	**20,477,101**	**749,582**	**(27,779)**

Note: the above tables do not include investment property.

	At 31 March 2019		
	Designated as fair value through profit and loss £000	Loans and receivables £000	Financial liabilities £000
Financial assets:			
Equities	7,189,192	0	0
Bonds	1,003,365	0	0
Index linked	369,914	0	0
Derivatives	0	0	0
Pooled investment vehicles	13,453,499	0	0
Cash	0	755,437	0
Other investment assets	0	212,544	0
Current assets	0	73,556	0
	22,015,970	**1,041,537**	**0**
Financial liabilities:			
Derivatives	0	0	0
Other investment liabilities	0	0	(73,279)
Current liabilities	0	0	(22,596)
	0	**0**	**(95,875)**
Total	**22,015,970**	**1,041,537**	**(95,875)**

Note: the above tables do not include investment property.

Net gains and losses on financial instruments

All gains and losses on financial instruments were at fair value through the profit and loss. The net loss for the year ending 31 March 2020 was £1,947,000 (£849,767,000 net profit as at 31 March 2019).

3a. Valuation of assets carried at fair value

The table below provides an analysis of the assets and liabilities of GMPF that are carried at fair value in the GMPF Net Asset Statement grouped into Levels 1 to 3 based on the degree to which fair value is observable. Further details of the values shown can be found in note 11.

	At 31 March 2020			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets:				
Equities	7,829,132	0	0	7,829,132
Fixed interest	0	1,433,695	0	1,433,695
Index linked	0	416,356	0	416,356
Derivatives	0	13,975	0	13,975
Pooled investment vehicles	0	5,997,916	4,786,027	10,783,943
Non financial assets (at fair value through profit & loss):				
Directly held investment property	0	0	835,885	835,885
Total	**7,829,132**	**7,861,942**	**5,621,912**	**21,312,986**

	At 31 March 2019			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets:				
Equities	7,189,192	0	0	7,189,192
Fixed interest	0	1,003,365	0	1,003,365
Index linked	0	369,914	0	369,914
Derivatives	0	0	0	0
Pooled investment vehicles	0	9,496,019	3,957,480	13,453,499
Non financial assets (at fair value through profit & loss):				
Directly held investment property	0	0	881,991	881,991
Total	**7,189,192**	**10,869,298**	**4,839,471**	**22,897,961**

The valuation of assets has been classified into three levels according to the quality and reliability of information used to determine the fair values.

Level 1

Inputs to Level 1 are quoted prices on the asset being valued in an active market where there is sufficient transaction activity to allow pricing information to be provided on an ongoing basis. Financial instruments classified as Level 1 predominantly comprise actively traded shares.

There have been no transfers in year between Level 1 and Level 2.

Level 2

Level 2 prices are those other than Level 1 that are observable eg composite prices for fixed income instruments and fund net asset value prices. This is considered to be the most common level for all asset classes other than equities.

Level 3

Level 3 prices are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data. Such instruments would include the GMPF private equity and infrastructure investments which are valued using various valuation techniques that require significant management judgement in determining appropriate assumptions, including earnings multiples, public market comparables and estimated future cash flows.

The valuation techniques used by GMPF are detailed in note 2.

A reconciliation of fair value measurements in Level 3 is set out below:

31 March 2019 £000		31 March 2020 £000
3,692,987	Opening balance	4,839,471
1,200,046	Acquisitions	1,134,685
(382,477)	Disposal proceeds/return of capital	(470,917)
0	Transfer in of Level 3	0
	Total gains/losses included in the Fund Account:	
86,992	- on assets sold	173,172
241,923	- on assets held at year end	(54,498)
4,839,471	**Closing balance**	**5,621,912**

Non-financial instrument assets

GMPF has cash, other investment assets and liabilities. No valuation technique is required in relation to these investments and therefore assignment to a level is not applicable.

4. Financial risk management

The Management Panel of GMPF recognises that risk is inherent in any investment activity. GMPF has an active risk management programme in place and the measures, which it uses to control key risks are set out in its Funding Strategy Statement (FSS).

The FSS is prepared in collaboration with GMPF's Actuary, Hymans Robertson LLP, and after consultation with GMPF's employers and investment advisors.

The FSS is reviewed in detail at least every three years in line with triennial valuations being carried out. A full review was completed by 31 January 2020.

GMPF's approach to investment risk measurement and its management is set out in its Investment Strategy Statement (ISS). The overall approach is to reduce risk to a minimum where it is possible to do so without compromising returns (eg in operational matters), and to limit risk to prudently acceptable levels otherwise (eg in investment matters).

The means by which GMPF minimises operational risk and constrains investment risk is set out in further detail in its ISS (available at www.gmpf.org.uk).

Some risks lend themselves to being measured (eg using such concepts as 'active risk' and such techniques as 'asset liability modelling') and where this is the case, GMPF employs the relevant approach to measurement. GMPF reviews new approaches to measurement as these continue to be developed.

GMPF's exposures to risks and its objectives, policies and processes for managing and measuring the risks have not changed throughout the course of the year.

Market risk

Market risk is the level of volatility in returns on investments caused by changes in market expectations, interest rates, credit spreads, foreign exchange rates and other factors.

This is calculated as the standard deviation of predicted outcomes. GMPF is exposed to market risk through its portfolio being invested in a variety of asset classes.

GMPF seeks to limit its exposure to market risk by diversifying its portfolio as explained within its ISS and by restricting the freedom of its fund managers to deviate from benchmark allocations. The asset allocation has been made with regard to the balance between expected returns and expected volatility of asset classes and using advice from GMPF's investment advisor, Hymans Robertson LLP.

The table below shows the expected market risk exposure or predicted volatilities of GMPF's investments:

Asset type	Potential market movements (+/-) 31 March 2019 p.a.	31 March 2020 p.a.
UK equities	16.6%	27.5%
Overseas equities	16.9%	28.0%
Fixed interest - gilts	9.7%	7.6%
Index linked gilts	7.2%	7.4%
Corporate bonds	10.1%	9.8%
High yield debt	7.3%	8.7%
Investment property	14.3%	14.2%
Private equity	28.3%	28.4%
Infrastructure	16.0%	15.6%
Cash and other liquid funds	0.5%	0.3%
GMPF	10.4%	15.2%

The volatilities for each asset class and correlations used to create the total GMPF volatility have been estimated using standard deviations of 5,000 simulated one year total returns using Hymans Robertson Asset Model, the economic scenario generator maintained by Hymans Robertson LLP.

The overall GMPF volatility has been calculated based on GMPF's target asset split as at 31 March 2019 and 2020. The calibration of the model is based on a combination of historical data, economic theory and expert opinion.

If the market price of GMPF's investments increases or decreases over a period of a year in line with the data within the table above, the change in the market value of the net assets available to pay benefits as at 31 March 2019 and 2020 would have been as shown in the tables below.

Asset type	31 March 2020 £000	% Change p.a.	Value on increase £000	Value on decrease £000
UK equities	2,898,333	27.5%	3,695,375	2,101,291
Overseas equities	6,906,510	28.0%	8,840,333	4,972,687
Fixed interest bonds	950,169	7.6%	1,022,382	877,956
Index linked bonds	1,323,200	7.4%	1,421,117	1,225,283
Corporate bonds	1,958,368	9.8%	2,150,288	1,766,448
High yield debt	1,255,301	8.7%	1,364,512	1,146,090
Investment property	1,864,851	14.2%	2,129,660	1,600,042
Private equity	2,364,324	28.4%	3,035,792	1,692,856
Infrastructure	1,392,737	15.6%	1,610,004	1,175,470
Cash and other liquid funds	1,070,258	0.3%	1,073,469	1,067,047
GMPF	**21,984,051**	**15.2%**	**25,325,627**	**18,642,475**

Note: the above table does not include investment liabilities and net current assets.

Asset type	31 March 2019 £000	% Change p.a.	Value on increase £000	Value on decrease £000
UK equities	3,932,738	16.6%	4,585,573	3,279,903
Overseas equities	8,622,694	16.9%	10,079,929	7,165,459
Fixed interest bonds	1,281,083	9.7%	1,405,348	1,156,818
Index linked bonds	1,203,621	7.2%	1,290,282	1,116,960
Corporate bonds	1,330,625	10.1%	1,465,018	1,196,232
High yield debt	1,334,743	7.3%	1,432,179	1,237,307
Investment property	1,943,789	14.3%	2,221,751	1,665,827
Private equity	1,737,906	28.3%	2,229,733	1,246,079
Infrastructure	1,157,775	16.0%	1,343,019	972,531
Cash and other liquid funds	1,320,966	0.5%	1,327,571	1,314,361
GMPF	**23,865,940**	**10.4%**	**26,347,998**	**21,383,882**

Note: the above table does not include investment liabilities and net current assets.

Interest rate risk

GMPF invests in financial assets for the primary purpose of obtaining a return on investments whilst recognising that there is a risk that returns will not be as expected. Changes in the level of interest rates will contribute to the volatility of returns in all asset classes. The table in the section on market risk shows the expected volatility over one year for GMPF's investment portfolio. One area directly affected by interest rate changes is the level of income expected from floating rate cash instruments. As at 31 March 2020, GMPF had £153,187,000 (2018/19 £323,963,000) invested in this asset via pooled investment vehicles. Therefore, a 1% change in interest rates will increase or reduce GMPF's return by £1,532,000 (2018/19 £3,234,000) on an annualised basis.

Currency risk

GMPF invests in financial assets for the primary purpose of obtaining a return on investments whilst recognising that there is a risk that returns will not be as expected. Changes in the level of foreign exchange rates will contribute to the overall volatility of overseas assets. GMPF's approach is to consider these risks in a holistic nature. The table in the section on market risk shows the expected volatility over one year for GMPF's investment portfolio including overseas assets which are separately identified.

Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause GMPF to incur a financial loss. The market values of investments generally reflect an assessment of credit risk in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of GMPF's financial assets and liabilities. The volatility of credit risk is encapsulated within the overall volatility of assets detailed in the table showing market risk.

In essence, GMPF's entire investment portfolio is exposed to some form of credit risk. However, the selection of high quality counterparties, brokers and financial institutions minimises the credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative positions in the event of counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Deposits are not made with banks and financial institutions unless they are rated independently and meet Tameside Metropolitan Borough Council's (TMBC), as administering authority, credit criteria. TMBC has also set limits as to the maximum percentage of the deposits placed with any one class of financial institution. In addition, TMBC invests an agreed percentage of its funds in the money markets to provide diversification. Money market funds chosen all had a 'AAA' rating from a leading ratings agency.

TMBC believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits. GMPF's cash holding under its Treasury Management arrangements at 31 March 2020 was £391,100,000 (31 March 2019 £724,524,000). This was held with the following institutions:

Summary	Rating	Balance at 31 March 2019 £000	Balance at 31 March 2020 £000
Money market Funds			
Aberdeen Assets	AAA	41,400	75,000
Federated	AAA	75,000	0
J P Morgan	AAA	75,000	0
Morgan Stanley	AAA	75,000	15,100
Invesco	AAA	75,000	0
Banks			
Bank of Scotland	A+	20,000	30,000
Close Brothers	A+	10,000	10,000
Barclays	AA-	50,000	50,000
RBS	A+	4,124	0
Local authorities & public bodies			
Aberdeenshire Council	N/A	10,000	10,000
Ashford Council	N/A	15,000	0
Birmingham City Council	N/A	25,000	0
Blackpool Council	N/A	5,000	0
Cambridgeshire County Council	N/A	0	20,000
Doncaster Council	N/A	5,000	0
Eastleigh Council	N/A	48,000	10,000
Eastbourne Council	N/A	5,000	0
Falkirk Council	N/A	0	10,000
GM Combined Authority	N/A	30,000	50,000
Kingston Upon Hull Council	N/A	10,000	10,000
Lancashire PCC	N/A	5,000	0
Leeds City Council	N/A	10,000	10,000
London Borough of Enfield	N/A	10,000	10,000
Mid Suffok DC	N/A	0	5,000
North Lanarkshire Council	N/A	0	10,000
Northamptonshire Council	N/A	10,000	0
Northumberland Council	N/A	10,000	0
Northumbria PCC	N/A	6,000	0
PCC West Mercia	N/A	0	10,000
Plymouth Council	N/A	10,000	10,000
Redcar Council	N/A	7,000	0
Rotherham Council	N/A	20,000	20,000
Salford Council	N/A	5,000	0
Slough Council	N/A	15,000	10,000

Suffolk Council	N/A	5,000	0
Surrey Council	N/A	10,000	10,000
Surrey Heath Borough Council	N/A	7,000	0
Tewkesbury Borough Council	N/A	11,000	6,000
Thurruck Council	N/A	5,000	0
Totals		**724,524**	**391,100**

Liquidity risk

Liquidity risk represents the risk that GMPF will not be able to meet its financial obligations as they fall due. TMBC therefore take steps to ensure that GMPF has adequate cash resources to meet its commitments. This will particularly be the case for cash from the liability matching mandates from the main investment strategy to meet the pensioner payroll cost; and cash to meet investment commitments.

TMBC has immediate access to the GMPF cash holdings, except for investments placed with other local authorities – where periods are fixed when the deposit is placed. GMPF had in excess of £391 million cash balances at 31 March 2020.

All financial liabilities at 31 March 2020 are due within one year.

The majority of GMPF assets are liquid - their value could be realised within one week. The table below shows GMPF investments in liquidity terms:

31 March 2019 £000	Liquidity terms	31 March 2020 £000
18,677,471	Assets realisable within 7 days	16,126,139
101,000	Assets realisable in 8 - 30 days	96,000
75,000	Assets realisable in 31- 90 days	0
5,012,471	Assets taking more than 90 days to realise	5,761,912
23,865,942	**Total**	**21,984,051**

Management prepares periodic cash flow forecasts to understand and manage the timing of GMPF's cash flows. The appropriate strategic level of cash balances to be held is a central consideration when preparing GMPF's annual investment strategy.

The effects of reductions in public expenditure are expected to result in a significant maturing of GMPF's liabilities, with fewer employee members and more pensioner and members with benefits on hold. However, when income from investments is considered, GMPF is expected to continue to be cash flow positive for the foreseeable future and it will not be a forced seller of investments to meet its pension obligations.

5. Contributions

By Category

31 March 2019 £000		31 March 2020 £000
(145,922)	Employees contributions	(152,068)
	Employers:	
(427,822)	Normal contributions	(445,468)
(19,618)	Deficit recovery contributions	(14,694)
(447,440)	Total employer contributions	(460,162)
(593,362)	**Total contributions**	**(612,230)**

By Authority

31 March 2019 £000		31 March 2020 £000
(351,231)	Part 1 Schedule 2 Scheme Employers	(372,796)
(119,325)	Designating bodies	(123,258)
(106,582)	Community admission bodies	(95,521)
(16,224)	Transferee admission bodies	(20,655)
(593,362)		**(612,230)**

Scheme employers can be split into those listed in Part 1 of Schedule 2 of the Local Government Pension Scheme (Administration) Regulations 2013 (as amended) (such as local authorities), which participate automatically, and those listed in Part 2 (such as town councils) which can only participate if they choose to do so by designating employees or groups of employees as eligible. Part 2 employers are called designating bodies. Community admission bodies provide a public service in the United Kingdom otherwise than for the purposes of gain and have sufficient links with a Scheme employer. Transferee admission bodies are commercial organisations carrying out work for local authorities under a best value or other arrangement. Further analysis of contributions by employer is contained in note 20 of these statements.

At the 2016 actuarial valuation, GMPF was assessed as 93% funded. The employer contribution rates specified are minimum rates. Some employers make voluntary payments in excess of these minimum rates and some make contributions in excess of their future service rate in order to help repay a deficit position over a period. In addition, a small number of employers were required to make explicit lump sum deficit payments – details of these can be found in the 2016 actuarial valuation report located on www.gmpf.org.uk.

6. Benefits payable

By Category

31 March 2019 £000		31 March 2020 £000
670,179	Pensions	707,822
115,419	Commutation and lump sum retirement benefits	133,258
18,016	Lump sum death benefits	19,121
803,614		**860,201**

By Authority

31 March 2019 £000		31 March 2020 £000
602,643	Part 1 Schedule 2 Scheme Employers	641,407
33,659	Designating bodies	38,412
151,301	Community admission bodies	161,833
16,011	Transferee admission bodies	18,549
803,614		**860,201**

Scheme employers can be split into those listed in Part 1 of Schedule 2 of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended) (such as local authorities) which participate automatically, and those listed in Part 2 (such as town councils) which can only participate if they choose to do so by designating employees or groups of employees as eligible. Part 2 employers are called designating bodies. Community admission bodies provide a public service in the United Kingdom otherwise than for the purposes of gain and have enough links with a Scheme employer. Transferee admission bodies are commercial organisations carrying out work for local authorities under a best value or other arrangement. Further analysis of contributions by employer is contained in note 20 of these statements.

7. Payments to and on account of leavers

31 March 2019 £000		31 March 2020 £000
1,526	Group transfers to other schemes	0
39,784	Individual transfers to other schemes	40,726
48	Payments for members joining state scheme	(54)
(18)	Income for members from state scheme	(12)
1,627	Refunds to members leaving service	1,691
42,967		**42,351**

8. Management expenses

The costs of administration and investment management are met by the employers through their employer contribution rate. In June 2016, CIPFA published guidance on Accounting for LGPS Management Expenses. The aim of this guidance is to assist in the improvement of consistent and comparable data across LGPS funds. GMPF Scheme management costs have been categorised in accordance with this guidance in the tables below.

Investment management expenses

31 March 2019 £000		31 March 2020 £000
1,311	Employee costs	1,491
292	Support services including IT	315
5,520	Transaction costs (public managers)*	5,967
17,683	Management fees	18,977
238	Custody fees	253
25,044		**27,003**

** Transaction costs are incremental costs directly attributable to the sale and purchase of UK and Overseas equities. They comprise £2,002,000 (2019 £1,601,000) commissions and £3,965,000 (2019 £3,919,000) other costs which included UK stamp duty and market levies.*

Administrative costs

31 March 2019 £000		31 March 2020 £000
3,889	Employee costs	4,610
1,674	Support services including IT	1,553
186	Printing and publications	101
5,749		**6,264**

Oversight and governance costs

31 March 2019 £000		31 March 2020 £000
559	Employee costs	376
402	Support services including IT	137
167	Governance and decision making costs	143
27	Investment performance monitoring	11
67	External audit fees*	74
108	Internal audit fees	114
130	Actuarial fees - investment consultancy	108
252	Actuarial fees	504
1,712		**1,467**

** Total fee paid to external auditors in 2019/20 is £73,743 (2018/19 67,383) of which £30,360 (2018/19 £24,000) was paid in relation to work carried out on behalf of GMPF's main scheme employers.*

The above costs include set up costs for Northern LGPS Pool – see note 8a for further details.

8a. Costs related to the Northern LGPS Pool

	At 31 March 2020			
Set up costs:	Direct £000	Indirect £000	Total £000	Cumulative £000
Recruitment	0	0	0	0
Legal	6	0	6	71
Procurement	0	0	0	30
Other support costs	0	0	0	0
Share purchase/subscription costs	0	0	0	0
Other working capital provided	0	0	0	0
Staff costs	0	0	0	0
Other costs	64		70	146
Total set up costs	**70**	**0**	**70**	**247**

	At 31 March 2019			
Set up costs:	Direct £000	Indirect £000	Total £000	Cumulative £000
Legal	65	0	65	65
Procurement	30	0	30	30
Other costs	82	0	82	82
Total set up costs	**177**	**0**	**177**	**177**

9. Investment income

31 March 2019 £000		31 March 2020 £000
(41,777)	Fixed interest (corporate and government bonds)	(41,230)
(281,532)	Equities	(319,926)
(2,259)	Index linked	(2,801)
(70,730)	Pooled investment vehicles	(118,040)
(41,166)	Investment property (gross)	(38,650)
6,233	Investment property non-recoverable expenditure	5,630
(4,760)	Interest on cash deposits	(7,799)
(711)	Stock lending	(771)
(436,702)		**(523,587)**

In accordance with IAS 12 Income Taxes, investment income includes withholding taxes and irrecoverable withholding tax is analysed separately as a tax charge. Income received by Legal and General pooled funds is automatically reinvested within the relevant sector fund and thus excluded from the above analysis. Similarly, UBS pooled funds for Emerging Market Equities, Stone Harbor pooled funds for global credit, Aviva Investors Property Fund, Standard Life Pooled Property Pension Fund, Standard Life Investments UK Property Development Fund, EID Unit Fund and Darwin Leisure Property Fund in which GMPF invest have income automatically reinvested with that fund.

10. Taxation

GMPF is exempt from UK income tax on interest and from capital gains tax on the profits resulting from the sale of investments. GMPF is exempt from United States withholding tax on dividends and can recover all or part of the withholding tax deducted in some other countries. The amount of withholding tax deducted from overseas dividends which GMPF is unable to reclaim in 2019/20 amounts to £3,973,000 (2018/19 £5,192,000) and is shown as a tax charge.

As Tameside MBC is the administering authority for GMPF, VAT input tax was recoverable on all GMPF activities including expenditure on investment and property expenses.

11. Investments at fair value

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

Change in fair value is reconciled in the table below:

	31 March 2020	
	£000	£000
Unrealised losses at 31 March 2020	2,024,256	
Unrealised (profits) at 31 March 2020	(1,251,107)	773,149
Realised losses 1 April 2019 to 31 March 2020	198,425	
Realised (profits)1 April 2019 to 31 March 2020	(1,131,730)	(933,305)
Less:		
Unrealised (profits) at 31 March 2019	2,346,455	
Unrealised losses at 31 March 2019	(157,270)	2,189,185
Reduction/(Increase) in fair value of investments year ending 31 March 2020		**2,029,030**

	31 March 2019	
	£000	£000
Unrealised losses at 31 March 2019	157,270	
Unrealised (profits) at 31 March 2019	(2,346,455)	(2,189,185)
Realised losses 1 April 2018 to 31 March 2019	40,906	
Realised (profits)1 April 2018 to 31 March 2019	(579,114)	(538,208)
Less:		
Unrealised (profits) at 31 March 2018	2,193,939	
Unrealised losses at 31 March 2018	(334,712)	1,859,227
Reduction/(Increase) in fair value of investments year ending 31 March 2019		**(868,166)**

The following tables analyse the carrying amounts of the financial assets and liabilities by category.

Value at 1 April 2019 £000		Purchases £000	Sales £000	Change in fair value £000	Value at 31 March 2020 £000
	Designated as at fair value through the Fund Account				
7,189,192	Equities	6,897,858	(4,066,936)	(2,190,982)	7,829,132
1,003,365	Bonds	622,254	(232,791)	40,867	1,433,695
369,914	Index linked	145,998	(143,858)	44,302	416,356
881,991	Investment property	75,702	(40,166)	(81,642)	835,885
0	Derivatives	112,941	(56,833)	(43,487)	12,621
13,453,499	Managed and unitised funds	2,757,475	(5,628,944)	201,912	10,783,942
22,897,961		**10,612,228**	**(10,169,528)**	**(2,029,030)**	**21,311,631**
	Loans and receivables				
755,437	Cash				484,347
190,225	Other investments and net assets				238,810
23,843,623	**Total**				**22,034,788**

Value at 1 April 2018 £000		Purchases £000	Sales £000	Change in fair value £000	Value at 31 March 2019 £000
	Designated as at fair value through the Fund Account				
6,751,242	Equities	2,612,587	(2,133,183)	(41,454)	7,189,192
1,325,276	Bonds	34,995	(388,050)	31,144	1,003,365
492,859	Index linked	129,307	(285,710)	33,458	369,914
755,145	Investment property	140,665	(32,218)	18,399	881,991
6,344	Derivatives	14,494	(29,587)	8,749	0
12,491,416	Managed and unitised funds	2,044,387	(1,900,174)	817,870	13,453,499
21,822,282		**4,976,435**	**(4,768,922)**	**868,166**	**22,897,961**
	Loans and receivables				
587,141	Cash				755,437
87,122	Other investments and net assets				190,225
22,496,545	**Total**				**23,843,623**

Bonds

31 March 2019 £000		31 March 2020 £000
43,590	UK public sector quoted	52,049
180,358	Overseas public sector quoted	442,782
704,702	UK corporate quoted	541,544
74,715	Overseas corporate quoted	397,320
1,003,365		**1,433,695**

Investment property

31 March 2019 £000		31 March 2020 £000
756,645	UK - main investment property portfolio	671,430
125,346	UK - Greater Manchester Property Venture Fund	164,455
881,991		**835,885**

All investment property is located in England, Wales or Scotland and, in order to reduce risk, is diversified over several sectors that include offices, industrial/logistics, high street retail, shopping centres, retail parks, leisure, healthcare and student accommodation. Gross and net rental income is shown in note 9 of these accounts.

With the sole exception of one investment property, where a rent sharing agreement is in place with the freeholder, no directly held investment property has restrictions on its realisation, remittance of income or disposal proceeds.

Committed expenditure in relation to investment property can be found at note 17.

In accordance with the Investment Property Strategy, hold/sell decisions for the investment properties remain under active review, subject to business plan progress and investment market sentiment. Whilst some assets are likely to be sold over the short to medium term, no assets were being marketed or prepared for immediate sale at 31 March 2020.

The following tables summarise the movement in the fair value of investment properties over the year:

Movement in the fair value of investment properties in 2019/20	£000
Balance at 1 April 2019	881,991
Purchases	32,809
Expenditure during year	42,892
Disposals	(40,166)
Net gains/(losses) from fair value adjustments	(81,641)
Balance at 31 March 2020*	**835,885**

* *No properties were being marketed at 31 March 2020*

Movement in the fair value of investment properties in 2018/19	£000
Balance at 1 April 2018	755,145
Purchases	136,893
Expenditure during year	3,772
Disposals	(32,218)
Net gains/(losses) from fair value adjustments	18,399
Balance at 31 March 2019	**881,991**

Future operating lease rentals receivable

31 March 2019 £000		31 March 2020 £000
35,455	Not later than 1 year	36,599
124,811	Later than 1 year, but not later than 5 years	123,091
167,099	Later than 5 years	194,836
327,365	Total	**354,526**

The future minimum lease payments due to GMPF under non-cancellable operating leases are stated above. Where a lease contains a 'tenant's break' clause, it is only up to this point that the aggregation is made.

Derivatives

31 March 2019 £000		31 March 2020 £000
	Investment assets:	
0	Forward currency contracts	4,878
0	Financial futures	14,041
0		18,919
	Investment liabilities:	
0	Forward currency contracts	(6,232)
0	Financial futures	(66)
0	**Net (liability)/asset**	**12,621**

Derivative receipts and payments represent the realised gains and losses on futures contracts and forward currency contracts. GMPF's objective in entering into derivative positions was to decrease risk in the portfolio.

31 March 2020

Contract	Settlement date	Currency	Currency bought 000	Currency	Currency sold 000	Assets £000	Liability £000
Forward Currency Contract	Within one month	GBP	157,140	USD	188,920	4,878	(13)
Forward Currency Contract	Within one month	AUD	6,500	GBP	3,285	0	(17)
Forward Currency Contract	Within one month	USD	147,000	GBP	123,585	0	(5,087)
Forward Currency Contract	Within one month	CAD	12,500	GBP	7,307	0	(227)
Forward Currency Contract	Within one month	EUR	11,500	GBP	10,466	0	(286)
Forward Currency Contract	Within one month	CHF	7,500	GBP	6,448	0	(192)
Forward Currency Contract	Within one month	JPY	2,660,000	GBP	20,181	0	(296)
Forward Currency Contract	Within one month	HKD	12,000	GBP	1,302	0	(54)
Forward Currency Contract	Within one month	GBP	0	EUR	0	0	0
Total						**4,878**	**(6,232)**

31 March 2020

Contract	Settlement date	Currency	Economic exposure 000	Market value £000
UK Equity Futures	Less than one year	GBP	15,498	1,987
Overseas Equity Futures	Less than one year	GBP	214,178	12,054
Overseas Equity Futures	Less than one year	GBP	4,476	(66)
Total			**234,152**	**13,975**

The above tables analyse the derivative contracts held at 31 March 2020 by maturity date. The Forward Currency Contracts were all traded on an over the counter basis.

Pooled investment vehicles

Pooled investment vehicles aggregate capital from multiple investors to pursue specified investment strategies. The table below analyses, by type and underlying asset class, funds in which GMPF invests.

31 March 2019 £000		31 March 2020 £000
460,915	UK property	419,001
207,827	Overseas property	242,209
1,119,969	Global credit	1,057,994
388,939	Overseas equity	419,780
741,607	UK private equity, infrastructure and debt*	999,337
1,645,978	Overseas private equity, infrastructure and debt	2,205,407
51,876	UK special opportunities portfolio	34,648
311,634	Overseas special opportunities portfolio	371,329
4,928,745	**Managed funds**	**5,749,705**
490,085	Property	466,833
4	Overseas private equity	0
490,089	**Unit trusts**	**466,833**
47,553	Property	47,263
321,378	UK quoted equity	63,965
687,844	UK fixed interest	226,982
811,389	UK index linked securities	688,631
487,389	UK corporate bonds	605,060
323,363	UK cash instruments	372,686
4,655,924	Overseas quoted equity	1,477,991
369,292	Overseas fixed interest	228,356
63,818	Overseas corporate bonds	414,445
22,318	Overseas index linked securities	218,213
214,774	Global credit	197,306
29,623	Inflation funds	26,507
8,034,665	**Insurance policies**	**4,567,405**
13,453,499	**Total pooled investment vehicles**	**10,783,943**

* includes £476,208,000 GLIL investment via the Northern LGPS Pool vehicle (2019 £447,439,000).

