GMPF
2021 Annual Report

Administered by
Tameside Metropolitan Borough

Annual Report 2021 Contents

Annual Report 2021
Chair's Introduction

Welcome to the 2020/21 Annual Report of the Greater Manchester Pension Fund (GMPF).

This report has been written at a time when the country, and indeed the world, continues to grapple with the coronavirus pandemic. What is very different to last year is that the success of the vaccine roll out by the NHS gives real hope of an end in sight. Nevertheless, it has been an exceptionally difficult year for all, which has seen an outstanding contribution by many key workers to the well-being of the nation. Therefore, I want to take this opportunity to repeat the message of last year and pay tribute to the men and women on the frontline of this struggle. This includes the NHS workers and support staff working in our hospitals and all care settings across the country that have treated the sick, saved lives and provided comfort to those who, unfortunately, could not be saved. It includes the too often unseen army of carers in our care homes, the charity workers and those who are looking after, or informally keeping an eye on, those in our local communities. We also must recognise those workers who have kept the daily services we all depend on running; the supermarket employees, delivery drivers, technicians, cleaners and public servants. Never has the phrase 'key workers' been truer. As last year, a massive thank you must also go out to every single person who has stayed home to help stop this terrible virus from spreading. You have helped protect the NHS and you have helped to save lives.

The past 18 months have been an exceptional time for all of us. We have experienced challenges in our day to day lives that were unforeseeable, testing our resolve and those of our families. However, I hope that after 480 days of lockdown, we will all emerge from this experience stronger and more certain of our resilience. Recent events in cities around the world have taught us that humanity, tolerance and inclusion are vital if we are to create a society we want to live in.

GMPF has shown resilience in the face of the challenge of the pandemic, much of the work of the Pension Fund continues in the home and the virtual world. Services have been maintained for all our stakeholders with these new methods. The changes put in place in the spring of 2020 have served us well through the financial year. When we look back at the risks and the worse possible scenarios that we faced at that dark time and compare to the out-turn, the mitigations put in place have worked.

I am pleased to note that we continue to strengthen the abilities and capacity of GMPF, which has been externally recognised with Room 151 short listing us for Impact Investment of the Year and Pension Age - which cover both private and public pension schemes - nominating us in three categories for their annual Pension Awards;

- Defined Benefit Scheme of the Year
- Pension Scheme Communication Award
- Pension Administration Award.

This is a great achievement and testament to GMPF and only serves to remind us how important it is that during uncertain times we can be relied upon to deliver our pension promises.

Our Investment Strategy, like our staff, has remained resilient despite market headwinds. The past financial year was successful for investments both in absolute and relative terms. We are long-term in our approach and the more pleasing result is that long term returns continue to outperform or liabilities and the peer group of local authority pension funds over the long term which is reflected in our strong funding position.

Period	Main Fund return % pa	Benchmark return % pa
2020/21	22.2%	18.7%
5 years	9.2%	8.7%
10 years	8.0%	7.7%
25 years	7.7%	7.3%

Local Government Pension Scheme (LGPS) pooling continues to be an important priority alongside the sector leading work on infrastructure investment and ESG. Northern LGPS can be accurately described as leading amongst LGPS pools in achieving value for money. The most recent benchmarking exercise placed the Northern LGPS costs around the lowest 25% of its international peer group (which consists of 21 global pension funds ranging from £12.7 billion to £90.7 billion). This is a tremendous result which shows the value that economies of scale and a consistency of approach can deliver.

As was expected, Responsible Investment and Environmental Social and Governance continues to be regular and high priority issue for us. The future is uncertain, yet from that uncertainty has arisen greater clarity: that short term demands for stimulus measures arising from Covid-19 must align with the long term imperative of transitioning to a net zero carbon economy the world over.

The truth is that the pandemic does not make the urgency of addressing climate change any less critical or its potential impact less catastrophic. It is in fact a reminder of the need to build systems for resilience and inclusion in order to mitigate the impacts of future shocks, many of which we predict will be environmental and social in nature.

Now more than ever we need examples of what can work: financial solutions that generate acceptable, risk-adjusted returns; investable policy pathways that are also informed by finance practitioners; and definitions, data and analysis that support financial innovation – all focused on deploying capital where it is needed in the real economy.

Our vision is of a greener future made possible by finance, a society transformed through better investment – and we recognise that the finance sector can only unlock the funding for the transformation of the global economy through collaboration that we can hope to solve our global challenges.

At a high level, through our partnerships and collaborations, we lobby and engage with policy makers, regulators, stakeholders and companies. We added our voice to those of hundreds of other major global investors on the need for a green and sustainable recovery to the pandemic, recognising the need to Build Back Better.

GMPF committed before any GM Authority to achieving net zero carbon emission by 2050 at the latest, in line with the Paris Agreement. We further confirmed in October last year that we were exploring a 2030 target in line with the IPCC's 1.5-degree pathway.

As a Net Zero Asset Owner we are committed to setting objectives and targets, including an interim target for 2030 or sooner and we are currently working within the recently launched Net Zero Investor Framework to do this and look forward to sharing in due course. Richard Curtis, co-founder of Make My Money Matter, said: 'It's exciting to see one of Britain's largest public pension funds working to tackle the climate emergency, commit to partnering with Make My Money Matter to push this vital agenda forward.'

GMPF is one of the first LGPS funds to complete the reporting for the new UK Stewardship Code, co-signing the 2021 Global Investor Statement to Governments on the Climate Crisis, and providing evidence to the All-Party Parliamentary Group for Local Authority Pensions Funds in regards to their inquiry into 'Responsible Investment for a Just Transition'.

We gave our support to the 'Say on Climate' initiative created by Sir Christopher Hohn founder of the Children's Investment Fund Foundation. The initiative encourages all listed companies to develop a climate transition plan and put it to a shareholder vote at their AGM. At the time of writing, 15 companies have had a climate transition plan related vote included in their most recent AGM and all have passed to date with GMPF having a holding in ten of these companies.

GMPF must continue to transition towards a net zero carbon position, whilst ensuring that we uphold our promises to members and taxpayers, with all possible expediency. We believe that using our financial and shareholder power to pick up the mantle of leadership, and rejecting the surrender of agency that divestment will bring, is a better way to drive dramatic and lasting change.

GMPF co-signed the 2021 Global Investor Statement to Governments on the Climate Crisis coordinated by the Institutional Investors Group on Climate Change, which asks governments to raise their climate ambition and implement robust policies by COP26 in November. GMPF has called upon Government to undertake the following five actions urgently:

- Strengthen Nationally Determined Contributions for 2030 in line with limiting warming to 1.5°C.
- Commit to a mid-century net zero emissions target with clear sectoral decarbonisation roadmaps.
- Ensure ambitious pre-2030 policy action including strengthened carbon pricing, phasing out fossil fuel subsidies and thermal coal-based power, avoiding new carbon-intensive infrastructure (no new coal power plants) and developing just transition plans.
- Ensure Covid-19 economic recovery plans support the transition to net zero emissions.
- Commit to implementing mandatory climate risk disclosure requirements.

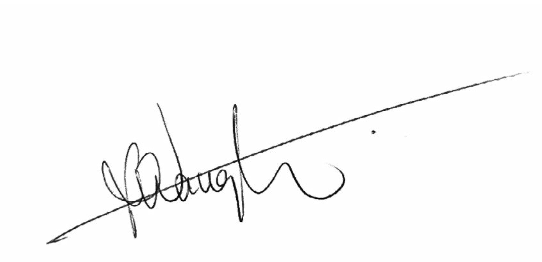
Environmental issues are right at the top of our agenda. But we also want to raise awareness of social issues. With our industrial heritage, we know from previous energy transitions the impact on our communities. That's why we want the transition to a low carbon economy to be a just transition, creating decent jobs and not neglecting the most vulnerable parts of our society, here in Greater Manchester, and also where we invest across the world.

GMPF has used its position on the Executive of the Local Authority Pension Fund Forum, a collaboration of over 80 local authority pension funds representing over £200 billion of assets, to challenge companies in which we have an interest on not just Climate Change, but on a wide variety of other concerns such as working conditions and human rights.

The Good Economy Project, Impact Investing Institute and Pensions for Purpose joint report on place-based impact investing that can mobilise capital to help build back better and level up the UK found that GMPF is the only LGPS fund to have an approved allocation to invest some of its assets locally to achieve this.

Since the beginnings of the Fund in 1891, and as we celebrate 100 years as a statutory Fund - we have successfully navigated stormy global financial crashes and other geopolitical challenges spanning over three very different centuries by staying true to our beliefs and public sector principles. We have never let our members down whilst ensuring low cost, sustainable contribution rates for employers and taxpayers alike, and we have no intention of starting now.

Whatever challenges and opportunities the next twelve months bring, know that GMPF will remain at its members side as we face the future together.



Greater Manchester Pension Fund (Chair)
Cllr Brenda Warrington

Annual Report 2021
Management structure

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

Pension Fund Management Panel

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

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

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

Pension Fund Advisory Panel

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

The members of the Panels as at 31 March 2021 are listed on the following page.

Local Board

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

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

External advisors

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

The advisors are:

RS Bowie, Guardian Partner, Hymans Robertson

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

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

M Powers, Retired Investment Manager

Management Panel

Councillor B Warrington	Tameside (Chair)
Councillor M Smith	Tameside
Councillor GP Cooney	Tameside
Councillor J Fitzpatrick (01.04.20 to 03.11.20 retired)	Tameside
Councillor L Drennan	Tameside
Councillor G Newton	Tameside
Councillor T Sharif	Tameside
Councillor VP Ricci	Tameside
Councillor E Wills	Tameside
Councillor J Homer	Tameside
Councillor D Ward	Tameside
Councillor C Patrick	Tameside
Councillor J Taylor	Stockport
Councillor S O'Neill	Rochdale
Councillor J Grimshaw	Bury
Councillor M Barnes	Salford
Councillor K Cunliffe	Wigan
Councillor A Jabbar	Oldham
Councillor A Mitchell	Trafford
Councillor D Parkinson	Bolton
Councillor P Andrews	Manchester
P Herbert	Ministry of Justice

Fund Observers

Councillor JN Pantall

Councillor O Ryan

Advisory Panel

Councillor B Warrington	Tameside (Chair)
Councillor D Parkinson	Bolton
Councillor J Grimshaw	Bury
Councillor P Andrews	Manchester
Councillor A Jabbar	Oldham
Councillor S O'Neill	Rochdale
Councillor M Barnes	Salford
Councillor J Taylor	Stockport
Councillor A Mitchell	Trafford
Councillor K Cunliffe	Wigan

Employee representatives

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

Local Board

Employer representatives

Councillor W Fairfoull	Tameside (Chair)
Councillor J Cooper	Tameside
J Hammond	Representative of GM Monitoring Officers
M Cullen	Representative of GM Treasurers
P Taylor	Representative of non-local authority employers

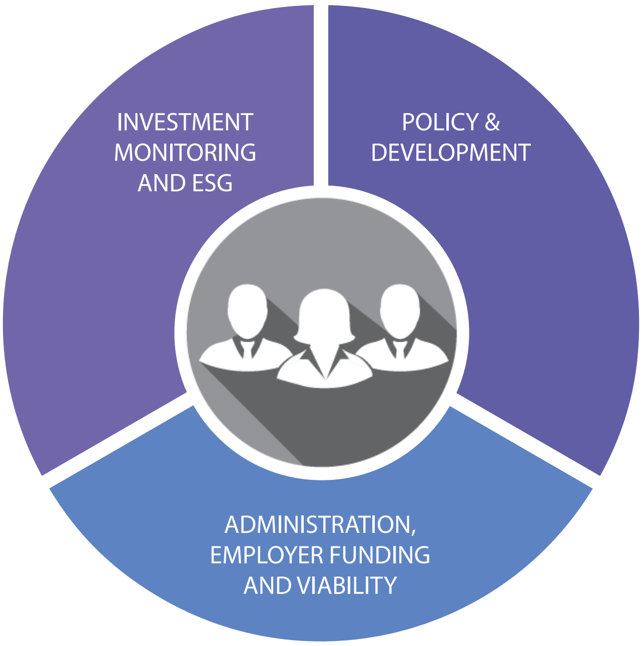
Scheme Member representatives

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

Working Groups

GMPF has three permanent working groups which consider particular areas of its activities and make recommendations to the Management Panel. Activities include overall governance, investment monitoring, administration, funding, viability and risk considerations.

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



Frequency of meetings

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

Officers to GMPF 2020/21

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

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

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

Consulting Actuary

GMPF's Consulting Actuary is Hymans Robertson.

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Attendance and training 2020/21

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

Attendance at meetings

	Pension Fund Management Panel	Working Groups		
Councillor B Warrington (Tameside MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Policy and Development 25 June 2020 3 September 2020 26 November 2020 4 March 2021		
Councillor G Cooney (Tameside MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	Policy and Development 25 June 2020 3 September 2020 26 November 2020 4 March 2021
Councillor L Drennan (Tameside MBC)	17 April 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020		
Councillor J Fitzpatrick[1] (Tameside MBC)	17 April 2020			
Councillor J Homer (Tameside MBC)	17 April 2020 17 July 2020	Investment Monitoring and ESG 31 July 2020 22 January 2021		
Councillor G Newton (Tameside MBC)	17 April 2020 17 July 2020 11 December 2020	Investment Monitoring and ESG 31 July 2020 22 January 2021		
Councillor C Patrick (Tameside MBC)	17 April 2020 18 September 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021		
Councillor V Ricci (Tameside MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	
Councillor T Sharif (Tameside MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 2 October 2020 22 January 2021		
Councillor M Smith (Tameside MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	Policy and Development 25 June 2020 3 September 2020 26 November 2020 4 March 2021
Councillor D Ward (Tameside MBC)	17 April 2020 18 September 2020 11 December 2020 19 March 2021	Investment Monitoring and ESG 2 October 2020 22 January 2021		
Councillor E Wills (Tameside MBC)	17 April 2020 17 July 2020	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021		
Councillor D Parkinson (Bolton MBC)	17 July 2020	Administration and Employer Funding Viability 2 October 2020	Investment Monitoring and ESG 2 October 2020	
Councillor J Grimshaw (Bury MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020	Administration and Employer Funding Viability 2 October 2020		

	Pension Fund Management Panel	Working Groups		
Councillor P Andrews (Manchester CC)	17 April 2020 17 July 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	
Councillor A Jabbar (Oldham MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 22 January 2021	Investment Monitoring and ESG 22 January 2021	
Councillor S O'Neill (Rochdale MBC)	17 April 2020 17 July 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	
Councillor M Barnes (Salford CC)	17 April 2020 11 December 2020 19 March 2021			
Councillor J Taylor (Stockport MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Investment Monitoring and ESG 2 October 2020 22 January 2021		
Councillor A Mitchell (Trafford MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	
Councillor K Cunliffe (Wigan MBC)	17 July 2020 18 September 2020 11 December 2020	Administration and Employer Funding Viability 22 January 2021		
P Herbert (Ministry of Justice Representative)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Policy and Development 4 March 2021		
A Flatley (GMB)	17 April 2020 17 July 2020 18 September 2020 19 March 2021	Administration and Employer Funding Viability 2 October 2020 22 January 2021	Investment Monitoring and ESG 2 October 2020 22 January 2021	
M Fulham (UNISON)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Investment Monitoring and ESG 31 July 2020 22 January 2021		
P McDonagh (UNISON)	17 April 2020 17 July 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 22 January 2021		
K Drury (UNITE)	17 April 2020 17 July 2020 18 September 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	
F Llewellyn (UNITE)	17 July 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020 22 January 2021	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	
J Thompson (UNITE)	17 April 2020 17 July 2020 11 December 2020 19 March 2021	Policy and Development 3 September 2020 26 November 2020 4 March 2021		
Councillor J Pantall (Observer - Stockport MBC)	17 April 2020 17 July 2020 18 September 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 31 July 2020 2 October 2020	Investment Monitoring and ESG 31 July 2020 2 October 2020 22 January 2021	Policy and Development 25 June 2020 3 September 2020 26 November 2020 4 March 2021
Councillor O Ryan (Observer - Tameside MBC)	17 April 2020 17 July 2020 11 December 2020 19 March 2021	Administration and Employer Funding Viability 2 October 2020	Investment Monitoring and ESG 22 January 2021	Policy and Development 25 June 2020 3 September 2020 26 November 2020 4 March 2021

[1] Left the Panel November 2020

Conferences and training events

Member name	Training events attended				
Councillor B Warrington (Tameside MBC)	Hymans Robertson Webinar – Keeping the LGPS Connected 21 April 2020	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020		
Councillor G Cooney (Tameside MBC)	Hymans Robertson Webinar – Keeping the LGPS Connected 21 April 2020 6 May 2020	PIRC Client Webinar 1 May 2020	UBS Webinar: The impact of COVID-19 on global infrastructure markets 6 May 2020	PIRC - LGPS Performance Update 17 July 2020	LAPFF Webinar: Electric Avenue – The Role of Electric Vehicles in reaching Net Zero 9 September 2020
	IPD Property Fund Indices - What It All Means 18 September 2020	LGA Fundamentals Training – Day One Webinar 6 October 2020	LGA Fundamentals Training – Day Two Webinar 7 October 2020	LGA Fundamentals Training – Day Three Webinar 8 October 2020	LAPFF Annual Conference, Bournemouth – Virtual 2-4 December 2020
	PIRC Webinar - The employment relationship in the gig economy - Supreme Court decision on Uber 25 February 2021				
Councillor J Homer (Tameside MBC)	PIRC - LGPS Performance Update 17 July 2020				
Councillor G Newton (Tameside MBC)	PIRC - LGPS Performance Update 17 July 2020				
Councillor C Patrick (Tameside MBC)	IPD Property Fund Indices - What It All Means 18 September 2020	LGA – LGPS Update Conference – Virtual 26 January 2021			
Councillor V Ricci (Tameside MBC)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020			
Councillor T Sharif (Tameside MBC)	PIRC Client Webinar 1 May 2020	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020	LGA Fundamentals Training – Day One Webinar 6 October 2020	LGA Fundamentals Training – Day Two Webinar 7 October 2020
	LGA Fundamentals Training – Day Three Webinar 8 October 2020				
Councillor M Smith (Tameside MBC)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020			
Councillor D Ward (Tameside MBC)	IPD Property Fund Indices - What It All Means 18 September 2020				
Councillor E Wills (Tameside MBC)	PIRC - LGPS Performance Update 17 July 2020				
Councillor D Parkinson (Bolton MBC)	PIRC - LGPS Performance Update 17 July 2020				
Councillor J Grimshaw (Bury MBC)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020			
Councillor P Andrews (Manchester CC)	PIRC - LGPS Performance Update 17 July 2020	LGA – LGPS Update Conference – Virtual 26 January 2021	PIRC Webinar: A Just transition in food production 28 January 2021	PIRC Webinar - The employment relationship in the gig economy - Supreme Court decision on Uber 25 February 2021	
Councillor A Jabbar (Oldham MBC)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020			
Councillor S O'Neill (Rochdale MBC)	PIRC - LGPS Performance Update 17 July 2020	LAPFF Columbian Communities Webinar 12 February 2021			

Member name	Training events attended				
Councillor M Barnes (Salford CC)	Launching the PIRC 2021 Shareholder Voting Guidelines – Webinar 4 March 2021				
Councillor J Taylor (Stockport MBC)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020	LGA – LGPS Update Conference – Virtual 26 January 2021	PIRC Webinar: A Just transition in food production 28 January 2021	LAPFF Webinar - Drax & Carbon Capture Storage 10 March 2021
Councillor A Mitchell (Trafford MBC)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020			
Councillor K Cuniffe (Wigan MBC)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020			
P Herbert (Ministry of Justice Representative)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020			
A Flatley (GMB)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020	LGA – LGPS Update Conference – Virtual 26 January 2021	PIRC Webinar: A Just transition in food production 28 January 2021	LAPFF Columbian Communities Webinar 12 February 2021
M Fulham (UNISON)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020	LGA – LGPS Update Conference – Virtual 26 January 2021		
P McDonagh (UNISON)	PIRC - LGPS Performance Update 17 July 2020				
K Drury (UNITE)	PIRC - LGPS Performance Update 17 July 2020	IPD Property Fund Indices - What It All Means 18 September 2020			
F Llewellyn (UNITE)	PIRC - LGPS Performance Update 17 July 2020	PIRC Webinar - The employment relationship in the gig economy - Supreme Court decision on Uber 25 February 2021			
J Thompson (UNITE)	PIRC - LGPS Performance Update 17 July 2020	LGA Fundamentals Training – Day One Webinar 6 October 2020	LGA Fundamentals Training – Day Three Webinar 8 October 2020	LGA – LGPS Update Conference – Virtual 26 January 2021	
Councillor J Pantall (Observer - Stockport MBC)	Hymans Robertson Webinar – Keeping the LGPS Connected 21 April 2020 18 June 2020 1 July 2020 15 July 2020 28 July 2020 13 August 2020 25 August 2020 10 September 2020 23 September 2020 8 October 2020 20 October 2020 10 November 2020 9 December 2020 12 January 2021 25 February 2021 23 March 2021	Hymans Robertson Club Vita Webinar 19 May 2020	PMI Webinar - Robustness of the Pensions Industry in light of Covid-19 Confirmation 4 June 2020	LGA – The Council's Role in Delivering the UN Sustainable Development Goals post COVID-19 17 July 2020	PIRC - LGPS Performance Update 17 July 2020
	SPS Virtual: Fiduciary Management & Investment Governance for Pension Funds conference 25 August 2020	SPS Virtual: Alternative & Innovative Investing for Pension Funds 17 September 2020	IPD Property Fund Indices - What It All Means 18 September 2020	UBS Webinar - China: 5-year capital market expectations & insights 29 September 2020	PIRC Webinar – Stranded Assets and Stranded Business Models 8 October 2020
	PLSA Annual Conference, Digital Event 14-16 October 2020	Professional Pensions Webinar – Fixed Income 29 October 2020	LAPFF Annual Conference, Bournemouth – Virtual 2-4 December 2020	Ninety One Webinar - Prospects across EMD in 2021 8 December 2020	SPS Virtual: Annual Bond Investment Strategies for Pension Funds conference 14 January 2021
	Charles Stanley Global Investment Outlook – 2021 and Beyond webinar 28 January 2021	PIRC Webinar: A Just transition in food production 28 January 2021	Abbett ESG: The Climate Focused Bond Opportunity 24 February 2021	PIRC Webinar - The employment relationship in the gig economy - Supreme Court decision on Uber 25 February 2021	
Councillor O Ryan (Observer - Tameside MBC)	PIRC - LGPS Performance Update 17 July 2020				

Annual Report 2021
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 2013 Pensions Act, which required all public sector pension schemes to set up representative local pension boards by 1 April 2015.

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

Local pension boards do not have executive powers. We 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 Management Panel's decision making processes and providing input from a scheme member and employers' perspective.

We ensure compliance with all relevant legislation and regulations. We contribute to the effective and efficient governance and administration of the scheme. We also assist in implementing any new requirements imposed by the Pensions Regulator in relation to the scheme.

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

Board membership

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

The members of the Board at 31 March 2021 and their attendance record at Board meetings during 2020/21 is shown in the table below. We seek to meet on a quarterly basis, however due to scheduling during the meeting cycle, we only met three times during the 2020/21 year.

Local Pension Board Meeting Dates and Attendance		
30 July 2020	1 October 2020	14 January 2021
Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull
J Hammond	P Taylor	J Hammond
P Taylor	M Cullen	P Taylor
M Cullen	D Schofield	M Cullen
D Schofield	C Goodwin	M Rayner
C Goodwin	P Catterall	D Schofield
P Catterall		C Goodwin
C Lloyd		P Catterall
		C Lloyd

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

The Board has an annual budget of £48,073. During the 2020/21 year, the costs of the Board were £65,455. The overspend is attributable to multi-year fixed costs for subscriptions and levies that happened to fall due in 2020/21.

The 2020/21 overspend should be considered in the context of underspends in the previous two years; in 2018/19 there was an underspend of £30,350 and in 2019/20 there was an underspend of £7,259.

Local Pension Board member development

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

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

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

Conferences and Training Events Attendance

Conference & Training Events (1)	PLSA - LGPS administration - it's complicated! 21 May 2020	TPR - COVID-19's impact on the LGPS, and TPR's response 18 June 2020	CIPFA - LGPS Local Pension Boards Member Annual Full Day Event – Webinar 24 June 2020	PIRC - LGPS Performance Update 17 July 2020	PLSA - Spotlight on McCloud: Everything You Need to Know 15 September 2020
Attendees	Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull
	P Taylor	P Taylor			P Taylor
	J Hammond	J Hammond			J Hammond
	D Schofield	C Lloyd			C Lloyd
	P Catterall	D Schofield			D Schofield
		P Catterall			P Catterall

Conferences and Training Events Attendance

Conference & Training Events (1)	LGA - LGPS Update Conference – Virtual 26 January 2021	Hymans Robertson – Keeping the LGPS Connected 25 February 2021	Aon - The Pensions Regulator's Single Modular Code and the LGPS webinar 25 March 2021	Hymans Robertson – Keeping the LGPS Connected 1 April 2021
Attendees	Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull	Cllr B Fairfoull
	P Taylor	P Taylor	P Taylor	P Taylor
	M Cullen	M Cullen	J Hammond	M Cullen
	J Hammond	J Hammond	D Schofield	J Hammond
	C Lloyd	C Lloyd	P Catterall	D Schofield
	D Schofield	D Schofield		P Catterall
	P Catterall	P Catterall		

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

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

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

Annual Report 2021
Local Pension Board Annual Review

2020-2021 will likely be a year which is vividly remembered many years from now. The Coronavirus pandemic has required Greater Manchester Pension Fund (GMPF), and many organisations all over the world, to adapt to and overcome the most challenging of circumstances. Over the last year we have seen an unprecedented transition from administering pensions in our Droylsden office to kitchen tables and spare bedrooms across Greater Manchester and surrounding areas. Some of the systems and processes GMPF has introduced and the changes to working practices we have made will carry forward into future years and will enhance our ability to efficiently provide members' retirement benefits.

Aside from Coronavirus, the Local Government Pension Scheme (LGPS) has had to contend with seemingly continual change and uncertainty, such as the planning required to implement potential remedies for the 'McCloud' case, the currently paused implementation of a cap on public sector exit payments and a raft of consultations regarding future changes, such as the Pension Regulator's new Single Modular Code of Practice.

This year, perhaps more than most, has highlighted the importance of monitoring the timeliness of pension contributions. A widely held fear in the pension sector was that many employers would struggle to meet their pension contributions given the financial stress experienced in the economy. On the whole GMPF has continued to receive prompt and full payment of contributions from employers. We are also noticing a reduction in outstanding pension strain costs, which is a direct result of the internal ill health insurance arrangement we introduced for employers following the 2019 actuarial valuation. This has largely removed the risk of employers being faced with an unaffordable debt following one of their employees being required to retire due to serious ill health.

Whilst we have unfortunately not been able to allow visitors to our office over the last year, significant efforts have been made to ensure that GMPF remains open and accessible to our members and employers. In May 2020 we launched our new website which is significantly more user friendly and accessible and hopefully allows members to easily find the information they seek. Employers have been given new functionality to access and securely upload important documents, thereby reducing data protection risks. We believe our new website is a gamechanger with regards to our ability to provide support and information in a clear and concise manner in an increasingly digital world.

On a related note, we have also been busy developing a GMPF specific Cybersecurity policy to ensure that as we become increasingly digital, we can appropriately assess and mitigate the risks that this transition brings. Members of the Local Pension Board have been reviewing risks and key standards to ensure that our policy puts us on a strong footing to mitigate cybersecurity threats. One area that we have focused on is the threat of ransomware which has caused problems for the NHS and other public sector bodies in the past. We explored the need to be compliant with ISO27001 and how this constitutes best practice within the domain of cybersecurity. We will continue to work on ensuring that our data and systems are robust enough to deal with known cybersecurity threats.

As the largest LGPS fund we expect to work closely with the Pensions Regulator and aim to be leaders in demonstrating the quality of LGPS governance and administration and the value of Local Pension Boards. One significant development for pension boards this year has been the consultation on the Regulator's new Single Modular Code of Practice which seeks to further improve standards of pension administration and governance and clarify the requirements on public sector pension schemes. We actively welcome the new code of practice and look forward to benchmarking GMPF against the final version when released. In the meantime, we will continue to assess the controls that GMPF has in place such as the monitoring of pension contributions and consider whether any breaches flagged up by these controls are likely to be of material significance to the Pensions Regulator as specified by the current codes of practice in force.

The Local Pensions Board continues to fulfil its 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. This is particularly relevant during such times of significant change and uncertainty as we have faced over this last year. The Board combines significant expertise drawn from a diverse range of sources, which allows us to effectively engage in the administration and governance of GMPF ensuring positive outcomes for our members and employers. Our dedication to knowledge and expertise was evidenced by the results of Hymans Robertsons' National Knowledge Assessment exercise, where I understand GMPF was one of the highest scoring out of all participating Local Government Pension Scheme funds.

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

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

Cllr Bill Fairfoull

Chair of the GMPF Local Pension Board

Key achievements

- Greater Manchester Pension Fund (GMPF) successfully transitioning to working from home.
- Launched the new and improved GMPF website.
- Further strengthening processes to combat pension transfer scams.
- Participated in Hymans Robertsons' National Knowledge Assessment.
- Provided Annual Allowance and Lifetime Allowance support to our members in a new digital format.
- Continued refinement of GMPF's risk management processes.
- Improved timeliness of employer contributions following successful introduction of internal ill health insurance arrangement.
- Contributed to development of new GMPF Cybersecurity Policy.

Annual Report 2021
Top 20 equity holdings

1	Royal Dutch Shell	£327 million
2	Barclays	£291 million
3	BP	£277 million
4	Glencore	£254 million
5	GlaxoSmithKline	£247 million
6	Astrazeneca	£221 million
7	3i Group	£195 million
8	HSBC Holdings	£170 million
9	Anglo American	£159 million
10	Prudential	£151 million
11	Rio Tinto	£149 million
12	Man Group	£147 million
13	BT Group	£134 million
14	Unilever	£128 million
15	Lloyds Banking Group	£123 million
16	Natwest Group	£120 million
17	Samsung	£107 million
18	Aviva	£107 million
19	Tesco	£105 million
20	Roche Holdings	£102 million

Major holdings

GMPF publishes a list of all its equity holdings each year, the list can be found on GMPF's website at:
www.gmpf.org.uk/about/how-does-GMPF-invest

Annual Report 2021
Investment report

Investment management

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

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

At 31 March 2021, the total Fund value was £26,890 million. Of this total, £25,920 million was held in the Main Fund whilst £970 million was held in the Designated Fund, all of which was invested across a broad spread of assets.

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

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

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

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

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

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

The chart on page 20 summarises the management arrangements for the Main Fund at the end of the year.

Custody of financial assets and banking

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

GMPF's banker is Royal Bank of Scotland.

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 2020/21 is summarised in the charts on page 20.

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

GMPF's target allocations to private equity, private debt and infrastructure funds are each 5% of Main Fund value which, during the year, were implemented by new commitments to specialised funds of £75 million, £435 million and £240 million per year respectively. The allocation to the 'Special Opportunities Portfolio' (SOP) is limited at 5% of Main Fund value. Current realistic benchmark allocations for private equity, private debt, infrastructure funds and SOP are 5%, 2%, 3.5% and 2% respectively.

GMPF targets local investment through the Property Venture Fund and other allocations. Such local investment is restricted to 5% of Main Fund value.

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

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

Management Arrangements

Total Main Fund
£25,920 million

Externally managed £19,395 million

Securities Portfolio

UBS	£9,064 million
UBS SciBeta	£2,659 million
Legal & General	£3,648 million
Ninety One (formerly Investec)	£1,912 million
Stone Harbor	£1,242 million

Property

Lasalle	£705 million
Avison Young (formerly GVA)	£165 million

Internally managed £5,750 million

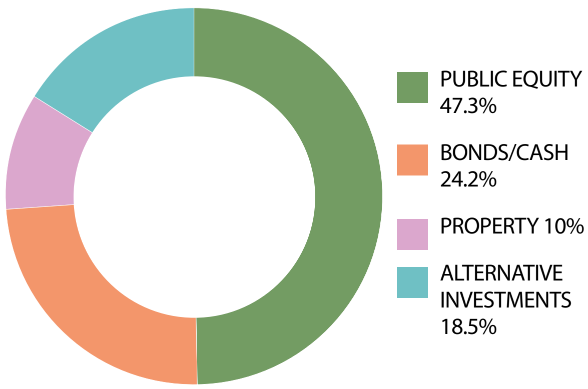
Cash & Alternatives	£4,432 million
Property	£1,318 million

Northern LGPS Pool Vehicles £775 million

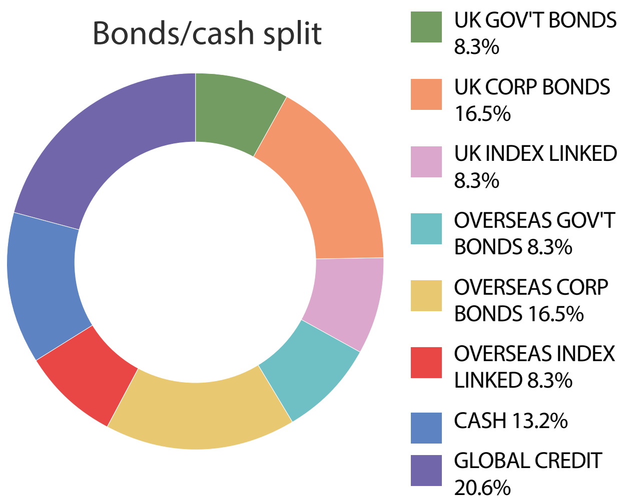
NPEP	£181 million
GLIL	£594 million

Benchmark Asset Allocation

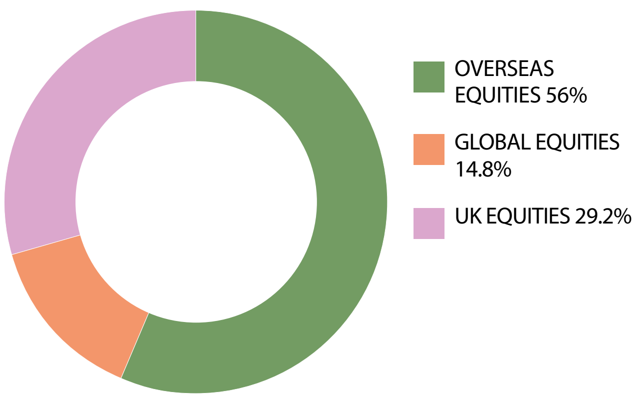
Major asset class split



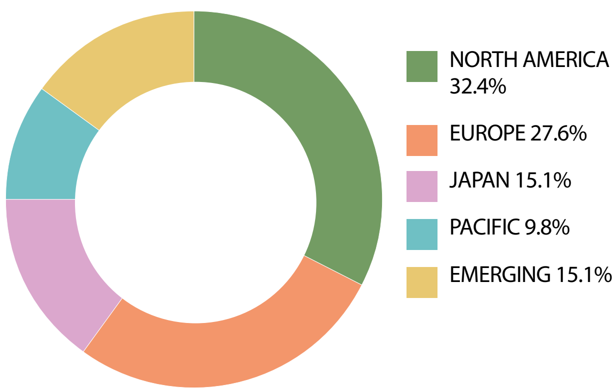
Bonds/cash split



UK/Non-UK equity split



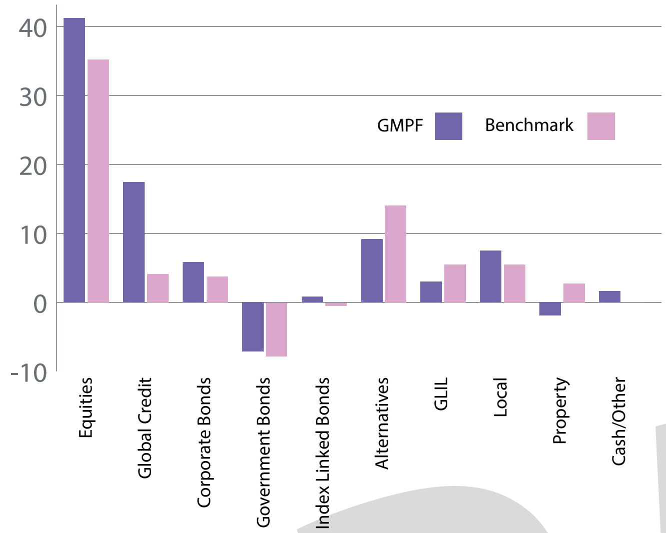
Overseas equity split



Investment Returns

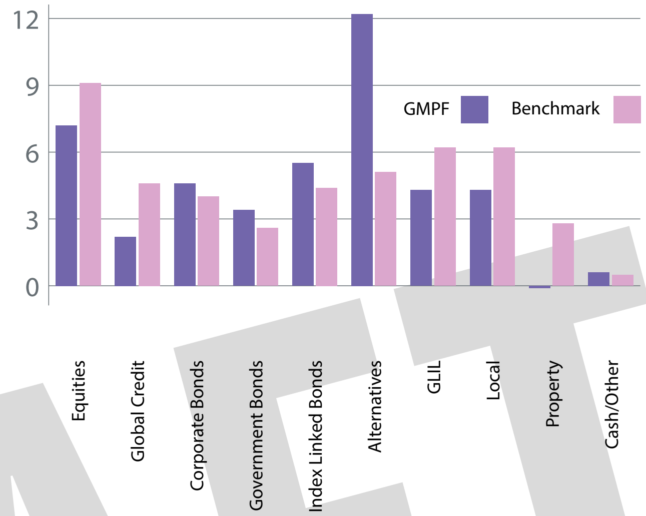
INVESTMENT RETURNS (%)

1 Year ended 31 March 2021



INVESTMENT RETURNS (%)

3 Year ended 31 March 2021



Performance for periods over one year is annualised

Performance

The graphs on this page compare the return achieved by the Main Fund with the benchmark index return in each of the main investment categories during the year, three years and five years to 31 March 2021.

The year saw both positive and negative returns within the categories, with the highest returns being achieved in Equities.

