

Essex Pension Fund Annual Report & Accounts 2018/19



Essex County Council

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Introduction and overview

Chairman's foreword



At a time when so much of the pension landscape is undergoing wholesale change, it is pleasing to be able to report both good progress

against our core objectives and that once again the Fund's efforts have been externally recognised.

Governance

Since 2010, the Fund has formalised a number of objectives covering five key areas: Governance, Investment, Funding, Administration and Communications and during 2018 a review of these was undertaken. Whilst many original objectives remain appropriate the opportunity was taken to update and expand where required. The revised objectives are shown in full at section 6 and the substantive changes include:

- a new objective making explicit reference to the Fund's compliance with LGPS Regulations, wider legislation and acknowledgement of the role of the Pension Regulator in the LGPS;
- in recognition of the increasing complexity within scheme administration, two new objectives covering the establishment of performance levels for, and partnership working between, both the Fund and its employers;
- recognition of investment pooling with the management of the Fund's assets;
- explicit reference to prudence in setting employer contributions; and
- reference to regulatory compliance in relation to data protection.

These objectives, agreed by the Pension Strategy Board, are the cornerstone of the

Fund's governance and provide the foundation for the annual business plan (see section 1). The revised objectives also formed the basis of the subsequent review of the Fund's risk register. Its completion has seen a reduction in the number of overall risks from 83 to 46 which is the consequence of risks being consolidated and duplication avoided. The scoring of each risk continues to be reviewed on an ongoing basis. The final part of this process will see the Fund's quarterly scorecard reviewed during 2019/20 in line with the revised objectives and risks.

Funding

The relative values of the Fund's assets and liabilities are often expressed as funding level percentage, and the Fund's objectives refer to both maximising the returns from investment within reasonable risk parameters and the prudent setting of employer contributions that aim to achieve a fully funded ongoing position in the timescales identified in the Funding Strategy.

Funding levels alter from time to time, and can be derived in different ways; however, results published in the last year indicate that Essex continues to make progress in this critical area.

31 March 2016

The last full triennial valuation was in 2016 at which point the funding level was 89%. The triennial valuations of all LGPS Funds in England & Wales are subsequently reviewed by the Government Actuary. In September 2018, the findings of the latest review were published. This ranked as Essex as 32nd out of 90 funds, up from 69th at the 2013 review.

31 March 2017

In the intervening years between triennial valuations, the Fund commissions its own Interim Review. The Review as at 31 March 2017 showed the funding level had risen to 93%.

31 March 2018

The Interim Review as at 31 March 2018 showed the funding level had risen to 94%.

31 March 2019

During the 2018/19 year the value of the Fund's assets rose from £6.5bn to £7.0bn – which underpinned an annual investment performance of 8.5% compared to a benchmark of 5.6%. This continues an established Fund trend of outperformance. The results of the 2019 Valuation are expected in autumn 2019 and will include an update on the funding level.

Asset Pooling

Alongside the ten other Funds within the ACCESS, Essex continues to progress the pooling of investment management arrangements. Following last year's successful collective procurement of, and migration to UBS as passive manager, 2018/19 saw significant developments for actively managed listed assets.

By February 2019, ACCESS pool operator Link Fund Solutions had launched 8 equity sub funds, into which seven ACCESS Funds, including Essex, have invested.

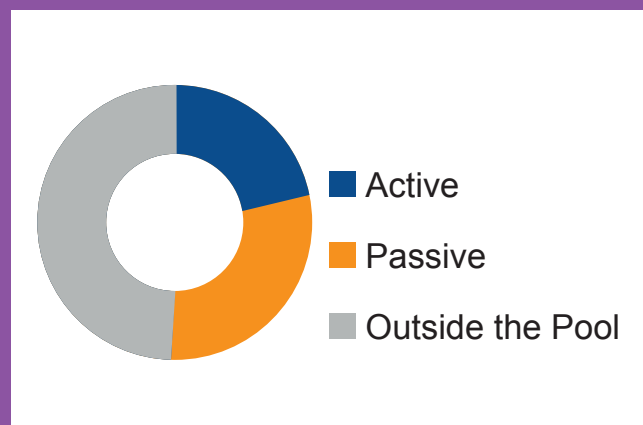
The active assets that migrated to the pool are in the three global equity sub funds listed below:

- Baillie Gifford (Long Term Global Growth)
- Longview
- M&G (Global Dividend)

Essex pooled assets in these sub funds account for approximately £1.5bn of the £8.5bn within the sub funds.

In authorising these transfers, the Investment Steering Committee took the opportunity to align the amounts in each sub fund with the lower allocation to active equities that was agreed in 2017/18 following an asset liability study.

Given the passive mandate placed with UBS Asset Management in early 2018, by the end of 2018/19 Essex had just over half of the asset portfolio under pool governance. Fee savings realised in 2018/19 exceeded £2m. The chart below summarises Essex's pooling progress as at 31 March.



Further detail on the ACCESS Pool, including the ACCESS Support Unit which is hosted by Essex, can be found on page 9.

Awards

It was again pleasing that the Fund has received further external recognition during the year. In September 2018, the Fund was Highly Commended in the LGPS Fund of the Year (over £2.5bn) category at the LAPF Investment Awards, and in January 2019, the Fund won the Best Use of Private Equity category at the Alternative Investments Institute Peer to Peer Awards.

In closing I would like to thank the Members, officers and all who contribute to the Fund's pursuit of its objectives.

CLlr Susan Barker
Chairman of the Essex Pension Fund Strategy Board and Investment Steering Committee



Officer Introduction

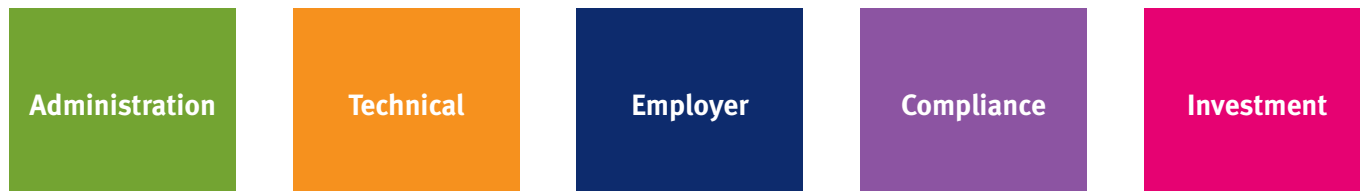
2018/19 saw the implementation of a new staffing structure designed to meet the challenges of one of the largest funds within the Local Pension Government Scheme.

The last review was in 2013, and since that time:

- all public sector pension schemes have seen the introduction of Career Average (CARE) benefit structures;
- the LGPS membership in Essex has increased by 50% from 120,000 to 180,000 individual members whilst the number of employers - all of whom continue to face increased budgetary pressure - has increased by around one third to over 750;
- external scrutiny has intensified given the new remits of both the Pension Regulator (tPR) and Government Actuary (GAD) whilst internal governance expanded to include the Pension Advisory Board acting as critical friend.

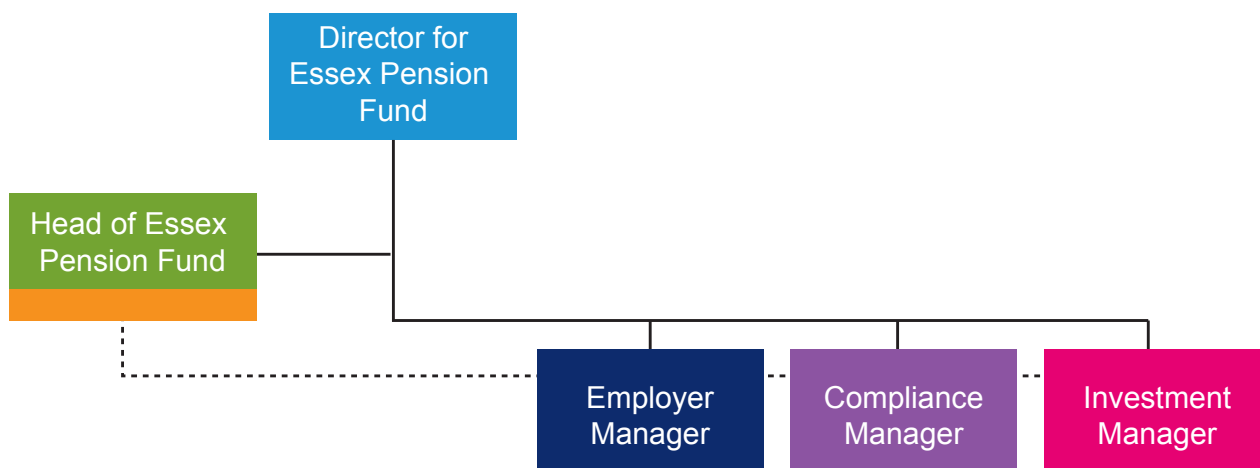
The consequence of these and other developments has been that we therefore deal with greater complexity for more stakeholders.

In accordance with the governance, organisational design principles and tests adopted by Essex County Council for new staffing arrangements and after consultation with our people, the following building blocks were identified as the basis for our new structure.

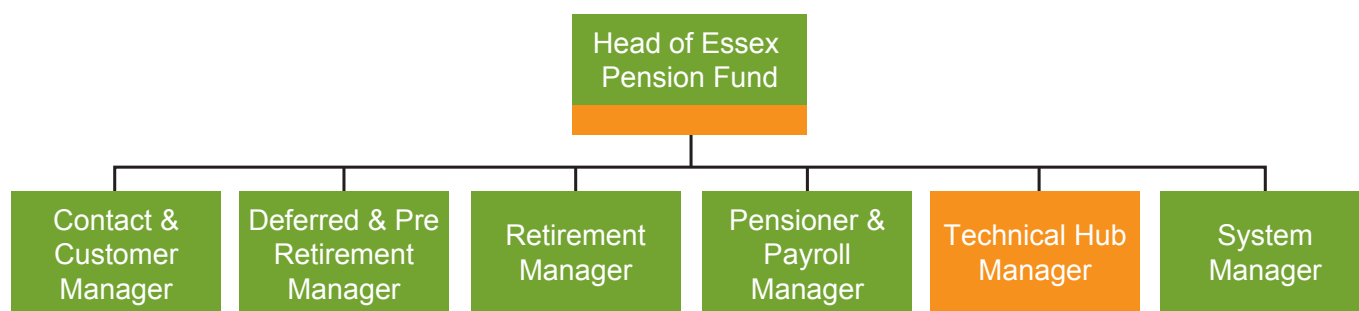


These building blocks stem from the range of legal responsibilities Essex County Council has as Administering Authority of the Local Government Pension Scheme within the County, aligned also with the expectations placed upon us as a service provider to Police, Fire and Teachers' schemes.

The revised structure which increases the number of full-time posts from 54 to 59 is summarised below, and includes the Head of Essex Pension Fund's role capturing both the Administration and Technical Building blocks:



The Administration & Technical aspect of the structure is detailed below. The first four teams have been designed to mirror an individual's pension journey from first joining the Fund, through employment, (possible) deferment and retirement.



This structure has enabled:

- a refocused **Administration** function to reflect our member's experience whilst also address a more complex benefit structure and increased digital stakeholder engagement...
- ...which incorporates a **Technical** hub to equip us for a changing landscape...
- ...and includes the provision of third party services to the Police & Fire uniformed schemes and the Teachers' Pension scheme;
- a combined **Employer** team for the first time;
- a new **Compliance** team: to support governance and oversight requirements; and
- a bespoke **Investment** team.

Where appropriate migrating to the revised arrangements consisted of colleagues being matched to new roles, however in several areas an appointment / interview process was held to identify suitable candidates for new roles. Training needs have been assessed and a delivery programme is underway.

Whilst the structure is relatively new, the early indications have been positive. In addition to supporting the areas outlined in the Chairman's foreword, our colleagues have progressed new developments and core activities. A selection of these are outlined below.

Year End Data

Building on previous year's employer engagement 2017/18 year- end data (collected during 2018/19) proved to be the most successful to date. Despite the

complexities of Career Average (CARE) requirements year on year improvements in both the timeliness and quality of data submissions were achieved. 95% of submissions were in accordance with the deadline, and 81% of employers' data was able to be processed first time without requiring clarification. We are grateful for the continuing engagement of employers in this key area that, in turn, enabled the Fund to meet its statutory obligation in publishing Annual Benefit Statements on time.

Admissions and Leavers

During the year officers worked closely with organisations both joining and leaving the Fund. This included 73 new employers, most of which were schools converting to Academies, and 13 leaving employers the majority being Transferee Admitted Bodies completing their service provision contract term for one of the Essex Local Authorities.

CIPFA Benchmarking

The Pension Strategy Board has set a 95% target for the key administration tasks that are measured by CIPFA. For those tasks allied to payments the Fund continues to exceed the target in 5 categories and has improved performance in the remaining 2. Full details are shown in section 3.

Administration Strategy

Following an officer review, and reflecting feedback received during an employer consultation during autumn 2018, a revised Administration Strategy was adopted by the Pension Strategy Board at its December meeting. The new strategy is in section 6.

Digital

Based upon a phased roll out, the Fund's digital engagement continues to expand. As of March 2019, 221 employers have registered and are using the "Employer online" function of the UPM administration software, whilst 9,500 individual scheme members have registered for "Member online". Officers are currently exploring "retire online".

Compliance

Utilising National LGPS Frameworks hosted by the Norfolk Pension Fund, a re-procurement of the Fund's Independent Governance & Administration Adviser took place in autumn 2018.

The successful candidate was Karen McWilliam from Aon who is assisting the new Compliance team with reviews of the Fund's Governance Policy & Compliance Statement as well as Terms of Reference.

Value for Money

The fund continues to work with partners to secure value for money in delivering its strategic aims and statutory duties.

*Margaret Lee,
Executive Director Corporate & Customer Services
S151 Officer, Essex CC & Essex Pension Fund*

*Kevin McDonald
Director for Essex Pension Fund*

*Jody Evans
Head of Essex Pension Fund*

ACCESS



As Chairman of the ACCESS Joint Committee I am pleased to be introducing the first Annual Report for the ACCESS Pool. The Pool has made excellent progress during the year with just under £20 billion of assets pooled. £8.176 billion

is invested directly in the Pool through Link Fund Solutions and the passive investments of £11.431 billion are invested on a pool governance basis.

I am grateful for the dedication and support from the fellow Chairmen on the Joint Committee, the officers from the Pension Funds and the staff of the Support Unit whose hard work and collaborative spirit has made such progress possible.

The pace of development for the Pool will continue during 2019/20, with further sub-fund launches planned throughout the year.

Background

ACCESS (A Collaboration of Central, Eastern and Southern Shires) is made up of 11 Local Government Pension Schemes (LGPS) Administering Authorities: Cambridgeshire County Council; East Sussex County Council; Essex County Council; Hampshire County Council; Hertfordshire County Council; Isle of Wight Council; Kent County Council; Norfolk County Council; Northamptonshire County Council; Suffolk County Council and West Sussex County Council in response to the Governments pooling agenda across the LGPS.

The ACCESS Administering Authorities are committed to working together to optimise benefits and efficiencies on behalf of their individual and collective stakeholders, operating within a clear set of objectives and principles that drives the decision making process.

Collectively as at 31 March 2019, the pool has assets of £46 billion serving 3,000 employers with over 1 million members including 290,000 pensioners.

Governance

The ACCESS Pool is not a legal entity in itself but is governed by an Inter Authority Agreement signed by each Administering Authority. The Inter Authority Agreement sets out the terms of reference and constitution of ACCESS.

The formal decision-making body within the ACCESS Pool is the Joint Committee. The Joint Committee has been appointed by the 11 Administering Authorities under s102 of the Local Government Act 1972, with delegated authority from the Full Council of each Administering Authority to exercise specific functions in relation to the Pooling of Pension Fund assets.

The Joint Committee is responsible for ongoing contract management and budget management for the Pool and is supported by the Officer Working Group and the ACCESS Support Unit (ASU).

The Officer Working Group are officers representing the Administering Authorities whose role is to provide a central resource for advice, assistance, guidance and support for the Joint Committee.

The ACCESS Support Unit (ASU) provides the day-to-day support for running the ACCESS Pool and has responsibility for programme management, contract management, administration and technical support services. The permanent staff roles within the ASU are employed by the Host Authority (Essex) with additional technical support from Officers within the ACCESS Pension Funds.

The Section 151 Officers of each authority provide advice to the Joint Committee and in response to decisions made by the Joint Committee ensure appropriate resourcing and support is available to implement the decisions and to run the ACCESS Pool.

Strategic oversight and scrutiny responsibilities remain with the Administering Authorities as does all decision making on their individual Funds asset allocation and the timing of transfers of assets from each Fund into the arrangements developed by the ACCESS Pool.

The Operator

Link Fund Solutions Ltd were appointed to provide a pooled operator service. Link are responsible for establishing and operating an authorised contractual scheme (ACS) along with the creation of a range of investment sub-funds to meet the needs of the investing authorities enabling them to execute their asset allocation strategies, and the appointment of the investment managers to those sub-funds.

Progress

ACCESS submitted its pooling proposal to Government in July 2016 with detailed plans for establishing and moving assets into the pool and has regularly submitted progress reports to Government. These are all published on the pool's website (www.accesspool.org).

Included in the proposal is an indicative timeline of when assets will be pooled and ACCESS has made excellent progress against the first milestone of having £27.2 billion assets pooled and estimated savings of £13.6 million by March 2021.

Pooled Assets

As at 31 March 2019 ACCESS has pooled the following assets:

Pooled Investments	£ billion
Passive investments	11.431
UK Equity Funds	2.323
Global Equity Funds	5.853
Total Pooled Investments	19.607

The passive investment funds are held on a pool governance basis under one investment manager as these assets are held in life fund policies which cannot be held within an ACS.

Key milestones achieved in 2018/19

- Establishment of the ACCESS Support Unit and recruitment of a contract manager and support officer to provide day to day support for the Pool. The unit was further strengthened by the appointment of technical leads from existing officers to lead and progress specific areas of work.
- Development of a Governance Manual to reflect decision making principles, communications strategy, policies and procedures.
- Approval and launch of the first two tranches of sub-funds.
- Establishment and implementation of the Stock Lending programme.
- Providing updates of progress to Government and responding to consultations.

Objectives for 2019/20

Following the launch of a number of sub-funds, progress will continue apace with significant rationalisation of the existing range of mandates. The Operator will be developing and launching a further series of sub-funds which will collectively reflect the strategic asset allocation needs of the Funds and facilitate a significant move of the assets to be pooled.

Whilst establishing and developing the ACCESS Pool, the initial focus has been on pooling the most liquid assets, mainly equities and fixed income bonds. The next step is to formulate an approach to pooling and managing illiquid assets such as private equity and infrastructure. This will involve reviewing various structures and platforms and assessing these to identify the best fit to meet with the Funds current and future requirements.

Financial Management

Pool Set-Up Costs

The set-up costs incurred by the pool includes professional and legal advice received in relation to establishing the pool and procuring the operator, and advice and support in the development of good governance. A breakdown of the total costs from inception are as below. The costs are split equally amongst the 11 Funds.

	2015 – 2016 £'000	2016 – 2017 £'000	2017 – 2018 £'000
Strategic & Technical Advice	38	295	281
Legal	1	95	313
Project Management	20	379	189
ACCESS Support Unit			3
Other	1	108	101
Total Set Up Costs	60	877	887

Fee Savings

The ACCESS pool has sought out fee savings based on economies of scale with investment mandates that have been set up as sub-funds by Link and by consolidating its passive investments with one investment manager. The management fee savings received by the pool are as as below:

	2015 – 2016 £'000	2016 – 2017 £'000	2017 – 2018 £'000	2018 – 2019 £'000	Total £'000
Set up costs	60	877	887	-	1,824
Ongoing operational costs	-	-	149	1,248	1,397
Transition costs	-	-	-	674	674
Total costs	60	877	1,036	1,922	3,895
Fee savings	-	-	681	6,378	7,059
Net savings realised (costs)	(60)	(877)	(355)	4,456	3,164

Expected v Actual Costs and Savings

The table below compares the actual costs and savings for 2017-18 and 2018-19 to the business case submission to MHCLG.

	2017 – 2018		2017 – 2018	
	Actual in year	Budget in year	Actual Cumulative to date	Budget Cumulative to date
	£'000	£'000	£'000	£'000
Set up costs	887	800	1,824	1,400
Ongoing operational costs	149	-	149	-
Transition costs	-	-	-	-
Total costs	1,036	800	1,973	1,400
Pool fee savings	(681)	(920)	(681)	(950)
Net savings realised (costs)	(355)	(150)	(1,292)	(450)

	2018 – 2019		2018 – 2019	
	Actual in year	Budget in year	Actual Cumulative to date	Budget Cumulative to date
	£'000	£'000	£'000	£'000
Set up costs	-	-	1,824	1,400
Ongoing operational costs	1,248	1,266	1,397	1,266
Transition costs	674	2,499	674	2,499
Total costs	1,922	3,765	3,895	5,165
Pool fee savings	6,378	3,800	7,059	4,750
Net savings realised (costs)	4,456	35	3,164	(415)

The original budget for setting up the ACCESS Pool was £1 million which was 0.3 bps based on the value of the Funds of £33.5 billion as at 31 March 2015. The Fund value has risen in the intervening years and 0.3 bps on the current value is £1.4 million. The additional expense has been incurred in securing technical and legal advice in setting up the Pool and procuring the Operator.

Ongoing operational costs were included in the submission at 1.5 bps of pooled assets excluding the passive investments. These are the costs for running the ACCESS Pool and include the costs of the support unit and professional and legal advice.

Significant additional savings have also been achieved through negotiating a reduction in investment management fees in pooled aligned investments. These savings have not been included in the table overleaf.

The ACCESS Pool has worked hard to minimise the costs of transition for pooled holdings. Transition costs for the passive investment mandate were met by the appointed investment manager.

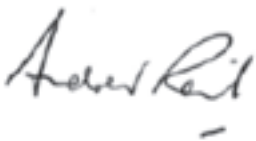
Environmental, Social and Governance

The Pension Funds in ACCESS believe in making long term sustainable investments whilst integrating environment and social risk considerations, promoting good governance and stewardship.

Whilst the participating authorities have an overriding fiduciary and public law duty to act in the best long term interests of their LGPS stakeholders to achieve the best possible financial returns, with an appropriate level of risk they also recognise the importance of committing to responsible investment alongside financial factors in the investment decision making process.

ACCESS acknowledges its responsibilities as an investor and has considered how environmental, social and governance issues can be taken into account when managing investment portfolios. It believes that the pursuit of standards of best practice aligns the interest of Fund members with those of fellow shareholders and with society as a whole.

The ACCESS pool has a single voting policy for pooled assets and seeks to protect and enhance the value of its shareholdings by promoting good practice in the corporate governance and management of those companies. The voting policy sets out the principles of good corporate governance and the means by which ACCESS will seek to exercise its influence on companies.



Andrew Reid

Cllr Andrew Reid - Chairman, ACCESS Joint Committee

Fund Trends and Financial Summary

Fund trends

A summary of the Fund's key trends is shown below:

	2014/15	2015/16	2016/17	2017/18	2018/19
Value at 31 March (£000)	4,932,623	5,037,104	6,031,053	6,518,883	7,027,288
Number of Contributors	50,965	53,432	59,954	66,449	55,564
Contributions (£000)	241,330	222,407	224,356	276,118	239,786
Number of Pensioners	35,455	37,370	39,106	40,528	42,430
Benefits Paid (£000)	207,216	215,746	225,305	230,023	244,544

Financial summary

A brief financial summary over the last 5 years is shown below:

	2014/15	2015/16	2016/17	2017/18	2018/19
Value of fund at start of year	4,337,374	4,932,623	5,037,104	6,031,053	6,518,883
Restatement of opening balance					(61)
Adjusted net assets as at 1 April					6,518,822
Revenue Account for year:					
Contributions	241,330	222,407	224,356	276,118	239,786
Investment and other income	84,057	97,264	99,505	109,646	105,506
Benefits and other expenses	(303,562)	(258,830)	(277,469)	(290,799)	(329,136)
	21,825	60,841	46,392	94,965	16,156
Increase (decrease) in market value of investments in year	573,424	43,640	947,557	392,865	492,310
Increase (decrease) in fund during year	595,249	104,481	993,949	487,830	508,466
Value of fund at end of year	4,932,623	5,037,104	6,031,053	6,518,883	7,027,288

Pension Contributions

The table below shows the percentage of employer pension contributions received timely/late in the 2018/19 financial year.

Quarter	April – June	July – September	October – December	January – March
Percentage employers received on time	99.3%	99.8%	98.5%	99.6%
Percentage employers received late	0.7%	0.2%	1.5%	0.4%
Percentage cash received on time	99.9%	99.9%	99.9%	99.9%
Percentage cash received late	0.1%	0.1%	0.1%	0.1%

During 2018/19 2 employers were fined for late payments, and 4 employers fined for the late provision of their remittance returns.

Pension Overpayments

The table below analyses the pension overpayments identified through the Fund's participation in the National Fraud Initiative (NFI) exercises. The NFI is the matching of electronically held data between public and private sector bodies to prevent and detect fraud and error.

Year	Overpayment	Recovered	Written Off	Balance Outstanding
2018-19	£45,335.63	£27,774.44	£0.00	£17,561.19

Risk Management and Internal Controls

Risk Management

The Fund's objectives and associated risks have been set by Essex Pension Fund Strategy Board (PSB). The PSB ensure the risks are managed in accordance with ECC's arrangements for managing risks in accordance with ECC's Risk Management Strategy. The PSB ensure that the risk register is reviewed and updated in line with the guidance issued and reflects best practice in the identification, evaluation and control of risks in order to ensure that key risks are recognised and are managed to a tolerable level. The risks recorded have been split across five key areas: Investment; Funding; Governance; Administration; and Communication.

All risks within the key areas have been identified and assessed in terms of its impact on the Fund, its employers and reputation of the Fund, PSB and ECC as the administering authority, along with the likelihood of the risk occurring.

All risks have assigned control measures and owners.

Investment Risk

Investment risk and performance is regularly monitored and reviewed by the Fund's officers. The Essex Pension Fund Investment Steering Committee (ISC) reviews investment performance on a quarterly basis with the assistance of its investment advisors, Hymans Robertson LLP and Mark Stevens.

ACCESS Pool Risk Register

The ACCESS Pool has a detailed risk register that is reviewed at every officer working group and reported to the Joint Committee. The risk register covers the establishment of pool governance and sub-fund establishment and implementation.

Systems of internal control

ECC's statement of accounts, including the accounts of the Fund, is subject to external audit by BDO who produce an audit opinion on the Council's accounts. The auditors produce a separate opinion on the Fund's financial statements and an opinion that the Fund annual report is consistent with the Fund accounts.

The Fund is also subject to an internal review by the Council's internal auditors on the robustness of the Fund's systems, procedures and controls. Internal Audit undertook two reviews in accordance with the agreed Audit Plan:

- Pension Services and Administration; and
- Pension Funding and Investments.

Both reviews received a 'Good Assurance' opinion which means there is a sound system of internal control designed to achieve the objectives of the system/process and manage the risks to achieving those objectives. Recommendations will normally only be of Low risk rating. Any Moderate recommendations would need to be mitigated by significant strengths elsewhere. However, during the audit, no recommendations were made.

The Fund also obtains assurance over the systems and internal controls operated by its investment managers and custodians, by obtaining relevant audit documentation. The table below lists the results for 2018/19.

Fund Manager	Audit Opinion – Internal Controls	Action taken by Fund
Link Asset Solutions Ltd	Unqualified – with one exception. The annual review of Link’s adherence to legislation and regulation for product documents had not operated effectively. This was due to delays in Link introducing a new review process in 2018, which resulted in some of the reviews not being completed on time.	ACCESS (including Essex Pension Fund) is liaising with Link to ensure this issue is rectified.
UBS Asset Management	Qualified – due to two IT control objectives not being met (though overall the auditors have stated that in all material aspects, the controls are working). The two controls, relating to Application Change Management and Logical Access Management were not suitably designed and did not operate to the required standard. We have been informed that there was no impact on the Fund’s portfolio. UBS are actively taking the necessary actions to rectify these shortcomings. The Fund has requested periodic updates.	ACCESS (including Essex Pension Fund) is liaising with UBS to ensure this issue is rectified.
Alcentra Ltd	Unqualified	None
Aviva Investors	Unqualified	None
Stewart Investors (formerly First State)	Unqualified	None
Goldman Sachs Asset Management International	Unqualified	None
Hamilton Lane	Unqualified	None
IFM Investors	Unqualified	None
J.P. Morgan Asset Management	Unqualified	None
Marathon Asset Management Ltd	Unqualified	None

Fund Manager	Audit Opinion – Internal Controls	Action taken by Fund
M&G Investments Alpha Opportunities	Unqualified	None
M&G Investments Financing Fund	Unqualified	None
Partners Group Management II	Unqualified	None
Stafford Timberland Limited	Unqualified	None
Custodian		
Northern Trust	Unqualified	None

SECTION 1

GOVERNANCE ARRANGEMENTS

Who Manages and Runs the Essex Pension Fund?

The County Council's functions as administering authority are delegated to the Essex Pension Fund Strategy Board (the Board), the Essex Pension Fund Investment Steering Committee (ISC) and its officers.

The Essex Pension Fund Strategy Board (The Board)

The Board was established in 2008 and exercises all of the powers and duties of the Council in relation to its functions as Administering Authority except where they have been specifically delegated to another committee or officers. Its functions include monitoring the administration of the Pension Scheme, exercising Pension Fund discretions and determining Pension Fund policy in regard to employer admission arrangements. The membership of the Essex Pension Board during 2018/19 is detailed below:

Board Representatives 2018/19

Representatives of the Administering Authority

Cllr. S. Barker (Chairman)
Cllr. A. Goggin
Cllr. A. Hedley
Cllr. C Pond (until 19 October 2018)
Cllr. M. Maddocks (from 11 December 2018)
Cllr. M Platt (Vice Chairman) (from 4 July 2018)
Cllr. L. Scordis
Cllr. C. Souter
Cllr. A. Davies (Labour substitute)
Cllr. A. Erskine (Conservative substitute)

Representative of Scheme Members

S. Child (UNISON)

Representatives of the District/Borough Councils in Essex *(nominated by Essex Borough and District Leaders' Group)*

Cllr. C. Riley (Castle Point Borough Council)

Representatives of Unitary Councils

Cllr. A. Moring (Southend-on-Sea Borough Council)

Representative of Smaller Employing Bodies

J. Moore (The Billericay School)

Independent Governance & Administration Adviser to the Board

I. Colvin Hymans Robertson
(until 31 October 2018)

K. McWilliam AON (from 3 December 2018)

Fund Actuary

G. Muir, F.F.A. Barnett Waddingham LLP

Essex Pension Fund Investment Steering Committee (ISC) 2018/19

The ISC approves and reviews the investment strategy of the Essex Pension Fund. This includes the determination of asset allocation, the appointment of external investment managers and the monitoring of investment manager performance. The members of the ISC during 2018/19 were:

ISC Representatives 2018/19

Representatives of the Administering Authority

Cllr. S. Barker (Chairman)
Cllr. A. Goggin
Cllr. A. Hedley
Cllr. C. Pond (until 19 October 2018)
Cllr. M. Maddocks (from 11 December 2018)
Cllr. M. Platt (Vice Chairman) (from 16 May 2018)
Cllr. L. Scordis
Cllr. C. Souter

Cllr. A. Davies (Labour substitute)
Cllr. A. Erskine (Conservative substitute)

Observers

Cllr. C. Riley	(representing scheme employers)
S. Child	(representing scheme members)

Independent Advisers to the ISC

M. Stevens

Institutional Investment Consultants to the ISC

J. Dickson F.F.A.	Hymans Robertson LLP
M. Woodman C.F.A.	Hymans Robertson LLP

Essex County Council Officers and Others

Other than those responsibilities delegated specifically to the Board, or the ISC, all of the Administering Authority responsibilities are delegated to officers. The Executive Director for Corporate Services & Corporate Services alongside the Director for Essex Pension Fund has overall responsibility for the day to day operations and management of the Fund, implementing the decisions of the Board and ISC. They are aided by the Essex Pension Fund function.

Executive Director for Corporate & Customer Services

Margaret Lee C.P.F.A.

Director for Essex Pension Fund

Kevin McDonald B.A., C.P.F.A.

Head of Essex Pension Fund

Jody Evans

The Essex Pension Fund Advisory Board (PAB)

The Essex Pension Fund Advisory Board (PAB)

Chairman

N. Mark	Head of Norfolk Pension Fund
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Scheme Members representatives

A. Colburn	UNISON
P. Hewitt	Deferred Member, Southend BC/Harlow DC
J. Hunt	Deferred Member, Anglia Ruskin University
M. Paget	Pensioner Member, Essex CC (until Dec 2018)
Vacant	from Dec 2018

Employer Representatives

J. Durrant	Essex Fire Authority
Cllr. T. Cutmore	Rochford DC
Cllr. S. Hebb	Thurrock BC
Cllr. S. Walsh	Essex CC

Fund Management Structure and Other Professional Organisations

The Essex Pension Fund invests in all major asset classes. These investments are managed externally by specialist Fund Managers who are listed below.

Fund managers

Equity	
Manager	Mandate
Baillie Gifford & Co.	Global Equities
Stewart Investors (formerly known as First State Investment Management (UK) Ltd)	Global Emerging Markets Equities
Longview Partners	Global Equities
Marathon Asset Management Ltd	Global Equities
M&G Investments	Global Equities
UBS Asset Management	Global Equities (Passive)

Bonds	
Manager	Mandate
Goldman Sachs Asset Management	Corporate Bonds
UBS Asset Management	Index Linked Bonds (Passive)
M&G Investments	Corporate Bonds

Property	
Manager	Mandate
Aviva Investors Global Services Ltd	Direct & Indirect Property

Alternatives	
Manager	Mandate
Legal and General Investment Management	Passive Currency (until 4 April 2018)
Hamilton Lane (UK) Ltd	Private Equity
M&G Investments	Infrastructure
Partners Group Management II	Infrastructure
J.P. Morgan Asset Management	Infrastructure
IFM Investors	Infrastructure
Stafford Timberland Limited	Timber
RWC Partners	Shareholder Activism
Alcentra Ltd	Private Debt

Assets within the ACCESS Pool	
Operator	Mandate
Link Asset Solutions Limited	Global Equity

Other organisations providing services to the Fund

Service	Organisation
Administration software provider	Civica
Auditors	BDO
AVC provider	The Equitable Life Assurance Society Prudential The Standard Life Assurance Company
Custodian	The Northern Trust Company
Solicitors	Essex County Council – Legal Services Nabarro Nathanson

Essex Pension Fund Business Plan 2018/19

Proposed actions for Business Plan 2019/20

Governance

Objectives:

- Provide a high-quality service whilst maintaining value for money
- Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice
- Ensure the Pension Fund is managed, and its services delivered by people who have the appropriate knowledge and expertise
- Evolve and look for new opportunities that may be beneficial for our stakeholders, particularly the Fund's beneficiaries, ensuring efficiency at all times
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
- Understand and monitor risk and compliance
- Continually measure and monitor success against our objectives

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2019/20 Business Plan
1. Annual business plan will be put in place.	Proposed actions for 2018/19 business plan actions were approved at March 2018 Board.	DfEPF & HoEPF	Complete.	Not an action for 2019/20. Reclassified as Business as Usual.
2. Further roll out of training and training needs assessments.	Training & training needs assessments will continue in 2018/19. Specific provision will be made for any new Board Members.	Fund officers / IGAA	In progress – the training requirements have been discussed with the new IGAA and a plan is in the process of being developed to deliver training requirements for the next two years.	Training and training needs assessments will continue in 2019/20; and a revised training strategy and training plan is to be developed.
3. Annual review of governance policy.	Review governance policy to ensure it is relevant and up to date, including the governance compliance statement.	DfEPF, HoEPF & IGAA	Complete.	Review governance policy to ensure it is relevant and up to date, including the governance compliance statement; and TORs for all Boards/ Committee to be reviewed.

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2019/20 Business Plan
4. Annual review of Pension Fund Board.	Review the effectiveness of the Pension Fund Board and the services supplied to it.	DfEPF, HoEPF & IGAA	In progress – a governance review is due to be undertaken during 2019 by the IGAA.	Review of Pension Fund Board membership; and review the effectiveness of the Pension Fund Board and the services supplied to it.
5. IGAA Procurement.	Current IGAA contract under the LGPS Framework expires 31 October 2018. Using the framework, with agreement from the PSB, a new tender exercise will commence during October and November 2018.	DfEPF & HoEPF	Complete. Officially appointed new IGAA, for a 7-year period.	Not an action for 2019/20. Reclassified as Business as Usual.

Investments

Objectives:

- To maximise the returns from investments within reasonable risk parameters
- To ensure the Fund's investments are properly managed before, during and after pooling is implemented
- Ensure investment issues are communicated appropriately to the Fund's stakeholders

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2019/2020 Business Plan
6. Review of asset allocation.	Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings.	DfEPF	In progress.	Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings.
7. Implement any review of investment allocation arrangement.	Implement the any decisions taken by the ISC strategy in light of the Asset Liability Study.	DfEPF	In progress.	Any asset allocation decisions made by the ISC will be implemented as required during 2019/20.
8. To review investment management fees.	Ensure that fee monitoring arrangements form part of the annual review of performance.	DfEPF	Complete.	Reclassified as Business as Usual.

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2019/2020 Business Plan
9. Review the Investment Strategy Statement (ISS).	<p>A draft ISS was published in late March 2017 and a stakeholder consultation launched between late April and 22 June.</p> <p>The responses to the stakeholder consultation were considered at the 19 July meeting of the ISC.</p> <p>The final agreed ISS has now been published at: www.essexpensionfund.co.uk/media/2970/investment-strategy-statement-2017.pdf</p>	DfEPF	Complete for 2018/19.	The ISS will be kept under review.
10. Respond to the requirements of LGPS structural reform process.	Developments in relation to LGPS structural reform will be monitored.	DfEPF	In progress.	Progress reports on the Fund's involvement with the ACCESS pool will feature throughout 2019/20.

Funding

Objectives:

- To prudently set levels of employer contributions that aim to achieve a fully funded ongoing position in the timescales determined in the Funding Strategy Statement
- To recognise in drawing up the funding strategy the desirability of employer contribution rates that are as stable as possible
- To ensure consistency between the investment strategy and funding strategy
- To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption, where necessary, of employer specific funding objectives
- To maintain liquidity in order to meet projected net cash-flow outgoings
- To minimise unrecoverable debt on termination of employer participation

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2018/2019 Business Plan
11. Interim Review as at 31 March 2018.	An interim review of the Fund as at 31 March 2018 will be commissioned from the Actuary.	HoEPF & DfEPF	Complete.	Actuarial Valuation as at 31 March 2019; a triennial valuation will be commissioned from the Fund Actuary; and the various processes of the Valuation will take place throughout 2019/20.
12. Review Funding Strategy Statement.	Consideration will be given to whether the Funding Strategy requires review in the light of the results of the Interim Review.	HoEPF & DfEPF	Complete.	Review the Funding Strategy Statement as part of 2019/20 triennial valuation process.
13. Employer participation.	Employer participation and membership of the Essex Pension Fund will be monitored on an on-going basis.	HoEPF & DfEPF	Complete for 2018/19.	Reclassified as Business as Usual.

Administration

Objectives:

- Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need
- Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount
- Data is protected to ensure security and authorised use only
- Clearly establish the levels of performance the Fund and its employers are expected to achieve in carrying out their functions
- Develop successful partnership working between the Fund and its employers

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2019/2020 Business Plan
14. Complete the annual end of year data exercise as at 31 March.	Complete year end accounting gathers information from employer and update UPM and produce annual benefit statements.	HoEPF	Complete.	Reclassified as Business as Usual.

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2019/2020 Business Plan
15. Administration Strategy.	The Administration Strategy will be monitored annually.	HoEPF	Complete.	Reclassified as Business as Usual.
16. Implementation of UPM (administration system).	Ongoing phased implementation will continue through 2018/2019.	HoEPF	Complete for 2018/19.	Ongoing phased implementation will continue through 2019/20.
17. Review of staffing structure.	A review is scheduled to complete during 2018/19.	DfEPF & HoEPF	Complete.	Reclassified as Business as Usual.
18. Confirmation of GMP entitlement.	Confirming the GMP (Guaranteed Minimum Pension) element of all scheme members' entitlement is required to be completed by 2017/18.	HoEPF	Complete for 2018/19.	The project will continue in 2019/20 and will remain ongoing until it is completed.
19. Implementation of GDPR.	Review of our systems and data handling to ensure compliance with the new GDPR regime which supersedes the Data Protection Act requirements on 25 May 2018.	HoEPF	Complete for 2018/19.	Reclassified as Business as Usual.

Communications

Objectives:

- Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally
- Ensure our communications are simple, relevant and have impact
- Deliver information in a way that suits all types of stakeholder
- Aim for full appreciation of the pension scheme benefits and changes to the scheme by all scheme members, prospective scheme members and employers

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2019/2020 Business Plan
20. Monitor Communications Policy.	The communications policy will be reviewed during 2017/2018	HoEPF	In progress.	The communications policy will be reviewed during 2019/20.