** includes £57,014,000 NPEP investment via the Northern LGPS Pool vehicle (2019 £414,000).

Cash

31 March 2019 £000		31 March 2020 £000
729,702	Sterling	390,684
25,735	Foreign currency	93,663
755,437		**484,347**

Other investments balances and net assets

31 March 2019 £000		31 March 2020 £000
69,612	Amounts due from broker	6,156
57,385	Outstanding dividends and recoverable withholding tax	61,806
15,078	Gross accrued interest on bonds	17,588
1,044	Gross accrued interest on loans	4,384
67,730	Investment loans	68,381
0	Variation margin	26,374
1,695	Other accrued interest and tax reclaims	2,029
212,544	**Other investment assets**	**186,718**
(72,572)	Amounts due to broker	(4,454)
(707)	Irrecoverable withholding tax	(1,765)
(73,279)	**Other investment liabilities**	**(6,219)**
44,958	Employer contributions - main scheme	44,861
418	Employer contributions - additional pensions	944
19,054	Property	13,215
142	Admin & investment management expenses	466
8,984	Other	19,031
73,556	**Current assets**	**78,517**
(10,032)	Property	(8,700)
(5)	Employer contributions - main scheme	(19)
(1,487)	Employer contributions - additional pensions	(1,390)
(4,180)	Admin & investment management expenses	(5,620)
(6,892)	Other	(4,477)
(22,596)	**Current liabilities**	**(20,206)**
50,960	**Net current assets**	**58,311**
190,225	**Other investment balances and net assets**	**238,810**

11a. Transaction and management costs not charged directly to the Fund Account

Public managers

Since 1 April 2016 transaction costs in respect of the purchase and sale of equities have been respectively excluded or included in the prices reported in the Net Assets Statement and charged to the Fund Account. Details may be seen at note 8.

Directly held property

Transaction costs continue to be capitalised and are implicit within the value of the assets concerned. These amounted to £1,999,000 for 2019/20 (2018/19 £7,397,000).

The CIPFA Code of Practice (and guidance related to the Code) does not require 'bid-offer spread' to be reported as a transaction cost.

Management Costs

Certain investments in pooled vehicles predominantly in private markets, alternatives and property have investment costs met within the vehicle rather than an explicit charge paid by GMPF. Thus, costs are not charged directly to the Fund Account nor analysed in note 8. They are included in the fair value adjustments applied to assets concerned within the Fund Account and corresponding notes. The performance is reported on a net basis.

The table below shows estimates made for these costs during the current and previous financial year using methodology agreed with external advisers on private assets and include potential accrued performance fees.

31 March 2019 £000		31 March 2020 £000
	Private market and alternative investments	
59,533	- performance related	64,237
56,421	- non-performance related	66,948
	Pooled investments	
9	- performance related	37
2,560	- non-performance related	4,843
	Indirect investment property	
1,253	- performance related	12,502
15,503	- non-performance related	25,544
135,279		**174,111**

12. Local investments

GMPF invests within the North West of England with a focus on the Greater Manchester conurbation in property development and redevelopment opportunities. This programme of investments is delivered through Greater Manchester Property Venture Fund.

31 March 2019 £000		31 March 2020 £000
125,346	Greater Manchester Property Venture Fund	**164,455**

13. Designated funds

A small number of employers within GMPF have a materially different liability profile. Some earmarked investments are allocated to these employers. The investments of the designated fund incorporated in the Net Asset Statement are as follows:

31 March 2019 £000		31 March 2020 £000
38,900	UK Equities	0
57,787	Overseas equities	0
77,389	UK corporate bonds	173,485
458,378	Index linked gilts	473,287
18,633	Cash instruments	21,074
57,483	Cash	53,622
29,622	Inflation funds	26,507
214,774	High yield debt	197,306
952,966		**945,281**

14. Summary of managers' portfolio values at 31 March

2019			2020	
£m	%		£m	%
		Externally managed		
8,351	35.0%	UBS Global Asset Management	7,119	32.3%
7,987	33.5%	Legal & General	4,520	20.5%
0	0.0%	Sci Beta	1,912	8.7%
1,250	5.2%	Investec	1,430	6.5%
1,120	4.7%	Stone Harbor	1,058	4.8%
1,044	4.4%	LaSalle	880	4.0%
125	0.5%	Avison Young (advisory mandate)	164	0.7%
19,877	**83.3%**		**17,083**	**77.5%**
		Internally managed		
2,779	12.2%	Private equity	3,615	16.4%
58	0.2%	Designated funds	54	0.2%
891	3.3%	Property (indirect)	964	4.4%
239	1.0%	Cash, other investments and net assets	318	1.50%
3,967	**16.7%**		**4,951**	**22.5%**
23,844	**100.0%**	**Total**	**22,034**	**100.0%**

15. Concentration of investment

As at 31 March 2020, GMPF held, respectively, 15.08% and 1.38% of its net assets in insurance contracts MF32950 and MF36558 with Legal & General Assurance (Pensions Management) Limited. They are linked long term contracts under Class III of Schedule 1 of the Insurance Companies Act 1982 and not 'with profits' contracts. During the year contract MF37010 was terminated.

The policy documents have been issued and the values are incorporated in the Net Asset Statement within pooled investment vehicles. The policies' underlying asset classes are as follows:

Policy MF32950

31 March 2019 £000		31 March 2020 £000
1,624,228	Overseas equities	1,325,995
381,111	UK fixed interest	217,765
186,556	UK corporate bonds	413,617
89,088	Overseas fixed interest	219,088
306,773	UK index linked	206,607
0	Overseas index linked	209,385
247,081	UK cash instruments	333,740
0	Overseas corporate bonds	397,219
2,834,837		**3,323,416**

Policy MF36558

31 March 2019 £000		31 March 2020 £000
282,478	UK equities	63,965
584,460	Overseas equities	151,996
71,317	UK fixed interest	9,217
96,561	UK corporate bonds	17,958
45,429	Overseas fixed interest	9,268
46,237	UK index linked	8,737
57,649	UK cash instruments	17,872
22,318	Overseas index linked	8,828
12,424	Overseas corporate bonds	17,226
1,218,873		**305,067**

Policy MF37010

31 March 2019 £000		31 March 2020 £000
2,157,631	Overseas equities	0
235,416	UK fixed interest	0
126,883	UK corporate bonds	0
234,776	Overseas fixed interest	0
51,394	Overseas corporate bonds	0
2,806,100		**0**

16. Notifiable interests

As at 31 March 2020 GMPF had holdings of 3% or over in the ordinary share capital of the following quoted companies:

UK Equity 31 March 2019 %		UK Equity 31 March 2020 %
3.7	Balfour Beatty PLC	3.7
7.7	Brown (N) Group PLC	7.7
5.0	Chemring Group PLC	0.0
3.3	Intu Properties PLC	3.3
0.0	Man Group PLC	4.7
7.4	Mothercare PLC	6.7
0.0	Royal Mail PLC	3.6
5.0	RPS Group PLC	6.1
4.0	Serco Group PLC	0.0
5.0	SIG PLC	5.3
5.7	STV Group PLC	5.1
5.2	TT Electronics PLC	0.0
3.7	Volution GRP PLC	3.4

17. Undrawn commitments

31 March 2019 £000	Asset type	Nature of commitment	31 March 2020 £000
508	Directly held investment property	Commitments regarding demolition or refurbishment work	275
70,608	Directly held investment property	Commitments regarding purchases	33,898
2,032,516	Indirect private equity and infrastructure	Commitments to fund	2,106,524
295,168	Special Opportunities portfolio	Commitments to fund	311,845
243,333	Property managed funds	Commitments to fund	184,380
6,289	Property unit trusts	Commitments to fund	3,761
9,225	Commercial/domestic based property unit trust	Commitments to fund	10,699
12,039	Local Investment 4 Growth Fund	Commitments to fund	16,651
204,806	Local Impact Portfolio	Commitments to fund	196,469
31,137	Greater Manchester Property Venture Fund	Commitments to lend	6,038
600,010	Private debt portfolio	Commitments to fund	514,238
3,505,639			**3,384,778**

The above expenditure was contractually committed as at 31 March and a series of staged payments are to be made at future dates.

18. Related party transactions

In the course of fulfilling its role as administering authority to GMPF, Tameside MBC incurred costs for services (eg salaries and support costs) of £7,894,000 on behalf of GMPF and reclaimed from HMRC VAT of £5,535,000 net. Total payments due to Tameside MBC therefore, amounted to £2,359,000 (2018/19 £8,402,000). As GMPF had reimbursed Tameside MBC £4,726,000 for these charges, there is a Debtor of £2,367,000 owing to GMPF at the year end (2018/19 £2,218,000 Creditor). This debt will be netted off future payments due to Tameside MBC.

There is no direct charge to GMPF for the services of the Director of Governance and Pensions. This is also the case for the Chief Executive and the Director of Finance but a contribution towards their cost is included in the recharge as detailed above. They receive no additional salary or remuneration for undertaking these roles. Details of the total remuneration of these officers will be published on the Tameside MBC website. The remuneration of the Chair of the Management Panel can be found by accessing the following link:

http://www.tameside.gov.uk/constitution/part6

Other key management personnel full time and total remuneration, including employer's pension contributions, are as shown below:

Assistant Director of	Salary Entitlement (Full Time Equivalent)	Salary, Fees & Allowances (Paid in year)	Employers Pensions Contributions	Total
	£	£	£	£
Pensions (Special Projects)	92,320	41,031	8,617	**49,648**
Pensions (Investments)	92,320	92,320	19,387	**111,707**
Pensions (Funding & Business Development)	92,320	92,320	19,387	**111,707**
Pensions (Local Investments & Property)	92,320	92,320	19,387	**111,707**
Pensions (Administration)	81,495	81,495	17,114	**98,609**

Note: There were no payments for Compensation for Loss of Office in 2019/20

Paragraph 3.9.4.3 of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom exempts Local Authorities on the Key Management Personnel disclosure requirements of IAS 24, on the basis that the disclosure requirements for officer remuneration and members' allowances detailed in Section 3.4 of the code (which are derived from the requirements of Regulation 7(2)-(4) of the Accounts and Audit (England) Regulations 2011 and Regulation 7A of the Accounts and Audit (Wales) Regulations (2005) satisfy the Key Management Personnel disclosure requirements of paragraph 16 of IAS 24.

The disclosures required by regulation 7(2)-(4) of the Accounts and Audit (England) Regulations can be found in the main accounts of the administering authority, Tameside MBC.

No senior officers responsible for the administration of GMPF have entered into any contract (other than their contract of employment) with Tameside MBC (administering authority).

A number of officers responsible for the administration of GMPF have directorships in companies which have been incorporated for the sole purpose of the investment administration and management of GMPF's assets and other assets which GMPF has a joint interest with other LGPS funds. These are:

Name	Position in GMPF 2019/20	Company in which directorship is held	Company Registration Number
Steven Pleasant	Chief Executive	Airport City (General Partner) Limited	08723477
Sandra Stewart	Director of Governance & Pensions	Northern Pool GP (No1) Limited	11360203
Neil Charnock	Head of Pension Fund Legal Services	Hive Bethnal Green Limited	09362438
Patrick Dowdall	Assistant Director of Pensions (Local Investments & Property)	Matrix Homes (General Partner) Limited	08980059
		Hive Bethnal Green Limited	09362438
		GLIL Corporate Holdings Limited	10046509
		Plot 5 First Street Nominee Limited	09919396
		Plot 5 First Street GP Limited	09904743
		GMPF UT (Second Unit Holder) Limited	08725454
		Airport City (Asset Manager) Limited	08723467
		Manchester Charles Street Residential (ELP GP) limited	10977358
		Manchester Charles Street Residential (SLP GP) LImited	SC576947
		Manchester New Square (General Partner) Limited	11082473
		Semperian PPP Investment Partners Holdings Limited (Jersey Registration)	98327
Daniel Hobson	Head of Real Assets	GLIL Corporate Holdings Limited	10046509
		GLIL Corporate Holdings 2 Limited	10824179
		Rock Rail East Anglia (Holdings) 1 Limited	10266130
		Rock Rail East Anglie (Holdings) 2 Limited	09918883
		Rock Rail East Anglia PLC	10360543
		GLIL Renewable Holdings	12315576
		Clyde Windfarm (Scotland) Limited	SC281105
		Camulodunum Investments Limited	11108175

Name	Position in GMPF 2019/20	Company in which directorship is held	Company Registration Number
John Douglas	Investment Manager	GLIL Renewable Holdings	12315576
Kevin Etchells	Investment Manager	Island Site (General Partner) Limited	11532059
		Island Site (Nominee) Limited	11532379
Andrew Hall	Investment Manager	GMPF UT (Second Unit Holder) Limited	08725454
		Matrix Homes (General Partner) Ltd	08980059
		Plot 5 First Street GP Ltd	09904743
		Plot 5 First Street Nominee Ltd	09919396
		Manchester Charles Street Residential (ELP GP) Ltd	10977358
		Manchester Charles Street Residential (SLP GP) Ltd	SC576947
		Island Site (General Partner) Ltd	11532059
		Island Site (Nominee) Ltd	11532379
		Manchester New Square (General Partner) Ltd	11082473

The above receive no remuneration for these directorships.

Under legislation introduced in 2003/04, Councillors were entitled to join the pension scheme. However, separate legislation came into effect from 2014 rescinding this and all Councillors in the LGPS had their benefits deferred on expiry of their terms of office.

The following members of the Management and Advisory Panels consequently have benefits on hold:

Name	Position
Cllr J Fitzpatrick	Councillor member
Cllr D Ward	Councillor member
Cllr C Patrick	Councillor member
Cllr L Drennan	Councillor member
Cllr A Jabbar	Councillor member

In addition, the following members of the Management and Advisory Panels, having attained the appropriate age or other criterion, are in receipt of pension benefits:

Name	Position
Cllr G Cooney	Councillor member
Cllr M Smith	Councillor member
Cllr K Cunliffe	Councillor member
Cllr A Mitchell	Councillor member

The following members of the Management and Advisory Panels and the Local Board have their benefits on hold by virtue of their membership of GMPF in current or previous employments:

Name	Position
Cllr C Patrick	Councillor member

The following members of the Management and Advisory Panels and the Local Board, by virtue of their membership of GMPF in previous employments and attaining the appropriate age or other criterion, are in receipt of pension benefits:

Name	Position
Cllr V Ricci	Council member
Cllr M Smith	Council member
Cllr A Jabbar	Council member
Cllr P Andrews	Council member
R Paver	Employer representative
J Thompson	Employer representative
F Llewellyn	Employer representative
M Fulham	Employer representative
P Catterall	Scheme member representative

Each member of the Local Board, the GMPF Management and Advisory Panels and Working Groups formally considers declarations of interest at each meeting. In addition, an annual return of all declarations of interest is obtained from the members by their respective Councils. Those relevant to GMPF Management Panel or Board membership, ie where the organisation is a GMPF contributing employer, are listed below:

Name	Position & Organisation	Organisation relationship with GMPF
Cllr B Warrington	Member of Greater Manchester Combined Authority	Contributing employer
Cllr G Cooney	Employee of Manchester City Council	Contributing employer
	Director of Jigsaw Homes Group (Reg No 29433R)	Contributing employer
	Director of Ashton Pioneer Homes Limited (Reg.No. 03383565)	Contributing employer
	Director of Pioneer Homes Services Limited (subsidiary of Ashton Pioneer Homes Limited) (Reg.No. 06546606)	Contributing employer
	Director of Ashton Pioneer Homes Developments Limited (subsidiary of Ashton Pioneer Homes Limited) (Reg.No. 03989251)	Contributing employer
	Director of Mechanics' Centre Limited (Reg.No. 01983373)	Contributing employer
Cllr B Fairfoull	Member of Manchester Airport Consultative Committee	Contributing employer
Cllr A Jabbar	Deputy - Greater Manchester Combined Authority	Contributing employer
	External Member - Oldham College	Contributing employer
Cllr T Sharif	Director of Homestart Oldham, Stockport and Tameside Limited	Contributing employer
Cllr K Cunliffe	Director of Wigan MDC Limited	Contributing employer
Cllr S O'Neill	Member of Greater Manchester Combined Authority	Contributing employer
Cllr M Barnes	Employee of University of Salford	Contributing employer
Cllr A Mitchell	Member of Groundwork - Manchester, Salford, Stockport, Tameside & Trafford	Contributing employer
Cllr P Andrews	Director of Manchester Working Ltd	Contributing employer
	Member of Manchester Airport Consultative Committee	Contributing employer
	Governor of Newall Green Primary School	Contributing employer
	Director of Mechanics' Centre Ltd (Reg.No. 01983373)	Contributing employer
P Herbert	Employee of Ministry of Justice	Contributing employer
K Drury	Employee of University of Manchester	Contributing employer
A Flatley	Employee of Bolton MBC	Contributing employer
P McDonagh	Employee of Manchester City Council	Contributing employer
M Fulham	Employee of Bury MBC	Contributing employer
R Paver	Employee of Greater Manchester Combined Authority	Contributing employer
	Member of the Executive Board of Transport for Greater Manchester	Contributing employer
	Director of MIDAS Ltd (Reg.No. 03323710)	Contributing employer
	Director of Education and Leadership Trust (Reg.No. 08913502)	Contributing employer
M Rayner	Employee of Stockport MBC	Contributing employer
D Schofield	Employee of Manchester City Council	Contributing employer

Name	Position & Organisation	Organisation relationship with GMPF
J Hammond	Employee of Bury MBC	Contributing employer
C Lloyd	Employee of Tameside MBC	Contributing employer
C Goodwin	Employee of University of Manchester	Contributing employer
P Taylor	Employee of LTE Group	Contributing employer
M Cullen	Employee of Stockport MBC	Contributing employer

19. Employer related investment

As at 31 March 2020 GMPF had amounts on short term loan to one contributing employer: Greater Manchester Combined Authority £50,000,000 (2019 £30,000,000). The investment was made by GMPF as part of its day to day treasury management activities.

As at 31 March 2019 GMPF had £5,000,000 on short term loan to Salford City Council. This was repaid during 2019/20. There was nil on loan to this employer at 31 March 2020.

At 31 March 2019, as part of its normal investment activities conducted through its investment fund managers, GMPF owned shares with a market value of £11,046,090 in First Group PLC, which is the ultimate parent company of three subsidiaries who are contributing employers to GMPF. These shares were divested in year with nil value remaining at 31 March 2020.

GMPF has a minor holding in the Airport City joint venture, which is developing land adjacent to Manchester Airport for commercial use. The main stakeholder at Airport City being Manchester Airport Group, which is a contributing employer to GMPF.

GMPF has formed a joint venture with Manchester City Council, a contributing employer to GMPF, known as Matrix Homes, to develop residential property, for both sale and to rent, at sites across Manchester.

As at 31 March 2020 Greater Manchester Property Venture Fund includes a standing investment of office accommodation. Part of this property is leased to Irwell Valley Housing Association which is a contributing employer to GMPF.

20. Contributions received and benefits paid during the year ending 31 March

Contributions received from employers 2019 £m	Contributions received from employees 2019 £m	Benefits paid 2019 £m		Contributions received from employers 2020 £m	Contributions received from employees 2020 £m	Benefits Paid 2020 £m
(23)	(7)	41	Bolton Borough Council	(23)	(7)	43
(16)	(5)	27	Bury Borough Council	(15)	(5)	29
(45)	(15)	101	Manchester City Council	(47)	(16)	107
(2)	(5)	34	Oldham Borough Council	(3)	(5)	36
(19)	(6)	35	Rochdale Borough Council	(20)	(6)	37
(20)	(6)	40	Salford City Council	(20)	(6)	43
(2)	(7)	32	Stockport Borough Council	(3)	(7)	35
(1)	(5)	34	Tameside Borough Council (administering authority)	(3)	(6)	36
(1)	(4)	25	Trafford Borough Council	(2)	(5)	28
(27)	(8)	42	Wigan Borough Council	(27)	(9)	45
(194)	(52)	226	Other scheme employers*	(204)	(55)	241
(97)	(26)	167	Admitted bodies*	(92)	(25)	180
(447)	**(146)**	**804**		**(459)**	**(152)**	**860**

* A full list of all scheme and admitted bodies can be found within this annual report.

21. Investment Strategy Statement and Funding Strategy Statement

GMPF has published an Investment Strategy Statement and a Funding Strategy Statement. Both documents can be found on its website www.gmpf.org.uk

22. Actuarial Review of GMPF

GMPF's last actuarial valuation was undertaken as at 31 March 2019. A copy of the valuation report can be found on - www.gmpf.org.uk

The funding policy is set out in the Funding Strategy Statement (FSS) dated March 2020. The key funding principles are as follows:

- To ensure the long term solvency of GMPF using a prudent long term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment.
- To ensure that employer contribution rates are reasonably stable where appropriate.
- To minimise the long term cash contributions which employers need to pay to GMPF, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs borne by council taxpayers).
- To reflect the different characteristics of different employers in determining contribution rates. This involves GMPF having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years.
- To use reasonable measures to reduce the risk to other employers, and ultimately to the council taxpayer, from an employer defaulting on its pension obligations.

The valuation revealed that GMPF's assets, which at 31 March 2019 were valued at £23,844 million, were sufficient to meet 102% of the present value of promised retirement benefits earned. The resulting surplus was £529 million. The present value of promised retirement benefits at 31 March 2020 can be found in note 25.

The key financial assumptions adopted for the 2019 valuation were:

	31 March 2019	
Financial Assumptions	**% p.a. Nominal**	**% p.a. Real**
Discount rate	3.60%	1.30%
Pay increases	3.10%	0.80%
Price inflation/Pension increases	2.30%	-

The liabilities were assessed using an accrued benefits method that takes into account pensionable membership up to the valuation date. It also makes an allowance for expected future salary growth revaluation to retirement or expected earlier date of leaving pensionable membership.

23. Stock lending

GMPF's custodian, Northern Trust, is authorised to release stock to third parties under a stock lending agreement. Under the agreement, GMPF does not permit Northern Trust to lend UK or US equities.

At the year end the value of stock on loan was £313.8 million (31 March 2019: £163.5 million) in exchange for which the custodian held collateral at fair value of £333.7 million (31 March 2019: £176.7 million), which consisted exclusively of government bonds and government guaranteed bonds.

24. AVC Investments

GMPF provides an additional voluntary contributions (AVC) scheme for its contributors, the assets of which are invested separately from GMPF. Therefore, these amounts are not included in the GMPF accounts in accordance with regulation 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (SI 2009 No 3093).

GMPF's main AVC provider is Prudential where the sums saved are used to secure additional benefits on a money purchase basis for those contributors electing to pay additional voluntary contributions. The funds are invested in a range of investment products including with profits, fixed interest, equity, cash, deposit, property, and socially responsible funds, as follows:

Contributions paid	£8,499,236
Units purchased	4,867,818
Units sold	3,808,664
Fair value as at 31 March 2020	**£72,333,546**
Fair value as at 31 March 2019	**£73,182,280**

25. Actuarial present value of promised retirement benefits

CIPFA's Code of Practice on Local Authority Accounting 2019/20 requires administering authorities of LGPS funds to disclose the actuarial present value of promised retirement benefits in accordance with IAS26 Accounting and Reporting by Retirement Benefit Plans.

Allowance has been made for the impact of indexation relating to the ruling on the equalisation of Guaranteed Minimum Pensions (GMPs) between men and women. No allowance has been made in respect of the impact of GMP equalisation on LGPS funds as the guidance on calculation is yet to be confirmed.

Allowance has been made for the 'McCloud' ruling ie an estimate of the potential increase in past service benefits arising from the findings of the Court of Appeal in relation to claims of age discrimination in the Firefighters' and Judges' pension schemes case affecting public service pension schemes.

This value has been calculated by GMPF's Actuary, Hymans Robertson LLP, using the assumptions below.

Assumptions used

The assumptions used are those adopted for the administering authority's IAS19 Employee Benefits report at each year end as required by the CIPFA Code of Practice on Local Authority Accounting 2019/20.

Financial Assumptions

31 March 2019 % p.a.	Year ended:	31 March 2020 % p.a.
2.5%	Inflation/pension increase rate	1.9%
2.6%	Salary increase rate	2.7%
2.4%	Discount rate	2.3%

Mortality

Life expectancy is based on GMPF's VitaCurves with improvements in line with the CMI 2018 model, assuming the current rate of improvements has reached a peak and will converge to a long term rate of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	20.5 years	23.1 years
Future pensioners*	22.0 years	25.0 years

** future pensioners are assumed to be currently aged 45*

Commutation

An allowance is included for future retirements to elect to take 55% of the maximum additional tax free cash up to HMRC limits for pre-April 2008 service and 60% of the maximum tax free cash for post-April 2008 service.

Value of promised retirement liabilities

31 March 2019 £m		31 March 2020 £m
30,555	Present value of promised retirement benefits	28,264

Liabilities have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2019.

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

31 March 2019			31 March 2020	
Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)	Change in assumptions at year ended 31 March	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
8%	2,444	0.5% increase in the Pension Increase rate	9%	2,544
2%	611	0.5% increase in the Salary Increase rate	1%	283
3%	917	1 year increase in member life expectancy	3%	848
11%	3,361	0.5% decrease in Real Discount rate	10%	2,826

It should be noted that the above figures are only appropriate for the preparation of the accounts of GMPF. They should not be used for any other purpose.

GMPF Statement of Accounts

2020

GMPF
Actuarial Statement for 2019/20

Greater Manchester Pension Fund | Hymans Robertson LLP

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

Description of Funding Policy

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

- to ensure the long-term solvency of GMPF using a prudent long term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to GMPF, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves GMPF having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of GMPF and keeping employer contributions stable.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2019. This valuation revealed that GMPF's assets, which at 31 March 2019 were valued at £23,844 million, were sufficient to meet 102% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2019 valuation was £529 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving full funding within a time horizon and probability measure as per the FSS. Individual employers' contributions for the period 1 April 2020 to 31 March 2023 were set in accordance with the GMPF's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2019 valuation report.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of GMPF assets at their market value.

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

Financial assumptions	31 March 2019
Discount rate	3.6%
Salary increase assumption	3.1%
Benefit increase assumption (CPI)	2.3%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on GMPF's VitaCurves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long term rate of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	20.5 years	23.1 years
Future Pensioners*	22.0 years	25.0 years

*Aged 45 at the 2019 Valuation.

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

Experience over the period since 31 March 2019

Markets were disrupted by COVID 19 which resulted in difficult market conditions towards the end of the financial year. As a result, the funding level of GMPF as at 31 March 2020 has reduced versus that reported in the previous formal valuation.

The next actuarial valuation will be carried out as at 31 March 2022. The Funding Strategy Statement will also be reviewed at that time.

Steven Law FFA

08 June 2020

For and on behalf of Hymans Robertson LLP

Annual Report

Scheme Administration

2020

Background to GMPF and LGPS

Greater Manchester Pension Fund (GMPF) is the largest fund in the statutory Local Government Pension Scheme (LGPS) for England and Wales, Scotland and Northern Ireland. Tameside Metropolitan Borough Council (TMBC) is the administering authority for GMPF.

Employees of all local and joint authorities in the Greater Manchester area and many other public bodies have automatic access to the LGPS (unless they are eligible to be a member of another public service pension scheme, such as the teachers, police officers, firefighters, Civil Service or NHS pension schemes). Employees of a wide range of other bodies that provide a public service can also join the LGPS if they are covered by a relevant resolution or by an admission agreement.

GMPF also provides the pension service for present and former probation employees in England and Wales. This includes those who were employed by the former Probation Trusts, plus those who have been or are employed by the National Probation Service or were transferred to a community rehabilitation company. There are also some councillors who are GMPF members, although as a result of a change in the LGPS Regulations they have all now stopped contributing to the Scheme.

A list of employers who contribute to GMPF can be found later in this report.

The LGPS is a defined benefit scheme. Benefits up to 31 March 2014 are worked out on a final salary basis, whereby membership up to that date and pay on or near retirement is used to work out members' pension benefits.

Benefits from 1 April 2014 are worked out on a career average basis (sometimes known as a pension build up). Members who have chosen to be in the main section of the career average scheme build up a pension of 1/49 of their pay each year. These benefits are then rolled forward each year and adjusted in line with consumer price inflation. Alternatively, members can opt for the 50/50 section of the career average scheme, whereby they pay 50% of the standard contribution and in return build up 50% of the standard pension for themselves.

Statutory regulations define the benefits to be paid to members. Benefits are not affected by GMPF's investment performance or market conditions. A summary of the LGPS rules can be found later in this report.

Standard employee contributions vary according to levels of pay, ranging from 5.5% to 12.5% of pensionable pay. Employers meet the balance of the cost of the LGPS through variable employer contributions. The employer contribution rates are set by GMPF's actuary every three years following a valuation.

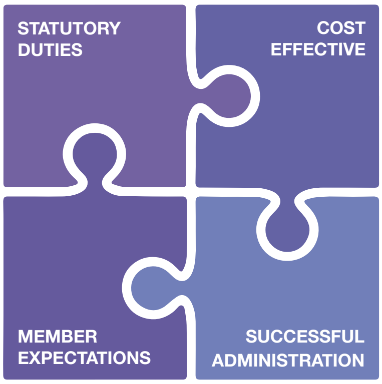
Employer contribution rates can rise or fall depending on the funding position of GMPF and the estimated cost of providing benefits for future membership. The employer contribution rates for 2019/20 are shown later in this report. These were determined for the three years from 1 April 2017 by the valuation that took place as at 31 March 2016. The LGPS is registered with Her Majesty's Revenue and Customs, giving rise to various tax benefits, including tax relief on employee contributions.

GMPF pension administration is carried out by an in-house team, reporting primarily to the Administration and Employer Funding Viability Working Group.

Value for money

Our aim is to administer GMPF successfully, in a cost effective way, whilst meeting member expectations and ensuring our statutory duties are met.

We believe that by delivering this aim we will provide a service that is value for money for all pension fund stakeholders.



Meeting our statutory duties

We constantly strive to meet all the duties that are required of us as set out in the LGPS regulations and other statutory legislation. Some of the ways in which we do this include:

- being aware of our requirements and any anticipated changes by subscribing to industry news updates, having representation on national boards, attending peer user groups and by taking part in consultation processes
- having regularly audited compliance and checking procedures in place
- following the Pension Regulator's Code of Practice and ensuring our procedures highlight any potential breaches of the law
- taking part in National Fraud Initiative checks and by carrying out mortality screening.

Meeting our members' expectations

We aim to put our members at the centre of everything we do. We look to meet member expectations by:

- having clear and achievable targets for all the administrative tasks and projects that we undertake
- regularly reviewing what we do and asking for feedback to help us to make continual improvements
- ensuring we review all complaints, compliments, disputes and all other feedback to ensure any learning points are identified
- carrying out research, benchmarking and peer review programmes to ensure we are adopting policies and processes that are best practice within our industry.

Ensuring service delivery is cost effective

We manage and monitor our costs by:

- setting an expected expenditure plan each year in line with setting business plans
- regularly monitoring spending and reporting details of this to the appropriate Working Group
- benchmarking our costs by taking part in national and global (CEM) benchmarking exercises
- reviewing other cost and benchmarking data and making comparisons to identify learning opportunities.

