

Public Document Pack



ASHTON-UNDER-LYNE · AUDENSHAW · DENTON · DROYLSDEN · DUKINFIELD · HYDE · LONGDENDALE · MOSSLEY · STALYBRIDGE

GREATER MANCHESTER PENSION FUND - MANAGEMENT/ADVISORY PANEL

Day: Friday
Date: 2 December 2022
Time: 10.00 am
Place: Guardsman Tony Downes House, Manchester Road, Droylsden, M43 6SF

Item No.	AGENDA	Page No
GENERAL BUSINESS		
1.	CHAIR'S INTRODUCTORY REMARKS 10.00AM	
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATIONS OF INTEREST To receive any declarations of interest from Members of the Panel.	
4.	MINUTES	
a)	MINUTES OF THE PENSION FUND ADVISORY PANEL To approve as a correct record the Minutes of the meeting of the Pension Fund Advisory Panel held on 16 September 2022.	1 - 12
b)	MINUTES OF THE PENSION FUND MANAGEMENT PANEL To approve as a correct record the Minutes of the meeting of the Pension Fund Management Panel held on 16 September 2022.	13 - 18
5.	LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
a)	URGENT ITEMS To consider any items which the Chair is of the opinion shall be considered as a matter of urgency.	
b)	EXEMPT ITEMS The Proper Officer is of the opinion that during the consideration of the items set out below, the meeting is not likely to be open to the press and public and therefore the reports are excluded in accordance with the provisions of the Schedule 12A to the Local Government Act 1972.	

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Carolyn Eaton, Principal Democratic Services Officer, 0161 342 3050 or carolyn.eaton@tameside.gov.uk, to whom any apologies for absence should be notified.

Items	Paragraphs	Justification
8, 9, 10, 11, 12, 13, 14, 15, 19, 20, 21, 22, 23	3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10	Disclosure would, or would prejudice the commercial int Fund and/or its agents which affect the interests of the and/or tax payers.

6. PENSION FUND WORKING GROUPS/LOCAL BOARD MINUTES

a) LOCAL PENSIONS BOARD 19 - 26

To receive the Minutes of the proceedings of the Local Pensions Board held on 6 October 2022.

b) INVESTMENT MONITORING AND ESG WORKING GROUP 27 - 30

To consider the Minutes of the proceedings of the Investment Monitoring and ESG Working Group held on 7 October 2022.

c) ADMINISTRATION AND EMPLOYER FUNDING VIABILITY WORKING GROUP 31 - 40

To consider the Minutes of the proceedings of the Administration and Employer Funding Viability Working Group held on 7 October 2022.

d) POLICY AND DEVELOPMENT WORKING GROUP 41 - 44

To consider the Minutes of the meeting held on 24 November 2022.

e) NORTHERN LGPS JOINT OVERSIGHT COMMITTEE 45 - 50

To note the Minutes of the meeting of the Northern LGPS Joint Oversight Committee held on 7 July 2022.

ITEMS FOR DISCUSSION/DECISION

7. RESPONSIBLE INVESTMENT UPDATE 10.20AM 51 - 58

To consider the attached report of the Assistant Director of Pensions Investments.

8. CEM BENCHMARKING 10.30AM 59 - 66

To receive a report of the Assistant Director, Pensions Investments/Assistant Director of Pensions Administration and a presentation from David Jennings, CEM Benchmarking.

9. ACTUARIAL VALUATION 11.30AM 67 - 74

To consider the attached report of the Assistant Director, Pensions Administration and to receive a presentation from Hymans Robertson, Actuary

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Carolyn Eaton, Principal Democratic Services Officer, 0161 342 3050 or carolyn.eaton@tameside.gov.uk, to whom any apologies for absence should be notified.

to the Fund.

- | | | |
|------------|--|-----------|
| 10. | REVIEW OF INVESTMENT MANAGEMENT ARRANGEMENTS 12.00PM | 75 - 82 |
| | To receive a presentation from the Assistant Director of Pensions Investments. | |
| 11. | PERFORMANCE DASHBOARD 12.10PM | 83 - 118 |
| | Report of the Assistant Director of Pensions Investments, attached. | |
| 12. | BUSINESS PLANNING, BUDGET AND RISK MANAGEMENT 12.20PM | 119 - 124 |
| | To consider the attached report of the Director of Pensions. | |
| 13. | ADVISOR COMMENTS AND QUESTIONS | |

ITEMS FOR INFORMATION

- | | | |
|------------|---|-----------|
| 14. | ADMINISTRATION UPDATE | 125 - 128 |
| | To consider the attached report of the Assistant Director of Pensions Administration. | |
| 15. | LGPS UPDATE | 129 - 132 |
| | To consider the attached report of the Director of Pensions. | |
| 16. | FUTURE DEVELOPMENT OPPORTUNITIES | |

Trustee development opportunities are available as follows. Further information/details can be obtained by contacting Loretta Stowers on 0161 301 7151.

LAPFF Annual Conference - Bournemouth	7-9 December 2022
LGA Fundamentals Day 3 – Virtual	20 December 2022
LGPS Governance Conference - Bournemouth	20-21 January 2023
PLSA Investment Conference, Edinburgh	6-8 June 2023
PLSA Local Authority Conference, Gloucestershire	26-28 June 2023
PLSA Annual Conference, Manchester	17-19 October 2023

17. DATES OF FUTURE MEETINGS

To note the dates of future meetings to be held on:-

Management/Advisory Panel	2 Dec 2022 24 March 2023 14 July 2023 15 Sept 2023 1 Dec 2023 8 March 2024
---------------------------	---

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Carolyn Eaton, Principal Democratic Services Officer, 0161 342 3050 or carolyn.eaton@tameside.gov.uk, to whom any apologies for absence should be notified.

Local Pensions Board	19 Jan 2023 13 April 2023 27 July 2023 28 Sept 2023 25 Jan 2024 11 April 2024
Policy and Development Working Group	24 Nov 2022 2 March 2023 22 June 2023 7 Sept 2023 23 Nov 2023 22 Feb 2024
Investment Monitoring and ESG Working Group	20 Jan 2023 14 April 2023 28 July 2023 29 Sept 2023 26 Jan 2024 12 April 2024
Administration and Employer Funding Viability Working Group	20 Jan 2023 14 April 2023 28 July 2023 29 Sept 2023 26 Jan 2024 12 April 2024

WORKING PAPERS - APPENDICES

18.	APPENDIX 7A - GMPF'S RESPONSIBLE INVESTMENT PARTNERS AND COLLABORATIONS	133 - 134
19.	APPENDIX 8A - INVESTMENT BENCHMARKING RESULTS	135 - 152
20.	APPENDIX 8B - PENSIONS ADMINISTRATION BENCHMARKING RESULTS	153 - 168
21.	APPENDIX 9A - 2022 ACTUARIAL VALUATION DRAFT FSS	169 - 206
22.	APPENDIX 12A - GMPF WHOLE FUND RISK REGISTER	207 - 212
23.	APPENDIX 14A - QUARTERLY ADMINISTRATION PERFORMANCE DASHBOARD	213 - 216

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Carolyn Eaton, Principal Democratic Services Officer, 0161 342 3050 or carolyn.eaton@tameside.gov.uk, to whom any apologies for absence should be notified.

GREATER MANCHESTER PENSION FUND ADVISORY PANEL

16 September 2022

Commenced: 10.00am **Terminated:** 12.20pm

Present: Councillor Cooney (Chair)
Councillors: Cowen (Bolton), Cunliffe (Wigan), Grimshaw (Bury), Massey (Rochdale), and Smart (Stockport)

Employee Representatives:

Ms Blackburn (UNISON), Mr Caplan (UNISON), Mr Flatley (GMB), Mr Llewellyn (UNITE) and Mr Thompson (UNITE)

Fund Observer:

Councillor Taylor (Stockport)

Local Pensions Board Member (in attendance as observer):

Councillor Fairfoull

Advisors:

Mr Moizer and Mr Powers

Mr Bowie joined the meeting virtually

Apologies for absence: Councillors Andrews (Manchester), Barnes (Salford) and Jabbar (Oldham)
Mr Drury (UNITE)
Mr Pantall – Independent Observer

25. CHAIR'S OPENING REMARKS

The Chair, Councillor Cooney welcomed everyone to the meeting of the Panel during the period of National Mourning for Queen Elizabeth II.

He explained that, in line with protocol, and in particular Operation London Bridge, once a summons for a meeting had been issued, there was no provision for meeting to be postponed unless the circumstances made it impossible for the meeting to be held. Therefore, meetings, which had already been summonsed, were required to proceed as planned.

The Chair reflected that Queen Elizabeth II was an extraordinary woman who dedicated her life to public service and upheld the highest standards of dignity, courtesy, decency and honour. Her Majesty the Queen touched the lives of so many people across the world over the 70 year reign and had been a devoted servant to her people.

The meeting then stood and observed one minute's silence in memory of Queen Elizabeth II.

The Chair added that, on the basis that discretion was required regarding announcements, publicity or public facing activity during the period of National Mourning, it was intended to forgo the Chair's usual introduction in respect of general Fund activities in order to strictly undertake the summonsed business.

The Chair then welcomed Cllr John Taylor from Stockport who had been appointed as an observer; at the 19 July 2022 meeting of Tameside Council; in order that his corporate knowledge of the Fund could be retained. This was important in a time of constant change and helped ensure necessary scrutiny to keep on the straight and narrow.

26. DECLARATIONS OF INTEREST

There were no new declarations of interest submitted by Members.

27. MINUTES

- (a) The Minutes of the proceedings of the meeting of the Pension Fund Advisory Panel held on 15 July 2022 were signed as a correct record.
- (b) The Minutes of the proceedings of the meeting of the Pension Fund Management Panel held on 15 July 2022 were noted.

28. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

(a) Urgent Items

The Chair announced that there were no urgent items for consideration at this meeting.

(b) Exempt Items

RESOLVED

That under Section 100 (A) of the Local Government Act 1972 the public be excluded for the following items of business on the grounds that:

- (i) they involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the act specified below; and
- (ii) in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information for reasons specified below:

Items	Paragraphs	Justification
8, 9, 10, 11, 12, 14, 15, 19, 20, 21, 22, 23, 24	3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10	Disclosure would or would be likely to prejudice the commercial interests of the Fund and/or its agents, which could in turn affect the interests of the stakeholders and/or tax payers.

29. LOCAL PENSIONS BOARD

The Minutes of the proceedings of the meeting of the Local Pensions Board held on 28 July 2022 were received.

The Chair of the Local Pensions Board, Councillor Fairfoull, advised that the 2022 actuarial valuation and its progress to date, was discussed. There was focus on the draft Funding Strategy Statement that was now being consulted on with employers. The purpose of the Funding Strategy Statement was to establish a clear and transparent fund specific funding strategy, which would identify how employers' pension liabilities were best met going forward. The new Funding Strategy Statement would place GMPF in good stead for the future and would ensure stability in the funding strategy. He added that he looked forward to the Panel meeting's valuation agenda item and the presentation prepared by the Actuary.

The 2021/2022 annual accounts and reporting process was also considered. The Local Board section of the annual report for 2021/2022 was reviewed. It was pleasing to note that the Local Board's expenditure was well within budget. Preparing reports and accounts was a statutory obligation of all local authorities. However, it was also beneficial for members and employers that

they could access accurate information about the Local Board and the Fund.

As at each meeting, the monitoring of late payment of contributions or late submissions of data from employers was reviewed. It was encouraging to hear that the timeliness of contribution payments and receipt of data from employers had generally been good over the last quarter.

Reassuring updates were also provided from the Fund's pension administration team on a number of ongoing work streams and the Board discussed the findings of recent internal audit reports and the current version of the Fund's risk register.

RECOMMENDED

That the Minutes of the proceedings of the Local Pensions Board held on 28 July 2022 be noted.

30. INVESTMENT MONITORING AND ESG WORKING GROUP

The Minutes of the proceedings of the meeting of the Investment Monitoring and ESG Working Group held on 29 July 2022 were considered.

It was stated that representatives of UBS attended the meeting and gave informative updates on their Responsible Investment activity, and trading costs over the last 12 months.

UBS made reference to their proprietary ESG risk dashboard and the ongoing active engagement with companies flagged as having elevated sustainability risks. Engagement expectations and outcomes were discussed.

PIRC also attended the meeting and updated the group on the work they had been doing around workforce safety disclosures.

PIRC discussed the link between executive pay and safety, and the lack of comprehensive or standardised reporting on health and safety issues, especially from companies with contingent workers, which were areas PIRC would push for improvements on.

Two particular key points that the Chair said he took from the working group were

1. Putting pressure on fossil fuel providers to commit windfall profits to investment in renewables and the transition process. UBS were following this aspect up with BP and Shell. Incidentally they pointed out that all producers of energy, including sustainable sources benefitted from the currently extremely high energy prices caused by the war in Ukraine.
2. The emphasis on the health and safety of employees was a very important S factor. Developing comparative measures will be important.

RECOMMENDED

That the Minutes be received as a correct record.

31. ADMINISTRATION AND EMPLOYER FUNDING VIABILITY WORKING GROUP

The Minutes of the proceedings of the meeting of the Administration and Employer Funding Viability Working Group held on 29 July 2022 were considered.

The Chair of the Working Group, Councillor North, advised that discussion had taken place in respect of 'year in review' reports, which were distributed to the ten local authorities for 2021/2022. The report provided each employer with statistics and information relating to their GMPF members and highlighted how well they were fulfilling their role as an LGPS employer. The intention of the annual report was to help employers identify where they could make improvements and where

benchmarking against their peers may help them drive forward efficiencies. Feedback from the local authority employers had been positive and had helped provide a critical eye to their pensions' functions.

Cyber security was also discussed, and the recent cyber security simulation exercise that was carried out. The simulation exercise was designed by the National Cyber Security Centre and was available through their website. GMPF carried out eight different simulation exercises, ranging from a work mobile device being stolen to a ransomware attack. Each exercise provided a scenario, which prompted and facilitated discussions around the controls that were in place to mitigate against the risks relating to the scenario. Following the exercise some areas for improvement were identified but, overall, the exercise demonstrated that in most areas, GMPF had appropriate controls in place.

As usual, the administration strategic service update and updates relating to member services, employer services, developments and technologies, and communication and engagement, were reviewed.

RECOMMENDED

- (i) That the Minutes be received as a correct record; and**
- (ii) In respect of Administration Developments & Technologies Update; that the content of the report be noted and that the proposal to proceed with the procurement of a contract to replace and renew audio-visual solutions within Guardsman Tony Downes House to meet the new demands of the service, be approved.**

32. POLICY AND DEVELOPMENT WORKING GROUP

The Minutes of the proceedings of the meeting of the Policy and Development Working Group held on 8 September 2022 were considered.

The Chair of the Working Group, Councillor Cooney, advised that UBS attended the Working Group to present their performance review for the quarter ending 30 June 2022, which was reported on in detail later in the agenda.

UBS also presented details of a proposal for a pilot of a Global Equity Value allocation. Members and Advisors broadly supported the proposal subject to some further due diligence by officers that would be considered at the next meeting of the Working Group. The additional work would look at things like the role analysts at UBS, their ability to spot value opportunities in all regions, and the optimal size for an initial pilot allocation.

The focus of most of the remainder of the meeting was on the annual performance updates for the various internal portfolios, along with the external property portfolios. This included a presentation from MSCI on the performance of both externally and internally managed property. It was pleasing to see the fruits of the significant work that had been undertaken to professionalise and future proof the fund reflecting its £30 billion status.

RECOMMENDED

- (i) That the Minutes be received as a correct record;**
- (ii) In respect of the Report of the Manager; that a pilot of a Global (Developed) Equity Value allocation within the UBS mandate be approved, subject to satisfactory completion of additional due diligence, to be submitted to the next meeting of the Working Group**

33. RESPONSIBLE INVESTMENT UPDATE

The Assistant Director of Pensions Investments, submitted a report and delivered a presentation providing Members with an update on the Fund's responsible investment activity during the quarter.