Action	How will this be achieved?	Officer managing action*	Progress as at March 2019	2019/2020 Business Plan
21. Communication GMP entitlement.	All Employees involved will be communicated with confirming the GMP (Guaranteed Minimum Pension) element of their Pension entitlement.	HoEPF	Complete for 2018/19.	The project will continue in 2019/20 and will remain ongoing until it is completed.

*Officer Managing Action: DfEPF – Director for Essex Pension Fund; HoEPF – Head of Essex Pension Fund; and IGAA – Independent Governance & Administration Adviser.

SECTION 2

INVESTMENTS

Investment Strategy Overview

Each year the Investment Steering Committee (ISC) reviews the performance of the Fund's investment strategy over the prior 12 months and formulates its future strategy going forward. Central to the review is the discipline of ensuring that the Fund's investment strategy remains consistent with the funding strategy and the Fund's investment beliefs. In the latter part of 2017 the ISC commissioned the Institutional Investment Advisers, Hymans Robertson to undertake an asset liability study as part of the review of the Fund's investment strategy following the 2016 Actuarial Valuation.

This highlighted that the level of investment return needed to meet the Actuary's investment assumption could continue to be met at a reduced level of risk.

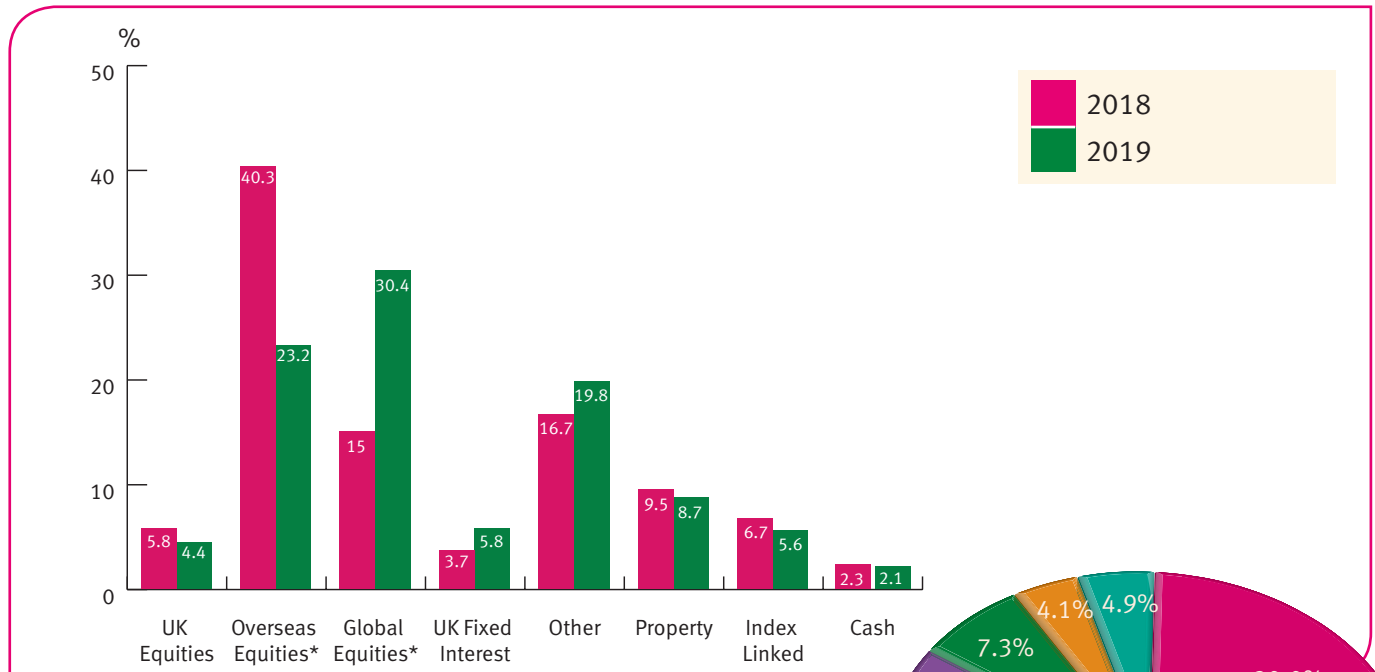
In light of these findings the ISC has agreed in principle a series of measures which will see the level of equities within the portfolio reduce from the current target of 60% to 50% in the first instance and then 45% as suitable alternative investment opportunities arise over the next two to three years.

The table below shows the strategic allocation and the desired target allocation as agreed at the November 2017 ISC meeting that the Fund is moving towards.

Asset Class	Current Strategic Allocation	Proposed Target Allocation
Equities	60%	45%
Bonds	13%	18%
Alternatives	27%	37%
Total	100%	100%

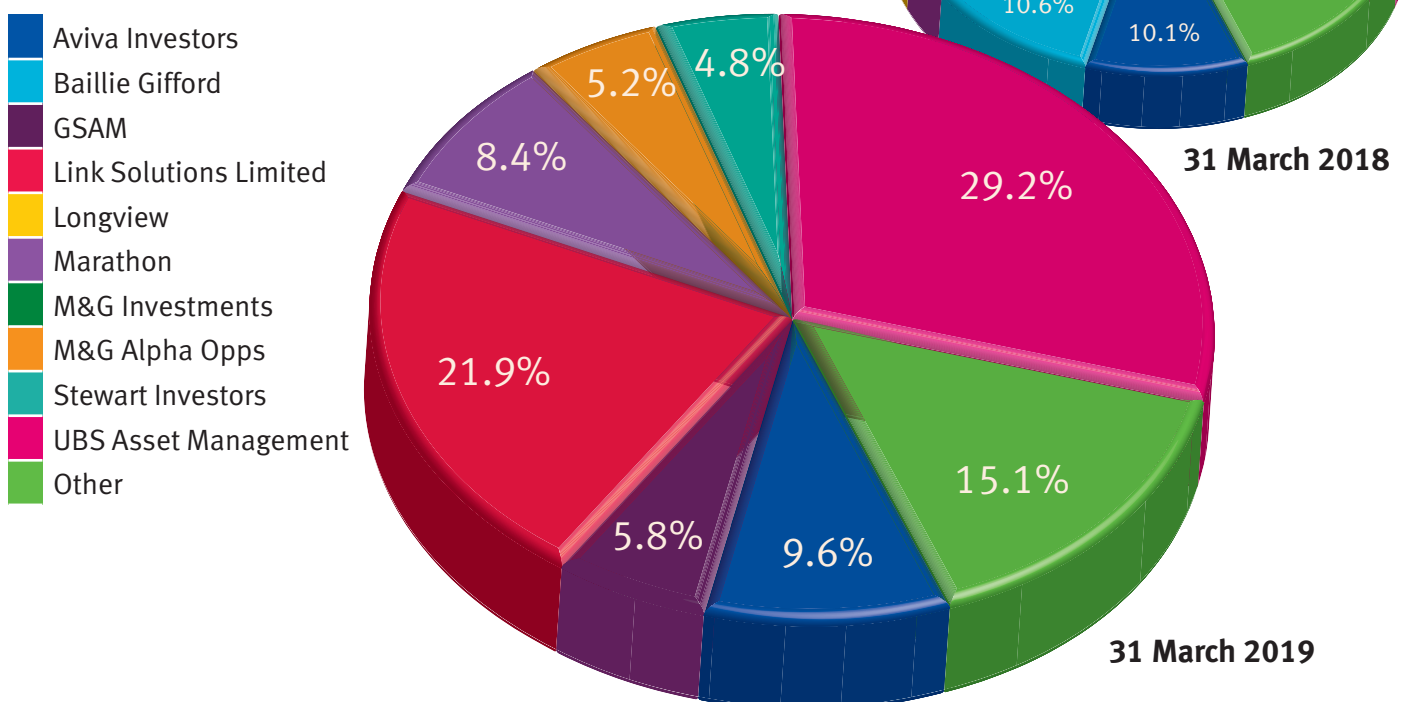
Portfolio distribution at 31 March

The graphs below show the change in the Fund's actual portfolio distribution between the main asset classes as at 31 March over the last two years.



* The movement reflects the fund moving away from a segregated portfolio to the pooled funds within the ACCESS Pool.

The following graph shows the proportion of the Fund under management by Fund Manager as at 31 March.



Investment Decisions

During the year the Fund continued to work with its partnering Funds of ACCESS and has taken the opportunity in utilising the launch of the ACCESS sub-funds in implementing its global equity strategies.

Details of ACCESS activities during the year can be found in the ACCESS Annual Report provided in the Introduction section of this report.

The following outlines key strategic decisions that the ISC have made during 2018/19 that have helped shape both the strategic and actual portfolio allocations shown above. It also discusses changes resulting from decisions made in prior years that have been implemented during 2018/19.

Equity

The Fund is a long-term investor and the investment beliefs contained within the inaugural Investment Strategy Statement include the following statement:

Over the long term, equities are expected to outperform other liquid asset classes, particularly bonds.

In light of the outcome of the Asset Liability study undertaken in 2017/18 it was acknowledged that the target allocation for equities of 60% was no longer

appropriate and could be reduced as and when suitable alternative opportunities arise.

The first phase of this reallocation was to trim the equity overweight position, redirecting to the underweight bond allocation.

The Baillie Gifford global equity mandate had become significantly overweight due to exceptionally strong performance compared to the overall Fund. As a consequence, the Committee agreed to rebalance it back to within an agreed tolerance level of its 7% strategic allocation.

The first of two rebalancing was undertaken in April 2018 with the second implemented in October 2018.

Longview's mandate was also rebalanced back to its strategic allocation prior to its transition into the ACCESS Pool with proceeds redirected to the passively managed equity indexes.

Largest 10 Equity Holdings of the Fund as at 31 March 2019

The table below shows the Funds top 10 equity holdings as at 31 March.

	Market Value 31 March 2019 £m	Proportion of the net assets of the fund %
TATA CONSULTANCY	23.7	0.3
UNILEVER PLC	19.1	0.3
UNI-PRESIDENT ENTERPRISES	14.3	0.2
JOHNSON & JOHNSON	13.4	0.2
ORACLE CORPORATION	11.5	0.2
TECH MAHINDRA	10.9	0.2
TIGER BRANDS	10.5	0.1
TRAVELERS COMPANIES INC	10.2	0.1
FOMENTO ECONOMICO MEXICANO	10.2	0.1
KOC HOLDING AS	10.1	0.1
Total	133.9	1.8

Bonds

The Active Cash plus bond mandates of M&G Alpha Opportunities and Goldman Sachs have target allocations of 5.5% to each strategy. The Fund believes these mandates are useful in terms of diversifying the equity allocation and managing asset volatility. The Committee took the opportunity to top up both the Goldman Sachs and M&G mandates that had fallen behind their targets using proceeds from rebalancing the Baillie Gifford global equity mandate.

The Fund maintains a small (2%) allocation to Index Linked Gilts as part of passive providers swing mandate. The mandate setup helps the Fund to maintain its overall strategic allocation as the liquid nature of the asset class allows rebalancing to be implemented quickly and at low cost to the Fund. In addition, it also provides some inflation protection to the Fund and are therefore preferred to holding conventional gilts.

Property

In its annual review of the Fund's strategy the ISC as part of its de-risking programme have been looking into other alternative income generating asset classes. The ISC, whilst a supporter of UK property felt on reflection, the UK mandate currently managed by Aviva may be limiting the Fund's opportunity universe. As such, it was decided that a further 4% be allocated to global property to capture this wider opportunity set. Following an OJEU procurement process the ISC appointed Partners Group.

Aviva have continued to progress with the Fund's UK strategy of moving more of the mandate to direct assets, with investment in indirect property used strategically to complement and tap into attractive property opportunities. The growth in Aviva's mandate over the last few years has given rise to new opportunities to invest in larger lots sizes giving the Fund a greater universe in which to invest in. Aviva have taken advantage of this by restructuring the portfolio selling some of its smaller properties.

In 2018/19 Aviva acquired two properties located in Manchester and Bath, both in the retail space. Aviva also completed the sale of five smaller properties totalling c£44.5m.

More detail in respect of the Fund's property portfolio is shown below.

The first table provides detail of the type of property in which the Fund invests whilst the second table provides detail of the Fund's five largest direct properties held as at 31 March.

	Market Value at 31 March 2019 £m
Retail	153.9
Offices	138.1
Industrial/Other	91.3
Property Unit Trusts	226.6
Total	609.9

Sector	Property Location	Market value at 31 March 2019 £m
Industrial	Canning Town Business Park, London	49.2
Offices	201 Deansgate, Manchester, Lancashire UK.	35.5
Retail	734-736 Seven Sisters Road	23.3
Offices	Kett House Station Road, Cambridge	21.6
Offices	48/49 Chancery Lane, London	18.9

Alternatives

Infrastructure

The ISC continues to be a supporter of this asset class targeting 6% allocation via a fund of fund approach and investing directly. The allocation is managed by Partners Group; JP Morgan and IFM Investors. The Committee have an ambition to not only maintain the allocation but further increase in the coming years to 10%.

As such, the ISC this year took the opportunity to investigate topping up its Partners Group allocation by agreeing to allocate a further £60m to their 2018 vintage. Over the year good progress has been made in drawing down commitment to the various vintages.

Private Equity

As at 31 March 2019, the Fund's allocation remained overweight, with the Fund targeting a strategic allocation of 4%.

The Fund continued its commitment to investing in new private equity opportunities with a further £50m invested during 2018/19 to maintain the 4% target allocation to this asset class. The Fund is currently in a position where new commitments are now funded via its positive net cashflow position. Seven new partnerships were invested in during the year taking the number of active private equity partnerships to eighty-nine.

The Committee in March 2019 made a further commitment to invest an additional £50m for the forthcoming financial year.

Loans

In reviewing its strategy in 2017/18 the ISC agreed not to increase its commitment to this asset class but instead allow the investment to run its course, repaying capital back to the Fund.

Currency

The Fund has a substantial exposure to overseas currencies given the global nature of many of the assets in which it invests. The Fund manages its currency exposure via investing in hedged versions of the regional index funds managed by its passive provider, UBS Asset Management. The ISC are currently keeping this under review.

Timber

The target allocation to timber remains at 2% via a Stafford "fund of funds" allocation. The commitment to this asset class was originally invested in two tranches. The first 1% of the commitment was to the Stafford Timberland VI with the remaining 1% made to Stafford Timberland VII fund. Both funds are now fully funded.

The strategic allocation to timberland has continued to fall below target due to the strength of equities over recent years. As a consequence, the ISC have kept this situation under review so as it maintains this allocation. At the start of 2017/18 a third fund, Stafford Timberland VIII was added with an initial commitment of £70m. The ISC took the opportunity to further increase its commitment in March 2018 with a further £80m. At the end of the year only 16% remain unfunded.

Private debt

Alcentra was appointed in 2014/15 to manage a private debt mandate. It was agreed that an allocation of 2.5% be funded from reducing its strategic allocation to equities. £80m was split £56m to their Direct Lending Fund and £24m to the Global Multi Credit Solution Fund.

In 2016/17 the ISC agreed to a further commitment of £60m to a second direct lending fund and a further £90m in 2017/18 to a third lending fund in order to maintain its strategic allocation in this asset class.

The first and second direct lending funds have made steady funding progression during the year. The commitment to the third fund has already drawn 20% of total commitment.

Investment Performance 2018/19

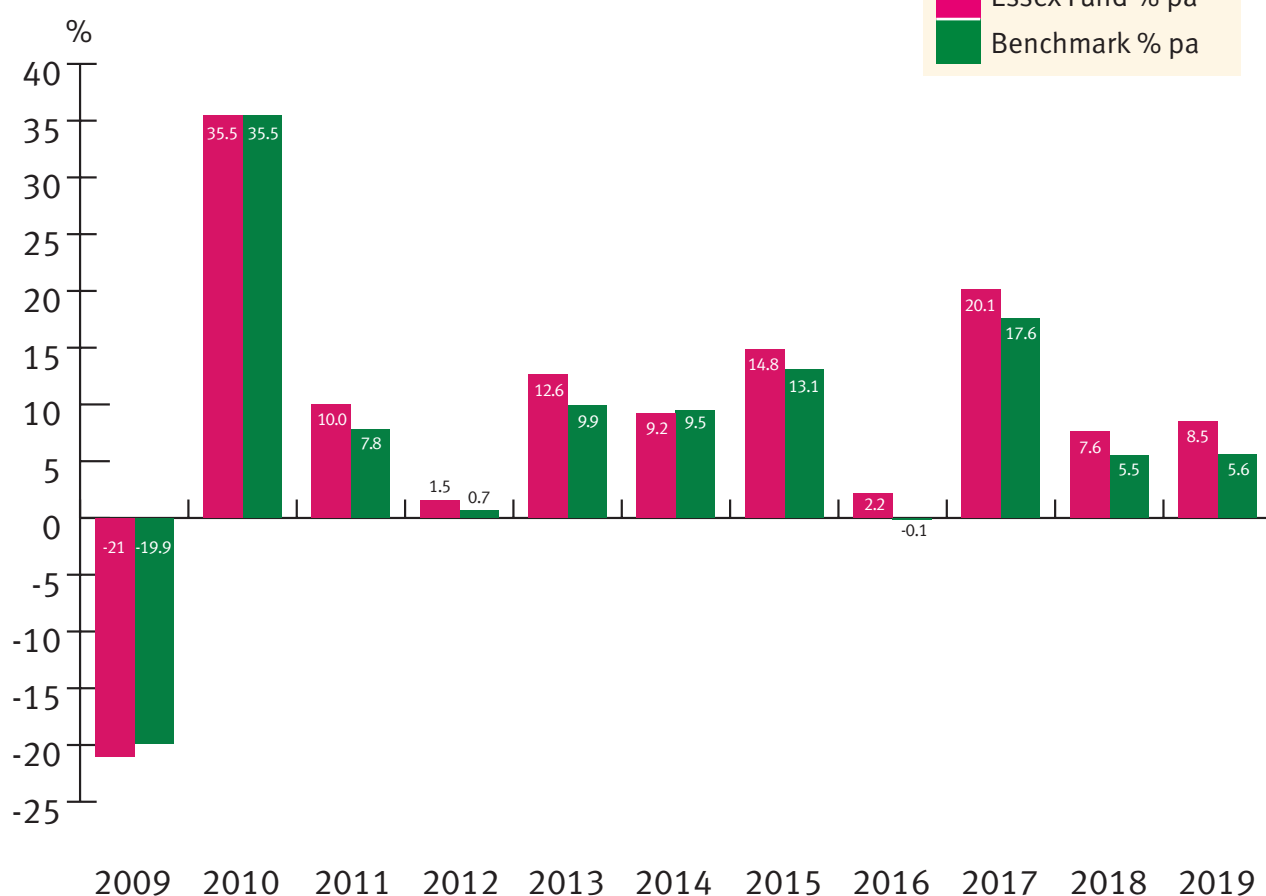
The investment performance of the Fund Managers is reported on a quarterly basis to the Investment Steering Committee (ISC). The Fund Managers submit reports and valuations for this purpose and meet at least annually with the Committee and/or its officers to make oral presentations and to answer questions.

Fund Managers are required to provide performance information to Northern Trust, who assess the rate of return achieved and provide performance reports that are for consideration by the ISC.

Total Fund Performance

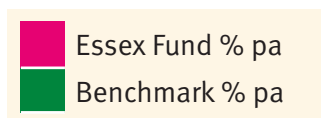
The graph below shows the relative performance of the Essex Pension Fund. The overall return on the Fund for 2018/19 was 8.5% compared to the customised benchmark of 5.6%.

Annual investment returns



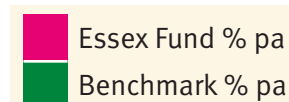
Long term performance comparisons

The graph shows the long term performance of the Fund and the variation against the benchmark.

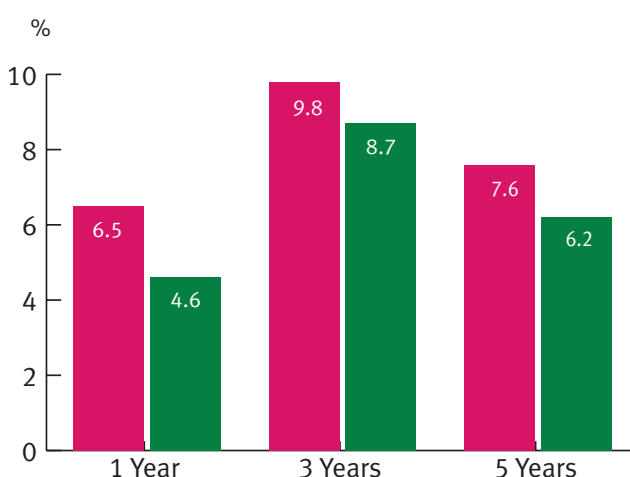


Returns by Asset Class

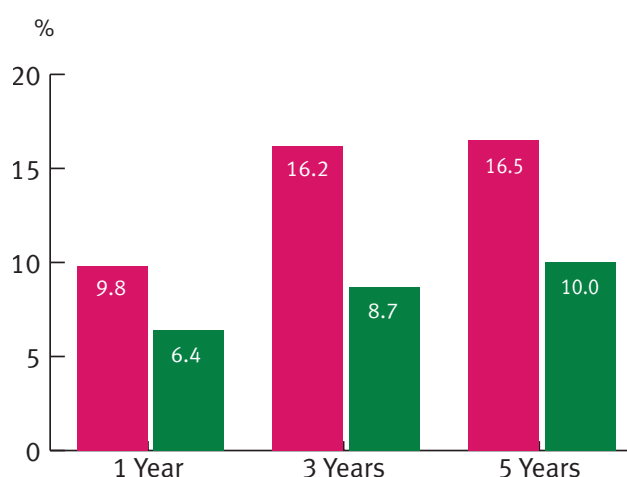
The analysis set out below shows the returns by asset class over the last 5 years:



UK Equities

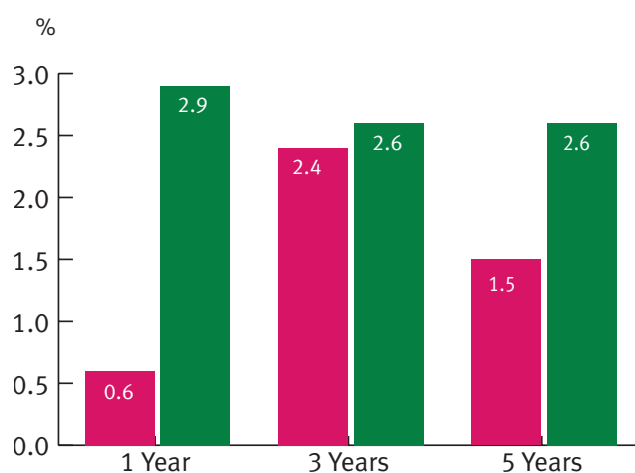


Oseas Equities



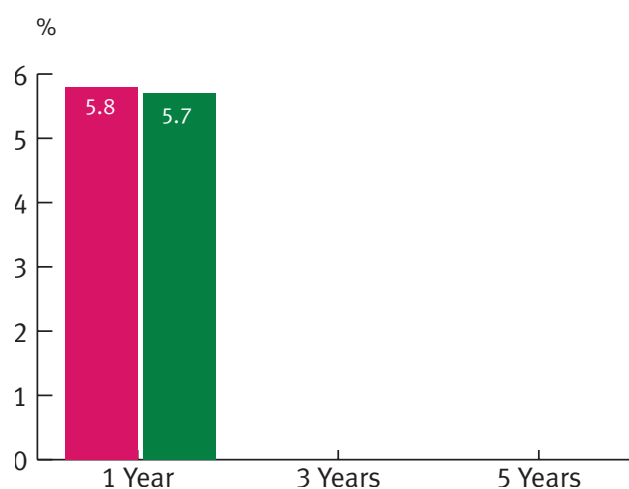
Returns by Asset Class continued

Bonds



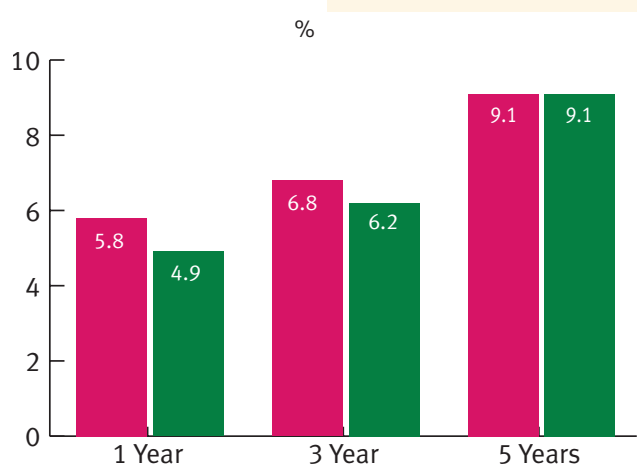
UK Index Linked

data unavailable for 3 and 5 years



Returns by Asset Class continued

Property



Code of Transparency

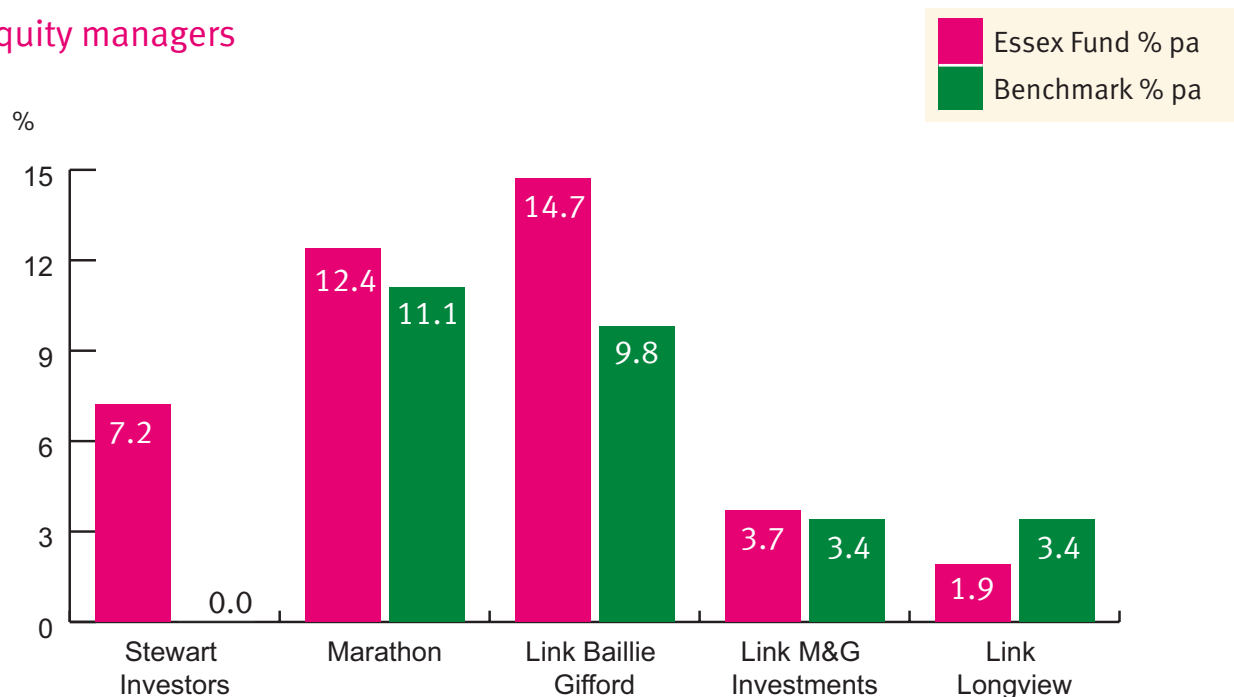
The LGPS Scheme Advisory Board has developed the Code of Transparency to assist LGPS funds in obtaining data they will require to report costs incurred by their investment funds.

The Code of Transparency is currently voluntary, and therefore Fund Managers are not required to provide the information. Essex Pension Fund is actively engaging with their fund managers, encouraging them to sign up to the Code.

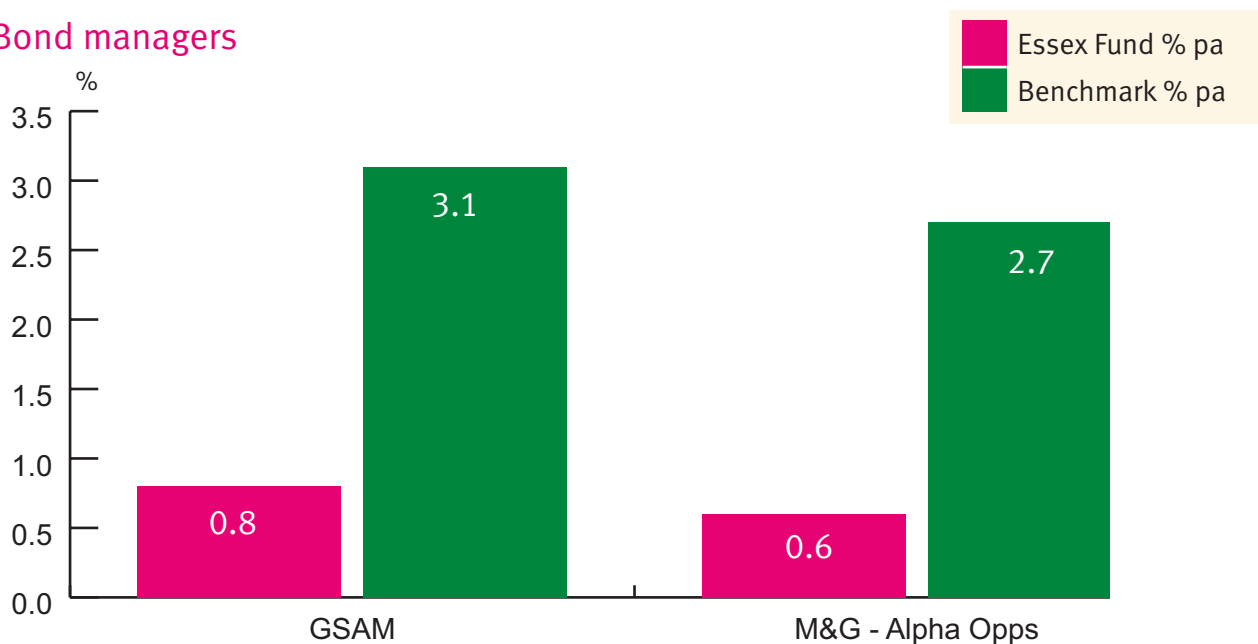
Equity and bond performance by fund manager

The following graphs show the performance of each Equity and Bond mandate compared to their benchmark for the year ended 31 March 2019.

Equity managers



Bond managers



SECTION 3

ADMINISTRATION

Membership Summary

The table below breaks down membership by type of the Fund as at 31 March:

31 March 2018		31 March 2019
66,449	Contributors	55,564
40,528	Pensioners	42,430
55,904	Deferred Pensioners *	70,832
162,881	Total	168,826

* Deferred pensioners are former employees who have chosen not to transfer their pension rights.

In 2018-19 there have been 2970 new pensions paid, which are analysed below:

Retirement Type	Number of retirements
Ill Health	112
Normal	918
Early	1940
Total	2970

Key service standards for scheme members

The table below details the Fund's Key Service Standards and the Fund's achievement against these standards:

Type of Work	2017/18 KPI (%)	2018/19 KPI (%)
Letter detailing transfer in quote issued within 10 working days	89.3	88.7
Letter detailing transfer out quote issued within 10 working days	90.0	88.9
Letter detailing process of refund and payment made within 5 working days	95.1	96.2
Letter notifying estimated retirement benefit amount within 10 working days	98.2	98.3
Letter notifying actual retirement benefits and payment made of lump sum retirement grant within 5 working days	99.2	99.2
Letter acknowledging death of active / deferred / pensioner member within 5 working days	99.7	99.8
Letter notifying the amount of dependents benefits within 5 working days	96.4	97.6
Calculate and notify deferred benefits within 10 working days	87.9	90.0

Note: The above measures reflect the reports that are passed to the Pension Board on an annual basis, and also the CIPFA benchmarking.

Scheme Details

Essex Pension Fund administers the Local Government Pension Scheme (LGPS), on behalf of Essex County Council, for employees of County, Borough, District and Unitary Councils, and over 700 other employing bodies. The scheme does not include teachers, fire-fighters and police officers, who have separate pension schemes.

Benefits are prescribed by, and the Essex Pension Fund is invested in accordance with, the provisions of the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The rate of member contributions is between 5.50% and 12.5% of pensionable pay and the rate of employer contributions is set at each triennial valuation of the Essex Pension Fund. A member can choose to pay a reduced contribution of one half of the standard rate, known as the 50/50 option. A reduced pension accrual rate is applied as detailed in the Retirement Benefits section below.

Brief details of some of the principal benefits available to members of the LGPS are listed below.

1. Retirement Benefits

A member must have a minimum of 2 years membership of the LGPS to qualify for pension benefits and if they are aged 55 or over on retiring from their employment, they can choose to receive immediate payment.

Benefits paid before Normal Pension Age (state pension age or age 65, if later) are reduced for early payment.

Payment of the benefits can be deferred beyond Normal Pension Age but they must be paid before age 75 is reached and they are increased for late payment.

For membership before 1 April 2014, the benefits are based on length of service and pensionable salary (normally received in the last 12 months of membership).

For membership after 31 March 2014, the annual pension is calculated on a Career Average Revalued Earnings (CARE) basis. The aggregated CARE pension earned at the end of each scheme year (1 April to 31 March) is

revalued by HM Treasury Orders and carried forward to the following year.

i) Annual Pension

The calculation of the annual pension is based on the following formula:-

Final Pay x $\frac{1}{80}$ x Membership up to 31 March 2008, plus Final Pay x $\frac{1}{60}$ x Membership from 1 April 2008 to 31 March 2014, plus Pensionable pay (received in each scheme year after 31 March 2014) x $\frac{1}{49}$ * with the aggregated pension revalued each year by an HM Treasury Revaluation Order.

The accrual rate for a member paying reduced contributions under the 50/50 option is $\frac{1}{98}$. The pre 2014 retirement benefits are unaffected by this option.

When in payment, the pension will receive cost of living increases as directed by Pensions Increase (Review) Orders.

ii) Lump Sum

There may be an entitlement to a tax-free lump sum, calculated using the following formula:

Final Pay x $\frac{3}{80}$ x Membership up to 31 March 2008 (There is no automatic lump sum for Membership from 1 April 2008).

iii) Conversion of Pension

All members can exchange pension for a lump sum subject to LGPS and HM Revenue and Customs limits.

2. Ill health retirement

A member with at least 2 years membership who:

- (1) is, as a result of ill-health or infirmity of mind or body, permanently incapable of discharging efficiently the duties of the employment the member was engaged in, and
- (2) as a result of ill-health or infirmity of mind or body, is not immediately capable of undertaking any gainful employment.

and is retired by their employer, will receive immediate payment of a pension and, where applicable, a lump sum.

If it is considered the member is likely to be capable of obtaining gainful employment within 3 years, the pension is reviewable after 18 months and, in any case, will cease after 3 years. For all other ill health retirements, the pension is payable for life.

In certain circumstances, the membership is increased to compensate for premature retirement.

3. Redundancy and Business Efficiency

A member with at least 2 years membership who is aged 55 or over and is made redundant or retired on the grounds of business efficiency will receive immediate unreduced payment of a pension and, where applicable, a lump sum.

4. Deferred Benefits

Leavers with at least 2 years membership, who are not entitled to receive immediate payment, are awarded a deferred benefit. This is usually paid at Normal Pension Age, but a member can elect to receive early payment once he has reached age 55 in which case benefits are reduced for early payment. The member has the option to defer payment beyond Normal Pension Age but their pension must be brought into payment before their 75th birthday. Alternatively, it may be possible to transfer the cash equivalent value of the deferred benefit to another pension arrangement. Deferred benefits receive cost of living increases as directed by Pensions Increase (Review) Orders.

5. Death in service

A lump sum death grant of 3 times pensionable pay received is payable, regardless of the period of scheme membership. In addition, pensions are payable to surviving spouses, or partners. Dependent children under the age of 18, or 23 if in continuing full-time education or training, also qualify for a pension.

6. Death after retirement for members leaving the scheme after 31 March 2014*

Spouse's, partner's and dependant children's pensions are payable as above. If death occurs before the pension has been in payment for 10 years, the balance is paid as a lump sum death grant.

7. Death in Deferment for members leaving the scheme after 31 March 2014*

A lump sum death grant of 5 times the deferred pension is payable. In addition, spouse's, partner's and dependant children's pensions are payable as above.

*Death grants may be calculated on a different basis where a member left the scheme before 1 April 2014.

8. Councillor Members

A modified scheme prescribed by the Local Government Pension Scheme Regulations 1997 was available for councillors of authorities whose Independent Remuneration Panel took a decision to allow them the option to be members.

From 1 April 2014, Councillors could no longer join the LGPS and existing members had to cease making pension contributions when their current term of office, on that date, ended. All councillor members in the Essex Pension Fund had ceased contributing by 9 May 2017.

Information for members, including full guides to the Local Government Pension Scheme, can be viewed on the Essex Pension Fund website at www.essexpensionfund.co.uk.

The Head of Essex Pension Fund and her staff will be pleased to answer any questions regarding the administration of the Local Government Pension Scheme (e-mail pensionenquiries@essex.gov.uk).