Ensuring success

We look to ensure success in several different ways, including:

- having clear and measurable business plans in place
- using project management tools and techniques and squad working methodology when undertaking projects and improvement tasks
- regularly reviewing resource, workloads and planning for the impact of future changes
- holding regular service update meetings for all teams and managers
- submitting comprehensive reports and information to the appropriate Working Groups and the Local Pension Board to enable effective scrutiny to take place
- taking part in peer user groups
- analysing our performance by using benchmarking exercises and measuring against the Pension Regulator's Code of Practice
- outlining expected service standards between GMPF and GMPF employers in the Pensions Administration Strategy
- monitoring the performance of GMPF's employers against service standards, in particular the timeliness of data submissions.

We measure value for money in several different ways. Below are some examples of how we measure our success in this area:

Internal audit work

An important part of the internal audit work carried out for GMPF includes visits to contributing employers to confirm that they are correctly calculating employee and employer contributions, in accordance with the LGPS Regulations, and are also deducting and remitting the correct amounts from their monthly payrolls to GMPF.

An internal audit report with recommendations and a level of assurance is issued to the employing body and an action plan agreed with them. In 2019/20, seven reports were finalised, and the types of organisation and the levels of assurance given are shown in the table below, along with the comparative data for 2018/19, when ten reports were finalised.

	2019/20			2018/19		
	LEVELS OF ASSURANCE					
	High	Medium	Low	High	Medium	Low
Local Authority	1		1	3	2	
FE College/University	2			1	1	1
Housing Trust		1				2
Payroll Provider	1					
Outsourced Service Provider		1				
	4	2	1	4	3	3

Data quality

The table below shows the quality of the member data held by GMPF. The Pensions Regulator sets a target of 100% accuracy for new common data received after June 2010.

Forename	100.00%
Surname	100.00%
Membership status	100.00%
Date of birth	100.00%
NI number	100.00%
Postcode	99.96%
Address	96.50%

Work continues to be undertaken to improve address data and this work will continue over the next twelve months and beyond.

Compliance checks

The table below shows the number of cross checks that have been completed to ensure benefits are being paid correctly or that pensions are ceased as soon as possible in order to prevent overpayments.

Mortality screening checks	1944

Complaints, compliments, feedback and formal disputes received

The table below shows a summary of the data collected from GMPF's online Feedback Zone and associated procedures over the last twelve months, together with the number of formal disputes received where a member is appealing against a decision made by the administering authority during the year.

Compliments received	122
Formal recorded complaints received	145
General feedback, suggestions and comments	14
Formal disputes received	14

Administration cost per member

GMPF cost **£15.24** per year

LGPS average **£21.34** per year

These figures are taken from the LGPS CIPFA benchmarking reports for 2019.

The number of people working in GMPF Administration

Total number and full time equivalent (fte)	**137 / 127.63 (fte)**
Employee to GMPF fund member ratio	**1:2,812 / 1:3,018 (fte)**

Our commitment to enhancing the level of value for money provided

We believe the level of service we provide for the cost gives all our stakeholders excellent value for money.

However, we are committed to looking at ways to further enhance service delivery and to ensure we review and reduce costs wherever this is viable.

This year, GMPF took part in administration benchmarking with CEM Benchmarking Inc. for the first time. CEM has carried out administration benchmarking for other non LGPS UK pension funds for several years. However, this is the first year LGPS funds have taken part, with nine LGPS administering authorities supplying data. GMPF's peer group comprised of 14 pension funds in total. The CEM benchmarking report compares both costs and member service, with 'cost per member' and 'member service score' being the two key indicators of comparison.

CEM's analysis shows that GMPF is a high service, low cost provider relative to its peers. GMPF's total cost per member was £18.87. This was £15.25 below the peer average of £34.13. The member service score was 68, which was 3 points above the peer median of 65. GMPF scored well for service in several areas, particularly around telephone contact and face to face contact with members.

Work currently being carried out by GMPF's administration section on business plan objectives and key projects should lead to future improvements in the service score. Officers will be using the analysis within the CEM report to identify other areas where changes could be made to the way services are provided that might enhance member experience.

External recognition – LAPF Scheme Administration Award winner

GMPF was delighted to win the Scheme Administration award at the LAPF Investment awards 2019, recognising GMPF's administration policies and processes as being among the best practice found within the industry.

LAPF INVESTMENTS AWARDS 2019

Annual Report 2020

Key activities carried out during the year

Some of the key projects and areas of work undertaken during the year include the following:

Transition to monthly data collection

In February 2019, we began the transition to receiving monthly data collection from our employers. During the last twelve months, almost all employers have transitioned to submitting data monthly. This has led to GMPF holding more up-to-date values and members being able to access current information about their benefit entitlements.

My Pension

The development of GMPF's online service, known as My Pension, has continued this year. All members have access to this service and can update personal information, see documents and perform certain calculations. Enhancements this year include the development of online P60s and payslips. All these changes will provide members with an enhanced service while having the additional benefit of improving the quality of the data that we hold.

Redevelopment of the GMPF website

Work began in autumn 2019 to revise the GMPF website, bringing it up to date and in line with current modern websites. All the existing content was reviewed and rewritten, and new functionality has been added to make it more user friendly.

IT infrastructure upgrade

GMPF's IT infrastructure was upgraded during the year to ensure all aspects of IT hardware and software support current business needs. This work will continue into 2020/21.

Actuarial Valuation 2019

Several tasks were carried out to support the completion of the triennial actuarial valuation, including the provision of data to the actuary and the issuing of results to employers. This work enabled the valuation to be completed on time.

Pension Administration Strategy

This strategy, which sets out what GMPF expects of its employers to ensure a quality administration service is provided to members, was revised and updated. The new strategy is a more comprehensive document, better supports the objectives of all parties and falls in line with the expectations of GMPF's Local Pension Board and the Pension Regulator.

Our performance data

The pension administration section uses several performance standards to assess whether it is meeting its statutory duties. Indicators are also used to identify changes in key workloads and highlight performance.

The table in the next section provides information regarding some of the key indicators used and performance against these during the year, in line with CIPFA guidance.

Our membership

The overall number of members accounts we administer continues to grow. Figures at the end of March 2020 and those for the two previous years are as follows:

	March 2018	March 2019	March 2020
Employees	110,100	111,618	111,644
Deferreds (all types)	134,181	136,466	140,914
Pensioners (all types)	118,132	129,140	132,626
TOTALS:	**370,142**	**377,224**	**385,204**

The current membership figures broken down according to benefit type are:

Contributors	111,644
Undecided leavers / Leaver awaiting notification	2,974
Deferred pensioners	117,716
Pensioner	113,856
Spouse / dependant	18,770
Frozen refund	20,189
Pensioner deferred benefit	35

The grounds for retirement of new pensioners with a retirement date during the year were:

Retirement Types	Contributors retiring	Deferred benefits into payment	Total
Voluntary early	1117	3245	4362
Late (after normal retirement date)	439	64	503
Redundancy	337	n/r	337
Ill health	238	58	296
Flexible	260	n/r	260
Efficiency	53	n/r	53
Normal (at normal retirement date)	30	332	362
Total	**2474**	**3699**	**6173**

Our employers

The number of employers contributing to GMPF continues to grow. The number of employers with members who have contributed during the year as at the end of March 2020 and for the two previous years are:

	March 2018	March 2019	March 2020
Employers with contributing members	560	585	597

There are two main types of employers. There are those who in general are required to enrol all new employees into the LGPS, such as Local Authorities. These are generally known as 'Scheme employers'. Some employers can ask to join in order to admit some or all employees into the LGPS. These are generally known as 'Admission bodies'.

A summary of the number of employers in GMPF analysed by these categories and split between those with contributing members and those with no current contributors but who retain pension liabilities is below:

	With current contributors	With no current contributors but retaining liabilities	Total
Scheme bodies	347	142	489
Admission bodies	250	249	499

How we deliver our service

All GMPF administration is carried out in house. We work with several partners who help us to deliver our service, including a print and mailing house, overseas pensions payment service and several additional voluntary contribution (AVC) providers.

Teams within the GMPF administration section are split into four service units, as follows:

Member Services

Teams within this service focus on delivering tasks for all contributing, leaving and pensioner members of GMPF. This includes work such as calculating retirement benefits and making payments.

Employer Services

Our Employer Services teams assist GMPF employers and ensure any monthly or annual data returns are processed. This includes work such as admitting new employers into GMPF and facilitating training for those staff at employers who deal with LGPS pensions.

Communications & Engagement

Our Customer Service team is the first port of call for all stakeholders and leads on all areas of engagement. This includes our member Helpline, website and face to face events such as pre-retirement presentations and My Pension drop-in sessions. Communications focus on all written communications, such as leaflets, newsletters and bulletins.

Developments & Technologies

Teams within this service focus on ensuring the systems and technology that we currently use is being used as effectively and efficiently as possible. They review and appraise potential new technologies or systems that could be adopted, bring in new technology and are also responsible for ensuring all existing systems are maintained and are compliant.

Governance and effective decision-making

The GMPF administration section reports directly to the Administration and Employer Funding Viability Working Group and the Pension Fund Management Panel, who take key decisions on how pension administration is delivered.

The Local Pensions Board provides support and guidance to officers and carries out an effective scrutiny role. This includes reviewing how decisions are taken and ensuring that the requirements of the Pensions Regulator are met.

Achieving our objectives

Business planning

Several business plan objectives are set each year. These are reviewed by the administration leadership team each month and progress against them is recorded. Quarterly updates are provided to the Working Group and Local Pension Board.

Several business plan objectives were set for 2019/20, which were either completed or were started during the year and will be carried forward into the next year.

Communications

We communicate with our members in a variety of different ways. In addition to all the information provided for members on GMPF's website, members can access information about their own pension through the My Pension secure portal. The enhancement of this service for members will remain a focus for GMPF going forward.

The Customer Service team continues to provide a high quality helpline service for all our members with over 70,000 calls being answered during the year. The team have also increased the number of face to face events held, such as roadshows, drop-in sessions and pension surgeries. 43 events were held during the year with over 1571 members attending.

Data Management

We continue to take steps to ensure that the data that we hold remains confidential. All GMPF colleagues have undertaken mandatory data protection training and procedures are in place to ensure that any confidential data that we are required to send or receive is done so securely.

Any near miss data breaches are reported and investigated immediately to identify whether any procedural reviews are required or whether any additional training is needed.

How stakeholders can contact us or find out more

There are several ways to get in touch with us and to find out more.

You can visit our website at www.gmpf.org.uk. Information about what we do, our feedback zone, how to call our Helpline and what engagement events are currently planned is all available.

You can also find out more by reading our Communications Policy.

Scheme Administration –
Key Performance Information

Key Indicators (as specified within CIPFA guidance)

Process	Total number of cases	GMPF's target	% completed within target
Deaths – Initial letter acknowledgement	4,334	5 days	83.4%
Deaths – Letter notifying amount of dependant's benefit	1,525	5 days	98%
Retirements – Letter notifying estimate of retirement benefits (contributing members)	2,711	10 days	56.5%
Retirements – Letter notifying estimate of retirement benefits when requested by the member (benefit on hold members)*	4,549	5 days**	66.7%
Retirements – Letter notifying actual retirement benefits (contributing members)	2,447	5 days	98.2%
Retirements – Letter notifying actual retirement benefits (benefit on hold members)	4,341	5 days	98.5%
Retirements – Processed and lump sum retirement grant paid (contributing and benefit on hold members)	6,715	5 days	99.6%
Deferment – Calculate and notify benefits on hold	9,903	10 days	81.1%
Transfers in – Letter detailing transfer in quote	257	10 days	100.0%
Transfers in – Letter detailing transfer in	133	15 days	100.0%
Transfers out – Letter detailing transfer out quote	1,413	10 days	99.2%
Transfers out – Letter detailing transfer out	248	10 days	98.4%
Refund – Processed and paid	1,818	10 days	98.1%
Divorce quote – Letter detailing cash equivalent value and other benefits	533	10 days	99.6%
Divorce settlement – Letter detailing implementation of cash equivalent value and application of pension sharing order	15	25 days	100.0%
Member estimates / projections	Members perform their own estimates using My Pension		
Joiners – Notification of joining	20,582	10 days	100.0%
Aggregation – Notification of aggregation options	3,391	10 days	75.4%

*We will have written to over 2000 members in addition to these requests where a member is approaching turning 55, 60 or 65 years old to provide them with information about how to elect to bring their benefits on hold into payment.

**The normal target for this work is five days and performance against that target is shown here. However, a significant increase in requests received due to a change in the LGPS regulations that allowed members with benefits on hold to access their benefits at an earlier age means this target was temporarily extended for part of the year to 44 days (two months).

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Employer Contributions Rates

2019/20

Scheme employers	Contribution rate 2018/19 %	Contribution rate 2019/20 %
Academies Pool		
Middleton Academy Limited (St Anne's Academy)	17.0	17.0
Great Academies Education Trust	17.0	17.0
Oasis Community Learning (MediaCityUK Academy)	17.0	17.0
Essa Foundation Academies Trust	17.0	17.0
Droylsden Academy	17.0	17.0
The Bishop Fraser Trust (Bolton St Catherine's Academy)	17.0	17.0
Northern Education Trust (Kearsley Academy)	17.0	17.0
St Bede Church of England Primary Academy	17.0	17.0
Audenshaw School Academy Trust	17.0	17.0
Urmston Grammar	17.0	17.0
Park Road Academy Primary School	17.0	17.0
Lever Edge Primary Academy	17.0	17.0
Wellacre Technology Academy Trust	17.0	17.0
Wellington School	17.0	17.0
The Hamblin Education Trust (Altrincham Grammar School Boys)	17.0	17.0
Sale Grammar School	17.0	17.0
Fairfield High School for Girls	17.0	17.0
Yesoiday Hatorah School	17.0	17.0
Sodexo Limited (Oasis MediaCityUK)	17.0	17.0
Ashton Pioneer Homes Pool		
Ashton Pioneer Homes Ltd [Trfd Staff]	23.0 + £14k	23.0 + £15k
AQA Pool		
AQA Education	20.5 + £714k	20.5 + £714K
Bamford Academy Pool		
Bamford Academy	15.1	15.1
Base Academy Trust Pool		
BASE Academy Trust (Red Lane Primary) [from 01.08.16]	30.2	30.2
BASE Academy Trust (Masefield Primary) [from 01.08.16]	30.2	30.2
Better Choices Pool		
Employment & Regeneration Partnership Ltd	16.9	19.9
Big Life Schools Pool		
Big Life Schools (Longsight Community Primary)	17.2	17.2
Big Life Schools (Unity Community Primary)	17.2	17.2

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Bishop Fraser Trust Pool		
The Bishop Fraser Trust (St James CE High School) [from 01.12.17]	20.8	20.8
The Bishop Fraser Trust (Canon Slade CE School) [from 01.12.17]	20.8	20.8
Bolton & Farnworth CoE Primary MAT Pool		
Bolton & Farnworth C of E Primary MAT (Bishop Bridgeman) [from 01.08.16]	29.8	29.8
Bolton & Farnworth C of E Primary MAT (St James CE Primary) [from 01.08.16]	29.8	29.8
Bolton At Home Pool		
Bolton at Home Ltd [Trfd Staff]	17.3	17.3
Bolton at Home Ltd [New Staff]	17.3	17.3
Bolton MBC Pool		
Bolton MBC	20.8*	20.8*
Bolton Community Leisure Limited	20.8	20.8
Monument Café Limited (Bolton)	20.8	20.8
The Bolton Multi Academy Trust (Smithills School) [Formerly Concerted Academies Trust]	20.8	20.8
Agilisys Limited (Ex Bolton)	20.8	20.8
Bolton Cares (A) Ltd	20.8	20.8
Bolton Sixth Form College Pool		
Bolton Sixth Form College	19.3	20.5
Borough Care Pool		
Borough Care Ltd	29.0	29.0
Bright Futures Educational Trust Pool		
Bright Futures Educational Trust (Altrincham Grammar School)	19.1	19.1
Bright Futures Educational Trust (Cedar Mount Academy)	19.1	19.1
Bright Futures Educational Trust (Rushbrook Primary Academy) [Formerly Gorton Mount Primary Academy]	19.1	19.1
Bright Futures Educational Trust (Melland High School)	19.1	19.1
Bright Futures Educational Trust (Stanley Grove Primary Academy)	19.1	19.1
Bright Futures Educational Trust (Connell 6th Form College)	19.1	19.1
Sodexo - AGGS	19.1	19.1
Bulloughs Cleaning Services Ltd - BFET	19.1	19.1
Taylor Shaw (BFET)	19.1	19.1

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Bury College Pool		
Bury College	22.2	22.2
Bury College Education Trust Pool		
Bury College Education Trust (Radcliffe Primary School)	20.2	20.2
Bury College Education Trust (Elton Community Primary School)	20.2	20.2
Bury MBC Pool		
Bury MBC	20.5	20.5
Six Town Housing Limited	20.5	20.5
Persona Care and Support Ltd	20.5	20.5
CQC Pool		
Care Quality Commission	29.6 + £486k	29.6 + £500K
Carillion Academies Trust Pool		
Carillion Academies Trust (Inspire Academy) [to 16.01.18]	17.2	n/a
Carillion Academies Trust (Discovery Academy) [to 16.1.18]	17.2	n/a
CRC Pool		
Northumbria CRC	14.0	14.0
Durham Tees Valley CRC	14.0	14.0
Humberside, Lincolnshire and North Yorkshire CRC	14.0	14.0
West Yorkshire CRC	14.0	14.0
Cheshire and Greater Manchester CRC	14.0	14.0
Merseyside CRC	14.0	14.0
South Yorkshire CRC	14.0	14.0
Staffordshire and West Midlands CRC	14.0	14.0
Derbyshire, Leicestershire, Nottinghamshire and Rutland CRC	14.0	14.0
Warwickshire and West Mercia CRC	14.0	14.0
Bristol, Gloucestershire, Somerset and Wiltshire CRC [to 14.02.19]	14.0	n/a
Dorset, Devon and Cornwall CRC [to 14.02.19]	14.0	n/a
Hampshire and Isle of Wight CRC	14.0	14.0
Thames Valley CRC	14.0	14.0
Bedfordshire, Northamptonshire, Cambridgeshire and Hertfordshire CRC	14.0	14.0
Norfolk and Suffolk CRC	14.0	14.0
Essex CRC	14.0	14.0
London CRC	14.0	14.0
Kent, Surrey and Sussex CRC	14.0	14.0
Cumbria and Lancashire CRC	14.0	14.0

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Wales CRC [to 14.02.19]	14.0	14.0
RISE Mutual CIC (Ex London CRC) [to 01.02.18]	14.0	n/a
Third Sector Consortia Management LLP (Trading As 3SC)	14.0	14.0
Christ Church CofE MAT Pool		
Christ Church C of E Multi Academy Trust	18.3	18.3
Christ Church C of E Multi Academy Trust (St John's Primary)	18.3	18.3
Christ Church C of E Multi Academy Trust (Radcliffe Hall CE/ Methodist Primary) (from 01.06.19)	n/a	18.3
City South Manchester Pool		
City South Manchester Housing Trust Limited [Trfd Staff]	21.6	21.6
City South Manchester Housing Trust Limited [New Staff]	21.6	21.6
Connexions Cumbria Pool		
Inspira Cumbria Limited	24.1 + £137k	24.1 + £137k
Denton West End Primary School Pool		
Denton West End Primary School	16.6	16.6
Mellors Catering Services Ltd (Ex Denton West End) [from 16.04.18]	16.6	16.6
The Dean Trust Pool		
The Dean Trust Wigan	16.0	16.0
The Dean Trust (Ashton On Mersey School)	16.0	16.0
The Dean Trust (Broadoak School)	16.0	16.0
The Dean Trust (Forest Gate Academy)	16.0	16.0
The Dean Trust (Rose Bridge Academy) [from 01.02.19] [Formerly Community First Academy Trust]	16.0	16.0
The Dean Trust (Ardwick)	16.0	16.0
The Dean Trust (Partington Central Academy)	16.0	16.0
The Dunham Trust Pool [Formerly Elmridge Academy Trust Pool]		
The Dunham Trust (Elmridge Primary School)	20.8	20.8
The Dunham Trust (Acre Hall Primary School)	20.8	20.8
The Dunham Trust (The Orchards)	20.8	20.8
The Dunham Trust (Lime Tree Primary Academy)	20.8	20.8
The Dunham Trust (Barton Clough Primary)	20.8	20.8
Eastlands Homes Partnership Pool		
Eastlands Homes Partnership Ltd	16.3	16.3

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Education Learning Trust Pool		
Education Learning Trust (Gatley Primary School)	21.4	21.4
Education Learning Trust (Bredbury Green Primary School)	21.4	21.4
Education Learning Trust (Meadowbank Primary School)	21.4	21.4
Enquire Learning Trust Pool		
The Enquire Learning Trust (Hawthorns School)	24.3	24.3
The Enquire Learning Trust (Lime Tree Primary Academy)	24.3	24.3
The Enquire Learning Trust (Manchester Road Primary Academy)	24.3	24.3
The Enquire Learning Trust (Linden Road Primary Academy)	24.3	24.3
The Enquire Learning Trust (Moorside Primary School)	24.3	24.3
The Enquire Learning Trust (Godley Primary)	24.3	24.3
The Enquire Learning Trust (Oakfield Primary School)	24.3	24.3
The Enquire Learning Trust (Flowery Field Primary)	24.3	24.3
The Enquire Learning Trust (Bradley Green Primary Academy)	24.3	24.3
The Enquire Learning Trust (Dowson Primary Academy)	24.3	24.3
The Enquire Learning Trust (Endeavour Primary Academy)	24.3	24.3
First Choice Homes Pool		
FCHO Ltd (I & P) [Trfd Staff]	19.7	20.7
FCHO Ltd (I & P) [New Staff]	19.7	20.7
First Group Pool		
First Manchester Ltd	30.3 + £5.17m	30.3 + £5.17m
First West Yorkshire Ltd	30.3 + £2.55m	30.3 + £2.9m
First South Yorkshire Ltd	30.3 + £3.5m	30.3 + £3.5m
Fred Longworth HS (Lateral Academy Trust)		
Taylor Shaw Ltd (Fred Longworth) [from 01.09.19]	n/a	19.6
Greater Manchester Combined Authority Pool		
Greater Manchester Combined Authority	21.2	21.2
Inspiring Learners Multi Academy Trust Pool		
Inspiring Learners MAT (Tyntesfield Primary School)	20.4	20.4
Inspiring Learners MAT (Bollin Primary School)	20.4	20.4
The Laurus Trust Pool		
The Laurus Trust	16.7	16.7
The Laurus Trust - Hazel Grove High School [from 01.09.19]	n/a	17
Compass Contract Services (UK) Ltd (Laurus Trust)	16.7	16.7

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Leverhulme Academy of CofE & Community Trust Pool		
Leverhulme Academy C of E & Community Trust (Rivington & Blackrod High School)	17.0	17.0
Leverhulme Academy C of E & Community Trust (Harper Green)	17.0	17.0
Loreto Grammar School Pool		
Loreto Grammar School (Academy)	17.1	17.1
Manchester Airport Pool		
Manchester Airport plc	22.2 + £1.646m	22.2 + £1.646m
Manchester Airport Aviation Services Ltd	22.2	22.2
Manchester City Council Pool		
Manchester City Council	19.1 *	19.1 *
National Car Parks Manchester Ltd	19.1	19.1
Manchester Active Ltd [pooled from 01.04.19]	n/a	19.1
G4S Security Services (UK) Limited [Formerly Group 4 Total Security Limited] [to 31.03.20]	19.1	19.1
Eastlands Homes Partnership Ltd [Trfd Staff]	19.1	19.1
Amey Highways Limited	19.1	19.1
Peak Valley Housing Association Ltd [to 30.09.18]	19.1	n/a
Manchester Working Limited	19.1	19.1
Adactus Housing Association Limited	19.1	19.1
SPIE FS Northern UK Limited (Wright Robinson)	19.1	19.1
Mosscare Housing Limited	19.1	19.1
Community Integrated Care	19.1	19.1
Inspirit Care Limited	19.1	19.1
The Altius Trust (MEA)	19.1	19.1
Manchester Health Academy	19.1	19.1
The Cooperative Academies Trust (North Manchester) [Formerly MCMA]	19.1	19.1
Education & Leadership Trust (East Manchester Academy)	19.1	19.1
Greater Manchester Academies Trust (MCA)	19.1	19.1
The Cooperative Academies Trust (CAM)	19.1	19.1
Greater Manchester Mental Health NHS Foundation Trust [Formerly Manchester Mental Health and Social Care Trust]	19.1	19.1
One Education Limited	19.1	19.1
The King David High School	19.1	19.1
Cheetham Church of England Community Academy	19.1	19.1
Trinity Church of England High School	19.1	19.1

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Greater Manchester Arts Centre Limited	19.1	19.1
SS Simon & Jude C of E Multi Academy Trust (St Barnabas) [Formerly St Barnabas C of E Primary Academy Trust]	19.1	19.1
Wise Owl Trust (Briscoe Lane Academy)	19.1	19.1
E-ACT (Blackley Academy)	19.1	19.1
Wise Owl Trust (Seymour Road Academy)	19.1	19.1
Prospere Learning Trust (Chorlton High School)	19.1	19.1
Wythenshawe Catholic Academy Trust (St Anthony's)	19.1	19.1
Children of Success Schools Trust (Haveley Hey)	19.1	19.1
Children of Success Schools Trust (The Willows)	19.1	19.1
Webster Primary School	19.1	19.1
Wythenshawe Catholic Academy Trust (St Paul's)	19.1	19.1
Oasis Community Learning (Harpur Mount)	19.1	19.1
Wythenshawe Catholic Academy Trust (St John Fisher)	19.1	19.1
The King David Primary School	19.1	19.1
Oasis Community Learning (Academy Aspinal)	19.1	19.1
Kingsway Community Trust (Green End Primary School)	19.1	19.1
Kingsway Community Trust (Ladybarn Primary School)	19.1	19.1
M20 Learning Trust (Beaver Road Primary School)[Formerly Beaver Road Academy Trust]	19.1	19.1
Contour Homes Limited	19.1	19.1
Wythenshawe Catholic Academy Trust (St Elizabeth's Primary)	19.1	19.1
Burnage Academy for Boys	19.1	19.1
Crossacres Primary Academy	19.1	19.1
Dataspire Solutions Ltd (Our Lady's Catholic High)	19.1	19.1
Education and Leadership Trust (Levenshulme High School)	19.1	19.1
Education and Leadership Trust (Whalley Range High School)	19.1	19.1
Prospere Learning Trust (Piper Hill Special Support School)	19.1	19.1
Greater Manchester Academies Trust (MCPA)	19.1	19.1
Taylor Shaw - Cavendish Primary	19.1	19.1
Dolce Limited (MCC) [to 31.12.19]	19.1	19.1
SS Simon and Jude C of E Multi Academy Trust (St James CE Primary)	19.1	19.1
Prospere Learning Trust (Newall Green High School)	19.1	19.1
St James & Emmanuel Academy Trust (Didsbury CE Primary)	19.1	19.1
St James & Emmanuel Academy Trust (West Didsbury CE Primary)	19.1	19.1
The Cherry Tree Trust (Newall Green Primary School)	19.1	19.1

Scheme employers	Contribution rate 2018/19 %	Contribution rate 2019/20 %
Greenwich Leisure Ltd (Manchester Sports) [to 30.11.18]	19.1	n/a
Greenwich Leisure Ltd (Wythenshawe Forum) [to 30.11.18]	19.1	n/a
Biffa Municipal Ltd.	19.1	19.1
Wise Owl Trust (Old Hall Drive Academy)	19.1	19.1
St James & Emmanuel Academy Trust (St Wilfrid's CE Primary)	19.1	19.1
Essential Hygiene Ltd - Cavendish School	19.1	19.1
Taylor Shaw - St Aidan's Primary School	19.1	19.1
Career Connect (Ex Better Choices/ MCC) [to 31.03.19]	19.1	n/a
Prospere Learning Trust (Pioneer House High School)	19.1	19.1
Sodexo (Harpur Mount)	19.1	19.1
Greater Manchester Learning Trust (Parrs Wood High School)	19.1	19.1
CLIC Educational Trust (Chorlton Park Primary School)	19.1	19.1
CLIC Educational Trust (Old Moat Primary School)	19.1	19.1
Link Learning Trust (Barlow Hall Primary School)	19.1	19.1
Link Learning Trust (Brookburn Primary School)	19.1	19.1
Time Out Services Limited (Ex MCC)	19.1	19.1
The Altius Trust (MEA Central)	19.1	19.1
CLIC Educational Trust (Rolls Crescent Primary School)	19.1	19.1
Sodexo Limited (Oasis Aspinal Academy)	19.1	19.1
Caterlink Limited - Newall Green	19.1	19.1
Caterlink Ltd - Chorlton High (Ex MCC)	19.1	19.1
Integral - Plymouth Grove (Ex MCC)	19.1	19.1
Mears Group Plc (Northwards Housing MCC)	19.1	19.1
Bulloughs Cleaning Services Ltd - Barlow RC (Ex MCC)	19.1	19.1
Dolce Ltd - Pike Fold School (Ex MCC) [to 31.03.19]	19.1	n/a
Dolce Ltd - St Bernard's (Ex MCC)	19.1	19.1
Caterlink Ltd - Heald Place (Ex MCC)	19.1	19.1
Taylor Shaw Ltd - St Ambrose School (Ex MCC) [to 31.03.19]	19.1	n/a
Oasis Community Learning (Temple Primary School) [from 01.07.18]	19.1	19.1
Jacobs UK Ltd	19.1	19.1
T(N)S Catering Management Ltd - Mcr Health Academy (Ex MCC)	19.1	19.1
Prospere Learning Trust (CHS South)	19.1	19.1
SS Simon & Jude C of E Multi Academy Trust (Gorton Primary)	19.1	19.1
Bulloughs Cleaning Services - Levenshulme High (EL Trust)	19.1	19.1
The Cooperative Academies Trust (Broadhurst Primary School)	19.1	19.1