It was explained that the Fund was a signatory to the Principles for Responsible Investment (PRI). As a signatory to the PRI, the Fund was required to report publicly its responsible investment activity through the PRI's 'Reporting Framework'.

Upon becoming a PRI signatory, the Fund committed to the following six principles:

1. We will incorporate ESG issues into investment analysis and decision making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles

A summary of the Fund's Responsible Investment activity for the quarter against the six PRI principles was detailed in the report.

The Assistant Director gave details of deployment of capital as follows:

- **Direct Infrastructure Platform (GLIL):** the acquisition of a stake in Hornsea One – part of the world's largest operational wind farm; and
- **Impact Portfolio** - £105m commitment to Northern Gritstone helping to finance companies in some of the UK's fastest growing sectors

He further made reference to the Northern LGPS Stewardship quarterly report, which explored Climate Voting alerts, Banking, Electric Vehicles, Mining, Jet Zero and Sainsbury's.

In terms of the UK Stewardship Code, Members were advised that GMPF's application renew its signatory status of the UK Stewardship Code was successful. GMPF was now one of 236 signatories:

- 169 asset managers
- 48 asset owners
- 19 service providers
- UBS, LGIM, Ninety One, PIRC and Hymans Robertson were signatories.

The Assistant Director further commented on the DLUHC consultation with regard to assessing, managing and reporting climate-related risks in line with Task Force on Climate Related Financial Disclosures (TCFD), and advised that GMPF had been reporting voluntarily in line with TCFD for 5 years. Information was also provided in respect of the Carbon Disclosure Project.

Details of GMPF's Responsible Investment partners and collaborations were appended to the report.

Discussion ensued in respect of the content of the report and presentation, with further clarity sought in respect of harnessing members' views through the Investment Strategy Statement.

The Chair thanked the Assistant Director for the comprehensive and informative presentation.

RECOMMENDED

That the content of the report and presentation be noted.

34. GMPF'S APPROACH TO CLIMATE RISK

Alex Lake and Sudeep Ar of Trucost presented before Members and gave an analysis of the Fund's Carbon Footprinting Assessment of its equity and corporate bond holdings. The presentation further provided details of a 'mapping' exercise of the Fund's holdings against analysis undertaken by the Transition Pathway Initiative, a global, asset-owner led initiative, which assessed companies' preparedness for the transition to a low carbon economy.

Discussion ensued and Members sought further information on carbon capture and plans to reduce CO² emissions.

The Director of Pensions made reference to the Fund's Annual Report, which set out the position on carbon, how it was being managed and what was being done to achieve net zero.

The Advisors commented on the transition of fund manager portfolio's over time and supported GMPF's approach and the use the voting and influences to effect that rather than to dispose.

The Chair thanked Mr Lake and Mr Ar for a thought provoking presentation.

RECOMMENDED

That the content of the presentation be noted.

35. ADMINISTRATION AND BENEFITS REVIEW

Consideration was given to a report of the Assistant Director Pensions Administration and the Assistant Director, Funding and Business Development, which provided:

- A review of the work carried out by the Administration teams during 2021/22 together with information about the membership of the Fund as of 31 March 2022. It also provided an update on performance and engagement activities carried out in Quarter 1; and
- Information about how LGPS benefits are inflation proofed and explained the impact changes in inflation had on member pension benefits.

The Assistant Director of Pensions Administration explained the primary focus of the service over the last two and half years had been to respond to the demands generated by the coronavirus pandemic. The pandemic presented some big challenges for GMPF's administration service, causing material volatility to workloads and driving a lot of change within a short space of time. However, it also presented numerous opportunities. A significant amount of time had been spent on reassessing and changing how the administration service was delivered and on developing the team's resilience and capacity. The team had implemented new systems and had enhanced the technology around them, which had reformed how teams worked and how they delivered their service to members.

The report then gave a detailed overview in terms of the following:

- Membership and key statistics;
- Member Services;
- Employer Services;
- Communications and Engagement;
- Developments and Technologies; and
- Risks and Challenges.

In respect of administration, performance and engagement activities, a performance dashboard for Quarter 1 (April to June 2022) was appended to the report.

The Assistant Director, Funding and Business Development, then advised Members with regard to how benefits were linked to inflation.

He explained that most pension schemes included a mechanism for inflation proofing, to try and ensure pension benefits broadly maintained their purchasing power when the cost of living increased. However, the extent of inflation proofing and the methods used to achieve this differed from scheme to scheme. Broadly speaking, LGPS benefits were fully linked to increases in the Consumer Price Index, ('CPI') which was now the Government's preferred inflation measure. However, the calculation and timing of increases differed depending on the type of benefit being built up and whether it was in payment or not.

RECOMMENDED

That the content of the report and presentations be noted.

36. 2022 ACTUARIAL VALUATION

A report was submitted by the Assistant Director of Pensions, Funding and Business Development and a presentation delivered by Steven Law of Hymans Robertson, Actuary to the Fund.

It was reported that GMPF's actuary, Hymans Robertson presented at the previous three Panel meetings on some of the likely key issues influencing the outcomes of the valuation.

Preliminary whole-fund valuation results were discussed and it was explained that GMPF's investment returns had offset higher expected inflation and, therefore, the funding position had improved marginally since 2019 valuation.

In respect of employer-level results, Members were advised that work was underway to ensure appropriate funding plans were in place for each employer.

Members were advised that, the Funding Strategy Statement provided guidance to the Actuary in undertaking the actuarial valuation. Regulation 58 of the LGPS Regulations 2013 required each administering authority to prepare and maintain a Funding Strategy Statement. The purpose of the Funding Strategy Statement was to "establish a clear and transparent fund specific funding strategy which would identify how employers' pension liabilities were best met going forward". The Funding Strategy Statement also set out other aspects of GMPF policy, such as how early retirement costs were funded, and how debts for employers who terminated their participation in the fund were calculated.

A draft copy of the Funding Strategy Statement was presented to Panel, the Administration, Employer Funding and Viability Working Group and the Local Pensions Board at their respective July meetings. The draft Funding Strategy Statement was approved to be issued for consultation with employers. Consultation with employers commenced on 15 August 2022. Employers were notified via email that GMPF was consulting on its Funding Strategy Statement and invited responses from employers wishing to do so. The deadline for consultation responses was 11 October 2022. A verbal update on responses received to date would be provided at the upcoming meeting of the Administration, Employer Funding and Viability Working Group.

RECOMMENDED

- (i) That the content of the report and the presentation from Hymans Robertson, be noted;**
- and**
- (ii) That the progress on the valuation be noted.**

37. PERFORMANCE DASHBOARD

Consideration was given to a report of the Assistant Director of Pensions Investments, providing high level, investment performance information, including the value of the Pension Fund Investment Portfolio, the performance of the Main Fund, and the over/under performance of the external Fund Managers against benchmark.

Key information from the Quarter 2 2022 Performance Dashboard was summarised. It was explained that, although most of the world had moved beyond the COVID-19 pandemic, the impact of financial policies and economic problems had created high inflation, supply problems and other uncertainties going forwards. The uncertainty had been increased by the invasion of Ukraine by Russia. Recession fears and an accelerated Federal Reserve trajectory for raising interest rates weighed on markets during the second quarter. The European Central Bank and the Bank of England also outlined a much more aggressive plan to raise rates. Inflation levels had continued to surprise to the upside, fuelled by ever higher oil and commodity prices, labour shortages, and ongoing supply chain disruptions. Supply and demand imbalances remained across industries and extended from labour challenges to energy resources to semiconductor stocks. As inflation forecasts continued to rise, global growth forecasts remained on a downwards trend: June's consensus forecasts global GDP rising 2.9% in 2022 and 2.8% in 2023, down from 4.1% and 3.2%, respectively, at the start of the year. Equity and bond markets posted negative returns; compounding what was already a difficult start to the year. Q2 2022 witnessed markets performing negatively for the second consecutive quarter; in fact, excluding global property and commodities, all primary listed asset classes had negative returns this quarter.

Despite ongoing upwards revisions to consensus analyst earnings forecasts, global equities fell over the quarter, as increases in expectations for the path of interest rates extended the recent decline in equity market valuations. The S&P 500 lost 16.1% over the quarter. The 20% fall in the index year to date marked the largest first half decline since 1970. The technology sector notably underperformed on the back of rising interest rates whilst returns within the consumer discretionary sector were impacted by a weakening consumer outlook. In contrast, consumer staples outperformed, as investors perhaps placed a premium on the sector's inherent pricing power. Traditionally defensive sectors including utilities, telecoms, and healthcare outperformed over the quarter, whilst the more cyclical basic materials and industrials sectors underperformed. North America underperformed, owing to its large exposure to the technology sector. Meanwhile, above-average exposure to energy, metals, and miners, saw the UK continue its recent outperformance, and the easing of lockdown restrictions in China provided some relative support to Emerging and Asian markets equities.

Government bond prices fell and yields rose, as markets moved to price in significant further increases in interest rates in addition to those already announced. The impact of rising government bond yields on the total returns of corporate bonds has been compounded by spread widening, as both inflation and growth concerns have weighed on global corporate bond markets.

Over the quarter total Main Fund assets decreased by £480 million to £27.7 billion. With the exception of private equity, allocations to alternative assets, whilst increasing, remained below their long-term targets. Funding continued apace with allocations expected to increase further over the coming years. Following the 2021/22 review of Investment Strategy, the current 'rules' governing the Public Equity allocation were re-couched in order to simplify the presentation of the current and future positions. In addition, further changes to the 'realistic' strategic allocations to alternatives were made in Q4 2021.

Within the Main Fund, there was an overweight position in private equity and cash (of around 4% in aggregate). Allocations to Private Debt, Infrastructure and GLIL were also overweight relative to their respective (realistic) benchmarks. The overweight positions were offset by underweight positions in bonds, equities and property. The property allocation continued to be underweight (by around 0.6%) versus its benchmark. On a cumulative basis, over the period since September 1987, the Main Fund had outperformed the average LGPS, equating to over £4.6 billion of additional assets.

The Main Fund outperformed its benchmark over Q2 2022. Relative performance over 1 year and 3 years was positive. The Main Fund was also ahead of its benchmark over 5 and 10 years and performance since inception remained strong. Over Q2 2022, 1 year active risk rose having already increased dramatically over recent quarters. Active risk remained elevated relative to recent history – 1 year active risk was now 3 times the levels reached 10 years ago. This had

resulted in a marked increase in active risk over 3 and 5 year periods. However, over longer time periods, active risk of the Main Fund remained more stable at around 1.5% pa. Risk in absolute terms (for both portfolio and benchmark) increased in Q2 2022. There was now greater uncertainty surrounding the macro economic outlook; in particular, future inflation levels, the war in Ukraine, supply chain disruptions and the future impact of the pandemic on economic output remained unclear.

As at the end of Quarter 2; three of the Fund's active securities manager outperformed their respective benchmarks whilst one manager underperformed its benchmark. Over a 3 year period, one manager underperformed its benchmark whilst two managers outperformed their respective benchmarks. The long term performance of one manager remained strong. The performance history of the Factor Based Investing portfolio was extremely short so at a very early stage no conclusions could be drawn with regard to performance.

RECOMMENDED

That the content of the report be noted.

38. BUSINESS PLANNING, BUDGET AND RISK MANAGEMENT

Consideration was given to a report of the Director of Pensions providing an update on the current business plan and highlighted the current key risks being monitored.

Progress being made on the six key strategic projects set out in the 2022/23 business plan was detailed in the report.

The Director highlighted an error in the report as follows:

Key Project 4 – McCloud – Status should read 'on track' and not 'completed' as stated in the report.

Overall, progress was generally in line with the timescales. All business plan tasks continued to be monitored and reviewed each month by the Director of Pensions.

In terms of risk management, Members were advised that the overarching risk register was reviewed and updated at least once each quarter and the latest version was appended to the report. Specific risks being monitored closely by officers were highlighted and included issues relating to high inflation, assessing the impact of the McCloud changes; and cyber security work.

RECOMMENDED

- (i) That the progress on the current key business plan tasks be noted; and**
- (ii) That the risk register and the controls in place to mitigate each risk, be noted.**

39. GMPF'S STATEMENT OF ACCOUNTS AND ANNUAL REPORT

The Director of Pensions submitted a report, which provided an update on the draft Annual Report and Accounts for GMPF including a summary financial report and advised Members in respect of the external audit.

The summary financial report for 2022 was detailed in the report and a link to the draft Annual Report was provided.

It was explained that, at the time of writing, the audit findings report for GMPF was in draft form awaiting confirmation of sign off from national review team. The draft report contained no material or high-risk findings.

RECOMMENDED

- (i) That the draft Annual Report be approved;**
- (ii) That the Summary Financial Report be noted; and**
- (iii) That the update on progress of external audit be noted.**

40. LGPS UPDATE

Consideration was given to a report of the Director of Pensions providing the Panel with an update on the latest developments regarding the Local Government Pension Scheme, as follows:

- Pensions Age Publication About GMPF;
- Education sector and the LGPS;
- Cost Control Mechanism;
- McCloud Update;
- MAPS Pension Dashboard update;
- The Pensions Regulator; and
- Pooling update.

RECOMMENDED

That the content of the report be noted, including the potential impact and implications for the LGPS and GMPF.

41. FUTURE DEVELOPMENT OPPORTUNITIES

Trustee development opportunities were noted as follows:

PLSA Annual Conference – ACC Liverpool	12-13 October 2022
LGA Fundamentals Day 1 - Virtual	18 October 2022
LGA Fundamentals Day 2 - Virtual	22 November 2022
LAPFF Annual Conference - Bournemouth	7-9 December 2022
LGA Fundamentals Day 3 - Virtual	20 December 2022
LGPS Governance Conference - Bournemouth	20-21 January 2023

42. DATES OF FUTURE MEETINGS

It be noted that the date of future meetings be held as follows:

Management/Advisory Panel	2 Dec 2022 24 March 2023 14 July 2023 15 Sept 2023 1 Dec 2023 8 March 2024
Local Pensions Board	6 Oct 2022 26 Jan 2023 13 April 2023 27 July 2023 28 Sept 2023 25 Jan 2024 11 April 2024
Policy & Development Wrk Grp	24 Nov 2022 2 March 2023 22 June 2023 7 Sept 2023

	23 Nov 2023 22 Feb 2024
Investment Monitoring & ESG Wrk Grp	7 Oct 2022 20 Jan 2023 14 April 2023 28 July 2023 29 Sept 2023 26 Jan 2024 12 April 2024
Administration & Employer Funding Viability Wrk Grp	7 Oct 2022 20 Jan 2023 14 April 2023 28 July 2023 29 Sept 2023 26 Jan 2024 12 April 2024

43. CHAIR'S CLOSING REMARKS

The Chair announced that this was the last meeting for Euan Miller, Assistant Director, Funding and Business Development, who was leaving the Fund to join West Yorkshire Pension Fund, as its Director. He would still be in contact however, as he would remain part of the Northern Pool. The Chair thanked Euan for over 8 years of service with the Fund, and added that he had been an absolute asset. He wished Euan every success in his new role.

CHAIR

This page is intentionally left blank

GREATER MANCHESTER PENSION FUND MANAGEMENT PANEL

16 September 2022

Commenced: 10.00am

Terminated: 12.20pm

Present: Councillor Cooney (Chair)

Councillors: Cowen (Bolton), Cunliffe (Wigan), Drennan, Grimshaw (Bury), Lane, Massey (Rochdale), North, Patrick, Quinn, Ricci, Ryan, Smart (Stockport) and Taylor
Ms Herbert (MoJ) joined the meeting virtually

Fund Observers:

Councillor Taylor (Stockport)

**Apologies for
Absence:** Councillors Andrews (Manchester), Barnes (Salford), Jabbar (Oldham), and Ward

25. CHAIR'S OPENING REMARKS

The Chair, Councillor Cooney welcomed everyone to the meeting of the Panel during the period of National Mourning for Queen Elizabeth II.

