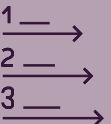
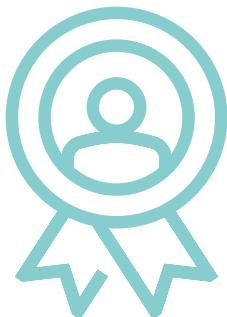


Annual Report and Accounts **2019/2020**



Contents

 Chairman's Report 3	 Fund Governance 4	 Fund Administration 14	
Governance Pensions Committee Pensions Panel Local Pensions Board Risk Management	5 5 7 8 11	Overview Data Quality/ Improvement Plan Use of Information Technology Staffing Across Finance, Investment and Administration	15 16 18 28
 Investment Report 29	 LGPS Central 39	 Financial Statements 45	
Global Economic Review Major Asset Class Returns Pension Fund Investment Returns Responsible Investment Report	30 31 35 37	LGPS Central Pool Reporting 2019/19	40
 Supporting Information 87	 Appendices 90		
Glossary of Terms How to Contact Us	88 89	List of Participating Employers	91



Chairman's Report

Once again, it gives us both great pleasure to be able to introduce you to the Annual Report and Accounts for the Staffordshire Pension Fund for 2019/2020.

This year has been as busy as ever, for the Members of the Pensions Committee and the Fund Officers, with the 2019 Actuarial Valuation of the Fund taking priority. It was reassuring that the Fund had a 99% funding level at 31 March 2019, which will stand it in good stead, for the many bumps in the road ahead, over the next 20 years.

Having issued the 2019 individual valuation results to our ever increasing number of scheme Employers, one of the biggest challenges in the year, as for so many, was the rapid change in working arrangements and our daily lives, that happened in March 2020, to deal with the unfortunate impact of Covid-19. We are very proud that the Treasury and Pensions Service was able to react and adapt to the change extremely quickly and continue to pay our 36,600 retired members (our main objective) and provide their usual high standard of service to all 74,300 of our other scheme members.

Our 32,000 active scheme members are a varied workforce and have a wide range of job roles and responsibilities, that support the wider community. So, this year, as the focus on the public sector has been greater than ever, our annual report highlights some of those key worker activities, amongst so many others.

Our Fund's varied investments, under the watchful eyes of the Pensions Panel, continued to perform well, throughout 2019, when the

Fund also took the opportunity to review its Strategic Asset Allocation, in tandem with the Actuarial Valuation. Whilst the market highs of December 2019 had fallen catastrophically at the end of March 2020, on the continuing fear of the pandemic, it has been gratifying to see valuations begin to return to more normal levels across most areas of the market and asset classes. Since the year end, the Fund has climbed back towards its previous £5.5 billion range, and we remain ever hopeful that it continues to edge towards £6.0 billion!

We would like to take this opportunity to thank all the members who have served on the Pensions Committee and the Local Pensions Board during the past year. We are sure they will all agree the world of Pensions is never boring, it changes continually and there is so always much more that needs to be considered.

And finally, our sincere thanks go to the Director of Corporate Services, the Head of Treasury and Pensions and the numerous Officers, who administer your benefits and monitor the Fund's investments. Without their hard work and dedication, and especially in these most challenging of times, the Staffordshire Pension Fund wouldn't be the Fund it is today.

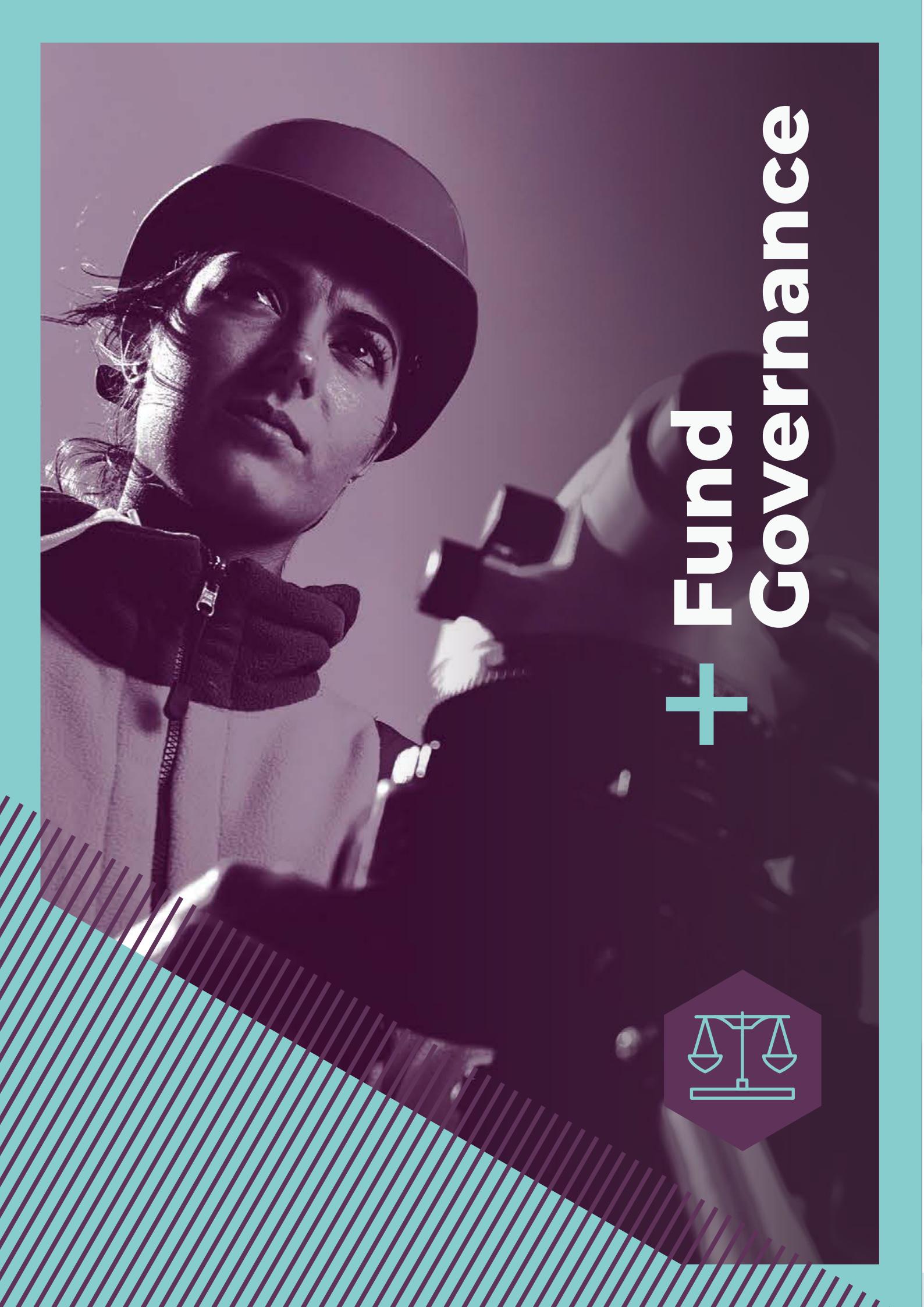
Stay safe and take care everyone.



Cllr Colin Greatorex
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 2020



*Philip Atkins,
OBE*



*Derek Davis,
OBE*



Ann Edgeller



*Colin Greatorex
(Chair)*



Bob Spencer



*Mike
Sutherland*



*Stephen
Sweeney*



Martyn Tittley



*Mike Davies
(Vice Chair)*



During the course of 2019/2020 the Pensions Committee;

- formally approved the 2018/2019 Pension Fund Annual Report and Accounts
- reviewed the Pensions Business Plan for 2019/2020 and approved the Pensions Business Plan for 2020/2021
- receive the LGPS Central Limited's Annual Report and Financial Statements for the year ended 31 March 2019
- formally approved the revised and updated Pensions Administration Strategy and Conflicts of Interest Policy
- 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 2019/2020 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**
- **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 2020

Council members:



*Philip Atkins,
OBE (Chair)*



*Derek Davis,
OBE*



Colin Greatorex



*Mike
Sutherland*



*Stephen
Sweeney*

Advisor members:

Carolan Dobson (Independent advisor)

Paul Potter (Hymans Robertson)

The Pensions Panel during 2019/2020;

- **reviewed and monitored the Pension Fund performance and Portfolio of Investments for 2019/2020**
- **approved the 2020/2021 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 2020

Employer representatives:

Gordon Alcott – Local Authority Councillors

Tracy McCready – Larger Employers

Rachel Bailye – Smaller Employers

Scheme Member representatives:

Kate Salter - Trade Union Official

Ian Jenkinson- Retired Scheme Members (Chair)

Bob Birch - Scheme Members

The Local Pensions Board during 2019/2020;

- 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
- attended the Local Pension Board Conference in London
- 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. We do however have some concerns about the payroll arrangements for a number of Employers that resulted in a Breach being registered."

Ian Jenkinson – 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 2019/2020.

Committee Member	28/06/2019	27/09/2019	07/02/2020	27/03/2020 (cancelled)
Ben Adams	✗	✓	✗	
Philip Atkins, OBE	✓	✗	✗	
Derek Davis, OBE	✓	✓	✗	
Ann Edgeller	✗	✗	✗	
Mike Davies	✓	✓	✓	
Colin Greatorex	✗	✓	✓	
Mike Sutherland	✗	✗	✓	
Stephen Sweeney	✓	✓	✗	
Martyn Tittley	✗	✗	✗	
Bob Spencer	✓	✗	✗	
<i>Co-opted members</i>				
Nigel Caine	✗	✗	✗	
Michael Vaughan	✓	✗	✓	
Mike Allen	✗	✓	✗	
Phil Jones	✗	✓	✓	
Peter Noskiw	✗	✗	✗	
Kevin Upton	✓	✓	✗	
Panel Member	14/06/2019	20/09/2019	03/12/2019	03/03/2020
Philip Atkins, OBE	✓	✓	✓	✓
Derek Davis, OBE	✗	✗	✓	✓
Mike Sutherland	✓	✓	✓	✓
Stephen Sweeney	✓	✓	✗	✓
Colin Greatorex	✓	✓	✓	✓
<i>Advisors</i>				
Carolyn Dobson	✓	✗	✗	✓
Paul Potter	✓	✓	✓	✓
David Thomas	✓	✓	✓	✓
Board Member	28/06/2019	27/09/2019	17/01/2020	27/03/2020 (cancelled)
Gordon Alcott	✓	✓	✗	
Kate Salter	✗	✓	✗	
Ian Jenkinson	✓	✓	✓	
Tim Legge	✓	✗	RETIRING	
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 page 26.



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 probability of a range of possible outcomes occurring (known as Monte Carlo Simulation). 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 considered 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 and takes into account the potential for financial market volatility, as seen recently with COVID 19 induced stock market falls.

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**. Some key risks from each of the areas, and the way in which they are mitigated, are highlighted in the following paragraphs.

Funding

- **Inflation** - Future payments the Fund has 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, as people are living 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 is growing as an issue as a result of structural changes affecting Employers in the Fund. Over time it is possible to amend the investment strategy to better match this change but it may result in higher contribution rates for Fund Employers.

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** - Risks are 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 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** - As 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 Pooling arrangement 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
The Equitable Life Assurance Society

Bankers

Lloyds Bank plc

Custodian

The Northern Trust Company

Investment managers

Alcentra Limited (Clareant)
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
Aberdeen Standard Investments Inc

Legal adviser

John Tradewell, LLB, MBA
Director of Corporate Services

LGPS Pooling Operator

LGPS Central

Official responsible for the Fund

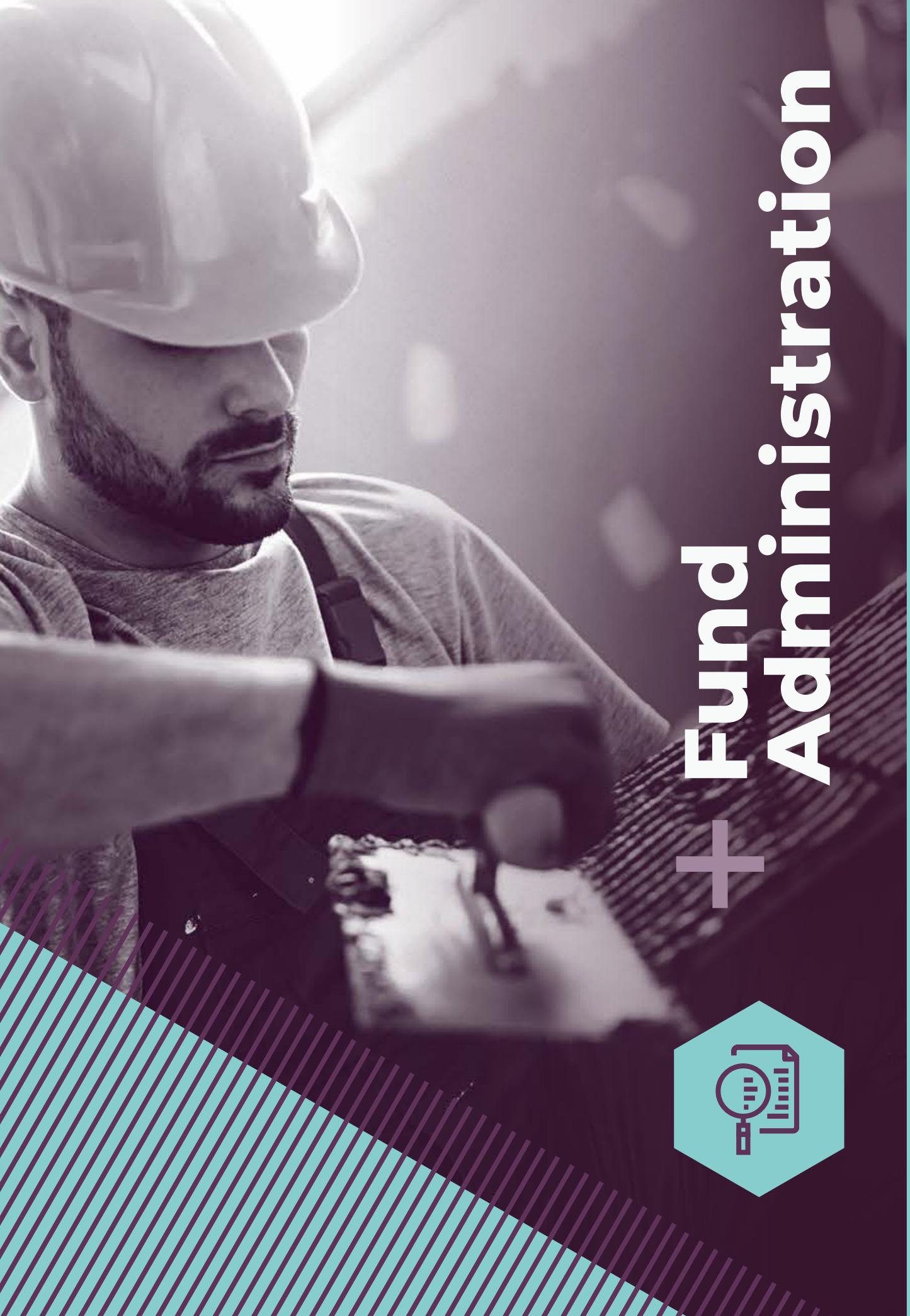
John Tradewell, LLB, MBA
Director of Corporate Services

Performance measurement

Portfolio Evaluation Ltd

If you need more information, you can find contact names and phone numbers on page 89





Fund Administration

+





Administration Report 2019/2020

2019/2020 has been another challenging year for the Fund starting with the triennial valuation project. This was a key administration priority for the year, given the importance of assessing Scheme Employer's long-term funding position and future contribution rates.

Other key activities of focus during the year included the relaunch of the Fund's Administration Strategy, successful roll out of the latest version of the online My Pensions Portal and to ensure that all our practices and processes are in line with advice issued by The Pensions Regulator (TPR). In March 2020 the Government announced the important actions that we all had to take to mitigate the impact of the COVID 19 outbreak.

During this period of significant concern and uncertainty the Fund took a number of important steps to ensure that we continued to operate as normal service as possible. This included most staff working from home, whilst still providing all categories of members, Employers and other stakeholders full access to the section through the normal communication channels of telephone, emails, post and online meetings.

Valuation

The Fund agreed and set a tight and challenging timescale with the Actuary in order to receive the valuation outputs as early as practicable. This required the Fund to provide the necessary membership and financial data earlier than in previous valuations.

Prompt receipt and validation of Employer Annual Returns was essential in meeting both the timetable and the data quality standards required. Employers had access to online factsheets, operational guides and bulletins to help them prepare, and with their co-operation and engagement, the challenging timetable was achieved.

The Fund would like to take this opportunity to thank Employers for their contribution in helping the Fund meet their deadlines.

The Fund received positive feedback from the actuary on the quality of data submitted, demonstrating the effectiveness of the systematic approach taken to validation, testing and query resolution. Improving the quality of data from source, to reduce reliance on such intervention remains a priority for the future.

Data Quality

Good quality data is vital to ensure member benefits and scheme liabilities are assessed correctly. Therefore, the Fund has undertaken a number of initiatives throughout the year in order to improve the quality of data held, and to streamline and standardise the way it receives data in the future.

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 72 Employers now provide monthly member updates for 15,000 pension scheme members through i-Connect i.e. almost 50% of the active members of Scheme. 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.

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 together and issued to Employers on a bulk basis.
- **Dedicated Teams** the Fund has dedicated staff who are working on the implementation of i-Connect, My Pensions Portal, Actuarial Projects, Year- End and data cleanse projects.
- **Pre Valuation Modelling** ahead of the valuation exercise, the Fund uploaded data relating to the Employers within the Fund to the Actuary's data portal which has a series of validation checks built into it to identify potential data queries. As a result of this exercise the Fund were able to correct the high priority queries ahead of the valuation exercise and therefore, improve the quality of data which was to the Actuary.
- **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 2019. (this is covered in more detail on the following page).
- **Data Security** the Fund uses robust industry standard 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 system 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 mandates adherence to best practice principles and managing and securing ICT systems and data.

Data Quality /Improvement Plan

The Pensions Regulator (TPR) stated that he 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.

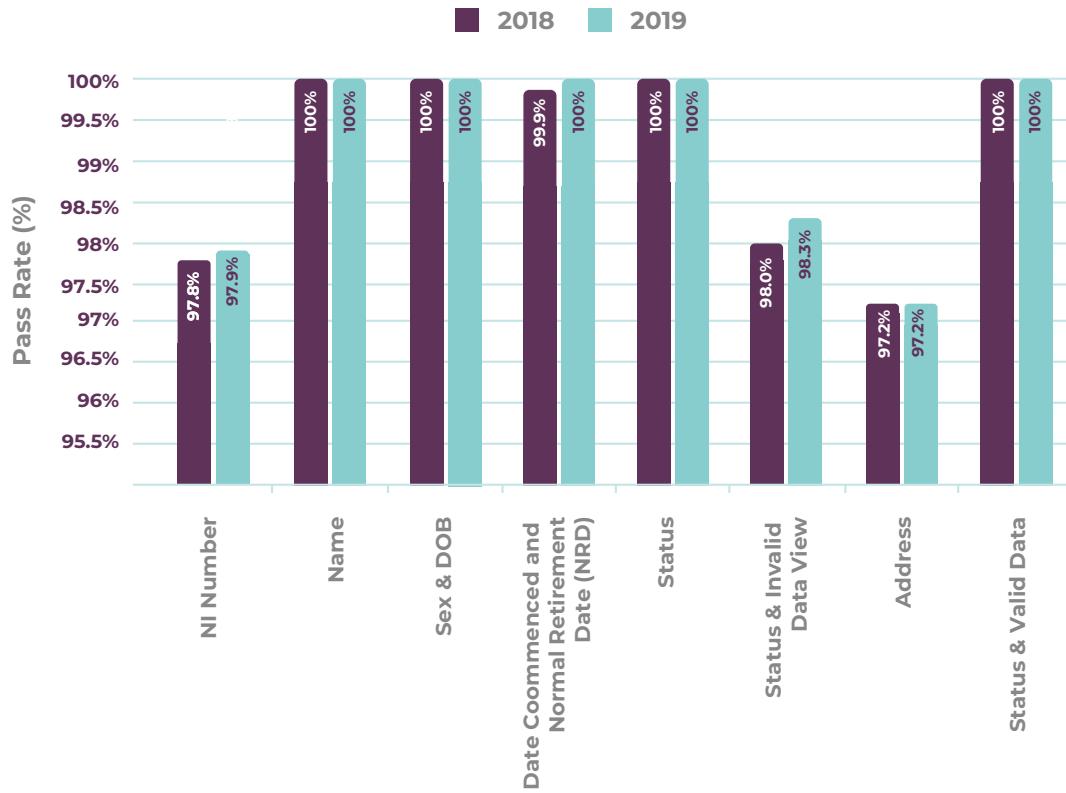
Common Data - this is data deemed as common across all schemes as it is data stipulated by the TPR, which includes names, addresses, national insurance number, date of birth, gender etc.