The Main Fund realised a return of 22.2% during the year, and outperformed the benchmark index in Equities, Global Credit, Corporate Bonds, Government Bonds, Index Linked Bonds, Local and Cash but underperformed the benchmark in Alternatives, GLIL, and Property.

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

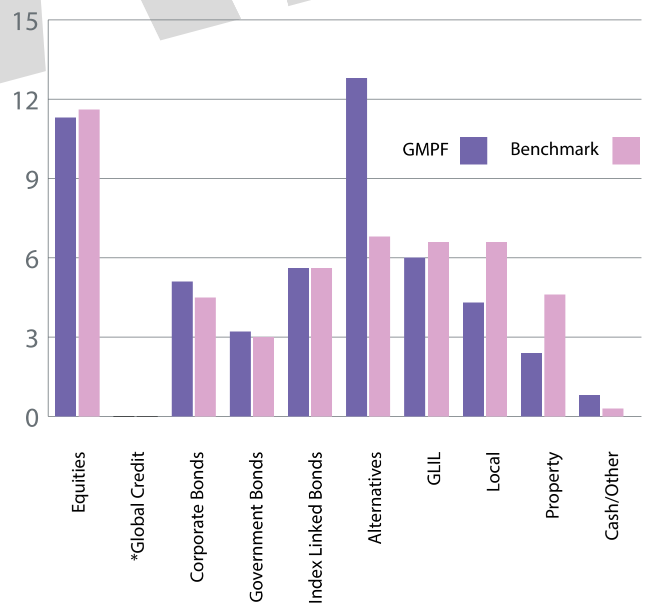
The Main Fund realised a return of 6.4% per year for the three year period, and outperformed the benchmark index in Corporate Bonds, Government Bonds, Index Linked Bonds, Alternatives and Cash but underperformed the benchmark in Equities, Global Credit, GLIL, Local and Property.

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

The Main Fund realised a return of 9.2% per year for the five year period, and outperformed the benchmark in Corporate Bonds, Government Bonds, Alternatives, and Cash and matched the benchmark in Index Linked Bonds, but under-performed the benchmark in Equities, GLIL, Local and Property.

INVESTMENT RETURNS (%)

5 Year ended 31 March 2021

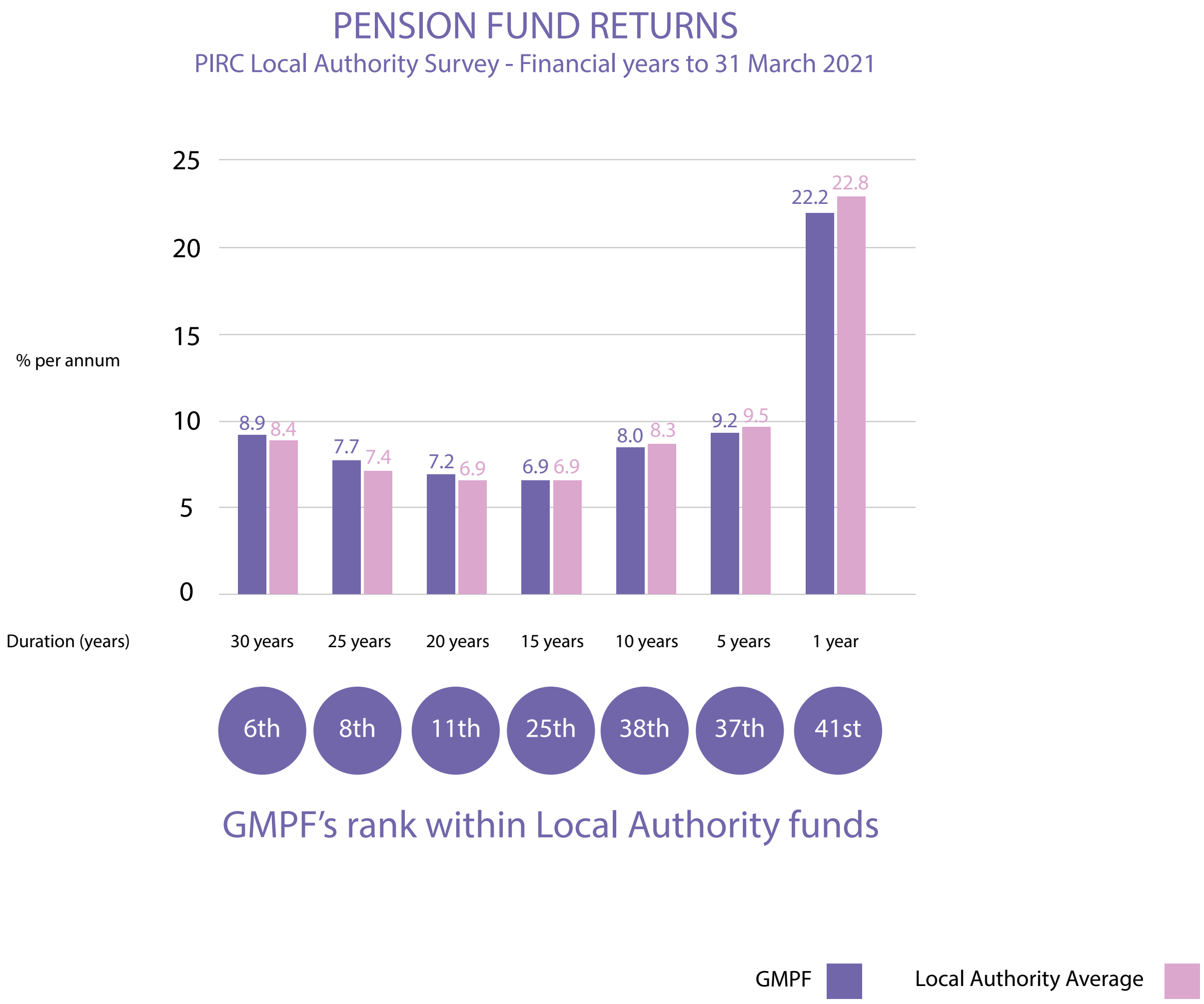


Performance for periods over one year is annualised

*Portfolio was not active for the full period

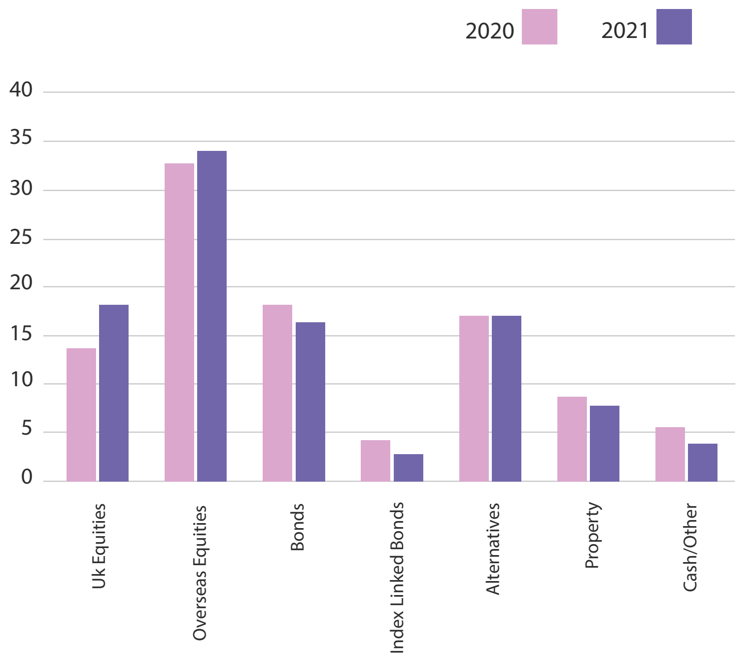
Pension Fund Returns

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



PORTFOLIO DISTRIBUTION (%)

Market value at 31 March

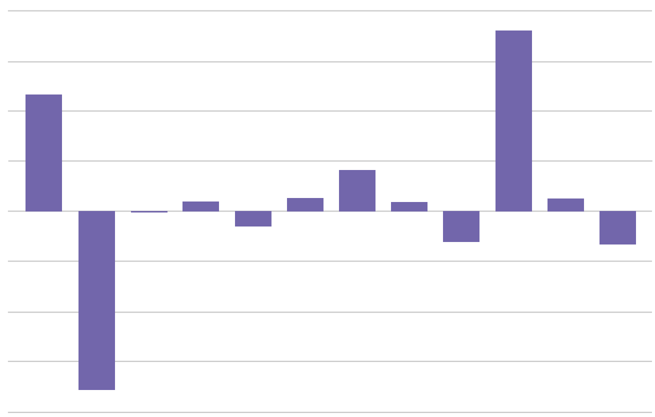


Portfolio Distribution

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

NET INVESTMENT (£m)

Year ended 31 March 2021



Net Investment

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

Public Market Equities – Ferguson plc

FERGUSON

Ferguson plc is a leading value added distributor of plumbing and heating products to professional contractors operating in North America. The company successfully bridges the gap between the large supplier base and over one million geographically dispersed professional customers, providing a convenient way to do business either in a branch, by phone or online.

The company has 1,652 branches located across the US and Canada and has 11 distribution centres with 5,100 fleet vehicles to ensure prompt flexible delivery options to meet customer needs.

Ferguson plc is a people-focused business and has 29,000 employees. The company is committed to developing a diverse workforce and an inclusive working environment in the communities in which it operates.

Ferguson plc is a signed supporter of the Task Force for Climate-Related Financial Disclosures (TCFD), and is committed to transparency in Environmental, Social and Governance (ESG) disclosures. The company continues its efforts to minimise its carbon emissions, drive down relative waste and increase recycling in line with its performance targets.

Since 2016, the company has responded to the UK Governments directive under the Modern Slavery Act for concerted action to tackle the occurrence of forced, involuntary and child labour in the global supply chain.

All major suppliers to the business are required to sign a Supplier Code of Conduct or operate under their own comparable business conduct principles. This agreement includes requirements for social responsibility, including human rights and labour standards, standards for meeting environmental regulations and providing safe working conditions, measures for anti-bribery and corruption and supply chain transparency.

Annual Report 2021
Economic background

The year started with financial markets being driven by developments in the Covid-19 pandemic and the economic effect of lockdown measures around the world. Although economic data remained very negative, financial markets generally performed well in April as markets responded to the large scale monetary and fiscal stimulus response to the pandemic.

Social distancing measures aimed at containing Covid-19 caused one of the sharpest economic slowdowns in history, yet equity markets had a strong month in April bouncing back from March's crash. Corporate profits suffered a huge blow but governments around the world mounted aggressive monetary and fiscal responses.

Moving into May, risky assets continued to move higher as a combination of lockdown measures being lifted in major economies, promising news on pharmaceutical developments to combat Covid-19 and continued monetary and fiscal policy support boosted investor confidence. The absence of a 'second wave' of Covid-19 cases in major economies, in spite of looser lockdown measures, further helped support sentiment.

After the peak of the Covid-19 pandemic in the spring, the market narrative was dominated by the transition to a 'new normal', driven by the forces of technological disruption, deficit spending, and further central bank action. These forces continued to drive equity markets higher in the quarter to September, although the quarter comprised two distinct parts. The first was a rally to record highs which peaked at the start of September. The second was a pullback from the peak and a rotation out of mega-cap tech stocks. At its peak the tech-heavy Nasdaq rallied 76% from the March lows.

The rally in US equities was notable for both its strength and its narrowness, centred on gains for a handful of mega-cap technology names. Supported by lower discount rates and exposure to a less mobile but more connected world, the FAAMNG megacap tech stocks (Facebook, Apple, Amazon, Microsoft, Netflix, and Alphabet, Google's parent company) rallied by an average of 46% in USD terms in 2020.

Growth stocks are more digital and less cyclical, so benefit from stay-at-home trends, while companies that are more exposed to challenging economic conditions de-rated. Growth stocks typically have stronger balance sheets and defensive cash flows increasing their appeal during turbulent times. The result was record outperformance of growth over value up to September 2020.

Growth outperformance versus value started to reverse from September. Optimism over a vaccine suggested a faster economic recovery and sparked a rotation out of tech into more cyclically exposed sectors, such as value.

Central banks pointed to even more accommodative policies for even longer. At its August meeting the Federal Reserve (Fed) announced a shift to target inflation averaging 2% over time. Under this new framework, the Fed is likely to refrain from tightening rates until inflation overshoots the 2% target.

The key events in the last three months of 2020 reduced the uncertainties that had dominated the year: Covid-19 and politics. Successful vaccine development, the US election results, and the Brexit deal clarified and brightened the economic outlook heading into 2021 even as a seasonal upturn in Covid-19 cases continued to dampen activity. In 2020, economic damage was driven by the need to flatten the rate of infection. The expansion of the economy in 2021 is dependent on increasing vaccination levels.

Despite a rally in early October, the first month of the quarter started with falling equity markets weighed down by a combination of concerns over rising Covid-19 infections, reimposition of restrictions in several European countries, US election uncertainty and worries about the outlook for US mega-cap technology stocks.

Global stocks went on to post their biggest monthly gain on record in November, buoyed by the resolution of the US election and a vaccine candidate which was more effective than expected. The MSCI All Country World index continued its advance to hit all-time highs in December.

Towards the end of the quarter, sentiment was boosted by the start of vaccination programmes in the US and UK along with optimism over the broader global rollout. This confidence more than offset concerns over rising Covid-19 infections, stricter restrictions in many parts of the world and the emergence of a new faster-spreading strain of the virus.

In December, policy makers delivered measures to support growth, including the approval of a $900 billion stimulus package in the US, and further monetary support from the European Central Bank. A successful conclusion to EU-UK trade talks also removed a key regional economic risk.

US Treasury yields started to move higher in the final quarter of 2020 as the upturn in growth indicators began to reassure markets that the Fed, notwithstanding its shift towards average inflation targeting, would eventually be able to start removing its emergency stimulus measures.

The first quarter of 2021 delivered two main surprises: faster than expected vaccine rollouts and bigger than expected US fiscal stimulus. The backdrop of vaccination-led reopenings, plus substantial monetary and fiscal stimulus, drove expectations for a faster economic recovery and further gains for equities. Markets ended the quarter on a high note, with a 4.6% return for global equities over the quarter.

A surprise win for the Democrats in the Georgia Senate elections in January opened up the potential for further US fiscal stimulus. President Biden's proposal to spend an additional $1.9 trillion was passed by the House of Representatives in March. The Biden administration is now working on an infrastructure bill with initiatives to support the 'green economy' at a cost of $2.25 trillion.

The improved growth outlook and signs of re-emerging inflation pushed ten year US Treasury yields sharply higher, from 0.91% at the start of the year to 1.74% at the end of March, driven by rising inflation expectations and by an increase in real rates on the prospect of further US fiscal stimulus. UK government bond yields also started to respond to the better economic outlook, with the ten year gilt yield rising from around 0.2% at the start of the quarter to 0.8% by the end.

The combination of higher growth and higher yields prompted a shift into more cyclical sectors of the equity market and a rotation out of growth into value stocks. It also triggered periodic bouts of volatility on repositioning flows.

Private equity

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

In 2018, the three funds that comprise Northern LGPS formed Northern Private Equity Pool (NPEP), a joint venture that combines the private equity investing activities of the three funds. In the 12 months to 31 March 2021, through its involvement in the NPEP joint venture, GMPF added three funds to its portfolio, representing total commitments of a little over £75 million.

At the end of 2019, Northern Private Equity Pool took a significant step towards its objectives through the establishment of a co-investment partnership with a leading global alternatives asset manager aimed at reducing the costs of private equity investment through partnering more directly with its preferred managers in certain transactions. The early stages of the partnership's operation have been a positive experience with a good flow of investment opportunities reviewed and completed.

Performance of the Private Equity portfolio to the end of December 2020 continued to be strong, in line with the trend for much of the past decade. Per cent per annum rates of return for mature funds invested in during the last decade have been in the high teens. Despite the tumultuous events surrounding the Covid-19 pandemic in 2020, this pattern was maintained, led by digital and online businesses that have been able to continue trading despite severe restrictions on social movement.

The Private Equity portfolio was valued at approximately £1.6 billion as at 31 March 2021. Much still remains to be seen in terms of the strength and shape of major economies as they emerge from the global Covid trauma and what the ramifications will be for different parts of the economy and for background economic conditions which can be material in terms of their impact on equity valuation.

Northern Private Equity Pool (NPEP)

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

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

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

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

Investment pace since inception has been consistent with targets, with over £1 billion committed to 18 investment funds. In addition, the year was the first in operation of co-investment activities through which Northern LGPS partner funds, through Northern Private Equity Pool's partnership with a major third party investment services provider, have been able to begin to access a lower cost implementation method for the private equity asset class through investment alongside preferred managers.

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

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

Private Equity portfolio: The Travel Chapter

Through its private equity partner ECI Partners, Greater Manchester Pension Fund (GMPF) has invested in The Travel Chapter.

With over 30 years' experience, The Travel Chapter is one of the UK's leading providers of self-catering holidays, offering a wide selection of over 7,000 high quality properties across England, Scotland and Wales.

The company was founded in 1989 by the Morris family as Farm & Country Holidays, offering a small collection of rural properties across the South West and later rebranded to holidaycottages.co.uk in 2012, when The Travel Chapter was formed as the brands within the portfolio grew.

Holidaycottages.co.uk remains the flagship consumer brand today, but now as part of a diverse and growing network of over 30 lifestyle and regional brands, a number having been developed in-house, such as Canine Cottages and Hide & Sleep, but bolstered through a series of acquisitions including Cottages & Castles in Scotland and Gorgeous Cottages in Yorkshire. Across its portfolio of websites, The Travel Chapter now receives over 35 million sessions each year and has seen over 50% growth in traffic and 60% growth in bookings in the past 12 months.

At the core of the business is The Travel Chapter team, with over 350 employees across 11 UK offices, spanning Technology, Property, Customer Services, Sales and Marketing departments, many of which have been award winning in recent years with the company achieving Feefo Platinum Status for Customer Service, and a Travolution Award for Best Digital Marketing Campaign, in the past six months. The company prides itself on the high quality of properties in its portfolio and the services it offers to property owners and guests alike, and it is through developing these relationships that has led to its continual growth and sustained success.

TRAVEL CHAPTER

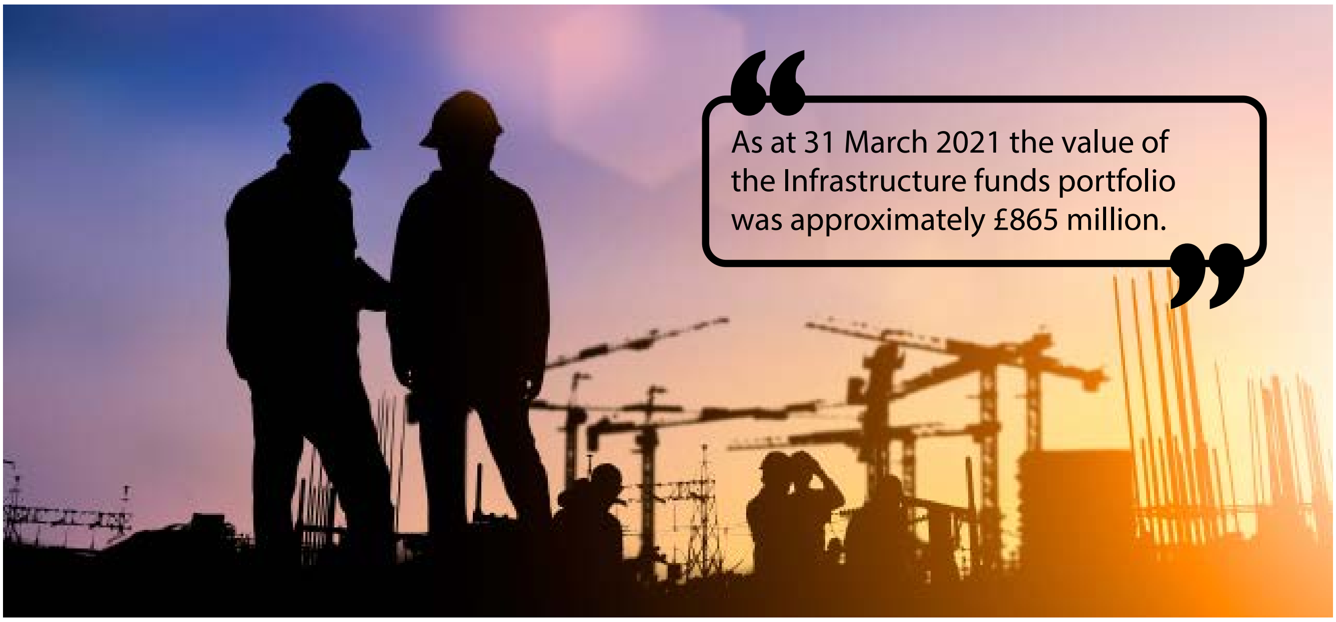
Infrastructure funds

Greater Manchester Pension Fund (GMPF) has invested in private infrastructure partnerships for two decades and has continued to grow its portfolio over the past 12 months. Three new fund commitments were made, totalling £240 million.

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

As at 31 March 2021 the value of the Infrastructure funds portfolio was approximately £865 million. In the near term, the value of the portfolio has been impacted, to a degree, by the Covid-19 pandemic, particularly its impact on transport related assets such as toll roads and airports and on energy related sectors, both traditional and renewable, through lower energy prices.

Overall, however, the portfolio proved to be relatively resilient given the essential nature of the services and assets held and, over the longer term, as the severe impact of the pandemic recedes in time, it is expected that the most impacted part of the infrastructure market will recover. The performance of the portfolio continues to consistent with its objectives, delivering annual investment returns in the high single to low double-digit range.



Special Opportunities portfolio

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

The Special Opportunities portfolio consists of investments in funds that fall under the headings of Credit Opportunities (11 funds), Absolute Return Funds (two funds), and Real Assets (two funds investing in Agriculture and Timberland).

Two new Credit Opportunities fund commitments were made in 2020/21, resulting in a portfolio of 15 active investments. Several potential opportunities are under active consideration at the year end and officers continue to evaluate the future potential of both the existing investment types, as listed above, and also new investment types which may, in time, replicate the success of Private Debt and Factor Based Investing, both of which were piloted in the Special Opportunities portfolio, before becoming separate allocations within GMPF.

As at 31 March 2021, the value of the investments within the Special Opportunities portfolio was £486 million.

Private Debt portfolio

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

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

Three new fund commitments totalling £435 million were made by GMPF over the last 12 months, resulting in a total portfolio of ten active investments. A total of approximately £1.4 billion has been committed since the portfolio's inception, of which £680 million has been drawn down and invested by managers. Further investments within the portfolio remain under active consideration.

The value of the investments within Private Debt portfolio was approximately £650 million as at 31 March 2021. The short lifespan of the portfolio does not lend itself to meaningful performance commentary although the economic environment created by the Covid-19 virus pandemic is likely to provide a stiff test of the defensive return characteristics that the portfolio's construction is predicated upon.

Direct Infrastructure

In April 2015, Greater Manchester Pension Fund (GMPF) and the London Pensions Fund Authority formed a joint venture to invest directly in infrastructure assets, with a focus on the UK. The joint venture is structured as a limited liability partnership and has been named GLIL Infrastructure LLP (GLIL). As part of the Local Government Pension Scheme (LGPS) pooling discussions, West Yorkshire, Merseyside and Lancashire County Council pension funds joined GLIL in December 2016 and in March 2018 GLIL was restructured as an open ended fund to facilitate potential new members. The existing members made additional commitments in October 2018 and December 2020. At the end of the year GLIL achieved another significant milestone by admitting its first third party investor in the form of NEST, who committed £150 million. GLIL now has committed capital approaching £2.5 billion. GMPF remains the largest participant in the venture.

GLIL began investing in October 2015 and has completed ten transactions with a total value in excess of £1.4 billion.

One of GLIL's earliest transactions was the purchase from SSE of a 21.7% stake in Clyde wind farm for £150 million. At the time of investment, Clyde had 152 operational turbines capable of generating 350 megawatts (MW) and a further 54, more powerful turbines, under construction. The new turbines became fully commissioned in September 2017 and at this point GLIL invested an additional £30 million with a further £88 million invested in the summer of 2018. Clyde now has a total generation capacity of 522 MW, making it one of the largest onshore windfarms in Europe. In 2019 GLIL acquired a 49% stake in Cubico's portfolio of 250 MW of solar and wind assets across the UK. Combined with Clyde and other assets, GLIL now has exposure to over 800 MW of renewable energy.

Our most recent transaction, which was completed in January, is the £338 million acquisition of a 30% stake in Agility Trains East (ATE) which owns and manages 65 of the latest Hitachi trains operating on the East Coast Main Line under a public private partnership (PPP) contract structure.

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

GLIL is a responsible investor, taking meaningful governance positions in many of its assets and ensuring that they are well governed, sustainable and remain relevant in the context of a Net Zero future. An example of this is our investment in Forth Ports and the recent announcement of the development of a £40 million renewables hub to serve the offshore wind industry on the East Coast of Scotland.

CGI image showing proposed outer berth at The Port of Leith with floating foundation and offshore wind turbine. This £40 million private investment will see the creation of a bespoke, riverside marine berth capable of accommodating the world's largest offshore wind installation vessels.

LPP
Local Pensions Partnership

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

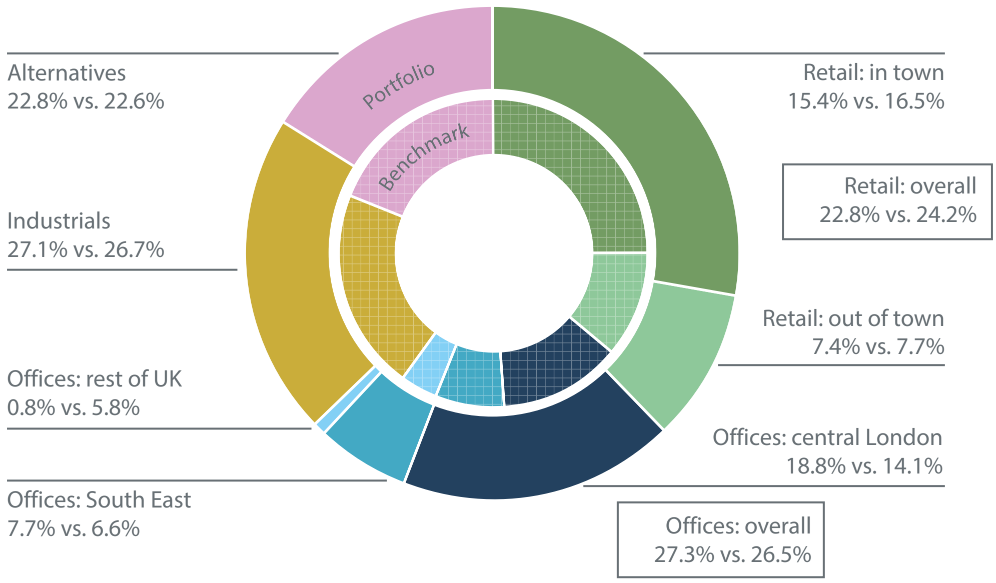
Property portfolio

At 31 March 2021, Greater Manchester Pension Fund's (GMPF) main UK property portfolio comprised 38 directly owned assets (two of which are owned through joint ventures and one via a co-mingled fund). The portfolio is valued at £819 million and is managed by LaSalle Investment Management.

There is an additional £729 million invested in UK pooled property vehicles. This comprises eight UK balanced funds totalling £601 million and ten alternative or sector specialist funds totalling £128 million. Throughout the year, officers identified opportunities to commit to co-mingled funds with total commitments of c. £200 million.

LaSalle Investment Management completed its sixth year as property investment manager. One investment was made in the year, which was the freehold of an existing office asset owned on a long leasehold basis. This acquisition amount totalled £27.9 million. LaSalle's priority throughout the year was focused on asset management and seeking to protect value in the existing portfolio from a volatile environment. Given Government restrictions on imposing forfeiture proceedings to tenants for unpaid rents, significant efforts have been made to maximise rent collection where possible and agree commercial rent payment plans where required. There were two asset sales during the year for a total consideration of £18.6 million which continued LaSalle's strategy of disposing of small, secondary assets.

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



The current direct portfolio has a high vacancy rate and subsequent low initial yield. Most of this vacancy is comprised in two industrial estates which were acquired in 2018 and have been slower to lease up than was initially expected, as well as an office campus in Docklands London, of which a significant amount has recently been comprehensively refurbished. Whilst these assets remain vacant, LaSalle reports strong occupational demand and an element has been leased post the end of the financial year.

Similarly, the average lease length of 9.7 years is materially lower than the benchmark of 12.6 years. However, this has increased by 1.5 years from the previous year led by completion of a 25 year lease to Premier Inn and a lease restructure to the Secretary of State on a large Central London office building.

Metric	Direct Portfolio	Benchmark
Average lot size	£21.4 million	£20.9 million
Initial Yield	4.0%	4.5%
Equivalent Yield	5.3%	5.7%
Vacancy Rate	11.6%	7.2%
Average Lease Length	9.7 years	12.6 years

In 2020, the aggregate total return for the main property portfolio (which does not include the property pooled vehicles) was -8.3%, significantly underperforming the MSCI benchmark of -1.9%, and ranking the portfolio in the eighty-ninth percentile. Underperformance was largely as a result of a 13.2% capital value fall for the year which came from a combination of sector allocation and stock selection.

The largest asset detractor to returns was the Intu Chapelfield Shopping Centre in Norwich, which reduced portfolio returns by 4.9% led by a total return of -52.3%. This asset was acquired by LaSalle in January 2018 and has since been severely impacted by the demise of the retail sector and in particularly House of Fraser entering administration. LaSalle continue to explore ways of securing and diversifying as much income as possible in the backdrop of a challenged market.

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

Duration	GMPF	Benchmark (MSCI Annual Index)	Percentile
1 year	-8.3%	-1.9%	89th
3 years	-2.6%	1.3%	86th
5 years	0.6%	3.4%	85th
10 years	4.3%	7.1%	89th

In recognition of this continued underperformance; GMPF together with its external advisors have continued with its strategic review of its property allocations with recommendations made to its Management Panel in March 2021 which includes amendments to the management of the existing portfolio and future deployment routes

GMPF commenced its overseas real estate programme in 2015 with the investment thesis based upon increasing the investable universe whilst also providing for opportunities to outperform UK property returns and benefit from diversification. As of 31 March, GMPF had made 16 commitments to overseas discretionary funds across the US, Europe and Asia Pacific. The portfolio provides a balance of risk profiles and currently has only a modest level of leverage. As at 31 December 2020, over £560 million had been committed (translated as at the subscription date). Of this, £456 million had been drawn down against these commitments, representing over 80% of committed capital. The overseas portfolio, whilst still immature, delivered an annualised GBP return of 8.65% as at 31 December 2020, comfortably in excess of its strategic target of MSCI UK Index + 2%. Three commitments were made in the year totalling €40 million, €75 million and $65 million across two European core and value add funds and a US focused value add fund.


5-8 Whitehall Place


Island Road Logistics Park, Reading

Greater Manchester Property Venture Fund (GMPVF)

GMPVF has an allocation of up to £750 million and creates property investments by a process of site acquisition, building design, direct property development and property letting/management, in order to generate state of the art office, residential, retail and industrial/workshop accommodation. GMPVF also provides debt finance to projects, generating a commercial rate of return and supporting a broader range of developments than could be carried out by GMPVF alone.

Since its establishment in 1990, GMPVF has developed more than one million square feet of commercial buildings within the Greater Manchester area.

GMPVF has the twin aims of generating a commercial rate of return and supporting the local area. GMPVF also seeks to make an environmental impact through regeneration. To date, all completed developments have generated a profit.

The target area for GMPVF is the Northern Pool region (being NW England and W Yorkshire), with a particular focus on Greater Manchester. Avison Young, a firm of international property consultants, is the advisor to GMPVF.

The Covid-19 pandemic severely impacted the property sector during the year, with contractors facing difficulties in sourcing materials and also implementing changes to working practices to enable social distancing to be maintained. The investment market also saw reduced levels of transactions, as investors remained cautious. However, the quarter to March 2021 has seen a renewed level of construction activity and property investors are slowly returning to the market.

Nonetheless, the impact of Covid-19 is apparent and there remains a great deal of uncertainty over the long term impact on a number of key commercial property markets. Some initial trends are emerging and will be monitored as lockdown restrictions are eased, and society begins to return to an established pattern.

Avison Young have continued to progress new city centre investments in office and residential developments, targeting investments at much lower risk profiles than would ordinarily be the case, and pursuing opportunities in the industrial sector.

A third of the GMPVF allocation is targeted to invest into income generation assets. The properties purchased to date have performed well, with no adverse impact due to the pandemic.

At the end of the year, GMPVF acquired a prime industrial unit at Trafford Park for £10 million. This purchase included an adjacent cleared site, which will enable an improved reconfiguration of the site yard area to be carried out. The property is currently in use as a regional centre for retail sales of healthcare products. The unit is viewed as having good prospects for future rental growth.

The remainder of the GMPVF portfolio is directed to investing into development activities.

Soapworks, Salford Quays, a 230,000 sq ft office development owned by GMPVF, tenants include the Home Office and Talk Talk.

The 175,000 sq ft office development at First St in Manchester city centre, which completed in 2019, has continued to attract tenants this year, with only 20,000 sq ft of office space remaining vacant. The building was sold shortly after the year end and generated a good financial return to the GMPVF. This now sees the exit from a development GMPVF has taken from initial land purchase, design, construction (including the collapse of the main contractor Carillion), through to occupation by tenants and now disposal to an investor.

GMPVF and the Greater Manchester Housing Investment Fund (GMHIF) have jointly provided development debt to fund the redevelopment of the former Stockport Sorting Office. The building now provides 119 apartments and commercial space. Also jointly funded by the GMPVF and GMHIF, is a residential development in Whalley Range where 92 apartments are now fully occupied.

A development loan has also been provided for the ongoing refurbishment and new build at the Crusader Mill site, in Manchester city centre. This development will provide 201 apartments, which are being marketed for sale to local residents.

GMPVF is directly involved in a number of construction and development projects. A joint venture has been formed with Henry Boot Developments Ltd to redevelop the derelict commercial site on John Dalton St in city centre Manchester. A project team is liaising with the local planning authority on proposals for the site.

Construction is also progressing in the joint venture with Select Property Group, known as Circle Square, to develop two apartment buildings at the former BBC site, at Oxford Road, Manchester city centre. The first building comprising of 340 apartments completed in late 2020, with tenants beginning to take occupation early 2021. The second building will be completed in Autumn 2021 and will provide 342 units available for rent.

Site works are nearing completion in the joint venture with Urban & Civic to develop three apartment buildings at Princess Street, Manchester city centre. The development will provide 351 apartments, which are being offered for sale, and ground floor retail/leisure space. The first building completed in October 2020, with purchasers now moving into the building.

The conversion of offices and building of new homes continues at the former office site owned by GMPVF in Didsbury, Manchester. This is being carried out via a development agreement with an experienced house builder. A total of 44 homes are now sold and occupied with a further 41 under construction.

New homes completed in Didsbury, Manchester. Development carried out by GMPVF in partnership with P J Livesey.

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

• A 0.38 acre cleared site at Old Haymarket, Liverpool city centre

• Chorlton Cross Shopping Centre

• Soapworks Phase 2, Salford.

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

Local Investments

Invest 4 Growth

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

Invest 4 Growth was a collaborative project with several other Local Government Pension Scheme (LGPS) funds, where 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 enabled GMPF and the other funds to make savings on the investment costs and achieve a diversified portfolio.

GMPF is the largest participant of the Invest 4 Growth initiative and has now fully committed its allocation of £50 million. As at 31 March 2021, £47million of capital had been drawn and invested by fund managers.

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

ABL Health, a business invested in by one of GMPF fund managers (Foresight Regional Investment Fund), which provides community healthcare and well-being services across the North West.

Impact Portfolio

Following on from the Invest 4 Growth initiative, GMPF has approved an allocation of up to £465 million into an Impact Portfolio. This portfolio has the same twin aims of generating a commercial return and delivering a positive local impact. GMPF is seeking to collaborate with other pension funds, specifically the Northern Pool members, to develop a diversified portfolio and achieve cost benefits from greater economies of scale.

As at 31 March 2021, total commitments of £401 million have been made into a number of investments, with £207 million cash drawn down. Areas of investment include: the provision of supported living accommodation, renewable energy, loans to small and medium sized businesses and private equity with a focus on impact investing. Alongside investments into nationally focused pooled funds, GMPF will seek co-investment opportunities to enhance the impact in the North West and reduce the overall investment management costs.

GEV Wind Power, a business invested in by one of GMPF fund managers (Bridges Sustainable Growth Fund IV), which provides blade repair and maintenance services to wind farms across the UK, Europe and US.

GMPF has invested £10m into the Resonance Homelessness Property Fund, which seeks to provide accommodation to homeless individuals and families in Greater Manchester.

Northern LGPS Pool
Report of the Chair

As Chair of the Northern LGPS Pool Joint Committee I am delighted to update everyone on the progress made by the Northern LGPS Pool over the last year. It should go without saying that this past year has been like no other in recent memory with the global spread and the global response to the Coronavirus pandemic. However, despite the tumultuous year I can proudly say we have not been hindered in our quest to allow the LGPS funds participating in the Pool efficient access to the investments that best serve their members, employers and local taxpayers.

We pride ourselves on our cost effectiveness and believe we lead amongst LGPS pools in achieving value for money. The most recent benchmarking exercise placed the Northern LGPS Pool's costs around the lowest 25% of its international peer group (which consists of 21 global pension funds ranging from £12.7 billion to £90.7 billion). This is a tremendous result which shows the value that economies of scale and a consistency of approach can deliver.

Responsible Investment and Environmental Social and Governance continued to feature prominently on our agenda over 2020/21. This year we signed up to the Make My Money Matter campaign which seeks to increase transparency about where pensions are invested. NLGPS' collaboration with Make My Money Matter is part of the pool's ambition to invest 100% of assets in line with the Paris Agreement on climate change and will help raise awareness amongst members regarding how their pensions are invested and the efforts being made by the Pool to help combat climate change.