He explained that, in line with protocol, and in particular Operation London Bridge, once a summons for a meeting had been issued, there was no provision for meeting to be postponed unless the circumstances made it impossible for the meeting to be held. Therefore, meetings, which had already been summonsed, were required to proceed as planned.

The Chair reflected that Queen Elizabeth II was an extraordinary woman who dedicated her life to public service and upheld the highest standards of dignity, courtesy, decency and honour. Her Majesty the Queen touched the lives of so many people across the world over the 70 year reign and had been a devoted servant to her people.

The meeting then stood and observed one minute's silence in memory of Queen Elizabeth II.

The Chair added that, on the basis that discretion was required regarding announcements, publicity or public facing activity during the period of National Mourning, it was intended to forgo the Chair's usual introduction in respect of general Fund activities in order to strictly undertake the summonsed business.

The Chair then welcomed Cllr John Taylor from Stockport who had been appointed as an observer; at the 19 July 2022 meeting of Tameside Council; in order that his corporate knowledge of the Fund could be retained. This was important in a time of constant change and helped ensure necessary scrutiny to keep on the straight and narrow.

26. DECLARATIONS OF INTEREST

There were no new declarations of interest submitted by Members.

27. MINUTES

The Minutes of the proceedings of the meeting of the Pension Fund Advisory Panel held on 15 July 2022 were noted.

The Minutes of the proceedings of the meeting of the Pension Fund Management Panel held on 15 July 2022 were signed as a correct record.

28. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

(a) Urgent Items

The Chair announced that there were no urgent items for consideration at this meeting.

(b) Exempt Items

RESOLVED

That under Section 100 (A) of the Local Government Act 1972 the public be excluded for the following items of business on the grounds that:

- (i) they involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the act specified below; and
- (ii) in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information for reasons specified below:

Items	Paragraphs	Justification
8, 9, 10, 11, 12, 14, 15, 19, 20, 21, 22, 23, 24	3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10, 3&10	Disclosure would or would be likely to prejudice the commercial interests of the Fund and/or its agents, which could in turn affect the interests of the beneficiaries and/or tax payers.

29. LOCAL PENSIONS BOARD

The Minutes of the proceedings of the meeting of the Local Pensions Board held on 28 July 2022 were considered.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

30. INVESTMENT MONITORING AND ESG WORKING GROUP

The Minutes of the proceedings of the meeting of the Investment Monitoring and ESG Working Group held on 29 July 2022 were considered

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

31. ADMINISTRATION AND EMPLOYER FUNDING VIABILITY WORKING GROUP

The Minutes of the proceedings of the meeting of the Administration and Employer Funding Viability Working Group held on 29 July 2022 were considered

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

32. POLICY AND DEVELOPMENT WORKING GROUP

The Minutes of the proceedings of the meeting of the Policy and Development Working Group held on 8 September 2022 were considered

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

33. RESPONSIBLE INVESTMENT UPDATE

A report was submitted and a presentation delivered by the Assistant Director of Pensions Investments.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

34. GMPF'S APPROACH TO CLIMATE RISK

Alex Lake and Sudeep Ar, representatives of Trucost, delivered a presentation.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

35. BENEFITS AND ADMINISTRATION REVIEW

A report was submitted and presentation delivered by the Assistant Director of Pensions Administration and the Assistant Director, Funding and Business Development.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

36. 2022 ACTUARIAL VALUATION

A report was submitted by the Assistant Director of Pensions, Investments and a presentation delivered by Steven Law of Hymans Robertson, Actuary to the Fund.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

37. PERFORMANCE DASHBOARD

A report of the Assistant Director of Pensions Investments was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

38. BUSINESS PLANNING, BUDGET AND RISK MANAGEMENT

A report of the Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

39. GMPF'S STATEMENT OF ACCOUNTS AND ANNUAL REPORT

A report of the Assistant Director of Pensions, Local Investments and Property, was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

40. LGPS UPDATE

A report of the Director of Pensions was submitted.

RESOLVED

That the recommendations of the Pension Fund Advisory Panel on this matter be adopted.

41. FUTURE DEVELOPMENT OPPORTUNITIES

Trustee development opportunities were noted as follows:

PLSA Annual Conference – ACC Liverpool	12-13 October 2022
LGA Fundamentals Day 1 - Virtual	18 October 2022
LGA Fundamentals Day 2 - Virtual	22 November 2022
LAPFF Annual Conference - Bournemouth	7-9 December 2022
LGA Fundamentals Day 3 - Virtual	20 December 2022
LGPS Governance Conference - Bournemouth	20-21 January 2023

42. DATES OF FUTURE MEETINGS

It be noted that the date of future meetings be held as follows:

Management/Advisory Panel	2 Dec 2022 24 March 2023 14 July 2023 15 Sept 2023 1 Dec 2023 8 March 2024
Local Pensions Board	6 Oct 2022 26 Jan 2023 13 April 2023 27 July 2023 28 Sept 2023 25 Jan 2024 11 April 2024
Policy & Development Wrk Grp	24 Nov 2022 2 March 2023 22 June 2023 7 Sept 2023 23 Nov 2023 22 Feb 2024
Investment Monitoring & ESG Wrk Grp	7 Oct 2022 20 Jan 2023

	14 April 2023 28 July 2023 29 Sept 2023 26 Jan 2024 12 April 2024
Administration & Employer Funding Viability Wrk Grp	7 Oct 2022 20 Jan 2023 14 April 2023 28 July 2023 29 Sept 2023 26 Jan 2024 12 April 2024

43. CHAIR’S CLOSING REMARKS

The Chair announced that this was the last meeting for Euan Miller, Assistant Director, Funding and Business Development, who was leaving the Fund to join West Yorkshire Pension Fund, as its Director. He would still be in contact however, as he would remain part of the Northern Pool. The Chair thanked Euan for over 8 years of service with the Fund, and added that he had been an absolute asset. He wished Euan every success in his new role.

CHAIR

This page is intentionally left blank

GREATER MANCHESTER PENSION FUND - LOCAL PENSIONS BOARD

6 October 2022

Commenced: 15:00

Present:

**Councillor Fairfoull
Jack Naylor
Paul Taylor
David Schofield
Mark Rayner
Catherine Lloyd**

Terminated: 16:50

**Employer Representative - Chair
Employer Representative
Employer Representative
Employee Representative
Employee Representative
Employee Representative**

Apologies for Absence Chris Goodwin and Michael Cullen

15 DECLARATIONS OF INTEREST

There were no declarations of interest.

16 MINUTES

The minutes of the Local Pensions Board meeting on the 28 July 2022 were approved as a correct record.

17. PROGRESS REPORT ON RISK MANAGEMENT AND AUDIT SERVICES 9 JULY 2022 TO 16 SEPTEMBER 2022

Consideration was given to a report of the Interim Head of Risk Management and Audit Services. The report summarise the work of the Risk Management and Audit Service for the Period 9 July 2022 to 16 September 2022.

That Board were advised that the progress report showing the actual days spent against the planned days for 2022/23 was the cumulative position from the 1 April 2022 to 16 September 2022 and was attached at Appendix 1. The service had spent 78.64 days against the 300 planned days up to 16 September 2022. Whilst this was less days than would be expected at this stage in the year, the Interim Head of Risk Management explained that they were process of recruiting staff, and would endeavour to catch up on the number of days spent later in the financial year.

A review of the remaining audits in the plan had been undertaken and discussions had been held with Pension Fund Management to ensure that the high risk areas are appropriately prioritised for completion. The audits undertaken would provide the necessary assurance around the key systems and controls in place. There were a number of audits in the plan that could be carried forward or rescheduled due to timing issues or following requests from Senior Management.

It was explained that a number of employer audits were undertaken on an annual basis, in agreement with the Pension Fund, to provide assurance in respect of the pension's administration processes in place at the employer to confirm the accuracy of the contribution payments being made to the Pension Fund.

There were some concerning issues highlighted as part of the employer audit review, predominantly in relation to the information being provided to the Pension Fund on the iConnect submission. Sample testing highlighted incorrect CARE pay, employee contributions, employer contributions and final pay being reported on the submission for a number of members.

It was also found that the iConnect submission was not always being submitted in line with the

timescales outlined in the Pension Administration Strategy. Whilst issues were highlighted with the iConnect submissions it was confirmed that in general the iTrent Payroll System was administering LGPS pensions correctly. There was a further reporting issue identified in respect of Assumed Pensionable Pay and whilst confirmation was received that manual adjustments were being made to correct any identified errors, a number of employees were identified within the audit sample where manual adjustments had not been made to ensure that the correct CARE pay was recorded for them. The employer confirmed that a system fix is being sought for this issue.

A number of recommendations were made which would improve the control environment in place in respect of pension administration at the employer. Staff were already aware of some of the issues and it was evident that they were committed to implementing the recommendations and making the required improvements. Positive management responses were received to all the recommendations made within the audit report.

In addition, a recent investigation has been undertaken in respect of a person obtaining a GMPF member's personal details and impersonating the member, which resulted in the member's bank account details being changed and one month's pension payment being paid to the impersonator. As a result of the investigation a number of control issues were identified in respect of the processes being operated. A number of recommendations were made, which once implemented would strengthen internal control and minimise the risk of such an occurrence happening in the future. Management were receptive to the investigation and provided positive management responses to the recommendations made.

During the period three Post Audit Reviews had been completed. The recommendations for the Greater Manchester Property Venture Fund and employer Audit – Oldham Council had been 100% implemented. With regards to Creditors – Second Post Audit Review, A number of recommendations were still not fully implemented; however, there had been a change in management and a new Interim Head of Pension Fund Accountancy was appointed in April 2022. Positive management responses had been provided to the recommendations made and assurance given that they would be implemented. The outstanding recommendations would be reviewed as part of the next GMPF Creditor Payments audit, which was yet to be scheduled.

RESOLVED

That the report be noted.

18. GMPF STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2021-2022

Consideration was given to a report of the Director of Pensions / Assistant Director for Local Investments and Property). The report provided information on the progress of the governance arrangements for the audit of GMPF Accounts 2021/22.

The Board were advised that the audit remained in progress, whilst field work was largely complete and no major issues had been identified, the AFR had not to date been issued by Mazars.

The internal team had made some amendments to disclosures within the accounts alongside some presentational changes following comments from the auditors.

The completion process for 2021/22 was subject to completion of 2020/21 audit by Mazars for Tameside. This was subject to a national resolution on a technical issue related the treatment of 'infrastructure' assets held by the local authority.

RESOLVED

That the report be noted.

19. ADMINISTRATION UPDATE

Consideration was given to a report of the Director of Pensions / Head of Pensions Administration. The report provided the Working Group with a summary of the Work and Projects being carried out by the Member services section of Pensions Administration.

It was reported that in addition to the usual work items undertaken across the section, several other key work items have been progressed over the quarter.

The work to produce and issue annual benefit statements for contributing members had now been completed, with over 99% of all statements due having been uploaded to My Pension by the statutory deadline of 31 August 2022.

The project to move processes online had also progressed. The first phase of the project to move the benefits on hold into payment process online had now been completed. As mentioned at the last meeting, the Fund had seen a substantial increase in these requests over recent months, which had resulted in members experiencing much longer wait times than normal. This work, alongside other steps being undertaken to process requests already received, was already having a positive impact on turnaround times.

The Pension Payments team had been working with other teams in the service to implement new Altair software functionality that provides an automated transfer of data between the benefits and payroll modules of the system. This software development, known as EA2P, required some fundamental programming changes to be made by our software provider that required substantial testing to be carried out by all teams. This change also required revised internal payroll deadlines to be worked to in August to enable a smooth transition. The changes were successfully implemented at the beginning of September and would make the process of adding new payments to payroll more efficient.

Work to produce and issue pension saving statements to those members who have exceeded, or were close to exceeding, the annual allowance tax limits had been progressing well. 744 contributing members were initially identified as requiring a statement, and at the time of writing this report, 689 of these cases had been reviewed and tax allowance amounts calculated. The team was on track to have completed all cases and to issue all statements needed by the 6 October statutory deadline.

The review of the pension overpayment recovery process had been progressed and there was a separate report on the agenda covering this. Confirmation of the total pension overpayments amounts attempting to be recovered as of 31 August could be found attached at appendix 1.

In addition to measuring the performance using key performance indicators, GMPF issues surveys to members to obtain a view of member experience for several key processes. Three surveys were carried out in quarter 1 and the results were subsequently reviewed by the Complaints and Issues Board. Appendices 2a, 2b and 2c provided details of the questions asked in the surveys and show the responses received from members. All subsequent actions identified were added to a surveys action plan, a copy of which was provided at appendix 2d.

In regards to changes to printing and post processes the Contributing Members team had transitioned to using the automated printing solution, Print Me, for many of their letters. Work was currently underway to transition the printing for the two final teams within Member Services, being Retiring Leavers and Leaving Members. The efficiencies made from implementing this change and from moving processes online had seen the level of printing being carried out from Guardsman Tony Downes House reduce significantly. This had allowed colleagues to focus on other key areas of work as well as enhancing GMPF's business continuity plans by increasing resilience.

As part of the anti-fraud work, the Pension Payments team undertook an annual process to confirm pensioners that lived overseas were still alive and due their pension, referred to as an existence check.

The team had been working through the final stages of the annual existence check exercise. Members who had not returned their certificate or completed one of the validation options and had a pension of £300 or more per month had their pension payments suspended from September. 220 pensions were suspended. This generated a large response from these members and the team was reinstating those pensions where the member had now responded and completed the required checks.

A review of the remaining members who had not responded would be carried out in the coming weeks. There were 178 members who had a pension of £299 or less per month who were yet to respond and whose pension would be suspended shortly. A further update on this work would be provided at the next meeting.

Almost all the Annual Benefits Statements for 2022 due for contributing members were produced and distributed ahead of the statutory deadline of 31 August 2022. The work undertaken by the Retiring Leavers team in collaboration with Developments and Technologies to move the first process online for members has been very successful from the team's point of view. Future member surveys would provide more detailed member feedback on the new process, but positive feedback was being received from those members who have got in touch with us.

RESOLVED

That the information provided be noted.

20. PENSIONS ADMINISTRATION AND BENEFITS REVIEW

Consideration was given to a report of the Director of Pensions / Assistant Director for Administration. The report provided a review of the work carried out by the Administration teams during 2021/22 together with information about the membership of the Fund as of 31 March 2022. The report also provided information about how LGPS benefits were inflation proofed and explained the impact changes in inflation had on member pension benefits.

The report set out that the primary focus of the service over the last two and half years had been to respond to the demands generated by the coronavirus pandemic. A significant amount of time had been spent on reassessing and changing how the administration service was delivered and on developing the team's resilience and capacity. The team had implemented new systems and had enhanced the technology around them, which had reformed how teams worked and how they delivered their service to members.

It was reported that the total number of pension accounts administered by GMPF had continued to increase at a similar rate to previous years. The total number of pension accounts as of 31 March 2022 was 404,932. The largest group of members were those with benefits on hold, so with a deferred pension, deferred refund, or those who had a choice between the two and who left their decision as undecided. This group made up 36% of the total number of accounts. The next largest group was those who are in receipt of a pension, so members who had claimed their pension and those who were receiving a dependant's pension. This group was 35% of the total. The remainder were the contributors, making up 29% with 69% of members being female.

It was explained that the number of members choosing to bring their benefits into payment had increased substantially more than expected over the last twelve months. The numbers were much higher than anticipated, and the rise in requests from members enquiring about claiming their benefits on hold had proved challenging to manage and had led to longer than normal turnaround times. However, team plans put in place to address this over the last two months have led to wait times reducing and these were expected to return to normal levels over the coming weeks.

