ANNUAL REPORT 2017

Contents

Chair’s introduction

2016/17 has been a successful year for Greater Manchester Pension Fund, with strong relative and absolute investment performance and a good actuarial valuation result. GMPF's success is based on long term performance and we passed through a number of significant milestones during the year, which demonstrate the scale of our achievements over the long term.

GMPF's assets are now over £21 billion with the number of employers rising above 500, and membership rising above 350,000. This compares to a position in March 2000 of a fund value of £6 billion with 166 employers and under 200,000 members. Going back further to 1974, GMPF was valued at £107 million, and had fewer than 50 employers and 80,000 members. It is clear that there has been an exponential change in the scale and complexity of GMPF's operations.

In 2016/17, all funds within the Local Government Pension Scheme continued to face the challenges wrought by the impact of monetary policy, with the UK base rate of interest currently at 0.25% per annum. This has resulted in exceptionally low long term interest rates and negative nominal rates in some Government bond markets. This results in a higher value being placed on pension promises earned, and more assets being required to meet these promises. Despite this, GMPF has improved its funding position in the period 2013 to 2016.

GMPF has also made significant progress in terms of responding to the Government's initiative to pool the investment management of the LGPS funds in order to improve returns, reduce costs and increase investment in infrastructure. The Northern Pool which combines Greater Manchester, Merseyside and West Yorkshire pension funds is leading the way nationally on investment in housing and infrastructure.

2016 was a year of massive political uncertainty with a number of surprise election and referendum results. However one constant was the pressure on our employers, who continue to face the impact of the Government’s austerity measures and its policies on public service delivery. This could result in a potential weakening of the covenant strength of these employers.

In such challenging times, it is imperative that GMPF maintains its long term and robust approach to governance, which has delivered successful outcomes over many years. This has taken the form of superior investment returns and low costs, and the resulting high funding levels and low, stable contribution rates for employers.

Key achievements

Key achievements during the year include:

- Investment performance in excess of strategic benchmark
- Maintaining stability of employer contributions
- Expansion of the direct infrastructure investment vehicle to over £1 billion through partnership with GMPF's Northern Pool partners and others.

Funding issues

The triennial actuarial valuation of GMPF was completed during 2016/17. We improved our overall funding level to 93%, compared to 91% at the 2013 valuation.

We achieved this position whilst having become the sole provider of LGPS benefits to the Probation Service. This resulted in us taking on the liability of pension benefits from other local authority funds, which were generally less well funded than ourselves.

Our main employers saw an average improvement of 5% in their funding position. GMPF's focus has been on keeping contribution rates stable. This has been achieved through our long term focus on strong governance, which has been a key driver in delivering superior investment returns.

Investment performance & management arrangements

Investment performance for this year and in previous years is very strong on both an absolute basis and relative to GMPF's specific benchmark. This strength and consistency is not an accident and is the reward for the stability and consistency of the approach taken by GMPF over many years. The table below shows this.

Period	GMPF actual return per annum	GMPF specific benchmark return per annum
2016/17	23.8%	20.7%
5 years	10.9%	10.2%
10 years	7.3%	7.0%
25 years	9.4%	8.8%

The management arrangements remain stable, with constant review and improvements made, such as the introduction of specialist managers where necessary. Examples in recent years include La Salle (property) and Investec (global equities) who this year have increased their assets under management for GMPF. This stability is important for delivery of returns and will be retained as GMPF considers its arrangements for pooling investment management within the Northern Pool.

Local investment

We continue to progress local investment opportunities with the twin aims of commercial returns and supporting the economy of Greater Manchester and the wider North West of England. One of the key challenges for economic growth in the local area is the lack of financing available for the building of new homes. A key feature of GMPF's activity this year has been working alongside the Greater Manchester Housing Investment Fund to provide financing to developers to build much needed new homes. At the time of writing this report, GMPF has made or is in the later stages of due diligence on deals worth approximately £100 million, leading to the building of over 2,000 new homes. GMPF receives a rate of return that is commensurate with the risk taken in these investments and overall this will be well in excess of the rate assumed in the actuarial valuation. Investment in residential property has strong risk mitigating factors through its inherent collateral and revenue generation.

Investment Pooling within the LGPS

Last year I reported that we had submitted a proposal to Government to set up a Northern Pool together with Merseyside and West Yorkshire Pension Funds. Work on this investment vehicle continues.

The Northern Pool has progressed in advance of the other LGPS Pools and reflects the strength and flexibility of the governance arrangements that we are in the process of setting up with our partner funds.

All three funds have strong records on performance and cost and have well resourced, experienced and qualified management teams. We are still working on the corporate structure of our pooling arrangements but I and the Management Panel will ensure that it builds on the existing strengths whilst maintaining the accountability to GMPF's various stakeholders.

We have also set up a collective investment vehicle known as GLIL. We formed GLIL together with the London Pension Fund Authority (LPFA), and since then, Merseyside, Lancashire and West Yorkshire pension funds have also come on board. GLIL has commitments of £1,275 million to invest directly in infrastructure - further details of its activities can be found later in this report.

Conclusion

The general environment continues to be volatile, but despite political uncertainty interest rates remain low and asset values have risen. This has helped GMPF to achieve strong investment returns during the year, and to build on its consistent long term outperformance.

We have long recognised the need to communicate with all of our stakeholders and to be able to respond to the challenges that the future brings. We also need to balance the short and long term needs of employers in a prudent way from a GMPF perspective and this is shown in the stability of funding levels and employer contribution rates.

The GMPF Management Panel and I will continue to take decisions from a long term perspective to help maintain our success. This is particularly important with regards to how GMPF implements its pooling arrangements with its Northern Pool partners. There will be a clear emphasis on the maintenance of strong and consistent investment returns and the control of costs. This is best achieved through consistent governance structures with clear accountability.

The management team, led by Sandra Stewart as Executive Director, is experienced and has supported the Panel well in maintaining GMPF's strong governance.

I thank the members of the Panel, the Advisors, the Local Pensions Board, Investment Managers and not least our staff for their work over the year.

Councillor Kieran Quinn
Chair, Pension Fund
Management Panel

Management structure

Tameside MBC became GMPF's 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 management
- 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 Greater Manchester 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 2017 are listed on the following page.

Assistant Executive Director, Investments, Steven Taylor, Councillor Kieran Quinn and Executive Director of Pensions, Sandra Stewart.

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 Tameside MBC 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; and
- Ensuring the effective and efficient governance and administration of the Scheme

External advisors

Four external advisors assist the Advisory Panel, in particular regarding investment related issues. A key element is helping it to question the portfolio managers on their activities. The advisors are:

RS Bowie, Senior Partner, Hymans Robertson

L Brown OBE, Retired Director of Finance

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

M Powers, Retired Investment Manager.

External advisors Peter Moizer (left) and Mark Powers.

Management Panel

Councillor K Quinn	*Tameside (Chair)*
Councillor GP Cooney	*Tameside*
Councillor J Fitzpatrick	*Tameside*
Councillor J Lane	*Tameside*
Councillor J Middleton	*Tameside*
Councillor C Patrick	*Tameside*
Councillor S Quinn	*Tameside*
Councillor C Reid	*Tameside*
Councillor VP Ricci	*Tameside*
Councillor M Smith	*Tameside*
Councillor JC Taylor	*Tameside*
Councillor D Ward	*Tameside*
Councillor M Francis	*Bolton*
Councillor J Grimshaw	*Bury*
Councillor A Stogia	*Manchester*
Councillor B Ames	*Oldham*
Councillor A Brett	*Rochdale*
Councillor J Hamilton	*Salford*
Councillor JN Pantall	*Stockport*
Councillor A Mitchell	*Trafford*
Councillor T Halliwell	*Wigan*
P Herbert	*Ministry of Justice*

Advisory Panel

Councillor K Quinn	*Tameside (Chair)*
Councillor M Francis	*Bolton*
Councillor J Grimshaw	*Bury*
Councillor A Stogia	*Manchester*
Councillor B Ames	*Oldham*
Councillor A Brett	*Rochdale*
Councillor J Hamilton	*Salford*
Councillor JN Pantall	*Stockport*
Councillor A Mitchell	*Trafford*
Councillor T Halliwell	*Wigan*
P Herbert	*Ministry of Justice*

Employee representatives

A Flatley	*GMB*
J Thompson	*UCATT*
K Allsop	*UNISON*
M Baines	*UNISON*
K Drury	*UNITE*
F Llewellyn	*UNITE*

Local Board

Employer representatives

Councillor W Fairfoull	*Tameside (Chair)*
Councillor J Cooper	*Tameside*
J Hammond	*Representative of GM Monitoring Officers*
R Paver	*Representative of GM Treasurers*
P Taylor	*Representative of non local authority employers*

Scheme Member representatives

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

Working groups

GMPF also has six permanent working groups which consider particular areas of its activities and make recommendations to the Management Panel. These working groups cover the following matters:

- Alternative Investments
- Policy and Development
- Employer Funding & Viability
- Investment Monitoring and Environmental, Social and Governance (ESG)
- Pensions Administration
- Property

Frequency of meetings

The Panels and working groups typically meet quarterly and GMPF's active investment managers attend Panel meetings as required. All managers attend the Investment Monitoring and ESG working group annually to report on corporate governance and responsible investment matters.

Officers to GMPF 2016/17

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

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

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

GMPF's senior management arrangements were changed shortly after the start of the reporting period, following the retirement of the former Executive Director of Pensions, Peter Morris, in April 2016.

Consulting Actuary

GMPF's Consulting Actuary is Hymans Robertson.

Pensions Policy Manager Emma Mayall.

Training and attendance 2016-17

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	Pension Administration Working Group	Investment Monitoring & ESG Working Group	Alternative Investments Working Group	Property Working Group	Employer Funding Working Group	Policy & Development Working Group
Cllr K Quinn	100%						100%
Cllr G Cooney	100%			100%		100%	100%
Cllr J Fitzpatrick	100%				100%	100%	75%
Cllr J Lane	75%	100%			50%		50%
Cllr J Middleton	100%	100%	75%				
Cllr C Patrick	75%	75%				75%	
Cllr S Quinn	100%	75%			100%		100%
Cllr C Reid	75%			0%		0%	
Cllr V Ricci	75%		75%	75%			
Cllr M Smith	100%				75%		50%
Cllr J Taylor	100%		100%				75%
Cllr D Ward	100%			100%	100%		
Cllr B Ames	0%			0%		0%	
Cllr R Akbar[1]	0%	0%	0%				
Cllr A Brett	75%	100%	100%				
Cllr M Francis	25%	0%	0%				
Cllr J Grimshaw	100%	75%	75%		50%		
Cllr T Halliwell	100%			100%	100%		
Cllr J Hamilton[2]	66%			100%	75%		
Cllr A Mitchell	50%		75%			75%	
Cllr J Pantall	100%		75%				100%
Cllr A Stogia[3]	100%	100%	100%				
Cllr P Wilson[4]	0%			0%	0%		
Mrs P Herbert	100%					0%	
Mr K Allsop	75%	100%	75%		75%	100%	
Ms M Baines	0%			0%			0%
Mr K Drury	100%			50%	25%		
Mr A Flatley	100%	0%				25%	
Mr F Llewellyn	75%		50%			50%	
Mr J Thompson	75%			50%	25%		

[1] *Up to July 2016*

[2] *From September 2016*

[3] *From September 2016*

[4] *Up to July 2016*

Conferences & training events

	UBS Training Day 2 June	PLSA Annual Conference 19-21 October	LGE Day 2 Fundamentals Training 9 November	SPS Local Authority Conference 17 November	SPS Annual Pension Conference 22 November	Capital International Training Day 1 December	Workplace Pensions & Benefits Conference 25 January
Cllr K Quinn	✓	✓				✓	
Cllr G Cooney	✓			✓		✓	✓
Cllr J Fitzpatrick	✓						
Cllr J Lane	✓	✓					
Cllr J Middleton	✓						
Cllr C Patrick	✓					✓	
Cllr S Quinn	✓	✓				✓	
Cllr C Reid						✓	
Cllr V Ricci	✓					✓	
Cllr M Smith				✓			
Cllr J Taylor						✓	
Cllr D Ward	✓			✓		✓	
Cllr B Ames							
Cllr A Brett	✓					✓	✓
Cllr M Francis							
Cllr J Grimshaw	✓	✓				✓	
Cllr T Halliwell	✓					✓	
Cllr J Hamilton							
Cllr A Mitchell	✓						
Cllr J Pantall		✓				✓	
Cllr A Stogia			✓				
Mrs P Herbert	✓					✓	
Mr K Allsop	✓				✓	✓	✓
Ms M Baines							
Mr K Drury	✓					✓	
Mr A Flatley					✓	✓	✓
Mr F Llewellyn						✓	
Mr J Thompson							

GMPF Local Pension Board

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

The GMPF Local Pension Board *(The Board)* was established following the Public Service Pensions Act 2013, 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 have no executive power. 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 to the GMPF Management Panel's decision making processes and providing input from a scheme member and an employer perspective.

We also have a duty to report any material breaches of relevant law to The Pensions Regulator, and the Board has adopted a policy and procedure to enable us to do so if necessary.

Board membership

Local pension boards are required to contain an equal number of employer and scheme member representatives. The GMPF Board was originally established in February 2015 with two employer representatives and two scheme member representatives, but was increased in size, firstly to four of each and then to five of each with effect from May 2016. This reflects the large number of members and employers participating in GMPF.

Local Pension Board - Representatives and attendance levels		
Employer representatives		
Cllr W Fairfoull	*Tameside (Chair)*	100%
Cllr J Cooper	*Tameside*	75%
J Hammond	*Representative of GM Monitoring Officers*	75%
R Paver	*Representative of GM Treasurers*	100%
P Taylor	*Representative of non local authority employers*	100%
Scheme member representatives		
M Rayner	*UNISON*	50%
C Lloyd	*UNISON*	75%
D Schofield	*GMB*	75%
C Goodwin	*UNITE*	50%
P Catterall	*Pensioner representative*	75%

The two most recent appointments to The Board are a representative of non-local government employers and a pensioner member representative, who were selected from a large number of applicants. Other scheme member representatives are nominated by the main trade unions.

Two of the employer representatives on The Board are elected members appointed by the administering authority. The other two employer representatives are nominated by the Association of Greater Manchester Municipal Treasurers and the Association of Greater Manchester Monitoring Officers.

The members of The Board at 31 March 2017, who they represent and their attendance record at Board meetings during 2016/17 is shown in the table below. The Board met four times during the 2016/17 year.

Information about The Board, including minutes of Board meetings and a register of members' interests is publicly available on the GMPF website via the following link: **http://www.gmpf.org.uk/behindthescenes/board.htm**

The Board has an annual budget of £25,000. During the 2016/17 year, the costs of The Board were £12,002.

Local Pension Board Member Training

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.

Councillor Bill Fairfoull, Chair, GMPF Local Pension Board.

The Board has carried out an analysis of its level of knowledge and understanding, both on an individual member basis and on a collective basis. Training is focussed in the areas where material improvements can be made to the knowledge and understanding of The Board as a whole.

This year the Board has received the following training sessions which have taken place within Board meetings.

Local Pension Board - training	
Date of meeting	**Topic covered**
1 August 2016	*Funding and investment processes and principles*

In addition, Board members attend the two training days a year facilitated by GMPF fund managers and attend the training sessions which form part of GMPF Management Panel meetings. Board members are also encouraged to attend useful seminars and conferences which will help them to increase their knowledge levels.

The table below shows attendance of Board members at training events and conferences over the year.

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 receive all of the reports which are considered by the Management Panel. The Board considers particularly 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.

As you would expect, the topics of pooling of assets and the actuarial valuation process have been high on The Board's agenda over the year and these have been discussed in detail at several meetings. The Board also considers in detail the governance process overseeing the production of GMPF's annual accounts and will continue to do this on an annual basis.

The Board has also received reports summarising GMPF's compliance with The Pensions Regulator's code of practice in respect of the governance and administration of public service pension schemes and how this has been assessed.

We have also spent some time reviewing existing communications material and discussing how communications between GMPF, its members and employers may be improved. We have also looked at practical ways to encourage both members and employers to provide accurate and timely data, which is essential to the efficient operation of GMPF.

Senior officers from the administering authority's internal audit function attend each Board meeting and provide an overview of future scheduled audits related to the pension fund and discuss key findings from audits undertaken over the previous quarter. A significant proportion of internal audit days are allocated to visiting the teams at GMPF employers who provide our administration team with membership data.

Local pension boards are still in their infancy and the role of The Board will continue to evolve over the coming years. It is still early days, but I believe that The Board is already fulfilling two important functions: offering constructive challenge 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.

I would like to thank all members of The Board, in the part they have played over the 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,
GMPF Local Pension Board.

Local Pension Board - attendance at conferences & training events

	UBS Training Day 2 June	LGPS Annual Conference 23 June	LGA Local Board Conference 29 June	LGE Day 1 training 18 Oct	LGE Day 2 training 17 Nov	LGE Day 3 training 6 Dec	Capital Training day 1 Dec	CIPFA Spring Seminar 1 March
Cllr B Fairfoull				✓	✓	✓	✓	
Cllr J Cooper	✓						✓	
J Hammond			✓					
R Paver	✓							
P Taylor	✓							
M Raynor								
C Lloyd								
D Schofield								
C Goodwin	✓	✓					✓	
P Catterall	✓							✓

Top 20 equity holdings

1	Royal Dutch Shell	£318 million
2	BP	£275 million
3	HSBC Holdings	£211 million
4	Barclays	£190 million
5	Glaxo Smith Kline	£177 million
6	Lloyds Banking Group	£173 million
7	3i Group	£148 million
8	Rio Tinto	£144 million
9	Glencore	£141 million
10	BAE Systems	£123 million
11	Anglo American	£115 million
12	Aviva	£107 million
13	Vodafone Group	£97 million
14	Unilever	£89 million
15	Carnival	£82 million
16	Centrica	£78 million
17	Roche Holding	£74 million
18	Balfour Beatty	£71 million
19	Tesco	£68 million
20	Astra Zeneca	£66 million

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/investments/holdings.htm**

Investment report

Investment management

Management of GMPF's assets is determined within the context of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 as amended. 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 2017 the total Fund value was £21,271 million. Of this total £21,041 million was held in the Main Fund and invested across a broad spread of assets whilst £230 million was held in the Designated Fund and invested in UK index-linked gilts, cash and pooled funds designed to provide protection against higher than expected inflation.

The UK index-linked gilts and cash portfolios of the Designated Fund are passively managed in-house and the inflation protection funds are passively managed by Legal & General Investment Management.

During the course of 2000/01 an extensive review of the external management arrangements of the Main Fund was undertaken. This review culminated in the adoption of a Fund specific benchmark and the appointment of UBS Asset Management (UK) and Capital International as active managers and Legal & General Investment Management as passive manager. UBS and Capital manage the securities portfolios 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 Investec Asset Management Ltd and was funded in 2015. The credit mandate appointment is currently being progressed through due diligence and will be funded in 2017.

GMPF published a Core Belief Statement in 2009, which sets out the key underlying beliefs of the Management Panel in relation to investment issues and GMPF's overall approach to investment matters. These beliefs 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 the following page 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 the JP Morgan Chase Bank - 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.

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 2016/17 is summarised in the charts on the following page.

Each of the three multi-asset managers has been given a specific benchmark reflecting their perceived skills and the relative efficiency of markets. The active multi-asset managers are given ranges for each asset class allowing them to make tactical asset allocation decisions. Investec are relatively unconstrained against a Global Equity benchmark.

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.
• **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 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.

Management arrangements

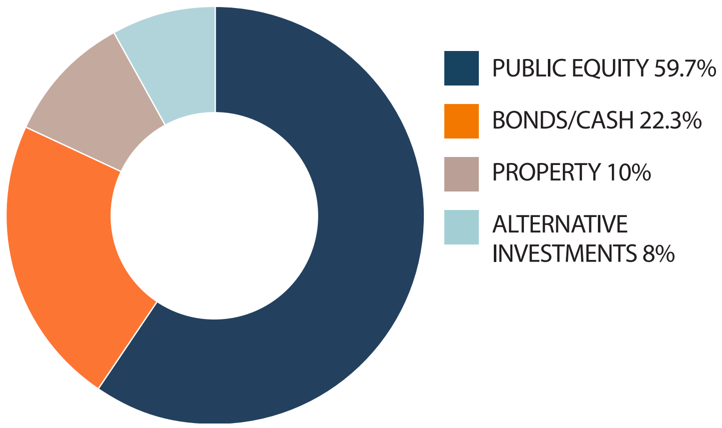
Total Main Fund
£21,041 million

Externally managed	**£18,679 million**
Securities Portfolio	
UBS	£7,804 million
Legal & General	£6,249 million
Capital	£2,829 million
Investec	£1,086 million
Property	
LaSalle	£676 million
GVA	£35 million

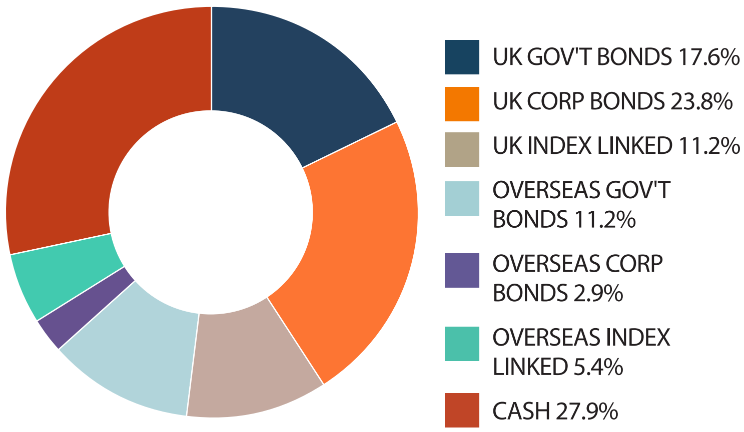
Internally managed	**£2,362 million**
Cash & Private Equity	£1,880 million
Property	£482 million

Benchmark asset allocation

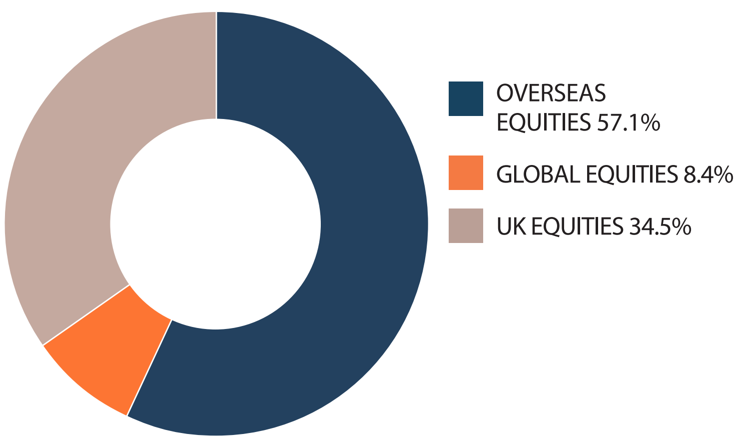
Major asset class split



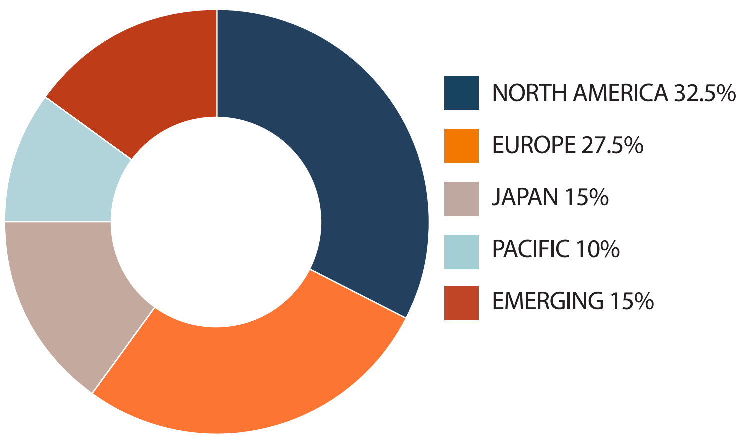
Bonds/cash split



UK/Overseas equity split



Overseas equity split



Investment strategy *(continued)*

GMPF's target allocation to private equity is 5% of Main Fund value, which, at the year end, was implemented by new commitments to specialised funds of £240 million per year. During 2016 GMPF increased its target allocation to infrastructure funds from 4% to 5% of Main Fund value, which at the year end, was implemented by new commitments to specialised funds averaging £150 million per year with effect from 1 July 2016. The target allocation to the Special Opportunities Portfolio (SOP) is 5% of Main Fund value. Current realistic benchmark allocations for private equity, infrastructure and SOP are 3%, 2% and 1.5% 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.