Participating Employers of the Fund

Administering Authority

Essex County Council

Scheduled

Basildon District Council
Braintree District Council
Brentwood District Council
Castle Point Borough Council
Chelmsford City Council
Colchester Borough Council
Epping Forest District Council
Harlow District Council
Maldon District Council
Rochford District Council
Southend-On-Sea Borough Council
Tendring District Council
Thurrock Borough Council
Uttlesford District Council
Anglia Ruskin University
Chelmsford FE College
Colchester Borough Homes Ltd
Colchester Institute
Epping Forest College
Essex Chief Constable
Essex Fire Authority
Harlow College
Office of Police and Crime Commissioner
Prospects College of Advanced Technology (PROCAT)
Seecat
South Essex Homes Ltd
The Sixth Form Coll.Colchester
Writtle Agricultural College
Seevic & Palmers College Group

Academies

Abbots Hall Primary School
Abbotsweld Primary Academy

Academies Enterprise Trust
Alderton Infant School (converted 1/9/2018)
Alderton Junior School (converted 1/9/2018)
Alec Hunter
Alton Pak Academy
Anglo European Academy
Arthur Bugler Primary School
Ashingdon Academy
Aveley Primary School (converted 1/2/2019)
Bardfield Primary & Nursery School
Barling Magna Community Primary School
Barnes Farm Infant School (converted 1/7/2018)
Barnes Farm Junior School (converted 1/7/2018)
Basildon Lower Academy
Basildon Upper Academy
Beacon Hill Academy
Belchamp St Paul C of E Primary School
Belfairs Community College Academy
Benyon
Billericay Academy
Blenheim Primary School & Children's Centre
BMAT
Boswells Academy
Bournemouth Park Primary School
Bournes Green Infant School
Bournes Green Junior School
Braiswick Primary Academy
Brentwood County High School
Brentwood Ursuline Academy
Briscoe Primary And Nursery
Bulphan C of E Primary School
Burnt Mill Academy

Burrsville Infant School
Buttsbury Academy
Camulos Academy
Cann Hall Academy
Castle View School
Castledon School Academy Trust
Cecil Jones Academy
Chadwell St Mary Primary School
Chafford Hundred Primary
Chase High School
Chelmer Valley High Academy
Chelmsford High School for Girls
Cherry Tree Academy
Chigwell Primary Academy
Chigwell Row Infant School (converted 1/7/2018)
Chipping Ongar Primary School (converted 1/9/2018)
Clacton Coastal Academy
Clacton County Academy
Colchester Academy
Colchester High Girls Academy
Colchester Royal Grammar Acad
Colne Community Academy
Columbus Academy
Cooks Spinney Academy
Cornelius Vermuyden School
Corringham Primary School
Crays Hill Primary School (converted 1/5/2018)
Darlinghurst
Davenant Foundation Academy
Debden C of E Primary Academy
Debden Park High Academy
Denholm Primary School
Dilkes Primary Academy
Diocese of Chelmsford Vine Schools
East Tilbury Primary and Nursery
Eastwood Academy

Academies

Elm Hall Primary School (converted 1/1/2019)	Harlowbury Primary School	Ivy Chimneys Primary School (converted 1/4/2018)
Endeavour Coop Academy (converted 1/12/2018)	Harris Academy - Chafford Hundred	James Hornsby High Academy
Epping St John's C of E School	Harwich And Dovercourt Academy	Janet Duke Primary School
Epping Upland C of E School (converted 1/4/2018)	Hassenbrook Academy Trust	Jerounds Primary School (converted 1/7/2018)
Fawbert & Barnard's Primary School	Hatfield Heath Primary School	John Ray Junior School
Feering C of E Primary School (converted 1/7/2018)	Hathaway Academy (Prev Grays School)	Jotmans Hall Primary Academy
Felmore Primary School (converted 1/9/2018)	Hedingham Academy	Joyce Frankland Academy
Flitch Green Academy	Helena Romanes VI Form Academy	Katherine Semar Infants School
Forest Hall School	Henry Moore Primary School	Katherine Semar Junior School
Freshwaters Academy	Hereward Primary School (converted 1/7/2018)	Katherines Primary
Friars Primary School & Nursery	Herringham Primary Sch Academy	Kenningtons Primary Academy
Gable Hall Academy	Heybridge Co-Operative Academy	Kents Hill Infant Academy
Giffards Primary School	Heybridge Primary Academy	Kents Hill Junior Academy
Gilberd Academy	High Beech Primary School (converted 1/1/2019)	King Edmund Academy
Glebe Primary School	High Ongar Primary School (converted 1/9/2018)	King Edward Grammar Academy
Gosfield Community Primary School (converted 1/1/2019)	Highwood Primary	King Harold B And E Academy
Graham James Primary Academy	Hillhouse C of E Primary School (converted 1/7/2018)	King John Academy
Great Baddow High Academy	Hilltop Infant School	Kings Road Primary School
Great Berry Academy	Hilltop Junior Academy	Kingsdown School
Great Clacton C of E Junior School	Hinguar Primary School	Kingsmoor Primary Academy
Great Wakering Primary Academy	Hockerill Academy	Kingston Primary Academy
Greensted Infant School & Nursery (converted 1/9/2018)	Hockley Primary School (converted 1/9/2018)	Kingswode Hoe School
Greensted Junior Academy	Holland Park Academy	Kirby Primary Academy
Greensward Academy	Holt Farm Junior School	Laindon Park Primary School (converted 1/9/2018)
Grove House School - Free School	Holy Cross RC Primary Academy	Lambourne Primary School (converted 1/4/2018)
Grove Wood Primary School	Holy Family Catholic Primary School - Benfleet (converted 1/9/2018)	Lancaster School
Gt Chesterford Primary Academy	Honywood Community Academy	Langham Oaks School
Hadleigh Inf & Nurs Academy	Howbridge C of E Junior School	Lansdowne Primary Sch Academy
Hadleigh Junior School Academy	Hutton All Saints Academy	Larchwood Primary School
Hamford Primary Sch Academy	Hylands School Academy	Larkrise Primary School
Hamstel Infant School & Nursery	Iceni Academy	Latchingdon C of E Primary School
Hamstel Junior School		Latton Green Primary
		Lawford Mead
		Lee Chapel Primary Academy

Academies

Leigh Beck Infant & Nursery Academy	Noak Bridge Primary School	Potter Street Primary School
Leigh Beck Junior School	North Crescent Primary School	Powers Hall Junior
Limes Farm Infant School (converted 1/7/2018)	North East Essex Co-Operative Academy	Prince Avenue Primary Academy
Little Parndon Academy	Northlands Primary School & Nursery	Purfleet Primary School
Longwood Primary Academy	Northwick Park Primary & Nursery Academy	Purford Green
Lubbins Park	Notley Green Academy	Purleigh Community Primary School
Lyons Hall Primary Sch Academy	Notley High & Braintree VI form	Quarry Hill
Magna Carta Primary Academy	Oak View Special School (converted 1/7/2018)	R A Butlers Infants Academy
Maldon Primary School	Oaklands Infant School (converted 1/9/2018)	R A Butlers Junior Academy
Maltese Road Primary School	Olive AP Academy Thurrock	Ramsden Hall School
Maltings Academy	Ongar Primary School (converted 1/9/2018)	Ravens Academy
Manningtree High Academy	Ormiston Park Academy	Rayleigh Primary Academy
Maple Grove	Ormiston Rivers Academy	Rayne Primary and Nursery School
Margaretting C of E Primary School (converted 1/9/2018)	Orsett C of E Primary School	Richard de Clare Community School
Mark Hall School	Our Lady Immaculate Primary Academy	Richmond Avenue School
Market Field School	Our Lady of Lourdes Catholic Primary School (converted 1/5/2018)	Ridgewell C of E Primary School
Mayflower High School Academy	Our Lady of Ransom Catholic Primary School -Rayleigh (converted 1/9/2018)	Rivenhall C of E Primary School (converted 1/9/2018)
Maylandsea Primary School	Parkwood Academy	Robert Drake Primary Academy
Meadgate Primary Academy	Passmores Academy Trust	Rochford Primary School
Merrylands Primary School	Pear Tree Mead Academy	Roding Valley High School (converted 1/6/2018)
Messing Primary School	Pemberley Academy	Rolph C of E Primary School
Mildmay Junior School	Perryfields Infant School (converted 1/7/2018)	Roseacres Primary School
Milwards Primary & Junior	Perryfields Junior School	Roydon Primary School (Academy)
Mistley Norman C of E Primary School	Philip Morant Academy	Runwell Primary Academy
Monkwick Infant Academy	Phoenix Primary School & Nursery, The	Ryedene Primary School
Monkwick Junior Academy	Plumberow Primary Academy	Sacred Heart Catholic Primary School (converted 1/5/2018)
Montgomerie Primary School	Plume Academy	Saffron Walden High Academy
Moulsham County Junior Academy	Porters Grange	Sandon Academy
Moulsham High Academy		SEAX Trust (converted 1/4/2018)
Moulsham Infants Academy		Shalford Primary School
Mountnessing Primary School (converted 1/5/2018)		Shaw Primary Academy
New Rickstones Academy		Shenfield High Academy
Newhall Primary Academy (converted 1/9/2018)		Shenfield St Marys
Newlands Spring Pri Academy		Shoeburyness Academy
		Sigma Trust (converted 1/4/2018)

Academies

Silver End Academy	St Joseph's Catholic Primary School - Canvey Island (converted 1/9/2018)	Tabor Science Academy
Sir Martin Frobisher Academy	St Lukes RC Academy - Harlow	Takeley Primary School
Somers Heath Primary	St Margaret's C of E Primary School - Bowers Gifford	Tany's Dell Primary School
South Benfleet Primary Academy	St Marks West Essex Academy	Templars Primary & Nursery
Southchurch High School (converted 1/7/2018)	St Martins High Academy	Temple Sutton Primary School (converted 1/9/2018)
Southend High For Boys Academy	St Marys Primary Academy - Kelvedon	Tendring Tech College Academy
Southend High Girls Academy	St Nicholas School	Thameside Primary Academy
Southminster C of E Primary School	St Osyth C of E Primary School	The Appleton Academy
Southview Primary School (converted 1/4/2018)	St Teresa's Academy - Colchester	The Beaulieu Park School (converted 1/9/2018)
St Albans RC Primary Academy	St Teresa's Catholic Primary School - Basildon	The Bromfords Academy
St Andrew's C of E Primary School - Halstead (converted 1/4/2018)	St Teresa's Catholic Primary School - Rochford	The Deanes School
St Andrews Primary School (Weeley)	St Thomas More Academy - Colchester	The Downs Primary School & Nursery (converted 1/9/2018)
St Bernards High Academy	St Thomas More Academy - Saffron Walden	The Fitzwimarc School
St Cedds	St Thomas More High Academy	The Gateway Academy
St Christopher Academy	St Thomas of Canterbury Catholic Primary School - Grays (converted 1/2/2019)	The Ockendon Academy
St Clare's RC Primary School - Clacton	Stambridge Primary School	The Pioneer School
St Cleres Co-Operative Academy	Stanford-Le-Hope Primary	The Ramsey Academy - Halstead
St George's Catholic Primary School - Shoeburyness (converted 1/9/2018)	Stanway Academy	The Willows Primary School
St Helena Academy	Stapleford Abbots Primary Academy	Theydon Bois Primary School (converted 1/7/2018)
St Helen's Catholic Primary School - Westcliff-on-Sea (converted 1/9/2018)	Staples Road Primary School (converted 1/7/2018)	Thomas Lord Audley Academy
St Helens Rc Junior Academy	Steeple Bumpstead Primary School (converted 1/4/2018)	Thorpe Greenways Infant School
St James C of E Primary School Colchester	Stewards Academy	Thorpe Greenways Junior School
St James C of E Primary School - Harlow	Stifford Clays	Thorpedene Primary School
St John's C of E Primary School - Buckhurst Hill (converted 1/4/2018)	Stifford Primary Academy	Thriftwood Primary Academy
St Joseph Catholic Primary School - Stanford-Le-Hope (converted 1/2/2019)	Stisted Primary Academy	Thundersely Primary School
	Sutton House Academy	Thurstable Academy
	SWECET (converted 1/9/2018)	Tilbury Pioneer Academy
	Sweyne Park Academy	Treetops School
		Tudor Court Primary Academy
		Tyrrells Primary Academy
		Unity Primary Academy
		Victory Park Academy
		Water Lane Primary Academy
		Waterman Primary School
		West Hatch High Academy

Academies

West Leigh Junior School
West Thurrock Academy
Westborough Primary Academy
Westcliff High Boys Academy
Westcliff High Girls Academy
Westerings Primary Academy
Westwood Primary Academy
White Bridge Primary School (converted 1/4/2018)
White Hall Academy
Whitmore Primary School & Nursery
Wickford C of E Academy
William De Ferrers Academy
William Edwards Academy
William Martin C of E Infant School (converted 1/5/2018)
William Martin C of E Junior School (converted 1/5/2018)
Willow Brook Primary School and Nursery
Winter Gardens Academy
Woodham Ley Primary School
Woodlands School
Woodside Primary Academy
Woodville School
Wyburns Primary School
Zenith Multi Academy Trust (converted 1/3/2019)

Free/Studio Schools

Aspire Academy Trust - Harlow
Becket Keys Free School
Grove House School
Harris Primary Academy - Mayflower
Harris Academy Riverside Free School
Ongar Academy
Sir Charles Kao UTC

Southend YMCA Community Free
School

Community Admission Body

Ardleigh Reservoir Committee
Brentwood Community Transport
Brentwood Leisure Trust
Cambridge Access Validating Agency
Care Quality Commission
Castle Point Citizen's Advice Bureau
Central Essex Community Service
Changing Pathways (Basildon Womens Refuge)
Chelmer Housing Partnership
Chelmsford Citizens Advice Bureau
Chelmsford Community Transport
Chelmsford Council For Vol Services
Epping Forest Community Transport
Essex Association of Local Councils
Essex Police Federation
Greenfields Comm Housing Ltd
Harlow Community Transport
Harlow District Sports Trust
Hatfield Peverel Day Nursery
Impulse Leisure
ITEC Learning Technologies Ltd
Moat Housing Group Ltd
North Essex Partnership University NHS Foundation Trust
Orchestras Live
Phoenix Group Homes
Race Equality Foundation
Rochford Housing Association
Safer Places

Soc Care Inst For Excellence
The Community Council Of Essex
The Trading Standards Inst
Thurrock Community Leisure Ltd
Thurrock Lifestyle Solutions CIC
University Of Essex
University of Essex Commercial Services Ltd
Worthing Homes Ltd

Schools

All Saints C of E (VC) Primary School
Beauchamps School
Brinkley Grove Primary School
Broomfield Primary School
Buttsbury Infants School
Cathedral School
Chase Lane Primary School
Church Langley
Collingwood Primary School
Downs Primary School, The
Dunmow St Mary's Primary School
Earls Colne Primary School
Eastwood Primary School
Elmstead Market Primary School
Elmwood Primary School
Endeavour School (converted to Academy 1/12/2018)
Engaines Primary School
Ford End C of E Primary School
Galleywood Infants School
Great Dunmow Primary School
Great Easton C of E Primary
Great Totham School
Hare Primary
Harlow Fields School
Hazelmere Junior
Henham and Ugley Primary
Hockley Primary School

Schools

Holland Haven Primary School
 Horndon on the Hill Primary School
 Howbridge Infants School
 Kingswood primary
 Lawford Primary School
 Leverton Primary
 Mersea Island Primary School
 Mildmay Infant
 Millfield Primary School
 Milton Hall Primary School
 Parsons Heath C of E Primary
 Powers Hall Infants School
 Riverside Primary
 Roding Valley High School (converted to Academy 1/6/2018)
 Rodings Primary School
 Sheering C of E Primary
 St Andrews Junior School - Hatfield Peverel
 St Andrews Primary School - North Weald
 St Benedicts College
 St Helen's RC Infant School
 St John Fisher RC Primary School
 St Katherine's C of E Primary School
 St Mary's C of E Primary School
 St Michael's C of E Junior School
 St Peters C of E Primary - South Weald
 St Thomas of Canterbury Infant - Brentwood
 St Thomas of Canterbury Junior - Brentwood
 Staples Road Primary (converted to Academy 1/7/2018)
 Thaxted Primary School
 Theydon Bois Primary School (converted to Academy 1/7/2018)

Thomas Willingale Primary School
 Trinity Road Primary
 Upshire Primary School
 Waltham Holy Cross Primary
 Walton Primary School

Transferee Admission Body

Aaron Services Ltd
 Action Industrial Cleaning Services (UK) Ltd (ceased 31/3/2019)
 Affinity Trust
 Allied Healthcare - Reablement Mid Essex
 Allied Healthcare - Reablement North East Essex
 Allied Healthcare - Reablement South West Essex
 Allied Healthcare - Reablement West Essex
 Alphaprint Colchester Limited
 APCOA
 Ashlyn Healthcare Ltd
 Barnardos
 Bellfinger Europa FM Limited
 Birkin Cleaning Services Ltd (Fitzwimarc School)
 Cater Link Ltd (St Thomas More)
 Catering Academy Ltd
 Catering Academy Ltd (Stifford Clays)
 Caterlink Ltd
 Churchill (Boswells Acad Trust)
 Churchill Contract Service Ltd (Greensward Academy)
 Churchill Contract Services Ltd (New Rickstones Academy)
 Churchill Contract Services Ltd (St Peter's)

Corporate Document Services (ceased 22/8/2018)
 Cucina Restaurants Ltd
 Dovercourt Healthcare Ltd
 Ecocleen (Ramsey)
 Ecocleen (Richard De Clare)
 ECS Ltd Reablement South East
 Edwards and Blake Ltd
 Elite Cleaning Services Ltd
 Elite Cleaning Services Ltd (Kings Road)
 Elite Cleaning Services Ltd (Montgomerie Jnr)
 English Landscapes Maintenance
 Essex Cares Ltd
 Essex Community Support Limited
 Essex Community Support Mid
 Essex Community Support North East
 Essex Community Support South West
 Essex Community Support West
 Essex Equipment Service Ltd
 Essex Inclusion And Employment
 Essex Shared Services Ltd
 Family Action
 Fusion Lifestyle
 Goldenley Healthcare Ltd
 H Q Theatres Ltd
 Harrison Catering Academy Ltd
 Kier Services Limited (ceased 31/3/2019)
 L & L Cleaning Ltd (ceased 31/8/2018)
 L & L Cleaning Services Ltd (Ghyllgrove Infants)
 L & L Cleaning Services Ltd (Silver End)
 Let's Do Business
 Lewis & Graves Partnership Ltd (Chase High)

Transferee Admission Body

Lewis & Graves Partnership Ltd
(Thorpedene Primary)

Longfield Healthcare Ltd

Mears Limited

Millard House Care Ltd (ceased
13/8/2018)

Mitie Security Limited

Mitie Technical Fm Ltd

Pabumum Ltd

Pabulum Ltd (Bournemouth Park)

Pabulum Ltd (Chase High)

Paragon Group (UK) Ltd

Pinnacle F M

Places for People Leisure Ltd

Realise Futures

Ridge Crest Cleaning Services

Ridge Crest Cleaning Services (St
Benedict's)

Ringway Jacobs Limited

Riverside Truck Rental Ltd
Basildon

RM Education - Columbus ICT

Schools Office Services

Servest

Skanska (Castle View) (ceased
26/4/2018)

Skanska (Columbus) (ceased
3/5/2018)

Skanska (Cornelius)

Skanska (Woodlands School)

SLM Charitable Trust (LM)

SLM Charitable Trust (SV)

SLM Health & Fitness (LM)

SLM Health & Fitness (SV)

Sweyne Healthcare Ltd

The Partyman Company Limited

Udata Infrastructure (UK) Ltd

Vehicle Lease And Service Ltd

Wates Living Space (Maintenance)
Ltd

WRVS Food Services Ltd

Resolution Body

Colchester Commercial (Holdings)
Ltd

HTS

North East Garden Communities
Ltd

Southend Care Ltd

Ashingdon Parish Council

Barling Magna Parish Council

Billericay Town Council

Blackmore Parish Council

Boreham Parish Council

Boxted Parish Council

Brightlingsea Town Council

Broomfield Parish Council

Buckhurst Hill Parish Council

Bulmer Parish Council

Burnham On Crouch Town Council

Canewdon Parish Council

Canvey Island Town Council

Chappel Parish Council

Chigwell Parish Council

Coggeshall Parish Council

Copford with Easthorpe Parish
Council

Danbury Parish Council

Earls Colne Parish Council

East Donyland Parish Council

Epping Town Council

Feering Parish Council

Fordham Parish Council

Frinton & Walton T C

Galleywood Parish Council

Great Baddow Parish Council

Great Bentley Parish Council

Great Dunmow Town Council

Great Horkesley Parish Council

Great Notley Parish Council

Great Wakering Parish Council

Great Waltham Parish Council

Great Yeldham Parish Council

Halstead Town Council

Harwich Town Council

Hawkewell Parish Council

Herongate And Ingrave P C

Heybridge Parish Council

Hockley Parish Council

Hullbridge Parish Council

Ingatestone & Fryerning P C

Kelvedon Parish Council

Leigh On Sea Town Council

Little Baddow Parish Council

Little Clacton Parish Council

Little Oakley Parish Council

Little Yeldham Parish Council

Little Waltham Parish Council

Loughton Town Council

Maldon Town Council

Mayland Parish Council

Myland Community Council

Nazeing Parish Council

North Weald Parish Council

Ongar Town Council

Pleshey Parish Council

Purleigh Parish Council

Rayleigh Town Council

Runwell Parish Council

Saffron Walden Town Council

Sandon Parish Council

Sible Hedingham Parish Council

Silver End Parish Council

South Hanningfield P C

South Woodham Ferrers T C

Springfield Parish Council

St Osyth Parish Council

Stansted Mountfitchet P C

Resolution Body

Stanway Parish Council
Terling and Fairstead Parish Council
Thaxted Parish Council
Tiptree Parish Council
Tollesbury Parish Council
Wakes Colne Parish Council
Waltham Abbey Town Council
West Mersea Town Council
Wickham Bishops Parish Council
Witham Town Council
Wivenhoe Town Council
Wormingford Parish Council
West Bergholt Parish Council
Writtle Parish Council
Colchester Amphora Trading Ltd
Stanway Parish Council
Copford with Easthorpe Parish Council
Chignal Parish Council
Little Canfield Parish Council
Mistley Parish Council
Great Chesterford Parish Council

Bodies with no current contributors

Accent Catering Services Ltd
Age Concern Essex
Alfred McAlpine Construction Ltd
Anglian Water Authority
Association of Public Service Finance Officers
Axis Europe Plc
Basildon College
Basildon Community Housing Association
Basildon DVC (Commission for New Town)
Birkin Cleaning Services Ltd

Bodies with no current contributors

Blackwater Housing Association	Elmy Landscapes
Braintree College	English National Board of Nursing & Midwifery
Braintree Womens Aid	Essex & Suffolk Water Company
Braintree, Dunmow & Witham Joint Sanitary Committee	Essex Careers & Business Partnership
Bramston Sports Centre	Essex County Association for the Blind
Brentwood High House Hostel	Essex County Scout Council
Brightlingsea Harbour Committee	Essex Economic Partnerships
Business Link (Essex) Ltd	Essex Federation of Congregational Women's Homes
Castle Point Association of Voluntary Service	Essex Joint Crematorium Committee
Central Council for Education & Training in Social Work	Essex Magistrates Courts Committee
Centre for Education & Training Health Visitors	Essex Physically Handicapped Association
Chelmsford Agency for Volunteering	Essex River Authority
Chelmsford Environment Partnership	Essex Water Company
Churchill Catering	Est, Essex, Southend & Thurrock EXDRA
Clacton & Harwich Education Action Zone	Exwaste Ltd
Colchester And Tendring Womens Refuge	Family Service Units
Colchester MIND	Federation of Public Passenger Transport Employees
Colchester Transport Ltd	Furtherwick Park School, The
Colchester Youth Arts Partnership	General Social Care Council
Community Clean	Great Yeldham Prish Council
Connaught Partnership Ltd	Greenways Healthcare
Crouch Harbour Authority	Grove Infants School
DC Leisure	Grove Junior School
East Anglian Regional Examination Board	Hamilton Lodge Trust Ltd (Ceased August 2017)
East Basildon Education Action Zone	Harlow Community Transport
East of England Tourist Board	Harlow Co-op Development Agency
Eastern Orchestral Board	Harlow Council Employees Social Club
Eastwood Infants School	Harlow Council for Voluntary Services
Eastwood Junior School	
Elm Park (Ardleigh) Ltd	

Bodies with no current contributors

Harlow ITEC	RM Education	University College London
Harlow Renaissance Ltd	Saffron Healthcare Ltd	Veolia Enviromental Services (UK) PLC (previously Cleanaway Ltd)
Harlow Theatre Trust	Saffron Walden Almshouses	Veolia Water East Ltd
Harlow Trade Union Centre	Saffron Walden Museum Society	Welsh National Board of Nursing, Midwifery & Health Visitors
Harlow Welfare Right & Advice	Saffron Walden Training College	Westcliff Theatre & Art Centre
Harwich Connexions Transport Co-operative Ltd	Schools Plus (ceased 31/1/2018)	Westminster Drugs Project
Harwich Port Health Authority	Serco	WindyrIDGE Management Committee
HBS Business Services Group Ltd	Serco Public Services Limited	Winifred Healthcare
Head Office Cleaning	Sherrell Healthcare Ltd	Witham, Braintree & Halstead Care
Home group	Sodexo	WRVS
King Edward VI Alms House, Saffron Walden	SOS Domestic Abuse Projects	
Lambourne Parish Council	South East England Virtual Education Action Zone	
Lewis & Graves Partnership Ltd (Limes Farm Junior)	South East Essex College of Arts & Technology	
Lewis & Graves Partnership Ltd (St Martins)	South East Essex Technology Centre	
Little Thurrock Primary School	South Essex Local Valuation Panel	
Marks Tey Parish Council	Southend Association of Voluntary Services	
May Gurney	Southend Association of Voluntary Services	
Mid Essex Primary Care Trust (previously Witham, Braintree & Halstead Care Trust)	Southend Citizens Advice	
Morrison FS Thurrock	Southend Education Action Zone	
National Board of Nursing , Midwifery & Health Visitors, Scotland	Southend Transport Ltd	
National Institute for Social Work	St Georges Community Housing	
Northwick Park Infants School	Thames Gateway South Essex Partnership	
Northwick Park Junior School	Thames Water Utilities Ltd	
Nursing & Midwifery Council	Thameside Windows Ltd	
Okeley Healthcare Ltd	The Inclusion Trust	
Open College Network Eastern Region	Thurrock and Basildon College	
Palace Theatre Trust	Thurrock College	
Papworth Trust	Thurrock Family Service Unit	
Personal Social Services Council	Thurrock Thames Gateway Development Corporation	
Ph Jones Limited	Tollesbury Parish Council	
Renaissance Southend Ltd	Torrells GM School	
	Towngate Theatre	
	Trans Vol	



SECTION 4

SCHEME ACTUARY

This is the statement required under Regulation 34(1)(d) of The Local Government Pension Scheme (Administration) Regulations 2008.

Actuarial Valuation 2016

Statement by Consulting Actuary 2016 Actuarial Valuation

An actuarial valuation of the Essex Pension Fund was carried by the Fund's Actuary, Barnett Waddingham as at 31 March 2016 to determine the contribution rates with effect from 1 April 2017 to 31 March 2020. A schedule of contribution rates payable can be found on the following pages.

On the basis of the assumptions adopted, the valuation revealed that the value of the Fund's assets of £4,993m (on a smoothed basis) represented 89% of the Funding Target liabilities of £5,598m at the valuation date. See below table:

Past Service Fund Position	31 March 2016 £m
Smoothed asset value	4,993
Past service liabilities	
Active	1,855
Deferred Pensioners	1,088
Pensioners	2,655
Total	5,598
Surplus (Deficit)	(605)
Funding level	89%

The valuation also showed that a primary common rate of contribution of 16.3% of Pensionable Pay per annum was required from employers. The common rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date. See below table:

Primary rate	% of Payroll
Total future service rate	22.8%
Less employee contribution rate	(6.5%)
Total Primary Rate	16.3%

Essex Pension Fund – Contribution Rates Schedule – Actuarial Valuation 2016

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
Major employers									
1	Essex County Council (excluding schools)	16.1%	£11,850,258	£12,312,418	£12,792,602	16.1% plus £7,184,098	16.1% plus £7,464,278	16.1% plus £7,755,385	ii
	Former GM Essex Schools	16.1%	4.2%	4.2%	4.2%	20.3%	20.3%	20.3%	
2	Basildon District Council	16.0%	£7,057,123	-	-	16.0% plus £7,057,123	16.0%	16.0%	i
3	Braintree District Council	16.5%	£4,232,683	-	-	16.5% plus £4,232,683	16.5%	16.5%	i
4	Brentwood District Council	17.1%	£1,216,076	£1,263,503	£1,312,779	17.1% plus £1,216,076	17.1% plus £1,263,503	17.1% plus £1,312,779	ii
5	Castle Point B C	16.9%	£2,399,970	-	-	16.9% plus £2,399,970	16.9%	16.9%	i
6	Chelmsford Borough Council	15.5%	£4,107,681	-	-	15.5% plus £4,107,681	15.5%	15.5%	i
7	Colchester Borough Council	15.1%	£5,527,987	-	-	15.1% plus £5,527,987	15.1%	15.1%	i
8	Epping Forest D C	18.0%	£1,164,137	£1,209,538	£1,256,710	18.0% plus £1,164,137	18.0% plus £1,209,538	18.0% plus £1,256,710	ii
9	Harlow District Council	16.3%	£2,812,873	£2,812,873	£2,812,873	16.3% plus £2,812,873	16.3% plus £2,812,873	16.3% plus £2,812,873	
10	Maldon District Council	15.9%	£1,721,710	-	-	15.9% plus £1,721,710	15.9%	15.9%	i

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
11	Rochford District Council	16.3%	£634,142	£634,142	£634,142	16.3% plus £634,142	16.3% plus £634,142	16.3% plus £634,142	ii
12	Southend On Sea Borough Council (excluding schools)	16.6%	£11,200,823	-	-	16.6% plus £11,200,823	16.6%	16.6%	i
	Former GM Southend Schools	16.6%	7.3%	7.3%	7.3%	23.9%	23.9%	23.9%	
13	Tendring District Council	16.6%	£3,831,496	-	-	16.6% plus £3,831,496	16.6%	16.6%	i
14	Thurrock Borough Council (excluding schools)	16.1%	£7,619,631	-	-	16.1% plus £7,619,631	16.1%	16.1%	i
	Former GM Thurrock Schools	16.1%	5.3%	5.3%	5.3%	21.4%	21.4%	21.4%	
15	Uttlesford District Council	16.8%	£1,177,020	-	-	16.8% plus £1,177,020	16.8%	16.8%	i

Scheduled bodies									
84	Anglia Ruskin University	13.7%	-0.7% plus £1,040,396	tbc	tbc	13.0% plus £1,040,396	13.7% plus tbc	13.7% plus tbc	iii
149	Chelmsford FE College	18.2%	-0.4% plus £47,843	tbc	tbc	17.8% plus £47,843	18.2% plus tbc	18.2% plus tbc	iii

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
100	Colchester Borough Homes Ltd	16.6%	-	-	-	16.6%	16.6%	16.6%	
148	Colchester Institute	15.6%	£209,972	tbc	tbc	15.6% plus £209,972	15.6% plus tbc	15.6% plus tbc	iii
151	Epping Forest College	16.6%	£127,142	£132,101	£137,253	16.6% plus £127,142	16.6% plus £132,101	16.6% plus £137,253	
784	Essex Chief Constable	15.3%	£1,262,174	£1,262,174	£1,262,174	15.3% plus £1,262,174	15.3% plus £1,262,174	15.3% plus £1,262,174	ii
66	Essex Fire Authority	16.2%	£972,171	-	-	16.2% plus £972,171	16.2%	16.2%	i
810	Essex Shared Services Ltd	21.0%	£3,293	£3,421	£3,555	16.2% plus £3,293	16.2% plus £3,421	16.2% plus £3,555	
165	Harlow College	16.9%	-0.5% plus £117,845	-0.1% plus £122,441	0.1% plus £127,216	16.4% plus £117,845	16.8% plus £122,441	17.0% plus £127,216	i
72	Office of Police and Crime Commissioner	15.3%	£14,098	£14,098	£14,098	15.3% plus £14,098	15.3% plus £14,098	15.3% plus £14,098	ii
161	Palmer's College	16.3%	£33,687	tbc	tbc	16.3% plus £33,687	16.3% plus tbc	16.3% plus tbc	iii
34	Prospects College of Advanced Technology (PROCAT)	14.5%	£3,950	£4,104	£4,264	14.5% plus £3,950	14.5% plus £4,104	14.5% plus £4,264	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
163	South Essex College	16.2%	-1.4% plus £190,356	tbc	tbc	14.8% plus £190,356	16.2% plus tbc	16.2% plus tbc	iii
162	Seevic	16.2%	£38,606	£42,844	£47,272	16.2% plus £38,606	16.2% plus £42,844	16.2% plus £47,272	
597	South Essex Homes Ltd	17.9%	-	-	-	17.9%	17.9%	17.9%	
152	The Sixth Form College Colchester	18.2%	£21,821	tbc	tbc	18.2% plus £21,821	18.2% plus tbc	18.2% plus tbc	iii
56	University Of Essex	22.4%	£1,603,674	£1,603,674	£1,603,674	22.4% plus £1,603,674	22.4% plus £1,603,674	22.4% plus £1,603,674	
164	Writtle Agricultural College	16.2%	£123,176	tbc	tbc	16.2% plus £123,176	16.2% plus tbc	16.2% plus tbc	iii
Other admission bodies (typically used to be CABs)									
31	Ardleigh Reservoir Committee	25.6%	£20,529	£20,529	£20,529	25.6% plus £20,529	25.6% plus £20,529	25.6% plus £20,529	
644	Brentwood Community Transport	26.8%	-3.5% plus £2,200	-1.5% plus £2,286	£2,375	23.3% plus £2,200	25.3% plus £2,286	26.8% plus £2,375	
585	Brentwood Leisure Trust	20.0%	-3.9% plus £24,962	-1.9% plus £25,936	£26,947	16.1% plus £24,962	18.1% plus £25,936	20.0% plus £26,947	
555	Cambridge Access Validating Agency	18.7%	£5,861	£5,861	£5,861	18.7% plus £5,861	18.7% plus £5,861	18.7% plus £5,861	ii

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
558	Care Quality Commission	23.1%	£52,200	£54,236	£56,351	23.1% plus £52,200	23.1% plus £54,236	23.1% plus £56,351	
540	Castle Point Citizen's Advice Bureau	26.5%	£3,242	£3,368	£3,500	26.5% plus £3,242	26.5% plus £3,368	26.5% plus £3,500	
768	Central Essex Community Service	15.8%	£2,000	£2,286	£2,375	15.8% plus £2,000	15.8% plus £2,286	15.8% plus £2,375	
501	Changing Pathways (Basildon Women's Refuge)	20.1%	-2.2% plus £1,200	-1.2% plus £1,247	£1,295	17.9% plus £1,200	18.9% plus £1,247	20.1% plus £1,295	
553	Chelmer Housing Partnership	16.2%	-	-	-	16.2%	16.2%	16.2%	
531	Chelmsford Citizens Advice Bureau	26.8%	-3.0% plus £4,400	-1.8% plus £4,572	£4,750	23.8% plus £4,400	25.0% plus £4,572	26.8% plus £4,750	
537	Chelmsford Community Transport	22.7%	£15,900	£16,520	£17,164	22.7% plus £15,900	22.7% plus £16,520	22.7% plus £17,164	
511	Chelmsford Council for Voluntary Services	24.4%	-2.8% plus £4,322	-1.2% plus £4,491	£4,666	21.6% plus £4,322	23.2% plus £4,491	24.4% plus £4,666	
814	Epping Forest Community Transport	26.1%	£1,000	£1,039	£1,080	26.1% plus £1,000	26.1% plus £1,039	26.1% plus £1,080	
544	Essex Association of Local Councils	18.8%	-1.0% plus £3,900	£4,052	£4,210	17.8% plus £3,900	18.8% plus £4,052	18.8% plus £4,210	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
627	Essex Police Federation	28.8%	-2.0% plus £3,500	£3,637	£3,778	26.8% plus £3,500	28.8% plus £3,637	28.8% plus £3,778	
618	Greenfields Comm Housing Ltd	20.0%	£84,500	-	-	20.0% plus £84,500	20.0%	20.0%	
67	Hamilton Lodge Trust Ltd	25.1%	-2.7% plus £16,200	-1.4% plus £16,832	£17,488	22.4% plus £16,200	23.7% plus £16,832	25.1% plus £17,488	
44	Harlow District Sports Trust	22.5%	-4.1% plus £30,000	-2.0% plus £30,170	£32,386	18.4% plus £30,000	20.5% plus £30,170	22.5% plus £32,386	
576	Harwich Connexions Ltd	29.1%	tbc	tbc	tbc	29.1% plus tbc	29.1% plus tbc	29.1% plus tbc	v
572	Hatfield Peverel Day Nursery	18.3%	-1.0% plus £900	£1,035	£1,175	17.3% plus £900	18.3% plus £1,035	18.3% plus £1,175	
582	Impulse Leisure	15.8%	-2.8% plus £8,900	-1.4% plus £9,247	£9,608	13.0% plus £8,900	14.4% plus £9,247	15.8% plus £9,608	
78	ITEC Learning Technologies Ltd	14.5%	-0.8% plus £28,000	-0.4% plus £29,092	£30,227	13.7% plus £28,000	14.1% plus £29,092	14.5% plus £30,227	
611	Moat Housing Group Ltd	18.6%	£36,495	-	-	18.6% plus £36,495	18.6%	18.6%	
801	North Essex Partnership University NHS Foundation Trust	21.6%	-	-	-	21.6%	21.6%	21.6%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
617	Orchestras Live	23.8%	£4,750	£4,935	£5,128	23.8% plus £4,750	23.8% plus £4,935	23.8% plus £5,128	
529	Phoenix Group Homes	22.5%	£6,522	£6,776	£7,041	22.5% plus £6,522	22.5% plus £6,776	22.5% plus £7,041	
518	Race Equality Foundation	20.2%	-5.1% plus £1,200	-2.6% plus £1,247	£1,295	15.1% plus £1,200	17.6% plus £1,247	20.2% plus £1,295	
271	Rainbow Services (Harlow)	26.5%	£2,562	-	-	26.5% plus £2,562	26.5%	26.5%	
614	Rochford Housing Association	22.3%	-2.4% plus £25,500	-1.0% plus £26,495	£27,528	19.9% plus £25,500	21.3% plus £26,495	22.3% plus £27,528	
500	Safer Places	22.5%	-2.9% plus £83,000	-2.5% plus £86,237	£89,600	19.6% plus £83,000	20.0% plus £86,237	22.5% plus £89,600	
549	Social Care Institute for Excellence	15.6%	£150,000	£155,850	£161,928	15.6% plus £150,000	15.6% plus £155,850	15.6% plus £161,928	
64	The Community Council Of Essex	23.1%	£20,700	£21,507	£22,346	23.1% plus £20,700	23.1% plus £21,507	23.1% plus £22,346	
601	The SLM Community Leisure Charitable Trust	16.1%	-2.0% plus £5,200	-1.0% plus £5,403	£5,614	14.1% plus £5,200	15.1% plus £5,403	16.1% plus £5,614	
538	The Trading Standards Inst	12.3%	£33,633	£34,944	£36,307	12.3% plus £33,633	12.3% plus £34,944	12.3% plus £36,307	
539	Thurrock Community Leisure Ltd	20.1%	£33,939	£34,288	£34,650	20.1% plus £33,939	20.1% plus £34,288	20.1% plus £34,650	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
785	Thurrock Lifestyle Solutions CIC	22.2%	-7.4% plus £11,000	-4.9% plus £11,429	-2.3% plus £11,875	14.8% plus £11,000	17.3% plus £11,429	19.9% plus £11,875	
516	University of Essex Commercial Services Ltd	24.3%	-2.0% plus £12,500	-1.0% plus £12,988	£13,494	22.3% plus £12,500	23.3% plus £12,988	24.3% plus £13,494	
534	Worthing Homes Ltd	20.9%	£132,000	£137,148	£142,497	20.9% plus £132,000	20.9% plus £137,148	20.9% plus £142,497	

Contractors									
812	Aaron Services Ltd	22.6%	-	-	-	22.6%	22.6%	22.6%	
820	Action Industrial Cleaning Services (UK) Ltd	27.0%	£1,048	-	-	27.0% plus £1,048	27.0%	27.0%	
808	Affinity Trust	23.1%	-	-	-	23.1%	23.1%	23.1%	
605	Alphaprint Colchester Limited	22.9%	-	-	-	22.9%	22.9%	22.9%	
547	APCOA	22.3%	-	-	-	22.3%	22.3%	22.3%	
586	Ashlyn Healthcare Ltd	22.7%	13.4%	13.4%	13.4%	36.1%	36.1%	36.1%	
770	Barnardos	26.3%	-26.3%	tbc	tbc	0.0%	tbc	tbc	
625	Bellfanger Europa FM Limited	16.7%	-	-	-	16.7%	16.7%	16.7%	
39	Birkin Cleaning Services Ltd	19.0%	-	-	-	19.0%	19.0%	19.0%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
803	Catering Academy Ltd	25.7%	-	-	-	25.7%	25.7%	25.7%	
815	Caterlink Ltd	21.3%	-	-	-	21.3%	21.3%	21.3%	
730	Churchill (Boswells Acad Trust)	20.2%	-	-	-	20.2%	20.2%	20.2%	
622	Corporate Document Services	20.3%	-	-	-	20.3%	20.3%	20.3%	
589	Dovercourt Healthcare Ltd	24.2%	-	-	-	24.2%	24.2%	24.2%	
790	ECS Ltd Reablement South East	18.6%	-8.4%	-8.4%	-8.4%	10.2%	10.2%	10.2%	
724	Edwards And Blake Ltd	17.4%	£6,756	£7,019	-	17.4% plus £6,756	17.4% plus £7,019	17.4%	
646	English Landscapes Maintenance	24.9%	-	-	-	24.9%	24.9%	24.9%	
633	Essex Cares Ltd	18.6%	-8.4%	-8.4%	-8.4%	10.2%	10.2%	10.2%	
636	Essex Community Support Limited	18.6%	-8.4%	-8.4%	-8.4%	10.2%	10.2%	10.2%	
635	Essex Equipment Service Ltd	18.6%	-8.4%	-8.4%	-8.4%	10.2%	10.2%	10.2%	
634	Essex Inclusion And Employment	18.6%	-8.4%	-8.4%	-8.4%	10.2%	10.2%	10.2%	
780	Fusion Lifestyle	21.3%	-	-	-	21.3%	21.3%	21.3%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
587	Goldenley Healthcare Ltd	23.3%	-	-	-	23.3%	23.3%	23.3%	
607	H Q Theatres Ltd	13.3%	-	-	-	13.3%	13.3%	13.3%	
796	Kier Services Limited	21.3%	-	-	-	21.3%	21.3%	21.3%	
816	L & L Cleaning Ltd	20.7%	£255	£265	-	20.7% plus £255	20.7% plus £265	20.7%	
590	Longfield Healthcare Ltd	12.2%	-	-	-	12.2%	12.2%	12.2%	
798	Mears Limited	21.6%	-	-	-	21.6%	21.6%	21.6%	
779	Mitie Security Limited	20.5%	-	-	-	20.5%	20.5%	20.5%	
767	Mitie Technical FM Ltd	21.0%	-	-	-	21.0%	21.0%	21.0%	
725	Pabulum Ltd	22.8%	-	-	-	22.8%	22.8%	22.8%	
621	Pinnacle FM	16.5%	-	-	-	16.5%	16.5%	16.5%	
781	Ringway Jacobs Limited	21.8%	£117,470	£122,051	£126,811	21.8% plus £117,470	21.8% plus £122,051	21.8% plus £126,811	
701	Riverside Truck Rental Ltd	21.2%	-	-	-	21.2%	21.2%	21.2%	
766	RM Education - Columbus ICT	10.4%	-	-	-	10.4%	10.4%	10.4%	
729	Skanska (Castle View)	30.6%	-	-	-	30.6%	30.6%	30.6%	
709	Skanska (Columbus)	28.6%	-	-	-	28.6%	28.6%	28.6%	
708	Skanska (Cornelius)	28.4%	-	-	-	28.4%	28.4%	28.4%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
802	Skanska (Woodlands School)	23.8%	-	-	-	23.8%	23.8%	23.8%	
774	SLM Charitable Trust (LM)	17.9%	-	-	-	17.9%	17.9%	17.9%	
773	SLM Charitable Trust (SV)	17.9%	-	-	-	17.9%	17.9%	17.9%	
772	SLM Health & Fitness (LM)	17.9%	-	-	-	17.9%	17.9%	17.9%	
771	SLM Health & Fitness (SV)	17.9%	-	-	-	17.9%	17.9%	17.9%	
594	Sweyne Healthcare Ltd	21.8%	-	-	-	21.8%	21.8%	21.8%	
794	The Partyman Company Limited	23.6%	-	-	-	23.6%	23.6%	23.6%	
799	Updata Infrastructure (UK) Ltd	17.8%	-	-	-	17.8%	17.8%	17.8%	
623	Vehicle Lease And Service Ltd	19.3%	£11,006	-	-	19.3% plus £11,006	19.3%	19.3%	
809	Wates Living Space (Maintenance) Ltd	17.6%	-	-	-	17.6%	17.6%	17.6%	
573	WRVS Food Services Ltd	22.4%	-	-	-	22.4%	22.4%	22.4%	
Town and parish councils									
530	Billericay Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
513	Blackmore Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
807	Boxted Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
16	Brightlingsea Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
510	Broomfield Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
526	Buckhurst Hill Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
818	Bulmer Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
514	Burnham On Crouch Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
619	Canvey Island Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
89	Chappel Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
522	Chigwell Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
603	Coggeshall Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
806	Copford with Easthorpe Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
502	Danbury Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
82	Earls Colne Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
819	East Donyland Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
17	Epping Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
804	Fordham Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
18	Frinton & Walton TC	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
92	Galleywood Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
27	Great Baddow Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
519	Great Dunmow Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
599	Great Notley Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
527	Great Wakering Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
787	Great Yeldham Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
19	Halstead Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
524	Harwich Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
521	Hawkwell Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
666	Herongate And Ingrave PC	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
504	Heybridge Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
775	Hockley Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
90	Hullbridge Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
80	Ingatestone & Fryerning PC	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
65	Kelvedon Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
525	Leigh On Sea Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
817	Little Clacton Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
797	Little Oakley Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
536	Little Yeldham Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
523	Loughton Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
98	Maldon Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
620	Myland Community Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
520	North Weald Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
546	Ongar Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
528	Rayleigh Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
551	Runwell Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
20	Saffron Walden Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
596	Sible Hedingham Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
515	South Hanningfield P C	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	