Voluntary retirement was the most common reason for retirement, with 61 being the average age that a member begins to receive their pension.

During 2021/22, the Ministry of Justice made changes to the structure of the National Probation Service, which resulted in a higher than normal increase in the total number of contributors joining the Fund. The work resulting from this restructure required GMPF to take on extra resource. Several colleagues were recruited on temporary contracts to help undertake the tasks involved, many of whom have subsequently secured permanent positions.

In regards to Member Services One of the key projects undertaken over the last few years had been to maximise the use and functionality of our online member portal, My Pension. This became a greater priority when the pandemic broke, to ensure GMPF members could exchange documents with us electronically during lockdown. Members could use My Pension to upload documents and could also now complete many transactions safely and securely using their My Pension account, including electing to bring their pension into payment.

One of the projects undertaken during the year was to reform how our overseas pensioners could complete their annual existence checks. Several other improvements had also been made to internal processes. This included changes to printing arrangements and to how incoming post was dealt with, both of which had strengthened further our business continuity plans.

An update was provided on Employer Services, it was stated that the last twelve months had seen the support programme for employers expand. The ability to hold online training sessions and online meetings had led to more regular and improved engagement with our employers. A revised programme of training had been implemented, alongside new videos, support meetings and a new induction programme for all newly admitted employers. The project to onboard all existing employers to monthly data collection was also completed during the year.

In regards to Communications and Engagement, during July 2021, a new contact centre system was implemented. This new system was used primarily by the Customer Services team to manage and answer calls to the Fund's general helpline telephone numbers. Member newsletters sent out throughout the year had been very successful and created a lot of engagement. Member events had also continued to be well attended. The events programme had been expanded during the year to include some new 'bite sized' events that introduce a topic, with members being able to book onto a further 'in depth' session if they want to learn more.

On Developments and Technologies, a large amount of the team's focus had been on introducing changes that help GMPF's teams work more efficiently and effectively, particularly in a hybrid working environment. Alongside the introduction of the new contact centre, Microsoft Teams Calls was installed for all GMPF colleagues last year. The team also installed a new IT helpdesk system and made several updates to the IT infrastructure.

The Assistant Director for Funding and Business Development explained to the Board how Benefits were linked to Inflation. It was stated that most pension schemes included a mechanism for inflation proofing, to try to ensure pension benefits broadly maintain their purchasing power when the cost of living increases. However, the extent of inflation proofing, and the methods used to achieve this, differ from scheme to scheme. It was explained that broadly speaking, LGPS benefits were fully linked to increases in the Consumer Price Index ('CPI'), which was now the Government's preferred inflation measure. However, the calculation and timing of increases differed depending on the type of benefit being built up and whether it was in payment or not.

LGPS benefits earned in respect of pensionable service prior to 1 April 2014 were calculated with reference to a member's pensionable salary at the point they retire or leave LGPS employment (often referred to as 'final salary'). Inflation proofing for contributing members is achieved in part through this link to final pay. The assumption being that a member's pay should broadly keep pace with or exceed increases in the cost of living, and so using final pay to calculate a member's benefits when they leave or retire would automatically provide an inflation proofed benefit.

However, the career average scheme ('CARE scheme'), which replaced the final salary scheme in 2014, worked differently. A member builds up pension each year based on their pay in that year. The total pension built up in the CARE scheme was calculated as of 31 March each year and then revalued on 1 April in line with Treasury Revaluation Orders. The Public Service Pensions Act 2013 required the Treasury to specify a measure of price inflation to be used for revaluation. The price inflation measure used to date had been the annual change in the CPI up to September of the prior year (for example CPI inflation in September 2022 for the 1 April 2023 revaluation). It should be noted that Treasury Orders could be negative if there is a fall in price inflation, so CARE pensions could be reduced as well as increased by the revaluation process. The principles described also applied to pensions that would be payable to dependents should a member die in service. A

Inflation had increased significantly over recent months (CPI had increased by 9.9% over the year to August 2022), reducing the purchasing power of LGPS pensions in payment. This purchasing power was set to reduce further up until the time that the annual pension increases were applied in April 2023. The increase in CPI over the 12 months to September, which most LGPS pension increases were expected to be equal to, would be released on 13 October 2022.

CPI inflation was expected to increase further over the next few months. As a result, LGPS pension increases were likely to lag behind inflation. However, it should be noted that CPI was only one measure of inflation and individual members would experience differing levels of price inflation depending upon their personal circumstances. When CPI inflation started to fall this 'lag effect' would be reversed, with members likely to receive one or more pension increases which were more than CPI inflation at that point.

The Assistant Director of Funding and Business Development highlighted that GMPF had no ability to determine the amount or timing of pension increases. State Pension benefits were also expected to increase in April 2023 in line with the increase in CPI to September 2022. Other benefits that some GMPF members would receive (for example housing benefit) could also be increased.

RESOLVED

That the report be noted.

21. 2022 ACTUARIAL VALUATION

Consideration was given to a report of the Director of Pensions / Assistant Director of Pensions for Funding and Business Development. The report detailed progress to date on the valuation project and highlights some of key issues which were discussed at the recent meeting of the Management Panel and due to be discussed at the forthcoming meeting of the Administration, Employer Funding and Viability Working Group.

It was reported that over the last two months, the GMPF Actuary had been undertaking calculations using the actuarial assumptions set out in the draft FSS. Steven Law of Hymans Robertson delivered a presentation at the September 2022 Management Panel meeting summarising changes in membership data over the inter-valuation period and preliminary whole-fund valuation results. Preliminary results for individual employers are not yet available (expected early November).

At a whole fund level, the funding position of GMPF had improved slightly since the 2019 actuarial valuation. Using the assumptions set out in the draft FSS, GMPF's funding level as at 31 March 2022 is 104%. Full details can be seen in Hymans' presentation, which was attached as Appendix 1.

RESOLVED

That the Local Pensions Board:

- (i) Note the report and the appended slides which were presented by the GMPF Actuary at the recent Management Panel; and**
- (ii) Note progress on the valuation.**

21 BUSINESS PLANNING AND RISK MANAGEMENT

Consideration was given to a report of the Director of Pensions. The report provided details of the current business plan and highlights the current key risks being monitored

The detailed business plan for 2022/23 was attached at Appendix A. The core values and strategic objectives remained the same as those agreed last year, set to reflect the current ambitions and expectations of the Fund.

There were six strategic projects, outlined in the appendix and in section 2 below, that had been identified as those that were of priority and where regular reports on progress would be provided to the Management Panel and Local Board each quarter. All projects and business as usual objectives were documented in detail within a single spreadsheet to enable the Director and officers to monitor and analyse progress each month.

In conjunction with Business Planning, GMPF Officers had also undertaken a review of proposed standing agenda items for the Panel, Working Groups, Local Board and Northern LGPS Joint Committee, which would help deliver the Strategic Objectives via the successful completion of tasks set out in the Business Plan. These draft schedules were attached at Appendix B for comment.

Discussion ensued on Risk 19 – Data protection breaches by GMPF and how the risk rating was still red. Members of the Board enquired on what could be done to bring this rating down. The Assistant Director for Administration, explained that there were number of pieces of work underway which could reduce the risk rating of which one was the work on 365 security.

RESOLVED

That the progress on the key business plan tasks be noted.

23. SUMMARY OF GMPF DECISION MAKING

Consideration was given to a report of the Director of Pensions / Assistant Director of Pensions for Funding and Business Development. This report provided a summary of the agenda items discussed and the recommendations made by the GMPF Working Groups over the period since the previous Local Board meeting, which were approved at the Management Panel meeting on 16 September 2022. It also summarised the decisions made by the Management Panel at the 16 September meeting.

At the meeting of the Administration, Employer funding and Viability Working Group on the 29 July 2022 a number of reports were considered for noting, the working group receive its regular Administration, Developments & Technologies Update. The report suggested replacing outdated audio-visual technology and soundproofing meeting rooms.

At the meeting of the Investment Monitoring and ESG Working Group on the 29 July 2022 a number of reports were considered for noting. No recommendations were made at this meeting.

At the meeting of the Policy and Development Working Group on the 8 September 2022 a number of reports were considered for noting. GMPF's largest fund manager, UBS, outlined a proposal for a pilot of a Global (Developed) Equity Value allocation, for consideration by working group members. It was explained that valuation dispersion within stock markets remained high and UBS believes that stocks with value characteristics have scope for an unusually large degree of out-performance versus non-value stocks over the next few years. UBS gave a detailed account of UK and Europe ex-UK equity performance. UBS further commented on opportunities for future investment. Members approved a pilot of a Global (Developed) Equity Value allocation within the UBS mandate, subject to satisfactory completion of additional due diligence, to be submitted to the next meeting of the Working Group.

A meeting of the GMPF Management Advisory Panel took place on the 16 September 2022, the Panel received an update on the GMPF's approach to climate risk including a presentation from Trucost, who provided an assessment of the carbon footprint of GMPF's equity and corporate bond holdings. The report also provided a 'mapping exercise' of GMPF's holdings against analysis undertaken by the Transition Pathway Initiative, a global asset-owner led initiative which assesses companies' preparedness for the transition to a low carbon economy.

The 2022 actuarial valuation was discussed at this meeting, with the Fund's actuary, Hymans Robertson providing a presentation. The discussion centred on the whole fund valuation results which revealed that GMPF has slightly improved its funding position since the 2019 actuarial valuation. It was recommended that the Management Panel:

RESOLVED

That the report be noted.

24. THE PENSIONS REGULATOR (TPR)

Consideration was given to a report of the Director of Pensions / Assistant Director for Funding and business Development / Assistant Director for Administration.

Members of the Board were advised that a copy of the current breaches log was attached as Appendix 1. The criteria that officers used to assist them in assessing whether a breach might be deemed 'material' was also attached at Appendix 2.

In regards to the late payment of contributions and escalation procedures, Appendix 3 attached to the report contained details of expected contribution payments, which had not been received by GMPF by the 19th of the month following the month to which they related for June 2022 and July 2022. Appendix 4 attached to the report provided further analysis on the contribution payments receive in respect of June 2022 to July 2022 period, detailing the number of employers making payments in accordance with GMPF's deadline of the first day of the following month.

RESOLVED

That the developments set out in the report be noted.

25 URGENT ITEMS

There were no urgent items.

CHAIR

GREATER MANCHESTER PENSION FUND - INVESTMENT MONITORING AND ESG WORKING GROUP

7 October 2022

Commenced: 09:00

Terminated: 10:30

Present: Councillors Ryan (Chair), Andrews, Cowen, Drennan, Massey, Quinn, Ricci and Smart

Mr Caplan Drury, Flatley, Llewellyn

Fund Observers Pantall and Taylor

In Attendance:

Sandra Stewart	Director of Pensions
Tom Harrington	Assistant Director of Investments
Paddy Dowdall	Assistant Director for Local Investments and Property
Andrew Hall	Senior Investments Manager
Lorraine Peart	Investment Officer
Michael Ashworth	Senior Investments Manager
Alan MacDougall	PIRC
Tom Powdrill	PIRC
Connor Constable	PIRC

Apologies for Absence: Councillors Barnes, Jabbar, Lane, North and Ward

7. DECLARATIONS OF INTEREST

There were no declarations of interest.

8. MINUTES

The minutes of the Investment Monitoring and ESG Working Group meeting on the 29 July 2022 were approved as a correct record.

9. AVISON YOUNG / GMPVF REPORT AND PRESENTATION

Consideration was given to a report and presentation of Avison Young, which provided a summary showing the financial allocation to the committed projects and the indicative allocation required for projects currently undergoing due diligence. The presentation provided an update on the progress achieved and the actions to be carried out in the coming months, across all the GMPVF developments sites.

The Working Group were presented with the Milestones from June 2021 to June 2022. During this period the projects Crusader Mill, Wilmslow Road, Circle Square, Manchester New Square and Adair Street reached practice completion. In total this amounted to 1,324 residential units and 275 hotel bedrooms, over 200 employment spaces. £139.5m was invested in these projects. New commitments included the projects, Island Site, Monarch 330 and Vita HQ. This amounted to a £84m investment.

In regards to the overall financial performance of the property venture fund, Members were presented with the money deployed on projects underway and those that were in the pipeline. The charts summarised the GMPVF's projected development costs as at the end of Q3 2022. The developments required investment over a period of time prior to exiting and recovering the investment and profits. Projects included Direct Property Development, Joint Ventures and Debt

Funding

Throughout 2022 Avison Young had maintained a consistent approach to the Funds targets for investment, assessing current commitments and the prevailing economic situation. Long term these areas for investment were to:-

- address a range of property sectors in order to build a balanced portfolio,
- target industrial development,
- focus on residential development in suburban locations and residential developments which was affordable in nature
- identify how sustainable development could be implemented and maximise ESG attributes in future investments.

The current allocation across the various property sector allocations for income generating properties was presented to the Working Group. Of the committed and Pipeline projects, there was £120.420m unspent, £62m in Offices, £76.08m in Industrial sectors and £38.5m in other.

Property sector allocations for development projects was made up of £58.5m in office developments, £150.3m in industrial, £155m in City Centre Residential, £144.5m in Suburban Residential, £43m in Retail/leisure and £228.7m remained unspent.

In regards to commercial offices in Manchester City Centre, historically GMPVF would invest in offices in the city centre, however there remained uncertainty due to reduced demand following Covid as many choose to work from home. The Working Group was presented with data on visits to workplaces and retail and recreation in the city based on phone data. One of the key findings was that active occupiers looking in the market had reduced their requirements by 30%. The merging patterns were:

- Reduced demand overall
- Smaller space was now preferred
- There was a demand for improved quality but less space
- ESG attributes were very important

The Island Site development was presented to the Working Group as a modern, sustainable building, it was explained that projects of this standard had the potential for pre-lets and rental growth.

The Working Group discussed residential needs, how they had changed and if recent developments were built accounting for the need to reduce carbon footprint. Gareth Conroy of Avison Young explained that the development Circle Square did not have any car parking, whereas a suburban development it would be normal to have one parking space per dwelling. In the City centre there was not a need for a space due to transport links available to them. Where developments did have car spaces usually in suburban developments, EV charging points were becoming normal and a way to future proof homes. In city developments, usually where there was basement parking, EV charging points or the infrastructure to add EV charging was the standard. It was further explained that there was a cost implication to incorporate suitability attributes such as insulation to developments, however, this was priced in and expected.

RECOMMENDED

That the report be noted.

10. RESPONSIBLE INVESTMENT UPDATE

Consideration was given to a presentation of PIRC in relation to the current ESG debate and the use of shareholder resolutions in engagement.

It was reported that the rapid growth in ESG products and services had recently generated a backlash from some quarters. Examples included

- US Republican politicians taking aim at asset managers that were seen as promoting a focus on ESG factors.
- HSBC former Head of Responsible Investment claiming that climate change did not pose a serious risk to investors.
- Former senior Blackrock sustainable investment specialist Tariq Fancy arguing that ESG was a dangerous placebo that harmed the public interest.
- A special report in The Economist in July claiming that ESG was broken.

Some of the arguments against ESG was on legitimacy and mandate, that investors sought political outcomes without a democratic mandate, further, ESG supplants effective regulation and law with weaker alternatives. Arguments were made that companies could be good on E but poor on S and G, so how could such companies be defined as 'good'. Some criticisms were that there was a lack of correlation in ESG rankings from different sources and limited evidence on financial returns. It was explained that there was criticism from both ends of the political spectrum.

The Working Group were advised that some of the criticisms were valid but much of these criticisms have been known for many years. It was explained that Investors should be clear what they were trying to achieve, create value or seek positive outcomes, or both. It was important to acknowledge that they did not always overlap. There can be trade-offs by seeking certain objectives.