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Dolce Ltd - Ashgate Specialist Support School (Ex MCC) [from 29.10.18]	19.1	19.1
Essential Hygiene - Holy Name RC Primary School [from 01.06.18]	19.1	19.1
Flagship Learning Trust (Wright Robinson College) (from 01.11.19)	n/a	19.1
Manchester Creative Digital Assets Ltd (Ex MCC) [from 01.02.19]	19.1	19.1
Catering Academy Ltd - St Andrew's CE Primary (Ex MCC) [from 01.09.18]	19.1	19.1
Prospere Learning Trust (Grange School) [from 01.05.19]	n/a	19.1
Essential Hygiene Ltd - Our Lady's (Ex MCC) [from 01.08.18]	19.1	19.1
Greenwich Leisure Ltd (GLL) (Ex Manchester CC) [from 01.12.18]	19.1	19.1
Totally Local Company Ltd - Birchfield School (EX MCC)	19.1	19.1
Aspens Services Ltd (Ex MCC Cheetham Comm Ac)	19.1	19.1
Churchill Contract Services Ltd - Co-op Academies [from 01.11.18]	19.1	19.1
Mellors Catering Svs Ltd - MEA	19.1	19.1
Bulloughs Cleaning Services - MEA	19.1	19.1
Kingdom Services Group Ltd - Oswald Road Primary [from 03.09.18]	19.1	19.1
Sports & Leisure Management Ltd [from 01.12.18]	19.1	19.1
Onward Homes Ltd [from 01.10.18]	19.1	19.1
Aspens Services Ltd (Pike Fold Primary School) [from 01.04.19]	n/a	19.1
Engie Services Ltd (Manchester Working Ltd) [from 01.05.19]	n/a	19.1
Caterlink Ltd (Cravenwood Primary School)	19.1	19.1
Mellors Catering Services Ltd (Benchill Primary School) [from 03.06.19]	n/a	19.1
Career Connect [from 01.04.19]	n/a	19.1
Museum of Science and Industry Pool		
National Museum of Science and Industry	22.3 + £153k	22.3 + £153k
Northern Education Trust Pool		
Northern Education Trust (The Ferns)	17.9	17.9
Compass Contract Svs (NET - The Ferns)	17.9	17.9
NPS Pool		
National Probation Service	29.6	29.6
Sodexo Ltd - Ex MOJ	29.6	29.6
OCS Group Ltd - Ex MOJ	29.6	29.6

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Oak Learning Partnership		
Oak Learning Partnership (Broad Oak) [from 01.04.19]	n/a	20.5
Oak Learning Partnership (Unsworth Primary) [from 01.04.19]	n/a	20.5
Oak Learning Partnersip (Elms Bank) [from 01.04.19]	n/a	20.5
Oasis Community Learning Pool		
Oasis Community Learning (Broadoak Primary School)	16.7	16.7
Sodexo - Broadoak (Oasis Community Learning)	16.7	16.7
Other Local Authorities Pool		
Saddleworth Parish Council	20.9	20.0
Manchester Port Health Authority	20.9	20.0
Horwich Town Council	20.9	20.0
Shevington Parish Council	20.9	20.0
Oldham MBC Pool		
Oldham MBC	20.6**	20.6**
Oldham Community Leisure Limited	20.6	20.6
The Villages Housing Association Limited [to 31.03.19]	20.6	n/a
Housing & Care 21	20.6	20.6
Kier Facilities Services Limited	20.6	20.6
The Unity Partnership Limited	20.6	20.6
Allied Publicity Services (Manchester) Limited [to 31.01.19]	20.6	n/a
Bullough Cleaning Services Limited	20.6	20.6
Oasis Community Learning (Oldham Academy)	20.6	20.6
E-ACT (The Oldham Academy North)	20.6	20.6
NSL Limited	20.6	20.6
The Pinnacle Learning Trust (The Hathershaw College)	20.6	20.6
Crompton House CE Multi Academy Trust [Formerly Crompton House Church of England School]	20.6	20.6
Sodexo Limited (Oasis Oldham)	20.6	20.6
Cranmer Education Trust (The Blue Coat School)	20.6	20.6
Oasis Community Learning (Limeside Academy)	20.6	20.6
Wates Construction Limited	20.6	20.6
Great Places Housing Association	20.6	20.6
Taylor Shaw Limited (Kier)	20.6	20.6
Sodexo Limited (Limeside Academy)	20.6	20.6
New Bridge Multi Academy Trust (New Bridge School)	20.6	20.6
Oldham Care and Support Limited	20.6	20.6

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Focus Academy Trust (UK) Ltd (Roundthorn Primary Academy)	20.6	20.6
Focus Academy Trust (UK) Ltd (Coppice Primary Academy)	20.6	20.6
Sola Fide C of E Trust (St Chad's Church of England Primary School)	20.6	20.6
The Harmony Trust Ltd (Greenhill Academy)	20.6	20.6
The Pinnacle Learning Trust (Werneth Primary) [Formerly Bright Tribe Trust (Werneth Primary)]	20.6	20.6
The Oak Trust (North Chadderton School)	20.6	20.6
The Harmony Trust Ltd (Alt Academy)	20.6	20.6
The Harmony Trust Ltd (Westwood Academy)	20.6	20.6
The Harmony Trust Ltd (Richmond Academy)	20.6	20.6
Catering Academy Ltd (Waterhead Academy) [to 31.08.18]	20.6	n/a
Engie Services Limited	20.6	20.6
Focus Academy Trust (UK) Ltd (Freehold Community Primary)	20.6	20.6
Cranmer Education Trust (East Crompton St George CE Primary)	20.6	20.6
New Bridge Multi Academy Trust (Hollinwood)	20.6	20.6
Wolseley UK Ltd	20.6	20.6
Cranmer Education Trust (Mayfield Primary School)	20.6	20.6
SMC Premier Cleaning Ltd (Broadfield Primary)	20.6	20.6
Bulloughs Cleaning Services Ltd	20.6	20.6
The Harmony Trust (Northmoor Academy)	20.6	20.6
Kingfisher Learning Trust	20.6	20.6
New Bridge Multi Academy Trust (Springbrook)	20.6	20.6
Focus Academy Trust (UK) Ltd (Lyndhurst Primary School)	20.6	20.6
Sola Fide C of E Trust (St Anne's C of E Lydgate Primary School)	20.6	20.6
The Cooperative Academies Trust (Failsworth School)	20.6	20.6
Essential Hygiene Ltd - St Edwards (Ex OMBC)	20.6	20.6
Servest Food Co Ltd (Ex Royton & Crompton)	20.6	20.6
Sola Fide C of E Trust (St John's CE Primary School) [from 01.12.18]	20.6	20.6
Oasis Community Learning (Clarksfield Primary School) [from 01.01.19]	20.6	20.6
The Oak Trust (Fir Bank Primary School) [from 01.02.19]	20.6	20.6
The Oak Trust (Thorp Primary School) [from 01.02.19]	20.6	20.6
New Bridge Horizons Limited [from 01.04.19]	n/a	20.6
Aspens Services Ltd (Ex E-Act Oldham)	20.6	20.6

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Crompton House CE MAT - Beal Vale Primary School [from 01.09.19]	n/a	20.6
Age UK Oldham Ltd [from 01.06.19]	n/a	20.6
Kingfisher Learning Trust (Medlock Valley Community School) [from 01.09.19]	n/a	20.6
Future Finders Employability College - Newbridge (Ex OMBC) [from 01.09.19]	n/a	20.6
Parkway Green Housing Trust Pool		
Parkway Green Housing Trust [Trfd Staff]	22.7	22.7
Parkway Green Housing Trust [Trfd Staff]	22.7	22.7
Prestolee MAT Pool		
Prestolee Multi Academy Trust (Prestolee Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Bowness Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Waterloo Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Barton Moss Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Tottington Primary School) [from 01.11.19]	n/a	24.3
Rochdale Boroughwide Housing Pool		
Rochdale Boroughwide Housing Limited (I & P) [Trfd Staff]	18.0	18.0
Rochdale Boroughwide Housing Limited (I & P) [New Staff]	18.0	18.0
Rochdale MBC Pool		
Rochdale MBC	20.5*	20.5*
Crossgates School	20.5	20.5
Smithy Bridge Foundation Primary School	20.5	20.5
Rochdale Development Agency [from 01.04.19]	n/a	20.5
Healey Primary School	20.5	20.5
Rochdale Boroughwide Cultural Trust	20.5	20.5
Alternative Futures Group Limited	20.5	20.5
E.ON UK plc	20.5	20.5
Grosvenor Facilities Management Limited	20.5	20.5
Great Academies Education Trust (Middleton Tech School)	20.5	20.5
Hollingworth Learning Trust	20.5	20.5
Rochdale Boroughwide Housing	20.5	20.5
PossAbilities CIC	20.5	20.5
Future Directions	20.5	20.5
Bulloughs Cleaning Services Ltd [to 13.04.18]	20.5	20.5
Balfour Beatty Living Places Ltd	20.5	20.5

Scheme employers	Contribution rate 2018/19 %	Contribution rate 2019/20 %
The Pennine Acute Hospitals NHS Trust	20.5	20.5
St Teresa of Calcutta Catholic Academy Trust (St Patrick's)	20.5	20.5
St Teresa of Calcutta Catholic Academy Trust (Alice Ingham)	20.5	20.5
N Compass Northwest Ltd (Ex RMBC)	20.5	20.5
Mellors Catering Svs Ltd - St Gabriel's (Ex Rochdale MBC)	20.5	20.5
The Big Life Company Ltd	20.5	20.5
Mellors Catering Services Ltd - St Thomas Moore (Ex RMBC) [from 12.05.18]	20.5	20.5
Taylor Shaw Ltd - Elm Wood Primary School [from 22.10.18]	20.5	20.5
Maxim Facilities Management Ltd [from 01.09.18]	20.5	20.5
Roch Valley CE Multi Academy Trust Pool		
Roch Valley CE Multi Academy Trust (Holy Trinity Primary)[from 01.09.18]	20.5	20.5
Roch Valley CE Multi Academy Trust (St Thomas Primary) [from 01.09.18]	20.5	20.5
Salford Academy Trust Pool		
Salford Academy Trust (Albion High School) [to 31.01.19]	21.5	n/a
Salford Academy Trust (Dukesgate Primary School) [to 31.01.19]	21.5	n/a
Salford Academy Trust (Marlborough Road Primary School) [to 31.01.19]	21.5	n/a
Salford Academy Trust (Irlam & Cadishead College) [from 01.07.17 to 31.01.19]	21.5	n/a
Salford City College Pool		
Salford City College	19.6	19.6
Salford City Council Pool		
Salford City Council	19.7 *	19.7 *
St Ambrose Barlow RC High School	19.7	19.7
The Salfordian Trust Company Limited	19.7	19.7
Salford Community Leisure Limited	19.7	19.7
The Working Class Movement Library	19.7	19.7
Mitie PFI Limited	19.7	19.7
Compass Contract Services (UK) Limited	19.7	19.7
SPIE FS Northern UK Ltd (Salford)	19.7	19.7
City West Housing Trust Limited	19.7	19.7
Inspirit Care Limited	19.7	19.7
RM Education plc	19.7	19.7
SPIE FS Northern UK Limited (Salford 2)	19.7	19.7

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
The Landing at MediaCityUK Limited	19.7	19.7
Together Housing Association Limited [Formerly Chevin Housing Association Limited]	19.7	19.7
Salix Homes Limited	19.7	19.7
Career Connect	19.7	19.7
SPIE FS Northern UK Ltd (St Ambrose & St Patrick)	19.7	19.7
SPIE FS Northern UK Ltd (Moorside)	19.7	19.7
Salford Royal NHS Foundation Trust (ASC Contract)	19.7	19.7
Salford Royal NHS Foundation Trust (Equipment Contract)	19.7	19.7
Absolutely Catering Ltd (Graysons Restaurants) [to 24.07.17]	19.7	n/a
Aspens Services Ltd	19.7	19.7
Aspire For Intelligent Care & Support (CIC) (2) [from 01.07.16]	19.7	19.7
Salford Royal NHS Foundation Trust - The Limes [from 03.07.17]	19.7	19.7
St Ambrose Academy Trust Pool		
St Ambrose College Edmund Rice Academy Trust [Formerly St Ambrose College Academy Trust]	17.0	17.0
Salford University Pool		
Salford University	21.1	21.1
Shaw Education Trust Pool		
The Shaw Education Trust (Castlebrook High School)	17.4	17.4
The Shaw Education Trust (The Westleigh School) [from 01.08.18]	17.4	17.4
The Shaw Education Trust (Tottington High School) [from 01.11.18]	17.4	17.4
Small Admitted Bodies Pool		
National Museum of Labour History	23.0	24.4
Wigan Metropolitan Development Co (Inv) Ltd	23.0	24.4
Groundwork Oldham & Rochdale	23.0	24.4
APSE	23.0	24.4
Greater Manchester Immigration Aid Unit	23.0	24.4
Birtenshaw Hall School	23.0	24.4
North West Local Authorities Employers Organisation	23.0	24.4
Rochdale CAB	23.0	24.4
Chethams School Of Music	23.0	24.4
Oldham CAB	23.0	24.4
Manchester CAB	23.0	24.4
Centre For Local Economic Strategies Ltd (CLES)	23.0	24.4
UNIAC	23.0	24.4
Manchester Centre For The Deaf	23.0	24.4

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Rochdale Development Agency	23.0	n/a
Salford Foundation Ltd	23.0	n/a
Sparth Community Centre	23.0	24.4
Marketing Manchester	23.0	24.4
Council For Voluntary Service Rochdale [to 31.01.18]	23.0	24.4
Mechanics Centre Ltd	23.0	24.4
Midas Limited	23.0	24.4
Greater Manchester Sports Partnership	23.0	24.4
Rochdale Law Centre [to 06.10.17]	23.0	24.4
Metro Rochdale Employees Credit Union Limited	23.0	24.4
Shopmobility Manchester [to 30.11.17]	23.0	24.4
Dance Manchester Ltd [Formerly Dance Initiative Greater Manchester]	23.0	24.4
Cash Box Credit Union Ltd	23.0	24.4
Groundwork MSSTT	23.0	24.4
Caritas Diocese Of Salford	23.0	24.4
South Pennine Academies Pool		
South Pennine Academies (Waterhead Academy)	19.6	19.6
South Pennine Academies (Willowpark Primary Academy)	19.6	19.6
South Pennine Academies (Woodlands Primary Academy)	19.6	19.6
South Pennine Academies (Greenacres Primary Academy)	19.6	19.6
Southway Housing Trust Pool		
Southway Housing Trust (Manchester) Limited [Trfd Staff]	21.2	22.5
Southway Housing Trust (Manchester) Limited [New Staff]	21.2	22.5
Stagecoach Manchester Pool		
Greater Manchester Buses South Ltd	30.4+£2.4m	30.4+£2.4m
Stagecoach Services Limited	30.4	30.4
Stamford Park Trust [Ashton Under Lyne Sixth Form College Pool]		
Stamford Park Trust [Ashton-Under-Lyne 6th Form College]	17.0	17.0
BaxterStorey Ltd	17.0	17.0
Stockport College Pool		
Stockport College Of Further & Higher Education	21.9	n/a

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Stockport MBC Pool		
Stockport MBC	19.5 *	19.8 *
Life Leisure	19.5	19.8
Pure Innovations Ltd	19.5	19.8
Stockport Homes Ltd	19.5	19.8
Totally Local Company Limited [Formerly Solutions SK Limited]	19.5	19.8
Marple Hall School	19.5	19.8
Carillion (AMS) Ltd (Ex NPS Stockport) [to 30.06.18]	19.5	n/a
Essential Hygiene Ltd - Werneth High School [from 25.02.19]	19.5	19.8
Tameside College Pool		
Tameside College	18.8	18.8
Tameside MBC Pool		
Tameside MBC	21.0 *	21.0 *
Carillion Services Limited [to 30.07.18]	21.0	n/a
Carillion LGS Limited [to 30.07.18]	21.0	n/a
Carillion AMBS Ltd [to 30.07.18]	21.0	n/a
Mellors Catering Svs Ltd - Poplar St	21.0	21.0
Robertson Facilities Management Ltd - Project CO1 [from 30.07.18]	21.0	21.0
Robertson Facilities Management Ltd - Project CO2 [from 30.07.18]	21.0	21.0
Robertson Facilities Management Ltd - Corporate Estates [from 30.07.18]	21.0	21.0
The Manchester College Pool		
LTE Group (formerly The Manchester College)	18.1	18.1
Trafford College Pool		
Trafford College	22.9	22.9
Caterlink (Trafford College)	23.8	23.8
Trafford MBC Pool		
Trafford MBC	20.4 *	20.4 *
Sale High School	20.4	20.4
Blessed Thomas Holford Catholic College	20.4	20.4
Go Plant Fleet Services Ltd [Formerly Essential Fleet Services Ltd]	20.4	20.4
Market Operations	20.4	20.4
Amey LG Ltd	20.4	20.4
Trafford Leisure Community Interest Company	20.4	20.4
Floorbrite Cleaning Contractors Ltd (Springfield Primary)	20.4	20.4

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Transport for Greater Manchester Pool		
Transport for Greater Manchester	18.8	18.8
United Learning Trust Pool		
United Learning Trust (Manchester Academy)	15.6	15.6
United Learning Trust (Salford Academy)	15.6	15.6
United Learning Trust (Stockport Academy)	15.6	15.6
United Learning Trust (William Hulme's Grammar School)	15.6	15.6
United Learning Trust (Abbey Hey Primary)	15.6	15.6
United Learning Trust (Cravenwood Community Primary)	15.6	15.6
Caterlink (Ex United Learning Trust Stockport Academy)	15.6	15.6
United Learning Trust (Albion High School) [from 01.02.19] [Formerly Salford Academy Trust]	21.5	21.5
United Learning Trust (Dukesgate Primary School) [from 01.02.19] [Formerly Salford Academy Trust]	21.5	21.5
United Learning Trust (Marlborough Road Primary School) [from 01.02.19] [Formerly Salford Academy Trust]	21.5	21.5
United Learning Trust (Irlam and Cadishead College) [from 01.02.19] [Formerly Salford Academy Trust]	21.5	21.5
The University of Manchester Pool		
The University of Manchester	22.9 + £750k	22.9 + £771k
Victorious Academies Pool		
Victorious Academies Trust (Inspire Academy) [from 16.01.18] [Formerly Carillion Academies]	17.2	17.2
Victorious Academies Trust (Discovery Academy) [from 16.01.18] [Formerly Carillion Academies]	17.2	17.2
Victorious Academies Trust (Poplar Street Primary School) [from 01.04.18]	17.2	17.2
Victorious Academies Trust (Greenside Primary School) [from 01.11.18]	17.2	17.2
Victorious Academies Trust (Yew Tree Primary School) [from 01.11.18]	17.2	17.2
The Waste Pool		
Suez Recycling & Recovery UK Ltd - Lot 1 [from 01.06.19]	n/a	20.0
Suez Recycling & Recovery UK Ltd - Lot 2 [from 01.06.19]	n/a	20.0
Vision MAT Pool		
Vision Multi Academy Trust (Higher Lane Primary) [from 01.07.17]	18.0	18.0
Vision Multi Academy Trust (East Ward Primary) [from 01.07.17]	18.0	18.0
Vision Multi Academy Trust (Sunny Bank Primary) [from 01.07.17]	18.0	18.0

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
WAR - Watergrove Trust Pool (Previously Wardle Academy Trust Pool)		
Watergrove Trust (Wardle Academy)	19.7	19.7
Watergrove Trust (Kentmere Primary School)	19.7	19.7
Watergrove Trust (St Andrews C of E Primary School) [from 01.09.17]	19.7	19.7
Watergrove Trust (St James C of E Primary School) [from 01.09.17]	19.7	19.7
Watergrove Trust (Matthew Moss High School) [from 01.11.19]	n/a	19.7
West Hill School Pool		
West Hill School	16.8	16.8
Wigan MBC Pool		
Wigan MBC	19.6*	19.6*
Wigan Leisure & Culture Trust	19.6	19.6
NPS North West Limited	19.6	19.6
Western Skills Centre Limited [to 31.08.17]	19.6	n/a
Always There Homecare Limited	19.6	19.6
Proco NW Limited	19.6	19.6
Leigh Sports Village Ltd	19.6	19.6
Lateral Academy Trust	19.6	19.6
Leading Learners MAT (Tyldesley Primary School)	19.6	19.6
The Rowan Learning Trust (Hawkley Hall High School)	19.6	19.6
Wigan and Leigh Carers Centre	19.6	19.6
Makerfield Academy Trust (Byrchall High School)	19.6	19.6
Community First Academy Trust (Platt Bridge)	19.6	19.6
Agilisys Limited	19.6	19.6
Acorn Trust	19.6	19.6
The Learning Together Trust	19.6	19.6
Monument Café	19.6	19.6
Community First Academy Trust (Rose Bridge Academy) [to 31.01.19]	19.6	n/a
The Keys Federation	19.6	19.6
The Rowan Learning Trust (3 Towers Alternative Provision)	19.6	19.6
Mellors Catering Services (Hindley High School)	19.6	19.6
Premier Care Limited	19.6	19.6
Change Grow Live (CGL) [to 19.01.18]	19.6	n/a
The Rowan Learning Trust (Marus Bridge)	19.6	19.6
Greengate Academy Trust (Orrell Holgate)	19.6	19.6
Greengate Academy Trust (Orrell Lamberhead Green)	19.6	19.6

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
The Wings CE Trust (Atherton St George's CE Primary)	19.6	19.6
The Wings CE Trust (St Marks)	19.6	19.6
Mosaic Academy Trust (Standish Community High School) [from 01.12.17]	n/a	19.6
Mellors Catering Svs Ltd - Our Lady's Primary (Ex Wigan)	19.6	19.6
The Wings CE Trust (Leigh CE Primary)[from 01.12.18]	n/a	19.6
Mosaic Academy Trust (Golborne Community Primary School) [from 01.07.19]	n/a	19.6
Catering Academy Ltd [to 31.07.18]	19.6	n/a
Caterlink Ltd [from 01.08.18]	19.6	19.6
ISS Mediclean (Hawkley Hall) [from 01.09.18]	19.6	19.6
NPS NW Ltd [from 01.04.19]	n/a	19.6
Willow Park Housing Trust Pool		
Willow Park Housing Trust	23.4	23.4
Willow Park Housing Trust [2nd Agreement]	23.4	23.4
Woodbridge Trust Pool		
Woodbridge Trust (Firwood High School) [from 01.10.18]	20.8	20.8
Woodbridge Trust (Ladywood School) [from 01.10.18]	20.8	20.8
Individual Employers		
The Chief Constable of Greater Manchester	18.7	18.7
The University of Bolton	23.2	23.2
Manchester Metropolitan University	21.4	21.4
Liverpool Hope University	19.1	19.1
Royal Northern College Of Music	18.9	18.9
Borough Care Services Ltd	25.3 + £154k	25.3 + £154k
Bolton College	18.0 + £251k	18.0 + £258k
Holy Cross College	16.9	16.9
Loreto Sixth Form College	17	17
Xaverian Sixth Form College	16.4	16.4
Oldham College	16.8	16.8
The Pinnacle Learning Trust (Oldham Sixth Form College)	16.5	16.5
Hopwood Hall College	20.2	20.2
Aquinas College	18.0	18.0
Cheadle & Marple 6th Form College	21.2 + £41k	21.2 + £43k
Wigan & Leigh College	22.7	22.7
Winstanley College	16.5	16.5
St John Rigby College	17.4	17.4

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Tameside Sports Trust	21.1	22.9
New Charter Housing Trust Limited	24.7	24.7
Positive Steps Oldham	18.4	20.4
Manchester Active Ltd [Formerly Eastlands Trust/Formerly The Velodrome Trust] [to 31.03.19]	22.7	n/a
Ace Centre (North)	19.4	22.7
Trafford Housing Trust Ltd	22.5 + £727k	22.5 + £748k
Northwards Housing Limited	17.6	17.6
Viridor Waste (Greater Manchester) Limited [to 31.05.19]	20.6	20.6
Altus Education Partnership (Rochdale Sixth Form College)	15.4	15.4
The Cooperative Academies Trust (The Swinton High School)	17.0	17.0
Healthy Learning Trust (Flixton Girls School)	17.3	17.3
Mellor Primary School	16.7	16.7
Broadoak Primary School	18.3	18.3
South Manchester Learning Trust (Reddish Vale Academy Trust)	16.2	16.2
Hazel Grove High School [to 31.08.19]	17.0	17.0
Eagley Infant School	22.2	22.2
Eagley Junior School	24.0	24.0
Harwood Meadows Primary School	24.2	24.2
Kings Academy Trust (Oakwood Academy) [Formerly The Oakwood Academy Schools Trust]	21.2	21.2
Broughton Jewish Cassel Fox	16.1	16.1
South Manchester Learning Trust (Altrincham College of Arts)	18.1	18.1
Forward As One Church Of England Multi Academy Trust	19.0	19.0
SS Simon and Jude C of E Multi Academy Trust	17.9	17.9
Chapel Street Community Schools Trust (Atherton Community School)	16.6	16.6
Northern Schools Trust (Wigan UTC) [to 31.08.19]	18.6	18.6
St Anselms Catholic Multi Academy Trust	21.9	21.9
New Bridge Multi Academy Trust (Hawthorns School)	24.3	24.3
The Olive Tree Primary Bolton Limited	14.2	14.2
The Cooperative Academies Trust (Connell 6th Form College) [from 01.04.19]	n/a	19.1
New Islington Free School	15.0	15.0
Park Road Sale Primary	18.3	18.3
Beis Yaakov Jewish High School	26.0	26.0
Chester Diocesan Academies Trust (St Matthew's C of E Primary)	16.1	16.1

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Focus Academy Trust (UK) Ltd (Manor Green Primary Academy)	32.9	32.9
Manchester Creative Studio [to 30.06.18]	16.7	n/a
The Kirkstead Education Trust (Hursthead Junior School)	19.7	19.7
Focus Academy Trust (UK) Ltd (Old Trafford Community Primary)	15.5	15.5
Essa Foundation Academies Trust (The Essa Primary)	15.0	15.0
Taylor Shaw Ltd (Moorfield Primary School)	28.9	28.9
Taylor Shaw Ltd (Romiley Primary School)	30.2 + £1k	30.2 + £1k
Kingsway Community Trust (Cringle Brook Primary)	13.7	13.7
Focus Academy Trust (UK) Ltd (Deeplish Primary Academy)	24.5	24.5
Taylor Shaw Ltd (Kingsway High School) [to 31.08.18]	27.6	n/a
Ashton West End Primary	26.5	26.5
Addiction Dependency Solutions [to 31.08.19]	19.1	19.1
Sharples School A Multi Academy Trust	29.6	29.6
Lever Academy Trust (Little Lever School)	24.8	24.8
Bolton UTC	15.9	15.9
Aldridge Education (UTC At MediaCityUK) [Formerly Creative Industries UTC (UTC@MediaCityUK)]	17.2	17.2
Prosper Multi Academy Trust (Bolton Muslim Girls School) [Formerly Bolton Muslim Academy Trust]	20.2	20.2
The Sovereign Trust MAT [Formerly Pictor Academy & Manor Academy]	25.9	25.9
Taylor Shaw (St Simon's Primary)	29.1	29.1
Taylor Shaw (Marple Hall High School)	28.7 + £13k	28.7 + £13k
Taylor Shaw (Fairway)	29.0 + £1k	29.0 + £1k
Abney Trust (The Kingsway School)	26.0	26.0
KGB Cleaning & Support Services Ltd (Ex Trafford College) [to 31.03.19]	30.3 + £6k	n/a
Bolton Impact Trust	25.6	25.6
Career Connect (Achieve North West Contract)	30.0	30.0
Catering Academy (Ex Bolton College)	28.4 + £1k	28.4 + £1k
Chester Diocesan Academies Trust (St Paul's C of E Primary)	19.6	19.6
Taylor Shaw Ltd (Harrytown High School)	29.3 + £7k	29.3 + £7k
Consilium Academies (Buile Hill)	21.5	21.5
The Hamblin Education Trust (North Cestrian School)	17.2	17.2
Taylor Shaw (Stockport College)	24.3	24.3
Churchill Contract Services Ltd (Harper Green School)	33.9	33.9
Elite Cleaning & Environmental Services Ltd	24.8	24.8
Chatsworth Multi Academy Trust	17.7	17.7

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Aspireplus Educational Trust (Longdendale High School)	17.9	17.9
Aspireplus Educational Trust (Rayner Stephens High School)	16.5	16.5
SS Simon & Jude C of E Multi Academy Trust (St Augustine's)	19.7	19.7
Consilium Academies (Ellesmere Park High School)	16.6	16.6
Mulberry Tree CE Multi Academy Trust (St Catherine's Primary)	20.8	20.8
T(N)S Catering Management Ltd	31.9	31.9
Champion Cleaning Services Ltd - Ex Bury MBC [to 15.02.19]	33.0	n/a
Liverpool Diocesan Schools Trust (St James CE Primary)	19.6	19.6
Consilium Academies (Moorside High School)	19.7	19.7
Transport for the North	18.8	15.7
The Aspire Educational Trust (Wilbraham Primary School)	19.1	19.1
Compass Contract Services (Ex NET - Kearsley Academy)	34.7	34.7
The Sovereign Trust MAT (New Park School) [from 01.06.18]	19.7	19.7
Bolton & Farnworth C Of E Primary MAT (St Maxentius Primary) [from 01.09.18]	20.8	29.8
Oasis Community Learning (Leesbrook Academy) [from 01.09.18]	16.7	16.7
E ACT (Royton & Crompton School) [from 01.09.18]	20.6	20.6
Liverpool Diocesan Schools Trust (St Paul's CE Primary) [from 01.10.18]	19.6	19.6
Taylor Shaw - St Anne's	29.6	29.6
St Ralph Sherwin Catholic MAT (St Mary's CV Academy) [from 01.09.18]	19.5	19.8
St Bede Church Of England Primary Academy (Tonge Moor PS) [from 01.11.18]	20.8	20.8
Liverpool Diocesan Schools Trust (Highfield St Matthew's CE) [from 01.11.18]	19.6	19.6
The Wesley Trust (Rosehill Methodist School) [from 01.12.18]	21.0	21.0
The Cooperative Academies Trust (Walkden High School) [from 01.12.18]	19.7	19.7
The Wesley Trust (Wesley Methodist Primary School) [from 01.07.19]	n/a	20.5
The Great Schools Trust - Kings Leadership Academy Bolton [from 02.09.19]	n/a	16.7
The Sovereign Trust (Longford Park School) [from 01.09.19]	n/a	20.4
St James & Emmanuel Academy Trust (St Elizabeth's Primary) [from 01.11.19]	n/a	19.8
CLIC Educational Trust (Dane Bank Primary School) [from 01.11.19]	n/a	21.0
St Teresa of Calcutta Catholic Academy Trust (St Gregory's) [from 01.12.19]	n/a	20.8

Scheme employers	Contribution rate	
	2018/19 %	2019/20 %
Robertson Facilities Management Ltd [from 13.05.19]	n/a	25.9
Aramark Ltd [from 23.04.19]	n/a	17.4
SS Simon & Jude C Of E Multi Academy Trust (St Hilda's) [from 01.12.19]	n/a	20.4
Tenon FM Ltd [from 01.05.18]	27.6	27.6
Chester Diocesan Academies Trust (Bredbury St Mark's) [from 01.02.20]	n/a	19.8

* These employers can choose to pay either their annual contributions in advance in April each year or their contributions covering the period 1 April 2017 to 31 March 2020 in advance in April 2017. Where an employer chooses to make such payments in advance, the contribution rates shown should be multiplied by a factor of 0.9804 (annually in advance) or 0.9434 (3 year advance payment). Where advance contributions are to be paid, employers will need to agree with the Administering Authority and the GMPF actuary an estimate of pensionable pay for each year and if the actual pensionable pay is higher than the estimate then a balancing payment would be made following the year-end.