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			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
30	South Woodham Ferrers Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
91	Springfield Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
29	St Osyth Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
63	Stansted Mountfitchet Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
550	Stanway Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
642	Thaxted Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
545	Tiptree Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
793	Wakes Colne Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
21	Waltham Abbey Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
22	West Mersea Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
503	Witham Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
60	Wivenhoe Town Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	
200	Wormingford Parish Council	19.6%	-2.9%	-0.4%	2.1%	16.7%	19.2%	21.7%	
562	Writtle Parish Council	19.6%	0.3%	1.2%	2.1%	19.9%	20.8%	21.7%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)				Total contributions (% pay plus monetary adjustment)				Specific notes
			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
Academies											
319	Abbots Hall Primary School	17.1%	1.5%	2.1%	3.1%	4.1%	18.6%	19.2%	20.2%	21.2%	
384	Abbotsweld Primary Academy	17.1%	6.8%	6.8%	7.8%	7.9%	23.9%	23.9%	24.9%	25.0%	
776	Academies Enterprise Trust	17.1%	-3.5%	-1.1%	0.4%	1.9%	13.7%	16.0%	17.5%	19.0%	
314	Alec Hunter	17.1%	5.4%	6.1%	7.1%	7.9%	22.5%	23.2%	24.2%	25.0%	
741	Anglo European Academy	17.1%	3.3%	4.0%	5.0%	6.0%	20.4%	21.1%	22.1%	23.1%	
681	Ashingdon Academy	17.1%	0.0%	0.6%	1.6%	2.6%	17.1%	17.7%	18.7%	19.7%	
364	Aspire Academy Trust (Harlow)	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
640	Basildon Lower Academy	17.1%	7.9%	7.9%	7.9%	7.9%	25.0%	25.0%	25.0%	25.0%	
641	Basildon Upper Academy	17.1%	7.9%	7.9%	7.9%	7.9%	25.0%	25.0%	25.0%	25.0%	
289	Beacon Hill Academy	17.1%	2.4%	3.1%	4.1%	5.1%	19.6%	20.2%	21.2%	22.2%	
292	Becket Keys Church Of England Free School	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
290	Belfairs Community College Academy	17.1%	5.3%	5.3%	6.3%	7.3%	22.4%	22.4%	23.4%	24.4%	
313	Benyon	17.1%	1.7%	2.3%	3.3%	4.3%	18.8%	19.4%	20.4%	21.4%	
742	Billericay Academy	17.1%	3.0%	3.6%	4.6%	5.6%	20.1%	20.8%	21.8%	22.8%	
727	Boswells Academy	17.1%	7.0%	7.0%	7.9%	7.9%	24.1%	24.1%	25.0%	25.0%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
403	Braiswick Primary Academy	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
358	Brentwood County High School	17.1%	3.3%	4.0%	5.0%	6.0%	20.4%	21.1%	22.1%	23.1%	
301	Brentwood Ursuline Academy	17.1%	4.7%	5.4%	6.4%	7.4%	21.8%	22.5%	23.5%	24.5%	
294	Briscoe Primary And Nursery	17.1%	2.7%	3.4%	4.4%	5.4%	19.8%	20.5%	21.5%	22.5%	
720	Burnt Mill Academy	17.1%	1.8%	2.4%	3.4%	4.4%	18.9%	19.5%	20.5%	21.5%	
344	Burrsville Infant School	17.1%	1.1%	1.7%	2.7%	3.7%	18.2%	18.8%	19.8%	20.8%	
663	Buttsbury Academy	17.1%	3.2%	3.9%	4.9%	5.9%	20.3%	21.0%	22.0%	23.0%	
302	Cann Hall Academy	17.1%	1.4%	2.1%	3.1%	4.1%	18.6%	19.2%	20.2%	21.2%	
367	Castle View School	17.1%	4.0%	4.7%	5.7%	6.7%	21.1%	21.8%	22.8%	23.8%	
393	Castledon School Academy Trust	17.1%	2.2%	2.8%	3.8%	4.8%	19.3%	19.9%	20.9%	21.9%	
414	Cecil Jones Academy	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
295	Chafford Hundred Primary	17.1%	2.9%	3.6%	4.6%	5.6%	20.0%	20.7%	21.7%	22.7%	
398	Chase High School	17.1%	5.4%	6.1%	7.1%	7.9%	22.5%	23.2%	24.2%	25.0%	
667	Chelmer Valley High Academy	17.1%	3.9%	4.6%	5.6%	6.6%	21.0%	21.7%	22.7%	23.7%	
655	Chelmsford High School for Girls	17.1%	3.7%	4.4%	5.4%	6.4%	20.8%	21.5%	22.5%	23.5%	
411	Cherry Tree Academy	17.1%	2.3%	3.0%	4.0%	5.0%	19.4%	20.1%	21.1%	22.1%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
410	Chigwell Primary Academy	17.1%	2.7%	3.3%	4.3%	5.3%	19.8%	20.5%	21.5%	22.5%	
637	Clacton Coastal Academy	17.1%	6.1%	6.1%	7.1%	7.9%	23.2%	23.2%	24.2%	25.0%	
738	Clacton County Academy	17.1%	4.0%	4.7%	5.7%	6.7%	21.1%	21.8%	22.8%	23.8%	
651	Colchester Academy	17.1%	7.9%	7.9%	7.9%	7.9%	25.0%	25.0%	25.0%	25.0%	
760	Colchester High Girls Academy	17.1%	2.7%	3.3%	4.3%	5.3%	19.8%	20.4%	21.4%	22.4%	
723	Colchester Royal Grammar Acade	17.1%	2.6%	3.3%	4.3%	5.3%	19.7%	20.4%	21.4%	22.4%	
668	Colne Community Academy	17.1%	3.7%	4.3%	5.3%	6.3%	20.8%	21.5%	22.5%	23.5%	
736	Columbus Academy	17.1%	2.5%	3.2%	4.2%	5.2%	19.6%	20.3%	21.3%	22.3%	
345	Cooks Spinney Academy	17.1%	6.1%	6.1%	7.1%	7.9%	23.2%	23.2%	24.2%	25.0%	
340	Cornelius Vermuyden School	17.1%	4.3%	5.0%	6.0%	7.0%	21.4%	22.1%	23.1%	24.1%	
338	Corringham Primary School	17.1%	1.6%	2.2%	3.2%	4.2%	18.7%	19.3%	20.3%	21.3%	
348	Darlinghurst	17.1%	2.6%	3.2%	4.2%	5.2%	19.7%	20.3%	21.3%	22.3%	
669	Davenant Foundation Academy	17.1%	2.9%	3.6%	4.6%	5.6%	20.0%	20.7%	21.7%	22.7%	
658	Debden Park High Academy	17.1%	1.1%	1.8%	2.8%	3.8%	18.2%	18.9%	19.9%	20.9%	
401	Deneholm Primary School	17.1%	4.0%	4.7%	5.7%	6.7%	21.1%	21.8%	22.8%	23.8%	
307	Dilkes Primary Academy	17.1%	1.0%	1.6%	2.6%	3.6%	18.1%	18.7%	19.7%	20.7%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
374	East Tilbury Primary and Nursery	17.1%	2.3%	3.0%	4.0%	5.0%	19.4%	20.1%	21.1%	22.1%	
704	Eastwood Academy	17.1%	3.5%	4.2%	5.2%	6.2%	20.6%	21.3%	22.3%	23.3%	
656	Flitch Green Academy	17.1%	1.5%	2.1%	3.1%	4.1%	18.6%	19.2%	20.2%	21.2%	
388	Forest Hall School	17.1%	7.9%	7.9%	7.9%	7.9%	25.0%	25.0%	25.0%	25.0%	
334	Freshwaters Academy	17.1%	4.5%	5.2%	6.2%	7.2%	21.7%	22.3%	23.3%	24.3%	
743	Gable Hall Academy	17.1%	1.2%	1.9%	2.9%	3.9%	18.3%	19.0%	20.0%	21.0%	
351	Giffards Primary School	17.1%	1.9%	2.6%	3.6%	4.6%	19.1%	19.7%	20.7%	21.7%	
744	Gilberd Academy	17.1%	0.9%	1.5%	2.5%	3.5%	18.0%	18.7%	19.7%	20.7%	
320	Graham James Primary Academy	17.1%	-0.8%	-0.2%	0.8%	1.8%	16.3%	16.9%	17.9%	18.9%	
670	Great Baddow High Academy	17.1%	3.4%	4.0%	5.0%	6.0%	20.5%	21.1%	22.1%	23.1%	
682	Great Berry Academy	17.1%	0.2%	0.8%	1.8%	2.8%	17.3%	17.9%	18.9%	19.9%	
349	Great Clacton C of E Junior School	17.1%	-0.4%	0.2%	1.2%	2.2%	16.7%	17.3%	18.3%	19.3%	
296	Greensted Junior Academy	17.1%	0.6%	1.2%	2.2%	3.2%	17.7%	18.3%	19.3%	20.3%	
630	Greensward Academy	17.1%	7.9%	7.9%	7.9%	7.9%	25.0%	25.0%	25.0%	25.0%	
404	Grove House School - Free School	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
361	Grove Wood Primary School	17.1%	2.3%	2.9%	3.9%	4.9%	19.4%	20.1%	21.1%	22.1%	
716	Gt Chesterford Primary Academy	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
683	Hadleigh Inf & Nurs Academy	17.1%	1.1%	1.7%	2.7%	3.7%	18.2%	18.8%	19.8%	20.8%	
711	Hadleigh Junior School Academy	17.1%	1.6%	2.2%	3.2%	4.2%	18.7%	19.3%	20.3%	21.3%	
763	Hamford Primary Sch Academy	17.1%	0.2%	0.8%	1.8%	2.8%	17.3%	17.9%	18.9%	19.9%	
737	Harris Academy Chafford Hundre	17.1%	4.4%	5.0%	6.0%	7.0%	21.5%	22.2%	23.2%	24.2%	
376	Harris Primary Academy Mayflower	17.1%	3.8%	4.3%	5.3%	6.3%	20.9%	21.4%	22.4%	23.4%	
745	Harwich And Dovercourt Academy	17.1%	4.1%	4.8%	5.8%	6.8%	21.2%	21.9%	22.9%	23.9%	
746	Hassenbrook Academy Trust	17.1%	4.4%	5.1%	6.1%	7.1%	21.5%	22.2%	23.2%	24.2%	
389	Hatfield Heath Primary School	17.1%	3.1%	3.8%	4.8%	5.8%	20.2%	20.9%	21.9%	22.9%	
327	Hathaway Academy (Prev Grays School)	17.1%	6.3%	6.3%	7.3%	7.9%	23.4%	23.4%	24.4%	25.0%	
310	Heddingham Academy	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
740	Helena Romanes Vi Form Academy	17.1%	4.8%	5.5%	6.5%	7.5%	21.9%	22.6%	23.6%	24.6%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
416	Henry Moore Primary School	17.1%	2.8%	3.5%	4.5%	5.5%	19.9%	20.6%	21.6%	22.6%	
765	Herringham Primary Sch Academy	17.1%	-0.2%	0.4%	1.4%	2.4%	16.9%	17.5%	18.5%	19.5%	
304	Heybridge Primary Academy	17.1%	4.9%	5.6%	6.6%	7.6%	22.0%	22.7%	23.7%	24.7%	
316	Highwood Primary	17.1%	3.4%	4.1%	5.1%	6.1%	20.5%	21.2%	22.2%	23.2%	
684	Hilltop Junior Academy	17.1%	1.0%	1.6%	2.6%	3.6%	18.1%	18.7%	19.7%	20.7%	
747	Hockerill Academy	17.1%	3.5%	4.1%	5.1%	6.1%	20.6%	21.2%	22.2%	23.2%	
365	Holt Farm Junior School	17.1%	0.0%	0.5%	1.5%	2.5%	17.1%	17.7%	18.7%	19.7%	
685	Holy Cross RC Primary Academy	17.1%	0.0%	0.6%	1.6%	2.6%	17.1%	17.7%	18.7%	19.7%	
671	Honywood Community Academy	17.1%	3.6%	4.2%	5.2%	6.2%	20.7%	21.3%	22.3%	23.3%	
372	Howbridge CofE Junior School	17.1%	1.8%	2.5%	3.5%	4.5%	19.0%	19.6%	20.6%	21.6%	
721	Hutton All Saints Academy	17.1%	-1.8%	-1.1%	0.0%	1.1%	15.4%	16.0%	17.1%	18.3%	
697	Hylands School Academy	17.1%	5.2%	5.9%	6.9%	7.9%	22.3%	23.0%	24.0%	25.0%	
412	Iceni Academy	17.1%	2.3%	3.0%	4.0%	5.0%	19.5%	20.1%	21.1%	22.1%	
297	James Hornsby High Academy	17.1%	5.3%	5.3%	6.3%	7.3%	22.4%	22.4%	23.4%	24.4%	
686	Jotmans Hall Primary Academy	17.1%	1.0%	1.6%	2.6%	3.6%	18.1%	18.8%	19.8%	20.8%	
291	Joyce Frankland Academy	17.1%	6.9%	6.9%	7.9%	7.9%	24.0%	24.0%	25.0%	25.0%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
378	Katherine Semar Infants School	17.1%	1.4%	2.1%	3.1%	4.1%	18.5%	19.2%	20.2%	21.2%	
379	Katherine Semar Junior School	17.1%	1.2%	1.8%	2.8%	3.8%	18.3%	19.0%	20.0%	21.0%	
293	Kenningtons Primary Academy	17.1%	0.9%	1.5%	2.5%	3.5%	18.0%	18.6%	19.6%	20.6%	
710	Kents Hill Infant Academy	17.1%	2.7%	3.3%	4.3%	5.3%	19.8%	20.5%	21.5%	22.5%	
759	Kents Hill Junior Academy	17.1%	2.7%	3.3%	4.3%	5.3%	19.8%	20.5%	21.5%	22.5%	
673	King Edmund Academy	17.1%	1.6%	2.3%	3.3%	4.3%	18.7%	19.4%	20.4%	21.4%	
672	King Edward Grammar Academy	17.1%	0.0%	0.5%	1.5%	2.5%	17.1%	17.7%	18.7%	19.7%	
654	King Harold B And E Academy	17.1%	2.8%	3.5%	4.5%	5.5%	20.0%	20.6%	21.6%	22.6%	
661	King John Academy	17.1%	3.8%	4.5%	5.5%	6.5%	20.9%	21.6%	22.6%	23.6%	
306	Kingsmoor Primary Academy	17.1%	1.4%	2.1%	3.1%	4.1%	18.6%	19.2%	20.2%	21.2%	
687	Kingston Primary Academy	17.1%	1.0%	1.6%	2.6%	3.6%	18.1%	18.7%	19.7%	20.7%	
337	Kirby Primary Academy	17.1%	4.1%	4.8%	5.8%	6.8%	21.2%	21.9%	22.9%	23.9%	
397	Langham Oaks School	17.1%	3.6%	4.2%	5.2%	6.2%	20.7%	21.3%	22.3%	23.3%	
764	Lansdowne Primary Sch Academy	17.1%	0.3%	0.9%	1.9%	2.9%	17.4%	18.0%	19.0%	20.0%	
362	Larchwood Primary School	17.1%	2.7%	3.4%	4.4%	5.4%	19.8%	20.5%	21.5%	22.5%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
413	Latchingdon CofE Primary School	17.1%	2.6%	3.2%	4.2%	5.2%	19.7%	20.3%	21.3%	22.3%	
385	Latton Green Primary	17.1%	2.1%	2.7%	3.7%	4.7%	19.2%	19.8%	20.8%	21.8%	
688	Lee Chapel Primary Academy	17.1%	-0.8%	-0.2%	0.8%	1.8%	16.3%	16.9%	17.9%	18.9%	
395	Leigh Beck Infant & Nursery Academy	17.1%	5.4%	6.1%	7.1%	7.9%	22.5%	23.2%	24.2%	25.0%	
350	Little Parndon Academy	17.1%	6.2%	6.2%	7.2%	7.9%	23.3%	23.3%	24.3%	25.0%	
386	Longwood Primary Academy	17.1%	4.7%	5.4%	6.4%	7.4%	21.9%	22.6%	23.6%	24.6%	
762	Lyons Hall Primary Sch Academy	17.1%	0.3%	0.9%	1.9%	2.9%	17.4%	18.0%	19.0%	20.0%	
406	Maltese Road Primary School	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
632	Maltings Academy	17.1%	7.1%	7.1%	7.9%	7.9%	24.3%	24.3%	25.0%	25.0%	
732	Manningtree High Academy	17.1%	5.4%	6.1%	7.1%	7.9%	22.5%	23.2%	24.2%	25.0%	
321	Mark Hall School	17.1%	7.9%	7.9%	7.9%	7.9%	25.0%	25.0%	25.0%	25.0%	
757	Mayflower High School Academy	17.1%	3.9%	4.6%	5.6%	6.6%	21.0%	21.7%	22.7%	23.7%	
415	Maylandsea Primary School	17.1%	3.1%	3.8%	4.8%	5.8%	20.3%	20.9%	21.9%	22.9%	
352	Meadgate Primary Academy	17.1%	5.3%	5.3%	6.3%	7.3%	22.4%	22.4%	23.4%	24.4%	
330	Messing Primary School	17.1%	1.9%	2.5%	3.5%	4.5%	19.0%	19.6%	20.6%	21.6%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
380	Mildmay Junior School	17.1%	1.5%	2.1%	3.1%	4.1%	18.6%	19.3%	20.3%	21.3%	
390	Mistley Norman CofE Primary School	17.1%	6.0%	6.0%	7.0%	7.9%	23.1%	23.1%	24.1%	25.0%	
353	Monkwick Infant Academy	17.1%	1.0%	1.6%	2.6%	3.6%	18.1%	18.7%	19.7%	20.7%	
354	Monkwick Junior Academy	17.1%	2.2%	2.9%	3.9%	4.9%	19.3%	20.0%	21.0%	22.0%	
368	Montgomerie Primary School	17.1%	2.3%	2.9%	3.9%	4.9%	19.4%	20.0%	21.0%	22.0%	
739	Moulsham County Junior Academy	17.1%	0.8%	1.4%	2.4%	3.4%	17.9%	18.5%	19.5%	20.5%	
758	Moulsham High Academy	17.1%	5.0%	5.7%	6.7%	7.7%	22.1%	22.8%	23.8%	24.8%	
674	Moulsham Infants Academy	17.1%	1.3%	2.0%	3.0%	4.0%	18.5%	19.1%	20.1%	21.1%	
329	NCB Studio School	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
631	New Rickstones Academy	17.1%	7.9%	7.9%	7.9%	7.9%	25.0%	25.0%	25.0%	25.0%	
287	Newlands Spring Pri Academy	17.1%	-0.8%	-0.2%	0.8%	1.8%	16.3%	16.9%	17.9%	18.9%	
382	Northwick Park Primary & Nursery Academy	17.1%	1.1%	1.7%	2.7%	3.7%	18.2%	18.8%	19.8%	20.8%	
303	Notley Green Academy	17.1%	1.8%	2.4%	3.4%	4.4%	18.9%	19.5%	20.5%	21.5%	
689	Notley High & Braintree Viform	17.1%	2.7%	3.3%	4.3%	5.3%	19.8%	20.4%	21.4%	22.4%	
400	Olive AP Academy Thurrock	17.1%	4.0%	4.6%	5.6%	6.6%	21.1%	21.8%	22.8%	23.8%	
408	Ongar Academy	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	

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638	Ormiston Park Academy	17.1%	5.0%	5.7%	6.7%	7.7%	22.1%	22.9%	23.9%	24.9%	
712	Ormiston Rivers Academy	17.1%	3.6%	4.3%	5.3%	6.3%	20.7%	21.4%	22.4%	23.4%	
279	Our Lady Immaculate Primary Academy	17.1%	1.3%	2.0%	3.0%	4.0%	18.4%	19.1%	20.1%	21.1%	
381	Parkwood Academy	17.1%	3.9%	4.6%	5.6%	6.6%	21.0%	21.7%	22.7%	23.7%	
713	Passmores Academy Trust	17.1%	0.7%	1.3%	2.3%	3.3%	17.8%	18.4%	19.4%	20.4%	
369	Pear Tree Mead Academy	17.1%	1.0%	1.6%	2.6%	3.6%	18.1%	18.7%	19.7%	20.7%	
409	Pemberley Academy	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
748	Philip Morant Academy	17.1%	3.0%	3.7%	4.7%	5.7%	20.1%	20.8%	21.8%	22.8%	
690	Plumberow Primary Academy	17.1%	1.3%	1.9%	2.9%	3.9%	18.4%	19.0%	20.0%	21.0%	
749	Plume Academy	17.1%	3.3%	4.0%	5.0%	6.0%	20.4%	21.1%	22.1%	23.1%	
336	Potter Street Primary School	17.1%	-1.0%	-0.4%	0.6%	1.7%	16.1%	16.7%	17.7%	18.8%	
324	Powers Hall Junior	17.1%	1.6%	2.2%	3.2%	4.2%	18.7%	19.3%	20.3%	21.3%	
355	Prince Avenue Primary Academy	17.1%	3.3%	4.0%	5.0%	6.0%	20.4%	21.1%	22.1%	23.1%	
318	Purfleet Primary School	17.1%	1.6%	2.3%	3.3%	4.3%	18.7%	19.4%	20.4%	21.4%	
331	Purford Green	17.1%	3.4%	4.1%	5.1%	6.1%	20.5%	21.2%	22.2%	23.2%	
356	Purleigh Community Primary School	17.1%	0.2%	0.8%	1.8%	2.8%	17.3%	17.9%	18.9%	19.9%	

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326	Quarry Hill	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
675	R A Butlers Infants Academy	17.1%	-0.1%	0.5%	1.5%	2.5%	17.0%	17.6%	18.6%	19.6%	
676	R A Butlers Junior Academy	17.1%	3.1%	3.7%	4.7%	5.7%	20.2%	20.8%	21.8%	22.8%	
332	Ravens Academy	17.1%	2.3%	3.0%	4.0%	5.0%	19.4%	20.1%	21.1%	22.1%	
317	Rayleigh Primary Academy	17.1%	1.3%	1.9%	2.9%	3.9%	18.4%	19.1%	20.1%	21.1%	
691	Robert Drake Primary Academy	17.1%	2.0%	2.7%	3.7%	4.7%	19.1%	19.8%	20.8%	21.8%	
357	Rochford Primary School	17.1%	2.6%	3.2%	4.2%	5.2%	19.7%	20.4%	21.4%	22.4%	
347	Rolph Church of England Primary School	17.1%	0.7%	1.3%	2.3%	3.3%	17.8%	18.4%	19.4%	20.4%	
407	Roseacres Primary School	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
346	Roydon Primary School (Academy)	17.1%	1.9%	2.6%	3.6%	4.6%	19.0%	19.7%	20.7%	21.7%	
692	Runwell Primary Academy	17.1%	1.4%	2.0%	3.0%	4.0%	18.5%	19.1%	20.1%	21.1%	
665	Saffron Walden High Academy	17.1%	3.0%	3.7%	4.7%	5.7%	20.2%	20.8%	21.8%	22.8%	
750	Sandon Academy	17.1%	4.5%	5.2%	6.2%	7.2%	21.6%	22.3%	23.3%	24.3%	
309	Shaw Primary Academy	17.1%	1.2%	1.8%	2.8%	3.8%	18.3%	18.9%	19.9%	20.9%	
728	Shenfield High Academy	17.1%	4.5%	5.2%	6.2%	7.2%	21.6%	22.3%	23.3%	24.3%	
323	Shenfield St Marys	17.1%	2.7%	3.3%	4.3%	5.3%	19.8%	20.4%	21.4%	22.4%	

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278	Shoeburyness Academy	17.1%	7.0%	7.0%	7.9%	7.9%	24.1%	24.1%	25.0%	25.0%	
371	Sir Charles Kao UTC	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
693	South Benfleet Primary Academy	17.1%	2.4%	3.1%	4.1%	5.1%	19.5%	20.2%	21.2%	22.2%	
703	Southend High For Boys Academy	17.1%	1.5%	2.1%	3.1%	4.1%	18.6%	19.2%	20.2%	21.2%	
677	Southend High Girls Academy	17.1%	4.5%	5.2%	6.2%	7.2%	21.6%	22.4%	23.4%	24.4%	
377	Southend YMCA Community Free School	17.1%	-1.8%	-1.1%	0.0%	1.2%	15.3%	16.0%	17.2%	18.3%	
341	Southminster CofE Primary School	17.1%	3.8%	4.5%	5.5%	6.5%	20.9%	21.6%	22.6%	23.6%	
694	St Albans RC Primary Academy	17.1%	0.5%	1.1%	2.1%	3.1%	17.6%	18.2%	19.2%	20.2%	
339	St Andrews Primary School (Weeley)	17.1%	2.7%	3.4%	4.4%	5.4%	19.8%	20.5%	21.5%	22.5%	
751	St Bernards High Academy	17.1%	5.4%	6.1%	7.1%	7.9%	22.5%	23.2%	24.2%	25.0%	
360	St Cedds	17.1%	4.9%	5.6%	6.6%	7.6%	22.0%	22.7%	23.7%	24.7%	
761	St Christopher Academy	17.1%	2.5%	3.1%	4.1%	5.1%	19.6%	20.2%	21.2%	22.2%	
333	St Clare's RC Primary School - Clacton	17.1%	4.4%	5.1%	6.1%	7.1%	21.5%	22.2%	23.2%	24.2%	

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			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
752	St Cleres Co-Operative Academy	17.1%	0.7%	1.3%	2.3%	3.3%	17.8%	18.4%	19.4%	20.4%	
733	St Helena Academy	17.1%	3.3%	4.0%	5.0%	6.0%	20.4%	21.1%	22.1%	23.1%	
695	St Helens Rc Junior Academy	17.1%	0.5%	1.1%	2.1%	3.1%	17.6%	18.2%	19.2%	20.2%	
396	St James CofE Primary School - Harlow	17.1%	1.9%	2.5%	3.5%	4.5%	19.0%	19.7%	20.7%	21.7%	
328	St Lukes RC Academy (Harlow)	17.1%	1.7%	2.3%	3.3%	4.3%	18.8%	19.4%	20.4%	21.4%	
699	St Marks West Essex Academy	17.1%	2.7%	3.4%	4.4%	5.4%	19.8%	20.5%	21.5%	22.5%	
678	St Martins High Academy	17.1%	3.4%	4.1%	5.1%	6.1%	20.5%	21.2%	22.2%	23.2%	
312	St Marys Pri Academy Kelvedon	17.1%	3.4%	4.1%	5.1%	6.1%	20.6%	21.2%	22.2%	23.2%	
283	St Teresa's Academy Colchester	17.1%	1.0%	1.6%	2.6%	3.6%	18.1%	18.7%	19.7%	20.7%	
343	St Teresa's Catholic Primary School - Basildon	17.1%	1.6%	2.2%	3.2%	4.2%	18.7%	19.3%	20.3%	21.3%	
282	St Thomas More Academy Saffron Walden	17.1%	1.1%	1.7%	2.7%	3.7%	18.2%	18.8%	19.8%	20.8%	
753	St Thomas More High Academy	17.1%	5.4%	6.1%	7.1%	7.9%	22.5%	23.3%	24.3%	25.0%	
754	St Thomas More Academy Colchester	17.1%	1.9%	2.6%	3.6%	4.6%	19.0%	19.7%	20.7%	21.7%	

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391	Stambridge Primary School	17.1%	2.3%	2.9%	3.9%	4.9%	19.4%	20.0%	21.0%	22.0%	
322	Stanford-Le-Hope Primary	17.1%	1.3%	1.9%	2.9%	3.9%	18.4%	19.0%	20.0%	21.0%	
734	Stanway Academy	17.1%	3.1%	3.8%	4.8%	5.8%	20.2%	20.9%	21.9%	22.9%	
717	Stewards Academy	17.1%	4.1%	4.8%	5.8%	6.8%	21.2%	21.9%	22.9%	23.9%	
402	Stifford Clays	17.1%	3.9%	4.6%	5.6%	6.6%	21.0%	21.7%	22.7%	23.7%	
284	Stifford Primary Academy	17.1%	0.3%	0.9%	1.9%	2.9%	17.4%	18.0%	19.0%	20.0%	
718	Stisted Primary Academy	17.1%	0.2%	0.8%	1.8%	2.8%	17.3%	17.9%	18.9%	19.9%	
315	Sweyne Park Academy	17.1%	4.2%	4.8%	5.8%	6.8%	21.3%	22.0%	23.0%	24.0%	
311	Tabor Science Academy	17.1%	7.0%	7.0%	7.9%	7.9%	24.1%	24.1%	25.0%	25.0%	
417	Takeley Primary School	17.1%	3.5%	4.2%	5.2%	6.2%	20.7%	21.3%	22.3%	23.3%	
288	Tendring Enterprise Free School	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
698	Tendring Tech College Academy	17.1%	4.0%	4.7%	5.7%	6.7%	21.1%	21.8%	22.8%	23.8%	
300	Thameside Primary Academy	17.1%	-0.4%	0.2%	1.2%	2.2%	16.7%	17.3%	18.3%	19.3%	
659	The Appleton Academy	17.1%	3.3%	3.9%	4.9%	5.9%	20.4%	21.1%	22.1%	23.1%	
305	The Bromfords Academy	17.1%	4.5%	5.2%	6.2%	7.2%	21.7%	22.3%	23.3%	24.3%	
394	The Fitzwimarc School	17.1%	4.9%	5.6%	6.6%	7.6%	22.1%	22.8%	23.8%	24.8%	
609	The Gateway Academy	17.1%	-2.8%	-1.1%	0.3%	1.6%	14.3%	16.0%	17.4%	18.7%	

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662	The Ockendon Academy	17.1%	1.3%	1.9%	2.9%	3.9%	18.4%	19.0%	20.0%	21.0%	
280	The Pioneer School	17.1%	0.8%	1.4%	2.4%	3.4%	17.9%	18.5%	19.5%	20.5%	
335	The Ramsey Academy, Halstead	17.1%	1.7%	2.3%	3.3%	4.3%	18.8%	19.4%	20.4%	21.4%	
735	Thomas Lord Audley Academy	17.1%	2.9%	3.6%	4.6%	5.6%	20.0%	20.7%	21.7%	22.7%	
719	Thriftwood Primary Academy	17.1%	1.6%	2.2%	3.2%	4.2%	18.7%	19.3%	20.3%	21.3%	
383	Thundersely Primary School	17.1%	2.2%	2.8%	3.8%	4.8%	19.3%	19.9%	20.9%	21.9%	
755	Thurstable Academy	17.1%	2.6%	3.3%	4.3%	5.3%	19.7%	20.4%	21.4%	22.4%	
359	Tilbury Pioneer Academy	17.1%	5.8%	5.8%	6.8%	7.8%	22.9%	22.9%	23.9%	24.9%	
363	Tudor Court Primary Academy	17.1%	2.9%	3.5%	4.5%	5.5%	20.0%	20.7%	21.7%	22.7%	
715	Tyrells Primary Academy	17.1%	-0.4%	0.1%	1.1%	2.1%	16.7%	17.3%	18.3%	19.3%	
373	Unity Primary Academy	17.1%	1.9%	2.5%	3.5%	4.5%	19.0%	19.7%	20.7%	21.7%	
375	Water Lane Primary Academy	17.1%	1.6%	2.3%	3.3%	4.3%	18.8%	19.4%	20.4%	21.4%	
392	Waterman Primary School	17.1%	6.8%	6.8%	7.8%	7.9%	23.9%	23.9%	24.9%	25.0%	
664	West Hatch High Academy	17.1%	3.0%	3.6%	4.6%	5.6%	20.1%	20.8%	21.8%	22.8%	
679	Westborough Primary Academy	17.1%	-1.3%	-0.7%	0.3%	1.4%	15.8%	16.4%	17.5%	18.5%	
680	Westcliff High Boys Academy	17.1%	4.0%	4.7%	5.7%	6.7%	21.1%	21.8%	22.8%	23.8%	
702	Westcliff High Girls Academy	17.1%	5.0%	5.7%	6.7%	7.7%	22.1%	22.8%	23.8%	24.8%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)				Total contributions (% pay plus monetary adjustment)				Specific notes
			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
714	Westerings Primary Academy	17.1%	-0.9%	-0.3%	0.7%	1.7%	16.2%	16.8%	17.8%	18.8%	
696	Westwood Primary Academy	17.1%	1.0%	1.6%	2.6%	3.6%	18.1%	18.7%	19.7%	20.7%	
286	White Hall Academy	17.1%	-1.4%	-0.8%	0.3%	1.3%	15.7%	16.3%	17.4%	18.5%	
722	Wickford CofE Academy	17.1%	-0.6%	0.0%	1.0%	2.0%	16.5%	17.1%	18.1%	19.1%	
660	William De Ferrers Academy	17.1%	3.5%	4.2%	5.2%	6.2%	20.6%	21.3%	22.3%	23.3%	
756	William Edwards Academy	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
370	Willow Brook Primary School and Nursery	17.1%	3.0%	3.7%	4.7%	5.7%	20.2%	20.8%	21.8%	22.8%	
405	Winter Gardens Academy	17.1%	0.3%	0.9%	1.9%	2.9%	17.4%	18.0%	19.0%	20.0%	
387	Woodham Ley Primary School	17.1%	2.8%	3.4%	4.4%	5.4%	19.9%	20.6%	21.6%	22.6%	
399	Woodlands School	17.1%	0.6%	1.2%	2.2%	3.2%	17.7%	18.3%	19.3%	20.3%	
308	Woodside Primary Academy	17.1%	-0.7%	-0.1%	0.9%	1.9%	16.4%	17.0%	18.0%	19.0%	
342	Woodville School	17.1%	1.3%	1.9%	2.9%	3.9%	18.4%	19.0%	20.0%	21.0%	

Post 2016 Valuation Employers Rates and Adjustment Certificate

Introduction

A schedule of contribution rates payable by employers post 2016 Valuation are as follows:

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
Contractors									
825	Allied Healthcare Ltd – Mid Essex	19.4%	-	-	-	19.4%	19.4%	19.4%	
826	Allied Healthcare Ltd – North East Essex	19.4%	-	-	-	19.4%	19.4%	19.4%	
827	Allied Healthcare Ltd – South West Essex	19.4%	-	-	-	19.4%	19.4%	19.4%	
828	Allied Healthcare Ltd – West Essex	19.4%	-	-	-	19.4%	19.4%	19.4%	
842	Ecocleen Services Ltd (Ramsey Academy)	27.8%	-5.0%	-3.8%	-2.0%	22.8%	24.0%	25.8%	
847	Ecocleen Services Ltd (Richard De Clare Academy)	17.2%	-4.4%	-3.4%	-2.4%	12.8%	13.8%	14.8%	
844	HTS (Property and Environment) Ltd	21.8%	-	-	-	21.8%	21.8%	21.8%	
834	Millard House Care Ltd	25.2%	-4.2%	-3.2%	-2.2%	21.0%	22.0%	23.0%	
838	Schools Office Services	28.1%	-4.6%	-3.1%	-1.6%	23.5%	25.0%	26.5%	
824	Schools Plus	18.5%	-1.5%	-	1.5%	17.0%	18.5%	20.0%	
846	Servest Group Ltd	20.4%	-	-	-	20.4%	20.4%	20.4%	
Town and parish councils									
608	Ashingdon Parish Council	19.6%	-2.90%	-0.40%	2.10%	16.70%	19.20%	21.70%	
831	Boreham Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	
821	Canewdon Parish Council	19.6%	-2.90%	-0.40%	2.10%	16.70%	19.20%	21.70%	
598	Feering Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
832	Great Horkesley Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	
835	Great Waltham Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	
830	Little Baddow Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	
649	Little Waltham Parish Council	19.6%	-2.90%	-0.40%	2.10%	16.70%	19.20%	21.70%	
829	Mayland Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	
833	Nazeing Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	
822	Purleigh Parish Council	19.6%	-2.90%	-0.40%	2.10%	16.70%	19.20%	21.70%	
840	Silver End Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	
75	Tollesbury Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	
843	West Bergholt Parish Council	19.6%	0.30%	1.20%	2.10%	19.90%	20.80%	21.70%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)				Total contributions (% pay plus monetary adjustment)				Specific notes
			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
Academies converted after 31 March 2016											
421	Alton Park Academy	17.1%	3.1%	3.8%	4.8%	5.8%	20.2%	20.9%	21.9%	22.9%	
441	Arthur Bugler Primary School	17.1%	4.0%	4.7%	5.7%	6.7%	21.1%	21.8%	22.8%	23.8%	
448	Bardfield Primary & Nursery School	17.1%	3.5%	4.1%	5.1%	6.1%	20.6%	21.3%	22.3%	23.3%	
458	Barling Magna Community Primary School	17.1%	3.5%	4.1%	5.1%	6.1%	20.6%	21.2%	22.2%	23.2%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)				Total contributions (% pay plus monetary adjustment)				Specific notes
			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
442	Blenheim Primary School & Children's Centre	17.1%	5.8%	5.8%	6.8%	7.8%	22.9%	22.9%	23.9%	24.9%	
457	Bournemouth Park Primary School	17.1%	5.6%	6.3%	7.3%	7.9%	22.7%	23.4%	24.4%	25.0%	
443	Bournes Green Infant School	17.1%	4.7%	5.4%	6.4%	7.4%	21.8%	22.5%	23.5%	24.5%	
438	Camulos Academy	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
447	Chadwell St Mary Primary School	17.1%	3.2%	3.9%	4.9%	5.9%	20.3%	21.0%	22.0%	23.0%	
456	Debden C of E Primary Academy	17.1%	2.8%	3.3%	4.3%	5.3%	19.9%	20.4%	21.4%	22.4%	
432	Diocese of Chelmsford Vine Schools	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
440	Friars Primary School & Nursery	17.1%	5.5%	6.2%	7.2%	7.9%	22.6%	23.3%	24.3%	25.0%	
459	Great Wakering Primary Academy	17.1%	3.5%	4.1%	5.1%	6.1%	20.6%	21.2%	22.2%	23.2%	
427	Hamstel Infant School & Nursery	17.1%	5.2%	5.9%	6.9%	7.9%	22.3%	23.0%	24.0%	25.0%	
428	Hamstel Junior School	17.1%	5.7%	5.7%	6.7%	7.7%	22.8%	22.8%	23.8%	24.8%	
446	Hinguar Primary School	17.1%	3.6%	4.3%	5.3%	6.3%	20.8%	21.4%	22.4%	23.4%	
422	Holland Park Academy	17.1%	2.3%	2.9%	3.9%	4.9%	19.4%	20.0%	21.0%	22.0%	
460	Kings Road	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
461	Lawford Mead Primary	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
430	Larkrise Primary School	17.1%	4.3%	5.0%	6.0%	7.0%	21.4%	22.1%	23.1%	24.1%	
439	Lubbins Park	17.1%	4.0%	4.7%	5.7%	6.7%	21.1%	21.8%	22.8%	23.8%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)				Total contributions (% pay plus monetary adjustment)				Specific notes
			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
445	Magna Carta Primary Academy	17.1%	3.3%	3.8%	4.8%	5.8%	20.4%	20.9%	21.9%	22.9%	
453	Market Field School	17.1%	2.6%	3.2%	4.2%	5.2%	19.7%	20.4%	21.4%	22.4%	
435	Merrylands Primary School	17.1%	2.3%	3.0%	4.0%	5.0%	19.4%	20.1%	21.1%	22.1%	
429	Northlands Primary School & Nursery	17.1%	2.4%	3.1%	4.1%	5.1%	19.5%	20.2%	21.2%	22.2%	
454	Perryfields Junior School	17.1%	3.9%	4.6%	5.6%	6.6%	21.0%	21.7%	22.7%	23.7%	
426	Phoenix Primary School & Nursery, The	17.1%	3.3%	3.9%	4.9%	5.9%	20.4%	21.0%	22.0%	23.0%	
418	Porters Grange	17.1%	4.7%	5.4%	6.4%	7.4%	21.8%	22.5%	23.5%	24.5%	
420	Ramsden Hall School	17.1%	2.9%	3.6%	4.6%	5.6%	20.0%	20.7%	21.7%	22.7%	
444	Richard de Clare Community School	17.1%	3.2%	3.9%	4.9%	5.9%	20.3%	21.0%	22.0%	23.0%	
431	Ryedene Primary School	17.1%	2.9%	3.5%	4.5%	5.5%	20.0%	20.6%	21.6%	22.6%	
455	Shalford Primary School	17.1%	2.8%	3.3%	4.3%	5.3%	19.9%	20.4%	21.4%	22.4%	
433	Sir Martin Frobisher Academy	17.1%	0.6%	1.2%	2.2%	3.2%	17.7%	18.3%	19.3%	20.3%	
451	St James Cof E Primary School Colchester	17.1%	2.7%	3.4%	4.4%	5.4%	19.8%	20.5%	21.5%	22.5%	
452	St Margaret's CofE Primary School Bowers Clifford	17.1%	4.9%	5.6%	6.6%	7.6%	22.0%	22.7%	23.7%	24.7%	
423	St Osyth CofE Primary School	17.1%	3.4%	4.1%	5.1%	6.1%	20.5%	21.2%	22.2%	23.2%	
424	Templars Primary & Nursery	17.1%	2.6%	3.2%	4.2%	5.2%	19.7%	20.3%	21.3%	22.3%	

Employer Code	Employer Name	Primary rate	Secondary rate (% pay plus monetary adjustment)				Total contributions (% pay plus monetary adjustment)				Specific notes
			2017/18 H1	2017/18 H2	2018/19	2019/20	2017/18 H1	2017/18 H2	2018/19	2019/20	
425	The Deanes School	17.1%	2.8%	3.3%	4.3%	5.3%	19.9%	20.4%	21.4%	22.4%	
437	The Willows Primary School	17.1%	3.2%	3.8%	4.8%	5.8%	20.3%	20.9%	21.9%	22.9%	
449	Thorpe Greenways Infant School	17.1%	5.1%	5.8%	6.8%	7.8%	22.2%	22.9%	23.9%	24.9%	
450	Thorpe Greenways Junior School	17.1%	4.1%	4.8%	5.8%	6.8%	21.2%	21.9%	22.9%	23.9%	
434	Thorpedene Primary School	17.1%	3.2%	3.9%	4.9%	5.9%	20.4%	21.0%	22.0%	23.0%	
419	West Leigh Junior School	17.1%	5.3%	5.3%	6.3%	7.3%	22.5%	22.5%	23.5%	24.5%	
285	West Thurrock Academy	17.1%	-0.3%	0.3%	1.3%	2.3%	16.8%	17.4%	18.4%	19.4%	
436	Whitmore Primary School & Nursery	17.1%	3.0%	3.6%	4.6%	5.6%	20.1%	20.8%	21.8%	22.8%	

Academies converted since 2016 valuation report issued											
642	John Ray Junior School	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
464	Maple Grove Primary School	17.1%	4.2%	4.9%	5.9%	6.9%	21.3%	22.0%	23.0%	24.0%	
465	Somers Heath Primary	17.1%	6.0%	6.0%	7.0%	7.9%	23.1%	23.1%	24.1%	25.0%	
463	Treetops School	17.1%	6.0%	6.0%	7.0%	7.9%	23.1%	23.1%	24.1%	25.0%	

Barnett Waddingham Final Comments

Funding Strategy Statement

The assumptions used for the valuation must be documented in a revised Funding Strategy Statement to be agreed between the Fund Actuary and the Administering Authority.