It was further explained that it was no surprise that ESG ratings diverge, weightings were different and mainstream research differed. By giving different weightings on E, S or G the views on stocks would differ. In regards to implications for UK investors, there was no sign of a political backlash in the UK against ESG.

In regards to Shareholder resolutions, it was reported that shareholder resolutions had become a more mainstream stewardship tool. Investors had become very comfortable filing particularly in the US. The Working Group was presented with a list of shareholder resolutions that had taken place in the UK with their proposals categorised according to ESG. It was explained that in the US the filing of resolutions was seen as a way to initiate engagement with companies whereas in the UK and Europe investors were more likely to file if engagement had reached an impasse. The Working Group were presented with a summary of some key shareholder resolutions in 2021-22 that the Fund had been actively involved in.

Members of the Working Group highlighted the importance of advocating for lower emissions and net zero but also for air quality which was already having a negative effect on people's health.

RECOMMENDED

That the report be noted.

11. UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT REPORTING FRAMEWORK

Consideration was given to a report of the Director of Pensions / Assistant Director for Investments. As a direct signatory to the PRI, the Fund was required to publicly report on its responsible investment activity through the PRI's 'Reporting Framework'. The Fund was required to report its responsible investment activity to the PRI for 2020 by 30 April 2021.

In September 2022, the Fund received feedback on its responses to the PRI's 'Reporting Framework' in relation to its responsible investment activity for 2020. The asset classes held by the Fund determined the sections of the PRI 'Reporting Framework' that the Fund was required to report on, and consequently the sections where the Fund has been assessed.

Under the new framework the grading system had changed where previously the highest grade was A+ this had now changed to a number-based system where the highest score is 100. This change made comparison of this years' results to the results under the previous framework impossible.

Under the new framework, the Fund exceeded the PRI median score in all modules where it was scored. These include 'Investment & Stewardship Policy', 'Listed Equity Voting' and 'Manager Selection, Appointment and Monitoring' modules.

From the feedback received in the previous PRI assessment, Officers identified enhancements to the reporting to the PRI of its monitoring of Fixed Income investments and its manager and selection process. These enhancements were recognised by the PRI and had been reflected in the assessment.

Officers have investigated potential enhancements to its reporting to the PRI of GMPF's current practices in relation to ESG issues. These included noting that GMPF's voting was consistent with its Responsible Investment advisor and that GMPF pre-declares its votes.

RECOMMENDED

That the report be noted.

12. INVESTMENT CONSULTANT OBJECTIVES FOR HYMANS ROBERTSON

Consideration was given to a report of the Director of Pensions / Assistant Director of Pensions for Investments. This report provided members of the Working Group with an update on investment consultant objectives and a review of Hymans Robertson's performance for the year 2021.

It was reported that as part of the Fund's annual review, Hymans Robertson's performance over the preceding year had been evaluated and a qualitative assessment versus objectives undertaken. To support the assessment of performance versus investment consultants objectives, Hymans Robertson provided 'evidence' of work undertaken and areas of focus over the year.

Officers concluded that Hymans Robertson had met their investment consultants objectives for 2021. As part of ongoing deliberations, areas of focus and specific projects, as well as feedback had been discussed. It was not proposed to make any changes to the agreed investment consultants objectives at this stage.

RECOMMENDED

That the report be noted.

13. URGENT ITEMS

There were no urgent items.

CHAIR

GREATER MANCHESTER PENSION FUND - ADMINISTRATION, EMPLOYER FUNDING AND VIABILITY WORKING GROUP

7 October 2022

Commenced: 11:00

Terminated: 12:10

Present: Councillors Ryan (In the Chair), Cowen, Drennan, Quinn, Taylor, Andrews, Massey, Ricci, Grimshaw

Mr Drury

Fund Observers John Pantall and John Taylor

In Attendance:

Sandra Stewart	Director of Pensions
Euan Miller	Assistant Director of Pensions (Funding and Business Development)
Paddy Dowdall	Assistant Director of Pensions (Local Investments and Property)
Emma Mayall	Assistant Director of Pensions (Pensions Administration)
Jane Wood	Member Services Strategic Lead
Georgia Ryan	Developments & Technologies Strategic Lead
Mark Flannagan	Customer Services Section Manager
Matthew Simensky	Employer Services Section Manager

Apologies for Absence: Councillor Cunliffe, Jabbar, Patrick and North

Ms Gale Blackburn, Mr Llewellyn and Flatley

11 DECLARATIONS OF INTEREST

There were no declarations of interest.

12 MINUTES

The minutes of the Administration, Employer Funding and Viability Working Group meeting on the 29 July 2022 were approved as a correct record.

13 ADMINISTRATION STRATEGIC SERVICE UPDATE

Consideration was given to a report of the Director of Pensions / Assistant Director for Funding and Business Development / Assistant Director for Administration. The report provided the Working Group with a summary of the strategic improvement administration projects or areas that were being worked on by the Administration, Funding and Accountancy teams.

As mentioned at the last meeting, Heywood Pension Technologies, had developed new functionality that would further improve the member experience when using My Pension as well as reducing overall processing timescales. The benefits on hold into payment process was the first process where new functionality had been implemented and work to deploy the new features within other processes will follow in the coming months.

The valuation data was successfully submitted to the actuary in July 2022, and positive feedback had been received regarding the quality of the data. The Funding Strategy Statement was issued to employers for consultation on the 15 August 2022. The deadline for responses was 11 October

2022. Work with the actuary on finalising contribution rates would then begin early in November 2022.

The regulations and guidance on McCloud were still awaited. Therefore, the focus remained on working with the software supplier to identify where amendments were likely to be needed and on ensuring data can be captured and used to produce accurate benefit calculations. At the time of writing, no communication or further updates had been received about when to expect the Regulator's revised Code of Practice to be issued.

Work had recently been undertaken to improve the casework workflows within the Altair pension system that measure performance using target times. Therefore, the key performance indicators within the attached appendix 1 measured the full range of both statutory and internal key performance indicators.

It was reported that P60s and newsletters for pensioner members were issued in March and April 2022. Annual benefit statements to those with benefits on hold were then issued in May. The first annual benefit statements for contributors were issued in June, with the remaining statements issued in July and August.

Overall, levels of casework and performance against turnaround targets remained relatively consistent. Performance levels remained high and work on projects that support improving the service provided to members has continued. However, the significant increase in calls and emails received had led to longer response wait times.

In regards to complaints, three of the eight complaints received over the quarter related to issues members were having with accessing or using My Pension. The other five were all for various reasons, including beneficiaries who found the processes for claiming dependants benefits difficult and members who were unhappy with delays in receiving information. All ten compliments received were from members wanting to acknowledge the good customer service provided by GMPF colleagues.

In regards to the Pensions Dashboard Project, a further update from the PDP was awaited on the progress of their alpha testing programme, with their last update being published in April 2022. However, the GMPF team had continued to work with Heywood Pension Technologies on various aspects relating to dashboards. The PDP carried out a consultation on the standards they had designed to ensure the safety, security, and effectiveness of pension dashboards over the summer. They have also confirmed that the staging date for LGPS funds had been delayed until September 2024 to allow for the expected increase in work for the LGPS linked to the McCloud remedy. The next stages of this project would involve preparing data to be 'dashboard ready' and continued to engage with the dashboard working groups.

The working Group were advised that one of GMPF's business plan objectives was to work to achieve PASA accreditation. PASA was the Pensions Administration Standards Association and aimed to promote and improve the quality of pensions administration services for UK pension schemes. GMPF was already a member of PASA. PASA had a set of standards that it believed defines high-quality administration. If an organisation could demonstrate that it met these standards, it could apply to undertake PASA's independently-assessed accreditation programme. GMPF would be able to show it was a high-quality administrator by gaining accreditation.

RECOMMENDED

That the report be noted.

14 ADMINISTRATION MEMBER SERVICES UPDATE

Consideration was given to a report of the Director of Pensions / Head of Pensions Administration. The report provided the Working Group with a summary of the work and projects being carried out by the Member Services section of Pensions Administration.

The work to produce and issue annual benefit statements for contributing members had been completed, with over 99% of all statements due having been uploaded to My Pension by the statutory deadline of 31 August 2022.

The project to move processes online had also progressed. The first phase of the project to move the benefits on hold into payment process online had now been completed and went live on 22 August 2022. Members who would like to request payment of their benefits on hold could now do so through their My Pension account. As mentioned at the last meeting, the Fund had seen a substantial increase in these requests over recent months, which has resulted in members experiencing much longer wait times than normal. This work, alongside other steps being undertaken to process requests already received, was already having a positive impact on turnaround times.

The Pension Payments team had been working with other teams in the service to implement new Altair software functionality that provides an automated transfer of data between the benefits and payroll modules of the system. This software development, known as EA2P, required some fundamental programming changes to be made by our software provider that required substantial testing to be carried out by all teams. This change also required revised internal payroll deadlines to be worked to in August to enable a smooth transition. The changes were successfully implemented at the beginning of September and will make the process of adding new payments to payroll more efficient.

Work to produce and issue pension saving statements to those members who had exceeded, or are close to exceeding, the annual allowance tax limits had been progressing well. 744 contributing members were initially identified as requiring a statement, and at the time of writing this report, 689 of these cases had been reviewed and tax allowance amounts calculated.

The Working Group were advised that in addition to measuring the performance using key performance indicators, GMPF issued surveys to members to obtain a view of member experience for several key processes. Three surveys were carried out in quarter 1 and the results were subsequently reviewed by the Complaints and Issues Board. In a change this year, emails had been sent to members to ask them to complete a survey as well as links to the survey being included in the correspondence provided to them. This approach had resulted in a higher response rate. The attached appendices 2a, 2b and 2c provided details of the questions asked in the surveys and showed the responses received from members.

Since the last update, the Contributing Members team had transitioned to using the automated printing solution, Print Me, for many of their letters. Work was underway to transition the printing for the two final teams within Member Services, being Retiring Leavers and Leaving Members. This work was going well and should be completed by the end of the year.

As part of our anti-fraud work, the Pension Payments team undertook an annual process to confirm pensioners that live overseas were still alive and due their pension, referred to as an existence check. The team had been working through the final stages of the annual existence check exercise. Members who had not returned their certificate or completed one of the validation options and had a pension of £300 or more per month had their pension payments suspended from September. 220 pensions were suspended.

RECOMMENDED

That the report be noted.

15 MEMBER OVERPAYMENTS REVIEW

Consideration was given to a report of the Director of Pensions / Assistant Director for Administration. The report provided a comprehensive review of all aspects of work relating to member overpayments that had been carried out during the last twelve months.

It was explained that the vast majority of overpayments that occur were due to the death of a pensioner.

The Working Group were advised that GMPF had controls in place to try to reduce the likelihood of an overpayment occurring or reduce the size of the overpayment if an overpayment was unavoidable.

It was reported that the recovery success rate was high, and most overpayments were recovered within one month. The report detailed how recovery is undertaken and set out the issues that can prevent or delay the recovery process taking place, which were:

- The next of kin was not known
- The person dealing with the estate was not known
- Mortality screening or existence checks failed to identify that a death had occurred in a timely way
- Banks failed to respond to the Funds requests for a payment to be returned or for information

When one or more of these issues occur, the case was reviewed by officers to establish what alternative steps could be taken to try to pursue recovery. If all avenues for recovery had been exhausted or if the cost of further attempts for recovery disproportionately outweighs the amount trying to be recovered, officers could deem the overpayment to be unrecoverable. There were then two avenues that can be taken. The amount could essentially be treated in the same way as a debt and be written off and removed from Tameside MBC's debtor's system. Alternatively, it could remain as an open case and reviewed periodically until the six-year limitation period had passed.

In autumn 2021, officers began a project to review the area of member overpayments as part of a continual improvement programme of work. The first step taken was to establish a Member Overpayments Group to carry out the review and to support the Member Services Strategic Lead with the work going forward. The second step was to review the existing policies and procedures and recommend an updated approach to recovering overpayments.

This recommended approach and confirmation of key principles was set out in the attached appendix 1.

In general, the principles and approach remained unchanged, as did the financial limits adopted. The team concluded that the procedures could be improved though by more clearly defining responsibilities and escalation points, and by improving some of the documentation. Most of the changes identified had either been put in place already or are in progress and would be in place shortly. This included issuing updated procedure notes to the teams involved, amending letters to be clearer and reflect the steps we intend to take, and creating new workflow procedures that would allow for the collection of better statistics going forward.

Alongside this project, individual cases where an overpayment had not been recovered or written off to date had also all been reviewed on a case-by-case basis to establish whether any new or further steps could be taken to recover the overpayment. Appendix 2 provided a summary of all the cases reviewed and appendix 3 contained the individual case sheets relating to each overpayment, with a recommendation from the Member Overpayments Group. The Working Group were asked to support and agree the approach and recommendations for write offs.

RECOMMENDED

That the Working Group:

- (i) Note the information and statistics provided within the report**
- (ii) Approve the changes to the policies and procedures identified during the review to improve the process and recovery success rate**
- (iii) Agree with the recommendations for the individual cases where an overpayment remains unrecovered**
- (iv) Note that the intention is to report individual cases to the Working Group on a**

- quarterly basis as part of the Member Services update report going forward**
- (v) **Note that officers intend to continue work on improving other aspects of the process once the relevant procedures have been changed in line with the recommendations**

16 ADMINISTRATION EMPLOYER SERVICES UPDATE

Consideration was given to a report of the Director of Pensions / Head of Pensions Administration. The report provided the Working Group with a summary of the work and projects being carried out by the Employer Services area of Pension Administration.

It was reported that there continued to be a significant number of employers applying to join GMPF with 63 applications currently being progressed.

In regards to Monthly Data Collection the Employer Data team continued to monitor and support all employers regarding the submission of their monthly data return. In April 2022, 65% of employers submitted their return on time. In August 2022, this figure had increased to over 87%. All contributing members, apart from 18, had received their Annual Benefit Statement for 2022. The team was liaising with the employers of the 18 members where a statement could not be produced to resolve the issue and would issue a statement to these members as soon as possible.

Members were advised that an indication of the performance of GMPF's larger employers was gained by recording data about the timeliness of new starter and early leaver information, and the number and age of queries with those employers. Performance data was available in sections 2, 3 and 4 of Appendix 2. The timeliness of contribution payments and other employer debts, such as those in relation to the costs associated with early retirements, was also collated. Where contributions or other employer debts were not paid within the expected timescales, senior officers were actively engaging with these employers. The current position relating to employer debt could be found in Appendix 3.

It was reported that the latest employer survey covered employer satisfaction. The survey was sent to all employers and measured satisfaction regarding the services provided by the employer helpline and the employer website. The comments gathered in the survey were largely complimentary information about the survey could be found in Appendix 4.

Employer training on ill health, discretions, pensionable pay, retirements and leavers, topping up benefits and the Altair pensions administration software was available to employers. So far, 418 employer representatives had attended one or more of our events, which had been well received. New training courses covering employer admissions and understanding the employer role were currently in development.

RECOMMENDED

That the report be noted

17 ADMINISTRATION DEVELOPMENTS & TECHNOLOGIES UPDATE

Consideration was given to a report of the Director of Pensions / Assistant Director for Administration. The report provided the Working Group with a summary of the work and projects being carried out by the Developments & Technologies section of Pension Administration.

It was reported that work on the review and development of enhanced backup and disaster recovery provision had progressed well this quarter. A partner had been appointed through which the necessary licences, software and hardware would be ordered to support the new solutions. The Systems Maintenance Team would be working with the Funds technical partner TechAlign and colleagues from IT Services to implement the solutions. It was expected this work would be completed by the end of October. The costs associated with this work had been built into the budget. The purchase of hardware and support to implement the changes was estimated to cost

£24,000. Annual licencing of the necessary products is approximately £13,000 including discounts applied for our commitment to a three-year licence term.