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.

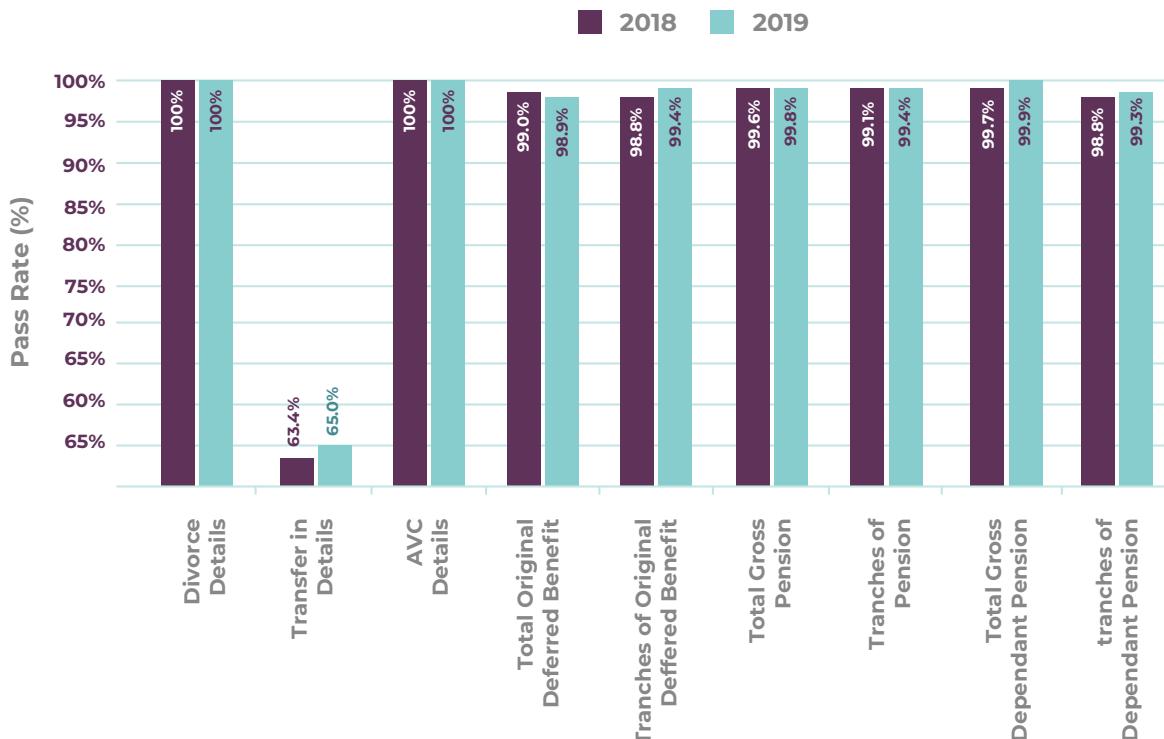
The following graphs show the Fund's performance against each category reviewed against Common and Specific Data.



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.



Guaranteed Minimum Pension (GMP)

With the introduction of the single tier state pension in 2016, the LGPS will no longer be contracted out of the state second pension. As a consequence, HMRC will not track contracted out rights and have issued closure schedules to pension schemes to enable them to compare GMP figures held on their systems to that of HMRC. This is known as GMP reconciliation. The first stage of this exercise needed to complete by December 2018.

All of Staffordshire Pension Fund's queries were raised by the HMRC deadline for queries of 31 October 2018. The Government has confirmed that the Fund will have final confirmation of the GMP liability by 31 July 2020 (there has been a delay nationally on the receipt of this information, which is outside of Staffordshire Pension Fund's control). Based on the responses received from HMRC to date, there may be approximately 1,000 cases that need to be assessed to check if the level of benefits being paid by Staffordshire Pension Fund is correct.

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 advance of 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 maintenance 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.

During 2019/2020, work took place to upgrade the current 'My Pension Portal' system. This was successfully completed in January 2020. Members and Deferred Members are able to log into their online account and see their 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**

The Fund anticipates that further self service facilities for Scheme Members will be available soon.

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

The Administration Strategy sets out the responsibilities of both the Fund and Employers, in accordance with Regulations and the Pensions Regulators Code of Practice.

The strategy was fundamentally re-designed in 2019 in order to ensure that it captured the responsibilities of both Employers and the Fund whilst allowing for performance against those responsibilities to be measured.

In order to develop the revised strategy, the Fund worked with the Employer Focus Peer Group and captured their views on the suitability of targets set out within the strategy from an Employer perspective.

The Fund opened a four week consultation with Employers which closed on 21 May 2019, and the revised strategy was published on the Fund's website and came into force on 1 June 2019.

Now that the revised strategy is available the Fund will implement a suite of reports to highlight the Fund's and Employer's performance against the key performance indicators which are set out within it. The output from these performance reports will form the basis of regular dialogue with Employers and will be used to drive through performance improvement on both sides.



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

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



Internal Dispute Resolution Procedure (IDRP)

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

The IDRP is a two-stage process. When the Fund or an Employer makes a decision about a beneficiary benefit under the LGPS rules, if for any reason 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 few and far between. 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.

	Reason	Outcome
Stage 1	Transfer Error Query on the amount awarded on a transfer	NOT UPHELD
Stage 2	Life Certificate Process Challenge Challenge to the process involved in the completion of a Life Certificate	NOT UPHELD
Stage 3	LGPS Benefit Error Query on LGPS benefit entitlement	NOT UPHELD

Employer Membership Activity

During the year the Fund welcomed 53 new Employers into the scheme – 43 LEA schools converted to Academies, there were 2 newly established Academies and 8 Admitted Bodies joined.

Of the 8 Admitted Bodies all the admission agreements were set up as a pass through arrangement where the letting Employer remains responsible for all residual pension liabilities in the Fund. During the year the Fund had 4 Employers who ceased membership of the Staffordshire Pension comprising of 4 previously admitted bodies.



Fund Membership Trends

The following table sets out the relevant metrics that demonstrate how the overall 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.

Membership Category (at 31 March)	March 2016	March 2017	% Change	March 2018	% Change	March 2019	% Change	March 2020	% Change
Actives	36,785	34,963	-5.21	33,776	-3.51	32,735	-3.18	32,396	-1.05
Retired	30,051	31,713	5.24	33,156	4.35	34,731	4.53	36,597	5.10
Deferreds	38,446	39,362	2.33	40,552	2.93	40,843	0.72	41,910	2.55
Total	105,282	106,038	0.71	107,484	1.35	108,309	0.77	110,903	2.34

Analysis of Membership as at 31 March 2020

The following table provides a breakdown of the Fund membership of active members, deferred members and pensioners at 31 March 2020

Age Group	Active		Deferred		Retired		Spouse/Dependant	
	Number	%	Number	%	Number	%	Number	%
0-14	0	0	0	0	0	0	74	1.87
15-19	318	0.98	1	0	0	0	86	2.17
20-24	1,278	3.94	370	0.88	0	0	33	0.83
25-29	1,948	6.01	1,593	3.80	0	0	4	0.10
30-34	2,638	8.14	3,454	8.24	2	0.01	3	0.08
35-39	3,392	10.47	4,431	10.57	2	0.01	6	0.15
40-44	3,817	11.78	5,140	12.26	10	0.03	18	0.45
45-49	5,003	15.44	7,138	17.04	40	0.12	46	1.16
50-54	5,732	17.72	8,946	21.35	112	0.34	102	2.57
55-59	4,750	14.66	7,671	18.30	1,775	5.44	213	5.38
60-64	2,703	8.34	2,981	7.11	6,113	18.73	266	6.72
65-69	667	2.06	128	0.31	8,367	25.64	377	9.52
70-74	150	0.46	57	0.14	7,672	23.51	573	14.46
75-79	0	0	0	0	4,473	13.71	613	15.47
80-84	0	0	0	0	2,331	7.14	641	16.18
85-89	0	0	0	0	1,160	3.55	523	13.20
90+	0	0	0	0	578	1.77	384	9.69
Totals	32,396	100	41,910	100	32,635	100	3,962	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.

Fund's Service Standards

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	1,092	1,090	2	100%
2	Deaths – letter notifying amount of dependants pension	482	426	56	89%
3	Retirements – letter notifying estimate of retirement benefits (Active)	2,027	1,885	142	93%
4	Retirements – letter notifying estimate of retirement benefits (Deferred)	63	56	7	89%
5	Retirements – letter notifying actual retirement benefits (Active)	1,226	1,195	31	98%
6	Retirements – letter notifying actual retirement benefits (Deferred)	2,197	2,078	119	95%
7	Retirements – process and pay pension benefits on time (Active)	1,494	1,296	198	87%
8	Retirements – process and pay pension benefits on time (Deferred)	2,444	1,924	520	79%
9	Deferment – calculate and notify deferred benefits	5,149	4,276	873	84%
10	Transfers in – letter detailing transfer in quote	348	344	4	99%
10a	Transfers in – letter detailing transfer in	229	212	17	93%
11	Transfers out – letter detailing transfer out quote	1014	737	277	73%
11a	Transfers out – letter detailing transfer out	801	518	283	65%
12	Refund – process and pay a refund	2,734	2,697	37	99%
13	Divorce quote – letter detailing cash equivalent value and other benefits	314	285	29	91%
14	Divorce settlement – letter detailing implementation of pension and sharing order	22	11	11	50%
15	Joiners – notification of date of enrolment	3,700	3,636	64	99%
16	Aggregation - Send notification of aggregation options	1,423	707	716	50%

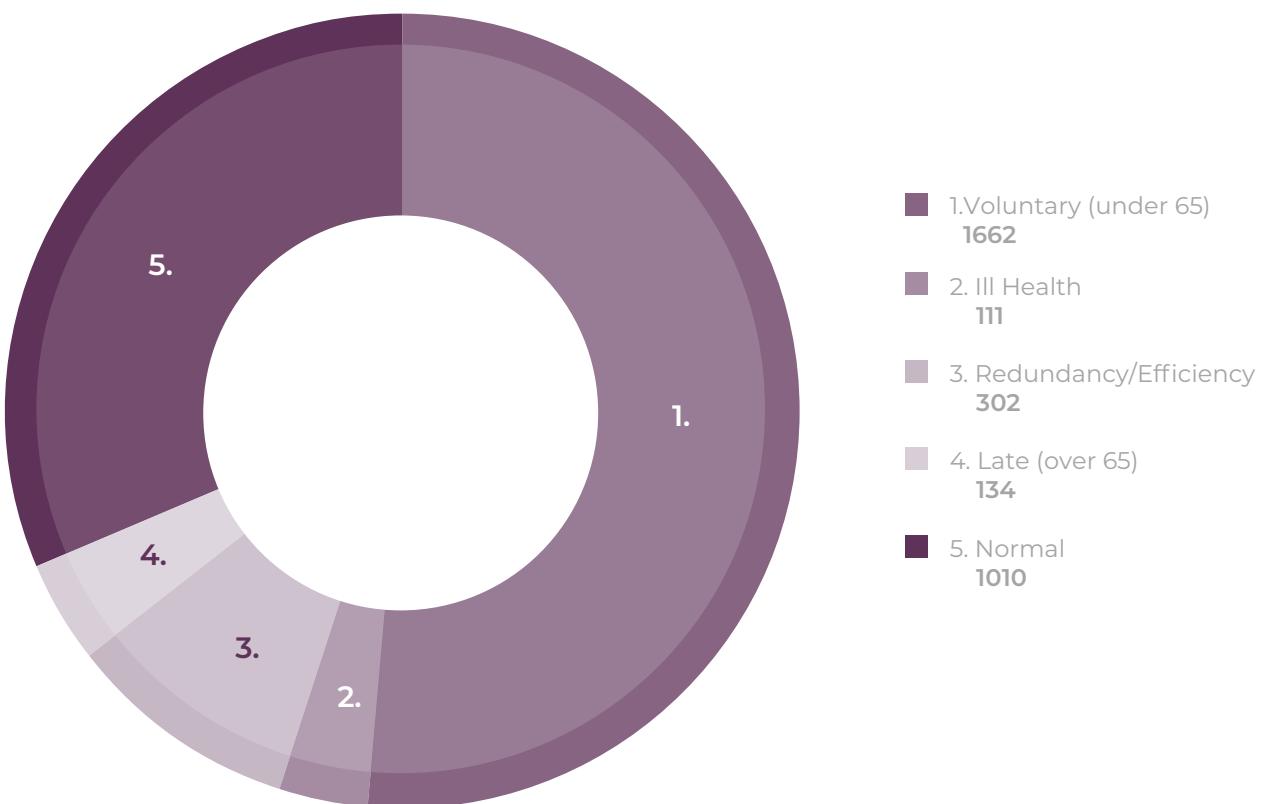


Performance against Legal Disclosure

KPI	Process	Total	Outside KPI		Within KPI		KPI	%	Outside legal target	Within legal target	Legal target	%
			KPI	KPI	KPI	%						
1	Deaths – initial letter acknowledging death of member	1,090	28	1,062	5 Days	98%	1	1,089	2 Months	100%		
2	Deaths – letter notifying amount of dependants pension	426	39	387	10 Days	91%	6	420	2 Months	99%		
3	Retirements – letter notifying estimate of retirement benefits (Active)	1,885	110	1,775	15 Days	95%	18	1,867	2 Months	100%		
4	Retirements – letter notifying estimate of retirement benefits (Deferred)	56	10	46	15 Days	83%	3	53	2 Months	95%		
5	Retirements – letter notifying actual retirement benefits (Active)	830	43	787	15 Days	95%	14	816	2 Months	99%		
6	Retirements – letter notifying actual retirement benefits (Deferred)	1,528	85	1,443	15 Days	95%	14	1,514	2 Months	100%		
7	Retirements – process and pay pension benefits on time (Active)	1,295	12	1,283	15 Days	100%	12	1,283	2 Months	100%		
8	Retirements – process and pay pension benefits on time (Deferred)	1,924	8	1,916	15 Days	100%	8	1,916	2 Months	100%		
9	Deferment – calculate and notify deferred benefits	4,278	135	4,143	40 Days	97%	1134	3,144	2 Months	97%		
10	Transfers in – letter detailing transfer in quote	346	72	274	10 Days	80%	0	346	2 Months	100%		
11	Transfers out – letter detailing transfer out quote	737	0	737	10 Days	100%	0	737	2 Months	100%		
12	Refund – process and pay a refund	2,697	118	2,579	10 Days	96%	118	2,579	2 Months	96%		
13	Divorce quote – letter detailing cash equivalent value and other benefits	285	7	278	15 Days	98%	0	285	3 Months	100%		
14	Divorce settlement – letter detailing implementation of pension and sharing order	11	3	8	50 Days	73%	3	8	3 Months	73%		
15	Joiners – notification of date of enrolment	3,636	6	3,630	40 Days	100%	0	3,636	2 Months	100%		



Retirements including Deferred Benefits (DB's) into payment during 2019/2020





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 - Responsible for:

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

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

The Technical Team are responsible for Pensions Administration Systems, incoming data and correspondence management, Transfer Administration, Communications, Actuarial Reporting, collection 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

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.

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 52.1 full time equivalent (FTE) posts in the Pension Section with 43.9 staff responsible for pensions administration. This equates to a staff to Fund member ratio of one FTE employee to 2,128 based on a total Fund membership of 110,903.

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.

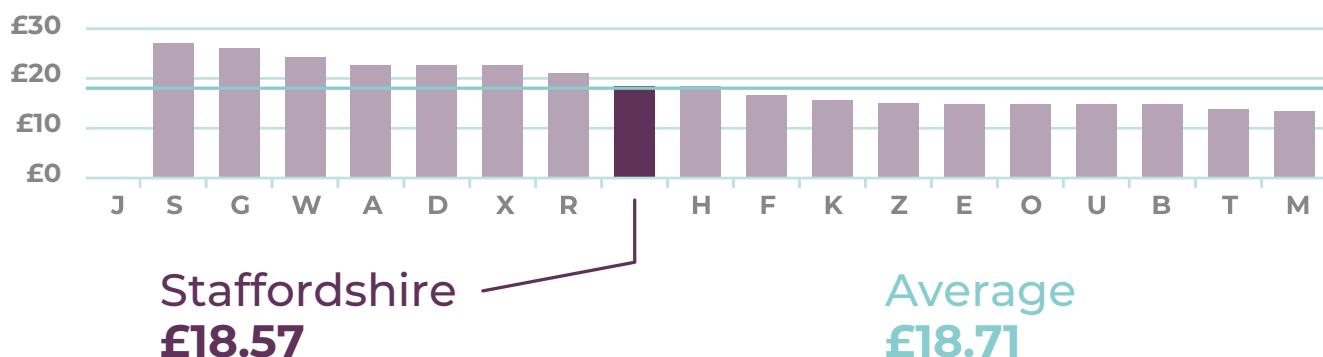
Chartered Institute of Public Finance and Accountancy (CIPFA)

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 £18.57 (2018/2019) compared to the national average of £18.71. The graph below 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.

Admin Cost Per Member



A black and white photograph of a middle-aged man with a beard and glasses, holding a small dog. The man is looking down at the dog with a gentle expression. The dog is looking up at him. The background is a plain, light-colored wall.

Investment Report

+





Global Economic Review

Global equity values rose in the first quarter of 2019/2020, despite a slump in May when an escalation in the US-China trade dispute rekindled the global growth fears of investors. For the quarter ending 30 June 2019, the MSCI All Countries World Index (ACWI) rose 3.6%. The US and European markets modestly outperformed the broader global market, rising by 4.1% and 4.0% (in local currency) respectively. Japan once again underperformed, falling 2.4%, and Emerging Markets only gained 0.2%; this was mainly due to poor performance from China where the market fell by 4.3% (all in local currency). UK Equities were positive for the quarter ending June 2019, helped by the prospect of easier monetary policy around the world. However, Brexit uncertainty continued to affect investor sentiment, with the new UK Prime Minister, Boris Johnson, committing to leaving the European Union (EU) on 31 October 2019. Amid ongoing trade tensions and global growth concerns, investors looked to the safety of government bonds during the quarter. US and German government bond prices increased, reflecting higher demand by investors, but UK government bond prices fell, partly as a result of 'no-deal' Brexit fears.