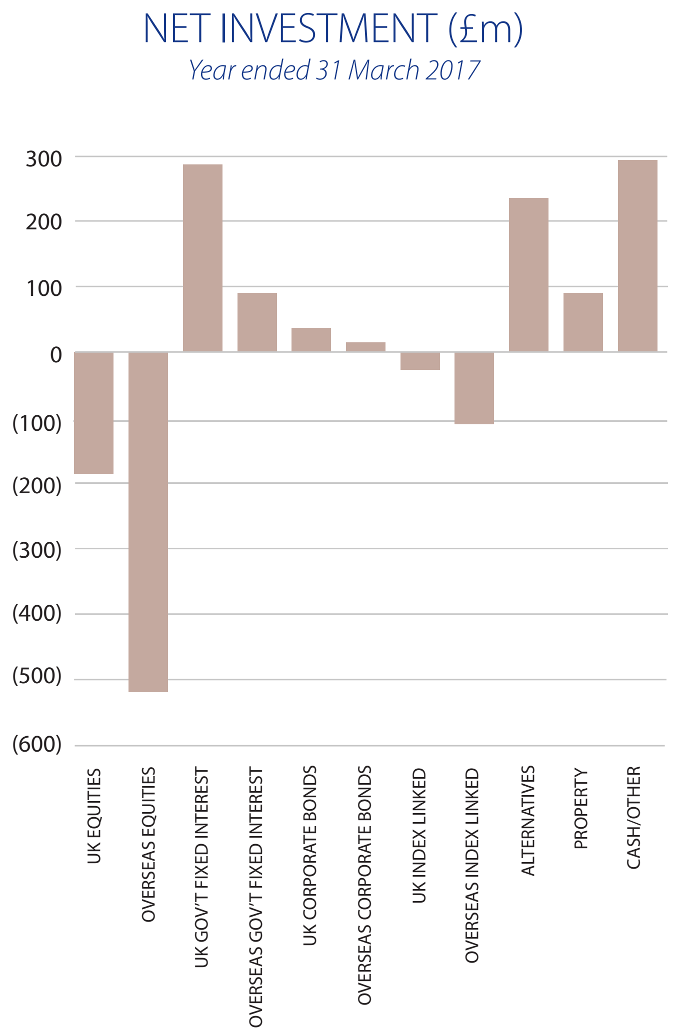
The graph bottom left shows the net effect, on an economic exposure basis, of the total investment activity of the Main Fund during the year, based on the Panel's restrictions. As can be seen, there has been a switch out of UK and Overseas Equities and UK and Overseas Index Linked into UK and Overseas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

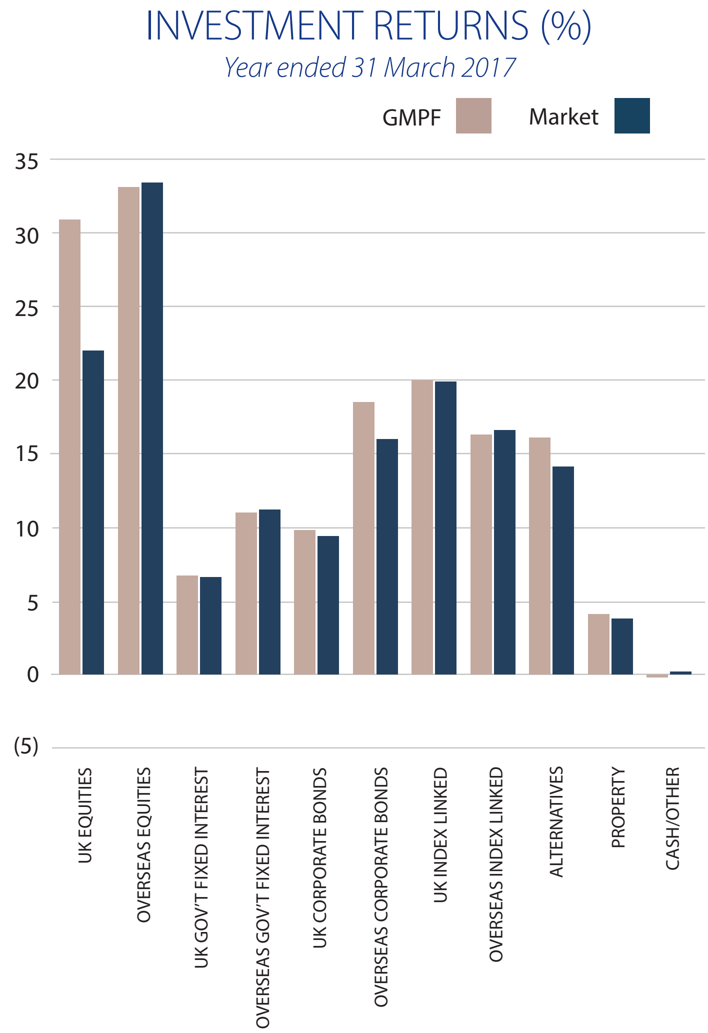
Performance

The graph bottom right compares the return achieved by the Main Fund with the market/benchmark index return in each of the main investment categories during the year.

The year saw positive returns in almost all investment categories, with particularly substantial returns being achieved in UK and Overseas Equities, Overseas Corporate Bonds, UK and Overseas Index Linked and Alternatives.

The Main Fund achieved a return of 23.8% during the year, substantially out-performing the benchmark index in UK Equities, out-performing the benchmark index in UK Government Fixed Interest, UK and Overseas Corporate Bonds, UK Index Linked, Alternatives and Property, but under-performing against the benchmark in all other asset classes.



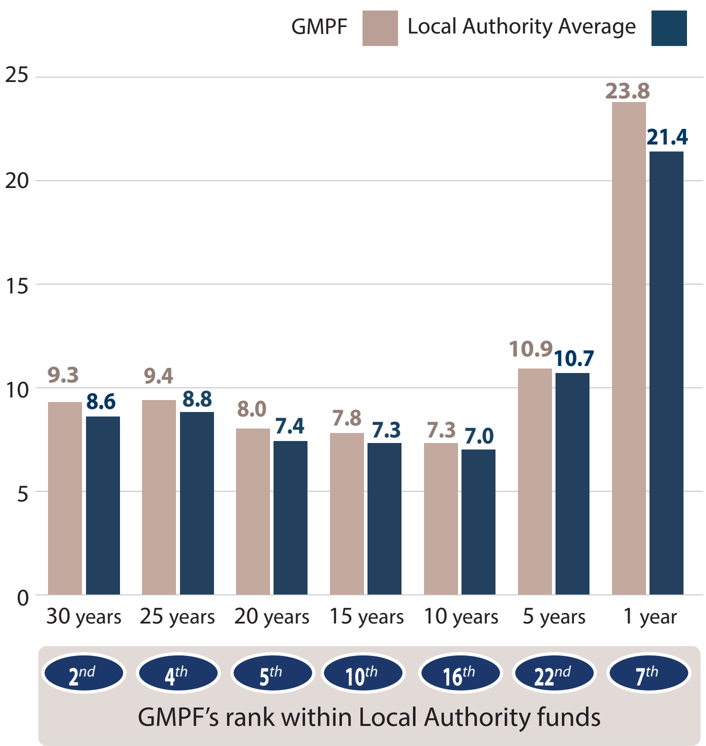


GMPF subscribes to PIRC's Local Authority Pension Performance Analytics Service in order to assess its performance relative to other funds which operate under the same regulations. The graph top right looks at the Main Fund's performance as compared to the local authority average over various durations extending over 30 years. Over the long term the Main Fund has consistently outperformed the average local authority by around 0.7% per year and, over periods of 15, 20, 25 and 30 years, has ranked in the top 10 of such funds.

> The year saw positive returns in almost all investment categories.

PENSION FUND RETURNS (% pa)

PIRC Local Authority Survey - Financial years to 31 March 2017

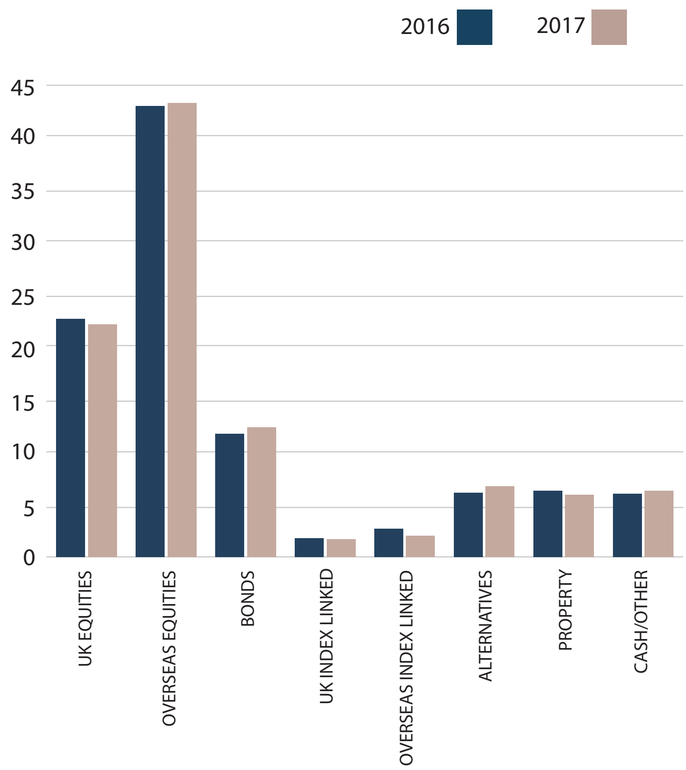


Portfolio distribution

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 bottom graph on this page.

PORTFOLIO DISTRIBUTION (%)

Market value at 31 March

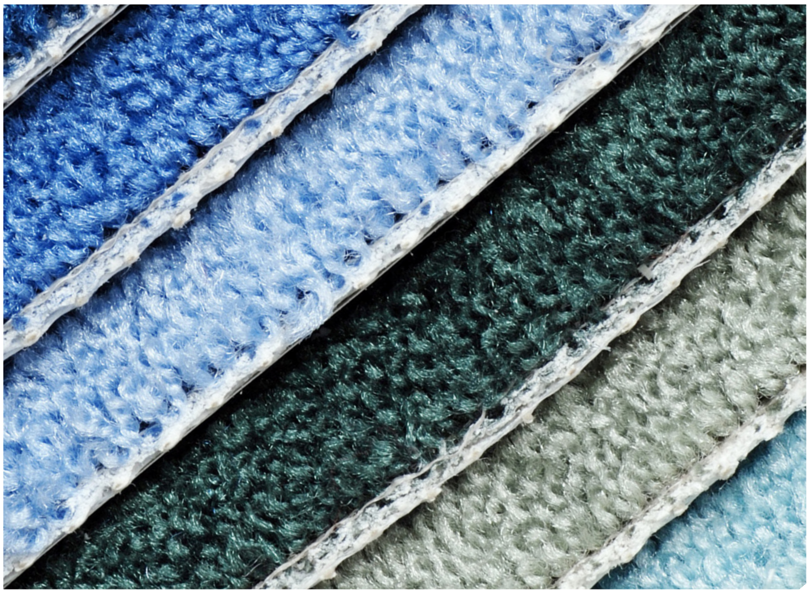


Equities portfolio: Synthomer

Synthomer is a specialist chemical company, and one of the world's leading manufacturers of aqueous polymers. Its products find their way into an incredibly wide range of items – everything from books and magazines, to food packaging, paints, carpets, tiles and vehicles.

Examples include coatings for paper and board for the print industry, binders used in cement floor screeds, nitrile used in the manufacture of gloves for the medical profession, butadiene based latices used for carpet backings, and adhesive dispersions for packaging tape. The company employs 2,700 staff in 16 countries, and operates across 25 production sites throughout the world.

synthomer



Courtesy of Vestas Wind Systems A/S

Equities portfolio: Vestas

Fossil fuels are a finite resource that will gradually disappear. And with energy consumption soaring, the future has to lie in renewable energy, with pioneering companies like Vestas leading the way in harnessing the power of the wind. Wind power is, to quote Vestas "A natural replacement sweeping freely around the earth".

With more than 35 years' experience in the design, manufacture and installation of wind turbines, Vestas can quite rightly claim to have more experience than anyone else in making wind work.

Its products can be found in 75 countries around the world, in all kinds of challenging sites, from high altitude to extreme weather conditions.

Probably the most challenging is Lake Turkana wind farm, in Kenya – dubbed the windiest place on Earth.

The Lake Turkana wind farm will provide around 15 percent of the country's electricity needs, and will save it more than 100 million euros a year in imported fuel costs.

Economic background

The most important event in the UK during the first quarter of 2016/17 was the referendum on EU membership which was held on 23 June. Britain decided to leave the EU on a 52% to 48% margin and, as a consequence, David Cameron resigned as Prime Minister. Regional differences (Scotland/Northern Ireland's preference to remain versus a vote to leave in England/Wales) mean that political uncertainty within the UK is likely to continue for the foreseeable future. At this early stage, the impact on relations between the UK and the rest of Europe is also highly uncertain. From an economic perspective, the nature of the UK's future trading relationships with the EU and the rest of the world are clearly key.

There was no policy change from the European Central Bank (ECB) during the first quarter, with the governing council still very much in the "wait and see" camp, expecting that the measures introduced in the previous quarter would have a positive influence on the European economic recovery. Political risk across the Eurozone increased following the Brexit decision. There were concerns that the successful "Leave" campaign in the UK might well be leveraged by many populist parties across Europe creating a source of heightened uncertainty with critical elections to be held in the next 12 to 18 months. However, a general election in Spain immediately following the Brexit decision saw victory for the moderate centre right Popular Party.

In a bid to mitigate the risks posed by the UK's vote to leave the EU, the Bank of England (BoE) implemented a broad package of monetary stimulus measures in August which included an interest rate cut of 0.25%. The BoE also unexpectedly resumed its quantitative easing programme and expanded asset purchases to include corporate bonds in an effort to counter the impact of "Brexit". Mark Carney, the BoE's governor, noted that there was a "clear case for stimulus and stimulus now", as the BoE reduced growth forecasts for 2017 in particular.

On 2 October 2016, Britain's new Prime Minister, Theresa May, announced that the country would begin formal Brexit negotiations by March 2017. The BoE decided to leave policy unchanged, noting that the near-term outlook for the economy appeared stronger than expected when it cut rates in August 2016. The Monetary Policy Committee (MPC) noted that it was willing to accommodate a period of above target inflation given the risks around the economy over the Brexit period. Preliminary Q3 GDP (Gross Domestic Product) beat expectations as annual growth lifted to 2.3% and the unemployment rate fell to 4.8%. There were signs that house prices continued to rise alongside a rebound in consumer confidence and retail sales mid-quarter.

Prior to President-elect Trump's inauguration on 20 January 2017, there was a general consensus in the US that a combination of fiscal stimulus, lower corporate taxation and less arduous regulation should spark renewed growth in corporate profits. This prevailing mood of optimism was not shaken by the Federal Reserve raising short-term interest rates in December. The central bank also forecast a faster pace of interest rises, with three rate rises seen as likely in the coming year. Following revisions, Q3 real GDP came in at a 3.2% annualised rate beating market expectations. Q3 corporate profits annual growth also surged into positive territory in the US.

December saw the ECB unveil its latest policy decision to extend its landmark quantitative easing programme until at least December 2017, albeit at a gentler pace. ECB President Mario Draghi stated that support for the Eurozone economy would continue until inflation was back to its target of just under 2% on a sustained basis. This was against a backdrop of relatively weak economic data over the last quarter of 2016.

During the first quarter of 2017 geopolitical events remained the key market driver. President Trump's inaugural address echoed the combative spirit of his campaign with a clear focus on "America first" policy. However, by March there was a first major legislative failure, with the proposed healthcare reforms failing to attract sufficient support in Congress to progress. This failure may have negative implications for the President's plans to implement ambitious comprehensive tax reforms.

The end of March marked the start of at least 2 years of uncertainty as the UK formally began the process of withdrawing from the EU. On 29 March, Theresa May triggered Article 50 of the Lisbon Treaty, initiating the divorce that will shape the country's relationship with its largest trading partner. Adding to the pressure, First Minister Nicola Sturgeon announced her intention to seek a second independence referendum in Scotland.

Across Europe voters rejected anti-EU politicians in elections in both Austria and the Netherlands. The Dutch election in particular was closely watched and the news that the incumbent Prime Minister, Mark Rutte would form the next government , having beaten the party of populist Geert Wilders, soothed fears of a continued rise in anti-establishment parties ahead of key elections in France and Germany. Eurozone output and new order growth accelerated to near six-year records in March 2017, rounding off the best quarter for the currency union's economy since the second quarter of 2011.

Despite the political uncertainty, global equity markets enjoyed four successive quarters of strong advances throughout the year although bond market returns were more mixed as interest rates began to rise.

Private equity

Since 1981 GMPF has invested in private companies through pooled vehicles raised by specialised management teams. Nine new fund commitments together totalling almost £237 million were made by GMPF during 2016/17. The portfolio of 101 active funds is diversified by stage of investment (from early stage investments to very large buyout investments) and geographic location across the UK, Europe, the US and Asia.

As at 31 March 2017 the target rate of annual new fund commitments was £240 million. Of the £1,520 million committed to funds, some £954 million has been drawn down and invested by managers and £863 million has been returned to GMPF as distributions of sales of investments and income. The value of assets currently invested in private equity was £589 million.

During 2011, GMPF undertook a fundamental review of private equity performance measurement in conjunction with its specialist adviser (Capital Dynamics), leading to the adoption of a *vintage decade* approach. The *since inception* performance remains stable, with an annualised return of 16.6% as at 31 March 2017. 1980 vintage commitments have returned over 12% per year, whilst 1990 vintage commitments have returned over 25% per year. The performance of funds invested between 2000 and 2010 is over 9% per year.

Private equity portfolio: Evans Cycles

Through its private equity partner ECI, GMPF has invested in Evans Cycles. The company can trace its roots back to South East London in 1921, when it opened its first shop specialising in building its own frames and bikes. Today it has expanded to over 60 stores all over the UK, plus a strong mail order and online business. The stores are a genuine "haven for cyclists" - a place where they can test ride a range of bikes, arrange repairs or servicing, book a place on an organised ride and of course shop for a wide range of bikes, spare parts, accessories and clothing.

EVANS CYCLES

Infrastructure funds programme

The infrastructure funds programme commenced in 2001 and GMPF's specialist adviser is Capital Dynamics Ltd. Two new fund commitments totalling £105 million were made by GMPF during 2016/17 and the portfolio grew to 24 active investments, with four funds having already been fully realised.

As at 31 March 2017 the target rate of annual new fund commitments was £150 million, having increased from £120 million per annum with effect from 1 July 2016. As the portfolio is immature, it is recognised that the 5% target allocation will take several years to achieve. Of the £614 million committed, some £398 million has been drawn down and invested by managers.

In addition, £127 million has been received back through distributions of sales of investments and income.

As at 31 March 2017 the value of assets currently invested in infrastructure was £388 million. Although the infrastructure portfolio is immature, the *since inception* performance has improved to an annualised return of 10.8% per year as at 31 March 2017.

Special Opportunities Portfolio

GMPF established the Special Opportunities Portfolio (SOP) in 2009/10 in order to broaden the range of assets in which it invests, to improve diversification and assist with stability, and to take advantage of opportunities as they arise or as market conditions allow.

Two new fund commitments totalling £120 million were made by GMPF in 2016/17, resulting in a portfolio of eleven active investments. Of the £543 million committed/invested to date, some £305 million has been drawn down and invested by managers.

In addition, £99 million has been received back through distributions of realisations and income. A number of potential opportunities remain under active consideration.

As at 31 March 2017 the value of the investments within SOP was £269 million. The short lifespan of the portfolio to date does not yet lend itself to the calculation of meaningful performance numbers, but overall positive returns have been generated since the first investment was made in 2009.

GLIL INFRASTRUCTURE

Direct infrastructure

In April 2015, 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 formed as a limited liability partnership (LLP) and has been named GLIL Infrastructure LLP (GLIL). West Yorkshire, Merseyside and Lancashire County Council pension funds joined GLIL in December 2016, resulting in total commitments to GLIL of £1.3 billion. GMPF is the largest participant in the venture.

GLIL began investing in October 2015 and has completed three transactions with a total value of more than £250 million. The most recent of these transactions is the financing of new rolling stock for the East Anglia rail franchise. In total, 378 new vehicles will be purchased to replace old rolling stock, creating faster, more frequent and less polluting journeys.

GLIL's largest transaction was the purchase from Scottish and Southern Energy (SSE) of a 21.7% stake in Clyde wind farm for £150 million. Clyde is one of the largest wind farms in Europe, with 154 operational turbines capable of generating 350 megawatts. SSE is in the process of constructing a further 54, more powerful turbines on the site, in which GLIL will have the option to invest.

An artist's impression of the FLIRT train, manufactured by Stadler. Fifty eight of these trains (comprised of 378 vehicles) will provide a significantly enhanced passenger experience on key routes within the East Anglia network, including the Stanstead Express and London to Norwich intercity line.

> GMPF is the largest participant in the GLIL venture.

LPFA your pension our world

Lancashire County Council

Merseyside Pension Fund

West Yorkshire Pension Fund

gmpf

Property

At 31 March 2017, GMPF's main UK property portfolio comprised 43 directly owned holdings and eight indirectly owned specialist holdings. The portfolio was valued at that date at just over £683 million. There is an additional £314 million invested in UK balanced property pooled vehicles, which are mainly held for asset allocation purposes and a further £80 million committed to alternative funds (though not all of this money has so far been drawn down and is at work).

During 2015/16 GMPF made its first venture into owning overseas property, through investments in four indirect funds operating in North and Western Europe, the US and other selected regions in the Americas and Asia.

In 2016/17 investment was made into a further four overseas funds, operating in the Nordics, Western Europe and US debt space. Nearly £330 million has been committed to the eight funds, however only £91 million was drawn down and at work as at 31 March 2017.

In 2016/17, LaSalle Investment Management completed its second full year as property investment manager. As part of its work in overhauling and working the main UK portfolio, it sold five smaller underperforming assets, with four of these in the retail sector and the other an industrial unit. These were replaced with a retail park in Croydon and a brand new industrial estate at Airport City in Manchester, which were purchased for £46 million and £12 million, respectively.

Photos of these two acquisitions are shown below and on the opposite page.

In 2016/17, the aggregate total return for the main property portfolio (which does not include the balanced property pooled vehicles) was 3.8% and very marginally underperformed the benchmark (IPD mean universe fund return) of 3.9%, ranking the portfolio at the 63rd percentile. Relative GMPF performance is shown in the table below. Although, short and long term performance is still behind the IPD benchmark, there was further improvement in 2016/17, which built upon positive changes during 2015/16. The portfolio is now in better shape to start to deliver outperformance going forward.

Total property performance for the period ending 31 December 2016		
Duration	**GMPF**	**Benchmark IPD Median**
1 year	3.8%	3.9%
3 years	8.5%	11.5%
5 years	7.7%	9.8%
10 years	2.9%	4.6%
20 years	8.1%	9.0%


Airport City.

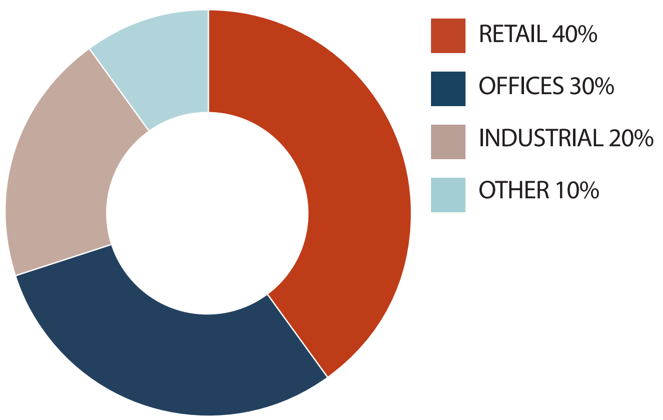
Purley Way, Croydon.

LaSalle's buying and selling activity in 2016/17 resulted in the structure of the directly owned property portfolio being brought more in line with the benchmark. The portfolio structure weightings of the GMPF direct property portfolio and the IPD benchmark are shown in the charts below.

> The portfolio is now in better shape to start to deliver outperformance going forward.

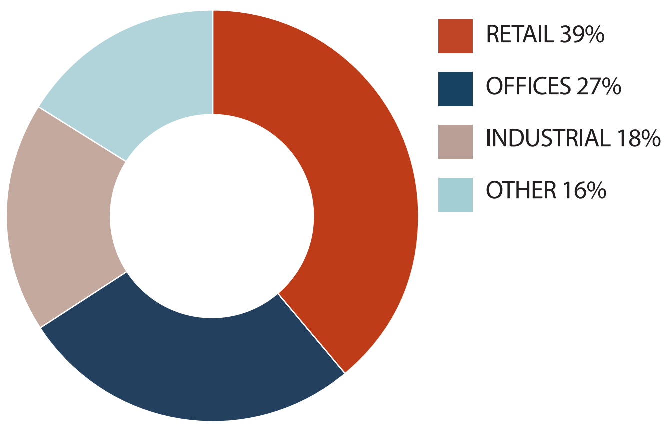
IPD UNIVERSE STRUCTURE (% of capital value)

End 2016



DIRECT PORTFOLIO STRUCTURE (% of capital value)

End 2016



Greater Manchester Property Venture Fund (GMPVF)

GMPVF has an allocation of up to £600 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.

Since its establishment in 1990, GMPVF has developed more than 1 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 area. GMPVF also seeks to make an environmental impact through regeneration. To date, all completed developments have generated a profit.

The target area for GMPVF is the North West of England with a particular focus on Greater Manchester. GVA, a firm of property consultants with national coverage, is the manager of GMPVF.

Following opportunities identified to provide development debt finance, GMPVF has granted two loan facilities. Urban Splash has used a £4 million loan facility to build 44 new family homes at New Islington (close to Manchester City Centre). These homes were constructed off site using a modular construction system.

Rowlinson Construction has an £8 million loan facility from GMPVF and is building 164 apartments at a site known as Pomona Island, alongside the Manchester Ship Canal, which straddles Salford, Trafford and Manchester. The development is due for completion September 2017. The loan funding to Rowlinson Construction was done in partnership with the Manchester Housing Investment Fund (a £300 million fund made available from the GM Combined Authority). By offering debt finance, GMPVF is able to generate a commercial rate of return and support a broader range of developments than could be carried out by GMPVF alone. Further loan arrangements are being progressed alongside other development funders. It is expected that a number of development loans will be agreed in 2017/18.

GMPVF formed a joint venture with Patrizia in February 2016, to build a 6 storey 180,000 sq ft mixed use commercial building at First Street in Manchester City Centre. The construction of the building is now well under way and is due to complete in Autumn 2017. The site was purchased with a pre-let in place for 2 floors of the planned development. Marketing is now actively ongoing to secure tenants for the remaining space.

The Property Venture Fund has now sold its 270,000 sq ft office block, Number One St Peters Square, Manchester. The building was completed in September 2014 and jointly developed by GMPVF and Argent Estates Limited.

An artist's impression of the First Street development which is due for completion in Autumn 2017.

A number of professional firms relocated to the building, including KPMG, DLA Piper, Addleshaw Goddard and Mazaars. The sale now concludes GMPF's involvement, which achieved both of the twin aims, in generating a commercial return and supporting the economic development of the region.

Following GMPVF progressing planning approval, a development site owned by GMPF at Calver Park, Warrington was sold in 2016/17, to the car retailer the Car People. A 41,000 sq ft showroom is currently under construction and is due to open in Summer 2017.

GMPVF is a partner with Manchester Airport Group, Carillion and Beijing Construction & 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.

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

- The former Royal Mail Sorting Office, Stockport
- A 0.38 acre cleared site at Old Haymarket, Liverpool city centre
- An office development in city centre Manchester
- A 19 acre site known as Preston East located adjacent to Junction 31A of the M6
- An office development in Didsbury, Manchester
- Chorlton Cross Shopping Centre

GMPVF formed Matrix Homes, a joint venture with Manchester City Council, and has developed an initial phase of 240 family homes across five sites in Manchester. Matrix Homes is seeking to develop a further phase of housing across additional sites proposed by the City Council.

GMPVF is actively pursuing further opportunities for Matrix Homes to progress additional housing development in partnership with other Greater Manchester Authorities.

The aim for the next two to three years is to continue to build a broad portfolio of investment opportunities.

> "The Property Venture Fund has the twin aims of generating a commercial rate of return and supporting the local area."

Councillor Susan Quinn at the First Street topping out ceremony.

Local Investments - *Invest 4 Growth*

The objective of Invest 4 Growth, was to make investments that provide a commercial return and also have 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. GMPF approved an allocation of £50 million in the initiative in March 2014.

Invest 4 Growth was a collaborative project with several other local authority pension funds, where a number of 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 due to the cumulative total of commitments enabled GMPF and the other Funds to make savings on the investment costs and achieve a diversified portfolio.

During 2016/17, £20 million of the allocation was committed to lending to small and medium enterprises (SMEs), to promote economic growth in business working in creative media, high technology, healthcare and business services.

GMPF is the largest participant in the Invest 4 Growth initiative and has now fully committed its allocation of £50 million, £35 million has been drawn down as at 31 March 2017 and invested by the fund managers.

As at 31 March 2017, it is too early to judge investment performance, but so far the managers are making satisfactory progress against the initial objectives set.

An example of the Invest 4 Growth initiative is the Fusion Fair Chance Partnership, a programme created to support young people who are homeless and not in education, employment or training.

Local Investments - *Impact Portfolio*

Following on from the Invest 4 Growth initiative, GMPF has approved an allocation of up to £210 million into an Impact Portfolio. This portfolio has same twin aims of generating a commercial return and delivering a positive local impact. GMPF is seeking to collaborate with other pension funds to develop a diversified portfolio and cost reduction benefits from greater economies of scale.

As at 31 March 2017, total commitments of £172 million have been made into a number of investments, with £64 million drawn down. Areas of investment include the provision of supported living accommodation, renewable energy, loans to small and medium sized businesses and private equity. Alongside these 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.

The Impact Portfolio includes this plant located in Mochdre, Denbighshire. The facility has been set up to provide wood chip for Newbridge Energy.

GMPF approach to ethical investments and corporate governance

GMPF invests in various company shares and bonds, government bonds, property and cash around the world and has an excellent long-term investment track record. This helps keep our employer contribution rates at the lower end of the range for local authorities and, in turn, enables the authorities to spend more money on front-line services whilst maintaining affordable pensions for staff.

We invest over 60% of GMPF's assets in well diversified portfolios of UK and overseas company shares. Further assets are invested in company bonds. GMPF has holdings in some of the largest companies in the world. You can see a list of GMPF's top twenty holdings on page 13 of this report and a full list of GMPF's holdings can be found on the **Investments Homepage** of GMPF's website.

We have delegated the investment management of these portfolios of company shares and bonds to a small number of external professional fund management firms. However, we give the investment managers detailed guidelines within which to work.

The cornerstone of our policy on ethical investment is our interpretation of the legal position. In our view, applying ethical, environmental or any other non-commercial policy either to investments generally or to selecting fund managers, would be inconsistent with our legal duties and responsibilities. We also have a statutory responsibility to ensure proper diversification of investments. Thus we have a general policy of not interfering in the day-to-day investment decisions of GMPF's 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. This policy is described at Section 9 of GMPF's **Investment Strategy Statement.**

Although we will listen to special interest groups that oppose some of GMPF's investments, for example in alcohol, gambling or pharmaceuticals, we cannot let this detract from our duty.

Considerations such as these have led us to decide not to have or develop a detailed generalised ethical investment policy. We prefer to concentrate on developing a policy that involves using voting and other contacts to positively influence company behaviour. As responsible institutional investors we seek to influence companies' governance arrangements, environmental, human rights and other policies by positive use of shareholder power. GMPF's **Climate Risk pamphlet** illustrates the approach we have taken in one important area. However, none of this prevents us applying ethical or environmental criteria on a case by case basis if considered relevant and appropriate. For example, for many years we chose not to invest in South Africa. Moreover, GMPF's legal status is such that all property is held by Tameside MBC and consequently we would not do anything that conflicted with its statutory duties as a Local Authority.

The whole area of voting and exercising influence over the companies one holds shares in is known as *corporate governance*. GMPF has a well-developed approach to such matters including:

- Issuing voting guidelines to our managers including, among other matters, a UK Environmental Investment Code which, where appropriate, we require the managers to apply in their voting behaviour;
- Having an Investment Monitoring and ESG Working Group whose role is to oversee corporate governance and related matters, including monitoring GMPF's external managers' voting behaviour and other relevant activity;
- Subscribing to the research and advisory service of PIRC Ltd who are an important advisor in this field;
- Monitoring developments in corporate governance and the activities of GMPF's managers in this area; and
- GMPF is also a member of a number of organisations which seek to enhance investment returns through better management of ESG issues: the *Local Authority Pension Fund Forum (LAPFF)*, which provides a large investor base to influence companies' corporate governance and social responsibility; the *Institutional Investor Group on Climate Change*, a forum for pension funds and investment managers; and *The PRI* which is a leading proponent of responsible investment. Councillor Kieran Quinn, Chair of GMPF's Management and Advisory Panels is also Chair of LAPFF.

We have considered the possibility of investing in specialist ethical investment funds or vehicles, but our current view is that evidence on the returns of such funds or vehicles is not as clear as it might first appear. For example, the seemingly competitive returns of ethical funds or vehicles could simply be the result of the well-known 'small companies effect' and not the result of ethical investing at all. The small companies effect arises because small companies can give above average returns at different times within an economic cycle.

Ethical vehicles tend to invest more in small companies rather than large ones, because large companies are more likely to have dealings in areas that ethical vehicles dislike. For this reason and others, including that such investment would tend to run counter to our overall preference for using shareholder influence, GMPF does not invest in such specialist investment vehicles. However, we do review this stance periodically.

Voting activity

GMPF's approach to proxy voting is described at Section 10 of the Investment Strategy Statement.

In casting GMPF's votes, the appointed external active securities managers are mandated to implement GMPF's bespoke *UK Voting Guidelines*. Any overseas votes exercised must be cast in line with the spirit of the Guidelines.

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.

The graphic below summarises the voting activity of the appointed external securities managers in 2016/17.

	Number of meetings voted globally	**Total number of resolutions voted**	**Resolutions voted against management**
CAPITAL GROUP	246	3,230	8%
Investec	135	1,798	5%
Legal & General	3,668	44,426	11%
UBS	291	3,660	7%

GMPF is intending to develop its approach to transparency in relation to its voting activity over the coming year.

Financial performance report

Key financials

	£m	£m	£m
Fund value at 31 March 2016			**17,325**
Contributions & benefits			**(133)**
Employee contributions	139		
Employer contributions	473		
Pension benefits paid		(726)	
Net Transfers		(19)	
Management costs			**(30)**
Investment		(23)	
Administration		(5)	
Oversight		(2)	
Investments			**4,109**
Income	361		
Change in market value	3,748		
Total change in value of Fund			**3,946**
Fund value at 31 March 2017			**21,271**

This table shows the financial outturn against the prediction for the year 2016/17 as agreed by the Management Panel at its meeting on 11 March 2016. Investment performance for the financial year 2016/17 was 23.9% compared to the long term predicted annual rate of 4.2%. This is the major variance. There was also higher than expected pension contributions due to auto enrolment and recruitment at schools.

	2016/17 prediction £m	2016/17 actual £m	Variance £m
Fund size at start of year	**17,325**	**17,325**	
Fund size at end of year	**17,937**	**21,271**	**3,334**
Pension benefits paid	(737)	(726)	**11**
Contributions received	545	612	**67**
Transfers	0	(19)	**(19)**
Net cashflow	**(192)**	**(133)**	**59**
Management costs	(28)	(30)	**(2)**
Investment income	329	361	**32**
Increase in value of investments	503	3,748	**3,245**
Net return from investments	**832**	**4,109**	**3,277**
Net change in Fund	**612**	**3,946**	**3,334**

This table below shows the financial forecast for period 2017-2020 as approved by GMPF Management Panel in March 2017 and updated for latest available information. Key issues to draw out remain as in previous years:

- The net negative cash-flow from contribution income less benefits paid 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 and short term volatility may cause significant variations to the figures in this forecast.

	2017/18 £m	2018/19 £m	2019/20 £m
Fund size at start of year	**21,272**	**22,065**	**22,878**
Fund size at end of year	**22,065**	**22,878**	**23,731**
Pension benefits paid	(690)	(718)	(727)
Contributions received	619	634	648
Transfers	0	0	0
Net cashflow	**(71)**	**(84)**	**(79)**
Administration costs	(30)	(30)	(30)
Investment income	329	343	358
Increase in value of investments	565	584	604
Net return from investments	**894**	**927**	**962**
Net change in Fund	**793**	**813**	**853**

Continued...

Expenditure monitoring statement for the 12 months to 31 March 2017

	12 months to March 2017		
	❶ Original estimate 2016/17 £000	❷ Actual expenditure 2016/17 £000	❸ Variation (❷ - ❶) £000
Type of expenditure			
Staff costs			
Direct salaries	5,703	5,271	(432)
On costs	106	58	(48)
	5,809	**5,329**	**(480)**
Direct costs			
Publications & subscriptions	70	82	12
Travel and subsistence	100	73	(27)
Premises	817	760	(57)
Postage, printing, telephone	244	183	(61)
Office equipment & software	1,056	835	(221)
Investment advisory expenses	50	52	2
Bank charges and nominee fees	387	372	(15)
Managers and professional fees	19,294	16,464	(2,830)
Performance measurement services	101	80	(21)
Communications	255	206	(49)
	22,374	**19,107**	**(3,267)**
Central establishment charges	379	387	8
Less:			
Recovery of management and legal fees	(351)	(211)	140
Administration fees	(20)	(47)	(27)
Commission recapture	(100)	(103)	(3)
	28,091	**24,462**	**(3,629)**

Continued...

Commentary on outturn for the year

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

- Expenditure on investment managers was significantly less than predicted due to implementation of changes in strategy and fee reductions following negotiations;
- 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.

Three year budgeted expenditure

Due to the onset of pooling anticipated during the three year period 2017-20 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 2017-2020 in the Medium Term Financial Plan. This will be subject to review when there is more visibility on future arrangements.

Statement of accounts

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAMESIDE METROPOLITAN BOROUGH COUNCIL ON THE CONSISTENCY OF THE PENSION FUND FINANCIAL STATEMENTS INCLUDED IN THE GREATER MANCHESTER PENSION FUND ANNUAL REPORT

Opinion

The pension fund financial statements of Greater Manchester Pension Fund for the year ended 31 March 2017 which comprise the fund account, the net assets statement and the related notes of Greater Manchester Pension Fund are derived from the audited pension fund financial statements for the year ended 31 March 2017 included in Tameside Metropolitan Council's ("the Authority") Statement of Accounts (the "Statement of Accounts").

In our opinion, the accompanying pension fund financial statements are consistent, in all material respects, with the audited financial statements in accordance with proper practices as defined in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

Pension fund annual report - pension fund financial statements

The pension fund annual report and the pension fund financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the Statement of Accounts. Reading the pension fund financial statements and the auditor’s report thereon is not a substitute for reading the audited Statement of Accounts and the auditor’s report thereon.

Who we are reporting to

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

The audited financial statements and our Report thereon

We expressed an unmodified audit opinion on the pension fund financial statements in the Statement of Accounts in our report dated 11 September 2017.

Assistant Director, Resources (Section 151 Officer) responsibilities for the pension fund financial statements in the pension fund annual report

Under the Local Government Pension Scheme Regulations 2013 the Chief Financial Officer of the Authority is responsible for the preparation of the pension fund financial statements, which must include the fund account, the net asset statement and supporting notes and disclosures prepared in accordance with proper practices. Proper practices for the pension fund financial statements in both the Statement of Accounts and the pension fund annual report are set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Auditor's responsibility

Our responsibility is to express an opinion on whether the pension fund financial statements in the pension fund annual report are consistent, in all material respects, with the audited pension fund financial statements in the Statement of Accounts based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.

Mike Thomas

Mike Thomas
Director
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

4 Hardman Square
Spinningfields
Manchester
M3 3EB

12 September 2017.

Fund account for the year ended 31 March 2017

31 March 2016 £000		Note	31 March 2017 £000
	Contributions and benefits		
(142,090)	Contributions from employees	5	(139,424)
(454,446)	Contributions from employers	5	(473,366)
(596,536)			(612,790)
(17,910)	Transfers in (bulk)		(6,078)
(15,111)	Transfers in (individual)		(19,432)
(629,557)			**(638,300)**
704,777	Benefits payable	6	725,550
35,118	Payments to and on account of leavers	7	44,745
19,330	Management expenses	8	30,305
759,225			**800,600**
	Returns on investments		
(316,176)	Investment income	9	(364,468)
(5,074)	Investment returns by proxy	9a	(84)
455,768	Reduction/(increase) in fair value of investments	11	(3,743,741)
2,612	Taxation	10	3,914
(220)	(Profit)/loss on foreign currency		(4,358)
136,910	**Net (profit)/loss on investments**		**(4,108,737)**
266,578	Net (increase)/decrease in the Fund during the year		(3,946,437)
(17,591,201)	Net assets of the Fund at start of year		(17,324,623)
(17,324,623)	**Net assets of the Fund at end of year**		**(21,271,060)**

Net Assets Statement at 31 March 2017

31 March 2016 £000		Note	31 March 2017 £000
2,854,368	UK equities		3,526,582
3,641,034	Overseas equities		4,974,026
1,055,367	Bonds	11	1,517,437
138,640	UK index linked government bonds		127,002
426,807	Overseas index linked government bonds		387,035
525,270	Investment property	11	552,470
0	Derivative contracts	11	121
7,911,323	Pooled investment vehicles	11	9,192,482
627,786	Cash and deposits	11	868,391
132,550	Other investment assets	11	118,567
17,313,145	**Investment assets**		**21,264,113**
(178)	Derivative contract liabilities	11	0
(21,925)	Other investment liabilities	11	(18,967)
(22,103)	**Investment liabilities**		**(18,967)**
54,283	Current assets	11	44,313
(20,702)	Current liabilities	11	(18,399)
33,581	Net current assets		**25,914**
17,324,623	**Net assets of Fund**		**21,271,060**

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 2016/17 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. Individual transfer values are recognised on a received or paid basis.

Financial assets & liabilities: On initial recognition, GMPF is required to classify financial assets and liabilities into held to maturity investments, available for sale financial assets, held for trading, designated at fair value through the Fund account, or loans and receivables. Financial assets may be designated as at fair value through the Fund account only if such designation (a) eliminates or significantly reduces a measurement or recognition of inconsistency, or (b) applies to a group of financial assets, financial liabilities or both that GMPF manages and evaluates on a fair value basis, or (c) relates to an instrument that contains an embedded derivative which is not evidently closely related to the host contract.

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

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

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 2017.

Foreign Investments: Foreign investments are translated at the exchange rate applicable at 31 March 2017. 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 2017 determined as follows:

At 31 March 2017	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 December 2016 subsequently adjusted for transactions undertaken between 1 January 2017 and 31 March 2017. The Greater Manchester Property Venture Fund portfolio has been valued as at 31 March 2017 by GVA. In both cases valuations have been in accordance with Royal Institute of Chartered Surveyors (RICS) Red Book which takes into account unobservable pricing inputs such as exisitng lease terms, independent market research, the nature of tenancies and tenant covenant strength, void levels, estimated rental growth and the discount rate.	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. Changes in rental growth, void levels or the discount rate used will impact on valuations. General changes in property market prices could also affect valuations.
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. It is recognised that valuations could be affected by events occurring between the date of financial data provided by fund managers and GMPF's own financial reporting date, and also by post audit changes in the information provided by the fund managers. Changes to expected cash flows can also impact on the accuracy of valuations.
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.	

At 31 March 2017	Valuation basis/technique	Main assumptions
Private equity, infrastructure and special opportunities portfolios (part of Pooled Investment Vehicles)	The funds are valued in accordance 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.	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. It is recognised that valuations could be affected by events occurring between the date of financial data provided by fund managers and GMPF's own financial reporting date, and also by post audit changes in the information provided by the fund managers. Changes to expected cash flows can also impact on the accuracy of valuations.
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.

Financial instruments at fair value through the fund account: 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 designated as at fair value through the Fund account are recognised in the Fund account as they arise. The carrying values are therefore the same as fair values.

Loans & 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 38. 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, 3 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 comprises 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 are accounted for on an accruals 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 2017 was £1,246,146,000 (£1,043,193,000 at 31 March 2016).

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.

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 2017		
	Designated as fair value through profit and loss £000	**Loans and receivables £000**	**Financial liabilities at amortised cost £000**
Financial assets:			
Equities	8,500,608	0	0
Bonds	1,517,437	0	0
Index linked	514,037	0	0
Derivatives	121	0	0
Pooled investment vehicles	9,192,481	0	0
Cash	0	868,391	0
Other investment assets	0	118,567	0
Current assets	0	44,313	0
	19,724,684	**1,031,271**	**0**
Financial liabilities:			
Derivatives	0	0	0
Other investment liabilities	0	0	(19,030)
Current liabilities	0	0	(18,336)
	0	**0**	**(37,366)**
Total	**19,724,684**	**1,031,271**	**(37,366)**

	At 31 March 2016		
	Designated as fair value through profit and loss £000	**Loans and receivables £000**	**Financial liabilities at amortised cost £000**
Financial assets:			
Equities	6,495,402	0	0
Bonds	1,055,367	0	0
Index linked	565,447	0	0
Derivatives	0	0	0
Pooled investment vehicles	7,911,323	0	0
Cash	0	627,785	0
Other investment assets	0	132,550	0
Current assets	0	54,283	0
	16,027,539	**814,618**	**0**
Financial liabilities:			
Derivatives	(178)	0	0
Other investment liabilities	0	0	(21,925)
Current liabilities	0	0	(20,703)
	(178)	**0**	**(42,628)**
Total	**16,027,361**	**814,618**	**(42,628)**

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 Fund account. The net profit for the year ending 31 March 2017 was £3,746,606,000 (£477,963,000 net loss as at 31 March 2016).

3a. Valuation of Financial Instruments 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 2017			
	Level 1 £000	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets:				
Equities	8,500,608	0	0	8,500,608
Fixed interest	0	1,517,437	0	1,517,437
Index linked	0	514,037	0	514,037
Derivatives	0	121	0	121
Pooled investment vehicles	0	7,052,478	2,140,003	9,192,481
Non financial assets (at fair value through profit & loss)				
Directly held investment property	0	0	552,470	552,470
Total	**8,500,608**	**9,084,073**	**2,692,473**	**20,277,154**

	At 31 March 2016*			
	Level 1 £000	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets:				
Equities	6,495,402	0	0	6,495,402
Fixed interest	0	1,055,367	0	1,055,367
Index linked	0	565,447	0	565,447
Derivatives	0	(178)	0	(178)
Pooled investment vehicles	0	6,274,360	1,636,963	7,911,323
Non financial assets (at fair value through profit & loss)				
Directly held investment property	0	0	525,270	525,270
Total	**6,495,402**	**7,894,996**	**2,162,233**	**16,552,631**

** Restated to incorporate directly held investment property comparator in accordance with 2016/17 CIPFA Code requirements.*

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.

Level 2: Level 2 prices are those other than Level 1 that are observable e.g. 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 2016 £000		31 March 2017 £000
1,623,697	Opening balance	2,162,233
654,644	Acquisitions	660,237
(245,117)	Disposal proceeds	(334,588)
0	Transfer in of level 3	0
	Total gains/losses included in the Fund account:	
46,967	- on assets sold	56,131
82,043	- on assets held at year end	148,459
2,162,233	**Closing balance**	2,692,472

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 every 3 years in line with triennial valuations being carried out. A full review was completed by 31 March 2017.

GMPF's approach to 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 (e.g. in operational matters), and to limit risk to prudently acceptable levels otherwise (e.g. in investment matters).

The means by which GMPF minimises operational risk and constrains investment risk is set out in further detail in its **ISS**.

Some risks lend themselves to being measured (e.g. 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:

	Potential market movements (+/-)	
Asset type	**31 March 2016 p.a.**	**31 March 2017 p.a.**
UK equities	17.1%	15.8%
Overseas equities	19.6%	18.4%
Fixed interest - gilts	6.7%	9.5%
Index linked gilts	5.1%	7.1%
Corporate bonds	9.5%	10.1%
Overseas bonds	12.2%	12.8%
Investment property	14.7%	14.2%
Private equity	28.7%	28.5%
Infrastructure	15.7%	15.9%
Cash and other liquid funds	0.6%	0.0%
GMPF	12.7%	11.6%

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 2016 and 2017. 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 2016 and 2017 would have been as shown in the tables on the next page.

Asset type	31 March 2017 £000	% Change p.a.	Value on increase £000	Value on decrease £000
UK equities	4,621,469	15.8%	5,351,661	3,891,277
Overseas equities	9,072,779	18.4%	10,742,170	7,403,387
Fixed interest - gilts	855,870	9.5%	937,177	774,562
Index linked gilts	481,216	7.1%	515,382	447,049
Corporate bonds	1,167,104	10.1%	1,284,982	1,049,227
Overseas bonds	984,426	12.8%	1,110,432	858,419
Investment property	1,274,359	14.2%	1,455,318	1,093,400
Private equity	929,973	28.5%	1,195,016	664,931
Infrastructure	488,140	15.9%	565,754	410,526
Cash and other liquid funds	1,388,777	0.0%	1,388,777	1,388,777
GMPF	**21,264,113**	**11.6%**	**23,730,749**	**18,797,475**

Asset type	31 March 2016 £000	% Change p.a.	Value on increase £000	Value on decrease £000
UK equities	3,851,532	17.1%	4,510,144	3,192,920
Overseas equities	7,304,655	19.6%	8,736,367	5,872,943
Fixed interest - gilts	531,952	6.7%	567,593	496,311
Index linked gilts	444,852	5.1%	467,539	422,164
Corporate bonds	1,056,847	9.5%	1,157,247	956,446
Overseas bonds	877,508	12.2%	984,564	770,452
Investment property	1,104,677	14.7%	1,267,065	942,289
Private equity	710,218	28.7%	914,051	506,385
Infrastructure	347,338	15.7%	401,870	292,806
Cash and other liquid funds	1,083,567	0.6%	1,090,068	1,077,066
GMPF	**17,313,145**	**12.7%**	**19,511,915**	**15,114,376**

Note: the above tables do 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 2017, GMPF had £372,277,000 (2015/16 £323,232,000) invested in this asset via pooled investment vehicles. Therefore, a 1% change in interest rates will increase or reduce GMPF's return by £3,723,000 (2015/16 £3,232,000) 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 MBC'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 2017 was £845,372,000 (31 March 2016 £606,958,000). This was held with the following institutions:

Summary	Rating	Balance at 31 March 2016 £000	Balance at 31 March 2017 £000
Money market funds			
Fidelity	AAA	0	20,500
Aberdeen Assets	AAA	0	50,000
Blackrock Government	AAA	0	20,000
Blackrock	AAA	25,000	50,000
Insight	AAA	50,000	40,800
J P Morgan	AAA	50,000	50,000
HSBC	AAA	0	29,240
SSGA	AAA	50,000	50,000
GOLDMANS	AAA	0	32,880
IGNIS	AAA	50,000	50,000
D B Advisors	AAA	50,000	50,000
Prime Rate	AAA	50,000	50,000
Morgan Stanley	AAA	50,000	45,930
Legal & General	AAA	50,000	50,000
Invesco	AAA	9,300	50,000

Summary	Rating	Balance at 31 March 2016 £000	Balance at 31 March 2017 £000
Banks			
Heleba	A+	0	25,000
CIBC	AA-	0	25,000
Barclays	A	0	50,000
RBS	BBB+	8,043	16,022
Local authorities & public bodies			
Salford Council	N/A	9,000	0
Cambridgeshire County Council	N/A	0	10,000
Telford & Wrekin Council	N/A	28,000	10,000
Newport Council	N/A	5,000	0
Greater London Authority	N/A	25,000	0
Eastleigh Council	N/A	10,000	0
West Dunbartonshire Council	N/A	0	10,000
Highland Council	N/A	18,000	0
London Borough Hackney	N/A	0	15,000
Birmingham City Council	N/A	0	25,000
Dundee Council	N/A	8,000	0
Glasgow Council	N/A	48,615	0
Dumfries & Galloway Council	N/A	5,000	0
Barking & Dagenham Council	N/A	5,000	0
King's Lynn & West Norfolk Council	N/A	4,000	0
Middlesbrough Council	N/A	5,000	0
Norfolk P&C Commissioner	N/A	6,000	0
Northumbria P&C Commissioner	N/A	9,000	0
Stockport Council	N/A	5,000	0
North Ayrshire Council	N/A	0	5,000
Leeds City Council	N/A	0	15,000
Totals		**606,958**	**845,372**

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 also cash to meet investment commitments.

TMBC has immediate access to the GMPF cash holdings, with the exception of investments placed with other local authorities – where periods are fixed when the deposit is placed.

GMPF had in excess of £845 million cash balances at 31 March 2017.

All financial liabilities at 31 March 2017 are due within one year.

The majority of GMPF assets are liquid, their value could be realised within one week. The table on the next page shows GMPF investments in liquidity terms.

31 March 2016 £000	Liquidity terms	31 March 2017 £000
14,960,297	Assets realisable within 7 days	18,381,640
101,000	Assets realisable in 8 - 30 days	55,000
56,615	Assets realisable in 31- 90 days	35,000
2,195,233	Assets taking more than 90 days to realise	2,792,473
17,313,145	**Total**	**21,264,113**

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 deferred members. However, when income from investments is taken into account, 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 2016 £000		31 March 2017 £000
(142,090)	Employees' contributions	(139,424)
	Employers:	
(444,978)	Normal contributions	(459,512)
(9,075)	Deficit recovery contributions	(13,171)
(393)	Augmentation contributions	(683)
(454,446)	**Total employer contributions**	(473,366)
(596,536)	**Total contributions**	**(612,790)**

By Authority

31 March 2016 £000		31 March 2017 £000
(366,668)	Part 1 Schedule 2 Scheme Employer	(379,346)
(98,708)	Designating bodies	(103,855)
(115,053)	Community admission bodies	(109,463)
(16,107)	Transferee admission bodies	(20,126)
(596,536)		**(612,790)**

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 by employer is contained in Note 20 of these statements.

At the 2016 Actuarial Valuation, GMPF was assessed as 93% funded. Some employers will make contributions in excess of their future service rate in order to help repay the deficit over a period of time.

The contribution rates specified in the Actuarial Valuation are minimum contribution rates. Some employers have made voluntary payments in excess of these minimum rates. 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 GMPF's website.

6. Benefits Payable

By Category

31 March 2016 £000		31 March 2017 £000
573,447	Pensions	591,560
114,724	Commutation & lump sum retirement benefits	117,452
16,606	Lump sum death benefits	16,538
704,777		**725,550**

By Authority

31 March 2016 £000		31 March 2017 £000
558,866	Part 1 Schedule 2 Scheme Employers	566,081
25,582	Designating bodies	29,584
109,691	Community admission bodies	116,905
10,638	Transferee admission bodies	12,980
704,777		**725,550**

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 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 by employer is contained in Note 20 of these statements.

7. Payments to and on account of leavers

31 March 2016 £000		31 March 2017 £000
5,420	Group transfers to other schemes	2,393
28,343	Individual transfers to other schemes	40,382
462	Payments for members joining state scheme	639
(155)	Income for members from state scheme	(179)
1,048	Refunds to members leaving service	1,510
35,118		**44,745**

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 Costs. 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 2016 £000		31 March 2017 £000
1,211	Employee costs	1,278
67	Support services including IT	187
*	Transaction costs (public managers)	5,842
11,541	Management fees	15,764
320	Custody fees	338
13,139*		**23,409**

**GMPF's accounting data provider has developed the systems to identify these costs on all equity transactions from 1 April 2016. Please see note 11a for further details of transaction costs. The costs associated with obtaining the comparator figures for 31 March 2016 were deemed to be so excessive that the costs incurred would outweigh the potential benefit to the reader of the accounts.*

Administrative costs

31 March 2016 £000		31 March 2017 £000
3,695	Employee costs	3,632
1,031	Support services including IT	1,505
100	Printing and publications	155
4,826		**5,292**

Oversight and Governance costs

31 March 2016 £000		31 March 2017 £000
412	Employee costs	480
315	Support services including IT	404
152	Governance and decision making costs	133
56	Investment performance monitoring	64
62	External audit fees*	62
102	Internal audit fees	104
131	Actuarial fees - investment consultancy	49
135	Actuarial fees	308
1,365		**1,604**

** Total fee paid to external auditors in 2016/17 is £62,337 (2015/16 £62,337) of which £5,996 (2015/16 £5,996) was paid in relation to work carried out on behalf of GMPF's main scheme employers.*

9. Investment income

31 March 2016 £000		31 March 2017 £000
(45,208)	Fixed interest (corporate and government bonds)	(45,165)
(205,567)	Equities	(236,945)
(5,106)	Index linked	(4,529)
(31,100)	Pooled investment vehicles	(46,285)
(28,237)	Investment property (gross)	(30,494)
3,869	Investment property non-recoverable expenditure	3,101
(4,039)	Interest on cash deposits	(3,395)
(744)	Stock lending	(756)
(44)	Underwriting	0
(316,176)		**(364,468)**

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, Capital International pooled funds for Emerging Market Equities and High Yield Bonds, 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.

9a. Investment Return by Proxy

On 1 June 2014, in accordance with Statutory Instrument 1146 (2014), GMPF became the sole administering authority for probation staff and former probation staff in England and Wales that have or are eligible for LGPS membership.

The transfer of assets from the former Administering Authorities was a staged process throughout 2014/15 to 2015/16 and 2016/17 (the final year of transfer), with the ceding LGPS funds paying an estimated compensatory amount to GMPF to reflect investment returns for the period between the agreed transfer date and the actual transfer value receipt date. Once the actual investment returns of the transferring funds were established, the amount was refreshed and an adjustment paid to or from GMPF to reflect this return.

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 2016/17 amounts to £3,914,000 (2015/16 £2,612,000) 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 following tables analyse the carrying amounts of the financial assets and liabilities by category.

Value at 1 April 2016 £000		Purchases £000	Sales £000	Change in fair value £000	Value at 31 March 2017 £000
	Designated as at fair value through the fund account				
6,495,402	Equities	2,455,907	(2,332,607)	1,881,906	8,500,608
1,055,368	Bonds	1,015,155	(632,276)	79,190	1,517,437
565,447	Index linked	385,995	(506,043)	68,637	514,037
525,270	Investment property	62,229	(32,163)	(2,866)	552,470
(178)	Derivatives	15,562	(24,921)	9,658	121
7,911,323	Managed and unitised funds	838,952	(1,265,009)	1,707,216	9,192,482
16,552,632		**4,773,800**	**(4,793,019)**	**3,743,741**	**20,277,155**
	Loans and receivables				
627,785	Cash				868,391
144,206	Other investments and net assets				125,514
17,324,623	**Total**				**21,271,060**

Value at 1 April 2015 £000		Purchases £000	Sales £000	Change in fair value £000	Value at 31 March 2016 £000
	Designated as at fair value through the Fund account				
6,748,315	Equities	2,593,343	(2,350,927)	(495,329)	6,495,402
1,301,494	Bonds	418,893	(628,383)	(36,636)	1,055,368
547,437	Index linked	379,078	(379,590)	18,522	565,447
409,235	Investment property	120,506	(26,666)	22,195	525,270
325	Derivatives	14,608	(23,338)	8,227	(178)
7,882,069	Managed and unitised funds	969,493	(967,492)	27,253	7,911,323
16,888,875		**4,495,921**	**(4,376,396)**	**(455,768)**	**16,552,632**
	Loans and receivables				
628,823	Cash				627,785
73,503	Other investments and net assets				144,206
17,591,201	**Total**				**17,324,623**

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.

Bonds

31 March 2016 £000		31 March 2017 £000
107,221	UK public sector quoted	370,452
130,975	Overseas public sector quoted	237,234
722,582	UK corporate quoted	796,827
94,589	Overseas corporate quoted	112,924
1,055,367		**1,517,437**

Investment property

31 March 2016 £000		31 March 2017 £000
486,535	UK - main property portfolio	517,210
38,735	UK - Greater Manchester Property Venture Fund	35,260
525,270		**552,470**

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

With the sole exception of two investment properties, 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, decisions have been taken to sell eight investment properties. These were either being prepared for sale, were being marketed or prices had been agreed at 31 March 2017 (combined prices totalled £33,640,000).

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 2016/17	**£000**
Balance at 1 April 2016	525,270
Purchases	57,768
Expenditure during year	4,461
Disposals	(32,163)
Net gains/ (losses) from fair value adjustments	(2,866)
Balance at 31 March 2017*	**552,470**

** Of which £33,640,000 relates to properties being marketed at 31 March 2017.*

Movement in the fair value of investment properties in 2015/16	**£000**
Balance at 1 April 2015	409,235
Purchases	114,650
Expenditure during year	5,856
Disposals	(26,666)
Net gains/(losses) from fair value adjustments	22,195
Balance at 31 March 2016	**525,270**

Future Operating Lease Rentals Receivable

31 March 2016 £000		**31 March 2017 £000**
23,873	Not later than 1 year	24,171
78,366	Later than 1 year, but not later than 5 years	97,912
179,671	Later than 5 years	146,943
281,910	**Total**	**269,026**

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 2016 £000		31 March 2017 £000
	Investment assets:	
183	Forward Currency contracts	913
	Investment liabilities:	
(361)	Forward Currency contracts	(792)
(178)	**Net (liability)/asset**	**121**

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 is to decrease risk in the portfolio.

31 March 2017	Settlement Date	Currency	Currency Bought £000	Currency	Currency Sold £000	Asset £000	Liability £000
Forward Currency Contract	Within one month	JPY	8,160,499	GBP	58,697	0	(105)
Forward Currency Contract	Within one month	GBP	76,743	EUR	88,745	795	0
Forward Currency Contract	Within one month	USD	4,912	GBP	4,000	0	(72)
Forward Currency Contract	Within one month	NOK	7,594	EUR	850	0	(20)
Forward Currency Contract	Within one month	USD	479	ZAR	6,300	8	0
Forward Currency Contract	Within one month	SEK	17,606	EUR	1,850	0	(5)
Forward Currency Contract	Within one month	SEK	15,703	EUR	1,650	0	(5)
Forward Currency Contract	Within one month	EUR	2,642	JPY	320,000	0	(36)
Forward Currency Contract	Within one month	JPY	400,706	USD	3,500	78	0
Forward Currency Contract	Within one month	USD	1,391	AUD	1,850	0	(16)
Forward Currency Contract	Within one month	JPY	940,417	GBP	6,720	30	0
Forward Currency Contract	Within one month	EUR	9,607	GBP	8,400	0	(181)
Forward Currency Contract	Within one month	USD	15,917	GBP	12,726	0	(294)
Forward Currency Contract	Within one month	NOK	15,632	USD	1,850	0	(24)
Forward Currency Contract	Within one month	USD	2,137	MXN	41,190	0	(34)
Forward Currency Contract	Within one month	USD	991	ZAR	13,300	2	0
Total						**913**	**(792)**

The above tables analyse the derivative contracts held at 31 March 2017 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 2016 £000 (restated)*		31 March 2017 £000
255,569	UK Property	297,106
25,394	Overseas property	83,589
595,811	Overseas equity	774,441
266,160	UK private equity & infrastructure	322,541
548,571	Overseas private equity & infrastructure	826,408
136,575	UK special opportunities portfolio	80,460
90,881	Overseas special opportunities portfolio	188,417
1,918,961	**Managed Funds**	**2,572,962**
271,813	Property	300,329
990	Overseas private equity	288
16	UK private equity	0
272,819	**Unit trusts**	**300,617**
40,995	Property	40,865
997,163	UK quoted equity	1,094,888
424,731	UK fixed interest	485,417
306,211	UK index linked securities	354,214
334,265	UK corporate bonds	370,277
323,232	UK cash instruments	372,277
3,067,810	Overseas quoted equity	3,324,312
161,363	Overseas fixed interest	183,422
22,174	Overseas corporate bonds	21,891
41,599	Overseas index linked securities	41,919
0	Inflation funds	29,421
5,719,543	**Insurance policies**	**6,318,903**
7,911,323	**Total pooled investment vehicles**	**9,192,482**

** Following a review of asset classification techniques during 2016/17, a restatement of 2015/16 figures was undertaken on accordance with part 3.3.2.5 of the CIPFA Code. There is no change to the total value of Pooled Investment Vehicles for 2015/16.*

Cash

31 March 2016 £000		31 March 2017 £000
608,801	Sterling	846,540
18,985	Foreign currency	21,851
627,786		**868,391**

Other investments balances and net assets

31 March 2016 £000		31 March 2017 £000
37,918	Amounts due from broker	17,599
38,564	Outstanding dividends and recoverable withholding tax	39,196
18,437	Gross accrued interest on bonds	19,735
3,583	Gross accrued interest on loans	3,448
33,708	Investment loans	38,056
340	Other accrued interest and tax reclaims	533
132,550	**Other investment assets**	**118,567**
(21,596)	Amounts due to broker	(18,531)
0	Amounts due to other funds re asset transfers	0
0	Variation margin	0
(329)	Irrecoverable withholding tax	(436)
(21,925)	**Other investment liabilities**	**(18,967)**
36,354	Employer contributions - main scheme	19,695
386	Employer contributions - additional pensions	307
3,591	Property	8,771
8,475	Development of new Pensions office building	8,127
5,477	Other	7,413
54,283	**Current assets**	**44,313**
(7,849)	Property	(7,224)
(897)	Employer contributions - main scheme	0
(1,604)	Employer contributions - additional pensions	(2,351)
(4,376)	Admin & investment management expenses	(4,196)
(5,976)	Other	(4,628)
(20,702)	**Current liabilities**	**(18,399)**
33,581	**Net current assets**	**25,914**
144,206	**Other investment balances and net assets**	**125,514**

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.

Prior to the above, the charges for Transaction Costs were implicit within the value of assets concerned. Consequently, they were not charged directly to the Fund Account nor analysed in Note 8 of these financial statements. Instead, they were reflected in the fair value adjustments applied both to the assets concerned and the Fund Account. They included Stamp Duty, Commissions and Levies and for the year-ending 31 March 2016 amounted to £6,498,000.

Directly held property

Transaction costs continue to be capitalised and are implicit within the value of the assets concerned. These amounted to £3,189,000 for 2016/17 (£5,797,000 2015/16).

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 2016 £000		31 March 2017 £000
19,551	Private market and alternative investments (performance related)	23,457
27,554	Private market and alternative investments (non-performance related)	37,172
2,021	Indirect investment property	5,030
49,126		**65,659**

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. The assets in 2015/16 consisted of investment properties (see Note 11) and a unit trust (valued at £47,665,000). During 2016/17 the unit trust was sold.

31 March 2016 £000		31 March 2017 £000
86,400	Greater Manchester Property Venture Fund	35,260

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 2016		31 March 2017
138,641	Index linked	127,001
112,999	Cash	72,348
1,288	Other investment balances	1,239
0	Inflation funds	29,422
252,928		**230,010**

14. Summary of managers' portfolio values at 31 March

2016			2017	
£m	%		£m	%
		Externally managed		
6,104	36.6%	UBS Global Asset Management	7,804	36.7%
5,679	34.7%	Legal & General	6,278	29.5%
2,210	12.8%	Capital International	2,829	13.3%
634	2.9%	Investec	1,086	5.1%
653	3.8%	LaSalle	676	3.2%
86	0.5%	GVA (advisory mandate)	35	0.1%
15,366	**91.3%**		**18,708**	**87.9%**
		Internally managed		
1,058	4.1%	Private equity	1,499	7.1%
253	1.6%	Designated funds	201	0.9%
365	1.7%	Property indirect	482	2.3%
283	1.3%	Cash, other investments and net assets	381	1.8%
1,959	**8.7%**		**2,563**	**12.1%**
17,325	**100.0%**	**Total**	**21,271**	**100.0%**

15. Concentration of investment

As at 31 March 2017, GMPF held, respectively, 15.8% and 13.5% 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.

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 2016 £000		31 March 2017 £000
249,864	UK equities	306,057
1,757,288	Overseas equities	1,966,002
289,696	UK fixed interest	341,658
147,018	UK corporate bonds	182,499
72,717	Overseas fixed interest	90,346
217,877	UK index linked	260,874
181,197	UK cash instruments	222,520
2,915,657		**3,369,956**

Policy MF36558

31 March 2016 £000		31 March 2017 £000
747,299	UK equities	788,830
1,310,523	Overseas equities	1,358,310
135,035	UK fixed interest	143,760
187,247	UK corporate bonds	187,779
88,646	Overseas fixed interest	93,075
88,334	UK index linked	93,340
142,035	UK cash instruments	149,756
41,599	Overseas index linked	41,920
22,174	Overseas corporate bonds	21,891
2,762,892		**2,878,661**

Details of any single investment exceeding 5% of GMPF assets in any class or type of security are detailed in the following tables:

		Value as at 31 March 2017	Asset class value at 31 March 2017	% of asset class
Investment	**Type and nature of investment**	**£000**	**£000**	**%**
US Government	Treasury Bonds 0.25% Index Linked January 2025	52,035	514,037	10.12%
US Government	Treasury Bonds 4.5% February 2036	129,817	1,517,437	8.56%
US Government	Treasury Bonds 0.125% Index Linked July 2024	27,588	514,037	5.37%
UK Government	Treasury Bonds 2.5% Index Linked April 2020	127,001	514,037	24.71%
US Government	Treasury Bonds 0.125% Index Linked April 2023	51,025	514,037	9.93%
US Government	Treasury Bonds 1.75% Index Linked January 2028	42,915	514,037	8.35%
US Government	Treasury Bonds 0.125% Index Linked April 2021	60,119	514,037	11.70%
US Government	Treasury Bonds 0.125% Index Linked April 2019	32,686	514,037	6.36%

		Value as at 31 March 2016	Asset class value at 31 March 2016	% of asset class
Investment	**Type and nature of investment**	**£000**	**£000**	**%**
US Government	Treasury Bonds 0.25% Index Linked January 2025	87,326	565,447	15.44%
US Government	Treasury Bonds 0.125% Index Linked April 2017	63,699	565,447	11.27%
US Government	Treasury Bonds 0.125% Index Linked July 2024	45,256	565,447	8.00%
US Government	Treasury Bonds 0.125% Index Linked April 2020	81,606	565,447	14.43%
US Government	Treasury Bonds 0.125% Index Linked April 2023	37,969	565,447	6.71%
US Government	Treasury Bonds 1.75% Index Linked January 2028	48,985	565,447	8.66%
UK Government	Treasury Bonds 2.5% Index Linked April 2020	124,278	565,447	21.98%

16. Notifiable interests

As at 31 March 2017 GMPF had holdings of 3% or over in the ordinary share capital of the following quoted companies:

UK Equity 31 March 2016 %		UK Equity 31 March 2017 %
4.6	Premier Farnell PLC	N/A
6.0	STV Group PLC	6.0
5.4	Chemring Group PLC	5.4
4.9	Darty PLC	N/A
3.9	Mothercare PLC	7.9
3.7	Synthomer PLC	N/A
3.9	Balfour Beatty PLC	3.8
4.3	Brown (N) Group PLC	4.4
4.0	RPS Group PLC	4.0
5.3	TT Electronics PLC	5.3
3.5	Serco Group PLC	3.5
3.2	SIG PLC	5.4
3.4	Volution GRP PLC	3.6

17. Commitments

31 March 2016 £000	Asset type	Nature of commitment	31 March 2017 £000
216	Directly held investment property	Commitments regarding demolition or refurbishment work	2,691
1,036,854	Indirect private equity and infrastructure	Commitments to fund	1,456,171
165,228	Special opportunities portfolio	Commitments to fund	216,910
126,196	Property managed funds	Commitments to fund	323,416
46,904	Property unit trusts	Commitments to fund	44,424
48,009	Commercial/domestic based property unit trust	Commitments to fund	34,025
6,953	Local Investment 4 Growth Fund	Commitments to fund	18,447
106,940	Local Impact Portfolio	Commitments to fund	104,250
2,136	Greater Manchester Property Venture Fund	Commitments to lend	2,783
1,539,436			**2,203,117**

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 (e.g. salaries and support costs) of £6,238,000 on behalf of GMPF and reclaimed from HMRC VAT (net) of £336,000. Total payments due to Tameside MBC therefore, amounted to £5,902,000 (2015/16 £8,357,000). GMPF reimbursed Tameside MBC £5,280,000 for these charges and there is a creditor of £622,000 owing to Tameside MBC at the year end (2015/16 £578,000 within Creditors). This creditor has been settled since the year end.

There is a proportionate charge made by Tameside to GMPF for the services of the Executive Director of Governance, Resources and Pensions who took executive responsibility for GMPF in April 2016, following the retirement of the previous Executive Director of Pensions. This is also the case for the Chief Executive and the Interim Assistant Executive Director of Finance and 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 remuneration of these officers will be published on the Tameside 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 and employer's pension contributions are as shown below:

Job Title	**£**
Assistant Executive Director - Investments	91,836
Assistant Executive Director - Administration*	46,610
Assistant Executive Director - Funding & Business Development	91,836
Assistant Executive Director - Local Investment & Property	91,836

**The Assistant Executive Director – Administration left the Authority on 30 September 2016.*

The former Executive Director of Pensions (who left the Authority on 29 April 2016) had his entire full time remuneration of £9,054 (one month only) charged to GMPF. This amount is also detailed in Tameside MBC's acounts.

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 in with other LGPS funds. These are shown on the next page.

Name	Position in GMPF	Company in which directorship is held
Andrew Hall	Investment Manager	GMPF UT (Second Unit Holder) Limited Matrix Homes (General Partner) Limited Plot 5 First Street GP Limited Plot 5 First Street GP Nominee Limited
Neil Charnock	Head of Legal Services	Hive Bethnal Green Limited
Patrick Dowdall	Assistant Executive Director - Local Investment & Property	Matrix Homes (General Partner) Limited Hive Bethnal Green Limited GLIL Corporate Holdings Limited Plot 5 First Street Nominee Limited Plot 5 First Street GP Limited GMPF UT (Second Unit Holder) Limited Airport City (Asset Manager) Limited
Nigel Driver	Investment Manager	Hive Bethnal Green Limited
Steven Pleasant	Chief Executive	Airport City (General Partner) Limited
Daniel Hobson	Senior Investment Manager	GLIL Corporate Holdings Limited Rock Rail East Anglia (Holdings) 1 Limited Rock Rail East Anglia (Holdings) 2 Limited Rock Rail East Anglia PLC Clyde Windfarm (Scotland) Limited

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 are consequently deferred pensioners:

Name	Position
Cllr K Quinn	Councillor member
Cllr S Quinn	Councillor member
Cllr G Cooney	Councillor member
Cllr J Fitzpatrick	Councillor member
Cllr J Lane	Councillor member
Cllr M Smith	Councillor member
Cllr D Ward	Councillor member
Cllr T Halliwell	Councillor member
Cllr A Stogia	Councillor member
Cllr C Patrick	Councillor member

In addition, the following Members of the Management and Advisory Panels, having attained the appropriate age, are in receipt of pension benefits.

Name	Position
Cllr A Mitchell	Councillor member
Cllr J Taylor	Councillor member
Cllr J Pantall	Councillor member

The following Members of the Management and Advisory Panel and the Local Board are deferred pensioners by virtue of their membership of GMPF in current or previous employments:

Name	Position
Cllr V Ricci	Councillor member
Cllr M Smith	Councillor member
K Allsop	Employee representative

The following Members of the Management and Advisory Panel and the Local Board are by virtue of their membership of GMPF in previous employments and attaining the appropriate age, are in receipt of pension benefits:

Name	Position
J Thompson	Employee representative
F Llewellyn	Employee representative
R Paver	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 are listed on the next page:

Name	Position & Organisation	Organisation relationship with GMPF
Cllr K Quinn	Director of New Charter Building Company Limited Member of Greater Manchester Combined Authority Director of Great Academies Education Trust Director of Mechanics' Centre Limited Member of the Commission for the New Economy Member of the Police and Crime Panel Non-executive Director of Manchester Airport Group	Contributing employer Contributing employer Contributing employer Contributing employer Contributing employer Contributing employer Contributing employer
Cllr T Halliwell	Member of the Board of North West Employers' Association	Contributing employer
Cllr J Hamilton	Board member of Salix Homes	Contributing employer
Cllr D Ward	Member of General Assembly of University of Manchester	Contributing employer
Cllr J Taylor	Member of Greater Manchester Combined Authority Chairman of Tameside Sports Trust	Contributing employer Contributing employer
Cllr M Smith	Employee of Manchester Working Ltd	Contributing employer
Cllr G Cooney	Employee of Manchester City Council Director of Ashton Pioneer Homes Limited Director of Pioneer Homes Services Limited (subsidiary of Ashton Pioneer Homes Limited) Director of Ashton Pioneer Homes Developments Limited (subsidiary of Ashton Pioneer Homes Limited) Director of Mechanics' Centre Limited Director of New Charter Housing Trust Limited	Contributing employer Contributing employer Contributing employer Contributing employer Contributing employer Contributing employer Contributing employer
Cllr V Ricci	Director of New Charter Homes Limited (subsidiary of New Charter Housing Trust)	Contributing employer
Cllr A Mitchell	Committee Member of Groundwork Organisations	Contributing employer
Cllr J Fitzpatrick	Board member of Peak Valley Housing Board	Contributing employer
M Rayner	Employee of Manchester City Council	Contributing employer
D Schofield	Employee of Manchester City Council	Contributing employer
R Paver	Employee of Greater Manchester Combined Authority Member of Executive Board of Transport for Greater Manchester Director of Commission for New Economy Director of MIDAS limited Director of Education and Leadership Trust	Contributing employer Contributing employer Contributing employer Contributing employer Contributing employer
A Flatley	Employee of Bolton MBC	Contributing employer
J Hammond	Employee of Bury MBC	Contributing employer
P Herbert	Employee of National Offender Management Service	Contributing employer
C Lloyd	Employee of Tameside MBC	Contributing employer
C Goodwin	Employee of University of Manchester	Contributing employer
P Taylor	Employee of Manchester College	Contributing employer
M Baines	Employee of Association for Public Service Excellence	Contributing employer
K Drury	Employee of University of Manchester	Contributing employer

The administering authority, Tameside MBC, falls under the influence of The United Kingdom Department of Communities and Local Government. GMPF may have significant holdings of UK Government bonds depending on investment decisions

19. Employer related investment

As at 31 March 2017 GMPF had no amounts on short term loan to any contributing GMPF employer (2016 £9,000,000 to Salford CC and £5,000,000 to Stockport MBC) made as part of its day to day Treasury Management activities.

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, a contributing employer to GMPF.

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

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

Contributions Received 2016 £m	Benefits Paid 2016 £m		Contributions Received 2017 £m	Benefits Paid 2017 £m
(33)	36	Bolton Borough Council	(32)	39
(20)	26	Bury Borough Council	(20)	25
(54)	97	Manchester City Council	(57)	94
(19)	31	Oldham Borough Council	(20)	32
(22)	30	Rochdale Borough Council	(23)	32
(27)	37	Salford City Council	(27)	39
(24)	28	Stockport Borough Council	(24)	31
(20)	32	Tameside Borough Council (administering authority)	(20)	31
(17)	25	Trafford Borough Council	(17)	24
(32)	38	Wigan Borough Council	(32)	40
(197)	205	Other scheme employers*	(211)	209
(131)	120	Admitted bodies*	(130)	130
(596)	**705**		**(613)**	**726**

** A full list of all scheme and admitted bodies can be found in the GMPF Annual Report 2016/17 which will be available at* **www.gmpf.org.uk** *following the GMPF Annual General Meeting in September 2017.*

21. Investment Strategy Statement and Funding Strategy Statement

GMPF has published an **Investment Strategy Statement** (formerly Statement of Investment Principles) and a **Funding Strategy Statement**.

22. Actuarial Review of the Fund

GMPF's last Actuarial valuation was undertaken as at 31 March 2016. A copy of the valuation report can be found on the GMPF website as follows:
http://www.gmpf.org.uk/documents/policies/actuarialvaluation/2016.pdf

The funding policy is set out in the Funding Strategy Statement (FSS) dated March 2017. The key funding principles are as follows:

- 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 the 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 ceasing participation or 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; and
- to maintain the affordability of GMPF to employers as far as is reasonable over the longer term.

The valuation revealed that GMPF's assets, which at 31 March 2016 were valued at £17,325 million, were sufficient to meet 93% of the present value of promised retirement benefits earned. The resulting deficit was £1,371 million.

The key financial assumptions adopted for the 2016 valuation were:

	31 March 2016	
Financial assumptions	% p.a. Nominal	% p.a. Real
Discount rate	4.20%	2.10%
Pay increases*	2.20% / 2.90%	0.1% / 0.8%
Price inflation/Pension increases	2.10%	-

** A salary increase assumption of 2.2% p.a. was adopted for the Metropolitan Borough Councils, National Probation Service and the Police and Crime Commissioner. For all other employers a salary increase assumption of 2.9% p.a. was used.*

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 to retirement or expected earlier date of leaving pensionable membership.

23. Stocklending

GMPF's custodian, J P Morgan, is authorised to release stock to third parties under a stocklending agreement. Under the agreement, GMPF does not permit J P Morgan to lend UK or US equities.

At the year end the value of stock on loan was £141.1 million (31 March 2016: £89.1 million) in exchange for which the custodian held collateral at fair value of £147.6 million (31 March 2016: £93.4 million), which consisted exclusively of UK, US, and certain other government 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).

The scheme 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	£8,165,863
Units purchased*	1,552,801
Units sold*	1,403,476
Fair value as at 31 March 2017	**£70,559,781**
Fair value as at 31 March 2016	£70,710,313

** Unit-linked funds only*

25. Actuarial present value of promised retirement benefits

CIPFA's Code of Practice on Local Authority Accounting 2016/17 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.

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 2016/17.

Financial assumptions

31 March 2016 % p.a.	Year ended:	31 March 2017 % p.a.
2.20%	Inflation/Pension increase rate	2.40%
3.50%	Salary increase rate	2.50%
3.50%	Discount rate	2.60%

Mortality

Life expectancy is based on GMPF's VitaCurves with improvements in line with the CMI 2010 model, assuming the current rate of improvements has reached a peak and will converge to a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.5 years	24.1 years
Future pensioners*	23.7 years	26.2 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 80% of the maximum tax free cash for post April 2008 service.

Value of promised retirement liabilities

31 March 2016 £m		31 March 2017 £m
23,051	Present value of promised retirement benefits	27,345

Liabilities have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2016.

Sensitivity analysis

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

31 March 2016			31 March 2017	
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)
7%	1,614	0.5% increase in the Pension Increase rate	8%	2,188
4%	922	0.5% increase in the Salary Increase rate	2%	547
3%	692	1 year increase in member life expectancy	3%	820
11%	2,536	0.5% decrease in Real Discount rate	10%	2,735

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.

Actuarial statement

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2017. In summary, the key funding principles are as follows:

- to ensure the long term solvency of GMPF as a whole and the solvency of each of the notional subfunds 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 ceasing participation or 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; and
- to maintain the affordability of GMPF to employers as far as is reasonable over the longer term.

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 2016. This valuation revealed that GMPF's assets, which at 31 March 2016 were valued at £17,325 million, were sufficient to meet 93% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2016 valuation was £1,371 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 2017 to 31 March 2020 were set in accordance with 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 2016 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 revaluation 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's assets.

The key financial assumptions adopted for the 2016 valuation were as follows:

Financial Assumptions	31 March 2016
Discount Rate	4.2%
Salary increase assumption	2.2%/2.9%*
Benefit increase assumption (CPI)	2.1%

** A salary increase assumption of 2.2% per annum was adopted for Metropolitan Borough Councils, National Probation Service and the Police and Crime Commissioner for Greater Manchester. For all other employers, we have adopted a salary increase assumption of 2.9% per annum.*

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 2013 model, assuming the current rate of improvements has reached a peak and will converge to a long term rate of 1.25% per annum. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.5 years	24.1 years
Future Pensioners*	23.7 years	26.2 years

** Aged 45 at the 2016 valuation.*

Copies of the 2016 valuation report and Funding Strategy Statement are available on request from the Administering Authority to GMPF.

Experience over the period since 31 March 2016

Since the last formal valuation, real bond yields have fallen placing a higher value on the liabilities. The effect of this has been broadly offset by strong asset returns. Both events have roughly cancelled each other out in terms of the impact on the funding position as at 31 March 2017.

The next actuarial valuation will be carried out as at 31 March 2019. The Funding Strategy Statement will also be reviewed at that time.

Steven Law FFA

For and on behalf of Hymans Robertson LLP

20 April 2017

HYMANS ROBERTSON

Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

Scheme administration

Scheme administration

Background to GMPF and LGPS

GMPF is the largest fund in the statutory Local Government Pension Schemes for England and Wales, Scotland and Northern Ireland. Tameside MBC is the administering authority for GMPF.

Employees of all local and joint authorities in the Greater Manchester area and of 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 a community rehabilitation company.

There are also some councillors who are GMPF members, although they must now stop contributing at the end of their current terms of office. A list of employers who contribute to GMPF can be found later in this report.

The LGPS is a defined benefit scheme. Membership built up prior to 1 April 2014 is known as final salary, whereby someone's membership of the LGPS together with their pay on or near retirement is used to work out their pension benefits.

For membership from 1 April 2014 onwards, pension benefits are based on pension build up, which is also called career averaging. In the Scheme's standard section this builds up a pension of 1/49th of pay per year of membership. Members can join the 50/50 section of the LGPS, whereby they pay 50% of the standard contribution, and instead build up 50% of the standard pension for themselves.

Statutory regulations define the benefits to be paid. Benefits are not affected by GMPF's investment performance or market conditions.

A summary of the Scheme 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 2016/17 are shown later in this report. These were determined for the three years from 1 April 2014 by the valuation that took place as at 31 March 2013. The LGPS is registered with Her Majesty's Revenue and Customs, giving rise to various tax benefits, including tax relief on employee contributions.

Membership and Employers

The overall number of members continues to grow. Figures for the last three years are as follows:

	March 2015	March 2016	March 2017
Employees	113,115	111,819	109,446
Deferreds (all types)	117,069	125,855	130,533
Pensioners (all types)	111,153	114,618	118,132
TOTALS:	**341,337**	**352,292**	**358,111**

Employers

The number of employers contributing to GMPF also continues to grow. Figures for the last three years are:

	March 2015	March 2016	March 2017
Employers with contributing members	431	470	515

The vast majority of new employers admitted were academies who had previously been local authority schools.

Value for money and performance

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

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	99.99%
Surname	100.00%
Membership status	100.00%
Date of birth	100.00%
NI number	99.91%
Postcode	99.89%
Address	96.62%

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

Performance standards and measures

The pensions administration section uses a number of performance standards to assess whether it is meeting its statutory duties. These measures are also used to evaluate if it is meeting member expectations.

The table on the following page lists these standards, together with performance over the year.

In addition, formal complaints made and compliments received are monitored and reviewed.

Administration cost per member

GMPF cost	**£15.26** per year
LGPS average	**£18.51** per year

These figures are taken from the LGPS CIPFA benchmarking process for 2016.

Internal Audit opinions

A comprehensive risk based Internal Audit Plan is agreed annually. It covers the main administration, finance and investment systems on a cyclical basis and provides management with assurance that adequate internal controls are in place.

The table below summarises the levels of assurance given for the Internal Audit reports issued in 2016/17. Each report is given a rating, being either a *high*, *medium* or *low* level of assurance. Recommendations for improvements are given and are worked on over the next six months.

Level of assurance given	Number of audits 2016/17
HIGH	1
MEDIUM	3
LOW	0

Successes of note during 2016/17

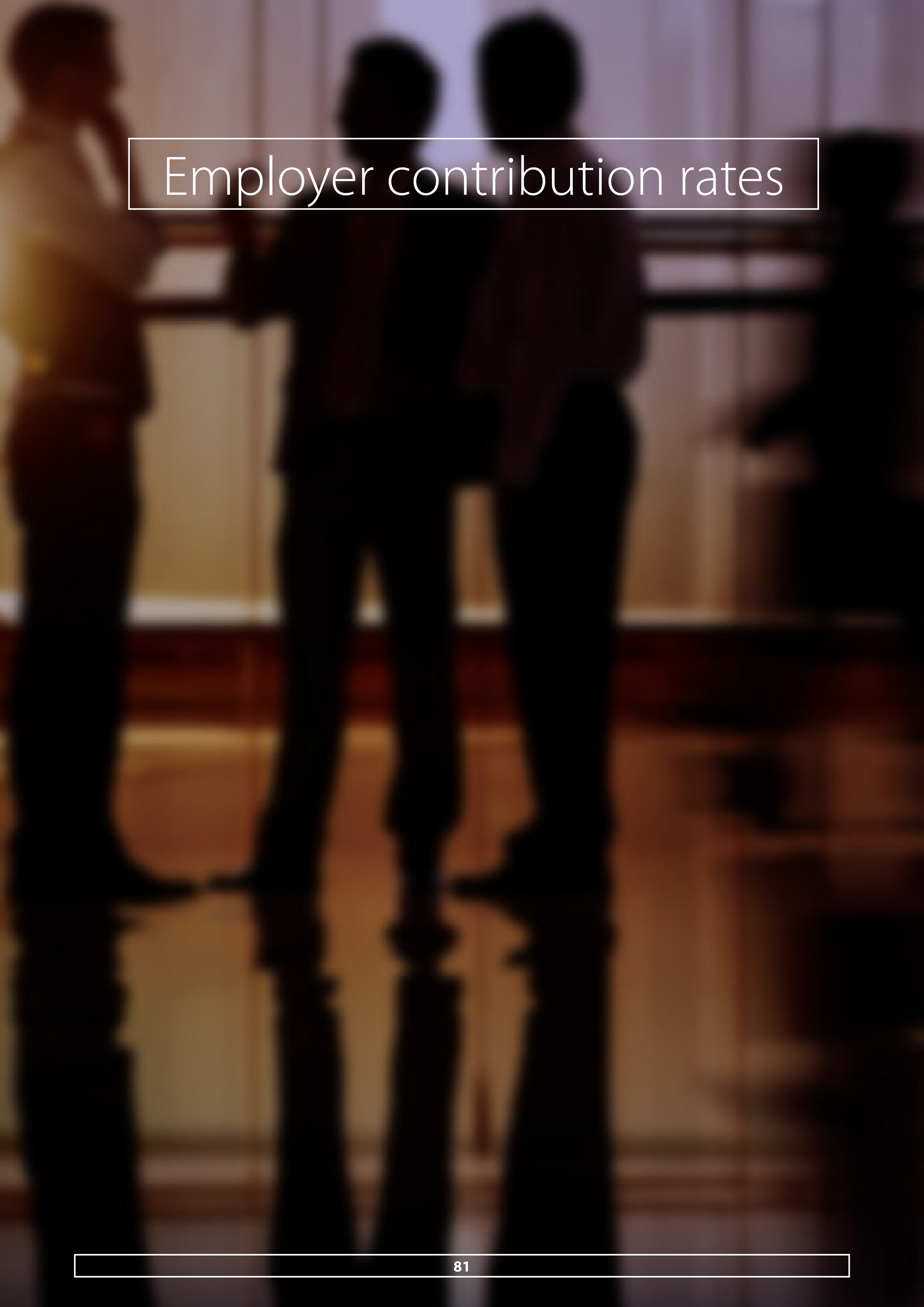
100% of annual pension forecasts for deferred members and over 95% of those for employee members were issued on time.

Data for the 2016 actuarial valuation was submitted to the actuary on time and a large number of efficiency improvements were made to the valuation process.

The induction and training process for colleagues was reviewed and improved significantly.

Summary of performance standards

Task	Total number of cases	Standard	Within Standard
1. Written queries answered or acknowledged	7,006	5 days	93.99%
2. New starters processed	18,990	10 days	99.24%
3. Changes in details processed	21,683	10 days	99.06%
4. Helpline telephone calls answered in office hours	66,692	100%	84.60%
5. Pensions forecasts for deferred members	91,816	Issued before 31 May	99.98%
6. Pensions forecasts for active members	107,222	Issued before 31 August	96.30%
7. Postings queries for employers issued	4,590	Within 1 month	35.27%
8. Technical guidance issued to employers	18	Within 2 months	100.00%
9. Pension savings statements	274	Issued before 6 October	100.00%
10. Estimates for divorce purposes	538	10 days	94.05%
11. Non LGPS transfers in processed	66	15 days	98.48%
12. Non LGPS transfer out quotations processed	1,215	10 days	83.46%
13. Non LGPS transfer out payments processed	260	10 days	96.15%
14. Internal and concurrent transfers processed	3,264	10 days	68.23%
15. Refund payments made	1,804	10 days	84.37%
16. Deferred benefits calculated	11,470	10 days	35.64%
17. Annuity quotations calculated	108	5 days	100.00%
18. APC illustrations calculated	230	10 days	99.57%
19. AVC amendments noted on ALTAIR	1,480	10 days	91.69%
20. New retirements benefit options sent	3,086	10 days	88.66%
21. New retirements processed for payment	3,035	5 days	99.37%
22. Deferred benefits processed for payment	4,334	5 days	98.80%
23. Notifications of death processed	3,882	5 days	82.02%
24. Dependants' pensions processed for payment	1,441	5 days	96.18%
25. Death grants processed for payment	608	5 days	89.31%
26. Retirement lump sum processed by payroll	6,063	5 days	99.74%
27. Payments recalled due to death	3,725	By noon on eve of pay day	100.00%
28. Changes to bank details made	1,847	By payroll cut off date	100.00%



Employer contribution rates

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Academies Pool		
Middleton Academy Limited (St Anne's Academy)	16.5	17.0
Great Academies Education Trust	16.5	17.0
Oasis Community Learning (MediaCityUK Academy)	16.5	17.0
Essa Academy	16.5	17.0
Droylsden Academy	16.5	17.0
Bolton St Catherine's Academy	16.5	17.0
Northern Education Trust (Kearsley Academy)	16.5	17.0
St Bede Church of England Primary Academy	16.5	17.0
Audenshaw School Academy Trust	16.5	17.0
Urmston Grammar	16.5	17.0
Park Road Academy Primary School	16.5	17.0
Lever Edge Primary Academy	16.5	17.0
Wellacre Technology Academy Trust	16.5	17.0
Wellington School	16.5	17.0
Altrincham Grammar School for Boys	16.5	17.0
Sale Grammar School	16.5	17.0
Fairfield High School for Girls	16.5	17.0
Yesoiday Hatorah School	16.5	17.0
Sodexo Limited (Oasis MediaCityUK)	16.5	17.0
Ashton Pioneer Homes Pool		
Ashton Pioneer Homes Ltd [Trfd Staff]	23.0 + £10k	23.0 + £14k
AQA Pool		
AQA Education	23.2	24.7
Bamford Academy Pool		
Bamford Academy	17.1	17.1
Base Academy Trust Pool		
BASE Academy Trust (Red Lane Primary) [*from 01.08.16*]	n/a	30.2
BASE Academy Trust (Masefield Primary) [*from 01.08.16*]	n/a	30.2
Better Choices Pool		
Better Choices Limited [Trfd Staff] [*to 31.10.15*]	16.8	n/a
Better Choices Limited [New Staff] [*to 31.10.15*]	16.8	n/a
Employment & Regeneration Partnership Ltd	16.8	16.8
Better Choices Limited (Rochdale) [*to 31.10.15*]	16.8	n/a

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Big Life Schools Pool		
Big Life Schools (Longsight Community Primary)	17.2	17.2
Big Life Schools (Unity Community Primary) [*from 01.09.15*]	17.2	17.2
Bolton & Farnworth CoE Primary MAT Pool		
Bolton & Farnworth C of E Primary MAT (Bishop Bridgeman) [*from 01.08.16*]	n/a	29.8
Bolton & Farnworth C of E Primary MAT (St James CE Primary) [*from 01.08.16*]	n/a	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	19.5	20.2
Canon Slade C of E School	19.5	20.2
Dawn Construction Limited [*to 10.06.16*]	19.5	20.2
Bolton Community Leisure Limited	19.5	20.2
Monument Café Limited (Bolton)	19.5	20.2
JW Cleaning Services Ltd (Bolton 1)	19.5	20.2
Concerted Academies Trust (Smithills School)	19.5	20.2
Agilisys Limited (Ex Bolton)	19.5	20.2
Bolton Cares (A) Ltd [*from 01.07.16*]	n/a	20.2
Borough Care Pool		
Borough Care Ltd	20.3	22.2
Bright Futures Educational Trust Pool		
Bright Futures Educational Trust	18.3	19.1
Bright Futures Educational Trust (Cedar Mount Academy)	18.3	19.1
Bright Futures Educational Trust (Gorton Mount Primary Academy)	18.3	19.1
Bright Futures Educational Trust (Melland High School)	18.3	19.1
Bright Futures Educational Trust (Stanley Grove Primary Academy)	18.3	19.1
Bright Futures Educational Trust (Connell 6th Form College)	18.3	19.1
Dataspire Solutions Ltd (Ex Cedar Mount) [*to 31.08.15*]	18.3	n/a
Sodexo - AGGS	18.3	19.1
Bulloughs Cleaning Services Ltd - BFET [*from 01.12.15*]	18.3	19.1
Taylor Shaw (BFET) [*from 02.11.15*]	18.3	19.1
Bury College Pool		
Bury College	20.2	21.8

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Bury College Education Trust Pool		
Bury College Education Trust (Radcliffe Primary School)	13.0	13.0
Bury College Education Trust (Elton Community Primary School)	13.0	13.0
Bury MBC Pool		
Bury MBC	19.2	19.8
Six Town Housing Limited	19.2	19.8
Persona Care and Support Ltd [*from 01.10.15*]	19.2	19.8
CQC Pool		
Care Quality Commission	26.1 + £149k	26.1 + £206k
Carillion Academies Trust Pool		
Carillion Academies Trust (Inspire Academy) [*from 01.09.15*]	17.2	17.2
Carillion Academies Trust (Discovery Academy) [*from 01.09.16*]	n/a	17.2
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	14.0	14.0
Dorset, Devon and Cornwall CRC	14.0	14.0
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
Wales CRC	14.0	14.0
RISE Mutual CIC (Ex London CRC)	14.0	14.0
Shelter, Nat Campaign for Homeless People Ltd (Ex North CRC) [*from 01.02.16*]	14.0	14.0

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
City South Manchester Pool		
City South Manchester Housing Trust Limited [Trfd Staff]	17.3	17.3
City South Manchester Housing Trust Limited [New Staff]	17.3	17.3
Connexions Cumbria Pool		
Inspira Cumbria Limited	15.3 + £77k	15.3 + £137k
The Dean Trust Pool		
The Dean Trust (Ashton On Mersey School)	17.9	17.9
The Dean Trust (Broadoak School)	17.9	17.9
The Dean Trust (Forest Gate Academy)	17.9	17.9
The Dean Trust (Ardwick) [*from 01.09.15*]	17.9	17.9
The Dean Trust (Partington Central Academy) [*from 01.09.16*]	n/a	17.9
Eastlands Homes Partnership Pool		
Eastlands Homes Partnership Ltd	17.3	17.3
Elmridge Academy Trust Pool		
The Dunham Trust (Elmridge Primary School)	19.9	20.8
The Dunham Trust (Acre Hall Primary School)	19.9	20.8
The Dunham Trust (The Orchards) [*from 01.09.16*]	n/a	20.8
Enquire Learning Trust Pool		
The Enquire Learning Trust (Hawthorns School)	24.3	24.3
The Enquire Learning Trust (Lime Tree Primary Academy)	13.0	13.0
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) [*from 01.12.15*]	24.3	24.3
The Enquire Learning Trust (Godley Primary) [*from 01.04.16*]	n/a	24.3
The Enquire Learning Trust (Oakfield Primary School) [*from 01.04.16*]	n/a	24.3
The Enquire Learning Trust (Flowery Field Primary) [*from 01.06.16*]	n/a	24.3
The Enquire Learning Trust (Bradley Green Primary Academy) [*from 01.09.16*]	n/a	24.3
The Enquire Learning Trust (Dowson Primary Academy) [*from 01.09.16*]	n/a	24.3
First Choice Homes Pool		
FCHO Ltd (I & P) [Trfd Staff]	17.2	17.9
FCHO Ltd (I & P) [New Staff]	17.2	17.9

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Greater Manchester Fire Pool		
Greater Manchester Fire and Rescue Service	21.5	22.5
Greater Manchester Waste Pool		
Greater Manchester Waste Disposal Authority	19.8 + £535k	19.8 + £535k
The Laurus Trust Pool		
The Laurus Trust	16.7	16.7
Compass Contract Services (UK) Ltd (Laurus Trust)	16.7	16.7
Loreto Grammar School Pool		
Loreto Grammar School (Academy)	17.9	17.9
Manchester Airport Pool		
Manchester Airport plc	19.8 + £1.7m	19.8 + £1.7m
Manchester Airport Aviation Services Ltd	19.8	19.8
Manchester City Council Pool		
Manchester City Council	18.3	19.1
National Car Parks Manchester Ltd	18.3	19.1
Group 4 Total Security Limited	18.3	19.1
Eastlands Homes Partnership Ltd [Trfd Staff]	18.3	19.1
Amey Highways Limited	18.3	19.1
Peak Valley Housing Association Ltd	18.3	19.1
Manchester Working Limited	18.3	19.1
Adactus Housing Association Limited	18.3	19.1
Capita IT Services (BSF) Ltd	18.3	19.1
SPIE FS Northern UK Limited (Wright Robinson)	18.3	19.1
Enterprise Manchester Partnership Limited	18.3	19.1
Mosscare Housing Limited	18.3	19.1
Jacobs Engineering UK Limited	18.3	19.1
Community Integrated Care	18.3	19.1
Inspirit Care Limited	18.3	19.1
Manchester Enterprise Academy	18.3	19.1
Manchester Health Academy	18.3	19.1
Manchester Creative And Media Academy	18.3	19.1
East Manchester Academy	18.3	19.1
Manchester Communication Academy	18.3	19.1
The Co-operative Academy of Manchester	18.3	19.1

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Manchester City Council Pool *(continued)*		
Manchester Mental Health and Social Care Trust	18.3	19.1
One Education Limited	18.3	19.1
The King David High School	18.3	19.1
Cheetham Church of England Community Academy	18.3	19.1
Trinity Church of England High School	18.3	19.1
Greater Manchester Arts Centre Limited	18.3	19.1
St Barnabas C of E Primary Academy Trust	18.3	19.1
Wise Owl Trust (Briscoe Lane Academy)	18.3	19.1
E-ACT (Blackley Academy)	18.3	19.1
Wise Owl Trust (Seymour Road Academy)	18.3	19.1
Chorlton High School	18.3	19.1
Wythenshawe Catholic Academy Trust (St Anthony's)	18.3	19.1
Children of Success Schools Trust (Haveley Hey)	18.3	19.1
Children of Success Schools Trust (The Willows)	18.3	19.1
Webster Primary School	18.3	19.1
Wythenshawe Catholic Academy Trust (St Paul's)	18.3	19.1
Oasis Community Learning (Harpur Mount)	18.3	19.1
Commission For The New Economy Limited (2)	18.3	19.1
Manchester Central Convention Complex Limited	18.3	19.1
Wythenshawe Catholic Academy Trust (St John Fisher)	18.3	19.1
The King David Primary School	18.3	19.1
Oasis Community Learning (Academy Aspinal)	18.3	19.1
Kingsway Community Trust (Green End Primary School)	18.3	19.1
Kingsway Community Trust (Ladybarn Primary School)	18.3	19.1
Beaver Road Academy Trust	18.3	19.1
Contour Homes Limited	18.3	19.1
Mears Limited [*to 16.01.17*]	18.3	19.1
Wythenshawe Catholic Academy Trust (St Elizabeth's Primary)	18.3	19.1
Burnage Academy for Boys	18.3	19.1
Crossacres Primary Academy	18.3	19.1
Dataspire Solutions Ltd (Our Lady's Catholic High)	18.3	19.1
Education and Leadership Trust (Levenshulme High School)	18.3	19.1
Education and Leadership Trust (Whalley Range High School)	18.3	19.1
Piper Hill Learning Trust (PH Specialist Support School)	18.3	19.1
Manchester Communication Primary Academy	18.3	19.1
Taylor Shaw - Cavendish Primary	18.3	19.1
Dolce Limited (MCC)	18.3	19.1
SS Simon and Jude C of E Academy Trust (St James CE Primary)	18.3	19.1
Chorlton High School (Newall Green High School)	18.3	19.1

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Manchester City Council Pool *(continued)*		
St James & Emmanuel Academy Trust (Didsbury CE Primary) [*from 01.09.15*]	18.3	19.1
St James & Emmanuel Academy Trust (West Didsbury CE Primary) [*from 01.09.15*]	18.3	19.1
BRITE Trust (Newall Green Primary School) [*from 01.11.15*]	18.3	19.1
KGB Cleaning & Support Services Ltd (Barlow School)	18.3	19.1
KGB Cleaning & Support Services Ltd (Enterprise Academy)	18.3	19.1
Catering Academy - Beaver Road Academy [*from 01.09.15*]	18.3	19.1
Greenwich Leisure Ltd (Manchester Sports)	18.3	19.1
Greenwich Leisure Ltd (Wythenshawe Forum)	18.3	19.1
Biffa Municipal Ltd. [*from 04.07.15*]	18.3	19.1
Wise Owl Trust (Old Hall Drive Academy) [*from 01.02.16*]	18.3	19.1
St James & Emmanuel Academy Trust (St Wilfrids CE Primary) [*from 01.07.16*]	n/a	19.1
Trinity Sport Services Ltd	18.3	19.1
Integral UK Ltd - Cheethams Academy	18.3	19.1
Essential Hygiene Ltd - Cavendish School [*from 01.03.16*]	18.3	19.1
Taylor Shaw - St Aidans Primary School	18.3	19.1
Career Connect (Ex Better Choices/ MCC) [*from 01.11.15*]	18.3	19.1
Piper Hill Learning Trust (Pioneer House High School) [*from 01.09.16*]	n/a	19.1
Sodexo (Harpur Mount)	18.3	19.1
Greater Manchester Learning Trust (Parrs Wood High School) [*from 01.09.16*]	n/a	19.1
CLIC Educational Trust (Chorlton Park Primary School) [*from 01.09.16*]	n/a	19.1
CLIC Educational Trust (Old Moat Primary School) [*from 01.09.16*]	n/a	19.1
Museum of Science and Industry Pool		
National Museum of Science and Industry	22.3	22.3
NPS Pool		
National Probation Service	29.4	29.6
Other Local Authorities Pool		
Saddleworth Parish Council	21.3	22.8
Manchester Port Health Authority	21.3	22.8
Horwich Town Council	21.3	22.8
The Valuation Tribunal Service [*to 30.11.15*]	21.3	n/a
Shaw & Crompton Parish Council [*to 31.07.16*]	21.3	22.8
Shevington Parish Council	21.3	22.8

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Oldham MBC Pool		
Oldham MBC	18.2	18.8
Oldham Community Leisure Limited	18.2	18.8
The Villages Housing Association Limited	18.2	18.8
Housing 21	18.2	18.8
Kier Facilities Services Limited	18.2	18.8
The Unity Partnership Limited	18.2	18.8
Allied Publicity Services (Manchester) Limited	18.2	18.8
Bullough Cleaning Services Limited	18.2	18.8
Oasis Community Learning (Oldham Academy)	18.2	18.8
E-ACT (The Oldham Academy North)	18.2	18.8
Oldham College Community Academies Trust (Waterhead Academy)	18.2	18.8
NSL Limited	18.2	18.8
Church of England Children's Society [*to 31.03.16*]	18.2	n/a
The Hathershaw College	18.2	18.8
Kier Facilities Services Limited (Oasis Oldham) [*to 31.08.16*]	18.2	18.8
Crompton House Church of England School	18.2	18.8
Sodexo Limited (Oasis Oldham)	18.2	18.8
Cranmer Education Trust (The Blue Coat School)	18.2	18.8
Oasis Community Learning (Limeside Academy)	18.2	18.8
Wates Construction Limited	18.2	18.8
Great Places Housing Association	18.2	18.8
Taylor Shaw Limited (Kier)	18.2	18.8
SMC Premier Cleaning Limited	18.2	18.8
Sodexo Limited (Limeside Academy)	18.2	18.8
Action For Children [*to 31.03.16*]	18.2	n/a
New Bridge Multi Academy Trust (New Bridge School)	18.2	18.8
Church of England Childrens Society [*to 31.03.16*]	18.2	n/a
Oldham Care and Support Limited	18.2	18.8
Oldham College Community Academies Trust (Stoneleigh Academy)	18.2	18.8
Focus Academy Trust (UK) Ltd (Roundthorn Primary Academy)	18.2	18.8
Focus Academy Trust (UK) Ltd (Coppice Primary Academy)	18.2	18.8
Sola Fide C of E Trust (St Chad's Church of England Primary School)	18.2	18.8
The Harmony Trust Ltd (Greenhill Academy)	18.2	18.8
Bright Tribe Trust (Werneth Primary)	18.2	18.8
North Chadderton School	18.2	18.8
The Harmony Trust Ltd (Alt Academy)	18.2	18.8
The Harmony Trust Ltd (Westwood Academy)	18.2	18.8
The Harmony Trust Ltd (Richmond Academy)	18.2	18.8
Blue Support Services [*to 30.09.16*]	18.2	18.8

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Oldham MBC Pool *(continued)*		
Churchill Contract Services [*to 31.07.15*]	18.2	n/a
Catering Academy Ltd (Waterhead Academy) [*from 01.06.15*]	18.2	18.8
Taylor Shaw Ltd (Blessed John Henry Newman College) [*to 31.08.15*]	18.2	n/a
Taylor Shaw Ltd (Royton and Crompton) [*to 27.01.17*]	18.2	18.8
Engie Services Limited	18.2	18.8
Focus Academy Trust (UK) Ltd (Freehold Community Primary) [*from 01.11.15*]	18.2	18.8
Cranmer Education Trust (East Crompton St George CE Primary) [*from 01.09.15*]	18.2	18.8
New Bridge Multi Academy Trust (Hollinwood) [*from 01.09.15*]	18.2	18.8
Wolseley UK Ltd [*from 01.08.15*]	18.2	18.8
Cranmer Education Trust (Mayfield Primary School) [*from 01.01.16*]	18.2	18.8
SMC Premier Cleaning Ltd (Broadfield Primary)	18.2	18.8
Bulloughs Cleaning Services Ltd [*from 15.02.16*]	18.2	18.8
The Harmony Trust (Northmoor Academy) [*from 01.09.16*]	n/a	18.8
Kingfisher Learning Trust [*from 01.09.16*]	n/a	18.8
New Bridge Multi Academy Trust (Springbrook) [*from 01.12.16*]	n/a	18.8
Focus Academy Trust (UK) Ltd (Lyndhurst Primary School) [*from 01.12.16*]	n/a	18.8
Parkway Green Housing Trust Pool		
Parkway Green Housing Trust [Trfd Staff]	18.3	18.3
Parkway Green Housing Trust [New Staff]	18.3	18.3
Police & Crime Commissioner Pool		
Police and Crime Commissioner for Greater Manchester	17.2	18.7
Police and Crime Commissioner for Greater Manchester (Ex Salford CC)	17.2	18.7
Prestolee MAT Pool		
Prestolee Multi Academy Trust (Prestolee Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Bowness Primary School) [*from 01.12.15*]	24.3	24.3
Reddish Vale Academy Trust Pool		
Reddish Vale Academy Trust	16.7	16.7
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

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Rochdale MBC Pool		
Rochdale MBC	18.9	19.7
Crossgates School	18.9	19.7
Smithy Bridge Foundation Primary School	18.9	19.7
St James' C of E Primary School	18.9	19.7
Healey Primary School	18.9	19.7
Peopleprint Community Media Workshop [*to 29.06.16*]	18.9	19.7
Rochdale Boroughwide Cultural Trust	18.9	19.7
Alternative Futures Group Limited	18.9	19.7
Balfour Beatty Workplace Ltd [*to 31.05.15*]	18.9	n/a
Safeguard Solutions Limited	18.9	19.7
Capita IT Services (BSF) Limited	18.9	19.7
E.ON UK plc	18.9	19.7
Grosvenor Facilities Management Limited	18.9	19.7
Carewest (Northern) Limited [*to 14.06.15*]	18.9	n/a
Carillion Services Limited (Hollingworth)	18.9	19.7
Great Academies Education Trust (Middleton Tech School) [*from 01.09.16*]	n/a	19.7
Hollingworth Academy Trust	18.9	19.7
Carillion AMBS Ltd (Falinge)	18.9	19.7
Carillion AMBS Ltd (Wardle)	18.9	19.7
Rochdale Boroughwide Housing	18.9	19.7
PossAbilities CIC	18.9	19.7
Future Directions	18.9	19.7
Bulloughs Cleaning Services Ltd	18.9	19.7
Balfour Beatty Living Places Ltd [*from 01.06.15*]	18.9	19.7
The Pennine Acute Hospitals NHS Trust [*from 01.09.15*]	18.9	19.7
Office Depot UK	18.9	19.7
Salford Academy Trust Pool		
Salford Academy Trust (Albion High School)	20.3	21.5
Salford Academy Trust (Dukesgate Primary School)	20.3	21.5
Salford Academy Trust (Marlborough Road Primary School)	20.3	21.5
Salford City College Pool		
Salford City College	17.7	18.2

Scheme employers	Contribution rate 2015-16 %	2016-17 %
Salford City Council Pool		
Salford City Council	19.3	20.0
St Ambrose Barlow RC High School	19.3	20.0
The Salfordian Trust Company Limited	19.3	20.0
Salford Community Leisure Limited	19.3	20.0
The Working Class Movement Library	19.3	20.0
Mitie PFI Limited	19.3	20.0
Compass Contract Services (UK) Limited	19.3	20.0
SPIE FS Northern UK Ltd (Salford)	19.3	20.0
City West Housing Trust Limited	19.3	20.0
Inspirit Care Limited	19.3	20.0
RM Education plc	19.3	20.0
SPIE FS Northern UK Limited (Salford 2)	19.3	20.0
The Landing at MediaCityUK Limited	19.3	20.0
Chevin Housing Association Limited	19.3	20.0
City West Works Ltd [*to 31.03.16*]	19.3	n/a
Salix Homes Limited	19.3	20.0
Career Connect	19.3	20.0
Aspire for Intelligent Care and Support (CIC) [*from 01.06.15*]	19.3	20.0
SPIE FS Northern UK Ltd (St Ambrose & St Patrick)	19.3	20.0
SPIE FS Northern UK Ltd (Moorside)	19.3	20.0
Salford Royal NHS Foundation Trust (ASC Contract) [*from 01.07.16*]	n/a	20.0
Salford Royal NHS Foundation Trust (Equipment Contract) [*from 01.07.16*]	n/a	20.0
Absolutely Catering Ltd (Graysons Restaurants)	19.3	20.0
Aspens Services Ltd [*from 30.05.16*]	n/a	20.0
St Ambrose Academy Trust Pool		
St Ambrose College Academy Trust	17.8	17.8
Salford University Pool		
Salford University	19.4	20.7

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Small Admitted Bodies Pool		
National Museum of Labour History	19.9	21.6
Wigan Metropolitan Development Co (Inv) Ltd	19.9	21.6
Groundwork Oldham & Rochdale	19.9	21.6
APSE	19.9	21.6
Greater Manchester Immig Aid Unit	19.9	21.6
Birtenshaw Hall School	19.9	21.6
North West Local Auth Empl Orgn	19.9	21.6
Rochdale CAB	19.9	21.6
Chethams School Of Music	19.9	21.6
Oldham CAB	19.9	21.6
Manchester CAB	19.9	21.6
CLES	19.9	21.6
UNIAC	19.9	21.6
Manchester Centre For The Deaf	19.9	21.6
Rochdale Development Agency	19.9	21.6
Salford Foundation Ltd	19.9	21.6
Sparth Community Centre	19.9	21.6
Cloverhall Tenants Association Co-Operative Ltd [*to 30.11.15*]	19.9	n/a
Stockport CAB [*to 11.10.16*]	19.9	21.6
Tameside CAB [*to 01.03.17*]	19.9	21.6
Marketing Manchester	19.9	21.6
Council For Voluntary Service Rochdale	19.9	21.6
Mechanics Centre Ltd	19.9	21.6
Midas Limited	19.9	21.6
Greater Manchester Sports Partnership	19.9	21.6
Rochdale Law Centre	19.9	21.6
Metro Rochdale Employees Credit Union Limited	19.9	21.6
Shopmobility Manchester	19.9	21.6
Dance Initiative Greater Manchester	19.9	21.6
Cash Box Credit Union Ltd	19.9	21.6
Open College Network North West Region [*to 30.09.16*]	19.9	21.6
Groundwork MSSTT	19.9	21.6
Caritas Diocese Of Salford	19.9	21.6

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Small Further Education Colleges Pool		
Holy Cross College	16.3	17.0
Loreto Sixth Form College	16.3	17.0
Xaverian Sixth Form College	16.3	17.0
Oldham Sixth Form College	16.3	17.0
Aquinas College	16.3	17.0
Ashton Under Lyne Sixth Form College	16.3	17.0
Winstanley College	16.3	17.0
St John Rigby College	16.3	17.0
Bolton Sixth Form College	16.3	17.0
Rochdale Sixth Form College	16.3	17.0
BaxterStorey Ltd	16.3	17.0
Southway Housing Trust Pool		
Southway Housing Trust (Manchester) Limited [Trfd Staff]	18.6	18.6
Southway Housing Trust (Manchester) Limited [New Staff]	18.6	18.6
Stagecoach Manchester Pool		
Stagecoach Manchester	28.2	28.2
Stagecoach Services Limited	28.2 + £1.5m	28.2 + £2.4m
Stockport College Pool		
Stockport College Of Further & Higher Education	19.3	20.8
Stockport MBC Pool		
Stockport MBC	18.3	19.0
Life Leisure	18.3	19.0
Pure Innovations Ltd	18.3	19.0
Stockport Homes Ltd	18.3	19.0
Solutions SK Limited	18.3	19.0
Marple Hall School	18.3	19.0
Carillion (AMS) Ltd (Ex NPS Stockport)	18.3	19.0
Tameside College Pool		
Tameside College	16.7	18.2

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Tameside MBC Pool		
Tameside MBC	19.6	20.2
Carillion Services Limited	19.6	20.2
Carillion LGS Limited	19.6	20.2
Carillion AMBS Ltd [*from 01.03.16*]	19.6	20.2
The Manchester College Pool		
The Manchester College	16.9	18.1
Trafford College Pool		
Trafford College	18.7 + £264k	18.7 + £273k
Caterlink (Trafford College) [*from 16.05.16*]	n/a	18.7
Trafford MBC Pool		
Trafford MBC	19.7	20.4
Sale High School	19.7	20.4
Blessed Thomas Holford Catholic College	19.7	20.4
Trafford Community Leisure Trust [*to 30.09.15*]	19.7	n/a
Essential Fleet Services Ltd	19.7	20.4
Market Operations	19.7	20.4
Amey LG Ltd [*from 04.07.15*]	19.7	20.4
Trafford Leisure Community Interest Company [*from 01.10.15*]	19.7	20.4
Floorbrite Cleaning Contractors Ltd (St Anne's) [*from 20.07.15 to 15.07.16*]	19.7	20.4
Floorbrite Cleaning Contractors Ltd (Springfield Primary)	19.7	20.4
Caterlink (Sale High School)	19.7	20.4
Caterlink (Stretford High School)	19.7	20.4
Transport for Greater Manchester Pool		
Transport for Greater Manchester	18.1	18.8
Greater Manchester Public Transport Information [*to 01.02.16*]	18.1	n/a
United Learning Trust Pool		
United Learning Trust (Manchester Academy)	14.9	14.9
United Learning Trust (Salford Academy)	14.9	14.9
United Learning Trust (Stockport Academy)	14.9	14.9
United Learning Trust (William Hulme's Grammar School)	14.9	14.9
United Learning Trust (Abbey Hey Primary)	14.9	14.9
United Learning Trust (Cravenwood Community Primary)	14.9	14.9
Caterlink (Ex United Learning Trust Stockport Academy)	14.9	14.9

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
The University of Manchester Pool		
The University of Manchester	22.9 + £684k	22.9 + £708k
Wardle Academy Trust Pool		
Wardle Academy	23.4	23.4
Wardle Academy (Kentmere Primary School)	23.4	23.4
West Hill School Pool		
West Hill School	19.8	19.8
Wigan MBC Pool		
Wigan MBC	19.6	19.6
Wigan & Leigh Housing Company Ltd [*to 31.03.17*]	19.6	19.6
Wigan Leisure & Culture Trust	19.6	19.6
NPS North West Limited	19.6	19.6
Western Skills Centre Limited	19.6	19.6
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
Abraham Guest Academy Trust	19.6	19.6
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
Byrchall High School Academy Trust	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)	19.6	19.6
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
CRI - Crime Reduction Initiatives	19.6	19.6
Brathay Trust	19.6	19.6
The Rowan Learning Trust (Marus Bridge) [*from 01.10.16*]	n/a	19.6
Greengate Academy Trust (Orrell Holgate) [*from 01.11.16*]	n/a	19.6
Greengate Academy Trust (Orrell Lamberhead Green) [*from 01.11.16*]	n/a	19.6

Scheme employers	Contribution rate 2015-16 %	2016-17 %
Willow Park Housing Trust Pool		
Willow Park Housing Trust	21.3	21.3
Willow Park Housing Trust [2nd Agreement]	21.3	21.3
Individual Employers		
The University of Bolton	21.7	23.2
Manchester Metropolitan University	20.3	21.4
Liverpool Hope University	18.1	19.1
Royal Northern College Of Music	18.1	18.9
Borough Care Services Ltd	25.3 + £141k	25.3 + £154k
First Manchester Ltd	26.6 + £3.3m	26.6 + £4.9m
Bolton College	18.0 + £158k	18.0 + £237k
Oldham College	14.4	14.9
Hopwood Hall College	18.9	20.2
Cheadle & Marple 6th Form College	21.2 + £38k	21.2 + £39k
Wigan & Leigh College	20.8	22.7
Tameside Sports Trust	16.7	17.4
New Charter Housing Trust Limited	24.1	25.1
Positive Steps Oldham	14.4	14.4
Eastlands Trust (Formerly The Velodrome Trust)	20.3	22.7
Ace Centre (North)	12.8	12.8
Bowlee Park Housing Association [*to 31.03.16*]	15.1	n/a
Manchester & District Housing Association	15.8	17.3
Trafford Housing Trust Ltd	18.0 + £384k	18.0 + £397k
Northwards Housing Limited	16.4	17.6
Viridor Waste (Greater Manchester) Limited	20.6	20.6
The Swinton High School Academy Trust	17.8	17.8
Flixton Girls School Academy Trust	19.0	19.0
Mellor Primary School	16.7	16.7
Broadoak Primary School	17.8	17.8
Denton West End Primary School	18.3	18.3
Hazel Grove High School	16.8	16.8
Eagley Infant School	20.7	22.2
Eagley Junior School	22.0	24.0
Harwood Meadows Primary School	22.1	24.2
Oakwood Academy	20.1	21.2
Broughton Jewish Cassel Fox	18.1	18.1
Altrincham College of Arts	18.1	18.1
St Paul's (Astley Bridge) C of E Primary School	19.0	19.0
SS Simon and Jude C of E Academy Trust	17.9	17.9

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Individual Employers *(continued)*		
Chapel Street Community Schools Trust (Atherton Community School)	16.6	16.6
Bright Futures Educational Trust (Wigan UTC)	18.6	18.6
Northern Education Trust (The Ferns)	17.9	17.9
St Anselms Catholic Multi Academy Trust	18.3	18.3
Stockport Technical School [*to 31.08.15*]	14.0	n/a
The Olive Tree Primary Bolton Limited	15.0	15.0
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)	15.8	15.8
Focus Academy Trust (UK) Ltd (Manor Green Primary Academy) [*from 01.10.15*]	32.9	32.9
Collective Spirit Oldham	16.9	16.9
The Kirkstead Education Trust (Hursthead Junior School)	19.7	19.7
Focus Academy Trust (UK) Ltd (Old Trafford Community Primary)	14.4	14.4
Essa Foundation Academies Trust (The Essa Primary)	15.0	15.0
Taylor Shaw Ltd (Moorfield Primary School)	22.8	22.8
Taylor Shaw Ltd (Mellor Primary School) [*to 30.11.16*]	18.3	18.3
Taylor Shaw Ltd (Romiley Primary School)	21.9	21.9
Kingsway Community Trust (Cringle Brook Primary)	13.6	13.6
The Eddie Davies Educational Trust (Bolton Wanderers FS)	14.5	14.5
Gatley Academy Trust (Gatley Primary School)	21.4	21.4
Greater Manchester Sustainable Engineering UTC	16.2	16.2
Focus Academy Trust (UK) Ltd (Deeplish Primary Academy)	24.5	24.5
Taylor Shaw Ltd (Kingsway High School)	21.6	21.6
Ashton West End Primary	26.5	26.5
Addiction Dependency Solutions	13.2	13.2
Greater Manchester Combined Authority	17.2	17.2
Sharples School A Multi Academy Trust [*from 01.06.16*]	n/a	29.6
Lever Academy Trust (Little Lever School) [*from 01.12.15*]	24.8	24.8
Bolton UTC [*from 01.09.15*]	17.2	17.2
Creative Industries UTC (UTC@MediaCityUK) [*from 01.09.15*]	17.2	17.2
Bolton Muslim Academy Trust [*from 01.09.16*]	n/a	20.2
The Sovereign Trust MAT (Pictor Academy & Manor Academy) [*from 01.01.16*]	25.9	25.9
Taylor Shaw (St Simon's Primary)	23.2	23.2
Taylor Shaw (St Mary's)	25.1	25.1
Taylor Shaw (Nevill Road Primary) [*to 31.07.16*]	23.1	23.1
Taylor Shaw (Marple Hall High School)	22.3	22.3
Taylor Shaw (Lisburn) [*to 31.03.16*]	24.5	n/a
Taylor Shaw (Fairway)	18.7	18.7

Scheme employers	Contribution rate 2015-16 %	Contribution rate 2016-17 %
Individual Employers *(continued)*		
Abney Trust (The Kingsway School) [*from 01.02.16*]	26.0	26.0
KGB Cleaning & Support Services Ltd (Ex Trafford College)	21.8	21.8
Bolton Impact Trust [*from 01.04.16*]	n/a	25.6
Career Connect (Achieve North West Contract) [*from 01.07.15*]	30.0	30.0
Catering Academy (Ex Bolton College)	24.7	24.7
CBRE Managed Services Ltd (Waterhead Academy)	25.3	25.3
Taylor Shaw Ltd (Harrytown High School) [*from 01.09.14*]	25.9	25.9
Consilium Academies (Buile Hill) [*from 01.08.16*]	n/a	20.0
CBRE Managed Services Ltd (Oldham College)	25.5	25.5
The Hamblin Education Trust (North Cestrian School) [*from 01.09.16*]	n/a	17.2
Taylor Shaw (Stockport College) [*from 01.08.15*]	19.5	19.5
Churchill Contract Services Ltd (Harper Green School) [*from 01.06.16*]	n/a	33.9
Elite Cleaning & Environmental Services Ltd [*from 01.12.15*]	23.3	23.3

The LGPS at a glance

The information below describes the LGPS as it was during 2016/17.

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, etc 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 permutations thereof. 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 a 49th 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 a 98th 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 pensions based on 60ths. Membership before that also provides final salary benefits, based on 80ths. Members can normally exchange some annual pension for a larger lump sum at a rate of 1:12, ie. every £1 of annual pension foregone produces £12 of lump sum. HMRC limits apply.

Generally a minimum of two years membership is required to draw 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 grounds of redundancy or business efficiency;
- members who have left employment may request payment of benefits from age 55 onwards, but actuarial reductions may 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 up, and pensions in payment, are increased annually to protect them from inflation. Pensions increases are currently in line with the Consumer Prices Index.

Policy Statements

Funding Strategy Statement

March 2017

Funding strategy statement

Contents

For further information please contact ect@gmpf.org.uk

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. It is effective from 1 April 2017.

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 currently pay the balance of the cost of delivering the benefits to members. 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 triennial Actuarial Valuation report;
- Actuarial factors for valuing early retirement costs and the cost of buying extra service;
- GMPF's policy on admissions; and
- The Investment Strategy Statement (formerly the Statement of Investment Principles).

Operating within this framework, the Actuary carries out triennial 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 in 2004, 2012 and 2016.
  - Its Investment Strategy Statement (formerly Statement of Investment Principles).
- 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 pensions committee prior to the completion of each valuation.
- The actuary must have regard to the FSS as part of the fund valuation process.

1.2 Reviews of FSS

The FSS is reviewed in detail at least every three years in line with triennial valuations being carried out, with the next full review due to be completed by 31 March 2020.

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 **ect@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 Department for Communities and Local Government (DCLG)] stated that the purpose of the FSS is:

- 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 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 GMPF are met; and
- 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 scheme 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 ceasing participation or 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; and
- To maintain the affordability of GMPF to employers as far as is reasonable over the longer term.

3. Target Funding Levels & Calculation of Contribution Rates

3.1 Target funding levels

GMPF's funding target for most ongoing employers is a *funding level* of 100%, calculated using the Actuary's ongoing funding basis (see section 3.2 below). The funding level is the ratio of the market 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 by type of member and so reflect the different member profiles of employers.

3.2.2 Financial assumptions

The key financial assumption is the anticipated return on GMPF's investments. The investment return assumption makes allowance for anticipated returns in excess of UK Government Bonds ('gilts') from growth-seeking assets such as equities. There is, however, no guarantee that growth-seeking assets will out-perform gilts. The risk of under-performance is greater when measured over short periods such as the three years between formal actuarial valuations, when the actual returns and assumed returns can deviate sharply.

Given the long-term nature of the liabilities, a long term view of prospective returns from growth-seeking assets is taken. For the 2016 valuation, the assumption is that GMPF's investments will deliver an average additional return of 2.0% a year in excess of the return available from investing in long-dated UK gilts at the time of the valuation.

The same investment return assumptions are adopted for the majority of employers. The anticipated future return on investments may vary between employers 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.

Pensions in payment, deferment and the pensions of active members accrued since 1 April 2014 increase in line with 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% per annum to reflect the differences in the calculation of the two measures of inflation.

Following the introduction of the 2014 Scheme, salary growth has become a less material assumption. At the 2016 valuation, long-term salary growth is assumed to be equal to the future increase in RPI less 0.25% per annum.

There are some employer-specific short-term salary growth assumptions, reflecting known Government policy on public sector pay awards.

3.3 Funding targets for non-typical employers

For admission agreements that have no guarantor and are closed to new entrants, liabilities may be valued on a more prudent basis (i.e. using a discount rate that has a lower allowance for potential investment outperformance relative to UK Government bonds). 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 in order to protect other GMPF employers. This policy will 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 departing employers.*

GMPF may also adopt the above approach in respect of admission bodies with no guarantor and where the strength of covenant is considered to be weak but 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 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 the valuation process, the Administering Authority's internal audit function has provided assurance on the operation of the unitisation system.

3.5 Derivation of Employer Contributions

Employer contributions are normally made up of two elements:

a) the estimated cost of future benefits being accrued, referred to as the *future service rate*; plus

b) an adjustment for the funding position of accrued benefits at the valuation date relative to GMPF's target funding level for that employer (*past service adjustment*). If there is a surplus of assets there may be a contribution reduction. However, if there is a deficit then additional contributions may be required. Any surplus or deficit contributions will be spread over an appropriate period.

The introduction of the LGPS Regulations 2013 has required contributions to be expressed in a prescribed manner, although the principles behind setting contribution rates are largely similar to before.

Under the Regulations 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 1st April in the year following that in which the valuation date falls (i.e. 1 April 2017 to 31 March 2020 in the case of the 2016 actuarial valuation).

The primary rate of an employer's contribution is equivalent to a future service rate. 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 past service adjustment. The sorts of specific factors which are considered are discussed in Section 3.6.

It is the adjusted contribution rate which employers are actually required to pay. In effect, separate future service rates are calculated for each employer, and together with individual past service adjustments reflecting employer-specific spreading and phasing periods, these constitute the *adjusted contribution rate*.

In calculating this adjusted 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; and

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.)

A breakdown of each employer's contribution rates following the 2013 valuation for the financial years 2014/15, 2015/16 and 2016/17 can be found in the 31 March 2013 Actuarial Valuation report (finalised in 2014). It also identifies which employers' contribution rates have been pooled with others.

3.6 Risk-based Contribution Rates

Recent actuarial valuations of GMPF involved calculating contribution rates using a *deterministic* approach. It was assumed that the assumptions made at the valuation would be borne out in practice.

The disadvantage of a deterministic approach is that it does not allow GMPF, the Actuary or the employers 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 over an appropriate time period with regard to the characteristics of the employer.

At this valuation, the GMPF Actuary is adopting 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 within the time horizon (*likelihood of success*) e.g. 2/3rds or 75%.

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

- Liability profile including funding level, net cashflow (i.e. contributions received less benefits paid) and whether new members are being admitted;
- Security provided to GMPF in the form of a guarantee or an additional asset;
- The sector in which the employer operates, 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 % 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

Many employers and employer pools have *early retirement allowances* built into their employer contribution rate as early retirements give rise to expected additional cost. Initially these allowances are used to fund any such costs. Costs in excess of the aggregate of the allowances are generally required to be met by separate lump sum employer contributions. Any unspent allowances are added to the employer's sub-fund at the next actuarial valuation.

Some employers have an allowance for ill health early retirements but do not have any allowance for non ill health early retirements built into their contribution rates. For these employers the costs of all non ill health early retirements are met by separate lump sum employer contributions.

Employers are able to take out an insurance policy from a third-party to protect against the cost of ill health early retirements. However, as the insurance policy is a contract between the employer and insurer, any allowance for ill health early retirements will still be included in the employer's contribution rate.

3.9 Solvency and Long-Term Cost Efficiency

3.9.1 Solvency issues & 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 6.

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 prudential 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/ deficit recovery period, or permission to join a pool with another body (e.g. 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 extent of the employer's deficit;
- 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.

After 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 time horizon starts at the commencement of the revised contribution rate (1 April 2017 for the 2016 valuation). For employers that continue to admit new entrants, the Administering Authority would normally expect the same time horizon to be used at successive triennial valuations, but would reserve the right to propose alternative periods, for example to improve the stability of contributions.

The Administering Authority normally targets an employer's sub-fund within GMPF to be fully funded over a period not exceeding 20 years. However, these are subject to the maximum lengths set out in the table.

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
Community Admission Bodies with funding guarantees, subject to the approval of the guarantor and the agreement of the Administering Authority	A period not exceeding 20 years
Transferee (Best Value) Admission Bodies	The period from the start of the revised contributions to the end of the employer's contract or as otherwise agreed with the parent Local 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 by the Administering Authority.

This *maximum* period is used in calculating each employer's minimum contributions. Employers may opt to pay higher regular contributions than these minimum rates.

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 and elect 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 paying contributions is expected to lead to higher contributions in the long-term (depending on the actual financial and demographic performance of GMPF relative to valuation assumptions).

3.9.5 Pooled contributions

The Administering Authority allows employers [of similar types] 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. 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.

Following GMPF becoming the sole Administering Authority 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.

In addition, separate pools are operated for some academy schools, colleges, town and parish councils and for smaller admission bodies. No new employers have been admitted to these pools for some time.

Those employers that have been pooled are identified in the Rates and Adjustment Certificate which is detailed in the 31 March 2016 Actuarial Valuation report (finalised in 2017).

Employers who do not wish to continue with current/historic pooling arrangements are requested to discuss the issue with the Administering Authority.

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.

4.2 Exiting employers

4.2.1 Admission Bodies

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 for transferee contractors are assumed to terminate at the end of the contract unless otherwise agreed by the relevant local authority and Administering Authority.

Admission agreements for other employers are assumed to terminate for any of the following reasons unless otherwise agreed by the relevant local authority and Administering Authority:

- 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 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 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 may instruct the Actuary to carry out a special valuation to determine whether an exit payment is required from 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.

The assumptions adopted to value the exiting employer's liabilities for this valuation will therefore depend upon the circumstances. For example:

(a) Where there is no guarantor to the exiting employer's admission agreement (or no admission agreement exists), then in order to protect other employers in the Fund, the cessation liabilities and final deficit will normally 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.

(b) 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 Transferee Admission Bodies, 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.

In other cases, the admission agreement may require the Administering Authority to seek repayment of the termination deficit from the exiting employer 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 for calculation and the 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 Transferee Admission Bodies 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 Transferee Admission Bodies 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 would be monitored as part of each triennial valuation and GMPF reserves the right to revert to a *gilts cessation basis* and seek immediate payment of any funding shortfall identified.

4.3 Employers with no remaining active members

In general an employer exiting GMPF due to the departure of the last active member, will pay an exit debt 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 benefit 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. The Administering Authority may in exceptional circumstances agree that an employer be permitted to spread the payment of ill health early retirement costs over a period of time.

GMPF monitors each employer's, or pool of employers', 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. In the case of external transfers, the amount of assets transferred is determined in accordance with the LGPS Regulations. For internal transfers, the amount of assets is determined by the Actuary and Administering Authority in consultation with the ceding and receiving employer. 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;
- The maximum amount GMPF will pay on a bulk transfer is an amount equal to the asset share held by the transferring employee's employer and is capped at the value of the transferring employee's liabilities, measured on an appropriate actuarial basis;
- When a transfer takes place such that 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;
- GMPF will not grant added benefits to members bringing in entitlements from another fund unless the asset transfer is sufficient to meet the added liabilities;
- 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.

5. Links to investment strategy

Funding and investment strategy are inextricably linked. 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 (formerly Statement of Investment Principles).

The investment strategies are set for the long-term, but the principal strategy (for the "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 2016, 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 all 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.

5.2 Consistency with Funding Basis

For employers covered by the Main Fund, the funding basis adopts an asset outperformance assumption of 2.0% pa over and above the redemption yield on long term UK Government bonds. 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 asset outperformance 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 outperformance target. The stability measures described in Section 3 will damp down, but not remove, the effect on employers' contributions.

GMPF does not hold a contingency reserve to protect it against the volatility of investments.

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. Formally, the Administering Authority reports back to employers at the GMPF Annual General Meeting.

6. Key risks & controls

6.1 Types of Risk

The Administering Authority has an active risk management programme in place. The measures that the Administering Authority has in place to control key risks are summarised below under the following headings:

- financial;
- demographic;
- regulatory; and
- 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 three yearly valuations 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.*
Fall in risk-free returns on Government bonds, leading to rise in value placed on liabilities.	*Some investment in bonds helps to mitigate this risk and there is scope for employers to increase bond exposure.*
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 implemented 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 more 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.*

Risk	Summary of control mechanisms
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 deficit spreading 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 GMPF.	*GMPF seeks a cessation debt (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.*

6.3 Demographic risks

Risk	Summary of control mechanisms
Pensioners living longer.	*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 help 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 risks

Risk	Summary of control mechanisms
Changes to regulations, e.g. more favourable benefits package.	*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 e.g. changes arising from Public Sector Reform.	*The Administering Authority considers all consultation papers issued by DCLG/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 all submissions are available for employers to see at www.gmpf.org.uk*

6.5 Governance risk

Risk	Summary of control mechanisms
Administering Authority unaware of structural changes in an employer's membership (e.g. 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.* *Deficit 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 Transferee Admission Agreements.*
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, wherever 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

ADOPTED BY THE PENSION FUND MANAGEMENT PANEL: 10 March 2017

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 (formerly Statement of Investment Principles and LGPS Regulations;
- communicate appropriately with employers so that they fully understand their obligations to 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 a ISS/SIP, 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 and ISS/SIP 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 agreed arrangements 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.

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/SIP 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/SIP;
- 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

Governance Policy

2015

Governance Policy

Greater Manchester Pension Fund (GMPF) – Governance Policy Statement

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 - *Executive Director of Governance [Borough Solicitor]*, and
- Chief Finance Officer - *Assistant Executive Director of Finance [Borough Treasurer]*

Further details of the Council's Governance arrangements can be found on the Council's website at **www.tameside.gov.uk/constitution**.

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 Executive Director of 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 six 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
- Pensions Administration
- Alternative Investments
- 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. Executive Director of 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 Executive 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 General 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 September 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 General Meeting, to which all employers are invited, is held within 7 months of the year end, usually early September.

Every two years GMPF hosts a Pensioners Forum. The Annual Report and Accounts are a key element of the Pensioner Forum.

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

Via the GMPF website at **www.gmpf.org.uk** the GMPF Annual Report and Accounts can be accessed:

Via the Tameside MBC website at **www.tameside.gov.uk** Tameside MBC Constitution may be accessed which contains the Terms of Reference and Scheme of Delegation relating to the GMPF.

All of the above mentioned documents are also available in hard copy form upon request.

Governance Compliance Statement

2014

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 450 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 6 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 DCLG for an independent professional observer are already adequately catered for within GMPF's current governance arrangements through the participation in the Advisory Panel of 4 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(a) 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.	✓

Core Belief Statement

2009

Core Belief Statement

This is the Core Belief Statement ("the Statement") of the Greater Manchester Pension Fund ("the Fund" or "GMPF"), which is administered by Tameside MBC ("the Administering Authority").

It has been prepared by the Administering Authority in collaboration with the Fund Actuary, Hymans Robertson LLP, and after consultation with the Fund's investment Advisors and Managers.

The objective of the Statement is to set out the Fund's key investment beliefs. These beliefs will form the foundation of discussions, and assist decisions, regarding the structure of the Fund, strategic asset allocation and the selection of investment managers.

1. Investment governance

1.1 The Fund has the necessary skills, expertise and resources to internally manage some assets, such as property, private equity and cash.

1.2 Investment consultants, independent advisors and officers are a source of expertise and research to inform Management Panel decisions.

1.3 The Fund is developing its governance structure in order to implement tactical views more readily, but acknowledges that market timing is very difficult.

1.4 There can be a first mover advantage in many areas, but it is difficult to exploit and requires the Fund to be willing to take on 'unconventional risks'.

2. Long term approach

2.1 The strength of the employers' covenant allows a longer term deficit recovery period and for the Fund 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.

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 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 the Fund 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 Fund 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, the Fund does pursue a bond driven liability based strategy.

4. Management strategies

4.1 Passive management provides low cost exposure to equities and bonds and is especially attractive in efficient markets.

4.2 Active managers can add value over the long-term, particularly in relatively inefficient markets and the Fund believes that by following a rigorous approach it is possible to identify managers who are likely to add value.

4.3 The Fund believes that the case for value investing is compelling, but that it may result in prolonged periods of over and underperformance in comparison to a style neutral approach.

4.4 Active managers are expensive and fees should be aligned to the interests of the Fund rather than performance of the market.

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 overall Fund returns but can also reduce overall outperformance.

Version 1.0, adopted by the Pension Fund Management Panel for Tameside MBC as administering authority for Greater Manchester Pension Fund : March 6, 2009.
SJT/PFIG, March 2009.

Investment Strategy Statement

2017

Investment Strategy Statement

Version 1.0

Adopted 10 March 2017

www.gmpf.org.uk

For more information contact steven.taylor@gmpf.org.uk

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 district councils of Greater Manchester, the National Probation Service and numerous other smaller employers.

1.5 The Statement outlines the broad investment principles governing GMPF's investment policy. In preparing the Statement, the Council has consulted those persons it considered appropriate.

2. GMPF's organisation and management arrangements

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 GMPF's investment matters.

2.2 The Council has delegated all its functions as GMPF's administering authority 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 GMPF internal Officers 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 Executive 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 Executive 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 GMPF's assets 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 GMPF employers and that of a small number of other GMPF employers.

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, infrastructure, local investments, elements of the Special Opportunities Portfolio and UK cash), together with the Designated Fund, is managed internally by GMPF Officers. 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. Three of the appointed external securities managers have been given individual differing active multi-asset (ex property) discretionary benchmarks reflecting their perceived skills and the relative efficiency of markets. The fourth appointed external securities manager has a single broad equity market benchmark reflecting its specialist 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 1% per annum. GMPF anticipates that in two years out of three the external active multi-asset securities managers' annual performance will be within 4½% of the annual performance of their individual benchmark. The equivalent range for the specialist securities manager is +/-7%.

2.11 The fees of two of the three 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 of the third external active securities manager consists 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 passively managed on a segregated basis.

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 GMPF Officers 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. 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), index linked bonds, private equity, infrastructure and property. The Main Fund's external active multi-asset securities managers are permitted limited use of certain derivatives. 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 (broadly 75% real assets and 25% monetary 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 managers who must operate within asset class and country restrictions which are documented in a Schedule to the Investment Management Agreements.

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 the 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; and
- 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; and
- Quarterly, formal, Management Panel monitoring of investment manager and overall GMPF 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 £200 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 £300 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 the 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, GMPF Officers will be investigating options for dealing with GMPF's deteriorating cash-flow position.

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 has signed a memorandum of understanding with the administering authorities of the Merseyside Pension Fund and the West Yorkshire Pension Fund to create the Northern Pool (*the Pool*) in order to meet the criteria for pooling investments released by Government on 25 November 2015.

8.2 The three funds submitted their pooling proposal to Government in July 2016 and the Department for Communities and Local Government provided its confirmation in January 2017 that it is 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 Based on 31 March 2015 asset values, the total value of assets, across the three participating funds, to be invested in the Pool is £35.416 billion, which is in excess of the £25 billion criteria set by Government. All assets other than day-to-day cash used for scheme administration purposes will be invested via the Pool once transition is complete. Day-to-day cash is assumed to be 1% of total assets for each fund.

8.4 For the immediate future after inception of the Pool, GMPF's public-market assets will continue to be held in segregated mandates owned directly by the administering authority, but managed by the Pool. A single custodian will be appointed by the Pool, which will simplify the future consolidation of mandates.

8.5 All non-listed assets will be managed by the Pool from its formation. Subject to value for money requirements being fulfilled, new investments (i.e. those entered into after the formation of the Pool) in private market assets will be made on a shared ownership basis, via either collective investment vehicles or limited partnerships. Legacy private market assets (i.e. those entered into prior to the formation of the Pool) will be run-off on a segregated basis.

8.6 This approach 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 3 years.

8.7 Once established it is intended that the Pool will provide the following services to the participating authorities on an in-house basis:

- Implement the strategic asset allocations of the participating authorities;
- Management of UK and Overseas equities and bonds;
- Selection of private equity, infrastructure & property funds;
- Direct UK infrastructure investment via a collective investment vehicle;
- Legal and accounting support.

8.8 It is intended that the Pool will externally procure the following services:

- External fund management for certain mandates;
- Common custodian for Pool (plus depositaries & fund administrators where required for any pooled funds that are established for non-listed assets);
- Investment management systems;
- Audit services;
- Performance analytics;
- Responsible Investment advisory services;
- Value for money reviews of structure;

8.9 A Pool Oversight Board will be established to:

- provide oversight of the Pool; and
- act as a forum for the participating authorities to express the views of their pension committees.

8.10 The Oversight Board's primary roles are to ensure that the Pool is effectively implementing the participating authorities' strategic asset allocations and to oversee reporting to the participating authorities' pension committees.

8.11 The legal structure of the Oversight Board is expected to be a joint committee. There will be clear separation of duties between the Oversight Board and the Pool. The Oversight Board will not be undertaking any regulated activities.

8.12 The Pool's governing documentation will grant the Oversight Body and each administering authority certain powers regarding the operation of the Pool, which can be used to ensure the effective performance of the Pool.

8.13 Reporting processes of the Pool will include regular written reports on the performance of Pool investments to the Oversight Body, which will be discussed at formal meetings. Officers of the Pool will also report to and present directly to the administering authorities' pension committees and local pension boards as appropriate.

8.14 A report on the progress of asset transfers will be made to the Scheme Advisory Board annually.

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. On environmental issues, 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.

9.3 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*, its membership of the *Institutional Investors Group on Climate Change*, as a signatory to the *UN Principles for Responsible Investment* or by means of other ad-hoc groupings.

9.5 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 GMPF's investment managers 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 requires the appointed external active securities managers to vote on behalf of GMPF at every opportunity in the UK and when reasonably practicable and commercially prudent overseas.

10.4 In casting GMPF's votes in the UK, the appointed external active securities managers are mandated to implement GMPF's bespoke *UK Voting Guidelines*. Any overseas votes exercised must be cast in line with the spirit of the Guidelines.

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 lower level than the Regulations permit. 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.

Version1.0 ***Adopted by the Pension Fund Management Panel for Tameside MBC as administering authority of the Greater Manchester Pension Fund: 10 March 2017***

SJT/PFIG February 2017.

Appendix to Investment Strategy Statement

Table of limits on investments

Investment	Limit
1. Any single sub-underwriting contract	**1%**
2. All contributions to any single partnership	**5%**
3. All contributions to partnerships	**30%**
4. The sum of: a) all loans (but see paragraph 1 below); and b) any deposits with - i. any local authority; or ii. any body with power to issue a precept or requisition to a local authority, or to the expenses of which a local authority can be required to contribute which is an exempt person (within the meaning of the Financial Services and Markets Act 2000) in respect of accepting deposits as a result of an order made under section 38(1) of that Act	**10%**
5. All investments in unlisted securities of companies	**10%**
6. Any single holding (but see paragraphs 2 and 3 below)	**10%**
7. All deposits with any single bank, institution or person (other than the National Savings Bank)	**10%**
8. All sub-underwriting	**15%**
9. All investments in units or shares of the investments subject to the trusts of unit trust scheme managed by any one body (but see paragraph 3 below)	**25%**
10. All investments in open-ended investment companies where the collective investment schemes constituted by the companies are managed by one body	**25%**
11. All investments in unit or other shares of the investments subject to the trusts of unit trust schemes and all investments in open-ended investment companies where the unit trust schemes and the collective investment schemes constituted by those companies are managed by any one body (but see paragraph 3 below)	**25%**
12. Any single insurance contract	**35%**
13. All securities transferred (or agreed to be transferred) by the authority under stock lending arrangements	**25%**

Exceptions to limits in the table

1. The restriction in item 4 of the table does not apply to a Government loan.

2. The restriction in item 6 of the table does not apply if -

   (a) the investment is made by an investment manager; and

   (b) the single holding is in units or other shares of the investments subject to the trusts of any one unit trust scheme.

3. The restrictions in items 6, 9 and 11 do not apply to -

   (a) National Savings Certificates;

   (b) fixed-interest securities issued by Her Majesty's Government in the United Kingdom, the Government of Northern Ireland or the Government of the Isle of Man and registered in the United Kingdom or the Isle of Man or Treasury Bills;

   (c) any securities the payment of interest on which is guaranteed by Her Majesty's Government in the United Kingdom or the Government of Northern Ireland; or

   (d) a deposit with a relevant institution.

End of appendix (10 March 2017)

Communications Policy

2014

Communications Policy

Introduction

This statement is published to state the Greater Manchester Pension Fund's strategy of engagement with its stakeholders and to satisfy legislation[(1)] to prepare, maintain and publish a written statement setting out our policy concerning the following aspects of our communications activities:

1: Communications with contributing members

2: Communications with deferred members

3: Communications with pensioner members

4: Member self service (Mypension)

5: Communications with members' representatives

6: Communications with prospective members

7: Communications with employing authorities

8: Consultation & engagement strategy

The Statement of Communications Policy will be revised and republished following any material change in policy.

1 Communications with contributing members

1.1: Pension Statements
Once a year we send all members a pension statement direct to their home address. This summarises the basic information we hold about them such as date of birth, pay for pension purposes and normally gives estimates of the current and future value of the member's benefits. It also includes an estimate of the current value of survivors' pension benefits.

1.2: Pension Power newsletter
Usually twice a year we produce a newsletter, the main purpose of which is to satisfy disclosure requirements[(2)] by informing contributing members about changes in the regulations of the LGPS. Because of its nature, this publication is not produced at fixed times, but rather in response to changes in the regulations, with reference to the time restrictions imposed by the Disclosure Regulations. It is supplied as a link to an on online 'e-magazine' or mailed to members' home addresses, depending on their mailing preferences.

1.3: Website
Information about the Scheme is held on the website. We also publish newsflashes and bulletins on the website to provide topical updates about the Scheme, and members can sign up for our email alert service to keep abreast of these.

1.4: Twitter account
GMPF has a Twitter account, and from time to time we tweet snippets of information. You can find it at: @GMPF_LGPS.

1.5: Roadshows & seminars
We run information sessions in members' places of work. These are run on demand in conjunction with employers, for a minimum of 20 employees. We run more specialist sessions for members affected by issues such as a public services transferring to a private organisation. We also participate in pre-retirement courses, which are organised by a number of our employers.

1.6: Literature
The main point of reference for members to find out about the key aspects of the LGPS is our Members Guide. This is supported by a range of literature, which goes into more detail on topics such as making a nomination or topping up benefits. A different Guide is produced for councillor members to whom different rules apply, regarding the calculation of benefits.

1.7: Pensions helpline
We provide two helplines: 0161 301 7100 for pensioners and 0161 301 7000 for other members.

2 Communications with deferred members

A member who has left their employer and who has left their benefits on hold is classed as a deferred member. The two main ways of communicating with this class of member are as follows:

2.1: Pension statements
Once a year we send deferred members a pension statement direct to their home address. This summarises the basic information we hold about them and gives the up to date value of their benefits.

2.2: Newsletters
As the need arises we send a separate newsletter to all deferred members. This satisfies disclosure requirements by informing them about those changes in the regulations of the LGPS that affect them. Because of its nature, this publication

(1) Local Government Pension Scheme Regulations 2013.
(2) Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

is not produced at fixed times, but rather in response to changes in the regulations, with reference to the time restrictions imposed by the Disclosure Regulations. This newsletter is mailed to home addresses.

2.3: Pensions helpline
Deferred members can also telephone the helpline.

3 Communications with pensioner members

Pensioner members include retired members and dependants, for example widows. The main ways we communicate with this class of member are as follows:

3.1: Pensions Payslip
All pensioners receive a combined payslip and P60 when the April pension payment is made. Mailed with this is the Pensions Grapevine newsletter (see 3.2). All pensioner members will receive a May payslip and will also receive a payslip at any other time where the amount of net pension changes by more than £5.

3.2: Pensions Grapevine newsletter
This newsletter is mailed direct to home addresses. It is produced once a year and is sent with the April payslips. It includes information regarding the amount of pensions increase, tax codes, a summary of the Fund's finances and other information of relevance to pensioners.

3.3: Pensioners' Forum
This event is held every other year and gives pensioners an opportunity to visit information stands staffed by specialists in various fields such as tax, State benefits and will making. Presentations are made by staff from GMPF and visiting speakers, covering the Fund's finances, pensioner matters and other items.

3.4: Pensioners' helpline
Pensioners can telephone 0161 301 7100.

4 Member self service (Mypension)

There are currently issues with the third party software which facilitates our member self service. Once these are remedied, members will be able to register for Mypension, allowing them, via a PIN, to see data relating to themselves, such as pension payments.

5 Communications with members' representatives

Materials available to members are available on request to their representatives. Also, as new literature is produced, samples are sent to the six employee representatives that are members of the Pension Fund Advisory Panel.

6 Communications with prospective members

6.1: Basic information
It is a requirement under the Disclosure Regulations that all prospective members are given basic information about the Scheme. In view of this we ask all GMPF employers to give a copy of the Members' Guide (see 1.6) to every prospective member, either in hard copy form or as a website link. This should be done with their letter of appointment.

7 Communications with Employing Authorities

7.1: Annual General Meeting
We hold our AGM within 7 months of year end (generally in September) and an invitation is extended to every employer. The AGM includes a presentation summarising the Annual Report & Accounts.

7.2: Meetings/employer training
We host meetings to keep our employing authorities up to date with developments in the Scheme, and - for Local Authorities - to give them a forum to discuss common issues, good practice and so on.

As the need arises we host more specialist seminars on subjects such as auto-enrolment, and open these to representatives from all employers.

7.3: Employers' Website
We have a separate website for employers where they can access information of a more technical nature and download forms, copies of some presentations and so on.

7.4: Employer alerts
We issue employer alerts, which cover many aspects of the Scheme Regulations.

7.5: Employers' helpline
Employers also have a dedicated helpline which they can call upon for guidance: 0161 301 7200.

8 Consultation & engagement strategy

8.1: The strategy

The different types of member are consulted from time to time. A selection of each member group receives a questionnaire, in order to express satisfaction levels with our service, to make suggestions for improvement and any other comments.

8.2: Member groups

Representative groups are selected and up to 2000 questionnaires issued. The groups are:

- New Members
- Long-term active members
- New pensioners
- Long-term pensioner members
- Deferred Members
- Non-members & Leavers

8.3: Results

The results are reported to the Pensions Administration Working Group and published on the GMPF and Tameside websites. Recommendations for service improvement are considered and added to the Business Plan if appropriate.

Pension Administration Strategy

2015

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*[2].

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.

[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] A Pensions Office Guide 2014 will be developed.

3 Scheme employer Duties & 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 & 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 2 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 3 months of joining: within 2 months of the employee leaving their employment or opting out of the scheme.
Early leavers [Spreadsheet PF48s or P1 or form P48]	Within 3 months of joining: within 1 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 3 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[6].

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.

[6] This will be included in the 2014 Guide.

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 3 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 2 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**[14]
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.

[14] See footnote 13.

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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Administered by Tameside Metropolitan Borough