In regards to cyber security the team continued to monitor all attempted cyber-attacks and the statistics for quarter 1 (April to June 2022) could be found in Appendix 1. The Systems Maintenance team had been working with users of the Altair Pensions Administration system to roll-out multi-factor authentication. This included those individuals from some of our larger employers who had access to the Altair system to carry out their responsibilities. Once the implementation process was completed, multi-factor authentication would strengthen the access controls in place around the data held in this system, reducing risk and further protecting member data.

It was reported at the last meeting that work in relation to the procurement of cyber security support services had been delayed slightly so that the most suitable route to procurement could be identified. A request for quotation was released in August to nine suppliers identified through a Dynamic Purchasing System administered by Crown Commercial Services. Four bids were received and were, at the time of writing this report, currently being evaluated. It is expected that a supplier will be appointed before the end of September with a contract start date of 1 October 2023.

During the next quarter work would begin on sourcing a partner to work with the Fund on assessing and managing third party risk. This involved scrutinising the Cyber preparedness of third parties who held and processed the funds data to ensure that their processes were secure and robust, and also to ensure that we understand the risks and could implement additional mitigations where needed.

Altair software release 22.3 was tested by the CLASS Testing Working Party (TWP) between 25 July and 12 August 2022. As with previous system upgrades, GMPF tested the new release in advance of general testing. There were several Pensions Increase and bereavement calculation problem fixes implemented that would enhance efficiency reducing the number of manual adjustments required when benefits were calculated

At the last meeting, a report was submitted outlining the progress made by the Systems Compliance team on developing and improving the testing process for Altair system software releases. Since then, further improvements had been made in line with the feedback from the administration teams and based on the strategies that were proven during the previous testing cycles.

Earlier this year new functionality was developed in the Altair and Member Self Service systems to enable members to carry out tasks associated with retirement online. Preparation work and testing was carried out involving the sections within the Developments & Technologies department and Member Services teams, and the new process was launched for members with benefits on hold during August. Part of this development was a mechanism to automate notifications via email to members. Now that this functionality has been proven, the teams will look to identify processes where it can be used elsewhere to improve the member experience and create administrative efficiencies.

The Systems Compliance team had been involved in making a number of improvements to administration processes with developments to Altair Workflow. Some of the processes recently improved include facilitating the booking and management of member appointments and changes to child pension reviews. In addition to this, new tasks had been created to enhance the security checking procedure used by Pensions Administration teams which had been built into workflows for address and bank changes.

The Systems Compliance team led the latest phase in development of the annualised Enhanced Admin to Payroll (EA2P) functionality. Co-ordinated testing was undertaken between the benefit teams and payroll to ensure benefits were correctly calculated and paid. This work now allows the Bereavements team to utilise the efficiencies of the EA2P module without manual intervention. This amended software was successfully implemented into the live Altair system on 5 September.

It was reported that Tameside MBC and GMPF had now successfully launched a replacement

system that links financial transactions into the Bacs infrastructure, enabling payments and collections to be made by Bacs. All departments that rely on this system to make and receive payments, including Pension Fund Accountancy and the Pensions Payments team were now using the new system. The project focus will now turn to decommissioning the old system and progressing with developments to the new system. Developments being considered include bank account verification and the use of Faster Payments to make same day payments.

The Complaints and Issues Board continued to meet monthly, and all learning points are passed back to the relevant team. The Board reviews all disputes, complaints, compliments, and suggestions. Between July and September 2022, there had been two formal Stage one disputes, and three formal Stage two disputes received.

RECOMMENDED

That the report be noted.

18 ADMINISTRATION COMMUNICATIONS & ENGAGEMENT UPDATE

Consideration was given to a report of the Director of Pensions / Assistant Director for Administration. The report provided the working Group with a summary of the work and projects being carried out by the Communications & Engagement area of Pension Administration

The customer services and communications dashboard at Appendix 1 provided some key statistics and information about general engagement from April to August 2022 on page 1, and specific statistics for quarter 1, April to June 2022 on the remaining pages. April and May saw a higher number of unique visits to the website due to P60 emails and paper communications which were sent in April and the benefits on hold annual benefits statements communication which were sent in May.

Statistics for the first two months of quarter 2, so for July and August 2022, reflected an expected increase in engagement activity due to annual benefit statements for all contributing members being issued during this time, as can be seen on page 1 of the appendix. Call statistics show that the Customer Services team received approximately 20% more calls in August, and website visits also increased by 25%, demonstrating that members were engaging with the communications issued.

The GMPF Complaints and Issues Board, chaired by the Director of Pensions, continued to meet each month to review all complaints, suggestions, compliments, and disputes received. Copies of the feedback dashboard for each month in quarter 1, so for April, May, and June 2022, were attached at Appendix 2.

A consistent theme for complaints historically had been members struggling to access or register for My Pension. However, improvements made to the My Pension registration process last year appeared to have led to a reduction in the number of complaints received on this topic in recent months. Instead, complaints received have been on various issues from death grant decisions to the timescales involved in receiving benefits.

Work on the project to use the email routing functionality that was available within the new Enghouse telephony system had continued. Emails that related to My Pension were the first to be routed through the system, and since then preparation work had been taking place to route all the remaining email channels through the system. This required changes to be made to the GMPF website and to the way emails are routed from the website to the Enghouse system. Most of the changes were now ready for testing, and if successful, would be deployed in the coming weeks. Once made, these improvements should improve both response times and the consistency and quality of email responses sent.

It was reported that the take up rates for My Pension continued to progress steadily each month. Up to date statistics on the number of members signed up to My Pension and the number of members who had opted for paper communications can be found in Appendix 3. Over 50% of all

contributing members were now registered online. The Working Group were advised that not all members could use or have access to the internet or their My Pension account. Others had access but require extra help to use them. Any member could ask to receive a paper copy of correspondence, either as a matter of course or just in one instance. All alternative format requests are recorded on the members pension record and this is used to ensure we provide their correspondence in the format they require. Further, the GMPF website had an inbuilt accessibility tool called Recite Me that allowed all visitors to the website to customise it in a way that suits them.

In regards to website updates, a new video had been added to the member area of the GMPF website that explains in detail how to upload documents to My Pension using an I Phone. Some other updates included annual benefit statement frequently asked questions webpages for both contributing and benefit on hold members.

In August 2022, newsletters were issued to all adult dependant members that included articles on tax, pension increase and responsible investment. Newsletters to dependent children would be issued in the coming weeks.

Another large item of work carried out by the Communications team had been to produce the 2022 GMPF Annual Report. Throughout the summer months, the team has been working with each section to gather content and create the document ready for the Pension Fund Management Panel meeting in September 2022.

RECOMMENDED

That the report be noted.

19 2022 ACTUARIAL VALUATION

Consideration was given to a report of the Director of Pensions / Assistant Director of Pensions for Funding and Business Development. The report detailed progress to date on the valuation project and highlights some of key issues which were discussed at the recent meeting of the Management Panel and due to be discussed at the forthcoming meeting of the Administration, Employer Funding and Viability Working Group.

The Funding Strategy Statement ('Funding Strategy Statement'), which set out valuation methodology and actuarial assumptions (see section 3 below), was out for consultation with employers.

It was reported that over the last two months, the GMPF Actuary had been undertaking calculations using the actuarial assumptions set out in the draft FSS. Steven Law of Hymans Robertson delivered a presentation at the September 2022 Management Panel meeting summarising changes in membership data over the inter-valuation period and preliminary whole-fund valuation results. Preliminary results for individual employers were not yet available (expected early November).

At a whole fund level, the funding position of GMPF had improved slightly since the 2019 actuarial valuation. Using the assumptions set out in the draft FSS, GMPF's funding level as at 31 March 2022 is 104%. The table below summarised the preliminary whole-fund funding level. Full details can be seen in Hymans' presentation, which was attached as Appendix 1.

It was explained that both the value of GMPF's assets and the value placed by the actuary on the past service liabilities had increased by over 20% since 31 March 2019. This was mainly due to strong investment returns increasing the value of the assets and an increase in expected future CPI inflation increasing the value placed on the liabilities. Full analysis of inter-valuation experience and the impact of changing actuarial assumptions had been attached as Appendix 2 and would be summarised at the meeting.

The Working Group were advised that Draft results for the Local Authority pools were expected to be available by 14 October 2022, with individual results for most Main-Fund employers due to be

discussed with the GMPF Actuary on 4 November 2022. Subject to the responses to the Funding Strategy Statement consultation, results were due to be issued to employers during November and December.

The valuation process was required to be completed by 31 March 2023, which involved a valuation report being issued by the Fund Actuary including a rates and adjustments certificate setting out contributions rates to apply for each active employer for the 3-year period starting 1 April 2023.

RECOMMENDED

That the Working Group:

- (i) Note the report and the appended slides which were presented by the GMPF Actuary at the recent Management Panel; and**
- (ii) Note progress on the valuation;**

20 URGENT ITEMS

There were no urgent items.

CHAIR

This page is intentionally left blank

GREATER MANCHESTER PENSION FUND - POLICY AND DEVELOPMENT WORKING GROUP

24 November 2022

Commenced: 11:00am

Terminated: 12.45pm

IN ATTENDANCE

Councillor Cooney (Chair)	
Councillor North	
Councillor Ryan	
John Thompson	UNITE
Petula Herbert	MoJ
John Pantall	Independent Fund Observer
Cllr John Taylor	Fund Observer
Mark Powers	Advisor to the Fund
Ronnie Bowie	Advisor to the Fund
Sandra Stewart	Director of Pensions
Tom Harrington	Assistant Director of Pensions (Investments)
Paddy Dowdall	Assistant Director of Pensions (Local Investments and Property)
Steven Taylor	Assistant Director of Pensions (Special Projects)
Neil Cooper	Head of Pension Investment (Private Markets)
Michael Ashworth	Senior Investments Manager (Public Markets)
Alex Jones	Investment Officer (Local Investments)

Apologies for absence: Peter Moizer - Advisor to the Fund

34. DECLARATIONS OF INTEREST

There were no declarations of interest.

35. MINUTES

The minutes of the meeting of the Policy and Development Working Group held on the 8 September 2022, were approved as a correct record.

36. REPORT OF THE MANAGER – NINETY ONE

Jonathan Parker, Annika Brouwer and Stephen Lee of Ninety One attended before Members and gave a presentation detailing their performance for the 12 months to 30 September 2022.

Mr Parker began by explaining that, in a difficult period for markets, the portfolio had outperformed the index. From a style perspective, value had outperformed growth.

Mr Parker gave details of underperforming and outperforming sectors for the period and outlined notable individual contributors. The key characteristics of the current portfolio against the index were also outlined.

Ms Brouwer then commented on Cop 27 and Ninety One's approach to climate action. In particular, the need to address the problem of high emitting sectors/companies and the use of engagement to steer companies in the right direction to drive down carbon to ensure a net zero future.

Wide ranging discussion ensued with regard to the content of the presentation and the Advisors

made particular reference to the challenge of taking sufficient risk to achieve the performance target over the long term.

The Chair thanked the representatives of Ninety One for their presentation.

RECOMMENDED

That the content of the presentation be noted.

37. REPORT OF THE MANAGER – STONE HARBOR

David Scott, Paul Timlin and Simon Lau of Stone Harbor then attended before Members and gave a presentation detailing their performance up to 30 September 2022.

Mr Scott began by discussing the broad market environment and gave details of portfolio returns over the past 12 months.

Performance analysis to 30 September 2022 was given, including duration, credit beta weighted contributions and security selection. Mr Scott explained that the core strategy in the year to 30 September 2022 had been to remain cautious, with a bias towards corporate debt rather than Emerging Markets debt.

Discussion ensued and Advisors sought clarification in respect of inflation expectations and cautioned against a somewhat sanguine view of markets in the face of potentially ongoing financial repression. Mr Bowie commented on the potentially large impact on the portfolio of central bank actions and possible recession.

RECOMMENDED

That the content of the presentation be noted.

38. UBS GLOBAL (DEVELOPED) EQUITY VALUE ALLOCATION

Consideration was given to a report of the Assistant Director of Pensions Investments providing details of due diligence in relation to a proposal for a pilot of a Global (Developed) Equity Value allocation within the UBS mandate, along with a proposed initial quantum of assets.

Going forward, it was proposed that the Global (Developed) Equity Value allocation would be kept under review and increased subject to satisfactory progress against the standard monitoring framework of Philosophy, People, Process and Performance and prior approval by Panel.

RECOMMENDED

- (i) That approval be given for a Global (Developed) Equity Value allocation within the UBS Portfolio with an initial quantum of assets as set out in the report; and**
- (ii) That the rules pertaining to the Main Fund public equity allocation be updated as set out in the report.**

39. MANAGER MONITORING REGIME INCLUDING MONITORING ESCALATION

Consideration was given to a report of the Assistant Director of Pensions Investments, which summarised the results from the Monitoring Escalation Protocol as at 30 September 2022.

The Overall Status Levels and courses of action taken (or to be taken) in relation to the results from the most recent Monitoring Escalation Protocol were provided for each manager in an appendix to the report.

It was explained that the Manager Escalation Protocol included performance as the sole metric by

which the Securities Managers were initially assessed. There were a number of less quantitative, softer dimensions, which could be used to form a view on the Manager's prospects of outperforming going forward. These included the quality of the staff and turnover of key personnel, a coherent and robust approach to linking the underlying philosophy of investing to the actual purchases and sales made and the underlying investment philosophy itself.

In addition, a traffic light approach (Green, Amber, Red) had been developed to provide a single overall indicator that summarised Officers' current subjective assessment of People, Process and Philosophy for each Manager. The respective traffic light should be viewed as providing additional context to supplement the codified Status Levels of the Monitoring Escalation Protocol.

RECOMMENDED

That the content of the report be noted.

40. UPDATE ON INVESTMENT MANAGEMENT COST BENCHMARKING

The Assistant Director of Pensions Investments submitted a report providing Members with an update on investment management cost benchmarking for the Fund over 2021/22.

In respect of CEM Investment Cost Analysis, it was reported that GMPF had generated significant underlying savings in 2021/22.

CEM had also benchmarked GMPF's costs against a peer group of 17 relatively similar sized global funds (including LGPS funds and non-LGPS funds) and GMPF was lower cost than the benchmark.

RECOMMENDED

That the content of the report be noted.

41. DATE OF NEXT MEETING

It was noted that the next meeting of the Policy & Development Working Group was scheduled to take place on Thursday 2 March 2023.

CHAIR

This page is intentionally left blank

NORTHERN LGPS JOINT OVERSIGHT COMMITTEE

7 July 2022

Commenced: 11.00am Terminated: 12.25pm

Present: Cllr Gerald P Cooney Chair, Greater Manchester Pension Fund (Part Meeting)
Cllr Oliver Ryan Vice-Chair, Greater Manchester Pension Fund (In the Chair part meeting)
Cllr Andrew Thornton Chair, West Yorkshire Pension Fund
Elizabeth Bailey Deputy Chair, West Yorkshire Pension Fund
Councillor Cherry Deputy Chair, Merseyside Pension Fund
Povall

In attendance

Sandra Stewart	Director of Pensions, GMPF
Peter Wallach	Director of Pensions, MPF
Rodney Barton	Director of Pensions, WYPF
Euan Miller	Assistant Director of Pensions, Funding and Business Development, GMPF
Tom Harrington	Assistant Director of Pensions, Investments, GMPF
Paddy Dowdall	Assistant Director of Pensions, Local Investments and Property, GMPF
Steven Taylor	Assistant Director of Pensions, Special Projects, GMPF
Neil Cooper	Head of Pension Investment, GMPF
Mushfiqur Rahman	Investments Manager, GMPF
Owen Thorne	Merseyside Pension Fund
Greg Campbell	Merseyside Pension Fund
Colin Standish	West Yorkshire Pension Fund
Simon Edwards	West Yorkshire Pension Fund
Alan McDougal	PIRC
Tom Powdrill	PIRC
Conor Constable	PIRC

Apologies for Absence: Councillor Pat Cleary, MPF

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. MINUTES

The Minutes of the meeting of the Northern LGPS Joint Oversight Committee held on 14 April 2022 were agreed as a correct record.