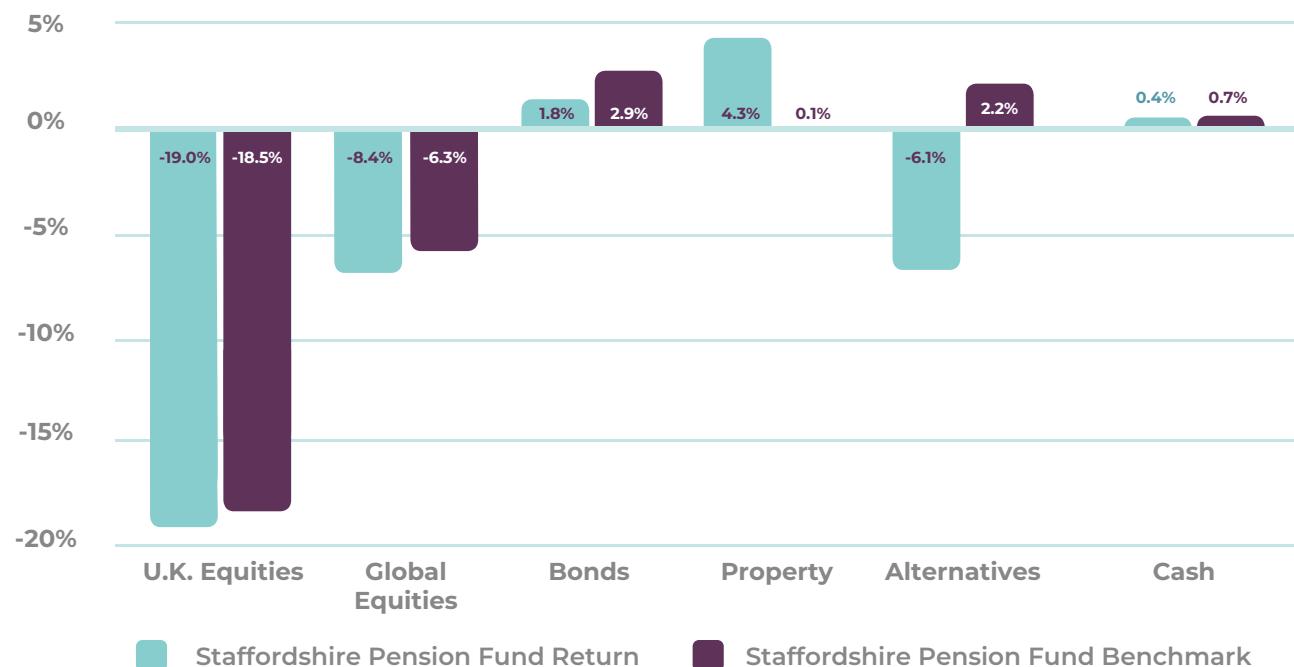
Despite a marked rise in volatility during August, when US-China trade tensions escalated, equity markets made modest gains during the second quarter of 2019/2020. The MSCI All Countries World Index rose +1.1% in local currency terms. Supportive central bank actions helped bolster the confidence of investors during the quarter. In July, the US Federal Reserve cut interest rates for the first time since 2008 and then made a further reduction in September. The European Central Bank (ECB) also trimmed rates and announced new measures aimed at reviving the beleaguered Eurozone economy, including recommencing quantitative easing. Despite facing numerous challenges, UK equities posted positive returns for the quarter. This was helped by the weakening of Sterling, as this increases the earnings of companies that make a large proportion of their profits overseas. Unfortunately, UK commercial property was not able to replicate this and weakened as 2019 progressed; principally due to the prolonged Brexit related political uncertainty which has stifled market activity and affected investor sentiment.

The third quarter of 2019/2020 provided a strong finish to the year, in terms of market performance, with the MSCI All Countries World Index rising 9.0% (in US Dollar terms). Within this, Europe and the US (modestly) underperformed whilst Emerging Market economies outperformed, helped by a strong performance in Argentina and China. Concerns over economic growth, which were prevalent in Q2 2019, dissipated in Q3. This was primarily due to productive talks between the US and China to avoid a trade war. In December 2019 a 'phase one' trade deal was announced between the world's two biggest economies, which the markets welcomed. In the UK, the Conservative party won the General Election in December 2019. The resulting large Conservative majority in the House of Commons, meant the EU Withdrawal Bill was passed in January 2020 and the UK entered a transitional phase with the EU. The Conservative Party have committed to agreeing a trade deal with the EU by 31 December 2020, which at the time was seen by many commentators as an ambitious target.

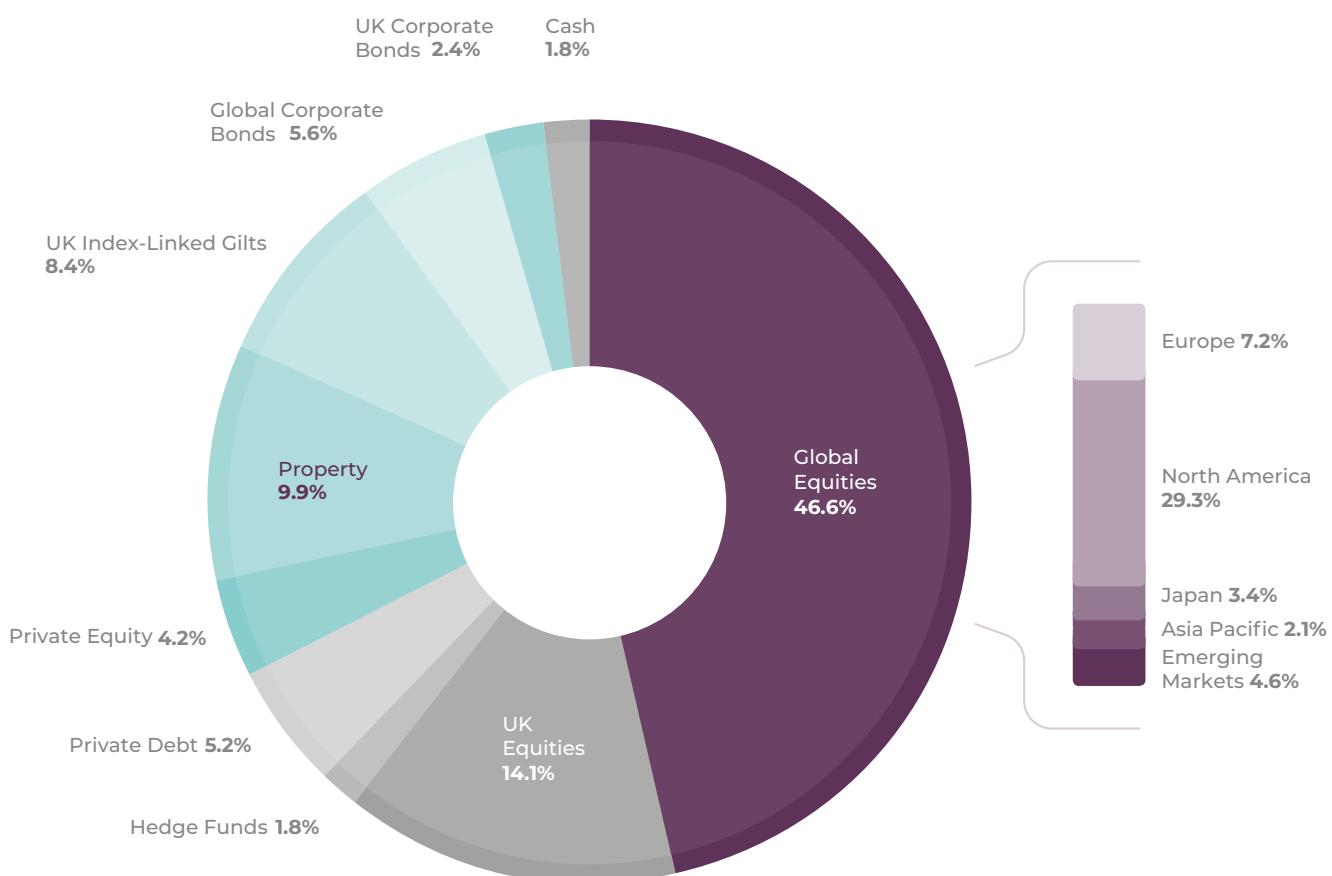
Equity markets recorded their worst quarterly returns since the 2008 global financial crisis during the fourth quarter of 2019/20, as COVID-19 spread from Asia throughout Europe and the US. The world's largest economies entered various degrees of lockdown, heightening fears of an imminent worldwide recession. A measure of calm returned to markets by the end of March, as governments and central banks prepared stimulus packages to mitigate the worst economic effects of the virus. Government responses have been equally unprecedented with immediate rate cuts followed by the announcement of substantial financial packages. In the US the package was worth \$2tr and in the UK nearly 15% of GDP. A number of new schemes were introduced including; furloughing staff, 80% of wages guaranteed by the UK government, business interruption loans, all of which are aimed at softening the blow for businesses of a dramatic and immediate fall in revenues. The oil price also slumped to its lowest level in 18 years, hit by a sharp drop in demand as lockdowns cut consumption while the start of a price war between Saudi Arabia and Russia triggered a surge in supply. After recording an all-time high in February, US equities slumped before recovering some lost ground as the quarter ended.



Major Asset Class Returns for Year Ended 31 March 2020

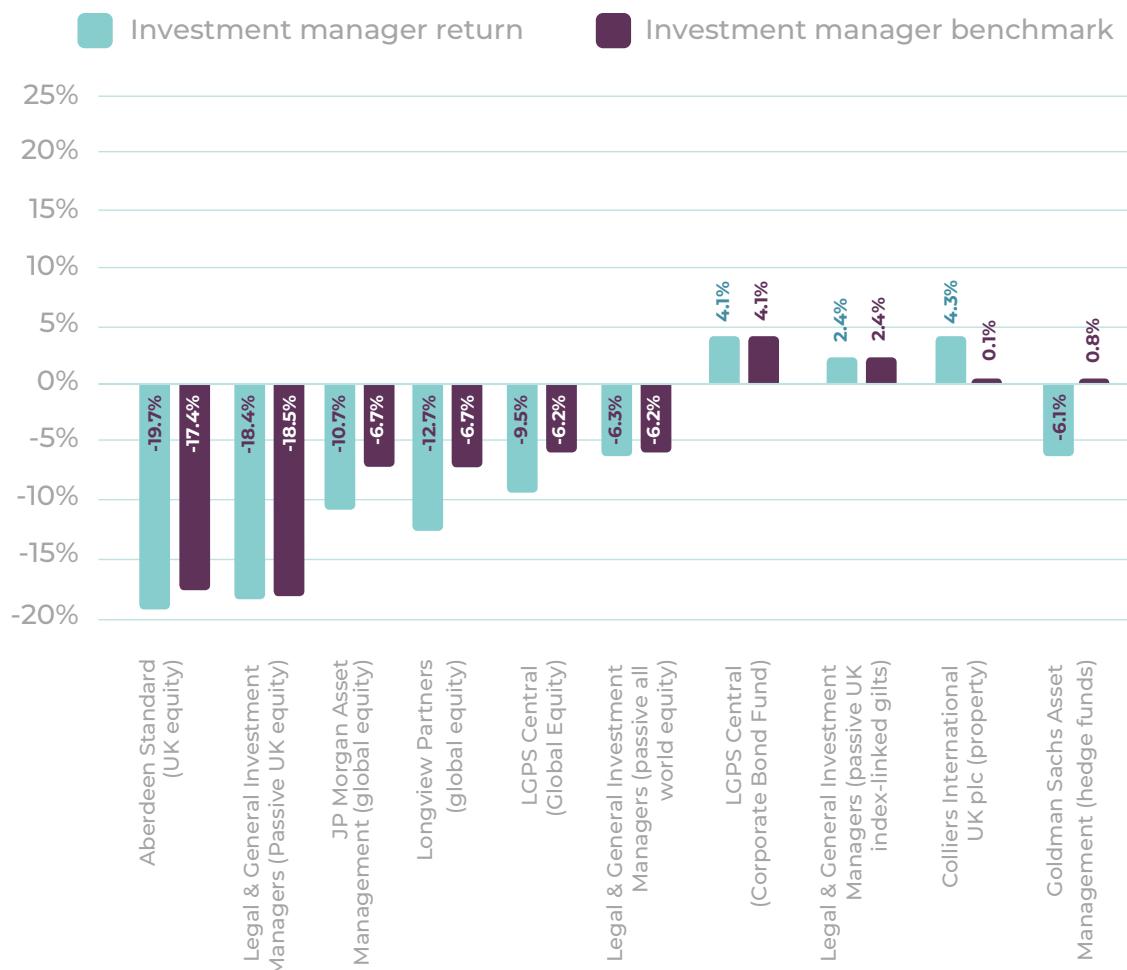


Percentage Breakdown by Investment Type at 31 March 2020





Investment Manager Returns for the Year Ended 31 March 2020



Equities

Equity assets were hit very hard during the final quarter of 2019/2020 due to the global spread of Coronavirus; overall the Funds equity portfolio returned -9.4% against a benchmark of -8.3%. Within equities, global equities returned -8.4% and UK equities -19.0% (see graph on page xx). Across the Fund, equity assets were the worst performing asset class, principally due to their performance in the final quarter of 2019/2020.

Top Ten Equity Holdings

Location	Market Value on 31 March 2020
Microsoft Corp Com	£15,061,021
Apple INC COM STK	£14,850,108
ORACLE CORP COM	£14,436,908
CHARTER COMMUNICATIONS INC	£12,773,841
SANOFI EUR2	£11,573,736
ALLERGAN PLC	£10,986,926
ALPHABET INC CAP STK	£10,583,872
RELX PLC	£10,424,856
IQVIA HLDGS INC COM	£10,063,308
STATE STR CORP COM	£10,060,874



Bonds

During 2019/2020 the Fund's overall bond holding returned 1.8%, below the benchmark return of 2.9%.

The Fund had previously invested in Corporate Bonds on a UK only basis through Insight Investments. During February and March 2020 these holdings were transitioned to an LGPS Central Corporate Bond Multi Manager Authorised Contractual Scheme (ACS) Fund. This will be managed on a 50% UK, 50% Global (excluding UK) basis. Overall for the year, including the effect of the transition, Corporate bonds returned 4.1%, against a benchmark of 4.1%.

The Fund also holds an investment of index-linked Gilts; as these are passively held they returned the same as the benchmark of 2.4%.

Property

The Fund's total property investment return for 2019/2020 was 4.3%, higher than the benchmark of 0.1%.

Most property sectors in the UK produced positive returns with the industrial sector providing the highest returns at 14.5%. At 31 March 2020, the Fund had a 22.8% weighting in the industrial sector.

During the year, the Fund purchased a detached warehouse Unit at Interlink Bardon Business Park in Leicestershire and a property comprising two office buildings on Berners Street and Wells Mews in London for £17.5m and £10.0m respectively for its direct property portfolio.

Largest Direct Property Holdings

Location	Market Value on 31 March 2020
Upper Woburn Place, London	£36,000,000
Stukeley Street, London	£23,800,000
Burwood House, London	£23,400,000
NCP Car Park, Nottingham	£23,100,000
Drum Industrial Estate, Chester-Le-Street	£21,000,000
Unit 9 Revolution Park, Chorley	£20,350,000

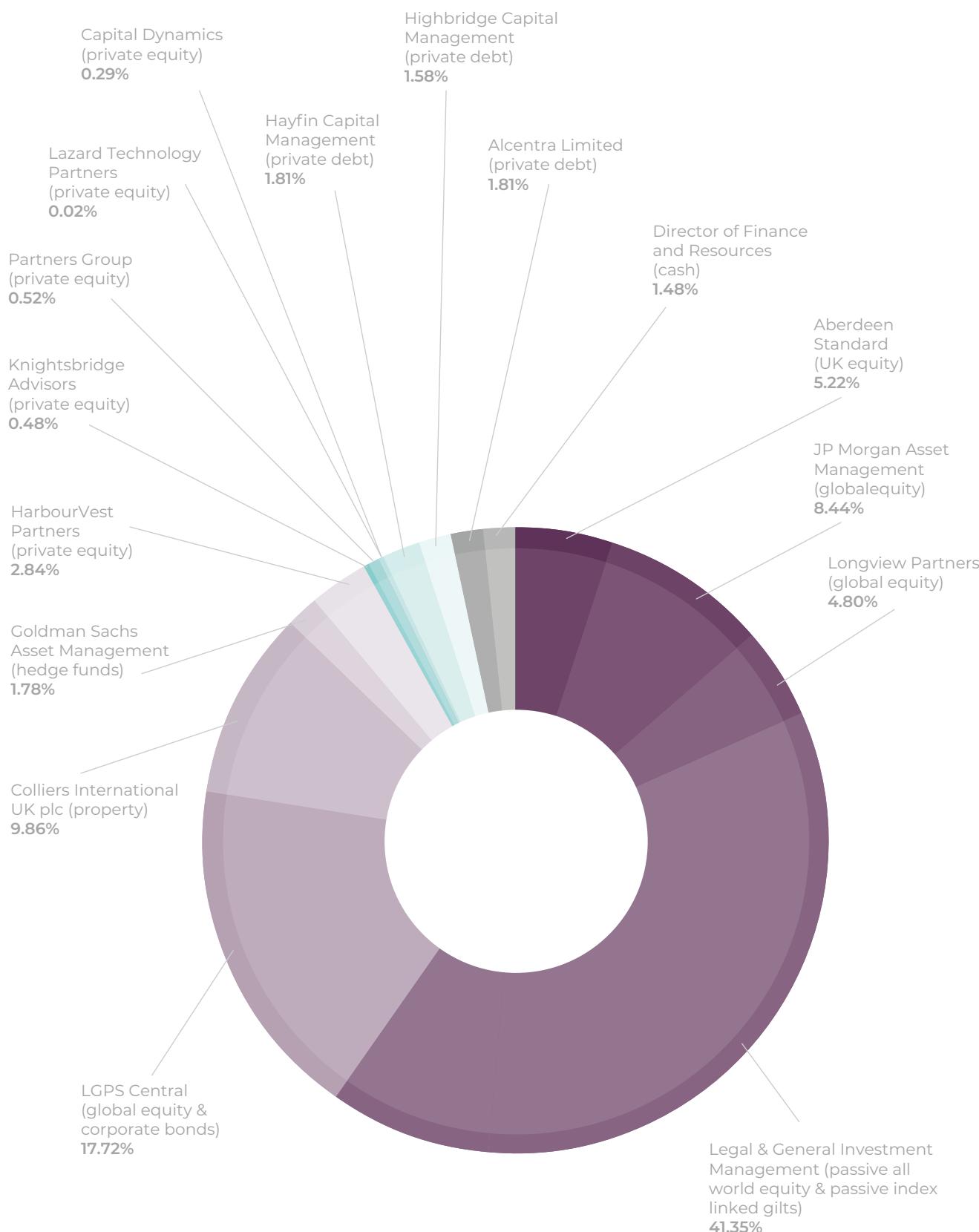
Alternative investments

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 -6.1% in 2019/2020, below the benchmark of 2.2% (see graph on page XX). Within this asset class, Hedge Funds were responsible for the entire performance, returning -6.1% against a 2.2% benchmark, as the Fund is yet to commit to Infrastructure, which forms the other part of the Funds Alternative investments allocation.

