

Annual Report

& Accounts 2021/22





**Staffordshire
Pension Fund**
Local Government Pension Scheme

Annual Report
& Accounts 2021/2022

*Victoria Memorial
Completed 1924*

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Chairman's Report



Councillor Mike Sutherland

As the Chair of the Pensions Committee, it gives me great pleasure to introduce the Annual Report and Accounts for the Staffordshire Pension Fund for 2021/2022.

As we move further into the decade of the 2020's, we decided to look back to the 1920's with our theme this year and we hope that you enjoy looking at the various imagery, as well as at the latest facts and figures about our Fund, of course!

Twelve months ago, the Fund reported a year end market value of over £6 billion, which was a new valuation milestone. And whilst the reported market value at 31 March 2022 hasn't quite reached the £7 billion milestone, it is extremely pleasing that the Fund continued to grow to a new 31 March high, of £6.8 billion. As the world began to return to a post pandemic normal, investment markets grew in confidence and the Fund's assets delivered a Total Fund return in excess of 12% which, when added to the previous years' Total Fund return of 27%, put the Fund in a strong position ahead of the Actuarial Valuation of the Fund at 31 March 2022.

Other milestones for the Fund this year included the high-level review of the Fund's Strategic Asset Allocation, the outcome of which will see the Fund reduce its allocation to equities, in favour of more income producing assets over the next 2-3 years. And in February 2022, the Pensions Committee approved the Fund's first Climate Change Strategy. Whilst this is aligned to the Paris Agreement i.e., for the Fund to reach Net Zero and be Carbon Neutral by 2050, the Committee has set a range of interim Climate targets for 2030 and has also set out a roadmap of how it intends to reduce its carbon footprint and invest more sustainably.

The Pensions Committee recognise that this will not be without its challenges but, as emissions data becomes more widely available and the tools for analysis become more sophisticated, this will provide our members with the assurance that our targets remain realistic and more importantly, achievable.

As always, the Fund wouldn't continue to deliver the high standard of service, that its 115,000 scheme members and numerous other stakeholders have now come to expect, without the hard work and dedication of a long list of people, many of which are listed below:

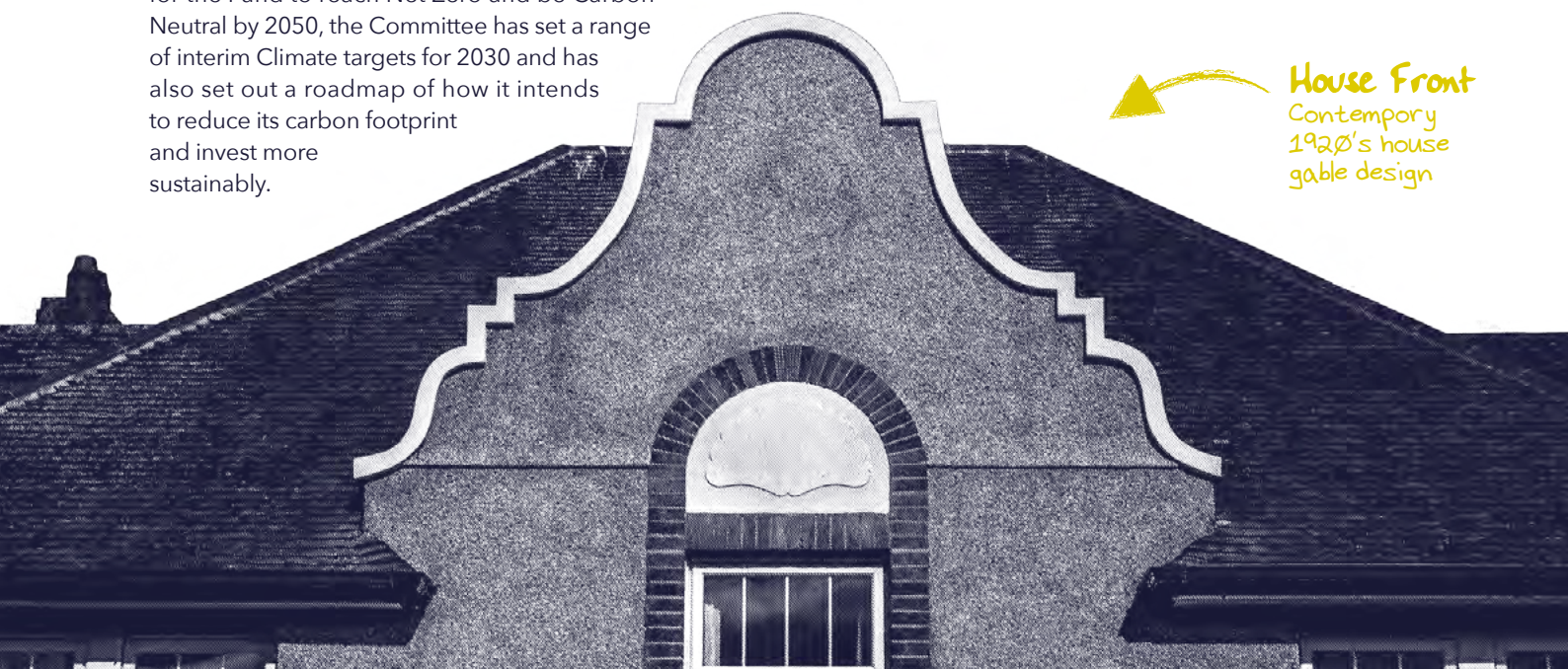
- ♦ **the Elected Members of the Pensions Committee and the co-opted members;**
- ♦ **the Local Pensions Board members;**
- ♦ **the Director for Corporate Services and the Assistant Director for Treasury & Pensions;**
- ♦ **all the Officers in the Pensions Administration and Investment Management Teams.**

I extend my sincere thanks to them all, for their continued hard work and shared commitment, and for the contributions they all make on a daily basis to the governance, oversight, administration and investment of the Staffordshire Pension Fund.

with my kind regards

Councillor Mike Sutherland

House Front
Contemporary
1920's house
gable design



Family Holiday
Sandcastle on
the beach



2. Fund Governance

Governance

Staffordshire County Council is legally responsible for the Staffordshire Pension Fund. Managing the Fund's affairs effectively is one of our main aims. Under the County Council's constitution, the Pensions Committee and Pensions Panel are delegated to look after the Fund. As a result of the Public Service Pensions Act 2013, a Local Pension Board was also set up to aid effective governance. Details of the three bodies are provided on this and the following pages.

Pensions Committee

The main tasks of the Pensions Committee are to;

- ♦ decide the overall funding strategy
- ♦ decide how much of the Fund should be shared out between different types of assets and which countries they should be invested in
- ♦ make sure that the Fund invests in different kinds of assets to spread the risk

- ♦ review investments to make sure they are suitable for the needs of the Fund
- ♦ agree the terms under which bodies (for example, contractors) will be allowed to join the LGPS
- ♦ decide how to use its discretionary powers
- ♦ approve the Pension Fund Annual Report and Accounts
- ♦ monitor the overall administration of the LGPS.

Pensions Committee council members at 31 March 2022



Mike Sutherland
(Chair)



Mike Davies



Colin Greateorex



Philip Atkins, OBE



Bob Spencer



Stephen Sweeney



Derrick
Huckfield



Samantha
Thompson



Mike Wilcox

During the course of 2021/2022 the Pensions Committee;

- ♦ formally approved the 2020/2021 Pension Fund Annual Report and Accounts
- ♦ reviewed the Pension Fund Business Plan for 2021/2022 and approved the Pension Fund Business Plan for 2022/2023
- ♦ formally approved the Staffordshire Pension Fund Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS)
- ♦ received LGPS Central Limited's 2022/2023 Business Plan & Budget
- ♦ reviewed the Staffordshire Pension Fund Climate Risk Report
- ♦ Approved the Staffordshire Pension Fund Climate Change Strategy
- ♦ reviewed the high-level risks of the Risk Register and approved the Risk Management Policy for the Staffordshire Pension Fund

Involving others in governance

As well as the nine council members shown, the Pensions Committee also has co-opted members. Co-opted members represent the Pensions Consultative Forum, which is made up of representatives from all organisations that are members of the Fund.

The co-opted members cannot vote at meetings and representatives for 2021/2022 are shown below with who they represent.

Nigel Caine (Larger Public Bodies)

Michael Vaughan (Trade Unions)

Mike Allen (Smaller Employers)

Vacant (Education Sector)

Vacant (Admitted Bodies)

Phil Jones (Pensioner Representative)

Pensions Panel

The Pensions Panel helps the Pensions Committee.

The Pensions Panel's main tasks are to;

- ♦ decide the structure of investment management and appoint investment managers
- ♦ co-ordinate the activities of the various investment managers to reflect the overall aims of the fund
- ♦ monitor how the investment managers perform against their investment targets.

The Director of Corporate Services is responsible for managing the Fund's investments from day to day, in line with the decisions of the Pensions Panel.

Pensions Panel members at 31 March 2022

Council members:

Philip Atkins, OBE (Chair)

Mike Davies

Colin Greateorex

Mike Sutherland

Stephen Sweeney

Advisor members:

Carolyn Dobson (Independent advisor)

Philip Pearson (Hymans Robertson)

Iain Campbell (Hymans Robertson)

The Pensions Panel during 2021/2022;

- ♦ reviewed and monitored the Pension Fund performance and portfolio of investments for 2021/2022
- ♦ approved the 2022/2023 Annual Investment Strategy for managing the Pension Fund's cash
- ♦ received presentations from various investment managers and advisors.
- ♦ received updates on the pooling of LGPS investments.
- ♦ approved the new Strategic Asset Allocation

Local Pensions Board

The main purpose and role of the Board is to;

- ♦ assist the County Council as the administering authority, to secure compliance with all regulations related to the governance of the LGPS
- ♦ help ensure the Fund is managed and administered effectively and efficiently
- ♦ ensure the Fund complies with the Code of Practice issued by the Pensions Regulator.

Local Pensions Board members at 31 March 2022

Employer representatives:

Vacant - Local Authority Councillors
Corrina Bradley - Larger Employers (Vice Chair)
Rachel Bailye - Smaller Employers

Scheme Member representatives:

James Mika - Trade Union Official
John Mayhew - Retired Scheme Members
Rob Birch - Scheme Members (Chair)

Local Pensions Board during 2021/2022;

- ♦ reviewed Pensions Committee and Pensions Panel meetings held during the year
- ♦ considered the governance of the Risk Register including members attending the Risk Committee Working Group
- ♦ produced their own Annual Report. The full report which covers the last financial year is available by following the attached link: www.staffspf.org.uk

The Executive Summary from the Report is provided below:

" The opinion of the Board is that we do not have any concerns about the Staffordshire Pension Fund or its administration."

Rob Birch - Chair of the Staffordshire Pension Board

More details of the responsibilities of the Pensions Committee, the Pensions Panel and the Pensions Board are set out in our Governance Policy Statement which is available on our website at www.staffspf.org.uk. The Governance Policy Statement also contains the 'Statement of Compliance'. This is our assessment of how the Fund's governance arrangements compare to nine best practice principles set by the government.



Tin Tea Box
styled in Chinese themed imagery



Meeting Attendance

The table below sets out the attendance at the quarterly meetings in 2021/2022.

Pensions Committee Member	25/06/2021	24/09/2021	17/12/2021	11/02/2022	25/03/2022
Philip Atkins, OBE	✓	✓	✓	✓	✓
Mike Davies	✓	✓	✓	✓	✗
Colin Greateorex	✗	✓	✓	✓	✗
Mike Sutherland [chair]	✓	✓	✓	✓	✓
Stephen Sweeney	✓	✓	✓	✓	✓
Bob Spencer	✗	✗	✗	✓	✓
Derrick Huckfield	✓	✓	✓	✗	✓
Samantha Thompson	✓	✓	✗	✓	✓
Mike Wilcox	✓	✓	✗	✗	✓
Co-opted members					
Nigel Caine	✓	✗	✗	✗	✓
Michael Vaughan	✗	✗	✓	✗	✓
Mike Allen	✗	✗	✗	✗	✗
Phil Jones	✓	✓	✗	✗	✓

Pensions Panel Member	09/07/2021	03/09/2021	30/11/2021	01/03/2022
Philip Atkins, OBE	✓	✓	✓	✓
Mike Davies	✓	✓	✓	✓
Mike Sutherland	✓	✓	✓	✓
Stephen Sweeney	✓	✓	✗	✓
Colin Greateorex	✓	✓	✓	✓
Advisors				
Carolann Dobson	✓	✓	✓	✓
Philip Pearson / Iain Campbell	✓	✓	✓	✓

Pensions Board Member	25/06/2021	24/09/2021	17/12/2021	25/03/2022
Corinna Bradley	✓	✓	✓	✗
Rachel Bailye	✗	✗	✗	✗
Rob Birch (Chair)	✓	✓	✓	✓
James Mika		✗	✗	✗
John Mayhew		✓	✓	✓

Administration and Investments

The Director of Corporate Services and his staff are responsible for the administration and accounting functions that relate to the investments of the Fund. Details of all transactions carried out by the Funds investment managers are collected and examined.

The Director of Corporate Services and his staff are responsible for all administration related to recording each member's years of service, working out benefits and paying pensions.

The Director of Corporate Services is also responsible for providing legal advice.

Advice

The Pensions Committee and Pensions Panel take advice from the Director of Corporate Services and consultants appointed by the Pensions Panel, including a main investment consultant and an independent consultant. The performance of the consultants is reviewed annually.

Training

Section 248A of the Pensions Act 2004, as amended by the Public Services Pensions Act 2013, requires that trustees of occupational pension schemes should be trained and have knowledge and understanding of the law relating to pensions, the role of trustees, the principles of scheme funding and investment, and the management and administration of pension scheme benefits.

In May 2021, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated Knowledge and Skills Framework (KSF) for LGPS Committee Members and LGPS Officers, together with a separate Code of Practice. This was a recommendation from the Good Governance Project although the CIPFA KSF is something that the Staffordshire Pensions Committee has adopted for several years now, to demonstrate its own good governance.

Training Policy

As with all areas of Pensions, it is best practice and further demonstrates good governance to set out the Pension Fund's approach to the training of all individuals charged with the oversight of the Fund, by having a policy on such. The Staffordshire Pension Fund's Training Policy is available by following the link below. This demonstrates our compliance with the CIPFA KSF.

<https://www.staffspf.org.uk/Governance/Policies/Training-policy/Training-policy.aspx>

The CIPFA KSF is designed to be used by LGPS Officers and the scheme's decision-making bodies (i.e., Pension Committee) as a framework in the assessment of knowledge and skills, the delivery and recording of training, and ultimately the development of knowledge and understanding of all those with a responsibility to manage and administer an LGPS Fund.

The CIPFA KSF identifies eight core technical areas where Pensions Committee Members are expected to have a general awareness and understanding of the key elements in each area. Fund Officers are expected to have a greater depth of knowledge of the areas relevant to their role. The eight core areas are:

1. **Pensions Legislation and Guidance**
2. **Pensions Governance**
3. **Funding Strategy and Actuarial Methods**
4. **Pensions Administration and Communications**
5. **Pensions Financial Strategy, Management, Accounting, Reporting and Audit Standards**
6. **Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management**
7. **Financial Markets and Products**
8. **Pension Services Procurement, Contract Management and Relationship Management.**

Bore Street,
Lichfield

1928



The table below demonstrates the training delivered during the year on the 8 core areas identified in the CIPFA KSF.

	1. Pensions legislation and guidance	2. Pension Governance	3. Funding strategy and actuarial methods	4. Pensions administration and communications	5. Pensions financial strategy, management, accounting, reporting and audit standards	6. Investment strategy, asset allocation, pooling, performance and risk management	7. Financial markets and products	8. Pension services procurement, contract management and relationship management
25 June 2021								
Audit Plan					✓			
Business Plan outturn		✓						
Risk Management, Risk Register and Risk Management Policy						✓		
TCFD Report						✓		
Communications Policy				✓				
Pooling						✓		
16 July 2021								
Responsible investment, reaching net Zero, Climate strategy.						✓		
24 September 2021								
Annual Report and Accounts		✓						
Good Governance		✓						
05 November 2021								
Pension Fund Funding			✓					
Valuation process			✓					
Contribution Strategy			✓					
Investment Strategy							✓	
Climate Considerations						✓		
17 December 2021								
Performance monitoring						✓		
Performance monitoring		✓						
Accounts & Annual Report					✓			
Pooling						✓		
Assumption Setting			✓					
11 February 2022								
Climate Change Strategy		✓						
Climate Change						✓		
25 March 2022								
Strategic Asset Allocation & Investment Strategy						✓		
Actuarial Valuation			✓					
Pooling						✓		
Throughout year								
Aspire Online Learning Module 1 - An introduction to the LGPS	✓							
Aspire Online Learning Module 2 - LGPS Governance & Oversight Bodies		✓						
Aspire Online Learning Module 3 - Administration & Fund Management				✓	✓			
Aspire Online Learning Module 4 - Funding and Actuarial Matters			✓					
Aspire Online Learning Module 5 - Investments						✓	✓	
Aspire Online Learning Module 6 - Current Issues								✓

In line with the training policy a training needs analysis (TNA) questionnaire was sent to all members and senior officers to identify the collective knowledge base and any areas of weakness. Having considered the detailed results from the 2021/22 TNA, training proposed for 2022/23 is likely to include the following

2022/23 Training Plan

As with all training plans, some flexibility in terms of times and methods of delivery will be required. Where appropriate, training will be incorporated into scheduled Committee and Board meetings in June, September, December and March and two dedicated training sessions for both Committee and Board members will be held in July and November. Joint training opportunities within the LGPS Central pool, and outside of scheduled training, may also be offered from time to time.

- ♦ June / September / December 2022 – ongoing training on the **2022 Actuarial Valuation**;
- ♦ June / September 2022 – Portfolio Evaluation Limited and CEM Benchmarking –refresher training at Committee on **Performance Measurement, Cost Benchmarking and Risk Management**;
- ♦ July / September / November 2022 – **Pensions Legislation and Guidance, Pensions Governance and Pension Services Procurement, Contract Management and Relationship Management Administration** – including guidance from the Government Actuaries Department, DLUHC, the Pensions Regulator.
- ♦ September / November / December 2022 and March 2023 – **Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management and Financial Markets and Products** – the review of the Fund's Strategic Asset Allocation will result in a number of changes to the current Investment Strategy and there will be a programme of implementation across individual asset classes and investment products within financial markets.
- ♦ October – December 2022 – Local Government Association offer a 3-day **Pensions Fundamentals** training event, which is routinely offered to all new Pensions Committee and Local Pensions Board members.

Aspire Online Learning Academy

As well as the free access to the Pensions Regulators Trustee Toolkit as per the link below.

<https://trusteetoolkit.thepensionsregulator.gov.uk/>

Pensions Committee and Local Pensions Board Members, have been provided with access to Hymans Robertson's online LGPS Learning Academy, called Aspire, which covers all the key areas of the CIPFA KSF. This can be accessed by following the link below:

<https://aspire.hymanslearning.co.uk/learn>

Communication

The Fund produces a Communications Policy that it reviewed annually and is available at www.staffspf.org.uk

Full details on how the Fund communicates with its members are available on page 23.

Woman modelling
coat and hat

1920



Risk Management

The main strategic risk to the Fund is failing to meet its primary objective of having sufficient funds to meet its liabilities when they become due for payment.

To assess the appropriateness of its Funding Strategy the Fund commissioned its Investment Advisor, Hymans Robertson (Hymans) to carry out Asset Liability Modelling (ALM) in 2021/22, in conjunction with the Hymans Actuarial team, ahead of the 2022 Actuarial Valuation of the Fund at 31 March 2022. The aim was to ensure that any varying of the high-level investment strategy, (i.e., the balance between return seeking assets (e.g., equities) and defensive assets (e.g., fixed income)) and the assumptions made about future investment return could be factored into the Actuarial Valuation assumptions to ensure there would be no material detrimental impact on future level of Employer contributions.

The outcome of the ALM performed by Hymans gave a high variability (risk) in outcomes, which derives from the high proportion of the Fund invested in growth assets, in particular equities. However, in the long-term growth assets such as equities are expected to deliver returns that are commensurate with this risk, which will help to keep employer contributions lower than they would otherwise be. It also relies upon the strong covenant of the major employing bodies in the Fund which allows for a long-term perspective to be taken.

The Actuarial Valuation of the Fund that takes place every 3 years and is the Fund's most important risk management exercise. The last Actuarial Valuation took place at 31 March 2022. The purpose of the valuation is to;

- ♦ review the current Funding Strategy in light of changes to the economic, regulatory and social environment;
- ♦ set a contribution rate for every employer that will be paid from 1 April 2023 to 31 March 2026, at which point rates will be reassessed at the 31 March 2025 valuation; and
- ♦ check the current funding position.

Risk Register

Risks are inherently reported to the Pensions Committee/ Panel as part of routine reporting. However, there is a separate risk register, which has been developed to categorise risk across 4 main areas of focus: **Funding, Administration, Governance, and Investment**. The Pension Fund has a set of high-level objectives which cover all key aspects of the Fund under each of these areas. The greatest risks to the Fund are therefore those associated with not meeting the high-level objectives. The risk register details the risks associated with not achieving the Fund's objectives as a series of sub risks against those high-level objectives. This ensures a comprehensive coverage of all areas of the Fund.

Each of the detailed risks has been given an impact score and a likelihood score before any controls are applied. These have then been combined to give an overall pre-control risk score, which has been assigned a **Red - Amber - Green (RAG) rating**.

The Pensions Committee have requested that the Local Pensions Board (LPB) take an active role in reviewing the Risk Register alongside Officers. Members of the LPB are invited to attend quarterly Risk Committee working groups to work with Officers, and review the detailed risks presented to gain an understanding of the controls in place and the various sources of assurance. Any areas of concern are brought to the attention of the Committee at their next meeting. An annual review of high-level risks is undertaken by the Pensions Committee, irrespective of the work of the LPB.

The Funds most recent Risk Policy is available at the below link and some key risks the Pension Fund faces, and how they are managed, are highlighted below.

www.staffspf.org.uk/Governance/Policies/Risk-management-policy/Risk-management-policy.aspx

Funding

- ♦ **Inflation** - Future payments the Fund have to make to pensioners are linked to inflation, therefore increases in the rate of inflation will increase the value of payments to pensioners. The Fund invests in assets, such as index linked gilts, which are linked to inflation. This reduces risk as it matches the return on these assets to actual increases in inflation.
- ♦ **Longevity** - Future life expectancy is an area which is difficult to forecast accurately but if people live longer, the cost to the Fund of paying their pensions increases. The Fund has made assumptions on longevity with allowances for future increases. The Fund Actuary also has access to information on the experiences of other local authority pension funds. A substantial portion of this risk has been transferred to employees under changes to the scheme made in 2014, which links the scheme retirement age to state pension age.
- ♦ **Changes in the maturity profile of the Fund** - The Fund will mature as the ratio of pensioners and deferred pensioners to active employees increases. This issue has grown over recent years as a result of structural changes affecting employers in the Fund and to manage this risk, the Fund has looked to look to invest in more cash generative investments to help pay for the increasing number of pensioners.

Administration

- ♦ **Maintaining an appropriate level of staffing and resources** - This risk is managed by monitoring workloads and benchmarking staff numbers. Management also hold performance conversations and monitor customer feedback results and complaints.
- ♦ **Maintaining complete and accurate records** - This risk is mitigated through the use of internal contribution control and financial systems. Other controls include actuarial data checks, record keeping checks and actuarial calculations. Increased use of technology and direct access portals for members and employers, will help to reduce manual errors.

Governance

- ♦ **Structure** - The Fund must demonstrate the key principles of accountability and transparency through clear responsibilities and reporting and an appropriate governance structure. To manage this, the Fund's objectives are defined, reviewed annually and approved by Pensions Committee as part of a comprehensive performance management framework which includes KPI's and a review of the Risk Register. Reports on governance arrangements are presented at the Pensions Committee and Local Pensions Board.
- ♦ **Training** - Elected Members and Senior Managers need to have the required skills and qualifications to perform their function effectively and be supported by an ongoing programme of training. This is promoted by the adoption of the CIPFA Knowledge and Skills Framework and the use of a Training policy and Training Log. Assurance is given by review of the training records log, Local Pensions Board, the qualifications and experience of senior officers, performance meetings with staff and through the appointment process.
- ♦ **Advice** - The Fund needs to have proper arrangements to receive appropriate financial, investment and actuarial advice in order to make the best possible decisions. This risk is managed by procuring the services of several advisors who attend and report to the Pensions Committee, Pensions Panel and Local Pensions Board, advising them on key decisions.

Investments

- ♦ **Investment in equities** - A significant proportion of the Fund is invested in equities although reducing as a result of the latest SAA review. This is expected to provide better returns than government bonds over the long term. The risk with this strategy is that equity values fall significantly in the short term and they fail to outperform bonds in the long term. This risk is managed through reliance on the funding strategy which monitors the positive cash flows of the Fund and the long-term covenant of the main employing bodies. This then allows the Fund to take a long-term investment perspective and maintain a high exposure to equities which, over time are expected to deliver better financial returns.
- ♦ **Interest rates** - Changes in interest rates will affect the level of the Fund's liabilities and the value of the Fund's investment in Fixed Income. Little can be done in relation to the change in liabilities; this is a fundamental part of having a Pension Fund. To mitigate the risk of capital loss on Fixed Income from interest rate changes, the Fund's strategic asset allocation allows scope to adjust the Fixed Income exposure, should it be necessary.
- ♦ **Pension Fund investment managers underperform their target benchmarks** - The majority of the Fund is invested through external investment managers, this risk is partially managed by keeping a substantial share of the Fund invested passively and by ensuring that the active managers have complementary styles. Each manager has an investment management agreement in place which sets out the relevant investment benchmark, investment performance target, asset allocation ranges and any investment restrictions. This constrains the investment managers from deviating significantly from the intended approach, while permitting sufficient flexibility to allow the manager to reach their investment performance target. All this is allied to regular monitoring. Investments through the LGPS Central are also held with external managers. These managers are not directly employed by the Fund therefore the Fund does not have the same control over monitoring their performance. However the Fund works closely with LGPS Central in monitoring investment manager performance.

In terms of investment risks, the Pensions Committee receives an annual report from the Fund's independent performance measurer to show both performance and risk, where risk is measured as the variability of returns, both against liabilities and Fund investment benchmarks. The Pensions Panel receives reports which monitor such risks quarterly.

Scheme management and advisors

Advisors

Carolan Dobson BSc, MSII
Hymans Robertson LLP

Actuary

Hymans Robertson LLP

Auditors

Ernst Young

AVC providers

Scottish Widows
Standard Life Assurance Ltd
Utmost Life and Pensions

Bankers

Lloyds Bank plc

Custodian

The Northern Trust Company

Investment managers

Aberdeen Standard Investments Inc
Alcentra Limited
Blackrock
Capital Dynamics Ltd
Colliers International UK plc
Equitix
Goldman Sachs Asset Management
Harbourvest Partners LLC
Hayfin Capital Management
HPS Investment Partners LLC
Impax Asset Management
JP Morgan Asset Management
Knightsbridge Advisors LLC
Lazard Technology Partners LP
Legal & General Investment Management
LGPS Central
Longview Partners Limited
Pantheon
Partners Group LP

Legal adviser

John Tradewell, LLB, MBA
Director of Corporate Services

LGPS Pooling Operator

LGPS Central

Official responsible for the Fund

John Tradewell, LLB, MBA
Director of Corporate Services

Performance measurement

Portfolio Evaluation Ltd

*If you need more information, you can find
contact names and phone numbers on page 83.*





One Penny
from 1929

3. Fund Administration

Administration Report

Staffordshire Pension Fund is part of the Local Government Pension Scheme. It is administered by Staffordshire County Council for the purpose of providing pensions and other benefits for current members, deferred members, pensioners and dependents of the County Council, Stoke-on-Trent City Council, the district councils in Staffordshire as well as a range of other Scheduled and Admitted bodies. Teachers, Police Officers and Firefighters are not included as they all have other national pension schemes.

The Fund is governed by the Public Services Pensions Act 2013 and is administered in accordance with the following legislation:

- ♦ The Local Government Pension Scheme Regulations 2013 (as amended)
- ♦ The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment Regulations 2014 (as amended)
- ♦ The Local Government Pension Scheme (Management and investment of Funds) Regulations 2016

Responsibility for the administration of the Fund has been delegated to the Treasury and Pension Fund Section which is part of the Finance and Resources Directorate of the County Council.

Scrutiny of the Administration

Arrangements in place for gathering assurance over the effective and efficient performance of the administration operation are;

- ♦ External audit
- ♦ Internal audit
- ♦ The Pensions Committee
- ♦ The Pensions Board
- ♦ Reporting Breaches Policy
- ♦ Quarterly Performance Reporting
- ♦ The Pensions Regulator Annual Scheme Return

Review of the Year

Our response to the Covid 19 pandemic

The pandemic continued to place huge pressures across all LGPS Funds, but Fund Officers worked extremely hard to ensure a high-quality service was maintained to all our stakeholders.

Throughout the pandemic most of the staff have worked from home since March 2020. However moving forward a flexible working approach will continue with all staff combining home working with days based in the Office.

It has not always been possible to face to face meetings to take place with scheme members, employers and other stakeholders, as a result the Fund has moved to more 'online meetings', which have received a positive response from members and employers and going forward a mixture of meeting formats will be offered. Other changes made in response to the pandemic have included the acceptance of electronic copies of forms and documents.

McCloud Judgement

When the LGPS changed from a final salary to a career average pension scheme in 2014, members who were within 10 years of their Normal Pension Age (usually age 65) on 1 April 2012 were given protection from the changes.

The Normal Pension Age in 2012 was generally 65. In simple terms, when a protected member takes their pension, the benefits payable under the career average and final salary schemes are compared. The higher amount is paid. This protection is called the underpin

However, the Court of Appeal ruled that other members not benefiting from the age protections, in the judges' and firefighters' pension schemes have been discriminated against because the age protections do not apply to them.

Following this judgement, the government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the 'McCloud Judgement'.

Over the last year the Fund has worked successfully with our software provider to establish a solution to identify the individual employees within scope.

Consequently all employers have been contacted to supply the necessary part time hour changes and service history information not held on our records for all members between 1 April 2014 and 31 March 2021. The information for the year 1 April 2021 to 31 March 2022 will be collected throughout 2022.

Additional resources will be deployed to create capacity to maintain service delivery and address the historic recalculations workload needed for McCloud.

Pensions software procurement

The Fund administers member benefits using the 'Altair' pensions software administration system supplied by Heywood Pension Technologies. The software is used to calculate benefits, manage workflows, store / produce documents and run the pensioner payroll.

During the year the Fund undertook a procurement exercise to appoint a new software provider from January 2022 using the National LGPS Framework for Pensions Administration Software.

Following the procurement exercise Heywood Pension Technologies were awarded the new contract which will run for at least seven years from January 2022. We have worked closely with Heywood to transition to the new service arrangements, which include a move to an externally hosted IT arrangement.

The Fund will maximise the benefits that the administration database can provide in terms of automating processes and increasing engagement channels with stakeholders. This will provide value for money by both speeding up the processing of casework and freeing up capacity within the team to concentrate on more complex casework and administration casework backlogs.

Guaranteed Minimum Pensions Validation

Staffordshire Pension Fund has been undergoing a data matching exercise between the records held by the Fund and those held by HMRC regarding Contracted Out liability for all Members with benefits held before the end of Contracting Out (on 5 April 2016). As part of this exercise, we received 84,102 individual records from HMRC that have been cross-checked against the data held by the Fund.

Those Members who have pension benefits built up in the scheme between 6 April 1978 and 5 April 1997 also have a Guaranteed Minimum Pension (GMP) liability. This GMP can affect the value of pension benefits payable from the Fund, as a GMP has an effect on the way pension benefits are increased.

Staffordshire Pension Fund initially identified 840 cases where the GMP data held by the Fund did not match those held by HMRC. During 2021/22 these cases checked and, where required, amendments have been made to records to rectify the pensions being paid.

A total of 141 Members required a rectification to their pension: of these 89 cases involved a reduction to be applied to the Member's pension, as an overpayment had been made (in line with national guidance, Staffordshire Pension Fund has not recovered any overpayment); 52 cases had historically been underpaid, so arrears have been paid to these members.



Car Wheel
dated 1917 to 1930

Pensions Software Technology

As referred to earlier the Pensions Team uses Heywood's "Altair" pensions software to provide all aspects of pensions administration including, benefit calculations, task management document imaging, workflow production, pensioner payroll, and The My Pension Portal (MPP).

The Altair system is used nationally by other Local Government Pension Funds in England and Wales. The Pensions Team has regular client meetings with Heywood and engages in user groups to ensure that the pensions administration system continues to meet the current and future needs of the Fund.

My Pensions Portal (MPP)

More members are using a smartphone or tablet to access pension information and it is important that the Fund continues to adapt its communication platforms to increase member engagement.

Members and Deferred Members can log into their online account and see their latest statement along with previous Annual Benefit Statements. Alternatively, if members would like to continue to receive a hard copy of their statement every year, they can do so by either writing to or emailing the Fund or by changing their communication preference using MPP.

MPP also gives members round the clock access to their pension records, which mean that they can:

- ♦ **produce their own pension quotes, helping them to plan for retirement.**
- ♦ **view their annual benefit statements.**
- ♦ **update their contact details.**

Data Quality Improvement

Good quality data is vital if the right benefits are to be paid to the right members at the right time. Therefore, the Fund continues to undertake a number of initiatives throughout the year to improve the quality of data held.

Improvements in data quality will provide value for money for both the Fund and its members as it will allow the Fund to introduce improved processes for administering casework.

- ♦ **i-Connect** enables data to be taken directly from the Employer's payroll system automatically identifying new starters, leavers, opt outs and generating a data extract to the Fund. Since its introduction 107 Employers now provide monthly member updates through i-Connect. The Fund is continually working to expand the number of Employer using the platform.

This greater efficiency enables the Fund and participating Employers to improve accuracy of member data, and the processing of administration casework.

- ♦ **Year End Queries.** Each year the Fund undertakes a comprehensive review of all outstanding year-end queries which result from the employer's annual returns. This includes missing starter and leaver information, as well as other data queries. During the year these queries have been gathered together and issued to employers on a bulk basis.
- ♦ **Dedicated Team.** The Fund has dedicated staff who are working on the implementation of i-Connect. In addition, staff are also assisting with various tasks associated with the cleansing of data, such as clearing the Pensions Regulator queries and exception reports.

- ♦ **TPR Data Scores.** In accordance with the Pensions Regulator's requirements the Fund submitted data scores for its common and scheme specific information in the Autumn of 2021 (*this is covered in more detail on the following page*)

- ♦ **Data Security.** The Fund has robust systems and processes to protect the safety and security of data held within the administration system and local network.

The Pension Regulator (TPR) - Data Quality

The Pensions Regulator (TPR) stated that it expected all schemes to undertake an annual data review and put an improvement plan in place (if required) and also to include data accuracy scores in scheme reports. To meet this requirement the Fund undertook a Data Quality Review. This review provided a detailed report on the quality of the Fund's data benchmarked against common and specific data.

Common Data - this is data deemed as common across all schemes as it is data stipulated by the TPR, which includes names, addresses, National Insurance number, date of birth, gender etc.

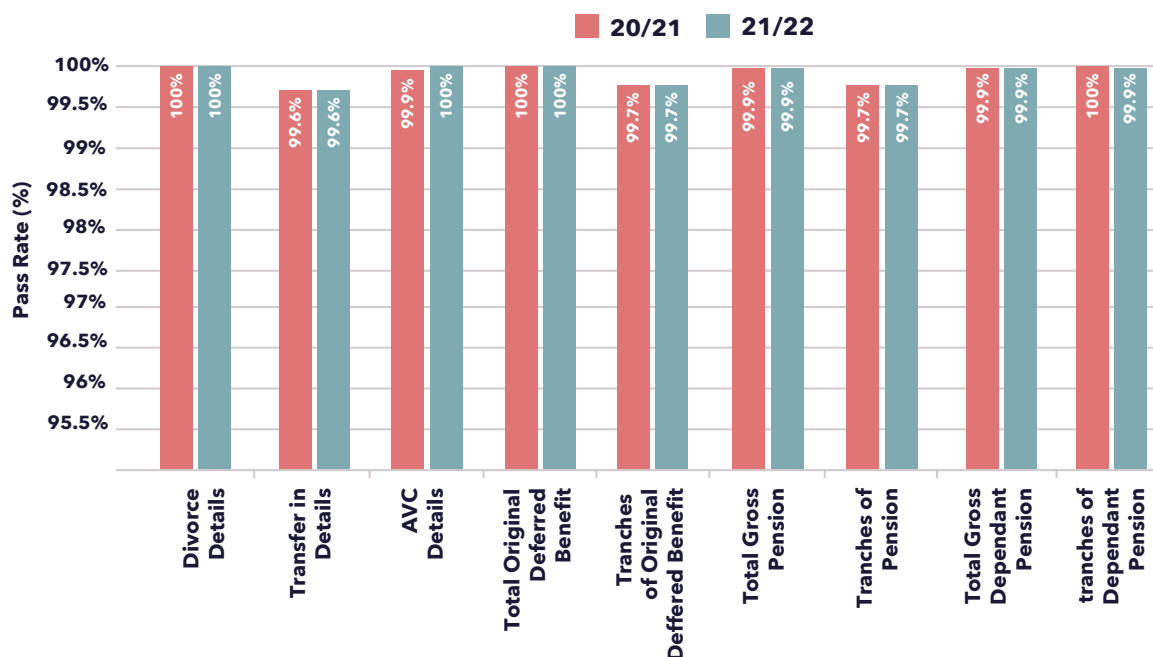
Scheme Specific Data - this is data that is essential to calculate benefit entitlement such as member contributions, pensionable pay, service history etc. The data also includes events that occur during an individual's membership, for example, transfers, purchase of additional pension and Pension Sharing Orders.

The following table show the Fund's performance against each category reviewed against Common and Specific Data.

Common Data Chart 2020/2021 and 2021/2022



Specific Data Chart 2020/2021 and 2021/2022



The review looked at not only the presence of data but also the accuracy of the data held in the Pensions Administration System

The Fund's Data Improvement Plan sets out the steps we are taking to continually improve the data.

Pension Fund Website

The website is the main source of information for both current and prospective members, as well as Fund employers. The website address is: www.staffspfr.org.uk. The website holds scheme guides, forms and information for members and employers to view. Employer responsibilities are set out in the "Employer" section of the website. All participating employers in the Fund are encouraged to use this area to ensure they meet their responsibilities. The Fund also provides videos for both members and employers to view on the website.

Pensions Administration Strategy

We have published a Pensions Administration strategy in accordance with the Local Government Pension scheme (LGPS) regulations. This sets out the standards of performances and best practice that the Fund and the scheme employers should aim to meet when carrying out their Scheme functions and responsibilities.

The object of the strategy is to clearly define the roles and responsibilities of the Staffordshire Pension Fund and scheme employers under the LGPS regulations and related legislation.

Employer Focus Peer Group

This Group is now well established with quarterly meetings taking place and consist of representatives from across the Fund's employer base including district councils, educational establishments and other participating organisations.

The Peer Group aims to:

- ♦ Enable the Fund to work collaboratively with Employers
- ♦ Share best practice
- ♦ Discuss current pension issues and their impact on the Fund and employers
- ♦ Encourage engagement between the Peer Group and the Fund to improve the exchange of data and communication.
- ♦ Provide feedback to the Fund to assist us when implementing improvements
- ♦ Agree on ideas for future employer training events

Collaborative Working

The Fund keeps up to date with administration best practice by participating in collaborative groups such as the Local Government Association's Communication Group and attending the Regional Pensions Officer Group. Representatives from the Fund also sit on a Regional Communications Working Group with other LGPS Funds who meet regularly to discuss communications issues within the LGPS and to share resources for joint communication projects.

Reporting Breaches

With effect from 1 April 2015, the Fund is required to comply with the Pension Regulators Code of Practice no 14; Governance and Administration of Public Service Pension Schemes. The code applies to all scheme managers, employers and members of Local Pension Boards.

The Code requires Funds to introduce a Breaches Policy, to maintain a Breaches Log and to report any material breaches to the Pensions Regulator. The Breaches Log is updated by Fund Officers and recommendations for whether the individual breaches are reportable are made to the Pensions Committee.

To assist both the Fund and Employers, who each have responsibilities for breaches under the Code, the Fund introduced an Administration Strategy. The Strategy sets out clearly the responsibilities of both parties.

Internal Dispute Resolution Procedure (IDRP)

There are times when Scheme members, Employers and the Fund may find themselves in disagreement about a pensions issue. The first approach in these situations are for those involved to talk to each other to reach a resolution. However, should this not be possible, the Fund has established an Internal Dispute Resolution Procedure (IDRP).

The IDRP is a two-stage process. When the Fund or an Employer makes a decision about a beneficiary benefit under the LGPS rules, if for any reason an active member, pensioner, deferred pensioner or potential beneficiary is not satisfied with a decision they can apply to the Employer or the Fund to have their complaint reviewed under a stage 1 IDRP.

If the beneficiary is dissatisfied with the stage 1 decision, they may move to a stage 2 of the IDRP within 6 months of the stage 1 decision. If after the stage 2 decision the member or beneficiary is still dissatisfied, they can contact The Pensions Advisory Service (TPAS) and ask for their assistance.

Where the complaint or dispute cannot be resolved after the intervention of TPAS, the member or beneficiary has three years in which to apply to the Pensions Ombudsman for a decision. Such cases are rare.

Employer Membership Activity

During the year the Fund welcomed 23 new employers into the scheme. 11 Local Education Authority Schools converting to an Academy, 1 new Academy and 11 new Admitted Bodies joined.

7 of the 11 new Admitted Bodies were 'pass through admission agreements' where the letting employer remains responsible for all the residual pension liabilities in the Fund, the remaining 4 were on a 'standalone admission agreement'.

The war memorial
clock tower in Leek

commissioned by
Sir Arthur Nicholson,
opened 1925



Fund Membership Trends

The following table sets out the relevant metrics that illustrates how the overall membership in the Staffordshire Pension Fund has increased. The increased membership results in increased demands both in terms of individual casework and wider reporting and monitoring requirements.

Active Members – are employees of Scheme Employers eligible for membership of the LGPS the numbers include some members who have more than one contract of employment, each being treated separately for administration purposes.

Deferred Members – are former active members who have elected to retain their pension rights in the scheme until they become payable.

Retired Members – are in receipt of a pension including spouses and dependants in receipt of a pension in respect of a former member.

Funds Membership Profile over a 5 year period.

Membership Category at 31 March	2018	2019	2020	2021	2022
Active	33,776	32,735	32,396	32,915	32,823
Deferred	40,552	40,843	41,910	41,987	42,704
Retired	33,156	34,731	36,597	37,714	39,118
Total	107,484	108,309	110,903	112,616	114,645

George V,
Silver Shilling
value of 12 pence



Analysis of Membership at 31 March 2022

The following table provides a breakdown of the Fund membership of active members, deferred members and pensioners at 31 March 2022.

Age Group	Active		Deferred		Retired		Spouse/Dependant	
	Number	% of Active	Number	% of Deferred	Number	% of Retired	Number	% of Spouse Dependants
0-14	0	0%	0	0%	0	0%	68	1.63%
15-19	324	0.99%	7	0.02%	0	0%	82	1.97%
20-24	1,291	3.93%	303	0.71%	0	0%	30	0.72%
25-29	1,981	6.04%	1,273	2.98%	0	0%	5	0.12%
30-34	2,766	8.43%	3,152	7.38%	2	0.01%	3	0.07%
35-39	3,426	10.44%	4,583	10.73%	1	0.00%	7	0.17%
40-44	3,983	12.13%	5,225	12.24%	7	0.02%	10	0.24%
45-49	4,528	13.79%	6,482	15.18%	27	0.08%	44	1.06%
50-54	5,521	16.82%	8,973	21.01%	86	0.25%	105	2.52%
55-59	5,125	15.61%	8,309	19.46%	1,887	5.40%	200	4.81%
60-64	2,954	9.00%	3,973	9.30%	5,831	16.68%	313	7.52%
65-69	776	2.36%	365	0.85%	8,933	25.55%	428	10.28%
70-74	148	0.45%	59	0.14%	7,991	22.86%	580	13.94%
75-79	0	0%	0	0%	5,599	16.02%	728	17.49%
80-84	0	0%	0	0%	2,682	7.67%	623	14.97%
85-89	0	0%	0	0%	1,321	3.78%	560	13.46%
90+	0	0%	0	0%	590	1.69%	376	9.03%
Totals	32,823		42,704		34,956		4,162	

Full Total: 114,645

Administration Performance

As part of our commitment to continued service improvement we operate a system of performance monitoring. The pension administration system monitors the key procedures that are performed by the administration team. Each procedure is measured against its target and monitored monthly.

The Pensions Committee receives regular reports on the administration of the Fund, ensuring that best practice standards are met and to justify to all stakeholders, including members and employers, that the Fund is being run in an efficient and effective way.

The following tables show an analysis of workloads and performance against service standards

KPI	Process	Total	Within KPI	Outside KPI	%	Outside legal target	Within legal target	Legal target	%
1	Deaths – initial letter acknowledging death of member	1,145	1,137	8	99.3		1,145	2 Months	100%
2	Deaths – letter notifying amount of dependants pension	535	500	35	93.5		535	2 Months	100%
3	Retirements – letter notifying estimate of active retirement benefits	1,362	1,308	54	96.0		1,362	2 Months	100%
4	Retirements – letter notifying estimate of deferred retirement benefits	43	38	5	88.4		43	2 Months	100%
5	Retirements – letter notifying actual active retirement benefits	1,202	1,124	78	93.5		1,202	2 Months	100%
6	Retirements – letter notifying actual deferred retirement benefits	1,859	1,844	15	99.2		1,859	2 Months	100%
7	Retirements – process and pay active pension benefits on time	973	957	16	98.4		973	2 Months	100%
8	Retirements – process and pay deferred pension benefits on time	1,286	1,270	16	98.8		1,286	2 Months	100%
9	Deferment – calculate and notify deferred benefits	2,623	2,454	169	93.6		2,623	2 Months	100%
10	Transfers in – letter detailing transfer in quote	2,214	1,974	240	89.2		2,214	2 Months	100%
11	Transfers out – letter detailing transfer out quote	521	521	0	100		521	2 Months	100%
12	Refund – process and pay a refund	727	717	10	98.6		727	2 Months	100%
13	Divorce quote – letter detailing cash equivalent value and other benefits	215	211	4	98.1		215	3 Months	100%
14	Divorce settlement – letter detailing implementation of pension and sharing order	4	4	0	100		4	3 Months	100%

KPI	Process	No. of cases commenced in year	No. of cases completed in year	No. of cases outstanding at year-end	% completed in year
1	Deaths - initial letter acknowledging death of members	1,163	1,161	2	99.8
2	Deaths - letter notifying amount of dependants pension	601	534	67	88.8
3	Retirements - letter notifying estimate of active retirement benefits	1,590	1,460	130	91.8
4	Retirements - letter notifying estimate of deferred retirement benefits	51	49	2	96.1
5	Retirements - letter notifying actual active retirement benefits	1,354	12,92	62	95.4
6	Retirements - letter notifying actual deferred retirement benefits	1,997	1,845	152	92.4
7	Retirements - process and pay active pension benefits on time	1,477	1,228	249	83.1
8	Retirements - process and pay deferred pension benefits on time	2,438	1,897	541	77.8
9	Deferment - calculate and notify deferred benefits	4,258	3,165	1,093	74.3
10	Transfers in - letter detailing transfer in quote	2,237	2,220	17	99.2
11	Transfers out - letter detailing transfer out quote	795	589	206	74.1
12	Refund - process and pay a refund	823	783	40	95.1
13	Divorce quote - letter detailing cash equivalent value and other benefits	252	220	32	87.3
14	Divorce settlement - letter detailing implementation of pension and sharing order	14	10	4	71.4
15	Joiners - notification of date of enrolment	924	837	87	90.6
16	Aggregation - Send notification of aggregation options	3,018	1,296	1,722	42.9
10a	Transfers in - letter detailing transfer in	1,278	12,50	28	97.8
11a	IFA out of scheme	816	653	163	80.0
16a	Concurrent Aggregation	1,922	949	973	49.4

Retirements during the year

Not all Members who retire elect to take payment of their benefits. Staffordshire Pension Fund operates a two-stage retirement process:

1. Quotation (relates to KPI 5 and 6 in the tables on the previous page)

2. Payment (relates to KPI 7 and 8 in the tables on the previous page)

All retiring members are quoted their retirement figures and options at stage 1. Members retiring on grounds of Early Voluntary Retirement have the option to either take payment of their benefits or to defer payment to a later date. The figures below show the totals for both stages of the process.

Cases that were quoted (KPI 5 and 6)

Active Retirements

Type of Retirement	Number of Cases
Early Voluntary (under 65)	764
Flexible	43
Ill Health	53
Normal / Late	158
Redundancy	74
Total	1,092

All Retirements (including Deferred Benefits into payment)

Type of Retirement	Number of Cases
Early Voluntary (under 65)	2,502
Flexible	43
Ill Health	71
Normal / Late	189
Redundancy	74
Total	2,879

Cases that were paid (KPI 7 and 8)

Active Retirements

Type of Retirement	Number of Cases
Early Voluntary (under 65)	654
Flexible	43
Ill Health	53
Normal / Late	146
Redundancy	74
Total	970

All Retirements (including Deferred Benefits into payment)

Type of Retirement	Number of Cases
Early Voluntary (under 65)	1,886
Flexible	43
Ill Health	70
Normal / Late	174
Redundancy	74
Total	2,247

Communications Policy

Regulation 67 of the LGPS regulations 2013, states that an administering authority must prepare, maintain, and publish a written statement setting out its policy concerning communications with members, representatives of members, prospective members, and scheme employers.

The Communications Policy Statement sets out the fund's formal policy concerning communications with its stakeholders including the format and frequency of information provided. Following any amendments this document is passed for approval to Pensions Committee and is published on the Fund's website.

Pensions Structure

The Pensions Team sits within the Corporate Services Directorate of Staffordshire County Council. The Pensions Team is accountable to the Pensions Committee, participating employers and scheme members.

The staffing structure of the team is designed to maximise the services to customers of the Fund, ensure the quality of data held and allow the Pensions Section to adapt to changing work practices such as digital, flexible, and mobile working and automation.

The structure is organised across three functional areas.

Finance and Investment Team

The Finance and Investment team are responsible for the management and governance of the financial aspects of the Fund, including:

- ♦ **The investment of the Fund's assets.**
- ♦ **Monitoring compliance with the Fund's Investment Strategy.**
- ♦ **Production of the Funds Annual Report and Accounts.**

Benefits Team

Service Delivery - Responsible for:

- ♦ The calculation / accuracy of retirement benefits, and those for early leavers, arranging additional contribution / Additional Voluntary Contribution (AVC) contracts.
- ♦ Ensuring the Fund meets its Service Level Agreements and Pension Regulator disclosure requirements.
- ♦ Managing and responding to technical questions raised by members and employers.
- ♦ Managing the Internal Dispute Resolution Procedure (IDRP)

Scheme Transfer Administration

- ♦ The calculation and accuracy of transfers to and from other Local Authority Funds/Pension Schemes.
- ♦ Transfer estimates for divorced members.
- ♦ Implementation of Pensions Sharing Orders.
- ♦ Internal transfers between Employers within the Fund.

Pensioner Payroll – the Fund has circa 39,000 pensioners with a monthly payroll bill of over £12million. This requires:

- ♦ Full administration of the Pensions Payroll to include new retiree starters, leavers and processing of dependants' pensions.
- ♦ Issue of payroll advice statements to pensioners as required together with the production of the annual HMRC P60 statement.
- ♦ Making statutory returns and payments to HMRC.

Technical Team

The Technical Team is responsible for Pensions Administration software systems, incoming data and correspondence management, legal admission of new employers, actuarial reporting, collections and reconciliation of employer and member contributions.

Systems

- ♦ Maintaining the pensions administration database (Altair) to ensure the integrity and security of the system and that it remains fully updated.
- ♦ Delivery of key reports, servicing of key projects and production of Annual Benefit Statements

- ♦ Data cleansing and interfacing Employers, monthly and annual returns, processing of annual Pension Increase, and managing the data improvement plan.

- ♦ Operation, monitoring and maintenance of Employer and Member portals (i-Connect and MPP)

Incoming Data / Correspondence Management

- ♦ Indexing incoming post and emails received to member records and initiation of relevant internal workflow.
- ♦ Creating records for new members.
- ♦ Management of member data received from Scheme Employers, to include.
- ♦ Updating to the pensions administration system, and checking data for accuracy and completeness.

Employer Liaison and Communications

- ♦ Processing scheme admissions and cessations.
- ♦ Notifying new Employers of their responsibilities to the Staffordshire Pension Fund.
- ♦ Providing technical support to new Employers.
- ♦ Attending hosting meetings.
- ♦ Providing advice and guidance to Employers on restructures, contract letting, TUPE / Fair Deal issues and new Employer admissions. Creating and maintain factsheets for members and Employers.
- ♦ Updating the Fund's website.

Actuarial Reporting

- ♦ The submission of required data to the Scheme Actuary for relevant employer events and the triennial actuarial valuation.
- ♦ Production of pension liability reports for Employers (IAS19/FRS102).
- ♦ Management of monthly Employer Asset Tracking.
- ♦ Supporting Scheme Employers on all other actuarial / pensions accounting issues.



Tower Bridge
over the River Thames

Collection and Reconciliation of Member and Employer Contributions

- ◆ Ongoing monitoring and reconciliation of contribution income to the Pension Fund.

Staffing Across Finance, Investment and Administration

There are 46.33 full time equivalent (FTE) posts in the Pension Section with 50 staff responsible for pensions administration.

This equates to a staff to Fund member ratio of one FTE employee to 2,475 based on a total Fund membership of 114,645.

Operational Costs

The Fund's operational financial performance is reviewed by the Pensions Committee, who approves the annual budget. Actual spend is monitored throughout the year by the Fund's Management Team and is reported in the Annual Accounts.

Chartered Institute of Public Finance and Accountancy (CIPFA)

The Fund participates in the CIPFA Benchmarking Club.

Annual data is supplied on cost measures, workload measures, staff related measures and Industry Standard Performance Indicators. Data supplied includes the number of entrants to the scheme, early leavers, retirements, and deaths; details of how calculations are processed and staffing experience such as salary and pensions experience.

The most recent figures we hold for cost per scheme member for administering the Staffordshire Pension Fund is £19.65 (2020/2021) compared to the average of all 89 national LGPS Funds of £31.65. This illustrates that the service continues to be cost effective and remains in line with the Government's key indicator, as reported in the national benchmark return.

The Bank of England indicated that conditions were right for “modest tightening” of monetary policy in the year ahead, with consistently above forecast inflation figures, hence the market began to price in interest rate rises before the end of 2021.

Global equity markets rose strongly over the third quarter 21/22, with the MSCI World index rising 8.1% and finishing the year 24.2% higher. Optimism initially grew, with the ongoing vaccine rollout, but this was tempered towards the end of the quarter with the emergence of the Covid-19 Omicron variant. In the US, equities rose, buoyed by strong economic data but inflationary pressures continued to grow, with CPI up 6.8% year on year in November. As a result, the Federal Reserve adopted a more hawkish tone and indicated there would be several interest rate rises in 2022.

In the UK, equities rose over the quarter but at a slower rate than in the US or European markets. GDP was lower than forecast due to an increase in Covid infection rates and increasing inflation concerns, which had reached a 10-year CPI high, of 5.1%, in November. This led to the Bank of England raising interest rates in December by 0.15% to 0.25%.

Global equity markets had a volatile fourth quarter of 2021/2022 up to the end March 2022, with the MSCI World Index losing 4.6% over the period.

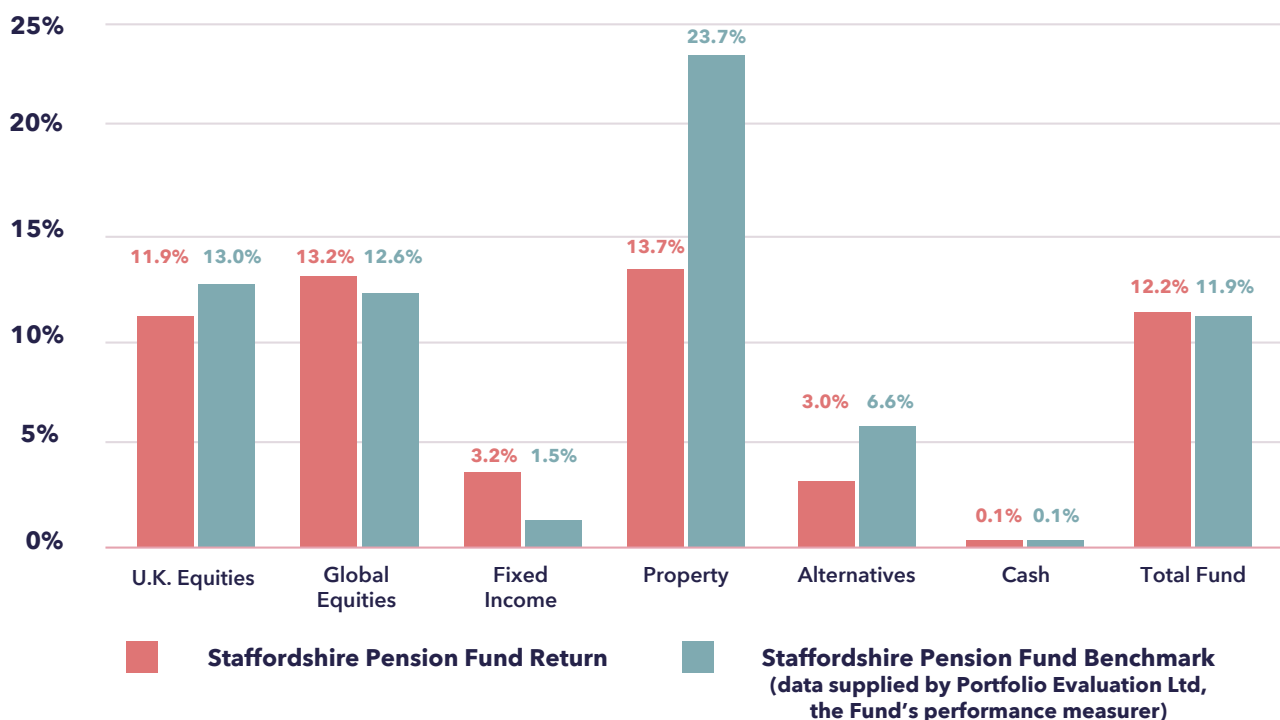
Concerns over the Russian invasion of Ukraine led to sharp falls at the end of February, with a marginal recovery towards the end of March. The war also led to sharp rises in oil, gas, and commodity prices, which have fed into higher inflation figures globally. In the US, annual inflation hit 7.9% in February, which was its highest level in 30 years.

As a result, the Federal Reserve began to raise interest rates which caused the US Dollar to rise in value against other currencies.

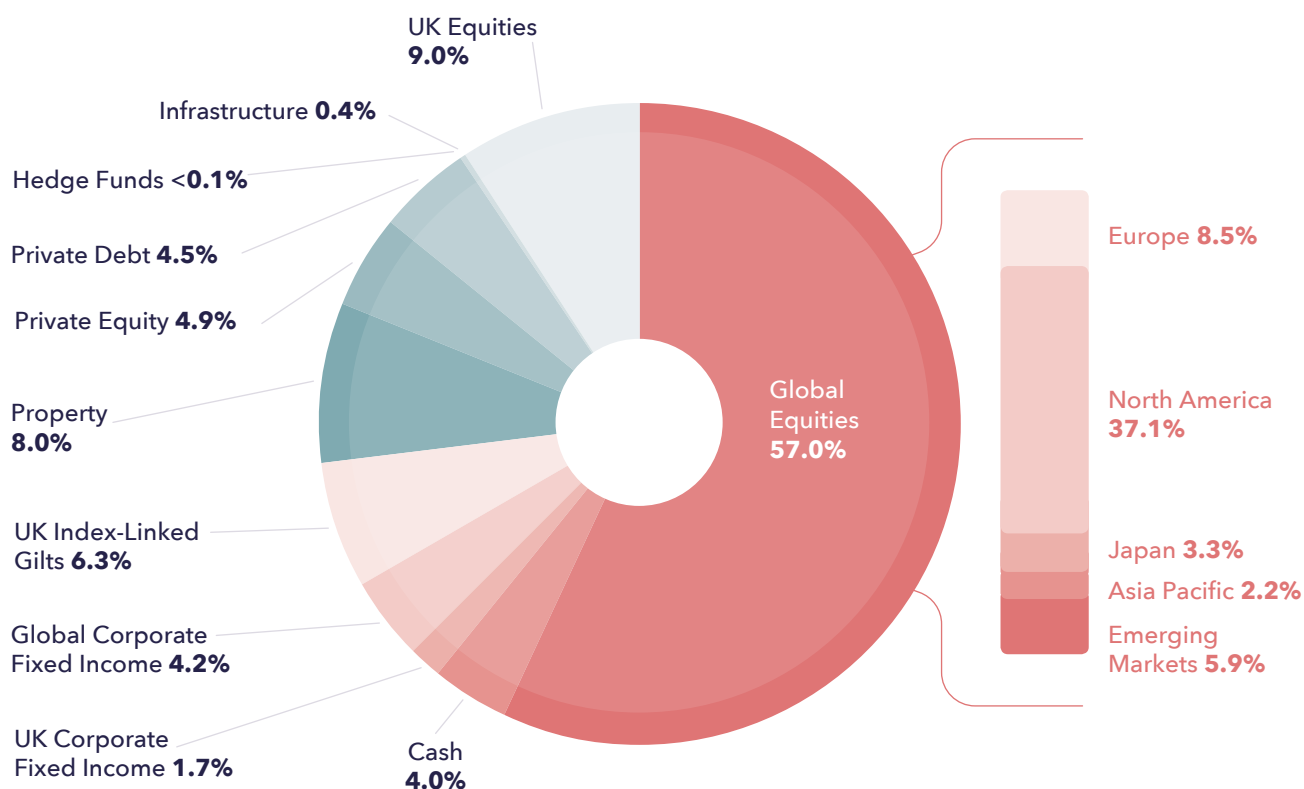
The Federal Reserve also reduced its 2022 GDP forecast to 2.8% from 4.0%, which it had predicted in December 2021. In the UK, the FTSE 100 outperformed global markets over the quarter, due to its large weighting in energy and materials companies.

The Bank of England raised interest rates twice during the quarter which took the Base Rate to 0.75%; the level it was prior to the onset of the Covid-19 pandemic. In Europe, equity markets performed poorly due to fears over its reliance on Russian oil and gas imports, and unlike other major central banks, the European Central Bank (ECB) held interest rates stable over the quarter.

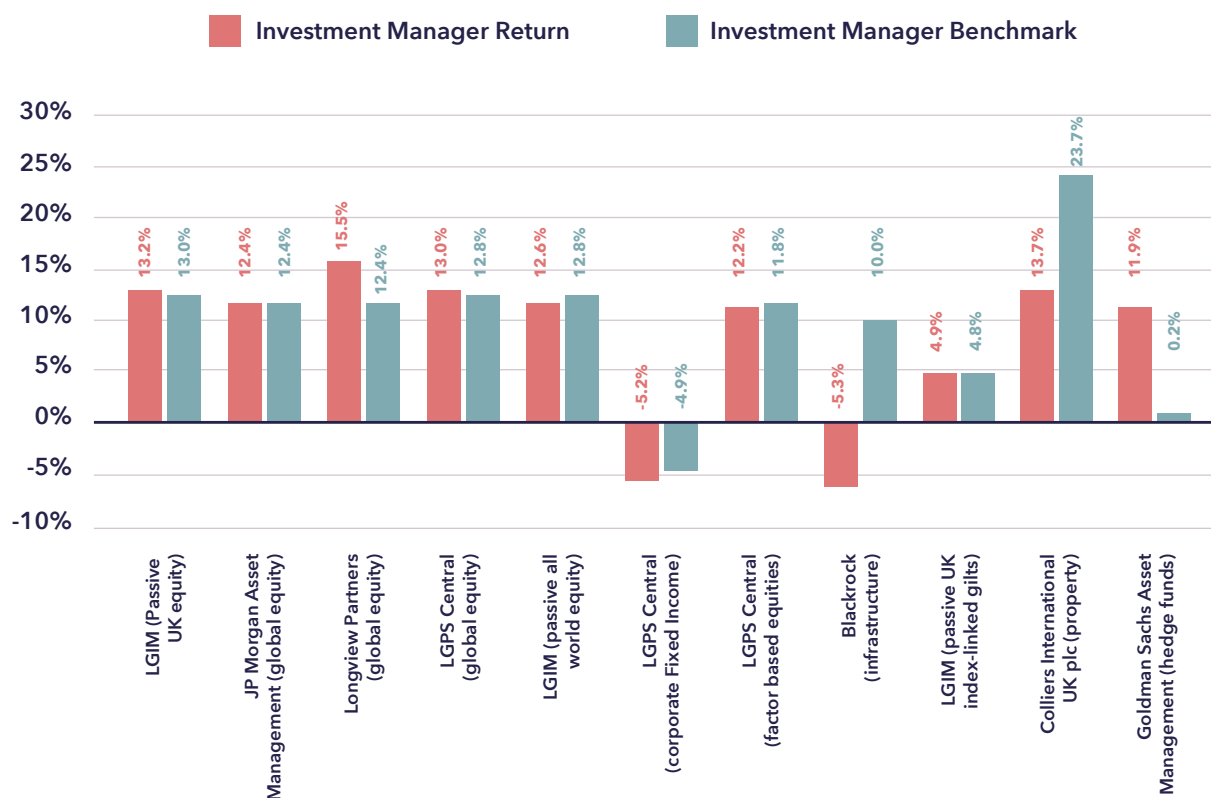
Major asset class returns for year ended 31 March 2022



Percentage breakdown by investment type at 31 March 2022



Investment manager returns for the year ended 31 March 2022



Equities

Equity assets closed the year in a volatile position with concerns over the Russia / Ukraine conflict leading to sharp falls in February 2022. This was against the backdrop of a positive first three quarters; overall the Funds equity portfolio returned 14.5% against a benchmark of 13.4%. Within equities, global equities returned 13.2% and UK equities 11.9% (see graph on page 27).

Top Ten Equity Holdings

Company	Market value at 31 March 2022
MICROSOFT CORP COM	£37,191,552
APPLE INC COM STK	£28,282,932
IQVIA HLDGS INC COM USD0.01	£23,712,435
UNITEDHEALTH GROUP INC COM	£23,150,347
ALPHABET INC CAP STK USD0.001 CL C	£21,688,017
BECTON DICKINSON & CO COM	£19,288,407
AMAZON COM INC COM	£18,044,669
MASTERCARD INC CL A	£16,935,953
AON PLC	£16,644,436
L3HARRIS TECHNOLOGIES INC COM	£15,772,319

Fixed Income

During 2021/2022 the Fund's overall Fixed Income assets holding returned 3.2%, above the benchmark return of 1.5%.

Within Fixed Interest assets the Fund also holds an investment of index-linked Gilts; as these are passively held they returned 4.9% which was closely aligned to the underlying benchmark.

Property

The Fund's total property investment return for 2021/2022 was 13.7%, below the benchmark of 23.7%.

Property sectors in the UK produced mixed returns with the industrial sector, retail and indirect property producing positive returns, offset by negative returns for offices and other property. The industrial sector provided the highest returns at 35.4%. At 31 March 2022, the Fund had a 31.3% weighting in the industrial sector.

During the year, the Fund purchased a industrial estate in Stoke on Trent for £24,300,000 for its direct property portfolio. There were also the following sales during the year from the direct property portfolio -

Meridian Business Park, Leicester	£7,500,000
Oxford Street, Swansea	£367,500
Market Place, Kingston	£1,200,000
Market Place, Leicester	£550,000
Acton Gate, Stafford	£10,100,000

Largest direct property holdings

Location	Market value on 31 March 2022
Upper Woburn Place, London	£36,200,000
Unit 9 Revolution Park, Chorley	£26,800,000
Hadleigh Park, Blythe Bridge, Stoke on Trent	£26,350,000
Drum Industrial Estate, Chester-Le-Street	£23,800,000
22 Stukeley Street, London	£23,340,000
Interlink Park, Bardonia	£23,150,000

Alternative investments

The Fund invests in Alternative investments for diversification as they potentially provide a return uncorrelated to equities, which make up a high proportion of the Fund's investments.

The market for alternative assets is diverse, and depending on asset class and manager selection, investors can be rewarded with varying returns. The Fund's investment in alternative assets returned 3.0% in 2021/2022, below the benchmark of 6.6% (see graph on page 27). This asset class includes both Hedge Funds and Infrastructure, with Hedge Funds returning 11.9% against a 0.2% benchmark and Infrastructure -14.0% against a benchmark of 10.0%. The Fund has only recently begun investing in infrastructure and the performance in the year reflects the early stage of the funds investment in this asset class.

During the year the fund increased its commitment to Infrastructure, investing in a further 3 funds, which will be drawn down over a period of time.

Beach Hut
and contemporary
swimming costume



How much of the investments each manager looks after by market value at 31 March 2022

1. JP Morgan Asset Management (global equity)
9.6%

2. Longview Partners (global equity)
5.3%

3. Impax Asst Management (global equity)
3.9%

4. LGIM (passive all world equity)
26.7%

5. LGIM (passive UK equity)
6.1%

6. LGIM (IL Gilts Index Fund)
6.3%

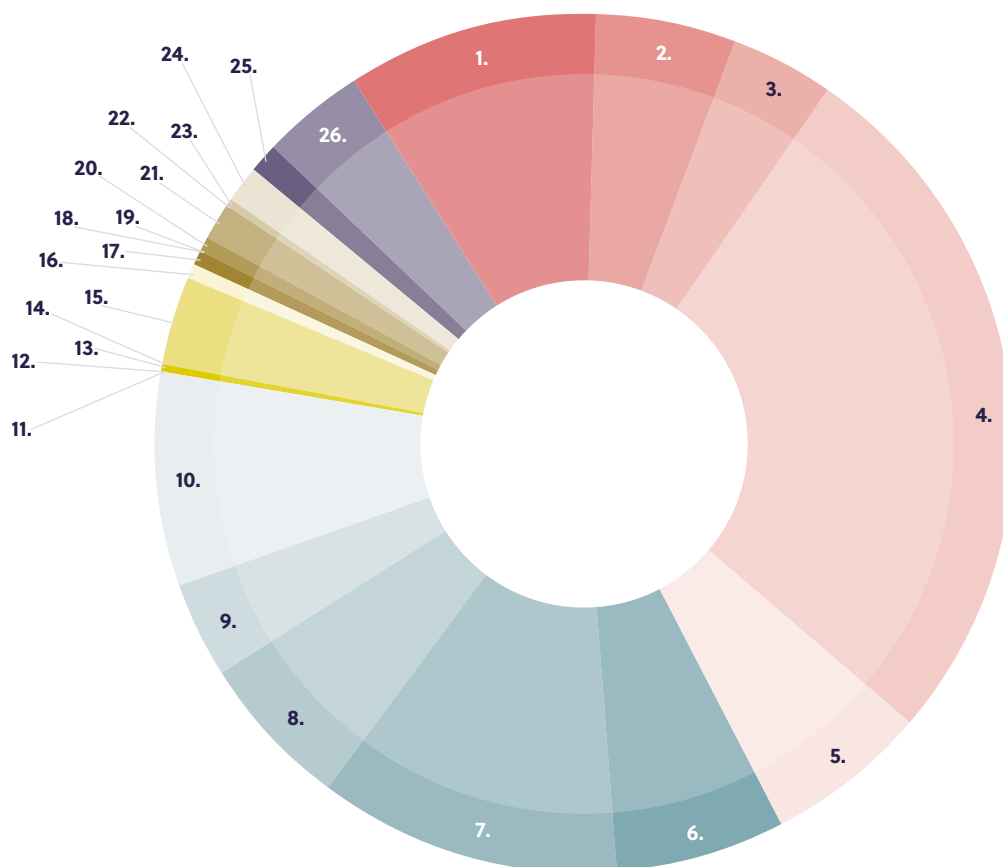
7. LGPS Central (global equities)
11.2%

8. LGPS Central (corporate bonds)
5.9%

9. LGPS Central (factor based equities)
3.6%

10. Colliers International UK plc (property)
8.0%

11. Goldman Sachs Asset Management (hedge funds)
<0.1%



12. Blackrock (infrastructure)
0.1%

13. Equitix (infrastructure)
0.3%

14. Pantheon (infrastructure)
<0.1%

15. Harbour Vest Partners (private equity)
3.3%

16. Knightsbridge Advisors (private equity)
0.6%

17. Partners Group (private equity)
0.5%

18. Lazard Technology Partners (private equity)
<0.1%

19. LGPS Central (private equity)
0.1%

20. Capital Dynamics (private equity)
0.4%

21. Hayfin Capital Management (private debt)
1.5%

22. LGPS Central (private debt)
0.1%

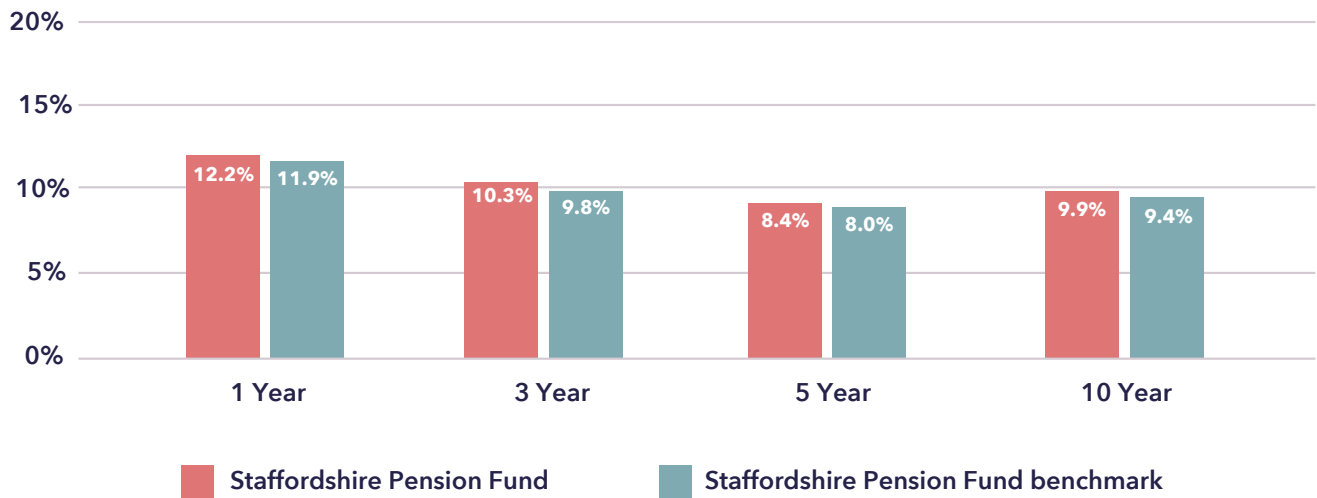
23. Barings (private debt)
0.2%

24. Highbridge Capital Management (private debt)
1.3%

25. Alcentra Limited (private debt)
1.2%

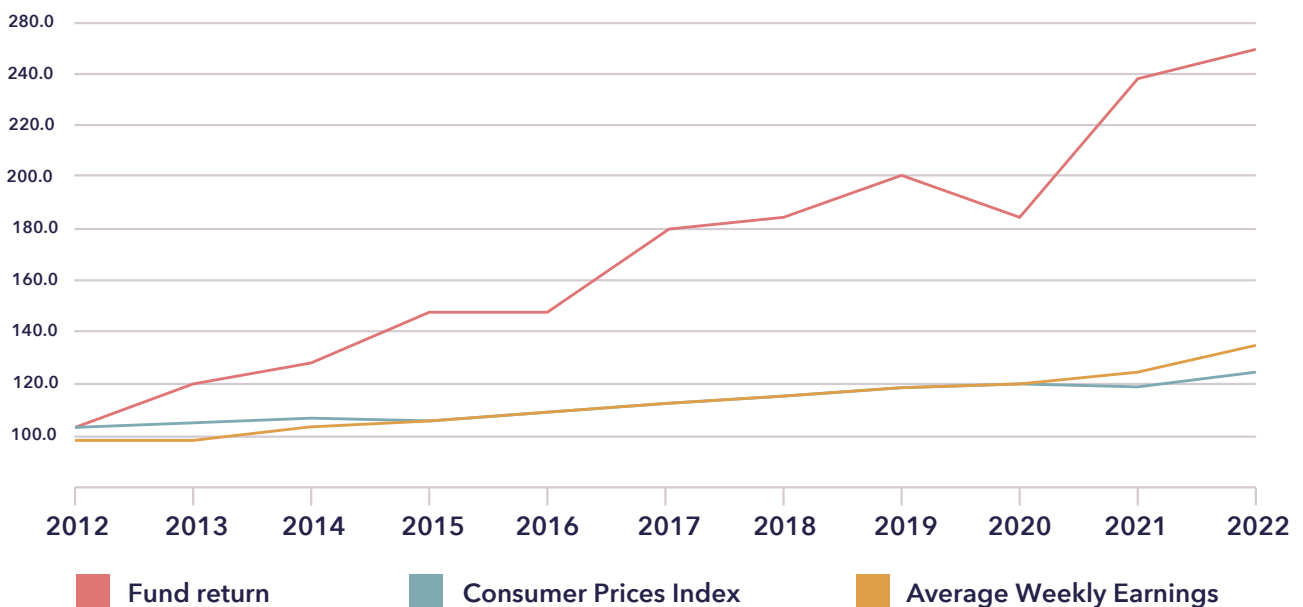
26. Director of Finance and Resources (cash)
3.7%

Pension Fund investment returns



For the year ending 31 March 2022, the Fund's total investments made a return of 12.2%, this outperformed the Fund's benchmark of 11.9% by 0.3%. The Fund value increased to £6.8m by the end of the 2021/2022 financial year.

10-year investment performance versus inflation and earnings

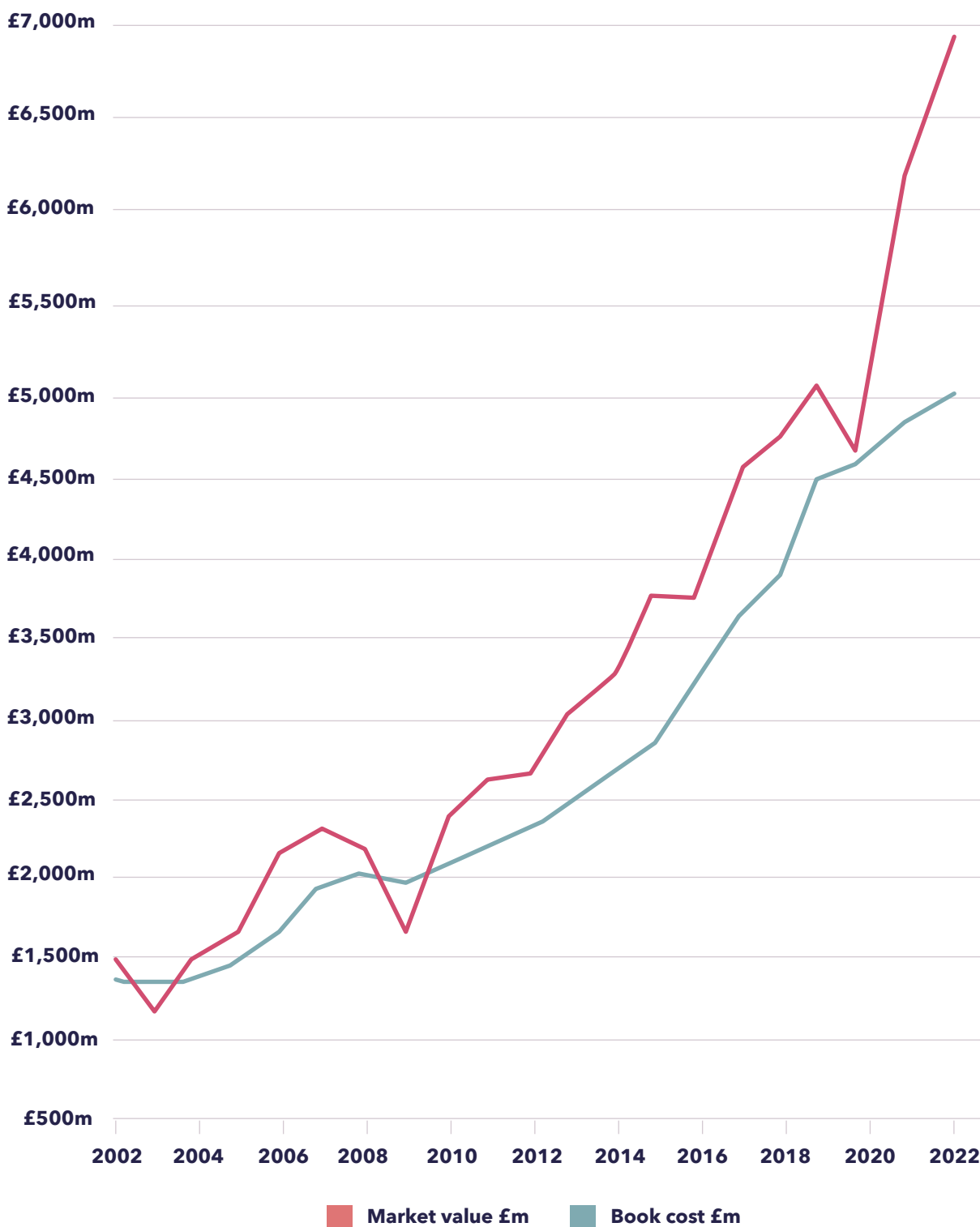


The graph above compares the Fund return over the past 10 years against inflation, in the form of the Consumer Prices Index, and Average Weekly Earnings. The value of all three measures was indexed to 100 at 31 March 2012 and revalued at 31 March every year thereafter.

It can be clearly seen that the Fund has performed well and significantly outperformed the other two measures over the past decade.

Market Value versus book cost

The graph below shows the market value of the Fund over the past 20 years against its total book cost (what we paid for the assets). The graph shows the effect on the market value of the Fund of the 2008/2009 financial crisis and Covid-19 pandemic in 2019/2020. The graph also highlights the recovery made during 2020/2021 which continued into 2021/2022, with the Fund valued at close to £7bn by the end of the financial year.



Responsible Investment & Engagement (RI&E) report 2021/2022

The Pensions Panel recognises its role in promoting Responsible Investment (RI) and endorses the United Nations Principles of Responsible Investing (UNPRI). The Fund's managers are encouraged to sign up to the UNPRI to ensure they incorporate Environmental, Social and Governance (ESG) issues into their investment process. Currently all of the Funds equity managers are signatories to the UNPRI, including those employed by LGPS Central.

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require the Pension Fund to have an Investment Strategy Statement (ISS) that makes reference to the way in which the authority takes RI into account in the selection, non-selection, retention and realisation of investments. Staffordshire Pension Fund ISS, as published in April 2021, includes investment beliefs specific to RI and is available on the Pension Fund website www.staffspf.org.uk.

In 2020, the Financial Reporting Council launched an updated UK Stewardship Code. The Code took effect from 1 January 2020 and aims to improve stewardship practices by setting a substantially higher standard than before. Under the 2016 Regulations, the Fund was accepted as a Tier 1 signatory of the UK Stewardship Code in 2017 and reaffirmed in 2018. Existing signatories to the Code are required to submit a Stewardship Report that meets the FRC's new reporting expectations. The Fund is currently producing a new statement on the work it does, to meet the criteria of the enhanced UK Stewardship Code.

The Fund's 2018 Statement of Compliance with the UK Stewardship Code, as well as individual investment manager's RI policies and the UNPRI, are available on the Staffordshire Pension Fund website. www.staffspf.org.uk

Company Engagement

As the Fund is externally managed, engagement with individual companies is delegated to investment managers and the investment managers of pooled funds, in which the Fund invests (e.g., LGPS Central Funds) and jointly as part of LAPFF. Information on investment manager engagement and voting is received quarterly. In 2021/2022 investment managers' engagement topics included:

- ♦ **Engagement with Banks on decarbonisation targets for financing of high emission-sectors.**
- ♦ **Meeting with a Pharmaceutical company to discuss board diversity and inclusivity in the workplace.**
- ♦ **Writing to Oil companies on emissions reporting and emissions reduction plans.**
- ♦ **Meeting with a major online retailer to discuss human rights issues, such as warehouse safety and controls around facial recognition.**
- ♦ **Engagement with a major house builder on executive pay and climate change.**

Climate Change Strategy

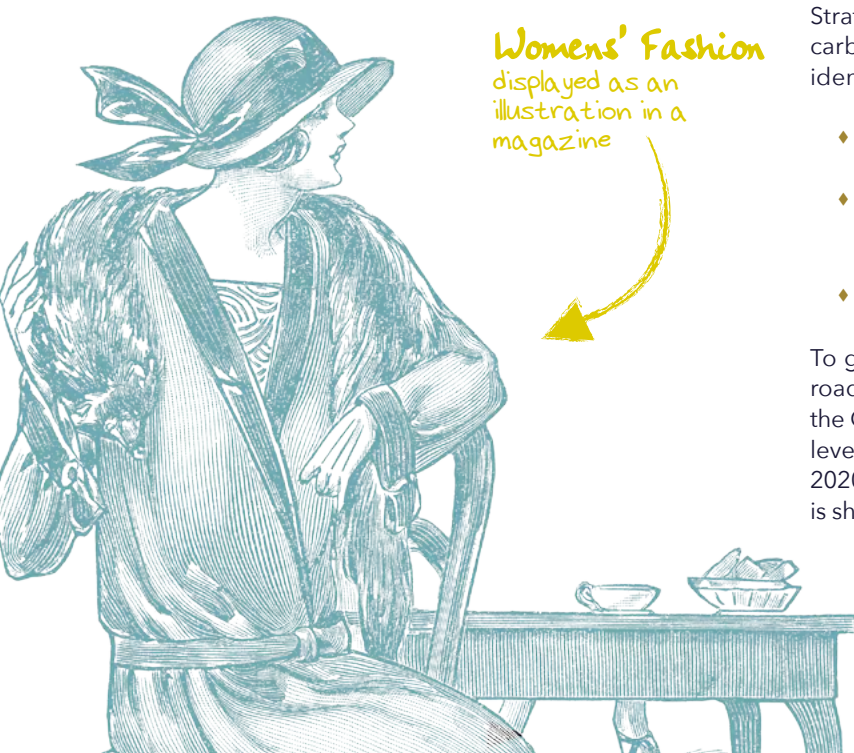
In 2021/22, the Fund produced its first Climate Change Strategy which sets out the Fund's approach to managing the risks and opportunities presented by climate change, with the aim of achieving a net-zero carbon investment portfolio by 2050.

There are several specific climate change beliefs, detailed within the Climate Change Strategy, which build on the investment beliefs, detailed in the Fund's Investment Strategy Statement (ISS), which already incorporate wider responsible investment considerations.

The overarching aim of the Fund's Climate Change Strategy is to achieve a portfolio of assets with net zero carbon emissions by 2050. To achieve this the Fund has identified several key steps it must take, shown overleaf.

- ♦ **Integrate climate change considerations**
- ♦ **Access the best possible climate change data available**
- ♦ **Work collaboratively with other investors**

To guide and monitor the Fund's decarbonisation roadmap, a series of 2030 targets have been included in the Climate Change Strategy, as shown overleaf. The base level for the 2030 targets is the values observed at March 2020, and progress at September 2021 against the targets, is shown in the Climate Change Strategy.



The Fund intends to update the Climate Change Strategy annually, with progress against the 2030 targets. The Climate Change Strategy also contains a commitment to fully review the 2030 targets in 3 years' time and, should reliable data become more widely available, potentially include additional targets.

*Young Couple
posing in a house yard*



2030 Climate Target	September 2021 level	Change from March 2020 (absolute/relative)
Reduce the Weighted Average Carbon Intensity (WACI)* of the Fund by 50-60% by 2030.	124.83 WACI*	-51.68 WACI* / (-29.28%)
Reduce the proportion of the Fund invested in Fossil Fuels reserves to less than 4% by 2030.	5.91%	-0.48% / (-7.51%)
Reduce the proportion of the Fund invested in thermal coal to below 1% by 2030.	2.24%	-0.37% / (-14.18%)
Increase the proportion of investments where carbon metrics are reported to over 95% by 2030**.	72.73%	+3.53% (+5.11%)

*WACI (tCO₂e/USDm revenue) is calculated by the division of the number of tons of Carbon Dioxide emitted, by the amount of US Dollar revenue (in millions) generated.

**where climate data is captured, calculated, and provided by the investee companies/managers, rather than estimated by the Fund/data provider.

The full Climate Change Strategy is available on the Fund's website www.staffspf.org.uk.

Taskforce on Climate-Related Financial Disclosures (TCFD)

During the year, the Fund received a further Climate Risk Report from its asset pooling company, LGPS Central Limited. The Climate Risk Report is consistent with the disclosures required by the Taskforce on Climate-Related Financial Disclosures (TCFD) and has allowed the Fund to produce its 2022 TCFD report.

The Fund's TCFD report is likely to become mandatory for LGPS Funds in the future and describes the way in which climate-related risks are currently managed and the core elements the fund must report against are shown below. The report also discloses the results of Carbon Risk Metrics Analysis (i.e., the Fund's carbon footprint - also disclosed in the Climate Change Strategy against the 2030 targets) and Climate Scenario Analysis. The Fund's 2022 TCFD Report is available on the Staffordshire Pension Fund website www.staffspf.org.uk.

Core Elements of Recommended Taskforce on Climate-Related Financial Disclosure (TCFD)

Governance

The organization's governance around climate-related risks and opportunities.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.



Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks.

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Climate Stewardship Plan

Following the receipt of the Climate Risk Report in 2021/22, an updated Climate Stewardship Plan has been developed for 2022/23. The Climate Stewardship Plan is used to monitor engagement by the Fund's investment managers, to whom much of the day-to-day responsibility for managing portfolio-level climate risk is delegated.

The Climate Stewardship Plan aims to focus the Fund's engagement on the investments in companies which have the most impact on the Fund's climate risk. The companies recommended for engagement with are identified based on the following factors:

- ♦ Perceived level of climate risk, considering carbon risk metrics;
- ♦ Weight of the company in the Fund's portfolio;
- ♦ Likelihood of achieving change; and
- ♦ Ability to leverage investor partnerships.

The Climate Stewardship report also recommends engaging with the Fund's investment managers, based on a set of criteria:

- ♦ Perceived level of climate risk, considering carbon risk metrics and climate scenario analysis;
- ♦ Size (by assets under management) of the portfolio; and
- ♦ Whether the mandate is expected to be long-term.

The Climate Stewardship Plan is a live working document, which is updated as engagement with companies and investment managers occurs and is reported to the Pensions Panel as part of the Responsible Investment & Engagement Report presented at quarterly meetings.

Local Authority Pension Fund Forum

To further enhance the commitment to matters of responsible investment the Fund is a member of the Local Authority Pension Fund Forum (LAPFF). LAPFF is a voluntary association representing the majority of LGPS funds and LGPS Pools who have over £350bn of assets under management. Formed in 1990 the forum exists to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders while promoting the highest standards of corporate governance and corporate responsibility at the companies in which they invest. You can find more about LAPFF at their website <https://lapffforum.org/wp-content/uploads/2022/10/LAPFF-Mining-and-Human-Rights-Report.pdf>

During the year LAPFF engaged with a variety of companies. Below is a selection of issues they engaged on during the year:

- ♦ LAPFF continued to ask several companies to undertake human rights impact assessments on their operations in the Occupied Palestinian Territories (OPT). LAPFF met with two companies this quarter,

Motorola, alongside representatives of LGPS Central, and Bezeq. Bezeq is the first company LAPFF has met on this topic that operates under Israeli state law, and they provided an overview of their operations and the areas in which they operate. LAPFF will continue to engage with companies who operate in the OPT – many of whom do not appear to have sufficient human rights due diligence processes in place, or even a human rights policy. LAPFF will need to carefully consider their voting recommendations, given that the OPT is a conflict zone, which requires enhanced human rights due diligence.

- ♦ LAPFF have recently produced a paper on mining and human rights. This details the engagement they have undertaken, and which they will continue to do, working with mining companies and communities effected by their operations. These including those impacted by the Samarco tailings Dam collapse in Brazil and the destruction of the Juukan Gorge in Australia. The full paper can be seen at the following link - <https://lapffforum.org/wp-content/uploads/2022/10/LAPFF-Mining-and-Human-Rights-Report.pdf>
- ♦ LAPFF wrote to pharmaceutical companies to discuss whether Covid has forced them to change their business models or business strategies. It is clear that these companies have treated Covid as a test of their existing business models and strategies. Currently, there appear to have been more operational changes, such as how staff work together online and determining the right balance of working from home and working from offices, than there have been business model or strategy changes. LAPFF will continue to engage with these companies.
- ♦ LAPFF attended Sainsbury's 'Plan for Better' event and posed questions, on the company's packaging practices, electric vehicles, supply chains, climate change and 'say on climate'. In 2020, Sainsbury announced its climate target to be net zero by 2040 and this year announced a Scope 3 emissions target, which followed with a key theme of this year's event being that the company was engraining Environmental, Social and Governance concerns at the core of its business strategy. Sainsbury's is taking a number of steps in stores to tackle plastic packaging, opting for loose veg as opposed to prepacked. These steps have led Sainsbury to be recognised by Greenpeace as the retailer with the second highest proportion of loose fruit and vegetables in the market. LAPFF has also co-led an engagement with Sainsbury in a coalition led by First Sentier Investors, pushing for suppliers and distributors of domestic and commercial washing machines to fit, as a standard procedure, filters to their products to prevent plastic microfibres entering the world's ecosystems. Sainsbury responded that they had engaged with white goods suppliers and were looking at viable options.

Annual voting summary

The Pensions Panel receives quarterly updates from managers on details of votes cast on corporate resolutions for holdings in their relevant portfolios. Below is a summary of their activity in 2021/2022.

	Total resolutions	Vote with management	Votes against management	Abstain
Impax	108	100	8	0
JP Morgan	2,494	2,335	125	34
Longview	467	446	21	0
Legal & General	126,191	102,233	22,637	1,321
LGPS Central - Global Equity Fund	3,324	2,808	459	57
LGPS Central - Global Multifactor Fund	17,695	14,856	2,589	250



5. Financial Statements

2021/2022

Staffordshire Pension Fund account for the year ended 31 March 2022

	Notes	2020/2021 £m	2021/2022 £m
Dealing with members, employers and others directly involved in the Fund			
Contributions receivable	7	278.9	180.1
Transfers in	8	9.7	11.7
		288.6	191.8
Benefits payable	9	(190.2)	(195.7)
Leavers	10	(15.4)	(10.3)
		(205.6)	(206.0)
Net additions/(withdrawals) from dealings with fund members		83.0	(14.2)
Management expenses	11	(22.9)	(25.7)
Net additions/(withdrawals) including fund management expenses		60.1	(39.9)
Returns on investments			
Investment income	12	58.7	68.6
Taxes on income	12	(0.4)	(0.3)
Profit and losses on disposal of investments and changes in the value of investments	13a	1,289.5	652.3
Net returns on investments		1,347.8	720.6
Net increase in the net assets available for benefits during the year		1,407.9	680.7
Opening net assets of the Fund		4,744.5	6,152.4
Closing net assets of the Fund		6,152.4	6,833.1

Net assets statement

Net assets statement at 31 March 2022

	Notes	2020/2021 £m	2021/2022 £m
Long term investments	13/13c	1.3	1.3
		1.3	1.3
Investment assets			
Equities	13/13c	1,193.8	1,269.5
Pooled investment vehicles	13/13c	3,778.6	4,072.0
Pooled Property Investment	13/13c	49.9	72.9
Derivatives	13/13c	0	0
Property	13/13c	418.5	472.7
Other investment balances	13c	610.2	674.1
Cash deposits	13/13c	96.9	264.4
		6,147.9	6,825.6
Investment liabilities			
Derivatives	13/13c	0.0	0.0
Other investment balances	13/13c	(2.9)	(3.3)
		(2.9)	(3.3)
Net investment assets	13/13c	6,146.3	6,823.6
Long term assets	19	0.0	0.0
Current assets	19a	19.4	21.8
Long term Liabilities	20	(0.1)	(0.1)
Current liabilities	20a	(13.2)	(12.2)
Net assets of the Fund available to fund benefits at the end of the reporting period		6,152.4	6,833.1

The financial statements summarise the transactions of the Fund and deal with the net assets available to us. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial position on the scheme, which does take account of these obligations, is set out in the actuary's report on page 39.

The notes on pages 43 to 73 also form part of the Pension Fund financial statements.

Postage Stamp
with postmarks for 1927



Staffordshire Pension Fund ("the Fund") Actuarial Statement for 2021/22

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 the Fund 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 February 2021. In summary, the key funding principles are as follows:

- ♦ to ensure the long-term solvency of the Fund 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 the Fund, 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 the Fund 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 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 the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 68% likelihood that the Fund will achieve the funding target over 20 years.

The Black Prince,
stained glass window,
Alton Towers

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 the Fund's assets, which at 31 March 2019 were valued at £5,131 million, were sufficient to meet 99% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2019 valuation was £73 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 Fund'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 the Fund assets at their market value.

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

Financial assumptions	31 March 2019
Discount rate	3.9%
Salary increase assumption	2.7%
Benefit increase assumption (CPI)	2.3%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund'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 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.2 years	23.6 years
Future Pensioners*	22.1 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 the Fund.

Experience over the period since 31 March 2019

Markets were severely disrupted by COVID 19 in March 2020, but over most of 2020/21 and 2021/22 they recovered strongly. However, due to the war in Ukraine, March 2022 markets were particularly volatile, which affects values as at the accounting date. All other things being equal, the funding level of the Fund as at 31 March 2022 is likely to be better than that reported at the previous formal valuation as at 31 March 2019.

It is important to note that the formal triennial funding valuation exercise is as at 31 March 2022 and this may show a different picture when the finalised position is disclosed in next year's annual report. In particular, changes in Fund membership, changes in anticipated real investment returns, and changes in demographic assumptions will affect the valuation results. The Funding Strategy Statement will also be reviewed as part of the triennial funding valuation exercise.

Laura McInroy FFA

29 April 2022

For and on behalf of Hymans Robertson LLP



Pension Fund Accounts Reporting Requirement

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2021/22 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the Staffordshire Pension Fund ("the Fund"). The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- ♦ **showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;**
- ♦ **as a note to the accounts; or**
- ♦ **by reference to this information in an accompanying actuarial report.**

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

Present value of promised retirement benefits

Year ended	31 March 2022	31 March 2021
Active members (£m)	3,858	3,853
Deferred members (£m)	2,088	2,247
Pensioners (£m)	2,577	2,776
Total (£m)	8,523	8,876

The promised retirement benefits at 31 March 2022 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2019. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Clothing Examples

from 1925 (Leek Supplement)



Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2022 and 31 March 2021. I estimate that the impact of the change in financial assumptions to 31 March 2022 is to decrease the actuarial present value by £680m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £46m.

Financial assumptions

Year ended	31 March 2022	31 March 2021
	% p.a.	% p.a.
Pension Increase Rate (CPI)	3.20%	2.85%
Salary Increase Rate	3.60%	3.25%
Discount Rate	2.70%	2.00%

Demographic assumptions

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.2 years	23.8 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.2 years	25.5 years

All other demographic assumptions are unchanged from last year and as per the latest funding valuation of the Fund.

Contemporary Apartments

based on Art Deco influence

Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2022	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2%	174
1 year increase in member life expectancy	4%	341
0.1% p.a. increase in the Salary Increase Rate	0%	16
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	157

Professional notes

This paper accompanies the 'Accounting Covering Report - 31 March 2022' which identifies the appropriate reliances and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Laura McInroy FFA

29 April 2022

For and on behalf of Hymans Robertson LLP





Notes to the accounts

1. Description of the Fund

The Staffordshire Pension Fund ('the Fund') is part of the LGPS and is administered by Staffordshire County Council. The council is the reporting entity for this pension fund.

The following description of the Fund is a summary only. For more detail, reference should be made to the Staffordshire Pension Fund Annual Report 2021/2022 and the underlying statutory powers underpinning the scheme.

a) General

The scheme is governed by the Public Service Pensions Act 2013 (as amended). The fund is administered in accordance with the following secondary legislation:

- ♦ the Local Government Pension Scheme Regulations 2013 (as amended)
- ♦ the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- ♦ the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by Staffordshire County Council to provide pensions and other benefits for pensionable employees of Staffordshire County Council, the district councils in Staffordshire County and a range of other scheduled and admitted bodies within the county area. Teachers,

police officers and firefighters are not included as they come within other national pension schemes. Staffordshire County Council is legally responsible for the Staffordshire Pension Fund. Under the County Council's constitution, the Pensions Committee and Pensions Panel are delegated to look after the Fund. As a result of the Public Service Pensions Act 2013, a Local Pensions Board was also set up to aid effective governance.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Fund include the following:

- ♦ Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- ♦ Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There are over 450 employer organisations within the Fund (including the County Council itself), and over 114,000 individual members, as detailed on the table on the following page.

Membership of the Fund

	31 March 2021	31 March 2022
Pensionable employees		
Staffordshire County Council	8,561	8,020
Other employers	24,354	24,803
Total	32,915	32,823
Pensioners		
Staffordshire County Council	18,097	18,502
Other employers	19,617	20,616
Total	37,714	39,118
Deferred pensioners (people who no longer pay into the scheme)		
Staffordshire County Council	19,272	19,114
Other employers	22,715	23,590
Total	41,987	42,704
Total number of members in the pension scheme	112,916	114,645

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the Local Government Pension Scheme Regulations 2013. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2019.

d) Benefits

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

From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Price Index.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits as explained on the Staffordshire Pension Fund website at www.staffspf.org.uk.

2. Basis of preparation

The statement of accounts summarises the Fund's transactions for the 2021/2022 financial year and its position at year-end as at 31 March 2022. The financial statements follow the Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022 (the Code) which is based on International Financial Reporting Standards (IFRS), as amended for the UK public sector and issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits.

The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits.

The accounts have been prepared on a going concern basis.

Staffordshire Pension Fund is an open scheme with a strong covenant from most of its participating employers and it is therefore able to take a long-term outlook when considering the general funding implications of external events.

To date the Fund has received no requests from scheduled and admitted bodies to defer pension contributions.

Due to the maturity of the scheme, the Fund has been operating a cash flow shortfall from its dealings with members for a few years. The Fund does have investment income in excess of this paid into the Fund.

The table below identifies the information from the period ended 31 March 2022 to the end of the Going Concern period of 31 March 2026.

In the event that the Fund needs to raise cash to fund commitments, it held in excess of £5bn in liquid investments as at 31 March 2022. These are generally realisable within 7 days of trade execution. Considering all of the above the Fund considers it appropriate to prepare financial statements on a going concern basis for the period to 31 March 2026.

	Period to	(Shortfall)/ Surplus from dealings with members (£m)	Investment Income (£m)	Year end cash position (£m)
Actual	31/ 03/ 2022	(14.27)	68.33	247.50
Actual	31/ 03/ 2023	(18.88)	81.25	92.90
Actual	31/ 03/ 2024	49.72	89.55	97.39
Forecast	31/ 03/ 2025	15.48	80.00	33.36
Forecast	31/ 03/ 2026	8.28	80.00	84.88

You can get more information on the Pension Fund, including the Fund Governance Statement, the Investment Strategy Statement and the Funding Strategy Statement on the Staffordshire Pension Fund website at:

www.staffspf.org.uk.

3. Accounting policies

When preparing the Pension Fund financial statements we have adopted the following significant accounting policies, which we have applied consistently.

Contributions

Normal contributions are accounted for on an accruals basis as follows:

- ♦ **Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.**

- ♦ **Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.**

Employer deficit funding contributions are accounted for on the basis advised by the fund actuary in the rates and adjustment certificate issued to the relevant employing body. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

Transfer values

Transfers in and out relate to members who have either joined or left the fund. These are included on the basis of payments made or receipts received in the case of individual transfers and on an accrual basis for bulk transfers, which are considered material to the account.

Investment income

Investment income is recognised as follows:

- ♦ **Interest income as it accrues.**
- ♦ **Dividend income on the date the shares are quoted ex-dividend.**
- ♦ **Property related income, which primarily consists of rental income, is received in advance and is accrued into the correct year.**
- ♦ **Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.**
- ♦ **Distributions from pooled funds are recognised at the date of issue.**

Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

Under pension fund rules, members may receive a lump-sum retirement grant on top of their annual pension. Lump-sum retirement grants are accounted for from the date of retirement.

Other benefits are accounted for on the date the member leaves the Fund or dies.

Taxation

The Fund is a registered public service scheme and as such is exempt from paying tax in the UK on interest received and on the proceeds of investments sold. The Fund may suffer withholding tax on overseas investments in the country of origin, where this is not recoverable it is accounted for as an expense when it arises.

Management expenses

All costs related to managing investments, administration, oversight and governance are reported in one line in the Fund Account called 'Management expenses'.

Investment management expenses, including performance-related fees, are accounted for on an accruals basis and are recognised before any VAT the Fund can recover.

Investment management expenses are charged directly to the fund as part of management expenses and are not included in, or netted off from, the reported return on investments (see note 11a).

The fees of external investment managers and the custodian are agreed in their respective mandates governing their appointments. They are broadly based on the market value of investments and can increase or decrease as the value of these investments change.

All administrative expenses and oversight and governance costs are accounted for on an accruals basis. All staff costs of the Pensions Administration team are charged to the Fund. Management, accommodation and other support service costs are charged to the Fund based on Staffordshire County Council policy.

Investments

All other investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised in the fund account. The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Note 16). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Equities traded through the Stock Exchange Electronic Trading Service (SETS), are valued on the basis of the latest bid (buying) price.

Pooled investment vehicles are valued at the bid market price provided by the relevant fund managers, which reflects the market value of the underlying investments.

The value of bonds are recorded at the net market value based on their current market yields. The value does not include interest earned but not paid at the year end, which is included separately within accrued investment income.

UK directly held property investments are stated at their value on the open-market based on an annual independent valuation by Savills, as at 31 March 2022. This report has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together with the UK National Supplement effective 14 January 2019, together the "Red Book".

The private equity, private debt and hedge fund valuations are valued based on the Fund's share of the net assets of the underlying funds using the latest financial statements provided by the respective fund managers. (see Note 15 for further details)

Foreign currency transactions

Dividends, interest and the purchase and sale of investments in foreign currencies have been accounted for at the spot rates at the date of transaction. Where forward foreign exchange contracts are in place for assets and liabilities in foreign currencies, the exchange rate set out in the contract is used. Other assets and liabilities in foreign currencies are given in Sterling (£) at the rates of exchange that apply at the end of the financial year.

Surpluses and deficits arising when converting currency are dealt with as part of the change in market value of investments.

Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimal risk of changes in value.

Contingent assets and contingent liabilities

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

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

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in the notes.

Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of an accompanying actuarial report.

4. Critical judgements in applying accounting policies

Pension Fund liability

The pension fund liability is calculated every three years by the appointed actuary, Hymans Robertson. The methodology used is in line with accepted guidelines and in accordance with IAS 19, the assumptions underpinning the valuation are given in the Actuarial Statement. The estimate is subject to significant variances based on change to the underlying assumptions (See Note 18).

Property

Savills have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property, nor have they allowed for any adjustment to any of the properties' income streams to take into account any tax liabilities that may arise. Their valuation is exclusive of VAT (if applicable). They have excluded from their valuation any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupiers.

No allowance has been made for rights, obligations or liabilities arising in relation to fixed plant and machinery, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant EEC legislation.

Investment in LGPS Central Limited

The Cost approach and considering Fair Value at Initial Recognition provide viable approaches to valuing this shareholding, and they both generate consistent valuations at historic cost less any adjustment for impairment. Consequently this will be the approach for valuing this holding until any change in circumstances creates an alternative approach. This is consistent with the approach of other Pension Funds to their valuation of pool company holdings. The valuation of the shareholding in LGPS Central is £1,315,000

Investments in Russia and Belarus

Staffordshire Pension Fund estimated that less than 0.1% of its c£6.8bn investment portfolio, at 31 January 2022 (latest valuation prior to Russian invasion), was invested in Russian companies, principally through the Fund's allocation to global equity index funds. There were no investments in companies in Belarus.

At their meeting on 1 March 2022, the Staffordshire Pensions Panel agreed that a letter would be sent to the Fund's Investment Managers discouraging any further investments in Russia and Belarus. Since then, the Russian market has been effectively closed to foreign investors and FTSE, and many other index providers, have deleted Russian investments from their indices at zero value, which has reduced the Fund's relatively small exposure to Russia even further. Fund Officers are discussing the options for unwinding any remaining residual exposure (estimated to be less than 0.05% of Fund assets) with the relevant Investment Managers.

LGPS Central Limited, as the Fund's asset pool provider, have also requested managers refrain from making any further investments in Russia and Belarus and have recently issued a press release on the matter. **Position on Russia - LGPS Central**

The Fund and its Investment Managers will continue to monitor the situation during this period of uncertainty.

Art Deco inspired
yellow gold dress ring



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

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The items in the net assets statement at 31 March 2022 for which there is a significant risk of adjustment in the forthcoming financial year are shown in the following table.

Item	Uncertainty	Effect if actual results differ from assumptions
Private equity	Private equity funds are valued in accordance with each investment managers valuation policy. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity investments in the financial statements are £339.8m. There is a risk that this investment may be under or overstated in the accounts.
Private debt	Private debt funds are valued in accordance with each investment managers valuation policy. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total value of private debt funds in the financial statements is £299.7m. There is a risk that this investment may be under or overstated in the accounts.
Hedge funds	Hedge funds are valued at the sum of the fair values provided by the administrators of the underlying funds plus adjustments that the Funds directors or independent administrators judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total value of Hedge funds in the financial statements is £2.5m.
Freehold/leasehold property and pooled property funds	<p>Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, but where this is not possible management uses the best available data.</p> <p>Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property. UK directly held property investments are stated at their value on the open-market based on an annual independent valuation by Savills, as at 31 March 2021.</p> <p>This report has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together with the UK National Supplement effective 14 January 2019, together the “Red Book</p>	The total value of all property in the financial statements is £545.6m. There is a risk that this investment may be under or overstated in the accounts.

See table at Note 17 for a full list of possible market movements.

6. Events after the reporting period

The Fund is not aware of any post reporting period events impacting on the statement of accounts.e statement of accounts.

7. Contributions receivable

	2020/2021	2021/2022
	£m	£m
Employers		
Normal	117.7	140.2
Actuarial strain	8.5	2.2
Deficit recovery contributions	116.2	0.0
Scheme members		
Normal	36.5	37.7
Total	278.9	180.1

Contributions receivable can be analysed by type of member body as follows:

	2020/2021	2021/2022
	£m	£m
Staffordshire County Council	88.9	38.8
Scheduled bodies	178.7	115.0
Admitted bodies	11.3	26.3
Total	278.9	180.1

8. Transfers in

	2020/2021	2021/2022
	£m	£m
Individual transfers in from other schemes	9.7	11.7
Group transfers in from other schemes	0	0
Total	9.7	11.7

9. Benefits payable

	2020/2021	2021/2022
	£m	£m
Pensions	157.4	161.6
Commutations and lump-sum retirement benefits	27.7	30.5
Lump-sum death benefits	5.1	3.6
Total	190.2	195.7

Benefits payable can be analysed by type of member body as follows:

	2020/2021	2021/2022
	£m	£m
Staffordshire County Council	72.5	74.5
Scheduled bodies	100.4	100.8
Admitted bodies	17.3	20.4
Total	190.2	195.7

10. Payments to and on account of leavers

	2020/2021	2021/2022
	£m	£m
Individual transfers to other schemes	13.3	9.8
Group transfers to other schemes	1.7	0.0
Payments for members joining / (leaving) state scheme	0.0	0.0
Refunds to members leaving service	0.4	0.5
Total	15.4	10.3

11. Management expenses

	2020/2021	2021/2022
	£m	£m
Administration expenses	2.4	3.0
Investment management expenses (see note 11a)	18.9	20.9
Oversight and governance costs	1.6	1.8
Total	22.9	25.7

Included within oversight and governance costs are the Fund's external audit costs of £0.04m for 2021/2022 (£0.09m for 2020/2021).

Brough, Nicholson
& Hall Ltd.

Silk manufacturers
of Leek



11a. Investment management expenses

A breakdown of the costs we had to pay in connection with the investment of the Fund is set out below:

	Total	Management Fees	Performance Related Fees	Transaction Costs
	£m	£m	£m	£m
2021/2022				
Equities	4.1	3.2		0.9
Pooled Investments	3.0	3.0		
Property	4.8	4.8		
Private Equity	4.1	4.1		
Other	4.8	4.8		
	20.8			
Custody Fees	0.1			
	20.9			

	Total	Management Fees	Performance Related Fees	Transaction Costs
	£m	£m	£m	£m
2020/2021				
Equities	2.9	2.2		0.7
Pooled Investments	2.4	2.4		
Property	3.7	3.7		
Private Equity	5.3	5.3		
Other	4.5	4.5		
	18.8			
Custody Fees	0.1			
	18.9			

The Fund was also charged indirectly through the bid-offer spread (the difference between bid prices and offer prices) on investments.

12. Investment income

	2020/2021	2021/2022
	£m	£m
Bonds	(0.3)	0.0
Dividends from equities	22.6	20.9
Infrastructure	0.0	0.3
Income from pooled investment vehicles	0.3	0.5
Rents from property	20.4	20.5
Interest on cash deposits	0.3	0.5
Stock lending	0.2	0.1
Private Debt	14.8	25.5
Other	0.4	0.3
	58.7	68.6
Withholding tax we cannot recover	(0.4)	(0.3)
Total	58.3	68.3

12a. Directly held property fund account

A summary of the income and expenses associated with the Fund's directly held property is provided below:

	2020/2021	2021/2022
	£m	£m
Rental income	20.4	20.6
Direct operating expenses	(3.1)	(3.9)
Net income	17.3	16.7

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

13. Pension Fund investments 2021/2022

	31 March 2021	31 March 2022
	£m	£m
Long term investments		
Equities	1.3	1.3
Investment assets		
Equities	1,193.8	1,269.5
Pooled investment vehicles	3,778.6	4,072.0
Pooled Property Investments	49.9	72.9
Derivatives	0.0	0.0
Property (see Note 13e)	418.5	472.7
Private equity	290.0	339.8
Private debt	288.7	299.7
Hedge funds	23.2	2.5
Infrastructure	2.0	25.4
Cash	96.9	264.4
Outstanding dividend entitlements and recoverable withholding tax	1.4	1.9
Amount receivable for sales of investments	4.9	4.8
Total Investment assets	6,147.9	6,825.6
Investment liabilities		
Derivatives	0.0	0.0
Amounts payable for purchases of investments	(2.9)	(3.3)
Total Investment liabilities	(2.9)	(3.3)
Net Investment assets	6,146.3	6,823.6

All companies operating unit trusts or managed funds are registered in the United Kingdom.

13a. Investment reconciliation

Period 2021/2022	Value at 1 April 2021 £m	Purchases at cost £m	Sales proceeds £m	Change in market value £m	Value at 31 March 2022 £m
Equities	1,195.1	1,357.1	(1,416.6)	135.2	1,270.8
Pooled investment vehicles	3,778.6	93.6	(169.0)	368.8	4,072.0
Pooled Property Investments	49.9	21.1	0.0	1.9	72.9
Derivatives	0.0	925.2	(924.8)	(0.4)	0.0
Infrastructure	2.0	26.9	(3.9)	0.4	25.4
Property	418.5	27.3	(19.5)	46.4	472.7
Other	601.9	112.1	(163.6)	91.6	642.0
	6,046.0	2,563.3	(2,697.4)	643.9	6,555.8
External cash deposits (central cash)	62.7				245.4
Investment manager cash	34.2			8.4	19.0
	6,142.9			652.3	6,820.2
Outstanding dividend entitlements and recoverable withholding tax	1.4				1.9
Amount receivable for sales of investments	4.9				4.8
Amounts payable for purchases of investments	(2.9)				(3.3)
Net Investment assets	6,146.3				6,823.6

Alton Towers

Postcard 1920 - 1930



The previous years data is provided below:

Period 2020/2021	Value at 1 April 2020 £m	Purchases at cost £m	Sales proceeds £m	Change in market value £m	Value at 31 March 2021 £m
Equities	858.8	475.7	(470.8)	331.4	1,195.1
Pooled investment vehicles	2,796.8	125.0	0.0	856.8	3,778.6
Pooled Property Investments	50.7	3.0	0.0	(3.8)	49.9
Derivatives	0.0	354.8	(354.8)	0.0	0.0
Infrastructure	0.0	2.5	0.0	(0.5)	2.0
Property	415.3	17.1	0.0	(13.9)	418.5
Other	531.8	97.8	(136.9)	109.2	601.9
	4,653.4	1,075.9	(962.5)	1,279.1	6,046.0
External cash deposits (central cash)	62.9				62.7
Investment manager cash	17.4			10.4	34.2
	4,733.7			1,289.5	6,142.9
Outstanding dividend entitlements and recoverable withholding tax	1.2				1.4
Amount receivable for sales of investments	2.5				4.9
Amounts payable for purchases of investments	2.8)				(2.9)
Net Investment assets	4,734.7				6,146.3

The Fund holds the following pooled investments that exceed 5% of the total value of net assets at 31 March 2022 (also at 31 March 2021):

Fund	Market Value 31 March 21 (£m)	% of total fund	Market Value 31 March 22 (£m)	% of total fund
LGIM Passive UK Equity	366.4	6.0	414.8	6.1
LGIM Passive Global Equity	1,771.4	28.8	1,819.4	26.6
LGIM Passive index-linked gilts	407.7	6.6	427.5	6.3
LGPS Central Active Global Equity	675.4	11.0	763.2	11.2
LGPS Central Active corporate	423.0	6.9	401.3	5.9
Total Value of Investments	3,643.9		3,826.2	

As at 31 March 2022 (also at 31 March 2021) the Fund was committed to the following contractual commitments:

- ♦ £98.1m of contractual commitments for private equity investments (£127.4m)
- ♦ Investment in a UK pooled property fund of £19.8m (£0.7m)
- ♦ £172.6m of private debt investments (£146.1m)

13b. Investments analysed by Manager

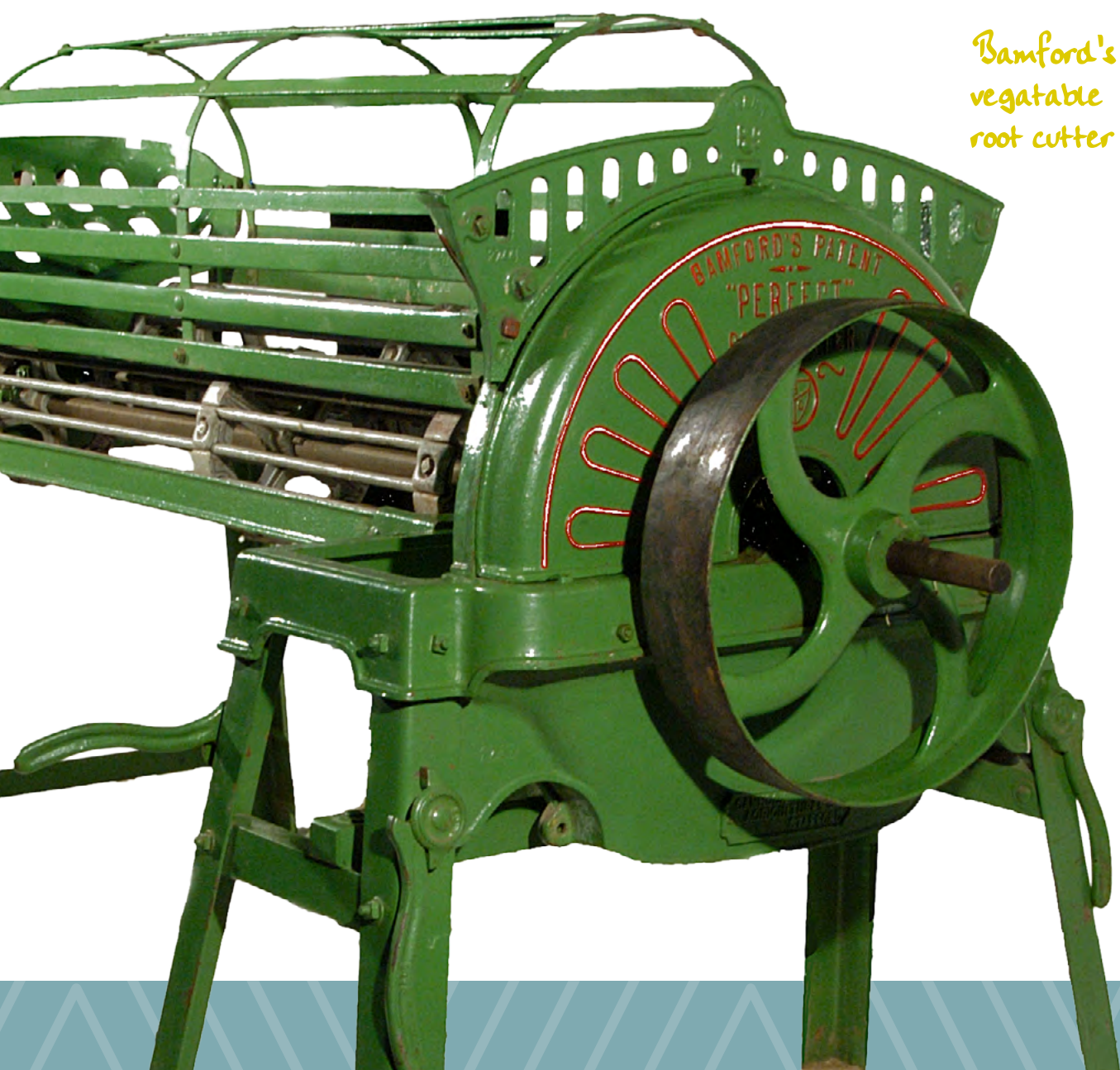
The market value and percentage of assets held by each of the investment managers at the end of the financial year is shown below:

	31 March 2021		31 March 2022	
	£m	%	£m	%
Investments managed by LGPS Central Limited				
LGPS Central Limited Global Equity Active Multi Manager Fund	675.4	11%	763.2	11%
LGPS Central Limited Global Active Inv Grade Corp Bond Multi Manager Fund	423.1	7%	401.3	6%
LGPS Central Global Multi Factor Equity Index Fund	128.0	2%	245.8	4%
LGPS Central Limited	1.3	0%	1.3	0%
	1,227.8	20%	1,411.6	21%
Investments managed outside of LGPS Central Limited				
Standard Life Investments (UK equity)	332.6	5%	0.0	0%
JP Morgan Asset Management (global equity)	583.8	10%	657.8	10%
Longview Partners (global equity)	309.5	5%	359.4	5%
Impax Asset Management (Equity)	0.0	0%	266.3	4%
Legal & General Investment Management (passive UK index-linked gilts)	407.7	7%	427.5	6%
Legal & General Investment Management (passive all world equity)	2,137.8	35%	2,234.2	33%
Blackrock Infrastructure Fund (Infrastructure)	2.0	0%	5.1	0%
Equitix Fund VI (Infrastructure)	0.0	0%	19.7	0%
Pantheon Global Fund IV (Infrastructure)	0.0	0%	0.6	0%
Colliers International UK Plc (property)	468.5	8%	546.2	8%
HarbourVest Partners (private equity)	196.2	3%	227.1	3%
Knightsbridge Advisors (private equity)	31.9	1%	38.6	1%
Partners Group (private equity)	38.6	1%	37.3	1%
Lazard Technology Partners (private equity)	1.0	0%	0.6	0%
Capital Dynamics (private equity)	18.7	0%	29.5	1%
LGPS Central (private equity)	3.5	0%	6.7	0%
Hayfin Capital Management (private debt)	115.9	1%	104.6	1%
Highbridge Capital Management (private debt)	79.3	1%	90.7	1%
LGPS Central (private debt)	0.0	0%	6.7	0%
Barings (private debt)	0.0	0%	14.2	0%
Alcentra Limited (private debt)	93.4	2%	83.4	1%
Goldman Sachs Asset Management (hedge funds)	23.2	0%	2.5	0%
Director of Finance and Resources (central cash)	71.4	1%	249.9	4%
	4,915.1	80%	5,408.6	79%
	6,142.9	100%	6,820.2	100%

13c. Analysis of Investments

	31 March 2021		31 March 2022	
	£m	%	£m	%
Long term investments				
UK equities unquoted	1.3	0%	1.3	0%
Investment assets				
Equities				
UK quoted	362.9	6%	79.2	1%
Global quoted	830.9	12%	1,190.3	18%
	1,193.8	18%	1,269.5	19%
Pooled investment vehicles				
Unit Trusts				
Standard Life UK Equity	6.6	0%	0.0	0%
Unitised Insurance Policies				
LGIM UK Equity	366.4	6%	414.8	6%
LGIM UK Index Linked Gilts	407.7	8%	427.5	6%
LGIM Global Equity	1,771.4	27%	1,819.4	27%
Other Managed Funds				
LGPSC Global Equity Fund	675.4	10%	763.2	11%
LGPSC Corporate Bond Fund	423.1	8%	401.3	6%
LGPSC Factor Based Investment	128.0	0%	245.8	4%
	3,778.6	59%	4,072.0	60%
Derivatives (see note 14)				
Forward foreign currency	0.0	0%	0.0	0%
Futures	0.0	0%	0.0	0%
	0.0	0%	0.0	0%
Property				
UK directly held property	418.5	9%	472.7	7%
UK pooled property funds	49.9	1%	72.9	1%
	468.4	10%	545.6	8%
Other				
Private equity	290.0	4%	339.8	5%
Private debt	288.7	5%	299.7	4%
Hedge funds	23.2	2%	2.5	0%
Infrastructure Fund	2.0	0%	25.4	0%
	603.9	11%	667.4	9%
Cash				
External deposits	62.7	1%	245.4	4%
Investment manager cash (Sterling £)	17.9	0%	3.2	0%
Investment manager cash (non Sterling £)	16.3	0%	15.8	0%
	96.9	1%	264.4	4%

	31 March 2021		31 March 2022	
	£m	%	£m	%
	6,142.9	100%	6,820.2	100%
Outstanding dividend entitlements and recoverable withholding tax	1.4		1.9	
Amount receivable for sales of investments	4.9		4.8	
Total Investment assets	6,149.2		6,826.9	
Investment liabilities				
Derivatives (see note 14)				
Forward foreign currency	0.0		0.0	
Futures	0.0		0.0	
	0.0		0.0	
Amounts payable for purchases of investments	(2.9)		(3.3)	
Total Investment liabilities	(2.9)		(3.3)	
Net Investment assets	6,146.3		6,823.6	



Bamford's
vegetable
root cutter

13d. Stock lending

The Fund lends stock in return for payment. The table below summarises the value of the stock lent out by the Fund at the end of the last two years.

	31 March 2021	31 March 2022
	£m	£m
Equities - UK	0.0	2.2
Equities - Global	80.7	78.1
	80.7	80.3

Securities released to a third party under the stock-lending agreement with Northern Trust are included in the net assets statement to reflect the Fund's continuing economic interest in those securities.

Collateral holdings, supporting the loans, are not identified as individual loans but are kept in a pooled structure. As security for the stocks on loan, as at 31 March 2022 the Fund held £86.3 million (£86.2 million at 31 March 2021) of collateral in the form of government obligations (such as Gilts) and equities.

Income received from stock-lending activities was £0.1 million for the year ending 31 March 2022, (£0.2 million for year ending 31 March 2021). This is included within the investment income figure shown on the Pension Fund account.

13e. Directly held property net asset account

The Fund had investments in property of £545.6m at 31 March 2022 (£468.4m at 31 March 2021), of which £472.7m was in directly held property (£418.5m at 31 March 2021). The account below reconciles the movement in the Fund's investments in directly held property.

The Fund is required to classify its directly held property into a hierarchy by reference to the quality and reliability of information used to determine fair values (See note 15 for

more information on the hierarchy). The Fund has classified its directly held property as Level 3, as fair values are based on significant unobservable inputs and estimated using valuation techniques.

Directly held property investments are valued independently for the Fund as at 31 March 2022. The valuations are prepared in accordance with the RICS Valuation – Global Standards incorporating the IVSC International Valuation Standards, the UK National Supplement, together with the 'Red Book'.

Transaction costs for directly held property in 2021/2022 were £3.9m (£3.1m in 2020/2021).

	2020/2021	2021/2022
	£m	£m
Balance at start of year	415.3	418.5
Purchases at cost	17.1	26.8
New construction		0.3
Subsequent expenditure		0.2
Sale proceeds	(0.0)	(19.5)
Change in market value	(13.9)	46.4
Balance at 31 March	418.5	472.7

14. Derivative contracts

The holding of derivative contracts is to hedge exposures and reduce risk for the Fund. The use of derivative contracts is managed in line with the investment management agreement between the Fund and the various investment managers who use them.

Forward foreign currency contracts

To maintain appropriate diversification a significant proportion of the Fund's quoted equity holdings is in overseas stock markets. To reduce the volatility associated with fluctuating currency rates, the Fund hedges a proportion of the US Dollar and Euro within the portfolios managed by Longview and JP Morgan. The open contracts at 31 March are analysed in Sterling (£) below against other major currencies.

	01 April 2021	Cost Purchase Settled only	Proceed Sales Settled only	Change in Market Value	31 March 2022
	£m	£m	£m	£m	£m
Total	0	(924.8)	925.2	(0.4)	0

	31 March 2021		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m
Euro	0.0	0.0	0.0	0.0
United States Dollar	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0

15. Fair value - basis of valuation

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

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments (equities and bonds)	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Bonds are valued at a market value based on current yields	Not required	Not required
Futures	Level 1	Published exchange prices at the year-end	Not required	Not Required
Pooled investment vehicles	Level 2	Fair value based on the weekly market quoted prices of the respective underlying securities	Not required	Not required
Forward foreign currency contracts	Level 2	Market forward exchange rates at the year end	Exchange rate risk	Not Required

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Unquoted Equities	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2012	<ul style="list-style-type: none"> - (EBITDA) multiple - Revenue multiple - Discount for lack of Marketability - Control premium 	Valuations could be affected by post balance sheet events, changes to expected cashflows, or by any differences between audited and unaudited accounts
Freehold and leasehold properties	Level 3	Valued at fair value by Savills in accordance with International Valuation Standards and RICS Valuation Standards	<ul style="list-style-type: none"> - Existing lease terms rentals - Independent market research - Covenant strength for existing tenants - Assumed vacancy levels - Estimated rental growth - Discount rate 	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices
Pooled property funds	Level 3	The Funds ownership share in property limited partnerships is applied to the partnership net assets. The net assets are based on the fair value of the underlying investment properties in accordance with International Valuation Standards and RICS Valuation Standards	<ul style="list-style-type: none"> - Existing lease terms rentals - Independent market research - Covenant strength for existing tenants - Assumed vacancy levels - Estimated rental growth - Discount rate 	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices
Infrastructure	Level 3	At the price or net asset value advised by the manager using the latest financial information available from the respective manager, adjusted for drawdowns and distributions to the final date of the accounting period, if the latest financial information is not produced at that date	<ul style="list-style-type: none"> - EBITDA multiple - Revenue multiple - Discount for lack of marketability - Discounted cash flows 	Valuations could be impacted by material events occurring between the date of the financial statements provided and the year end, by changes to expected cash flows, and any differences between the audited and unaudited accounts
Private equity	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2012	<ul style="list-style-type: none"> - EBITDA multiple - Revenue multiple - Discount for lack of marketability - Control Premium 	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts (see Note 4)
Private debt	Level 3	Valued at fair value in accordance with International Valuation Standards and investment managers valuation policy	<ul style="list-style-type: none"> - Comparable valuation of similar assets - EBITDA multiple - Revenue multiple - Discounted cash flows - Enterprise value estimation 	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts
Hedge funds	Level 3	Closing bid price and offer prices are published	NAV-based pricing set on a forward pricing basis	Valuations are effected by any changes to the value of the financial instrument being hedged.

Sensitivity of assets valued at Level 3

In consultation with the Fund's investment advisor, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2022.

Asset type	Assessed valuation range	31 March 2022	Value on increase	Value on decrease
	%	£m	£m	£m
UK equities unquoted	20%	1.3	1.6	1.1
Freehold and leasehold properties	15%	472.7	543.6	401.8
Pooled property funds	15%	72.9	83.9	62.0
Private equity	31%	339.8	445.1	234.4
Private debt	9%	299.7	326.6	272.7
Infrastructure	15%	25.4	29.3	21.6
Hedge funds	8%	2.5	2.7	2.3
		1,214.3	1,432.8	995.9

15a. Fair value hierarchy

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. The three levels are detailed below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Products classified as Level 1 are quoted equities and bonds.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 2 products include pooled

investment vehicles, as they are not traded in a market that is considered to be active and where the asset value can be determined by observed values for the underlying assets.

Level 3 - Inputs for assets or liabilities that are not based on observable market data (unobservable inputs). Examples include private equity, private debt and hedge funds, which are valued using valuation techniques that require significant judgement.

The following table provides an analysis by the three levels based on the level at which the fair value is observable.

31 March 2022	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Designated as fair value through profit and loss	1,269.5	4,072.0	741.7	6,083.2
Non-financial assets at fair value through profit and loss (See note 13e)	0.0	0.0	472.7	472.7
Financial liabilities				
Designated as fair value through profit and loss	0.0	0.0	0.0	0.0
	1,269.5	4,072.0	1,214.4	6,555.9

The previous years data is provided below:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
31 March 2021				
Financial assets				
Designated as fair value through profit and loss	1,193.8	3,778.6	655.0	5,627.4
Non-financial assets at fair value through profit and loss (See note 13e)	0.0	0.0	418.6	418.6
Financial liabilities				
Designated as fair value through profit and loss	0	0	0	0
	1,193.8	3,778.6	1,073.6	6,046.0

15b. Reconciliation of fair value measurements within level 3

	Market Value 1 April 2021 £m	Purchases during the year and derivative payments £m	Sales during the year and derivative receipts £m	Unrealised gains / (Losses) £m	Realised gains / (Losses) £m	Market Value 31 March 2022 £m
Period 2021/2022						
UK equities unquoted	1.3	0.0	0.0	0.0	0.0	1.3
Freehold and leasehold properties	418.5	27.3	(19.5)	45.4	1.0	472.7
Pooled property funds	49.9	21.1	0.0	1.9	0.0	72.9
Private equity	290.0	39.4	(75.2)	35.9	49.7	339.8
Private debt	288.7	72.7	(66.8)	5.1	0.0	299.7
Infrastructure	2.0	26.9	(3.8)	0.3	0.0	25.4
Hedge funds	23.2	0.0	(21.6)	(14.2)	15.1	2.5
	1073.6	187.4	(186.9)	74.4	65.8	1,214.3

The previous years data is provided below:

	Market Value 1 April 2020 £m	Purchases during the year and derivative payments £m	Sales during the year and derivative receipts £m	Unrealised gains / (Losses) £m	Realised gains / (Losses) £m	Market Value 31 March 2021 £m
Period 2020/2021						
UK equities unquoted	1.3	0.0	0.0	0.0	0.0	1.3
Freehold and leasehold properties	415.3	17.1	0.0	(12.5)	(1.3)	418.5
Pooled property funds	50.7	3.0	0.0	(3.8)	0.0	49.9
Private equity	197.1	32.5	(33.7)	73.9	20.1	290.0
Private debt	250.5	65.2	(36.8)	9.8	0.0	288.7
Infrastructure	0	2.5	0.0	(0.5)	0.0	2.0
Hedge funds	84.2	0.0	(66.4)	2.8	2.6	23.2
	999.1	120.3	(136.9)	69.7	21.4	1,073.6

16. Classification of financial instruments

The net assets of the Fund disclosed in the Net assets statement and in notes 13a to 13e, 19, 19a, 20 and 20a are made up of the following categories of financial instruments. No financial instruments were reclassified during 2021/2022.

The analysis within notes 16, 16b and 17 on financial instruments does not include the Pension Fund's directly held property. This is treated under a different accounting standard (IAS 40 Investment Property) and is disclosed in note 13e - Directly held property net asset account and note 12a - Directly held property fund account.

31 March 2022	Designated as fair value through profit and loss £m	Financial Assets at amortised cost £m	Financial liabilities at amortised cost £m	Total £m
Financial assets				
Equities	1,270.8	0.0	0.0	1,270.8
Pooled investment vehicles	4,072.0	0.0	0.0	4,072.0
UK pooled property funds	72.9	0.0	0.0	72.9
Cash	0.0	266.5	0.0	266.5
Other investment balances	667.9	6.3	0.0	674.2
Derivatives	0.0	0.0	0.0	0.0
Long term assets	0.0	0.0	0.0	0.0
Current assets	0.0	19.6	0.0	19.6
	6,083.6	292.4	0.0	6,376.0
Financial liabilities				
Derivatives	0.0	0.0	0.0	0.0
Other investment balances	0.0	0.0	(3.4)	(3.4)
Long term Liabilities	0.0	0.0	(0.0)	(0.0)
Current liabilities	0.0	0.0	(12.2)	(12.2)
	0.0	0.0	(15.6)	(15.6)
	6,083.6	292.4	(15.6)	6,360.4

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16. Classification of financial instruments (continued)

The previous years data is provided below:

	Designated as fair value through profit and loss	Financial Assets at amortised cost	Financial liabilities at amortised cost	Total
31 March 2021	£m	£m	£m	£m
Financial assets				
Equities	1,195.1	0.0	0.0	1,195.1
Pooled investment vehicles	3,778.6	0.0	0.0	3,778.6
UK pooled property funds	49.9	0.0	0.0	49.9
Cash	0.0	97.5	0.0	97.5
Other investment balances	603.9	6.3	0.0	610.2
Derivatives	0.0	0.0	0.0	0.0
Long term assets	0.0	0.0	0.0	0.0
Current assets	0.0	18.8	0.0	18.8
	5,627.4	122.6	0.0	5,750.0
Financial liabilities				
Derivatives	0.0	0.0	0.0	0.0
Other investment balances	0.0	0.0	(2.9)	(2.9)
Long term Liabilities	0.0	0.0	(0.1)	(0.1)
Current liabilities	0.0	0.0	(9.2)	(9.2)
	0.0	0.0	(12.2)	(12.2)
	5,627.4	122.6	(12.2)	5,733.8

16b. Net gains on financial instruments

The gains recognised in the accounts in relation to financial instruments are made up as follows:

	31 March 2021	31 March 2022
	£m	£m
Financial assets		
Designated as fair value through profit and loss	1,293.0	597.5
Amortised cost	10.4	8.4
	1,303.4	605.9

17. Nature and extent of risks arising from financial instruments

The primary objective of the Fund is to ensure that sufficient funds are available to meet all Pension liabilities as they fall due for payment. The Fund aims to do this by adopting an investment strategy that balances risk and return.

The majority of the Fund is invested through external investment managers. Each has an investment management agreement in place which sets out the relevant benchmark, performance target, asset allocation ranges and any restrictions.

Risks are managed through diversification; by investing across asset classes, across managers and styles and ensuring managers maintain a diversified portfolio of investments within their mandate. The majority of the Fund is invested in liquid investments.

Market risk

Market risk is the risk of loss from fluctuations in market prices, interest rates or currencies. The Fund is exposed through its investment portfolio to all these market risks.

Market risk also represents the risk that the value of a financial instrument will fluctuate caused by factors other than those mentioned above. These changes can be caused by factors specific to the individual instrument or those affecting the market in general and will affect each asset class the Fund holds in different ways.

A high proportion of the Fund is invested in equities and therefore fluctuation in equity prices is the largest risk the Fund faces. The Fund relies on the fact that it has positive cash flows and a strong employer covenant to underpin its investment in equities and maintains its high exposure to equities over the long-term as they are expected to deliver higher returns.

The Fund manages market risk through a diversified investment portfolio and instructing individual investment managers to diversify investments within their own individual portfolios in line with their investment strategies and mandate guidelines. The Pensions Panel and Pensions Committee regularly receive reports which monitor such risks.

Market risk – sensitivity analysis

In consultation with the Fund's investment advisor the following movements in market prices have been judged as possible for the 2022/2023 financial year. The potential market movement figures also allow for interest rate and currency rate fluctuations.

Asset type	Possible market movements	
UK equity	+/-	20%
Global equity	+/-	20%
Private equity	+/-	31%
Private debt	+/-	9%
UK fixed interest bonds	+/-	7%
UK index-linked bonds	+/-	7%
Corporate bonds	+/-	8%
Cash	+/-	0%
UK Commercial property	+/-	15%
Hedge funds	+/-	8%
Infrastructure	+/-	15%

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The movement in the market prices would increase or decrease the net assets at 31 March 2022 to the amounts shown below:

Asset type	31 March 2022 £m	Percentage change (+/-) %	Value on increase £m	Value on decrease £m
UK equities unquoted	1.3	20%	1.6	1.1
UK corporate bonds	0.0	8%	0.0	0.0
Global corporate bonds	0.0	8%	0.0	0.0
UK equities	79.2	20%	95.0	63.3
Global equities	1,190.3	20%	1,428.4	952.3
UK pooled investments	414.8	20%	497.7	331.8
UK index-linked pooled investments	427.5	7%	457.4	397.6
Overseas pooled investments	3,229.7	20%	3,875.7	2,583.8
Derivatives	0.0	0%	0.0	0.0
UK pooled property funds	72.9	15%	83.9	62.0
Private equity	339.8	31%	445.1	234.4
Private debt	299.7	9%	326.7	272.7
Infrastructure	25.4	15%	29.2	21.6
Hedge funds	2.5	8%	2.7	2.3
Cash	264.4	0%	264.4	264.4
Outstanding dividend entitlements and recoverable withholding tax	1.9	0%	1.9	1.9
Amount receivable for sales of investments	4.8	0%	4.8	4.8
Amounts payable for purchases of investments	(3.4)	0%	(3.4)	(3.4)
Long term assets	0.0		0.0	0.0
Current assets	21.8	0%	21.8	21.8
Long term Liabilities	0.0		0.0	0.0
Current liabilities	(12.2)	0%	(12.2)	(12.2)
	6,360.4		7,520.7	5,200.2

The previous years data is provided below:

	31 March 2021	Percentage change (+/-)	Value on increase	Value on decrease
Asset type	£m	%	£m	£m
UK equities unquoted	1.3	17%	1.5	1.1
UK corporate bonds	0.0	8%	0.0	0.0
Global corporate bonds	0.0	8%	0.0	0.0
UK equities	362.9	17%	424.6	301.2
Global equities	830.8	17%	972.1	689.6
UK pooled investments	373.0	17%	436.4	309.6
UK index-linked pooled investments	407.7	7%	436.2	379.2
Overseas pooled investments	2,997.9	17%	3,507.5	2,488.3
Derivatives	0.0	0%	0.0	0.0
UK pooled property funds	49.9	14%	56.9	42.9
Private equity	290.0	28%	371.2	208.8
Private debt	288.7	5%	303.1	274.2
Infrastructure	2.0	21%	2.4	1.6
Hedge funds	23.2	10%	25.5	20.9
Cash	96.9	0%	96.9	96.9
Outstanding dividend entitlements and recoverable withholding tax	1.4	0%	1.4	1.4
Amount receivable for sales of investments	4.9	0%	4.9	4.9
Amounts payable for purchases of investments	(2.9)	0%	(2.9)	(2.9)
Long term assets	0.0		0.0	0.0
Current assets	18.8	0%	18.8	18.8
Long term Liabilities	(0.1)		(0.1)	(0.1)
Current liabilities	(12.6)	0%	(12.6)	(12.6)
	5,733.8		6,643.9	4,823.7

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

Changes in market interest rates would affect the value of the Fund's bonds. The amount of income the Fund generates from its cash holdings would also be affected. The Fund's direct exposure to interest rate movements as at 31 March 2022 is overleaf. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Interest rate risk - sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. Medium to long-term average rates are expected to move up to 400 basis points over the next couple of years, recent experience and the government's current fiscal policy suggests that such movements are likely.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 basis points (i.e.1%) change in interest rates:

	31 March 2022	Percentage change (+/-)	Value on increase	Value on decrease
Asset type	£m	%	£m	£m
Cash and cash equivalents	245.4	0%	245.4	245.4
Cash balances	2.2	0%	2.2	2.2
Bonds	0.0	1%	0.0	0.0
	247.6		247.6	247.6

	31 March 2021	Percentage change (+/-)	Value on increase	Value on decrease
Asset type	£m	%	£m	£m
Cash and cash equivalents	62.7	0%	62.7	62.7
Cash balances	0.6	0%	0.6	0.6
Bonds	0.0	1%	0.0	0.0
	63.3		63.3	63.3



Foreign currency risk

Foreign currency risk represents the risk that the fair value of financial instruments when expressed in Sterling (£) will fluctuate because of changes in foreign exchange rates.

A high proportion of the Fund's equity portfolio is held in global stock markets. Any short term volatility associated with fluctuating currencies is balanced by the long term nature of investments in equity markets.

Foreign currency risk - sensitivity analysis

Following consultation with the Fund's investment advisors, the Fund considers the likely volatility associated with foreign exchange movements to be 10%.

On the assumption that all other variables, in particular interest rates, remain constant, a 10% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

	31 March 2022	Percentage change (+/-)	Value on increase	Value on decrease
Asset type	£m	%	£m	£m
Global equities	1,190.3	10%	1,309.3	1,071.3
Overseas pooled investments	3,229.7	10%	3,552.7	2,906.8
Private equity	339.8	10%	373.7	305.8
Private debt	299.7	10%	329.7	269.7
Infrastructure	25.4	10%	28.0	22.9
Hedge funds	2.5	10%	2.8	2.2
	5,087.4		5,596.2	4,578.7

	31 March 2021	Percentage change (+/-)	Value on increase	Value on decrease
Asset type	£m	%	£m	£m
Global equities	830.8	10%	913.9	747.7
Overseas pooled investments	2,997.9	10%	3,297.7	2,698.1
Private equity	390.0	10%	319.0	261.0
Private debt	288.7	10%	317.6	259.8
Infrastructure	2.0	10%	2.2	1.8
Hedge funds	23.2	10%	25.5	20.9
	4,432.6		4,875.9	3,989.3

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet an obligation and cause the Fund to incur a financial loss. The biggest exposure the Fund has is through its investment in corporate bonds and private debt.

The Fund is also exposed to credit risk through other investment managers that hold assets and the custodian. The Fund minimises credit risk through the careful selection and monitoring of high quality counterparties. Assets and cash held by the custodian are held in individual accounts in the Pension Fund's name, clearly segregated from the assets of other clients and the custodian.

Through the stock lending programme, operated by the Fund's custodian, the Fund is exposed to the collateral provided by the borrower against the securities lent.

To manage this risk the collateral permitted is restricted to government obligations (such as Gilts) and equities. Collateral is held in excess of the securities lent.

Foreign exchange contracts are subject to credit risk in relation to the counterparties of the contracts. The maximum credit risk exposure on foreign currency contracts is the full amount of the foreign currency the Fund pays when settlement occurs, should the counterparty fail to pay the amount which it is committed to pay the Fund.

Another source of credit risk for the Fund is the cash it holds to meet short-term commitments. The cash is managed by the Staffordshire County Council Treasury and Pensions Fund team in line with the Pension Fund's Annual Investment Strategy which sets out the permitted counterparties and limits.

	Rating	31 March 2021 £m	31 March 2022 £m
Summary			
Bank current account			
Lloyds Bank (see notes 19a & 20a)	A+	0.6	2.2
Loan			
LGPS Central	N/A	0.7	0.7
Money market funds			
Aberdeen Ultra Short Duration Sterling Fund	AAA	20.0	20.0
Federated Short-Term GBP Prime Fund Class 3	AAA	8.0	38.0
Goldman Sachs Sterling Liquid Reserve Institutional Inc	AAA	0.5	38.7
Aviva Investors Sterling Liquidity Fund 3	AAA	14.5	48.0
Morgan Stanley Sterling Liquidity Inst	AAA	8.0	43.0
HSBC Global Sterling H Fund	AAA	1.0	47.0
Royal London Cash Plus Fund	AAA	10.0	10.0
		62.7	245.4
		63.3	247.6

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. To manage this risk the Fund holds an allocation of its assets in cash, the majority of which Staffordshire County Council Treasury and Pensions Fund team have same day access to. This is to ensure short term commitments can be met.

The majority of the stocks held by the Fund's investment managers are quoted on major stock markets and may

be realised quickly if required. Less liquid investments such as property, private equity, hedge funds and private debt currently make up a smaller proportion of the Fund's assets.

In the short-term the Fund can borrow money on the money markets to cover any shortfall that may arise. Overall there is very little risk that the Fund will not be able to raise cash to meet its commitments.

18. Funding Arrangements

In line with the Local Government Pension Scheme Regulation 2013, the fund's actuary undertakes a funding valuation every three years for the purpose of setting employer rates for the forthcoming triennial period.

The last such valuation took place as at 31 March 2019. The key elements of the funding policy are:

- 1) to ensure the long-term solvency of the fund. i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment**
- 2) to ensure that employer contribution rates are as stable as possible**
- 3) to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return**
- 4) to reflect the different characteristics of employing bodies in determining contribution rates where it is reasonable to do so, and**
- 5) 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 obligation.**

The aim is to achieve 100% solvency over a period of 20 years and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet expected future pension benefits payable.

At the 2019 actuarial valuation, the fund was assessed as 99% funded (78% at the March 2016 valuation). This corresponded to a deficit of £73m (2016 valuation: £1,059m) at that time. Contribution increases will be phased in over the three-year period beginning 31 March 2020, not ending for both scheme employers and admitted bodies. The primary contribution rate (ie the rate which all employers in the fund pay) is as follows.

Year	Employers' contribution rate
2019/20	18.3%
2020/21	19.7%
2021/22	19.7%
2022/23	19.7%

In addition to the primary contribution rate, most employers will also pay a secondary contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2019 actuarial valuation report and the funding strategy statement on the fund's website. www.staffspf.org.uk

The principal assumptions are included in the Actuarial Statement.

Financial Assumptions

	2016	2019
	%	%
Investment Return	3.8	3.9
Benefit increases and CARE revaluation	2.1	2.3
Salary increases	2.6	2.7

Demographic Assumptions

The assumed life expectancy from age 65 is as follows:

Life expectancy from age 65		31 March 2019	31 March 2022
Retiring today	Males	21.2	21.2
	Females	23.6	23.8
Retiring in 20 years	Males	22.1	22.2
	Females	25.0	25.5

Experience over the period since 31 March 2019

Markets were severely disrupted by COVID-19 in March 2020, but over most of 2020/2021 and 2021/2022 they recovered strongly. However, due to the war in Ukraine, March 2022 markets were particularly volatile, which affects values as at the accounting date. All other things being equal, the funding level of the Fund as at 31 March 2022 is likely to be better than that reported at the previous formal valuation as at 31 March 2019.

It is important to note that the next formal triennial funding valuation exercise is at 31 March 2022 and this may show a different picture when the finalised position is disclosed in next year's annual report. In particular, changes in Fund membership, changes in anticipated real investment returns and changes in demographic assumptions will affect the valuation results. The Funding Strategy Statement will also be reviewed as part of the triennial funding valuation exercise.

19. Long term assets

	31 March 2021	31 March 2022
	£m	£m
Contributions due - employers	0.0	0.0
Total	0.0	0.0

19a. Current assets

	31 March 2021	31 March 2022
	£m	£m
Short term debtors		
Contributions due - employers	9.5	10.6
Contributions due - members	2.5	2.9
Cash balances	0.6	2.2
Other	6.8	6.1
Total	19.4	21.8

20. Long term liabilities

	31 March 2021	31 March 2022
	£m	£m
Income received in advance (see note 23)	(0.1)	(0.1)
Total	(0.1)	(0.1)

20a. Current liabilities

	31 March 2021	31 March 2022
	£m	£m
Cash overdrawn	(0.0)	(0.0)
Investment management expenses	(1.3)	(1.0)
Income received in advance	(1.9)	(2.1)
Benefits payable	(4.1)	(3.8)
Other	(5.9)	(5.3)
Total	(13.2)	(12.2)

21. Additional voluntary contributions

As well as joining the Fund, scheme members can pay into an additional voluntary contribution (AVC) scheme run by external providers. Contributions are paid directly from scheme members to the providers.

The contributions are not included within the Fund accounts, in line with regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2017. The table below shows the activity for each AVC provider in the year.

	Scottish Widows £m	Equitable Life £m	Standard Life £m
Opening value	0.9	0.3	1.9
Income	0.1	0.0	0.3
Expenditure	(0.1)	(0.0)	(0.1)
Change in market value	0.0	0.0	0.1
Closing value	0.9	0.3	2.2

22. Related-party disclosure

- ◆ **Staffordshire Pension Fund is administered by Staffordshire County Council.** During the reporting period the County Council incurred costs of £2.2m (£2.0m in 2020/2021) in relation to the administration of the Pension Fund. The County Council was subsequently reimbursed by the Fund for these expenses.
- ◆ **The Pension Fund holds a proportion of its assets in cash to meet short term commitments.** This cash is managed by the Staffordshire County Council Treasury and Pension Fund team in line with the Fund's Annual Investment Strategy, which sets out the permitted counterparties and limits. At 31 March 2021 the Fund held £247.6m in cash (£63.3m at 31 March 2021).
- ◆ **The County Council are the largest employer and they have fully paid for all their contributions.**

LGPS Central Limited

- ◆ **LGPS Central Limited has been established to manage investment assets on behalf of nine Local Government Pension Scheme (LGPS) funds across the Midlands.** It is jointly owned in equal shares by the eight administering authorities participating in the LGPS Central Pool, of which Staffordshire County Council, as the administering authority for Staffordshire Pension Fund, is one of the shareholders.

The Fund had £1.315m invested in share capital and £0.685m in a loan to LGPS Central at 31 March 2022 (31 March 2021, £1.315m and £0.685m, respectively) and was owed interest of £0.032m on the loan to LGPSC on the same date (31 March 2021, £0.032m).

During 2021/2022 the Fund invested a further £93.6m in the global multi factor equity index fund.

The Fund incurred £1.050m in respect of Governance, Operator Running and Product Development costs in connection with LGPS Central Limited in 2021/2022 (£1.026m in 2020/2021).

22a. Key management personnel

The key management personnel of the Fund are the Staffordshire County Council County Treasurer (Section 151 Officer), Director of Corporate Services, and the Head of Treasury and Pensions.

Total remuneration payable to key personnel in respect of the Pension Fund is set out below:

	31 March 2021	31 March 2022
	£m	£m
Short Term Benefits	0.1	0.1
Post-employment Benefits	0.1	0.1
	0.2	0.2

23. Deferred liability

A cash transfer of £0.188m was made to the Fund in 2011/2012 by the Environment Agency. The transfer was in respect of Pre-1974 Water Company Pensions increase recharges and represents income received in advance.

£0.013m has been transferred to the revenue account in 2021/2022 and £0.013m will be released per year until 2025/2026. At 31 March 2022 the remaining balance was £0.050m as per the long term liabilities in note 20.

24. Accounting Standards issued but not yet adopted

At the balance sheet date the following interpretations, new standards and amendments to existing standards have been published but not yet adopted by the Code:

- ◆ **IFRS 16 Leases will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities.** The CIPFA LASAAC Local Authority Accounting Code Board has agreed to defer the implementation of IFRS16 until 1st April 2022 for Local Government.

Independent auditor's report to the members of staffordshire county Council on the pension fund's financial statements

Opinion

We have audited the Pension Fund (the Fund) financial statements for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014. The pension fund financial statements comprise the Fund Account, the Net Assets Statement, and the related notes 1 to 24.

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 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the pension fund financial statements:

- ♦ **give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2022 and the amount and disposition at that date of the its assets and liabilities as at 31 March 2022; and**
- ♦ **have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).**

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 for the audit of the financial statements section of our report below.

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 the Comptroller and Auditor General's AGN01, 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 Finance's 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 authority's ability to continue as a going concern for a period of at least 12 months from when the Fund's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

Other information

The other information comprises the information included in the Staffordshire County Council statement of Accounts 2021/22 set out on pages 99-140, other than the financial statements and our auditor's report thereon. The Director of Finance is responsible for the other information contained within the Statement of Accounts 2021/22.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We 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 written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- ♦ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- ♦ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- ♦ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

Responsibility of the Director of Finance

As explained more fully in the Statement of the Director of Finance Responsibilities set out on pages 13, the Director of Finance is responsible for the preparation of the Authority's Statement of Accounts, which includes the pension fund 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 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view. The Director of Finance is also responsible for such internal control as the Director of Finance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with Director of Finance.

Our approach was as follows:

- ♦ We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013, and The Public Service Pensions Act 2013.
- ♦ We understood how the Fund is complying with those frameworks by making enquires of the Management. We corroborated this through our reading of the Pension Committee and Board minutes, through enquiry of employees to confirm Pension policies, and through the inspection of employee handbooks and other information.
- ♦ Based on this understanding, we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.
- ♦ We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter, or detect fraud.

- ♦ In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- ♦ To address our fraud risk, we tested the consistency of the investment asset valuation from the independent sources of the custodian and the fund managers to the financial statements. We have also tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.
- ♦ The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of Staffordshire County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Staffordshire County Council and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Hassan Rohimun (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Manchester
11 December 2024

6. LGPS Central

LGPS Central Pool Reporting 2021/2022

The Staffordshire Pension Fund is one of 8 Partner Funds of the regional pool 'LGPS Central' that launched on 3 April 2018. The information below sets out the costs and performance related to the Staffordshire Pension only. As the pool only launched in 2018, the information provided reflects the start-up nature of LGPS Central; the level and complexity of the disclosures will increase in later years.

1.Set-Up Costs

£000	2021/22 Direct	2021/22 Indirect	2021/22 Total	Cumulative 2014/15 to 2021/22 Total
Set Up Costs				
Recruitment	-	-	-	27
Procurement	-	-	-	2
Professional Fees	-	-	-	187
IT	-	-	-	97
Staff Costs	-	-	-	142
Other Costs (provide details)				
Premises	-	-	-	49
Staffing-Related Costs	-	-	-	5
Travel and Expenses	-	-	-	1
Training and Events	-	-	-	1
FCA Fees	-	-	-	1
General Admin Costs	-	-	-	2
Set-Up Costs Before Funding	-	-	-	514
Share Capital	-	-	-	1,315
Debt	-	-	-	685
Other Costs	-	-	-	-
Set-Up Costs After Funding	-	-	-	2,514

Transition fees				
Taxation (seeding relief)				
Other transition costs				
Transition Costs*				

Please note that CIPFA has not provided a set definition of Indirect Costs but notes that "these would include, for example, overhead costs incurred by the administering authority or the pool in respect of senior management time, accommodation or support services recharged on a % of time/floor area basis as opposed to being directly linked to pension fund activities".

£000	2014/15 to 2017/18	2018/19	2019/20	2020/21	2021/22	Cumulative Total
Set-Up Costs Before Funding	514	-	-	-	-	514
Set-Up Costs After Funding	2,514	-	-	-	-	2,514
Transition Costs						

*Transition fees – please see item 8 later for a more detailed breakdown of the information required.

Recharges By Staffordshire Pension Fund to LGPSC in respect of Set-Up Costs.

£000	At 1 April-21	Recharges in Year	Settled in Year	At 31 March-22
Set-Up Cost Recharges	-	-	-	-

2. Governance, Operator and Product Development Charged by LGPSC to Staffordshire Pension Fund

£000	At 1 April-21	Charges in Year	Settled in Year	At 31 March-22
Governance Costs	43	219	-	-
Operator Costs	149	695	-	-
IMMC*	42	347	-	-
Product Development Costs	55	136	-	-
Total	289	1,397	(1,332)	354

*Please note that this relates to Investment Management Monitoring Costs (IMMC) charges in respect of any discretionary and/or advisory services provided by LGPSC to a Partner Fund. Any IMMCs (both internal and external charges) which are charged directly to a product (e.g. ACS sub-funds and SLP Private Equity) should be disclosed through Information Request (5) and (6) below.

Bebbington's Grocers
Foregate Street, Stafford



3. Other Transactions between Staffordshire Pension Fund and LGPSC

£000	At 1 April-21	Charges in Year	Settled in Year	At 31 March-22
Interest Payable	32	32	(32)	32
Total	32	32	(32)	32

4. LGPSC Investment Management Expenses Charged to Staffordshire Pension Fund

	£000	Direct	Indirect	Total	Bps Charge
1	Ad Valorem	2,146		2,146	14.67
2	Performance	-		-	-
3	Research	-		-	-
4	PRIIIPS Compliance	-		-	-
5	Other (provide details)	-		-	-
	Management Fees	2,146	-	2,146	14.67
6	Commissions	268		268	1.83
7	Acquisition/issue costs	-		-	-
8	Disposal costs	-		-	-
9	Registration/filing fees	-		-	-
10	Taxes and Stamp Duty	370		370	2.53
11	Other (provide details)	-		-	-
	Implicit Costs	3,198		3,198	21.86
	Transaction Costs	3,836	-	3,836	26.22
12	Custody/Depository	144		144	0.98
13	Other (provide details)				-
	Fund Accounting	49		49	0.33
	Transfer Agent	9		9	0.06
	External Audit	14		14	0.10
	Performance Reporting	12		12	0.08
	Transaction Charges	67		67	0.46
	Total Costs	6,277		6,277	42.90

Note: The total of the analysis should reconcile to request (6) below

5. Investment Management Expenses by Product / Service

£000	1	2	3	4	5	6	7	8	9	10	11	12	13	Total 2021/22 Costs	AUM At 31 March 2022 £m	2021/22 Bps Charge
Global Multi-Manager	1,568					209				332	1,488	74	25	3,696	763	49.88
Corporate Bonds	401					-				-	1,747	42	17	2,207	401	51.69
Multi-Factor Equity	151					59				38	(37)	28	109	348	246	15.20
ACS Sub-Funds	2,120	-	-	-	-	268	-	-	-	370	3,198	144	151	6,251	1,410	

Private Equity 2018 V'tage	3													3		3.00
Private Equity 2021 V'tage	14													14		12.73
Private Debt	7													7		1.79
Infrastructure	2													2		3.33
Alternative Vehicles	26	-	-	-	-	-	-	-	-	-	-	-	-	26		

Total	2,146	-	-	-	-	268	-	-	-	370	3,198	144	151	6,277	1,410	42.90
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Items 1 – 13 relate to the categories highlighted in data request (5).

Cricket class
Denstone College 1926



6. Asset Under Management & Performance By Product / Service

£000	AUM At 1 April-21 £m	AUM At 31 March-22 £m	One Year Gross Performance %	One Year Net Performance %	Passive Benchmark Used	One Year Passive Index %
Global Multi-Manager	675	763	12.13%	11.91%	FTSE All World Index	11.73%
Corporate Bonds	423	401	-5.53%	-5.62%	ICE BofAML Sterling Non-Gilt Index 50%; ICE BofAML Global Corporate Index 50%	-5.29%
Multi-Factor Equity	128	246	11.47%	11.39%	Scientific Beta Global High Factor Intensity Diversified Multi-Beta Multi- Strategy Six Factor Equal- Weight Index	11.05%
ACS Sub-Funds	1,226	1,410				
Private Equity 2018 Vintage	10					
Private Equity 2021 Vintage	-					
Private Debt	-					
Infrastructure	-					
Alternative Vehicles	10					
Other						
Total	1,223	1,410				

7. Supporting Information

Glossary of Terms

Actuarial valuation

A valuation carried out by an actuary to check what a pension scheme's assets are worth versus its future liabilities. This is then used to work out how much contributions must be so there will be enough money in the scheme for all people to get their pensions.

Actuarial strain

This is a charge paid to the Pension Fund for paying pensions early.

Additional voluntary contributions (AVCs)

This is an extra contribution a member can pay to their own pension scheme to increase future pension benefits.

Alternative investments

Investments considered outside of the traditional asset classes of stocks, bonds and cash.

Benchmarks

These are investment performance standards that we expect our investment managers to achieve and against which we measure their investment return.

Bid-market price

The price a buyer pays for a stock.

Bond

A bond is a written promise to repay a debt at an agreed time and to pay an agreed rate of interest on that debt.

Collateral holdings

Assets pledged to a lender until the loan is repaid. If the borrower does not pay off the loan, the lender has the legal right to seize the asset and sell it to pay off the loan.

Corporate governance

The systems by which companies are directed and controlled.

Derivatives

Investments that derive their value from underlying assets such as currencies or are linked to indices such as a stock market index.

Equities

Stocks representing ownership interest in companies.

Financial instrument

A contract between two parties that involves a monetary exchange for some type of debt or asset.

Fixed-interest investments

Where you loan money to a government or individual company for a fixed rate of income.

Hedge funds

A portfolio of investments that use advanced investment strategies with the goal of generating high returns.

Index-linked securities

Investments in stock where the rate of interest and capital value are linked to the rate of inflation.

Investment management expenses

All expenses relating to managing the Fund's investments.

Investment managers

Firms we appoint to deal with the Fund's investments on a day-to-day basis.

Local Pensions Board

The board assists and supports the management and governance of the Pension Fund in complying with the LGPS and other legal and regulatory requirements.

Pensions Committee

A committee formed under the constitution of the County Council to deal specifically with pension's administration and investment.

Pensions Panel

An independent panel we set up to provide advice on investments and to report to the Pensions Committee.

Pooled investment vehicles

A fund that combines the resources or capital from a number of investors and pursues a clearly defined investment plan.

Private debt

Loans to private companies from lenders other than banks, often to small or medium sized companies to expand or manage their operations.

Private equity

Ownership in a company that is not publicly-traded.

Property

All buildings and land that the Fund owns including pooled property funds.

Refunds of contributions

2008 Scheme: The amount employees will receive if they stop their pensionable employment within the first three months of working for us.

2014 Scheme: The amount employees will receive if they stop their pensionable employment within the first two years of working for us.

Responsible Investment

Investments which take into consideration environmental, social and governance factors as well as financial factors.

Stock lending

The act of loaning securities to another investor in return for a fee. When a security is loaned the ownership is also transferred to the borrower.

Transfer values

The value of a pension scheme members benefits available to buy benefits in another scheme.

Withholding tax

A tax on dividend income that is charged at source. Some of this may be recoverable and some may not.

How to Contact Us

If you have any questions or need more information about our Pension Fund, please contact the relevant person below.

Investment and Fund Governance

**Melanie Stokes – Assistant Director for
Treasury & Pensions**

Phone: 01785 276330

E-mail: treasury.pensionfund@staffordshire.gov.uk

Tim Byford – Strategic Investment Manager

Phone: 01785 278196

E-mail: treasury.pensionfund@staffordshire.gov.uk

Benefits, Contributions and Pensions Payroll

John Wiggins – Pensions Manager

Phone: 01785 276482

Simon Jackson – Pensions Manager

Phone: 01785 276450

Payroll Phone: 01785 278222 (option 2)

E-mail: pensions.enquiries@staffordshire.gov.uk

Or, you can write to us at:

Staffordshire Pension Fund
Staffordshire County Council
1 Staffordshire Place
Tipping Street
Stafford ST16 2DH.

You can also visit our website at:

www.staffspf.org.uk

If you would like this Report or any of our documents, in an alternative format, please call Pension Services on 01785 276070.

8. Appendices

Employer Name	Employee Contributions	Employer Contributions
Abbots Bromley Parish Council	£481.32	£2,240.40
Alrewas Parish Council	£874.33	£3,858.87
Anglesey Parish Council	£640.81	£2,982.70
Audley Parish Council	£1,588.77	£6,257.26
Barlaston Parish Council	£695.54	£3,292.18
Biddulph Town Council	£12,245.44	£46,620.61
Billbrook Parish Council	£607.47	£2,827.59
Branston Parish Council	£841.44	£3,714.00
Brereton & Ravenhill Parish Council	£1,047.40	£5,012.26
Brewood & Coven Parish Council	£3,116.96	£13,719.10
Bridgtown Parish Council	£65.94	£306.90
Burntwood Town Council	£6,071.57	£24,621.83
Cannock Chase District Council	£674,568.89	£1,804,986.50
Cheadle Town Council	£2,875.07	£12,689.92
Checkley Parish Council	£253.44	£1,179.64
Cheslyn Hay Parish Council	£5,812.42	£24,879.18
Codsall Parish Council	£2,604.22	£10,734.75
Colwich Parish Council	£4,134.94	£19,222.21
Draycott in the Clay Parish Council	£398.04	£1,852.44
East Staffordshire Borough Council	£439,449.36	£1,013,364.24
Eccleshall Parish Council	£1,060.78	£4,682.07
Essington Parish Council	£615.58	£2,761.64
Forsbrook Parish Council	£1,566.00	£6,912.16
Fulford Parish Council	£150.56	£1,023.00
Gnosall Parish Council	£2,862.85	£11,583.08
Great Wyrley Parish Council	£1,572.86	£6,194.64
Heath Hayes & Wimblebury Parish Council	£1,421.68	£6,274.95
Hednesford Town Council	£2,088.80	£9,721.70
Horninglow & Eaton Parish Council	£405.61	£1,887.96
Kidsgrove Town Council	£3,348.18	£16,596.52
Kinver Parish Council	£5,345.90	£22,494.21
Lapley, Stretton & Wheaton Aston PC	£1,670.06	£7,451.72
Leek Town Council	£1,920.60	£7,564.26
Lichfield City Council	£20,750.90	£81,931.54
Lichfield District Council	£547,572.92	£1,355,044.87
Newcastle Under Lyme Borough Council	£776,180.34	£3,935,287.68

Employer Name	Employee Contributions	Employer Contributions
Norton Parish Council	£1,666.34	£7,437.37
Penkridge Parish Council	£7,284.83	£29,619.03
Perton Parish Council	£6,854.65	£28,334.95
Rugeley Town Council	£8,110.96	£34,235.26
SCC Schools (Capita/Entrust)	£1,258,631.29	£5,858,207.99
SCC Schools (Stoke City Council)	£1,202,945.56	£5,479,051.81
Silverdale Parish Council	£126.40	£588.32
South Staffordshire Council	£420,409.97	£2,536,962.92
Stafford Borough Council	£442,583.62	£1,092,823.43
Staffordshire County Council	£7,071,255.55	£16,905,536.04
Staffordshire Moorlands District Council	£301,207.44	£563,242.28
Stoke City Council	£6,800,193.89	£16,388,302.99
Stone Town Council	£6,883.58	£28,936.25
Swinfen & Packington	£138.84	£546.84
Tamworth Borough Council	£569,233.21	£1,401,990.71
Tatenhill Parish Council	£445.44	£2,073.48
The Office of the Chief Constable Staffordshire	£3,104,614.85	£7,318,411.22
The Office of the Police and Crime Commissioner Staffordshire	£100,565.00	£192,571.35
Tutbury Parish Council	£1,980.52	£3,632.94
Unitas	£925,461.17	£2,196,137.72
Uttoxeter Town Council	£6,625.87	£26,544.72
Wombourne Parish Council	£3,121.50	£12,758.01

Abbey Hulton Primary School	£29,682.95	£126,655.83
Academy Enterprise Trust - Anglesey	£29,318.68	£138,355.38
Academy Enterprise Trust - Belgrave	£19,181.07	£84,620.43
Academy Enterprise Trust - Rawlett	£33,856.81	£146,952.80
Alexandra Infants	£12,055.07	£55,796.65
Alexandra Junior	£16,404.06	£77,499.40
All Saints	£5,161.34	£23,305.10
All Saints - Our Lady's	£16,892.88	£78,438.90
All Saints - St Augustines	£12,897.08	£59,328.07
All Saints - St Bartholomews	£6,767.93	£31,496.25
All Saints - St Gregory's	£29,261.60	£133,895.24
All Saints - St Maria Goretti	£20,075.39	£91,445.80
All Saints - St Thomas Moore	£79,573.85	£339,304.32
All Saints (Bednall) - SUAT	£4,572.87	£21,534.54
All Saints CofE (Rangemore)	£4,850.64	£25,423.77
All Saints CofE First School	£14,374.53	£65,864.41
Alleyne's High School	£32,906.87	£142,331.72
Alsagers Bank Prim.(prev.Richard Heathcote)	£7,591.72	£34,210.85
Anker Valley	£2,066.65	£9,392.91
Ankermoor Primary	£9,182.57	£41,184.86
Anson CofE Primary	£7,717.40	£37,236.81

Employer Name	Employee Contributions	Employer Contributions
Ash Green - Societas MAT	£32,687.90	£149,296.38
Bailey Street Alternative Provision Academy	£16,725.53	£76,621.12
Barnfields Primary - South East Stafford MAT	£24,627.91	£106,229.08
Belgrave Academy	£63,370.33	£252,583.48
Birches First School	£11,517.99	£54,607.84
Birches Head - Frankfield	£44,246.54	£195,304.62
Birds Bush Community School	£12,613.06	£56,643.47
Bishop Lonsdale CofE Primary	£10,997.35	£52,352.88
Blackfriars Academy	£115,509.38	£459,448.01
Blackshaw Moor First School - Talentum	£3,237.99	£15,424.40
Blessed Robert Sutton Academy	£36,553.17	£160,491.44
Boney Hay Primary	£12,464.68	£56,722.41
Brewood CE - St Chads	£15,860.54	£70,791.43
Brindley Heath Junior Academy	£14,791.63	£65,893.25
Bursley Academy	£18,088.13	£81,757.53
Bursley Academy - Hollinsclogh Primary School	£1,786.97	£8,619.28
Bursley Academy - Manifold Primary School	£3,369.63	£16,722.53
Carmountside Academy	£19,768.72	£90,245.61
Castle Primary	£4,464.13	£21,021.78
Castlechurch Primary - CFLP	£16,633.14	£76,119.49
Chadsmead Academy	£12,754.65	£58,039.46
Charnwood	£12,799.74	£59,051.72
Chase Terrace TEC College	£61,450.68	£260,733.74
Chaselea PRU - Manor Hall	£10,974.44	£51,726.06
Cherry Trees	£18,945.75	£88,388.45
Cheslyn Hay Academy	£50,390.89	£209,815.07
Chesterton Primary - Collective Vision Trust	£14,918.82	£67,451.65
Chesterton Sports College - Collective Vision Trust	£41,985.78	£182,265.38
Christ Church CE Primary	£17,062.82	£76,408.00
Christ Church First School - The Key Educational Trust	£7,963.61	£37,139.46
Church Eaton Endowed - S U MAT	£4,974.26	£23,390.79
Churchfield Primary - Collective Vision Trust	£21,005.37	£93,448.15
Churchfields Primary	£14,426.04	£67,890.38
Cicely Haughton Academy	£48,695.56	£198,575.10
Clarice Cliff - Co-op AT	£29,496.51	£135,510.71
Clayton Hall Academy - United Endeavor Trust	£46,546.30	£196,991.89
Codsall Middle	£36,228.19	£158,859.64
Colwich CE Primary	£8,257.30	£37,584.14
Co-operative academy	£85,654.35	£356,092.76
Coton Green	£10,003.96	£46,305.01
Crackley Bank Primary - Collective Vision Trust	£15,885.83	£73,916.08
Creative Education Academies - Harpfield	£15,363.35	£72,241.70
Creative Education Academies - Thistley Hough Academy	£48,456.79	£197,647.62
Creative Education Academies - Three Peaks Academy	£19,160.33	£86,712.44
Creative Learning Partnership - Hempstalls Primary	£45,098.05	£203,303.08

Employer Name	Employee Contributions	Employer Contributions
Creative Learning Partnership - Thursfield Primary	£10,838.41	£50,215.95
De Ferrers Academy	£161,716.71	£646,331.11
Dosthill Primary Academy	£27,603.14	£125,376.14
Dove CE Academy - S U MAT	£4,440.16	£20,906.36
Edge Hill	£11,400.21	£54,152.00
Ellison Primary	£42,341.62	£121,164.07
Endon High - Shaw Trust	£29,206.02	£130,559.18
Erasmus Darwin Acad - Primitas Learning Partnership	£71,841.60	£309,432.53
Eton Park Academy	£16,725.57	£76,178.93
Etruscan Primary	£33,649.97	£152,554.71
Excel Academy	£49,914.98	£223,090.60
Featherstone Academy	£18,181.81	£84,192.35
Five Spires Academy (Reach2)	£10,731.43	£44,037.20
Flaxhill Community Jnr School (MPAT)	£11,426.52	£50,581.11
Foley Infant Academy	£7,920.46	£36,539.95
Forest Hills (prev.Western Springs) - Perry Hall MAT	£8,671.27	£38,499.94
Forest Park Primary	£38,729.74	£177,470.37
Fountains High School	£63,470.54	£280,788.41
Fountains Primary School	£67,632.73	£308,081.71
Friarswood Co-op Academy	£14,195.16	£71,592.26
Friary School - Greywood MST	£54,609.40	£253,065.28
Future Generation Trust - Etching Hill	£29,937.28	£138,209.60
Future Generation Trust - Gentleshaw Primary	£11,239.39	£52,334.53
Future Generation Trust - St Johns Primary, Essington	£50,650.41	£227,659.49
Future Generation Trust - St Peters	£25,746.27	£121,605.16
Gladstone Primary	£40,001.20	£183,764.82
Glascote Heath Academy	£15,726.00	£67,752.17
Glebe Primary School	£23,633.50	£102,712.55
Goldenhill Primary Academy	£16,261.36	£74,865.23
Grange Infants	£11,415.30	£52,934.77
Great Wyrley High	£32,550.32	£142,710.56
Greenways Primary	£14,711.89	£66,268.92
Greysbrooke - Arthur Terry	£8,903.02	£33,002.63
Grove Junior	£22,578.79	£101,857.87
Hamilton Infants	£15,910.76	£71,675.88
Haughton St Giles - West Stafford Multi Academy	£6,090.82	£28,475.41
Havergal Primary Academy	£7,185.44	£33,551.99
Haywood Engineering Academy	£89,184.22	£380,562.12
Hazel Slade Primary	£9,712.77	£44,627.42
Heath Hayes Primary School (Reach2)	£15,596.50	£72,730.07
Heathfields Infant Academy	£13,272.05	£60,632.56
Henhurst Ridge (REAch2)	£10,686.45	£49,273.89
Henry Chadwick - Greywood MST	£11,444.59	£49,453.39
Highfields - Primitas Learning Partnership	£4,302.81	£20,220.59
Holy Rosary Academy	£14,866.13	£70,167.16

Employer Name	Employee Contributions	Employer Contributions
Holy Trinity MAC - Blessed Mother Teresa's Catholic Primary	£12,011.91	£55,357.90
Holy Trinity MAC - Blessed William Howard Catholic High School	£32,181.11	£143,116.19
Holy Trinity MAC - St Anne's Catholic Primary	£8,268.28	£37,744.59
Holy Trinity MAC - St Austin's Catholic Primary	£12,316.56	£56,241.06
Holy Trinity MAC - St Dominic's Catholic Primary	£11,997.42	£55,459.50
Holy Trinity MAC - St John's Catholic Primary	£2,303.20	£10,678.33
Holy Trinity MAC - St Mary's Catholic Primary	£8,875.49	£40,346.94
Holy Trinity MAC - St Patrick's Catholic Primary	£11,484.84	£51,903.54
Horninglow Academy	£16,043.83	£72,842.08
Horton St Michaels	£4,301.55	£19,663.97
Howard Primary Academy	£2,618.36	£12,235.43
Jackfield Infants	£21,962.45	£98,932.51
James Bateman Middle School	£25,839.35	£116,264.63
JCB Academy	£64,984.79	£213,372.46
John of Rolleston Primary School	£19,424.83	£83,389.41
John Taylor Academy	£103,244.75	£434,507.34
John Taylor Free School	£44,689.44	£194,136.86
John Taylor MAT Kingsmead School Academy	£52,271.66	£222,965.99
John Wheeldon Academy	£29,791.76	£134,422.13
Kemball - Orchard CT	£71,231.29	£326,623.42
Kings CE School - Three Spires	£48,760.69	£204,851.15
Kingsfield First School	£16,273.80	£73,694.15
Kingsland CE Academy	£29,465.32	£133,404.41
Kinver High School	£19,794.94	£92,473.42
Knypersley First School	£28,849.41	£126,259.35
Lakeside	£14,802.24	£66,835.51
Landau Forte Greenacres	£26,168.16	£113,351.35
Landau Forte QUEMS	£48,827.99	£217,545.26
Landau Forte Woodhouse Academy/Post 16	£81,045.73	£329,277.57
Langdale Primary - CLPT	£28,934.62	£131,369.81
Lansdowne Academy	£15,490.11	£77,192.63
Lark Hall Community Infants & Nursery School (MPAT)	£17,406.17	£68,714.09
Leasowes Primary - South East Stafford MAT	£16,589.36	£78,055.89
Leek First School	£7,091.47	£34,667.71
Lichfield Diocese/Woodard Academy (St.Peter's)	£71,769.99	£308,532.43
Little Aston Primary Academy - SUAT	£14,365.76	£64,937.43
Littleton Green Community Primary	£27,402.02	£131,526.50
Longford Primary	£13,085.90	£63,225.98
Loxley Hall Academy	£70,540.09	£285,667.14
Madeley High School	£26,791.12	£118,529.83
Manor Hill First - CLPT	£14,127.59	£63,719.32
Maple Court Primary	£30,590.57	£140,011.00
Marshbrook First	£15,380.33	£70,516.03
Meadows (Blurton) - The Shaw Trust	£31,447.89	£139,087.35

Employer Name	Employee Contributions	Employer Contributions
Meadows Primary School - The Shaw Trust	£6,383.07	£29,605.62
Meadows Special School	£43,337.42	£193,598.39
Meir Heath Primary	£9,302.73	£43,178.58
Merryfields School	£49,572.26	£215,247.41
Mill Hill Primary (Strictly Education)	£29,145.14	£129,367.09
Milton Primary Academy	£25,378.29	£116,256.03
Moorgate Primary Academy	£19,914.41	£87,897.27
Moorlands Primary Federation - Bishop Rawle CE Primary	£6,626.64	£30,727.13
Moorlands Primary Federation - Great Wood Primary -	£4,015.20	£18,837.71
Moorlands Primary Trust - Dilhorne	£11,552.21	£48,871.15
Moorlands Primary Trust - St Werbergh's	£7,155.08	£33,143.54
Moorlands Primary Trust - Valley Primary	£5,055.32	£23,566.18
Moorpark Junior	£21,148.59	£97,291.19
Moorside High - Potteries	£48,926.62	£215,622.62
Mosley Academy	£8,861.04	£39,911.39
Needwood CofE VA Primary	£4,426.43	£20,858.58
Netherstowe School	£26,671.08	£120,413.83
New Ford Primary	£35,259.08	£159,303.47
Newcastle Academy - United Endeavor Trust	£30,104.83	£118,216.40
Newfriars College	£70,616.18	£314,707.68
Newman - Our Lady & St Benedict Catholic	£17,095.10	£78,208.22
Newman - Our Lady Of Grace	£7,319.14	£34,410.47
Newman - St George & St Martins Catholic	£13,945.67	£63,549.93
Newman - St John Evangelist Catholic Primary School	£14,843.48	£69,418.88
Newman - St Joseph Catholic Primary School	£13,637.51	£63,206.34
Newman - St Margaret Ward	£71,458.77	£310,429.92
Newman - St Marys Catholic Primary School	£18,824.16	£85,668.53
Newman - St Peters Primary School	£17,090.20	£80,584.89
Newman - St Wilfreds Catholic Primary School	£20,478.97	£96,165.83
Newstead Primary Academy	£31,144.80	£131,737.69
Northwood Broom	£15,858.97	£70,032.73
Norton Canes Community Primary School (Reach2)	£20,699.25	£94,402.00
Norton Le Moors Primary Academy	£16,118.50	£59,797.63
Oakhill Primary	£28,682.29	£127,621.11
Ormiston - Horizon Academy	£76,238.22	£347,235.47
Ormiston - Packmoor	£30,292.35	£137,843.39
Ormiston - Sir Stanley Matthews	£82,548.61	£354,624.29
Ormiston - The Oaks	£22,554.63	£78,812.85
Ormiston Meridian Academy	£59,376.11	£261,168.47
Oulton CE - The Key Educational Trust	£3,541.04	£16,328.72
Ounsdale High School	£24,340.89	£120,960.58
Our Lady & St Werburghs	£11,363.09	£52,503.40
Outwoods Primary School	£35,120.27	£153,999.93
Oxhey First School	£18,866.65	£87,543.49
Parkside	£21,933.70	£101,237.85

Employer Name	Employee Contributions	Employer Contributions
Paulet High - John Taylor	£39,369.06	£173,143.39
Penkridge Middle	£15,994.79	£73,427.02
Perton Sandown First School	£18,240.86	£84,954.81
Poppyfield - Victoria AT	£6,242.82	£28,564.55
Princefield First	£18,687.04	£87,407.68
Pye Green Academy	£15,555.41	£70,847.53
Queens Croft - Greywood MST	£63,022.62	£272,881.64
Reach Pupil Referral Unit	£1,838.25	£7,887.70
Redbrook Hayes Primary	£22,551.26	£97,919.50
Richard Crosse Primary Academy	£10,277.61	£46,265.81
Richard Wakefield	£12,379.23	£56,029.50
Rocklands School	£47,225.59	£213,835.04
Rowley Park Primary Academy	£14,174.73	£62,498.11
Rushton CofE Primary	£3,633.30	£17,246.63
Ryknelde Primary - John Taylor	£32,954.62	£150,154.89
Sandon Primary Academy	£34,988.95	£156,375.68
Saxon Hill Academy	£70,942.38	£310,154.87
Scientia Academy (Reach2)	£23,314.66	£74,700.75
Scotch Orchard Primary	£17,834.32	£82,327.39
Seabridge Primary (The Shaw Trust)	£31,109.39	£142,194.13
Shobnall	£17,095.85	£77,175.72
Silkmore Academy (Reach2)	£23,523.82	£105,647.60
Silverdale Primary (United Learning)	£13,883.37	£62,314.57
Sir Graham Balfour	£52,826.49	£224,075.88
Sir Thomas Boughie High - United Endeavor Trust	£21,152.78	£92,090.22
Smallthorne Primary Academy (Strictly Education)	£12,837.99	£59,476.48
Sneyd Academy	£35,558.56	£165,403.66
Springfield Comm Special School	£26,805.12	£117,876.60
Springhill (Reach2)	£13,728.70	£62,070.23
St Augustine	£3,682.24	£18,027.08
St Benedict Biscop CE Primary	£9,322.30	£42,996.11
St Chads - Arthur Terry	£2,877.23	£13,297.25
St Christopher's	£8,591.33	£40,358.82
St Edwards CE Academy	£33,129.77	£142,071.74
St Giles and St Georges Academy	£29,620.99	£131,075.10
St James CofE Primary	£6,228.24	£29,457.06
St John Fisher Catholic College	£62,380.52	£265,201.61
St John's Primary	£23,560.25	£105,484.89
St Johns CE Primary - QUEGS	£8,887.35	£43,331.30
St Johns CofE	£6,395.90	£30,555.60
St Lawrence Gnosall - West Stafford Multi Academy	£21,220.91	£97,698.70
St Leonard's First - SUAT	£4,151.50	£19,411.18
St Lukes Primary	£13,331.06	£61,093.71
St Marks CE Primary	£35,664.29	£160,983.12
St Mary & St Chad	£15,496.71	£73,065.85

Employer Name	Employee Contributions	Employer Contributions
St Mary's Catholic Primary School	£26,724.20	£123,002.98
St Marys CE First - St Chads	£6,023.62	£23,611.58
St Mary's CE Primary	£35,688.68	£154,113.27
St Mary's Primary Academy Colton	£6,026.15	£28,380.09
St Matthews Primary	£6,924.45	£30,259.06
St Michaels - Arthur Terry	£2,833.28	£13,183.51
St Nathaniels Academy	£29,700.90	£134,988.74
St Pauls CofE First - S U MAT	£7,717.62	£35,957.75
St Peters	£4,708.49	£20,993.27
St Peter's Primary Stonnal	£8,103.04	£37,328.90
St Teresa's Catholic Primary	£19,681.92	£91,114.69
St Thomas - Three Spires	£17,114.37	£79,406.71
St Thomas Aquinas Catholic Primary School	£13,259.72	£61,947.62
St Wulstans Catholic Primary	£33,706.84	£157,883.26
St. Joseph's College Edmund Rice Academy Trust	£58,397.30	£241,927.97
St.Andrew's CE Primary	£7,651.23	£36,158.08
St.Bart's Academy Trust - Knutton St.Mary's Primary	£15,447.40	£71,716.44
St.Bart's Academy Trust - Park Hall Primary	£23,986.17	£113,000.04
St.Bart's Academy Trust - St Saviours CE Academy	£11,907.34	£53,598.19
St.Edward First	£12,902.94	£58,293.39
St.Nicholas CE First	£23,619.64	£110,166.81
St.Peter's CE Primary	£8,502.63	£40,310.75
Staffordshire University Academy	£50,180.67	£182,518.03
Stoke Minster Primary	£28,596.66	£132,486.47
Stoneydelph Primary	£19,592.24	£89,084.71
Streethay Primary - Shaw Trust	£13,434.89	£61,361.09
Summerbank Primary	£36,576.91	£164,612.19
Talentum - Beresford Memorial	£13,050.85	£60,184.44
Talentum - Churnet View	£26,579.37	£116,235.75
Talentum - Leek High School	£14,565.20	£65,727.30
Talentum - Westwood College	£38,810.20	£164,884.49
The Academy Transformation Trust - Star Academy	£12,947.22	£56,709.52
The Academy Transformation Trust - Sun Academy	£11,217.06	£52,133.16
The Biddulph Academy	£56,231.26	£245,539.38
The Cannock Chase Academy	£50,373.17	£217,491.79
The Cheadle Academy	£27,805.48	£118,329.88
The Christchurch Academy	£24,184.30	£108,762.73
The Coppice Academy	£22,098.19	£100,331.98
The Crescent Academy	£54,395.01	£226,510.14
The Discovery Academy	£125,595.75	£530,595.17
The Eaton Park Academy	£44,108.19	£179,657.08
The Hart School	£55,609.57	£236,203.76
The Painsley Catholic College	£77,007.75	£314,011.59
The Painsley Catholic College - Faber	£3,978.64	£18,731.41
The Painsley Catholic College - St Filumenas	£10,067.85	£45,847.24

Employer Name	Employee Contributions	Employer Contributions
The Painsley Catholic College - St Giles	£11,699.76	£53,840.70
The Painsley Catholic College - St Josephs	£11,812.28	£54,149.68
The Painsley Catholic College - St Marys	£13,741.44	£63,071.36
The Painsley Catholic College - St Thomas	£11,468.24	£52,946.94
The Reginald Mitchell Primary	£18,190.80	£83,209.66
The Rural Enterprise Academy	£8,705.12	£34,521.94
The Sutherland Academy	£37,541.00	£166,583.14
The Violet Lane Academy	£36,409.40	£151,412.61
Thomas Russell Infants	£9,296.84	£43,083.43
Trentham Academy	£33,527.88	£138,715.03
Two Gates Primary	£13,154.04	£60,596.03
Two Rivers High - Endeavour	£116,122.28	£474,115.90
Tynsel Parkes First	£8,873.35	£41,035.23
University Of Chester Academy (Kidsgrove)	£11,321.51	£49,229.41
University Of Chester Academy (Maryhill Primary)	£13,017.59	£56,177.69
Uttoxeter MAT	£135,061.01	£606,833.00
Veritas Academy (Reach 2)	£30,577.52	£99,564.78
Walton Hall Academy	£71,196.41	£309,885.92
Walton High School	£54,898.64	£238,227.13
Waterhouses Primary	£9,202.06	£41,974.41
Watermill - Orchard CT	£76,967.48	£338,221.71
Waterside Primary - Shaw Trust	£22,281.21	£101,094.54
Werrington Primary - Potteries	£21,971.15	£102,956.51
Weston Infants - St Barts MAT	£10,213.02	£47,106.78
Weston Junior - St Barts MAT	£11,804.55	£55,758.96
Weston Road Academy	£46,785.33	£202,765.06
Westwood First	£17,550.35	£80,298.22
Whitfield Valley Primary	£30,496.16	£137,541.88
Wightwick Hall School	£29,664.12	£133,197.53
William MacGregor Primary	£10,406.44	£46,529.16
William Shrewsbury Primary School	£44,015.47	£200,916.84
Wilnecote Academy	£41,543.62	£192,673.92
Wilnecote Junior Academy	£16,982.60	£76,454.66
Winhill Village Primary	£18,352.65	£86,886.14
Wolgarston	£53,795.73	£224,357.97
Wolstanton High School (The Shaw Trust)	£34,330.19	£152,385.62
Woodcroft First - St.Barts	£9,185.44	£42,939.92
Woodhouse Academy	£27,531.69	£124,226.43
Woodlands - CAT	£14,256.57	£65,789.32
Woodseaves - West Stafford Multi Academy	£8,866.34	£36,871.24
Yoxall St.Peter's Academy	£6,445.94	£28,603.67

Employer Name	Employee Contributions	Employer Contributions
Burton on Trent Technical College	£253,408.09	£1,034,085.40
Keele University	£3,057.77	£98,602.04
Newcastle and Stafford Colleges Group	£471,025.30	£2,114,761.03
South Staffordshire College	£350,969.86	£1,348,547.50
Staffordshire University	£803,516.56	£3,554,581.51
Stoke on Trent College	£181,641.95	£693,018.99
Stoke on Trent Sixth Form College	£94,170.79	£349,385.51

Accord Housing	£22,157.65	£77,626.46
Alliance Enviro - Staffs Moorland	£54,897.33	£147,358.73
Alliance Enviro - Street Scene	£21,398.23	£53,778.25
Alliance In Partnership Ltd Endon	£1,228.81	£4,624.87
Alliance In Partnership Ltd Marshland	£526.55	£1,981.77
Alliance In Partnership Ltd Hempstalls	£332.60	£1,523.99
Alliance In Partnership Ltd Hugo Meynell	£667.38	£2,511.85
Alliance In Partnership Ltd Langdale	£390.12	£1,468.13
Alliance In Partnership Ltd Norton Canes	£837.51	£3,152.04
Alliance In Partnership Ltd Sir John Offley	£693.22	£2,609.02
Alliance In Partnership Ltd St Giles	£435.12	£1,993.80
Alliance In Partnership Ltd Thursfield Primary	£602.33	£2,869.01
Amey Services Ltd	£225,681.11	£648,087.81
Aspens - Blythe Bridge	£569.92	£1,699.38
Aspens - Cannock Chase High	£801.61	£1,104.05
Aspens - Sir Graham Balfour	£959.07	£5,820.72
Aspens - St Marys	£711.93	£3,116.07
Aspens - St Edwards Academy	£324.90	£1,352.87
Aspens - Three Peaks	£80.85	£355.76
Aspens - Oldfields Hall	£84.79	£373.09
Aspire Housing	£19,250.80	£17,935,160.62
Biffa	£13,112.84	£0.00
Busy Bee Catering Services - CET	£2,047.18	£8,188.95
Capita Managed IT - OSSM	£1,712.76	£6,113.16
Caterlink - De Ferrers Trust	£1,556.88	£8,746.78
Central Borders Housing Group	£329,398.36	£1,081,063.84
Chartwells	£191,027.62	£616,148.00
Chartwells - ATT Star Academy	£744.72	£3,604.71
Chartwells - Gorsemoor	£107.26	£510.02
Chartwells - JCB	£1,078.01	£6,174.06
Chartwells - Kingsmead School	£1,336.63	£5,485.79
Chartwells - Nether Stowe School	£967.75	£4,029.87
Chartwells - Sir Stanley Matthews	£3,190.95	£16,117.46
Chartwells - St Barts MAT	£6,565.82	£28,430.28
Chartwells - UET Clayton Hall	£1,562.38	£6,954.61
Choices Housing Association	£445.63	£1,782.49
Churchill Services - St Thomas More Catholic Academy	£240.37	£428.30

Employer Name	Employee Contributions	Employer Contributions
Churchill Services - United Endeavour Trust	£2,706.72	£12,155.54
Cleantec Services Ltd - AET	£719.87	£3,201.75
Engie - Tamworth	£6,876.58	£20,781.21
Entrust	£457,060.79	£1,185,134.92
Entrust SCC Paid Schools	£111,073.53	£512,007.98
Fidelis - Two Rivers	£251.74	£947.45
Freedom Leisure - Lichfield BC	£27,768.69	£129,688.23
Freedom Leisure - Stafford BC	£55,946.01	£237,663.39
Fresh Start - Endon Hall	£529.97	£2,370.12
Fresh Start - John Wheeldon	£96.47	£364.81
Fresh Start Horton St Michael	£157.21	£674.53
Hi-Spec - Horton St Michael	£310.45	£1,586.96
Hi-Spec - SUAT	£2,991.50	£15,066.78
KGB Newcastle College	£2,454.90	£5,340.79
Kier - OPCC	£4,731.11	£15,637.40
Kier Facilities Services Limited	£281.29	£1,053.57
Landscape Group Ltd	£1,394.13	£4,598.31
Make Some Noise	£2,372.52	£9,708.96
MCS Cleaning & Main - St Chads	£277.95	£1,227.27
Mellors - All Saints	£792.59	£3,775.62
Mellors - Burton Schools	£3,393.62	£16,005.03
Mellors - Holy Trinity Primary	£287.67	£1,197.77
Mellors - Shobnall Primary	£548.99	£2,066.18
Mellors - Talentum Learning Trust	£5,636.17	£25,329.40
Mellors - Thomas Russell Infants	£492.71	£1,854.50
Mellors - Thomas Russell Jr	£1,436.07	£5,979.25
Miquill Catering - All Saints	£641.76	£2,870.34
Moorland Contract Cleaning - Silverdale	£30.66	£140.44
MPFT	£89,859.75	£289,744.70
Nexxus	£18,867.80	£81,835.24
Northgate (Moorlands)	£4,769.82	£24,270.67
Northgate IS Ltd	£4,263.72	£22,854.50
RM Education - AET	£6,274.72	£23,384.03
RM Education - St.Peter's	£1,960.58	£5,459.42
Service Master - Oaklands Nursery	£116.15	£483.55
Service Master - The College Academies Trust	£1,305.70	£5,935.11
Service Master - Eaton Park Academy	£252.17	£1,201.08
Service Master - Belgrave St Bart	£269.62	£1,284.28
Service Master - St Nathaniels	£389.98	£1,857.78
Service Master Mercia - Charnwood	£342.72	£1,289.92
Service Master Mercia - Woodlands	£1,023.10	£3,850.54
Silvertree Cleaning	£518.23	£2,057.29
SLM - Community Leisure	£23,339.51	£62,963.19
SLM - Fitness & Health	£61.16	£182.31
SLM - Food & Beverage	£2,108.73	£5,944.53

Employer Name	Employee Contributions	Employer Contributions
South Staffordshire Housing Association	£27,195.29	£83,693.35
South Staffs and Shrops Health Care	£18,557.27	£87,387.92
Stafford and Rural Homes	£82,073.27	£454,234.36
Stoke and Staffs Combined Fire Authority	£257,470.11	£670,621.84
T(n)S Catering - Rowley Park	£338.35	£1,550.35
Taylor Shaw - Excel Academy	£702.08	£3,089.13
Tiny Toez	£5,573.51	£21,219.97
Veolia	£15,086.84	£47,359.02
Wates	£174.20	£889.03
Wigan Leisure and Culture Trust	£32,865.44	£0.00



AMINGTON BAND

CRYSTAL PALACE CUP PRESENTATION 18 OCTOBER 1921 (at Amington School)

Back Row -- H. Starkey. B. Starkey. E. Dimbley. J. Craddock. C. Thompson. L. Goring. T. Pegg (Snr). W. Elton. J. Lawrence. A. Pegg (Jnr). G. Hartwell. W. Odgen
 Middle Row -- Mrs. Pegg. Mrs. Weston. Mrs. Warrington.
 R. Davis. (Bandmaster) E. Davis. O. Weston. A. McKay. A. Slater. S. Carney. A. Davis. J. Hodgkinson. J. Carney.
 Front Row -- A. Pegg. A. Leedham. P. Clempson. W. Pollard. (Conductor) S. Warrington. (Secretary) H. Rolinson. H. Fielding. K. Gullick.

Crystal Palace Cup Presentation

Amington School on 18th October 1921