3. POOLING UPDATE

Consideration was given to a report of the Assistant Director, Funding and Business Development, GMPF, which provided an update on pooling activity since the previous Northern LGPS Joint Oversight Committee meeting and summarised relevant national pooling developments.

It was reported that, on 3 January 2019, MHCLG released new draft statutory guidance on LGPS asset pooling for 'informal' consultation. Parties that were consulted included pools, administering authorities and local pension boards. The guidance was intended to replace previous pooling guidance, in particular the LGPS Investment Reform Criteria and Guidance issued in November 2015 ('the 2015 guidance').

As per discussion at previous meetings, the draft statutory guidance had blurred the original four criteria in the 2015 guidance. In its place the guidance had 6 sections covering; structure and scale, governance, transition of assets to the pool, making new investments outside the pool, infrastructure investment and reporting.

Members were advised that Government was yet to publish a response to the consultation and the 2015 guidance therefore, remained in force. DLUHC civil servants had indicated that a consultation on several key policy areas for the LGPS was expected to be issued in autumn 2022. The consultation was expected to cover LGPS pooling as well as other related matters such as the implementation of TCFD ('Task-force on Climate-Related Financial Disclosure') requirements for LGPS funds. Further details were given in the report.

As discussed at a previous meeting of the Joint Committee, (meeting of 2 February 2022 refers) government published the long awaited ['Levelling Up' whitepaper](#), which included references to LGPS funds and pools having plans for up to 5% of assets to be allocated to projects which supported local areas (as stated on page 163 of the whitepaper). It was understood that in this context 'local' referred to UK rather than to the local area of a particular LGPS fund and that there would be no mandate beyond the requirement to have a plan. The 5% target was intended to be a lower bound target with an expectation that funds and pools would substantially exceed 5% in future.

It was explained that it had been a long-term ambition of Government that LGPS funds and pools invest more in local infrastructure as part of their investment strategy. Government's previous attempts at mandating change were met with stern challenge by some stakeholders, who saw the potential for investment targets to conflict with administering authorities' fiduciary duties.

Members were further advised that each of the partner funds in the Northern LGPS Pool was currently in the process of producing 31 March 2022 year end accounts and an annual report. Guidance on preparing the annual report was provided by the accounting body CIPFA. This guidance currently includes a section on accounting for asset-pooling arrangements

In 2020 and 2021 it was agreed by the Joint Committee that a Pool Annual Report be produced, which funds would have the option of including within their respective annual reports. This would act to provide some of the information to satisfy CIPFA guidance and could be used by the funds in their communications with stakeholders to provide evidence of the Pool's progress against its objectives.

It was proposed that a 2022 Pool Annual Report be produced that followed the basis for calculating cost savings that was agreed on a cross-pool basis in 2021. At the time of the report, Government did not appear to have issued a request for pools to submit a progress update as at 31 March 2022 (in previous years it has issued a template for pools to complete). However, it was likely that Government would once again be seeking a progress update from each pool. Estimates made last year indicated cost savings net of fees for the pool of £37.9m for 2021/22 vs £30.5m in 2020/21.

Updates on the progress of the main ongoing work-streams for the Northern LGPS together with LGPS Pooling developments nationally were provided in the report.

RESOLVED

- (i) That the content of the report be noted;**
- (ii) That the production of a concise Northern LGPS Annual Report for 2021/22 which can be included within the annual reports of the participating funds, be approved.**

4. SCHEME ADVISORY BOARD UPDATE

Consideration was given to a report of the Director of Pensions, MPF, providing an update on the last meeting of the Investment, Governance & Engagement (IG&E) Sub-Committee that had taken place on the 23 May 2022.

Details of the actions and agreements from the meeting held on 21 February 2022 were appended to the report.

The principal items on the agenda for the 23 May 2022 included:

- Queen's Speech;
- SAB Forward Look;
- Cost Transparency Compliance Update;
- Michael Lynk Letter Update;
- RIAG Chair's Report; and
- DLUHC Regulatory Update;

RESOLVED

That the content of the report be noted.

5. UPDATE ON RESPONSIBLE INVESTMENT

Tom Powdrill and Conor Constable, PIRC Ltd, Responsible Investment Advisor to the Northern LGPS, presented Northern LGPS' Stewardship Report for Quarter 1 2022. The report explored water stewardship; tackling tax; effective engagement and voting on shareholder resolutions. The Assistant Director of Pensions Investments, GMPF gave an update on the Northern LGPS's approach to implementing its Institutional Investor Group on Climate Change (IIGCC) Net Zero commitment. The Northern LGPS would use the services of a common carbon footprinting provider to track its progress to a 2019 baseline.

RESOLVED

- (i) That the presentation and the content of the latest quarterly Responsible Investment report be noted; and**
- (ii) That a consistent approach to measuring carbon emissions of the Northern LGPS to a common 2019 baseline, be endorsed.**

6. NORTHERN PRIVATE EQUITY POOL – ANNUAL REVIEW OF STRATEGY AND IMPLEMENTATION

A report was submitted and a presentation delivered, by the Assistant Director of Pensions Investments, GMPF, which gave a review of activity, strategy and implementation approach regarding Northern Private Equity Pool.

It was explained that the NPEP portfolio consisted of commitments to private funds targeting investments, made nationally or internationally, in the private equity or related private securities of companies. Commencing from 1 January 2021, the portfolio also included direct co-investment in such securities.

The report and presentation outlined:

- Current approach to investing in Private Equity;
- Implementation during calendar year 2021;
- Current position against current strategy;
- Review of Strategy; and
- Review of Implementation.

A problem-free year from an administrative perspective was reported. All statements and reports were circulated consistent with legal agreements and the day-today functioning of Northern Trust as fund administrator had worked well.

Mazars was re-appointed as external auditor, on a three-year contract following a market tender. Tax, legal and investment advice was procured on an ad hoc basis, as required.

The year end audit of both the GP company and the Limited Partnership entities was completed in a timely fashion, with both entities receiving a clean audit opinion. The requisite Partnership and Corporate tax filings were made, in time, by KPMG.

RESOLVED

That the content of the report and presentation be noted.

7. PERFORMANCE MEASUREMENT

Consideration was given to a report of the Assistant Director of Investments, GMPF, which provided an update on performance measurement.

An extract from the Northern LGPS reporting for periods to 31 March 2022 was attached as an Appendix to the report. The reporting assisted in fulfilling both reporting requirements to Government, and any oversight obligations of the Joint Committee.

Officers continued to work closely with Portfolio Evaluation to separately identify NPEP and GLIL returns in these performance reports, given their importance to the Northern LGPS proposition.

Universe collation, analysis and research services were provided to the Northern LGPS Funds by PIRC. The PIRC 2021/22 Annual Review was attached as an Appendix to the report. The PIRC LGPS Universe comprised of 62 funds with total assets valued at £250 billion as at 31 March 2022.

RESOLVED

That the content of the report be noted.

8. EQUITY PROTECTION STRATEGIES FRAMEWORK

The Director of Pensions, Merseyside Pension Fund submitted a report explaining that in January 2019, Merseyside Pension Fund put in place a framework of investment managers able to provide equity downside protection strategies. As frameworks were for a term of four years, there was a requirement for the framework to be refreshed. West Yorkshire Pension Fund was also intending to utilise equity protection strategies and it was proposed that the Funds work together to put in place a new framework that was available to all funds in the Northern LGPS.

RESOLVED

That the content of the report be noted.

9. COMMON CUSTODIAN UPDATE

The Assistant Director of Pensions Investments, GMPF submitted a report, which provided details of key performance indicators and key milestones and deliverables for the quarter to 31 March 2022 in relation to Northern Trust (NT) in their capacity as the common custodian to the Northern LGPS pool, as attached in an appendix to the report.

RESOLVED

That the content of the report be noted.

10. DIRECT INFRASTRUCTURE PLATFORM (GLIL) UPDATE

Consideration was given to a report of the Assistant Director, Local Investment and Property, GMPF, providing an update on the progress with the direct infrastructure investment platform (GLIL).

The latest report to stakeholders was attached as an appendix to the report.

The Assistant Director updated Members of developments in respect of a significant investment, which he had reported on at the last meeting of the Committee. He explained that unfortunately, negotiations had broken down and that the investment would no longer be progressed.

RESOLVED

That the report be noted.

11. NORTHERN LGPS HOUSING INVESTMENT UPDATE

The Assistant Director, Local Investment and Property, GMPF, submitted a report updating Members on the progress of the pooled approach to housing investment.

Members were advised that, in addition to the existing investment programmes of the three Funds, two collective investments had been approved by the Directors. One of which had been reported to the previous meeting of the Committee and details of the second investment were appended to the report.

RESOLVED

That the content of the report be noted.

12. DATE OF NEXT MEETING

RESOLVED

It was noted that the next meeting of the Northern LGPS Joint Oversight Committee was scheduled to take place on 6 October 2022.

CHAIR

This page is intentionally left blank

Agenda Item 7

Report to :	PENSION FUND MANAGEMENT/ADVISORY PANEL
Date :	2 December 2022
Reporting Officer :	Sandra Stewart, Director of Pensions Tom Harrington, Assistant Director of Pensions (Investments)
Subject :	QUARTERLY UPDATE ON RESPONSIBLE INVESTMENT ACTIVITY
Report Summary :	This report provides Members with an update on the Fund's responsible investment activity during the quarter.
Recommendation(s) :	That the report be noted.
Links to Core Belief Statement:	The relevant paragraph of the Fund's Core Belief Statement is as follows : "2.6 Well governed companies that manage their business in a responsible and sustainable manner will produce higher returns over the long term."
Financial Implications :	There are no direct material costs as a result of this report.
(Authorised by the Section 151 Officer)	
Legal Implications :	The provisions underlined by the Regulation 7 guidance for the formulation and maintenance of their ISS, clearly address issues of responsible investment by the Local Government Pensions Scheme administering authorities.
(Authorised by the Solicitor to the Fund)	Regulation 7(2)(e) requires funds to follow pertinent advice and act prudently when making investment decisions, " <i>...a prudent approach to investment can be described as a duty to discharge statutory responsibilities with care, skill, prudence and diligence</i> ". They must consider any factors that are financially material to the performance of their investments, including ESG factors contemplating the time horizon of the liabilities along with their approach to social investments. Regulation 7(2)(f), emphasises that " <i>administering authorities are encouraged to consider the best way to engage with companies to promote their long-term success, either directly, in partnership with other investors or through their investment managers, and explain their policy on stewardship with reference to the Stewardship Code.</i> " Administering authorities are strongly encouraged to either vote their shares directly or ask their fund managers to vote in line with their policy under the Regulation 7(2)(f) and to publish a report of voting activities as part of their pension fund annual report under Regulation 57 of the 2013 Regulations. Regulation 7 (6) underlines that the ISS must be published by 1 April 2017 and requires it to be reviewed at least every three years.
Risk Management :	Increasing net investment returns needs to be delivered without materially increasing Fund's exposure to investment risks. We

want everyone to have a pension they can be proud of – one which builds a better world, without compromising on returns.

ACCESS TO INFORMATION :

NON CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers :

APPENDIX 7A	GMPF's RI Partners and Collaborations
--------------------	--

Any enquiries should be directed to: Mushfiqur Rahman, Investments Manager, on 0161-301 7145 (email: mushfiqur.rahman@gmpf.org.uk).

1. BACKGROUND

- 1.1 The Fund's approach to Responsible Investment is set out in its Investment Strategy Statement. The Fund has also published a more detailed Responsible Investment policy on its website.
- 1.2 The Fund is a signatory to the Principles for Responsible Investment (PRI). As a signatory to the PRI, the Fund is required to publicly report its responsible investment activity through the PRI's 'Reporting Framework'.
- 1.3 Upon becoming a PRI signatory, the Fund committed to the following six principles:
1. *We will incorporate ESG issues into investment analysis and decision-making processes.*
 2. *We will be active owners and incorporate ESG issues into our ownership policies and practices.*
 3. *We will seek appropriate disclosure on ESG issues by the entities in which we invest.*
 4. *We will promote acceptance and implementation of the Principles within the investment industry.*
 5. *We will work together to enhance our effectiveness in implementing the Principles.*
 6. *We will each report on our activities and progress towards implementing the Principles.*

2. RESPONSIBLE INVESTMENT ACTIVITY DURING THE QUARTER

- 2.1 A summary of the Fund's Responsible Investment activity for the latest quarter against the six PRI principles is provided below.

We will incorporate ESG issues into investment analysis and decision-making processes.

- 2.2 The majority of the Fund's assets are managed by external investment managers. The Fund's approach to Responsible Investment is incorporated into the mandates of each investment manager via their respective Investment Management Agreement. Managers take into consideration ESG issues as part of their investment analysis and decision-making process and engage regularly with companies that are held within the portfolio. The Fund's public equity investment managers report annually on their Responsible Investment activity to the Investment Monitoring and ESG Working Group (IMESG).
- 2.3 The GMPF Investment Committee approved a commitment of £100m for the Impact portfolio to support sustainable infrastructure in the UK. The Local investments team proposed a 70:30 split of this commitment to favour a North West bias over national investments to support local infrastructure within the region. The manager focuses on the five areas of alternative investments which complement GMPF's approach to sustainable investments with a local dimension
- Forestry
 - New Energy (renewables and battery energy storage)
 - Housing
 - Sustainable Infrastructure
 - Public and Private Equity

We will be active owners and incorporate ESG issues into our ownership policies and practices.

- 2.4 Voting and engagement is a cornerstone to the Fund's RI activities. The Fund retains maximum possible authority to direct voting, rather than delegating authority to the external

Investment Managers. The Fund is able to engage with companies both directly and indirectly through its long-standing membership of the Local Authority Pension Fund Forum and as part of the Northern LGPS pool. The Fund's voting record can be found using the link below.

<https://votingdisclosure.pirc.co.uk/?cl=Uyc0NScKLg==&pg=1>

2.5 The Chair of LAPFF visited the communities affected by the Mariana (2015) and Brumadinho (2019) tailings dam collapses in Brazil. Having spent time with members of the affected communities he spent two days with the Chair of Vale and senior executives from the company to discuss the issues of water quality, housebuilding and the pace of reparations that were raised by affected community members. At the end of the trip the Chair met with a number of Brazilian investors and ESG-focused asset manager, JGP Asset Management who collectively worked with Vale to set in motion a process to increase the pace and quality of reparations. More context of the trip is available in LAPFF's [Mining and Human Rights report](#).

2.6 The Fund's passive investment manager, Legal and General, published its ESG Impact report during the quarter.

https://www.lgim.com/landg-assets/lgim/_document-library/responsible-investing/q3-2022-esg-impact.pdf

2.7 Legal and General also published an article which explores sustainability themes ahead of COP27 arguing they are not mutually exclusive, rather, that they are inextricably linked. The report also covers

- The underlying causes of the energy shock
- What Europe's return to coal means for climate targets and investors
- How energy infrastructure can and must play a pivotal role in the transition

https://www.lgim.com/landg-assets/lgim/_document-library/insights/market-insights/cro_q3-cio-outlook-autumn-update_v0.5.pdf

We will seek appropriate disclosure on ESG issues by the entities in which we invest.
2.8 LAPFF co-hosted a webinar with IndustriALL Global Union exploring the recently launched Employment Injury Scheme (EIS) for ready-made garment workers in Bangladesh. Employment injury insurance is one of the most basic forms of social protection. The Bangladesh pilot, which involves the government, workers, employers and the ILO, is an example of what is possible in the realm of social protection and of how brands are already participating in the effort. Speakers in the webinar included Primark and H&M, who are participating in the EIS pilot, the ILO, which supported the pilots design and IndustriALL. The webinar is aimed primarily at institutional investors interested in working towards a more sustainable garment industry built on respect for workers' fundamental rights.