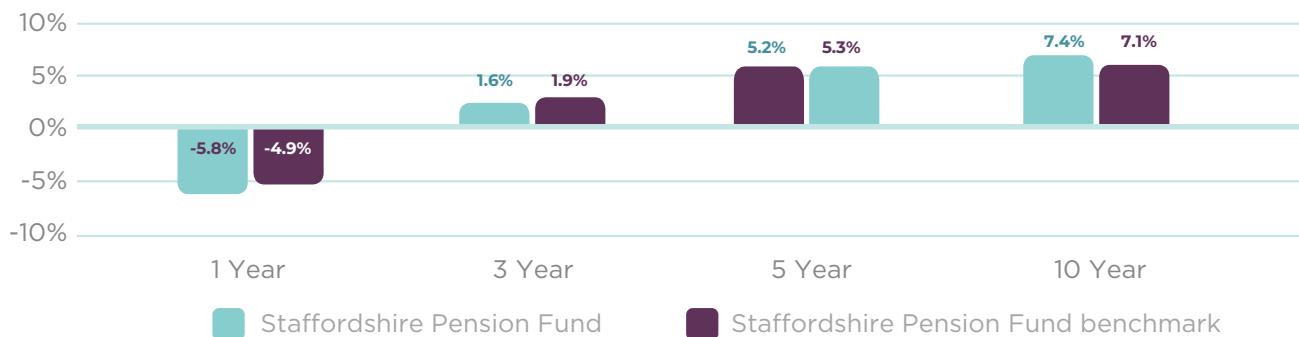


How Much of the Investments Each Manager Looks After (by Market Value at 31 March 2020)



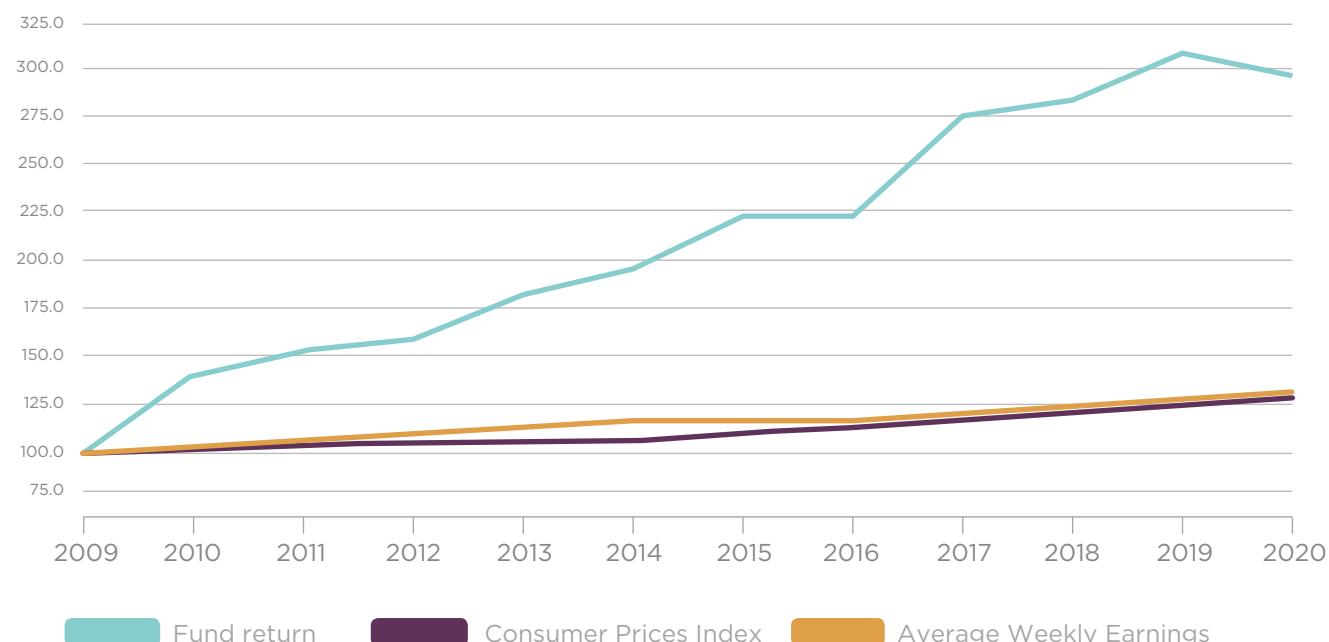


Pensions Fund Investment Returns



For the year ending 31 March 2020, the Fund's total investments made a negative return of -5.8% as a direct result of the fallout from the Covid-19 pandemic. This underperformed against the Fund's benchmark of -4.9% by 0.9% and as a result the Fund value fell to £4.729m.

Investment Performance Versus Inflation and Earnings



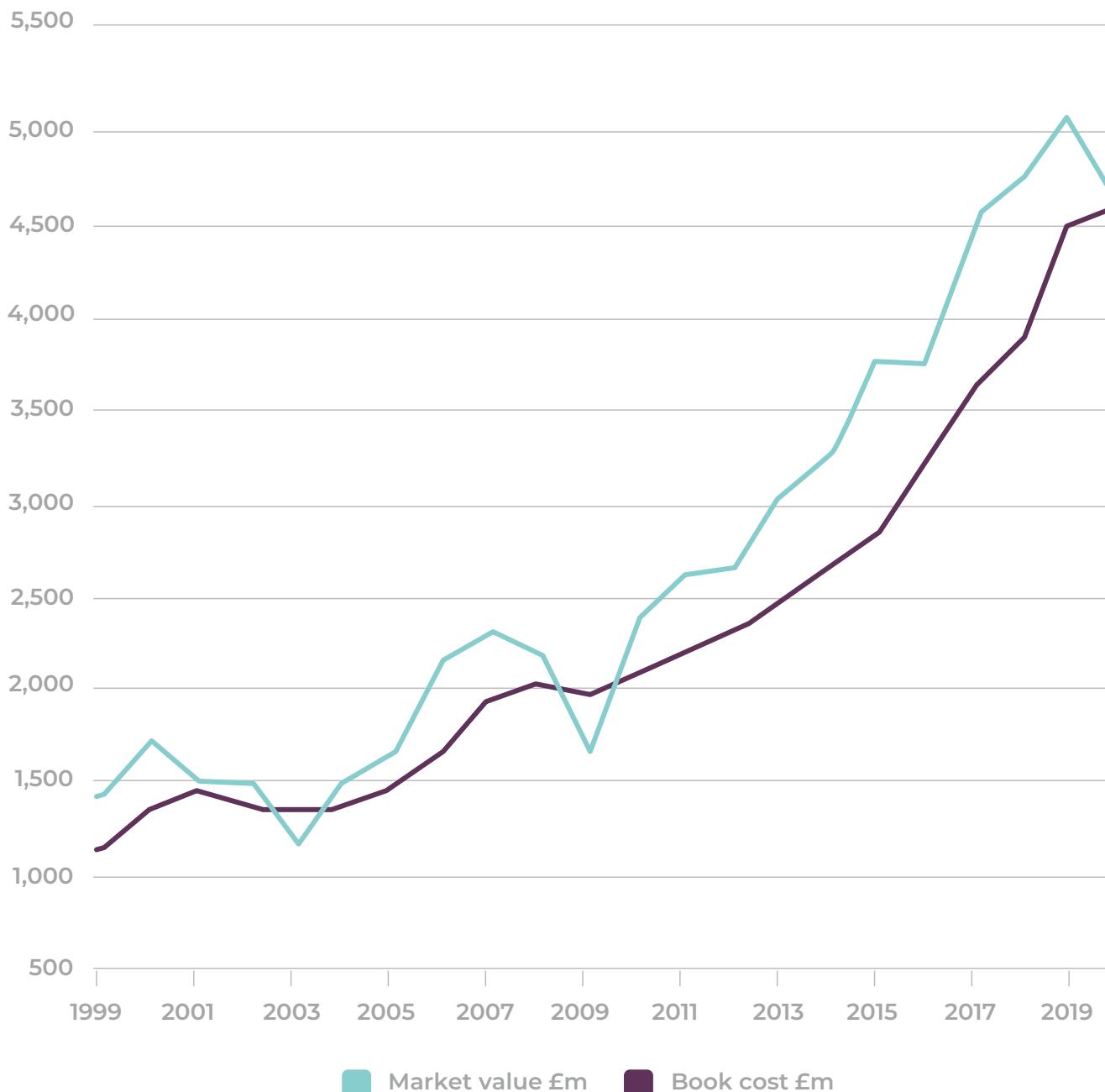
The graph above compares the Fund return over the past 10 years against inflation, in the form of the Consumer Prices Index, and Average Weekly Earnings. The value of all three measures was indexed to 100 at 31 March 2009 and revalued at 31 March every year thereafter.

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 book cost (what we paid for the assets). The graph shows the effect of the 2008/2009 financial crisis on the market value of the Fund and recovery since, cumulating in the effect of the Covid-19 pandemic in the final months of the 2019/2020 financial year.





Responsible Investment Report 2019/2020

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 2019/2020 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.

As per the 2016 regulations, the Pension Fund is now a signatory to the Financial Reporting Council's UK Stewardship Code and has been categorised as a tier 1 signatory (providing a good quality and transparent description of their approach to stewardship). The Fund's Statement of Compliance with the UK Stewardship Code is available on the Pension Fund website www.staffspf.org.uk

The Financial Reporting Council (FRC) recently launched an updated UK Stewardship Code. The Code took effect from 1 January 2020 and aims to improve stewardship practices by setting a substantially higher standard than before. Existing signatories to the Code will be required to submit a Stewardship Report that meets the FRC's new reporting expectations by 31 March 2021, to continue to be listed as signatories to the UK Stewardship Code.

Currently all of the Fund's equity managers are signatories of the UK Stewardship Code. 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.

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 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 to promote RI:

- **After pledging to include the overall reduction of its net carbon footprint in considering executive remuneration outcomes, Royal Dutch Shell Plc published its remuneration report enacting this commitment. As a member of the Climate Action 100+ investor initiative, LAPFF welcomes Royal Dutch Shell's steps in addressing the need to tackle climate change proactively. This is a small but pioneering step towards enabling companies to prepare for a low carbon transition.**



- LAPFF has been engaging with General Motors (GM) and Ford about their approach to climate change and emissions standards following proposed weakening of regulations by the US administration. In June, GM and Ford co-signed a letter to the President urging the US government to negotiate a solution on emissions standards supported by California. LAPFF wrote to both GM and Ford welcoming the move and that while engagement at a federal level has not yet been forthcoming, calling on the companies to continue to work with California to find solutions to reducing greenhouse gases.
- National Grid will be a critical player in delivering the infrastructure needed to decarbonise the UK economy and meet government targets. LAPFF has therefore been engaging the company for a number of years to ensure it is managing the risks of a rapid transition. At this year's AGM, Cllr Glyn Carron welcomed the company's recent progress including its analysis on how net zero carbon emissions could potentially be achieved by 2050 and what this would mean for energy demand and use.
- LAPFF Vice-Chair Cllr Rob Chapman met with Sainsbury's chair, Martin Scicluna and Judith Batchelar, Director of Sainsbury's Brands, to understand better the board's strategy for resilient and sustainable business practices, including plastic reduction, as well as a commitment to work toward a zero carbon business using a just transition approach i.e. encompassing social considerations when moving to low carbon economy.

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 2018/2019. 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	12,975	11,947	831	197
Aberdeen Standard	1,490	1,440	50	0
Longview	475	448	16	11
Legal & General	50,910	42,219	8,426	265
LGPS Central	2,522	2,146	364	12





LGPS
Central



LGPS Central Pool Reporting 2019/2020

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	2019/20 Direct	2019/20 Indirect	2019/20 Total	Cumulative 2014/15 to 2019/20 Total
Set Up Costs				
Recruitment	-	-	-	27
Procurement	-	-	-	2
Professional Fees	-	-	-	187
IT	-	-	-	97
Staff Costs	-	-	-	142
Other Costs				
• 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				
Share Capital	-	-	-	1,315
Debt	-	-	-	685
Other Costs	-	-	-	-
Set-Up Costs After Funding				
Transition fees	-	-	-	2,514
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, 2015/16	2016/17	2017/18	2018/19	2019/20	Cumulative Total
Set-Up Costs Before Funding	-	95	419	-	-	514
Set-Up Costs After Funding	-	95	2,419	-	-	2,514

Transition Costs*

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

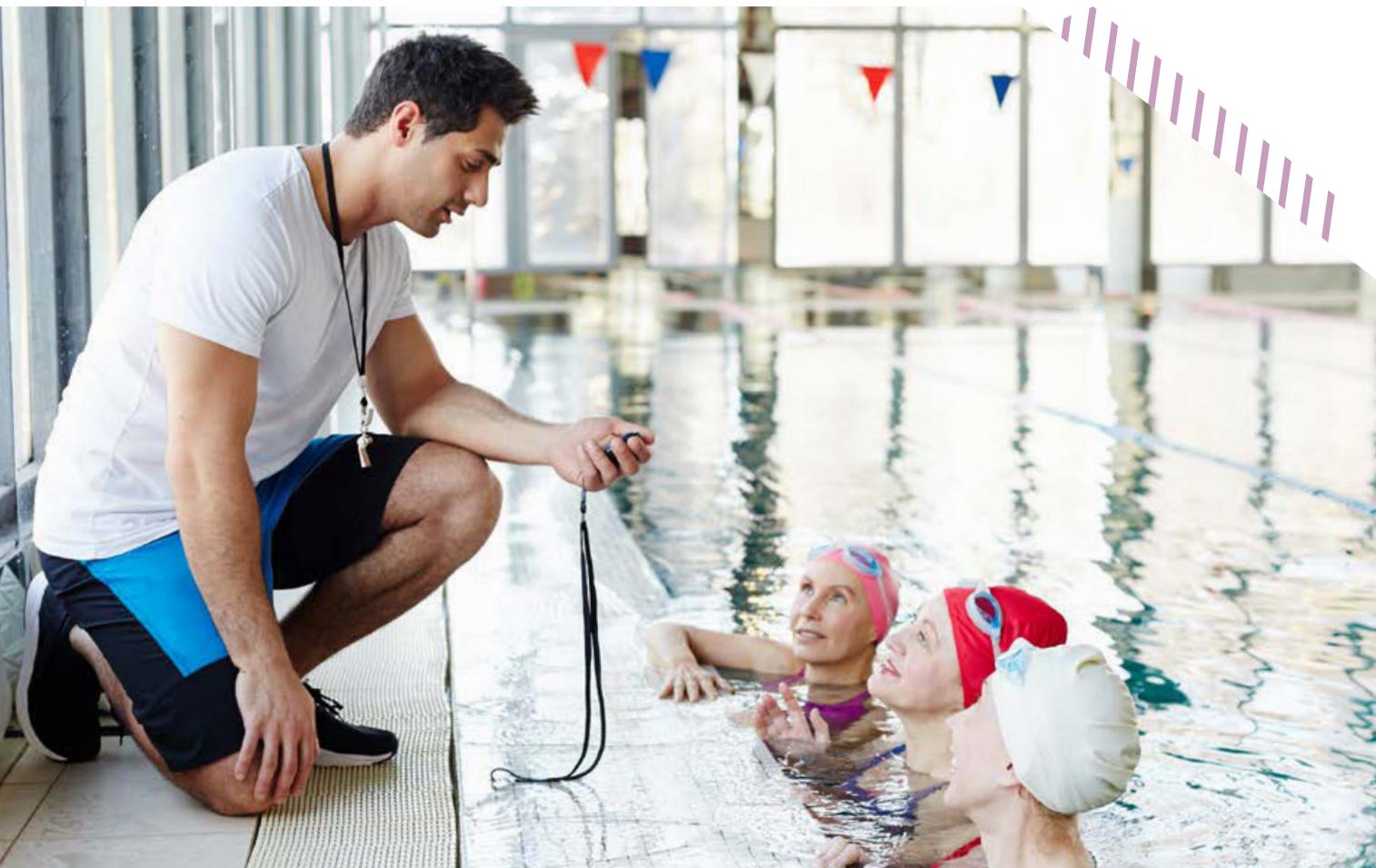
2. Recharges By Staffordshire Pension Fund to LGPSC in respect of Set-Up Costs

£000	At 1 April-19	Recharges in Year	Settled in Year	At 31 March-20
Set-Up Cost Recharges	-	-	-	-

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

£000	At 1 April-19	Charges in Year	Settled in Year	At 31 March-20
Governance Costs	16	216	(192)	40
Operator Costs	41	558	(392)	207
IMMC*	12	37	(31)	18
Product Development Costs	10	159	(109)	60
Product Development Costs	24	-	(24)	-
Total	103	970	(748)	325

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



4. Other Transactions between Staffordshire Pension Fund and LGPSC

£000	At 1 April-19	Charges in Year	Settled in Year	At 31 March-20
Interest Payable	43	36	(43)	36
Total	43	36	(43)	36

5. LGPSC Investment Management Expenses Charged to Staffordshire Pension Fund

£000	Direct	Indirect	Total	BPS Charge
1 Ad Valorem	1,261		1,261	20.84
2 Performance	-		-	-
3 Research	-		-	-
4 PRIIPS Compliance	-		-	-
5 Other	-		-	-
Management Fees	1,261	-	1,261	20.84
6 Commissions	225		225	3.72
7 Acquisition/issue costs	197		197	3.26
8 Disposal costs	-		-	-
9 Registration/filing fees	-		-	-
10 Taxes and Stamp Duty	175		175	2.89
11 Other	-		-	-
• Implicit Costs	2,134		2,134	35.27
Transaction Costs	2,731	-	2,731	45.14
12 Custody/Depositary	59		59	0.98
13 Other				-
• Fund Accounting	10		10	0.17
• Transfer Agent	3		3	0.05
• External Audit	5		5	0.08
• Performance Reporting	4		4	0.07
Total Costs	4,073		4,073	67.32

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

6. Investment Management Expenses by Product / Service

£000	1	2	3	4	5	6	7	8	9	10	11	12	13	Total 2019/20 Costs	AUM At 31 March 2020 £m	2019/20 Bps Charge
Global Multi-Manager	1,242					225				175	2,134	54	17	3,847	457	71.24
Corporate Bonds		12				-	197			-	-	5	5	219	380	39.82
ACS Sub-Funds	1,254	-	-	-	-	225	197	-	-	175	2,134	59	22	4,066	837	
Private Equity 2018 V'tage		7												7	10	7.00
Alternative Vehicles	7	-	-	-	-	-	-	-	-	-	-	-	-	7	10	
Total	1,261	-	-	-	-	225	197	-	-	175	2,134	59	22	4,073	847	67.32

Items 1 – 13 relate to the categories highlighted in data request (5).

7. Asset Under Management & Performance By Product / Service

£000	AUM At 1 April-19 £m	AUM At 31 March-20 £m	One Year Gross Performance %	One Year Net Performance %	Passive Benchmark Used	One Year Passive Index %
Global Multi-Manager	506	457	-9.59%	N/A	FT: All World	-6.22%
Corporate Bonds*	-	380	4.08%	N/A	ICE BofAML Sterling Non-Gilt Index/ ICE BofAML Global Corporate Index	4.14%
ACS Sub-Funds	506	837				
Private Equity 2018 Vintage	10	10				
Alternative Vehicles	10	10				
Total	516	847				

(*) Inception to 31 March 2020

8. Transition Costs

Partner Funds are currently developing the methodology which will be used to quantify transition costs. To assist Partner Funds, LGPS Central have provided the details below which should reconcile the starting unit price of £100 to the unit price when the assets are handed over to the managers. Based on the Global Multi-Manager transition, this will comprise three elements: 1) Out/under performance between assets entering the sub-fund and the point transition commences; 2) Transition costs/implementation shortfall as reported by the Transition Manager; and 3) Out/under performance from commencement of transition up to the assets being transferred to the managers.

Cost Type	2019/2020 Corporate Bonds Actual Cost (%)		
	Main Transition	Run-Off	Total
Direct Costs	0.046%	0.001%	0.047%
Transition Fee	0.045%	0.001%	0.046%
External Commission	0.001%		0.001%
Indirect Costs	0.043%	0.403%	0.446%
Trade Variance	0.041%	0.065%	0.106%
Futures Gain/Loss	-0.150%		-0.150%
Index Offset		0.338%	0.338%
Currency Gain/Loss	0.152%		0.152%
Total Costs	0.089%	0.404%	0.493%





Financial Statements 2019/20

+





Pension Fund account

Staffordshire Pension Fund account for the year ended 31st March 2020

	Notes	2018/2019	2019/2020
		£m	£m
Dealing with members, Employers and others directly involved in the Fund			
Contributions receivable	7	157.1	153.1
Transfers in	8	12.7	9.2
		169.8	162.3
Benefits payable	9	(182.4)	(195.8)
Leavers	10	(19.7)	(20.2)
		(202.1)	(216.0)
Net additions/(withdrawals) from dealings with fund members		(32.3)	(53.7)
Management expenses	11	(20.4)	(20.8)
Net additions/(withdrawals) including fund management expenses		(52.7)	(74.5)
Returns on investments			
Investment income	12	76.7	82.9
Taxes on income	12	(0.3)	(0.3)
Profit and losses on disposal of investments and changes in the value of investments	13a	329.5	(394.6)
Net returns on investments		405.9	(312.0)
Net increase in the net assets available for benefits during the year		353.2	(386.5)
Opening net assets of the Fund		4,777.8	5,131.0
Closing net assets of the Fund		5,131.0	4,744.5



Net assets statement

Net assets statement at 31 March 2020

	Notes	2018/2019	2019/2020
		£m	£m
Long term investments	13/13c	1.3	1.3
Investment assets			
Bonds	13/13c	380.3	0
Equities	13/13c	990.0	857.5
Pooled investment vehicles	13/13c	2,699.6	2,796.8
Pooled Property Investment	13/13c	38.4	50.7
Derivatives	13/13c	1.2	0
Property	13/13c	397.6	415.3
Other investment balances	13c	488.0	535.5
Cash deposits	13/13c	139.9	80.3
		5,135.0	4,736.1
Investment liabilities			
Derivatives	13/13c	(2.4)	0
Other investment balances	13/13c	(2.6)	(2.8)
		(5.0)	(2.8)
Net investment assets	13/13c	5,131.3	4,734.6
Long term assets	18	1.0	1.0
Current assets	18a	18.4	18.3
Long term Liabilities	19	(0.1)	(0.1)
Current liabilities	19a	(19.6)	(19.4)
Net assets of the Fund available to fund benefits at the end of the reporting period		5,131.0	4,744.5

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 48.

The notes on pages 53 to 87 also form part of the Pension Fund financial statements.



Actuarial statement

Staffordshire Pension Fund (“the Fund”)

Actuarial Statement for 2019/20

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 March 2020. 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.

Assumptions

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

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

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

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.2 years	23.6 years
Future Pensioners*	22.1 years	25.0 years

*Aged 45 at the 2019 Valuation.

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

Experience over the period since 31 March 2019

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

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

Laura McInroy FFA

15 May 2020

For and on behalf of Hymans Robertson LLP



Pension Fund accounts reporting requirement

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2019/20 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 2020	31 March 2019
Active members (£m)	2,519	3,808
Deferred members (£m)	1,611	1,593
Pensioners (£m)	2,546	2,274
Total (£m)	6,676	7,675

The promised retirement benefits at 31 March 2020 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.

Note that the above figures at 31 March 2020 include an allowance for the "McCloud ruling", i.e. an estimate of the potential increase in past service benefits arising from this case affecting public service pension schemes.

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 2020 and 31 March 2019. I estimate that the impact of the change in financial assumptions to 31 March 2020 is to decrease the actuarial present value by £668m. I estimate that the impact of the change in demographic and longevity assumptions is to decrease the actuarial present value by £259m.

Financial assumptions

Year ended (% p.a.)	31 March 2020	31 March 2019
Pension Increase Rate	1.9%	2.5%
Salary Increase Rate	2.3%	2.9%
Discount Rate	2.3%	2.4%

Longevity assumptions

Life expectancy is 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 summarised below:

	Males	Females
Current pensioners	21.2 years	23.6 years
Future pensioners (assumed to be aged 45 at the latest formal valuation)	22.1 years	25.0 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 2020	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.5% p.a. increase in the Pension Increase Rate	10%	636
0.5% p.a. increase in the Salary Increase Rate	1%	43
0.5% p.a. decrease in the Real Discount Rate	10%	683

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%.

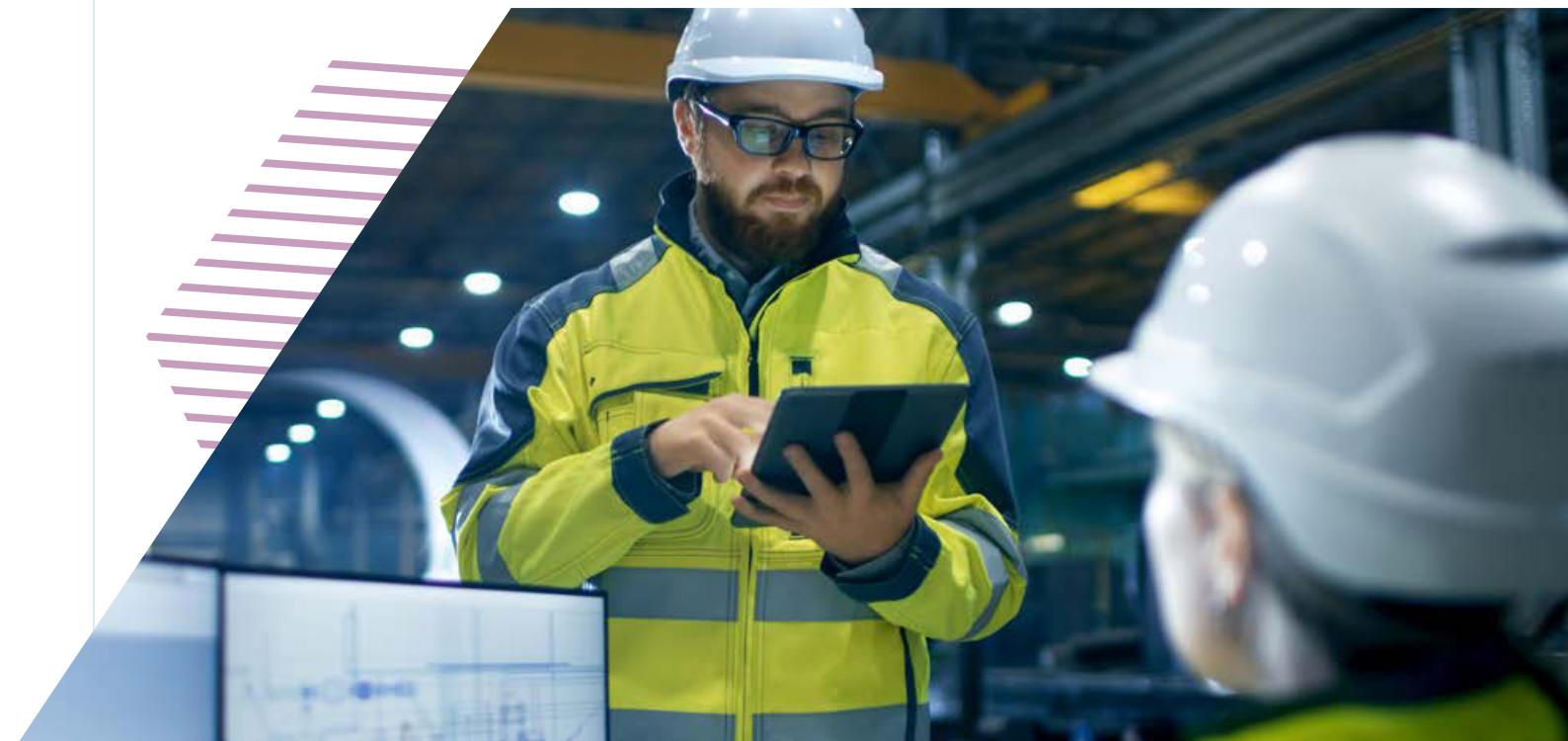
Professional notes

This paper accompanies my covering report titled 'Actuarial Valuation as at 31 March 2020 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.

Laura McInroy FFA

15 May 2020

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 2019/2020 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 110,000 individual members, as detailed in the following table.



Membership of the Fund

	31 March 2019	31 March 2020
Pensionable employees		
Staffordshire County Council	9,049	7,950
Other Employers	23,686	24,446
Total	32,735	32,396
Pensioners		
Staffordshire County Council	17,218	17,777
Other Employers	17,513	18,820
Total	34,731	36,597
Deferred pensioners (people who no longer pay into the scheme)		
Staffordshire County Council	19,726	19,773
Other Employers	21,117	22,137
Total	40,843	41,910
Total number of members in the pension scheme	108,309	110,903

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

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.

The impact of the Coronavirus pandemic on investment markets did adversely affect the performance of investments to 31 March 2020, however investment performance for the first quarter of 2020/21 has improved significantly and is performing better than the actuarially assumed level of return. The latest actuarial funding update shows the Fund remained around 85% funded at 31 March 2020. The vast majority of employers in the Fund are scheduled bodies and have secure public sector funding and as a result are more able to continue to make their pension contributions.

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 shortfall for the year ended 31 March 2020 was £74.5m. The Fund forecasts this shortfall will continue during the going concern period and from April 2020 to 30 April 2022 the cumulative shortfall is forecast to be £33.7m. However, the Fund does have investment income in excess of this paid into the Fund, the amount for 2019/2020 was £82.9m (For details please refer to the Pension Fund Account) and the cumulative cash position at the 31 March 2020 was £65.7m. 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 2020 the Fund held £857m 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. Recognising the increasing maturity of the Fund, with the increasing number of retired and deferred Fund members relative to active Fund members, the investment strategy of the Fund is increasingly considering investment in cash generating assets to address the increase in the operating cash flow shortfall over time.

Considering all of the above the Fund considers it appropriate to prepare the financial statements on a going concern basis for the period to 30 April 2022.

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)'.

The LGPS Central Pool trading company, LGPS Central Limited only became able to trade on 3 April 2018, therefore, reliable trading results and profit forecasts are not yet available. Consequently, the pension fund's view is that the market value of this investment at 31 March 2020 cannot be reasonably assessed and that cost is therefore an appropriate estimate of fair value.

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 2020. 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.

The outbreak of coronavirus has impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value.

Valuations are therefore reported on the basis of 'material valuation uncertainty' as per the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to the valuation.

Investment in LGPS Central Limited

This investment of £1.315m has been valued at cost on the basis that fair value as at 31 March 2020 cannot be reliably estimated. Management have made this judgement because:

- LGPS Central Ltd did not commence trading until 3 April 2018;
- no dividend to shareholders has yet been declared;
- Published trading results are only available for one year, in the Fund's opinion this does not give sufficient enough information to allow fair value to be accurately calculated on a net asset basis.



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 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are shown in the following table.

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

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 £197.1m. There is a risk that this investment may be under or overstated in the accounts. (per Fund's investment advisor +/- 28%).
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 £250.5m. There is a risk that this investment may be under or overstated in the accounts. (per Fund's investment advisor +/- 7%).
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 £84.2m. There is a risk that this investment may be under or overstated in the accounts. (per Fund's investment advisor +/- 15%).
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. The outbreak of coronavirus has impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value. Valuations are therefore reported on the basis of 'material valuation uncertainty' as per the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to the valuation.	The total value of all property in the financial statements is £466.0m. There is a risk that this investment may be under or overstated in the accounts. (per Fund's investment advisor +/- 14%).



6. Events after the reporting period

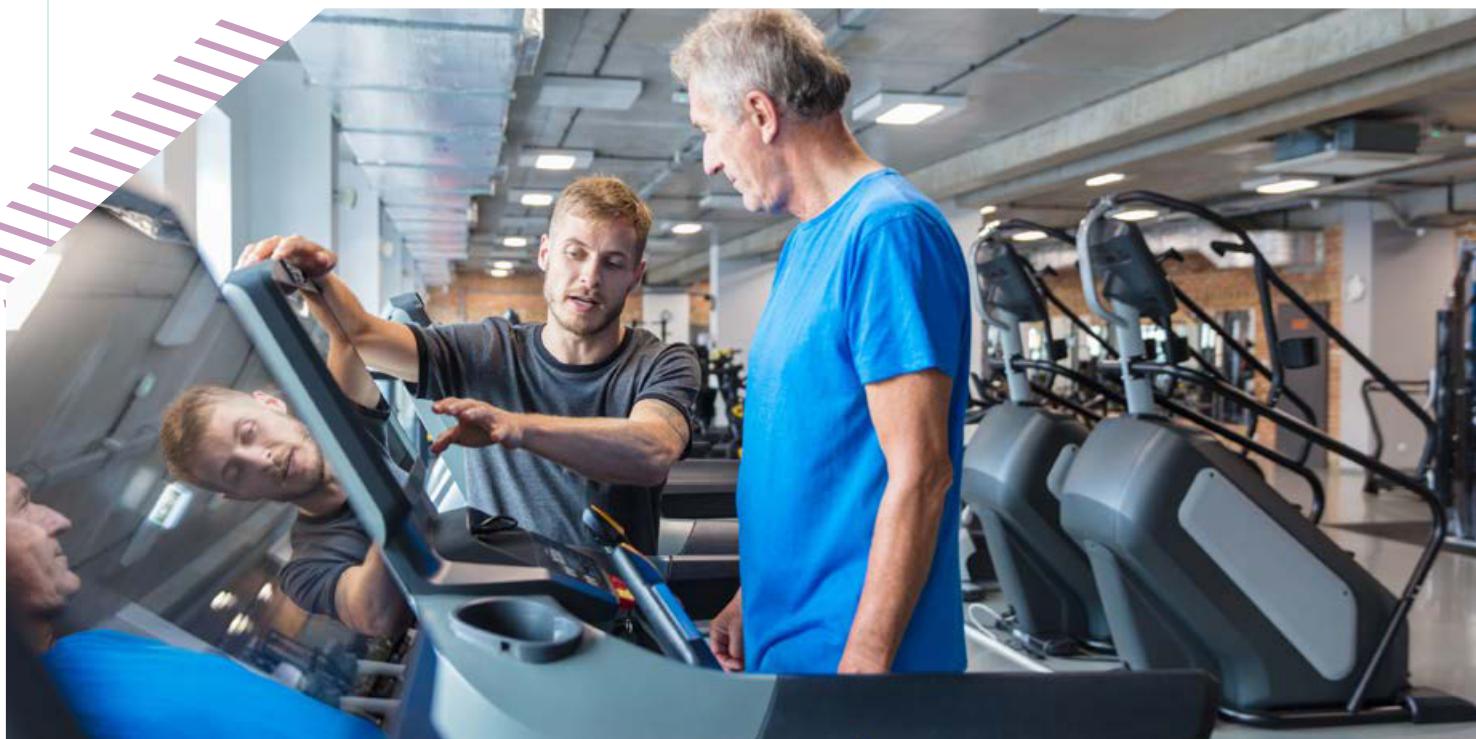
The Fund is not aware of any post reporting period events impacting on the statement of accounts or statement of accounts.

7. Contributions receivable

	2018/2019	2019/2020
	£m	£m
Employers		
Normal	114.6	109.8
Actuarial strain	7.3	8.1
Deficit recovery contributions	0.0	0.0
Scheme members		
Normal	35.2	35.2
Total	157.1	153.1

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

	2018/2019	2019/2020
	£m	£m
Staffordshire County Council		
Staffordshire County Council	39.7	39.8
Scheduled bodies	98.7	100.9
Admitted bodies	18.7	12.4
Total	157.1	153.1





8. Transfers in

	2018/2019	2019/2020
	£m	£m
Individual transfers in from other schemes	11.3	9.2
Group transfers in from other schemes	1.4	0
Total	12.7	9.2

9. Benefits payable

	2018/2019	2019/2020
	£m	£m
Pensions	143.3	151.6
Commutations and lump-sum retirement benefits	34.8	40.8
Lump-sum death benefits	4.2	3.4
Total	182.3	195.8

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

	2018/2019	2019/2020
	£m	£m
Staffordshire County Council	70.3	76.3
Scheduled bodies	92.4	101.1
Admitted bodies	19.6	18.4
Total	182.3	195.8

10. Payments to and on account of leavers

	2018/2019	2019/2020
	£m	£m
Individual transfers to other schemes	18.3	19.4
Group transfers to other schemes	0.7	0
Payments for members joining / (leaving) state scheme	0.1	0.1
Refunds to members leaving service	0.6	0.7
Total	19.7	20.2



11. Management expenses

	2018/2019	2019/2020
	£m	£m
Administration expenses	2.2	2.8
Investment management expenses (see note 11a)	16.5	16.4
Oversight and governance costs	1.7	1.6
Total	20.4	20.8

Included within oversight and governance costs are the Fund's external audit costs of £0.02m for 2019/2020 (£0.03m for 2018/2019).

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:

	2018/2019	2019/2020
	£m	£m
Transaction costs	0.8	0.7
Management fees	14.7	14.8
Performance related fees	0.9	0.8
Custody fees	0.1	0.1
Total	16.5	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

	2018/2019	2019/2020
	£m	£m
Bonds	15.5	7.6
Dividends from equities	28.2	24.7
Income from pooled investment vehicles	1.4	8.4
Rents from property	18.7	21.4
Interest on cash deposits	1.2	1.0
Stock lending	0.2	0.2
Private Debt	10.6	15.6
Other	0.9	4.0
	76.7	82.9
Withholding tax we cannot recover	(0.3)	(0.3)
Total	76.4	82.6



12a. Directly held property fund account

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

	2018/2019	2019/2020
	£m	£m
Rental income	18.7	21.4
Direct operating expenses	(2.3)	(3.1)
Net income	16.4	18.3

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

13. Pension Fund investments 2019/2020

	31 March 2019	31 March 2020
	£m	£m
Long term investments		
Equities	1.3	1.3
Investment assets		
Bonds	380.3	0
Equities	990.0	857.5
Pooled investment vehicles	2,699.6	2,796.8
Pooled Property Investments	38.4	50.7
Derivatives	1.2	0
Property (see Note 13e)	397.6	415.3
Private equity	179.8	197.1
Private debt	206.5	250.5
Hedge funds	89.6	84.2
Cash	139.9	80.3
Outstanding dividend entitlements and recoverable withholding tax	11.1	1.2
Amount receivable for sales of investments	1.0	2.5
Total Investment assets	5,135.0	4,736.1
 Investment liabilities		
Derivatives	(2.4)	0
Amounts payable for purchases of investments	(2.6)	(2.8)
Total Investment liabilities	(5.0)	(2.8)
 Net Investment assets	5,131.3	4,734.6

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



13a. Investment reconciliation

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
Equities	991.3	438.9	(401.0)	(170.4)	858.8
Pooled investment vehicles	2,699.6	541.2	(219.7)	(224.3)	2,796.8
Pooled Property Investments	38.4	14.9	0	(2.6)	50.7
Derivatives	(1.1)	1,752.1	(1,749.3)	(1.7)	0
Property	397.6	29.8	0	(12.1)	415.3
Other	475.9	108.4	(50.5)	(2.0)	531.8
	4,981.9	2,925.2	(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 previous years data is provided below:

Period 2018/2019

	Value at 1 April 2018	Purchases at cost	Sales proceeds	Change in market value	Value at 31 March 2019
	£m	£m	£m	£m	£m
Bonds	367.7	46.6	(38.3)	4.3	380.3
Equities	920.6	429.2	(407.2)	48.7	991.3
Pooled investment vehicles	2,544.5	2,933.9	(3,008.9)	230.1	2,699.6
Pooled Property Investments	33.4	3.3	0.0	1.6	38.4
Derivatives	1.6	1,830.4	(1,826.0)	(7.2)	(1.2)
Property	352.7	46.7	(0.2)	(1.5)	397.6
Other	364.3	98.6	(31.9)	44.9	475.9
	4,584.8	5,388.7	(5,312.5)	320.9	4,981.9
External cash deposits (central cash)	148.7				99.7
Investment manager cash	31.8			8.6	40.2
	4,765.3			329.5	5,121.8
Outstanding dividend entitlements and recoverable withholding tax	10.2				11.1
Amount receivable for sales of investments	11.9				1.0
Amounts payable for purchases of investments	(12.5)				(2.6)
Net Investment assets	4,774.9				5,131.3

The Fund holds the following pooled investments that exceed 5% of the total value of net assets at 31 March 2020 (also at 31 March 2019):

- **LGIM, passive UK equity - £288.5m or 6.1% (£354.1m or 6.9%)**
- **LGIM, passive global equity - £1,269.8m or 26.8% (£1,329.7m or 26.0%)**
- **LGIM, passive index-linked gilts - £397.4m or 8.4% (£388.1m or 7.6%)**
- **LGPS Central, active global equity - £456.6m or 9.6% (£505.1m or 9.9%)**
- **LGPS Central, active corporate bonds - £380.5m or 8.0% (£0m or 0.0%)**

As at 31 March 2020 (also at 31 March 2019) the Fund was committed to the following contractual commitments:

- **£131.2m of contractual commitments for private equity investments (£99.6m)**
- **Investment in a UK pooled property fund of £15.0m (£14.1m)**
- **£186.7m of private debt investments (£177.6m)**



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 2019		31 March 2020	
		£m	%	£m	%
Investments managed by LGPS Central Limited					
LGPS Central Limited Global Equity Active Multi Manager Fund		505.1	10%	837.1	18%
LGPS Central Limited		1.3	0%	1.3	0%
		506.4	10%	838.4	18%
Investments managed outside of LGPS Central Limited					
Insight Investment (corporate bonds)		392.6	7%	0.7	0%
Standard Life Investments (UK equity)		306.1	6%	246.7	5%
JP Morgan Asset Management (global equity)		447.4	9%	399.2	8%
Longview Partners (global equity)		263.0	5%	227.0	5%
Legal & General Investment Management (passive UK index-linked gilts)		388.1	8%	397.4	8%
Legal & General Investment Management (passive all world equity)		1,683.7	33%	1,558.3	33%
Russell Investments (emerging markets equity)		117.8	2%	0	0%
Colliers International UK Plc (property)		436.3	9%	466.2	10%
HarbourVest Partners (private equity)		128.9	3%	134.4	4%
Knightsbridge Advisors (private equity)		21.0	0%	22.9	0%
Partners Group (private equity)		20.4	0%	24.4	0%
Lazard Technology Partners (private equity)		0.9	0%	0.9	0%
Capital Dynamics (private equity)		8.6	0%	13.8	0%
LGPS Central (private equity)		0	0%	0.8	0%
Hayfin Capital Management (private debt)		69.7	1%	90.3	2%
Highbridge Capital Management (private debt)		57.3	1%	74.7	2%
Alcentra Limited (private debt)		79.5	2%	85.6	2%
Goldman Sachs Asset Management (hedge funds)		89.6	2%	84.2	2%
Director of Finance and Resources (central cash)		104.5	2%	68.0	1%
		4,615.4	90%	3,895.4	82%
		5,121.8	100%	4,733.8	100%



13c. Analysis of Investments

	31 March 2019		31 March 2020	
	£m	%	£m	%
Long term investments				
UK equities unquoted				
	1.3	0%	1.3	0%
Investment assets				
Bonds				
UK corporate quoted	176.1	3%	0	0%
Global corporate quoted	204.2	4%	0	0%
	380.3	7%	0	0%
Equities				
UK quoted	341.7	7%	274.4	6%
Global quoted	648.3	12%	583.1	12%
	990.0	19%	857.5	18%
Pooled investment vehicles				
Unit Trusts				
Standard Life UK Equity	4.9	0%	4.1	0%
Russell Emerging Markets	117.8	2%	0	0%
Unitised Insurance Policies				
LGIM UK Equity	354.1	7%	288.5	6%
LGIM UK Index Linked Gilts	388.0	8%	397.4	8%
LGIM Global Equity	1,329.7	26%	1,269.8	27%
Other Managed Funds				
LGPS Central Global Equity Fund	505.1	10%	456.6	10%
LGPS Corporate Bond Fund	0	0%	380.5	8%
	2,699.6	53%	2,796.9	60%
Derivatives (see note 14)				
Forward foreign currency	0.1	0%	0.0	0%
Futures	1.1	0%	0.0	0%
	1.2	0%	0.0	0%
Property				
UK directly held property	397.6	8%	415.3	9%
UK pooled property funds	38.4	1%	50.7	1%
	436.0	9%	466.0	10%
Other				
Private equity	179.8	3%	197.1	4%
Private debt	206.5	4%	250.5	5%
Hedge funds	89.6	2%	84.2	2%
	475.9	9%	531.8	11%



	31 March 2019		31 March 2020	
	£m	%	£m	%
Cash				
External deposits	99.7	2%	62.9	1%
Investment manager cash (Sterling £)	29.3	1%	6.7	0%
Investment manager cash (non Sterling £)	10.9	0%	10.7	0%
	139.9	3%	80.3	1%
	5,124.2	100%	4,733.8	100%
Outstanding dividend entitlements and recoverable withholding tax	11.1		1.2	
Amount receivable for sales of investments	1.0		2.5	
Total Investment assets	5,136.3		4,737.5	
Investment liabilities				
Derivatives (see note 14)				
Forward foreign currency	(1.0)		0	
Futures	(1.4)		0	
	(2.4)		0	
Amounts payable for purchases of investments	(2.6)		(2.8)	
Total Investment liabilities	(5.0)		(2.8)	
Net Investment assets	5,131.3		4,734.7	

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 2019	31 March 2020
	£m	£m
Equities - UK	54.3	34.8
Equities - Global	59.9	26.6
Fixed interest - UK	1.1	0.0
Fixed interest - Global	8.1	0.0
	123.4	61.4

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 2019 the Fund held £66.8 million (£130.6 million at 31 March 2019) 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 2020, (£0.2 million for year ending 31 March 2019). 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 £466.0m at 31 March 2020 (£436.0m at 31 March 2019), of which £415.3m was in directly held property (£397.6 at 31 March 2019). 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 2020 they have stated that the valuations are reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case.

Transaction costs for directly held property in 2019/2020 were £3.1m (£2.5m in 2018/2019).

	2018/2019	2019/2020
	£m	£m
Balance at start of year	352.7	397.6
Purchases at cost	46.7	29.8
Sale proceeds	(0.2)	(0.0)
Change in market value	(1.6)	(12.1)
Balance at 31 March	397.6	415.3

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.

During 2019/2020 the Fund in-specie transferred £420.1m of assets managed by Insight Investment Management into the LGPS Central Global Active Investment Grade Corporate Bond Multi-Manager Fund. This has resulted on no futures contracts being held directly by the Fund at 31 March 2020 and reduced forward foreign currency contracts.

Forward foreign currency contracts

To maintain appropriate diversification a significant proportion of the Fund's quoted equity holdings is in overseas stock markets. To reduce the volatility associated with fluctuating currency rates, the Fund hedges a proportion of the US 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 2019	Cost Purchase Settled only	Proceed Sales Settled only	Change in Market Value	31 March 2020
	£m	£m	£m	£m	£m
	Total	(0.9)	(1,732)	1,734	(0.7)



	31 March 2019		31 March 2020	
	Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m
Euro	0.1	0.0	0.0	0.0
United States Dollar	0.0	(1.0)	0.0	0.0
	0.1	(1.0)	0.0	0.0

Futures contracts

Futures contracts are used to manage interest rate risk. All are traded on a stock exchange and are listed below at 31 March.

The Fund invested in fixed-rate corporate bonds denominated in Sterling, US dollars and Euros. In order to avoid taking duration risk in relation to movements in US dollar and Euro based interest rates, positions were taken in the corresponding government bond futures.

	Nominal Value	31 March 2019		31 March 2020	
		Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m	£m
Euro Bund Future (Euro €) - June 2019	14.4	0.0	(0.3)	0.0	0.0
Long Gilt Future (Sterling £) - June 2019	63.9	1.1	0.0	0.0	0.0
US 10 year Note (US \$) - June 2019	55.7	0.0	(0.9)	0.0	0.0
US 5 year Note (US \$) - June 2019	15.3	0.0	(0.2)	0.0	0.0
US 10 year Ultra (US \$) - June 2019	1.4	0.0	(0.0)	0.0	0.0
Euro Bund Future (Euro €) - June 2020	14.4	0.0	0.0	0.0	0.0
Long Gilt Future (Sterling £) - June 2020	63.9	0.0	0.0	0.0	0.0
US 10 year Note (US \$) - June 2020	55.7	0.0	0.0	0.0	0.0
US 5 year Note (US \$) - June 2020	15.3	0.0	0.0	0.0	0.0
US 10 year Ultra (US \$) - June 2020	1.4	0.0	0.0	0.0	0.0
		1.1	(1.4)	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	When considering the fair value of assets which are not at the reporting date, the price of a recent transaction for an identical asset provides evidence of fair value	Not required
Unquoted Equities	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2012	<ul style="list-style-type: none"> - (EBITDA) multiple - Revenue multiple - Discount for lack of Marketability - Control premium 	Valuations could be affected by post balance sheet events, changes to expected cashflows, or by any differences between audited and unaudited accounts
Freehold and leasehold properties	Level 3	Valued at fair value by Savills in accordance with International Valuation Standards and RICS Valuation Standards	<ul style="list-style-type: none"> - Existing lease terms rentals - Independent market research - Covenant strength for existing tenants - Assumed vacancy levels - Estimated rental growth - Discount rate 	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices
Pooled property funds	Level 3	The Funds ownership share in property limited partnerships is applied to the partnership net assets. The net assets are based on the fair value of the underlying investment properties in accordance with International Valuation Standards and RICS Valuation Standards	<ul style="list-style-type: none"> - Existing lease terms rentals - Independent market research - Covenant strength for existing tenants - Assumed vacancy levels - Estimated rental growth - Discount rate 	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices



15. Fair value - basis of valuation (continued)

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Private equity	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2012	<ul style="list-style-type: none"> - EBITDA multiple - Revenue multiple - Discount for lack of marketability - Control Premium 	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts (see Note 4)
Private debt	Level 3	Valued at fair value in accordance with International Valuation Standards and investment managers valuation policy	<ul style="list-style-type: none"> - Comparable valuation of similar assets - EBITDA multiple - Revenue multiple - Discounted cash flows - Enterprise value estimation 	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts
Hedge funds	Level 3	Closing bid price and offer prices are published	NAV-based pricing set on a forward pricing basis	Valuations are effected by any changes to the value of the financial instrument being hedged.
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 2020.

Asset type	Assessed valuation range	31 March	Value on increase	Value on decrease
		2020	£m	£m
	%	£m	£m	£m
UK equities unquoted	22%	1.3	1.6	1.0
Freehold and leasehold properties	14%	415.3	473.5	357.2
Pooled property funds	14%	50.7	57.7	43.6
Private equity	28%	197.1	252.4	141.9
Private debt	7%	250.5	268.0	233.0
Hedge funds	15%	84.2	96.8	71.5
		999.1	1,150.0	848.2

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 2020	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£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



The previous years data is provided below:

31 March 2019	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Financial assets				
Designated as fair value through profit and loss	1,371.4	2,699.7	515.6	4,586.7
Non-financial assets at fair value through profit and loss (See note 13e)	0.0	0.0	397.6	397.6
Financial liabilities				
Designated as fair value through profit and loss	(1.4)	(1.0)	0.0	(2.4)
	1,370.0	2,698.7	913.2	4,981.9

15b. Reconciliation of fair value measurements within level 3

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

The previous years data is provided below:

Period 2018/2019	Market Value 1 April 2018	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Unrealised gains / (Losses)	Realised gains / (Losses)	Market Value 31 March 2019
	£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	352.7	46.7	(0.2)	(0.3)	(1.3)	397.6
Pooled property funds	33.4	3.3	0.0	1.7	0.0	38.4
Private equity	141.6	32.5	(28.8)	20.9	13.6	179.8
Private debt	134.5	66.1	(3.1)	9.0	0.0	206.5
Hedge funds	88.2	0.0	0.0	1.4	0.0	89.6
	751.7	148.6	(32.1)	32.7	12.3	913.2



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 2019/2020.

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 2020	£m	£m	£m	£m
Financial assets				
Bonds	0.0	0.0	0.0	0.0
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	83.1	0.0	83.1
Other investment balances	531.8	3.7	0.0	535.1
Derivatives	0.0	0.0	0.0	0.0
Long term assets	0.0	1.0	0.0	1.0
Current assets	0.0	15.5	0.0	15.5
	4,238.1	103.3	0.0	4,341.4
Financial liabilities				
Derivatives	0.0	0.0	0.0	0.0
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	103.3	(12.3)	4,329.1



16. Classification of financial instruments (continued)

The previous years data is provided below:

	Designated as fair value through profit and loss	Financial Assets at amortised cost	Financial liabilities at amortised cost	Total
31 March 2019	£m	£m	£m	£m
Financial assets				
Bonds	380.3	0.0	0.0	380.3
Equities	991.3	0.0	0.0	991.3
Pooled investment vehicles	2,699.6	0.0	0.0	2,699.6
UK pooled property funds	38.4	0.0	0.0	38.4
Cash	0.0	142.3	0.0	142.3
Other investment balances	475.9	12.1	0.0	488.0
Derivatives	1.2	0.0	0.0	1.2
Long term assets	0.0	1.0	0.0	1.0
Current assets	0.0	16.1	0.0	16.1
	4,586.7	171.5	0.0	4,758.2
Financial liabilities				
Derivatives	(2.4)	0.0	0.0	(2.4)
Other investment balances	0.0	0.0	(2.6)	(2.6)
Long term Liabilities	0.0	0.0	(0.1)	(0.1)
Current liabilities	0.0	0.0	(19.6)	(19.6)
	(2.4)	0.0	(22.3)	(24.7)
	4,584.3	171.5	(22.3)	4,733.5

16b. Net gains on financial instruments

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

	31 March 2019	31 March 2020
	£m	£m
Financial assets		
Designated as fair value through profit and loss	322.5	(391.2)
Amortised cost	8.6	8.7
	331.1	(382.5)



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 2019/2020 financial year. The potential market movement figures also allow for interest rate and currency rate fluctuations.

Asset type	Possible market movements	
UK equity	+/-	22%
Global equity	+/-	21%
Private equity	+/-	28%
Private debt	+/-	7%
UK fixed interest bonds	+/-	8%
UK index-linked bonds	+/-	7%
Corporate bonds	+/-	9%
Cash	+/-	0%
UK Commercial property	+/-	14%
Hedge funds	+/-	15%



This movement in the market prices would increase or decrease the net assets at 31 March 2020 to the amounts shown 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	141.9
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	1.1	0%	1.1	1.1
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)
	4,329.1		5,139.3	3,519.0



The previous years data is provided below:

Asset type	31 March 2019	Percentage change (+/-)		Value on increase £m	Value on decrease £m
		£m	%		
UK equities unquoted	1.3	18%	1.5	1.1	
UK corporate bonds	176.1	7%	188.4	163.8	
Global corporate bonds	204.2	7%	218.5	189.9	
UK equities	341.7	18%	403.2	280.2	
Global equities	648.3	22%	790.9	505.7	
UK pooled investments	358.9	18%	423.5	294.3	
UK index-linked pooled investments	388.1	9%	423.0	353.2	
Overseas pooled investments	1,952.6	22%	2,382.2	1,523.0	
Derivatives	(1.2)	0%	(1.2)	(1.2)	
UK pooled property funds	38.4	14%	43.8	33.0	
Private equity	179.8	27%	228.3	131.3	
Private debt	206.5	7%	221.0	192.0	
Hedge funds	89.6	13%	101.2	78.0	
Cash	139.9	1%	141.3	138.5	
Outstanding dividend entitlements and recoverable withholding tax	11.1	0%	11.1	11.1	
Amount receivable for sales of investments	1.0	0%	1.0	1.0	
Amounts payable for purchases of investments	(2.6)	0%	(2.6)	(2.6)	
Long term assets	1.0		1.0	1.0	
Current assets	18.5	0%	18.5	18.5	
Long term Liabilities	(0.1)		(0.1)	(0.1)	
Current liabilities	(19.6)	0%	(19.6)	(19.6)	
	4,733.5		5,574.9	3,892.1	

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 2020 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 2020	Percentage change (+/-)	Value on increase	Value on decrease
	£m	%	£m	£m
Cash and cash equivalents	62.9	0%	62.9	62.9
Cash balances	2.8	0%	2.8	2.8
Bonds	0.0	1%	0.0	0.0
	65.7		65.7	65.7

Asset type	31 March 2019	Percentage change (+/-)	Value on increase	Value on decrease
	£m	%	£m	£m
Cash and cash equivalents	99.7	0%	99.7	99.7
Cash balances	2.4	0%	2.4	2.4
Bonds	380.3	1%	384.1	376.5
	482.4		486.2	478.6

Foreign currency risk

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

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

Foreign currency risk - sensitivity analysis

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

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



Asset type	31 March	Percentage	Value on	Value on
	2020	change (+/-)	increase	decrease
	£m	%	£m	£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

Asset type	31 March	Percentage	Value on	Value on
	2019	change (+/-)	increase	decrease
	£m	%	£m	£m
Global corporate bonds	204.2	10%	224.6	183.8
Global equities	648.3	10%	713.1	583.5
Overseas pooled investments	1,952.6	10%	2,147.9	1,757.3
Private equity	179.8	10%	197.8	161.8
Private debt	206.5	10%	227.2	185.9
Hedge funds	89.6	10%	98.6	80.6
	3,281.0		3,609.2	2,952.9





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 2019	31 March 2020
		£m	£m
Bank current account			
Lloyds Bank (see note 19a)	A+	2.4	2.7

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	16.0	6.0
Goldman Sachs Sterling Liquid Reserve Institutional Inc	AAA	5.0	0.5
JPMorgan Sterling Liquidity Capital	AAA	5.0	0.0
Aviva Investors Sterling Liquidity Fund 3	AAA	0.0	5.5
Morgan Stanley Sterling Liquidity Inst	AAA	5.0	0.3
Royal London Cash Plus Fund	AAA	20.0	10.0



Summary	Rating	31 March 2019	31 March 2020
		£m	£m
Local Authority Loans			
Kingston Upon Hull	N/A	0.0	5.0
Cornwall Council	N/A	10.0	0.0
Liverpool City Council	N/A	0.0	5.0
Isle of Wight Council	N/A	5.0	0.0
Mid Suffolk District Council	N/A	3.0	0.0
London Borough of Barking & Dagenham	N/A	0.0	5.0
Plymouth City Council	N/A	0.0	5.0
Thurrock Borough Council	N/A	5.0	0.0
Wirral Metropolitan Borough Council	N/A	5.0	0.0
		99.7	63.0
		102.1	65.7

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.

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 2016	31 March 2019
Retiring today	Males	22.1	21.2
	Females	24.4	23.6
Retiring today	Males	24.1	22.1
	Females	26.4	25.0

Commutation Assumption

It is assumed that future retirees will take 50% of the maximum additional tax-free lump sum up to HMRC limits for pre-April 2008 service and 75% of the maximum for post-April 2008.



19. Long term assets

	31 March 2019	31 March 2020
	£m	£m
Contributions due – Employers (see note 23)	1.0	1.0
Total	1.0	1.0

19a. Current assets

	31 March 2019	31 March 2020
	£m	£m
Short term debtors		
Contributions due - Employers	9.6	8.6
Contributions due - members	2.5	2.5
Cash balances	2.4	2.7
Other	3.9	4.5
Total	18.4	18.3

20. Long term liabilities

	31 March 2019	31 March 2020
	£m	£m
Income received in advance (see note 24)	(0.1)	(0.1)
Total	(0.1)	(0.1)

20a. Current liabilities

	31 March 2019	31 March 2020
	£m	£m
Cash overdrawn	0.0	0.0
Investment management expenses	(1.3)	(1.4)
Income received in advance	(1.5)	(2.5)
Benefits payable	(4.0)	(4.1)
Other	(12.8)	(1.3)
Total	(19.6)	(9.4)



21. Additional voluntary contributions

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

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

	Scottish Widows £m	Equitable Life £m	Standard Life £m
Opening value	0.8	0.5	2.0
Income	0.0	0.0	0.2
Expenditure	(0.1)	(0.1)	(0.3)
Change in market value	(0.0)	(0.0)	(0.1)
Closing value	0.7	0.7	1.8

22. Related-party disclosure

- Staffordshire Pension Fund is administered by Staffordshire County Council. During the reporting period the County Council incurred costs of £2.2m (£2.1m in 2018/2019) 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 2020 the Fund held £65.7m in cash (£102.1m at 31 March 2019).
- The County Council are the largest employer and they have fully paid for all their contributions.

LGPS Central Limited

- LGPS Central Limited has been established to manage investment assets on behalf of nine Local Government Pension Scheme (LGPS) funds across the Midlands. It is jointly owned in equal shares by the eight administering authorities participating in the LGPS Central Pool, of which Staffordshire County Council, as the administering authority for Staffordshire Pension Fund, is one of the shareholders.
- The Fund had £1.315m invested in share capital and £0.685m in a loan to LGPS Central at 31 March 2020 (31 March 2019, £1.315m and £0.685m, respectively) and was owed interest of £0.036m on the loan to LGPSC on the same date (31 March 2019, £0.043m).
- During 2019/2020, the Fund in-specie transferred £420.1m of assets managed by Insight Investment Management into the LGPS Central Global Active Investment Grade Corporate Bond Multi-Manager Fund. In total, the transition involved the restructuring of five mandates (from four Partner Funds) to two corporate bond mandates within the LGPS Central Authorised Contractual Scheme. The portfolios were funded to the new managers on 23 March 2020.
- The Fund incurred £0.847m in respect of Governance, Operator Running and Product Development costs in connection with LGPS Central Limited in 2019/2020 (£0.802m in 2018/2019). The accounts payable in respect of these services at 31 March 2020 was £0.221m (£0.066m at 31 March 2019).



22a. Key management personnel

The key management personnel of the Fund are the Staffordshire County Council County Treasurer (Section 151 Officer), Director of Corporate Services, and the Head of Treasury and Pensions. Total remuneration payable to key personnel in respect of the Pension Fund is set out below:

	31 March 2019 £m	31 March 2020 £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 2020, the remaining balance was £1.004m as per the long term assets in note 20.

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 2019/2020 and £0.013m will be released per year until 2025/2026. At 31 March 2020 the remaining balance was £0.075m as per the long term liabilities in note 21.

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:

- **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. Implementation of IFRS 16 has been deferred until 1st April 2021 for Local Government. This will have no impact on the Fund's accounts.
- **IAS19 Employee Benefits** will require the remeasurement of the net pension asset or liability following plan amendments, curtailments and settlements to be used to determine current service cost and net interest for the remainder of the year after the change to the plan. The updating of these assumptions only applies to changes from 1st April 2020 and no prediction can be made of the possible accounting impact.



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 2020, which comprise the Fund Account, the Net Assets Statement and the related notes 1 to 25.

In our opinion, the pension fund financial statements are consistent with the full annual statement of accounts of Staffordshire Pension Fund for the year ended 31 March 2020 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Respective responsibilities of the Head of Finance (Section 151 Officer) and the auditor

As explained more fully in the Responsibilities of the County Treasurer (Section 151 Officer), the County Treasurer (Section 151 Officer) is responsible for the preparation of the pension fund's financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to 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 2019/20.

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[s] on those financial statements.

Suresh Patel

Suresh Patel (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
London

Date: 30 April 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 – Head of Treasury and Pensions
Phone: 01785 276330
E-mail: treasury.pensionfund@staffordshire.gov.uk

Tim Byford – Senior Investment Accountant
Phone: 01785 278196
E-mail: treasury.pensionfund@staffordshire.gov.uk

Benefits, Contributions and Pensions Payroll

John Wiggins - Pensions Manager
Phone: 01785 276482

Simon Jackson - Pensions Manager
Phone: 01785 276450
Payroll
Phone: 01785 278222 (option 2)
E-mail: pensions.enquiries@staffordshire.gov.uk

Or, you can write to us at:

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

You can also visit our website at:
www.staffspf.org.uk

If you would like this information in large print, in Braille, on audio tape or CD, in British Sign Language or in any other language, please ring 01785 276070.

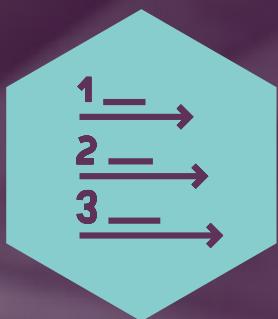
Appendices



A black and white photograph of a man with short hair and a beard, wearing a dark zip-up hoodie. He is sitting at a table, looking down and writing in a notebook with a pen. In the background, a first aid kit with a red cross and the words 'First Aid' is visible. The scene is lit from the side, creating strong shadows.



- 1
- 2
- 3



Appendix 1

List of participating Employers at 31st March 2019

Employer Name	Employee Contributions	Employer Contributions
Abbey Hulton Primary School	£21,864.49	£90,476.64
Academy Enterprise Trust - Anglesey	£34,664.52	£150,084.73
Academy Enterprise Trust - Belgrave	£15,504.84	£62,855.28
Academy Enterprise Trust - Rawlett	£32,413.35	£131,781.20
Alexandra Infants	£12,384.84	£53,060.62
Alexandra Junior	£17,962.89	£76,447.82
All Saints	£4,242.48	£17,802.56
All Saints - Our Lady's	£16,328.16	£70,531.03
All Saints - St Augustines	£14,198.06	£60,468.04
All Saints - St Bartholomews	£1,202.94	£5,137.58
All Saints - St Gregory's	£34,305.58	£142,671.07
All Saints - St Maria Goretti	£18,155.67	£77,297.37
All Saints - St Thomas Moore	£60,532.61	£239,063.34
All Saints (Bednall) - SUAT	£1,835.19	£7,977.98
All Saints CofE (Rangemore)	£4,116.48	£19,359.82
All Saints CofE First School	£13,142.50	£56,243.51
Alleyne's High School	£30,537.12	£120,285.15
Ankermoor Primary	£8,749.80	£36,463.11
Anson CofE Primary	£7,817.81	£32,954.42
Ash Green - Societas MAT	£31,686.60	£138,900.84
Barnfields Primary – South East Stafford MAT	£25,285.51	£102,190.19
Belgrave Academy	£56,465.94	£203,915.07
Birches First School	£13,692.56	£58,443.12
Birds Bush Community School	£12,699.57	£53,436.74
Bishop Lonsdale CofE Primary	£9,499.60	£40,717.33
Blackfriars Academy	£81,067.29	£302,261.58
Blackshaw Moor First Sch- - Talentum	£1,407.13	£6,191.37
Blessed Robert Sutton Academy	£32,159.70	£131,665.02
Boney Hay Primary	£9,822.76	£41,692.50
Brewood CE - St Chads	£7,339.92	£30,999.25
Brindley Heath Junior Academy	£16,846.44	£57,872.37
Bursley Academy	£13,900.71	£58,809.61
Bursley Academy - Hollinsclough Primary School	£1,607.27	£7,447.44
Bursley Academy - Manifold Primary School	£3,832.51	£16,374.46
Carmountside Academy	£21,093.12	£87,331.17
Castle Primary	£5,497.84	£23,496.51
Chadsmead Academy	£13,529.07	£56,948.16

Employer Name	Employee Contributions	Employer Contributions
Charnwood	£10,724.04	£45,703.41
Chase Terrace TEC College	£50,535.72	£200,117.95
Chaselea PRU - Manor Hall	£8,840.12	£31,327.82
Cherry Trees	£15,496.99	£66,325.47
Cheslyn Hay Academy	£54,369.47	£217,374.18
Chesterton Primary - Collective Vision Trust	£18,309.50	£75,950.65
Chesterton Sports College - Collective Vision Trust	£34,316.08	£137,138.86
Christ Church CE Primary	£16,341.92	£68,324.49
Christ Church First School – The Key Educational Trust	£7,118.56	£29,710.82
Church Eaton Endowed - S U MAT	£2,076.16	£9,009.25
Churchfield Primary - Collective Vision Trust	£18,237.68	£75,487.39
Churchfields Primary	£15,521.32	£66,621.02
Cicely Haughton Academy	£39,506.82	£151,582.66
Clayton Hall Academy - United Endeavor Trust	£42,472.42	£163,838.64
Codsall Middle	£23,968.71	£99,127.46
Colwich CE Primary	£8,154.43	£34,544.79
Co-operative academy	£81,526.21	£313,108.60
Crackley Bank Primary - Collective Vision Trust	£16,275.46	£70,158.38
Creative Education Academies - Harpfield	£11,507.07	£49,024.57
Creative Education Academies - Thistley Hough Academy	£39,399.50	£149,898.35
Creative Education Academies - Three Peaks Academy	£19,052.25	£79,715.39
Creative Learning Partnership - Hempstalls Primary	£43,481.27	£178,605.99
Creative Learning Partnership - Thursfield Primary	£11,872.18	£50,709.32
De Ferrers Academy	£129,776.10	£492,859.16
Dosthill Primary Academy	£24,961.53	£104,278.72
Dove CE Academy - S U MAT	£2,754.58	£11,792.39
Edge Hill	£8,226.83	£32,492.34
Ellison Primary	£33,188.09	£124,887.01
Eton Park Academy	£17,340.77	£72,462.58
Excel Academy	£45,188.26	£187,411.63
Featherstone Academy	£16,871.79	£71,275.37
Five Spires Academy (Reach2)	£10,153.52	£34,813.25
Flaxhill Community Jnr School (MPAT)	£12,105.94	£49,393.43
Foley Infant Academy	£11,753.13	£49,559.46
Forest Park Primary	£35,109.50	£148,753.01
Fountains High School	£61,761.01	£253,226.13
Fountains Primary School	£46,278.21	£194,280.37
Friarswood Co-op Academy	£16,698.22	£70,591.88
Friary School - Greywood MST	£31,688.47	£132,474.90
Future Generation Trust - Etching Hill	£14,577.93	£62,398.71

Employer Name	Employee Contributions	Employer Contributions
Future Generation Trust - Gentleshaw Primary	£10,307.82	£44,117.01
Future Generation Trust - St Johns Primary, Essington	£40,636.55	£169,141.62
Future Generation Trust - St Peters	£25,357.72	£108,400.30
Gladstone Primary	£37,141.98	£157,090.22
Glascote Heath Academy	£14,814.06	£59,232.64
Glebe Primary School	£22,097.52	£90,151.37
Goldenhill Primary Academy	£17,148.63	£73,615.76
Grange Infants	£13,084.89	£55,139.24
Great Wyrley High	£31,184.24	£129,685.90
Greenways Primary	£14,657.29	£61,186.38
Grove Junior	£27,503.58	£116,381.15
Hamilton Infants	£17,276.00	£75,340.37
Haughton St Giles - West Stafford Multi Academy	£5,433.51	£23,447.88
Havergal Primary Academy	£8,004.29	£34,341.14
Haywood Engineering Academy	£78,665.61	£307,808.67
Hazel Slade Primary	£9,441.90	£39,420.28
Heath Hayes Primary School (Reach2)	£14,874.19	£60,251.42
Heathfields Infant Academy	£1,065.72	£4,540.43
Henhurst Ridge (REArch2)	£6,147.80	£24,483.20
Henry Chadwick - Greywood MST	£5,455.47	£23,250.09
Holy Rosary Academy	£14,592.52	£63,556.49
Holy Trinity MAC - Blessed Mother Teresa's Catholic Primary	£11,580.84	£49,085.67
Holy Trinity MAC - Blessed William Howard Catholic High School	£27,695.22	£113,873.94
Holy Trinity MAC - St.Anne's Catholic Primary	£9,380.95	£39,329.45
Holy Trinity MAC - St.Austin's Catholic Primary	£10,518.10	£44,578.17
Holy Trinity MAC - St.Dominic's Catholic Primary	£10,072.78	£42,663.29
Holy Trinity MAC - St.John's Catholic Primary	£3,105.64	£13,081.64
Holy Trinity MAC - St.Mary's Catholic Primary	£8,731.20	£36,505.53
Holy Trinity MAC - St.Patrick's Catholic Primary	£11,261.21	£47,385.47
Horninglow Academy	£16,168.04	£68,415.84
Horton St Michaels	£5,805.26	£23,904.22
Howard Primary Academy	£3,239.39	£13,634.66
Jackfield Infants	£22,517.76	£94,396.29
James Bateman Middle School	£29,937.38	£125,486.42
JCB Academy	£65,538.71	£196,005.65
John of Rolleston Primary School	£23,634.91	£91,584.44
John Taylor Academy	£80,879.45	£306,919.08
John Taylor Free School	£18,684.74	£73,366.15
John Taylor MAT Kingsmead School Academy	£47,082.25	£186,542.16
John Wheeldon Academy	£25,094.31	£106,034.46

Employer Name	Employee Contributions	Employer Contributions
Kemball – Orchard CT	£54,086.85	£226,925.36
King Fisher Academy	£12,116.14	£50,056.38
Kingsfield First School	£15,758.20	£66,380.58
Kingsland CE Academy	£33,494.14	£139,881.53
Kinver High School	£17,753.60	£75,628.70
Knypersley First School	£24,635.00	£100,996.68
Lakeside	£12,935.38	£53,681.71
Landau Forte Greenacres	£23,467.97	£95,207.92
Landau Forte QUEMS	£51,661.93	£209,613.64
Landau Forte Woodhouse Academy/Post 16	£71,637.99	£258,584.76
Lansdowne Academy	£16,105.11	£72,179.91
Lark Hall Community Infants & Nursery School (MPAT)	£13,035.33	£47,717.32
Leasowes Primary – South East Stafford MAT	£18,373.73	£77,813.42
Leek First School	£7,659.17	£32,699.59
Lichfield Diocese/Woodard Academy (St.Peter's)	£60,466.35	£239,934.67
Littleton Green Community Primary	£22,119.96	£98,258.81
Longford Primary	£11,834.16	£52,795.87
Loxley Hall Academy	£62,956.63	£239,687.09
Madeley High School	£27,008.96	£110,697.82
Manor Hill First - CLPT	£10,335.51	£42,241.98
Maple Court Primary	£30,883.63	£131,250.04
Marshbrook First	£14,726.84	£64,127.54
Meadows (Blurton) - Shaw Trust	£7,824.86	£32,205.23
Meadows Primary School (The Shaw Trust)	£4,403.19	£19,355.54
Meadows Special School	£40,414.03	£164,767.17
Meir Heath Primary	£11,076.47	£47,583.25
Merryfields School	£40,870.43	£163,697.83
Mill Hill Primary (Strictly Education)	£30,281.95	£124,162.01
Milton Primary Academy	£26,078.40	£109,859.29
Moorgate Primary Academy	£18,849.55	£76,963.44
Moorlands Primary Federation - Bishop Rawle CE Primary	£5,982.32	£25,720.63
Moorlands Primary Federation - Great Wood Primary -	£3,704.24	£16,039.71
Moorlands Primary Trust - Dilhorne	£10,785.82	£42,498.90
Moorlands Primary Trust - St Werbergh's	£7,586.10	£32,345.75
Moorlands Primary Trust - Valley Primary	£3,794.03	£16,222.61
Moorpark Junior	£19,448.61	£83,371.68
Mosley Academy	£7,431.59	£31,158.59
Needwood CofE VA Primary	£4,488.43	£20,099.82
Netherstowe School	£31,870.99	£134,032.91
New Ford Primary	£41,278.00	£128,906.24

Employer Name	Employee Contributions	Employer Contributions
Newcastle Academy - United Endeavor Trust	£31,572.25	£122,242.72
Newfriars College	£51,354.13	£212,784.35
Newman - Our Lady & St Benedict Catholic	£14,966.49	£64,317.40
Newman - Our Lady Of Grace	£6,990.60	£29,611.19
Newman - St George & St Martins Catholic	£15,057.57	£63,808.86
Newman - St John Evangelist Catholic Primary School	£13,788.61	£59,130.55
Newman - St Joseph Catholic Primary School	£13,048.04	£54,935.13
Newman - St Margaret Ward	£60,386.08	£243,447.70
Newman - St Marys Catholic Primary School	£17,695.97	£75,619.65
Newman - St Peters Primary School	£15,689.15	£66,676.54
Newman - St Wilfreds Catholic Primary School	£20,729.90	£88,454.43
Newstead Primary Academy	£29,883.89	£113,567.82
Northwood Broom	£27,315.63	£109,035.88
Norton Canes Community Primary School (Reach2)	£21,365.06	£90,474.21
Norton Le Moors Primary Academy	£15,825.09	£53,534.07
Oakhill Primary	£25,810.46	£107,383.03
Ormiston - Horizon Academy	£60,728.74	£242,443.48
Ormiston - Packmoor	£30,526.56	£128,491.00
Ormiston - Sir Stanley Matthews	£80,865.54	£317,111.54
Ormiston Meridian Academy	£54,122.54	£221,024.84
Oulton CE – The Key Educational Trust	£3,321.45	£14,144.82
Ounsdale High School	£30,585.81	£120,057.71
Our Lady & St Werburghs	£8,525.61	£36,837.51
Outwoods Primary School	£30,779.99	£129,989.14
Oxhey First School	£17,271.80	£73,702.52
Parkside	£27,219.39	£114,093.29
Paulet High - John Taylor	£6,223.15	£24,828.85
Penkridge Middle	£14,372.75	£61,818.67
Perton Sandown First School	£18,787.68	£80,046.91
Poppyfield - Victoria AT	£2,390.01	£9,911.65
Princefield First	£16,133.46	£69,441.20
Pye Green Academy	£19,096.32	£80,686.32
Queens Croft - Greywood MST	£43,301.25	£170,294.29
Reach Pupil Referral Unit	£11,566.74	£46,878.93
Redbrook Hayes Primary	£18,486.93	£79,151.00
Richard Crosse Primary Academy	£8,406.83	£35,089.68
Richard Wakefield	£13,674.34	£57,295.87
Rocklands School	£43,661.47	£183,941.99
Rowley Park Primary Academy	£14,102.26	£58,171.64
Rushton CofE Primary	£2,358.77	£10,236.81

Employer Name	Employee Contributions	Employer Contributions
Rykneld Primary - John Taylor	£23,097.02	£101,734.72
Sandon Primary Academy	£31,120.18	£129,638.35
Saxon Hill Academy	£61,704.14	£252,235.47
Scientia Academy (Reach2)	£21,298.74	£61,439.25
Scotch Orchard Primary	£9,390.49	£40,168.06
Seabridge Primary (The Shaw Trust)	£33,536.54	£140,026.27
Shobnall	£14,327.55	£59,817.91
Silkmore Academy (Reach2)	£23,375.54	£95,168.64
Silverdale Primary (United Learning)	£14,875.49	£61,988.64
Sir Graham Balfour	£45,724.40	£183,752.90
Sir Thomas Boughey High - United Endeavor Trust	£21,357.90	£89,219.71
Smallthorne Primary Academy (Strictly Education)	£11,660.14	£50,286.36
Sneyd Academy	£40,864.21	£175,713.62
Springfield Comm Special School	£26,098.85	£108,959.00
Springhill (Reach2)	£13,734.99	£56,732.95
St Augustine	£2,794.55	£11,838.36
St Benedict Biscop CE Primary	£8,056.59	£34,548.21
St Edwards CE Academy	£30,499.25	£123,550.10
St Giles and St Georges Academy	£25,082.88	£101,275.23
St James CofE Primary	£5,461.65	£24,010.12
St John Fisher Catholic College	£53,169.58	£214,393.58
St John's Primary	£19,725.35	£87,920.64
St Johns CofE	£4,509.64	£19,733.86
St Lawrence Gnosall - West Stafford Multi Academy	£22,922.05	£97,235.79
St Leonard's First - SUAT	£1,449.57	£6,301.38
St Lukes Primary	£15,839.31	£67,943.67
St Mary & St Chad	£9,354.85	£40,354.26
St Mary's Catholic Primary School	£21,362.94	£91,198.55
St Marys CE First - St Chads	£2,910.86	£10,267.68
St Mary's CE Primary	£33,803.39	£137,954.49
St Mary's Primary Academy Colton	£5,155.53	£22,554.35
St Matthews Primary	£5,179.71	£21,071.04
St Nathaniels Academy	£31,825.61	£131,265.21
St Pauls CofE First - S U MAT	£3,984.11	£17,158.91
St Peters	£3,807.00	£15,516.92
St Peter's Primary Stonnall	£7,120.27	£29,962.86
St Teresa's Catholic Primary	£19,036.37	£82,927.61
St Thomas Aquinas Catholic Primary School	£13,031.53	£57,070.35
St Wulstans Catholic Primary	£32,406.42	£139,967.74
St. Joseph's College Edmund Rice Academy Trust	£47,268.47	£183,691.63

Employer Name	Employee Contributions	Employer Contributions
St.Andrew's CE Primary	£7,327.00	£32,098.29
St.Bart's Academy Trust - Knutton St.Mary's Primary	£14,587.99	£60,263.77
St.Bart's Academy Trust - Park Hall Primary	£24,849.77	£107,595.71
St.Bart's Academy Trust - St Saviours CE Academy	£11,365.58	£47,235.62
St.Edward First	£8,305.56	£35,521.99
St.Nicholas CE First	£21,792.84	£92,351.89
St.Peter's CE Primary	£5,540.37	£24,268.32
Staffordshire University Academy	£53,424.01	£190,749.31
Stoke Minster Primary	£29,757.08	£128,327.46
Stoneydelph Primary	£16,458.87	£68,706.02
Streethay Primary - Shaw Trust	£4,081.10	£17,395.65
Summerbank Primary	£35,300.88	£148,661.91
Talentum - Beresford Memorial	£10,781.22	£46,286.27
Talentum - Churnet View	£24,083.22	£96,860.31
Talentum - Leek High School	£17,639.48	£73,537.87
Talentum - Westwood College	£32,176.83	£130,330.00
The Academy Transformation Trust - Star Academy	£15,558.32	£63,315.09
The Academy Transformation Trust - Sun Academy	£10,343.50	£44,246.71
The Biddulph Academy	£54,359.00	£218,766.30
The Cannock Chase Academy	£38,863.41	£152,592.15
The Cheadle Academy	£19,246.23	£75,248.73
The Christchurch Academy	£23,180.29	£92,530.83
The College Academies Trust Ltd Studio School	£21,094.92	£74,108.52
The Coppice Academy	£22,238.64	£93,109.51
The Crescent Academy	£51,865.63	£203,278.57
The Discovery Academy	£91,989.82	£358,754.21
The Eaton Park Academy	£43,943.01	£168,493.56
The Erasmus Darwin Academy	£59,411.55	£231,076.44
The Hart School	£56,568.95	£225,304.00
The Painsley Catholic College	£78,873.84	£305,694.05
The Painsley Catholic College - Faber	£3,680.44	£15,822.65
The Painsley Catholic College - St Filumenas	£10,766.82	£45,690.86
The Painsley Catholic College - St Giles	£11,998.22	£51,345.36
The Painsley Catholic College - St Josephs	£15,150.59	£63,273.73
The Painsley Catholic College - St Marys	£12,969.95	£55,289.92
The Painsley Catholic College - St Thomas	£12,060.43	£51,266.44
The Reginald Mitchell Primary	£16,022.10	£68,207.21
The Rural Enterprise Academy	£7,488.12	£28,648.21
The Sutherland Academy	£35,786.23	£141,762.72
The Violet Lane Academy	£32,129.27	£122,109.70

Employer Name	Employee Contributions	Employer Contributions
Thomas Russell Infants	£8,833.08	£38,035.56
Trentham Academy	£35,332.00	£137,977.15
Two Gates Primary	£15,636.28	£67,258.22
Two Rivers High -Endeavour	£25,337.23	£100,117.83
Two Rivers High -Endeavour	£20,570.15	£81,696.91
Tynsel Parkes First	£7,083.80	£30,880.55
University Of Chester Academy (Kidsgrove)	£18,361.69	£75,470.97
University Of Chester Academy(Maryhill Primary)	£13,134.06	£52,589.65
Uttoxeter MAT	£119,765.61	£495,391.47
Veritas Academy (Reach 2)	£23,238.05	£67,888.34
Walton Hall Academy	£58,017.44	£233,237.93
Walton High School	£47,118.80	£193,045.35
Waterhouses Primary	£9,633.92	£40,501.63
Watermill - Orchard CT	£63,139.55	£254,417.61
Weston Infants - St.Barts MAT	£14,606.89	£62,938.93
Weston Junior - St.Barts MAT	£12,172.28	£53,392.14
Weston Road Academy	£38,440.27	£152,150.87
Westwood First	£16,188.48	£68,707.97
Whitfield Valley Primary	£26,999.46	£112,720.77
Wightwick Hall School	£26,352.88	£106,134.45
William MacGregor Primary	£11,605.13	£49,196.02
William Shrewsbury Primary School	£37,950.25	£161,827.56
Wilnecote Academy	£34,185.17	£138,830.78
Wilnecote Junior Academy	£2,132.17	£8,856.64
Winshill Village Primary	£19,264.94	£81,130.59
Wolgarston	£39,373.25	£153,325.00
Wolstanton High School (The Shaw Trust)	£39,279.58	£154,470.71
Woodcroft First - St.Barts	£7,070.04	£30,618.88
Woodhouse Academy	£21,644.61	£90,696.53
Woodlands - CAT	£11,310.41	£48,427.61
Woodseaves - West Stafford Multi Academy	£4,994.78	£20,889.70
Yoxall St.Peter's Academy	£9,150.70	£38,042.74
Burton on Trent Technical College	£234,846.07	£806,894.49
Keele University	£4,156.28	£281,716.38
Newcastle and Stafford Colleges Group	£475,690.45	£1,733,150.39
Staffordshire University	£748,539.55	£3,769,683.93
Stoke on Trent College	£193,347.10	£1,052,655.99
Stoke on Trent Sixth Form College	£69,033.49	£266,765.77
Abbots Bromley Parish Council	£471.07	£2,090.19
Alliance Enviro - Staffs Moorland	£60,521.24	£166,046.30

Employer Name	Employee Contributions	Employer Contributions
Alrewas Parish Council	£625.94	£2,799.81
Anglesey Parish Council	£504.22	£2,254.40
Audley Parish Council	£1,517.05	£5,741.44
Barlaston Parish Council	£641.76	£2,870.52
Biddulph Town Council	£5,523.18	£20,991.84
Bilbrook Parish Council	£552.96	£2,473.32
Branston Parish Council	£841.44	£3,568.92
Brereton and Ravenhill Parish Council	£1,975.41	£7,760.67
Brewood & Coven Parish Council	£3,352.01	£13,857.38
Bridgtown Parish Council	£128.33	£574.06
Burntwood Town Council	£6,088.44	£23,643.41
Cannock Chase District Council	£657,334.85	£1,774,023.52
Cheadle Town Council	£3,217.69	£12,640.11
Cheslyn Hay Parish Council	£5,144.76	£21,149.87
Codsall Parish Council	£2,519.90	£9,991.30
Colwich Parish Council	£3,971.87	£17,815.26
Doxey Parish Council	£384.23	£1,718.60
Draycott in the Clay Parish Council	£376.80	£1,685.52
East Staffordshire Borough Council	£403,408.54	£949,113.67
Eccleshall Parish Council	£1,003.35	£4,255.58
Essington Parish Council	£250.12	£946.62
Forsbrook Parish Council	£912.12	£3,868.80
Fradley and Streethay Parish Council	£272.24	£1,154.62
Gnosall Parish Council	£2,218.42	£8,363.64
Great Wyrley Parish Council	£2,041.58	£7,832.68
Heath Hayes & Wimblebury Parish Council	£1,304.98	£3,718.42
Hednesford Town Council	£3,174.15	£12,715.07
Horningslow and Eaton Parish Council	£678.24	£3,045.93
Kidsgrove Town Council	£2,516.95	£11,728.95
Kinver Parish Council	£4,904.16	£19,801.57
Lapley, Stretton & Wheaton Aston PC	£1,475.38	£6,299.82
Leek Town Council	£2,063.59	£7,803.15
Lichfield City Council	£19,250.86	£73,873.00
Lichfield District Council	£505,964.28	£1,260,236.73
Newcastle Under Lyme Borough Council	£683,688.93	£1,825,179.48
Norton Parish Council	£1,093.20	£4,637.04
Penkridge Parish Council	£7,848.46	£31,173.03
Perton Parish Council	£7,064.23	£28,252.04
Rugeley Town Council	£5,917.44	£23,596.87
SCC Schools (Capita/Entrust)	£1,599,307.18	£6,844,734.12

Employer Name	Employee Contributions	Employer Contributions
SCC Schools (Dudley MBC)	£0.00	£0.00
SCC Schools (Stoke City Council)	£1,219,506.94	£5,135,015.65
Silverdale Parish Council	£471.84	£2,110.41
South Staffordshire College	£320,036.51	£1,206,491.77
South Staffordshire Council	£380,960.21	£956,687.01
Stafford Borough Council	£424,242.95	£1,071,690.76
Staffordshire County Council	£6,398,132.78	£15,419,574.31
Staffordshire Moorlands District Council	£259,297.63	£617,333.74
Stoke and Staffs Combined Fire Authority	£294,319.44	£758,770.25
Stoke City Council	£6,620,227.83	£16,168,274.41
Stone Town Council	£6,515.37	£26,206.67
Swinfen & Packington	£138.84	£525.48
Tamworth Borough Council	£529,219.12	£1,327,225.58
Tatenhill Parish Council	£361.42	£1,616.52
The Office of the Chief Constable Staffordshire	£2,552,729.17	£6,085,603.83
The Office of the Police and Crime Commissioner Staffordshire	£78,995.03	£154,610.66
Tutbury Parish Council	£1,945.62	£3,611.08
Unitas	£840,551.78	£2,266,735.70
Uttoxeter Town Council	£8,431.73	£33,360.80
Wombourne Parish Council	£885.49	£3,755.76
ABM Catering Ltd - Kingfisher	£263.80	£1,098.40
Accord Housing	£70,226.45	£249,229.39
Alliance In Partnership Ltd Endon	£1,100.56	£4,142.08
Alliance In Partnership Ltd Marshland	£517.94	£1,949.31
Alliance In Partnership Ltd Hempstalls	£508.17	£2,328.37
Alliance In Partnership Ltd Hugo Meynell	£689.14	£2,593.67
Alliance In Partnership Ltd Langdale	£1,332.60	£5,015.04
Alliance In Partnership Ltd Norton Canes	£1,146.68	£4,315.51
Alliance In Partnership Ltd Seabridge	£286.96	£1,314.84
Alliance In Partnership Ltd Sir John Offley	£677.92	£2,551.56
Alliance In Partnership Ltd St Giles	£402.44	£1,844.04
Alliance In Partnership Ltd Thursfield Primary	£827.50	£3,941.75
Amey Services Ltd	£245,427.69	£747,723.92
Aspens - Blythe Bridge	£1,227.11	£5,920.80
Aspens - Cannock Chase High	£750.08	£3,123.04
Aspens - Churnet View	£1,524.50	£6,159.16
Aspens - Horton Lodge Special School	£948.01	£3,568.15
Aspens - Leek High	£1,533.99	£6,186.18
Aspens - Madeley High School	£222.51	£930.49
Aspens - Sir Graham Balfour	£939.42	£6,642.61

Employer Name	Employee Contributions	Employer Contributions
Aspens - St Marys	£693.97	£2,997.30
Aspens – St. Edwards Academy	£896.79	£3,717.40
Aspens - Uttoxeter Trust	£27.62	£131.55
Aspens – Westwood College	£1,963.14	£8,138.14
Aspens Services – Excel Academy	£618.26	£2,394.95
Aspens Services – Great Wyrley	£3,169.25	£11,291.40
Aspens Services - Oldfields Hall	£0.00	£0.00
Aspens Services Ltd – The Shaw Academy Trust	£788.33	£3,242.95
Aspire Housing	£242,496.13	£1,099,647.25
Biffa	£16,061.76	£60,284.23
Boeing	£83,783.71	£275,534.42
Busy Bee Catering Services - CET	£2,058.18	£8,230.23
Capita Managed IT - OSSM	£0.00	£0.00
Capita Managed IT- OH	£0.00	£0.00
Catering Academy Ltd UCAT	£1,928.56	£8,410.60
Caterlink - De Ferrers Trust	£1,547.41	£6,144.25
Central Borders Housing Group	£290,910.59	£1,028,212.59
Chartwells	£250,706.42	£814,807.96
Chartwells - Christ The King	£0.00	£11,831.21
Chartwells - Eton Park Junior	£579.23	£3,846.26
Chartwells - Gorsemoor	£431.58	£1,624.77
Chartwells - Hazel Slade	£0.00	£0.00
Chartwells - Horninglow	£713.41	£3,279.03
Chartwells - JCB	£1,456.62	£5,565.96
Chartwells - Kingsmead School	£1,985.79	£8,111.23
Chartwells - Moorgate Primary Academy	£0.00	£0.00
Chartwells - Nether Stowe School	£892.42	£3,715.87
Chartwells - Sir Stanley Matthews	£19,373.06	£96,984.77
Chartwells - St Mary's	£589.99	£2,564.21
Chartwells - St.John's Primary School	£0.00	£0.00
Chartwells - St.Matthews (Clean)	£326.55	£1,490.32
Chartwells - St.Matthews Academy	£256.21	£1,045.81
Chartwells - Transformation Trust	£0.00	£0.00
Chartwells - UET Clayton Hall	£112.82	£490.18
Chartwells - UET Newcastle	£1,495.50	£6,751.25
Chartwells - Wightwick Hall	£0.00	£0.00
Choices Housing Association	£422.41	£1,689.72
Churchill Services - St Thomas More Catholic Academy	£3,159.33	£14,015.81
Churchill Services - United Endeavour Trust	£2,637.44	£16,016.40
Cleantec Services Ltd - AET	£1,575.39	£7,218.07

Employer Name	Employee Contributions	Employer Contributions
Entrust	£502,655.63	£1,320,425.81
Fidelis - Two Rivers	£551.23	£2,074.50
Freedom Leisure - Lichfield BC	£40,596.96	£188,451.09
Freedom Leisure - Stafford BC	£78,011.15	£336,519.58
Fresh Start - John Wheeldon	£418.56	£1,582.69
KGB Newcastle College	£3,052.99	£545.72
Kier - OPCC	£9,103.23	£39,786.24
Kier Facilities Services Limited	£638.32	£2,506.89
Landscape Group Ltd	£1,368.06	£4,258.22
Lichfield Garrick Theatre	£1,072.92	£4,889.39
Make Some Noise	£2,372.51	£8,979.01
MCS Cleaning & Main - St Chads	£0.00	£0.00
Mellors - Academies Enterprise Trust	£4,139.20	£26,284.16
Mellors - All Saints	£1,548.27	£7,091.72
Mellors - Burton Schools	£4,747.61	£18,848.85
Mellors - Grange Infants	£132.25	£497.75
Mellors - Holy Trinity Primary	£184.87	£855.61
Mellors - Shobnall Primary	£543.79	£2,248.91
Mellors - Thomas Russell Infants	£845.62	£4,439.97
Mellors - Thomas Russell Jr	£1,072.38	£4,398.08
Mellors - Victoria Community School	£1,132.14	£4,716.83
Midland Heart Ltd	£8,580.47	£35,866.03
Miquill Catering-All Saints	£304.63	£1,362.54
Moorland Contract Cleaning - Silverdale	£322.48	£1,477.52
North Staffs Combined Health Care	£1,217.53	£42,038.96
Northgate (Moorlands)	£4,374.84	£20,730.00
Northgate IS Ltd	£4,078.32	£19,324.56
Prime Facility - Newfriars	£720.98	£2,549.76
RM Education - AET	£5,641.03	£21,023.14
RM Education – St.Peter's	£1,874.82	£5,220.90
Service Master – Oaklands Nursery	£256.80	£1,055.57
Service Master - St.Giles & St.Georges	£251.64	£1,151.75
Service Master – The College Academies Trust	£1,556.36	£7,174.48
Servicemaster - Eaton Park Academy	£495.68	£2,361.33
Servicemaster Belgrave St Bart	£2,026.69	£9,659.12
Servicemaster Knutton St Mary's	£151.37	£673.51
ServiceMaster Mercia - Charnwood	£333.23	£1,282.32
ServiceMaster Mercia - Woodlands	£984.72	£3,706.07
Servicemaster St Nathaniels	£2,376.83	£11,291.88

Employer Name	Employee Contributions	Employer Contributions
Silvertree Cleaning	£715.27	£2,855.26
SLM - Community Leisure	£58,364.96	£157,252.61
SLM - Fitness & Health	£3,002.99	£8,595.83
SLM - Food & Beverage	£4,856.97	£13,669.96
South Staffordshire Housing Association	£34,311.23	£102,227.77
South Staffs and Shrops Health Care	£18,815.33	£89,862.89
Stafford and Rural Homes	£171,544.21	£444,069.33
T(n)S Catering - Rowley Park	£796.50	£3,649.51
Taylor Shaw - Excel Academy	£439.89	£1,910.99
Taylor Shaw - Pye Green Academy	£363.40	£1,681.89
Tiny Toez	£6,336.20	£25,408.31
Veolia	£18,018.92	£56,951.74
Victim Support	£1,911.93	£4,853.28
Wates	£1,079.04	£5,507.04
Wates Housing Repairs	£8,057.48	£35,762.26
Wigan Leisure and Culture Trust	£42,114.88	£165,123.81