Make My Money Matter shares NLGPS' view that pension assets can be invested to create a sustainable, better future without compromising on returns. This includes meeting the Paris Agreement to achieve net zero carbon emissions by 2050 and exploring the feasibility of a 2030 target in line with the IPCC's 1.5-degree pathway. NLGPS partnership with MMMM is part of a much wider environmental, social and governance investment strategy, incorporating numerous initiatives which comprise our approach to climate change.

Other highlights during the year include the Pool's direct infrastructure platform, GLIL, securing a 30 per cent equity stake in Agility Trains East, a rolling stock fleet of 65 new intercity trains on the East Coast Mainline that will provide much needed connectivity. Infrastructure investment is absolutely critical to supporting the UK's recovery from Coronavirus and building a sustainable economy for the future, and pension funds can, and should, play a fundamental role in helping to fund those projects.

GLIL's future potential was further bolstered by the commitments made by Nest Pensions to invest in GLIL, taking total capital committed to around £2.5bn. Nest is the defined contribution pension scheme set up by Government to ensure all UK employers have access to a pension scheme in which to auto-enrol their employees. It currently has over 9 million members. Nest's ground-breaking commitment to GLIL is one of the first allocations to private markets from a modern defined contribution scheme in the UK and endorses GLIL's governance strength and suitability to provide attractive investment returns for pensions savers. We share Nest's long-term investment horizon and sustainable investment objectives and look forward to building an enduring relationship to bring the benefits of infrastructure investment to millions of workplace pension holders.



It pleases me greatly to know that in the last quarter of 2020-21 alone we engaged with 172 different companies regarding issues across the environmental, social and governance spectrum, and we voted at 467 distinct meetings. We abstained or opposed shareholder votes on increased remuneration in 58% of shareholder meetings to avoid unfair remuneration practices. We have also filed shareholder resolutions for several large international companies where we felt environmental concerns were not being properly addressed. We also challenged large companies on their social record where they have been conducting business with countries that do not adequately uphold basic human rights.

I would like to thank my colleagues on the Joint Committee and also the pensions committees, local pension boards and officers from each of the partner funds for their support and hard work over the year. I feel wholeheartedly confident that the coming year will be a positive one. We will carry on thriving by adhering to our cost-effective approach to LGPS investment pooling which delivers sustainable financial returns to the benefit of members, employers and taxpayers.

Background

The Northern LGPS Pool is a partnership between the Greater Manchester (GMPF), Merseyside (MPF) and West Yorkshire (WYPF) LGPS funds (the 'partner funds'). The combined assets of the funds stood at approximately £53bn as of 31 March 2021, which is invested on behalf of over 800,000 members and 1,250 contributing employers.

The Northern LGPS Pool's purpose is to facilitate via a simple and democratic governance structure, the pooling of assets and the sharing of services in order to achieve sustainable improved net investment returns for the partner funds.

History

The Northern LGPS Pool was formed in response to the Government's LGPS pooling agenda, which was first announced in 2015. The Government sought to increase the scale of LGPS investment mandates in order to reduce investment management costs and facilitate infrastructure investment to help drive growth in the UK economy.

Due to the existing scale of the three partner funds, the vast majority of the benefits of pooling for the funds are in respect of alternative assets where there is greatest scope to generate further economies of scale and to combine resources to make increasingly direct investments.

Therefore, the focus of the Pool has been on establishing vehicles which can make collective investments in alternative assets, in particular infrastructure and private equity.

The partner funds are the major investors in the GLIL direct infrastructure vehicle and also established a collective private equity vehicle, known as 'NPEP', in 2018.

The Pool selected Northern Trust as its FCA regulated custodian to ensure all listed assets of the pool (i.e. internally and externally managed equities and bonds) are held within a single permanent FCA regulated entity. The custodian acts as 'master record-keeper' for all assets of the partner funds and manages the calls and distributions in NPEP.

Governance

The Northern LGPS Pool is not a standalone legal entity. It is a Local Government Joint Committee structure supported administratively by a Host Authority (currently Tameside MBC), which provides all administrative resources and facilities that may be necessary, such as clerking services for the Joint Committee meetings.

The Pool is governed by an inter-authority agreement signed by the three constituent Administering Authorities. The agreement sets out the terms of reference for the Northern LGPS Joint Committee, which is the decision-making body for the Pool. The Joint Committee has been appointed under S102 of the Local Government Act 1972, with delegated authority from the Full Council of each Administering Authority to exercise specific functions in relation to the pooling of pension fund assets.

The Joint Committee may delegate certain functions to the Officer Working Group which is composed of the Directors of the partner funds. The Officer Working Group has the necessary technical skills to advise the Joint Committee on technical investment matters and is a central resource for advice, assistance, guidance and support for the Joint Committee.

The Administering Authorities retain full control of their individual funds' asset allocations and nominate members to the Joint Committee.

Northern LGPS Pool – 31 March 2021 position at a glance

Fund	Assets £bn
GMPF	26.9
WYPF	16.1
MPF	9.9
Total Assets	52.9

Northern LGPS Pool – Total costs and savings

The table below sets out the total costs and savings of the Northern LGPS Pool up to 31 March 2021.

	Up to 31 March 2018 £m	2018-19 £m	2019-20 £m	2020-21 £m	Total to 31 March 2021 £m
Annual running costs	0	0	0.1	0.16	0.26
Other service provider fees	0	0.13	0.78	1.17	2.07
Transition costs	0	0	0	0	0
Set up costs	0.22	0.18	0.09	0	0.49
Total costs	0.22	0.31	0.97	1.33	2.83
Investment management fee savings	7.63	12.21	22.24	31.63	73.71
Service provider savings	0	0	0.06	0.15	0.21
Total savings	7.63	12.21	22.31	31.77	73.92
Total savings net of costs	7.41	11.90	21.33	30.45	71.09

Total costs (including set up, transition and running costs) as at 31 March 2021	£2.83m
Total savings, net of costs, as at 31 March 2021	£71.09m

Over the summer of 2021, the Northern LGPS Pool worked in collaboration with the other seven LGPS pools to develop a standardised approach to the measurement of costs and savings, which will allow Government and other stakeholders to better analyse the impact of LGPS asset pooling and assist in future policy. The figures in the table above have been calculated using the agreed standardised approach.

As there were no pool set up costs in 2020/21 we have not included the table showing the breakdown of set-up costs that was provided in previous years. Please refer to the 2019/20 Northern LGPS Annual Report for a breakdown of historic pool set up costs.

Responsible Investment

Environmental, social and governance (ESG) issues are crucially important to the Pool for a number of reasons. ESG factors can be financially material and, as such, should be part of the assessment and monitoring of investments in all asset classes. Achieving sustainable, long-term financial returns underpins the ability to pay pensions. A focus on ESG issues helps reduce risks to the Pool and its beneficiaries. These risks might be financial, such as the underperformance or failure of an investee company, or reputational, resulting from poor corporate behaviour.

In addition, the Pool's beneficiaries live in a society that is affected by the behaviour of investee companies. Therefore, we expect high standards from those businesses. Consistent with the Pool's fiduciary duty to our beneficiaries we will ensure that the businesses in which we invest are both financially and environmentally sustainable, have high standards of governance and are responsible employers. As far as possible the Pool will seek to invest in a way that is financially and socially beneficial for the North of England.

Northern LGPS frequently engages with companies the Pool invests in and challenges them where a component of their operations seems deficient. The updates on the Pool's activity can be seen in the quarterly Stewardship Reports.

Our full approach to Responsible Investment can be seen in our Responsible Investment Policy which, at the time of writing, was being updated to reflect the further strengthening of the Pool's approach.

GLIL Direct Infrastructure Vehicle

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 structured as a limited liability partnership and has been named GLIL Infrastructure LLP (GLIL). As part of the Local Government Pension Scheme (LGPS) pooling discussions, West Yorkshire, Merseyside and Lancashire County Council pension funds joined GLIL in December 2016. In March 2018 GLIL was re-structured as an open-ended FCA Regulated fund to facilitate potential new members. Additional commitments made by existing members mean GLIL now has committed capital of approximately £2.5 billion.

GLIL began investing in October 2015 and has completed ten transactions with a total value in excess of £1.6 billion.

One of GLIL's earliest transactions was the purchase from SSE of a 21.7 per cent stake in Clyde wind farm for £150 million. GLIL invested an additional £30 million in September 2017 with a further £88 million invested in the summer of 2018. Clyde now has a total generation capacity of 522MW, making it one of the largest onshore windfarms in Europe.

One of GLIL's more recent transactions, which was completed in January 2021, is the £335 million acquisition of a 30% equity stake in Agility Trains East, a rolling stock fleet of 65 new intercity trains, from Hitachi Rail Limited. The transaction will support the long-term operation of the state-of-the-art trains on the UK's East Coast Main Line.

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

Northern Private Equity Pool LP

Northern LGPS established the Northern Private Equity Pool in May 2018; an investment joint venture structured as an English Limited Partnership. The partnership operates as a single legal entity through which the three Northern LGPS funds can invest collectively and collaboratively in private equity assets.

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

Investment pace since inception has been consistent with targets, with over £1bn committed to 17 investment funds.

At the end of 2019 an investment commitment was concluded with HarbourVest Partners that specifically addressed the co-investment aims of Northern LGPS. The target is for co-investment to constitute 20% of the NPEP portfolio, providing additional fee savings for the Northern LGPS partner funds.

Northern LGPS Property Framework

During the year the Pool has established a property framework which will deliver efficiencies in the management of property investments and related services. The framework is comprised of six lots covering a wide range of services.

Objectives for 2021/22

- Finalise the updating of the Pool Responsible Investment Policy and continue to enhance the impact of our responsible investment activities
- Work alongside the partner funds to develop interim carbon reduction targets for the Pool
- Collaborate with Government, other LGPS funds and pools and global benchmarking services to help achieve a consistent approach to measuring costs and savings across LGPS pools

NorthernLGPS
The Collective Asset Pool for Greater Manchester Merseyside and West Yorkshire Pension Funds

Annual Report 2021
Approach to Climate Risk

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

GOVERNANCE

Recommended disclosure (a) Describe the Board's oversight of climate-related risks and opportunities.	The Pension Fund Management Panel (the Panel) is responsible for managing climate-related issues as part of its remit of having responsibility for GMPF's investment strategy. The Investment Monitoring and ESG (Environmental, social and governance) Working Group, a specialist subcommittee of the Panel, also considers issues relating to climate change. The Panel and Working Group consider climate change issues across GMPF and specifically in areas such as strategic asset allocation, investment strategy and risk management with the aim of minimising adverse financial impacts and maximising the opportunities for long term economic returns on our assets. GMPF has committed to undertake annual carbon footprints of GMPF's applicable assets. The results of these are reported to the Panel.
Recommended disclosure (b) Describe management's role in assessing and managing climate-related risks and opportunities.	Day to day management of GMPF's climate change strategy is delegated to the external Fund Managers, who operate under GMPF's policies on ESG. An annual carbon footprinting exercise is used to assess both the risks from climate change, but also areas of opportunity. GMPF employs a specialist advisor, PIRC, to instruct its voting activity on active equity holdings, including on areas such as climate change. GMPF also incorporates Voting Alerts from the Local Authority Pension Fund Forum on climate change within its policy. The Panel are ultimately responsible for these relationships.

STRATEGY

Recommended disclosure a)

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

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

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

Recommended disclosure b)

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

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

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

GMPF has increased its long term strategic allocation to infrastructure to 10%, unlocking over £2 billion of assets for this purpose. A key strategy within this allocation is investments in low carbon and renewable energy opportunities. For example, GMPF has invested directly in UK operational wind and solar assets, smart meters and energy storage.

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

For example, improving the energy efficiency of existing domestic properties is an essential component to meet the UK's target to reduce emissions of greenhouse gases to zero relative to 1990 levels by 2050. Recognising that more than 10% of households in the UK live in fuel poverty, inefficient housing and rising household debt forcing people to choose between heating their homes or a meal, GMPF invested in AgilityEco, a provider of fuel poverty, energy-efficiency and low-carbon services.

It helps energy providers to meet their obligations under the Energy Company Obligation scheme (to reduce lifetime fuel bills of fuel-poor homes by over £8bn) by arranging the installation of measures such as better insulation and more efficient boilers. It works closely with over 150 Local Authorities to identify households eligible for the Warm Home Discount, a separate scheme for those in particular need.

Transitioning to renewable energy resources is another way of reducing global carbon emissions. GMPF invested in GEV Wind Power a wind turbine repair business supporting the transition to sustainable energy. In 2019, GEV serviced over 1,600 blades, helping its clients produce an estimated 376MW of energy, enough to power almost 350,000 homes.

Recommended disclosure c)

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

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

GMPF's actuary, Hymans Robertson, undertakes climate analysis in conjunction with their Asset Liability Modelling analysis. Hymans looked at GMPF's investment decision making process that is underpinned by key investment beliefs and carried out their analysis under three scenarios. The results of the analysis supported the work GMPF has been doing on integrating Responsible Investment best practices, GMPF's intention of being net carbon neutral by 2050, its implementation of the low carbon multi factor Scientific Beta mandate and the infrastructure allocation to renewables.

RISK MANAGEMENT

Recommended disclosure a)

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

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

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

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

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

Recommended disclosure b)

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

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

- engagement with companies to improve their approaches to climate change as well as encourage them to report on their actions for future business model scenarios;
- influencing policy makers; and

• promotion of relevant research projects in areas such as developing standardised carbon intensity measures, and investment initiatives that improve information flow and investment opportunities.

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

Recommended disclosure c)

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

Climate change is included within GMPF's risk register in the context of the risk of the strategic allocation underperforming. Relevant controls and mitigating actions are also documented. The risk register is reviewed by the Management Panel.

GMPF has a Business Plan that is updated annually that formally incorporates an objective of enhancing stewardship activities and sets desired outcomes. The objectives include areas such as governance of GMPF, collaboration, local investments and ESG factors. The ESG outcomes include the encouragement of suppliers and investee companies to work towards a just transition to a net zero emissions economy by c2050 and to minimise the environmental impact in delivering GMPF's ultimate objective of paying its pensioners.

In addition, as set out above, the external Fund Managers have GMPF's ESG policies incorporated into their Investment Management Agreements. Day to day management of climate change strategy is delegated to the external Fund Managers. This means that the external Fund Managers consider any climate-related risks when making their investment decisions.

METRICS AND TARGETS

Recommended disclosure a)

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

GMPF monitors the voting and engagement of all its external Fund Managers and proxy voting advisor on issues including climate change. GMPF has also undertaken carbon footprinting and measured the CO2 equivalent intensity per million pounds of revenue. The 'two degrees' analysis measured GMPF's alignment with various climate scenarios consistent with the Paris Agreement in relation to electric power generation, fossil fuel reserves and vehicle production.

Recommended disclosure b)

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

GMPF has considered Scopes 1 and 2 in its analysis as at the time of measurement, Scope 3 data was not considered to be of a sufficiently robust standard to incorporate. GMPF's carbon footprinting exercise found that as at 31 March 2021, the active equity holdings were 20 per cent more efficient than the combined benchmark on the weighted average carbon intensity method, as recommended by TCFD. This compares with a figure of 25 per cent as at 31 March 2020.

Recommended disclosure c)

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

GMPF's long term goal is for 100 per cent of assets to be compatible with the net zero emissions ambition by c2050 in line with the Paris Agreement.

As part of its Net Zero Asset Owner commitment, GMPF is developing interim decarbonisation objectives and targets, utilising the Paris Aligned Investment Initiative's Net Zero Investment Framework.

Annual Report 2021
Voting activity

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

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

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

Voting Disclosure (pirc.co.uk)

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

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

Annual Report 2021
Financial performance report

Key financials

	£m	£m	£m
GMPF value at 31 March 2020			22,035
Contributions and benefits			70
Employee contributions	158		
Employer contributions	755		
Pension benefits paid		(882)	
Net transfers	39		
Management costs			(40)
Investment		(31)	
Administration		(7)	
Oversight		(2)	
Investments			4,825
Income	465		
Change in market value of investments	4,360		
Total change in value of GMPF			4,855
GMPF value at 31 March 2020			26,890

Out-turn against prediction

The table below shows the financial out-turn against the prediction for the year 2020/21 as agreed by the Management Panel at its meeting in January 2019. The main variances were:

- Investment returns were significantly higher than the long term average this year as markets rebounded substantially from the lows of March 2020.
- Contributions received were higher than predicted due to advanced payment of employer contributions from a number of Councils at the start of the three year valuation cycle.

	2020/21 prediction £m	2020/21 actual £m	Variance £m
GMPF size at start of year	22,035	22,035	
GMPF size at end of year	23,113	26,890	3,777
Pensions paid	877	882	+5
Contributions received	844	913	+69
Transfers	0	39	+39
Net cashflow	-33	70	+103
Management costs	35	40	+5
Investment income	433	465	+32
Increase in value of investments	712	4,360	+3,648
Net return from investments	1,145	4,825	3,680
Net change in value of GMPF	1,078	4,851	3,777

Three year financial plan

The table below shows the financial forecast for period 2021-2024 as approved by GMPF Management Panel on 16 July 2021. Key issues are:

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

	2021/22 £m	2022/23 £m	2023/24 £m
GMPF size at start of year	26,890	27,890	28,899
GMPF size at end of year	27,890	28,899	30,023
Pensions paid	917	958	1,001
Contributions received	551	551	660
Transfers	0	0	0
Net cashflow	(366)	(407)	(341)
Investment management costs	100	105	111
Management costs	13	13	13
Total	113	118	124
Investment income	548	578	610
Increase in value of investments	931	956	979
Net return from investments	1,479	1,534	1,589
Net change in GMPF	1,000	1,009	1,124

Administration expenditure monitoring statement for the 12 months to March 2021

	12 months to March 2021		
	Original estimate 2020/21 £000	Actual expenditure 2020/21 £000	(-) Variation to date £000
Type of expenditure			
Staff costs			
Staff costs	7,775	6,732	(1,043)
Indirect on costs	124	74	(50)
Total	7,899	6,806	(1,093)
Direct costs			
Publications and subscriptions	143	163	22
Travel and subsistence	78	3	(75)
Premises	981	884	(97)
Postage, printing, telephone	282	118	(164)
Office equipment and software	1,465	1,704	239
Investment advisory expenses	128	70	(58)
Bank charges and nominee fees	495	435	(60)
Investment management fees	21,037	20,162	(875)
Actuary and professional fees	2,114	1,583	(531)
Performance measurement services	146	156	10
Communications	200	71	(129)
	27,067	25,349	(1,718)
Central establishment charges	435	397	(38)
Recovery of management and legal fees	(1,161)	(1,229)	(68)
Administration fees	(46)	(35)	11
Commission recapture	(50)	0	50
	34,144	31,288	(2,856)

Commentary on out-turn for year

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

- Expenditure on staffing was less than predicted due to impact of pandemic on recruitment and restructuring, changes to the budgeting methodology for staffing have been made for future budgets.
- Expenditure on investment managers was less than predicted due to market impact.
- Expenditure on Actuary and professional fees was lower than expected due to more efficient implementation of pooling arrangements.
- The impact of the pandemic and resulting working from home for the vast majority of staff was reflected in underspending against budget on travel, building telephones premises with an overspend against budget on equipment and software.

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

Three year budgeted expenditure

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

gmpf

Annual Report
Statement of Accounts

2020/21

Administered by

Tameside Metropolitan Borough

Independent auditor's statement to the members of Tameside Metropolitan Borough Council

Report on the audit of the financial statements

Opinion on the financial statements of Greater Manchester Pension Fund

We have audited the financial statements of Greater Manchester Pension Fund ('the Pension Fund') for the year ended 31 March 2021, which comprise the Fund Account, the Net Assets Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2021, and the amount and disposition of the Pension Fund's assets and liabilities as at 31 March 2021; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Council, as administering authority for the Pension Fund, in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Resources with respect to going concern are described in the relevant sections of this report.

Other information

The Director of Resources is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director of Resources for the financial statements

As explained more fully in the Statement of Responsibilities, the Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund's financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view. The Director of Resources is also responsible for such internal control as the Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and prepare the financial statements on a going concern basis, unless the Council is informed of the intention for dissolution of the Pension Fund without transfer of services or function to another entity. The Director of Resources is responsible for assessing each year whether or not it is appropriate for the Pension Fund to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the fianancial statements

Our objectives are to obtain reasonable assurance about whether the Pension Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Pension Fund, we identified that the principal risks of non-compliance with laws and regulations related to the Public Service Pensions Act 2013, the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Director of Resources' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Panel the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Fund which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Panel on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Panel. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Director of Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in April 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of this auditor's statement

This report is made solely to the members of Tameside Metropolitan Borough Council, as a body and as administering authority for the Greater Manchester Pension Fund, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Murray

Karen Murray

Key Audit Partner, for and on behalf of Mazars LLP

One St Peter's Square

Manchester

M2 3DE

14 August 2023

Fund Account for the year ended 31 March 2021

31 March 2020 £000		Note	31 March 2021 £000
	Contributions and benefits		
(152,068)	Contributions from employees	5	(158,377)
(460,162)	Contributions from employers	5	(754,571)
(612,230)			(912,948)
(0)	Transfers in (bulk)	5a	(53,583)
(25,694)	Transfers in (individual)		(19,090)
(637,924)			**(985,621)**
860,201	Benefits payable	6	882,095
42,351	Payments to and on account of leavers	7	33,147
264,628	**Net (additions) / withdrawals from dealings with members**		(70,379)
34,734	Management expenses	8	39,702
299,362	**Net (additions) / withdrawals including management expenses**		**(30,677)**
	Returns on investments		
(523,587)	Investment income	9	(472,608)
3,973	Taxation	10	2,718
2,029,086	Profit and losses on disposal of investments and changes in value of investments	11a	(4,354,653)
1,509,472	**Net return on investments**		**(4,824,543)**
1,808,834	**Net (increase)/decrease in the net assets available for benefits during the year**		**(4,855,220)**
(23,843,623)	Net assets of the Fund at start of year		**(22,034,789)**
(22,034,789)	**Net assets of the Fund at end of year**		**(26,890,009)**

Net Assets Statement at 31 March 2021

31 March 2020 £000		Note	31 March 2021 £000
7,829,132	Equities		11,462,318
1,850,051	Bonds	11b	1,731,185
835,885	Investment property	11c	870,516
13,975	Derivative contracts	11d	356
6,216,538	Pooled investment vehicles	11e	7,386,148
4,567,405	Insurance policies	11f	4,634,286
484,347	Cash and deposits	11g	663,516
186,718	Other investment assets	11h	221,170
21,984,051	**Investment assets**		**26,969,495**
(1,354)	Derivative contract liabilities	11e	(8,099)
(6,219)	Other investment liabilities	11h	(120,098)
(7,573)	**Investment liabilities**		**(128,197)**
78,517	Current assets	11h	74,694
(20,206)	Current liabilities	11h	(25,983)
58,311	**Net current assets**		**48,711**
22,034,789	**Net assets of the scheme available to fund benefits at the reporting period end**		**26,890,009**

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 2020/21 based on IFRS, published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This requires that GMPF accounts should be prepared in accordance with International Accounting Standard (IAS) 26, except where interpretations or adaptations to fit the public sector are detailed in the Code. The financial statements summarise the transactions of GMPF and deal with net assets at the disposal of the Management Panel. They do not take account of obligations to pay pensions and benefits which fall due after the end of the GMPF financial year. Under IFRS, GMPF is required to disclose the actuarial present value of promised retirement benefits. This is disclosed as a separate note (note 25). The full actuarial position of GMPF which does take account of pension and benefit obligations falling due after the year end is outlined in note 22. These financial statements should be read in conjunction with that information.

2. Accounting policies

Basis of preparation:

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

Financial assets and liabilities:

A financial asset or a financial liability shall be recognised in the balance sheet when, and only when, GMPF becomes a party to the contractual provisions of the instrument. On initial recognition, GMPF is required to classify financial assets and liabilities into amortised cost, fair value through profit and loss or fair value through other comprehensive income.

- Financial assets are classified dependent on the reason for holding the assets.
- Amortised cost assets are those held to generate cash flows and the amounts received are solely principal and interest.
- Fair value assets through profit and loss or other comprehensive income, are assets which fail the amortised cost categorisation tests, where they are held for trading purposes and/or the amounts received relate to more than solely principal and interest (eg equity instruments).
- Financial liabilities are classified as amortised cost except in certain circumstances where they are classified as at fair value.

Contribution income:

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the fund actuary in the payroll period to which they relate. Employer funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset.

Amounts not due until future years are classed as long term financial assets.

Additional voluntary contributions (AVC):

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

Additional voluntary contributions income:

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

Investment income:

Interest, property rent, income from pooled investment vehicles, 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 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom: 2020/21 Accounts.

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 2021.

Foreign investments:

Foreign investments are translated at the exchange rate applicable at 31 March 2021. 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 payable represent the benefits paid during the financial year and include an estimated accrual for lump sum benefits outstanding as at the year end if applicable. Benefits payable also includes interest on late payment. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Investment values:

All investment assets are valued at their fair value as at 31 March 2021 are determined as follows:

At 31 March 2021	Valuation basis/technique	Main assumptions	Key sensitivites affecting the valuations provided
Equities and bonds	Pricing from market data providers based on observable bid price quotations.	Use of pricing source. If there are minor variations in the price dependent upon the pricing feed used, the Custodian's valuation will take precedence.	n/a
Direct investment property	Independent valuations for freehold and leasehold investment properties at fair value have been valued by Colliers International Valuation UK LLP, Chartered Surveyors, as at 31 December 2020, subsequently adjusted for transactions undertaken between 1 January 2021 and 31 March 2021. Valuations have been prepared in accordance with Royal Institute of Chartered Surveyors (RICS) Red Book.	Investment properties have been valued on the basis of open market value (the estimated amounts for which a property should exchange between a willing buyer and seller) and market rent (the expected benefits from holding the asset) in accordance with the RICS Appraisal and Valuation Manual. The values are estimates and may not reflect the actual values.	Significant changes in rental growth, vacancy levels or discount rate could affect valuations, as could more general changes to market processes.
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.	Material events occuring between the date of the financial statements provided and GMPF's own reporting date, changes to expected cashflows, differences audited and unaudited accounts.
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. All cash is recorded at book value unless there is knowledge of any impairment.	n/a

At 31 March 2021	Valuation basis/technique	Main assumptions	Key sensitivites affecting the valuations provided
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.	All derivatives are based on a visible price (ie not private transactions) and all counter parties are deemed solvent and able to meet their liabilities. The relevant prices and exchange rates used are provided by the Custodian and consistent with those used elsewhere in accounts.	n/a
Private equity, infrastructure and special opportunities portfolios	The funds are valued either in accordance with Accounting Standards Codification 820 or with International Financial Reporting Standards (IFRS). The valuation basis, determined by the relevant fund manager, may be any of quoted market prices, broker or dealer quotations, transaction price, third party transaction price, applying earnings multiples of comparable public companies to projected future cash flows, third party independent appraisals or pricing models. The valuation of these assets can take up to six months to come through. GMPF practice when closing accounts is to use the latest available valuation and adjust for cashflows.	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.	Material events occuring between the dates of the financial statements provided and GMPF's own reporting date, changes to expected cashflows, differences audited and unaudited accounts.

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.

Transaction costs of investments:

Acquisitions costs of investments other than listed equities are included in purchase prices and netted from sale receipts.

Management expenses:

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

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

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

Net (profit)/loss on foreign currency:

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

Actuarial present value of promised retirement benefits:

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

Derivatives:

GMPF uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. GMPF does not hold derivatives for speculative purposes. Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in fair value of derivative contracts are included in change in fair value. Future contracts are exchange traded and fair value is determined using exchange prices at their reporting date. Amounts due or owed to the broker are amounts outstanding in respect of initial margin and variation margin. Forward foreign exchange contracts are over the counter contracts and are valued by determining the gain or loss that would arise from closing out the contract at the reporting date, by entering into an equal and opposite contract at that date. All derivatives are based on a visible price (ie not private transactions) and all counter parties are deemed solvent and able to meet their liabilities. The relevant prices and exchange rates used are provided by the Custodian and consistent with those used elsewhere in accounts.

Transfers:

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

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

Taxation:

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

2a. Critical judgements in applying accounting policies

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

- For those assets held at amortised cost, no investments are impaired (further detail on the investment strategy and approach to managing risk can be found in note 4)
- All leases are classified as operating leases.

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.

2b. Major sources of estimation uncertainty

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 2021 was £3,623,513,000 (£2,942,866,000 at 31 March 2020).

The valuation of these assets can take up to six months to come through. GMPF practice when closing accounts is to use the latest available valuation and adjust for cashflows.

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 2021		
	Fair value through profit and loss £000	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000
Financial assets:			
Equities	11,462,318	0	0
Bonds	1,731,185	0	0
Derivatives	356	0	0
Pooled investment vehicles	7,386,149	0	0
Insurance Policies	4,634,285	0	0
Cash	0	663,516	0
Other investment assets	0	221,170	0
Current assets	0	74,694	0
	25,214,293	**959,380**	**0**
Financial liabilities:			
Derivatives	(8,099)	0	0
Other investment liabilities	0	0	(120,098)
Current liabilities	0	0	(25,983)
	(8,099)	**0**	**(146,081)**
Total	**25,206,194**	**959,380**	**(146,081)**

	At 31 March 2020		
	Fair value through profit and loss £000	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000
Financial assets:			
Equities	7,829,132	0	0
Bonds	1,850,051	0	0
Derivatives	13,975	0	0
Pooled investment vehicles	6,216,538	0	0
Insurance Policies	4,567,405	0	0
Cash	0	484,347	0
Other investment assets	0	186,718	0
Current assets	0	78,517	0
	20,477,101	**749,582**	**0**
Financial liabilities:			
Derivatives	(1,354)	0	0
Other investment liabilities	0	0	(6,219)
Current liabilities	0	0	(20,206)
	1,354	0	(26,425)
Total	**20,475,747**	**749,582**	**(26,425)**

Note: the above tables do not include investment property.

Net gains and losses on financial instruments

All gains and losses on financial instruments were at fair value through the profit and loss. The net profit for the year ending 31 March 2021 was £4,400,000 (£1,947,000 net loss as at 31 March 2020).

3a. Valuation of assets carried at fair value

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

	At 31 March 2021			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets:				
Equities	11,462,318	0	0	11,462,318
Fixed interest	0	1,458,153	0	1,458,153
Index linked	0	273,032	0	273,032
Derivatives	0	356	0	356
Pooled investment vehicles	0	6,275,383	5,745,051	12,020,434
Non financial assets (at fair value through profit & loss):				
Directly held investment property	0	0	870,516	870,516
Total	**11,462,318**	**8,006,924**	**6,615,567**	**26,084,809**

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

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

Level 1

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

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

Level 2

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

Level 3

Level 3 prices are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data. Such instruments would include the GMPF private equity and infrastructure investments which are valued using various valuation techniques that require significant management judgement in determining appropriate assumptions, including applying earnings multiples from comparable public market companies to 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 2020 £000		31 March 2021 £000
4,839,471	Opening balance	5,621,912
1,134,685	Acquisitions	1,358,778
(470,917)	Disposal proceeds/return of capital	(587,346)
	Total gains/losses included in the Fund account:	
173,172	- on assets sold	225,268
(54,498)	- on assets held at year end	(3,045)
5,621,912	**Closing balance**	**6,615,567**

4. Financial risk management

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

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

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

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

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

Some risks lend themselves to being measured (eg using such concepts as 'Active Risk' and such techniques as 'Asset Liability Modelling') and where this is the case, GMPF employs the relevant approach to measurement. GMPF reviews new approaches to measurement as these continue to be developed.

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

Market risk

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

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

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

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

Potential market movements (+/-)

Asset type	31 March 2020 p.a.	31 March 2021 p.a.
UK equities	27.5%	16.7%
Overseas equities	28.0%	17.4%
Fixed interest - gilts	7.6%	7.3%
Index linked gilts	7.4%	7.5%
Corporate bonds	9.8%	8.0%
High yield debt	8.7%	5.9%
Investment property	14.2%	14.2%
Private equity	28.4%	28.5%
Infrastructure	15.6%	15.3%
Cash and other liquid funds	0.3%	0.3%
GMPF	15.2%	9.3%

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 2020 and 2021. The calibration of the model is based on a combination of historical data, economic theory and expert opinion. This model includes the impact of potential changes in UK interest rates and foreign exchange rates to fixed income assets allowing for correlation impacts.

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 2020 and 2021 would have been as shown in the tables below.

Asset type	31 March 2021 £000	% Change p.a.	Value on increase £000	Value on decrease £000
UK equities	4,559,795	16.7%	5,321,281	3,798,309
Overseas equities	8,849,603	17.4%	10,389,434	7,309,772
Fixed interest bonds	1,735,440	7.3%	1,862,127	1,608,753
Index linked bonds	1,009,038	7.5%	1,084,716	933,360
Corporate bonds	1,770,787	8.0%	1,912,450	1,629,124
High yield debt	1,434,133	5.9%	1,518,747	1,349,519
Investment property	2,023,065	14.2%	2,310,340	1,735,790
Private equity	2,964,840	28.5%	3,809,819	2,119,861
Infrastructure	1,627,661	15.3%	1,876,693	1,378,629
Cash and other liquid funds	995,133	0.3%	998,118	992,148
GMPF	**26,969,495**	**9.3%**	**29,477,658**	**24,461,332**

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

Note: the above tables do not include investment liabilities and net current assets. Pooled Investment Vehicles have been broken down and included in the relevant asset type.

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 2021, GMPF had £193,394,000 (2019/20 £153,187,000) invested in this asset via pooled investment vehicles. Therefore, a 1% change in interest rates will increase or reduce GMPF's return by £1,934,000 (2019/20 £1,532,000) 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 equities which are separately identified.

Credit risk

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

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

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

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

TMBC believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits. GMPF's cash holding under its Treasury Management arrangements at 31 March 2021 was £506,700,000 (31 March 2020 £391,100,000). This was held with the following institutions:

Summary	Rating	Balance at 31 March 2020 £000	Balance at 31 March 2021 £000
Money market Funds			
Aberdeen Assets	AAA	75,000	75,000
DB Advisors	AAA	0	75,000
Federated	AAA	0	75,000
Morgan Stanley	AAA	15,100	75,000
Invesco	AAA	0	71,700
Banks			
Bank of Scotland	A+	30,000	20,000
Close Brothers	A+	10,000	0
Barclays	A+	50,000	50,000
Local authorities & public bodies			
Aberdeenshire Council	N/A	10,000	0
Cambridgeshire County Council	N/A	20,000	15,000
Eastleigh Council	N/A	10,000	10,000
Falkirk Council	N/A	10,000	0
GM Combined Authority	N/A	50,000	0
Kingston Upon Hull Council	N/A	10,000	0
Leeds City Council	N/A	10,000	25,000
London Borough of Enfield	N/A	10,000	0
Mid Suffolk DC	N/A	5,000	0
North Lanarkshire Council	N/A	10,000	0
PCC West Mercia	N/A	10,000	0
Plymouth Council	N/A	10,000	0
Rotherham Council	N/A	20,000	0
Slough Council	N/A	10,000	0
Somerset West Taunton	N/A	0	10,000
Surrey Council	N/A	10,000	0
Tewkesbury Borough Council	N/A	6,000	5,000
Totals		**391,100**	**506,700**

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, except for investments placed with other local authorities – where periods are fixed when the deposit is placed. GMPF had in excess of £506 million cash balances at 31 March 2021.

All financial liabilities at 31 March 2021 are due within one year.

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

31 March 2020 £000	Liquidity terms	31 March 2021 £000
16,126,139	Assets realisable within 7 days	20,218,929
96,000	Assets realisable in 8 - 30 days	50,000
0	Assets realisable in 31- 90 days	15,000
5,761,912	Assets taking more than 90 days to realise	6,685,566
21,984,051	**Total**	**26,969,495**

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 2020 £000		31 March 2021 £000
(152,068)	Employees contributions	(158,377)
	Employers:	
(445,468)	Normal contributions	(743,915)
(14,694)	Deficit recovery contributions	(10,656)
(460,162)	Total employer contributions	(754,571)
(612,230)	**Total**	**(912,948)**

By Authority

31 March 2020 £000		31 March 2021 £000
(8,633)	Tameside MBC (administering body)	(58,900)
(487,097)	Scheduled bodies	(742,342)
(116,500)	Admission bodies	(111,616)
(612,230)	**Total**	**(912,948)**

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

At the 2019 Actuarial Valuation, GMPF was assessed as 102% funded. The employer contribution rates specified are minimum rates. Some employers make voluntary payments in excess of these minimum rates and some make contributions in excess of their future service rate in order to help repay a deficit position over a period. In addition, a small number of employers were required to make explicit lump sum deficit payments – details of these can be found in the 2019 Actuarial Valuation report located at **www.gmpf.org.uk**.

5a. Bulk transfers

Greater Manchester Combined Authority (GMCA) appointed Suez Recycling & Recovery UK Ltd with effect from 1 June 2019 to carry out the waste management services previously provided by Viridor Waste.

As part of the agreement, employees who were previously earning benefits in the Citrus Pension Plan (a trust-based defined benefit scheme providing similar benefits to the LGPS specifically created for outsourced waste providers) became contributing members of GMPF with effect from 1 June 2019.

During 2020/21 GMPF accepted a bulk transfer of £53,583,000, representing members' benefits earned under the Citrus Plan, in order to help simplify arrangements for members and minimise the costs to GM Authorities of terminating the previous contract.

6. Benefits payable

By Category

31 March 2020 £000		31 March 2021 £000
707,822	Pensions	733,944
133,258	Commutation and lump sum retirement benefits	125,319
19,121	Lump sum death benefits	22,832
860,201	**Total**	**882,095**

By Authority

31 March 2020 £000		31 March 2021 £000
35,971	Tameside MBC (administering body)	35,850
643,848	Scheduled bodies	658,215
180,382	Admission bodies	188,030
860,201	**Total**	**882,095**

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

7. Payments to and on account of leavers

31 March 2020 £000		31 March 2021 £000
0	Group transfers to other schemes	2,052
40,726	Individual transfers to other schemes	30,109
(54)	Payments for members joining state scheme	0
(12)	Income for members from state scheme	(28)
1,691	Refunds to members leaving service	1,014
42,351	**Total**	**33,147**

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 2020 £000		31 March 2021 £000
1,491	Employee costs	1,516
315	Support services including IT	173
5,967	Transaction costs (public managers)*	8,414
18,977	Management fees	20,269
253	Custody fees	403
27,003	**Total**	**30,775**

* Transaction costs are incremental costs directly attributable to the sale and purchase of UK and Overseas equities. They comprise £1,526,000 (2020 £2,002,000) commissions and £6,888,000 (2020 £3,965,000) other costs which included UK stamp duty and market levies.