2.9 PIRC also co-hosted a panel discussion with the United Food and Commercial Workers Pension for Employees on the materiality of labour rights featuring a wide-ranging discussion from multiple perspectives that are relevant to investors. With increasing unionization efforts at companies such as Starbucks and Amazon, labour rights have become a major topic not only for workers but also for investors. Professor Richard Freeman, an expert in the economics of labour, shared research from the United States and Europe on the risks and opportunities associated with worker organization and provided a factual foundation for the discussion. Frontline workers from Starbucks and Amazon shared their experiences of the impact of worker organization on employees and firms. Sylvain Lobry, from the global food company Danone, provided an issuer's perspective on how his company respects and implements labour rights. Finally, Christine Shaw, an experienced corporate governance and sustainable investment leader at the Connecticut Treasurer's Office, offered an asset owner view of her fund's engagements with portfolio companies on labour rights.

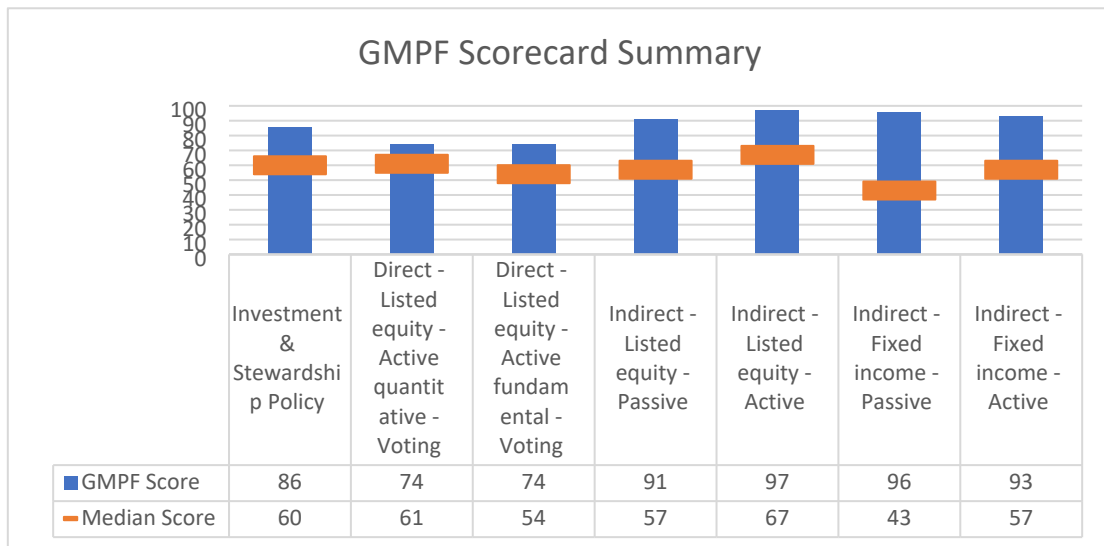
We will promote acceptance and implementation of the Principles within the investment industry.

- 2.10 All of the Fund's external public markets investment managers are PRI signatories. Many of the Fund's external private markets investments managers are also PRI signatories, and those who are not are encouraged to become so.
- 2.11 A Senior Investments Manager from the Local Investments team represented GMPF on a panel discussion organised by Room 151 on the topic of impact investing. Room151 is an online news, opinion and resource service for local authority Section 151 and other senior officers covering treasury, strategic finance, funding, resources and risk. The Officer gave an insight into GMPF's approach to investing locally and described what a positive local impact means for GMPF. The audience at this discussion included other investment professionals from pension funds for whom it would be beneficial for them to implement similar investments. The Fund has had an allocation to Local Investments for a number of years which is a current area of focus for the Department for Levelling Up, Housing and Communities.
- 2.12 Climate Action 100+ (CA100+) is a global initiative that brings together investors committed to ensuring the world's largest corporate greenhouse gas emitters take necessary action on climate change. The initiative was initially established for a period of five years on the premise that a deadline for meaningful action is required given the pressing nature of the challenge. The initiative focuses on the top 100 companies with the highest combined direct and indirect emissions globally. The initiative set out with a goal to unify the investor voice on climate around three key core asks of companies, to:
- Implement a strong governance framework on climate change;
 - Take action to reduce GHG across the value chain and;
 - Provide enhanced corporate disclosure
- 2.13 As the initiative moves into its final year of phase one, the CA100+ Steering Committee is proposing to update its strategy in the four areas below and seeking signatory views in preparation of phase two. LAPFF responded to the consultation on behalf of members.
- Updating the three goals and scope
 - Expanding the ways in which investors can contribute
 - Enhancing benchmarking
 - Recalibrating signatory participation
- 2.14 The Paris Aligned Investment Initiative (PAII) is a collaborative investor-led global forum enabling investors to align their portfolios and activities to the goals of the Paris Agreement. GMPF, as part of the Northern LGPS signed up to the initiative and committed to PAII Net Zero Asset Owner Commitment. As part of the initiatives first update, the Northern LGPS submitted a case study highlighting some of the ways it is investing to achieve its net zero target. The Asset Owner Commitment targets disclosure and the Progress Report can be found on using the link : <https://www.parisalignedinvestment.org/>

We will work together to enhance our effectiveness in implementing the Principles.

- 2.15 Where possible the Fund works in collaboration with other like-minded investors to amplify the investor voice and effect positive change. The Fund participates in several initiatives and forums across the full spectrum of ESG issues. A description of the Fund's main RI partners and collaborative bodies is attached as **Appendix A**.
- 2.16 GMPF was one investor amongst others representing \$18tn in assets that signed a letter calling on the Food and Agriculture Organisation of the United Nations (FAO) to produce a global roadmap to 1.5°C. The letter recognises the risks the food system is exposed to from climate change, biodiversity loss and also the material impacts that the food system activities have on the environment. The letter urges the FAO to produce a global roadmap to 2050 that mitigates these risks and sets out a standard for the industry that aligns with the Paris Agreement. The full letter can be found using the link below.
<https://www.fairr.org/article/roadmap-to-2050/>

- 2.17 CA100+ released updated Net Zero Company Benchmark assessments in September for 14 Australian companies on its focus list. These assessments were released early to provide investors engaging these companies with critical benchmarking data ahead of upcoming annual general meetings during the Australian proxy season, which starts imminently. The Net Zero Company Benchmark measures focus companies on their progress against the initiative's three engagement goals and a set of key indicators related to business alignment with the goals of the Paris Agreement. Below is the link to the 166 company assessments.
<https://www.climateaction100.org/whos-involved/companies/>
- 2.18 In June, GMPF filed a shareholder resolution at Cisco Systems and co-filed a similar shareholder resolution at Microsoft relating to tax practices and requesting the companies to adopt the Global Reporting Initiatives tax standard and publish tax transparency reports for shareholders. This generated some media attention an example of which is below.
https://www.theregister.com/2022/09/27/cisco_tax_transparency/
- 2.19 More than 600 investors including GMPF managing almost \$42 trillion in assets co-signed the 2022 Global Investor Statement to Governments on the Climate Crisis. The statement calls on governments to take a number of actions including:
- Ensure that the 2030 targets in their Nationally Determined Contributions align with the goal of limiting the global temperature rise to 1.5°C
 - Implement domestic policies to deliver these targets
 - Contribute to the reduction of non-carbon greenhouse gas emissions
 - Build upon the agreed outcomes of COP26
 - Strengthen climate disclosures across the financial system
- 2.20 The full Statement and the press release can be found using the links below.
<https://theinvestoragenda.org/wp-content/uploads/2022/08/2022-Global-Investor-Statement-.pdf>
<https://theinvestoragenda.org/press-releases/2-november-2022/>
- We will each report on our activities and progress towards implementing the Principles.**
- 2.21 The Northern LGPS Stewardship Report for the latest quarter can be found using the link below.
<https://northernlgps.org/taxonomy/term/15>
- 2.22 The LAPFF Quarterly Engagement Report for the latest quarter can be found using the link below.
<https://lapfforum.org/publications/category/quarterly-engagement-reports/>
- 2.23 As a signatory to the UN PRI, the Fund is required to publicly report annually on its responsible investment activities via the PRI's reporting framework under the six Principles as set out in 1.3. Officers submitted a report of GMPF's activities in April 2021 covering the activities of 2020. The UN PRI updated its reporting and assessment process which caused delays. In September 2022, GMPF received feedback on its reporting to the UN PRI. Under the new framework, GMPF exceeded the UN PRI median score in all modules where it was assessed. These include the 'Investment & Stewardship Policy', 'Listed Equity Voting' and 'Manager Selection, Appointment and Monitoring' modules. The chart below summarises GMPF's assessment results for the reporting period ending 31 December 2020.



2.24 The Fund's responses are published on the PRI website and publicly available at:

[https://stpublic.blob.core.windows.net/pri-ra/2020/Investor/Public-TR/\(Merged\)_Public_Transparency_Report_Greater%20Manchester%20Pension%20Fund_2020.pdf](https://stpublic.blob.core.windows.net/pri-ra/2020/Investor/Public-TR/(Merged)_Public_Transparency_Report_Greater%20Manchester%20Pension%20Fund_2020.pdf)

2.25 Officers previously reported that the Department for Levelling Up, Housing and Communities opened a consultation, "Local Government Pension Scheme (England and Wales): Governance and reporting of climate change risks". The consultation was seeking views on proposals to require Local Government Pension Scheme (LGPS) administering authorities in England and Wales to assess, manage and report on climate-related risks, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). The Fund has been reporting on a voluntary basis in line with the TCFD recommendations since 2018. Officers responded to the consultation welcoming the need for mandatory reporting on this issue. LAPFF and the Scheme Advisory Board also submitted responses which GMPF contributed to and supports.

3. RECOMMENDATION

3.1 As per the front of the report.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

GMPF's Responsible Investment Partners and Collaborations

2 Degrees Investing Initiative

This climate scenario analysis provides a forward looking assessment of how GMPF's corporate bond and equity holdings compare to a 2°C transition scenario. It helps GMPF to better understand the potential for misallocation of capital and financial risk under a 2°C transition and where GMPF's holdings stand in those industries which are deemed to be the most important in relation to climate change.

Web link: <https://2degrees-investing.org/resource/pacta/>

30% Club

The 30% Club is a group taking action to increase gender diversity on boards and senior management teams with the aim of achieving a minimum of 30% female representation on FTSE 100 boards. GMPF is a signatory to this campaign and is working alongside other signatories to engage with companies on the target list.

Web link: <https://30percentclub.org/>

CDP

GMPF is a member of the CDP (formerly Carbon Disclosure Project). Each year, the CDP supports companies, cities, states and regions to measure and manage their risks and opportunities on climate change, water security and deforestation. Investors can use the annual disclosures as a basis for engagement with companies.

Web link: <https://www.cdp.net/en>

Climate Action 100+

GMPF is a signatory of the Climate Action 100+ initiative. The aim of this group is to work with companies to ensure that they are minimising and disclosing the risks and maximising the opportunities presented by climate change. The organisation has a list of focus companies that they are working through and use the backing of the signatories as leverage.

Web link: <http://www.climateaction100.org/>

Global Mining & Tailings Safety Initiative

GMPF has been involved in and backed this initiative. Spearheaded by the Church of England Pensions Board and the Swedish Council of Ethics of the AP Pension Funds the initiative aims to tackle the problem of tailings dam safety. PIRC, in its capacity as research and engagement partner to LAPFF, requested a stakeholder engagement component to the initiative, to which the organisers readily agreed. This engagement has highlighted significant discrepancies between company accounts of these disasters and community experiences, prompting important questions for investors regarding the investment propositions of the companies involved.

Web link: <https://www.churchofengland.org/investor-mining-tailings-safety-initiative>

Institutional Investors Group on Climate Change

GMPF is a member of IIGCC whose aim is to mobilise capital for the low carbon transition and to ensure resilience to the impacts of a changing climate by collaborating with business, policy makers and investors. Officers from GMPF attend seminars and keep up to date with collaborations and initiatives of IIGCC.

Web link: <https://www.iigcc.org/>

Investing in a Just Transition Initiative

GMPF supports the Investing in a Just Transition Initiative which focuses on delivering a transition to a low-carbon economy while supporting an inclusive economy with a particular focus on workers and communities across the UK. GMPF understands this needs to be done in a sustainable way that safeguards against communities being left behind during this transition.

Web link: <http://www.lse.ac.uk/granthaminstitute/investing-in-a-just-transition-global-project/>

Local Authority Pension Fund Forum

GMPF is a member of LAPFF. Most engagement activity is undertaken through the forum and representatives of GMPF take part in company engagements. LAPFF is a collaborative shareholder engagement group of Local Authority pension funds. Given the long-term nature of the members they can look beyond the short term to ensure a positive impact is made through engagement activity.

Web link: <http://www.lapfforum.org/>

Make My Money Matter

GMPF via Northern LGPS is a partner to this initiative. NLGPS' collaboration with MMMM is part of the pool's ambition to invest 100% of assets in line with the Paris Agreement on climate change, and help members understand the importance of knowing where their pensions are invested.

Web Link: <https://makemymoneymatter.co.uk/>

Principles for Responsible Investment

GMPF is a signatory of the UN backed PRI. The principles were developed by investors for investors and in implementing them, signatories contribute to develop a more sustainable global financial system. Institutional investors have a duty to act in the best interest of their beneficiaries and ESG issues can affect these responsibilities. The principles align investors with broader objectives of society and their fiduciary duties.

Web link: <https://www.unpri.org/>

PIRC

GMPF appointed PIRC Ltd as its responsible investment adviser, to assist in the development and implementation of its RI policy. PIRC Ltd is an independent corporate governance and shareholder advisory consultancy providing proxy research services to institutional investors on governance and ESG issues.

Web link: <http://www.pirc.co.uk/>

Say on Climate

GMPF has given its support via its membership in the Northern LGPS to the Say on Climate initiative. The initiative's aim is for companies to disclose emissions with a comprehensive plan to manage those emissions and to have a shareholder vote on the plan at the AGM.

Web link: <https://www.sayonclimate.org/>

Transition Pathway Initiative

The Transition Pathway Initiative is a global, asset-owner led initiative which assesses companies' preparedness for the transition to a low carbon economy. The assessments provide a rating for each company that can be used to target engagements to specific issues relating to climate change.

Web Link: <https://www.transitionpathwayinitiative.org/>

Trucost

GMPF uses this external organisation to measure its carbon footprint for the actively managed corporate bond and equity holdings. Trucost's backward looking method uses the information from the companies' most recent reports, and third-party sources, to measure the level of GHG emissions of the company over the last year. As such, GMPF's carbon footprint is a measure of its emissions over the last year. This gives GMPF the ability to measure itself against a benchmark and take a view on where to focus efforts for engagement.

Web link: <https://www.trucost.com/>

UK Stewardship Code

GMPF takes its responsibilities as a shareholder seriously. Stewardship is seen as part of the responsibilities of share ownership, and therefore an integral part of the investment strategy. GMPF supports the aims and objectives of the Stewardship Code and is a signatory of the code.

Web link: <https://www.frc.org.uk/investors/uk-stewardship-code>

Valuing Water Finance Initiative

GMPF via Northern LGPS is a signatory to this initiative. The initiative is a new global investor-led effort to engage companies with a high water footprint to value and act on water as a financial risk and drive the necessary large-scale change to better protect water systems.

Web link: <https://www.ceres.org/water/valuing-water-finance-initiative>

Workforce Disclosure Initiative

The Workforce Disclosure Initiative is an organisation that focuses on company disclosure and transparency on how they manage workers with the aim of improving the quality of jobs in multinational companies' operations and supply chains. GMPF is a member and actively promotes the creation of decent work and quality jobs as part of its approach to employment standards and human capital management.

Web link: <https://shareaction.org/wdi/>

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank