



Staffordshire
Pension Fund
Local Government Pension Scheme



Annual Report

& Accounts
2020/2021

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Chairman's Report

As the current Chairs of the Pensions Committee and Pensions Panel, it gives us both great pleasure to introduce the Annual Report and Accounts for the Staffordshire Pension Fund for 2020/21.

The local elections in May 2021 resulted in several changes on the Pensions Committee and it would be remiss of us not to express our sincere thanks to Cllr. Derek Davis, who decided to retire. Cllr. Davis was one of the longest serving Members on the Committee and saw the Fund grow from a market value of around £250 million in 1985, to the highest level of a reported market value we see today; at over £6 billion. Thanks go, not only to Cllr Davis, but to all the Members who have served on the Committee in the last year, including the co-opted members, who ensure that all stakeholders are appropriately represented on the Committee. Thanks also to the members of the Local Pensions Board, who help ensure the Scheme Manager complies with the many complex governance and administration requirements.

The Fund reporting a year end market value of over £6 billion provides us with a real milestone and is particularly satisfying given the turmoil experienced in markets at the end of the 2019/20 financial year. Whilst there have been short periods of market volatility throughout the 2020/21 financial year, the recovery to pre-pandemic levels, and beyond, has continued at pace. With a range of returns across the various asset classes, in which the Fund invests, (from cash at 0.2% through to Global Equities at around 40%), the absolute return of 27% over the year, at a Total Fund level, is a remarkable achievement and over 3 years the absolute return of just under 9% puts us well ahead of the investment return assumptions used in the triennial Actuarial Valuation of the

Fund; the next valuation date for which is already on the horizon, as at 31 March 2022.

As if the challenges presented by homeworking, over the last 18 months haven't been enough, the world of Pensions administration will continue to challenge us going forward. The additional case load being created following the McCloud judgement [see the link at staffspf.org.uk](https://www.staffspf.org.uk) will see the administration team having to recalculate thousands of benefit calculations, going back to 2014, but first they will have to collect the data to enable them to do so. This is not going to be an easy task, whilst they continue to deliver on the day job, but we have every confidence in the team and their abilities. And on that note, our sincere thanks go to the Director for Corporate Services, the Assistant Director for Treasury and Pensions and the numerous Officers, who administer the scheme benefits and monitor the Fund's investments. Without their continued hard work and dedication, and especially in these most difficult of times, the Staffordshire Pension Fund wouldn't be able to deliver such a high standard of service to its 112,000 scheme members and numerous other stakeholders.

Our very best wishes to you all and please continue to stay safe.



Cllr Alastair Little
Chair of Pensions Committee



Philip Atkins
Chair of Pensions Panel

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 below.

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 2021



*Philip Atkins,
OBE*



Derek Davis, OBE



*Alastair Little
(Chair)*



Colin Greatorex



Bob Spencer



*Mike
Sutherland*



*Stephen
Sweeney*



Martyn Tittley



*Mike Davies
(Vice Chair)*

During the course of 2020/2021 the Pensions Committee;

- formally approved the 2019/2020 Pension Fund Annual Report and Accounts
- reviewed the Pension Fund Business Plan for 2020/2021 and approved the Pension Fund Business Plan for 2021/2022
- formally approved the Staffordshire Pension Fund Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS)
- received the LGPS Central Limited's 2021/2022 Business Plan & Budget
- reviewed the Staffordshire Pension Fund Climate Risk Report
- 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 2020/2021 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 appropriate structure of investment management and appoint appropriate 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 2021

Council members:



Philip Atkins,
OBE (Chair)



Derek Davis, OBE



Colin Greatorex



Mike
Sutherland

Advisor members:



Stephen
Sweeney

Carolyn Dobson
(Independent advisor)

Philip Pearson
(Hymans Robertson)



The Pensions Panel during 2020/2021;

- reviewed and monitored the Pension Fund performance and Portfolio of Investments for 2020/2021
- approved the 2021/2022 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.

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 2021

Employer representatives:

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

Scheme Member representatives:

Kate Salter - Trade Union Official
Vacant - Retired Scheme Members
Rob Birch - Scheme Members (Chair)

The Local Pensions Board during 2020/2021;

- 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.



Meeting Attendance

The table below sets out the attendance at the quarterly meetings in 2020/2021.

Pensions Committee Member	26/06/2020 [cancelled]	25/09/2020	23/10/2020	18/12/2020	26/03/2021
Alastair Little [chair]		✓	✓	✓	✓
Philip Atkins, OBE		✓	✓	✓	✓
Derek Davis, OBE		✗	✓	✓	✓
Mike Davies		✗	✓	✓	✓
Colin Greatorex		✗	✓	✓	✗
Mike Sutherland		✓	✓	✓	✓
Stephen Sweeney		✓	✓	✓	✓
Martyn Tittley		✗	✓	✗	✗
Bob Spencer		✗	✓	✓	✓
Co-opted members					
Nigel Caine		✗	✗	✓	✓
Michael Vaughan		✗	✓	✓	✓
Mike Allen		✗	✗	✗	✗
Phil Jones		✗	✓	✓	✓

Pensions Panel Member	12/06/2020 [cancelled]	14/09/2020	01/12/2020	02/03/2021
Philip Atkins, OBE		✓	✓	✓
Derek Davis, OBE		✓	✓	✓
Mike Sutherland		✓	✓	✓
Stephen Sweeney		✗	✗	✓
Colin Greatorex		✗	✓	✓
Advisors				
Carolan Dobson		✓	✓	✓
Paul Potter [replaced by Philip Pearson in March 21]		✓	✓	✓
Philip Pearson				✓

Pensions Board Member	26/06/2020 [cancelled]	25/09/2020	23/10/2020 [cancelled]	18/12/2020	26/03/2021
Gordon Alcott		✓		✗	✓
Kate Salter		✗		✗	✗
Ian Jenkinson		✓		✓	✗
Rachel Bailye		✗		✗	✓
Rob Birch		✓		✓	✓

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

The Pensions Committee have adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Knowledge and Skills Framework for training members and officers. The training addresses 6 areas of knowledge:

- Legislative and governance
- Accounting and auditing
- Financial Services, procurement, and relationship management
- Investment performance and risk management
- Financial markets and products knowledge
- Actuarial methods, standards and practices

During the year the Pensions Committee and Pensions Board received training covering most of these areas. This included training on Responsible Investing (Financial markets and products knowledge) and on the LGPS Governance structure (Legislative and governance).

Communication

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

Full details on how the Fund communicates with its members are available on 20.

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. This particular risk is managed through the Funding Strategy, which models the likelihood of a range of possible outcomes occurring and the way in which the contribution rate strategy and the investment strategy combine to deliver those outcomes (the particular method used by the Fund's Actuary is sometimes referred to as stochastic modelling, but there are others). The primary reason for the high variability (risk) in outcomes derives from the high proportion of the Fund invested in growth assets, in particular equities. However, in the long term this is expected to deliver returns that are commensurate with the risk and this helps 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.

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 and a likelihood score before and after any controls are applied. These have been combined to give an overall pre-control and post-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 work with Officers, at the quarterly meetings, to drill down into the detailed

risks and 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

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.

Governance

- **Structure** - The Fund must demonstrate 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 Training and Skills Framework, 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, Panel and Local Pensions Board, advising them on key decisions.

Investments

- **Investment in equities** - A large proportion of the Fund is invested in equities, which are 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 bonds. 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 bonds from interest rate changes, the Fund's strategic asset allocation allows scope to adjust the bond 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 however are not directly employed by the Fund therefore the Fund does not have the same control over monitoring their 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 against equity or other 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 (Equitable Life)

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
Goldman Sachs Asset Management
Harbourvest Partners LLC
Hayfin Capital Management
HPS Investment Partners LLC
JP Morgan Asset Management
Knightsbridge Advisors LLC
Lazard Technology Partners LP
Legal & General Investment Management
LGPS Central
Longview Partners Limited
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 [79](#).



Fund Administration

Administration Report 2020/21

As we entered the Scheme Year the Government had recently announced the important actions that we all had to take to mitigate the impact of the COVID 19 outbreak.

During the pandemic most of the Pension Service Staff worked remotely but they continued to have secure access to all the Funds technology including emails, telephone helpdesk and the pension software systems. In doing so we put the safety and wellbeing of our staff first at the same time we continued to provide a quality pension service.

Having said this the pandemic placed huge pressures across all Local Government Pension Funds (LGPS) including ourselves. However, we worked extremely hard to minimise any reduction in the high-quality pension services we provide to all our stakeholders.

During this period and in line with the Pensions Regulator's (TPR) guidance we gave priority to the following,

- Paying members' pension benefits including the monthly pension for circa 36,000 retired members, including spouse and dependants in receipt of a pension in respect of a former member
- Retirement processing i.e. arranging payment of monthly pension and pension lump sums for new retirees
- Calculation and payment of dependants' pensions and lump sums following the death of a pensioner or members
- Processing to ensure members' benefits are accurate i.e. processing employer's annual and monthly returns
- Publication of the active and deferred member annual benefit statement by the statutory deadline of 31 August 2020.



We also recognise that it will not always be possible for members, employers, and other stakeholders to attend face to face events, so we offer webinars and online meetings. This communication has increased due to the pandemic and will continue to be popular with members, employers, and stakeholders.

Other key activities of focus during the year included a mailshot to all active and deferred member of the Fund providing them with instructions on how they could register for My Pension Portal (MPP). To coincide with the mailshot, we issued promotional material via newsletters, website, employers' notice boards, intranet site and email addresses.

MPP allows members secure access to their pension records and Annual Benefits Statements. MPP is covered in more detail on the following page.

We will continue to work flexibly, finding new ways to adapt and improve our services in the changing environment.

Data Quality

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 73 Employers now provide monthly member updates through i-connect. The Fund is continually working to expand the number of Employer using i-connect.

This greater efficiency enables the Fund and the Employers to improve accuracy of member data, plus 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 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 as well as assisting with other activities as outlined below.
- **TPR Data Scores** In accordance with the Pensions Regulators requirements the Fund submitted data scores for its common and scheme specific information in the autumn of 2020 (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 database and in shared drives.

The Fund administration database and other IT systems are operated utilising the network and computer systems of Staffordshire County Council who manage and maintain all systems in line with their PSN (Public Service Networks) accreditation.

This standard mandate adherence to best practice principles and managing and securing ICT systems and data.

Data Quality /Improvement Plan

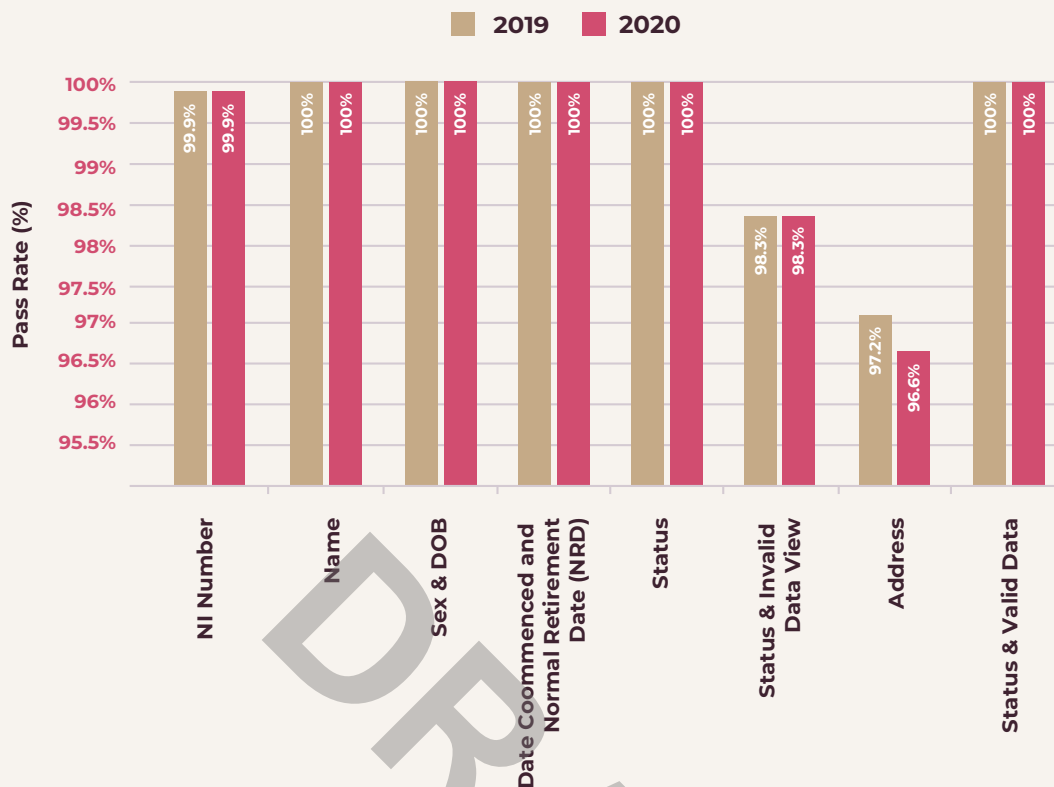
The Pensions Regulator (TPR) stated that it expected all schemes to undertake an annual data review and put an improvement plan in place (if required) and also include data accuracy scores scheme reports. To meet this requirement the Fund undertook a Data Quality Review. This review provided a detailed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

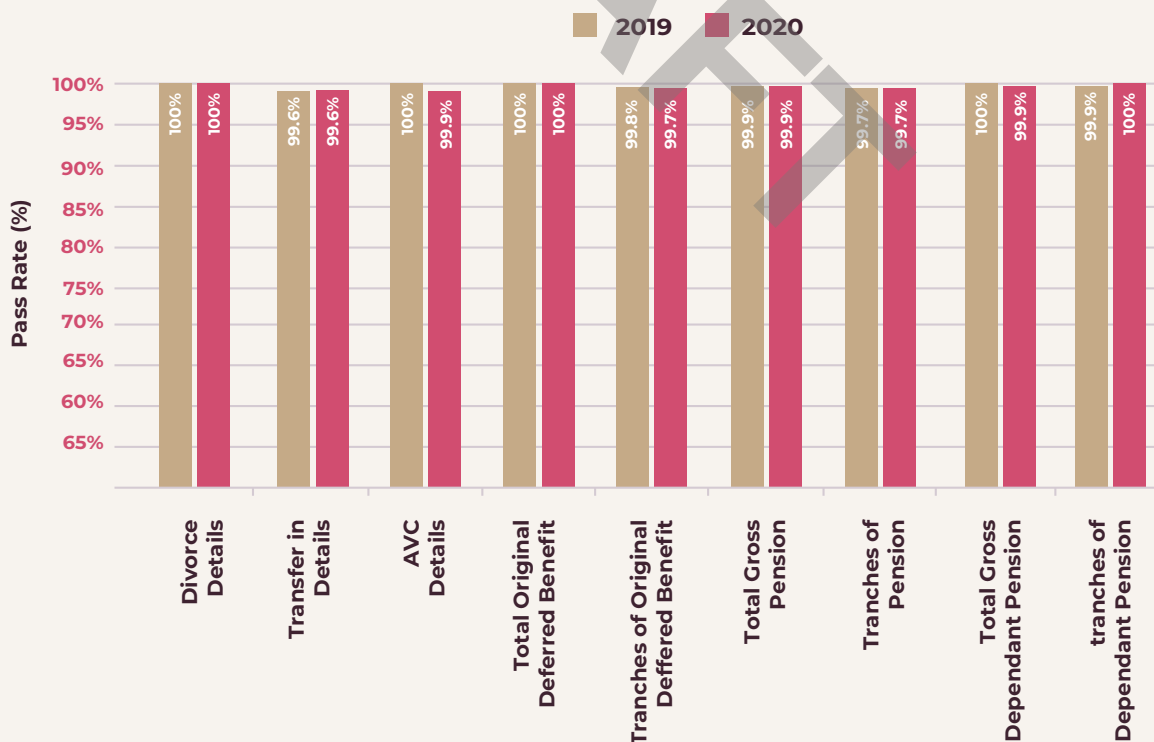
Specific Data - this is data that is essential to calculate benefit entitlement such as member contributions, pensionable pay, service history etc. The data also includes events that occur during an individual's membership, for example, transfers, purchase of additional pension and pension sharing orders.

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

Common Data



Specific Data



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.

General Data Protection Regulations (GDPR)

GDPR came into effect on 25 May 2018 to harmonise data protection regulations across Europe and give individuals more rights about how their personal data is managed and used. GDPR applies to all personal data and information that can be used to identify a living individual either directly or indirectly.

Under GDPR the Fund is a Data Controller and, in the lead, up to the introduction of the new regulatory requirements the Fund reviewed its processes, policies, documents and data sharing agreements to ensure the Fund complies with the GDPR requirements.

Use of Information Technology

Altair

The Pensions Team uses Aquila Heywood's "Altair" pensions software to provide all aspects of pensions administration including, benefit calculations, task management document imaging, workflow production, pensioner payroll, member and My Pension Portal.

The Altair system is used nationally by the majority of Local Government Pension Funds in England and Wales. The Pensions Team has regular client meetings with Aquila Heywood and engages in user groups to ensure that pensions administration 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 are able to 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, instead of the online version, they can do so by either writing to or emailing the Fund.

My Pensions Portal 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

Fund's Website

The Fund's website is the main source of information for both current and prospective members, pensioners, deferred members as well as fund employers.

The website holds scheme guides, forms and information for members and employers to view. Employer responsibilities are set out in the employer's 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 abreast of 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.

A representative from the Fund currently chairs the National Communication Working Group for the LGPS. The Working Group help produce documentation and provide assistance to other Funds through the Local Government Association.

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.

There were no breaches reported to the Pensions Regulator.

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 a 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. The table below is a summary of the IDRP cases the Fund has received directly, or has been made aware of, that went to an Employer.

Stage of IDRP	Number of Cases	Upheld
Stage 1	0	0
Stage 2 All Ill Health cases appeals against the employer	5	1

Employer Membership Activity

During the year the Fund welcomed 12 new employers into the scheme – 9 LEA schools converted to Academy, there was 1 newly established Academies and 2 Admitted Bodies joined.

The 2 Admitted Bodies, were small contractor admissions, where the letting employer remains responsible for all residual pension liabilities in the Fund. Membership in the Staffordshire Pension Fund has increased. The increased membership results in increased demands both in terms of individual member casework and wider reporting and monitoring requirements

Active Members – are employees who currently contribute to the LGPS and the numbers include some employees who have more than one contract of employment, each being treated separately for administration purposes.

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

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

Fund's Membership Profile over a 5 year period

Membership Category (at 31 March)	March 2017	March 2018	% Change	March 2019	% Change	March 2020	% Change	March 2021	% Change
Actives	34,963	33,776	-3.51	32,735	-3.18	32,396	-1.05	32,915	1.58
Deferreds	39,362	40,552	2.93	40,843	0.72	41,910	2.55	41,987	0.18
Retired	31,713	33,156	4.35	34,731	4.53	36,597	5.1	37,714	2.96
Total	106,038	107,484	1.35	108,309	0.77	110,903	2.34	112,616	1.52

Analysis of Membership as at 31 March 2021

The following table provides a breakdown of the Fund membership of active members, deferred members and pensioners at 31 March 2021.

Age Group	Active		Deferred		Retired		Spouse/ Dependant	
	Number	%	Number	%	Number	%	Number	%
0-14	0	0	0	0	0	0	82	2.01
15-19	273	0.83	7	0.02	0	0	85	2.08
20-24	1,402	4.26	319	0.76	0	0	32	0.78
25-29	1,952	5.93	1,408	3.35	0	0	6	0.15
30-34	2,667	8.1	3,297	7.85	2	0.01	4	0.1
35-39	3,418	10.38	4,383	10.44	3	0.01	4	0.1
40-44	3,934	11.95	5,134	12.23	8	0.02	16	0.39
45-49	4,757	14.45	6,716	16	29	0.09	43	1.05
50-54	5,707	17.34	9,021	21.49	92	0.27	129	3.16
55-59	4,976	15.12	7,993	19.04	1,816	5.4	199	4.88
60-64	2,932	8.91	3,429	8.17	6,034	17.94	302	7.41
65-69	734	2.23	229	0.55	8,481	25.21	391	9.59
70-74	163	0.5	51	0.12	8,148	24.22	598	14.67
75-79	0	0	0	0	4,832	14.37	651	15.97
80-84	0	0	0	0	2,418	7.19	645	15.82
85-89	0	0	0	0	1,216	3.62	525	12.88
90+	0	0	0	0	558	1.66	365	8.95
Totals	32,915	100	41,987	100	33,637	100	4,077	100

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.

Workflow

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 member		1,423	1,422	1	100%
2	Deaths – letter notifying amount of dependants pension		627	532	95	85%
3	Retirements – letter notifying estimate of retirement benefits	Active	1,212	1,052	160	87%
4	Retirements – letter notifying estimate of retirement benefits	Deferred	50	45	5	90%
5	Retirements – letter notifying actual retirement benefits	Active	1,207	1,009	198	84%
6	Retirements – letter notifying actual retirement benefits	Deferred	2,227	1,766	461	79%
7	Retirements – process and pay pension benefits on time	Active	1,177	956	221	81%
8	Retirements – process and pay pension benefits on time	Deferred	2,299	1,830	469	80%
9	Deferment – calculate and notify deferred benefits		3,525	2,761	764	78%
10	Transfers in – letter detailing transfer in quote		725	714	11	98%
10a	Transfers in – letter detailing transfer in		591	574	17	97%
11	Transfers out – letter detailing transfer out quote		771	571	200	74%
11a	Transfers out – letter detailing transfer out		715	379	336	53%
12	Refund – process and pay a refund		739	693	46	94%
13	Divorce quote – letter detailing cash equivalent value and other benefits		239	215	24	90%
14	Divorce settlement – letter detailing implementation of pension and sharing order		22	12	10	55%
15	Joiners – notification of date of enrolment		612	535	77	87%
16	Aggregation - Send notification of aggregation options		2,099	1,217	882	58%

The transfer out and divorce settlement workflows above incorrectly includes third party waiting times as a result the service standards show a lower percentage rate than was achieved. We have since amended the workflow so in future we are able to accurately measure the transfer out processing against our service levels.

Performance

KPI	Process		Total	Within KPI	Outside KPI	%	Outside legal target	Within legal target	Legal target	%
1	Deaths – initial letter acknowledging death of member		1,404	1,345	59	96	0	1,404	2 Months	100%
2	Deaths – letter notifying amount of dependants pension		479	420	59	88	0	479	2 Months	100%
3	Retirements – letter notifying estimate of retirement benefits	Active	984	943	41	96	0	984	2 Months	100%
4	Retirements – letter notifying estimate of retirement benefits	Deferred	36	36	0	100	0	36	2 Months	100%
5	Retirements – letter notifying actual retirement benefits	Active	857	827	30	97	0	857	2 Months	100%
6	Retirements – letter notifying actual retirement benefits	Deferred	1,683	1,583	100	95	0	1,683	2 Months	100%
7	Retirements – process and pay pension benefits on time	Active	786	775	11	99	0	786	2 Months	100%
8	Retirements – process and pay pension benefits on time	Deferred	1,303	1,268	35	98	0	1,303	2 Months	100%
9	Deferment – calculate and notify deferred benefits		2,365	2,246	119	95	0	2,365	2 Months	100%
10	Transfers in – letter detailing transfer in quote		775	668	107	87	0	775	2 Months	100%
11	Transfers out – letter detailing transfer out quote		544	544	0	100	0	544	2 Months	100%
12	Refund – process and pay a refund		587	561	26	96	0	587	2 Months	100%
13	Divorce quote – letter detailing cash equivalent value and other benefits		205	202	3	99	0	205	3 Months	100%
14	Divorce settlement – letter detailing implementation of pension and sharing order		10	2	8	20	0	10	3 Months	100%
15	Joiners – notification of date of enrolment		534	531	3	100	0	534	2 Months	100%

Retirements during the Year

Early Voluntary (under 65)	553
Flexible	44
Ill Health	47
Normal / Late	80
Redundancy	104
Total	828

Retirements (including Deferred Benefits into payment) during 2020 /2021

Early Voluntary (under 65)	2,070
Flexible	44
Ill Health	84
Normal / Late	215
Redundancy	104
Total	2,517

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 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

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
- Producing the Funds Annual Report and Accounts.

Benefits Team

Service Delivery

- 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 36,000 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

- Administration Systems, incoming data and correspondence management
- Transfer administration, communication and 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.

Incoming Data / Correspondence Management

- Indexing incoming post and email received onto members 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 and for 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 issues.

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 46.9 full time equivalent (FTE) posts in the Pension Section with 42.4 staff responsible for pensions administration. This equates to a staff to Fund member ratio of one FTE employee to 2,401 based on a total Fund membership of 112,616.

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.

Annually 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 £23.37 (2019/20) compared to the national average of £30.25. 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.

Investment Report

Global Economic Review 2020/21

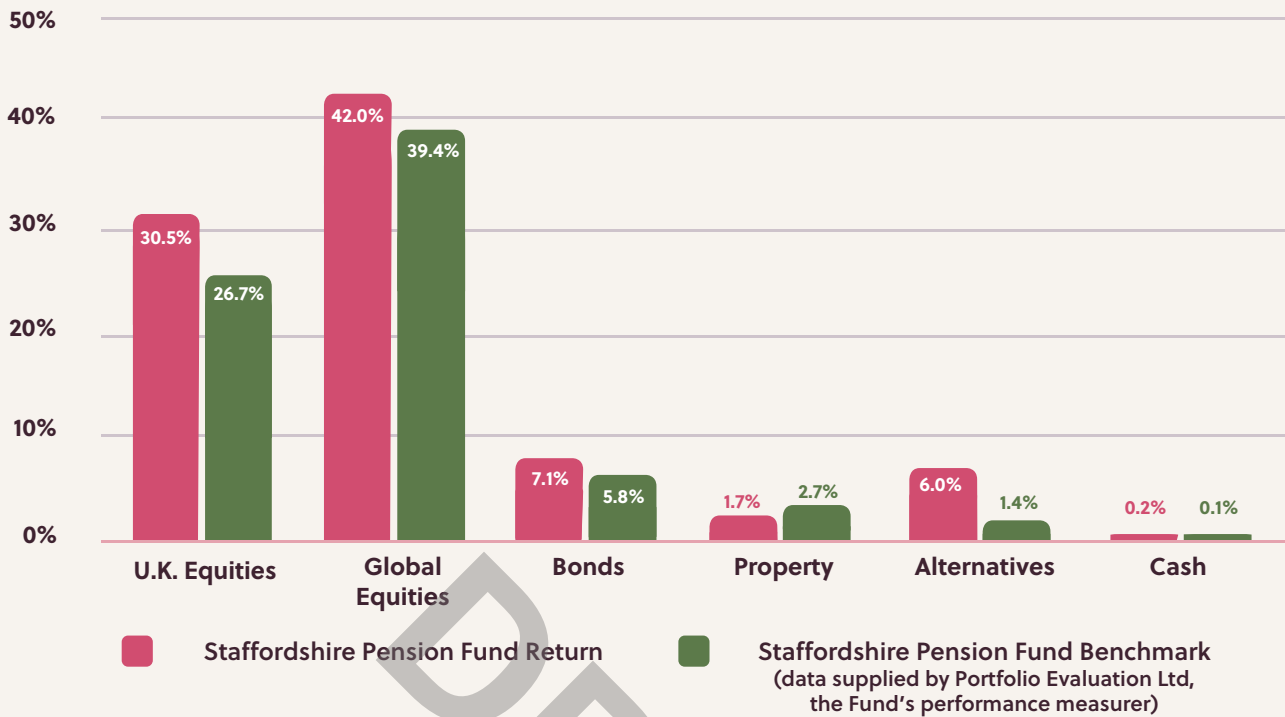
Equity markets rebounded strongly during the first quarter of 2020/21, recovering much of the Covid-19 pandemic induced losses incurred during the final quarter of 2019/20, with the MSCI World index up 18.5% in local currency terms. The majority of the bounce back in equity markets was driven by technology stocks, which were less affected by the Covid-19 pandemic, or by companies that were short term beneficiaries of the controls imposed by governments. US equities recorded their best performance since the final quarter of 1998, despite the US economy shrinking by an annualised rate of 5.0% during the final quarter of 2019/20, ending the longest period of economic expansion in the country's history. In the UK, equities recovered as the government announced a phased reopening of the economy, while fiscal support programmes, such as the employee furlough scheme and loans for struggling companies, underpinned some share prices. Following confirmation that the economy had contracted by 2.2% in the final quarter of 2019/20, the Bank of England extended its Quantitative Easing (QE) programme by £100 billion, and speculation increased that policymakers could introduce negative interest rates, should economic weakness persist.

During the second quarter of 2020/21 equity markets continued to rise, with the MSCI World index up 6.7% in local currency terms. The US S&P 500 rose 8.7% in the quarter, and whilst it was higher at the end of August, the uncertainty over the approaching US elections and a second wave of Covid-19 infections led to investor concerns and a fall in September. Technology stocks continued to perform well, due to them being less adversely impacted by the pandemic and oil prices continued to be under pressure, due to uncertainty of the second wave of Covid-19. During the quarter, European Union (EU) leaders agreed to a €750 billion recovery fund, in a sign of improving fiscal cooperation within the bloc during an emergency. In the UK, equities fell 4.9% during the quarter, mainly due to rising Covid-19 infections and reducing fiscal stimulus. Concern over Brexit trade deals also hampered the UK and contributed to falls in Sterling. The Bank of England announced there were no plans to drop interest rates below 0.0%, but that it had not been ruled it out as a policy option.

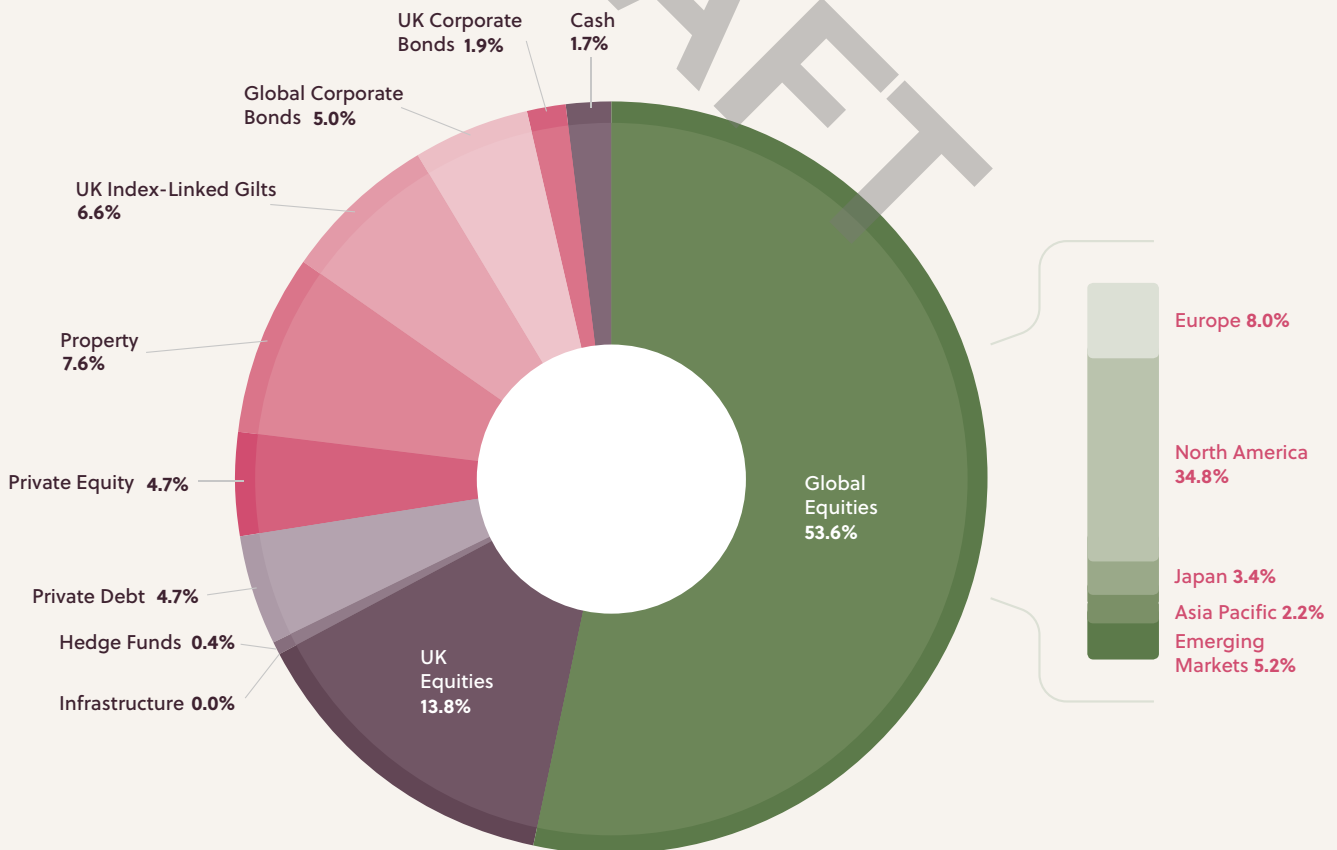
Global equity markets rallied again in the third quarter of 2020/21, with the MSCI World index increasing by 12.4% in local currency terms. The approval of several Covid-19 vaccines, the Brexit deal agreement and optimism over Joe Biden winning the US election all contributed to the rise; however, market rises were tempered towards the end of the quarter with the discovery of a new more contagious variant of Covid-19. In the US, in addition to the election, the approval of a \$900bn stimulus package helped the S&P 500 to return 11.7% over the quarter; with financial and energy stocks, helped by an increase in the oil price, the best performing sectors. In the UK, an agreement was finally reached with the EU on a free trade deal and the Bank of England announced a further extension of its government bond purchases by £150 billion to support the economy. During the quarter, there was growth in the UK manufacturing sector, but a slight contraction in the services sector, due to ongoing Covid-19 restrictions and the second period of lockdown in November.

During the fourth quarter of 2020/21, equity markets were more volatile due to concerns about new Covid-19 variants and national lockdowns, but valuations still managed to rise further; however, the continued roll out of the vaccination programme provided welcome optimism. The MSCI World index rose 4.5% as central banks in the US and Europe eased fears of interest rate rises by stating easy funding would continue, although expectations of increased inflation grew as oil and other commodity prices continued to rise with the improving market sentiment. In the US, President Biden deployed an unprecedented \$1.9 trillion fiscal stimulus package and a \$2 trillion infrastructure plan, which along with the continued vaccination programme rollout, helped to strengthen the dollar and contributed to the rise in equity markets. The S&P 500 rose 5.8% over the quarter. In the UK, despite a national lockdown throughout most of the quarter, the roll out of the vaccination program and agreed Brexit trade deal, helped the performance of UK equities with the FTSE 100 rising 10.3% over the quarter.

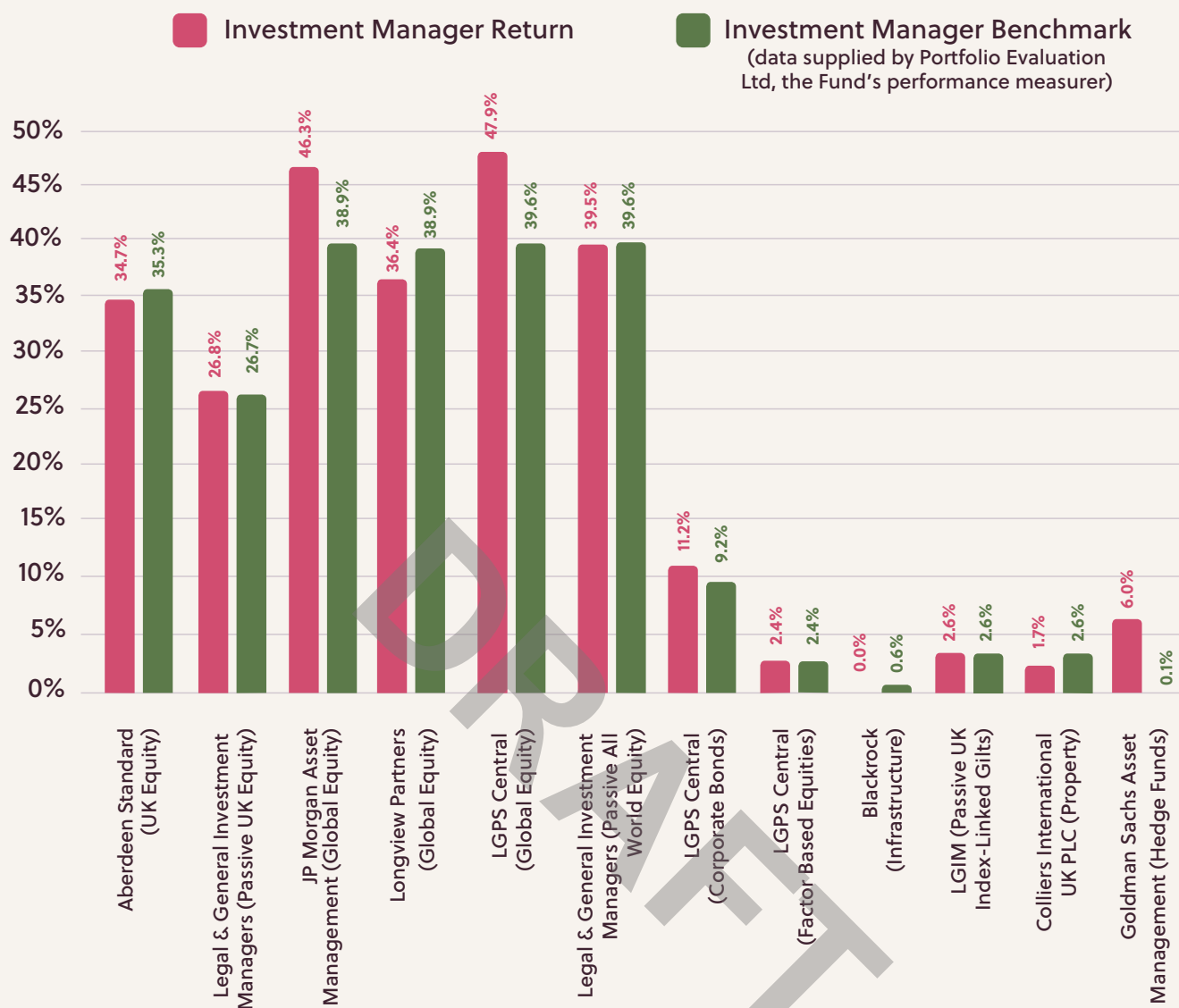
Major asset class returns for year ended 31 March 2021



Percentage breakdown by investment type at 31 March 2021



Investment manager returns for the year ended 31 March 2021



Equities

Equity assets recovered during the 2020/2021 financial year following the slump in the final quarter of 2019/2020 due to the global spread of Covid-19; overall the Funds equity portfolio returned 38.1% against a benchmark of 34.8%. Within equities, global equities returned 42.0% and UK equities 30.5% (see graph on page 23). Across the Fund, equity assets were the best performing asset class.

Top Ten Segregated Equity Holdings	
Company	Market value at 31 March 2021
Apple Inc Com Stk	£22,459,414
Microsoft Corp Com	£17,922,415
Alphabet Inc Cap Stk	£15,675,527
Charter Communications Inc	£15,381,896
Unitedhealth Group Inc Com	£15,190,767
State Str Corp Com	£15,068,277
Sysco Corp Com	£13,981,671
Hca Healthcare Inc Com	£12,374,444
Grainger W W Inc Com	£12,328,371
Amazon Com Inc Com	£12,280,337

Bonds

During 2020/2021 the Fund's overall bond holding returned 7.1%, above the benchmark return of 5.8%.

The Fund also holds an investment of index-linked Gilts; as these are passively held they returned the same as the benchmark of 2.6%.

Property

The Fund's total property investment return for 2020/2021 was 1.7%, below the benchmark of 2.7%. Benchmark data supplied by Portfolio Evaluation Ltd, the Fund's performance measurer.

Property sectors in the UK produced mixed returns with the industrial sector, offices and other property producing positive returns, offset by negative returns for retail and other property. The industrial sector provided the highest returns at 3.4%. At 31 March 2020, the Fund had a 27.6% weighting in the industrial sector.

During the year, the Fund purchased a retail estate in Bromsgrove for £13m for its direct property portfolio.

Largest direct property holdings	
Location	Market value on 31 March 2021
Upper Woburn Place, London	£35,900,000
Burwood House, London	£23,000,000
Stukeley Street, London	£22,750,000
Unit 9 Revolution Park, Chorley	£22,000,000
Drum Industrial Estate, Chester-Le-Street	£21,800,000
The Grosvenor Hotel, Edinburgh	£19,050,000

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 6.0% in 2020/2021, above the benchmark of 1.4% (see graph on page 23). Within this asset class, Hedge Funds were responsible for the entire performance, returning 6.0% against a 1.4% benchmark. The Fund only began committing to Infrastructure towards the end of the financial year, which forms the other part of the Funds alternative investments allocation.

How much of the investments each manager looks after (by market value at 31 March 2021)

1. Legal & General Investment Management (IL Gilts Index Fund)
6.6%

2. LGPS Central (global equity)
11.0%

3. LGPS Central (corporate bonds)
6.9%

4. LGPS Central (factor based equities)
2.1%

5. Colliers International UK plc (property)
7.6%

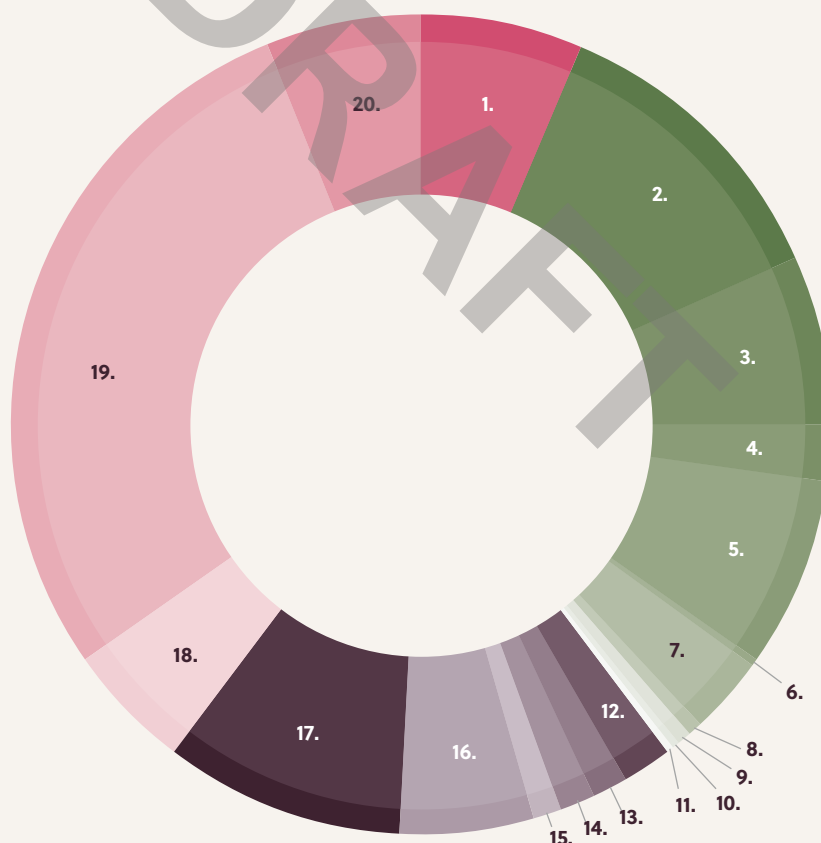
6. Goldman Sachs Asset Management (hedge funds)
0.4%

7. Harbour Vest Partners (private equity)
3.1%

8. Knightsbridge Advisors (private equity)
0.5%

9. Partners Group (private equity)
0.6%

10. LGPS Central (private equity)
0.1%



11. Capital Dynamics (private equity)
0.4%

12. Hayfin Capital Management (private debt)
1.9%

13. HPS (private debt)
1.3%

14. Alcentra Limited (private debt)
1.5%

15. Director of Finance and Resources (cash)
1.2%

16. AberdeenStandard (UK equity)
5.4%

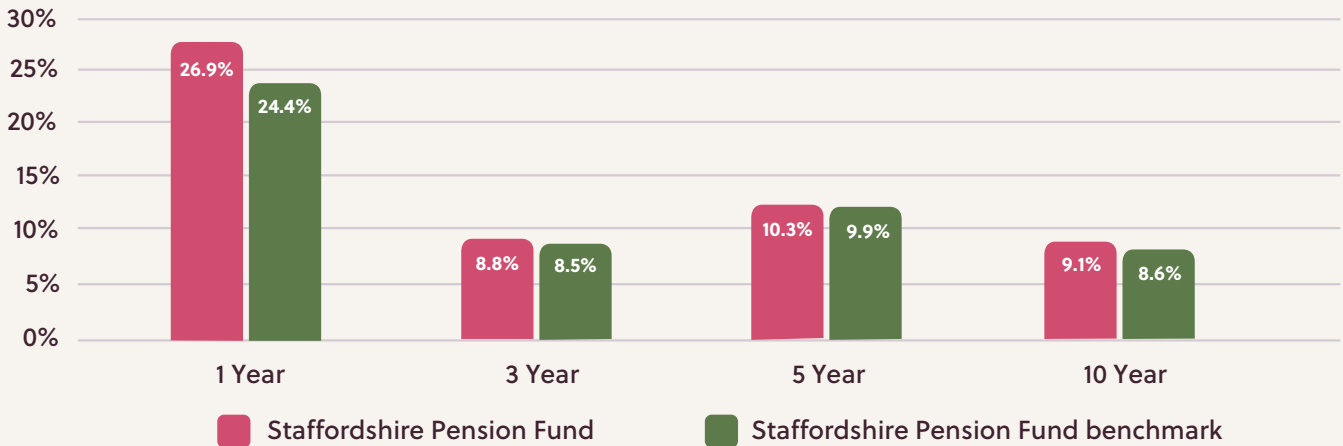
17. JP Morgan Asset Management (global equity)
9.5%

18. Longview Partners (global equity)
5.0%

19. Legal & General Investment Management (passive allworld equity)
28.8%

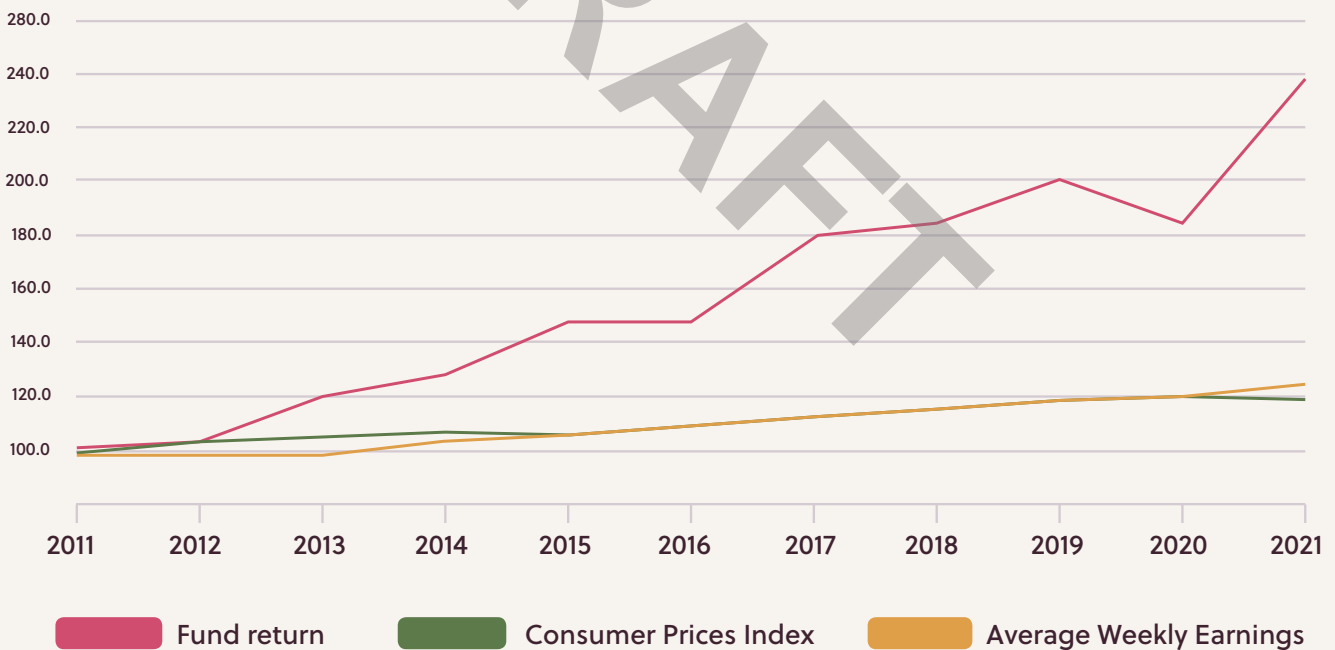
20. Legal & General Investment Management (passive UK equity)
6.0%

Pension Fund investment returns



For the year ending 31 March 2021, the Fund’s total investments made a return of 26.9% as a result of the recovery made following the fallout from the Covid-19 pandemic. This outperformed against the Fund’s benchmark of 24.4% by 2.5%. The Fund value increased to £6,152m by the end of the 2020/2021 financial year.

10-year investment performance versus inflation and earnings



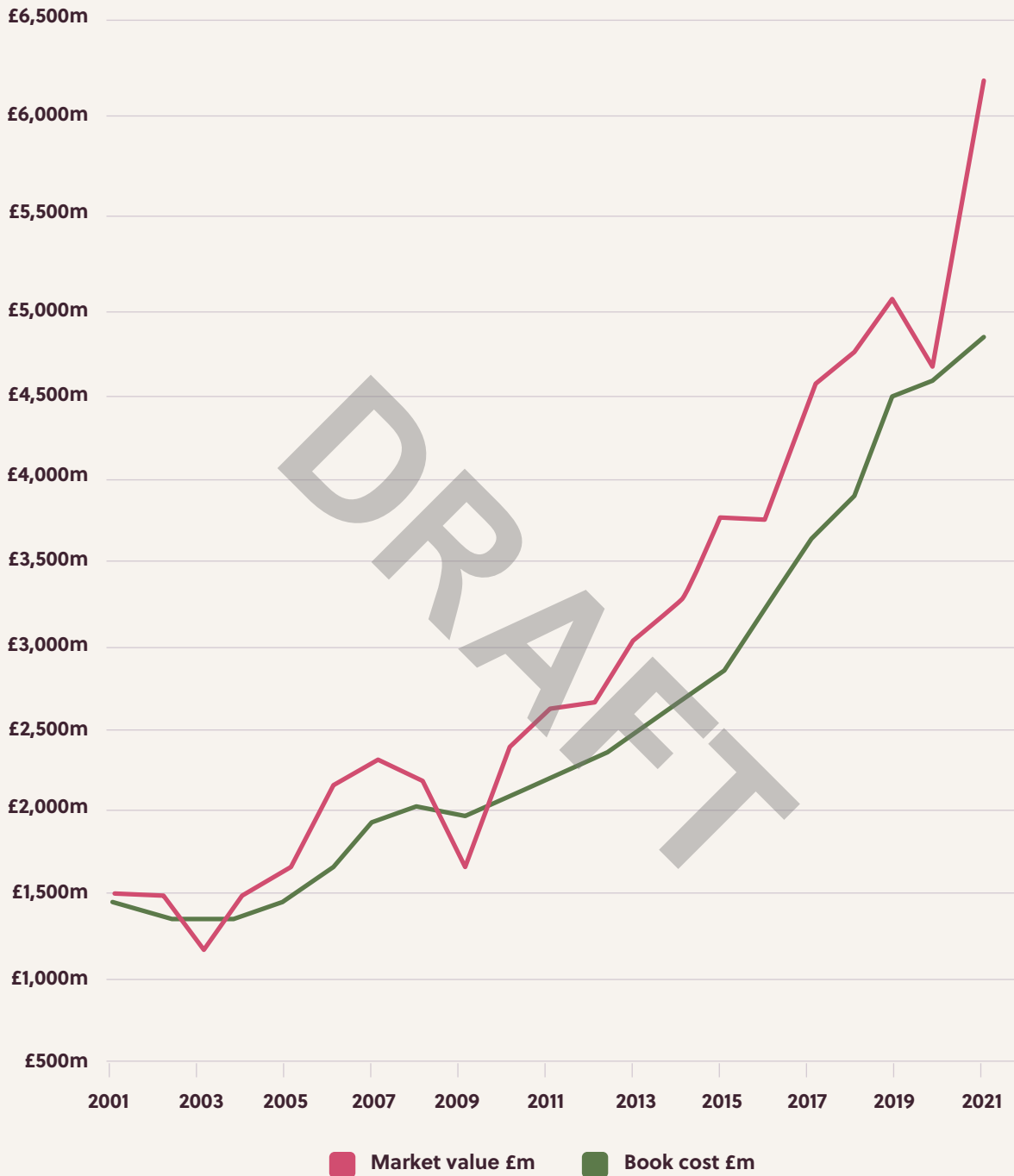
The graph above compares the Fund return over the past 10 years against inflation, in the form of the Consumer Prices Index, and Average Weekly Earnings. The value of all three measures was indexed to 100 at 31 March 2011 and revalued at 31 March every year thereafter.

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 has seen the Fund Value exceed £6bn by the end of the year.



Responsible Investment (RI) report 2020/2021

The Pensions Panel recognises its role in promoting Responsible Investment (RI) and endorses the United Nations Principles of Responsible Investing (UNPRI). The Fund's equity 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 within the LGPS Central Active External Global Equity Multi Manager sub-fund.

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. During 2020/2021 the Staffordshire Pension Fund ISS was revised to include additional investment beliefs specific to RI and is available on the Pension Fund website www.staffspf.org.uk.

The Fund was a Tier 1 signatory to the Financial Reporting Council's 2018 UK Stewardship Code (providing a good quality and transparent description of their approach to stewardship) and the Statement of Compliance for this is available on the Pension Fund website www.staffspf.org.uk. In 2020, the Financial Reporting Council launched an updated UK Stewardship Code which aims to improve stewardship practices by setting a substantially higher standard than before. Existing signatories to the Code are required to submit a Stewardship Report that meets the FRC's new reporting expectations and the Fund is currently updating its compliance statement in line with these new requirements.

All of the Fund's equity managers were signatories of the 2018 UK Stewardship Code and have either become signatories of the updated code or are working towards becoming signatories. Individual investment manager's RI policies, their statements of compliance with the UK Stewardship code and the UNPRI, are also available on the Staffordshire Pension Fund website www.staffspf.org.uk.



Taskforce on Climate-related Financial Disclosures (TCFD)

During the year the Fund received a Climate Risk Report from its asset pooling company, LGPS Central Limited. This report was the first of its kind for Staffordshire Pension Fund and provided the Fund with an assessment of any material financial risks related to climate change and identified the most effective means to manage these risks.

The Climate Risk Report was consistent with the disclosures required by the Taskforce on Climate-Related Financial Disclosures (TCFD) and has allowed the Fund to produce its first TCFD report, which describes the way in which climate-related risks are currently managed and discloses the results of Carbon Risk Metrics Analysis and Climate Scenario Analysis. The Fund's 2021 TCFD Report is available on the Staffordshire Pension Fund website www.staffspf.org.uk.

The Taskforce on Climate-related Financial Disclosures (TCFD) was commissioned in 2015 by former Bank of England Governor, Mark Carney, in his remit as Chair of the Financial Stability Board. In 2017, the TCFD released its recommendations for improved transparency by companies, asset managers, asset owners, banks, and insurance companies with respect to how climate-related risks and opportunities are being managed. Disclosures that align with the TCFD recommendations are currently seen to represent best practice. The TCFD recommendations are based on the financial materiality of climate change. The four elements of recommended disclosures (see diagram below) are designed to make TCFD-aligned disclosures widely comparable, but with sufficient flexibility to account for local circumstances.

Core Elements of Recommended Climate-Related Financial Disclosures



Governance

The organisation's governance around climate related risks and opportunities

Strategy

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

Risk Management

The processes used by the organisation 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

A key recommendation of the Climate Risk Report received in 2020/21 was for the Fund to develop a Climate Strategy and a Climate Stewardship Plan. The Fund's Climate Strategy is being developed as part of a wider Strategic Asset Allocation review, which will consider all asset classes and the impact they will have on the Fund's climate related risks and will be available in 2022. A Climate Stewardship Plan, which monitors engagement by the Fund's investment managers, to whom much of the day-to-day responsibility for managing portfolio-level climate risk is delegated; has been produced.

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, with the companies recommended for engaging with, identified based on the following factors:

- Perceived level of climate risk, considering carbon risk metrics;
- Weight of the company in the 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 will be updated as engagement with companies and investment managers occurs and will be reported to the Pensions Panel as part of the Responsible Investment 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 of over 80 LGPS funds and Pools with total assets under management of over £300bn. 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 social responsibility and high standards of corporate governance at the companies in which they invest. You can find more about LAPFF at their website www.lapfforum.org

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

- For the third year, Shell faced a shareholder resolution, which called for the company to issue short, medium, and long-term climate targets. This year's resolution coincided with announcements by Shell and other oil and gas companies (e.g. Total and BP) of new climate ambitions for net zero emissions by 2050. The climate ambition initiative was led by Climate Action 100+ of which LAPFF is part of. In Previous year's LAPFF has recommended votes against the resolution, but after reviewing Shell's new climate ambition, the Forum re-evaluated its position. In short, the Forum felt that this year a full set of targets would be helpful to clarify how Shell's ambition might become concrete, and whether the proposals are sufficient to align with Paris Agreement goals. As a result, LAPFF drafted a voting alert recommending a vote in favour of the resolution.
- As LAPFF has been learning more about Rio Tinto's involvement in the destruction of the historically significant caves at Juukan Gorge in Western Australia, there have been increasing concerns about the company's corporate governance practices. Consequently, the Forum – along with other investor groups, has been pushing the company to review its corporate governance arrangements. One of the main strategies in this engagement has been to issue press releases citing LAPFF's concerns as various details of Rio Tinto's practices were revealed through a range of investigations, resulting in the CEO and two other senior executives' resignations. The Forum received significant press coverage for its support of this measure. LAPFF also issued press releases responding to information issued by Australian Parliamentary inquiries into this matter. LAPFF is continuing to ask questions of the Rio Tinto board about its response to the mounting information on corporate governance failures.

- During 2020, LAPFF called on the UK government to ban sales of all new petrol, diesel and hybrid cars by 2025. Since then, the Government has confirmed that it will ban the sale of all new petrol and diesel cars by 2030. LAPFF has sought to engage with the auto industry to ascertain how car makers will be approaching the challenges of electrifying their fleets and what their plans are to reduce carbon emissions. So far, LAPFF has written to six vehicle manufacturers regarding these issues, and the Forum has met with BMW. BMW has openly set science-based targets for its Scope 1 & 2 emissions but has yet to set such targets for Scope 3 emissions. The company assured LAPFF that it is ready to meet a rise in demand for electric vehicles and that its own operations will be carbon neutral by next year by offsetting its carbon emissions in a number of ways. BMW also stated that all of their battery cell suppliers use green energy and are looking at all aspects of supply to reduce CO2 emissions.
- During January 2021, LAPFF met with Tesco to discuss the company's long-term strategy relating to health and nutrition. Part of the objective of this engagement was to encourage the company to disclose metrics relating to the proportion of healthy versus unhealthy produce available to customers and to set relevant targets to improve the availability of healthy items. This engagement aligns with the Healthy Markets initiative being coordinated by ShareAction. Tesco outlined that it already collected data relating to health and nutrition. Since the engagement took place, ShareAction has announced the filing of a resolution at the upcoming Tesco AGM requesting that the company disclose the share of total food and non-alcoholic drink annual sales by volume made up of healthier products and publish a target to significantly increase that share by 2030.

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 2020/2021. The managers quarterly voting summaries can be obtained by contacting the Treasury and Pension Fund team at: treasury.pensionfund@staffordshire.gov.uk or 01785 276330.

	Total resolutions	Vote with management	Votes against management	Abstain
JP Morgan	39,329	36,200	2,630	499
Aberdeen Standard	1,554	1,521	24	9
Longview	421	399	22	0
Legal & General	67,905	55,377	11,994	534
LGPS Central-Global Equity	3,355	2,933	403	19
LGPS Central-Multifactor Fund	1,329	1,196	131	2

Financial Statements

2020/21

Pension Fund account

Staffordshire Pension Fund account for the year ended 31 March 2021

	Notes	2019/2020 £m	2020/2021 £m
Dealing with members, employers and others directly involved in the Fund			
Contributions receivable	7	153.1	278.9
Transfers in	8	9.2	9.7
		162.3	288.6
Benefits payable	9	(195.8)	(190.2)
Leavers	10	(20.2)	(15.4)
		(216.0)	(205.6)
Net additions/(withdrawals) from dealings with fund members		(53.7)	83.0
Management expenses	11	(20.8)	(22.9)
Net additions/(withdrawals) including fund management expenses		(74.5)	60.1
Returns on investments			
Investment income	12	82.9	58.7
Taxes on income	12	(0.3)	(0.4)
Profit and losses on disposal of investments and changes in the value of investments	13a	(394.6)	1,289.5
Net returns on investments		(312.0)	1,347.8
Net increase in the net assets available for benefits during the year		(386.5)	1,407.9
Opening net assets of the Fund		5,131.0	4,744.5
Closing net assets of the Fund		4,744.5	6,152.4

Net assets statement

Net assets statement at 31 March 2021

	Notes	2019/2020 £m	2020/2021 £m
Long term investments	13/13c	1.3	1.3
Investment assets			
Equities	13/13c	857.5	1,193.8
Pooled investment vehicles	13/13c	2,796.8	3,778.6
Pooled Property Investment	13/13c	50.7	49.9
Derivatives	13/13c	0.0	0.0
Property	13/13c	415.3	418.5
Other investment balances	13c	535.5	610.2
Cash deposits	13/13c	80.3	96.9
		4,736.1	6,147.9
Investment liabilities			
Derivatives	13/13c	(0.0)	(0.0)
Other investment balances	13/13c	(2.8)	(2.9)
		(2.8)	(2.9)
Net investment assets	13/13c	4,734.6	6,146.3
Long term assets			
Long term assets	19	1.0	0.0
Current assets			
Current assets	19a	18.3	18.8
Long term Liabilities			
Long term Liabilities	20	(0.1)	(0.1)
Current liabilities			
Current liabilities	20a	(9.4)	(12.6)
Net assets of the Fund available to fund benefits at the end of the reporting period		4,744.5	6,152.4

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 35.

The notes on pages 39 to 72 also form part of the Pension Fund financial statements.

Staffordshire Pension Fund ("the Fund") Actuarial Statement for 2020/21

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; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of 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.

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.

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 in the 2020/21 year they recovered strongly. As a result, the funding level of the Fund as at 31 March 2021 is likely to be an improvement to that reported at the previous formal valuation.

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



Douglas Green FFA

30 April 2021

For and on behalf of Hymans Robertson LLP

Pension Fund Accounts Reporting Requirement

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2020/21 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 2021	31 March 2020
Active members (£m)	3,853	2,519
Deferred members (£m)	2,247	1,611
Pensioners (£m)	2,776	2,546
Total (£m)	8,876	6,676

The promised retirement benefits at 31 March 2021 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).

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2021 and 31 March 2020. I estimate that the impact of the change in financial assumptions to 31 March 2021 is to increase the actuarial present value by £1,840m. I estimate that the impact of the change in demographic and longevity assumptions is to increase the actuarial present value by £110m.

Year ended (% p.a.)	31 March 2021	31 March 2020
Pension Increase Rate	2.85%	1.90%
Salary Increase Rate	3.25%	2.30%
Discount Rate	2.00%	2.30%

Longevity assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% 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	21.4 years	24.0 years
Future pensioners (assumed to be aged 45 at the latest formal valuation)	22.5 years	25.7 years

Please note that the longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Commutation assumptions

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

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 liabilities are set out below:

Sensitivity to the assumptions for the year ended 31 March 2021	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.5% p.a. increase in the Pension Increase Rate	9.0%	832
0.5% p.a. increase in the Salary Increase Rate	1.0%	87
0.5% p.a. decrease in the Real Discount Rate	11.0%	939

The principal demographic assumption is the longevity assumption. For sensitivity purposes, I estimate that a 1 year increase in life expectancy would approximately increase the liabilities by around 3-5%.

Professional notes

This paper accompanies my covering report titled 'Actuarial Valuation as at 31 March 2021 for accounting purposes'. The covering report 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.

Anne Cranston

Anne Cranston AFA
30 April 2021
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 2020/21 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 400 employer organisations within the Fund (including the County Council itself), and over 112,000 individual members, as detailed in the following table.

Membership of the Fund

	31 March 2020	31 March 2021
Pensionable employees		
Staffordshire County Council	7,950	8,561
Other employers	24,446	24,354
Total	32,396	32,915
Pensioners		
Staffordshire County Council	17,777	18,097
Other employers	18,820	19,617
Total	36,597	37,714
Deferred pensioners (people who no longer pay into the scheme)		
Staffordshire County Council	19,773	19,272
Other employers	22,137	22,715
Total	41,910	41,987
Total number of members in the pension scheme	110,903	112,616

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 2020/2021 financial year and its position at year-end as at 31 March 2021. The financial statements follow the Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021 (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 forecasts that during the going concern period from April 2021 to 31 March 2023 there will be a net monthly shortfall in benefits receivable/payable of £5.5m. However, the Fund has investment income in excess of this paid into the Fund, the amount for 2020/2021 was £58.7m (For details please refer to the Pension Fund Account) and the cumulative cash position at the 31 March 2021 was £59.2m. Even with a significant reduction in income in the going concern period, any shortfall would be adequately covered by the Fund's positive cashflow profile and cash holdings. Ultimately, should the need arise, the Fund can disinvest from liquid investments (as at 31 March 2021 the Fund held £1,194m in listed equities) to ensure that it is able to remain liquid for a period of least 12 months from the date the financial statements are authorised for issue.

The Fund remains in a position to draw on its investments in the most appropriate order should short term liquidity be required, as the vast majority of investment assets currently held are highly liquid and convertible to cash at short notice.

Considering all of the above the Fund considers there are no issues with going concern for the period to 31 March 2023.

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 2021. 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.

Derivative contracts are valued at bid market price.

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.

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 2021 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 £290.0m. 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 £288.7m. 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 £23.2m. There is a risk that this investment may be under or overstated in the accounts.
Freehold/leasehold property and pooled property funds	Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, but where this is not possible management uses the best available data. Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property. 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. 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”.	The total value of all property in the financial statements is £468.4m. 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.

7. Contributions receivable

	2019/2020	2020/2021
	£m	£m
Employers		
Normal	109.8	117.7
Actuarial strain	8.1	8.5
Deficit recovery contributions	0.0	116.2
Scheme members		
Normal	35.2	36.5
Total	153.1	278.9

The deficit recovery payments in 20/21 relate to prepayment of employer deficit funding by 9 employing bodies in respect of the 20/21 to 22/23 financial years as agreed by the actuary.

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

	2019/2020	2020/2021
	£m	£m
Staffordshire County Council	39.8	88.9
Scheduled bodies	100.9	178.7
Admitted bodies	12.4	11.3
Total	153.1	278.9

8. Transfers in

	2019/2020	2020/2021
	£m	£m
Individual transfers in from other schemes	9.2	9.7
Group transfers in from other schemes	0.0	0.0
Total	9.2	9.7

9. Benefits payable

	2019/2020	2020/2021
	£m	£m
Pensions	151.6	157.4
Commutations and lump-sum retirement benefits	40.8	27.7
Lump-sum death benefits	3.4	5.1
Total	195.8	190.2

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

	2019/2020	2020/2021
	£m	£m
Staffordshire County Council	76.3	72.5
Scheduled bodies	101.1	100.4
Admitted bodies	18.4	17.3
Total	195.8	190.2

10. Payments to and on account of leavers

	2019/2020	2020/2021
	£m	£m
Individual transfers to other schemes	19.4	13.3
Group transfers to other schemes	0.0	1.7
Payments for members joining / (leaving) state scheme	0.1	0.0
Refunds to members leaving service	0.7	0.4
Total	20.2	15.4

11. Management expenses

	2019/2020	2020/2021
	£m	£m
Administration expenses	2.8	2.4
Investment management expenses (see note 11a)	16.4	18.9
Oversight and governance costs	1.6	1.6
Total	20.8	22.9

Included within oversight and governance costs are the Fund's external audit costs of £0.09m for 2020/2021 (£0.02m for 2019/2020).

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
2020/2021				
Bonds	0.0	0.0		
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			

	Total	Management Fees	Performance Related Fees	Transaction Costs
	£m	£m	£m	£m
2019/2020				
Bonds	0.5	0.5		
Equities	3.7	2.2	0.8	0.7
Pooled Investments	1.7	1.7		
Property	3.9	3.9		
Private Equity	2.7	2.7		
Other	3.8	3.8		
	16.3			
Custody Fees	0.1			
	16.4			

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

12. Investment income

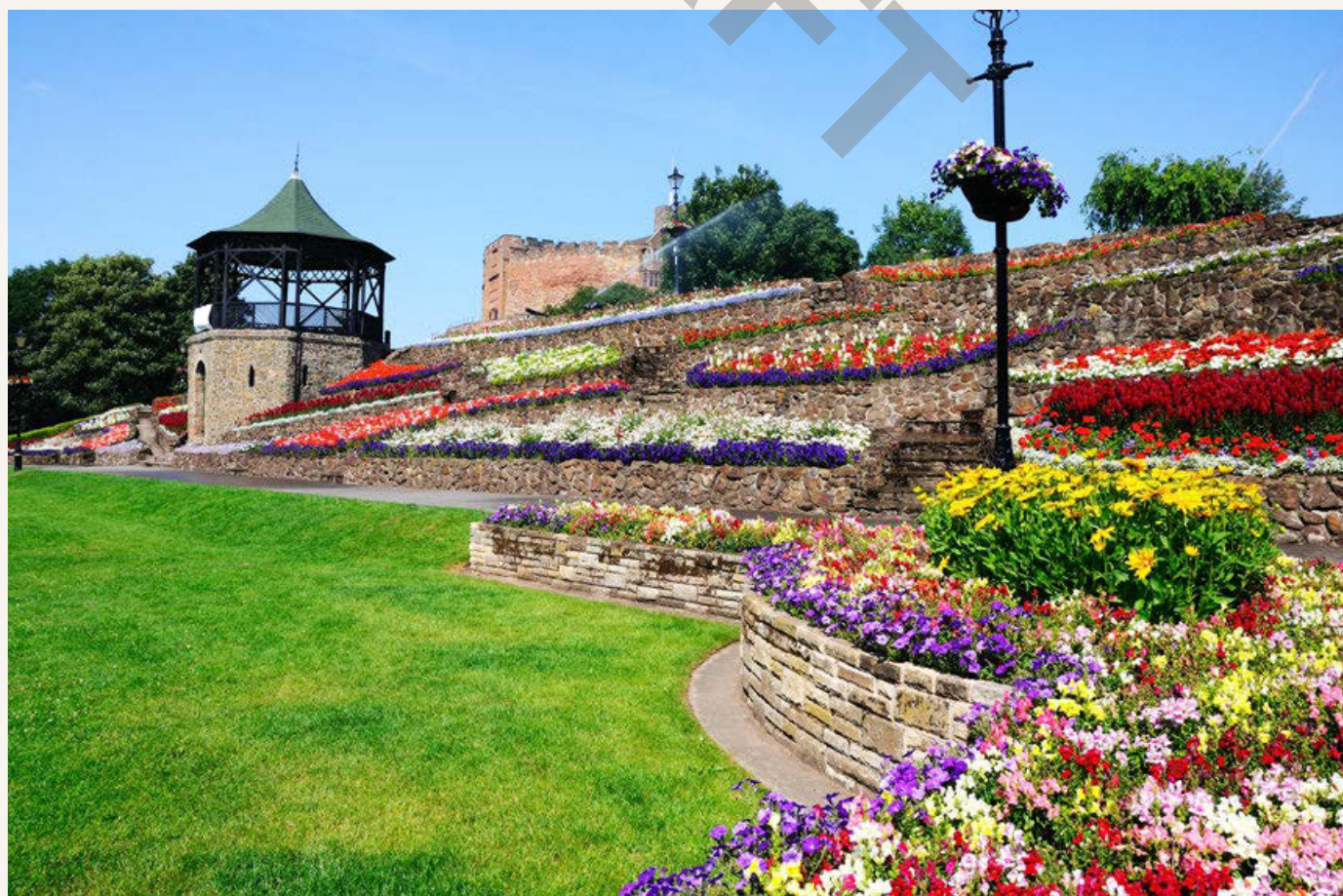
	2019/2020	2020/2021
	£m	£m
Bonds	7.6	(0.3)
Dividends from equities	24.7	22.6
Income from pooled investment vehicles	8.4	0.3
Rents from property	21.4	20.4
Interest on cash deposits	1.0	0.3
Stock lending	0.2	0.2
Private Debt	15.6	14.8
Other	4.0	0.4
	82.9	58.7
Withholding tax we cannot recover	(0.3)	(0.4)
Total	82.6	58.3

12a. Directly held property fund account

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

	2019/2020	2020/2021
	£m	£m
Rental income	21.4	20.4
Direct operating expenses	(3.1)	(3.1)
Net income	18.3	17.3

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



13. Pension Fund investments 2020/2021

	31 March 2020	31 March 2021
	£m	£m
Long term investments		
Equities	1.3	1.3
Investment assets		
Equities	857.5	1,193.8
Pooled investment vehicles	2,796.8	3,778.6
Pooled Property Investments	50.7	49.9
Derivatives	0.0	0.0
Property (see Note 13e)	415.3	418.5
Private equity	197.1	290.0
Private debt	250.5	288.7
Hedge funds	84.2	23.2
Infrastructure	0.0	2.0
Cash	80.3	96.9
Outstanding dividend entitlements and recoverable withholding tax	1.2	1.4
Amount receivable for sales of investments	2.5	4.9
Total Investment assets	4,736.1	6,147.9
Investment liabilities		
Derivatives	(0.0)	0.0
Amounts payable for purchases of investments	(2.8)	(2.9)
Total Investment liabilities	(2.8)	(2.9)
Net Investment assets	4,734.6	6,146.3

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



13a. Investment reconciliation

Period 2020/2021

	Value at 1 April 2020	Purchases at cost	Sales proceeds	Change in market value	Value at 31 March 2021
	£m	£m	£m	£m	£m
Bonds	0.0	0.0	0.0	0.0	0.0
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)	1,279.2	6,046.0
External cash deposits (central cash)	62.9				62.7
Investment manager cash	17.4			10.4	34.2
	4,733.7			1,289.6	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	4,734.6				6,146.3

The previous years data is provided below:

Period 2019/2020

	Value at 1 April 2019	Purchases at cost	Sales proceeds	Change in market value	Value at 31 March 2020
	£m	£m	£m	£m	£m
Bonds	380.3	39.8	(429.8)	9.7	0.0
Equities	991.3	438.9	(401.0)	(170.4)	858.8
Pooled investment vehicles	2,699.5	541.2	(219.7)	(224.3)	2,796.8
Pooled Property Investments	38.4	14.9	0.0	(2.6)	50.7
Derivatives	(1.1)	1,752.1	(1,749.3)	(1.7)	0.0
Property	397.6	29.8	0.0	(12.1)	415.3
Other	475.9	108.4	(50.5)	(2.0)	531.8
	4,981.9	2,925.1	(2,850.3)	(403.3)	4,653.4
External cash deposits (central cash)	99.7				62.9
Investment manager cash	40.2			8.7	17.4
	5,121.8			394.6	4,733.7
Outstanding dividend entitlements and recoverable withholding tax	11.1				1.2
Amount receivable for sales of investments	1.0				2.5
Amounts payable for purchases of investments	(2.6)				(2.8)
Net Investment assets	5,131.3				4,734.6

The Fund holds the following pooled investments that exceed 5% of the total value of net assets at 31 March 2021 (also at 31 March 2020):

- LGIM, passive UK equity - £366.4m or 6.0% (£288.5m or 6.1%)
- LGIM, passive global equity - £1,771.4m or 28.9% (£1,269.8m or 26.8%)
- LGIM, passive index-linked gilts - £407.7m or 6.7% (£397.4m or 8.4%)
- LGPS Central, active global equity - £675.4m or 11.0% (£456.6m or 9.6%)
- LGPS Central, active corporate bonds - £423.1m or 6.9% (£380.5m or 8.0%)

As at 31 March 2021 (also at 31 March 2020) the Fund was committed to the following contractual commitments:

- £127.4m of contractual commitments for private equity investments (£131.2m)
- Investments in a UK pooled property fund of £0.7m (£3.7m)
- £146.1m of private debt investments (£186.7m)



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 2020		31 March 2021	
	£m	%	£m	%
Investments managed by LGPS Central Limited				
LGPS Central Global Equity Active Multi Manager Fund	456.6	10%	675.4	11%
LGPS Central Global Active Inv Grade Corp Bond Multi Mgr Fund	380.5	8%	423.1	7%
LGPS Central Multi Factor Equity Index Fund	0.0	0%	128.0	2%
LGPS Central Limited	1.3	0%	1.3	0%
	838.4	18%	1,227.8	20%
Investments managed outside of LGPS Central Limited				
Insight Investment (corporate bonds)	0.7	0%	0.0	0%
Standard Life Investments (UK equity)	246.7	5%	332.5	5%
JP Morgan Asset Management (global equity)	399.2	8%	583.8	10%
Longview Partners (global equity)	227.0	5%	309.5	5%
Legal & General Investment Management (passive UK index-linked gilts)	397.4	8%	407.7	7%
Legal & General Investment Management (passive all world equity)	1,558.3	33%	2,137.8	35%
Blackrock Infrastructure Fund (Infrastructure)	0.0	0%	2.0	0%
Colliers International UK Plc (property)	466.2	10%	468.5	8%
HarbourVest Partners (private equity)	134.4	4%	196.3	3%
Knightsbridge Advisors (private equity)	22.9	0%	32.0	0%
Partners Group (private equity)	24.4	0%	38.5	1%
Lazard Technology Partners (private equity)	0.9	0%	1.0	0%
Capital Dynamics (private equity)	13.8	0%	18.7	0%
LGPS Central (private equity)	0.8	0%	3.5	0%
Hayfin Capital Management (private debt)	90.3	2%	115.9	2%
Highbridge Capital Management (private debt)	74.7	2%	79.3	1%
Alcentra Limited (private debt)	85.5	2%	93.5	2%
Goldman Sachs Asset Management (hedge funds)	84.2	2%	23.2	0%
Director of Finance and Resources (central cash)	68.0	1%	71.4	1%
	3,895.4	82%	4,915.1	80%
	4,733.7	100%	6,142.9	100%

13c. Analysis of Investments

	31 March 2020		31 March 2021	
	£m	%	£m	%
Long term investments				
UK equities unquoted	1.3	0%	1.3	0%
Equities				
UK quoted	274.4	6%	362.9	6%
Global quoted	583.1	12%	830.9	14%
	857.5	18%	1,193.8	19%
Pooled investment vehicles				
<u>Unit Trusts</u>				
Standard Life UK Equity	4.1	0%	6.6	0%
<u>Unitised Insurance Policies</u>				
LGIM UK Equity	288.4	6%	366.4	6%
LGIM UK Index Linked Gilts	397.4	8%	407.7	7%
LGIM Global Equity	1,269.8	27%	1,771.4	29%
<u>Other Managed Funds</u>				
LGPSC Global Equity Fund	456.6	10%	675.4	11%
LGPSC Corporate Bond Fund	380.5	8%	423.1	7%
LGPSC Factor Based Investment	0.0	0%	128.0	2%
	2,796.8	60%	3,778.6	62%
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	415.3	9%	418.5	7%
UK pooled property funds	50.7	1%	49.9	1%
	466.0	10%	468.4	8%
Other				
Private equity	197.1	4%	290.0	4%
Private debt	250.5	5%	288.7	5%
Hedge funds	84.2	2%	23.2	0%
Infrastructure Fund	0.0	0%	2.0	0%
	531.8	11%	603.9	9%

	31 March 2020		31 March 2021	
	£m	%	£m	%
Cash				
External deposits	62.9	1%	62.7	1%
Investment manager cash (Sterling £)	3.8	0%	17.9	0%
Investment manager cash (non Sterling £)	13.6	0%	16.3	0%
	80.3	1%	96.9	1%
	4,733.7	100%	6,142.9	100%
Outstanding dividend entitlements and recoverable withholding tax	1.2		1.4	
Amount receivable for sales of investments	2.5		4.9	
Total Investment assets	4,737.4		6,149.2	
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	(2.8)		(2.9)	
Total Investment liabilities	(2.8)		(2.9)	
Net Investment assets	4,734.6		6,146.3	

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 2020	31 March 2021
	£m	£m
Equities - UK	34.8	0.0
Equities - Global	26.6	80.7
	61.4	80.7

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 2021 the Fund held £86.2 million (£66.8 million at 31 March 2020) of collateral in the form of government obligations (such as Gilts) and equities.

Income received from stock-lending activities was £0.2 million for the year ending 31 March 2021, (£0.2 million for year ending 31 March 2020). 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 £468.4m at 31 March 2021 (£466.0m at 31 March 2020), of which £418.5m was in directly held property (£415.3m at 31 March 2020). 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. In the valuer's report for the 31 March 2021. 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.

Operating expenses for directly held property in 2020/2021 were £3.1m (£3.1m in 2019/2020).

	2019/2020	2020/2021
	£m	£m
Balance at start of year	397.6	415.3
Purchases at cost	29.8	17.1
Sale proceeds	(0.0)	(0.0)
Change in market value	(12.1)	(13.9)
Balance at 31 March	415.3	418.5

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 small proportion of the US and Australian Dollar 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 2020	Cost Purchase Settled only	Proceed Sales Settled only	Change in Market Value	31 March 2021
	£m	£m	£m	£m	£m
Total	0	(354.3)	354.3	0	0

	31 March 2020		31 March 2021	
	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
Pooled investment vehicles	Level 2	Fair value based on the weekly market quoted prices of the respective underlying securities	Not required	Not required
Unquoted Equities	Level 3	The cost approach reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost)	<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	Determined in accordance with the 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

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
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

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
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.
Forward foreign currency contracts	Level 2	Market forward exchange rates at the year end	Exchange rate risk	Not Required
Futures	Level 1	Published exchange prices at the year-end	Not required	Not Required

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 2021.

Asset type	Assessed valuation range	31 March 2021	Value on increase	Value on decrease
	%	£m	£m	£m
UK equities unquoted	17%	1.3	1.5	1.1
Freehold and leasehold properties	14%	418.5	477.2	360.0
Pooled property funds	14%	49.9	56.9	42.9
Private equity	28%	290.0	371.2	208.8
Private debt	5%	288.7	303.1	274.2
Infrastructure	21%	2.0	2.4	1.6
Hedge funds	10%	23.2	25.5	20.9
		1,073.6	1,237.8	909.4

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 2021	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Designated as fair value through profit and loss	1,193.8	3,778.6	655.1	5,627.5
Non-financial assets at fair value through profit and loss (See note 13e)	0.0	0.0	418.5	418.5
Financial liabilities				
Designated as fair value through profit and loss	0.0	0.0	0.0	0.0
	1,193.8	3,778.6	1,073.6	6,046.0

The previous years data is provided below:

31 March 2020	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Designated as fair value through profit and loss	857.5	2,796.8	583.8	4,238.1
Non-financial assets at fair value through profit and loss (See note 13e)	0.0	0.0	415.3	415.3
Financial liabilities				
Designated as fair value through profit and loss	0.0	0.0	0.0	0.0
	857.5	2,796.8	999.1	4,653.4

15b. Reconciliation of fair value measurements within level 3

Period 2020/2021	Market Value 1 April 2020	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Unrealised gains / (Losses)	Realised gains / (Losses)	Market Value 31 March 2021
	£m	£m	£m	£m	£m	£m
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)	69.6	21.4	1,073.6

The previous years data is provided below:

Period 2019/2020	Market Value 1 April 2019	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Unrealised gains / (Losses)	Realised gains / (Losses)	Market Value 31 March 2020
	£m	£m	£m	£m	£m	£m
UK equities unquoted	1.3	0.0	0.0	0.0	0.0	1.3
Freehold and leasehold properties	397.6	29.8	0.0	(11.0)	(1.1)	415.3
Pooled property funds	38.4	14.9	0.0	(2.6)	0.0	50.7
Private equity	179.8	26.1	(24.3)	6.0	9.6	197.1
Private debt	206.5	82.4	(26.2)	(12.2)	0.0	250.5
Hedge funds	89.6	0.0	0.0	(5.4)	0.0	84.2
	913.2	153.2	(50.5)	(25.2)	8.5	999.1

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 2020/2021.

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.

	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	97.6	0.0	97.6
Other investment balances	603.9	6.3	0.0	610.2
Current assets	0.0	18.8	0.0	18.8
	5,627.4	122.7	0.0	5,750.1
Financial liabilities				
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	(13.2)	(13.2)
	0.0	0.0	(16.2)	(16.2)
	5,627.4	122.7	(16.2)	5,733.9

16. Classification of financial instruments (continued)

The previous years data is provided below:

31 March 2020	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	858.8	0.0	0.0	858.8
Pooled investment vehicles	2,796.8	0.0	0.0	2,796.8
UK pooled property funds	50.7	0.0	0.0	50.7
Cash	0.0	80.5	0.0	80.5
Other investment balances	531.8	3.7	0.0	535.5
Long term assets	0.0	1.0	0.0	1.0
Current assets	0.0	18.2	0.0	18.2
	4,238.1	103.4	0.0	4,341.5
Financial liabilities				
Other investment balances	0.0	0.0	(2.8)	(2.8)
Long term Liabilities	0.0	0.0	(0.1)	(0.1)
Current liabilities	0.0	0.0	(9.4)	(9.4)
	0.0	0.0	(12.3)	(12.3)
	4,238.1	103.4	(12.3)	4,329.2

16b. Net gains on financial instruments

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

	31 March 2020 £m	31 March 2021 £m
Financial assets		
Designated as fair value through profit and loss	(391.2)	1,293.0
Amortised cost	8.7	10.4
	(382.5)	1,303.4

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 2020/2021 financial year. The potential market movement figures also allow for interest rate and currency rate fluctuations.

Asset type	Possible market movements	
UK equity	+/-	17%
Global equity	+/-	17%
Private equity	+/-	28%
Private debt	+/-	5%
UK fixed interest bonds	+/-	7%
UK index-linked bonds	+/-	7%
Corporate bonds	+/-	8%
Cash	+/-	0%
UK Commercial property	+/-	14%
Hedge funds	+/-	10%
Infrastructure	+/-	21%

This movement in the market prices would increase or decrease the net assets at 31 March 2021 to the amounts shown below:

Asset type	31 March 2021 £m	Percentage change (+/-) %	Value on increase £m	Value on decrease £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	830.9	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)
	5,733.9		6,643.9	4,823.7

The previous years data is provided below:

Asset type	31 March 2020	Percentage change (+/-)	Value on increase	Value on decrease
	£m	%	£m	£m
UK equities unquoted	1.3	22%	1.6	1.0
UK corporate bonds	0.0	9%	0.0	0.0
Global corporate bonds	0.0	9%	0.0	0.0
UK equities	274.4	22%	334.7	214.0
Global equities	583.1	21%	705.6	460.7
UK pooled investments	292.5	22%	356.9	228.2
UK index-linked pooled investments	397.4	7%	425.2	369.6
Overseas pooled investments	2,106.9	21%	2,549.4	1,664.5
Derivatives	0.0	0%	0.0	0.0
UK pooled property funds	50.7	14%	57.8	43.6
Private equity	197.1	28%	252.3	142.0
Private debt	250.5	7%	268.1	233.0
Hedge funds	84.2	13%	96.8	71.5
Cash	80.3	0%	80.3	80.3
Outstanding dividend entitlements and recoverable withholding tax	1.2	0%	1.2	1.2
Amount receivable for sales of investments	2.5	0%	2.5	2.5
Amounts payable for purchases of investments	(2.8)	0%	(2.8)	(2.8)
Long term assets	1.0		1.0	1.0
Current assets	18.3	0%	18.3	18.3
Long term Liabilities	(0.1)		(0.1)	(0.1)
Current liabilities	(9.4)	0%	(9.4)	(9.4)
	4,329.2		5,139.4	3,519.1

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 2021 is set out below. 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 less than 100 basis points from one year to the next and experience 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:

Asset type	31 March 2021	Percentage change (+/-)	Value on increase	Value on decrease
	£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

Asset type	31 March 2020	Percentage change (+/-)	Value on increase	Value on decrease
	£m	%	£m	£m
Cash and cash equivalents	63.0	0%	63.0	63.0
Cash balances	0.1	0%	0.1	0.1
Bonds	0.0	1%	0.0	0.0
	63.1		63.1	63.1

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 with could be up to 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:

Asset type	31 March 2021 £m	Percentage change (+/-) %	Value on increase £m	Value on decrease £m
Global corporate bonds	0.0	10%	0.0	0.0
Global equities	830.9	10%	913.9	747.7
Overseas pooled investments	2,997.9	10%	3,297.7	2,698.1
Private equity	290.0	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
	4,432.7		4,875.9	3,989.3

Asset type	31 March 2020 £m	Percentage change (+/-) %	Value on increase £m	Value on decrease £m
Global corporate bonds	0.0	10%	0.0	0.0
Global equities	583.1	10%	641.5	524.8
Overseas pooled investments	2,106.9	10%	2,317.6	1,896.2
Private equity	197.1	10%	216.9	177.4
Private debt	250.5	10%	275.5	225.5
Hedge funds	84.2	10%	92.6	75.7
	3,221.8		3,544.1	2,899.6

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.

Summary	Rating	31 March 2020 £m	31 March 2021 £m
Bank current account			
Lloyds Bank (see note 19a)	A+	0.1	0.6
Loan			
LGPS Central	N/A	0.7	0.7
Money market funds			
Aberdeen Ultra Short Duration Sterling Fund (formerly Standard Life Investments Short Duration Managed Liquidity Fund)	AAA	20.0	20.0
Federated (PR) Short-Term GBP Prime Fund Class 3	AAA	6.0	8.0
Goldman Sachs Sterling Liquid Reserve Institutional Inc	AAA	0.5	0.5
Aviva Investors Sterling Liquidity Fund 3	AAA	5.5	14.5
Morgan Stanley Sterling Liquidity Inst	AAA	0.3	8.0
HSBC Global Sterling Liquidity Fund H	AAA	0.0	1.0
Royal London Cash Plus Fund	AAA	10.0	10.0
Local Authority Loans			
Kingston Upon Hull	N/A	5.0	0.0
Liverpool City Council	N/A	5.0	0.0
London Borough of Barking & Dagenham	N/A	5.0	0.0
Plymouth City Council	N/A	5.0	0.0
		63.0	62.7
		63.1	63.3

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 ending 31 March 2020 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 on page 35.

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 2021
Retiring today	Males	21.2	21.4
	Females	23.6	24.0
Retiring in 20 years	Males	22.1	22.5
	Females	25.0	25.7

Experience over the period since 31 March 2019

Markets were severely disrupted by COVID-19 in March 2020, but in the 2020/2021 year they recovered strongly. As a result, the funding level of the Fund as at 31 March 2021 is likely to be an improvement to that reported at the previous formal valuation. The next actuarial valuation will be carried out as at 31 March 2022. The Funding Strategy Statement will also be reviewed at that time.

19. Long term assets

	31 March 2020	31 March 2021
	£m	£m
Contributions due – employers (see note 22)	1.0	0.0
Total	1.0	0.0

19a. Current assets

	31 March 2020	31 March 2021
	£m	£m
Short term debtors		
Contributions due - employers	8.6	9.5
Contributions due - members	2.5	2.5
Cash balances	0.1	0.6
Other	7.1	6.8
Total	18.3	19.4

20. Long term liabilities

	31 March 2020	31 March 2021
	£m	£m
Income received in advance (see note 24)	(0.1)	(0.1)
Total	(0.1)	(0.1)

20a. Current liabilities

	31 March 2020	31 March 2021
	£m	£m
Cash overdrawn	0.0	0.0
Investment management expenses	(1.4)	(1.3)
Income received in advance	(2.5)	(1.9)
Benefits payable	(4.2)	(4.1)
Other	(1.3)	(5.9)
Total	(9.4)	(13.2)

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	Utmost	Standard Life
	£m	£m	£m
Opening value	0.7	0.4	1.8
Income	0.1	0.0	0.2
Expenditure	(0.1)	(0.1)	(0.4)
Change in market value	0.2	0.0	0.3
Closing value	0.9	0.3	1.9

22. Related-party disclosure

- Staffordshire Pension Fund is administered by Staffordshire County Council. During the reporting period the County Council incurred costs of £2.0m (£2.2m in 2019/2020) 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 £63.3m in cash (£63.1m at 31 March 2020).
- The County Council is the largest employer and has fully paid for all their contributions.

LGPS Central Limited

- LGPS Central Limited has been established to manage investment assets on behalf of eight 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 2021 (31 March 2020, £1.315m and £0.685m, respectively) and was owed interest of £0.032m on the loan to LGPSC on the same date (31 March 2020, £0.036m).

During 2020/2021 the Fund invested £125m in a global multi factor equity index fund.

The Fund incurred £1.026m in respect of Governance, Operator Running and Product Development costs in connection with LGPS Central Limited in 2020/2021 (£0.969m in 2019/2020).

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 Assistant Director - Treasury and Pensions. Total remuneration payable to key personnel in respect of the Pension Fund is set out below:

	31 March 2020	31 March 2021
	£m	£m
Short Term Benefits	0.1	0.1
Post-employment Benefits	0.1	0.1
	0.2	0.2

23. Deferred debtor

A transfer was made from the Fund to the Civil Service Pension Scheme on 1 April 2005 in respect of Magistrates Courts. As at 31 March 2011 agreement had been reached that the Fund was due a payment that represented the shortfall between the assets held and the liabilities retained within the Fund. The shortfall of £8.512 million, including an allowance for the delay in receipt of 3.765%, meant ten payments were due to the Fund of £1.004m. At 31 March 2021, there was zero remaining balance as per the long term assets in note 19.

24. 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 2020/2021 and £0.013m will be released per year until 2025/2026. At 31 March 2021 the remaining balance was £0.063m as per the long term liabilities in note 20.

25. 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:

- Interest Rate Benchmark Reform: Amendments to IFRS9, IAS39 and IFRS7 and Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS9, IAS39, IFRS7 IFRS4 and IFRS16. These changes relate to the move away from the interbank LIBOR reference rate to a risk-free rate known as the Sterling Overnight Index Average (SONIA).
- 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 Statement

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF STAFFORDSHIRE COUNTY COUNCIL ON THE PENSION FUND FINANCIAL STATEMENTS

Opinion

We have examined the pension fund financial statements for the year ended 31 March 2021, which comprise the Fund Account, the Net Assets Statement and the related notes.

In our opinion, the pension fund financial statements are consistent with the full annual statement of accounts of Staffordshire County Council for the year ended 31 March 2021 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Respective responsibilities of the County Treasurer (Section 151 Officer) and the auditor

As explained more fully in the Statement of the County Treasurer (Section 151 Officer) Responsibilities, the County Treasurer (Section 151 Officer) is responsible for the preparation of the pension fund's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the pension fund financial statements in the statement of accounts of Staffordshire County Council and its compliance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

We also read the other information contained in the pension fund annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information consists only of:

- Chairman's Report
- Fund Governance Report
- Fund Administration Report
- Investment Report
- LGPS Central Report

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the administering authority's full annual statement of accounts describes the basis of our opinion on those financial statements.

Hassan Rohimun
(Key Audit Partner)

Ernst & Young LLP (Local Auditor)

Manchester
December 2021

LGPS Central

LGPS Central Pool Reporting 2020/2021

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	2020/21 Direct	2020/21 Indirect	2020/21 Total	Cumulative 2014/15 to 2020/21 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				

Although guidance from CIPFA has not provided a set definition of Indirect Costs, it is likely that the set-up costs captured to date relate to Direct Costs (i.e. either incurred directly by LGPS Central or recharged by Partner Funds to LGPS Central).

£000	2014/15 to 2016/17	2017/18	2018/19	2019/20	2020/21	Cumulative Total
Set-Up Costs Before Funding	95	419	419	-	-	514
Set-Up Costs After Funding	95	2,419	2,419	-	-	2,514
Transition Costs						

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

£000	At 1 April-20	Recharges in Year	Settled in Year	At 31 March-21
Set-Up Cost Recharges	-	-	-	-

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

£000	At 1 April-20	Charges in Year	Settled in Year	At 31 March-21
Governance Costs	40	231	(228)	43
Operator Costs	207	616	(674)	149
IMMC*	18	112	(88)	42
Product Development Costs	60	179	(184)	55
Total	325	1,138	(1,174)	289

*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 tables (5) and (6) on the following pages



3. Other Transactions between Staffordshire Pension Fund and LGPSC

£000	At 1 April-20	Charges in Year	Settled in Year	At 31 March-21
Interest Payable	36	32	(36)	32
Total	36	32	(36)	32

4. LGPSC Investment Management Expenses Charged to Staffordshire Pension Fund 2020/21

	£000	Direct	Indirect	Total	Bps Charge
1 Ad Valorem		1,686		1,686	16.10
2 Performance		-		-	-
3 Research		-		-	-
4 PRIIPS Compliance		-		-	-
5 Other (provide details)		-		-	-
Management Fees		1,686	-	1,686	16.10
6 Commissions		192		192	1.83
7 Acquisition/issue costs		-		-	-
8 Disposal costs		-		-	-
9 Registration/filing fees		-		-	-
10 Taxes and Stamp Duty		184		184	1.76
11 Other (provide details)		-		-	-
Implicit Costs		4,042		4,042	38.61
Transaction Costs		4,418	-	4,418	42.20
12 Custody/Depositary		114		114	1.09
13 Other (provide details)					-
Fund Accounting		25		25	0.24
Transfer Agent		3		3	0.03
External Audit		13		13	0.12
Performance Reporting		8		8	0.08
Transaction Charges		27		27	0.26
Other Costs		76		76	0.73
Total Costs		6,294		6,294	60.11

5. Investment Management Expenses by Product / Service

£000	1	2	3	4	5	6	7	8	9	10	11	12	13	Total 2020/21 Costs	AUM At 31 March 2021 £m	2020/21 Bps Charge
Global Multi-Manager	1,291					183				178	982	72	36	2,742	675	46.71
Corporate Bonds	369					-				-	3,060	40	22	3,491	423	82.53
Multi-Factor Equity	18					9				6		2	18	53	128	19.63
ACS Sub-Funds	1,678	-	-	-	-	192	-	-	-	184	4,042	114	76	6,286	1,226	
Private Equity 2018 V'tage	8													8	10	8.00
Alternative Vehicles	8	-	-	-	-	-	-	-	-	-	-	-	-	8	10	
Other																
Total	1,686	-	-	-	-	192	-	-	-	184	4,042	114	76	6,294	1,236	60.11

Items 1 – 13 relate to the categories highlighted in table 4

6. Asset Under Management & Performance By Product / Service

£000	AUM At 1 April-20 £m	AUM At 31 March-21 £m	One Year Gross Performance %	One Year Net Performance %	Passive Benchmark Used	One Year Passive Index %
Global Multi-Manager	457	675	48.19%	47.89%	FTSE All World Index	39.58%
Corporate Bonds	381	423	11.27%	11.15%	ICE BofAML Sterling Non-Gilt Index 50%; ICE BofAML Global Corporate Index 50%	9.18%
Multi-Factor Equity	-	128	(*) 2.37%	(*) 2.34%	Scientific Beta Global High Factor Intensity Diversified Multi-Beta Multi-Strategy Six Factor Equal-Weight Index	2.40%
ACS Sub-Funds	838	1,226				
Private Equity 2018 Vintage	10	10				
Alternative Vehicles	10	10				
Other						
Total	848	1,236				

(*) Since inception – 21 January 2021

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

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Tim Byford – Strategic Investment Manager

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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.

Appendices

Employer Name	Employee Contributions	Employer Contributions
Abbots Bromley Parish Council	£481.52	£2,233.11
Alrewas Parish Council	£624.25	£2,905.52
Anglesey Parish Council	£516.37	£2,403.34
Audley Parish Council	£1,558.79	£6,139.20
Barlaston Parish Council	£659.52	£3,069.56
Biddulph Town Council	£8,840.54	£33,033.04
Bilbrook Parish Council	£567.97	£2,643.75
Branston Parish Council	£841.44	£3,714.00
Brereton and Ravenhill Parish Council	£2,064.33	£8,350.35
Brewood & Coven Parish Council	£3,317.03	£14,246.30
Bridgtown Parish Council	£133.06	£619.34
Burntwood Town Council	£5,579.22	£22,607.74
Cannock Chase District Council	£682,451.20	£9,129,759.82
Cheadle Town Council	£2,862.37	£12,749.10
Cheslyn Hay Parish Council	£5,243.36	£22,364.48
Codsall Parish Council	£1,903.52	£7,535.65
Colwich Parish Council	£4,064.02	£18,891.67
Doxey Parish Council	£359.87	£1,675.06
Draycott in the Clay Parish Council	£397.97	£1,852.46
East Staffordshire Borough Council	£426,329.67	£5,522,689.77
Eccleshall Parish Council	£1,021.88	£4,510.32
Forsbrook Parish Council	£1,371.66	£6,560.17
Gnosall Parish Council	£2,736.64	£11,069.57
Great Wyrley Parish Council	£1,556.16	£6,128.99
Heath Hayes & Wimblebury Parish Council	£1,253.33	£5,531.63
Hednesford Town Council	£1,538.77	£6,755.80
Horninglow and Eaton Parish Council	£381.41	£1,754.75
Kidsgrove Town Council	£2,695.15	£13,089.12
Kinver Parish Council	£5,263.37	£22,141.17
Lapley, Stretton & Wheaton Aston PC	£1,608.90	£7,098.60
Leek Town Council	£2,095.23	£8,251.89
Lichfield City Council	£20,237.69	£79,869.02
Lichfield District Council	£538,466.79	£1,338,274.54
Newcastle Under Lyme Borough Council	£741,791.81	£3,793,496.85
Norton Parish Council	£1,140.55	£5,111.19
Penkridge Parish Council	£7,250.43	£29,573.87
Perton Parish Council	£7,332.66	£30,578.32
Rugeley Town Council	£6,510.48	£27,331.84
SCC Schools (Capita/Entrust)	£1,407,960.44	£6,254,065.65
SCC Schools (Stoke City Council)	£1,266,826.01	£5,546,215.44

Employer Name	Employee Contributions	Employer Contributions
Silverdale Parish Council	£476.01	£2,215.58
South Staffordshire Council	£399,049.73	£1,654,673.93
Stafford Borough Council	£425,971.19	£5,490,408.94
Staffordshire County Council	£6,770,396.28	£66,422,332.72
Staffordshire Moorlands District Council	£240,627.55	£3,480,205.18
Stoke City Council	£6,468,750.98	£52,630,566.59
Stone Town Council	£7,347.27	£30,896.25
Swinfen & Packington	£138.84	£546.84
Tamworth Borough Council	£539,988.47	£4,375,991.58
Tatenhill Parish Council	£217.94	£1,014.40
The Office of the Chief Constable Staffordshire	£2,898,268.86	£12,630,971.74
The Office of the Police and Crime Commissioner Staffordshire	£88,381.98	£171,388.60
Tutbury Parish Council	£1,767.04	£3,514.09
Unitas	£892,211.38	£2,128,202.30
Uttoxeter Town Council	£6,943.94	£28,160.27
Wombourne Parish Council	£2,896.80	£11,815.83



Employer Name	Employee Contributions	Employer Contributions
Abbey Hulton Primary School	£25,163.96	£106,269.51
Academy Enterprise Trust - Anglesey	£32,708.34	£146,589.19
Academy Enterprise Trust - Belgrave	£18,362.13	£79,325.51
Academy Enterprise Trust - Rawlett	£30,897.25	£130,417.77
Alexandra Infants	£11,640.13	£51,858.11
Alexandra Junior	£17,150.72	£76,514.60
All Saints	£4,833.26	£20,812.86
All Saints - Our Lady's	£16,929.57	£75,779.49
All Saints - St Augustines	£11,554.12	£52,100.16
All Saints - St Bartholomews	£6,819.68	£30,365.18
All Saints - St Gregory's	£28,755.74	£127,494.53
All Saints - St Maria Goretti	£18,798.10	£83,138.48
All Saints - St Thomas Moore	£70,096.22	£288,651.63
All Saints (Bednall) - SUAT	£5,207.48	£23,591.48
All Saints CofE (Rangemore)	£4,605.04	£22,947.66
All Saints CofE First School	£13,506.89	£61,204.78
Alleyne's High School	£34,013.46	£141,101.17
Ankermoor Primary	£8,119.77	£34,845.08
Anson CofE Primary	£7,743.89	£34,481.74
Ash Green - Societas MAT	£31,324.00	£141,567.11
Bailey Street Alternative Provision Academy	£4,820.73	£19,941.09
Barnfields Primary – South East Stafford MAT	£24,908.85	£106,149.74
Belgrave Academy	£58,259.69	£227,082.55
Birches First School	£11,265.84	£51,394.27
Birches Head – Frankfield	£14,870.72	£63,441.81
Birds Bush Community School	£11,926.47	£52,249.77
Bishop Lonsdale CofE Primary	£11,819.27	£53,065.54
Blackfriars Academy	£99,192.09	£379,073.61
Blackshaw Moor First Sch- - Talentum	£2,615.61	£11,986.63
Blessed Robert Sutton Academy	£34,378.26	£146,347.90
Boney Hay Primary	£11,819.46	£51,992.05
Brewood CE - St Chads	£16,134.80	£69,907.13
Brindley Heath Junior Academy	£18,550.34	£67,823.44
Bursley Academy	£44,089.66	£73,428.80
Bursley Academy - Hollinsclogh Primary School	£3,508.54	£7,835.56
Bursley Academy - Manifold Primary School	£16,767.64	£15,953.16
Carmountside Academy	£20,313.53	£88,160.69
Castle Primary	£4,757.71	£20,802.76
Castlechurch Primary - CFLP	£5,660.09	£25,053.95
Chadsmead Academy	£12,052.14	£52,780.69
Charnwood	£11,104.34	£49,558.09
Chase Terrace TEC College	£58,513.71	£238,905.44
Chaselea PRU - Manor Hall	£10,662.74	£40,684.70
Cherry Trees	£23,334.06	£95,133.94
Cheslyn Hay Academy	£57,125.27	£235,359.83

Employer Name	Employee Contributions	Employer Contributions
Chesterton Primary - Collective Vision Trust	£16,167.73	£69,064.45
Chesterton Sports College - Collective Vision Trust	£37,810.86	£158,680.83
Christ Church CE Primary	£16,879.34	£73,243.44
Christ Church First School – The Key Educational Trust	£7,012.14	£31,341.70
Church Eaton Endowed - S U MAT	£4,062.19	£18,334.75
Churchfield Primary - Collective Vision Trust	£21,701.53	£93,484.08
Churchfields Primary	£14,205.58	£63,855.18
Cicely Haughton Academy	£45,126.34	£179,766.19
Clarice Cliff – Co-op AT	£9,950.04	£38,670.58
Clayton Hall Academy - United Endeavor Trust	£45,463.50	£183,196.79
Codsall Middle	£34,342.25	£141,745.37
Colwich CE Primary	£9,260.05	£40,822.15
Co-operative academy	£85,413.21	£343,047.34
Coton Green	£10,796.93	£47,320.59
Crackley Bank Primary - Collective Vision Trust	£16,253.22	£70,319.96
Creative Education Academies - Harpfield	£13,469.05	£61,132.74
Creative Education Academies - Thistley Hough Academy	£44,267.13	£185,968.13
Creative Education Academies - Three Peaks Academy	£19,657.17	£85,702.15
Creative Learning Partnership - Hempstalls Primary	£37,309.81	£161,327.70
Creative Learning Partnership - Thursfield Primary	£11,560.58	£51,340.08
De Ferrers Academy	£150,639.93	£578,336.49
Dosthill Primary Academy	£25,992.14	£113,790.90
Dove CE Academy - S U MAT	£4,610.84	£20,793.80
Edge Hill	£14,778.96	£65,577.98
Ellison Primary	£39,836.13	£128,387.60
Endon High - Shaw Trust	£8,974.53	£50,002.58
Eton Park Academy	£17,004.46	£73,604.24
Etruscan Primary	£27,447.23	£119,971.80
Excel Academy	£48,502.10	£208,760.48
Featherstone Academy	£17,165.03	£75,923.71
Five Spires Academy (Reach2)	£10,150.14	£39,924.24
Flaxhill Community Jnr School (MPAT)	£11,796.80	£50,785.39
Foley Infant Academy	£12,366.59	£54,186.74
Forest Park Primary	£37,034.68	£165,566.80
Fountains High School	£63,006.67	£274,707.23
Fountains Primary School	£53,982.79	£240,012.09
Friarswood Co-op Academy	£14,464.53	£56,632.28
Friary School - Greywood MST	£52,877.21	£233,754.65
Future Generation Trust - Etching Hill	£28,621.25	£126,020.97
Future Generation Trust - Gentleshaw Primary	£10,077.64	£45,100.89
Future Generation Trust - St Johns Primary, Essington	£44,883.92	£193,966.17
Future Generation Trust - St Peters	£25,414.88	£112,932.31
Gladstone Primary	£38,246.47	£169,058.49
Glascote Heath Academy	£14,006.21	£57,971.34
Glebe Primary School	£24,255.34	£101,603.20

Employer Name	Employee Contributions	Employer Contributions
Goldenhill Primary Academy	£16,565.43	£73,810.39
Grange Infants	£12,376.80	£55,279.56
Great Wyrley High	£35,428.89	£147,199.97
Greenways Primary	£14,444.26	£62,504.48
Grove Junior	£26,367.62	£116,484.55
Hamilton Infants	£15,606.08	£68,190.45
Haughton St Giles - West Stafford Multi Academy	£5,755.74	£25,854.26
Havergal Primary Academy	£7,055.02	£31,907.20
Haywood Engineering Academy	£88,070.85	£350,824.65
Hazel Slade Primary	£9,564.86	£42,089.19
Heath Hayes Primary School (Reach2)	£13,804.21	£60,501.48
Heathfields Infant Academy	£12,086.80	£53,910.60
Henhurst Ridge (REAch2)	£8,105.65	£34,664.36
Henry Chadwick - Greywood MST	£8,722.19	£38,603.31
Holy Rosary Academy	£15,047.57	£68,202.42
Holy Trinity MAC - Blessed Mother Teresa's Catholic Primary	£12,062.73	£53,342.66
Holy Trinity MAC - Blessed William Howard Catholic High School	£28,198.50	£120,303.94
Holy Trinity MAC - St.Anne's Catholic Primary	£8,794.90	£38,493.77
Holy Trinity MAC - St.Austin's Catholic Primary	£11,160.32	£48,922.75
Holy Trinity MAC - St.Dominic's Catholic Primary	£10,460.70	£46,926.50
Holy Trinity MAC - St.John's Catholic Primary	£2,747.97	£12,426.70
Holy Trinity MAC - St.Mary's Catholic Primary	£8,779.27	£38,271.95
Holy Trinity MAC - St.Patrick's Catholic Primary	£11,129.31	£47,893.09
Horninglow Academy	£14,882.66	£65,627.02
Horton St Michaels	£5,069.54	£21,745.39
Howard Primary Academy	£2,524.99	£11,445.50
Jackfield Infants	£22,025.53	£95,622.37
James Bateman Middle School	£29,603.10	£128,232.14
JCB Academy	£66,457.82	£210,165.83
John of Rolleston Primary School	£24,871.39	£100,245.09
John Taylor Academy	£95,041.70	£372,797.02
John Taylor Free School	£33,367.84	£138,448.29
John Taylor MAT Kingsmead School Academy	£48,228.29	£196,305.01
John Wheeldon Academy	£27,254.60	£117,728.05
Kemball – Orchard CT	£74,483.70	£326,528.76
King Fisher Academy	£12,317.94	£52,918.72
Kingsfield First School	£16,313.21	£71,703.21
Kingsland CE Academy	£32,855.43	£142,480.17
Kinver High School	£18,706.01	£82,921.50
Knypersley First School	£28,036.50	£118,109.84
Lakeside	£15,398.36	£66,854.20
Landau Forte Greenacres	£25,616.57	£106,249.27
Landau Forte QUEMS	£47,967.05	£205,349.73
Landau Forte Woodhouse Academy/Post 16	£69,577.91	£277,536.49

Employer Name	Employee Contributions	Employer Contributions
Lansdowne Academy	£16,573.89	£73,933.09
Lark Hall Community Infants & Nursery School (MPAT)	£13,959.96	£52,608.51
Leasowes Primary – South East Stafford MAT	£15,113.68	£68,358.62
Leek First School	£6,683.60	£29,890.31
Lichfield Diocese/Woodard Academy (St.Peter's)	£67,951.38	£282,246.78
Little Aston Primary Academy - SUAT	£3,612.27	£15,737.06
Littleton Green Community Primary	£24,957.88	£114,993.87
Longford Primary	£12,195.72	£57,146.41
Loxley Hall Academy	£70,765.19	£274,264.90
Madeley High School	£28,220.91	£120,178.35
Manor Hill First - CLPT	£13,701.56	£58,451.22
Maple Court Primary	£31,919.44	£140,607.03
Marshbrook First	£14,784.89	£66,501.21
Meadows (Blurton) - Shaw Trust	£33,465.34	£142,388.24
Meadows Primary School (The Shaw Trust)	£4,797.12	£21,979.66
Meadows Special School	£42,648.38	£182,780.67
Meir Heath Primary	£9,818.77	£43,752.61
Merryfields School	£46,021.79	£191,325.33
Mill Hill Primary (Strictly Education)	£28,835.15	£120,584.61
Milton Primary Academy	£26,949.62	£117,235.15
Moorgate Primary Academy	£19,405.60	£82,628.70
Moorlands Primary Federation - Bishop Rawle CE Primary	£6,956.20	£31,179.29
Moorlands Primary Federation - Great Wood Primary -	£3,932.24	£17,742.60
Moorlands Primary Trust - Dilhorne	£10,921.19	£44,326.16
Moorlands Primary Trust - St Werbergh's	£7,633.67	£33,927.69
Moorlands Primary Trust - Valley Primary	£4,119.91	£18,389.26
Moorpark Junior	£20,195.03	£89,869.11
Mosley Academy	£8,168.04	£35,442.50
Needwood CofE VA Primary	£4,098.69	£18,638.03
Netherstowe School	£27,226.18	£117,684.09
New Ford Primary	£32,189.18	£139,149.66
Newcastle Academy - United Endeavor Trust	£28,723.62	£112,045.33
Newfriars College	£72,838.43	£312,001.63
Newman - Our Lady & St Benedict Catholic	£16,257.07	£72,142.06
Newman - Our Lady Of Grace	£7,164.14	£32,074.90
Newman - St George & St Martins Catholic	£14,140.08	£62,144.61
Newman - St John Evangelist Catholic Primary School	£15,378.62	£69,019.08
Newman - St Joseph Catholic Primary School	£14,103.00	£62,619.97
Newman - St Margaret Ward	£68,634.01	£284,236.28
Newman - St Marys Catholic Primary School	£18,382.43	£81,681.05
Newman - St Peters Primary School	£14,663.55	£66,640.09
Newman - St Wilfreds Catholic Primary School	£20,070.05	£89,461.50
Newstead Primary Academy	£31,507.49	£129,884.16
Northwood Broom	£23,608.62	£100,326.07
Norton Canes Community Primary School (Reach2)	£18,394.10	£81,291.43

Employer Name	Employee Contributions	Employer Contributions
Norton Le Moors Primary Academy	£16,751.73	£59,451.99
Oakhill Primary	£28,704.51	£123,866.44
Ormiston - Horizon Academy	£70,687.02	£292,266.42
Ormiston - Packmoor	£29,475.07	£128,854.43
Ormiston - Sir Stanley Matthews	£82,566.39	£338,606.19
Ormiston - The Oaks	£13,356.39	£43,999.71
Ormiston Meridian Academy	£57,456.89	£242,435.26
Oulton CE – The Key Educational Trust	£3,401.28	£15,082.11
Ounsdale High School	£26,531.51	£113,037.75
Our Lady & St Werburghs	£10,408.51	£46,434.38
Outwoods Primary School	£29,649.38	£130,806.35
Oxhey First School	£17,985.78	£80,090.07
Parkside	£22,235.88	£98,228.28
Paulet High - John Taylor	£37,068.49	£154,525.39
Penkridge Middle	£14,607.25	£64,397.55
Perton Sandown First School	£16,981.37	£75,763.63
Poppyfield - Victoria AT	£5,326.31	£23,245.37
Princefield First	£16,408.92	£73,504.43
Pye Green Academy	£15,815.64	£70,413.43
Queens Croft - Greywood MST	£71,734.09	£295,890.08
Reach Pupil Referral Unit	£9,533.48	£39,749.01
Redbrook Hayes Primary	£20,736.14	£86,448.13
Richard Crosse Primary Academy	£9,751.45	£42,342.09
Richard Wakefield	£12,693.74	£55,324.31
Rocklands School	£45,096.06	£195,883.06
Rowley Park Primary Academy	£14,484.44	£59,546.18
Rushton CofE Primary	£2,493.78	£11,408.40
Rykneld Primary - John Taylor	£28,281.24	£124,979.00
Sandon Primary Academy	£35,579.62	£154,285.67
Saxon Hill Academy	£64,160.24	£270,607.34
Scientia Academy (Reach2)	£21,794.53	£65,856.66
Scotch Orchard Primary	£19,720.97	£85,069.20
Seabridge Primary (The Shaw Trust)	£32,826.41	£142,680.71
Shobnall	£15,189.76	£65,672.25
Silkmore Academy (Reach2)	£24,690.99	£104,992.19
Silverdale Primary (United Learning)	£15,157.14	£65,755.96
Sir Graham Balfour	£50,431.94	£209,439.25
Sir Thomas Boughey High - United Endeavor Trust	£21,320.03	£89,896.10
Smallthorne Primary Academy (Strictly Education)	£13,862.11	£59,519.59
Sneyd Academy	£38,791.04	£173,312.37
Springfield Comm Special School	£25,144.47	£114,120.23
Springhill (Reach2)	£14,377.06	£61,800.69
St Augustine	£3,301.62	£14,622.80
St Benedict Biscop CE Primary	£8,586.10	£36,818.45
St Edwards CE Academy	£33,557.36	£137,013.36

Employer Name	Employee Contributions	Employer Contributions
St Giles and St Georges Academy	£26,081.61	£109,809.96
St James CofE Primary	£5,927.60	£26,958.43
St John Fisher Catholic College	£57,999.45	£239,408.10
St John's Primary	£20,900.91	£89,258.31
St Johns CE Primary - QUEGS	£2,542.90	£11,833.36
St Johns CofE	£5,287.75	£23,890.61
St Lawrence Gnosall - West Stafford Multi Academy	£23,611.03	£104,310.23
St Leonard's First - SUAT	£3,958.05	£17,898.75
St Lukes Primary	£15,507.44	£68,825.24
St Marks CE Primary	£30,826.41	£134,449.23
St Mary & St Chad	£15,533.49	£70,017.17
St Mary's Catholic Primary School	£24,096.28	£106,871.78
St Marys CE First - St Chads	£4,978.86	£18,181.98
St Mary's CE Primary	£36,183.31	£150,326.76
St Mary's Primary Academy Colton	£5,616.67	£25,711.04
St Matthews Primary	£6,108.37	£25,670.52
St Nathaniels Academy	£30,241.15	£132,566.79
St Pauls CofE First - S U MAT	£7,703.50	£34,796.72
St Peters	£4,514.86	£19,300.08
St Peter's Primary Stonnal	£7,474.40	£32,392.83
St Teresa's Catholic Primary	£19,641.69	£87,358.67
St Thomas Aquinas Catholic Primary School	£12,644.50	£56,797.79
St Wulstans Catholic Primary	£33,674.15	£151,657.86
St. Joseph's College Edmund Rice Academy Trust	£53,089.31	£215,254.09
St.Andrew's CE Primary	£7,287.96	£33,122.96
St.Bart's Academy Trust - Knutton St.Mary's Primary	£16,641.09	£71,763.94
St.Bart's Academy Trust - Park Hall Primary	£24,613.06	£111,574.26
St.Bart's Academy Trust - St Saviours CE Academy	£11,903.66	£51,641.36
St.Edward First	£11,044.15	£48,870.40
St.Nicholas CE First	£22,555.33	£100,301.23
St.Peter's CE Primary	£5,387.53	£24,563.24
Staffordshire University Academy	£47,459.27	£170,995.09
Stoke Minster Primary	£31,737.25	£142,279.95
Stoneydelph Primary	£18,233.40	£80,956.03
Streethay Primary - Shaw Trust	£8,338.19	£36,882.18
Summerbank Primary	£35,911.07	£156,168.14
Talentum - Beresford Memorial	£13,395.69	£59,481.25
Talentum - Churnet View	£25,288.76	£106,256.44
Talentum - Leek High School	£18,560.95	£80,747.75
Talentum - Westwood College	£32,924.09	£137,712.15
The Academy Transformation Trust - Star Academy	£13,954.58	£60,198.96
The Academy Transformation Trust - Sun Academy	£11,678.23	£51,562.82
The Biddulph Academy	£55,859.16	£234,167.67
The Cannock Chase Academy	£44,561.91	£183,794.75
The Cheadle Academy	£22,633.28	£91,514.88

Employer Name	Employee Contributions	Employer Contributions
The Christchurch Academy	£23,651.25	£98,408.16
The Coppice Academy	£20,571.42	£89,900.16
The Crescent Academy	£52,713.71	£213,953.63
The Discovery Academy	£114,274.48	£464,545.17
The Eaton Park Academy	£44,089.66	£174,078.68
The Erasmus Darwin Academy	£63,991.50	£265,419.60
The Hart School	£59,897.36	£239,171.27
The Painsley Catholic College	£86,972.99	£355,701.18
The Painsley Catholic College - Faber	£4,149.38	£18,776.17
The Painsley Catholic College - St Filumenas	£10,597.01	£46,609.18
The Painsley Catholic College - St Giles	£12,040.20	£53,530.95
The Painsley Catholic College - St Josephs	£14,584.78	£63,131.57
The Painsley Catholic College - St Marys	£13,874.00	£61,394.64
The Painsley Catholic College - St Thomas	£11,972.34	£52,626.13
The Reginald Mitchell Primary	£18,769.15	£82,508.52
The Rural Enterprise Academy	£7,679.90	£31,936.74
The Sutherland Academy	£35,365.05	£149,484.37
The Violet Lane Academy	£35,246.15	£136,833.39
Thomas Russell Infants	£9,144.58	£40,842.12
Trentham Academy	£35,340.46	£136,042.41
Two Gates Primary	£14,989.59	£65,896.14
Two Rivers High –Endeavour	£49,520.57	£209,931.55
Two Rivers High –Endeavour	£39,056.88	£165,165.94
Tynsel Parkes First	£8,643.48	£38,440.69
University Of Chester Academy (Kidsgrove)	£20,529.10	£64,175.62
University Of Chester Academy(Maryhill Primary)	£13,827.50	£57,552.60
Uttoxeter MAT	£124,122.33	£526,332.23
Veritas Academy (Reach 2)	£23,836.17	£74,605.87
Walton Hall Academy	£65,531.12	£275,008.07
Walton High School	£51,185.85	£212,591.05
Waterhouses Primary	£9,553.60	£42,971.77
Watermill - Orchard CT	£80,079.09	£342,377.74
Waterside Primary - Shaw Trust	£3,399.46	£14,785.92
Western Springs - Perry Hall	£3,643.04	£16,013.06
Weston Infants - St.Barts MAT	£12,733.23	£56,706.50
Weston Junior - St.Barts MAT	£12,801.91	£59,078.71
Weston Road Academy	£43,845.53	£180,155.01
Westwood First	£17,375.14	£77,265.08
Whitfield Valley Primary	£29,829.92	£129,211.07
Wightwick Hall School	£27,539.00	£117,359.10
William MacGregor Primary	£11,062.30	£47,960.77
William Shrewsbury Primary School	£41,701.43	£184,576.37
Wilnecote Academy	£37,174.67	£156,729.86
Wilnecote Junior Academy	£23,607.69	£101,659.60
Winhill Village Primary	£18,467.45	£82,140.14
Wolgarston	£48,372.93	£195,635.61

Employer Name	Employee Contributions	Employer Contributions
Wolstanton High School (The Shaw Trust)	£39,568.82	£164,475.04
Woodcroft First - St.Barts	£10,969.66	£49,766.13
Woodhouse Academy	£22,957.97	£99,547.69
Woodlands - CAT	£12,672.94	£57,094.75
Woodseaves - West Stafford Multi Academy	£6,421.55	£28,241.09
Yoxall St.Peter's Academy	£8,308.30	£35,286.19
Burton on Trent Technical College	£251,397.50	£1,027,761.98
Keele University	£4,699.12	£107,279.23
Newcastle and Stafford Colleges Group	£463,069.26	£2,083,399.08
South Staffordshire College	£335,707.41	£1,298,806.98
Staffordshire University	£776,757.77	£3,447,948.88
Stoke on Trent College	£183,621.88	£718,564.26
Stoke on Trent Sixth Form College	£78,169.30	£278,799.86
Accord Housing	£55,893.11	£198,001.24
Alliance Enviro - Staffs Moorland	£55,865.09	£152,267.21
Alliance Enviro – Street Scene	£22,825.05	£58,213.65
Alliance In Partnership Ltd Endon	£1,075.20	£4,046.70
Alliance In Partnership Ltd Marshland	£499.71	£1,880.59
Alliance In Partnership Ltd Hempstalls	£444.27	£2,035.56
Alliance In Partnership Ltd Hugo Meynell	£625.15	£2,352.86
Alliance In Partnership Ltd Langdale	£1,167.57	£4,394.41
Alliance In Partnership Ltd Norton Canes	£1,203.77	£4,530.43
Alliance In Partnership Ltd Sir John Offley	£648.62	£2,441.32
Alliance In Partnership Ltd St Giles	£401.71	£1,840.59
Alliance In Partnership Ltd Thursfield Primary	£762.70	£3,633.04
Amey Services Ltd	£233,139.04	£685,880.40
Aspens – Blythe Bridge	£572.36	£1,660.99
Aspens - Cannock Chase High	£865.71	£3,604.32
Aspens – Churnet View	£921.71	£3,577.12
Aspens – Hart School	£939.26	£3,820.22
Aspens - Horton Lodge Special School	£334.92	£1,260.56
Aspens – Leek High	£1,024.79	£4,159.88
Aspens - Sir Graham Balfour	£903.02	£5,574.30
Aspens - St Marys	£701.84	£3,088.25
Aspens – St.Edwards Academy	£396.03	£1,619.53
Aspens - Three Peaks	£503.34	£2,193.32
Aspens – Westwood College	£1,329.25	£5,534.34
Aspens Services – Great Wyrley	£1,292.62	£3,122.01
Aspens Services - Oldfields Hall	£413.18	£1,817.82
Aspire Housing	£232,494.43	£1,853,639.24
Atalian Servest - Shaw Trust	£7,162.30	£47,820.78
Biffa	£15,572.90	£0.00
Boeing	£22,977.56	£74,926.88

Employer Name	Employee Contributions	Employer Contributions
Busy Bee Catering Services - CET	£2,068.86	£8,275.62
Capita Managed IT - OSSM	£4,325.20	£14,120.03
Capita Managed IT- OH	£1,538.13	£5,490.13
Catering Academy Ltd UCAT	£1,121.76	£4,874.73
Caterlink - De Ferrers Trust	£1,456.86	£8,372.71
Central Borders Housing Group	£295,098.77	£1,014,953.19
Chartwells	£215,235.81	£699,621.58
Chartwells - ATT Star Academy	£3,800.53	£18,304.85
Chartwells - Eton Park Junior	£140.15	£904.65
Chartwells - Gorsemoor	£284.94	£1,072.52
Chartwells - Horninglow	£273.00	£1,391.55
Chartwells - JCB	£1,494.96	£5,565.96
Chartwells - Kingsmead School	£1,655.45	£6,784.65
Chartwells - Nether Stowe School	£937.25	£3,902.91
Chartwells - Sir Stanley Matthews	£3,276.69	£17,427.45
Chartwells - St Mary's	£246.39	£1,088.87
Chartwells - St.Matthews Academy	£157.71	£630.96
Chartwells - UET Clayton Hall	£1,325.80	£5,910.12
Chartwells - Wightwick Hall	£3,387.77	£14,102.47
Choices Housing Association	£388.72	£1,554.97
Churchill Services - St Thomas More Catholic Academy	£3,245.12	£14,868.43
Churchill Services - United Endeavour Trust	£2,488.75	£11,403.09
Cleantec Services Ltd - AET	£1,604.73	£7,352.69
Engie - Tamworth	£6,724.02	£20,335.44
Entrust	£488,208.56	£1,280,519.48
Enviroserve - St.Edward's	£201.55	£1,140.80
Fidelis – Two Rivers	£391.20	£1,471.14
Freedom Leisure - Lichfield BC	£26,569.57	£125,148.33
Freedom Leisure - Stafford BC	£55,836.68	£229,976.38
Fresh Start – Endon Hall	£1,003.05	£4,486.45
Fresh Start - John Wheeldon	£249.38	£943.09
Fresh Start Horton St Michael	£1,169.97	£4,624.20
Hi-Spec - Horton St Michael	£626.55	£3,098.44
Hi-Spec - SUAT	£6,293.79	£31,698.28
KGB Newcastle College	£3,002.05	£6,095.50
Kier - OPCC	£6,698.26	£20,944.81
Kier Facilities Services Limited	£259.59	£972.46
Landscape Group Ltd	£1,101.43	£3,774.73
Lichfield Garrick Theatre	£604.73	£2,825.44
Make Some Noise	£2,372.52	£9,344.04
MCS Cleaning & Main – St Chads	£762.74	£3,706.67
Mellors - Academies Enterprise Trust	£2,978.00	£13,561.37
Mellors - All Saints	£708.37	£3,245.61
Mellors - Burton Schools	£3,518.89	£15,912.88
Mellors - Holy Trinity Primary	£198.49	£826.46

Employer Name	Employee Contributions	Employer Contributions
Mellors - Shobnall Primary	£493.11	£1,855.86
Mellors - Thomas Russell Infants	£426.43	£1,604.95
Mellors - Thomas Russell Jr	£1,046.95	£4,359.09
Midland Heart Ltd	£9,321.08	£4,967.88
Miquill Catering–All Saints	£591.16	£2,644.09
Moorland Contract Cleaning - Silverdale	£262.35	£1,202.06
MPFT	£82,744.99	£286,569.87
North Staffs Combined Health Care	£302.97	£1,817.71
Northgate (Moorlands)	£4,527.46	£22,795.31
Northgate IS Ltd	£4,190.46	£21,144.74
Prime Facility - Newfriars	£792.37	£3,608.86
RM Education - AET	£6,230.99	£23,222.11
RM Education – St.Peter’s	£1,952.82	£5,437.81
Service Master – Oaklands Nursery	£272.76	£1,135.80
Service Master – The College Academies Trust	£1,786.06	£8,118.38
Servicemaster - Eaton Park Academy	£511.06	£2,434.68
Servicemaster Belgrave St Bart	£868.52	£4,137.39
ServiceMaster Mercia - Charnwood	£346.86	£1,321.46
ServiceMaster Mercia - Woodlands	£1,004.04	£3,803.79
Servicemaster St Nathaniels	£1,064.33	£5,070.06
Silvertree Cleaning	£577.56	£2,310.60
SLM - Community Leisure	£27,571.55	£72,343.54
SLM - Fitness & Health	£130.40	£446.33
SLM - Food & Beverage	£2,301.76	£7,226.35
South Staffordshire Housing Association	£28,670.46	£89,508.59
South Staffs and Shrops Health Care	£19,250.04	£91,752.35
Stafford and Rural Homes	£116,391.04	£613,627.88
Stoke and Staffs Combined Fire Authority	£269,881.00	£1,822,546.93
T(n)S Catering - Rowley Park	£797.06	£3,652.11
Taylor Shaw - Excel Academy	£526.59	£2,316.97
Taylor Shaw - Pye Green Academy	£355.21	£1,627.53
Tiny Toez	£5,399.94	£20,590.10
Veolia	£16,595.79	£52,723.20
Wates	£1,079.04	£5,507.04
Wates Housing Repairs	£125.83	£531.26
Wigan Leisure and Culture Trust	£37,691.85	-£729.12