Administrative costs

31 March 2020 £000		31 March 2021 £000
4,610	Employee costs	4,937
1,553	Support services including IT	2,325
101	Printing and publications	123
6,264	**Total**	**7,385**

Oversight and governance costs

31 March 2020 £000		31 March 2021 £000
376	Employee costs	447
137	Support services including IT	219
143	Governance and decision making costs	157
11	Investment performance monitoring	28
74	External audit fees*	74
114	Internal audit fees	121
108	Actuarial fees - investment consultancy	151
504	Actuarial fees	345
1,467	**Total**	**1,542**

** Total external auditors fee in 2020/21 is £73,383 (2019/20 73,743) of which £30,000 (2019/20 £30,360) was in relation to work carried out on behalf of GMPF's main scheme employers.*

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

8a. Costs related to the Northern LGPS Pool

Set up costs:	At 31 March 2021 Direct £000	Indirect £000	Total in year £000	Cumulative £000
Legal	0	0	0	71
Procurement	0	0	0	30
Other costs	93	0	93	239
Total set up costs	**93**	**0**	**93**	**340**

Set up costs:	At 31 March 2020 Direct £000	Indirect £000	Total in year £000	Cumulative £000
Legal	6	0	6	71
Procurement	0	0	0	30
Other costs	64	0	64	146
Total set up costs	**70**	**0**	**70**	**247**

9. Investment income

31 March 2020 £000		31 March 2021 £000
(41,230)	Fixed interest (corporate and government bonds)	(39,919)
(319,926)	Equities	(248,750)
(2,801)	Index linked	(957)
(118,040)	Pooled investment vehicles	(150,275)
(38,650)	Investment property (gross)	(35,653)
5,630	Investment property non-recoverable expenditure	5,450
(7,799)	Interest on cash deposits	(1,993)
(771)	Stocklending	(511)
(523,587)	**Total**	**(472,608)**

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 and Stone Harbour is automatically reinvested within the relevant sector fund, as are many of the other specialist pooled funds, and thus excluded from the above analysis.

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 2020/21 amounts to £2,718,000 (2019/20 £3,973,000) 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.

11a. Reconciliation of movement in financial assets

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

Value at 31 March 2020 £000		Purchases £000	Sales £000	Change in fair value £000	Value at 31 March 2021 £000
	Financial assets at fair value through profit and loss				
7,829,132	Equities	3,925,830	(3,377,656)	3,085,012	11,462,318
1,850,051	Bonds	679,005	(786,002)	(11,869)	1,731,185
835,885	Investment property	81,607	(30,769)	(16,207)	870,516
12,621	Net derivatives	109,089	(137,927)	8,474	(7,743)
10,783,942	Managed and unitised funds	1,705,753	(1,763,708)	1,294,447	12,020,434
21,311,631		**6,501,284**	**(6,096,062)**	**4,359,857**	**26,076,710**
	Financial assets and liabilities at amortised cost				
484,347	Cash				663,516
186,718	Other investment assets				221,170
78,517	Net current assets				74,694
(6,219)	Other investment liabilities				(120,098)
(20,206)	Net current liabilities				(25,983)
22,034,788	**Total**				**26,890,009**

Value at 31 March 2019 £000		Purchases £000	Sales £000	Change in fair value £000	Value at 31 March 2020 £000
	Financial assets at fair value through profit and loss				
7,189,192	Equities	6,897,858	(4,066,936)	(2,190,982)	7,829,132
1,373,279	Bonds	768,252	(376,649)	85,169	1,850,051
881,991	Investment property	75,702	(40,166)	(81,642)	835,885
0	Net derivatives	112,941	(56,833)	(43,487)	12,621
13,453,499	Managed and unitised funds	2,757,475	(5,628,944)	201,912	10,783,942
22,897,961		**10,612,228**	**(10,169,528)**	**(2,029,030)**	**21,311,631**
	Financial assets and liabilities at amortised cost				
755,437	Cash				484,347
212,544	Other investment assets				186,718
73,556	Net current assets				78,517
(73,279)	Other investment liabilities				(6,219)
(22,596)	Net current liabilities				(20,206)
23,843,623	**Total**				**22,034,788**

11b. Bonds

31 March 2020 £000		31 March 2021 £000
52,049	UK public sector quoted	49,542
442,782	Overseas public sector quoted	326,674
541,544	UK corporate quoted	590,284
397,320	Overseas corporate quoted	491,653
416,356	Overseas index linked	273,032
1,850,051		**1,731,185**

11c. Investment property

31 March 2020 £000		31 March 2021 £000
671,430	UK - Main investment property portfolio	705,385
164,455	UK - Greater Manchester Property Venture Fund	165,131
835,885		**870,516**

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

Following the purchase of the freehold interest in Whitehall Place, London on 25 March 2021, no directly held investment property has restrictions on its realisation, remittance of income or disposal proceeds.

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

In accordance with the Investment Property Strategy, hold/sell decisions for the investment properties remain under active review, subject to business plan progress and investment market sentiment. Three properties were either being prepared for sale, being marketed or prices had been agreed at 31 March 2021 (combined valuation: £21,150,000).

GMPF sold one investment property during the 2020/21 financial year: ALPHA, Airport City, Manchester (industrial scheme), valued at £12,900,000 at 31 March 2020.

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

Movement in the fair value of investment properties in 2020/21	£000
Balance at 1 April 2020	835,885
Purchases	37,608
Expenditure during year	43,999
Disposals	(30,769)
Net gains/(losses) from fair value adjustments	(16,207)
Balance at 31 March 2021*	**870,516**

** Three properties were either being prepared for sale, marketed or prices had been agreed at 31 March 2021*

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

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

Future operating lease rentals receivable

31 March 2020 £000		31 March 2021 £000
36,599	Not later than 1 year	38,984
123,091	Later than 1 year, but not later than 5 years	156,437
194,836	Later than 5 years	260,497
354,526	**Total**	**455,918**

The future minimum lease payments due to GMPF under non-cancellable operating leases are stated above.

The following approach has been taken in calculating the figures above: -

- Where a lease contains a tenant's break clause, it is only up to this point that the aggregation is made.
- GMPF's share of club deals, joint ventures and indirect holdings are excluded
- Some (predominantly retail) tenancies contain provisions for rent concessions during periods of enforced store closures. These have not been modelled above, due to the unknown extent and timing of any such periods.
- For tenancies where the rent is linked to turnover and there is no base rent element, the rent has been modelled as zero as no further sums are guaranteed to be received.
- No contingent rents were recognised during the period.

11d. Derivatives

31 March 2020 £000		31 March 2021 £000
	Investment assets:	
4,878	Forward currency contracts	356
14,041	Financial futures	332
18,919		688
	Investment liabilities:	
(6,232)	Forward currency contracts	0
(66)	Financial futures	(8,431)
12,621	**Net (liability)/asset**	(7,743)

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

The tables below analyse the derivative contracts held at 31 March 2021 by maturity date. The Forward Currency Contracts were all traded on an over-the-counter-basis.

31 March 2021

Contract	Settlement date	Currency	Economic exposure 000	Market value £000
UK Equity Futures	Less than one year	GBP	(31,594)	144
Overseas Equity Futures	Less than one year	GBP	(28,535)	188
UK Commodity Futures	Less than one year	GBP	735	(3)
Overseas Equity Futures	Less than one year	GBP	(639,933)	(8,428)
Total			**(699,327)**	**(8,099)**

31 March 2020

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

31 March 2021

Contract	Settlement date	Currency	Currency bought 000	Currency	Currency sold 000	Assets £000	Liability £000
Forward Currency Contract	Within one month	GBP	137,574	USD	189,355	342	0
Forward Currency Contract	Within one month	USD	6,500	GBP	4,697	14	0
Total						**356**	**0**

31 March 2020

Contract	Settlement date	Currency	Currency bought 000	Currency	Currency sold 000	Assets £000	Liability £000
Forward Currency Contract	Within one month	GBP	157,140	USD	188,920	4,878	(13)
Forward Currency Contract	Within one month	AUD	6,500	GBP	3,285	0	(77)
Forward Currency Contract	Within one month	USD	147,000	GBP	123,585	0	(5,087)
Forward Currency Contract	Within one month	CAD	12,500	GBP	7,307	0	(227)
Forward Currency Contract	Within one month	EUR	11,500	GBP	10,466	0	(286)
Forward Currency Contract	Within one month	CHF	7,500	GBP	6,448	0	(192)
Forward Currency Contract	Within one month	JPY	2,660,000	GBP	20,181	0	(296)
Forward Currency Contract	Within one month	HKD	12,000	GBP	1,302	0	(54)
Forward Currency Contract	Within one month	GBP	0	EUR	0	0	0
Total						**4,878**	**(6,232)**

11e. 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 2020 £000		31 March 2021 £000
661,210	Property	584,503
1,249,685	Infrastructure *	1,462,277
1,955,059	Private Equity **	2,490,314
419,780	Equities	448,419
405,977	Special opportunities	474,527
1,057,994	Global credit	1,241,582
5,749,705	**Managed funds**	**6,701,622**
466,833	Property	684,526
466,833	**Unit trusts**	**684,526**
6,216,538	**Total pooled investment vehicles**	**7,386,148**

* *includes £593,768,000 GLIL investment via the Northern LGPS Pool vehicle (2020 £476,208,000)*

** *includes £181,647,000 NPEP investment via the Northern LGPS Pool vehicle (2020 £57,014,000)*

11f. Insurance policies

31 March 2020 £000		31 March 2021 £000
47,263	Property	48,904
63,965	UK quoted equity	21,782
226,982	UK fixed interest	250,177
688,631	UK index linked securities	736,007
605,060	UK corporate bonds	688,850
372,686	UK cash instruments	193,394
1,477,991	Overseas quoted equity	1,476,523
228,356	Overseas fixed interest	254,628
414,445	Overseas corporate bonds	489,555
218,213	Overseas index linked securities	250,236
197,306	Global credit	192,551
26,507	Inflation funds	31,679
4,567,405	**Total insurance policies**	**4,634,286**

11g. Cash

31 March 2020 £000		31 March 2021 £000
390,684	Sterling	535,156
93,663	Foreign currency	128,360
484,347		**663,516**

11h. Other investments balances and net assets

31 March 2020 £000		31 March 2021 £000
6,156	Amounts due from broker	9,418
61,806	Outstanding dividends and recoverable withholding tax	61,244
17,588	Gross accrued interest on bonds	16,721
4,384	Gross accrued interest on loans	10,200
68,381	Investment loans	71,980
26,374	Variation margin	50,007
2,029	Other accrued interest and tax reclaims	1,600
186,718	**Other investment assets**	**221,170**
(4,454)	Amounts due to broker	(118,333)
(1,765)	Irrecoverable withholding tax	(1,765)
(6,219)	**Other investment liabilities**	**(120,098)**
44,861	Employer contributions - main scheme	35,586
944	Employer contributions - additional pensions	519
13,215	Property	19,702
466	Admin & investment management expenses	411
19,031	Other	18,476
78,517	**Current assets**	**74,694**
(8,700)	Property	(8,450)
(19)	Employer contributions - main scheme	(20)
(1,390)	Employer contributions - additional pensions	(1,683)
(5,620)	Admin & investment management expenses	(5,112)
(4,477)	Other	(10,718)
(20,206)	**Current liabilities**	**(25,983)**
58,311	**Net current assets**	**48,711**
238,810	**Other investment balances and net assets**	**149,783**

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

Managers of listed securities

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

Directly held property

Transaction costs continue to be capitalised and are implicit within the value of the assets concerned. These amounted to £2,457,000 for 2020/21 (2019/20 £1,999,000).

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

Pooled investment vehicles in unlisted assets

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 2020 £000		31 March 2021 £000
	GMPF Private market and alternative investments	
64,237	- performance related	89,516
66,948	- non-performance related	66,417
	GMPF Indirect investment property	
12,502	- performance related	10,078
25,544	- non-performance related	20,098
	Northern LGPS investments (NPEP/GLIL)	
37	- performance related	4,669
4,843	- non-performance related	10,580
174,111		**201,358**

12. Local investments

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

31 March 2020 £000		31 March 2021 £000
164,455	Greater Manchester Property Venture Fund	**165,131**

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 2020 £000		31 March 2021 £000
0	UK equities	21,543
173,485	UK corporate bonds	188,982
473,287	UK Index linked	481,174
21,074	Cash instruments	21,287
53,622	Cash	32,773
26,507	Inflation funds	31,679
197,306	High yield debt	192,551
945,281		**969,989**

14. Summary of managers' portfolio values at 31 March

2020			2021	
£m	%		£m	%
		Externally managed		
7,119	32.3%	UBS Global Asset Management	9,064	33.7%
4,520	20.5%	Legal & General	4,585	17.1%
1,912	8.7%	Sci Beta	2,659	9.9%
1,430	6.5%	Investec	1,912	7.1%
1,058	4.8%	Stone Harbor	1,242	4.6%
880	4.0%	LaSalle	705	2.6%
164	0.7%	Avison Young (advisory mandate)	165	0.6%
17,083	**77.5%**		**20,332**	**75.6%**
		Internally managed		
3,615	16.4%	Private equity	4,427	16.5%
54	0.2%	Designated funds	33	0.1%
964	4.4%	Property (indirect)	1,318	4.9%
318	1.5%	Cash, other investments and net assets	780	2.90%
4,951	**22.5%**		**6,558**	**24.4%**
22,034	**100.0%**	**Total**	**26,890**	**100.0%**

15. Concentration of investment

As at 31 March 2021, GMPF held, respectively, 13.56% and 0.004% 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:

31 March 2020 £000	Policy MF32950	31 March 2021 £000
1,325,995	Overseas equities	1,475,957
217,765	UK fixed interest	250,144
413,617	UK corporate bonds	499,800
219,088	Overseas fixed interest	254,594
206,607	UK index linked	254,798
209,385	Overseas index linked	250,202
333,740	UK cash instruments	172,040
397,219	Overseas corporate bonds	489,488
3,323,416	**Total**	**3,647,023**

31 March 2020 £000	Policy MF36558	31 March 2021 £000
63,965	UK equities	239
151,996	Overseas equities	566
9,217	UK fixed interest	33
17,958	UK corporate bonds	67
9,268	Overseas fixed interest	34
8,737	UK index linked	35
17,872	UK cash instruments	67
8,828	Overseas index linked	34
17,226	Overseas corporate bonds	68
305,067	**Total**	**1,143**

16. Notifiable interests

As at 31 March 2021 and 31 March 2020, GMPF had holdings of 3% or over in the ordinary share capital of the following quoted companies:

UK Equity 31 March 2020 %		UK Equity 31 March 2021 %
0.0	Babcock International Group PLC	3.4
3.7	Balfour Beatty PLC	4.3
7.7	Brown (N) Group PLC	0.0
0.0	Carnival PLC	3.1
0.0	Dixons Carphone PLC	5.3
3.3	Intu Properties PLC	3.3
4.7	Man Group PLC	6.3
6.7	Mothercare PLC	4.5
0.0	National Express Group PLC	3.0
0.0	Pagegroup PLC	3.5
3.6	Royal Mail PLC	0.0
6.1	RPS Group PLC	5.9
5.3	SIG PLC	3.7
5.1	STV Group PLC	0.0
3.4	Volution GRP PLC	0.0

17. Undrawn commitments

31 March 2020 £000	Asset type	Nature of commitment	31 March 2021 £000
275	Directly held investment property	Commitments regarding demolition or refurbishment work	3,131
33,898	Directly held investment property	Commitments regarding purchases	2,098
2,106,524	Indirect private equity and infrastructure	Commitments to fund	1,992,967
311,845	Special Opportunities portfolio	Commitments to fund	345,622
184,380	Property managed funds	Commitments to fund	245,781
3,761	Property unit trusts	Commitments to fund	27,280
10,699	Commercial/domestic based property unit trust	Commitments to fund	2,410
16,651	Local Investment 4 Growth Fund	Commitments to fund	4,751
196,469	Local Impact Portfolio	Commitments to fund	193,527
6,038	Greater Manchester Property Venture Fund	Commitments to lend	32,704
514,238	Private debt portfolio	Commitments to fund	684,102
3,384,778			**3,534,373**

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 transaction

In the course of fulfilling its role as administering authority to GMPF, Tameside MBC incurred costs for services (eg salaries and support costs) of £8,106,000 (2019/20 £7,894,000) on behalf of GMPF and reclaimed from HMRC VAT of £3,930,000 (£2019/20 £5,5355,0000) net. Total payments due to Tameside MBC therefore, amounted to £4,176,000 (2019/20 £2,359,000). As GMPF reimbursed Tameside MBC £1,416,000 (2019/20 £4,726,000) for these charges during the year, there is a Creditor of £393,000 at the year end owing to Tameside MBC, after offsetting the debtor brought forward from 2019/20 £2,367,000. This creditor has been settled since the year end.

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

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

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

For year ending 31 March 2021	Salary Entitlement (Full Time Equivalent)	Salary, fees & allowances (Paid in year)	Employers pensions contributions (Paid in year)	Total (Paid in year)
Assistant Director of	£	£	£	£
Pensions (Special Projects)	94,859	48,308	10,145	**58,453**
Pensions (Investments)	94,859	94,859	19,920	**114,779**
Pensions (Funding & Business Development)	94,859	94,859	19,920	**114,779**
Pensions (Local Investments & Property)	94,859	94,859	19,920	**114,779**
Pensions (Administration)	83,736	83,736	17,585	**101,321**

For year ending 31 March 2020	Salary Entitlement (Full Time Equivalent)	Salary, fees & allowances (Paid in year)	Employers pensions contributions (Paid in year)	Total (Paid in year)
Assistant Director of	£	£	£	£
Pensions (Special Projects)	*92,320*	41,031	8,617	**49,648**
Pensions (Investments)	*92,320*	92,320	19,387	**111,707**
Pensions (Funding & Business Development)	*92,320*	92,320	19,387	**111,707**
Pensions (Local Investments & Property)	*92,320*	92,320	19,387	**111,707**
Pensions (Administration)	*81,495*	81,495	17,114	**98,609**

Note: There were no payments for Compensation for Loss of Office in 2019/20 or 2020/21.

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

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

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

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

Name	Position in GMPF 2020/21	Company in which directorship is held	Company Registration Number
Steven Pleasant	Chief Executive	Airport City (General Partner) Ltd	08723477
Sandra Stewart	Director of Governance & Pensions	Northern Pool GP (No1) Ltd	11360203
Neil Charnock	Head of Pension Fund Legal	Hive Bethnal Green Ltd	09362438
Patrick Dowdall	Assistant Director of Pensions (Local Investments & Property)	Matrix Homes (General Partner) Ltd	08980059
		Hive Bethnal Green Ltd	09362438
		GLIL Corporate Holdings Ltd	10046509
		Plot 5 First Street Nominee Ltd	09919396
		Plot 5 First Street GP Ltd	09904743
		GMPF UT (Second Unit Holder) Ltd	08725454
		Airport City (Asset Manager) Ltd	08723467
		Manchester Charles Street Residential (ELP GP) Ltd	10977358
		Manchester Charles Street Residential (SLP GP) Ltd	SC576947
		Manchester New Square (General Partner) Ltd	11082473
		Semperian PPP Investment Partners Holdings Ltd (Jersey Registration)	98327
Daniel Hobson	Head of Real Assets	GLIL Corporate Holdings Ltd	10046509
		GLIL Corporate Holdings 2 Ltd	10824179
		Rock Rail East Anglia (Holdings) 1 Ltd	10266130
		Rock Rail East Anglia (Holdings) 2 Ltd	09918883
		Rock Rail East Anglia PLC	10360543
		GLIL Renewable Holdings	12315576
		Clyde Windfarm (Scotland) Ltd	SC281105
		Camulodunum Investments Ltd	11108175
		GLIL Blue Comet Holdings Limited	12880831
		Agility Trains East Limited	07930598
		Agility Trains East (Midco) Limited	07930515
		Agility Trains East (Holdings) Limited	07930434

Name	Position in GMPF 2020/21	Company in which directorship is held	Company Registration Number
John Douglas	Investment Manager	GLIL Renewable Holdings	12315576
Kevin Etchells	Investment Manager	Island Site (General Partner) Ltd	11532059
		Island Site (Nominee) Ltd	11532379
Andrew Hall	Investment Manager	GMPF UT (Second Unit Holder) Ltd	08725454
		Matrix Homes (General Partner) Ltd	08980059
		Plot 5 First Street GP Ltd	09904743
		Plot 5 First Street Nominee Ltd	09919396
		Manchester Charles Street Residential (ELP GP) Ltd	10977358
		Manchester Charles Street Residential (SLP GP) Ltd	SC576947
		Island Site (General Partner) Ltd	11532059
		Island Site (Nominee) Ltd	11532379
		Manchester New Square (General Partner) Ltd	11082473
David Olliver	Investment Manager	GLIL Corporate Holdings 3 Limited	12932522

The above receive no remuneration for these directorships.

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

The following members of the Management and Advisory Panels consequently have benefits on hold during 2020/21:

Name	Position
Cllr J Fitzpatrick	Councillor member (resigned November 2020)
Cllr C Patrick	Councillor member
Cllr L Drennan	Councillor member
Cllr A Jabbar	Councillor member

The following members of the Management and Advisory Panels are in receipt of pension benefits:

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

The following member of the Management and Advisory Panels and the Local Board has benefits on hold by virtue of his membership of GMPF in current or previous employments:

Name	Position
Cllr C Patrick	Councillor member

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

Name	Position
Cllr V Ricci	Councillor member
Cllr M Smith	Councillor member
Cllr J Taylor	Councillor member
Cllr A Jabbar	Councillor member
Cllr P Andrews	Councillor member
J Thompson	Employer representative
F Llewellyn	Employee representative
M Fulham	Employee representative
J Hammond	Scheme member representative
P Catterall	Scheme member representative

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

Name	Position & Organisation	Organisation relationship with GMPF
Cllr B Warrington	Member of Greater Manchester Combined Authority	Contributing employer
Cllr G Cooney	Employee of Manchester City Council	Contributing employer
	Director of Jigsaw Homes Group Limited (Reg No 29433R)	Contributing employer
	Director of Ashton Pioneer Homes Ltd (Reg.No. 03383565)	Contributing employer
	Director of Pioneer Homes Services Ltd (subsidiary of Ashton Pioneer Homes Ltd) (Reg.No. 06546606)	Contributing employer
	Director of APH Developments Ltd (subsidiary of Ashton Pioneer Homes Limited) (Reg.No. 03989251)	Contributing employer
	Director of Mechanics' Centre Ltd (Reg.No. 01983373)	Contributing employer
Cllr G Newton	Employee of SUEZ Recycling & Recovery UK Ltd (Reg No 002291198)	Contributing employer
Cllr T Sharif	Director of Homestart Oldham, Stockport and Tameside Limited	Contributing employer
Cllr B Fairfoull	Member of Manchester Airport Consultative Committee	Contributing employer
Cllr K Cunliffe	Director of Wigan Metropolitan Development Company Limited (Co No: 01486410)	Contributing employer
Cllr A Jabbar	Deputy - Greater Manchester Combined Authority	Contributing employer
	External Member - Oldham College	Contributing employer
Cllr M Barnes	Employee of University of Salford	Contributing employer
Cllr P Andrews	Member of Manchester Airport Consultative Committee	Contributing employer
	Member of Manchester Port Health Authority	Contributing employer
	Governor of Newall Green Primary School	Contributing employer
	Director of Mechanics' Centre Ltd (Reg No 01983373)	Contributing employer
P Herbert	Employee of Ministry of Justice	Contributing employer
K Drury	Employee of University of Manchester	Contributing employer
A Flatley	Employee of Bolton MBC	Contributing employer
P McDonagh	Employee of Manchester City Council	Contributing employer
M Fulham	Employee of Bury MBC	Contributing employer
P Taylor	Employee of LTE Group	Contributing employer
M Rayner	Employee of Stockport MBC	Contributing employer
D Schofield	Employee of Manchester City Council	Contributing employer
J Hammond	Employee of Bury MBC	Contributing employer
C Lloyd	Employee of Tameside MBC	Contributing employer

C Goodwin	Employee of University of Manchester	Contributing employer
M Cullen	Employee of Stockport MBC	Contributing Employer

19. Employer related investment

As at 31 March 2020 GMPF had £50,000,000 on short-term loan to Greater Manchester Combined Authority. This was repaid during 2020/21. There was £nil on loan to any contributing employers at 31 March 2021.

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

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

As at 31 March 2021 Greater Manchester Property Venture Fund includes a standing investment of office accommodation. Part of this property is leased to Irwell Valley Housing Association who are a contributing employer to GMPF.

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

A number of local authorities have brought forward their payment of pension contributions in 2020/21 (total £217 million) to make efficient use of their cash balances.

Contributions received from employers 2020 £m	Contributions received from employees 2020 £m	Benefits paid 2020 £m		Contributions received from employers 2021 £m	Contributions from employees 2021 £m	Benefits Paid 2021 £m
(23)	(7)	43	Bolton Borough Council	(24)	(7)	45
(15)	(5)	29	Bury Borough Council	(15)	(5)	30
(47)	(16)	107	Manchester City Council	(130)	(16)	107
(3)	(5)	36	Oldham Borough Council	(48)	(6)	38
(20)	(6)	37	Rochdale Borough Council	(20)	(6)	37
(20)	(6)	43	Salford City Council	(21)	(7)	45
(3)	(7)	35	Stockport Borough Council	(58)	(7)	36
(3)	(6)	36	Tameside Borough Council (administering authority)	(53)	(6)	36
(2)	(5)	28	Trafford Borough Council	(43)	(5)	27
(27)	(9)	45	Wigan Borough Council	(29)	(9)	45
(204)	(55)	241	Other scheme employers*	(225)	(61)	248
(92)	(25)	180	Admitted bodies*	(89)	(23)	188
(459)	**(152)**	**860**	**Total**	**(755)**	**(158)**	**882**

** A full list of all scheme and admitted bodies can be found in the GMPF Annual Report 2020/21 which is available at www.gmpf.org.uk.*

21. Investment Strategy Statement and Funding Strategy Statement

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

22. Actuarial Review of GMPF

GMPF's last Actuarial valuation was undertaken as at 31 March 2019. A copy of the valuation report can be found on the GMPF website https://www.gmpf.org.uk/about/policies-reports-and-statements.

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

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

The valuation revealed that GMPF's assets, which at 31 March 2019 were valued at £23,844 million, were sufficient to meet 102% of the present value of promised retirement benefits earned. The resulting surplus was £529 million. The present value of promised retirement benefits at 31 March 2021 can be found in note 25.

The key financial assumptions adopted for the 2019 valuation were:

	31 March 2019	
Financial assumptions	**% p.a. Nominal**	**% p.a. Real**
Discount rate	3.60%	1.30%
Pay increases	3.10%	0.80%
Price inflation/Pension increases	2.30%	0.00%

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, where applicable, for expected future salary growth revaluation to retirement or expected earlier date of leaving pensionable membership.

23. Stock lending

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

At the year end the value of stock on loan was £456.4 million (31 March 2020: £313.8 million) in exchange for which the custodian held collateral at fair value of £474.2 million (31 March 2020: £333.7 million), which consisted exclusively of government bonds and government guaranteed bonds.

24. AVC investments

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

GMPF's main AVC provider is Prudential where the sums saved are used to secure additional benefits on a money purchase basis for those contributors electing to pay additional voluntary contributions. The funds are invested in a range of investment products from which each member can select.

The latest figures available for the year to March 2021 are shown in the table below.

Contributions paid		£8,847,846
Units purchased	£3,155,169	
Units sold	£2,147,536	
Fair value as at 31 March 2021		**£75,756,711**
Fair value as at 31 March 2020		**£72,333,546**

25. Actuarial present value of promised retirement benefits

CIPFA's Code of Practice on Local Authority Accounting 2020/21 requires administering authorities of LGPS funds to disclose the actuarial present value of promised retirement benefits in accordance with IAS26 Accounting and Reporting by Retirement Benefit Plans.

Allowance has been made for the Government's decision to make full indexation, relating to the ruling on the equalisation of Guaranteed Minimum Pensions (GMPs) between men and women, the permanent solution for public service pension schemes including the LGPS. No allowance has been made in respect of the impact of GMP equalisation on LGPS funds as the guidance on calculation is yet to be confirmed.

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

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

Assumptions used

The assumptions used are those adopted for the administering authority's IAS19 Employee Benefits report at each year end as required by the CIPFA Code of Practice on Local Authority Accounting 2020/21.

Financial assumptions

31 March 2020 % p.a.	Year ended:	31 March 2021 % p.a.
1.9%	Inflation/pension increase rate	2.9%
2.7%	Salary increase rate	3.6%
2.3%	Discount rate	2.0%

Mortality

Life expectancy is based on GMPF's VitaCurves with improvements in line with the CMI 20208 model, assuming the current rate of improvements has reached a peak and will converge to a long term rate of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

31 March 2020			31 March 2021	
Males	Females		Males	Females
20.5 years	23.1 years	Current pensioners	20.5 years	23.3 years
22.0 years	25.0 years	Future pensioners*	21.9 years	25.3 years

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

Commutation

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

Value of promised retirement liabilities

31 March 2020 £m		31 March 2021 £m
22,035	Value of Net Assets per NAS	26,890
(28,264)	Present value of promised retirement benefits	(37,007)
(6,229)	IAS26 surplus/(deficit) in the Fund	**(10,117)**

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

Sensitivity analysis

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

31 March 2020			31 March 2021	
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)
9%	2,544	0.5% increase in the Pension increase rate	9%	3,331
1%	283	0.5% increase in the Salary increase rate	1%	370
3%	848	1 year increase in member life expectancy	3%	1,110
10%	2,826	0.5% decrease in Real discount rate	10%	3,701

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

GMPF Statement of Accounts

2021

GMPF
Actuarial Statement for 2020/21

Greater Manchester Pension Fund | Hymans Robertson LLP

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

Description of Funding Policy

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

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

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

Funding Position as at the last formal funding valuation

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

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

Principal Actuarial Assumptions and Method used to value the liabilities

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

Method

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

Assumptions

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

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

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

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

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

*Aged 45 at the 2019 Valuation.

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

Experience over the period since 31 March 2019

Markets were severely disrupted by COVID 19 in March 2020, but in the 2020/21 year they recovered strongly. As a result, the funding level of GMPF as at 31 March 2021 is similar to that reported at the previous formal valuation.

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

Steven Law FFA

11 May 2021

For and on behalf of Hymans Robertson LLP

Annual Report
Scheme Administration

2021

Annual Report 2021
Background to GMPF and LGPS

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

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

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

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

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

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

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

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

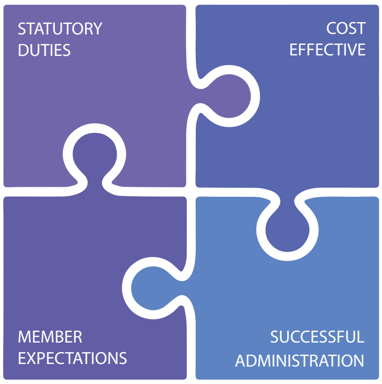
Employer contribution rates can rise or fall depending on the funding position of GMPF and the estimated cost of providing benefits for future membership. The employer contribution rates for 2020/21 are shown later in this report. These were determined for the three years from 1 April 2020 by the valuation that took place as at 31 March 2019. The LGPS is registered with Her Majesty's Revenue and Customs, giving rise to various tax benefits, including tax relief on employee contributions.

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

Value for money

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

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



Meeting our statutory duties

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

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

Meeting our members' expectations

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

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

Ensuring service delivery is cost effective

We manage and monitor our costs by:

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

Ensuring success

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

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

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

Internal audit work

A comprehensive risk based Internal Audit Plan is agreed annually. It covers the main administration, finance and investment systems on a cyclical basis.

The table below summarises the levels of assurance given for the Internal Audit reports finalised in 2020/21 relating to the GMPF Administration function, including the visits carried out to contributing bodies. Each report is given a level of assurance being High, Medium or Low. Recommendations for improvements are made and a Post Audit Review is carried out six months after the issue of the final report.

	2020/21		
	LEVELS OF ASSURANCE		
	High	Medium	Low
Retirement process	1		
Information Governance/GDPR		1	
Transfers Out to Defined Contribution (DC) Schemes	1		
Pension Benefits Payable		1	
Local Authority		1	
FE College/University	2	1	
Payroll provider	1		
	5	4	0

Data quality

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

Forename	100.00%
Surname	100.00%
Membership status	100.00%
Date of birth	100.00%
NI number	100.00%
Postcode	99.97%
Address	97.81%

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

Compliance checks

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

Mortality screening checks	516

Notifications of death from TUO are no longer kept for statistical purposes which accounts for any discrepancy in the year to year figures.

Complaints, compliments, feedback and formal disputes received

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

Compliments received	101
Formal recorded complaints received	101
General feedback, suggestions and comments	16
Formal disputes received	26

Administration cost per member

GMPF cost	£16.25 per year
LGPS average	£20.02 per year

These figures are taken from the LGPS CIPFA benchmarking reports for 2020.

The number of people working in GMPF Administration

Total number and full time equivalent (fte)	131 / 121.98 (fte)
Employee to GMPF fund member ratio	1:2,996 / 1:3,218 (fte)

Our commitment to enhancing the level of value for money provided

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

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

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

CEM's analysis shows that GMPF is a high service, low cost provider relative to its peers. GMPF's total cost per member was £16.92. This was £9.72 below the peer average of £26.64. The member service score was 67, which was 3 points above the peer median of 64. GMPF scored well for service in several areas, particularly around telephone and face to face contact with members.

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

External recognition – LAPF Scheme Administration Award winner

GMPF was delighted to win the Scheme Administration award at the LAPF Investment awards 2020 for the second year running, recognising GMPF's administration policies and processes as being among the best practice found in the industry.

LAPF INVESTMENTS AWARDS 2020

WINNER
Scheme Administration Award

Annual Report 2021
Key activities carried out during the year

The Administration section continued to deliver its services to members effectively despite the issues caused by the pandemic. That said, the pandemic led to unexpected changes in workloads and resulted in us changing our priorities from those planned at the start of the year. Our main priority over the last 12 months has been to make sure members can interact with us as easily as possible while also ensuring the health, safety and wellbeing of all our colleagues.

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

Member Events Programme

We have continued to develop our Events programme for members and seamlessly moved all events online in April 2020. They continue to prove extremely popular, with over 1,850 members attending one or more events during the year.

My Pension

New functionality became available in My Pension at the start of the year that allowed GMPF and its members to exchange documents using their My Pension accounts. Therefore, over the last 12 months we have been changing our processes to make use of this functionality, which means that members no longer need to post forms or certificates to us in many circumstances. This work will continue into 2021/22.

Tracing members

We worked with our tracing partner, Target, to carry out a large-scale trace of members that had lost touch with us. We provided members with access to Target's mobile app, MyPensionID, so that they could verify their identity quickly and easily using their smart phone or tablet and send us details of their current address.

Anti-fraud checks

We also changed our processes for carrying out anti-fraud checks for those pensioner members who live abroad. They can now book an online video call or use the MyPensionID app to confirm their identity and carry out these checks.

Supporting employers

We also changed some of our data exchange procedures with our employers so that these could be done quickly and securely online.

IT infrastructure upgrade

We have continued with our IT infrastructure renewal plans and are currently working on the next phases of the project, which will see several new software applications being deployed. These will provide greater functionality and accessibility, further supporting flexible and home working.

Our performance data

The pension administration section uses several performance standards to assess whether it is meeting its statutory duties. Indicators are also used to identify changes in key workloads and highlight performance.
The table in the next section provides information regarding some of the key indicators used and performance against these during the year, in line with CIPFA guidance

Our membership

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

	March 2019	March 2020	March 2021
Employees	111,618	111,644	113,937
Deferreds (all types)	136,466	140,914	142,928
Pensioners (all types)	129,140	132,626	135,617
TOTALS:	377,224	385,204	392,482

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

Contributors	113,937
Undecided leavers / Leaver awaiting notification	4,278
Deferred pensioners	117,323
Pensioner	116,161
Spouse / dependant	19,456
Frozen refund	21,285
Pensioner deferred benefit	42

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

Retirement Types	Contributors retiring	Deferred benefits into payment	Total
Voluntary early	1,091	2,525	3,616
Late (after normal retirement date)	487	50	537
Redundancy	353	n/r	353
Ill health	207	39	246
Flexible	191	n/r	191
Efficiency	41	n/r	41
Normal (at normal retirement date)	39	312	351
Total	2,409	2,926	5,335

Our employers

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

	March 2019	March 2020	March 2021
Employers with contributing members	585	597	601

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

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

	With current contributors	With no current contributors but retaining liabilities	Total
Scheme bodies	365	126	491
Admission bodies	236	183	419

Annual Report 2021
How we deliver our service

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

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

Member Services

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

Employer Services

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

Communications & Engagement

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

Developments & Technologies

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

Governance and effective decision-making

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

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

Annual Report 2021
Achieving our objectives

Business planning

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

Several business plan objectives were set for 2020/21, which were either completed or were started during the year and will be carried forward into the next year.

Communications

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

The Customer Service team continues to provide a high quality helpline service for all our members with over 70,000 calls being answered during the year. The team also deliver a popular events programme, currently consisting of online presentations, drop-in sessions and pension surgeries. 60 events were held during the year with over 1,850 members attending.

Data Management

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

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

How stakeholders can contact us or find out more

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

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

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

Scheme Administration – Key Performance Information

Key Indicators (as specified within CIPFA guidance)

Process	Total number of cases	GMPF's target	% completed within target
Deaths – Initial letter acknowledgement	5,197	5 days	83.7%
Deaths – Letter notifying amount of dependant's benefit	1,913	5 days	97%
Retirements – Letter notifying estimate of retirement benefits (contributing members)	2,738	10 days	76.4%
Retirements – Letter notifying estimate of retirement benefits when requested by the member (benefit on hold members)	6,110	5 days	68.3%
Retirements – Letter notifying actual retirement benefits (contributing members)	2,500	5 days	99.6%
Retirements – Letter notifying actual retirement benefits (benefit on hold members)	4,341	5 days	98.5%
Retirements – Processed and lump sum retirement grant paid (contributing and benefit on hold members)	5,550	5 days	97.3%
Deferment – Calculate and notify benefits on hold	7,255	10 days	68.3%
Transfers in – Letter detailing transfer in quote	95	10 days	91.6%
Transfers in – Letter detailing transfer in	69	15 days	78.3%
Transfers out – Letter detailing transfer out quote	1,559	10 days	90.6%
Transfers out – Letter detailing transfer out	275	10 days	98.9%
Refund – Processed and paid	1,265	10 days	97.2%
Divorce quote – Letter detailing cash equivalent value and other benefits	459	10 days	98.7%
Divorce settlement – Letter detailing implementation of cash equivalent value and application of pension sharing order	31	25 days	71%
Member estimates / projections	Members perform their own estimates using My Pension		
Joiners – Notification of joining	13,549	10 days	100.0%
Aggregation – Notification of aggregation options	4,374	10 days	59.5%

Annual Report
Employer Contributions Rates

2020/21

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Academies Pool		
Middleton Academy Limited (St Anne's Academy) [to 28.02.21]	17.0	18.6
Great Academies Education Trust	17.0	18.6
Oasis Community Learning (MediaCityUK Academy)	17.0	18.6
Essa Foundation Academies Trust	17.0	18.6
Droylsden Academy	17.0	18.6
The Bishop Fraser Trust (Bolton St Catherine's Academy)	17.0	18.6
Northern Education Trust (Kearsley Academy)	17.0	18.6
St Bede Church of England Primary Academy	17.0	18.6
Audenshaw School Academy Trust	17.0	18.6
Urmston Grammar	17.0	18.6
Park Road Academy Primary School	17.0	18.6
Lever Edge Primary Academy	17.0	18.6
Wellacre Technology Academy Trust	17.0	18.6
Wellington School	17.0	18.6
The Hamblin Education Trust (Altrincham Grammar School Boys)	17.0	18.6
Sale Grammar School	17.0	18.6
Fairfield High School for Girls	17.0	18.6
Yesoiday Hatorah MAT	17.0	18.6
Sodexo Limited (Oasis MediaCityUK) [to 31.08.19]	17.0	n/a
Orian Solutions Ltd [from 01.07.19]	17.0	18.6
Cranmer Education Trust (St Anne's Academy) [from 01.03.21]	n/a	18.6
Ashton Pioneer Homes Pool		
Ashton Pioneer Homes Ltd [Trfd Staff]	23.0 + £15k	23.0 + £15k
AQA Pool		
AQA Education	20.5 + £714k	20.5 + £714K
Bamford Academy Pool		
Bamford Academy	15.1	18.4
Base Academy Trust Pool		
BASE Academy Trust (Red Lane Primary)	30.2	29.2
BASE Academy Trust (Masefield Primary)	30.2	29.2
Better Choices Pool		
Employment & Regeneration Partnership Ltd	22.9	20.9

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Big Life Schools Pool		
Big Life Schools (Longsight Community Primary)	17.2	17.2
Big Life Schools (Unity Community Primary)	17.2	17.2
Bishop Fraser Trust Pool		
The Bishop Fraser Trust (St James's C of E High School)	20.8	20.8
The Bishop Fraser Trust (Canon Slade C of E School)	20.8	20.8
Bolton & Farnworth CoE Primary MAT Pool		
Bolton & Farnworth C of E Primary MAT (Bishop Bridgeman)	29.8	28.8
Bolton & Farnworth C of E Primary MAT (St James CE Primary)	29.8	28.8
Bolton & Farnworth C of E Primary MAT (St Maxentius Primary) [from 01.04.20]	n/a	28.8
Bolton At Home Pool		
Bolton at Home Ltd [Trfd Staff]	17.3	18.3
Bolton at Home Ltd [New Staff]	17.3	18.3
Bolton MBC Pool		
Bolton MBC	20.8*	#20.8
Bolton Community Leisure Limited	20.8	20.8
Monument Café Limited (Bolton)	20.8	20.8
The Bolton Multi Academy Trust (Smithills School) [Formerly Concerted Academies Trust]	20.8	20.8
Agilisys Limited (Ex Bolton)	20.8	20.8
Bolton Cares (A) Ltd	20.8	20.8
Bolton Sixth Form College Pool		
Bolton Sixth Form College	20.5	23.4
Borough Care Pool		
Borough Care Ltd	29.0	29.0
Bright Futures Educational Trust Pool		
Bright Futures Educational Trust (Altrincham Grammar School)	19.1	19.8
Bright Futures Educational Trust (Cedar Mount Academy)	19.1	19.8
Bright Futures Educational Trust (Rushbrook Primary Academy) [Formerly Gorton Mount Primary Academy]	19.1	19.8
Bright Futures Educational Trust (Melland High School)	19.1	19.8
Bright Futures Educational Trust (Stanley Grove Primary Academy)	19.1	19.8
Sodexo - AGGS	19.1	19.8
Bulloughs Cleaning Services Ltd - BFET	19.1	19.8
Taylor Shaw (BFET)	19.1	19.8

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Bright Futures Educational Trust (Elmridge Primary School) [from 01.03.21]	n/a	22.2
Bright Futures Educational Trust (Acre Hall Primary School) [from 01.03.21]	n/a	22.2
Bright Futures Educational Trust (Lime Tree Primary Academy) [from 01.03.21]	n/a	22.2
Bright Futures Educational Trust (The Orchards) [from 01.03.21]	n/a	22.2
Bright Futures Educational Trust (Barton Clough Primary School) [from 01.03.21]	n/a	22.2
Bury College Pool		
Bury College	22.2	22.2
Bury College Education Trust Pool		
Bury College Education Trust (Radcliffe Primary School)	20.2	20.6
Bury College Education Trust (Elton Community Primary School)	20.2	20.6
Bury MBC Pool		
Bury MBC	20.5*	#20.5
Six Town Housing Limited	20.5	20.5
Persona Care and Support Ltd	20.5	20.5
Mellors Catering Svs Ltd - Bury & Whitefield [from 24.02.20 to 26.11.20]	20.5	20.5
CQC Pool		
Care Quality Commission	29.6 + £515k	28.6 + £515K
CRC Pool		
Northumbria CRC	14.0	16.0
Durham Tees Valley CRC	14.0	16.0
Humberside, Lincolnshire and North Yorkshire CRC	14.0	16.0
West Yorkshire CRC	14.0	16.0
Cheshire and Greater Manchester CRC	14.0	16.0
Merseyside CRC	14.0	16.0
South Yorkshire CRC	14.0	16.0
Staffordshire and West Midlands CRC	14.0	16.0
Derbyshire, Leicestershire, Nottinghamshire and Rutland CRC	14.0	16.0
Warwickshire and West Mercia CRC	14.0	16.0
Hampshire and Isle of Wight CRC	14.0	16.0
Thames Valley CRC	14.0	16.0
Bedfordshire, Northamptonshire, Cambridgeshire and Hertfordshire CRC	14.0	16.0
Norfolk and Suffolk CRC	14.0	16.0

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Essex CRC	14.0	16.0
London CRC	14.0	16.0
Kent, Surrey and Sussex CRC	14.0	16.0
Cumbria and Lancashire CRC	14.0	16.0
Third Sector Consortia Management LLP (Trading As 3SC)	14.0	16.0
Christ Church CofE MAT Pool		
Christ Church C of E Multi Academy Trust	18.3	18.3
Christ Church C of E Multi Academy Trust (St John's Primary)	18.3	18.3
Christ Church C of E Multi Academy Trust (Radcliffe Hall CE/ Methodist Primary) [from 01.06.19]	18.3	18.3
Connexions Cumbria Pool		
Inspira Cumbria Limited	24.1 + £137k	24.1 + £156k
Denton West End Primary School Pool		
Denton West End Primary School	16.6	18.0
Mellors Catering Services Ltd (Ex Denton West End)	16.6	18.0
The Dean Trust Pool		
The Dean Trust Wigan	16.0	18.0
The Dean Trust (Ashton On Mersey School)	16.0	18.0
The Dean Trust (Broadoak School)	16.0	18.0
The Dean Trust (Forest Gate Academy)	16.0	18.0
The Dean Trust (Rose Bridge Academy)	16.0	18.0
The Dean Trust (Ardwick)	16.0	18.0
The Dean Trust (Partington Central Academy)	16.0	18.0
The Dunham Trust Pool [Formerly Elmridge Academy Trust Pool]		
The Dunham Trust (Elmridge Primary School) [to 28.02.21]	20.8	22.2
The Dunham Trust (Acre Hall Primary School) [to 28.02.21]	20.8	22.2
The Dunham Trust (Lime Tree Primary Academy) [to 28.02.21]	20.8	22.2
The Dunham Trust (The Orchards) [to 28.02.21]	20.8	22.2
The Dunham Trust (Barton Clough Primary) [to 28.02.21]	20.8	22.2
Education Learning Trust Pool		
Education Learning Trust (Gatley Primary School)	21.4	21.4
Education Learning Trust (Bredbury Green Primary School)	21.4	21.4
Education Learning Trust (Meadowbank Primary School)	21.4	21.4
Education Learning Trust (The Kingsway School) [from 01.11.20]	n/a	26.0
Education Learning Trust (Werneth School) [from 01.01.21]	n/a	21.4

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Education Partnership Trust Pool		
Atherton High School (from 01.04.20)	n/a	19.8
Enquire Learning Trust Pool		
The Enquire Learning Trust (Manchester Road Primary Academy)	24.3	24.3
The Enquire Learning Trust (Linden Road Primary Academy)	24.3	24.3
The Enquire Learning Trust (Moorside Primary School)	24.3	24.3
The Enquire Learning Trust (Godley Primary)	24.3	24.3
The Enquire Learning Trust (Oakfield Primary School)	24.3	24.3
The Enquire Learning Trust (Flowery Field Primary)	24.3	24.3
The Enquire Learning Trust (Bradley Green Primary Academy)	24.3	24.3
The Enquire Learning Trust (Dowson Primary Academy)	24.3	24.3
The Enquire Learning Trust (Endeavour Primary Academy)	24.3	24.3
First Choice Homes Pool		
FCHO Ltd (I & P) [Trfd Staff]	20.7	27.0
FCHO Ltd (I & P) [New Staff]	20.7	27.0
First Group Pool		
First Manchester Ltd	30.3 + £5.17m	43.3
First West Yorkshire Ltd	30.3 + £2.9m	43.3 + £2.9m
First South Yorkshire Ltd	30.3 + £3.5m	43.3 + £3.5m
Greater Manchester Combined Authority Pool		
Greater Manchester Combined Authority	21.2	21.2
Inspiring Learners Multi Academy Trust Pool		
Inspiring Learners MAT (Tyntesfield Primary School)	20.4	21.3
Inspiring Learners MAT (Bollin Primary School)	20.4	21.3
The Laurus Trust Pool		
The Laurus Trust	16.7	19.6
Compass Contract Services (UK) Ltd (Laurus Trust) [to 31.08.19]	16.7	n/a
Aspens Services Ltd [from 01.09.19]	16.7	19.6
Leverhulme Academy of CofE & Community Trust Pool		
Leverhulme Academy C of E & Community Trust (Rivington & Blackrod High School)	17.0	20.8
Leverhulme Academy C of E & Community Trust (Harper Green)	17.0	20.8
Loreto Grammar School Pool		
Loreto Grammar School (Academy)	17.1	19.0

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Manchester Airport Pool		
Manchester Airport plc	22.2 + £1.646m	22.2 + £1.646m
Manchester Airport Aviation Services Ltd	22.2	22.2
Manchester City Council Pool		
Manchester City Council	19.1 *	#18.5
National Car Parks Manchester Ltd [to 31.12.20]	19.1	18.5
Manchester Active Ltd [pooled from 01.04.19]	19.1	18.5
G4S Security Services (UK) Limited (Formerly Group 4 Total Security Limited) (to 31.03.20)	19.1	19.1
Eastlands Homes Partnership Ltd (Trfd Staff)	19.1	18.5
Amey Highways Limited	19.1	18.5
Manchester Working Limited	19.1	18.5
Jigsaw Homes North (From 18.2.21 - Previously Adactus Housing Association Limited)	19.1	18.5
SPIE FS Northern UK Limited (Wright Robinson)	19.1	18.5
Mosscare Housing Limited	19.1	18.5
Community Integrated Care	19.1	18.5
Inspirit Care Limited	19.1	18.5
The Altius Trust (MEA) (to 31.03.20)	19.1	n/a
Manchester Health Academy	19.1	18.5
The Cooperative Academies Trust (North Manchester) (Formerly MCMA)	19.1	18.5
Education & Leadership Trust (East Manchester Academy)	19.1	18.5
Greater Manchester Academies Trust (MCA)	19.1	18.5
The Cooperative Academies Trust (CAM)	19.1	18.5
Greater Manchester Mental Health NHS Foundation Trust [Formerly Manchester Mental Health and Social Care Trust]	19.1	18.5
One Education Limited	19.1	18.5
The King David High School	19.1	18.5
Cheetham Church of England Community Academy	19.1	18.5
Trinity Church of England High School	19.1	18.5
Greater Manchester Arts Centre Limited	19.1	18.5
SS Simon & Jude C of E Multi Academy Trust (St Barnabas) [Formerly St Barnabas C of E Primary Academy Trust]	19.1	18.5
Wise Owl Trust (Briscoe Lane Academy)	19.1	18.5
E-ACT (Blackley Academy)	19.1	18.5
Wise Owl Trust (Seymour Road Academy)	19.1	18.5
Prospere Learning Trust (Chorlton High School)	19.1	18.5

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Wythenshawe Catholic Academy Trust (St Anthony's)	19.1	18.5
Children of Success Schools Trust (Haveley Hey)	19.1	18.5
Children of Success Schools Trust (The Willows)	19.1	18.5
Webster Primary School	19.1	18.5
Wythenshawe Catholic Academy Trust (St Paul's)	19.1	18.5
Oasis Community Learning (Harpur Mount)	19.1	18.5
Wythenshawe Catholic Academy Trust (St John Fisher)	19.1	18.5
The King David Primary School	19.1	18.5
Oasis Community Learning (Academy Aspinal)	19.1	18.5
Kingsway Community Trust (Green End Primary School)	19.1	18.5
Kingsway Community Trust (Ladybarn Primary School)	19.1	18.5
M20 Learning Trust (Beaver Road Primary School)[Formerly Beaver Road Academy Trust]	19.1	18.5
Contour Homes Limited	19.1	18.5
Wythenshawe Catholic Academy Trust (St Elizabeth's Primary)	19.1	18.5
Burnage Academy for Boys	19.1	18.5
Crossacres Primary Academy	19.1	18.5
Dataspire Solutions Ltd (Our Lady's Catholic High)	19.1	18.5
Education and Leadership Trust (Levenshulme High School)	19.1	18.5
Education and Leadership Trust (Whalley Range High School)	19.1	18.5
Prospere Learning Trust (Piper Hill Special Support School)	19.1	18.5
Greater Manchester Academies Trust (MCPA)	19.1	18.5
Taylor Shaw - Cavendish Primary	19.1	18.5
Dolce Limited (MCC) [to 31.12.19]	19.1	n/a
SS Simon and Jude C of E Multi Academy Trust (St James C of E Primary)	19.1	18.5
Prospere Learning Trust (Newall Green High School)	19.1	18.5
St James & Emmanuel Academy Trust (Didsbury C of E Primary)	19.1	18.5
St James & Emmanuel Academy Trust (West Didsbury C of E Primary)	19.1	18.5
The Cherry Tree Trust (Newall Green Primary School)	19.1	18.5
Biffa Municipal Ltd	19.1	18.5
Wise Owl Trust (Old Hall Drive Academy)	19.1	18.5
St James & Emmanuel Academy Trust (St Wilfrid's CE Primary)	19.1	18.5
Essential Hygiene Ltd - Cavendish School	19.1	18.5
Taylor Shaw - St Aidan's Primary School	19.1	18.5
Prospere Learning Trust (Pioneer House High School)	19.1	18.5
Sodexo (Harpur Mount)	19.1	18.5

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Greater Manchester Learning Trust (Parrs Wood High School)	19.1	18.5
CLIC Educational Trust (Chorlton Park Primary School)	19.1	18.5
CLIC Educational Trust (Old Moat Primary School)	19.1	18.5
Link Learning Trust (Barlow Hall Primary School)	19.1	18.5
Link Learning Trust (Brookburn Primary School)	19.1	18.5
Time Out Services Limited (Ex MCC) [to 30.11.2020]	19.1	18.5
The Altius Trust (MEA Central) [to 31.03.20]	19.1	n/a
CLIC Educational Trust (Rolls Crescent Primary School)	19.1	18.5
Sodexo Limited (Oasis Aspinal Academy) [to 19.06.20]	19.1	18.5
Caterlink Limited - Newall Green [to 31.03.20]	19.1	n/a
Caterlink Ltd - Chorlton High (Ex MCC) [to 31.03.20]	19.1	n/a
Integral - Plymouth Grove (Ex MCC)	19.1	18.5
Mears Group Plc (Northwards Housing MCC)	19.1	18.5
Bulloughs Cleaning Services Ltd - Barlow RC (Ex MCC)	19.1	18.5
Dolce Ltd - St Bernards (Ex MCC)	19.1	18.5
Caterlink Ltd - Heald Place (Ex MCC)	19.1	18.5
Oasis Community Learning (Temple Primary School)	19.1	18.5
Jacobs UK Ltd	19.1	18.5
T(N)S Catering Management Ltd - Mcr Health Academy (Ex MCC)	19.1	18.5
Prospere Learning Trust (CHS South)	19.1	18.5
SS Simon & Jude C of E Multi Academy Trust (Gorton Primary)	19.1	18.5
Bulloughs Cleaning Services - Levenshulme High (EL Trust)	19.1	18.5
The Cooperative Academies Trust (Broadhurst Primary School)	19.1	18.5
Dolce Ltd - Ashgate Specialist Support School (Ex MCC)	19.1	18.5
Essential Hygiene - Holy Name RC Primary School	19.1	18.5
Flagship Learning Trust (Wright Robinson College) [from 01.11.19]	19.1	18.5
Manchester Creative Digital Assets Ltd (Ex MCC)	19.1	18.5
Catering Academy Ltd - St Andrew's C of E Primary (Ex MCC)	19.1	18.5
Prospere Learning Trust (Grange School) [from 01.05.19]	19.1	18.5
Essential Hygiene Ltd - Our Lady's (Ex MCC)	19.1	18.5
Greenwich Leisure Ltd (GLL) (Ex Manchester CC)	19.1	18.5
Totally Local Company Ltd - Birchfield School (EX MCC)	19.1	18.5
Aspens Services Ltd (Ex MCC Cheetham Comm Ac)	19.1	18.5
Churchill Contract Services Ltd - Co-op Academies	19.1	18.5
Mellors Catering Svs Ltd - MEA	19.1	18.5
Bulloughs Cleaning Services - MEA	19.1	18.5

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Kingdom Services Group Ltd - Oswald Road Primary	19.1	18.5
Sports & Leisure Management Ltd	19.1	18.5
Onward Homes Ltd	19.1	18.5
Aspens Services Ltd (Pike Fold Primary School) [from 01.04.19]	19.1	18.5
Engie Services Ltd (Manchester Working Ltd) [from 01.05.19]	19.1	18.5
Caterlink Ltd (Cravenwood Primary School)	19.1	18.5
Mellors Catering Services Ltd (Benchill Primary School) [from 03.06.19]	19.1	18.5
Career Connect (from 01.04.19)	19.1	18.5
Prospere Learning Trust (Manchester Enterprise Academy) [from 01.04.20]	n/a	18.5
Prospere Learning Trust (Manchester Enterprise Academy Central) [from 01.04.20]	n/a	18.5
Dell Care Ltd [from 02.03.20 to 12.06.20]	19.1	18.5
Prospere Learning Trust (Prospect House Primary SSS) [from 01.09.20]	n/a	18.5
Caterlink Ltd - Abbey Hey Primary (Ex ULT/MCC) [from 1.9.2019]	19.1	18.5
Emmaus Catholic Academy Trust (St Chad's RC Primary School) [from 01.01.21]	n/a	18.5
Museum of Science and Industry Pool		
National Museum of Science and Industry	22.3 + £153k	22.3 + £153k
Northern Education Trust Pool		
Northern Education Trust (The Ferns)	17.9	20.3
Compass Contract Svs (NET - The Ferns)	17.9	20.3
NPS Pool		
National Probation Service	29.6	29.6
Sodexo Ltd - Ex MOJ	29.6	29.6
OCS Group Ltd - Ex MOJ	29.6	29.6
Oak Learning Partnership		
Oak Learning Partnership (Hazel Wood High School) (formerly Broad Oak Sports College) [from 01.04.19]	20.5	20.5
Oak Learning Partnership (Unsworth Primary) [from 01.04.19]	20.5	20.5
Oak Learning Partnersip (Elms Bank) [from 01.04.19]	20.5	20.5
Oasis Community Learning Pool		
Oasis Community Learning (Broadoak Primary School)	16.7	19.4
Sodexo - Broadoak (Oasis Community Learning)	16.7	19.4

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Oldham MBC Pool		
Oldham MBC	20.6 **	20.6#
Oldham Community Leisure Limited	20.6	20.6
Housing & Care 21	20.6	20.6
Kier Facilities Services Limited	20.6	20.6
The Unity Partnership Limited	20.6	20.6
Bullough Cleaning Services Limited	20.6	20.6
Oasis Community Learning (Oldham Academy)	20.6	20.6
E-ACT (The Oldham Academy North)	20.6	20.6
NSL Limited	20.6	20.6
The Pinnacle Learning Trust (The Hathershaw College)	20.6	20.6
Crompton House CE Multi Academy Trust [formerley Crompton House Church of England School]	20.6	20.6
Sodexo Limited (Oasis Oldham)	20.6	20.6
Cranmer Education Trust (The Blue Coat School)	20.6	20.6
Oasis Community Learning (Limeside Academy)	20.6	20.6
Wates Construction Limited	20.6	20.6
Great Places Housing Association	20.6	20.6
Taylor Shaw Limited (Kier)	20.6	20.6
Sodexo Limited (Limeside Academy)	20.6	20.6
New Bridge Multi Academy Trust (New Bridge School)	20.6	20.6
Oldham Care and Support Limited	20.6	20.6
Focus Academy Trust (UK) Ltd (Roundthorn Primary Academy)	20.6	20.6
Focus Academy Trust (UK) Ltd (Coppice Primary Academy)	20.6	20.6
Sola Fide C of E Trust (St Chad's Church of England Primary School)	20.6	20.6
The Harmony Trust Ltd (Greenhill Academy)	20.6	20.6
The Pinnacle Learning Trust (Werneth Primary) [Formerly Bright Tribe Trust (Werneth Primary)]	20.6	20.6
The Oak Trust (North Chadderton School)	20.6	20.6
The Harmony Trust Ltd (Alt Academy)	20.6	20.6
The Harmony Trust Ltd (Westwood Academy)	20.6	20.6
The Harmony Trust Ltd (Richmond Academy)	20.6	20.6
Catering Academy Ltd (Waterhead Academy) [to 31.08.18]	20.6	n/a
Engie Services Limited	20.6	20.6
Focus Academy Trust (UK) Ltd (Freehold Community Primary)	20.6	20.6
Cranmer Education Trust (East Crompton St George C of E Primary)	20.6	20.6

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
New Bridge Multi Academy Trust (Hollinwood)	20.6	20.6
Wolseley UK Ltd	20.6	20.6
Cranmer Education Trust (Mayfield Primary School)	20.6	20.6
SMC Premier Cleaning Ltd (Broadfield Primary)	20.6	20.6
Bulloughs Cleaning Services Ltd	20.6	20.6
The Harmony Trust (Northmoor Academy)	20.6	20.6
Kingfisher Learning Trust	20.6	20.6
New Bridge Multi Academy Trust (Springbrook)	20.6	20.6
Focus Academy Trust (UK) Ltd (Lyndhurst Primary School)	20.6	20.6
Sola Fide C of E Trust (St Anne's C of E Lydgate Primary School)	20.6	20.6
The Cooperative Academies Trust (Failsworth School)	20.6	20.6
Essential Hygiene Ltd - St Edwards (Ex OMBC) [to 14.02.20]	20.6	n/a
Servest Food Co Ltd (Ex Royton & Crompton)	20.6	20.6
Sola Fide C of E Trust (St John's C of E Primary School)	20.6	20.6
Oasis Community Learning (Clarksfield Primary School)	20.6	20.6
The Oak Trust (Fir Bank Primary School)	20.6	20.6
The Oak Trust (Thorp Primary School)	20.6	20.6
New Bridge Horizons Limited [from 01.04.19]	20.6	20.6
Aspens Services Ltd (Ex E-Act Oldham)	20.6	20.6
Crompton House C of E MAT - Beal Vale Primary School [from 01.09.19]	20.6	20.6
Age UK Oldham Ltd [from 01.06.19]	20.6	20.6
Kingfisher Learning Trust (Medlock Valley Community School) [from 01.09.19]	20.6	20.6
One Manchester Pool (formerly City South Manchester Pool)		
City South Manchester Housing Trust Limited [Trfd Staff]	21.6	19.9
City South Manchester Housing Trust Limited [New Staff]	21.6	19.9
Eastlands Homes Partnership Ltd [2009 Trfd]	16.3	19.9
Other Local Authorities Pool		
Saddleworth Parish Council	20.0	20.0
Manchester Port Health Authority	20.0	20.0
Horwich Town Council	20.0	20.0
Shevington Parish Council	20.0	20.0

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Prestolee MAT Pool		
Prestolee Multi Academy Trust (Prestolee Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Bowness Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Waterloo Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Barton Moss Primary School)	24.3	24.3
Prestolee Multi Academy Trust (Tottington Primary School) [from 01.11.19]	24.3	24.3
Rochdale Boroughwide Housing Pool		
Rochdale Boroughwide Housing Limited (I & P) [Trfd Staff]	18.0	18.0
Rochdale Boroughwide Housing Limited (I & P) [New Staff]	18.0	18.0
Rochdale MBC Pool		
Rochdale MBC	20.5 *	20.5#
Crossgates School	20.5	20.5
Smithy Bridge Foundation Primary School	20.5	20.5
Rochdale Development Agency [from 01.04.19]	20.5	20.5
Healey Primary School	20.5	20.5
Rochdale Boroughwide Cultural Trust	20.5	20.5
Alternative Futures Group Limited	20.5	20.5
E.ON UK plc	20.5	20.5
Grosvenor Facilities Management Limited	20.5	20.5
Great Academies Education Trust (Middleton Tech School)	20.5	20.5
Hollingworth Learning Trust	20.5	20.5
Rochdale Boroughwide Housing	20.5	20.5
PossAbilities CIC	20.5	20.5
Future Directions	20.5	20.5
Balfour Beatty Living Places Ltd	20.5	20.5
The Pennine Acute Hospitals NHS Trust [to 31.03.21]	20.5	20.5
St Teresa of Calcutta Catholic Academy Trust (St Patrick's)	20.5	20.5
St Teresa of Calcutta Catholic Academy Trust (Alice Ingham)	20.5	20.5
N Compass Northwest Ltd (Ex RMBC)	20.5	20.5
Mellors Catering Svs Ltd - St Gabriels (Ex Rochdale MBC)	20.5	20.5
The Big Life Company Ltd	20.5	20.5
Mellors Catering Services Ltd - St Thomas Moore (Ex RMBC)	20.5	20.5
Taylor Shaw Ltd - Elm Wood Primary School	20.5	20.5
Maxim Facilities Management Ltd [to 28.02.21]	20.5	20.5
Hollingworth Learning Trust (Newhouse Academy) (from 01.04.20)	n/a	20.5

Scheme employers	Contribution rate 2019/20 %	Contribution rate 2020/21 %
St Teresa of Calcutta Catholic MAT - Our Lady & St Pauls [from 01.10.20]	n/a	20.5
Engie Services Ltd - Falinge Park High School (from 1.3.2018)	20.5	20.5
Engie Services Ltd - Hollingworth Academy (from 1.3.2018)	20.5	20.5
Engie Services Ltd - Wardle Academy (from 1.3.2018)	20.5	20.5
Roch Valley CE Multi Academy Trust Pool		
Roch Valley C of E Multi Academy Trust (Holy Trinity Primary)	20.5	20.5
Roch Valley C of E Multi Academy Trust (St Thomas Primary)	20.5	20.5
Salford City College Pool		
Salford City College	19.6	20.7
Salford City Council Pool		
Salford City Council	19.7 *	19.7 *
St Ambrose Barlow RC High School	19.7	19.7
The Salfordian Trust Company Limited	19.7	19.7
Salford Community Leisure Limited	19.7	19.7
The Working Class Movement Library	19.7	19.7
Mitie PFI Limited	19.7	19.7
Compass Contract Services (UK) Limited	19.7	19.7
SPIE FS Northern UK Ltd (Salford)	19.7	19.7
ForHousing Ltd (Ex CWHT) [formerly City West Housing Trust Limited]	19.7	19.7
Inspirit Care Limited	19.7	19.7
RM Education plc	19.7	19.7
SPIE FS Northern UK Limited (Salford 2)	19.7	19.7
The Landing at MediaCityUK Limited	19.7	19.7
Together Housing Association Limited [Formerly Chevin Housing Association Limited]	19.7	19.7
Salix Homes Limited	19.7	19.7
Career Connect	19.7	19.7
SPIE FS Northern UK Ltd (St Ambrose & St Patrick)	19.7	19.7
SPIE FS Northern UK Ltd (Moorside)	19.7	19.7
Salford Royal NHS Foundation Trust (ASC Contract)	19.7	19.7
Salford Royal NHS Foundation Trust (Equipment Contract)	19.7	19.7
Aspens Services Ltd	19.7	19.7
Aspire For Intelligent Care & Support (CIC) (2)	19.7	19.7
Salford Royal NHS Foundation Trust - The Limes	19.7	19.7

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
St Ambrose Academy Trust Pool		
St Ambrose College Edmund Rice Academy Trust [Formerly St Ambrose College Academy Trust]	17.0	17.6
Salford University Pool		
Salford University	21.1	20.6 + £236k
Shaw Education Trust Pool		
The Shaw Education Trust (Unsworth Academy formerly Castlebrook High School)	17.4	20.5
The Shaw Education Trust (The Westleigh School)	17.4	20.5
The Shaw Education Trust (Tottington High School)	17.4	20.5
The Shaw Education Trust (Woodhey High School) [from 01.10.20]	n/a	20.5
Small Admitted Bodies Pool		
National Museum of Labour History	24.4	24.7
Wigan Metropolitan Development Co (Inv) Ltd	24.4	24.7
Groundwork Greater Manchester (Ex Oldham & Rochdale)	24.4	24.7
APSE	24.4	24.7
Greater Manchester Immig Aid Unit	24.4	24.7
Birtenshaw Hall School	24.4	24.7
North West Local Auth Empl Orgn	24.4	24.7
Rochdale CAB	24.4	24.7
Chethams School Of Music	24.4	24.7
Oldham CAB	24.4	24.7
Manchester CAB	24.4	24.7
Centre For Local Economic Strategies Ltd (CLES)	24.4	24.7
UNIAC	24.4	24.7
Manchester Centre For The Deaf	24.4	n/a
Sparth Community Centre [to 28.02.21]	24.4	24.7
Marketing Manchester	24.4	24.7
Mechanics Centre Ltd	24.4	24.7
Midas Limited	24.4	24.7
Greater Manchester Sports Partnership	24.4	24.7
Metro Rochdale Employees Credit Union Limited	24.4	24.7
Cash Box Credit Union Ltd	24.4	24.7
Groundwork Greater Manchester(ex MCC) [formerly Groundwork MSSTT Ex-Manchester]	24.4	24.7
Caritas Diocese Of Salford	24.4	24.7

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
South Pennine Academies Pool		
South Pennine Academies (Waterhead Academy)	19.6	20.6
South Pennine Academies (Willowpark Primary Academy)	19.6	20.6
South Pennine Academies (Woodlands Primary Academy)	19.6	20.6
South Pennine Academies (Greenacres Primary Academy)	19.6	20.6
Southway Housing Trust Pool		
Southway Housing Trust (Manchester) Limited [Trfd Staff]	22.5	22.2
Southway Housing Trust (Manchester) Limited [New Staff]	22.5	22.2
St John Rigby College Pool		
St John Rigby College [in pool from 01.04.20]	n/a	20.0
Aramark Ltd [from 23.04.19] [in pool from 01.04.20]	n/a	20.0
St Teresa of Calcutta CMAT Pool		
St Teresa of Calcutta Catholic Academy Trust (St Gregory's) [from 01.12.19]	n/a	22.7
St Teresa of Calcutta Catholic MAT - St Monica's RC High [from 01.08.20]	n/a	22.7
St Teresa of Calcutta Catholic Academy Trust - St Gabriel's [from 01.11.20]	n/a	22.7
Stagecoach Manchester Pool		
Greater Manchester Buses South Ltd	30.4+£2.4m	39.3
Stagecoach Services Limited	30.4	39.3
Stamford Park Trust [Ashton Under Lyne Sixth Form College Pool]		
Stamford Park Trust (Ashton-Under-Lyne 6th Form College)	17.0	17.0
BaxterStorey Ltd	17.0	17.0
Stockport MBC Pool		
Stockport MBC	19.8 *	# 19.8
Life Leisure	19.8	19.8
Pure Innovations Ltd	19.8	19.8
Stockport Homes Ltd	19.8	19.8
Totally Local Company Limited [Formerly Solutions SK Limited]	19.8	19.8
Marple Hall School [to 31.03.20]	19.8	19.8
Essential Hygiene Ltd - Werneth High School	19.8	19.8
Taylor Shaw - Werneth High School (from 28.10.19)	19.8	19.8
Tameside College Pool		
Tameside College	18.8	18.8

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Tameside MBC Pool		
Tameside MBC	21.0 *	#21.0
Active Tameside [formerly Tameside Sports Trust] [from 01.04.20]	n/a	21.0
Mellors Catering Svs Ltd - Poplar St	21.0	21.0
Robertson Facilities Management Ltd - Project CO1	21.0	21.0
Robertson Facilities Management Ltd - Project CO2	21.0	21.0
Robertson Facilities Management Ltd - Corporate Estates	21.0	21.0
The Harmony Trust Ltd (Greenfield Primary Academy) [from 01.09.20]	n/a	21.0
The Manchester College Pool		
LTE Group [formerly The Manchester College]	18.1	18.1
Trafford College Pool		
Trafford College	22.9	23.8
Caterlink (Trafford College)	23.8	23.8
The Sovereign Trust Pool		
The Sovereign Trust MAT [Formerly Pictor Academy & Manor Academy] [from 01.04.20]	n/a	20.6
The Sovereign Trust MAT (New Park School) [from 01.04.20]	n/a	20.6
The Sovereign Trust (Longford Park School) [from 01.04.20]	n/a	20.6
Trafford MBC Pool		
Trafford MBC	20.4 *	#20.4
Sale High School	20.4	20.4
Blessed Thomas Holford Catholic College	20.4	20.4
Go Plant Fleet Services Ltd [Formerly Essential Fleet Services Ltd] [to 31.05.20]	20.4	20.4
Market Operations	20.4	20.4
Amey LG Ltd	20.4	20.4
Trafford Leisure Community Interest Company	20.4	20.4
Floorbrite Cleaning Contractors Ltd (Springfield Primary)	20.4	20.4
Transport for Greater Manchester Pool		
Transport for Greater Manchester	18.8	20.4
United Learning Trust Pool		
United Learning Trust (Manchester Academy)	15.6	18.2
United Learning Trust (Salford Academy)	15.6	18.2
United Learning Trust (Stockport Academy)	15.6	18.2
United Learning Trust (William Hulme's Grammar School)	15.6	18.2
United Learning Trust (Albion High School)	21.5	18.2

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
United Learning Trust (Dukesgate Primary School)	21.5	18.2
United Learning Trust (Marlborough Road Primary School)	21.5	18.2
United Learning Trust (Abbey Hey Primary)	15.6	18.2
United Learning Trust (Cravenwood Community Primary)	15.6	18.2
Caterlink (Ex United Learning Trust Stockport Academy)	15.6	18.2
United Learning Trust [Irlam and Cadishead College]	21.5	18.2
The University of Manchester Pool		
The University of Manchester	22.9 + £771k	22.9 + £729k
Victorious Academies Pool		
Victorious Academies Trust (Inspire Academy)	17.2	19.9
Victorious Academies Trust (Discovery Academy)	17.2	19.9
Victorious Academies Trust (Poplar Street Primary School)	17.2	19.9
Victorious Academies Trust (Greenside Primary School)	17.2	19.9
Victorious Academies Trust (Yew Tree Primary School)	17.2	19.9
Victorious Academies Trust (Wild Bank Primary School) [from 01.04.20]	n/a	19.9
Vision MAT Pool		
Vision Multi Academy Trust (Higher Lane Primary)	18.0	20.5
Vision Multi Academy Trust (East Ward Primary)	18.0	20.5
Vision Multi Academy Trust (Sunny Bank Primary)	18.0	20.5
The Waste Pool		
Suez Recycling & Recovery UK Ltd - Lot 1 [from 01.06.19]	20.0	20.0
Suez Recycling & Recovery UK Ltd - Lot 2 [from 01.06.19]	20.0	20.0
Watergrove Trust Pool (Previously Wardle Academy Trust Pool)		
Watergrove Trust (Wardle Academy)	19.7	21.4
Watergrove Trust (Kentmere Primary School)	19.7	21.4
Watergrove Trust (St Andrew's C of E Primary School)	19.7	21.4
Watergrove Trust (St James C of E Primary School)	19.7	21.4
Watergrove Trust (Matthew Moss High School) [from 01.11.19]	19.7	21.4
West Hill School Pool		
West Hill School	16.8	17.0
Wigan MBC Pool		
Wigan MBC	19.6 *	19.6
Wigan Leisure & Culture Trust [to 31.03.21]	19.6	19.6
NPS North West Limited [to 30.06.19]	19.6	n/a
Proco NW Limited [to 01.07.19]	19.6	n/a

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Leigh Sports Village Ltd	19.6	19.6
Fred Longworth High School (formerly Lateral Academy Trust)	19.6	19.6
Leading Learners MAT (Tyldesley Primary School)	19.6	19.6
The Rowan Learning Trust (Hawkley Hall High School)	19.6	19.6
Wigan and Leigh Carers Centre	19.6	19.6
Makerfield Academy Trust (Byrchall High School)	19.6	19.6
Community First Academy Trust (Platt Bridge)	19.6	19.6
Agilisys Limited	19.6	19.6
Epworth Education Trust (formerly Acorn Trust)	19.6	19.6
The Learning Together Trust	19.6	19.6
Monument Café	19.6	19.6
The Keys Federation	19.6	19.6
The Rowan Learning Trust (3 Towers Alternative Provision)	19.6	19.6
Premier Care Limited	19.6	19.6
The Rowan Learning Trust (Marus Bridge)	19.6	19.6
Greengate Academy Trust (Orrell Holgate)	19.6	19.6
Greengate Academy Trust (Orrell Lamberhead Green)	19.6	19.6
The Wings CE Trust (Atherton St George's C of E Primary)	19.6	19.6
The Wings CE Trust (St Mark's)	19.6	19.6
Mosaic Academy Trust (Standish Community High School)	19.6	19.6
The Wings CE Trust (Leigh C of E Primary)	19.6	19.6
ISS Mediclean Ltd - Lowton High School [from 03.10.16 to 27.08.17]	19.6	n/a
Mosaic Academy Trust (Golborne Community Primary School) [from 01.07.19]	19.6	19.6
Catering Academy Ltd [from 01.09.17 to 31.07.18]	19.6	n/a
Caterlink Ltd	19.6	19.6
ISS Mediclean (Hawkley Hall)	19.6	19.6
NPS NW Ltd [from 01.04.19 to 30.09.20]	19.6	19.6
Taylor Shaw Ltd (Fred Longworth) [from 01.09.19]	19.6	19.6
Wythenshawe Community Housing Group Pool		
Parkway Green Housing Trust [Trfd Staff]	22.7	22.1
Parkway Green Housing Trust [New Staff]	22.7	22.1
Willow Park Housing Trust	23.4	22.1
Willow Park Housing Trust [2nd Agreement]	23.4	22.1

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Woodbridge Trust Pool		
Woodbridge Trust (Firwood High School)	20.8	20.8
Woodbridge Trust (Ladywood School)	20.8	20.8
Individual Employers		
The Chief Constable of Greater Manchester	18.7	19.1
The University of Bolton	23.2	23.2
Manchester Metropolitan University	21.4	21.4
Liverpool Hope University	19.1	19.1
Royal Northern College Of Music	18.9	18.9
Borough Care Services Ltd	25.3 + £154k	34.8 + £154k
Bolton College [to 31.07.18]	18.0 + £258k	n/a
Holy Cross College	16.9	19.7
Loreto Sixth Form College	17.0	19.6
Xaverian Sixth Form College	16.4	19.0
Oldham College	16.8	16.8
The Pinnacle Learning Trust (Oldham Sixth Form College)	16.5	16.5
Hopwood Hall College	20.2	20.2
Aquinas College	18.0	19.7
Cheadle & Marple 6th Form College	21.2 + £43k	21.2 + £43k
Wigan & Leigh College	22.7	21.7
Winstanley College	16.5	19.1
St John Rigby College [to 31.03.20]	17.4	n/a
Active Tameside (formerly Tameside Sports Trust) [to 31.03.20]	22.9	n/a
New Charter Group (Jigsaw)	24.7	23.3
Positive Steps Oldham	20.4	22.4
Ace Centre (North)	22.7	21.7
Trafford Housing Trust Ltd [to 31.03.21]	22.5 + £748k	31.5 + £357k
Northwards Housing Limited	17.6	17.6
Viridor Waste (Greater Manchester) Limited [to 31.05.19]	20.6	n/a
Altus Education Partnership (Rochdale Sixth Form College)	15.4	15.4
The Cooperative Academies Trust (The Swinton High School)	17.0	19.9
Healthy Learning Trust (Flixton Girls School)	17.3	22.0
Mellor Primary School	16.7	21.1
Broadoak Primary School	18.3	21.9
South Manchester Learning Trust (Reddish Vale Academy Trust)	16.2	16.2
Hazel Grove High School [to 31.08.19]	17.0	n/a

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Eagley Infant School	22.2	22.2
Eagley Junior School	24.0	24.0
Harwood Meadows Primary School	24.2	24.2
Kings Academy Trust (Oakwood Academy) [formerly The Oakwood Academy Schools Trust]	21.2	21.2
Broughton Jewish Cassel Fox	16.1	18.7
South Manchester Learning Trust (Altrincham College of Arts)	18.1	20.5
Forward As One Church of England Multi Academy Trust	19.0	22.5
SS Simon and Jude C of E Multi Academy Trust	17.9	18.8
Chapel Street Community Schools Trust (Atherton Community School) [to 31.03.20]	16.6	n/a
Northern Schools Trust (Wigan UTC) [to 31.08.19]	18.6	n/a
St Anselm's Catholic Multi Academy Trust	21.9	24.3
New Bridge Multi Academy Trust (Hawthorns School)	24.3	24.3
The Olive Tree Primary Bolton Limited	14.2	18.7
The Cooperative Academies Trust (Connell 6th Form College) [from 01.04.19]	19.1	20.7
New Islington Free School	15.0	18.2
Park Road Sale Primary	18.3	20.2
Beis Yaakov Jewish High School	26.0	25.0
Chester Diocesan Academies Trust (St Matthew's C of E Primary)	16.1	20.0
Focus Academy Trust (UK) Ltd (Manor Green Primary Academy)	32.9	31.9
The Kirkstead Education Trust (Hursthead Junior School)	19.7	23.7
Focus Academy Trust (UK) Ltd (Old Trafford Community Primary)	15.5	19.7
Essa Foundation Academies Trust (The Essa Primary)	15.0	18.1
Taylor Shaw Ltd (Moorfield Primary School)	28.9	35.5
Taylor Shaw Ltd (Romiley Primary School)	30.2 + £1k	35.0
Kingsway Community Trust (Cringle Brook Primary)	13.7	18.7
Focus Academy Trust (UK) Ltd (Deeplish Primary Academy)	24.5	24.5
Ashton West End Primary	26.5	26.5
Addiction Dependency Solutions [to 31.08.19]	19.1	n/a
Sharples School A Multi Academy Trust	29.6	28.6
Lever Academy Trust (Little Lever School)	24.8	24.8
Bolton UTC [to 31.07.20]	15.9	15.9
Aldridge Education (UTC At MediaCityUK) [Formerly Creative Industries UTC (UTC@MediaCityUK)]	17.2	17.2

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Prosper Multi Academy Trust (Bolton Muslim Girls School) [Formerly Bolton Muslim Academy Trust]	20.2	20.2
The Sovereign Trust MAT [Formerly Pictor Academy & Manor Academy][to 31.03.20]	25.9	n/a
Taylor Shaw (St Simon's Primary)	29.1	33.9
Taylor Shaw (Marple Hall High School)	28.7 + £13k	28.7 + £13k
Taylor Shaw (Fairway)	29.0 + £1k	29.0 + £1k
Abney Trust (The Kingsway School) [to 31.10.20]	26.0	26.0
The Bolton Impact Trust	25.6	25.6
Career Connect (Achieve North West Contract)	30.0	30.0
Catering Academy (Ex Bolton College) [to 31.03.21]	28.4 + £1k	34.0 +£21k
Chester Diocesan Academies Trust (St Paul's C of E Primary)	19.6	22.2
Taylor Shaw Ltd (Harrytown High School)	29.3 + £7k	29.3
Consilium Academies (Buile Hill)	21.5	24.7
The Hamblin Education Trust (North Cestrian School)	17.2	17.2
Taylor Shaw (Stockport College)	24.3	24.3
Churchill Contract Services Ltd (Harper Green School)	33.9	0.0
Elite Cleaning & Environmental Services Ltd	24.8	24.8
Chatsworth Multi Academy Trust	17.7	18.2
Aspireplus Educational Trust (Longdendale High School) [to 31.12.20]	17.9	20.2
Aspireplus Educational Trust (Rayner Stephens High School) [to 31.12.20]	16.5	19.3
SS Simon & Jude C of E Multi Academy Trust (St Augustine's)	19.7	22.9
Consilium Academies (Ellesmere Park High School)	16.6	20.2
Mulberry Tree C of E Multi Academy Trust (St Catherine's Primary)	20.8	20.8
T(N)S Catering Management Ltd	31.9	31.9
Liverpool Diocesan Schools Trust (St James' C of E Primary)	19.6	21.0
Consilium Academies (Moorside High School)	19.7	19.7
Transport for the North	15.7	17.4
The Aspire Educational Trust (Wilbraham Primary School)	19.1	19.1
Compass Contract Services (Ex NET - Kearsley Academy)	34.7	35.4+ £13k
The Sovereign Trust MAT (New Park School) [to 31.03.20]	19.7	n/a
Bolton & Farnworth C of E Primary MAT (St Maxentius Primary) [to 31.03.20]	20.8	n/a
Oasis Community Learning (Leesbrook Academy)	16.7	16.7
E ACT (Royton & Crompton School)	20.6	20.6
Liverpool Diocesan Schools Trust (St Paul's C of E Primary)	19.6	21.0

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Taylor Shaw - St Anne's	29.6	33.7
St Ralph Sherwin Catholic MAT (St Mary's CV Academy)	19.8	22.6
St Bede Church of England Primary Academy (Tonge Moor PS)	20.8	20.8
Liverpool Diocesan Schools Trust (Highfield St Matthew's C of E)	19.6	21.5
The Wesley Trust (Rosehill Methodist School) [to 31.10.20]	21.0	21.0
The Cooperative Academies Trust (Walkden High School)	19.7	19.7
The Wesley Trust (Wesley Methodist Primary School) [from 01.07.19 to 31.10.20]	20.5	20.5
The Great Schools Trust - Kings Leadership Academy Bolton [from 02.09.19]	16.7	20.8
Bolton College Limited [From 01.08.18]	n/a	22.6
The Sovereign Trust (Longford Park School) [from 01.09.19 to 31.03.20]	20.4	n/a
St James & Emmanuel Academy Trust (St Elizabeth's Primary) [from 01.11.19]	19.8	19.8
CLIC Educational Trust (Dane Bank Primary School) [from 01.11.19]	21.0	18.5
St Teresa of Calcutta Catholic Academy Trust (St Gregory's) [from 01.12.19 to 31.03.20]	20.8	n/a
Robertson Facilities Management Ltd [from 13.05.19]	25.9	25.9
Aramark Ltd [from 23.04.19 to 31.03.20]	17.4	n/a
SS Simon & Jude C of E Multi Academy Trust (St Hilda's) [from 01.12.19]	20.4	20.4
Tenon FM Ltd [to 30.04.20]	27.6	27.6
Chester Diocesan Academies Trust (Bredbury St Mark's) [from 01.02.20]	19.8	19.8
SS Simon & Jude C of E Multi Academy Trust (St Paul's) (from 01.04.20)	n/a	19.7
The Rowan Learning Trust (Prestwich Arts College) [from 01.06.20]	n/a	20.5
Emmaus Catholic Academy Trust - St Antony's Catholic College [from 01.07.20]	n/a	20.4
QUEST - Bolton University Collegiate School [from 01.08.20]	n/a	15.9
Chester Diocesan Academies Trust - St George's CE Primary [from 01.10.20]	n/a	21.0
Mellors Catering Services Ltd - St Joseph's [from 01.10.16 to 31.08.20]	n/a	35.8
Emmaus Catholic Academy Trust - St Anne's RC Academy [from 01.11.2020]	n/a	19.8
Albany Learning Trust - Chorley New Road Primary Academy [from 01.11.2020]	n/a	20.8

Scheme employers	Contribution rate	
	2019/20 %	2020/21 %
Epworth Education Trust - Rosehill Methodist Academy [from 01.11.20]	n/a	21.0
Epworth Education Trust - Wesley Primary School [from 01.11.20]	n/a	20.5
Epworth Education Trust - Summerseat Methodist Primary School [from 01.12.20]	n/a	20.5
Stamford Park Trust - Longdendale High School [from 01.01.21]	n/a	20.2
Stamford Park Trust - Rayner Stephens High School [from 01.01.21]	n/a	19.3

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

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

#These employers can choose to pay all or part of their annual contributions covering the period from 1 April 2020 to 31 March 2023 in advance. Should contributions be paid in advance, the contribution rates shown should be multiplied by a factor of 0.997 compounded for each complete month they are paid early (measuring from the actual date paid to the midpoint of the period of contributions being paid in advance) to arrive at the required figures. Prior to making an advance payment, the employer, Administering Authority and the Fund Actuary must agree an estimate of pensionable pay for each year of the Rates and Adjustments certifcate being paid in advance. If the actual pensionable pay over any year is higher than the estimated pensionable pay, a balancing payment would be required following the year end.

Annual Report 2021
The LGPS at a glance

The information below describes the Local Government Pension Scheme (LGPS) as it was during 2020/2021.

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

Eligibility for membership

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

Employee contributions

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

Extra benefits

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

Retirement benefits

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

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

Age of retirement

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

- Pension benefits are payable at any age if awarded due to ill health;
- Members may retire with unreduced benefits from age 55 onwards if their retirement is on the grounds of redundancy or business efficiency;
- Members may retire early at their own choice from 55 onwards and employer approval is not required. But early retirement reductions will generally apply;

- Members who have left employment can request payment of benefits from age 55 onwards, but actuarial reductions will apply where benefits come into payment before normal pension age;
- Members who remain in employment may also ask to retire flexibly from age 55 onwards if they reduce their hours of work or grade. Employer consent is required, and actuarial reductions may apply;
- Payment of benefits may be delayed beyond normal pension age but only up to age 75.

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

Benefits on death in service

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

Benefits on death after retirement

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

Cost of living increases

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

Annual Report Glossary

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Glossary

50/50 scheme

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

Actuarial valuation

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

Ad valorem

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

Administering authority

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

Admission body

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

Additional voluntary contributions (AVCs)

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

Benchmark

A measure against which fund performance is to be judged.

Bonds

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

Career average revalued earnings (CARE) scheme

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

Consumer prices index (CPI)

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

Coronavirus

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

Covid-19

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

Deficit

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

Discount rate

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

Employer covenant

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

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

Environmental, social and governance (ESG)

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

Funding level

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

Funding Strategy Statement

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

Funding target

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

Government's Actuary Department (GAD)

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

Investment Strategy

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

Local Government Pension Scheme (LGPS)

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

Northern Local Government Pension Scheme Pool (NLGPS)

An investment pool comprising of the Greater Manchester Pension Fund, Merseyside Pension Fund and West Yorkshire Pension Fund. NLGPS is one of eight LGPS investment pools in England and Wales. LGPS investment pools aim to increase pension fund investment efficiency and make it easier to access more asset classes.

Past service liabilities

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

Private equity

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

Public equity

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

Prudent assumption

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

Real return or real discount rate

A rate of return or discount rate net of inflation.

Scheme employer

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

Section 13 Valuation

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

Task Force on Climate-related Financial Disclosures (TCFD)

TCFD provide climate-related financial disclosure recommendations designed to help companies and pension funds provide clear, comparable and consistent information about the risks and opportunities presented by climate change to their operations. GMPF is a signatory of TCFD.

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Policy Statements

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

Funding Strategy Statement

April 2020

1.Introduction

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

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

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

The FSS forms part of a framework which includes:

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

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

The key requirements relating to the FSS are that:

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

1.2 Reviews of FSS

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

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

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

2. Purpose

2.1 Purpose of FSS

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

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

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

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

2.2 Purpose of GMPF

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

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

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

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

2.3 Aims of the Funding Policy

The objectives of GMPF's funding policy include the following

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

3. Target Funding Levels and Calculation of Contribution Rates

3.1 Target Funding Levels

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

3.2 Ongoing funding basis

3.2.1 Demographic assumptions

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

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

3.2.2. Financial assumptions

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

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

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

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

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

3.3 Funding targets for non-typical employers

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

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

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

3.4 Asset share calculations for individual employers

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

3.5 Derivation of employer contributions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.6 Risk-based contribution rates

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

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

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

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

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

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

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

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

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

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

3.7 Presentation of employer contribution rates

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

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

3.8 Allowance for early retirements

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

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

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

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

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

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

3.9 Solvency and long term cost fficiency

3.9.1 Solvency issues and target funding levels

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

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

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

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

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

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

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

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

3.9.2 Appropriate time horizons

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

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

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

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

3.9.3 Phasing in of contribution rises and reductions

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

3.9.4 The effect of opting for longer spreading or phasing in

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

3.9.5 Pooled contributions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Other Aspects of Funding Strategy

4.1 Background

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

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

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

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

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

4.2 Exiting employers

4.2.1 Admission bodies

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

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

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

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

4.2.2 Other employers

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

4.2.3 Exit payments

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

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

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

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

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

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

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

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

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

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

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

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

4.2.4 Exit credits

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

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

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

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

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

4.3 Employers with no remaining active members

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

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

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

4.4 Early retirement costs

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

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

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

4.5 Policies on bulk transfers

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

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

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

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

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

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

4.7 Interim valuations

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

a) the funding position of GMPF at that point.

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

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

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

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

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

5. Links to Investment Strategy

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

5.1 Investment Strategy

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

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

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

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

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

5.2 Consistency with funding basis

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

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

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

5.3 Balance between risk and reward

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

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

5.4 Inter-valuation monitoring of funding position

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

6. Key risks and controls

6.1 Types of risk

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

- financial
- demographic
- regulatory
- governance.

6.2 Financial risks

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

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

6.3 Demographic risk

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

6.4 Regulatory Risk

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

6.5 Governance risk

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

7. Definitions

Solvency

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

- the rate of employer contributions is set to target a funding level for the whole fund (assets divided by liabilities) of 100% over an appropriate time period and using appropriate actuarial assumptions; and either
- employers collectively have the financial capacity to increase employer contributions, and/or the fund is able to realise contingent assets should future circumstances require, in order to continue to target a funding level of 100%; or
- there is an appropriate plan in place should there be, or if there is expected in future to be, a limited number of fund employers, or a material reduction in the capacity of fund employers to increase contributions as might be needed.

If the conditions above are met, then it is expected that the fund will be able to pay scheme benefits as they fall due.

Long term cost efficiency

The notes to the Public Service Pensions Act 2013 state that 'Long term cost-efficiency implies that the rate must not be set at a level that gives rise to additional costs. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the time.'

The rate of employer contributions shall be deemed to have been set at an appropriate level to ensure long term cost efficiency if the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual, with an appropriate adjustment to that rate for any surplus or deficit in the fund.

In assessing whether the above condition is met, GAD may have regard to the following considerations.

- The implied average deficit recovery period.
- The investment return required to achieve full funding over different periods e.g. the recovery period.
- If there is no deficit, the extent to which the amount of contributions payable is likely to lead to a deficit arising in the future.
- The extent to which the required investment return is less than the administering authority's view of the expected future return being targeted by a fund's investment strategy taking into account changes in maturity/strategy as appropriate.

END OF MAIN BODY OF FSS

Annex – responsibilities of key parties

The Administering Authority should:-

- operate GMPF as per the LGPS Regulations;
- effectively manage any potential conflicts of interest arising from its dual role as Administering Authority and a GMPF employer;
- collect employer and employee contributions, and investment income and other amounts due;
- ensure that cash is available to meet benefit payments as and when they fall due;
- pay from GMPF the relevant benefits and entitlements that are due;
- invest surplus monies (i.e. contributions and other income which are not immediately needed to pay benefits) in accordance with GMPF's Investment Strategy Statement) and LGPS Regulations;
- communicate appropriately with employers so that they fully understand their obligations to the GMPF;
- take appropriate measures to safeguard GMPF against the consequences of employer default;
- manage the valuation process in consultation with GMPF's actuary;
- prepare and maintain a FSS and an ISS, after consultation;
- notify the Actuary of material changes which could affect funding; and
- monitor all aspects of GMPF's performance and funding and amend the FSS/ISS as necessary and appropriate.

The individual employer should:-

- deduct contributions from employees' pay correctly;
- pay all contributions, including their own as determined by the Actuary, promptly by the due date;
- exercise discretions within the regulatory framework;
- make additional contributions in accordance with agreements in respect of, for example, augmentation of scheme benefits, early retirement strain; and
- notify the Administering Authority promptly of all proposed material changes to membership or legal status which affect future funding;
- submit data necessary for calculating liabilities

The Actuary should:-

- prepare valuations, including the setting of employers' contribution rates. This will involve agreeing assumptions with the Administering Authority, having regard to the FSS and LGPS Regulations, and targeting each employer's solvency appropriately;
- provide advice relating to new employers in GMPF, including the level and type of bonds or other forms of security (and the monitoring of these);
- prepare advice and calculations in connection with bulk transfers and individual benefit-related matters;
- assist the Administering Authority in considering possible changes to employer contributions between formal valuations, where circumstances suggest this may be necessary;
- advise on the termination of Admission Bodies' participation in GMPF; and
- fully reflect actuarial professional guidance and requirements in the advice given to the Administering Authority.

Other parties:-

- investment advisers (either internal or external) may be asked to assist in ensuring that GMPF's ISS remains appropriate, and consistent with this FSS;
- investment managers, custodians and bankers will typically all play their part in the effective investment (and dis-investment) of GMPF assets, in line with the ISS;
- auditors will comply with their auditing standards and sign off annual reports and financial statements as appropriate;
- the Local Pensions Board will review the valuation process and funding strategy and ensure they comply with the regulations and relevant guidance;
- the LGPS Scheme Advisory Board and the Government Actuary will also review GMPF's funding strategy as part of their monitoring of the LGPS as a whole.

END OF ANNEX

Funding Strategy Statement

April 2020

Governance Policy

2014 to date

Governance Policy

1. Constitution

The Administering Authority operates within the Council's Governance arrangements.
The statutory officer roles required are an integral part of GMPF's governance arrangements, these are:

- Head of Paid Service - Chief Executive
- Monitoring Officer - Director of Governance and Pensions [Borough Solicitor], and
- Chief Finance Officer - Director of Finance [S151 Officer]

Further details of the Council's Governance arrangements can be found on the Council's website at tameside.moderngov.co.uk/ieListMeetings.

2. Delegation

Tameside MBC delegates its function in relation to maintaining the GMPF to the following:

- Pension Fund Management Panel
- Pension Fund Advisory Panel
- Pension Fund Working Groups
- The Director of Governance and Pensions.

3. Frequency of meetings

The Pension Fund Management Panel, the Pension Fund Advisory Panel and the Pension Fund Working Groups meet at least quarterly.

4. Pension Fund Management Panel

Terms of Reference

Carries out a similar role to that of the trustees of a pension scheme. It is the key decision maker for:

- Investment Management
- Monitoring investment activity and performance
- Overseeing administrative activities
- Guidance to officers in exercising delegated powers.

The detailed terms of reference are reviewed annually by Tameside MBC and the current detailed delegations are contained in the Tameside MBC Constitution referred to below under the heading Access to Information.

Structure

Consists of local Councillors, plus a representative of the Ministry of Justice (following selection of the Fund as the sole administering authority for the probation service's LGPS interests).

The majority of the Councillors are drawn from Tameside MBC and the other Councillors nominated by the remaining 9 local authorities within Greater Manchester acting through the Association of Greater Manchester Authorities. Currently all local authorities are represented on the Management Panel.

All members have voting rights.

5. Pension Fund Advisory Panel

Terms of Reference

To work closely with the Pension Fund Management Panel and to advise on all matters.

The detailed terms of reference are reviewed annually by Tameside MBC and the current detailed delegations are contained in the Tameside MBC Constitution referred to below under the heading Access to information.

Structure

Consists of 10 local Councillors one drawn from each of the 10 Greater Manchester local authorities, a representative of the Ministry of Justice and a minimum of 2 employee representatives nominated by the North West T.U.C. Current and long standing practice is to have 6 employee representatives.

All the elected members and employee representatives have voting rights.

6. Pension Fund Working Groups

Terms of reference

GMPF utilises Working Groups to consider in detail specific aspects of its activities and the monitoring of performance.
There are currently three Working Groups which consider particular areas of GMPF activities and make recommendations to the Pension Fund Management and Advisory Panels. The GMPF activities covered by the working groups are:

- Policy and Development
- Investment Monitoring and ESG
- Administration, Employer Funding and Viability

Structure

Membership of the Working Groups is drawn from the members of the Management and Advisory Panels.
Each Working Group is chaired by a Tameside MBC Councillor.

7. Director of Governance and Pensions

Terms of reference

- Responsible for implementing the decisions of the Pension Fund Management Panel and for the day-to-day management of the affairs of the GMPF;
- The Director of Pensions is the administrator to GMPF and acts as the link for members, advisers and investment managers between meetings; and
- The delegated powers of the Executive Director of Pensions are reviewed annually and the current powers are contained in the Tameside MBC Constitution referred to below under the heading Access to information.

In addition GMPF also has the following governance arrangements in place.

8. External advisers

Four external advisers assist the Pension Fund Advisory Panel in particular regarding investment related issues.

9. Internal control

Tameside MBC provide internal audit arrangements to GMPF both as a tool of management and with direct reporting to the relevant Working Group, Panel and the Local Board.

10. External review

Tameside MBC including the GMPF is subject to external audit. The external auditors are appointed by Public Sector Audit Appointments Ltd (formerly the Audit Commission). This helps ensure that public funds are properly safeguarded and accounted for and are used economically, efficiently and effectively in accordance with the statutory and regulatory requirements. An audit opinion is given separately on the Fund's Annual Report and Accounts.

11. Annual Report and Accounts, Annual Employer Update Meeting and Bi Annual Pensioner Forum

Annually a Report and Accounts is produced for approval by the Pension Fund Management Panel at its meeting in July each year. The report currently includes the following sections:

- Chair's Introduction
- Management Structure
- Investment Report
- Statement of Accounts
- Scheme Administration
- Actuarial Statement and Employer Contributions
- Scheme at a glance.

The Policy Statement comprising:

- Funding Strategy
- Investment Strategy Statement
- Governance Policy
- Governance Compliance Statement
- Core Belief Statement
- Communications Policy
- Pensions Administration Strategy.

The Annual Report and Accounts is published on GMPF's website.

An annual employer update meeting, to which all employers are invited, is held within seven months of the year end, usually July.

12. GMPF Local Board

The GMPF Local Pension Board has been established to assist the Management Panel. In particular to assist:

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

13. Risk management

Risk awareness is embedded into the performance management process. Risk Management will continue to feature in the training planned for all GMPF managers. Working Groups, Panel and the Local Board consider risk management issues.

14. Communication with employers

Meetings are held with GMPF employers at which administrative matters are discussed and updates provided on funding, investment matters and other key issues. Training events are also provided for employers and support is also provided by the Pensions Office.

15. Access to information

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

The Tameside MBC Constitution can be accessed via the website at www.tameside.gov.uk

The Constitution contains GMPF's Terms of Reference and Scheme of Delegation.

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

Governance Policy

2014 to date

July 2020

Governance Compliance Statement

2017 to date

GMPF Governance Compliance Statement

Principle A - Structure

	Fully compliant
(a) The management of the administration of benefits and strategic management of fund assets clearly rests within the main committee established by the appointing council.	✔
(b) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Partial
(c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	✔
(d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	✔

Principal A(b) – Structure

Reason for non-compliance:

In addition to the 10 local authorities within the Greater Manchester area the GMPF also has in excess of 550 non-local authority employers whose activities are diverse. It is considered impractical for each, or groups of the non-local authority organisations to be separately represented on the GMPF committee.

To compensate for the lack of direct participation, GMPF holds an Employer update meeting to which all employers are invited and they have the opportunity to ask questions, and to raise any issues regarding administrative, investment and funding matters.

Meetings can also be held with individual or groups of employers as required.

At the Advisory Panel, there are six representatives of Scheme Members appointed by the North West TUC. These representatives also participate in GMPF's Working Groups.

Additionally, non local authority employers and scheme members are represented on the Pension Board. All members of the Pension Board are invited to attend as observers at all decision making committees to ensure adequate oversight, scrutiny and challenge through the Pension Board.

Principle B - Representation

	Fully compliant
(a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: (i) employing authorities (including non-scheme employers, eg, admitted bodies); (ii) scheme members (including deferred and pensioner scheme members; (iii) where appropriate, independent professional observers; and (iv) expert advisors (on an ad-hoc basis).	Partial ✓ Partial ✓
(b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.	✓

Principal B – Representation

Reason for non-compliance:

Principle B(a)(i) – see explanation provided previously at Principle A(b).

Principle B(a)(ii)&(iii) – GMPF considers that the roles envisaged by MHCLG for an independent professional observer are already adequately catered for within GMPF's current governance arrangements through the participation in the Advisory Panel of four expert external advisors from diverse professional backgrounds and the invitation and right of all Pension Board members who include non-scheme employers and pensioner representatives to attend all meetings to ensure adequate oversight, scrutiny and challenge through the Pension Board.

Principle C - Selection and role of lay members

	Fully compliant
(a) That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	✓
(b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	✓
(c) Induction training is provided to new members. All members participate in mandatory training sessions and support is also provided for voluntary additional training. The induction of new members includes a copy of the Annual Report, that sets out the Management Arrangements and a summary of the responsibilities of the Management and Advisory Panels.	✓

Principle D - Voting

	Fully compliant
(a)The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees. All members of the Management and Advisory Panels have voting rights.	✓

Principle E - Training/facility/time/expenses

	Fully compliant
(a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	✓
(b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	✓
(c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	✓

Principle F - Meetings (frequency/quorum)

	Fully compliant
(a) That an administering authority's main committee or committees meet at least quarterly.	✓
(b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	✓
(c) That an administering authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	✓

Principle G - Access

	Fully compliant
(a) That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	✓

Principle H - Scope

	Fully compliant
(a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	✓

Principle I - Publicity

	Fully compliant
(a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	✓

gmpf

Governance Compliance Statement

2017 to date

July 2020

Core Belief Statement

2018 to date

Core Belief Statement

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

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

The objective of the Statement is to set out GMPF's key investment beliefs. Strategic decisions are taken in the context of the relevant GMPF objectives. These beliefs will form the foundation of discussions, and assist decisions, regarding the structure of GMPF, strategic asset allocation and the selection of investment managers.

1. Investment governance

1.1 GMPF has the necessary skills, expertise, diversity and resources to internally manage some assets, such as infrastructure, private equity, local investments and cash.

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

1.3 GMPF has a governance structure that enables it to implement tactical views readily, but acknowledges that market timing is very difficult.

1.4 There can be benefits from collaboration with other like minded pension funds.

2. Long term approach

2.1 The strength of the employers' covenant allows a longer term deficit recovery period and for GMPF to take a long term view of investment strategy.

2.2 The most important aspect of risk is not the volatility of returns but the risk of absolute loss and of not meeting the objective of facilitating low, stable contribution rates for employers and taxpayers alike.

2.3 Illiquidity and volatility are shorter term risks which offer potential sources of additional compensation to the long term investor. Moreover, it is important to avoid being a forced seller in short term markets.

2.4 Participation in economic growth is a major source of long term equity return.

2.5 Over the long term, equities are expected to outperform other liquid assets, particularly government bonds.

2.6 Well governed companies that manage their business in a responsible and sustainable manner will produce higher returns over the long term.

3. Appropriate investments

3.1 Allocations to asset classes other than equities and government bonds (eg corporate bonds, private equity and property) offer GMPF other forms of risk premia (eg additional solvency risk/illiquidity risk).

3.2 Diversification across asset classes and asset types will tend to reduce the volatility of the overall GMPF return.

3.3 In general, allocations to bonds are made to achieve additional diversification. However, for a number of those scheme employers with mature liabilities, a bond allocation may have other benefits such as liability hedging.

4. Management strategies

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

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

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

4.4 The fees paid to active managers should be aligned to the interests of GMPF rather than performance of the market, thereby ensuring the delivery of value for money to GMPF.

4.5 Active management performance should be monitored over multi-year rolling cycles and assessed to confirm that the original investment process on appointment is being delivered and that continued appointment is appropriate.

4.6 Employing a range of management styles can reduce the volatility of GMPF's overall returns but can also reduce overall outperformance.

Core Belief Statement

2018 to date

Investment Strategy Statement

Version 1.3

Investment Strategy Statement

1. Background

1.1 This Statement has been prepared in accordance with the Local Government Pension Scheme (LGPS) (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. Greater Manchester Pension Fund (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 Metropolitan Borough Council (TMBC) became the administering authority of GMPF in 1987 after the abolition of the Greater Manchester County Council in 1986. GMPF covers all ten councils of Greater Manchester, the National Probation Service and numerous other smaller employers.

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

2. Organisation and management arrangements of GMPF

2.1 The investment powers of TMBC under the Scheme are given in the Regulations. Amongst other matters, the Regulations require TMBC to have regard to both the suitability and diversification of its investments and to take proper advice in making decisions regarding the investment matters of GMPF.

2.2 TMBC has delegated all its functions as administering authority of GMPF to the Pension Fund Management Panel (the Management Panel or the Panel) which routinely meets on a quarterly basis and whose Terms of Reference are detailed in TMBC's Constitution. Amongst other matters, the Panel decides on the investment policy most suitable to meet the liabilities under the Scheme and has ultimate responsibility for the investment strategy.

2.3 The Management Panel has in turn appointed a Pension Fund Advisory Panel and external professional advisors and has dedicated internal officers of GMPF to advise it on the exercise of its delegated powers. There are also a number of Working Groups which report quarterly to the Panel on specialist matters.

2.4 The Director of Pensions exercises certain delegated powers as specified in the Constitution and provides the link between the Panel, the external professional advisors and GMPF's investment managers. Each year a GMPF business plan is submitted by the Director of Pensions to the Management Panel for consideration.

2.5 A primary objective of TMBC is to maintain a low and stable employer contribution rate. This is to be achieved by attempting to maximise the long term investment return whilst not exceeding an acceptable degree of risk.

2.6 The assets of GMPF are separated into two distinct parts – a Main Fund and a Designated Fund. This separation has been made in order to reflect a major difference in liability profiles between most of the employers of GMPF and that of a small number of other employers of GMPF.

2.7 Having taken appropriate advice, the Management Panel has decided that a bespoke benchmark, which is biased towards equity is a suitable investment benchmark for the management of the Main Fund. Detail on the Main Fund's bespoke benchmark is included in GMPF's Annual Report and Accounts. This benchmark will be reviewed annually and when appropriate in response to significant changes in the investment environment. The Designated Fund has a bespoke benchmark which is heavily orientated towards UK index linked stock.

2.8 The Management Panel has delegated the management of the majority of the Main Fund's securities portfolio, and the management of the Main Fund's direct property portfolio, to regulated, external, professional investment managers whose activities are defined and constrained by detailed Investment Management Agreements. The remainder of the Main Fund (including private equity, private debt, infrastructure, local investments, elements of the Special Opportunities Portfolio and UK cash), together with a proportion of the Designated Fund, is managed internally by officers of GMPF. The Treasury Management of UK cash is undertaken by officers of TMBC.

2.9 The Main Fund is largely actively managed but has a significant element, which is passively managed on a pooled basis. One of the appointed external securities managers has been given: an active multi-asset (ex-property) discretionary benchmark reflecting its perceived skills and the relative efficiency of markets. Separately, this Manager, as replicator for GMPF's Factor Based Investment portfolio has been given a single broad equity market benchmark. This is a specialist mandate to replicate a Factor Based Investment portfolio (determined via a specific customised non-market capitalisation index) that provides diversified multi-factor exposure, coupled with reduced carbon intensity and other important risk control design features. The second appointed external securities manager has a single broad equity market benchmark reflecting its specialist mandate. The third appointed external securities manager has an absolute return benchmark reflecting its specialist multi-asset credit mandate. These individual benchmarks are detailed in the Investment Management Agreements and have been chosen to be consistent with the overall bespoke benchmark determined for the Main Fund.

2.10 For the discretionary active mandates, 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. The specialist Factor Based Investment portfolio is expected to outperform its broad (market capitalisation) equity benchmark over the medium to long term. GMPF anticipates that in two years out of three the external active multi-asset securities manager's annual performance will be within 4.5% of the annual performance of its individual benchmark. The equivalent range for the specialist global equity securities manager is +/- 7%, +/- 6% for the specialist multi-asset credit securities manager and +/- 2.5% for the Factor Based Investment portfolio.

2.11 The fees of one of the external active securities managers consist of two elements: an ad-valorem base fee together with a performance element which is capped at a prudent level of outperformance. The fees for the two remaining external active securities managers consist of a fixed base fee with no performance element. The fees of the Main Fund's external passive securities manager and the Factor Based Investment portfolio consists of an ad-valorem base fee with no performance element. The fees of the external property manager comprise of a combination of a fixed and ad-valorem base fee with no performance element.

2.12 The Designated Fund is predominantly passively managed.

2.13 The investment returns of the Main Fund, its underlying component portfolios and the Designated Fund are calculated quarterly by an external, third party professional performance measurement company appointed directly by TMBC.

2.14 The Management Panel monitors the performance of the appointed external investments managers at each of its quarterly meetings. The performance of the specialist portfolios managed internally by officers of GMPF is monitored annually by the Policy and Development Working Group.

3. The types of investments to be held

3.1 The Regulations require TMBC to set out the maximum percentage of the total value of all investments of GMPF money that it will invest in particular investments or classes of investment. These maximum percentage limits are set out in an Appendix to this Statement and are applicable only at the time the investment is made. Depending on market conditions, the allocations to specific investments or classes of investment may stray outside the maximum percentage limits before adjustments are made to rectify the situation. The Regulations also require that not more than 5% of the total value of all investments of GMPF money be invested in entities which are connected with the authority, within the meaning of section 212 of the Local Government and Public Involvement in Health Act 2007.

3.2 In addition to the Regulations, TMBC has decided to further restrict the types of investment which the appointed external securities managers may hold and to restrict the type and extent of investment activity which they are permitted to undertake. These further detailed restrictions are extensive and are documented in a Schedule to each of the Investment Management Agreements.

3.3 GMPF assets currently include a UK and overseas spread of equity, fixed interest bonds (including those issued by Governments, companies and other entities), other debt securities (eg bank loans and securitised debt), index linked bonds, private equity, private debt, infrastructure and property. The Main Fund's external active multi-asset securities manager is permitted limited use of certain derivatives. The Main Fund's active specialist multi-asset credit manager is permitted use of certain derivatives for hedging, duration and currency management, asset allocation and security selection. The limited use of certain derivatives is permitted in the Factor Based Investment portfolio in order to maintain the desired level of (equity market) risk exposure. 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 TMBC to have regard to the diversification of its investments.

4.2 The overall bespoke benchmark of the Main Fund comprises a mix of different assets which is sufficient to provide adequate diversification for the Main Fund. GMPF's Annual Report and Accounts contains more detail on the overall Main Fund benchmark.

4.3 The strategic balance of investments takes account of the risk/return characteristics of each asset class and in particular the potential for enhanced long term returns from equity and the higher level of short term volatility associated with that asset class. In this context, risk in relation to any asset class is considered 'in the round' rather than being analysed into the specific components of risk (eg liquidity, foreign exchange, interest rate sensitivity etc). Allowance is also made for the benefits of diversification across the asset class mix within the Main Fund. The overall bespoke benchmark provides a reasonable long term balance appropriate to the liabilities relevant to the Main Fund and its funding position.

4.4 For the Main Fund, tactical asset allocation is delegated to the appointed external multi-asset securities manager who must operate within asset class and country restrictions which are documented in a Schedule to the Investment Management Agreement.

4.5 The bespoke benchmark of the Designated Fund has also been specifically chosen in the context of the relevant liabilities and funding position.

5. Risk: measurement and management

5.1 The Management Panel recognises that risk is inherent in any investment activity. The overall approach is to seek to reduce risk to a minimum where it is possible to do so without compromising returns (eg in operational matters), and to limit risk to prudently acceptable levels otherwise (eg in investment matters).

5.2 Operational risk is minimised by:

- having custody of GMPF's financial assets provided by a regulated, external, third party, professional custodian appointed directly by TMBC with control and liability issues thoroughly addressed in a Global Custody Agreement;

- having the deeds of direct property investments held securely by GMPF's Legal Section;
- documenting control and liability issues relating to the relationships with the appointed external investment managers in the Investment Management Agreements;
- having an external, third party, accounting provider independently maintain complete accounting records relating to the investment activity of the appointed external securities managers and to the entitlements (eg income) arising from GMPF's securities portfolios;
- officers of TMBC Internal Audit and of GMPF's Investments Group receiving reports on and reviewing the internal operating procedures of the appointed external custodian/accounting provider and securities managers; 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 Fund activity and performance.

5.4 Some risks lend themselves to being measured (eg using such concepts as 'Active Risk' and such techniques as 'Asset Liability Modelling') and where this is the case, GMPF employs the relevant approach to measurement. GMPF reviews new approaches to measurement as these continue to be developed.

6. The expected return on investments

6.1 There is a broad expectation that in the longer term the return on equity will be greater than on other assets.

6.2 The overall Main Fund return is expected to be broadly in line with the overall bespoke benchmark. Over the last 20 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. Over the coming years, pension payments are expected to significantly exceed employer and employee contributions each year. During this period, investment income is anticipated to comfortably generate receipts per year in excess of the expected shortfall to GMPF. Thus, it is not expected that there will be any material need to realise investments in the near future other than to seek higher returns.

7.2 The vast majority of GMPF's assets are readily marketable. However, some investments, such as property, and more so private market assets, are less easy to realise in a timely manner. Such relative illiquidity is not considered to have any significant adverse consequences for GMPF. Officers of GMPF will continue to investigate and assess options for dealing with the deteriorating cash flow position of GMPF.

7.3 TMBC 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 TMBC signed a memorandum of understanding with the administering authorities of the Merseyside Pension Fund and the West Yorkshire Pension Fund to create the Northern LGPS in order to meet the criteria for pooling investments released by Government on 25 November 2015. [Formally, this is achieved through the mechanism of a joint committee established under sections 101 and 102 of the Local Government Act 1972.]

8.2 The three funds submitted a pooling proposal to Government in July 2016 and DCLG (now MHCLG) provided its confirmation in January 2017 that it was content for the funds to proceed with the formation of the Pool as set out in the July 2016 proposal.

8.3 Following the issue of the LGPS (Management and Investment of Funds) Regulations 2016, the plans for the Northern LGPS evolved from the July 2016 proposal.

8.4 The vast majority of the benefits of pooling for the funds in the Northern LGPS are in respect of alternative assets where there is greatest scope to generate further economies of scale and to combine resources to make increasingly direct investments. Following detailed discussions and consideration of professional advice, it was agreed in March 2017 by each of the participating funds that in order to meet the Reduced Costs and Excellent Value for Money criteria set by Government most effectively, the Northern LGPS should focus resource on making collective investments in alternative assets such as private equity and direct infrastructure. The private equity and direct infrastructure investments would initially be made via joint ventures and partnerships to enable pooled investments to be made and start generating material cost savings from an early stage. Such structures would in all cases be compliant with relevant financial services law.

8.5 The Scale and Strong Governance and Decision Making criteria are met by:

i. the joint committee providing monitoring and oversight of the operations of the Northern LGPS with the Joint Committee constituted so as to separate elected members from any manager selection decisions and;

ii. appointing a FCA regulated common custodian for the Pool, which has custody of all the pool's actively managed listed assets (ie internally and externally managed equities and bonds) and act as master record keeper for all pool assets.

8.6 As at 31 March 2015, the total value of assets across the three participating funds was £35.4 billion which is in excess of the £25 billion criterion set by Government. The combined asset value of the Northern LGPS is expected to remain (significantly) above £25 billion over the foreseeable future. Strategic asset allocation will continue to be set by each fund's pension committee with the selection of individual investments and investment managers for external mandates carried out on a pooled basis by appropriately qualified and experienced officers, operating under the legal framework of specialist investment vehicles where appropriate.

8.7 All public-market assets and new commitments to private equity and direct infrastructure will be monitored and overseen by the Northern LGPS Joint Committee with all assets other than day to day cash used for scheme administration purposes being held under the common custody agreement. Day to day cash is assumed to be 1% of total assets for each fund.

8.8 In accordance with the 2015 pooling criteria and guidance, legacy private market assets (ie those entered into prior to the formation of the Pool) will be run-off on a segregated basis.

8.9 At 31 March 2019, externally managed public-market assets, direct infrastructure and private equity commitments made via the Pool made up 80% of GMPF's total assets. Over time, as private equity commitments continue to be made via the Pool and legacy private-market assets run off it is expected that approximately 90% of GMPF assets will be invested via the Pool structure set out above.

8.10 It is intended that the Northern LGPS will procure the following services as required on behalf of the participating funds:

- External fund management for certain public-market mandates.
- Common custodian for Pool.
- Investment management systems.
- Performance analytics.
- Responsible Investment advisory services.
- Other professional advice.

8.11 The Northern LGPS Joint Committee is created via the approval of an inter-authority agreement between the administering authorities to the participating funds. The role of the Joint Committee is to:

i. provide monitoring and oversight of the Northern LGPS to ensure that the pool is effectively implementing the participating authorities' strategic asset allocation decisions

ii. to oversee reporting to the participating authorities' pension committees

iii. act as a forum for the participating authorities to express the views of their pension committees

iv. ensure segregation of duties in investment decision making between elected members and officers

v. monitor performance of portfolios

vi. monitor the appointment of investment managers.

8.12 Reporting processes of the Northern LGPS include regular written reports on the performance of Northern LGPS investments to the Joint Committee, which are discussed at formal meetings. The Joint Committee will not be undertaking any regulated activities.

8.13 The Northern LGPS governing documentation grants the Joint Committee and each administering authority certain powers regarding the operation of the Northern LGPS, which can be used to ensure the effective performance of Northern LGPS. GMPF's approach to pooling set out above will be reviewed periodically going forwards to ensure this continues to demonstrate value for money, particularly following any changes to funds' strategic asset allocations, pool management arrangements or taxation policy in the UK or internationally. The reviews will take place no less than every three years.

8.14 A report on the progress of asset transfers will be made to the Scheme Advisory Board on at least an annual basis.

9. Socially responsible investment

9.1 GMPF holds a general policy of not interfering in the day to day investment decisions of its investment managers. However, GMPF may choose to actively invest in or disinvest from companies for social, ethical or environmental reasons, so long as that does not risk material financial detriment to GMPF.

9.2 As a responsible investor, GMPF wishes to promote corporate social responsibility, good practice and improved company performance amongst all companies in which it invests.

9.3 GMPF endeavours to be a socially responsible investor wherever possible but does so within the duties placed upon it under statute and under general trust law principles to manage the Scheme in the best financial interests of the Scheme members and beneficiaries.

9.4 GMPF's approach to responsible investment activities is set out in its Responsible Investment Policy. Consequently, from time to time GMPF will pursue certain specific issues direct with investee companies, either individually or, more usually, collectively with other institutional investors via its membership of the 'Local Authority Pension Fund Forum' (LAPFF), its membership of the 'Institutional Investors Group on Climate Change' (IIGCC), as a signatory to the 'UN Principles for Responsible Investment' or by means of other ad hoc groupings.

9.5 The climate emergency is an urgent, financially material social, economic and environmental risk. The Panel recognise that climate-related risks and opportunities will be financially material to the performance of the investment portfolio and will become ever more so over the expected lifetime of GMPF. As such, the Panel will consider climate change issues across GMPF and specifically in areas such as Strategic Asset Allocation, Investment Strategy and Risk Management with the aim of minimising adverse financial impacts and maximising the opportunities for long term economic returns on GMPF's assets.

9.6 GMPF's long term goal is for 100% of assets to be compatible with the net zero emissions ambition by c2050 in line with the Paris Agreement. The decarbonisation goal will be regularly evaluated in line with the latest science and climate risk assessment and GMPF's objective of maintaining long term financial performance. GMPF will continue to measure and report its carbon footprint and will seek to utilise the latest methodologies to ensure accuracy and relevance. GMPF reports annually in line with the recommendations of the Taskforce for Climate Related Financial Disclosures.

9.7 GMPF, via its membership in the Northern LGPS is a signatory to the Paris Aligned Investment Initiative's Net Zero Asset Owner Commitment. GMPF will draw on the IIGCC's Net Zero Investment Framework to reach its decarbonisation goal. This includes the setting of interim targets which GMPF is currently developing and will publish in due course.

9.8 GMPF has undertaken a number of initiatives to enhance its approach to managing this risk. Company engagement is a key element of GMPF's approach to climate change. GMPF wishes to promote and encourage compliance with its own UK Environmental Investment Code. GMPF's appointed external securities managers are encouraged to operate a policy of constructive shareholder engagement with companies. GMPF is a signatory of the UK Stewardship Code.

9.9 By joining forces with over 80 other LGPS funds within LAPFF, GMPF collectively has a very powerful voice in challenging companies to disclose their business models, and the assumptions that underpin their investment decisions, leading to greater capital discipline. This could have the dual success of enhancing shareholder value, whilst also reducing greenhouse gas emissions.

9.10 GMPF is a signatory to the Carbon Disclosure Project (CDP) which seeks information from major corporations worldwide on their Greenhouse Gas Emissions. GMPF is also a signatory to Climate Action 100+ whose aim is to work with companies to ensure that they are minimising and disclosing the risks and maximising the opportunities presented by climate change.

9.11 GMPF is a member of the Institutional Investors Group on Climate Change (IIGCC) which is a forum for collaboration on climate change for European investors. The IIGCC seeks to promote a better understanding of the implications of climate change amongst its members and other institutional investors, and to encourage companies and markets in which its members invest to address any material risks and opportunities to their businesses associated with climate change and a shift to a lower carbon economy.

9.12 GMPF actively invests in low carbon and renewable energy technology and will seek to increase the scale of investment in this sector where suitable opportunities arise, in order to encourage a move toward a lower carbon economy. Within the strategic asset allocation to infrastructure, a key strategy is investments in low carbon and renewable energy opportunities.

9.13 GMPF supports the Investing in a Just Transition initiative which focuses on delivering a transition to a low carbon economy while supporting an inclusive economy with a particular focus on workers and communities across the UK. GMPF understands this needs to be done in a sustainable way that safeguards against communities being left behind during this transition.

9.14 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.

9.15 GMPF is able to exercise its responsibilities on wider ESG (Environmental, Social and Governance) issues through its membership of organisations such as the 30% Club, Workforce Disclosure Initiative and the Make My Money Matter initiative. GMPF reports annually on its responsible investment activity through the UN Principles for Responsible Investment's reporting framework and uses this framework as a basis to report on its responsible investment activity quarterly to GMPF's Management Panel which is publicly available.

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 TMBC to the investment managers of GMPF as part of their normal investment responsibilities.

10.2 GMPF retains maximum possible authority to exercise the voting rights attached to its investments to promote and support good corporate governance principles. The importance of accountability to beneficiaries is fundamental to GMPF's approach. Therefore, GMPF makes publicly available its voting record. In the case of the GMPF's own voting decisions, it pre-discloses votes on all companies. GMPF will report on its voting activity as part of its Annual Report.

10.3 GMPF implements its voting policy in partnership with a specialist advisor (currently PIRC Ltd) who provides appropriate research and vote execution services that cover the major markets in which shares with voting rights are held.

10.4 GMPF votes in line with the recommendations of its advisor, having judged that the advisor's voting guidelines promote high standards of corporate governance and responsibility and enable GMPF to exert a positive influence as shareholders concerned with value and values.

10.5 The appointed external passive securities manager votes in respect of GMPF at every opportunity in the UK and in respect of companies in the vast majority of overseas markets except where practicalities are a significant obstacle.

10.6 In casting votes in respect of GMPF in the UK, the appointed external passive securities manager normally implements its own Voting Policy. However, the passive securities manager will vote in respect of GMPF according to GMPF's instructions on a case by case basis should GMPF so require.

11. Stocklending

11.1 GMPF itself has participated in a prudently structured Stocklending program via its Custodian since March 2003. However, GMPF suspended its Stocklending program between September 2008 and May 2011 in the wake of the 2008 financial crisis.

11.2 GMPF does not lend UK and US Equities and does not take Cash as collateral. The maximum volumes of stock 'on loan' are set at a prudent level. All loans must be pre-collateralised and be subject to recall upon demand.

11.3 Certain pooled vehicles within which GMPF invests may undertake an amount of Stocklending on behalf of the pooled vehicle investors. Where this occurs, the extent of the activity is disclosed by the pooled vehicle. GMPF considers this aspect of the pooled vehicle when making investment decisions.

APPENDIX TO INVESTMENT STRATEGY STATEMENT
TABLE OF LIMITS ON INVESTMENTS

MAIN FUND	
Asset class	Limit (%)
Total Equities	30 – 85
UK Equities	5 – 20
Overseas Equities	10 – 50
Global Equities	2 – 25
Total Bonds	10 – 50
Government Fixed Interest Bonds	1 – 12
Corporate Bonds	2 – 17
Government Index Linked Bonds	1 – 12
Multi-Asset Credit	2 – 10
Total Alternatives	5 – 45
Private Equity	0 – 10
Private Debt	0 – 7
Infrastructure	0 – 15
Special Opportunities	0 – 7
Local Investments	0 – 7
Property	3 – 15
Total Cash	0 – 10

DESIGNATED FUND	
Asset class	Limit (%)
Equities	0 – 100
Government Fixed Interest Bonds	0 – 100
Corporate Bonds	0 – 100
Government Index Linked Bonds	0 – 100
Other Liability Matching Assets*	0 – 100
Cash	0 – 100

*Other Liability Matching Assets include exposure to derivative instruments (eg interest rate and inflation swaps) used for liability matching purposes and are currently accessed via pooled funds.

There are a small number of employers whose liability profiles are significantly different from most of GMPF's employers. Investments in the Designated Fund reflect the specific liability profiles of these employers. The assets held in the Designated Fund have been specifically chosen in the context of the relevant liabilities and funding position. Given the nature and size of the Designated Fund, it is not considered appropriate to restrict the limits on Asset Classes. The proportion of assets within each asset class will change over time as GMPF develops its framework to meet the diverse needs of its employers.

Investment Strategy Statement

Responsible Investment Policy

2021

GMPF Responsible Investment Policy Introduction

The combined assets of GMPF now stand at over £27bn. These assets are invested to fund the retirements of hundreds of thousands of beneficiaries who live both within Greater Manchester and beyond. GMPF will always act in accordance the interests of those beneficiaries and we want our Responsible Investment activities to make a positive contribution to our region.

Environmental, social and governance (ESG) issues are important to GMPF for a number of reasons. ESG factors can be financially material and, as such, should be part of the assessment and monitoring of investments in all asset classes. Achieving sustainable, long-term financial returns underpins the ability to pay pensions. A focus on ESG issues helps reduce risks to GMPF and its beneficiaries. These risks might be financial, such as the underperformance or failure of an investee company, or reputational, resulting from poor corporate behaviour.

In addition, our beneficiaries live in a society that is affected by the behaviour of investee companies. Therefore, we expect high standards from those businesses. Consistent with GMPF's fiduciary duty to our beneficiaries we will ensure that the businesses in which we invest are both financially and environmentally sustainable, have high standards of governance and are responsible employers. As far as possible GMPF will seek to invest in a way that is financially and socially beneficial for Greater Manchester.

1. About the Greater Manchester Pension Fund Responsible Investment policy

This policy set outs GMPF's approach to Responsible Investment activities. It provides an overview of themes that will form part of those activities in addition to information on how this policy is implemented and our commitments to reporting and accountability.

Our approach to responsible investment has been informed by a number of important initiatives. GMPF fully supports the aims and objectives of the Stewardship Code and we are signatories of the Code. We are also signatories of the Principles for Responsible Investment (PRI) and as such we aspire to harmonise the six responsible investment principles with how we implement our investment beliefs.

We have also considered guidance from the Law Commission, Department of Work and Pensions and Ministry of Housing, Communities and Local Government in developing this policy.

We consider our approach to Responsible Investment to be rooted in financial materiality and risk management. It will also be informed by our understanding of our beneficiaries' views, and by reference to international standards such as the UN Sustainable Development Goals, the UN guiding principles on business and human rights and IIGCC's Net Zero Investment Framework. Therefore, we have expectations of investee businesses that encompass more than financial considerations alone.

GMPF will seek to apply the RI policy to all asset classes over time. The policy applies to both internally and externally managed assets.

By tilting RI activity toward portfolio companies generating value out of the North of England, GMPF will be in a position to maximise the positive impact good corporate practice can have on the communities and beneficiaries residing in the region. Our industrial heritage underpins our activity on many of the issues facing the North in the 21st Century. A transition to a net-zero economy that does not come at the expense of the region's workforce is a priority, and GMPF will continue to leverage its assets under management to this end.

GMPF has appointed PIRC as its Responsible Investment adviser, to assist in the development and implementation of the RI policy.

2. ESG themes

Over time the GMPF will publish policy positions on specific ESG issues in order to provide greater clarity about our expectations to both investee businesses and other stakeholders. Below we set out ESG themes that will be important areas of focus for our Responsible Investment activities, and our core positions in each area.

Climate change

GMPF considers climate change risk as financially material to the long-term performance of investments. We integrate climate change considerations into our overall investment strategy, with the aim of minimising adverse financial impacts and maximising opportunities for long-term economic returns in all asset classes.

GMPF's long-term goal is for 100% of assets to be compatible with the net zero-emissions ambition by c.2050 in line with the Paris agreement. This decarbonisation goal will be regularly evaluated in line with our objective of maintaining long-term financial performance. As part of the Northern LGPS's Net Zero Asset Owner commitment, GMPF is working with its pooling partners in developing interim decarbonisation objectives and targets.
In implementing our approach, GMPF:

- takes financially material climate change considerations into account as an integral part of its investment strategy and asset allocation;
- reviews a variety of research and analytical materials to encourage the use of scenario analysis to provide estimations of relative performances of asset classes and sectors under different scenarios which will be used where possible in asset allocation decisions;
- monitors and provides feedback to external investment managers in relation to incorporation of climate risk in the investment process;
- engages with companies in order to align their business practices and policies with a low carbon economy;
- liaises with company boards in improving the governance, management and disclosure on climate risk;
- takes company approaches to climate risk and responsiveness to engagement into account in proxy voting;
- supports the filing of relevant climate related shareholder resolutions;
- interacts with policy makers and regulators on investment implications of climate change;
- collaborates with other investors and participates in investor initiatives to leverage outcomes of company and policy engagement;
- and will report on policy objectives and activities regularly.

GMPF will also align reporting with the recommendations of the Task Force on Climate-Related Financial Disclosures within its annual reports.

GMPF actively supports the objectives of a Just Transition to a low-carbon economy, and will actively engage with the social aspects of responding to climate change. We consider this fits well with our objective of seeking to ensure a regional dimension to our RI activities.

Environmental issues

GMPF considers multiple other environmental factors as financially material to long-term performance of investments. These include but not limited to; deforestation, water scarcity, loss of biodiversity, sustainable agriculture, pollution and plastics. Whilst recognising significant overlap between these issues, and the correlation with climate change, GMPF considers each independently as part of its stewardship activities.

Deforestation, loss of biodiversity and sustainable agriculture

The conversion from arboreal and tree-clad areas to land used for agriculture and pasture are primary drivers of deforestation globally. Key commodities such as soy and beef in south America and palm oil in southeast Asia continue to drive deforestation and with it the loss of biodiversity. Land cleared in this way also significantly reduces the capacity to store carbon and can contribute, in a material way, to climate change. The IPCC Special Report on Climate Change and Land (2019) identifies that 23% of GHG emissions globally stem from the use of land, with commodity-driven tropical deforestation alone accounting for 5% of total emissions.

GMPF recognises the transition risks connected with companies failing to address supply chainwide deforestation, including changes in regulation, consumer trends and damage to brand equity as the shift to a low carbon economy takes pace. GMPF also recognises the potential physical risks to companies that fail to eliminate deforestation from the supply chain. These include crop and livestock productivity, and ultimately, profitability.

Sustainable Development Goal 15 focuses on protecting, restoring and promoting sustainable use of ecosystems, managing forests in a sustainable way, and reversing land degradation and biodiversity loss. Through its stewardship activity, GMPF is committed to supporting the SDGs, including goal 15, and will work towards the removal of unsustainable deforestation from the companies in which it invests.

GMPF actively encourages investee companies to adopt effective deforestation policies and practices. GMPF expects portfolio companies to be able to maintain robust procurement processes that enable good visibility and traceability of the relevant supply chains. Companies should also set science-based GHG reduction targets which include segregated disclosure of emissions arising from land use change across the value chain. These targets should comply with the requirements of industry standards and align with the recommendations of the Taskforce on Climate-Related Financial Disclosure. GMPF also expects companies to be able to demonstrate expertise on land use change issues at the board level.

Water Stewardship

The supply and availability of fresh water underpins virtually every transaction on earth, financial or otherwise. As the global demand for fresh and dependable sources of water increases, driven largely by population growth, preserving the supply of reliable freshwater becomes ever more challenging.

There are significant physical and transitional risks facing companies in future scenarios of high water stress. The World Economic Forum has consistently identified water crises as one of the top risks to economic prosperity. For water-dependent sectors, including agribusiness and mining, water stress, pollution and flooding significantly undermine continuity and productivity. With water currently priced significantly below its innate value, and potential requirements to internalise the associated costs, the risks facing companies failing to be proactive on water stewardship are material.

GMPF actively encourages investee companies to adopt effective water stewardship practices. GMPF expects portfolio companies to be able to demonstrate expertise on water issues at the board level, mitigate water risks through the adoption of effective internal water-management processes and disclose water-related business risks and impacts via disclosure platforms such as CDP Water, GRI, and SASB. For investee companies that are highly dependent or derive significant value from natural water sources, regular mapping of the operational impact on ground and surface-water resources should be undertaken. GMPF also encourages companies to align the businesses' values with internationally recognised water standards and norms such as Sustainable Development Goal 6, 'clean water and sanitation for all'.

People

GMPF puts significant emphasis on respect for human and labour rights within in its RI policy and stewardship activity. Ensuring that investee companies treat employees and other stakeholders with fairness and respect and adhere to and go beyond legal requirements is one of the most positive impacts we can have as investors.

We are also mindful of our history and our membership. The assets of GMPF represent the combined savings of generations of public sector workers, without whom the pension fund would not exist. Therefore, we have a responsibility to act in the best interests of those workers, and we actively promote decent work.

Employment standards and human capital management

We consider effective management of people is a source of both value creation and competitive advantage. We actively support initiatives to improve corporate reporting and investor understanding in relation to employment practices and human capital management.

We expect all businesses in which GMPF invests to treat their workforce with respect and to employ and reward them fairly. Companies should offer secure, direct employment where possible, and should not interfere with the right of their workforce to seek representation through a trade union. We will consider whether the actions of investee businesses are in accordance with ILO Core Conventions both in relation to their directly employed workforce and in their supply chain.

We expect companies to work with employees and their representatives to adopt stringent occupational health and safety preventative measures and reporting processes. Disclosures should include frequency, severity and lost-time due to injuries, as well as fatalities and reporting should encompass both directly and indirectly employed members of the workforce.

GMPF looks favourably on opportunities to invest in ways that aid the creation of good jobs, and have other social benefits, particularly within Greater Manchester. We will also consider the potential impact of our investments on public service provision and public sector employment practices.

Human Rights

Societal expectations of companies with regard to human rights are increasing, as are legal and regulatory obligations. As investors we consider that we have a responsibility to actively contribute to improving company practices, and that this is an area where we can have a positive impact.

Embedded within GMPF's approach to investment lies its responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights (UNGPs). These principles underpin expectations GMPF applies to all investee companies. Our assessment of company practice in relation to human rights is also informed by sources such as the Corporate Human Rights Benchmark and OECD Watch.

Stewardship activity around human rights is pursued both through our membership of the Local Authority Pension Fund Forum (LAPFF) and our own direct engagement. We also seek to participate in collaborative investor initiatives relating to human rights.

Specifically, GMPF expects portfolio companies to have effective due diligence, grievance and access to remedy policies and processes in place. We encourage companies to increase the granularity of their reporting in these areas. Our objective in encouraging greater corporate transparency is for this to drive real-world improvements in practice.

Public Health

We are mindful of the socio-economic divide in relation to health outcomes in the UK and around the world. Therefore we also seek to support initiatives for improving nutrition, ensuring healthy lives and promoting well-being in line with SDGs 2 and 3. As Greater Manchester looks to drive economic development building out of the pandemic, a focus on developing and maintaining a healthy population is essential.

There is a clear link between public health and nutrition. The food and drink companies in which we invest bear the risks associated with failing to adequately address these concerns within their business activities. GMPF recognises that in order to protect value, companies involved in the development, production and sale of food and drink should work to mitigate risks posed by government regulation and the modelled shifts in consumer demand for healthier food. We will engage with portfolio companies on the issues of health and nutrition as we consider that this has the potential to achieve both financially and socially beneficial outcomes.

Corporate governance and financial reporting

GMPF considers good corporate governance practices continue to provide protection to shareholders and to our beneficiaries. A full list of positions that GMPF takes is provided in the shareholder voting guidelines that we have adopted.

Division of responsibilities and board independence are fundamental principles of good governance. We seek separation of chair and chief executive positions and independent representation on boards in all markets. We fully support board diversity in its widest sense. Diversity is desirable not only in its own right, but also because there is evidence that diverse boards make better decisions. In addition to supporting the 30% Club and recommendations of the Parker and Hampton-Alexander Reviews[1], we actively encourage employee representation at board level. We also consider that diversity and equal pay is important throughout organisations, not simply at board level.

In relation to remuneration it is our view that executives must be appropriately rewarded for their contribution to the success of the businesses that they steward. Where performance-related reward is used this should be focused on long-term performance and take account of ESG factors. The reputational risk of overly generous pay including the comparison to average employee pay should be taken into consideration in remuneration packages. We also consider that excessive executive reward contributes to wealth and income inequality.

Beneficiaries' interests are well served by ensuring the highest standards in financial reporting and related issues. We take a robust position on audit quality and auditor independence as we view this as the first line of defence for shareholder interests. We encourage auditors not to undertake non-audit work for the same company and support mandatory rotation of the audit firm. We also advocate reform of accounting standards.

Tax

We consider certain corporate tax arrangements, whilst potentially beneficial to shareholders in the short term, can be a source of regulatory, financial and reputational risk to companies and their investors. Aggressive corporate tax avoidance may have a negative effect on public finances and by extension on public service provision. Therefore, we seek to monitor the behaviour of investee companies in respect of tax planning and challenge where necessary.

[1] https://www.gov.uk/government/publications/ethnic-diversity-of-uk-boards-the-parker-review

3. Application of the policy

Investment decisions

GMPF employs a mixture of in-house and external asset managers. Where management is undertaken in-house, ESG factors will be considered as part of the assessment process both before and after investment decisions are made. This integration applies to both equity and other asset classes.

We seek to use our influence as investors actively to address issues of concern. We recognise that our ability to act as effective stewards, and our responsibility to do so, is greater where our holdings are greater or more concentrated. Therefore, we monitor sizeable investments closely and engage where necessary. In addition, we are involved in impact investing. Whilst this is not synonymous with 'Responsible Investment' this is an area where the policy may have significant practical application.

Where external managers are appointed, we envisage analysis of their competence in relation to Responsible Investment to form part of the appointment process. Expectations in relation to incorporation of ESG factors are part of the manager agreement, and managers are monitored in relation to performance on these factors. Appointed managers are also expected to report back to GMPF on their activities.

Voting and engagement

Voting and engagement is a cornerstone of our RI activities. We take the legal right to vote seriously and exercise it in a way consistent with our publicly disclosed objectives and policy positions. How we vote is one way of providing investee companies with an indication of our views as shareholders, as well as to the wider market.

Therefore, in line with our commitment to transparency and democratic accountability, we ensure that our voting aligns with our engagement. For example, if we have informed a company we do not support a certain director, or consider the remuneration policy is inappropriate, we will not vote in favour.

GMPF retains the maximum possible authority to direct voting, rather than delegating authority to asset managers. We have dedicated voting guidelines that inform how our votes are cast. This combination of retained authority and a clear framework ensures both a consistent approach is taken across equity holdings and provides clarity to the businesses in which we invest about our expectations.

We are long-standing and active participants within LAPFF. Most engagement activity is undertaken through the Forum and representatives of GMPF frequently take part in company engagements.

GMPF, as a member of the Northern LGPS also undertakes its own engagement, either on specific companies or sectors, and we envisage that this will increase particularly in relation to major and unique investments, such as in infrastructure assets.

Where boards of investee businesses are resistant to dialogue or change, GMPF will escalate issues by, for example, voting against the re-election of the Chair of the board. Ultimately, in such cases, GMPF will consider adjusting its investments as appropriate to the risks, in accordance with its Responsible Investment policy and its fiduciary responsibilities.

Shareholder resolutions

GMPF also considers shareholder resolutions a useful tool to proactively raise issues of concern either where boards of investee businesses are resistant to dialogue or change, or to amplify the shareholder voice where engagement with boards has been positive. We have co-filed resolutions at different companies in recent years on issues ranging from climate change to employment practices.

GMPF will consider filing or co-filing resolutions in cases where engagement has not resulted in the achievement of change or as part of systemic engagement on issues such as climate change, employment standards and corporate political spending.

Collaboration and partnerships

GMPF often has a significant ownership of particular businesses or other assets and therefore can be an influential voice. There are also many instances where it is advantageous to work in collaboration with other investors and investor initiatives. In addition to participating in existing investor groups, GMPF seeks to initiate collaboration where it believes it can play a useful role.

As well as being a LAPFF member, we participate in, or are a member or signatory of, the following initiatives:

- The Stewardship Code
- The Principles for Responsible Investment
- The Institutional Investor Group on Climate Change
- Paris Aligned Investment Initiative: Net Zero Asset Owner Commitment
- The Carbon Disclosure Project
- The Transition Pathway Initiative
- the 2021 Global Investor Statement to Governments on Climate Change
- Climate Action 100+
- Say on Climate
- Pensions For Purpose
- The Workforce Disclosure Initiative
- The Human Capital Management Coalition
- Make My Money Matter

Other collaborations will be reviewed in due course, following consideration of our interests in participation.

Securities litigation

Given the focus on cost reduction, GMPF will be an active participant in securities litigation. Where there has been corporate wrongdoing that has resulted in a financial loss to GMPF as shareholders, we seek to recoup these losses where practical.

Securities Lending

Instances in which GMPF has securities on loan, rights are retained to recall shares to exercise voting rights. We monitor lending activity and maintain guidance on the recall of shares.

Public policy advocacy

We recognise that regulatory intervention is sometimes necessary to address issues such as corporate disclosure requirements and shareholder rights. Where appropriate GMPF will participate in public policy consultations and engagement. This may be through LAPFF and other collaborative investor initiatives or by GMPF or the Northern LGPS on its own.

Costs and charges

We recognise the growing interest in costs and charges incurred as part of local authorities' investment activities. GMPF supports the Transparency Code and expects all external managers to become signatories. We consider reducing unnecessary costs is part of our fiduciary duty and is one of the core objectives of GMPF. We will closely monitor all investment costs to ensure that greatest possible benefits from our investment activities are returned to members.

4. Reporting and accountability

The importance of accountability to beneficiaries is a central element of our approach. Therefore, GMPF will make its voting record, and those of asset managers that have delegated voting authority, publicly available. In the case of GMPF's own voting decisions, we will pre-disclose votes on all companies. GMPF, as a member of the Northern LGPS, will also produce a regular stewardship report on its broader activity.

In addition, we intend to hold a regular stewardship event to provide an update on activities and for there to be open discussion of current or emerging ESG themes. This will form part of GMPF's process for taking beneficiaries' views into account.

We meet quarterly to discuss the implementation of the RI policy, and as a member of Northern LGPS will undertake an annual review of activities. The RI policy will be reviewed and updated as required.

For further information on the GMPF Responsible Investment policy please contact:
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Administered by Tameside Metropolitan Borough

Responsible Investment Policy

2021

September 2021

Communication Policy

2021

Communications Policy

Introduction

The Greater Manchester Pension Fund (GMPF) is a regional pension fund administering the Local Government Pension Scheme (LGPS). It is the largest LGPS fund in England and Wales.

GMPF has a Communication and Engagement Strategy that has been developed based on the feedback we receive. The Strategy is used to drive changes to the communication work that we do. It outlines GMPF's aims and objectives when communicating and engaging with all its stakeholders.

This Communications Policy is a statement of how those aims and objectives are currently being delivered.

The LGPS Regulations require us to prepare, maintain and publish a statement setting out our policies on communications and this document has been prepared in line with these requirements. It covers our communications with:

- pension fund members
- representatives of members
- prospective pension fund members
- our employers and prospective employers.

This document will be revised and re-published whenever there is a material change to the way we communicate or engage with any of these groups.

This Communications Policy and the Communications and Engagement Strategy are available on the GMPF website.

Pension fund members

We communicate with our members in a variety of different ways.

GMPF Website and My Pension

General information about GMPF and about being a member of the LGPS is held on the GMPF website at

www.gmpf.org.uk

Members can also access information about their own pension through the My Pension area of the website. This is a secure area that allows members to see the personal details we hold about them, update information such as their death grant nomination and do their own pension estimates. It is also the area where contributing and deferred members will be able to see their annual pension statements going forward and where pensioner members can view their pension payment information.

All members who have registered for My Pension will receive e-mails to alert them to any key updates made to the GMPF website or My Pension area. News updates are also added here.

Members can send questions and queries to us using the online forms and we will respond to them by e-mail or other method as requested. The GMPF website also has a 'feedback zone' where members can leave feedback or register complaints or compliments about the service we provide. There is also a survey presented to members when they logout of My Pension, giving them the opportunity to provide feedback specifically about this online service.

All literature (such as GMPF's annual report and Guide for Members) and all statements and policies are also held on the website. Information about how to raise a formal dispute can also be found on the website. This includes contact details for the Pensions Advisory Service and the Pensions Ombudsman.

Twitter

GMPF has a Twitter account and we regularly tweet information and updates that we believe our members may be interested about. You can follow us at: @GMPF_LGPS

Google

GMPF makes use of a feature in Google where members can ask us questions and receive answers back, see our opening times, access directions to our offices, see photos and write reviews on our performance.

Helpline

We provide a helpline service for all our members to use if they need to contact us by telephone or e-mail. There are two helpline numbers for members; one for pensioner members to call being 0161 301 7100, and one for all other members to call being 0161 301 7000.

Roadshows, seminars, webinars and surgeries

Each year, GMPF arranges a programme of face-to-face events in order to meet with individuals or small groups of members. These can vary depending on the requests and many are organised in conjunction with GMPF's employers. Information about these events will therefore be provided to members by their employer or advertised on the GMPF website where appropriate.

Individual letters, telephone calls and e-mails

Whenever we are dealing with a specific request or processing a pension benefit, it is likely that we will communicate either by letter, telephone call or e-mail, depending on which is most appropriate.

What we do not do

We never cold call our members about any aspect of their pension. If a member receives an unexpected call from someone claiming to be from GMPF then we suggest that they ring our Helpline to check whether the call was genuine.

Visits to our offices

Members are welcome to visit our offices should they prefer to speak to us face-to-face. Ideally, an appointment should be made in advance to ensure someone is available. Private interview rooms are used in order to discuss matters confidentially. In addition, members can return documents or make general enquiries at our reception at any time during office hours. Confirmation of our opening hours and details of how to find us can be found on our website at www.gmpf.org.uk/contact

Special requests and paper communications

If any member requires us to provide information or communicate with them in a specific way (for example, requires letters to be in large print or on a different coloured background) then they should contact us and we can make arrangements for this.

If a member wishes to opt-out of receiving electronic communications and wishes to receive paper copies instead then we ask that they put this request in writing to us quoting their unique GMPF pension reference. This is so that we can identify the correct pension record and make the necessary arrangements.

If we are unable to communicate electronically with a member for whatever reason and we are required by law to provide information to them, then we will send that information in writing either to their home address or to their employer to forward on.

Consultations, surveys and focus groups

GMPF also conducts various consultation events, surveys and focus groups from time to time in order to obtain feedback that might help to improve the service provided to members. All relevant results or feedback is published on the GMPF website.

Representatives of members

General information about GMPF and the LGPS

All general information and literature is available to the representatives of members on the GMPF website, as detailed in the section above.

Employee representatives who are members of the GMPF Management Panel, Local Board or Working Groups

These representatives will receive information presented face-to-face at the relevant meetings, be provided with written reports for agenda items and will receive relevant training where identified or requested. News updates or alerts will also be circulated as and when required.

Prospective pension fund members

General information about GMPF and the LGPS

All general information and literature is available to prospective pension fund members on the GMPF website. Prospective members can contact us by using the 'Contact Us' option on the website.

Promoting the benefits of joining

GMPF requires all its employers to provide prospective members with a link to or copy of its 'Guide for Members'. This guide highlights the benefits and costs of joining the LGPS. It should be provided as part of an employee's letter of appointment ideally.

GMPF also requires its employers to engage with any events that promote the benefits of the LGPS to prospective members.

Consultations and surveys

GMPF also conducts various consultation events and surveys from time to time for prospective members, in order to obtain feedback that might help it to promote the LGPS to non-members.

GMPF employers

We also communicate with our employers in a variety of different ways.

GMPF Website and Employers Website

General information about GMPF and about becoming an employer in GMPF is held on the GMPF website.

In addition, employers can access a secure area of the website known as the 'Employers website'. This area holds procedure notes, training information, forms and guidance to assist employers to carry out successfully their employing authority responsibilities.

E-mail bulletins and newsletters

We issue regular bulletins to our employers to provide news, updates and reminders. We also issue newsletters and ad-hoc alerts whenever there is specific or topical information that we believe employers need to be aware of.

Helpline

We provide a helpline service for all our employers to use if they need to contact us by telephone. The number is 0161 301 7200.

Meetings, webinars, training events and surgeries

GMPF arranges a number of different face-to-face events depending on the requirements of each employer.

GMPF will arrange face-to-face meetings with all its large employers, the frequency of which may depend on the agenda to be discussed. Conference calls may also take place in order to discuss specific matters.

We also arrange training events for employers to attend. These may be large-scale events providing general training on the LGPS or smaller events or webinars to provide training on a specific area or task (such as how to provide pay and contribution returns).

GMPF will also work with employers who have individual training needs, hosting in-house training sessions or visiting employers.

Each year GMPF hosts an Employer update meeting, in order to present its accounts and provide employers with an update about the work of the fund over the previous twelve months.

Consultations, surveys and focus groups

GMPF also conducts various consultation events, surveys and focus groups with its employers from time to time in order to obtain feedback that might help to improve the service provided to employers and their members. All relevant results or feedback is made available to all employers.

Communications Policy

2021

July 2021

Pension Administration Strategy Statement

Effective from 1 April 2020

Pension Administration Strategy

1. Introduction

This is the Pension Administration Strategy of Greater Manchester Pension Fund (GMPF). This document:

- confirms the purpose of the strategy and says what it is intended to achieve
- outlines the role of GMPF's scheme employers and sets out their expected levels of performance
- outlines the role of GMPF and sets out its expected levels of performance
- explains how the performance of GMPF and its employers will be monitored
- explains what actions might be taken when employers do not meet the requirements
- confirms how GMPF will communicate with its employers
- details the resources and support that is available for employers to access
- explains how employers and other stakeholders can contribute to the development of the strategy, both now and in the future.

GMPF has prepared this strategy following the Local Government Pension Scheme (LGPS) regulations and other relevant regulations, legislation and guidance, details of which are provided in appendix 1. The strategy does not override any provision or requirement set out within any of those regulations.

This Pension Administration Strategy applies to all employers in GMPF. Employers must have regard to this strategy when carrying out their role.

Tameside Metropolitan Borough Council (TMBC) is the administering authority for GMPF, as defined in the LGPS regulations.

2. Purpose

This Pension Administration Strategy:

- provides clarity on the key roles and responsibilities of GMPF and its employers
- sets expectations and confirms the targets that GMPF and its employers need to work to
- helps all parties to achieve regulatory compliance by providing a framework that is clear and user-friendly
- assists GMPF and its scheme employers in adhering to the Pensions Regulator's Codes of Practice
- complements procedures that help all parties to meet their data protection and data quality responsibilities
- helps to ensure all parties provide the best possible service to scheme members and other relevant stakeholders
- emphasises the importance of the shared role that GMPF and its scheme employers have in ensuring excellent service delivery to scheme members
- promotes efficient working practices, transparency and a culture of continual improvement.

An effective Pensions Administration Strategy supports GMPF and its employers to deliver on their responsibilities so that all pension fund members and stakeholders receive an excellent service.

3. Role of Scheme employers and their expected performance

Scheme employers and administering authorities have distinct decision-making and administrative duties under the LGPS regulations and other relevant legislation.

Employer performance has a significant impact on the overall level and quality of service provided to scheme members. This section covers:

3.1 The agreed service delivery tasks and responsibilities that an employer should carry out in their role.

3.2 The key legislative and regulatory responsibilities of an employer.

3.3 Accepted methods of data exchange.

3.4 The additional responsibilities of those employers who use an external payroll provider.

3.5 The additional roles and responsibilities of those employers with access to Altair.

3.1 Scheme employers - agreed service delivery tasks and responsibilities

The following expectations have been agreed to ensure GMPF and its employers work together and co-operate effectively to provide the best level of service possible to scheme members.

Employers are expected to:

- nominate a principal authorised officer for day to day pension matters and keep their GMPF contacts list up to date
- inform GMPF immediately whenever a new employer authorised officer needs to be appointed or removed from our records
- ensure GMPF are informed in any changes to contact information, such as a change of address or email details
- use the Employers section of the GMPF website to obtain and request information
- promote and highlight pension responsibilities and statutory requirements within their organisation
- consider GMPF's Communication and Engagement Strategy when communicating about GMPF and the LGPS
- support GMPF with promotional activities and in distributing communications
- encourage scheme members to use GMPF's My Pension online service
- assist GMPF in obtaining feedback and analysis that will help to improve the service provided
- have regard to GMPF employer bulletins and relevant Local Government Association and Scheme Advisory Board guidance
- comply with any request from GMPF's internal auditors, including requests for documentation or to attend an employer's offices to carry out an audit on compliance with pension duties, including follow up action
- return any legal documentation promptly and within the requested timescales
- pay any invoices for fees, fines or additional costs promptly and within the requested timescales
- keep GMPF informed of any changes that may affect its ability to meet its statutory obligations or provide the expected service to scheme members
- respond promptly to any enquiries that relate to breaches in the law
- protect member data from improper disclosure and use any information supplied by GMPF only to administer the LGPS
- keep GMPF informed of structural, governance or corporate changes that might affect its eligibility to remain an LGPS employer or that relate to the terms of its admission
- comply with the statutory duties and targets set out in Section 3.2.

3.2 Scheme employers - statutory duties and targets

This section outlines the key legislative and regulatory responsibilities of an employer. GMPF recommends that employers also refer to the LGPS regulations directly when undertaking their role and assessing their LGPS responsibilities. Providing accurate data in a timely way is vital to ensure compliance with the law and statutory guidance.

Scheme member events

Responsibility	Regulation / Legal requirement	Statutory deadline / target	Overall case target	Format of submission	Locally agreed deadline / target
Joining the LGPS					
Determine eligibility to join the LGPS and GMPF	The Local Government Pension Scheme Regulations 2013 (LGPSR13) LGPSR13 - Regulation 3	n/a	n/a	n/a	n/a
Notify new joiners to GMPF	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as amended (Disclosure regulations) Disclosure Regulations – Regulation 6	New joiners must receive a notification of joining within two months of the date of joining, or within one month of GMPF receiving jobholder information or where the individual is being auto-enrolled / re-enrolled	Notifications to the member must be sent within two months (or max. 46 working days) from date of joining	Monthly data submission, through i-Connect	Joiner notifications must be on the data return for the month that the member joined, or the month after if this is not possible
Nominate members to join GMPF	Applies where the employer is an admission body where nominations to admit new members are required as part of the terms of admission to GMPF	The terms as set out in the admission agreement	n/a	Form P121 must be completed and submitted to GMPF's Employer Support Team	Nominations should be made at least two months prior to the proposed date of joining to allow sufficient time for the application to be considered

Submit opt out notifications received to GMPF	Automatic enrolment legislation Or LGPSR13 – Regulation 5	The employer must notify the pension scheme administrator that the person has opted out	Under auto enrolment, if the member opts out within three months of joining the employer must refund the contributions to the employee within six weeks of receiving the opt-out form or, if the payroll has already been run, by the end of the next pay period.	Monthly data submission, through i- Connect	Opt out notifications must be on the data return for the pay period that the member opted-out or the month after if this is not possible

Responsibility	Regulation / Legal requirement	Statutory deadline / target	Overall case target	Format of submission	Locally agreed deadline / target

Changes in circumstances

Notify all changes to member details, including personal home address, hours, date of birth and breaks in membership	Under requirements of GMPF PAS LGPSR13 - Regulation 59	n/a	n/a	Monthly data submission, through i- Connect Urgent address changes can be notified using spreadsheet P5. Those submitting an online return to I-Connect must submit breaks in service using the P5 spreadsheet.	All changes should be on the monthly data return in respect of the pay period when the change in circumstances was made or the month after if this is not possible. Where circumstances do not allow this, the notification should be sent as soon as is reasonably practicable.

Responsibility	Regulation / Legal requirement	Statutory deadline / target	Overall case target	Format of submission	Locally agreed deadline / target
Leavers, retirements and deaths in service					
Notify early leavers	LGPSR13 - Regulation 73 The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991	A statement of benefits should be provided no more than two months from the date of request / notification	Notifications to the member must be sent within two months (or max. 46 working days) from date of leaving	Monthly data submission, through i-Connect, plus leaver notification spreadsheet	Leaver notifications must be on the data return for the month that the member left, or the month after if this is not possible
Notify immediate retirements	Disclosure Regulations - Regulation 20	A statement of benefits should be provided no more than two months from the date of request / notification	Notifications to the member must be sent within two months (or max. 46 working days) from date of leaving	Monthly data submission, through i-Connect, plus form P71	Retirement notifications should be on the data return for the month that the member retired, or on an earlier month's return. Where this is not possible, they should be on or the month after ideally at the latest.
Determine eligibility for ill health cases	LGPSR13 - Regulation 35 & 38	n/a	n/a	Form P72 should be submitted	The form should be received within ten working days of the decision being made
Review the payment of Tier 3 ill health retirements	LGPSR13 - Regulation 37	n/a	n/a	n/a	n/a
Notify deaths in service and determine eligibility for survivor benefits	Disclosure Regulations - Regulation 21	Information must be provided as soon as possible, but no later than two months from notification	Notifications to the dependant must be sent within two months (or max. 46 working days) from date of notification	Monthly data submission, through i-Connect, plus form P74a-d	A call should be made or email sent immediately to notify GMPF. Forms should be sent as soon as possible. Death in service notifications must be on the data return for the month that the member died, or the following month at the latest wherever possible

Responsibility	Regulation / Legal requirement	Statutory deadline / target	Overall case target	Format of submission	Locally agreed deadline / target
Estimate and pay information					
Provide pay or other information that GMPF need in order to respond to annual or lifetime allowance matters / divorce / similar enquiries	Under requirements of GMPF PAS LGPSR13 - Regulation 59	A statutory target may apply depending on the task	See regulations that apply for the specific case type that applies	The format of the response needed will be specified in the request	Responses are expected to be received within ten working days. However, where a member is awaiting payment (so in the case of a new retirement in particular) responses are expected within five working days. (Please note that timescales will be adjusted where appropriate, so over Christmas for example or where an employer has a significant number of requests to respond to)

Responsibility	Regulation	Statutory deadline / target	Format of submission	Locally agreed deadline / target
Contributions and Payments				
Band and re-band employee contributions	LGPSR13 - Regulation 9	n/a	Monthly data submission, through i- Connect	Details must be supplied on the monthly data return submission in respect of the pay period when the change of band was made (note that alternative timeframes will be agreed for the implementation of retrospective pay awards)
Deduct employee contributions from pay (including any additional contributions)	LGPSR13 - Regulation 85	n/a	n/a	n/a
Pay contributions during employee absences (such as assumed pensionable pay)	LGPSR13 - Regulation 15	n/a	n/a	n/a

Pay a refund of contributions to opt outs where applicable	LGPSR13 - Regulation 5	n/a	n/a	n/a
Pay all employee and employer contributions to GMPF	LGPSR13 - Regulations 67, 68 and 69	Every Scheme employer must pay to the appropriate administering authority on or before such dates falling at intervals of not more than 12 months as the appropriate administering authority may determine Under the Pensions Act 2004 and the Occupational Pension Schemes (Scheme Administration) Regulations 1996.	Payments must be made by BACS transfer every month	Payments must be made by BACS or CHAPS transfer by the first working day of the month following the month of deduction (note that a later timescale can be agreed for the month of January)
Send a remittance advice to accompany all payments sent to GMPF	LGPSR13 - Regulation 69	Every payment must be accompanied by a statement. An administering authority may direct that the information shall be given to the authority in such form as it specifies in the direction.	A form P8 must be sent to the Pension Accountancy team	Form P8 must be received by the first working day of the month following the month of deduction
Provide scheme member pay and contribution data to GMPF	LGPSR13 - Regulation 80	n/a	Monthly data submission, through i- Connect	The data return must be submitted on the date that has been agreed and no later than by the first working day of the month following the month of deductions
Pay strain cost invoices on request	LGPSR13 - Regulation 68	n/a	Payments must be made by BACS transfer	Payment must be received by GMPF within 30 days of the date of the invoice
Pay AVCs deductions from pay to the AVC provider	LGPSR13 - Regulation 67	n/a	Payment must be made by BACS to the AVC provider and accompanied by the providers requested forms	Payment must reach the AVC provider by 1st of the month or earlier if possible

Pay all other agreed payments to be made to GMPF (such as recharge payments or costs towards administration)	LGPSR13 - Regulation 69 & 70	n/a	Payments must be made by BACS transfer	Payment must be received by GMPF within 30 days of the date of the invoice
Ensure any changes to the employer contribution rate are implemented by the effective date	LGPSR13 - Regulation 67	n/a	n/a	n/a
Respond to all queries sent by GMPF about any data or payments submitted	Under requirements of GMPF PAS LGPSR13 - Regulation 59	n/a	The format of the response needed will be specified in the request	Responses are expected to be received within ten working days

Responsibility	Regulation	Statutory deadline / target	Format of submission	Locally agreed deadline / target
Governance				
Appoint a nominated adjudicator for stage 1 appeals made under the internal dispute resolution procedure (IDRP)	LGPSR13 - Regulation 74	n/a	The employer does not need to notify GMPF of appointments unless specifically requested to do so	The appointment should be made within one month of the employer joining GMPF or within one month of the existing adjudicator's resignation
Appoint an Independent Registered Medical Practitioner (IRMP) in order to opine on ill health retirement cases	LGPSR13 - Regulation 36	n/a	Requests for approval must be made and agreed by GMPF in advance of the IRMP being used. Form P72i must be completed and submitted to GMPF's Employer Support team	The form should be submitted two months in advance of the IRMP being used for the first time.

Prepare and publish a Pensions Discretions policy	LGPSR13 - Regulation 60	Before the expiry of a month beginning with the date any such revisions are made, each Scheme employer must send a copy of its revised statement to each relevant administering authority, and must publish its statement as revised	A copy of the policy, and all subsequent revisions to it must be provided to GMPF's Employer Support team	A copy of the policy must be provided within one month of the employer joining GMPF and within one month of any revisions published thereafter
Notify GMPF of any bulk / TUPE transfers that are planned	n/a	n/a	Employers should contact the Employer Support team as soon as they are aware that a bulk / TUPE transfer might take place and confirm the scheme employer(s) involved	As soon as possible
Notify GMPF that there is an intention to outsource services and to expect an admission agreement application from the contractor appointed, or, where there is an intention to re-let an existing contract	n/a	n/a	Employers should contact the Employer Support team as soon as they are aware that this is being considered and should confirm the scheme employer(s) involved	As soon as possible
Changes to the policy about the admission of new members	n/a	n/a	Employers should contact the Employer Support team to discuss this as soon as it is being considered	As soon as possible
Termination of admission agreements	n/a	As set out within the admission agreement or as soon as termination becomes likely	Employers should contact the Employer Support team to discuss this as soon as it appears likely	As soon as possible

3.3 Scheme employers - accepted methods of data exchange

Employers should submit data and information to GMPF in the format referred to in the column headed 'format of submission' in the table in 3.2. Employers should speak to the relevant GMPF section to obtain approval to submit information in an alternative format. All employers must use GMPF's data transfer system, i-Connect, to submit data every month. All forms should be submitted using a secure method of data transfer or by post. Other information can also be supplied by email. However, employers must consider data protection when sending information by email and take appropriate steps to ensure data breaches do not occur.

Employers with access to Altair workflow (see 3.5) must use the workflow task and comments functions to respond to queries or exchange information securely where appropriate, unless GMPF have requested a response in a different format.

3.4 Scheme employers - additional responsibilities of those using an external payroll provider

A Scheme employer remains responsible for carrying out the requirements in 3.2, even if that employer decides to outsource some of its functions to a third-party provider or another part of its wider organisation.

Therefore, an employer must ensure that the third-party provider or equivalent can meet all of the employer's duties and obligations that they have been appointed to carry out.

- Employers must monitor their payroll providers to check they are meeting their responsibilities in full and we recommend employers carry out regular audits.
- Employers must explain the potential consequences to the provider if they do not comply with data requests. We recommend employers make clear the penalties they will impose for not complying.
- Employers must tell us when they change providers so that we can ensure no breaches of the law occur.
- We recommend employers ensure their payroll provider is familiar with LGPS regulations before the contract is let to ensure no breaches of the law occur.
- The employer is responsible for providing correct pay information to GMPF under LGPS regulations. An employer must ensure it always has access to historical pay information for its members, which can include pay data going back as far as the last 13 years.

3.5 Scheme employers - additional roles and responsibilities of those employers with access to Altair

GMPF normally gives employers that have more than 250 contributing members' access to its pension database, called Altair. Employers need to name individual licence holders to do this. A licence holder has access to carry out certain administrative tasks and to use the Altair workflow system.

Licence holders have access to the pension records of their employer's contributing members and can:

- amend address data
- calculate retirement estimates
- monitor and process GMPF workloads using Altair workflow.

Licence holders have additional responsibilities for data protection. A separate data processing agreement outlines all duties and responsibilities that an employer with licence holders must adhere to.

Specific points of note are:

- All licence holders must complete the training provided by GMPF before they get access to Altair.
- If a licence holder cannot attend the training, another licence holder at the employer must give written assurance that in-house training will be or has been carried out.
- Licence holders must not share their access details and passwords with anyone else under any circumstances.

- GMPF will check if licences are being used and will revoke any that are not being used (or regularly used) as the number of licences available is limited.
- Licence holders must monitor their task list and keep it up to date, answering queries using Altair workflow and sending responses within the timescales.

4. Role of GMPF and its expected performance

GMPF's main role is to calculate and pay pension benefits. However, GMPF has many other duties and obligations. This section covers:

4.1 The service delivery tasks and responsibilities that GMPF carries out in its role.

4.2 Who manages GMPF performance and how.

4.3 The key performance indicators used to help measure service delivery.

4.1 The service delivery tasks and responsibilities that GMPF carries out in its role

GMPF's prime responsibility is to calculate and pay benefits in line with LGPS regulations. Other key responsibilities include:

- keeping accurate pension records and data
- providing annual benefit statements to all contributing and deferred members
- providing P60s to pensioner members
- providing pension savings statements to those members who exceed the annual allowance limit
- preparing and publishing a discretions policy and keeping it up to date
- appointing a nominated adjudicator for stage 1 and stage 2 appeals made under the IDRP.

To do these successfully, GMPF expects to:

- provide employers with a point of contact through its Employer Support team and Employer Helpline service
- keep employers informed of any matters that might affect them through its communication methods and strategy
- provide or facilitate training to all new employers or those authorised officers that are new to the LGPS or GMPF
- maintain a section of the GMPF website that contains information to support employers
- hold an annual update meeting where employers can find out about GMPF's performance and learn about work being undertaken
- issue regular surveys and hold feedback sessions to get employer views and make improvements
- let employers know if there are any proposed scheme changes, administration challenges or anything similar that they may need to be aware of
- carry out certain tasks on an employers' behalf where it is reasonable and acceptable to do so
- audit employers from time to time, carrying out spot checks and asking for evidence to support effective pension administration.

4.2 Who manages GMPF performance and how

GMPF's Pension Fund Management Panel is responsible for ensuring GMPF complies with its statutory responsibilities. It also sets expectations regarding administration performance. The Local Pensions Board carries out a scrutiny role and reviews compliance with the rules.

When assessing administration performance, the Management Panel will consider:

- performance against statutory targets and key service delivery indicators (see 4.3)
- the cost of administration
- benchmarking reports to assess GMPF's performance compared to that of other pension funds
- ability to recruit to key posts
- the numbers of complaints and formal disputes received and their outcomes
- audit outcomes
- ability to deliver projects on time and to budget
- feedback received from stakeholders through surveys, the website and other channels
- feedback received from staff.

4.3 The key performance indicators used to help measure service delivery

The LGPS regulations and other overriding pension legislation contain statutory targets that GMPF must meet.

Additionally, GMPF's Management Panel has set some performance standards based on the level of service that it expects to be delivered to members.

Details of these standards and our performance against them are published in the GMPF annual report.

5. How performance will be monitored

GMPF's Management Panel will monitor GMPF's performance and that of its employers in the following ways:

- Through regular reports to the Pension Fund Management Panel, relevant Working Groups and the Local Pensions Board.
- Through reporting and general day to day monitoring by GMPF managers and officers.
- Through reports provided to employers highlighting performance levels.
- By using the Internal Audit team to review processes and controls.
- By comparing performance against other LGPS pension funds, benchmarking key data and workloads.
- By following escalation procedures where there is non-compliance.
- By reviewing GMPF's breaches of the law log each quarter.
- By holding focus groups and forums when appropriate.

GMPF will monitor employer performance across the following key areas:

- The submission of monthly data returns.
- The payment of contributions and other payments due.
- The number of queries, along with the rate and quality of responses.
- The number of complaints received and IDRP cases upheld against the employer.
- Whether or not GMPF have received a copy of the employer's current discretions policy.
- Whether or not an employer has failed to notify GMPF of key changes or events within a reasonable timeframe.

6. Actions where there is non-compliance

GMPF will apply one of two escalation procedures when an employer has not met their responsibilities. These are set out in Appendices 2 and 3. GMPF will endeavour to follow these whenever employers send information or payments late or not at all.

Where GMPF has incurred additional costs due to an employer's poor performance, it will recover those costs by charging employers at the following rates:

Activity	Charges
Monthly data return submitted late*	A fixed penalty of £500 if received after the first working day of the following month, plus a further fixed penalty of £50 for every further day late after that deadline. Note that both the file and the remittance advice (form P8) must be received for no penalty to apply.
Late payment of contributions and other payments due	A fixed penalty of £500 if received after the nineteenth of the following month or after seven days of the payment due date in the case of an invoice, plus interest on the total payment due charged at one per cent above base rate calculated from the due date.
Resubmission of incorrect data	A fixed penalty of £500 plus charges to account for the officer resource used to rectify any issues charged at a minimum hourly rate of £100.
Failure to respond within the timeframe	A charge of £25 per case for each case chased after the original deadline has passed.
Failure to provide a copy of discretions policy or latest version	A fixed penalty of £500 for failing to supply a copy plus a further £100 charged on each occasion that a policy is requested or is chased by an officer and is not supplied.
Failure to notify GMPF of key changes or events, including a change of payroll provider	A fixed penalty of £1000 where the change has a significant impact on administration or £500 plus a further £100 charged on each occasion that further information is requested or chased and not supplied.

*Separate target dates may be agreed for those employers that submit weekly, fortnightly or four-weekly returns

If an employer's poor performance leads to a third-party agency issuing GMPF with financial penalties, then GMPF will recover these costs from the employer concerned.

This includes:

- Those imposed by agencies such as the Pensions Regulator for a breach of statutory duties, where the breach occurred due to the poor performance of an employer. An example would be where GMPF has not issued annual benefit statements because the employer has failed to provide member data.
- Those imposed by HMRC, such as scheme sanction charges that arise as a result of the decision of an employer. An example would be if the employer allowed a member to claim benefits that would cause GMPF to make an unauthorised payment.
- Those imposed by the Office of the Information Commissioner following a data breach where the breach was caused by the actions of an employer.

GMPF will pay the penalty but will recover it from the employer concerned. The list is not exhaustive and GMPF reserves the right to use the same principles and policy for other penalties imposed on it by outside agencies not detailed here.

In general, GMPF will apply a financial penalty where an employer fails to:

- meet the requirements of this Pensions Administration Strategy
- meet the requirements of the LGPS Regulations
- meet the requirements of other legislation.

Where this results in:

- additional work or costs for GMPF or its agents
- failure of GMPF to meet its obligations under the LGPS regulations, other legislation or guidance
- complaints by organisations or members
- appeals by members or their representatives.

In all cases, GMPF would look to consider any mitigating circumstances, such as system failure, business continuity events and so on, and take a pragmatic approach when making decisions.

GMPF would hope that any disputes could be resolved locally upon discussion. However, if these cannot be resolved, the matter would be referred to GMPF's Management Panel.

7. Communication, resources and available support

Employers can do many things to communicate well with GMPF to ensure an excellent service is provided to fund members. As a minimum, GMPF expects its employers to:

- inform GMPF about all changes that might affect its or GMPF’s ability to meet pension obligations and deliver the required standards of service
- nominate a principal pensions authorised officer and keep their full list of contacts and authorised officers up to date
- promote and highlight the expected performance levels within their organisations to ensure managers, HR officers and so on are aware of the timescales that they need to work to and the requirements that they need to meet
- support GMPF with any promotional activities that they are carrying out, including assisting with distributing e-communications and promoting online access through My Pension

- assist GMPF with obtaining feedback or carrying out data analysis that will help improve the employer experience or service delivery to members
- fully support GMPF's internal auditors with any audits they wish to carry out and respond to all questions, queries and draft audit recommendations promptly by the timescales agreed
- cooperate with GMPF officers to resolve any issues, complaints or similar to a swift and agreeable conclusion.

GMPF resources and support available to employers to assist them includes:

- an employer helpline service
- an employer's section of the website
- regular information e-bulletins
- training webinars and seminars
- policy and strategy documents, including GMPF's discretions policy, communications policy, communication and engagement strategy, data strategy and annual report
- a GDPR memorandum of understanding for employers (see appendix 4)
- Altair usage and data sharing agreements
- procedures for providing feedback or escalating issues
- employer support meetings and conference calls.

GMPF will signpost employers to other resources and communications that may assist them in their role.

This includes guidance from the Local Government Association (LGA), the LGPS Scheme Advisory Board (SAB) and GMPF's fund actuary.

8. Feedback and review process

Regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013 is the regulation that allows GMPF to create this strategy. Regulation 59 states that on creating or revising its strategy, the administrating authority must consult with its employers.

GMPF will consult with employers whenever it changes the Pension Administration Strategy (except where there are minor or corrective amendments only). The consultation period will normally be eight weeks.

The GMPF Management Panel must approve the Pension Administration Strategy before it is published.

GMPF will review and update it each year in line with the annual review of all GMPF pension administration policies and strategies. It will also be reviewed:

- whenever there are regulatory changes
- if it is impacted by changes to other legislation or guidance
- if there are changes to policies, statements or strategies that affect its contents
- when there are operational changes.

Once approved, GMPF will publish the final version to the employers' section of the website and a link will be circulated to all GMPF employers and the Secretary of State.

If you have a question or comment about any aspect of this Pension Administration Strategy, please contact GMPF's Employer Liaison team.

Appendix 1 – Relevant regulations and guidance

Regulations and other legislation governing the strategy include:

- The Local Government Pension Scheme 1995, 1997 and 2008 Regulations as they still have effect in part
- The Local Government Pension Scheme (Transitional Protection) Regulations 2014
- The Local Government Pension Scheme Regulations 2013 in force now or as amended and in force at any future date
- The Public Sector Pensions Act 2013
- The Pensions Act 1993
- The Pensions Act 1995
- The Pensions Act 2004
- The Pensions Act 2014
- The 2004, 2006 and 2014 Finance Acts
- The Occupational & Personal Pension Schemes (Disclosure of Information) Regulations in force and as amended
- The Occupational Pension Schemes (Transfer Values) Regulations in force and as amended

This list is not exhaustive and other Legislation and Regulations may and will apply in certain specific circumstances.

In accordance with the Public Sector Pensions Act 2015, the LGPS is regulated by the Pensions Regulator. GMPF and its employers are also required to comply with regulatory guidance or Code of Practice issued by the Pensions Regulator.

Pension Administration Strategy

The Local Government Pension Scheme Regulations 2013 (Regulation 59 (1)) enables a LGPS administering authority to prepare a written statement of the Administering Authority's policies in relation to such matters mentioned in Regulation 59 (2) that it considers appropriate.

The regulation says that this written statement shall be known as the "Pension Administration Strategy" and shall include the following:

- Procedures for liaison and communications between the administering authority and Scheme employers ('its Scheme employers');
- The establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions ("Service Level Agreements (SLA)"). These functions are:

    (i) the setting of performance targets,

    (ii) the making of agreements about levels of performance and associated matters, or

    (iii) such other means as the administering authority considers appropriate.

- Procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;
- Procedures for improving the communications by the administering authority and its Scheme employers to each other of information relating to those functions;
- The circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under these regulations (additional costs arising from the Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under the SLA;

- The publication by the administering authority of annual reports dealing with:
    - (i) the extent to which the administering authority and its Scheme employers have achieved the level of performance established under the SLA;
    - (ii) such other matters arising from The Pension Administration Strategy as the administering authority considers appropriate.
- Such other matters as appear to the administering authority after consulting its Scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in the Pension Administration Strategy.

In addition Regulations 59 (3 -7) requires that:

- Where the administering authority produces a Pension Administration Strategy, it is kept under review and revised where appropriate;
- When reviewing or revising the Pension Administration Strategy the administering authority must consult with its Scheme employers and such other persons it considers appropriate;
- Where the administering authority produces a Pension Administration Strategy or revises that strategy it must send a copy of it to each Scheme employer and to the Secretary of State;
- The administering authority and Scheme employers must have regard to the Pension Administration Strategy when carrying out functions under the LGPS regulations.

Regulation 60 requires each employer to publish its discretion on:

- funding additional pension [16(2)(e) and 16(4)9d)
- flexible retirement [30(6)]
- waiving actuarial reductions [30(8)]
- the award of additional pension [31] and, in addition,

Regulation 14 of the Local Government (Discretionary Payments)(Injury Allowances) Regulations 2011 requires employers to publish and keep under review its policy on these regulations. There are also a number of discretionary discretions under the current regulations and some mandatory discretions under previous sets of regulations. GMPF's Employer Support team can support with discretion policies upon request.

Recovering costs due to poor performance

Regulation 70 of the Local Government Pension Scheme Regulations 2013 enables the administering authority to recover additional costs from a Scheme employer when, in the opinion of the administering authority, it has incurred additional costs because of the poor performance of the Scheme employer in relation to the Pension Administration Strategy.

The administering authority may give written notice to the Scheme employer stating:

- the administering authority's reasons for forming the opinion;
- the amount the administering authority has determined the Scheme employer should pay under Regulation 69 (1) (d) in respect of those costs and the basis on which the specified amount is calculated;
- the provisions of the Pension Administration Strategy which are relevant to the decision to give the notice.

GMPF has determined that it will apply a number of financial penalties for noncompliance with the requirements of this Administration Strategy under Regulation 70.

If financial penalties are levied, GMPF will issue an invoice to the employer confirming the costs due. The invoice will include a breakdown of the costs and details of the bank account into which the employer must pay. Payment will be due within 30 days of the date of issue. GMPF will provide details of how to query or appeal the amounts that GMPF are levying.

Appendix 2 – Escalation procedure for non-provision or late provision of information

Where employers have not met the target dates and deadlines for information as set out in the table in section 3.2, the following procedures will be followed:

1. Failure to send the monthly data submission by the due date

Timeline (all days are working days, due date = 0)	Status	Action	GMPF Responsible Officer	Employer contact level	Register monitoring log / update
0 - 7 days		Email to be sent to employers reminding them of the due date for data submission	Emails sent automatically by i-Connect	Data submission contact	N/A
0 - 3 days	On watch	Email to be sent to employer reminding them that the submission due date is overdue and now classed as 'late'	Emails sent automatically by i-Connect	Data submission contact	Yes, unless exceptional circumstances apply
0 - 14 days	Enhanced watch	Email to confirm that the employer is in breach and is likely to be included on GMPF's breaches of the law log	Employer Support Team Manager / Section Manager	Most senior contact / finance contact at employer as appropriate	Yes
0 - 17 days	Enhanced watch	Telephone call and email to confirm that the employer is in breach and will be included on GMPF's breaches of the law log	Employer Support Section Manager / Head of Pensions	Most senior contact / finance contact at employer as appropriate	Yes
0 - 17 days to 0 - 23 days or more	Enhanced watch	Referred to the GMPF breaches of the law group to discuss and agree the next steps	Breaches of the law group		Yes

2. Failure to submit all other documentation or respond to queries by the expected date

Timeline (all days are working days, due date = 0)	Status	Action	GMPF Responsible Officer	Employer contact level	Register monitoring log / update
0 + 7 days		Reminder to be sent to employer	Pension Officer	Employer Pensions Contact	N/A
0 + 17 days		Employer contacted again to agree a final response date	Senior Pension Officer / Team Manager	Employer Pensions Contact	N/A
0 + 24 days	On watch	Employer to be contacted again escalated to a senior contact	Team Manager / Section Manager	Senior contact / manager at employer as appropriate	Yes, unless exceptional circumstances apply
0 + 31 days	On watch	Employer to be contacted again and escalated	Team Manager / Section Manager	Payroll / Pensions / Finance Manager at	Yes, unless exceptional circumstances apply
0 + 34 days or more	Enhanced watch	Referred to the GMPF breaches of the law group to discuss and agree the next steps	Breaches of the law group		Yes

Potential courses of action

We should confirm the information we need and give you a proposed time scale at each stage of the escalation process. We should also tell you the next steps in the process if you do not send the information within the proposed timescale. For example, if the next step is for us to refer the item to a more senior manager within GMPF or at the employer, then this should be explained to you.

It may be that you need additional support from us to be able to provide the information. Wherever we can, we will provide you with this support. We will record details on a performance monitoring log or breaches of the law log when we have designated an employer as being 'On watch' or 'Enhanced watch'. Other potential courses of action are:

Status Level	Potential Courses of Action
On watch	Range of outcomes include: • Financial penalties imposed • Meeting with senior officers from GMPF • Deadlines imposed for resolution of issues • Tameside MBC Internal Audit to support the employer to assess and improve pensions processes • Officers required to attend mandatory training • Request for written information to be submitted to the Pensions Administration Working Group
Enhanced watch	Range of outcomes include: • Financial penalties imposed • The employer is asked to attend Pensions Administration Working Group and provide a verbal update regarding improvements • Individual members affected are written to informing them about the issue • Executive Director referral for meeting with Chief Executive • Report unsatisfactory performance to the Pensions Regulator • Review of Admission Agreement (for admitted bodies only)

Appendix 3 – Escalation procedure for non-payment or late payment

Where employers have not met the target dates and deadlines for payments as set out in the table in section 3.2, the following procedures will be followed:

Timeline (all days are working days, due date = 0)	Status	Action	GMPF Responsible Officer	Employer contact level	Register monitoring log / update
0 + 7 days		Employer to be contacted to remind that the payment is now overdue	Accountancy Officer	Employer Contact	N/A
0 + 17 days	On watch	Employer contacted again to agree a final payment date	Accountancy Officer	Senior Employer Contact	Possibly
0 + 21 days	Enhanced watch	Employer to be contacted again but escalated to a senior contact	Team Manager / Section Manager	Senior contact / Finance Manager at employer as appropriate	Yes
0 + 24 days or more	Enhanced watch	Referred to the GMPF breaches of the law group to discuss and agree the next steps	Breaches of the law group		Yes

The potential courses of action are the same as those listed in appendix 2.

Appendix 4 – Memorandum of understanding regarding data exchange

GMPF needs to send and receive personal data all the time due to the nature of its work. Information about how we meet data protection legislation is set out on our website.

We will have put controls in place to ensure we meet the data security standards we believe are required to fulfil our duties. We expect employers to respect and adhere to these controls and to work with us to ensure the measures in place are as strong as possible. This may include signing authorisation documents and checking authorisation agreements, amongst other things.

We also expect all employers to comply fully with the data protection regulations, to obtain consent from individuals when required and use data only for the purposes for which they obtained it.

If you believe that we are failing in our duties as a data controller or if you believe that we could further strengthen the data security controls we have in place, we expect you to let us know as a matter of urgency so that we can take the necessary action.

Appendix 5 – Further sources of information

There is lots of information on the GMPF website. Supporting documents include:

- The charging schedule for other costs
- Communications Policy and the Communications and Engagement Strategy
- A document outlining administering authority discretions
- The Governance Compliance Statement
- The Funding Strategy Statement
- General information for members of the LGPS

The website address for the central LGPS website for employers and pension funds in England and Wales is http://www.lgpsregs.org/

This website contains particularly useful guides for employers regarding human resources, payroll and auto enrolment.

You may also find information held on The Pension Regulator's website useful, especially around auto enrolment responsibilities. This website can be found at https://www.thepensionsregulator.gov.uk/en

Pension Administration Strategy Statement

Effective from 1 April 2020

Annual Report 2021
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.

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A special thanks to all the organisations who agreed to be featured in this report, including Ferguson plc and The Travel Chapter

Administered by Tameside Metropolitan Borough

GMPF Annual Report

2021

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