** This employer can choose to pay their annual contributions covering the period 1 April 2017 to 31 March 2020 in advance by 15 May 2017. If this employer chooses to make this advance payment, the contribution rate shown should be multiplied by a factor of 0.9449. Where advance contributions are paid, this employer will need to agree with the Administering Authority and the GMPF actuary an estimate of pensionable pay for each year and if the actual pensionable pay is higher than the estimate then a balancing payment would be made following the year-end.

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The LGPS at a glance

The information below describes the Local Government Pension Scheme (LGPS) as it was during 2019/2020.

For information as it is now and other general information, please see our website www.gmpf.org.uk

Eligibility for membership

Membership is generally available to employees of participating employers who have contracts of employment of three months or more, are under the age of 75 and who are not eligible for membership of other statutory pension schemes. Membership of the LGPS is therefore not open to police officers, firefighters, civil servants and others who have their own pension schemes. Employees of admission bodies and designating bodies such as a town or parish council can only join if their employer nominates them for membership of the LGPS.

Employee contributions

The rate of contribution payable by members of the main scheme varies according to pay, ranging from 5.5% to 12.5%. The pay ranges to which each contribution rate applies are adjusted each April in line with changes in the cost of living. Members of the 50/50 option pay half the main scheme contributions and build up half the normal main scheme pension.

Extra benefits

Members can pay additional pension contributions (APCs) to increase their pension. They can also pay money purchase additional voluntary contributions (AVCs) into a scheme operated in conjunction with the Prudential, to provide extra pension, extra lump sum, extra death benefits or a combination of these. Both APCs and AVCs attract tax relief in most cases.

Retirement benefits

For each year of membership in the main scheme, an employee member builds up a pension of 1/49 of the pay received during that year. This pension is then increased each year in line with inflation, to maintain its value in real terms. Someone in the 50/50 option builds up a pension of 1/98 of the pay received during that year, which is again protected against inflation. Ill health pensions can also be awarded, based on one of three tiers, for those that satisfy the Scheme's criteria for permanent incapacity. Those in the 50/50 option have full ill health and death cover. Membership that was built up before 1 April 2014 continues to provide benefits as it did at the time. Membership from 1 April 2008 to 31 March 2014 therefore provides final salary benefits based on 1/60. Membership before that also provides final salary benefits, based on 1/80. Members can normally exchange some annual pension for a larger lump sum at a rate of 1:12, in other words, every £1 of annual pension foregone produces £12 of lump sum. HMRC limits apply.

Generally, a minimum of two years membership is required to give entitlement to retirement benefits.

Age of retirement

Normal pension age is age 65 or State Pension age, whichever is the later, but:

- Pension benefits are payable at any age if awarded due to ill health;
- Members may retire with unreduced benefits from age 55 onwards if their retirement is on the grounds of redundancy or business efficiency;
- Members may retire early at their own choice from 55 onwards and employer approval is not required. But early retirement reductions will generally apply;
- Members who have left employment can request payment of benefits from age 55 onwards, but actuarial reductions will apply where benefits come into payment before normal pension age;
- Members who remain in employment may also ask to retire flexibly from age 55 onwards if they reduce their hours of work or grade. Employer consent is required, and actuarial reductions may apply;
- Payment of benefits may be delayed beyond normal pension age but only up to age 75.

There are also various protections regarding membership that are linked to earlier normal retirement ages that applied in earlier versions of the Scheme.

Benefits on death in service

A lump sum death grant is payable, normally equivalent to three years assumed pay. The administering authority has absolute discretion over the distribution of this lump sum among the deceased's relatives, dependants, personal representatives or nominees. Pensions may also be payable to the member's spouse, civil partner, eligible cohabiting partner and eligible dependent children.

Benefits on death after retirement

A death grant is payable if less than ten years pension has been paid and the pensioner is under age 75 at the date of death, in which case the balance of ten years pension is paid as a lump sum. Pensions are also normally payable to the member's spouse, civil partner, eligible cohabiting partner and any eligible dependent children.

Cost of living increases

Career average pensions that are being built or are on hold are adjusted each year in line with the Consumer Prices Index (CPI). This is to protect them from inflation, but they can go down as well as up. Final salary benefits on hold and all pensions in payment are also adjusted each year in line with CPI but are protected meaning they will not reduce when CPI is negative.

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Glossary

April 2020

Glossary

50/50 Scheme

In the Local Government Pension Scheme (LGPS), contributing members are given the option of earning half of the standard LGPS benefits and paying half the standard member contribution rates.

Actuarial valuation

An investigation by an actuary into the ability of a pension fund to meet its liabilities. At the actuarial valuation, Greater Manchester Pension Fund's (GMPF) actuary will assess the funding level of each participating employer and agree contribution rates with the administering authority to fund the cost of new benefits and make good any existing deficits.

Ad valorem

A payment or rate which is calculated according to the price of a product or service, rather than at a fixed rate. External asset managers usually have an ad valorem component as part of their fees.

Administering authority

A body listed in Part 1 of Schedule 3 of the LGPS Regulations who maintains a fund within the LGPS. Administering authorities are typically councils based in England and Wales. GMPF's administering authority is Tameside Metropolitan Borough Council (TMBC).

Admission body

An admission body is an employer admitted to the LGPS by way of an admission agreement. Admission bodies must primarily work in areas related to local government to be admitted.

Additional voluntary contributions (AVCs)

Additional voluntary contributions are additional contributions made on top of the main LGPS member contributions with the aim of building up an additional pension separate to the main LGPS benefits.

Benchmark

A measure against which fund performance is to be judged.

Bonds

Loans made to an issuer (often a government or a company) which promises to repay the loan at an agreed later date. The term refers generically to corporate bonds or government bonds (gilts).

Career average revalued earnings (CARE) scheme

With effect from 1 April 2014, benefits accrued by members in the LGPS take the form of CARE benefits. Every year members will accrue a pension benefit equivalent to 1/49 of their pensionable pay in that year. Each annual pension accrued receives inflationary increases (in line with the annual change in the consumer prices index) over the period to retirement.

Consumer prices index (CPI)

CPI is a measure of inflation with a basket of goods that is assessed on an annual basis. Pension increases in the LGPS are linked to the annual change in CPI.

Coronavirus

A type of virus that infects humans, typically leading to respiratory complications.

Covid-19

The infectious disease caused by the new strain of coronavirus that was discovered in 2019. The spread of Covid-19 led to most governments introducing lockdown measures and placing restrictions on economic activity to curb its spread.

Deficit

A fund has a deficit when its actuary calculates that it does not currently have enough assets to pay all future commitments. Deficits are typically corrected over periods of time by the payment of additional contributions by employers.

Discount rate

The rate of interest used to estimate the amount of money needed to be held now to meet a benefit payment occurring in the future.

Employer covenant

The degree to which an employer participating in the LGPS can meet the funding requirements of the Scheme. Employer's future service contribution rate (primary rate)

The contribution rate payable by an employer, expressed as a percentage of pensionable pay, as being sufficient to meet the cost of new benefits being accrued by contributing members in the future. The cost will be net of employee contributions and will include an allowance for the expected level of administrative expenses.

Environmental, social and governance (ESG)

ESG criteria are a set of standards for a company's operations that socially conscious investors use to understand their environmental, social and governance facets. GMPF has a Working Group which monitors the ESG issues of GMPF's investments.

Funding level

The ratio of a fund's assets to the estimated value of its past service liabilities. This is expressed as a percentage. If a fund has a funding level of 110% it owns 10% more assets than it currently requires to meet its liabilities.

Funding Strategy Statement

This is a key governance document that outlines how the administering authority will determine employers' contributions to GMPF and manage its funding risks.

Funding target

An assessment of the assets required to be held now in order to meet the benefits to be paid in the future. The desired funding target is to achieve a funding level of a 100% ie assets equal to the past service liabilities assessed using appropriate actuarial assumptions. Government Actuary's Department (GAD)

The GAD is responsible for providing actuarial advice to public sector clients. GAD is a non-ministerial department but works closely with HM Treasury.

Investment Strategy

The long term distribution of assets among various asset classes; it takes into account GMPF's objectives and attitude to risk.

Local Government Pension Scheme (LGPS)

An occupational pension scheme for Local Government workers and other related workers made up of 87 individual funds located across England and Wales. GMPF is 1 of the 87 individual funds. GMPF administers the LGPS on behalf of the 10 Greater Manchester councils and their related public sector bodies.

Past service liabilities

This is the total amount of benefits that the fund is required to pay to its members in the future. The actuary places a value on this at the actuarial valuation.

Private equity

Private equity is the ownership of companies that are not listed on a public stock exchange.

Public equity

Public equity is an asset class where individuals and/or organisations can buy ownership in the shares of companies that are recorded on a public market such as the London Stock Exchange.

Prudent assumption

An assumption where the outcome has a greater than 50% chance of being achieved. Legislation requires the assumptions (when considered collectively) adopted for an actuarial valuation to be prudent.

Real return or real discount rate

A rate of return or discount rate net of inflation.

Scheme employer

A Scheme employer is an employer that is legally obliged to take part in the LGPS by virtue of the LGPS Regulations. This includes councils of all types, academy schools and certain public sector bodies.

Section 13 Valuation

Section 13 of the Public Service Pensions Act 2013 requires that all public service pension schemes, like the LGPS, undertake an actuarial valuation that ensures their solvency and their long term cost efficiency.

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Policy Statements

- Funding Strategy Statement
- Governance Policy
- Governance Compliance Statement
- Core Belief Statement
- Investment Strategy Statement
- Responsible Investment Policy
- Communications Policy
- Pension Administration Strategy Statement

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Funding Strategy Statement

April 2020

1.Introduction

This is the Funding Strategy Statement (FSS) of the Greater Manchester Pension Fund (GMPF), which is administered by Tameside MBC (the Administering Authority). It has been prepared by the Administering Authority in collaboration with the GMPF Actuary, Hymans Robertson LLP, and after consultation with GMPF's employers and investment advisors.

The FSS was first approved by GMPF's Management Panel in January 2020 in preparation for the 2020 - 2023 triennial period. For point of reference the **FSS applicable to the previous triennial period** is also available on our website.1.1 Regulatory Framework

Members' accrued benefits are guaranteed by statute and defined by the LGPS Regulations. Members' contributions are fixed in the Regulations at a level which covers only part of the cost of accruing benefits. Employers pay the balance of the cost of funding the benefits. The FSS focuses on how employer liabilities are measured, the pace at which these liabilities are funded and, insofar as is practical, the measures to ensure that employers or pools of employers pay for their own liabilities.

The FSS forms part of a framework which includes:

- the Local Government Pension Scheme Regulations 2013 and other LGPS Regulations;
- the Rates and Adjustments Certificate, which can be found appended to GMPF's most recent Actuarial Valuation report;
- actuarial factors for valuing early retirement costs and the cost of buying extraservice;
- GMPF's policy on admissions; and
- the Investment Strategy Statement

Operating within this framework, the Actuary carries out periodic valuations to set employers' contributions and provides recommendations to the Administering Authority when other funding decisions are required, for example when employers join or leave GMPF. The FSS applies to all employers participating in GMPF.

The key requirements relating to the FSS are that:

- After consultation with all relevant interested parties, the administering authority will prepare and publish its funding strategy.
- In preparing the FSS, the administering authority must have regard to:
    - FSS guidance produced by CIPFA
    - Its Investment Strategy Statement.
- The FSS must be revised and published whenever there is a material change in either the policy on the matters set out in the FSS, or the Investment Strategy Statement.
- The revised FSS should be completed and approved by the Management Panel prior to the completion of each valuation.
- The actuary must have regard to the FSS as part of the fund valuation process and when making any subsequent amendments to the Rates and Adjustments Certificate in respect of individual employers who exit or are considered likely to exit GMPF.

1.2 Reviews of FSS

The FSS has historically been reviewed in detail at least every three years in line with triennial valuations being carried out. However, changes to the valuation cycle are expected (and have been subject to consultation) in order to move the LGPS valuation cycle into line with those of the unfunded public service schemes in the mid-2020s.

GMPF will continue its approach of reviewing the FSS as part of the actuarial valuation process or whenever there is a material change in policy.

The FSS is a summary of GMPF's approach to funding liabilities. It is not an exhaustive statement of policy on all issues. If you have any queries please contact the GMPF Employers team in the first instance at **employersupport@gmpf.org.uk**.

2. Purpose

2.1 Purpose of FSS

The statutory requirement to have an FSS was introduced in 2004. The then Office of the Deputy Prime Minister (ODPM) [now the Ministry of Housing, Communities and Local Government (MHCLG)] stated that the purpose of the FSS is:

- to support the regulatory framework to maintain as nearly constant employer contribution rates as possible and to set contributions so as to ensure the solvency and long term cost efficiency of LGPS funds are met
- to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward and reflect the different characteristics of different employers in determining contribution rates
- to take a prudent longer term view of funding those liabilities.

These objectives are desirable individually, but may be mutually conflicting.

This statement sets out how the Administering Authority has balanced the conflicting aims of affordability of contributions, transparency of processes, stability of employers' contributions, and prudence in the approach to funding the liabilities across the range of employers participating in GMPF.

2.2 Purpose of GMPF

GMPF is a vehicle by which LGPS benefits are delivered. GMPF:

- receives and invests contributions, transfer payments and investment income
- pays scheme benefits, transfer values and administration costs.

One of the objectives of a funded scheme is to reduce the variability of pension costs over time for employers compared with an unfunded (pay-as-you-go) alternative.

The roles and responsibilities of the key parties involved in the management of the LGPS are summarised in the Annex.

2.3 Aims of the Funding Policy

The objectives of GMPF's funding policy include the following

- to ensure the long term solvency of GMPF as a whole and the solvency of each of the notional sub-funds allocated to individual employers
- to ensure that sufficient funds are available to meet all benefits as they fall due for payment
- to ensure that employers are aware of the risks and potential returns of the investment strategy
- to help employers recognise and manage pension liabilities as they accrue, with consideration as to the effect on the operation of their business where the Administering Authority considers this to be appropriate
- to try to maintain stability of employer contributions
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations
- to address the different characteristics of the disparate employers or groups of employers to the extent that this is practical and cost-effective
- to maintain the affordability of GMPF to employers as far as is reasonable over the longer term.

3. Target Funding Levels and Calculation of Contribution Rates

3.1 Target Funding Levels

GMPF's funding target for most ongoing employers is a 'funding level' of 100% at the end of an appropriate time horizon, calculated using the Actuary's ongoing funding basis (see section 3.2 below). The funding level is the ratio of the value of assets compared to the present value of the expected cost of meeting the accrued benefits.

3.2 Ongoing funding basis

3.2.1 Demographic assumptions

The demographic assumptions are intended to be best estimates of future outcomes within GMPF as advised by the Actuary, based on past experience of GMPF and other pension funds. It is acknowledged that future life expectancy and, in particular, the allowance for future improvements in longevity, is uncertain. Employers should be aware that their contributions are likely to increase in future if longevity exceeds the funding assumptions.

The approach taken is considered reasonable in light of the long term nature of GMPF and the statutory guarantee underpinning members' benefits. The demographic assumptions vary according to individual member characteristics and so reflect the different member profiles of employers.

3.2.2. Financial assumptions

The key financial assumption for setting the funding target is the anticipated return on GMPF's investments. Given the long term nature of the liabilities, a long term view of prospective returns from growth-seeking assets is taken. In setting this assumption, the Actuary has modelled the annual returns over the next 20 years on GMPF's investment portfolio under 5,000 different economic scenarios. The investment return assumption has then been set such that 75% of the scenarios produce a return in excess of the investment return assumption. There is, however, no guarantee that GMPF's assets will out-perform the investment return assumption. The risk of under-performance is greater when measured over short periods such as the time between formal actuarial valuations, when the actual returns and assumed returns can deviate sharply.

For the 2019 valuation, the assumption is that GMPF's investments will deliver an average return of 3.6% a year over a 20 year period.

The same investment return assumptions are adopted in the calculation of the funding target for the majority of employers. The anticipated future return on investments may vary from those set out above for employers who no longer admit new entrants to GMPF or who follow different investment strategies. In general, only variations which reduce the anticipated returns compared to the position of the majority of employers are allowed. In order to maintain GMPF's economies of scale, it is not possible to offer bespoke investment strategies for every individual employer even if their membership deviates materially from the typical GMPF employer.

Pensions in payment, deferment and the pensions of active members accrued since 1 April 2014 increase in line with the Pensions Increase Order, as set out in the Pensions (Increase) Act 1971, which is currently pegged to the Consumer Price Index (CPI). The assumption for future increases in CPI is set with reference to market estimates for increases in the Retail Prices Index (RPI), less 1% p.a. to reflect the differences in the calculation of the two measures of inflation.

Salary growth is generally becoming a less material assumption due to the move to a career-average benefit structure in the LGPS from 1 April 2014. At the 2016 valuation, there were some employer-specific short-term salary growth assumptions, reflecting known Government policy on public sector pay awards. At this valuation, long-term salary growth is assumed to be consistent across all employers and equal to the future increase in CPI plus 0.75%.

3.3 Funding targets for non-typical employers

For admission agreements that are closed to new entrants (and in particular those with no guarantor), liabilities may be valued on a more prudent basis (ie using a lower investment return assumption). The target in setting contributions for any employer in these circumstances is to achieve full funding on an appropriate basis by the time the agreement terminates or the last active member leaves active service in order to protect other GMPF employers. This policy will typically increase regular contributions and reduce, but not entirely eliminate, the possibility of a final deficit payment being required when a cessation valuation is carried out.

Please refer to Section 4 for the treatment of exiting employers.

GMPF may also adopt the above approach in respect of admission bodies with no guarantor but where there is no immediate expectation that the admission agreement will cease. The Actuary agrees the financial and demographic assumptions to be used for each such employer with the Administering Authority.

3.4 Asset share calculations for individual employers

The Administering Authority does not formally account for each employer's assets separately. However, with effect from 31 March 2013, GMPF has operated a system of ‘unitisation’ where GMPF’s assets are apportioned between employers on a monthly basis using contribution and benefit expenditure figures for each employer. This process also adjusts for transfers of members’ assets and liabilities between employers participating in GMPF. The methodology adopted means that there will still be some difference between the asset shares calculated for individual employers and those that would have resulted had they participated in their own ring-fenced section of GMPF. However, this is greatly reduced compared to the “analysis of surplus” method that was used previously. As part of previous valuation processes, the Administering Authority’s internal audit function has provided assurance on the operation of the unitisation system.

3.5 Derivation of employer contributions

Under the Regulations in force the Actuary is required to prepare a rates and adjustment certificate specifying:

a) the primary rate of the employer’s contribution; and

b) the secondary rate of the employer’s contribution,

for each year of the period of three years beginning with the 1 April in the year following that in which the valuation date falls (ie 1 April 2020 to 31 March 2023 in the case of the 2019 actuarial valuation). However, please note the potential changes to the valuation cycle set out in section 1.2.

The primary rate of an employer’s contribution is equivalent to the cost of future benefits being accrued. The primary rate is calculated separately for all employers participating in GMPF. This is expressed as a percentage of the pay of their employees who are active members of GMPF.

The secondary rate of an employer’s contributions is any percentage or amount by which, in the Actuary’s opinion, contributions at the primary rate should be increased or reduced by reason of any circumstances specific to that employer, for example any additional contributions required to recover a deficit over an appropriate period. The sorts of specific factors which are considered are discussed in Section 3.6.

Employers are required to pay the total of the primary rate and the secondary rate. This is referred to as the ‘total employer contribution rate’.

In calculating the total employer contribution rate the actuary must have regard to -

a) the existing and prospective liabilities arising from circumstances common to all those employers

b) the desirability of maintaining as nearly constant a common rate as possible

c) the current version of the administering authority’s funding strategy statement

d) the requirement to secure the solvency of the pension fund and long term cost efficiency.

It is noted that securing solvency and long term cost efficiency is a regulatory requirement whereas a constant contribution rate remains only a desirable outcome.

For some employers it may be agreed by all relevant parties to pool contributions (see section 3.9.5.)

3.6 Risk-based contribution rates

The Actuary will need to assess the risk associated with the proposed contribution rate. Risk in this context means the likelihood that the employer will not achieve their funding target by the end of an appropriate time horizon with regard to the characteristics of the employer.

The GMPF Actuary will be using a ‘risk-based’ approach, which allows for thousands of possible future economic scenarios, when assessing the likelihood of contributions being sufficient to meet both the accrued and future liabilities over a given time horizon for each employer.

Setting contribution rates using a risk-based approach requires GMPF and the Actuary to consider for each employer:

a) The employer's funding target (see sections 3.1-3.3 above)

b) How long the employer has to reach the funding target (the 'time-horizon' – see Section 3.9.2 below)

c) An appropriate likelihood of meeting the funding target by the end of the time horizon ('likelihood of success') e.g. 67%.

Setting an appropriate likelihood for each employer requires an analysis of the risk posed to GMPF. Factors considered include:

- Individual employer liability profile including funding level, net cashflow (i.e. contributions received less benefits paid) and whether new members are being admitted;
- Individual employer security provided to GMPF in the form of a guarantee or an additional asset; and
- The sector in which the employer operates and/or the financial strength of the employer, which may influence an employer's ability to make good any deficit which may arise in future.

More detail on the calculation of contribution rates is provided in the Actuary's report on the valuation.

Contribution rates will include expenses of administration to the extent that they are borne by GMPF.

3.7 Presentation of employer contribution rates

Contribution rates are expressed as a percentage of pensionable salary for most employers. The Administering Authority may choose to specify that part of the contributions are payable as periodic lump sum cash amounts. This approach is generally applied for employers where the workforce/payroll is expected to decline in order to ensure sufficient contributions are made towards repaying any deficit.

Employers' contributions are expressed as minima, with employers able to pay additional contributions should they wish to do so. In addition, some employers may be permitted to pay contributions in advance of the date on which they would otherwise be due. Employers should discuss with the Administering Authority before electing to make one-off capital payments.

3.8 Allowance for early retirements

Under the LGPS Regulations 2013, section 35, an LGPS member whose employment is terminated on the grounds of ill health, or infirmity of mind or body, before that member reaches normal pension age, is entitled to, and must take, early payment of a retirement pension if that member satisfies the necessary conditions.

These 'ill health retirements' can give rise to significant unexpected additional costs. The trend in recent years has been for the relative frequency of these occurrences to decrease, but where they do occur, the costs have increased. As such, the previous practice of providing many GMPF employers (in particular smaller employers) with an early retirement budget is no longer considered to be the most effective method of funding these costs.

Therefore, to protect employers from incurring potentially unaffordable costs, GMPF is intending to operate an internal 'insurance-type' arrangement to meet the cost of ill-health retirements. Any ill health retirement costs that occur are funded through the insurance, with these costs split amongst participating employers via a charge to asset shares (see Section 3.4) on a monthly basis.

Unless otherwise agreed with the Administering Authority, for employers that do not participate in the ill health insurance arrangement, the cost of all non-ill-health early retirements are met by separate lump sum employer contributions.

In addition, larger employers may request to have an allowance for non ill health early retirements built into their contribution rates.

Costs in excess of the allowances are required to be met immediately by separate lump sum employer contributions. Any unspent allowances are reflected within each employer's asset share.

3.9 Solvency and long term cost fficiency

3.9.1 Solvency issues and target funding levels

Under Section 13(4)(c) of the Public Service Pensions Act 2013, The Government Actuary's Department (GAD) (as the person appointed by the responsible authority) must, following an actuarial valuation, report on whether the rate of employer contributions to the pension fund is set at an appropriate level to ensure the solvency of the pension fund and long term cost efficiency. The definitions of these terms in the CIPFA guidance are provided in Section 7.

In developing the funding strategy, and in particular, the level of solvency being targeted for each employer, the Administering Authority has had regard to the potential outcomes of the subsequent review under Section 13(4)(c) and has considered the implications for its Key Performance Indicators as determined by the Scheme Advisory Board in England and Wales.

A key challenge for the Administering Authority is to balance the need for stable, affordable employer contributions with the requirement to take a prudent, longer term view of funding and ensure the solvency of the GMPF. With this in mind, there are a number of strategies that the Administering Authority may deploy in order to maintain employer contribution rates at as nearly a constant rate as possible. These include:-

- use of extended time horizons; [3.9.2]
- phasing in of contribution increases / decreases; [3.9.3– 3.9.4]
- the pooling of contributions amongst employers with similar characteristics and/or a community of interest [3.9.5]

In addition to these strategies for improving the stability of employer contributions, the Administering Authority may, at its absolute discretion, permit greater 'flexibility' around the employer's contributions provided that the employer has provided additional "security" to the satisfaction of the Administering Authority. Such greater 'flexibility' may include setting contribution rates assuming a reduced likelihood of meeting the target funding position and/or an extended time horizon, or permission to join a pool with another body (eg a relevant and agreeable Local Authority). Additional 'security' may include, but is not limited to, provision of a suitable financial bond, a legally binding guarantee from an appropriate third party, or security over an employer owned asset of sufficient value.

The degree of greater 'flexibility' extended to a particular employer is likely to take into account factors such as:

- the funding position of that employer's section of GMPF
- the amount and quality of the security offered
- the employer's financial security and business plan
- whether the admission agreement is likely to be open or closed to new entrants.

Including investment income, GMPF currently has positive net cash flow. Therefore, GMPF can take a medium to long term view on determining employer contribution rates to meet future liabilities through operating an investment strategy that reflects this long term view. This allows short term investment markets volatility to be managed in order to reduce volatility in employer contribution rates.

3.9.2 Appropriate time horizons

Following discussion with the Administering Authority, the actuary adopts specific time horizons for employers to achieve their funding target when calculating their contributions.

The Government Actuary's Department monitors compliance with Section 13 of the Public Service Pensions Act 2013 on behalf of the Ministry of Housing, Communities and Local Government and has placed some restraints on the ability of the Administering Authority and actuary to set time horizons under certain circumstances. In particular, the Government Actuary's Department has set an expectation that employer contributions should not reduce unless time horizons are also reducing.

The time horizon starts at the commencement of the revised contribution rate (1 April 2020 for the 2019 valuation). For employers that continue to admit new entrants, the Administering Authority would normally expect to follow the principles set out by the Government Actuary's Department, but reserve the right to propose alternative periods, for example to improve the stability of contributions.

Type of Employer	Maximum Length of Time Horizon
Employers listed under Part 1 or Part 2 of Schedule 2 to the 2013 LGPS Regulations (generally Statutory Bodies with tax raising powers and other Government 'supported' employers)	a period not exceeding 20 years
Admission Bodies with funding guarantees, subject to the approval of the Administering Authority or agreement of the guarantor	a period not exceeding 20 years
Admission Bodies with time limited contracts and/or no guarantee	the period from the start of the revised contributions to the end of the employer's contract or as otherwise determined by the Administering Authority in consultation with the awarding authority letting the contract
All other types of employer	a period equivalent to the expected future working lifetime of the remaining scheme members or such other period approved

3.9.3 Phasing in of contribution rises and reductions

The Administering Authority may elect to phase in any material changes to contribution rates. Phasing in periods will be influenced by the perceived credit worthiness of the employer.

3.9.4 The effect of opting for longer spreading or phasing in

Employers in deficit that are permitted to use a longer time horizon, or to phase-in contribution changes, will be assumed to incur a greater loss of investment returns due to the fact that their assets will build up at a slower rate by opting to defer repayment. Thus, deferring the payment of contributions is expected to lead to higher contributions in the long term (depending on the actual performance of GMPF relative to valuation assumptions).

3.9.5 Pooled contributions

The Administering Authority has historically allowed employers to agree to pool their contributions as a way of sharing experience and smoothing out the impact of experience on contribution rates.

Each of the ten Greater Manchester local authorities are the major employers in pools containing certain related employers. In addition, separate pools are operated for some academy schools, colleges, town and parish councils and for smaller admission bodies. Upon a new employer joining GMPF, consideration is given by the Administering Authority and the relevant local authority on the appropriateness of joining a local authority pool.

For clarity, unless otherwise agreed, pooling operates on the following basis:

- Schedule 2 Part 3 [1d (i)] employers (formerly referred to as Transferee Admission Bodies) are pooled with their awarding authority.
- For all other Schedule 2 Part 3 [1] employers (formerly referred to as Community Admission Bodies) pooling is determined via discussion between the Administering Authority, the new employer and the ceding employer.
- For new academy schools pooling is determined via discussion between the Administering Authority, the academy trust and the relevant local authority.

Following GMPF becoming the sole LGPS fund for the Probation Service with effect from 1 June 2014, GMPF has also created a pool for the Community Rehabilitation Companies (CRCs) and their sub-contractors.

Those employers that have been pooled are identified in the Rates and Adjustment Certificate which is detailed in the 31 March 2019 Actuarial Valuation report (finalised in 2020).

Employers are not generally permitted to discontinue participation in a pooling arrangement. A possible exception is academy schools which move to a new or existing multi academy trust. Any other employers who do not wish to continue with current/historic pooling arrangements should contact the Administering Authority to discuss the circumstances of their request. Where an employer discontinues participation in a pooling arrangement, all liabilities attributed to their active, deferred and pensioner members are assumed to transfer to their new arrangement.

3.10 Proposed approach to valuation to reflect cost management process and McCloud Judgement

Information on the Cost Management process and the McCloud case can be found on the Scheme Advisory Board website (on the links below):

https://www.lgpsboard.org/index.php/projects/cost-management

https://www.lgpsboard.org/index.php/structure-reform/mccloud-page

Given the unknown nature of the scale and timing of any impact on liabilities as a result of the Cost Management process and McCloud the Scheme Advisory Board has advised administering authorities that the scheme benefit design used in the 2019 valuation should be as set out in current regulations.

However, MHCLG and the Scheme Advisory Board have also indicated that LGPS funds should make allowance for the risks posed by McCloud in their funding strategies at this valuation. As part of the 2019 valuation the Actuary has:

- Included additional prudence in the valuation assumptions (in particular the future expected investment return) to reflect the risk and potential extra cost resulting from the outcomes of the Cost Management process and the McCloud case; and
- Included an explicit allowance for the potential past service effects of the McCloud case in employer secondary rates.

However, once the outcome of the Cost Management process/McCloud are known and appropriate benefit changes are made, GMPF may elect to reassess whether any of the above measures were sufficient and may review rates as necessary under such statutory guidance or provision in regulation as may be available at that time (please see section 4.7 - Interim Valuations).

4. Other Aspects of Funding Strategy

4.1 Background

In addition to the collection of regular contributions from employers, GMPF will seek additional contributions from employers in certain circumstances in order to maintain the solvency of GMPF and protect the interests of other employers.

Moreover, following recent amendments to the LGPS Regulations, GMPF may pay an exit credit to employers in certain circumstances. The circumstances in which an exit credit may be paid are set out in section 4.2.4.

The Local Government Pension Scheme: Changes to the Local Valuation Cycle and the Management of Employer Risk consultation released on 8 May 2019 makes proposals to allow interim valuations to be undertaken under certain circumstances in order to make adjustments to employer contribution rates (see section 4.7 below) and for LGPS funds to be granted the flexibility to spread exit payments over a period of time or to allow an employer with no active members to defer exit payments in return for an ongoing commitment to meet their existing liabilities.

The consultation document issued by MHCLG proposes that Administering Authorities should set out in their Funding Strategy Statements their policy in applying the additional flexibilities, however, it should be noted that (as at March 2020) no changes to the LGPS Regulations have been made (other than in relation to exit credits) and should the proposed changes be introduced, further guidance for Administering Authorities is expected to be provided by a combination of MHCLG, the LGPS Scheme Advisory Board and CIPFA.

The FSS will be updated to reflect the outcome of the consultation when known.

4.2 Exiting employers

4.2.1 Admission bodies

Under the LGPS Regulations currently in force, an admission body is assumed to become an 'exiting employer' under Regulation 64 of the 2013 LGPS Regulations on the termination of its admission agreement.

Admission agreements are assumed to terminate for any of the following reasons unless otherwise agreed by the Administering Authority:

- The end of the contract (outsourced contractors only);
- Last active member ceasing active membership in GMPF;
- The insolvency, winding up or liquidation of the admission body;
- Any breach by the admission body of any of its obligations under the agreement that they have failed to remedy to the satisfaction of the Administering Authority;
- A failure by the admission body to pay any sums due to GMPF within the period required by the Administering Authority; or
- The failure by the admission body to renew or adjust the level of the bond or indemnity or to confirm an appropriate alternative guarantor as required by GMPF.

In addition, either party can voluntarily terminate the admission agreement by giving the appropriate period of notice as set out in the admission agreement to the other party (and the guarantor to the admission agreement where relevant).

4.2.2 Other employers

An employer that is not an admission body may also become an exiting employer, for example as a result of the employer's last active member ceasing active membership in GMPF. However, the Administering Authority currently (as at March 2020) has the discretion to suspend the requirement for an exit payment (see 4.2.3. below) in specific circumstances where the relevant employer is likely to subsequently employ an active member within a period of no more than 3 years.

4.2.3 Exit payments

If an employer becomes an exiting employer under Regulation 64 of the 2013 LGPS Regulations, the Administering Authority must instruct the Actuary to carry out a special valuation to determine whether an exit payment is required from the employer or an exit credit may be due to the employer.

The Administering Authority must look to protect the interests of other ongoing employers and will adopt valuation assumptions which, to the extent reasonably practicable, protect the other employers from the likelihood of any material loss emerging in future.

In order to protect other employers in the Fund, the cessation liabilities will be calculated using a 'gilts cessation basis' with no allowance for potential future investment outperformance and with an allowance for further future improvements in life expectancy. This approach results in a higher value being placed on the liabilities than would be the case under a valuation on the ongoing funding basis and could give rise to significant payments being required.

Where there is a guarantor to the exiting employer's admission agreement, it is possible that any deficit could be transferred to the guarantor. In some cases, particularly for Admission Bodies providing services under contract, the admission agreement may specify that all of the assets and liabilities in the admission body's sub-fund within GMPF will return to the sub-fund of the guarantor without needing to crystallise any deficit or surplus.

In other cases, the admission agreement may require the Administering Authority to seek repayment of the termination deficit from the exiting employer (or from any security that was in place) with any unpaid amounts then falling due on the guarantor. In such cases, a discussion may be held with the guarantor to determine the most appropriate basis and timing of any deficit payments.

In all cases, GMPF's default position is that any termination deficit would be levied on the exiting employer as a capital payment.

In the event that GMPF is not able to recover the required payment in full directly from the exiting employer or from any bond, indemnity or guarantor, then:

(a) In the case of Admission Bodies providing services under a contract the awarding authority will be liable. At its absolute discretion, the Administering Authority may agree to recover any outstanding amounts via an increase in the awarding authority's contribution rate over an agreed period

(b) In the case of employers that are not providing services under contract and have no guarantor, the unpaid amounts fall to be shared amongst all of the employers in the Fund. This will normally be reflected in contribution rates set at the formal valuation following the cessation date.

As an alternative to (b) above, where the exiting employer is continuing in business, GMPF, at its absolute discretion, reserves the right to enter into an agreement with the exiting employer to accept appropriate alternative security to be held against any deficit and to carry out the exit valuation on a less prudent valuation basis or recover the deficit over an agreed period.

This approach will be considered further following the outcome of the consultation referred to in Section 4.1.

Until the outcomes of the Cost Management process/McCloud (see section 3.10) are known the GMPF actuary will include an estimate of the potential impact when calculating exit payments or credits.

4.2.4 Exit credits

If an employer becomes an exiting employer under Regulation 64 of the 2013 LGPS Regulations (as amended) whilst its sub-fund in GMPF is in surplus, as identified in the cessation valuation, it may be entitled to receive an exit credit. In accordance with Regulation 64(2ZAB) of the LGPS Regulations the Administering Authority will determine the amount of any exit credit (which may be zero) by taking into account the factors set out in Regulation 64(2ZC). In order to protect other GMPF employers, liabilities will be calculated on a 'gilts cessation basis' as described in 4.2.3.

Where the contract was entered into before May 2018, GMPF will take into account the fact that the original contract could not have been drafted with regard to the May 2018 regulation changes that implemented exit credits retrospectively and, subject to any representations to the contrary, that the employer priced the contract accordingly.

Exit credits for other types of employers and for cases relating to employers whose contract commenced after May 2018 will also be considered on a case by case basis. As part of its process in determining whether an exit credit is due the Administering Authority will consider representations made by an admission body and any entity who provides a guarantee for it, or any other relevant factors as deemed by the Administering Authority.

If the Administering Authority determines that an exit credit is due then it must be paid within 6 months of the date that the employer became an exiting employer (unless otherwise agreed between the Administering Authority and the employer).

Until the outcomes of the Cost Management process and McCloud judgement (see section 3.10) are currently unknown the GMPF actuary will include an estimate of the potential impact when calculating exit credits.

4.3 Employers with no remaining active members

In general, an employer exiting GMPF due to the departure of the last active member, will make an exit payment (or receive an exit credit) on an appropriate basis and consequently have no further obligation to GMPF. Thereafter it is expected that one of two situations will eventually arise:

a) The employer's asset share runs out before all its ex-employees' benefits have been paid. In this situation the other employers in GMPF will be required to contribute to pay all remaining benefits: this will be done by the Actuary apportioning the remaining liabilities on a pro-rata basis at successive formal valuations;

b) The last ex-employee or dependant dies before the employer's asset share has been fully utilised. In this situation the remaining assets would be apportioned pro-rata by the Actuary to the other GMPF employers.

4.4 Early retirement costs

In the valuation process, it is assumed that active and deferred members' benefits on retirement will be payable from the earliest age that the member could retire without incurring a reduction to their benefits and without requiring their employer's consent to retire. Members receiving their pension unreduced before this age (or enhanced on ill-health grounds) are deemed to have retired "early" and the expected cost of providing that member's benefits will increase.

Any additional lump-sum contributions which are required to be made by the employer under Section 3.8 arising from early retirements become due immediately upon the award of an early retirement.

GMPF monitors early retirement experience compared to the allowances described in section 3.8 on an ongoing basis. This information is used to determine any necessary lump-sum employer contributions.

4.5 Policies on bulk transfers

From time to time GMPF makes or receives a bulk transfer of members' accrued benefits from other LGPS funds or other occupational pension schemes ("external" transfer). GMPF also undertakes 'internal' bulk transfers, where the liabilities in respect of a group of members transfer from one employer to another. The amount of assets transferred is determined in accordance with the LGPS Regulations.

For internal transfers, the amount of assets is determined by actuarial factors provided by the Government Actuary's Department ('GAD').

For external transfers, each case will be treated on its own merits, but in general:

- GMPF will seek the most cost effective method of transfer to keep professional and administration costs as low as possible;
- where only active members transfer and the employer will remain an active participant in the fund, GMPF will usually pay a bulk transfer amount equal to a cash equivalent transfer value based on factors issued by the Government Actuary's Department, adjusted by actual or estimated investment returns from the transfer date to the payment date
- when only active members transfer and an exit event is triggered (i.e. the transferring employer will no longer have any active membership) then the transfer amount may be limited by the need for GMPF to meet the liabilities of any ex-employees of the employer
- where the entirety of an employer's membership transfers (as to extinguish their liability in the fund), GMPF will usually pay a bulk transfer amount equal in value to the employer's asset share as at the transfer date, adjusted by actual or estimated investment returns from the transfer date to the payment date
- GMPF may permit shortfalls to arise on bulk transfers if the employer has suitable strength of covenant and commits to meeting that shortfall in an appropriate period. This may require the employer's contributions to increase between valuations.

4.6. Pay awards in excess of assumptions made by the Actuary

Some admission agreements state that GMPF reserves the right to seek additional contributions from admission bodies if pay awards have been in excess of the rate assumed by the Actuary at previous actuarial valuations. Prior to seeking any such payment GMPF will consult the relevant guarantor to the admission agreement.

4.7 Interim valuations

In accordance with the proposals made in the consultation issued in May 2019 (see section 4.1 above), if recommended to do so by its actuary, the Administering Authority may elect to conduct an interim valuation in advance of the next valuation required under the Regulations in order to assess:

a) the funding position of GMPF at that point.

b) whether any changes to employer contribution rates are required in order to increase the likelihood of employer funding targets being met.

In making the decision whether to conduct an interim actuarial valuation the Administering Authority and its actuary would consider the requirements of the LGPS Regulations and any relevant guidance.

The Administering Authority may also elect, if recommended to do so by its actuary and subject to any relevant guidance, to reassess the funding target, funding position and contribution rate of individual employers. This would typically be due to one or more of the following circumstances occurring:

- The employer ceasing to employ any active members
- A material transfer of members to or from the employer
- Change in legal status of the employer
- A material structural change (such as the employer becoming part of, or leaving, a wider group)
- A material change in covenant strength (for example GMPF becoming sub-ordinated behind secured creditors)

If the request for reassessment is made by the employer (or any other employer which acts as its guarantor) then the employer would be expected to meet the professional costs incurred.

5. Links to Investment Strategy

The Funding and investment strategy are inextricably linked. The Investment strategy is set by the Administering Authority, after consultation with the employers and after taking investment advice.

5.1 Investment Strategy

The investment strategies currently being pursued are described in GMPF's Investment Strategy Statement.

The investment strategy (for the GMPF 'Main Fund') is reviewed annually, to ensure that it remains appropriate to the relevant liability profile and takes account of major movements in market valuations. The Administering Authority has adopted a Main Fund benchmark, which sets the proportion of assets to be invested in key asset classes such as equities, bonds and property. As at 31 March 2019, the proportion to be held in equities and property was broadly 75% of the total Main Fund assets.

The investment strategy of lowest risk would be that which provides cashflows which replicate the expected benefit cashflows (i.e. the liabilities). Equity investment would not be consistent with this. This strategy informs policy for part of GMPF where liabilities are mature and employers have agreed such an approach.

The Main Fund's benchmark includes a significant holding in growth-seeking assets such as equities in the pursuit of long-term higher returns than from a liability matching strategy. The Administering Authority's strategy recognises the relatively immature liabilities relevant to the Main Fund and the secure nature of most employers' covenants.

The same investment strategy is currently followed for most employers covered by the Main Fund. The Administering Authority can discuss with employers the feasibility of pursuing a more cautious investment strategy than the Main Fund norm. It should be noted there are a number of employers, with specific characteristics, where lower risk strategies have been put in place.

5.2 Consistency with funding basis

For employers covered by the Main Fund, the funding basis adopts an investment return assumption such that there is at least a 75% likelihood the Main Fund investment strategy will deliver the assumed return over 20 years. As at 31 March 2019, this was 3.6% p.a. The Main Fund's current bespoke investment strategy is broadly 75% held in real assets and 25% in monetary assets. For employers pursuing a more cautious investment strategy than the Main Fund norm, a lower investment return assumption may be adopted as appropriate. Both the Actuary and the investment adviser to GMPF consider that the funding basis fulfils the requirement to take a 'prudent longer term' approach to funding.

The Administering Authority is aware that in the short term – such as the three yearly assessments at formal valuations – the proportion of the assets invested in growth seeking assets brings the possibility of considerable volatility and there is a material chance that in the short term, and even the medium term, asset returns will fall short of the investment return target. The stability measures described in Section 3 will reduce the impact, but not remove, the effect on employers' contributions.

GMPF does not hold a contingency reserve to protect it against the volatility of investments. GMPF conducts continual monitoring of investment performance across funds, managers and asset classes to ensure a modicum of protection to GMPF's funding position from investment volatility. Unfortunately, it is not possible to eliminate volatility entirely as there is an inherent risk in investment.

5.3 Balance between risk and reward

Prior to implementing its current investment strategies, the Administering Authority considered the balance between risk and reward by altering the level of investment in potentially higher returning, but more volatile asset classes, like equities. This process was informed by the use of asset-liability techniques to model the range of potential future solvency levels and contribution rates.

Being mindful of the sensitivity of individual employers' contributions to changes in investment returns, the Administering Authority continues to review the feasibility of implementing more bespoke investment strategies for individual employers or groups of employers. Enabling other investment strategies will require an increase in the number of investment mandates and potentially higher ongoing costs which would have to be borne by the employers. The potential benefits of multiple investment strategies need to be assessed against the costs.

5.4 Inter-valuation monitoring of funding position

The Administering Authority monitors investment performance on a quarterly and annual basis. There is also detailed monitoring of additional liabilities arising from early and ill-health retirements, the costs of which are met by employers. In addition, the Actuary routinely assesses the funding position, taking account of elements of actual experience compared to the financial assumptions underlying the valuation.

6. Key risks and controls

6.1 Types of risk

The Administering Authority has an active risk management policy in place that is continually classifying, monitoring and managing risk. The measures that the Administering Authority has in place to control key risks are summarised below under the following headings:

- financial
- demographic
- regulatory
- governance.

6.2 Financial risks

Risk	Summary of control mechanisms
Fund assets fail to deliver returns in line with the anticipated returns underpinning valuation of liabilities over the long-term	Only anticipate long term return on a relatively prudent basis to reduce risk of under-performing. Analyse progress at each formal actuarial valuation (for all employers). Use of interim valuations to monitor funding levels.
Inappropriate long term investment strategy	Set GMPF-specific benchmark, informed by asset-liability modelling of liabilities. Examine scope for extending employer-specific investment strategies. Annual review of investment strategy incorporates consideration of alternative approaches.

Risk	Summary of control mechanisms
Active investment manager under performance relative to benchmark	Short term (quarterly) investment monitoring analyses market performance and active managers relative to their index benchmark. GMPF has a manager monitoring framework. Regular reporting to employers describes Main Fund performance. If appropriate, the Actuary will be asked to evaluate the implications.
Pay and price inflation significantly higher than anticipated	The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases. Inter-valuation monitoring, as above, gives early warning. Some investment in bonds, particularly index-linked bonds, also helps to mitigate this risk. Employers pay for the impact of their own salary awards and are reminded of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer-serving employees.
Effect of possible increase in employer's contribution rate on service delivery and admission/ scheduled bodies	Seek feedback from employers on scope to absorb short-term contribution rises. Mitigate impact through time horizons, probabilities of achieving funding targets and phasing in of contribution rises. Consult employers on possibility of paying more (extra administration and higher regular contributions) to enable employer-specific investment strategies to give greater certainty of cost.
Orphaned employers give rise to added costs for the Fund	The Fund seeks an exit payment (or security/guarantor) to minimise the risk of this happening in the future. If it occurs, the Actuary calculates the added cost spread pro-rata among all employers.
Effect of possible asset underperformance as a result of climate change	Explicitly consider ESG issues when setting the overall funding and investment strategies. Carry out scenario testing on potential Government policy changes when evaluating funding and investment strategies.

6.3 Demographic risk

Risk	Summary of control mechanisms
Longer life expectancy	Set mortality assumptions with some allowance for future increases in life expectancy. Actuary monitors experience of a large sample of pension funds when setting assumptions and makes allowance for the location and lifestyle of GMPF's membership.
Deteriorating patterns of ill health and other early retirements	Employer contribution rates include an allowance to meet the strains that arise from ill-health early retirement costs. Early retirement experience and its financial impact are measured on an ongoing basis.

6.4 Regulatory Risk

Risk	Summary of control mechanisms
Changes to regulations, eg more favourable benefits package, potential new entrants to scheme, e.g. part-time employees	The Administering Authority is alert to the potential creation of additional liabilities and administrative difficulties for employers and itself.
Changes to national pension requirements and/or HM Revenue and Customs rules eg changes arising from Public Sector Reform	Changes to national pension requirements and/or HM Revenue and Customs rules e.g. changes arising from Public Sector Reform The Administering Authority considers all consultation papers issued by MHCLG/HM Treasury and comments where appropriate. It will consult employers where it considers that it is appropriate. Any changes to member contribution rates or benefit levels will be carefully communicated with members to minimise possible opt-outs or adverse actions. Copies of submissions are available for employers to see at www.gmpf.org.uk The Administering Authority is monitoring the progress on any settlement as a result of the McCloud ruling and will consider an interim valuation or other appropriate action once more information is known. Explicit allowance has been made in Employer funding plans to help manage the potential effects of McCloud. The Government's long term preferred solution to GMP indexation and equalisation – conversion of GMPs to scheme benefits – was built into the 2019 valuation.

6.5 Governance risk

Risk	Summary of control mechanisms
Administering Authority unaware of structural changes in an employer's membership (eg large fall in employee members, large number of retirements).	The Administering Authority monitors membership movements on an annual basis, via a report from the administrator to the Pension Fund Management Panel. The Administering Authority and Actuary will be involved in actioning any bulk transfer of members from an employer's sub-fund and will consider any subsequent risks.
Administering Authority not advised of an employer closing to new entrants.	The Actuary may be instructed to consider revising the rates and Adjustments certificate to increase an employer's contributions (under Regulation 64) between triennial valuations. Secondary contributions may be expressed as monetary amounts (see Actuarial Valuation report).
Administering Authority failing to commission the Actuary to carry out a termination valuation for a departing Admission Body and losing the opportunity to call in a debt.	In addition to the Administering Authority monitoring membership movements on an annual basis, it requires employers with Admission Agreements to inform it of forthcoming changes. It also operates a diary system to alert it to the forthcoming termination of Admission Agreements due to the ending of contracts.
An employer ceasing to exist with insufficient funding or adequacy of a bond.	The Administering Authority believes that it would normally be too late to address the position if it was left to the time of departure. The risk is mitigated by : • Seeking a funding guarantee from another scheme employer, or external body, where ever possible. • Alerting the prospective employer to its obligations and encouraging it to take independent actuarial advice. • Vetting prospective employers before admission. • Offering lower risk investment strategies – with higher employer contributions - to reduce the risk of investment under performance and a significant debt crystallising on termination.

7. Definitions

Solvency

The notes to the Public Service Pensions Act 2013 state that solvency means that the rate of employer contributions should be set at 'such level as to ensure that the Scheme's liabilities can be met as they arise'. It is not regarded that this means that the pension fund should be 100% funded at all times. Rather, and for purposes of Section 13 of the Public Service Pensions Act 2013, the rate of employer contributions shall be deemed to have been set at an appropriate level to ensure solvency if:

- the rate of employer contributions is set to target a funding level for the whole fund (assets divided by liabilities) of 100% over an appropriate time period and using appropriate actuarial assumptions; and either
- employers collectively have the financial capacity to increase employer contributions, and/or the fund is able to realise contingent assets should future circumstances require, in order to continue to target a funding level of 100%; or
- there is an appropriate plan in place should there be, or if there is expected in future to be, a limited number of fund employers, or a material reduction in the capacity of fund employers to increase contributions as might be needed.

If the conditions above are met, then it is expected that the fund will be able to pay scheme benefits as they fall due.

Long term cost efficiency

The notes to the Public Service Pensions Act 2013 state that 'Long term cost-efficiency implies that the rate must not be set at a level that gives rise to additional costs. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the time.'

The rate of employer contributions shall be deemed to have been set at an appropriate level to ensure long term cost efficiency if the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual, with an appropriate adjustment to that rate for any surplus or deficit in the fund.

In assessing whether the above condition is met, GAD may have regard to the following considerations.

- The implied average deficit recovery period.
- The investment return required to achieve full funding over different periods e.g. the recovery period.
- If there is no deficit, the extent to which the amount of contributions payable is likely to lead to a deficit arising in the future.
- The extent to which the required investment return is less than the administering authority's view of the expected future return being targeted by a fund's investment strategy taking into account changes in maturity/strategy as appropriate.

END OF MAIN BODY OF FSS

Annex – responsibilities of key parties

The Administering Authority should:-

- operate GMPF as per the LGPS Regulations;
- effectively manage any potential conflicts of interest arising from its dual role as Administering Authority and a GMPF employer;
- collect employer and employee contributions, and investment income and other amounts due;
- ensure that cash is available to meet benefit payments as and when they fall due;
- pay from GMPF the relevant benefits and entitlements that are due;
- invest surplus monies (i.e. contributions and other income which are not immediately needed to pay benefits) in accordance with GMPF's Investment Strategy Statement) and LGPS Regulations;
- communicate appropriately with employers so that they fully understand their obligations to the GMPF;
- take appropriate measures to safeguard GMPF against the consequences of employer default;
- manage the valuation process in consultation with GMPF's actuary;
- prepare and maintain a FSS and an ISS, after consultation;
- notify the Actuary of material changes which could affect funding; and
- monitor all aspects of GMPF's performance and funding and amend the FSS/ISS as necessary and appropriate.

The individual employer should:-

- deduct contributions from employees' pay correctly;
- pay all contributions, including their own as determined by the Actuary, promptly by the due date;
- exercise discretions within the regulatory framework;
- make additional contributions in accordance with agreements in respect of, for example, augmentation of scheme benefits, early retirement strain; and
- notify the Administering Authority promptly of all proposed material changes to membership or legal status which affect future funding;
- submit data necessary for calculating liabilities

The Actuary should:-

- prepare valuations, including the setting of employers' contribution rates. This will involve agreeing assumptions with the Administering Authority, having regard to the FSS and LGPS Regulations, and targeting each employer's solvency appropriately;
- provide advice relating to new employers in GMPF, including the level and type of bonds or other forms of security (and the monitoring of these);
- prepare advice and calculations in connection with bulk transfers and individual benefit-related matters;
- assist the Administering Authority in considering possible changes to employer contributions between formal valuations, where circumstances suggest this may be necessary;
- advise on the termination of Admission Bodies' participation in GMPF; and
- fully reflect actuarial professional guidance and requirements in the advice given to the Administering Authority.

Other parties:-

- investment advisers (either internal or external) may be asked to assist in ensuring that GMPF's ISS remains appropriate, and consistent with this FSS;
- investment managers, custodians and bankers will typically all play their part in the effective investment (and dis-investment) of GMPF assets, in line with the ISS;
- auditors will comply with their auditing standards and sign off annual reports and financial statements as appropriate;
- the Local Pensions Board will review the valuation process and funding strategy and ensure they comply with the regulations and relevant guidance;
- the LGPS Scheme Advisory Board and the Government Actuary will also review GMPF's funding strategy as part of their monitoring of the LGPS as a whole.

END OF ANNEX

Funding Strategy Statement

April 2020

Governance Policy

2014 to date

Governance Policy

1. Constitution

The Administering Authority operates within the Council's Governance arrangements.
The statutory officer roles required are an integral part of GMPF's governance arrangements, these are:

- Head of Paid Service - *Chief Executive*
- Monitoring Officer - *Director of Governance and Pensions [Borough Solicitor]*, and
- Chief Finance Officer - *Director of Finance [S151 Officer]*

Further details of the Council's Governance arrangements can be found on the Council's website at tameside.moderngov.co.uk/ieListMeetings.

2. Delegation

Tameside MBC delegates its function in relation to maintaining the GMPF to the following:

- Pension Fund Management Panel
- Pension Fund Advisory Panel
- Pension Fund Working Groups
- The Director of Governance and Pensions.

3. Frequency of meetings

The Pension Fund Management Panel, the Pension Fund Advisory Panel and the Pension Fund Working Groups meet at least quarterly.

4. Pension Fund Management Panel

Terms of Reference
Carries out a similar role to that of the trustees of a pension scheme. It is the key decision maker for:

- Investment Management
- Monitoring investment activity and performance
- Overseeing administrative activities
- Guidance to officers in exercising delegated powers.

The detailed terms of reference are reviewed annually by Tameside MBC and the current detailed delegations are contained in the Tameside MBC Constitution referred to below under the heading Access to Information.

Structure
Consists of local Councillors, plus a representative of the Ministry of Justice (following selection of the Fund as the sole administering authority for the probation service's LGPS interests).

The majority of the Councillors are drawn from Tameside MBC and the other Councillors nominated by the remaining 9 local authorities within Greater Manchester acting through the Association of Greater Manchester Authorities. Currently all local authorities are represented on the Management Panel.

All members have voting rights.

5. Pension Fund Advisory Panel

Terms of Reference

To work closely with the Pension Fund Management Panel and to advise on all matters.

The detailed terms of reference are reviewed annually by Tameside MBC and the current detailed delegations are contained in the Tameside MBC Constitution referred to below under the heading *Access to information*.

Structure

Consists of 10 local Councillors one drawn from each of the 10 Greater Manchester local authorities, a representative of the Ministry of Justice and a minimum of 2 employee representatives nominated by the North West T.U.C. Current and long standing practice is to have 6 employee representatives.

All the elected members and employee representatives have voting rights.

6. Pension Fund Working Groups

Terms of reference

GMPF utilises Working Groups to consider in detail specific aspects of its activities and the monitoring of performance.

There are currently four Working Groups which consider particular areas of GMPF activities and make recommendations to the Pension Fund Management and Advisory Panels. The GMPF activities covered by the working groups are:

- Policy and Development
- Investment Monitoring and ESG
- Administration, Employer Funding and Viability
- Property

Structure

Membership of the Working Groups is drawn from the members of the Management and Advisory Panels. Each Working Group is chaired by a Tameside MBC Councillor.

7. Director of Governance and Pensions

Terms of Reference

- Responsible for implementing the decisions of the Pension Fund Management Panel and for the day-to-day management of the affairs of the GMPF;
- The Director of Pensions is the administrator to GMPF and acts as the link for members, advisers and investment managers between meetings; and
- The delegated powers of the Executive Director of Pensions are reviewed annually and the current powers are contained in the Tameside MBC Constitution referred to below under the heading *Access to information*.

In addition GMPF also has the following governance arrangements in place.

8. External advisers
Four external advisers assist the Pension Fund Advisory Panel in particular regarding investment related issues.

9. Internal control

Tameside MBC provide internal audit arrangements to GMPF both as a tool of management and with direct reporting to the relevant Working Group, Panel and the Local Board.

10. External review

Tameside MBC including the GMPF is subject to external audit. The external auditors are appointed by Public Sector Audit Appointments Ltd (formerly the Audit Commission). This helps ensure that public funds are properly safeguarded and accounted for and are used economically, efficiently and effectively in accordance with the statutory and regulatory requirements. An audit opinion is given separately on the Fund's Annual Report and Accounts.

11. Annual Report and Accounts, Annual Employer Update Meeting and Bi Annual Pensioner Forum

Annually a Report and Accounts is produced for approval by the Pension Fund Management Panel at its meeting in July each year. The report currently includes the following sections:

- Chair's Introduction
- Management Structure
- Investment Report
- Statement of Accounts
- Scheme Administration
- Actuarial Statement and Employer Contributions
- Scheme at a glance.

The Policy Statement comprising:

- Funding Strategy
- Investment Strategy Statement
- Governance Policy
- Governance Compliance Statement
- Core Belief Statement
- Communications Policy
- Pensions Administration Strategy.

The Annual Report and Accounts is published on GMPF's website.

An annual employer update meeting, to which all employers are invited, is held within seven months of the year end, usually July.

12. GMPF Local Board

The GMPF Local Pension Board has been established to assist the Management Panel. In particular to assist:

- secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and
- ensure the effective and efficient governance and administration of the Scheme.

13. Risk management

Risk awareness is embedded into the performance management process. Risk Management will continue to feature in the training planned for all GMPF managers. Working Groups, Panel and the Local Board consider risk management issues.

14. Communication with employers

Meetings are held with GMPF employers at which administrative matters are discussed and updates provided on funding, investment matters and other key issues. Training events are also provided for employers and support is also provided by the Pensions Office.

15. Access to information

The GMPF Annual Report and Accounts can be accessed via the GMPF website at: www.gmpf.org.uk

The Tameside MBC Constitution can be accessed via the website at www.tameside.gov.uk

The Constitution contains GMPF's Terms of Reference and Scheme of Delegation.

All of the above mentioned documents are also available in hard copy form upon request.

Governance Policy

2014 to date

Governance Compliance Statement

2017 to date

GMPF Governance Compliance Statement

Principle A - Structure

	Fully compliant
(a) The management of the administration of benefits and strategic management of fund assets clearly rests within the main committee established by the appointing council.	✓
(b) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	**Partial**
(c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	✓
(d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	✓

Principal A(b) – Structure

Reason for non-compliance:

In addition to the 10 local authorities within the Greater Manchester area the GMPF also has in excess of 550 non-local authority employers whose activities are diverse. It is considered impractical for each, or groups of the non-local authority organisations to be separately represented on the GMPF committee.

To compensate for the lack of direct participation, GMPF holds an AGM to which all employers are invited and they have the opportunity to ask questions, and to raise any issues regarding administrative, investment and funding matters.

Meetings can also be held with individual or groups of employers as required.

At the Advisory Panel, there are six representatives of Scheme Members appointed by the North West TUC. These representatives also participate in GMPF's Working Groups.

Additionally, non local authority employers and scheme members are represented on the Pension Board. All members of the Pension Board are invited to attend as observers at all decision making committees to ensure adequate oversight, scrutiny and challenge through the Pension Board.

Principle B - Representation

	Fully compliant
(a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: (i) employing authorities (including non-scheme employers, eg, admitted bodies); (ii) scheme members (including deferred and pensioner scheme members; (iii) where appropriate, independent professional observers; and (iv) expert advisors (on an ad-hoc basis).	Partial ✓ Partial ✓
(b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.	✓

Principal B – Representation

Reason for non-compliance:

Principle B(a)(i) – see explanation provided previously at Principle A(b).

Principle B(a)(ii)&(iii) – GMPF considers that the roles envisaged by MHCLG for an independent professional observer are already adequately catered for within GMPF's current governance arrangements through the participation in the Advisory Panel of four expert external advisors from diverse professional backgrounds and the invitation and right of all Pension Board members who include non-scheme employers and pensioner representatives to attend all meetings to ensure adequate oversight, scrutiny and challenge through the Pension Board.

Principle C - Selection and role of lay members

	Fully compliant
(a) That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	✓
(b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	✓
(c) Induction training is provided to new members. All members participate in mandatory training sessions and support is also provided for voluntary additional training. The induction of new members includes a copy of the Annual Report, that sets out the Management Arrangements and a summary of the responsibilities of the Management and Advisory Panels.	✓

Principle D - Voting

	Fully compliant
(a)The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees. All members of the Management and Advisory Panels have voting rights.	✓

Principle E - Training/facility/time/expenses

	Fully compliant
(a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	✓
(b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	✓
(c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	✓

Principle F - Meetings (frequency/quorum)

	Fully compliant
(a) That an administering authority's main committee or committees meet at least quarterly.	✓
(b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	✓
(c) That an administering authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	✓

Principle G - Access

	Fully compliant
(a) That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	✓

Principle H - Scope

	Fully compliant
(a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	✓

Principle I - Publicity

	Fully compliant
(a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	✓

Governance Compliance Statement

2017 to date

July 2020

Core Belief Statement

2018 to date

Core Belief Statement

This is the Core Belief Statement (*the Statement*) of the Greater Manchester Pension Fund (*GMPF*), which is administered by Tameside MBC (*the Administering Authority*).

It has been prepared by the Administering Authority in collaboration with GMPF's Actuary, Hymans Robertson LLP, and after consultation with GMPF's investment Advisors and Managers.

The objective of the Statement is to set out GMPF's key investment beliefs. Strategic decisions are taken in the context of the relevant GMPF objectives. These beliefs will form the foundation of discussions, and assist decisions, regarding the structure of GMPF, strategic asset allocation and the selection of investment managers.

1. Investment governance

1.1 GMPF has the necessary skills, expertise, diversity and resources to internally manage some assets, such as infrastructure, private equity, local investments and cash.

1.2 Investment consultants, independent advisors and officers are a source of expertise and research to inform Management Panel decisions.

1.3 GMPF has a governance structure that enables it to implement tactical views readily, but acknowledges that market timing is very difficult.

1.4 There can be benefits from collaboration with other like minded pension funds.

2. Long term approach

2.1 The strength of the employers' covenant allows a longer term deficit recovery period and for GMPF to take a long term view of investment strategy.

2.2 The most important aspect of risk is not the volatility of returns but the risk of absolute loss and of not meeting the objective of facilitating low, stable contribution rates for employers and taxpayers alike.

2.3 Illiquidity and volatility are shorter term risks which offer potential sources of additional compensation to the long term investor. Moreover, it is important to avoid being a forced seller in short term markets.

2.4 Participation in economic growth is a major source of long term equity return.

2.5 Over the long term, equities are expected to outperform other liquid assets, particularly government bonds.

2.6 Well governed companies that manage their business in a responsible and sustainable manner will produce higher returns over the long term.

3. Appropriate investments

3.1 Allocations to asset classes other than equities and government bonds (eg corporate bonds, private equity and property) offer GMPF other forms of risk premia (eg additional solvency risk/illiquidity risk).

3.2 Diversification across asset classes and asset types will tend to reduce the volatility of the overall GMPF return.

3.3 In general, allocations to bonds are made to achieve additional diversification. However, for a number of those scheme employers with mature liabilities, a bond allocation may have other benefits such as liability hedging.

4. Management strategies

4.1 Passive management provides low cost exposure to equities and bonds and is especially attractive in highly researched markets.

4.2 Active managers can add value over the long-term, particularly in relatively under researched markets and by following a rigorous approach it is possible to identify managers who are likely to add value.

4.3 The case for value investing is compelling, but it may result in prolonged periods of over and underperformance in comparison to a style neutral approach.

4.4 The fees paid to active managers should be aligned to the interests of GMPF rather than performance of the market, thereby ensuring the delivery of value for money to GMPF.

4.5 Active management performance should be monitored over multi-year rolling cycles and assessed to confirm that the original investment process on appointment is being delivered and that continued appointment is appropriate.

4.6 Employing a range of management styles can reduce the volatility of GMPF's overall returns but can also reduce overall outperformance.

Core Belief Statement

2018 to date

Investment Strategy Statement

2019 to date

Investment Strategy Statement

1. Background

1.1 This Statement has been prepared in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 ('the Regulations'). The Regulations require administering authorities to prepare, publish, and when appropriate revise, a written statement recording the investment policy of the pension fund; they also stipulate certain key issues which must be covered in the Statement.

1.2 The terms of appointments of any external investment managers include a provision that the investment manager must take account of, and shall not contravene, this Statement in undertaking its management role. GMPF may terminate the appointment of any external investment manager by not more than one month's notice.

1.3 The Local Government Pension Scheme ('the Scheme') was established by statute to provide death and retirement benefits for all eligible employees. The Scheme is a contributory, defined benefit occupational pension scheme.

1.4 Tameside MBC ('the Council') became the administering authority of the Greater Manchester Pension Fund (GMPF) in 1987 after the abolition of the Greater Manchester County Council in 1986. GMPF covers all ten councils of Greater Manchester, the National Probation Service and numerous other smaller employers.

1.5 The Statement outlines the broad investment principles governing the investment policy of GMPF. In preparing the Statement, the Council has consulted those persons it considered appropriate.

2. Organisation and Management Arrangements of GMPF

2.1 The investment powers of the Council under the Scheme are given in the Regulations. Amongst other matters, the Regulations require the Council to have regard to both the suitability and diversification of its investments and to take proper advice in making decisions regarding the investment matters of GMPF.

2.2 The Council has delegated all its functions as administering authority of GMPF to the Pension Fund Management Panel ('the Management Panel' or 'the Panel') which routinely meets on a quarterly basis and whose Terms of Reference are detailed in the Council's 'Constitution'. Amongst other matters, the Panel decides on the investment policy most suitable to meet the liabilities under the Scheme and has ultimate responsibility for the investment strategy.

2.3 The Management Panel has in turn appointed a Pension Fund Advisory Panel and external professional Advisors, and has dedicated internal Officers of GMPF to advise it on the exercise of its delegated powers. There are also a number of Working Groups which report quarterly to the Panel on specialist matters.

2.4 The Director of Pensions exercises certain delegated powers as specified in the Constitution and provides the link between the Panel, the external professional Advisors and GMPF's investment managers. Each year a GMPF 'Business Plan' is submitted by the Director of Pensions to the Management Panel for consideration.

2.5 A primary objective of the Council is to maintain a low and stable employer contribution rate. This is to be achieved by attempting to maximise the long-term investment return whilst not exceeding an acceptable degree of risk.

2.6 The assets of GMPF are separated into two distinct parts – a Main Fund and a Designated Fund. This separation has been made in order to reflect a major difference in liability profiles between most of the employers of GMPF and that of a small number of other employers of GMPF.

2.7 Having taken appropriate advice, the Management Panel has decided that a bespoke benchmark, which is biased towards equity is a suitable investment benchmark for the management of the Main Fund. Detail on the Main Fund's bespoke benchmark is included in GMPF's Annual Report and Accounts. This benchmark will be reviewed annually and when appropriate in response to significant changes in the investment environment. The Designated Fund has a bespoke benchmark which is heavily orientated towards UK index linked stock.

2.8 The Management Panel has delegated the management of the majority of the Main Fund's securities portfolio, and the management of the Main Fund's direct property portfolio, to regulated, external, professional investment managers whose activities are defined and constrained by detailed Investment Management Agreements. The remainder of the Main Fund (including private equity, private debt, infrastructure, local investments, elements of the Special Opportunities Portfolio and UK cash), together with a proportion of the Designated Fund, is managed internally by Officers of GMPF. The 'Treasury Management' of all UK cash is undertaken by Officers of Tameside MBC.

2.9 The Main Fund is largely actively managed but has a significant element, which is passively managed on a pooled basis. One of the appointed external securities managers has been given an active multi-asset (ex property) discretionary benchmark reflecting its perceived skills and the relative efficiency of markets. The second appointed external securities manager has a single broad equity market benchmark reflecting its specialist mandate. The third appointed external securities manager has an absolute return benchmark reflecting its specialist multi-asset credit mandate. These individual benchmarks are detailed in the Investment Management Agreements and have been chosen so as to be consistent with the overall bespoke benchmark determined for the Main Fund.

2.10 Each of the Main Fund's external active securities managers has been set the target of achieving a rolling three year average performance which exceeds the average performance of their individual benchmark by at least one % per annum. GMPF anticipates that in two years out of three the external active multi-asset securities managers' annual performance will be within four and a half % of the annual performance of their individual benchmark. The equivalent range for the specialist global equity securities manager is +/- seven % and +/- six % for the specialist multi-asset credit securities manager.

2.11 The fees of two of the external active securities managers consist of two elements: an ad-valorem base fee together with a performance element which is capped at a prudent level of outperformance. The fees for the remaining external active securities manager consist of a fixed base fee with no performance element. The fees of the Main Fund's external passive securities manager consists of an ad-valorem base fee with no performance element. The fees of the external property manager comprise of a combination of a fixed and ad-valorem base fee with no performance element.

2.12 The Designated Fund is predominantly passively managed.

2.13 The investment returns of the Main Fund, its underlying component portfolios and the Designated Fund are calculated quarterly by an external, third party professional performance measurement company appointed directly by the Council.

2.14 The Management Panel monitors the performance of the appointed external investments managers at each of its quarterly meetings. The performance of the specialist portfolios managed internally by Officers of the Fund is monitored annually by the Panel.

3. The types of investments to be held

3.1 The Regulations require the Council to set out the maximum percentage of the total value of all investments of GMPF money that it will invest in particular investments or classes of investment. These maximum percentage limits are set out in an Appendix to this Statement, and are applicable only at the time the investment is made. Depending on market conditions, the allocations to specific investments or classes of investment may stray outside the maximum percentage limits before adjustments are made to rectify the situation. The Regulations also require that not more than 5% of the total value of all investments of GMPF money be invested in entities which are connected with the authority, within the meaning of section 212 of the Local Government and Public Involvement in Health Act 2007.

3.2 In addition to the Regulations, the Council has decided to further restrict the types of investment which the appointed external securities managers may hold and to restrict the type and extent of investment activity which they are permitted to undertake. These further detailed restrictions are extensive and are documented in a Schedule to each of the Investment Management Agreements.

3.3 GMPF assets currently include a UK and overseas spread of equity, fixed interest bonds (including those issued by Governments, companies and other entities), other debt securities (eg bank loans and securitised debt), index linked bonds, private equity, private debt, infrastructure and property. The Main Fund's external active multi-asset securities manager is permitted limited use of certain derivatives. The Main Fund's active specialist multi-asset credit manager is permitted use of certain derivatives for hedging, duration and currency management, asset allocation and security selection. GMPF supplements its investment income by participating in a Commission Recapture program.

4. The balance between different types of investments

4.1 The Regulations require the Council to have regard to the diversification of its investments.

4.2 The overall bespoke benchmark of the Main Fund comprises a mix of different assets which is sufficient to provide adequate diversification for the Main Fund. GMPF's Annual Report and Accounts contains more detail on the overall Main Fund benchmark.

4.3 The strategic balance of investments takes account of the risk/return characteristics of each asset class and in particular the potential for enhanced long term returns from equity and the higher level of short term volatility associated with that asset class. In this context, risk in relation to any asset class is considered 'in the round' rather than being analysed into the specific components of risk (eg liquidity, foreign exchange, interest rate sensitivity etc). Allowance is also made for the benefits of diversification across the asset class mix within the Main Fund. The overall bespoke benchmark provides a reasonable long-term balance appropriate to the liabilities relevant to the Main Fund and its funding position.

4.4 For the Main Fund, tactical asset allocation is delegated to the appointed external multi-asset securities manager who must operate within asset class and country restrictions which are documented in a Schedule to the Investment Management Agreement.

4.5 The bespoke benchmark of the Designated Fund has also been specifically chosen in the context of the relevant liabilities and funding position.

5. Risk: measurement and management

5.1 The Management Panel recognises that risk is inherent in any investment activity. The overall approach is to seek to reduce risk to a minimum where it is possible to do so without compromising returns (eg in operational matters), and to limit risk to prudently acceptable levels otherwise (eg in investment matters).

5.2 Operational risk is minimised by :

- having custody of GMPF's financial assets provided by a regulated, external, third party, professional custodian appointed directly by the Council with control and liability issues thoroughly addressed in a Global Custody Agreement
- having the deeds of direct property investments held securely by GMPF's Legal Section
- documenting control and liability issues relating to the relationships with the appointed external investment managers in the Investment Management Agreements
- having an external, third party, accounting provider independently maintain complete accounting records relating to the investment activity of the appointed external securities managers and to the entitlements (eg income) arising from GMPF's securities portfolios

- officers of the Council's Internal Audit and of GMPF's Investments Group receiving reports on and reviewing the internal operating procedures of the appointed external custodian, securities managers and accounting provider
- subjecting internal investment management activity to close Internal Audit scrutiny.

5.3 Investment risk is constrained by :

- diversifying across investment managers
- diversifying across types of investment
- restricting external appointed investment manager activity as documented in a Schedule to or in relevant Clauses of the Investment Management Agreements
- selecting appropriate investment benchmarks in order to control the risk that the assets will not be sufficient to meet the liabilities whilst also having a strong likelihood of achieving a good return
- taking appropriate internal and external professional advice on the investment activity of both the externally managed securities portfolios and of the internally managed portfolios
- quarterly, formal, Management Panel monitoring of asset allocation against the investment benchmarks and asset class restrictions
- quarterly, formal, Management Panel monitoring of investment manager and overall Fund activity and performance.

5.4 Some risks lend themselves to being measured (eg using such concepts as 'Active Risk' and such techniques as 'Asset Liability Modelling') and where this is the case, GMPF employs the relevant approach to measurement. GMPF reviews new approaches to measurement as these continue to be developed.

6. The expected return on investments

6.1 There is a broad expectation that in the longer term the return on equity will be greater than on other assets.

6.2 The overall Main Fund return is expected to be broadly in line with the overall bespoke benchmark. Over the last twenty years this benchmark has averaged a return which is comfortably ahead of both price and earnings inflation over the same period. However over any shorter period, such as one or five years, actual Main Fund returns may vary significantly from the benchmark and indeed benchmark returns may vary significantly from their long-term averages.

6.3 Over the long term appropriate to the liabilities of the Scheme it is expected that the investment returns of both the Main Fund and the Designated Fund will be at least in line with the assumptions underlying the actuarial valuations.

7. The realisation of investments

7.1 General investment principles require that issues of liquidity and marketability be considered in making any investment decision. Pension payments are expected to exceed employer and employee contributions by around £250 million per year over the coming three years. During this period, investment income, outwith that which is automatically reinvested within pooled vehicles, is anticipated to generate around £450 million per year of receipts to GMPF. Thus it is not expected that there will be any material need to realise investments in the near future other than to seek higher returns.

7.2 The vast majority of GMPF's assets are readily marketable. However some investments, such as property, and more so private market assets, are less easy to realise in a timely manner. Such relative illiquidity is not considered to have any significant adverse consequences for GMPF. However, over the coming couple of years, Officers of GMPF will be investigating options for dealing with the deteriorating cash-flow position of GMPF.

7.3 The Council informs the appointed external investment managers of any projected need to withdraw funds in order to enable the investment managers to plan an orderly realisation of assets when this proves necessary.

8. GMPF's approach to pooling investments

8.1 The Council signed a memorandum of understanding with the administering authorities of the Merseyside Pension Fund and the West Yorkshire Pension Fund to create the Northern LGPS in order to meet the criteria for pooling investments released by Government on 25 November 2015. [Formally, this is achieved through the mechanism of a joint committee established under sections 101 and 102 of the Local Government Act 1972.]

8.2 The three funds submitted a pooling proposal to Government in July 2016 and DCLG (now MHCLG) provided its confirmation in January 2017 that it was content for the funds to proceed with the formation of the Pool as set out in the July 2016 proposal. A copy of the proposal is on GMPF's website.

8.3 Following the issue of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, the plans for the Northern LGPS evolved from the July 2016 proposal.

8.4 The vast majority of the benefits of pooling for the funds in the Northern LGPS are in respect of alternative assets where there is greatest scope to generate further economies of scale and to combine resources to make increasingly direct investments. Following detailed discussions and consideration of professional advice, it was agreed in March 2017 by each of the participating funds that in order to meet the Reduced Costs and Excellent Value for Money criteria set by Government most effectively, the Northern LGPS should focus resource on making collective investments in alternative assets such as private equity and direct infrastructure. The private equity and direct infrastructure investments would initially be made via joint ventures and partnerships to enable pooled investments to be made and start generating material cost savings from an early stage. Such structures would in all cases be compliant with relevant financial services law.

8.5 The Scale and Strong Governance and Decision Making criteria are met by:

- the joint committee providing monitoring and oversight of the operations of the Northern LGPS with the Joint Committee constituted so as to separate elected members from any manager selection decisions and;
- appointing a FCA regulated common custodian for the Pool, which has custody of all the pool's actively managed listed assets (i.e. internally and externally managed equities and bonds) and act as master record-keeper for all pool assets.

8.6 As at 31 March 2015, the total value of assets across the three participating funds was £35.4 billion, and as at 31 March 2018 £44.3 billion, which is in excess of the £25 billion criterion set by Government. Strategic asset allocation will continue to be set by each fund's pension committee with the selection of individual investments and investment managers for external mandates carried out on a pooled basis by appropriately qualified and experienced officers, operating under the legal framework of specialist investment vehicles where appropriate.

8.7 All public-market assets and new commitments to private equity and direct infrastructure will be monitored and overseen by the Northern LGPS Joint Committee with all assets other than day-to-day cash used for scheme administration purposes being held under the common custody agreement. Day-to-day cash is assumed to be 1% of total assets for each fund.

8.8 In accordance with the 2015 pooling criteria and guidance, legacy private market assets (i.e. those entered into prior to the formation of the Pool) will be run-off on a segregated basis.

8.9 At 31 March 2018, externally managed public-market assets and direct infrastructure made up 85% of GMPF's total assets. Over time, as private equity commitments are made via the Pool and legacy private-market assets run off it is expected that approximately 90% of GMPF assets will be invested via the Pool structure set out above.

8.10 It is intended that the Northern LGPS will procure the following services as required on behalf of the participating funds:

- External fund management for certain public-market mandates
- Common custodian for Pool
- Investment management systems
- Performance analytics
- Responsible Investment advisory services
- Other professional advice.

8.11 The Northern LGPS Joint Committee is created via the approval of an inter-authority agreement between the administering authorities to the participating funds. The role of the Joint Committee is to:

- provide monitoring and oversight of the Northern LGPS to ensure that the pool is effectively implementing the participating authorities' strategic asset allocation decisions;
- to oversee reporting to the participating authorities' pension committees.
- act as a forum for the participating authorities to express the views of their pension committees; and
- ensure segregation of duties in investment decision making between elected members and officers
- Monitor performance of portfolios
- Monitor the appointment of investment managers.

8.12 Reporting processes of the Northern LGPS include regular written reports on the performance of Northern LGPS investments to the Joint Committee, which are discussed at formal meetings. The Joint Committee will not be undertaking any regulated activities.

8.13 The Northern LGPS governing documentation grants the Joint Committee and each administering authority certain powers regarding the operation of the Northern LGPS, which can be used to ensure the effective performance of Northern LGPS. GMPF's approach to pooling set out above will be reviewed periodically going forwards to ensure this continues to demonstrate value for money, particularly following any changes to funds' strategic asset allocations, pool management arrangements or taxation policy in the UK or internationally. The reviews will take place no less than every three years.

8.14 A report on the progress of asset transfers will be made to the Scheme Advisory Board on at least an annual basis.

9. Socially responsible investment

9.1 GMPF holds a general policy of not interfering in the day to day investment decisions of its investment managers. However, GMPF may choose to actively invest in or disinvest from companies for social, ethical or environmental reasons, so long as that does not risk material financial detriment to GMPF.

9.2 As a responsible investor, GMPF wishes to promote corporate social responsibility, good practice and improved company performance amongst all companies in which it invests.

9.3 GMPF endeavours to be a socially responsible investor wherever possible but does so within the duties placed upon it under statute and under general trust law principles to manage the Scheme in the best financial interests of the Scheme members and beneficiaries.

9.4 From time to time GMPF will pursue certain specific issues direct with investee companies, either individually or, more usually, collectively with other institutional investors via its membership of the 'Local Authority Pension Fund Forum' (LAPFF), its membership of the 'Institutional Investors Group on Climate Change' (IIGCC), as a signatory to the 'UN Principles for Responsible Investment' or by means of other ad-hoc groupings.

9.5 Climate change is a key financially material environmental risk. The Panel believe that, over the expected lifetime of GMPF, climate-related risks and opportunities will be financially material to the performance of the investment portfolio. As such, the Panel will consider climate change issues across GMPF and specifically in areas such as Strategic Asset Allocation, Investment Strategy and Risk Management with the aim of minimising adverse financial impacts and maximising the opportunities for long-term economic returns on GMPF's assets.

9.6 GMPF's long-term goal is for 100% of assets to be compatible with the net zero emissions ambition by c2050 in line with the Paris Agreement. The decarbonisation goal will be regularly evaluated in line with GMPF's objective of maintaining long term financial performance.

9.7 GMPF has undertaken a number of initiatives to enhance its approach to managing this risk. Company engagement is a key element of GMPF's approach to climate change. GMPF wishes to promote and encourage compliance with its own UK Environmental Investment Code. GMPF's appointed external securities managers are encouraged to operate a policy of constructive shareholder engagement with companies. GMPF is a Tier 1 signatory of the UK Stewardship Code.

9.8 By joining forces with over 70 other LGPS funds within LAPFF, GMPF collectively has a very powerful voice in challenging companies to disclose their business models, and the assumptions that underpin their investment decisions, leading to greater capital discipline. This could have the dual success of enhancing shareholder value, whilst also reducing greenhouse gas emissions.

9.9 GMPF is a signatory to the Carbon Disclosure Project (CDP) which seeks information from major corporations world-wide on their Greenhouse Gas Emissions.

9.10 GMPF is a member of the IIGCC which is a forum for collaboration on climate change for European investors. The IIGCC seeks to promote a better understanding of the implications of climate change amongst its members and other institutional investors, and to encourage companies and markets in which its members invest to address any material risks and opportunities to their businesses associated with climate change and a shift to a lower carbon economy.

9.11 GMPF actively invests in low carbon and renewable energy technology and will seek to increase the scale of investment in this sector where suitable opportunities arise, in order to encourage a move toward a lower carbon economy. Within the strategic asset allocation to infrastructure, a key strategy is investments in low carbon and renewable energy opportunities.

9.12 The Panel has approved an allocation to Local Investments, which has the twin aims of generating a commercial return and delivering a positive social impact. GMPF's Annual Report and Accounts contains more detail on the specific investments within this allocation.

10. The exercise of investment rights

10.1 The exercise of rights which are not voting rights (eg dividend entitlements, rights issues etc) are delegated by the Council to the investment managers of GMPF as part of their normal investment responsibilities.

10.2 GMPF wishes to exercise the voting rights attaching to its investments to promote and support good corporate governance principles. GMPF will report on its voting activity as part of its Annual Report.

10.3 GMPF implements its voting policy in partnership with a specialist advisor (currently PIRC Ltd) who provides appropriate research and vote execution services that cover the major markets in which shares with voting rights are held.

10.4 GMPF votes in line with the recommendations of its advisor, having judged that the advisor's voting guidelines promote high standards of corporate governance and responsibility and enable GMPF to exert a positive influence as shareholders concerned with value and values.

10.5 The appointed external passive securities manager votes in respect of GMPF at every opportunity in the UK and in respect of companies in the vast majority of overseas markets except where practicalities are a significant obstacle.

10.6 In casting votes in respect of GMPF in the UK, the appointed external passive securities manager normally implements its own 'Voting Policy'. However the passive securities manager will vote in respect of GMPF according to GMPF's instructions on a case by case basis should GMPF so require.

11. Stocklending

11.1 GMPF itself has participated in a prudently structured Stocklending program via its Custodian since March 2003. However, GMPF suspended its Stocklending program between September 2008 and May 2011 in the wake of the 2008 financial crisis.

11.2 GMPF does not lend UK and US Equities and does not take Cash as collateral. The maximum volumes of stock 'on loan' are set at a prudent level. All loans must be pre-collateralised and be subject to recall upon demand.

11.3 Certain pooled vehicles within which GMPF invests may undertake an amount of Stocklending on behalf of the pooled vehicle investors. Where this occurs, the extent of the activity is disclosed by the pooled vehicle. GMPF considers this aspect of the pooled vehicle when making investment decisions.

Version 1.2

Adopted by the Pension Fund Management Panel for Tameside MBC as administering authority of the Greater Manchester Pension Fund: 19 October 2018

APPENDIX TO INVESTMENT STRATEGY STATEMENT
TABLE OF LIMITS ON INVESTMENTS

MAIN FUND	
Asset class	**Limit (%)**
Total Equities	**40 – 85**
UK Equities	10 – 30
Overseas Equities	15 – 50
Global Equities	2 – 10
Total Bonds	**10 – 50**
Government Fixed Interest Bonds	2 – 17
Corporate Bonds	2 – 17
Government Index Linked Bonds	1 – 12
Multi-Asset Credit	2 – 10
Total Alternatives	**5 – 45**
Private Equity	0 – 7
Private Debt	0 – 7
Infrastructure	0 – 15
Special Opportunities	0 – 7
Local Investments	0 – 5
Property	3 – 15
Total Cash	**0 – 10**

DESIGNATED FUND	
Asset class	**Limit (%)**
Equities	0 – 100
Government Fixed Interest Bonds	0 – 100
Corporate Bonds	0 – 100
Government Index Linked Bonds	0 – 100
Other Liability Matching Assets*	0 – 100
Cash	0 – 100

*Other Liability Matching Assets include exposure to derivative instruments (eg interest rate and inflation swaps) used for liability matching purposes and are currently accessed via pooled funds.

There are a small number of employers whose liability profiles are significantly different from most of GMPF's employers. Investments in the Designated Fund reflect the specific liability profiles of these employers. The assets held in the Designated Fund have been specifically chosen in the context of the relevant liabilities and funding position. Given the nature and size of the Designated Fund, it is not considered appropriate to restrict the limits on Asset Classes. The proportion of assets within each asset class will change over time as GMPF develops its framework to meet the diverse needs of its employers.

END OF APPENDIX (19 October 2018).

Investment Strategy Statement

2019 to date

July 2020

Responsible Investment Policy

2019 to date

GMPF Responsible Investment Policy
Introduction

The assets of the Greater Manchester Pension Fund (GMPF) now stand at over £23bn. These assets are invested to fund the retirements of hundreds of thousands of beneficiaries who live both within Greater Manchester and beyond. GMPF will always act in accordance with the interests of those beneficiaries and we want our Responsible Investment activities to make a positive contribution to our region.

Environmental, social and governance (ESG) issues are important to GMPF for a number of reasons. ESG factors can be financially material and, as such, should be part of the assessment and monitoring of investments in all asset classes. Achieving sustainable, long term financial returns underpins the ability to pay pensions. A focus on ESG issues helps reduce risks to GMPF and its beneficiaries. These risks might be financial, such as the underperformance or failure of an investee company, or reputational, resulting from poor corporate behaviour.

In addition, our beneficiaries live in a society that is affected by the behaviour of investee companies. Therefore we expect high standards from those businesses. Consistent with GMPF's fiduciary duty to our beneficiaries we will ensure that the businesses in which we invest are both financially and environmentally sustainable, have high standards of governance and are responsible employers. As far as possible GMPF will seek to invest in a way that is financially and socially beneficial for Greater Manchester.

1. About the Greater Manchester Pension Fund Responsible Investment policy

This policy sets out GMPF's approach to Responsible Investment activities. It provides an overview of themes that will form part of those activities in addition to information on how this policy is implemented and our commitments to reporting and accountability.

Our approach to responsible investment has been informed by a number of important initiatives. GMPF fully supports the aims and objectives of the Stewardship Code and we are signatories of the Code. We are also signatories of the Principles for Responsible Investment.

We have also considered guidance from the Law Commission, Department of Work and Pensions and Ministry of Housing, Communities and Local Government in developing this policy.

We consider our approach to Responsible Investment to be rooted in financial materiality and risk management. It will also be informed by our understanding of our beneficiaries' views, and by reference to international standards such as the UN Sustainable Development Goals. Therefore we have expectations of investee businesses that encompass more than financial considerations alone.

GMPF will seek to apply the RI policy to all asset classes over time. Our initial focus will be on listed equity, but we also see infrastructure as an asset class where progress can be made quickly given our leading role in this area. The policy applies to both internally and externally managed assets.

GMPF has appointed PIRC Ltd as its Responsible Investment adviser, to assist in the development and implementation of the RI policy.

2. Major ESG themes

Over time GMPF will publish policy positions on specific ESG issues in order to provide greater clarity about our expectations to both investee businesses and other stakeholders. Below we set out ESG themes that will be important areas of focus for our Responsible Investment activities, and our core positions in each area.

Climate change

GMPF considers climate change risk as financially material to long-term performance of investments and shareholder value. We integrate climate change considerations in the overall investment strategy, with the aim of minimising adverse financial impacts and maximising opportunities for long-term economic returns in all asset classes.

GMPF's long-term goal is for 100% of assets to be compatible with the net zero-emissions ambition by c.2050 in line with the Paris agreement. This decarbonisation goal will be regularly evaluated in line with our objective of maintaining long-term financial performance.

In implementing our approach, GMPF:

- takes financially material climate change considerations into account as an integral part of its investment strategy and asset allocation;
- reviews a variety of research and analytical materials to encourage the use of scenario analysis to provide estimations of relative performances of asset classes and sectors under different scenarios which will be used where possible in asset allocation decisions;
- monitors and provides feedback to external investment managers in relation to incorporation of climate risk in the investment process;
- engages with companies on the resilience of their business strategies for a low-carbon economy;
- liaises with company boards in improving the governance, management and disclosure on climate risk;
- takes company approaches to climate risk and responsiveness to engagement into account in proxy voting;
- supports the filing of relevant climate related shareholder resolutions;
- interacts with policy makers and regulators on investment implications of climate change;
- collaborates with other investors and participates in investor initiatives to leverage outcomes of company and policy engagement;

- and will report on policy objectives and activities regularly.
- We have also included the Task Force on Climate-Related Financial Disclosures reporting in our annual report.
- GMPF also supports the objectives of a Just Transition to a low-carbon economy, and will actively engage with the social aspects of responding to climate change. We consider this fits well with our objective of seeking to ensure a regional dimension to our RI activities.

Employment standards and human capital management

The assets of GMPF represent the combined savings of generations of public sector workers, without whom the pension fund would not exist. Therefore we have a responsibility to act in the best interests of those workers, and we actively promote decent work.

We consider effective management of people is a source of both value creation and competitive advantage. We support initiatives to improve corporate reporting and investor understanding in relation to employment practices and human capital management.

We expect all businesses in which GMPF invests to treat their workforce with respect and to employ and reward them fairly. Companies should offer secure, direct employment where possible, and should not interfere with the right of their workforce to seek representation through a trade union. We will consider whether the actions of investee businesses are in accordance with ILO Core Conventions both in relation to their directly employed workforce and in their supply chain.

GMPF looks favourably on opportunities to invest in ways that aid the creation of good jobs, and have other social benefits, particularly within Greater Manchester. We will also consider the potential impact of our investments on public service provision and public sector employment practices.

Corporate governance and financial reporting

GMPF considers good corporate governance practices continue to provide protection to shareholders and to our beneficiaries. A full list of positions that GMPF takes is provided in the shareholder voting guidelines that we have adopted.

Division of responsibilities and board independence are fundamental principles of good governance. We seek separation of chair and chief executive positions and independent representation on boards in all markets. We fully support board diversity in its widest sense.

Diversity is desirable not only in its own right, but also because there is evidence that diverse boards make better decisions. In addition to supporting the 30% Club and recommendations of the Parker Review1, we actively encourage employee representation at board level. We also consider that diversity and equal pay is important throughout organisations, not simply at board level.

In relation to remuneration it is our view that executives must be appropriately rewarded for their contribution to the success of the businesses that they steward. Where performance-related reward is used this should be focused on long-term performance and take account of ESG factors. The reputational risk of overly generous pay including the comparison to average employee pay should be taken into consideration in remuneration packages. We also consider that excessive executive reward contributes to wealth and income inequality.

Beneficiaries' interests are well served by ensuring the highest standards in financial reporting and related issues. We take a robust position on audit quality and auditor independence as we view this as the first line of defence for shareholder interests. We encourage auditors not to undertake non-audit work for the same company, and support mandatory rotation of the audit firm. We also advocate reform of accounting standards.

Tax

We consider certain corporate tax arrangements, whilst potentially beneficial to shareholders in the short term, can be a source of regulatory, financial and reputational risk to companies and their investors. Aggressive corporate tax avoidance may have a negative effect on public finances and by extension on public service provision. Therefore we seek to monitor the behaviour of investee companies in respect of tax planning and challenge where necessary.

1 https://www.gov.uk/government/publications/ethnic-diversity-of-uk-boards-the-parker-review

3. Application of the policy

Investment decisions

GMPF employs a mixture of in-house and external asset managers. Where management is undertaken in-house, ESG factors will be considered as part of the assessment process both before and after investment decisions are made. This integration applies to both equity and other asset classes.

We do not typically divest from businesses unless ESG factors are likely to have a financially material negative impact. Instead we seek to use our influence as investors to address issues of concern. We recognise that our ability to act as effective stewards, and our responsibility to do so, is greater where our holdings are greater or more concentrated. Therefore we monitor sizeable investments closely and engage where necessary.

In addition, GMPF is involved in impact investing. Whilst this is not synonymous with 'Responsible Investment' this is an area where the policy may have significant practical application.

Where external managers are appointed, we envisage analysis of their competence in relation to Responsible Investment to form part of the appointment process. Expectations in relation to incorporation of ESG factors are part of the manager agreement, and managers are monitored in relation to performance on these factors. Appointed managers are also expected to report back to GMPF on their activities.

Voting and engagement

Voting and engagement is a cornerstone of our RI activities. We take the legal right to vote seriously and exercise it in a way consistent with our publicly disclosed objectives and policy positions. How we vote is one way of providing investee companies with an indication of our views as shareholders, as well as to the wider market.

Therefore, in line with our commitment to transparency and democratic accountability, we ensure that our voting aligns with our engagement. For example, if we have informed a company we do not support a certain director, or consider the remuneration policy is inappropriate, we will not vote in favour.

GMPF retains the maximum possible authority to direct voting, rather than delegating authority to asset managers. We have dedicated voting guidelines that inform how our votes are cast. This combination of retained authority and a clear framework ensures both a consistent approach is taken across equity holdings and provides clarity to the businesses in which we invest about our expectations.

We can also recall stock that has been lent in order to be able to vote.

We are long-standing and active participants within the Local Authority Pension Fund Forum (LAPFF). Most engagement activity is undertaken through the Forum and representatives of GMPF take part in company engagements.

GMPF, as a member of the Northern LGPS also undertakes its own engagement, either on specific companies or sectors, and we envisage that this will increase particularly in relation to major and unique investments, such as in infrastructure assets.

Shareholder resolutions

GMPF considers shareholder resolutions a useful tool to proactively raise issues of concern either where boards of investee businesses are resistant to dialogue or change, or to amplify the shareholder voice where engagement with boards has been positive. We have co-filed resolutions at different companies in recent years on issues ranging from climate change to employment practices.

GMPF will consider filing or co-filing resolutions in cases where engagement has not resulted in the achievement of change or as part of systemic engagement on issues such as climate change.

Collaboration and partnerships

GMPF often has a significant ownership of particular businesses or other assets and therefore can be an influential voice. There are also many instances where it is advantageous to work in collaboration with other investors and investor initiatives. In addition to participating in existing investor groups, GMPF seeks to initiate collaboration where it believes it can play a useful role.

As well as being a LAPFF member we participate in, or are a member or signatory of, the following initiatives:

- The Stewardship Code
- The Principles for Responsible Investment
- The Institutional Investor Group on Climate Change
- The Carbon Disclosure Project
- The Transition Pathway Initiative
- Investing in a Just Transition
- The 2018 Global Investor Statement to Governments on Climate Change
- Climate Action 100+
- Workforce Disclosure Initiative
- Pensions For Purpose.

Other collaborations will be reviewed in due course, following consideration of our interests in participation.

Securities litigation

Given the focus on cost reduction, GMPF will be an active participant in securities litigation. Where there has been corporate wrongdoing that has resulted in a financial loss to GMPF as shareholders, we seek to recoup these losses where practical.

Public policy advocacy

We recognise that regulatory intervention is sometimes necessary to address issues such as corporate disclosure requirements and shareholder rights. Where appropriate GMPF will participate in public policy consultations and engagement. This may be through LAPFF and other collaborative investor initiatives or by GMPF or the Northern LGPS on its own.

Costs and charges

We recognise the growing interest in costs and charges incurred as part of local authorities' investment activities. GMPF supports the Transparency Code and expects all external managers to become signatories. We consider reducing unnecessary costs is part of our fiduciary duty, and is one of the core objectives of GMPF. We will closely monitor all investment costs to ensure that greatest possible benefits from our investment activities are returned to members.

4. Reporting and accountability

The importance of accountability to beneficiaries is a central element of our approach. Therefore, GMPF will make its voting record, and those of asset managers that have delegated voting authority, publicly available. In the case of the GMPF's own voting decisions, we will pre-disclose votes on all companies. GMPF, as a member of the Northern LGPS, will also produce a regular stewardship report on its broader activity.

In addition we intend to hold an annual stewardship event to provide an update on activities and for there to be open discussion of current or emerging ESG themes. This will form part of the GMPF's process for taking beneficiaries' views into account.

We meet quarterly to discuss the implementation of the RI policy, and as Northern LGPS will undertake an annual review of activities. The RI policy will be reviewed and updated as required.

For further information on the GMPF Responsible Investment policy please contact:
tom.harrington@gmpf.org.uk

Greater Manchester Pension Fund
Guardsman Tony Downes House,
5 Manchester Road,
Droylsden
M43 6SF

Telephone: 0161 301 7000
Website: www.gmpf.org.uk

Administered by Tameside Metropolitan Borough

Responsible Investment Policy

2019 to date

July 2020

Communication Policy

2018 to date

Communications Policy

Introduction

The Greater Manchester Pension Fund (GMPF) is a regional pension fund administering the Local Government Pension Scheme (LGPS). It is the largest LGPS fund in England and Wales.

GMPF has a Communication and Engagement Strategy that has been developed based on the feedback we receive. The Strategy is used to drive changes to the communication work that we do. It outlines GMPF's aims and objectives when communicating and engaging with all its stakeholders.

This Communications Policy is a statement of how those aims and objectives are currently being delivered.

The LGPS Regulations require us to prepare, maintain and publish a statement setting out our policies on communications and this document has been prepared in line with these requirements. It covers our communications with:

- pension fund members
- representatives of members
- prospective pension fund members
- our employers and prospective employers.

This document will be revised and re-published whenever there is a material change to the way we communicate or engage with any of these groups.

This Communications Policy and the Communications and Engagement Strategy are available on the GMPF website.

Pension fund members

We communicate with our members in a variety of different ways.

GMPF Website and My Pension

General information about GMPF and about being a member of the LGPS is held on the GMPF website at

www.gmpf.org.uk

Members can also access information about their own pension through the My Pension area of the website. This is a secure area that allows members to see the personal details we hold about them, update information such as their death grant nomination and do their own pension estimates. It is also the area where contributing and deferred members will be able to see their annual pension statements going forward and where pensioner members can view their pension payment information.

All members who have registered for My Pension will receive e-mails to alert them to any key updates made to the GMPF website or My Pension area. News updates are also added here.

Members can send questions and queries to us using the online forms and we will respond to them by e-mail or other method as requested. The GMPF website also has a 'feedback zone' where members can leave feedback or register complaints or compliments about the service we provide. There is also a survey presented to members when they logout of My Pension, giving them the opportunity to provide feedback specifically about this online service.

All literature (such as GMPF's annual report and Guide for Members) and all statements and policies are also held on the website. Information about how to raise a formal dispute can also be found on the website. This includes contact details for the Pensions Advisory Service and the Pensions Ombudsman.

Twitter

GMPF has a Twitter account and we regularly tweet information and updates that we believe our members may be interested about. You can follow us at: @GMPF_LGPS

Google

GMPF makes use of a feature in Google where members can ask us questions and receive answers back, see our opening times, access directions to our offices, see photos and write reviews on our performance.

Helpline

We provide a helpline service for all our members to use if they need to contact us by telephone or e-mail. There are two helpline numbers for members; one for pensioner members to call being 0161 301 7100, and one for all other members to call being 0161 301 7000.

Roadshows, seminars, webinars and surgeries

Each year, GMPF arranges a programme of face-to-face events in order to meet with individuals or small groups of members. These can vary depending on the requests and many are organised in conjunction with GMPF's employers. Information about these events will therefore be provided to members by their employer or advertised on the GMPF website where appropriate.

Individual letters, telephone calls and e-mails

Whenever we are dealing with a specific request or processing a pension benefit, it is likely that we will communicate either by letter, telephone call or e-mail, depending on which is most appropriate.

What we do not do

We never cold call our members about any aspect of their pension. If a member receives an unexpected call from someone claiming to be from GMPF then we suggest that they ring our Helpline to check whether the call was genuine.

Visits to our offices

Members are welcome to visit our offices should they prefer to speak to us face-to-face. Ideally, an appointment should be made in advance to ensure someone is available. Private interview rooms are used in order to discuss matters confidentially. In addition, members can return documents or make general enquiries at our reception at any time during office hours. Confirmation of our opening hours and details of how to find us can be found on our website at www.gmpf.org.uk/contact

Special requests and paper communications

If any member requires us to provide information or communicate with them in a specific way (for example, requires letters to be in large print or on a different coloured background) then they should contact us and we can make arrangements for this.

If a member wishes to opt-out of receiving electronic communications and wishes to receive paper copies instead then we ask that they put this request in writing to us quoting their unique GMPF pension reference. This is so that we can identify the correct pension record and make the necessary arrangements.

If we are unable to communicate electronically with a member for whatever reason and we are required by law to provide information to them, then we will send that information in writing either to their home address or to their employer to forward on.

Consultations, surveys and focus groups

GMPF also conducts various consultation events, surveys and focus groups from time to time in order to obtain feedback that might help to improve the service provided to members. All relevant results or feedback is published on the GMPF website.

Representatives of members

General information about GMPF and the LGPS

All general information and literature is available to the representatives of members on the GMPF website, as detailed in the section above.

Employee representatives who are members of the GMPF Management Panel, Local Board or Working Groups

These representatives will receive information presented face-to-face at the relevant meetings, be provided with written reports for agenda items and will receive relevant training where identified or requested. News updates or alerts will also be circulated as and when required.

Prospective pension fund members

General information about GMPF and the LGPS

All general information and literature is available to prospective pension fund members on the GMPF website. Prospective members can contact us by using the 'Contact Us' option on the website.

Promoting the benefits of joining

GMPF requires all its employers to provide prospective members with a link to or copy of its 'Guide for Members'. This guide highlights the benefits and costs of joining the LGPS. It should be provided as part of an employee's letter of appointment ideally.

GMPF also requires its employers to engage with any events that promote the benefits of the LGPS to prospective members.

Consultations and surveys

GMPF also conducts various consultation events and surveys from time to time for prospective members, in order to obtain feedback that might help it to promote the LGPS to non-members.

GMPF employers

We also communicate with our employers in a variety of different ways.

GMPF Website and Employers Website

General information about GMPF and about becoming an employer in GMPF is held on the GMPF website.

In addition, employers can access a secure area of the website known as the 'Employers website'. This area holds procedure notes, training information, forms and guidance to assist employers to carry out successfully their employing authority responsibilities.

E-mail bulletins and newsletters

We issue regular bulletins to our employers to provide news, updates and reminders. We also issue newsletters and ad-hoc alerts whenever there is specific or topical information that we believe employers need to be aware of.

Helpline

We provide a helpline service for all our employers to use if they need to contact us by telephone. The number is 0161 301 7200.

Meetings, webinars, training events and surgeries

GMPF arranges a number of different face-to-face events depending on the requirements of each employer.

GMPF will arrange face-to-face meetings with all its large employers, the frequency of which may depend on the agenda to be discussed. Conference calls may also take place in order to discuss specific matters.

We also arrange training events for employers to attend. These may be large-scale events providing general training on the LGPS or smaller events or webinars to provide training on a specific area or task (such as how to provide pay and contribution returns).

GMPF will also work with employers who have individual training needs, hosting in-house training sessions or visiting employers.

Each year GMPF hosts an Annual General Meeting (AGM) for employers, in order to present its accounts and provide employers with an update about the work of the fund over the previous twelve months.

Consultations, surveys and focus groups

GMPF also conducts various consultation events, surveys and focus groups with its employers from time to time in order to obtain feedback that might help to improve the service provided to employers and their members. All relevant results or feedback is made available to all employers.

Communications Policy

2018 to date

July 2020

Pension Administration Strategy Statement

2015 to date

Pension Administration Strategy

1: The Regulations

2: Review of the Pension Administration Strategy (PAS)

3: Scheme employer duties & responsibilities

4: Pensions Office duties & responsibilities

5: Unsatisfactory performance

Commencement date for this revised PAS: 1 April 2015.

This PAS recognises that for administration costs to be minimised, and the mutual service to the member to be maximised, Scheme employers[1] and the administering authority must co-operate closely.

1. The Regulations

1.1 This Strategy is made under regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013. Related legislation includes:

- the LGPS (Benefits, Membership & Contributions) Regulations 2007
- the LGPS (Administration) Regulations 2008
- the LGPS (Transitional Provisions, Savings & Amendments) Regulations 2014
- the LGPS Regulations 1997
- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000
- the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ("the Disclosure Regulations")
- the Pensions Act 1995
- the Pensions Act 2004
- the Pensions Act 2008
- the Data Protection Act 1998
- the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991
- the Occupational Pension Schemes (Scheme Administration) Regulations 1996
- the Finance Act 2004
- the Automatic Enrolment (Miscellaneous Amendment) Regulations 2013
- the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 including amendments to any of these Regulations.

This PAS is complemented by the *Pensions Office Guide to the Local Government Pension Scheme*.

[1] Scheme employer means a body listed in Schedule 2 of the LGPS Regulations 2013 employing an employee who is eligible to be a member and includes an admission body.

2. Review of the PAS

2.1 This PAS will be reviewed at least triennially and will be revised following any material change in policies that relate to the PAS.

3. Scheme employer duties and responsibilities

3.1 Each Scheme employer *(the employer)* shall nominate a person who will act as the Pensions Office's primary contact. There may be separate contact persons for Pension Fund Accountancy.

3.2 Authorised officers whose names and specimen signatures are held by the Pensions Office (the Office) must sign all documents and/or instructions received from an employer. In signing a document an authorised officer is not merely certifying that the form comes from the employer stated, but also that the information being provided is correct. Consequently if an authorised officer is certifying information that someone else has compiled, for example leaving information including a final salary pay, career average pay, assumed pay, (s)he should satisfy him/herself that the information is correct.

3.3 It is the employer's responsibility to ensure that details of the nominated representative and authorised signatures are correct, and to notify the Office of changes to either immediately.

3.4 The employer shall provide the Office with year-end information to 31 March each year in an approved format no later than 7 May or the next working day. Such information should be accompanied by a statement, duly signed by an authorised officer. This statement must show for each employment of each of the Scheme employers, employees who have been active members of Greater Manchester Pension Fund (GMPF) during the Scheme year (1 April to 31 March), the information needed for each employment, (for example, employee and employer contributions and additional contributions, cumulative pensionable pay etc.)[3]. The information should distinguish those amounts representing deductions for voluntary contributions, with those for ARCs and APCs/SCAPCs being differentiated, and the employees paying those voluntary contributions.

3.5 During the year the employer should forward notifications to the Office, with 90% compliance or better (excluding retirements), as summarised in the table on the following page:

[3] This is to check the sum of the amounts on the statements provided during the scheme year tally with the amounts shown on the year-end statement. The information is also needed to ensure the member's pension record is correct and up to date and because the information may be needed to produce the annual benefit statements and pension savings statements.

Summary of scheme employer duties and responsibilities

New starters [P1, New starter validation spreadsheet]	Within two months of the employee joining, or such shorter period as required by any auto-enrolment obligations (generally this tends to be before or within six weeks of the employee's automatic enrolment date).
Change in member's details [FORM P5]	Within two months of the event. Changes that are notified electronically, either on-line or via the P5s spreadsheet should also be made within two months of the event.
Early leavers [FORM P48 & EM48]	Outside of three months of joining: within two months of the employee leaving their employment or opting out of the scheme.
Early leavers [Spreadsheet PF48s or P1 or form P48]	Within three months of joining: within one month of the employee opting out or if leaving their employment, within two months of the event.
Retirements generally	With retirements it is recognised that some members retire with little or no notice and so the 90% performance standard will not apply. Nonetheless where possible it is the mutual desire of employer and Office to pay the tax-free retirement lump sum (cleared funds), into the member's bank account on the first day of retirement. Consequently, retirement notifications (Forms P71, P71f, P71i and EM71e) should be received by the Office at least a month before the member's retirement date where possible. Where the statutory underpin applies, notifications should be received a further two weeks earlier.
Ill health retirement	Regarding ill health retirements, some employers give notice whilst others make payments in lieu instead. With the latter it is understood that P71i or EM71e forms will be sent necessarily after the member has left. When a P71i or EM71e is not forwarded prior to retirement, it should be forwarded as soon as possible thereafter.
Early retirement at member's choice	Regarding early retirement at member's choice, if we receive a P71 for a member who has left their employment and is 55+ we will assume the employer has received an election on the Office's behalf from the member to receive immediate payment of benefits. This also applies for retirement after normal pension age (NPA)[4].
Flexible retirement	Regarding flexible retirement, if we receive a P71f for a member where their employer has agreed, under their discretion policy, to flexible retirement, we will assume the employer has received an election on the Office's behalf from the member to receive immediate payment of all or part of that member's benefits[5].
Disclosure Regulations	Great care must also be taken to avoid breaking the Disclosure Regulations. Consequently when a retirement takes place before NPA the latest a P71, P71f, P71i or EM71e is to be received in the Office is no later than one month after the date of retirement. Where a retirement takes place on or after NPA, the Office must receive the P71, P71f, P71i or EM71e no more than ten working days after the date of retirement.
Death in service [FORMS 74a to 74d]	within three working days of all the information being gathered, for example birth and marriage certificates.

[4] Under Regulation 32 of the LGPS Regulations 2013, written notices to receive the immediate payment of benefits in these cases are to the administering authority. In the actuality however the member will usually sign to receive immediate benefits as part of the employer/employee retirement process.

[5] See footnote 4.

3.6 Regarding the Data Protection Act 1998, the employer will protect from improper disclosure any information about a member contained (where applicable) on Altair, and also notifications of a member's pension details and any other item sent from the Office. It will also only use information supplied or made available by the Office for the operation of the LGPS.

3.7 Regarding the Disclosure Regulations, the employer will issue to all new employees eligible to join GMPF, at the time of appointment, a copy of the members' guide to the pension scheme (*your pension – a simple guide for new members*). This may be in the form of:

- directing all new members to GMPF's Members' website, where the guide is available to view and/or download; or
- issuing a booklet; or
- issuing a PDF.

Text for inclusion in appointment emails/letters is referred to in section 2.17 of the Pensions Office Guide to the LGPS 2008.

3.8 The employer will ensure that both employee and employer contributions are deducted at the correct rate, including any contributions that are due on leave of absence with reduced or no pay and any additional contributions GMPF request the employer to collect. Contributions (but not additional voluntary contributions) should be paid to GMPF on a monthly basis by BACS payment to GMPF's bank account. (Bank details are provided on the form P8 – Payment Advice). The P8 form should be completed (there are guidance notes on the form), certified by an authorised officer and emailed to contributions@tameside.gov.uk in advance of the payment. All contributions (but **not** additional voluntary contributions) should be paid to GMPF by the first working day of the month following the month of deduction. If a completed P8 is not provided for the payment then it cannot be allocated. This will register as a late payment and interest may be charged. If payment of contributions is overdue by more than one month the employer will be required to pay interest. Under the Pensions Act 2004 and the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014, the Pensions Regulator may be notified if contributions are not received by the 19th of the month (or 22nd of the month if paid electronically) following that in which they were deducted.

3.9 The employer will pay any additional voluntary contributions to the in-house additional voluntary contributions provider within one week of them being deducted. Under the Pensions Act 2004 and the Occupational Pension Schemes (Scheme Administration) Regulations 1996, the Pensions Regulator may be notified if contributions are not received by the 19th of the month (or 22nd of the month if paid electronically) following that in which they were deducted.

3.10 In the event of the Office being fined by the Pensions Regulator, this fine will be passed on to the relevant employer where that employer's action or inaction (for example the failure to notify a retirement within the time limits described above), caused the fine.

3.11 From time to time Tameside MBC auditors may request member data or may ask to attend at employer offices to carry out audits regarding, for example, the calculation of final salary pays, career average pays and assumed pays. Employers are requested to co-operate with these activities.

3.12 Employers' discretions policies: employers are required to formulate, publish and keep under review a policy statement in relation to the exercise of a number of discretions under the LGPS. The policies need to be in place and published at employers by 30 June 2014. A copy of the policies should be forwarded to GMPF as soon as possible thereafter and by no later than two months after 30 June 2014. Any subsequent revisions to the policies must be published and copied to GMPF within one month of the change in policy.

3.13 The employer will act on behalf of the administering authority regarding receiving elections for looking back in time pay figures. Ordinarily these elections should be made no later than one month prior to the date on which the member stops active membership. However, in the event of a member leaving with less than a month's notice, this requirement will be waived.

3.14 The employer will reply:

(i) to postings queries raised by the Office by 6 July each year[7];

(ii) to queries about pay (excluding retirements[8]), within 15 working days; and

(iii) other queries, especially those raised at the point of retirement, as soon as possible.

3.15 Employers with a link into Altair will be expected to use all of its features, for example, to calculate early retirement estimates and to answer queries that have been raised via *Work Flow* (formerly known as *Task Manager*).

4. Pensions Office Duties & Responsibilities

4.1 The Office will act for the employer regarding:

- the issue of notifications of a member's pension details, with the employer continuing to be responsible for employer decisions, and the Office for administering authority decisions;
- the determination of benefits following the death of a deferred beneficiary or pensioner;
- the payment of annual or spouses' compensation, and any adjustments due arising from, for example, re-employment;
- asking the member, within three months of joining GMPF (or us being notified), for a statement in writing listing all the person's previous periods of membership of a public service pension scheme.

4.2 To issue forms, newsletters, booklets and such other materials as are necessary for the administration of the Scheme and compliance with disclosure requirements.

4.3 To support employers by way of:

- employer bulletins/alerts
- the *Pensions Office Guide to the Local Government Pension Scheme*
- technical notes
- the GMPF employers' website
- Pensions Officer Meetings, with employers being invited to submit agenda items
- day to day contact.

4.4 To provide technical guidance by way of an employer bulletin within two months of any Regulatory changes.

4.5 There is also an open invitation for employer Pensions Officers and other representatives to visit the Office, subject to notice, to discuss any aspect of co-operation.

4.6 To produce postings queries for employers within one month of the receipt of a complete and correct year end return.

4.7 To produce annual benefit statements for despatch to contributors by 31 August each year (assuming receipt of accurate year end information from the employer by 7 May).

4.8 Pension savings statements to be issued each year to members who have exceeded the annual allowance, within six months of the end of the tax year, by 6 October (assuming receipt of all information needed from the employer by 6 July), or if requested by the member, pension savings statements to be issued by the later of three months from the request and six months from the end of the tax year (6 October).

4.9 Annual benefit statements to be issued to deferred members by 31 May.

4.10 Regarding the standards shown on the following page, to operate at 90% (or better) performance for non-statutory standards and 100% for statutory standards. A day is a working day:

[7] This is derived from a HMRC requirement and is needed to enable GMPF to generate pension savings statements in relation to the annual allowance where members have exceeded the annual allowance in GMPF. This deadline is also needed to enable GMPF to issue annual benefit statements by the statutory deadline of 31 August.

[8] Pay queries in relation to retirements should be responded to as soon as possible from the date the query was made by GMPF and by no later than 15 working days.

	Work flow	Standard
1	Letters/emails from members (or member's representatives) answered or acknowledged	5 days
2	New starters processed	10 days
3	Changes in details processed	10 days
4	Calls to the Helpline answered in office hours	100%
5	Annual benefit statements for deferred members issued	By 31 May
6	Annual benefit statements for active members issued	By 31 August[9]
7	Postings queries for employers issued	Within 1 month[10]
8	Technical guidance issued to employers via bulletins	Within 2 months of any Regulatory changes
9	Pension savings statements issued	By 6 October[11]
10	Estimates for divorce processed	10 days
11	Non-LGPS transfers in processed	15 days
12	Non-LGPS transfer out quotations processed	10 days
13	Non-LGPS transfer out payments processed	10 days
14	Internal and concurrent transfers processed	10 days
15	Refund payments made	10 days
16	Deferred benefits calculated	10 days
17	Annuity quotations calculated	5 days
18	APC/SCAPC illustrations calculated	10 days
19	AVC amendments noted on Altair	10 days
20	New retirement benefit options sent	10 days[12]
21	New retirements processed for payment	5 days[13]
22	Deferred benefits processed for payment	5 days[13]
23	Notification of a death processed	5 days
24	Dependants' pensions processed for payment	5 days
25	Death grants processed for payment	5 days
26	Tax-free retirement lump sum processed by Payroll	5 days
27	Payments recalled due to death	By noon on the eve of payday
28	Changes to bank details made	By payroll cut off date

5. Unsatisfactory performance

5.1 Where an employer materially fails to operate in accordance with the standards described in this PAS, which leads to extra costs being incurred by the administering authority, the administering authority may issue a written notice to the employer requiring that these extra costs be met by the employer.

[9] Where year-end returns have been received on time.

[10] Where complete and correct year-end returns have been received.

[11] Where the member has exceeded the annual allowance (limit currently £40,000) and information needed has been received on time, or where member has requested a statement, by the later of three months from the request and 6 October.

[12] Or within 20 days of the retirement date if the retirement notification is received sufficiently in advance.

[13] Or within 10 days of the retirement if the election is received sufficiently in advance.

Pension Administration Strategy Statement

2015 to date

July 2020

Annual Report 2020
Useful contacts

General members' enquiries

Greater Manchester Pension Fund
Guardsman *Tony Downes* House
5 Manchester Road
Droylsden, M43 6SF

If calling in person please use M43 7UH for satnav.

Visit www.gmpf.org.uk for general information or to send us a message.

0161 301 7000

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Property, Local Investments, Accountancy and Legal

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Employer Funding and Business Development

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A special thanks to all the organisations who agreed to be featured in this report, including Moneypenny and Thermo Fischer Scientific Inc.

Administered by Tameside Metropolitan Borough

GMPF Annual Report

2020