Risks

There are many factors that affect the Fund's funding position and could lead to the Fund's funding objectives not being met within the timescales expected. Some of the key risks that could have a material impact on the Fund are:

- Employer covenant risk
- Investment risk
- Inflation risk
- Mortality risk
- Member options risk
- Legislative risk

Please note that this is not an exhaustive list. Further information will be set out in greater detail in the Funding Strategy Statement found in Section 6 of this report.

Rates and Adjustment Certificate

The contributions payable in respect of benefit accrual, expenses and any deficit contributions under each employer's recovery period have been set out in Appendix 3 in the Rates and Adjustments Certificate in accordance with Regulation 62 of the Regulations. In this certificate no allowance will be made for additional costs arising which need to be met by additional contributions by the employer such as non-ill health early retirements.

The contributions as set out above in the Rates and Adjustments Certificate are set so that each employers assets (including future contributions) are projected to be sufficient to cover the benefit payments for their members, on the assumptions set out in this report. Where there is currently a deficit for an individual employer, this is targeted in line with the Fund's Funding Strategy Statement and all employers have a deficit recovery period of no longer than 27 years.

This document has been agreed between the Administering Authority and the Fund Actuary. Contributions have been set that in our opinion meet the regulatory requirements and the funding objectives set out in the Fund's Funding Strategy Statement.

The next formal valuation is due to be carried out as at 31 March 2019 however we would recommend that the financial position of the Fund is monitored regularly during the period leading up to the next formal valuation.

Graeme Muir FFA
Mark Norquay FFA
Barnett Waddingham LLP



SECTION 5

STATEMENT OF ACCOUNTS

Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The authority is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority that officer is the Executive Director for Corporate and Customer Services;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- To approve the statement of accounts.

The Executive Director for Corporate and Customer Services Responsibilities

The Executive Director for Corporate and Customer Services is responsible for the preparation of the Fund's statement of accounts in accordance with proper practices set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK.

In preparing this statement of accounts, the Executive Director for Corporate and Customer Services has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice on Local Authority Accounting;
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Executive Director for Corporate and Customer Services Certificate

I certify that the Statement of Accounts on pages 97 to 147 has been prepared in accordance with proper practices and presents fairly the financial transactions of the Essex Pension Fund during the year ended 31 March 2019 and financial position of the Fund at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the year end.

Margaret Lee

Executive Director for Corporate and Customer Services



Fund Account

The table below shows the Essex Pension Fund Account for the year ended 31 March 2019 and 31 March 2018:

2017/18			2018/19	
£000	Note		£000	£000
		Dealing with members and others directly involved in the Fund Income		
(56,186)	3	Contributions receivable		
(219,932)	3	Member contributions	(57,799)	
(10,877)	4	Employers' contributions	(181,987)	
(2,155)		Transfers in from other Pension Funds	(10,796)	
		Other income	(2,423)	
(289,150)		Total Income		(253,005)
		Expenditure		
189,425	5	Benefits payable		
35,072	5	Pensions	200,611	
5,526	5	Commutation of pensions & lump sum retirement benefits	38,334	
		Lump sum death benefits	5,599	
655		Payments to and on account of Leavers		
114		Refunds of contributions	687	
11,497	6	State scheme premiums	33	
44,545	7	Transfers out to other schemes	30,304	
		Management expenses	48,921	
286,834		Total expenditure		324,489
(2,316)		Net additions from dealings with members		71,484
(96,614)	8	Returns on investments		
(392,865)	9	Investment income	(92,287)	
3,965	10	Profit and losses on disposal of investments and changes in market value of investments	(492,310)	
		Taxes on income	4,647	
(485,514)		Net returns on investments		(579,950)
(487,830)		Net (increase)/decrease in the assets available for benefits during the year		(508,466)
(6,031,053)		Net assets as at 1 April		(6,518,883)
-		Restatement of opening balance		61
(6,031,053)		Adjusted net assets as at 1 April		(6,518,822)
(6,518,883)		Net assets as at 31 March		(7,027,288)

The 2018/19 Code requires the Fund to undertake a credit allowance assessment on its cash balances. (The Fund was required to calculate the effect on 2017/18 balances, but not required to restate the 2017/18 totals. The 2018/19 net assets opening balance figures have also has therefore been restated and reduced by £0.061m, to reflect the impact of the 2017/18 credit allowance assessment).

Net Asset Statement

The table below shows the Essex Pension Fund Net Asset Statement for the year ended 31 March 2019 and 31 March 2018:

31 March 2018 £000	Note	31 March 2019 £000	£000
	9 Investments at market value		
	Investment assets		
242,167	Fixed interest securities	404,594	
3,955,138	Equities	4,064,304	
433,664	Index linked securities	391,041	
393,885	Property	383,250	
224,468	Property unit trusts	226,626	
299,451	Private Equity	321,530	
297,756	Infrastructure	356,015	
109,869	Timber	212,357	
106,570	Private Debt	118,654	
264,399	Other managed funds	365,608	
18,489	Derivative contracts	11,216	
149,108	Cash/deposits	145,961	
36,703	Other investment balances	7,995	
6,531,667			7,009,151
	Investment liabilities		
(46,059)	Derivative contracts	(10,798)	
(5,095)	Other investment balances	(209)	
(51,154)			(11,007)
6,480,513	Total investments		6,998,144
	11 Long term assets		
2,869	Contributions due from employers		1,587
	11 Current assets and liabilities		
	Current Assets		
23,729	Cash		14,775
19,944	Contributions due from employers and other current assets		21,560
6,527,055			7,036,066
	Current liabilities		
(8,172)	Unpaid benefits and other current liabilities		(8,778)
6,518,883	Net assets of the scheme available to fund benefits		7,027,288

Description of the Fund

a) General Description of the Fund

Under the Local Government Pension Scheme (LGPS) (Administration) Regulations 2008, Essex County Council is required to maintain a pension fund (“the Fund”).

The Essex Pension Fund is part of the Local Government Pension Scheme and is administered by Essex County Council (“the Administering Authority”) which is the reporting entity for this pension fund.

Established by the Local Government Superannuation Regulations 1974 the scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

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

The Fund is a contributory defined benefit pension scheme to provide pensions and other benefits for its Essex County Council employees and those other Scheduled Bodies within its area. It is also empowered to admit the employees of certain other bodies, town and parish councils, educational establishments, contractors providing services transferred from scheduled bodies and community interest bodies. The Fund does not provide pensions for teachers, for whom separate arrangements exist. Uniformed police and fire staff are also subject to separate pension arrangements.

The Council has delegated its pension functions to the Essex Pension Fund Strategy Board (PSB) and Investment Steering Committee (ISC). Responsibility for the administration and financial management of the Fund has been delegated to the Executive Director for Corporate and Customer Services along with the Director for Essex Pension Fund.

Independent investment managers have been appointed to manage the investments of the Fund. The Fund also invests in private equity, infrastructure and timber through the use of limited partnerships. The ISC oversees the management of these investments and meets regularly with the investment managers to monitor their performance against agreed benchmarks. The ISC in turn reports to the Essex Pension Fund Strategy Board. The Fund’s Investment Strategy Statement is contained in Section 6 of this report.

Regional Asset Pools

In response to the Government’s guidance and criteria on pooling investments issued in 2015, the Essex Pension Fund are working collaboratively with ten other like-minded LGPS Funds under the name of ACCESS (A Collaboration of Central, Eastern and Southern Shires).

In 2018 a joint procurement was undertaken by ACCESS for a passive provider, UBS Asset Management was appointed as the preferred provider. In addition, in March 2018 Link Solutions Limited (Link) was appointed to act as operator of the ACCESS’s Authorised Contractual Scheme (ACS). As at 31 March 2019 Link had launched 8 sub funds.

At the end of 2017/18 Essex Pension Fund had transitioned £1.945bn of its passive assets from Legal and General to ACCESS’s new provider, UBS Asset Management. During 2018/19 a further £1.532bn had been invested into sub funds managed by Link Solutions Limited.

It is anticipated that during 2019/20 further investment will be made into the ACS managed by Link.

b) Membership

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

Organisations participating in the Essex Pension Fund include:

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

There are around 650 active employer organisations within Essex Pension Fund including the county council itself.

Membership details are set out below:

31 March 2018		31 March 2019
66,449	Contributors	55,564
55,904	Deferred pensioners	70,832
40,528	Pensioners	42,430
162,881		168,826

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with The LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2019. Employees can also opt to pay a reduced contribution. This is commonly referred to as the “50/50 option”. At any time an active member can opt to pay half of their normal contribution. This option results in the pension built up during this time being reduced by half. Employee contributions are matched by employers’ contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2016. Details can be found in Section 4 and on the website www.essexpensionfund.co.uk

d) Benefits

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

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

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For more details, please refer to the Essex Pension Fund website www.essexpensionfund.co.uk and Section 3 of this report.

Notes to the Accounts

1 Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 issued by CIPFA which is based upon International Financial Reporting Standards (IFRS) as amended for UK public sector.

The financial statements summarise the Fund's transactions for the financial year ended 31 March 2019 and its position as at 31 March 2019. They report the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. However, a statement calculating the Fund's Actuarial present value of promised retirement benefits (IAS26) as at 31 March 2019 using IAS19 methodology is included in the notes to the accounts and can be found in Note 15. The actuarial position of the scheme as at 31 March 2016 is dealt with in Section 4 the report of the consulting actuary and these statements should be read in conjunction with them.

The accounts are prepared on a going concern basis.

2 Accounting Policies

Fund Account – Revenue Recognition

2.1 Contribution income

Normal Contributions (also referred to as Primary Contributions), both from the members and from the employer, are accounted for on an accruals basis as follows:

- Employee contributions rates are set in accordance with LGPS regulations using common

percentage rates for all schemes which arise according to pensionable pay.

- Employer contributions are set at the percentage rate recommended by the Fund Actuary in the payroll period to which it relates.

Employer deficit funding contributions (also referred to as Secondary Contributions) are accounted for on the due dates on which they are payable under the schedule of contributions set by the Fund Actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and financial strain contributions are accounted for in the period in which the liability arises. Any amounts due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term assets.

2.2 Transfers to and from other schemes

Transfer values represent the amount received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Scheme Regulations (see Notes 4 and 6).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and included in transfers in (Note 4).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

2.3 Investment income

2.3.1 Dividend income

Dividend income is recognised in the Fund Account on the date the shares are quoted ex-dividend. Any amounts not received by 31 March are disclosed in the Net Asset Statement as other investment balances due. Investment income also includes withholding tax where this cannot be recovered. The amount of irrecoverable withholding tax is disclosed as a separate line item on the face of the Fund Account and a more detailed breakdown can be found in Note 10 of the accounting notes that accompany these financial statements.

2.3.2 Interest Income

Interest income is recognised in the Fund Account on an accruals basis, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

2.3.3 Income from other investments

Income from other investments is accounted for on an accruals basis. Any amount not received by the end of the financial year is disclosed in the Net Asset Statement under other investment balances.

2.3.4 Property related income

Property related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis over the term of the lease.

Any lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents based on the future amount of a factor that changes other than with the passage of time, such as turnover rents, are only recognised when contractually due.

2.3.5 Change in market value of investments

The change in market value of investments during the year is recognised as income and comprises all realised and unrealised profits and losses during the year.

Fund Account – Expenses Recognition

2.4 Benefits payable

Under the regulations, retirees can receive a lump sum retirement grant in addition to their annual pension. Pension and lump sum retirement grants are accounted for from the date of retirement. When a member chooses to take a greater retirement grant in return for a reduced pension, these lump sums are accounted for on an accruals basis from the date that the option is exercised. Any amounts due but not paid are disclosed in the Net Asset Statement as current liabilities.

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

2.5 Taxation

The Fund is a registered public service scheme under section 1 (1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises (see Note 10).

As Essex County Council is the Administering Authority for the Fund, VAT input tax is recoverable on all Fund activities including expenditure on investment and property expenses.

2.6 Management expenses

The Fund discloses its pension fund management expenses where possible, in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses 2016.

2.6.1 Administrative expenses

All administrative expenses are accounted for on an accruals basis. All staff costs of administration part of the function are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund. In 2018/19 this totalled £2.860m (£2.377m in 2017/18).

The Fund in 2017/18 changed its policy in the treatment of administration recharges in accordance with CIPFA's guidance. In prior years admin expenses were offset by the administration income received to the Fund from employers. From 2017/18 the administration expenses are shown gross of this income. The income totalling £1.547m (£1.429m in 2017/18) is now shown under other income in the Fund Account. The change in policy has a net nil effect.

2.6.2 Oversight and governance costs

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund. In 2018/19 this totalled £1.689m (£1.436m 2017/18).

2.6.3 Investment management expenses

All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. For the investment managers who manage the main asset classes of the Fund these are broadly based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. With the investment managers who manage the alternative assets the fees are generally calculated on a commitment basis.

Some of the Fund's investments are via pooled vehicles. In the majority of cases the investment manager deducts its management fees directly i.e. the Fund are not invoiced for these costs. The gross up of management fees are offset through the change in market value of these investments.

Where an investment manager's fee invoice has not been received by the balance sheet date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund Account. In 2018/19, £2.412m of fees is based on such estimates (2017/18: £3.301m). A creditor has been raised and the actual invoice amount is shown within current liabilities.

The costs of the Investment function are charged direct to the Fund along with any direct running costs. Transaction costs, transition costs and custody fees are included within investment management expenses. The cost of obtaining investment advice from external consultants is included in governance and oversight.

Net Asset Statement

2.7 Financial Assets

Financial assets are included in the Net Asset Statement on a fair value basis (with the exception of cash and debtors, which have been dealt with on an amortised cost basis) as at the financial year end date of 31 March. The financial asset is recognised in the Net Asset Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in fair value of the asset are recognised by the Fund in the Fund Account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 9). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted where possible the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/ Investment Association, 2016). Each type of investment has been assessed and a single level has been applied based on their overall characteristics.

2.8 Valuation of investments

The value of investments as shown in the Net Asset Statement has been determined as follows:

2.9 Market quoted investments

In the majority of cases, market quoted equity investments for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

2.10 Unquoted investments

The fair value of investments for which market quotations are not readily available are determined as follows:

2.10.1 Unquoted investments

For unquoted equity and private equity limited partnerships, investments are valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers. In 2018/19, these are mainly valued as at 31 December 2018, in accordance with the guidelines issued by the British Venture Capital Association or equivalent body. As such an estimate of the valuation at 31 March 2019 has been made. The 31 December valuation is adjusted for payments made to, and received from, the private equity managers in the period 1 January to 31 March 2019.

Investments in unquoted property, private debt, timber and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.

2.11 Directly held investments

Directly held investments include investments in limited partnerships, shares in unlisted companies, trust and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pooled or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or standards set by the constituent documents of the pool or the management agreement.

2.12 Unit trust and managed funds

Unit trusts and managed funds are valued at bid prices provided by the relevant fund managers, which reflect the market value of the underlying investments. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the fund, net of applicable withholding tax.

2.13 Fixed interest investments

The value of fixed interest investments in the Fund's investment portfolio are recorded at net market value based on their current yield i.e. excludes interest earned but not paid over at the Fund year-end, which is included separately within accrued investment income and disclosed within Note 9.

2.14 Derivatives

Derivatives financial instruments are used to manage exposure to specific risks arising from its investments activities. The Fund does not hold derivatives for speculative purposes.

Derivative contract assets are held at fair value bid price and liabilities are fair valued at offer price. Changes in the fair value of derivatives are included in the change in market value (see Note 9).

Forward foreign exchange contracts outstanding at year end are stated at fair value, which is determined as the loss or gain that would arise if the outstanding contract was required to be settled on 31 March.

2.15 Dividend, Interest and Foreign Currency

Dividend, interest, purchases and sales of investments in foreign currencies have been accounted for using spot market

rates as at the date of transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

2.16 Direct Freehold and Leasehold Property Investments

Direct property investments have been valued on a fair value basis as at 31 March 2019, by Frank Knight, Chartered Surveyors in accordance with the Royal Institute of Chartered Surveyors' (RICS) valuation standards 2017 which incorporates the International Valuation Standards and the RICS UK National Supplement effective from January 2019. The valuer's opinion of market value and existing use value was primarily derived using comparable recent market transactions on arm's-length terms.

2.17 Cash and Cash Equivalents

Cash comprises of cash in hand and demand deposits.

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

2.18 Financial Liabilities

A financial liability is recognised in the Net Asset Statement on the date the Fund becomes party to the liability. The Fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the Fund as part of Change in Value of Investments.

Other financial liabilities classed as amortised cost are carried at amortised cost (i.e. the amount carried in the Net Asset Statement is the outstanding principal repayable plus accrued interest). Any interest charged is accounted for on an accruals basis and included in administrative costs.

2.19 Actuarial present value of promised retirement benefits

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

As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 15).

2.20 Financial instruments

Financial assets are recognised by the Fund on the Balance Sheet only when goods or services have been provided or rendered to a third party. Financial liabilities are recognised when the goods or services ordered from a third party have been received by the Fund and the third party has performed its contractual obligations.

The Fund currently only has liabilities carried at amortised cost and the carrying amount for instruments that will mature within the next twelve months from the balance sheet date is assumed to equate to the fair value.

The fair values of loans and receivables which are now referred to as financial assets at amortised cost at 31st March have been reviewed and were assessed as being the same as the carrying amounts in the balance sheet. Assets

are carried in the balance sheet at fair value. The values are based on the bid price.

When an asset or liability is translated at balance sheet date the gain / loss are taken as unrealised but when the asset or liability is settled (i.e. received / paid) the gain / loss becomes realised.

The Fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

2.21 Additional Voluntary Contribution

The Essex Pension Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund. AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of funds) Regulations 2016 but are disclosed for information in Note 12.

2.22 Contingent assets and Contingent liabilities

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the Pension Fund's control.

Contingent liabilities are possible obligations that arise from past events whose existence will only be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the Pension Fund's control.

Contingent assets and liabilities are not recognised in the financial statements but are disclosed as a note to the accounts.

2.23 Critical judgements in applying accounting policies

In applying the accounting policies set out above, the Fund has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Fund Accounts are:

2.23.1 Use of financial instruments

The Fund uses derivatives financial instruments to manage its exposure to specific risks arising from its investments. The valuation of these types of investments is highly subjective in nature. They are inherently based on forward-looking estimates and judgements that involve many factors.

2.23.2 Unquoted private equity

Unquoted private equities are valued by the investment managers using guidelines set out by the British Venture Capital Association. The value of unquoted private equities as at 31 March 2019 was £321.5m (£299.5m as at 31 March 2018).

2.23.3 Infrastructure

Overseas infrastructure values are determined in accordance with generally accepted valuation principles in compliance with Article 5 (3) of the Luxembourg law of 15 June 2004 on investment companies in risk capital and using guidelines set out by the International Private Equity and Venture Capital (IPEV) Valuation Guidelines.

The value of infrastructure as at 31 March 2019 was £356.0m (£297.8m as at 31 March 2018).

2.23.4 Timber

Timber valuations are determined by independent appraisers that typically estimate fair market values in

accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and standards of professional appraisal practice that prevail in the countries where assets are located. The value of timber as at 31 March 2019 was £212.4m (£109.9m as at 31 March 2018).

2.23.5 Pension fund liability

The pension fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS19. Assumptions underpinning the valuation are agreed with the actuary and are summarised in the Statement by Consulting Actuary shown in Section 4 of this report. This estimate is subject to significant variances based on changes to the underlying assumptions.

As permitted under IAS26, the Fund has opted to disclose the actuarial present value of the promised retirement benefits by way of a note to the Net Asset Statement. This is shown in Note 15.

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

The Fund Accounts contains estimated figures that are based on assumptions made about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Net Asset Statement at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Approximate effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits*	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	<p>A 0.1% p.a. decrease in the discount rate assumption would result in an increase in the pension liability of £89m.</p> <p>An increase of the CPI assumption by 0.1% p.a. increases the value of liabilities by approximately £76m.</p> <p>A 0.1% p.a. increase in the long-term rate of salary increase would increase the value of liabilities by approximately £8m.</p> <p>Increasing the long-term rate of improvement used in the mortality projection by 0.25% p.a. would increase the liability by approximately £54m.</p>
Freehold and Leasehold property Pooled Property Funds	Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, but where this is not possible management uses the best available data. Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property.	The effect of variations in the factors supporting the valuation could result in an increase or decrease in the value of directly held property by +/- 10% i.e. an increase or decrease of £38.33m, on current value of £383.3m. (Note 16.6)
Private equity / infrastructure / timber/private debt	Private equity investments are valued at fair value in accordance with British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure/timber and private debt investments in the financial statements are £1,008.6m. There is a risk that this investment may be under or overstated in the accounts, totalling an increase/decrease of £100.50m. (Note 16.6)

* Results are taken from the 2016 Actuarial Valuation

2.25 Events after the reporting date

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period), and

- b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

For example, if there had been a marked decline in the global stock markets that would impact upon the market value of the fund's investments were they to be valued as at the date the accounts were authorized for issue, this would be deemed a non-adjusting post-balance-sheet event and would be disclosed in this note.

An example of an adjusting event would be if new information came to light regarding the methodology employed in the valuation of an asset.

2.26 Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 requires the disclosure of any accounting standards issued but not yet adopted. No such accounting standards have been identified for 2018/19.

3 Contributions Receivable

3.1 By category

2017/18 £000		2018/19 £000
56,186	Employee's normal contributions	57,799
	Employers' contributions	
140,926	Normal contributions	146,065
75,342	Deficit recovery contributions	30,313
3,664	Augmentation contributions	5,609
219,932	Total employer contributions	181,987
276,118	Total	239,786

The terminology for both employer contribution categories have now been changed as follows:

- Employer normal contributions – Primary contributions
- Deficit contribution – Secondary contributions
- Employer augmentation relates to payments for the cost of early retirements

In 2015/16 Essex County Scout Council entered into a five-year cessation plan. The fourth instalment of £0.030m was received in 2018/19 (£0.030m in 2017/18). One further payment of £0.030m will be due in 2019/20.

In 2016/17 Southend Domestic Abuse Projects entered into a payment plan, agreeing 5 years of instalments totalling £75,700 to be reviewed at the March 2019 valuation. In 2018/19 payments totalled £0.018m (2017/18 £0.010m).

In 2017/18 final termination amounts were received from Spurgeons £0.052m, Tendring Enterprise Studio School MAT £0.087m and Churchill Epping St John contract £0.008m.

In 2018/19 no new final termination amounts were received.

3.2 By type

2017/18			2018/19	
Member £000	Employer £000		Member £000	Employer £000
16,191	50,011	Administering Authority	15,475	49,525
36,661	157,969	Scheduled Bodies	38,890	119,077
1,712	7,028	Community Admission Bodies	1,908	8,682
1,321	3,977	Transferee Admission Bodies	1,205	3,654
301	947	Resolution Bodies	321	1,049
56,186	219,932	Total	57,799	181,987

4 Transfers in from other schemes

2017/18		2018/19
Transfers in £000		Transfers in £000
-	Group transfers	-
10,877	Individual transfers	10,796
10,877	Total	10,796

During 2018/19 and 2017/18 no group transfers from other schemes were received.

5 Benefits Payable

By type

2017/18				2018/19		
Pensions	Commutation pensions & lump sum	Lump sum death benefits		Pensions	Commutation pensions & lump sum	Lump sum death benefits
£000	£000	£000		£000	£000	£000
67,776	10,514	1,861	Administering Authority	71,791	12,831	1,355
102,914	20,515	3,150	Scheduled Bodies	108,880	20,611	3,745
11,588	2,234	253	Community Admission Bodies	12,194	2,395	62
6,523	1,689	117	Transferee Admission Bodies	7,039	2,119	432
624	120	145	Resolution Bodies	707	378	5
189,425	35,072	5,526	Total	200,611	38,334	5,599

6 Transfers out to other schemes

2017/18 Transfers out £000		2018/19 Transfers out £000
1,719	Group transfers	19,381
9,778	Individual transfers	10,923
11,497	Total	30,304

In 2018/19 a bulk transfer of £19.381m was made in respect of Epping College to London Pension Fund Authority following a college merger.

In 2017/18 a bulk transfer of £1.719m was made in respect of Essex Police to West Yorkshire Pension Fund.

7 Management Expenses

7.1 By Type

2017/18 £000		2018/19 £000
2,377	Administrative costs	2,860
40,732	Investment management expenses	44,372
1,436	Oversight and governance	1,689
44,545	Total	48,921

The direct running costs recharged back to the Fund are apportioned out as per the CIPFA guidance on LGPS Management Costs.

Administration costs are now shown gross of administration income received from employers. Administration Income received in from employers totalled £1.547m for 2018/19 (£1.429m in 2017/18) and is now shown within 'Other Income'.

Investment transaction costs are shown within Note 7 under Investment management expenses these were £0.783m for 2018/19 (£0.791m in 2017/18). The Fund in 2018/19 also incurred transition costs of £0.240m as a result of moving assets into sub funds managed by Link Solutions Limited, the ACCESS Pool Operator.

ACCESS set up costs were £0.116m for 2018/19 (£0.094m in 2017/18). These costs are shown under oversight and governance costs line of the above note.

External audit costs were £0.030m for 2018/19, which includes the audit fee of £0.024m (£0.031m in 2017/18, which includes the audit fee of £0.031m).

7.2 Investment Management Expenses

2017/18 £000		2018/19 £000
39,522	Management fees	43,201
419	Custody fees	388
791	Transaction Costs	783
40,732	Total	44,372

8. Investment Income

8.1 By type

2017/18 £000		2018/19 £000
30,092	Dividends from equity	32,488
403	Income from index linked securities	-
7,257	Private Equity Income	2,505
15,943	Infrastructure/timberland Income	17,301
9,785	Managed fund income	10,100
7,001	Income from pooled property investments	7,926
22,032	Net rent from property	13,976
712	Interest from cash deposits	2,204
446	Other	2,142
93,671	Total investment income showing net property rent	88,642
2,943	Add back: Property Operating Expenses	3,645
96,614	Total investment income showing gross property rent	92,287

In line with best practice guidelines, the note that accompanies investment income requires the Fund to show rent from property net of other property income and operating property expenses. However, rent from property which is included under 'investment income' in the Fund Account is shown on a gross basis.

8.2 Investment property net rental

2017/18 £000		2018/19 £000
22,711	Rental Income from investment property	17,214
(2,670)	Direct operating expenses arising from investment property	(3,535)
20,041	Total	13,679

8.3 Contracted rental receivable

The table below shows the contractual amount of rental income due to the Fund as at 31 March:

2017/18 £000		2018/19 £000
18,472	Within one year	15,733
50,676	Between one and five years	45,826
39,784	Beyond five years	47,553
108,932	Total	109,112

The above disclosure has been reduced by a loss allowance of 1.5% per annum reflecting the Fund's expected loss from late or non-recovery of rents from tenants. This is based on fund information for the year to 31 March 2019. 2017-18 figures have not been restated.

8.4 Movement in the fair value of investment properties

	Freehold £000	Leasehold £000	Total £000
Fair value at 1 April 2017	297,415	68,770	366,185
Additions	43,359	-	43,359
Disposals	(36,769)	-	(36,769)
Net gain/loss on fair value	19,380	1,730	21,110
Fair value at 31 March 2018	323,385	70,500	393,885
Additions	7,870	12,295	20,165
Disposals	(44,507)	-	(44,507)
Net gain/loss on fair value	16,232	(2,525)	13,707
Fair value at 31 March 2019	302,980	80,270	383,250

9 Investments

9.1 Value of investments by fund manager

The value of investments held by each manager on 31 March was as follows:

2018			2019	
£000's	%		£000's	%
		Investments managed inside the ACCESS Pool		
-	-	Link Asset Solutions - Long Term Global Growth Fund	507,346	7.2
-	-	Link Asset Solutions - Global Dividend Fund	535,454	7.7
-	-	Link Asset Solutions - Global Equity Fund	489,312	7.0
1,944,508	30.0	UBS Asset Management	2,044,941	29.2
1,944,508	30.0	Investments managed inside the ACCESS Pool	3,577,053	51.1

2018			2019	
£000's	%		£000's	%
Investments managed outside ACCESS Pool				
115,609	1.8	Alcentra Ltd	121,851	1.7
657,480	10.1	Aviva Investors	669,887	9.6
685,061	10.6	Baillie Gifford and Co	184	-
315,277	4.9	Stewart Investors (formerly First State)	335,403	4.8
242,166	3.7	Goldman Sachs Asset Management International	404,594	5.8
333,949	5.2	Hamilton Lane	347,233	5.0
73,267	1.1	IFM Investors	85,597	1.2
73,749	1.1	JP Morgan Asset Management	73,075	1.0
16	-	Legal and General Investment Management (Currency)	-	-
502,774	7.8	Longview Partners	959	-
525,588	8.1	Marathon Asset Management Ltd	587,732	8.4
471,406	7.3	M&G Investments	-	-
263,311	4.1	M&G Investments Alpha Opportunities	364,778	5.2
1	-	M&G Investments Infracapital	1	-
1,088	-	M&G Investments Financing Fund	830	-
150,740	2.3	Partners Group Management II S.à r.l	201,580	2.9
109,869	1.7	Stafford Timberland Limited	216,998	3.1
14,654	0.2	Other	10,389	0.2
4,536,005	70.0	Investments managed outside ACCESS Pool	3,421,091	48.9
6,480,513	100.0	Total	6,998,144	100.0

9.2 Reconciliation of movements in investments and derivatives for the year ended 31 March 2019

2018/19	Value at 1 April 2018 £000	2018/19 Movement					Value at 31 March 2019 £000
		Purchases £000	Net Transfers £000	Sale Proceeds £000	Change in Market Value £000	Cash Movement £000	
Fixed interest securities							
UK quoted	242,167	160,000	-	-	2,427		404,594
Equities	3,955,138	404,715	-	(633,427)	337,878		4,064,304
UK quoted	134,666	7,972	(54,523)	(27,142)	4,370		65,343
Overseas quoted	1,838,222	282,901	(864,903)	(600,574)	157,348		812,994
UK unit life assurance policies	239,889	-	-	-	7,359		247,248

2018/19	2018/19 Movement						Value at 31 March 2019 £000
	Value at 1 April 2018 £000	Purchases £000	Net Transfers £000	Sale Proceeds £000	Change in Market Value £000	Cash Movement £000	
Overseas unit life assurance policies	774,160	5,020	-	-	30,291		809,471
Global unit life assurance policies	496,794	85,000	-	-	15,342		597,136
Global unit trusts	471,407	1,714	(496,834)	(4,045)	27,758		-
ACCESS pooled global equity funds	-	22,108	1,416,260	(1,666)	95,410		1,532,122
Index linked securities (unit life assurance policies)	433,664	6	-	(63,000)	20,371		391,041
Index linked unit life assurance policies	433,664	6	-	(63,000)	20,371		391,041
UK public sector quoted	-	-	-	-	-		-
Properties	618,353	28,544	-	(49,096)	12,075	-	609,876
UK properties (freehold)	323,385	7,870	-	(44,507)	16,232		302,980
UK properties (leasehold)	70,500	12,295	-	-	(2,525)		80,270
Property unit trusts	224,468	8,379	-	(4,589)	(1,632)		226,626
Private equity	299,451	52,988	-	(88,892)	57,983	-	321,530
UK unquoted	7	-	-	-	(3)		4
Overseas unquoted	299,444	52,988	-	(88,892)	57,986		321,526
Infrastructure	297,756	66,434	-	(49,681)	41,506	-	356,015
UK unquoted	1	-	-	-	-		1
overseas unquoted	297,755	66,434	-	(49,681)	41,506		356,014
Timber (Overseas unquoted)	109,869	98,955	-	(10,895)	14,428		212,357
Private Debt	106,570	24,515		(15,217)	2,786	-	118,654
UK unquoted	29,676	-	-	(136)	864		30,404
Overseas unquoted	76,894	24,515	-	(15,081)	1,922		88,250
Other managed funds	-						
UK unquoted	264,399	105,015	-	(1,529)	(2,277)		365,608
Cash							
Cash deposits held at the custodian/other	149,108	-	-	(5,133)	5,133	(3,147)	145,961
Sterling	85,487					(1,818)	83,669
Foreign currency	63,621	-	-	(5,133)	5,133	(1,329)	62,292
	-						
	6,476,475	941,172	-	(916,870)	492,310	(3,147)	6,989,940

2018/19	2018/19 Movement						Value at 31 March 2019 £000
	Value at 1 April 2018 £000	Purchases £000	Net Transfers £000	Sale Proceeds £000	Change in Market Value £000	Cash Movement £000	
Other investment balances							
Assets	36,703						7,995
Amounts receivable for sales of investments	30,932						60
Investment income due	5,771						7,892
Amounts payable in respect of GLF	-						43
Liabilities	(5,095)						(209)
Amounts payable for purchase of investments	(3,971)						(56)
Investment withholding tax payable	(143)						(153)
Amounts payable in respect of GLF	(981)						-
Derivative pending foreign currency contracts*	(27,570)						418
Assets	18,489						11,216
Liabilities	(46,059)						(10,798)
	6,480,513						6,998,144

The change in market value includes all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments since 1 April.

For 2018/19 the total transaction costs were £0.783m (£0.791m in 2017/18). These are included within investment management expenses (Note 7).

* Investment managers operate in global markets and need to transact in different currencies in order to settle trades. At the end of the year the outstanding balance of these trades are disclosed in note 9.2.

9.3

Reconciliation of movements in investments and derivatives for the year ended 31 March 2018

2017/18	2017/18 Movement						Value at 1 March 2018 £000
	Value at 1 April 2017 £000	Purchases £000	Net Transfers £000	Sale Proceeds £000	Change in Market Value £000	Cash Movement £000	
Fixed interest securities							
UK quoted	241,885	-	-	-	282		242,167
Equities	3,797,199	475,572	24,659	(546,860)	204,568		3,955,138
UK quoted	150,362	31,721	-	(38,511)	(8,906)		134,666
Overseas quoted	1,640,941	411,571	-	(370,576)	156,286		1,838,222
UK unit life assurance policies	265,569	-	605	(35,901)	9,616		239,889
Overseas unit life assurance policies	782,461	30,312	(8,846)	(63,496)	33,729		774,160
Global unit life assurance policies	484,099	140	32,900	(33,996)	13,651		496,794
Global unit trusts	473,767	1,828	-	(4,380)	192		471,407
Index linked securities	252,209	186,658	39,251	(46,723)	2,269		433,664
Index linked unit life assurance policies	137,996	178,043	148,498	(38,606)	7,733		433,664
UK public sector quoted	114,213	8,615	(109,247)	(8,117)	(5,464)		-
Properties	578,026	55,247	-	(55,292)	40,372		618,353
UK properties (freehold)	297,415	43,359	-	(36,769)	19,380		323,385
UK properties (leasehold)	68,770	-	-	-	1,730		70,500
Property unit trusts	211,841	11,888	-	(18,523)	19,262		224,468
Private equity	297,552	56,640	-	(77,110)	22,369	-	299,451
UK unquoted	21	-	-	-	(14)		7
Overseas unquoted	297,531	56,640	-	(77,110)	22,383		299,444
Infrastructure	191,819	177,427	-	(87,052)	15,562	-	297,756
UK unquoted	31,296	-	-	(31,742)	447		1
overseas unquoted	160,523	177,427	-	(55,310)	15,115		297,755
Timber (Overseas unquoted)	101,983	18,439	-	(3,714)	(6,839)		109,869
Private Debt	101,367	18,641	-	(15,988)	2,550	-	106,570
UK unquoted	28,252	-	-	(124)	1,548		29,676
Overseas unquoted	73,115	18,641	-	(15,864)	1,002		76,894
Other managed funds							
UK unquoted	261,836	4,558	-	(6,842)	4,847		264,399

2017/18	2017/18 Movement						Value at 1 March 2018 £000
	Value at 1 April 2017 £000	Purchases £000	Net Transfers £000	Sale Proceeds £000	Change in Market Value £000	Cash Movement £000	
Cash	-						
Cash deposits held at the custodian/other	156,226	-	-	(106,885)	106,885	(7,118)	149,108
Sterling	102,074					(16,587)	85,487
Foreign currency	54,152			(106,885)	106,885	9,469	63,621
	5,980,102	993,182	63,910	(946,466)	392,865	(7,118)	6,476,475
Other investment balances							
Assets	9,084						36,703
Amounts receivable for sales of investments	2,663						30,932
Investment income due	6,421						5,771
Liabilities	(2,977)						(5,095)
Amounts payable for purchase of investments	(2,619)						(3,971)
Investment withholding tax payable	(255)						(143)
Amounts Payable in respect of GLF	(103)						(981)
Derivative pending foreign currency contracts	(1,397)						(27,570)
Assets	20,544						18,489
Liabilities	(21,941)						(46,059)
	5,984,812						6,480,513

9.4 Analysis of investments by asset type

31 March 2018 £000		31 March 2019 £000
242,167	Fixed interest securities	404,594
	UK quoted	
3,955,138	Equities	4,064,304
134,666	UK quoted	65,343
1,838,222	Overseas quoted	812,994
239,889	UK unit life assurance policies	247,248
774,160	Overseas unit life assurance policies	809,471
496,794	Global unit life assurance policies	597,136
471,407	Global unit trusts	-
-	ACCESS pooled global equity funds	1,532,112
433,664	Index-linked securities	391,041
433,664	UK unit linked life assurance policies	391,041

31 March 2018 £000		31 March 2019 £000
-	UK public sector quoted	-
618,353	Property	609,876
323,385	UK properties (freehold)	302,980
70,500	UK properties (leasehold)	80,270
224,468	Property unit trusts	226,626
299,451	Private Equity	321,530
7	UK unquoted	4
299,444	Overseas unquoted	321,526
297,756	Infrastructure	356,015
1	UK unquoted	1
297,755	Overseas unquoted	356,014
109,869	Timber: Overseas unquoted	212,357
106,570	Private Debt	118,654
29,676	UK unquoted	30,404
76,894	Overseas unquoted	88,250
264,399	Other managed funds: UK unquoted	365,608
(27,570)	Derivative contracts	418
18,489	Assets: Derivative pending foreign currency contracts	11,216
(46,059)	Liabilities: Derivative pending foreign currency contracts	(10,798)
	Cash Deposits	
149,108	Cash deposits held at custodian/other	145,961
85,487	Sterling	83,669
63,621	Foreign currency	62,292
6,448,905		6,990,358
	Other investment balances	
36,703	Assets	7,995
30,932	Amounts receivable for sales of investments	60
5,771	Investment income due	7,892
-	Amounts payable to GLF	43
(5,095)	Liabilities	(209)
(3,971)	Amounts payable for purchase of investments	(56)
(143)	Investment withholding tax payable	(153)
(981)	Amounts payable to GLF	-
6,480,513	Value at 31 March	6,998,144

9.5 Analysis of pooled investments representing 5% or more of net assets

The Fund holds the following investment in unit trusts/pooled vehicles at 31 March which are in excess of 5% of the value of the Fund:

31 March 2018			31 March 2019		
£000	%		£000	%	
496,794	7.6	UBS Asset Management Life All World Equity Tracker Hedged	597,136	8.5	
-	-	Link Fund Solutions Global Dividend Fund	535,454	7.6	
-	-	Link Fund Solutions LTGG Fund	507,346	7.2	
-	-	Link Fund Solutions Global Equity Fund	489,312	7.0	
242,166	3.7	Goldman Sachs Strategic Absolute Fund	404,594	5.8	
433,664	6.7	UBS Asset Management Life Over 5 Year Index Tracker	391,041	5.6	
345,618	5.3	UBS Asset Management Life USA Equity Tracker Hedged	370,615	5.3	
263,311	4.0	M&G Alpha Opportunity Fund	364,778	5.2	
471,407	7.2	M&G Global Dividend Fund	-	-	

9.6 Analysis of derivatives

9.6.1 Objectives and policies for holding derivatives

Most of the holdings in derivatives are to hedge liabilities or hedge exposure to reduce risk in the Fund. Derivatives may be used to gain exposure to an asset more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment agreement agreed between the Fund and the various investment managers.

9.6.2 Forward foreign currency

In order to maintain appropriate diversification and to take advantage of overseas investment returns, 67.3% (67.0% in 2017/18) of the Fund's NAS is in overseas assets as at 31 March 2019. To reduce some of the volatility associated with fluctuating currency rates (currency risk) the Fund invests in hedged overseas regional index funds via its passive provider UBS Asset Management.

9.6.3 Analysis of open forward currency contracts as at 31 March 2019

Settlement	Currency Bought	Local value 000	Currency sold	Local value 000	Asset value £000	Liability value £000	Net value £000
Up to one month	GBP	11,181	EUR	(12,484)	11,181	(10,763)	418
Up to one month	GBP	26	PHP	(1,768)	26	(26)	-
Up to one month	USD	2	HKD	(15)	2	(2)	-
Up to one month	USD	10	JPY	(1,050)	7	(7)	-
Open forward currency contracts at 31 March 2019					11,216	(10,798)	418
Open forward currency contracts at 31 March 2018					8,362	(35,932)	(27,570)

9.6.4 Analysis of open forward currency contracts as at 31 March 2018

Settlement	Currency Bought	Local value £000	Currency sold	Local value £000	Asset value £000	Liability value £000	Net value £000
Up to one month	AUD	84,216	GBP	(47,559)	-	(1,512)	(1,512)
Up to one month	CAD	84,841	GBP	(48,014)	-	(1,105)	(1,105)
Up to one month	CHF	76,700	GBP	(58,988)	-	(1,889)	(1,889)
Up to one month	EUR	289,830	GBP	(256,813)	-	(2,709)	(2,709)
Up to one month	EUR	85	USD	(105)	-	-	-
Up to one month	GBP	47,735	AUD	(84,216)	1,688	-	1,688
Up to one month	GBP	48,536	CAD	(84,841)	1,627	-	1,627
Up to one month	GBP	57,861	CHF	(76,700)	762	-	762
Up to one month	GBP	268,227	EUR	(305,026)	795	-	795
Up to one month	GBP	179,129	JPY	(27,605,832)	-	(5,915)	(5,915)
Up to one month	GBP	25,502	SEK	(285,911)	1,164	-	1,164
Up to one month	GBP	1,156,985	USD	(1,619,826)	2,325	-	2,325
Up to one month	GBP	232	HKD	(2,558)	-	-	-
Up to one month	JPY	27,605,832	GBP	(187,928)	-	(2,884)	(2,884)
Up to one month	JPY	201,329	USD	(1,896)	-	(2)	(2)
Up to one month	SEK	285,911	GBP	(25,071)	-	(733)	(733)
Up to one month	USD	1,871	CHF	(1,792)	-	(1)	(1)
Up to one month	USD	1,621,059	GBP	(1,174,719)	-	(19,181)	(19,181)
Up to one month	USD	180	SEK	(1,503)	-	-	-
Up to one month	USD	78	DKK	(469)	-	-	-
Up to one month	ZAR	1,792	USD	(152)	-	(1)	(1)
Up to one month	MXN	2,692	USD	(147)	1	-	1
Open forward currency contracts at 31 March 2018					8,362	(35,932)	(27,570)
Open forward currency contracts at 31 March 2017					9,144	(10,541)	(1,397)

10 Taxation

The table below provides a breakdown of the taxes paid by the Fund in the UK and overseas.

2017/18 £000	2018/19 £000
102 UK withholding tax	78
3,264 Overseas withholding tax	3,704
599 Payment to HMRC in respect of returned contributions	865
3,965 Total	4,647

11 Current Assets and Liabilities

Current Assets

11.1 Analysis of current assets

31 March 2018		31 March 2019	
£000		£000	£000
Cash Balances			
80	Cash at bank	627	
23,649	Cash on short term deposits within 3 months	14,148	
23,729			14,775
Debtors and payments in advance			
4,291	Contributions due – employees	4,475	
14,263	Contributions due – employers	15,213	
1,390	Sundry debtors	1,872	
19,944			21,560
43,673	Total		36,335

11.2 Analysis of long term debtors by type

31 March 2018		31 March 2019	
£000		£000	
39	Financial strain instalments due	-	
2,830	Other employer contributions due	1,514	
-	Reimbursement of lifetime allowances	73	
2,869	Total		1,587

Introduced in 2016 the life time allowance limits the amount of pension that can be paid by an individual pensioner without incurring an extra tax charge. Responsibility falls to the pensioner however the Fund offers the facility to pay all/some of the tax upfront on the individual's behalf and are reimbursed by additional pension deductions over time. A long-term debtor has been raised in 2018/19 in this regard.

11.3 Contingent assets

To protect the Fund from employers defaulting the Funding Strategy sets out safeguards to be in place on all new admission agreements. These can include a guarantee from another Fund employer with sufficient covenant strength, and a surety bond or other contingent asset.

Current Liabilities

11.4 Analysis of current liabilities

31 Mar 2018 £000	31 Mar 2019 £000
Unpaid benefits and other current liabilities	
(179) Contributions due – employers	(791)
(3,483) Investment manager fees payable	(2,674)
(4,229) Benefits payable	(5,295)
(281) Other	(18)
(8,172) Total	(8,778)

11.5 Contingent Liabilities and Contractual Commitments

As at 31 March 2019 the Fund had a commitment to contribute a further £512.6m to its existing partnership investments, including private equity, infrastructure, illiquid debt, timber and financing (£563.7m as at 31 March 2018). The amounts called by these funds are irregular in both size and timing over a period of between five to ten years from the date of each original commitment.

12 Additional Voluntary Contributions (AVC) Investments

AVC's are not included in the accounts in accordance with section 4(2) (b) of the Local Government Pension Scheme (Management and Investments of Funds) Regulations 2009 but are disclosed as a note only.

The AVC providers to the Fund are The Equitable Life Assurance Society, Prudential and Standard Life. The assets of these investments are held separately from the Fund. The AVC providers secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in these arrangements each receive an annual statement confirming the amounts held in their account and the movements in the year.

The Fund relies on individual contributors to check that deductions made on their behalf are accurately reflected in the statements provided by the AVC providers. A summary of the information provided by Equitable Life, Prudential and Standard Life to the Fund is shown in the table below:

12.1 Reconciliation of movements in AVC Investment for the year ended 31 March

2017/18 £000	2018/19 £000
6,336 Value of AVC fund at beginning of year	7,302
1,741 Employees contributions	1,982
173 Investment income and change in market value	247
(948) Benefits paid and transfers out	(1,115)
7,302	8,416

12.2 Analysis of AVC investments by Provider

2017/18 £000	2018/19 £000
94 Equitable Life	50
2,523 Prudential	3,768
4,685 Standard Life	4,598
7,302	8,416

13 Related Party Transactions

The Fund is required to disclose material transactions with bodies or individuals that have the potential to control or influence the Council, or to be controlled or influenced by the Council. The intention in making this disclosure is to make explicit the extent to which the Fund might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to negotiate freely with the Fund.

13.1 Administration of the Fund

The Essex Pension Fund is administered by Essex County Council.

The Council incurred gross costs of £3.001m (£2.713m in 2017/18) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Fund and contributed £49.525m to the Fund in 2018/19 (£50.011m in 2017/18). No significant amounts were owing to and due to be paid from the Fund in the year.

The Fund has in place a separate bank account arrangement with the County Council. Surplus cash is invested by the County Council treasury management team on the sterling money market, in accordance with the Essex Pension Fund treasury management policy and strategy as agreed by the Essex Pension Fund Investment Steering Committee on 28 March 2018. This service is provided to the Fund at a cost of £0.027m (£0.027m in 2017/18).

During the year to 31 March 2019, the Pension Fund had an average investment balance of £31.296m (£30.786m in 2017/18) earning £0.176m interest (£0.084m in 2017/18).

13.2 Governance

Under IAS24 'Related Party Disclosures' it is a requirement that material transactions with related parties, not disclosed elsewhere, should be included in a note to the financial statements. During the year each member of the Essex Pension Board and Investment Steering Committee is required to declare their interests at each meeting. None of the Essex Pension Strategy Board Members, Investment Steering Committee Members or Senior Officers undertook any material transactions with the Essex Pension Fund. There were no material contributions due from the employer bodies at the end of the year that remained outstanding after the due date for payment.

13.3 Members of the LGPS

Essex County Council administers the LGPS for its own employees and numerous other bodies. Under legislation introduced in 2003/04, Councillors were also entitled to join the Pension Fund. However, under new legislation introduced from 1 April 2015 the entitlement of Councillors to join the Pension fund has now been removed. After the local County elections of May 2017 all active Councillors membership changed to deferred. Those Members of the Essex Pension Fund Strategy Board and Investment Steering Committee who, during 2018/19, were also members of the LGPS are listed below:

County Councillors	S. Barker M. Maddocks A. Davies A. Erskine
Representative of scheme employers	C. Riley
Representative of scheme members	S. Child
Representative of smaller employing bodies	J. Moore

From 1 April 2015 pension funds were required to establish a local Pensions Board under section 5 of the Public Service Pensions Act 2013 and Local Government Pension Scheme Regulations 2013.

Members of this new Board (Essex Pension Fund Advisory Board), who, during 2018/19, were also members of the LGPS are listed below:

Representatives of scheme employers	J. Durrant S. Walsh
Representative of scheme members	A. Coburn P. Hewitt J. Hunt M. Paget until Dec 2018

The employees of Essex County Council who held key positions in the financial management of the Essex Pension Fund during 2018/19 were the Executive Director for Corporate and Customer Services, the Director for Essex Pension Fund and the Head of Essex Pension Fund. During 2018/19 approximately 2% of the Executive Director for Corporate and Customer Services time was spent on the Pension Fund, with the other officers spending 100% of their time in this way. As a consequence, the short-term benefits (i.e. pay) associated with the time spent by these staff working on the Fund during 2018/19 was £0.161m (£0.157m in 2017/18). The 2018/19 current service cost in respect of these personnel was £0.105m (£0.110m in 2017/18). The current service cost is the increase in the value of the Fund's future pension liabilities arising out of employee's on-going membership of the Fund.

14 Agency Services

The Essex Pension Fund pays discretionary awards to former employees of current and former employers' of the Fund. The amounts paid are not included within the Fund Account but are provided as a service and are fully reclaimed from the employers. The sums are disclosed below:

2017/18 £000	2018/19 £000
1,463 Administering Authority	1,456
5,239 Scheduled Bodies	5,209
132 Community Admission Bodies	138
2 Resolution Bodies	2
22 Former Employers	20
6,858	6,825

15 Actuarial Present Value of Promised Retirement Benefit

15.1 Actuarial Valuation 2016

An actuarial valuation of the Essex Pension Fund was carried out as at 31 March 2016 to determine the contribution rates with effect from 1 April 2017 to 31 March 2020.

On the basis of the assumptions adopted, the valuation revealed that the value of the Fund's assets of £4,993m (on a smoothed basis) represented 89% of the Funding Target liabilities of £5,598m at the valuation date. The valuation also showed that a primary rate of contribution of 16.3% of Pensionable Pay per annum was required from employers. The primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

In practice, each individual employer's position is assessed separately and the contributions required are set out in section 4 of this publication. In addition to the certified contributions, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Different approaches adopted in implementing contribution increases and deficit recovery periods are as determined through the FSS consultation process.

The valuation was carried out using the projected unit actuarial method. Full details of the actuarial assumptions are contained within the full valuation report that is available from www.essexpensionfund.co.uk, but the main financial assumptions used for assessing the Funding Target and the common contribution rate were as follows:

	Past and Future liabilities Rate per annum
Rate of discount	5.10%
Short term pay increase	In line with CPI assumptions for 31 March 2016 to 31 March 2020
Long term pay increase	3.90%
Rate of increase to pensions in payment	2.40%
Pension increases on GMP	Funds will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that Funds will be required to pay the entire inflationary increases.

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2019. Based on the results of this valuation, the contributions payable by the individual employers will be revised with effect from 1 April 2020.

15.2 IAS 19 Actuarial present value of promised retirement benefits

Many of the Fund's employers comply with the accounting disclosure requirements of either IAS 19 or FRS 102. These accounting standards specify the approach taken when calculating liabilities for disclosure in an employer's annual accounts. IAS 19 / FRS 102 do not determine the employer contribution. Employer contributions are determined via the Actuarial Valuation as described above.

15.3 IAS 26 – Total Fund: Actuarial present value of promised retirement benefits

Separate to the Actuarial Valuation, IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed. For this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used in the Actuarial Valuation for funding purposes.

In order to assess the present value of the Fund's obligation on this basis, the Actuary, allowing for the different financial assumptions required under IAS 19 has used a roll forward approach in valuing the Fund's liabilities which were last calculated at the triennial actuarial valuation as at 31 March 2016.

Liabilities are valued using a discount rate based on corporate bond yields.

An estimate of the Fund's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). The approach

has changed from the “spot rate” approach adopted at the previous accounting date to reflect national auditor preferences.

The duration of the Fund’s liabilities is the weighted average time to pay each future expected cashflow for each member. This is based on the data from the last actuarial valuation. The Fund’s liability duration as at 31 March 2019 is 19 years which in turn means a discount rate of 2.4% per annum (2.55% as at 31 March 2018).

McCloud/Sargeant ruling-Two employment tribunal cases in respect of the Judicial and Firefighter Pension Scheme were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public services pension schemes from 1 April 2015. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination. The rulings of both cases were appealed to the Employment Appeal Tribunal and subsequently to the Court of Appeal. In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination. In June 2019 the Government was denied permission to appeal the decision to the Supreme Court. The result of the ruling has far reaching consequences for all public services pension schemes including the Local Government Pension Scheme as there is now a requirement to compensate eligible members for any discrimination suffered as a result of the transitional protections. The Government Actuaries Department (GAD) have undertaken a high-level cost analysis of the potential impact on total liabilities but as yet a remedy hasn’t either been negotiated or imposed by the Employment Tribunal, and applied to all public service schemes so the outcome for the LGPS is still unknown. The Actuary, however, applying GAD’s scenario analysis has estimated that the impact on the total liabilities at 31 March 2019 would be 0.8% of liabilities, which equates to £79.328m.

The value of the Fund’s promised retirement benefits as at 31 March 2019 was £9,805m (£9,447m as at 31 March 2018). Key financial assumptions used are:

31 Mar 2018 %	Assumption	31 Mar 2019 %
2.30	Pension increases	2.40
3.80	Salary increases	3.90
2.55	Discount rate	2.40

16 Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognised.

16.1 Classification of financial instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and Net Asset Statement headings. Direct private debt has been reclassified in 2018/19 as a financial instrument. Prior year figure has been restated by £76.894m.

Statutory debtors and creditors are excluded from the financial instrument note and only contractual debtors and creditors are shown.

The debtor figure of £23.147m as at 31 March 2019 (£22.813m as at 31 March 2018) excludes statutory debtors of £22.895m (£22.813m as at 31 March 2018).

The creditor figure of £8.778m as at 31 March 2019 (£8.172m as at 31 March 2018) excludes statutory creditors of £6.086m (£4.689m as at 31 March 2018).

In addition, financial assets held by the Fund on a direct basis for example direct property has also been excluded for the below note.

31 March 2018			31 March 2019		
Fair value through profit and loss £000 Restated	Assets at amortised cost £000	Liabilities at amortised cost £000 Restated	Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000
Financial assets					
242,167	-	-	404,594	-	-
		-			-
3,955,138	-	-	4,064,304	-	-
433,664	-	-	391,041	-	-
		-			-
224,468	-	-	226,626	-	-
299,451	-	-	321,530	-	-
237,237	-	-	265,731	-	-
109,869	-	-	212,357	-	-
106,570	-	-	118,654	-	-
264,399	-	-	365,608	-	-
		-			-
18,489	-	-	11,216	-	-
-	172,837	-	-	160,736	-
36,703	-	-	7,995	-	-
		-			-
-	-	-	-	252	-
5,928,155	172,837	-	6,389,656	160,988	-
Financial liabilities					
(46,059)	-	-	(10,798)		
(5,095)	-	-	(209)		
		-			
-	-	(3,483)	-		(2,692)
(51,154)	-	(3,483)	(11,007)	-	(2,692)
5,877,001	172,837	(3,483)	6,378,649	160,988	(2,692)
Balance at the end of the year			6,536,945		
6,046,355			6,536,945		
Total			Total		

16.2 Net gains and losses on financial instruments

Asset value as at 31 March 2018 Restated £000		Asset value as at 31 March 2019 £000
Financial assets		
259,611	Fair value through profit and loss	455,488
106,885	*Amortised cost unrealised gains	5,133
366,496	Total	460,621

Financial assets held by the Fund on a direct basis for example direct property has also been excluded for the below note. As per Note 16.1 the of gains and losses of direct private debt has been added back into 2017/18 figures following the reclassification.

The net gains and losses differ from the Fund Account by gains and losses of financial assets held directly. The gains and losses of these assets were as at £31.689m 31 March 2019 (£26.369m as at 31 March 2018).

*This amount includes the gain and loss on foreign exchange during the year 2017/18 in regard to the Fund's segregated currency overlay programme. The Fund ceased this arrangement in April 2018 and therefore there are no corresponding figures shown in the year as at 31st March 2019.

16.3 Valuation of financial instruments carried at fair value

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

16.3.1 Level 1

Financial instruments at Level 1 are those where the fair value are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Assets classified as Level 1 comprise of equities, quoted fixed securities, quoted index linked securities and unit trusts. Listed investments are shown at bid prices. The bid value of the investments is based on bid market quotation of the relevant stock exchange.

16.3.2 Level 2

Financial instruments at Level 2 are those where quoted market prices are not available, for example where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

16.3.3 Level 3

Financial instruments classified as Level 3 are those where at least one input that could have significant effect on the instruments' valuation is not based on observable market data.

Such instruments would include unquoted equity investments which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The value of the investment in private equity is based on valuations provided by the general

partners to the private equity funds in which the Essex Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IRRS and US GAAP.

Valuations are usually undertaken annually at the end of December with unaudited valuations provided by the general partner as at 31 March.

The valuations of infrastructure and timber are based on net asset value provided by the fund manager.

Fair Value Basis

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuation
Market Quoted Equities Unit Trusts Money Market Funds Absolute Returns	Level 1	Published Bid Market Price	N/A	N/A
Unit Linked Life Assurance Policies	Level 2	Valuation technique with quoted prices of a similar asset	Price of recent transactions for identical instrument	Significant change in economic circumstances or time lapse since the transaction took place
Fixed Income/ Fixed Interest Securities	Level 2	The prices are published reflecting the NAV at each dealing point but are not exchange traded	Price of recent transactions for identical instrument	Significant change in economic circumstances or time lapse since the transaction took place
Forward Foreign Exchange Derivatives	Level 2	Market exchange rates at the year end	Price of recent transactions for identical instrument	Risk of an exchange rate changing between the transaction date and the subsequent settlement date volatility of the exchange rates during the hedge period
Direct Property	Level 3	Direct Property independently valued by Knight Frank LLP in accordance with the Royal Institute of Chartered Surveyors' (RICS) Valuation Standard	Pricing inputs are unobservable and include situations where there is little market activity Estimated rental growth Covenant strength for existing tendancies Discount rate Land/building valuation surveys	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations, as could more general changes to market prices and volume of sales and purchases

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuation
Indirect Property	Level 2	Assets are based on valuations received from the Managers which are determined in accordance with the last known NAV and adjusted for subsequent capital calls and distributions and other relevant information provided by the real estate fund.	Pricing inputs are unobservable and include situations where there is little market activity Estimated rental growth Covenant strength for existing tendancies Discount rate Land/ building valuation surveys	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations, as could more general changes to market prices and volume of sales and purchases
Distressed/ Private Debt	Level 3	The valuation techniques used include comparison to recent arm's length transactions, reference to other instruments that are sustainably the same, discounted cash flow analysis, option adjusted spread models and, if applicable, enterprise valuation	These techniques may include a number of assumptions relating to variables such as credit risk and interest rates	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows, earning multiple and discount rates used in the discounted cash flow analysis
Infrastructure	Level 3	The valuation of the investment assets is determined in accordance with generally accepted valuation principles in compliance with article 5(3) of the Luxembourg law of 15 June 2004 on investment companies in risk capital	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets Valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows and fair value adjustments

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuation
Private Equity	Level 3	The valuation of the investment are carried at fair value as determined in good faith by the General Partner in accordance with the terms of the Partnership Agreement and US GAAP	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets Valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows, earning multiple and discount rates used in the discounted cash flow analysis
Timberlands	Level 3	Valuation technique is based on accepted valuation techniques that include discounted cashflow and multiple earnings	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets Valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows, earning multiple and discount rates used in the discounted cash flow analysis

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Level 1 to 3 based on the level at which the fair value is observable.

Direct private debt has been reclassified in 2018/19 as a financial asset. Prior year figures have been restated by £76.894m.

Values as at 31 March 2018				Values as at 31 March 2019		
Level 1 Quoted market prices £000	Level 2 Using observable inputs £000	Level 3 Significant unobservable inputs Restated £000		Level 1 Quoted market prices £000	Level 2 Using observable inputs £000	Level 3 Significant unobservable inputs £000
			Financial assets			
2,723,164	2,451,863	753,128	Fair value through profit and loss	2,823,039	2,648,345	918,272
172,837	-	-	Financial assets measured at amortised cost	160,988	-	-
2,896,001	2,451,863	753,128		2,984,027	2,648,345	918,272
			Non Financial assets			
		454,403	Fair value through profit and loss			473,533
			Financial liabilities			
(5,095)	(46,059)	-	Fair value through profit and loss	(209)	(10,798)	-
(3,483)	-	-	Financial liabilities measured at amortised cost	(2,692)	-	-
(8,578)	(46,059)	-		(2,901)	(10,798)	-
2,887,423	2,405,804	1,207,531	Total net assets per level	2,981,126	2,637,547	1,391,805
		6,500,758	Total Net Assets			7,010,478

16.4 Transfers between hierarchy levels

The pooled property classification was reviewed by the Fund's property manager, Aviva Investors as at 31 March 2018 and was subsequently re-categorised back to level 2. No reclassifications were made in as at 31 March 2019.

Values as at 31 March 2018			Values as at 31 March 2019		
Movement to/(from)			Movement to/(from)		
Level 1 Quoted market prices £000	Level 2 Using observable inputs £000	Level 3 Significant unobservable inputs £000	Level 1 Quoted market prices £000	Level 2 Using observable inputs £000	Level 3 Significant unobservable inputs £000
Financial assets					
Fair value through profit and loss					
Pooled property unit trusts			-	-	-
-	224,468	(224,468)	-	-	-
Movement between levels					
-	224,468	(224,468)	-	-	-

16.5 Reconciliation of fair value measurements within Level 3

2018/19	2018/19 Movement							Value at 31 March 2019
	Value at 1 April 2018	Transfer to Level 3	Purchases	Net Transfers	Sale Proceeds	Unrealised profit/loss	Realised profit/loss	
	£000	£000	£000	£000	£000	£000	£000	£000
Properties	393,885	-	20,165	-	(44,507)	7,089	6,618	383,250
UK properties (freehold)	323,385	-	7,870	-	44,507	9,614	6,618	302,980
UK properties (leasehold)	70,500	-	12,295	-	-	(2,525)	-	80,270
Private equity	299,451		52,988	-	(88,892)	3,458	54,525	321,530
UK unquoted	7		-	-	-	(3)	-	4
Overseas unquoted	299,444		52,988		(88,892)	3,461	54,525	321,526
Infrastructure	297,756		66,434	-	(49,681)	23,814	17,692	356,015
UK unquoted	1		-	-	-	-	-	1
Overseas unquoted	297,755		66,434		(49,681)	23,814	17,692	356,014
Timber (Overseas unquoted)	109,869		98,955		(10,895)	14,098	330	212,357
Private Debt	106,570		24,515	-	(15,217)	(821)	3,607	118,654
UK unquoted	29,676		-		(136)	864	-	30,404
Overseas unquoted	76,894		24,515		(15,081)	(1,685)	3,607	88,250
	1,207,531	-	263,057	-	(209,192)	47,638	82,772	1,391,806

16.6 Sensitivity of assets valued at Level 3

In consultation with its institutional consultants, Hyman Robertson, an analysis of historical data and expected return movements during the accounting periods in question was undertaken. The fund has determined that the valuation methods described in note 16.3 are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held as at 31 March 2019.

2018/19	Assessed valuation range (+/-)	Value at 1 April 2019 £000	Value on increase £000	Value on decrease £000
Freehold and leasehold properties	10%	383,250	421,575	344,925
Private equity	15%	321,530	369,760	273,301
Infrastructure	7.5%	356,015	382,716	329,314
Timber (Overseas unquoted)	5%	212,357	222,975	201,739
Private Debt	12.6%	118,654	133,604	103,704
		1,391,806	1,530,630	1,252,983

17 Nature and extent of risks arising from financial instruments

17.1 Risk and risk management

The Fund's primarily long-term risk is that the Fund assets will fall short of its liabilities i.e. promised benefits payable to members. Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole of the Fund's investments. The Fund achieves this through asset diversification to reduce its exposure to a variety of financial risks: market risk; price risk; currency risk; interest rate risk and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cashflow. The Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Investment Steering Committee (ISC). Risk management policies are established to identify and analyse the risks faced by the Fund's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

17.2 Market risk

Market risk is the possibility that financial loss might occur as a result of fluctuations in equity and commodity prices, interest rates and foreign exchange. The level of risk exposure depends on market conditions, expectation of future price and yield movements and the asset mix.

Market risk is inherent in the investments that the Fund makes. To mitigate market risk the investments are made in a diversified pool of asset classes and investment approaches to ensure a risk adjusted balance between categories. The Fund takes formal advice from its institutional investment consultant (Hymans Robertson LLP) along with the Fund's independent adviser and the portfolio is split between a number of managers and investment strategies with different benchmarks and performance targets. Full details can be found in the Investment

Strategy Statement shown in section 6 of this report and is also available from the website www.essexpensionfund.co.uk.

Investment risk and strategy are regularly reviewed by the ISC.

17.3 Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk) whether those changes are caused by factors specific to the individual instrument, its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All investments present a risk of loss of capital. The level of volatility will vary by asset class and also over time. The Fund has some diversification in the asset classes in which it invests, which seeks to reduce the correlation of price movements between different asset types, while employing specialist investment managers to best deploy capital in line with the Funds overall strategy. The LGPS investment regulations also contain prescribed limits to avoid over-concentration in specific areas.

17.4 Other price risk sensitivity analysis

In consultation with its institutional consultants, Hyman Robertson, an analysis of historical data and expected return movements during the accounting periods in question was undertaken. The table below shows the potential price movements deemed possible for the accounting period 2018/19. The percentages shown below are broadly consistent with a movement of one standard deviation in the value of the Fund's assets and assumes that all other variables in particular foreign exchange rates and interest rates remain unchanged.

31 Mar 2018 Potential market movements	Asset type	31 Mar 2019 Potential market movements
8.7%	UK bonds	8.9%
16.8%	UK equities	16.6%
17.9%	Overseas equities	16.9%
7.2%	UK index linked bonds	7.2%
14.3%	Pooled property unit trusts	14.3%
28.3%	Private equity	28.3%
11.5%	Infrastructure funds	11.8%
11.5%	Timber	11.8%
12.6%	Private Debt	12.8%
14.3%	Property	14.3%
0.5%	Cash	0.5%

Had the market price of the Fund investments increased/ (decreased) in line with the above assumptions the change in the net assets available to pay benefits would have been as follows:

31 March 2018 £000	Percentage change %	Value increase £000	Value decrease £000	Asset type	31 March 2019 £000	Percentage change %	Value increase £000	Value decrease £000
149,108	0.5%	149,854	148,362	Cash and equivalents*	145,961	0.5%	146,691	145,231
				Investment portfolio assets				
242,167	8.7%	263,236	221,098	UK bonds	404,594	8.9%	440,441	368,747
134,666	16.8%	157,290	112,042	UK equities	65,343	16.9%	76,190	54,496
1,838,222	17.9%	2,167,264	1,509,180	Overseas equities	812,994	16.9%	950,390	675,598
239,889	16.8%	280,190	199,588	UK equities unit insurance policies	247,248	16.6%	288,291	206,205
774,160	17.9%	912,735	635,585	Overseas equities insurance policies	809,471	16.9%	946,272	672,670
496,794	17.9%	585,720	407,868	Global equities insurance policies	597,136	16.9%	698,052	496,220
471,407	17.9%	555,789	387,025	Global unit trusts	-	16.9%	-	-
-	-	-	-	ACCESS pooled global equity funds	1,532,112	16.9%	1,791,039	1,273,185
433,664	7.2%	464,888	402,440	UK index linked bonds	391,041	7.2%	419,196	362,886
224,468	14.3%	256,567	192,369	Pooled property unit trusts	226,626	14.3%	259,034	194,218
299,451	28.3%	384,196	214,706	Private equity	321,530	28.3%	412,523	230,537
297,756	11.5%	331,998	263,514	Infrastructure*	356,015	11.8%	398,025	314,005
109,869	11.5%	122,504	97,234	Timber	212,357	11.8%	237,415	187,299
106,570	12.6%	119,998	93,142	Private Debt	118,654	12.8%	133,842	103,466
264,399	11.5%	294,805	233,993	Other managed funds	365,608	11.8%	408,750	322,466
393,885	14.3%	450,211	337,559	Property*	383,250	14.3%	438,055	328,445
(27,570)	-	(27,570)	(27,570)	Net derivative assets	418	-	418	418
5,771	-	5,771	5,771	Investment income due	7,892	-	7,892	7,892
(143)	-	(143)	(143)	WHT payable	(153)	-	(153)	(153)
30,932	-	30,932	30,932	Amounts receivable for sales	60	-	60	60
(3,971)	-	(3,971)	(3,971)	Amounts payable for purchases	(56)	-	(56)	(56)
-	-	-	-	Amounts receivable for GLF	43	-	43	43
(981)	-	(981)	(981)	Amounts payable for GLF	-	-	-	-
6,480,513		7,501,283	5,459,743	Total assets available to pay benefits	6,998,144		8,052,410	5,943,878

*These figures also contain the market value of non financial instruments.

17.5 Sensitivity of funding position to market conditions and investment performance

Market conditions and the underlying investment performance of the Fund's assets will have a direct impact on the funding position, albeit that a smoothed rather than spot rate methodology is used by the Fund's Actuary.

Barnett Waddingham's approach adopted at the 2016 Actuarial Valuation includes the following features:

- financial assumptions such as inflation and the discount rate are based on smoothed market indicators from around the valuation date, specifically over the six month period from 1 January 2016 to 30 June 2016. The discount rate is based on the expected investment return from the Fund's assets.
- the market value of assets at 31 March 2016 is then adjusted to also be smoothed over the same six month period so that a consistent comparison can be made with the liabilities.

17.6 Interest rate risk

The Fund invests in financial assets for the primarily purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk primarily impacts on the valuation of the Funds' bond holdings and to a lesser degree the return it receives on cash held. The Fund has three bond mandates one passive bond mandate with UBS Asset Management (from March 2018) and two bond mandates with M&G Investments (M&G) and Goldman Sachs Asset Management (GSAM) which their exposure is actively managed.

In addition, the fund has an investment in a private debt mandate.

The Fund's direct exposure to interest rate movements as at 31 March 2019 and 31 March 2018 are shown below. The underlying assets are shown at their fair value.

31 Mar 2018 £000	Asset Type	31 Mar 2019 £000
149,108	Cash and cash equivalents	145,961
23,729	Cash balances	14,775
242,167	Fixed interest securities	404,594
433,664	Index-linked securities	391,041
106,570	Private Debt	118,654
955,238	Total assets	1,075,025

17.7 Interest rate sensitivity analysis

Interest rates have remained constant but this is not always the case and can vary. As a result any variation in interest rates affects the level of income achievable and the value of the net assets of the Fund to pay benefits. The Fund's institutional consultants, Hymans Robertson have undertaken a sensitivity analysis and advised that it is reasonable in today's climate that a movement increase/(decrease) of not more than 1% on a year to year basis is possible based on past experience.

The table below shows the effect in the year on the net assets available to pay benefits of an increase/(decrease) of 1% change in interest rates assuming all other factors remain unchanged.

Asset value as at 31 March 2018 £0000	Impact of 1% increase £000	Impact of 1% decrease £000	Asset type	Asset value as at 31 March 2019 £000	Impact of 1% increase £000	Impact of 1% decrease £000
149,108	149,108	149,108	Cash and cash equivalents	145,961	145,961	145,961
23,729	23,729	23,729	Cash balances	14,775	14,775	14,775
242,167	239,745	244,589	Fixed interest securities	404,594	400,548	408,640
433,664	433,664	433,664	Index-linked securities	391,041	391,041	391,041
106,570	105,504	107,636	Private debt	118,654	117,467	119,841
955,238	951,750	958,726	Total change in assets available	1,075,025	1,069,792	1,080,258

The above analysis demonstrates that a 1% change in interest rates will only impact the fair value of fixed interest and private debt, interest received would be unaffected.

A 1% movement of interest rates on index linked securities would not impact the fair value and would have a negligible effect on interest received in the region of +/- £1k based on above asset values.

17.8 Currency risk

Currency risk is the extent to which the fair value of future cash flows of a financial asset/liability will fluctuate due to changes in exchange rates. The Fund is exposed to currency risk on all assets that are denominated in any currency other than sterling its reporting currency. To reduce the volatility associated with fluctuating currency rates (currency risk) the Fund invests in hedged overseas regional index funds via its passive provider UBS Asset Management

The following table summarises the Fund's currency exposure as at 31 March 2019 and 31 March 2018:

31 March 2018 £'000	Currency exposure – asset type	31 March 2019 £'000
1,838,222	Overseas equities quoted	812,994
774,160	Overseas unit life assurance policies	809,471
496,794	Global unit life assurance policies	597,136
471,407	Global unit trusts	-
-	ACCESS pooled global equity funds	1,532,112
299,444	Overseas private equity	321,526
297,755	Overseas infrastructure	356,014
109,869	Overseas timber	212,357
76,894	Overseas private debt	88,250
4,364,545	Total overseas assets	4,729,860

17.9 Currency risk sensitivity analysis

In consultation with the Fund's institutional consultant, Hymans Robertson the Fund considers the likely volatility associated with exchange rate movements to be in the region of 13% (13% as at 31 March 2018) (approximately one standard deviation) assuming other factors remain constant.

The table below shows the effect of a 13% (13% as at 31 March 2018) strengthening/weakening of the pound against the investments the Fund holds in various other currencies. The increase/ (decrease) on the net assets of the Fund are as follows:

Asset value as at 31 March 2018 £'000	Change in year in the net assets to pay benefits		Asset type	Asset value as at 31 March 2019 £'000	Change in year in the net assets to pay benefits	
	+13% £'000	-13% £'000			+13% £'000	-13% £'000
1,838,222	2,077,191	1,599,253	Overseas equities quoted	812,994	918,683	707,305
774,160	874,801	673,519	Overseas unit life assurance policies	809,471	914,702	704,240
496,794	561,377	432,211	Global unit life assurance policies	597,136	674,764	519,508
471,407	532,690	410,124	Global unit trusts	-	-	-
-	-	-	ACCESS pooled global equity funds	1,532,112	1,731,287	1,332,937
299,444	338,372	260,516	Overseas private equity	321,526	363,324	279,728

Asset value as at 31 March 2018 £'000	Change in year in the net assets to pay benefits		Asset type	Asset value as at 31 March 2019 £'000	Change in year in the net assets to pay benefits	
	+13% £'000	-13% £'000			+13% £'000	-13% £'000
297,755	336,463	259,047	Overseas infrastructure	356,014	402,296	309,732
109,869	124,152	95,586	Overseas timber	212,357	239,963	184,751
76,894	86,890	66,898	Overseas private debt	88,250	99,723	76,778
4,364,545	4,931,936	3,797,154	Total change in assets available	4,729,860	5,344,742	4,114,979

17.10 Credit risk

Credit risk is the possibility that the counterparty to a transaction or a financial instrument might fail in its obligation to pay amounts due to the Pension Fund resulting in a financial loss. The market value of investments reflects an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

The Fund is exposed to credit risk in all its operational activities through forward currency contracts, derivative positions (futures) and treasury management activities. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

17.11 Commercial

Commercial credit risk also arises with those organisations that pay monies over to the Fund (debtors) as part of the administration function, principally contributions from employers and transfers in from other registered pension schemes.

Except in certain bulk transfer cases, the Fund does not apply service credits in respect of transfers in until cash settlement is made.

Monthly receipt of contributions is closely monitored by the Employer team. In addition, member records are updated throughout the year with any new information provided to them. At the end of the financial year employers are required to provide Essex Pension Fund with an annual return which is used to reconcile both member information and the contributions paid over in the year by both the employee and the employer.

The Funding Strategy Statement requires safeguards to be in place on all new admission agreements to protect the Fund from an employer default, through a guarantee from a tax backed scheme employer for any new body. An analysis of debtor balances at 31 March 2019 is provided in Note 11.

17.12 Foreign currency contracts

Forward currency contracts are undertaken by the Fund's appointed fund managers. The largest single contracts were entered into as part of an overseas passive currency overlay programme. The ISC took the decision to cease the currency overlay programme in April 2018.

The counterparties on these contracts as at 31 March 2018 are shown in the table below. The counterparty on contracts entered into by other investment managers is at the discretion of those managers. All parties entering into forward contracts on behalf of the Fund are FSA regulated and meet the requirements of the LGPS (Management & Investment of Funds) Regulations 2016. Further details of forward foreign exchange contracts are provided in Note 9.

Exposure at 31 March 2018			Exposure at 31 March 2019	
£000	%	Counterparty	£000	%
83,717	2.3%	BNP Paribas Capital Markets	-	-
886,167	24.8%	Citigroup	-	-
103,367	2.9%	Credit Suisse First Boston	-	-
244,980	6.9%	Goldman Sachs	-	-
453,627	12.7%	Deutsche Bank AG	-	-
358,461	10.0%	HSBC	-	-
165,683	4.6%	J P Morgan Securities	-	-
541,970	15.2%	Merrill Lynch	-	-
142,084	4.0%	Morgan Stanley	-	-
134,374	3.8%	RBC Europe	-	-
73,537	2.1%	RBS	-	-
137,927	3.9%	SEB	-	-
185,808	5.2%	Standard Chartered	-	-
34,478	1.0%	UBS	-	-
21,787	0.6%	Westpac Bank Corp	-	-
3,567,967	100.0%	Total	-	-

17.13 Bonds

Credit risk will also be considered by the Fund's bond managers in their portfolio construction. A bond is a saleable debt instrument issued by a corporation, government or other entity, the instrument may be purchased direct from the issuer or in the secondary market.

In addition to the passive manager, Legal & General up until March 2018, UBS from January 2018, the Fund has two active bond managers M&G and GSAM, the former also manage a financing fund.

Both M&G and GSAM manage pooled assets against a LIBOR plus benchmark. At 31 March 2019, the average credit quality of the M&G bond mandate was BBB+ rated (A rated as at 31 March 2018). The portfolio had suffered five defaults since inception, none was received in the financial year ended 31 March 2019 or 31st March 2018. The average credit rating of the financing fund was BB+ rated as at 31 March 2019 (BB rated as at 31 March 2018) and the portfolio has not suffered any defaults since inception. The portfolio managed by GSAM as at 31 March 2019 had an average credit quality of AA+ (AA rated as at 31 March 2018) and has suffered 12 defaults since inception including 5 in 2017/18 and 1 in 2018/19.

17.14 Cash held on deposit and current accounts

Cash managed internally

The Fund has operated a separate bank account since 1 April 2010 with Lloyd's Bank plc, which is also banker to the Administering Authority. The bank holds an A+ (A as at 31 March 2018) long term credit rating with Standard and Poor. Cash is invested with Lloyd's and is placed with institutions on the Administering Authority's approved counter-party list. The management of cash is carried out by the Treasury Management function of the Administering Authority in accordance with the treasury management policy and strategy approved by the Essex Pension Fund Investment Steering Committee (ISC). The ISC have approved the management of cash in accordance with the policies and practices followed by the Administering Authority for its own investments as outlined in the CIPFA Code of Practice for Treasury Management in the Public Services. The Administering Authority sets detailed credit criteria having taken independent advice and has maximum exposure limits to any single institution. Details of such are shown in the tables below.

At 31 March 2019, £14.775m (£23.729m as at 31 March 2018) was under management by the Administering Authority's Treasury Management Team. Over the last five financial years the Pension Fund has no experience of default or uncollectible deposits.

Cash managed externally

The majority of the cash held by the Fund's custodian, Northern Trust is swept overnight to one of two AAA rated money market funds. As at 31 March 2019, the total balance held in Sterling and US dollar AAA money market funds was £117.940m with a smaller balance of £28.021m held in the Northern Trust current account (£120.060m and £29.048m as at 31 March 2018 respectively). The use of money market funds provides an underlying diversification of counter-party and avoids exposure to a single institutional balance sheet, in this case the custodian.

The table below provides a breakdown of where the Pension Fund cash is managed:

31 Mar 2018			31 March 2019		
Rating	£000		Rating	£000	
		Cash managed externally			
		Cash held on deposit			
AAA	57,745	BNP Paribas Investment Partners	AAA	66,717	
AAA	6	L&G TA Sterling Liquidity Fund	AAA	-	
AAA	62,309	Northern Trust	AAA	51,233	
	120,060			117,940	
		Cash held in Current Account			
AA-	29,048	Northern Trust	AA-	28,021	
	149,108	Total cash managed externally		145,961	
		Cash managed internally			
		Cash held on fixed term			
AAA	-	Thurrock Council	AA	5,000	
		Cash held on deposit			
AA-	5,004	HSBC	AA-	4,092	
BBB+	2	Royal Bank of Scotland	A-	-	
A	5,002	Santander UK	A	-	
AAA	8,602	Standard Life (formerly IGNIS)	AAA	-	
AA-	5,039	Svenska Handelsbanken	AA-	5,055	
		Cash held in Current Account			
A	80	Lloyds TSB Bank plc	A+	628	
	23,729	Total cash managed internally		14,775	
	172,837	Total		160,736	

The following table summarises the maximum exposure to credit risk of the cash held with Northern Trust and other financial institutions. This is now reflected in the pension fund financial statements.

31 March 2018 £000		31 March 2019 £000	Maximum limit per financial institution £'000	Historical risk of default %	Estimated maximum exposure to default and uncollectability £'000
Cash managed externally					
	Deposit with bank and other financial institutions				
120,060	AAA Rated	117,940	80,000	0.04%	47
29,048	AA Rated	28,021		0.02%	6
149,108	Total cash managed externally	145,961			53
Cash managed internally					
	Deposit with bank and other financial institutions				
8,602	AAA Rated	-	10,000	0.04%	-
10,043	AA Rated	14,147	7,500	0.02%	3
5,082	A Rated	628	5,000	0.05%	-
2	BBB Rated	-	5,000	0.15%	-
23,729	Total cash managed internally	14,775			3
172,837	Total cash	160,736			56

17.15 Liquidity risk

Liquidity risk is the possibility that the Fund might not have adequate cash resources available to meet its financial commitments as they fall due.

The ISC reviews its strategy on a yearly basis and where necessary takes steps to ensure that the Fund has adequate readily realisable resources to meet its financial commitments. The majority of the Fund's investments are quoted on major stock markets and are in readily realisable form. The Fund also has an allocation to alternative investments, which are relatively illiquid.

In 2017 the ISC took the decision to de-risk reducing its equity allocation from 60% to 50% as a result the strategic allocation to alternatives will increase from 27% to 37% as and when opportunities arise. The Fund is relatively immature with almost as many contributors as pensioners, dependants and deferred pensioners. In consequence the Fund has a neutral cash flow and is able to pay benefits from contributions and income received. As the Fund is not in the position of a forced seller, i.e. it does not need to sell assets in order to pay benefits, it is considered appropriate to hold such illiquid investments to increase diversification, minimise risk and improve long-term investment performance.

The Fund as at 31 March 2019 had immediate access to its pension fund cash holdings held internally and externally of £160.736m (£172.837m as at 31 March 2018). These monies are in primarily in the whole invested on an overnight basis on the money market.

Officers of the Fund prepare periodic cashflow forecasts to understand and manage the timing of the Funds cashflows. The Investment Strategy Statement outlines the appropriate strategic level of cash balances that the Fund can hold. More detail can be found in Section 6.

17.16 Refinancing risk

Refinancing risk is the risk of the Fund replenishing a significant proportion of its financial assets at a time of unfavourable interest rates. The Fund is not subject to this particular risk as it does not hold any assets that would require refinancing in the future.

17.17 Custody

Northern Trust are the global custodian with responsibility for safeguarding the assets of the Fund. As at 31 March 2019 Northern Trust had \$8.2trillion of assets under custody (31 March 2018, \$8.1 trillion) and had a credit rating of AA- (31 March 2018, AA-). Monthly reconciliations are performed between the underlying records of the custodian and all investment managers and partnerships of the Fund.

17.18 Investment management

The Fund has appointed a number of segregated and pooled fund managers to manage portions of the Fund. An Investment Management Agreement is in place for each relationship. All appointments meet the requirements set out in the LGPS (Management and Investment of Funds) Regulations 2016.

The 2016 Investment Regulations require each LGPS to be part of a regional pool. It is expected that funds will migrate majority of investment assets into the Pool over time in order to benefit from greater economies of scale and achieve cost savings. The Essex Pension Fund is part of the ACCESS pool.

At the end of 2017/18 Essex Pension Fund has transitioned £1.9bn of its passive assets from Legal and General to ACCESS's new provider, UBS Asset Management. During 2018/19 a further £1.5bn had been invested into sub funds managed by Link Solutions Limited.

During 2017-18 ACCESS funds jointly procured UBS Asset Management to manage the passive assets of ACCESS. In addition, Link Solutions Limited were appointed as ACCESS Pool Operator.

Reports on manager performance are monitored by the ISC on a quarterly basis. The Fund makes use of the Custodian's performance measurement service. In addition to presenting to the ISC, managers also meet with Fund officers and advisers to review progress on an annual basis.

17.19 Post Balance Sheet Events

The Statement of Accounts was certified by the Executive Director, Corporate and Customer Services on 31st July 2019. Events taking place after this date were not reflected in the financial statements or notes.

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF ESSEX PENSION FUND

Opinion on the consistency of the pension fund financial statements with the Statement of Accounts

We have examined the pension fund financial statements for the year ended 31 March 2019, which comprise the fund account, the net assets statement and the related notes. In our opinion, the pension fund financial statements are consistent with the Statement of Accounts of Essex County Council for the year ended 31 March 2019. We have not considered the effects of any events between the date we signed our report on the Statement of Accounts, 31 July 2019, and the date of this report.

Respective responsibilities of the Executive Director for Corporate and Customer Services and the auditor

As explained more fully in the Responsibilities for the Statement of Accounts in the Statement of Accounts, the Executive Director for Corporate and Customer Services is responsible for the preparation of the Statement of Accounts, which comprise the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that the financial statements give a true and fair view. The Essex County Council is required to publish a pension fund annual report that includes the pension fund financial statements.

Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the pension fund financial statements in the Statement of Accounts of Essex County Council.

We also read the other information contained in the pension fund annual report and consider the implications for our report if we become aware of any apparent misstatements or material

inconsistencies with the pension fund financial statements. The other information consists only of the sections titled as Introduction and Overview, Governance Arrangements, Investments, Administration, Scheme Actuary and Other Information.

We conducted our work in accordance with Auditor Guidance Note 07 Auditor Reporting issued by the National Audit Office. Our report on the Essex County Council's Statement of Accounts describes the basis of our opinions on those financial statements.

Use of our report

This report is made solely to the members of Essex County Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in the Responsibilities of the Audited Body and Responsibility of the Auditor within Chapter 2 of the Code of Audit Practice published by the National Audit Office in April 2015. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Eagles

For and on behalf of BDO LLP, Appointed Auditor
Ipswich, UK
29 October 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SECTION 6

OTHER INFORMATION

March 2017

Essex Pension Fund Investment Strategy Statement

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Introduction and background

This is the Investment Strategy Statement (the “Statement”) of the Essex Pension Fund, which is administered by Essex County Council (the “Scheme Manager”) as required by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the “2016 Regulations”) in accordance with the guidance issued by Secretary of State.

Essex County Council is the Administering Authority for the Fund under the Regulations. In 2008, a Pension Board was established to exercise on behalf of Essex County Council all the powers and duties of the Council in relation to its functions as Administering Authority of the Essex Pension Fund, except where they have been specifically delegated by the Council to another Committee or an officer. Responsibility for setting and monitoring investment strategy has been specifically delegated to the Essex Pension Fund Investment Steering Committee (“ISC”). Responsibility for the day to day management of the Fund has been delegated to the Section 151 Officer (“S151O”) and the Director for Essex Pension Fund.

This statement has been prepared by the ISC having taken appropriate advice from the Fund’s Institutional Consultant, Hymans Robertson LPP, and its Independent Investment Adviser, Mark Stevens. The responsibilities of relevant parties are set out in appendix A.

The Statement is subject to periodic review at least every three years and from time to time on any material change in investment policy or other matters as required by law. The ISC has consulted on the content of this Statement with its stakeholders. The Statement is also subject to review by the Essex Pension Fund Advisory Board (PAB) which was established as the Local Pension Board for Essex in accordance with section 5 of the Public Service Pension Act 2013 and Part 3 of the LGPS Regulations 2013.

Investment strategy and the process for ensuring suitability of investments

Fund Objective

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, on a defined benefits basis.

The funding objective adopted for the Essex Pension Fund is to ensure that the assets of the Pension Fund, when taken in conjunction with future contributions, are sufficient to ensure that all future pension and retirement benefits will be fully covered by the Fund’s assets when they fall due.

This primary objective has been converted to a number of funding objectives, as set out in the Fund’s Funding Strategy Statement (FSS). The purpose of the FSS is:

- to establish a clear and transparent fund-specific strategy which will identify how employers’ pension liabilities are best met going forward;
- to support the desirability of maintaining as nearly constant employer contribution rates as possible; and
- to take a prudent longer-term view of funding those liabilities.

The funding position will be reviewed by the Essex Pension Fund Strategy Board (PSB) at each triennial actuarial valuation, with interim reviews occurring in the years between triennial valuations.

Funding Level

The funding level of the Pension Fund is the value of the Fund’s assets expressed as a percentage of the Fund’s liabilities at the most recent actuarial valuation of the Fund. The funding level at March 2016 was 89%. The Funding Strategy provides for the Fund to return to a fully funded position over a period of 15 years. In accordance with the Funding Strategy Statement, the PSB determined the rate of contributions payable by each of the employers in the Fund for the three years starting 1 April 2017.

Investment Beliefs

The ISC has adopted 4 core investment beliefs covering the following areas:

- Long Term Approach;
- Diversification;
- Benchmarks; and
- Active vs Passive Management.

Details are set out in appendix B.

Investment Strategy

The Fund is maturing and analysis has been undertaken to forecast when new contributions (employees and employers including deficit) are not enough to meet all benefit payments falling due. This is normal for a pension scheme and reflects the purpose of the Fund (accumulate monies and then pay it out in benefits).

In order to meet the short to medium term cashflow requirements, the Investment Steering Committee at its 23 February 2015 meeting agreed to realise income from L&G's UK assets and Aviva's property portfolio.

Realised income may be held in cash short term in order to meet a proportion of benefit payments.

The initial requirements are small (c. 0.5% of total Fund assets) and is expected to be more than met by the income on assets. There should be no need to disinvest the capital value of any asset. The time at which the sale of assets will become a requirement will be subject to periodic review.

The Fund is therefore still in a position to target a predominantly growth-based strategy, with the aim of maximising asset value in the long term within agreed risk levels, which takes into account liquidity requirements.

There are varying levels of diversification between different asset classes to ensure that the value of the Pension Fund when taken in conjunction with future contributions is sufficient to ensure that all future pension and retirements benefits will be fully covered by the Fund's assets when they fall due, whilst managing the Fund within the ISC's risk appetite.

Asset Allocation

The Fund has an 87% allocation to 'growth' (equities and alternatives) assets in order to meet the long term funding assumptions set out in the 2016 actuarial valuation.

The Fund's investments are allocated across a range of asset classes. The largest allocation is to equities which also accounts for the majority of the investment risk taken by the Fund.

Over the long term, equities are expected to outperform other liquid asset classes, particularly bonds. Allocation to asset classes other than equities and bonds, allows the Fund to gain exposure to other forms of return which can help to reduce the overall volatility of the portfolio. These assets are in the main negatively correlated to equities and are expected to generate returns broadly similar over the long term and so allocation to these can maintain the expected return and assist in the management of volatility.

The 13% allocation to bonds is designed to manage overall levels of funding volatility within agreed levels.

Investment Allocation

The Committee has translated its objectives into a suitable strategic asset allocation benchmark and structure for the Fund (set out in appendix C), taking into account both the liability structure and the objectives set out above. The Fund benchmark is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk and the nature of the Fund's liabilities.

The Committee monitors investment strategy relative to the agreed asset allocation benchmark. In addition to on-going monitoring, the investment strategy is formally reviewed every six months at Committee meetings set aside for that purpose. Furthermore, specific consideration is given to investment strategy in the light of information arising from each triennial actuarial valuation.

Investment managers

The Committee has appointed a number of active and passive investment managers all of whom are authorised under the Financial Services and Markets Act 2000 to undertake investment business.

The Committee, after seeking appropriate investment advice, has agreed specific benchmarks with each manager so that, in aggregate, they are consistent with the overall asset allocation for the Fund. The Fund's investment managers will hold a mix of investments which reflects their views relative to their respective benchmarks. Within each major market and asset class, the managers will maintain diversified portfolios through direct investment or pooled vehicles and a mix of asset types across a range of geographies in order to provide diversification of returns.

The managers appointed, and the mandates they manage, are detailed in appendix C. Appendix D details the objectives and investment rationale of the mandates.

Types of investment to be held

The investment managers are required to comply with LGPS investment regulations. The Fund may invest in quoted and unquoted securities of UK and overseas markets, including equities, fixed interest and index linked bonds, cash, property, commodities, infrastructure, timber and loans either directly, through pooled funds or via partnership agreements.

The Fund may also make use of contracts for difference and other derivatives either directly or in pooled funds when investing in these products, for the purpose of efficient portfolio management or to hedge specific risks. The Committee considers all of these classes of investment to be suitable in the circumstances of the Fund.

Currency hedging

The Fund, to reduce the volatility associated with fluctuating currency rates (currency risk), has put in place a passive currency programme which is managed by Legal and General Investment

Management. The Fund hedges 50% of its major overseas currency exposure within the equity portfolio.

Investment Managers have discretion to utilise hedges for risk management purposes.

Risk measurement and management Risk

The Fund is exposed to a number of risks which pose a threat to the Fund meeting its objectives. These risks are set out and monitored as part of a formal risk register. An extract of the risk register relating to funding and investment is included in appendix E. However, in summary, the principal risks affecting the Fund (including their reference code within the risk register) are:

Funding risks:

- Financial mismatch – F1. The risk that Fund assets fail to grow in line with the developing cost of meeting Fund liabilities. F8. The risk that unexpected inflation increases the pension and benefit payments and the Fund assets do not grow fast enough to meet the increased cost.
- Changing demographics – F4. The risk that longevity improves and other demographic factors change increasing the cost of Fund benefits.
- Systemic risk – I2 & F3. The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting Fund liabilities.

Asset risks:

- Concentration – I1 & I2. The risk that significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives.
- Illiquidity – I11. The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets.

- Manager underperformance – I6. The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates.

Other provider risks – I13:

- Transition risk – The risk of incurring unexpected costs in relation to the transition of assets among managers. When carrying out significant transitions, the ISC takes professional advice and considers the appointment of specialist transition managers.
- Custody risk – The risk of losing economic rights to Fund assets, when held in custody or when being traded.
- Credit default – The possibility of default of a counterparty in meeting its obligations.

Mitigations:

The approach the ISC adopts to managing these risks is also addressed in appendix E. However, in general terms, the risks are managed via a combination of:

- The appointment of professional advisers to assist the ISC in managing these risks;
- Agreed processes and guidelines for consideration and monitoring of the investments;
- Specific limits on individual investments;
- Ensuring the expected return from the investment strategy is consistent with the assumptions made by the Actuary in valuing the Fund;
- Assessments of the levels of risk taken by the Fund;
- Diversification across asset classes and managers; and
- Regular review and monitoring.

Full descriptions of these risks, including the mitigating actions taken by the ISC, are set out in appendix E.

Expected return on investments

Over the long term, the overall level of investment return is expected to exceed the rate of return assumed by the Actuary in valuing the Fund and setting funding requirements.

Realisation of investments

The majority of assets held within the Fund may be realised quickly if required. The Committee monitors both the level of liquid assets and the liquidity requirements of the Fund.

Asset pooling

Overview

The Fund is one of eleven participating Fund's in the ACCESS Pool (A Collaboration of Central, Eastern & Southern Shires) along with Cambridgeshire, East Sussex, Hampshire, Hertfordshire, Isle of Wight, Kent, Norfolk, Northamptonshire, Suffolk and West Sussex.

All eleven funds are committed to collaboratively working together to meet the government's criteria for pooling and have signed a Memorandum of Understanding to underpin their partnership.

The proposed structure and basis on which the ACCESS Pool will operate in order to meet the Governments criteria was set out in the July 2016 submission to Government. A copy of the submission is available on the ACCESS website at www.accesspool.org

The participating authorities have a clear set of objectives and principles that will drive decision-making and help shape the design of the Pool. These underpin the design of the project plan that the ACCESS Funds are working towards.

The first arrangements to be brought under the ACCESS structure will be the passively managed assets. Arrangements are due to be put in place over the course of 2017.

Assets to be invested inside the Pool

The Fund's intention is to invest its assets through the ACCESS Pool as and when suitable Pool investment solutions become available. An indicative timetable for investing through the Pool was set out in the July 2016 submission to Government. The key criteria for assessment of Pool solutions will be as follows:

- 1 That the Pool enables access to an appropriate solution that meets the objectives and benchmark criteria set by the Fund
- 2 That there is a clear financial benefit to the Fund in investing in the solution offered by the Pool, should a change of provider be necessary.

The Fund is monitoring developments with a view to transitioning liquid assets across to the Pool as and when suitable sub-funds to meet the Fund's investment strategy requirements are in place.

Any assets that are not currently invested in the ACCESS Pool will be subject to review at least every three years to determine whether the rationale remains appropriate, and whether it continues to demonstrate value for money.

The Essex Pension Fund is working towards the expectation that over time all investments will be pooled with the exception of direct property and operational cash. The table below sets out the rationale.

Assets to be invested outside the Pool

Asset Class	Manager	Strategic Allocation %	Reason for not investing in the ACCESS Pool
Direct Property	Aviva Investors	Up to 12%	<ul style="list-style-type: none">• Investment manager skill is a major determinant of returns. The availability of quality investment managers for a large mandate is untested.• The portfolio has been built to specific risk and return requirements• Portfolio designed to account for target holding sizes, to reflect the total portfolio size and achieve the required level of diversification• Moving holdings to part of a bigger direct portfolio would have significant cost implications such as Stamp Duty Land Tax (SDLT)• To reshape the portfolio to meet new objectives would be inconsistent with the value for money criteria• Project Pool analysis showed that increasing direct mandate size does not result in incremental cost savings
Operational Cash	In-house	n/a	A reasonable level of operational cash will be required to maintain efficient administration of scheme. This will be held in house as ECC will need to manage cashflow to meet statutory liabilities, including monthly pension payroll payments.

This will be reviewed periodically by the ISC.

Environmental, Social & Governance Considerations

Fiduciary duty

The fundamental responsibility of the Fund is to ensure that it has adequate monies available to pay pensions as they fall due. This objective must be achieved in a cost effective way for members, employers and the taxpayer. Moreover, in reaching decisions, the Fund must comply with its fiduciary responsibilities.

Policy

The ISC does not place restrictions on investment managers in choosing investments except in limiting the size of single investments. The ISC expects investment managers to place their primary consideration on financially material factors when selecting investments for inclusion in the portfolio, including any ESG factors considered to be financially material. An assessment of appropriate ESG capability is made before the manager is appointed.

However, the ISC will allow investment managers to consider non-financially material factors in selecting investments providing that such decisions are not expected to be financially detrimental to the Fund (either in terms of expected return or risk) or that the investment could represent significant opportunity cost if not held.

In general the ISC expects the selection of stocks based on a significant degree of non-financial reasons to be extremely rare and reserves the right to intervene on a case by case basis. Intervention is likely to be extremely rare as companies are aware of the increasing sensitivity of investors.

The ISC has determined that restricting investment may be of financial detriment to the Fund depending on price and outlook. Hence pursuing divestment goes against the Committee's fiduciary duty and responsibilities to maximise returns and manage costs for participating employers who ultimately bear the investment risk should a shortfall arise.

Exercise of voting rights

The Fund has instructed its Fund Managers to vote in accordance with their in house policies and practices.

The Fund fully supports the UK Stewardship Code and requires those of its investment managers who hold shares on its behalf to comply with it or to provide the ISC with an explanation of why it is not appropriate to do so, in the exercise of the mandate that they have been given, and how they will instead achieve and demonstrate the same level of responsible share ownership.

The Fund's equity investment managers are signatories to the UK Stewardship Code and have all gained a Tier 1 status (demonstrating a good quality and transparent description of their approach to stewardship and explanations of an alternative approach where necessary).

Engagement

The Fund expects its investment managers to take account of social, environmental and ethical considerations in the selection, retention and realisation of investments as an integral part of the normal investment research and analysis process. This is insofar as these matters are regarded as impacting on the current and future valuations of individual investments. The Fund believes taking account of such considerations forms part of the investment managers' normal fiduciary duty.

Instead of divesting, the ISC believes that they will have greater influence on the future direction of companies if they remain invested. Overall engagement activities are viewed by the Committee as a key element of the broader approach to responsible investment. Remaining invested provides the Fund with a voice on how companies are generating their revenues and how they will change in the future.

The Fund is a long term investor and therefore has an interest in the long term direction and success of the companies in which it invests. Divestment reduces the Fund's ability to influence how big companies change in the future.

Ongoing Monitoring

The Committee actively monitors the Fund's investment managers' approaches. As part of this regular manager monitoring, the ISC will challenge their managers on how they consider and manage all financial risks faced by their investments, including those that arise from ESG considerations. The Committee also strives to improve and develop their knowledge and understanding on how ESG factors will impact the Fund's investments in the future.

Stock Lending

The policy on stock lending (below) reflects the nature of the mandates awarded to investment managers by the ISC, which include both pooled and segregated mandates:

- **Segregated Investments**
The Fund does not participate in stock lending schemes nor allow its stock to be lent.
- **Pooled Investments**
In regard to the Fund's pooled investments, where the Fund is buying units in a pooled vehicle, stock lending is outside the control of the Fund and undertaken at the discretion of the fund manager.

Appendix A – Responsibilities

ISC Responsibilities

- To approve and annually review the content of the ISS.
- To appoint and review investment managers, custodian and advisors.
- To assess the quality and performance of each investment manager annually in conjunction with investment advisers and Section 151 Officer.
- To set the investment parameters within which the investment managers can operate and review these annually.
- To monitor compliance of the investment arrangements with the ISS.
- To assess the risks assumed by the Fund at a global level as well as on a manager by manager basis.
- To approve and review the asset allocation benchmark for the Fund.
- To submit quarterly reports on its activities to the Essex Pension Fund Strategy Board.
- To approve and annually review the content of the Pension Fund Treasury Management Strategy

Section 151 Officer ('S151O') Responsibilities

- To manage the Pension Fund including the power to seek professional advice and to devolve day-to-day handling of the Fund to professional advisers within the scope of the Pensions Regulations.
- To provide a training plan for the members of the ISC (and the Strategy and Advisory Boards).

Custodian Responsibilities

- To safeguard all segregated assets (excluding direct property holdings, unitised holdings and cash held separately with either the Administering Authority or investment managers) within the Fund and ensure that all associated income is collected, including dividends and tax reclaims. Also to ensure that corporate actions affecting the securities are dealt with, including rights issues, bonus issues and acquisitions.

- To provide regular statements of transactions, corporate actions, income and asset valuations as required by the Administering Authority.
- To report to the ISC in person on the assets of the Fund if required.
- To inform the Fund of any areas of concern which arise in its dealings with investment managers.
- To report the performance of the Fund's assets

External Advisers

Hymans Robertson

- To provide advice to the Fund on investment strategy, asset allocation, benchmark selection and design, investment management structure, legislative changes impacting on the Fund and current emerging issues.
- To prepare and present a report, based on information supplied by the Fund's custodian, on the annual investment performance of the Fund.
- To carry out on behalf of the Fund, when required, the functions of manager selection and manager monitoring.
- To carry out asset/liability modelling studies when required.
- To provide expert commentary on the economy and investment market.
- To attend and advise at all meetings of the ISC and all meetings arranged between its officers, advisers and managers.
- To assist the ISC in its annual review of asset allocation, investment management structure, SIP and Funding Strategy Statement.

Independent Investment Adviser

- To assist the officers of the Fund in the determination of agendas and papers for the meetings of the ISC.
- In consultation with the officers of the Fund, to identify investment issues of strategic importance to the Fund and arrange for their consideration by the ISC e.g. asset allocation, and investment, management structure.
- In conjunction with the officers of the Fund, to

keep under review the individual investment managers and where necessary put forward proposals for their management, including where appropriate their dismissal.

- To assist the officers of the Fund, where requested, in manager searches and other Fund procurement exercises.
- To assist the ISC in keeping under review its statutory publications.
- When requested by the officers, to attend and participate in monitoring, reviewing and briefing meetings arranged with investment managers, limited partners etc.

Audit Responsibilities

The Fund is subject to review by both the County Council's External Auditors (BDO) and internally by Internal Audit.

The Pension Fund financial statements contained in the Council's Annual Statement of Accounts present fairly:

- the financial transactions of its Pension Fund during the year; and
- the amount and disposition of the Fund's assets and liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year.

The External Auditor audits the Pension Fund financial statements and gives their opinion, including:

- whether they present fairly the financial position of the Pension Fund and its expenditure and income for the year in question; and
- whether they have been prepared properly in accordance with relevant legislation and applicable accounting standards;

In carrying out their audit of the financial statements, auditors will have regard to the concept of materiality.

Additionally the Council must prepare a Pension Fund annual report which should contain the Pension Fund Account and Net Asset Statements with supporting notes and disclosures. External Audit will review the annual report as a whole and the accounts contained in it and then report:

- whether the accounts contained in the annual report are consistent with the financial statements on which the audit opinion was given; and
- that other information in the annual report is not inconsistent with the financial statements on which the audit opinion was given.

Internal Audit carry out a programme of work designed to reassure the S1510 that Fund investment systems and records are properly controlled to safeguard the Fund's assets.

Appendix B – Core Investment Beliefs

Long term approach

Local authority (LA) funds take a long term view of investment strategy

This is largely based on covenant. Unlike the private sector, the covenant underlying the Fund is effectively gilt-edged. This means that short term volatility of returns can be acceptable in the pursuit of long term gain. Whilst there is a need to consider stability of contributions, at current maturity levels and with deficits spread over 20 years, it is largely the future service rate which is expected to drive instability. One of the best ways to avoid this is to build in margins over the long term. More recently, the ISC has noted the increasing maturity of the Fund and potential change in cashflow position on the horizon. It is therefore also taking this into consideration in decision making.

Over the long term, equities are expected to outperform other liquid asset classes, particularly bonds

Given the above, there is a preference for a significant allocation to equities in the Fund as over the long-term as they are expected (but not guaranteed) to outperform other asset classes.

Allocations to asset classes other than equities and bonds expose the Fund to other forms of risk premium

Investors with a long term investment horizon and little need for immediate liquidity can use this to their benefit as it offers the ability to capture the illiquidity premium on many asset classes, such as private equity and infrastructure.

Diversification

Diversification into alternative asset classes (including property) is also expected to reduce overall volatility of the Fund's funding level

Given that the returns from different asset classes are expected to be delivered in different cycles (i.e. not be directly correlated with equity returns), the use of alternative assets can reduce overall volatility in the delivery of Fund returns without leading to a significant reduction in overall expected return, therefore increasing efficiency.

In the context of LA funds (open, long duration, not maturing quickly and with high equity content), an allocation to bonds does not offer a match to liabilities, but additional diversification.

Where bonds are not used for liability matching purposes, an allocation to these assets can be beneficial from an overall risk/return perspective improving the overall efficiency of the Fund. The corollary to this is that bond benchmarks do not necessarily have to reflect the nature and duration of the liabilities (see benchmark section below), but should be set to provide managers with the sufficient scope to add value.

The overweight to UK equities in most UK pension funds is historic and loosely based on currency exposures, rather than a preference for the UK market

Although historically the UK may have benefited from better corporate governance, and therefore a higher return, increasingly the rest of the world is catching up and UK equities are not expected to outperform overseas equities over the long term. Given the concerns over market concentration in the UK market and an increased opportunity set overseas a move towards increased overseas allocation relative to the UK seems appropriate. Concerns about currency risk can be addressed by a separate currency hedging programme.

Benchmarks

Where appropriate, benchmarks should represent the full opportunity set.

For example, for a global equity mandate, a market capitalisation ("market cap") weighted benchmark reflects a passive allocation to the market (analogous to investing in a passive equity mandate and investing in each stock according to its size). It therefore reflects the investable universe of stocks available and represents the starting point for an equity benchmark.

To some extent market cap weighted indices reflect past winners, so should be treated with caution

The regional exposures in the World Index are a function of the relative market cap of the regional stock markets. In turn, these are a function of

the size of the economy as a whole and how well companies have performed in that economy. One measure of the size of the economy could be its overall contribution to global GDP. However, as has been seen in the UK, many companies in the market have little exposure to the domestic economy and, again, this should not be adhered to too slavishly. At the total fund level a fixed weights regional benchmark is therefore preferred in order to maintain an appropriate level of diversification across markets. This is particularly the case when the allocations are maintained by a passive “swing” manager.

Emerging market economies may be expected to outperform over the long term as the economy develops and the risk premium falls

As emerging markets develop both politically and economically, become more robust and less dependent on the fortunes of a small number of developed economies (such as the US), the risk of investing in these countries should decrease. The return demanded by investors for investing in these ‘riskier’ countries will therefore fall reflecting the increased security. This reduction in required return would tend to lead to a systematic increase in stock prices. As a result, a strategic allocation to emerging markets of at least the market cap weight if not slightly above is favoured.

Bond benchmarks do not need to reflect the nature and duration of the liabilities

As discussed in the diversification section above, if bonds are not held for liability matching purposes, benchmarks should be set in order to maximise the scope for adding value.

Active versus passive management

Passive management is appropriate for obtaining a low cost allocation to efficient markets

Where markets offer little scope for adding value through active management (such as individual allocations to UK equities, US equities and gilts) passive management is preferred as a low cost way of accessing the market. This does not include emerging markets where the risk inherent in the market (although improving as stated above) and inefficiency of the market lends itself to active management.

Active management is appropriate where a market is relatively inefficient offering opportunities for active managers to add value

Where markets offer substantial scope for added value active management would seem appropriate as a way of increasing overall expected return (after fees) without significantly increasing the overall level of volatility in the funding level.

Constraints on active managers reduce their ability to add value

Active managers should not be unnecessarily constrained (within appropriate risk limits) and should be given the maximum scope to implement their active views. There is therefore a preference for unconstrained mandates e.g. unconstrained global equity mandates and unconstrained bond mandates such as M&G’s LIBOR plus approach. This also suggests that, within reason, managers’ requests for additional scope should be acceded to.

A degree of diversification of managers improves the efficiency of the overall structure (i.e. improves the expected return per unit of risk)

Active manager performance is expected to be cyclical and therefore by appointing a number of managers the delivery of returns is expected to be less volatile. However, too much diversification can lead to expensive index tracking.

A rigorous approach to active manager selection improves the chance of appointing an active manager who will add value over the long-term

An active manager must outperform their benchmark after fees to add value. The selection of an active manager must assess more than just past performance and look into the infrastructure supporting the performance including; business and ownership, philosophy and process, people, risk controls and fees.

The Fund does not have the governance structure in place to take tactical views and market timing is very difficult

Both timing investments into the market and taking tactical views are very difficult given the governance structure in place and the time taken to agree and

implement decisions. Where possible these decisions are left to professional investment managers who are closer to the market and can implement tactical views in a more timely fashion. This highlights the importance of not unnecessarily constraining active managers and providing them with appropriate scope.

The assessment of active management performance should be taken with a long-term view and take account of the market environment in which returns are delivered

Active management is cyclical and periods of underperformance from investment managers should be expected so the structure should be such that when the market cycle is unfavourable for some managers it is favourable for others and vice versa. This is expected to deliver added value over the long-term whilst smoothing the overall performance at the total Fund level. Churning of managers leads to additional costs; however, where the ISC no longer views an investment manager's prospects as positive over the long-term, action should be implemented as soon as possible due to the potential downside risk.

Appendix C – Fund Strategy and structure

Equities			Bonds			Alternatives			
Manager		Target %	Manager		Target %	Manager		Target %	
UK	LGIM	5.0	Index-linked gilts	LGIM	2.0	Property	Aviva	12.0	
Regional	LGIM	15.0	Active Cash plus	GSAM	5.5	Private equity	Hamilton Lane	4.0	
Global	Marathon	35.0		M&G	5.5	Infrastructure	IFM Investors	6.0	
	LGIM			-	-		-		JPMorgan
									M&G
	Longview			-	-	-	Partners Group		
	Baillie Gifford			-	-	-	Timber	Stafford	2.0
	LGIM RAFI			-	-	-	Loans	M&G	0.5
						illiquid debt	Alcentra	2.5	
Emerging	Stewart Investors	5.0	-	-	-	-	-	-	
Total		60.0	Total		13.0	Total		27.0	

The Fund also hedges 50% of the currency risk arising from its investment in overseas equities via a currency overlay mandate with Legal and General.

	Effective Benchmark	L&G Equity	L&G Bonds	L&G RAFI	Longview	Marathon	Baillie Gifford LTGG	M&G	Stewart	GSAM	M&G	Property	Timber	Direct lending	Infrastructure	Financing	Private Equity
Fund Weighting	100.0	20.0	2.0	7.0	7.0	7.0	7.0	7.0	5.0	5.5	5.5	12.0	2.0	2.5	6.0	0.5	4.0
UK equities (All Cap)	3.4	16.8															
UK equities (Mid/Small Cap)	1.7	8.6															
Global equities	35.0			100.0	100.0	100.0	100.0	100.0									
North America	6.5	32.7															
Europe	4.8	24.1															
Japan	2.3	11.3															
Pacific ex-Japan	1.3	6.5															
Emerging markets	5.0								100.0								
Total Equities	60.0	100.0		100.0	100.0	100.0	100.0	100.0	100.0								
UK index linked	2.0		100.0														
UK Gilts																	
UK Corps																	
Libor+	11.0									100.0	100.0						
Total bonds	13.0		100.0							100.0	100.0						
Infrastructure	6.0														100.0		
Timber	2.0												100.0				
Private equity	4.0																100.0
Property	12.0											100.0					
Financing	0.5															100.0	
Direct Lending	2.5													100.0			
Total alternatives	27.0											100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Appendix D – Fund Manager Mandate Objectives

Legal and General Investment Management

Passive Mandate (Regional Indexes) – 22% of the Fund

Investment Objective

The objective is to match the Benchmark gross of fees over rolling three year periods. The Benchmark is the average of the respective FTSE indices for each of the asset classes and markets in which the mandate is invested and weighted in accordance to the proportions in the mandate's asset allocation shown below:

Investment Allocations:

The asset allocations are as below:

Asset Class	Target Allocation	Range
Equities	%	%
UK Equities Index	25.4	23.4 - 27.4
North America Equity Index	32.7	30.7 - 34.7
Europe Equity Index	24.1	22.1 - 26.1
Japan Equity Index	11.3	9.8 – 12.8
Asia Pacific ex Japan Index	6.5	5.75 – 7.25
Total equities	100	
Bonds		
UK Index-linked (Over 5 Year Index-linked Gilts Index)	100	
Total bonds	100	

Investment Restrictions

Legal and General may not invest in unlisted securities. The manager may invest up to 100% of its mandate in pooled life funds.

Legal and General Investment Management

Global Equity Passive Mandate (RAFI) - 7% of the Fund

Investment Objective

The objective is to match the Benchmark gross of fees over rolling three year periods. The benchmark being the L&G FTSE RAFI AW 3000.

Legal and General Investment Management

Passive Currency Mandate

The mandate requires Legal & General to hedge 50% of the estimated value of the exposure to certain overseas equity markets. The hedge is adjusted on a quarterly basis with the new positions calculated using estimated values as at close of business two days before the quarter end.

Baillie Gifford

Global Equity Mandate – 7% of the Fund

Investment Objective

The objective is to seek to outperform the MSCI AC World Index by 3%, gross of fees, per annum over rolling 5 year periods.

Investment Restrictions

The investment restrictions on the manager's discretion in the management of the mandate are set out in full in the Investment Management agreement. The main restrictions are set out below:

The manager aims to ensure adequate diversification, holdings between 30 and 60 stocks. No more than 10% of the portfolio is held in any individual stock and a minimum of six sectors are represented at all times.

The Manager takes a pragmatic approach to risk the greatest risk is an absolute loss of capital, therefore, on an ongoing basis the manager reviews themes and stock concentrations in the portfolio as well as how stocks might perform in different scenarios, and levels of correlation between them.

Consistent with their long-term investment philosophy the portfolio turnover is low.

Longview Partners

Global Equity Mandate – 7% of the Fund

Investment Objective

The objective is to seek to outperform the MSCI AC World Index by 3%, gross of fees, per annum over rolling 3 year periods.

Investment Restrictions

The investment restrictions on the manager's discretion in the management of the mandate are set out in full in the Investment Management agreement. The main restrictions are set out below:

The manager aims to ensure adequate diversification, holdings between 30 and 50 stocks. No more than 7% of the portfolio is held in any individual stock and a range of sectors will be represented at all times.

No restrictions are placed on companies domiciled in a country included within the benchmark. A maximum of 20% of the portfolio at time of purchase may be invested in companies domiciled in countries not included within the benchmark.

Longview may not lend any stock, fund, share or asset forming part of the portfolio or borrow cash and/or securities for leveraging of the Portfolio.

Marathon Asset Management

Global Equity Mandate – 7% of the Fund

Investment Objective

The objective is to seek to outperform the MSCI AC World Index by 3%, gross of fees, per annum over rolling 3 year periods.

Investment Restrictions

The investment restrictions on the manager's discretion in the management of the mandate are set out in full in the Investment Management agreement. The main restrictions are set out below:

Investment will be permitted in ordinary share, preference shares, convertible bonds, warrants and cash.

The Fund will be diversified, containing a

minimum of 100 securities.

The Fund will not hold more than 3% of the issued share capital of any one security.

The maximum percentage of the Fund which may be invested in any one share is 10% of the Fund or its benchmark weighting whichever is the greater.

Cash and Cash equivalent securities will not exceed 10% of the Fund's value except for short periods when rebalancing is taking place.

M&G Investments

Global Equity Mandate – 7% of the Fund

Investment Objective

The objective is to seek to outperform the MSCI AC World Index by 3%, gross of fees, per annum over rolling 3 year periods.

The fund aims to deliver a dividend yield above the market average, by investing mainly in a range of global equities. The fund aims to grow distributions over the long term whilst also maximising total return (the combination of income and growth of capital).

Investment Restrictions

There are no investment restrictions placed on the manager as this investment is in M&G Global Dividend pooled fund. The Fund itself has built in restrictions, but offers flexibility to allocate across sectors and geographies without constraints.

Stewart Investors

Global Equity Mandate – 5% of the Fund

Investment Objective

The objective is to seek to outperform the MSCI EM Index by 4%, gross of fees, per annum over rolling 3 year periods.

Investment Restrictions

The investment restrictions on the manager's discretion in the management of the mandate are set out in full in the Investment Management agreement. The main restrictions are set out below:

Investment will be permitted in ordinary share, preference shares, convertible bonds, warrants and cash.

The Fund will be diversified, containing a minimum of 30 securities.

The Fund will not hold more than 3% of the issued share capital of any one security.

Cash and Cash equivalent securities will not exceed 10% of the Fund's value except for short periods when rebalancing is taking place.

Aviva

Property Mandate – 12% of the Fund

Investment Objective

The objective is to seek to outperform the Benchmark by 1% per annum gross of fees over rolling three year periods. The Benchmark is the weighted average of the IPD PPFI All Balanced Property Funds Index.

This objective is to be achieved by investing in a combination of direct and indirect property portfolios.

Investment Restrictions

The Fund is managed on a discretionary basis and the manager shall transition the Fund to comply with the target allocation and permitted ranges as below.

Asset allocation and control ranges

Aviva will invest in a range of property investments, subject to the following constraints.

Asset Allocation	Target Allocation	Range
	%	%
Direct Property	75	50 - 100
Indirect Property	25	25 - 50
Cash*	0	0 - 20
Total	100	

*In times of severe market stress there is flexibility to hold up to a maximum of 20% in cash

M & G

Fixed Income Mandate – 5.5% of the Fund Investment Objective

The Fund seeks a total return of 1 month Libor +2% net of fees p.a. over the medium term.

Investment Restrictions

There are no specific investment restriction's placed on the manager as this investment is in M&G's Alpha Opportunities Fund which aims to take advantage of highly diversified opportunities in public and private credit markets, including but not limited to investment grade and high yield corporate bonds, leveraged loans, asset-backed, and mortgage backed securities.

Goldman Sachs Asset Management

Fixed Income Mandate – 5.5% of the Fund

Investment Objective

The Fund seeks a total return of 3 month Libor +2% gross of fees p.a. over the medium term.

Investment Restrictions

There are no specific investment restriction's placed on the manager as this investment is in its STAR I Fund which aims to take advantage of highly diversified opportunities in public and private credit markets, including but not limited to investment grade and high yield corporate bonds, leveraged loans, asset-backed, and mortgage backed securities.

Hamilton Lane

Private Equity Mandate - 4% of the Fund

Investment Objective

The Fund seeks a total return of 3% - 5% p.a. above quoted equity markets.

Investment Restrictions

Hamilton Lane has a global investment mandate in primary partnerships, secondary partnerships and co-investments within private equity. No restrictions have been placed on the fund other than prior approval will need to be sought if the manager wishes the Fund to co-invest.

Partners Group

Infrastructure Mandate - 4% of the Fund

Investment Objective

The Fund seeks an IRR of 8% to 10% p.a.

Investment Restrictions

There are no specific restrictions placed on the manager as this is a pooled investment in Partner's Group Global Infrastructure and Partner's Direct fund which seeks investment opportunities in direct, secondary and primary infrastructure markets.

M&G Infracapital*

Infrastructure Mandate - 2% of the Fund

At present this investment is being wound up and capital is being returned.

Investment Objective

The Fund seeks a total return of CPI + 4% p.a. and IRR of 10% -15% p.a.

Investment Restrictions

There are no specific restrictions placed on the manager as this Infracapital is a pooled investment in which seeks investment opportunities in direct, secondary and primary infrastructure space.

IFM Investors*

Infrastructure Mandate - 1% of the Fund

Investment Objective

The Fund seeks an expected return of 8% to 12% p.a. net.

Investment Restrictions

There are no specific restrictions placed on the manager as this is a pooled open ended investment in IFM Investors Global Infrastructure Fund which seeks investment opportunities in global core infrastructure assets over a broad sector.

JPMorgan*

Infrastructure Mandate - 1% of the Fund

Investment Objective

The Fund seeks an expected return of 8% to 12% p.a. net.

Investment Restrictions

There are no specific restrictions placed on the manager as this is a pooled open ended investment in JPMorgan IFF fund which seeks investment opportunities in OECD regions of core and core plus infrastructure assets concentrating on transportation regulated utilities and contracted power assets.

Stafford Timberland

Timberland Mandate - 2% of the Fund

Investment Objective

The Fund seeks an IRR of 10% p.a.

Investment Restrictions

There are no specific restrictions placed on the manager as this is a pooled investment in its Stafford International Timberland VI Fund and its Stafford International Timberland VII Fund (no2) which seeks investment opportunities in direct, secondary and primary timberland.

Alcentra Limited

Illiquid Debt Mandate – 2.5% of the Fund

Investment Objective

The Fund invests both indirectly and directly and seeks 7% -9% net returns and 10% -12% net returns respectively.

Investment Restrictions

There are no specific restrictions placed on the manager as this is a pooled investment in which seeks both direct and indirect investment opportunities in the illiquid debt space.

M&G

Financing Mandate – 0.5% of the Fund

Investment Objective

The Fund seeks a return of LIBOR +4-6% (net of fees) p.a.

Investment Restrictions

There are no specific restrictions placed on the manager as this is a pooled investment in its Stafford International Timberland VI Fund and its Stafford International Timberland VII Fund (no2) which seeks investment opportunities in direct, secondary and primary timberland.

*The allocation of 1% each to IFM Investors and JPMorgan will replace the 2% allocation to M&G Infracapital when the investment is wound up during to 2017/2018.

Appendix E – Investment and funding risk register

		Impact (Negative)			
		Minor	Moderate	Major	Critical
		1	2	3	4
Probability	4 Almost certain	Medium (4)	High (8)	Very high (12)	Very high (16)
	3 Likely	Medium (3)	High (6)	High (9)	Very high (12)
	2 Possible	Low (2)	Medium (4)	High (6)	High (8)
	1 Unlikely	Low (1)	Low (2)	Medium (3)	Medium (4)

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date: 01/03/2017							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Investment Risks										
Investments	To maximise the returns from investments within reasonable risk parameters	I1	If investment return is below that assumed by the Actuary in funding the plan this could lead to an increasing deficit and additional contribution requirements. The larger the level of mismatch between assets and liabilities the bigger this risk.	4	3	12	Diversified portfolio; Annual Strategy Review; Asset Liability Study, extended recovery periods to smooth contribution increases.	3	3	9

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund		Date: 01/03/2017								
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Investment Risks										
Investments	To maximise the returns from investments within reasonable risk parameters	I2	Inefficiencies within the portfolio can result in unintended risks	3	3	9	Diversified portfolio; Annual Strategy Review; Quantification of individual components of financial risks, Hedging of some risks, Obtain expert advice	2	1	2
Investments	To maximise the returns from investments within reasonable risk parameters	I3	If investment returns are below peer group funds, or risk levels are excessive relative to peer group, this could lead to reputational damage for the Fund or member/admitted body dissatisfaction.	3	3	9	Regular monitoring; Annual Strategy Review; Targeting most efficient portfolio	2	2	4
Investments	To maximise the returns from investments within reasonable risk parameters	I4	Risk of missing opportunities to maximise returns	2	3	6	Regular monitoring; more than one investment adviser; dialogue with existing managers to encourage new ideas; peer group dialogue	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund		Date: 01/03/2017								
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Investment Risks										
Investments	To maximise the returns from investments within reasonable risk parameters.	I5	If investment strategy is inconsistent with Funding Plan then it can lead to employers paying the incorrect contribution rate.	4	3	12	Triennial Reviews linked with Funding Strategy & Investment Strategy. Asset Liability Study; SIP; Interim Reviews; co-ordination between actuary and investment consultant. A specific scorecard measure on this matter is in place.	2	1	2
Investments	To maximise the returns from investments within reasonable risk parameters.	I6	Fund managers underperform their benchmarks.	2	2	4	Manager selection process and due diligence; manager monitoring across wide range of issues; diversified portfolio of managers; setting of appropriate benchmarks.	2	1	2
Investments	To ensure the Fund is properly managed.	I7	Inappropriate or uninformed decisions e.g. due to lack of understanding / training.	3	3	9	Training and experience of ISC members; monitoring of knowledge and understanding; an institutional investment adviser and an independent adviser have been appointed; training and experience of in house team; papers prepared in advance of decisions being made; Annual Strategy Review sets plan for year.	1	2	2

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date: 01/03/2017							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Investment Risks										
Investments	To ensure the Fund is properly managed.	I8	Insufficient management information about the position of the Fund e.g. level of risk; amount of assets; performance of managers.	2	3	6	Regular quarterly reporting on assets, performance and managers; Annual Strategy Review.	1	1	1
Investments	To ensure the Fund is properly managed.	I9	Failure to take expert advice or risk of poor advice.	2	3	6	Appointment of institutional investment consultant and an independent investment adviser, who regularly attend meetings.	1	1	1
Investments	To ensure the Fund is properly managed.	I10	Delays in implementation of decisions reduces the effectiveness of the decision.	2	3	6	In house team; use of passive manager to implement change; delegation of implementation to officers and advisers.	1	2	2
Investments	To ensure the Fund is properly managed.	I11	If liquidity is not managed correctly, assets may need to be sold at unattractive times or investment opportunities missed as cash is unavailable.	2	2	4	Limit on illiquid assets and level of diversification from equities and bonds; projection of expected cash flows. A specific scorecard measure is in place on this matter.	1	1	1

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund		Date: 01/03/2017								
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Investment Risks										
Investments	To ensure the Fund is properly managed.	I12	Insufficient scrutiny of manager mandates and terms of business may lead to inappropriate fee levels or other costs.	2	3	6	Quarterly monitoring; review of fees versus peer group; selection criteria include fees and other costs.	1	2	2
Investments	To ensure the Fund is properly managed.	I13	Failure of manager or custodian.	3	1	3	Quarterly monitoring; AAF0106 audit reports; investment consultant on-going research; diversification of manager mandates; diversification of custody via pooled funds.	2	1	2
Investments	To ensure the Fund is properly managed.	I14	Failure to react to major change in market / economic conditions.	3	2	6	Quarterly monitoring, setting appropriate mandates for managers, appointment of investment consultant and independent advisers, review of market conditions at each meeting, regular engagement with investment managers.	2	1	2
Investments	Ensure all significant Fund investment issues are communicated properly to all interested parties.	I15	Inappropriate communication of risks involved in the pension fund and strategy adopted and actions taken by the ISC may lead to questions and challenge and unexpected increases in contributions.	2	3	6	Resourcing of in house team; discussion forums and surgeries; statement of investment principles; funding strategy statement.	1	2	2

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund				Date: 01/03/2017						
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Investment Risks										
Investments	To ensure the Fund is properly managed.	I16	The implementation of MiFID II (January 2018) leads to the Fund being categorised by some / all of its service providers as a 'retail client' - the result of which could reduce the range of sub asset classes in which the Fund is able to invest, and may even require divestment from the current portfolio.	4	3	12	1. Representations at national level aimed towards LGPS retaining professional client status. 2. Fund Officers working with Fund Managers & Investment Advisers aimed towards the Essex Fund retaining professional client status. Developments continue to be monitored.	4	2	8
Funding Risks										
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F1	Investment markets perform below actuarial assumptions resulting in reduced assets, reduced solvency levels and increased employer contributions.	4	2	8	Use of a diversified portfolio which is regularly monitored against targets and reallocated appropriately. At each triennial valuation assess funding position and progress made to full funding. Full annual interim reviews to enable consideration of the position. A specific scorecard measure is in place on this matter.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund		Date: 01/03/2017								
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F2	Markets move at variance with actuarial assumptions resulting in increased deficits, reduced solvency levels and increased employer contributions.	4	3	12	Annual interim reviews to enable consideration of the position and the continued appropriateness of the funding/investment strategies and to monitor the exposure to unrewarded risks.	3	3	9
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F3	Investment managers fail to achieve performance targets (i.e. ensure funding target assumptions are consistent with funding objectives) which reduces solvency levels and increases required in employers' contributions.	3	3	9	Diversified investment structure and frequent monitoring against targets with potential for a change of managers where considered appropriate.	2	2	4

Essex Pension Fund Risk Register

Risk Area: Essex Pension Fund Date: 01/03/2017

Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F4	Mortality rates continue to improve, in excess of the allowances built into the evidence based actuarial assumptions, resulting in increased liabilities, reduced solvency levels and increased employer contributions.	3	3	9	Monitoring of mortality experience factors being exhibited by the Fund members by Fund Actuary and consequent variation of the actuarial assumptions based on evidential analysis.	2	2	4
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F5	Frequency of early retirements increases to levels in excess of the actuarial assumptions adopted resulting in increases required in employers' contributions.	3	3	9	Employers required to pay capital sums to fund costs for non-ill health cases. Regular monitoring of early retirement (including on the grounds of ill health) experience being exhibited by the Fund members by Fund Actuary and consequent variation of the actuarial assumptions based on evidential analysis. Ensure that employers are made aware of consequences of their decisions and that they are financially responsible.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date: 01/03/2017							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible	F6	Failure to apply and demonstrate fairness in the differentiated treatment of different fund employers by reference to their own circumstances and covenant.	4	3	12	At each triennial actuarial valuation an analysis is carried out to assess covenant and affordability on a proportional basis. On-going dialogue with employers.	2	2	4
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible	F7	Mismatch in asset returns and liability movements result in increased employer contributions.	4	3	12	Diversified investment structure and frequent monitoring against targets to adjust funding plans accordingly through the FSS. Employers are kept informed as appropriate.	3	2	6

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date: 01/03/2017							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F8	Pay and consumer price inflation significantly different from actuarial assumptions resulting in increases required in employers' contributions.	3	2	6	At each triennial actuarial valuation an analysis is carried to ensure that the assumptions adopted are appropriate and monitor actual experience. Discussions with employers over expected progression of pay in the short and long term.	2	2	4
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F9	Potential for significant increases in contributions to levels which are unaffordable. Ultimate risk is the possibility of the employers defaulting on their contributions.	3	3	9	Risk profile analysis performed with a view on the strength of individual employer's covenant being formed when setting terms of admission agreement (including bonds) and in setting term of deficit recovery whilst attempting to keep employers' contributions as stable and affordable as possible. Pursue a policy of positive engagement with a view to strengthening employer covenants wherever possible.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date: 01/03/2017							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F10	Adverse changes to LGPS regulations resulting in increases required in employers' contributions or Fund cash flow requirements.	4	2	8	Ensuring that Fund concerns are considered by the Officers/Board as appropriate and raised in consultation process with decision makers lobbied. Employers and interested parties to be kept informed. Monitor potential impact for employers in conjunction with Actuary.	3	1	3
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F11	Adverse changes to other legislation, tax rules, etc. resulting in increases required in employers' contributions.	3	2	6	Ensuring that Fund concerns are considered by the Officers/Board as appropriate and raised in consultation process with decision makers lobbied. Employers and interested parties to be kept informed. Monitor potential impact for employers in conjunction with Actuary.	3	1	3

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund		Date: 01/03/2017								
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.	F12	Administering authority unaware of structural changes in an employer's membership, or not being advised of an employer closing to new entrants, meaning that the individual employer's contribution level becomes inappropriate requiring review and increase.	3	3	9	Ensure that employers are reminded of their responsibilities, monitor and send reminders of employers' responsibilities re this where appropriate, investigate the adoption of an administration strategy to clarify employer responsibilities. Employer analysis work and officer dialogue with employers concerned (including guarantors as appropriate).	2	2	4
Funding	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.	F13	Not recognising opportunities from changing market, economic or other circumstances (e.g. de-risking or strengthening of covenant).	3	3	9	At each triennial valuation pursue a policy of positive engagement with a view to strengthening employer covenants wherever possible.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund		Date: 01/03/2017								
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.	F14	Adoption of either an inappropriately slow or rapid pace of funding in the specific circumstances for any particular employer.	3	4	12	At each triennial actuarial valuation an analysis is carried out to assess covenant and affordability on a proportional basis. On-going dialogue with employers.	2	2	4
Funding	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.	F15	Failure to ensure appropriate transfer is paid to protect the solvency of the Fund and equivalent rights are acquired for transferring members in accordance with the regulations.	2	3	6	Follow the standardised approach to bulk transfers of liabilities as part of admission policy framework, complying with any statutory requirements and protecting the interests of the Fund's employers by measuring the solvency of the Fund and relevant employers before and after transfer.	2	1	2

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date: 01/03/2017							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	To have consistency between the investment strategy and funding strategy.	F16	Over or under cautious determination of employer funding requirements due to the impact of the investment strategy on funding.	3	3	9	Measurement will look at expected return projections vs actuarial assumptions in order to test the continued appropriateness and consistency between the funding and investment strategy.	2	2	4
Funding	Maintain liquidity in order to meet projected net cash-flow outgoings.	F17	Illiquidity of certain markets and asset classes and difficulty in realising investments and paying benefits as they fall due.	3	3	9	Holding liquid assets and maintain positive cash flows. Reviews performed to monitor cash flow requirements.	2	1	2
Funding	Maintain liquidity in order to meet projected net cash-flow outgoings.	F18	Unanticipated onset of cash-flow negative position, potentially requiring ad hoc repositioning of assets.	3	3	9	Holding liquid assets and maintain positive cash flows. Reviews performed to monitor cash flow requirements. In Spring 2015 the ISC agreed to divert a portion of UK equity dividend income (L&G) & property rental income (AVIVA) to supplement contribution income in order to meet pension benefit expenditure.	2	1	2

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date: 01/03/2017							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	Minimise unrecoverable debt on termination of employer participation.	F19	An employer ceasing to exist with insufficient funding, adequacy of bond or guarantee. In the absence of all of these, the shortfall will be attributed to the Fund as a whole with increases being required in all other employers' contributions.	4	3	12	Assess the strength of individual employer's covenant and/or require a guarantee when setting terms of admission agreement (including bonds) and in setting term of deficit recovery. Annual monitoring of risk profiles and officer dialogue with employers concerned (including guarantors as appropriate) through employer analysis. Positive dialogue with employers with a view to strengthening employer covenants wherever possible. Same mitigations for both risks F19 & F20.	3	2	6

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund		Date: 01/03/2017								
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	Minimise unrecoverable debt on termination of employer participation.	F20	Failure to monitor leading to inappropriate funding strategy and unrecovered debt on cessation of participation in the fund.	4	3	12	Assess the strength of individual employer's covenant in conjunction with the Actuary and/or require a guarantee when setting terms of admission agreement (including bonds) and in setting term of deficit recovery. Annual monitoring of risk profiles and officer dialogue with employers concerned (including guarantors as appropriate) through employer analysis. Positive dialogue with employers with a view to strengthening employer covenants wherever possible.	3	2	6
Funding	Maintain liquidity in order to meet projected net cash-flow outgoings.	F21	Employee participation in the Essex LGPS reduces (possibly in response to changes in contribution rate / benefit structure or changes in patterns of service delivery).	4	3	12	Communications with both Employers and Employees over the benefits of the LGPS, both before and after any structural change. In July 2011, following discussion on liquidity and fund maturity, the ISC set a 27% limit on exposure to alternative assets.	3	2	6

Appendix F – Statement of Compliance: the six Myners principles of good investment practice

Description of Principle	Essex Pension Fund's position	Future actions
<p>1. Effective decision making Administering Authorities should ensure that:</p> <ul style="list-style-type: none"> Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation <p>and</p> <ul style="list-style-type: none"> Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest. 	<p>Responsibility for approval and review of the investment strategy of the Essex Pension Fund has been delegated to the Investment Steering Committee (ISC). Every quarter, the ISC reports its activity to the Essex Pension Strategy Board (the Strategy Board), the body with overall responsibility for the Essex Pension Fund.</p> <p>The day to day running of the Fund has been delegated to the S1510. The ISC is supported by the S1510, the Director for Essex Pension Fund and other Fund officers.</p> <p>Institutional investment advice to the ISC and Fund officers is commissioned from Hymans Robertson. Furthermore Mark Stevens acts as an independent investment adviser.</p> <p>An on-going programme of training for Members of the ISC and Strategy Board is in place based on the CIPFA Knowledge & Skills Framework. Launch of infoBOARD (an online document repository for ISC/ Strategy Board Members) in July 2013. Member training is also recorded and feeds into the scorecard on quarterly basis.</p> <p>Fund officers hold relevant qualifications and maintain appropriate on-going professional development (CPD).</p> <p>The Essex Pension Fund is a member of the CIPFA Pensions Network.</p>	<p>On-going Member and Fund officer training.</p>

Description of Principle	Essex Pension Fund's position	Future actions
<p>2. Clear objectives</p> <p>An overall investment objective(s) should be set for the fund that takes account of the scheme liabilities, the potential impact on local tax payers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be communicated to advisers and investment managers.</p>	<p>The Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS) set out the Essex Pension Fund's primary funding objectives.</p> <p>Specific investment objectives are in place for each mandate in the portfolio, and these are regularly monitored by the ISC.</p> <p>The Strategy Board has also agreed a series of objectives across five areas: Governance, Investment, Funding, Administration & Communications. Progress against objectives is monitored regularly by the Fund's scorecard. These objectives include:</p> <ul style="list-style-type: none"> • Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise. • To maximise the returns from investments within reasonable risk parameters. • To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives. • To recognise in drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible. • Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally. 	<p>Continual monitoring and review of objectives.</p>

Description of Principle	Essex Pension Fund's position	Future actions
3. Risk & liabilities <ul style="list-style-type: none"> In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of their liabilities. These include the implications for local taxpayers, the strength of the covenant for participating employers, the risk of their default and longevity risk. 	<p>Following each triennial valuation, the ISC re-assess the investment strategy in light of the updated information on the structure of liabilities. Asset / Liability studies have been used in the past.</p> <p>Whilst it is accepted that investment underperformance due to certain market conditions can occur, the ISC measures active managers against longer term benchmark outperformance targets.</p> <p>The strength of covenant of participating employers is considered in the formulation of the FSS.</p> <p>The admission of new employers into the Fund is not granted unless appropriate guarantees are put in place.</p> <p>Investment risks are highlighted within the ISS. A register of risks of not achieving each of the Funds objectives is maintained and reviewed on a quarterly basis.</p>	<p>The ISC is scheduled to consider an asset liability study based on the outcomes of the 2016 Valuation, in early 2017.</p>

Description of Principle	Essex Pension Fund's position	Future actions
<p>4. Performance assessment</p> <ul style="list-style-type: none"> • Arrangements should be in place for the formal measurement of investments, fund managers and advisers • Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision making body and report on this to scheme Members. 	<p>The performance of the Fund and fund managers is monitored each quarter by the ISC, and all fund managers are held to account through meetings with the ISC and/or the Fund's officers and advisers.</p> <p>Performance data is provided by a specialist provider, independent from the fund managers.</p> <p>The Fund's contracts with its advisers are market tested when appropriate.</p> <p>The most recent effectiveness review of both the Strategy Board and ISC was undertaken in March 2017. The outcome of this review was reported back to the Strategy Board at their 8 March 2017 meeting. This included an assessment of both the Strategy Board & ISC's effectiveness and that of the support received from Fund officers and advisers.</p> <p>Strategy Board & ISC attendance and training outcomes are measured in the quarterly scorecard.</p>	<p>A further effectiveness review is scheduled for 2017/18.</p>

Description of Principle	Essex Pension Fund's position	Future actions
<p>5. Responsible ownership</p> <p>Administering authorities should:</p> <ul style="list-style-type: none"> • Adopt, or ensure their investment managers adopt, the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholders and agents. • Include a statement of the authority's policy on responsible ownership in the Statement of Investment Principles. • Report periodically to members on the discharge of such responsibilities. 	<p>The Institutional Shareholders' Committee Statement of Principles has been superseded by the Financial Reporting Council's (FRC) UK Stewardship Code and it is now the standard for the investment management industry.</p> <p>The Fund's Investment Strategy Statement includes the following:</p> <p><i>"The Fund fully supports the UK Stewardship Code and requires those of its investment managers who hold shares on its behalf to comply with it or to provide the ISC with an explanation of why it is not appropriate to do so, in the exercise of the mandate that they have been given, and how they will instead achieve and demonstrate the same level of responsible share ownership."</i></p> <p>Investment Manager reports circulated to ISC Members include details of voting records.</p>	

Description of Principle	Essex Pension Fund's position	Future actions
<p>6. Transparency & reporting Administering authorities should:</p> <ul style="list-style-type: none"> Act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives; <p>and</p> <ul style="list-style-type: none"> Provide regular communication to members in the form they consider most appropriate. 	<p>Each quarterly meeting of the Board includes a review of the Fund's business plan and risk register. Furthermore a detailed scorecard is used to monitor progress against the stated objectives. Agenda papers are published on the internet and the meetings are open to the public.</p> <p>An Employers' Forum is held every year and includes presentations from the Board Chairman, Fund officers and advisers as well as the opportunity for questions to be raised.</p> <p>The Fund's web site is www.essexpensionfund.co.uk and includes the:</p> <ul style="list-style-type: none"> Annual Report and Accounts Funding Strategy Statement Investment Strategy Statement Governance Compliance Statement; and Communications Policy <p>Individual scheme members receive newsletter updates throughout the year in addition to annual benefit statements.</p>	

Definition of Terms

ACCESS	A Collaboration of Central, Eastern and Southern Shires
AAF0106	Internal Control report undertaken by an external auditor
BDO	Binder Dijker Otte
CIPFA	Chartered Institute of Public Finance and Accountancy
CPD	Continuing Professional Development
CPI	Consumer Price Index
ECC	Essex County Council, Administering Authority of Essex Pension Fund also known as Scheme Manager
ESG	Environmental, Social & Governance
FRC	Financial Reporting Council
FSS	Funding Strategy Statement
FTSE	Financial Times Stock Exchange
GDP	Gross Domestic Product
IPD PPFI	Pooled Property Fund Index
IRR	Internal Rate of Return
ISC	Investment Steering Committee
ISS	Investment Strategy Statement
LA	Local Authority
LGPS	Local Government Pension Scheme
LIBOR	London Inter-Bank Offer Rate
MiFiD II	Markets in Financial Instruments Directive
MSCI AC	Morgan Stanley Capital Index All Countries
MSCI EM	Morgan Stanley Capital Index Emerging Markets
OECD	Organisation for Economic Cooperation and Development
PAB	Essex Pension Fund Advisory Board
PSB	Essex Pension Fund Strategy Board
S1510	Section 151 Officer
SDLT	Stamp Duty Land Tax
SIP	Statement of Investment Principles

March 2017

Essex Pension Fund Funding Strategy Statement

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This Statement has been prepared by Essex County Council (the Administering Authority) to set out the funding strategy for the Essex County Council Pension Fund (the Fund), in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013 (as amended) and the guidance paper issued in August 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel.

1. Introduction

The Local Government Pension Scheme Regulations 2013 (as amended) provide the statutory framework from which the Administering Authority is required to prepare a Funding Strategy Statement (FSS). The key requirements for preparing the FSS can be summarised as follows:

- After consultation with all relevant interested parties involved with the Fund the Administering Authority will prepare and publish their funding strategy;
- In preparing the FSS, the Administering Authority must have regard to:
 - the guidance issued by CIPFA for this purpose;
 - the Statement of Investment Principles (SIP) / Investment Strategy Statement (ISS) for the Fund published under Regulation 12 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016; and
 - the Public Services Pensions Act 2013 section 13
- The FSS must be revised and published whenever there is a material change in the policy on the matters set out in either the FSS or the SIP/ISS.

Benefits payable under the Local Government Pension Scheme (the Scheme) are guaranteed by statute and therefore the pensions promise is secure. The FSS addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time, facilitating scrutiny and accountability through improved transparency and disclosure.

The Scheme is a defined benefit scheme under which the benefits are specified in the governing legislation (the Local Government Pension Scheme Regulations 2013). The required levels of employee contributions are also specified in the Regulations.

Employer contributions are determined in accordance with the Regulations (principally

Administration Regulation 62) which require that an actuarial valuation is completed every three years by the Actuary appointed by the Fund, including a rates and adjustments certificate. Contributions to the Fund should be set so as to “secure its solvency”, whilst the Actuary must also have regard to the desirability of maintaining as nearly constant a rate of contribution as possible. The Actuary must have regard to the FSS in carrying out the valuation.

2. Purpose of the FSS in policy terms

Funding is defined as the making of advance provision to meet the cost of accruing benefit promises. Decisions taken regarding the approach to funding will therefore determine the rate or pace at which this advance provision is made. Although the Regulations specify the fundamental principles on which funding contributions should be assessed, implementation of the funding strategy is the responsibility of the Administering Authority, acting on the professional advice provided by the Actuary.

The purpose of this FSS is:

- to establish a clear and transparent fund-specific strategy which will identify how employers’ pension liabilities are best met going forward;
- to support the desirability of maintaining as nearly constant employer contribution rates as possible; and
- to take a prudent longer-term view of funding those liabilities.

The intention is for this strategy to be both cohesive and comprehensive for the Fund as a whole, recognising that there will be conflicting objectives that need to be balanced and reconciled. Whilst the position of individual employers must be reflected in the statement, it must remain a single strategy for the Administering Authority to implement and maintain with its focus at all times on those actions which are in the best long-term interests of the Fund.

3. Funding Objectives and purpose of the Fund

The funding objectives of the Fund are:

- within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined in the Funding Strategy Statement;
- to recognise in drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible;
- to manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives;
- to maintain liquidity in order to meet projected net cash-flow outgoings;
- to minimise unrecoverable debt on termination of employer participation; and
- to have consistency between the investment strategy and funding strategy; and
- to maximise returns within reasonable risk parameters.

The purpose of the Fund is to:

- receive monies in respect of contributions, transfer values and investment income.

4. Responsibilities of the key parties

Although a number of parties, including investment fund managers, investment advisers and external auditors, have responsibilities to the Fund, the key parties for the strategy are seen as the Administering Authority, each individual employer and the Fund Actuary.

The Administering Authority is required to:

- operate a pension fund;
- collect employer and employee contributions, investment income and

other amounts due to the pension fund as stipulated in the LGPS Regulations;

- invest surplus monies in accordance with the LGPS Regulations;
- ensure that cash is available to meet liabilities as and when they fall due;
- manage the valuation process in consultation with the Fund Actuary;
- prepare and maintain an FSS and a Statement of Investment Principles (SIP) / Investment Strategy Statement (ISS), both after consultation with interested parties;
- monitor all aspects of the Fund's performance and funding and amend the FSS/SIP(ISS) when necessary;
- take measures as set out in the regulations to safeguard the Fund against the consequences of employer default; and
- effectively manage any potential conflicts of interests arising from its dual role as both fund administrator and scheme employer.

Each Employer should:

- deduct contributions from employees' pay correctly after determining the appropriate employee contribution rate in accordance with the LGPS regulations (Regulation 9);
- pay over all contributions, including their own as determined by the Fund Actuary, promptly by the due date;
- develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework;
- make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits and early retirement strain;
- notify the Administering Authority promptly of all changes to active membership or, other changes proposed, which affect future funding; and
- complete year end procedures in a timely manner.

The Fund Actuary should:

- prepare valuations, including the setting of employers' contribution rates at a level to ensure solvency, after agreeing assumptions with the Administering Authority and having regard to the FSS and the LGPS Regulations;
- prepare advice and calculations in connection with bulk transfers and individual benefit-related matters such as pension strain costs, ill health retirement costs;
- provide advice and valuations on the termination of admission agreements;
- provide advice to the administering authority on bonds or other forms of security against the financial effect on the fund of employer default;
- assist the administering authority in assessing whether employer contributions need to be revised between valuations as required by the regulations; and
- ensure that the administering authority is aware of any professional guidance or other professional requirements which may be of relevance to his or her role in advising the Fund.

5. Solvency issues and target funding levels

To meet the requirements of the Administration Regulations the Administering Authority's long-term funding objective is to achieve and then maintain assets equal to 100% of projected accrued liabilities, assessed on an ongoing basis including allowance for projected final pay. The actuarial assumptions to be used in the calculation of the funding target are set out in the Appendix.

Under Section 13(4) (c) of the Public Service Pensions Act 2013 The Government Actuary's Department (GAD) (as the person appointed by the responsible authority) must, following an actuarial valuation, report on whether the rate of employer contributions to the pension fund are set at an appropriate level to ensure

the solvency of the pension fund and long term cost efficiency of the scheme so far as relating to the pension fund. Section 13 requires Funds to be compared with other Funds within the Scheme.

The key elements of the funding strategy include:

- the long-term aim is to achieve 100% funding of pension liabilities;
- favourable investment performance can play a valuable role in achieving adequate funding over the longer term;
- to ensure the appropriate level of contributions are received to ensure solvency of the Fund;
- to minimise fluctuations in employers' contributions in order to assist them with their financial planning and to meet their financial responsibilities to the Fund where it is prudentially appropriate;
- although the membership profile has matured slightly since the last valuation in 2013 the Fund can still take a long term perspective in setting the investment strategy;
- the Fund has a large number of employing bodies with different characteristics including size and strength of covenant.

The effective date of the current actuarial valuation of the Fund is 31 March 2016. The results of the valuation indicate that overall the assets of the Fund represented 89% of projected accrued liabilities at the valuation date.

The Administering Authority after due consideration of all of the information available to it including consultation with the Fund Actuary and other interested parties, has adopted the following objectives to achieve the funding target:

- set employers' contribution rates to achieve 100% funding of liabilities in the long term;

- employer contribution rates will be made up of two separate elements:
 - an ongoing rate, as a percentage of pensionable pay, to meet the costs of future service (payable no later than the 19th day of the month following the month of relevant payroll run); and
 - a deficit recovery contribution, expressed in most instances as a cash sum, to recover any shortfall revealed by the actuarial valuation (payable as detailed in this Funding Strategy Statement);
- where an employer has an ongoing funding level above 100%, and cessation is on a 'least risk basis' payment towards the cessation debt will commence.
- the Fund will for the purpose of administration, the calculation of contribution rates and for the setting of maximum deficit recovery periods, continue to deal with town and parish councils (T&PC) as a group.
 - the Fund will set deficit recovery periods for the T&PC that as far as possible are likely to reduce the level of deficit during the inter-valuation period if all of the Actuary's assumptions prove correct.
- the administering authority may by written notice ('a suspension notice') to an exiting employer suspend that employer's liability to pay an exit payment for a period of up to 3 years subject to conditions in Local Government Pension Scheme regulation 64(2a-c)
- schools, including former grant maintained schools (but excluding Academies), will be treated as part of the local authority within whose area of responsibility they fall for the purpose of setting contribution rates and deficit recovery periods; any discretions in respect of these matters will fall to the local authority;
- from 1 April 2017 all Academies will be placed in a pool;
- in the event of an Academy conversion, the Fund Actuary will undertake a calculation of the assets and liabilities attributable to the preceding school(s). These assets and liabilities will then be migrated from the Local Authority to the Academy pool;
- we will set objective and maximum deficit recovery periods for the remaining employers
 - the agreed deficit recovery periods will be set at levels that safeguard the interests of the Fund by having regard to the Fund's judgement of the strength of covenant and the financial stability of individual employers;
 - individual employers will, at the discretion of the Fund and the Fund's Actuary, be able to increase their deficit recovery period up to the maximum deficit recovery period subject to providing assurance of greater strength of covenant and financial stability. (e.g. guarantor employer consent, provision of a bond, a deposit, a parent company guarantee or other surety);
 - where a deficit recovery period greater than that of "average future working life" was applied at the 2013 valuation; the starting point for the deficit recovery period to be applied at the 2016 valuation is three years less than that previously applied. The Fund may, at its discretion, allow this three year period to be reapplied.

Whilst a deficit exists, annual contributions will not normally be reduced. This may result in a shorter deficit recovery period than described above.

Objective and maximum deficit recovery periods for active employers (i.e. those employers with active members)

Category	Employer	Example	Objective	Maximum
A	Scheduled - major tax raising bodies	District Council, Fire Authority	2013 deficit recovery period less three years	27 years
C	Scheduled - other. 2	Further & Higher education corporations	average remaining working life	12 years
D	Scheduled - other. 1	Further & Higher education corporations providing evidence of financial security to the satisfaction of the Essex Pension Fund	2013 deficit recovery period less three years	24 years
F	Transferee	Contractor	contract length	contract length
G	Community admission 1	Voluntary, not for profit, charities, housing associations	average remaining working life	average remaining working life
H	Community admission 2	Employer providing evidence of financial security to the satisfaction of the Essex Pension Fund	average remaining working life	12 years
Pooled employers			Maximum Recovery Period	
B	Scheduled - Academies	Academies	24 years	
E	Resolution	Town / Parish Councils	24 years	

1. The draft maximum deficit recovery periods are designed, where appropriate, to stabilise the amount of deficit contributions payable. It is not designed to allow for a reduction in contributions.
2. In addition, mitigations may be adopted to allow for affordability and stability of contributions as well as for transition to revised policies. These may include the stepped introduction of revised contribution rates.
3. The provision of financial security for Category H employers could include the agreement and provision of a guarantee by a Category A employer.
4. While a deficit exists, annual contributions will not generally be reduced. This may result in a shorter deficit recovery period than the Objective.
5. Contributions generally will not be reduced below the future service rate.
6. Contributions are subject to the certification of the Fund Actuary.

- The Town & Parish Council employers' contributions will be phased over the 3 year period 2017/18 to 2019/20.
- The 2017/18, 2018/19 and 2019/20 deficit amounts certified for each employer will reflect one of the following:
 - i. the actuarially assessed value of the annual deficit paid in twelve equal instalments monthly in arrears with each payment being due by the 19th day of the following month; or
 - ii. the actuarially assessed value of the annual deficit paid in one lump sum payment prior to 30 April of the specified year; or
 - iii. the actuarially assessed value of i) or ii) for all three years paid in 36 or 3, respectively, equal instalments; or
 - iv. the actuarially assessed value of paying the deficit for three years in one lump sum payment prior to 30 April 2017.
- Individual employers retain the freedom to
 - make a lump sum payment prior to 1 April 2017, following agreement with the administering authority. The annual deficit amounts certified for financial years 2017/18, 2018/19 and 2019/20 will reflect the actuarially assessed value of making this payment, either utilising the payment over the three years or over the deficit recovery period;
 - decide to repay their share of the deficit over a shorter period should they so choose; and
 - make additional payments to the Fund over and above the minimum employer contribution rates certified.

In determining the deficit recovery period(s) the Administering Authority has had regard to:

- the responses made to the consultation with employers on the FSS principles;
- the need to balance a desire to attain the target as soon as possible against the

major increases in the level of employers' contributions which a shorter period would require;

- section 13 of the Public Service Pensions Act 2013 to ensure employer contributions are set at an appropriate level to ensure the solvency of the Fund; and
- the Administering Authority's views on the strength of the participating employers' covenants in achieving the objective.

Where a category A employer allows an early retirement, for any reason other than ill health, that produces a strain cost, payment of the strain cost may be met either in the form of an immediate lump sum to the Fund, or by payment over two years to the Fund including interest;

Where a category B-H employer allows an early retirement, for any reason other than ill health, that produces a strain cost, payment of the strain is to be met in the form of an immediate lump sum to the Fund.

Where an existing payment plan exists and the employer is ceasing full settlement will be required of any outstanding amounts before the final cessation date.

Levels of ill health will be monitored and will normally be reflected in assumptions at triennial valuations or sooner if deemed necessary.

Employers that are able to and have closed the Scheme to new members, or have had no new members in the previous two years to 31 March 2016, will have their employer contribution rate assessed on a closed basis at the triennial valuation.

Where an employer is able to and closes the Scheme to new members, between valuations, the employer contribution rate may be reassessed on a closed basis and a revised certificate issued.

In preparation for the cessation of an employer's participation in the Scheme:

- the future service rate and deficit recovery contribution may be reviewed by the Fund Actuary and amended if required;
- all community admission bodies will be allowed flexibility to elect to adopt a funding approach prior to termination in line with the “least risk” exit debt basis, if that is their preference;
- where a community admission body has an ongoing funding level above 100% payment shall commence towards termination in line with the “least risk” exit basis;
- in certain circumstances, subject to satisfactory surety, a formal plan may be agreed between the Fund, the Fund Actuary and the Fund Employer, and if applicable the Transferor Scheme Employer to manage payment of deficit up to and beyond the termination date; and
- in the case of charities the Fund and the Fund Actuary will work to achieve the best approach available without any detrimental impact to the running of the charity, but ensuring an agreed payment plan is reached to recover any deficit – prudentially appropriate.

On the cessation of an employer’s participation in the Scheme, the actuary will be asked to make a termination assessment. Any deficit in the Scheme in respect of the employer would be due to the Scheme as a termination contribution, unless it was agreed by the administering authority and the other parties involved that the assets and liabilities relating to the employer would be transferred within the Scheme to another participating employer. The basis of the termination valuation will be determined in consultation with the Fund Actuary.

- In certain circumstances, subject to satisfactory surety, a formal payment plan may be agreed between the Fund, the Fund Actuary and the Fund Employer, and if applicable the Transferor Scheme Employer.

- All transferee admission bodies (i.e. “best value” contractors delivering services to scheme employers) will be accepted for admission into the Fund so long as all the necessary regulatory requirements for admission are satisfied, including those covering the assessment of the requirement for and provision of security to the satisfaction of the administering authority.
- In the case of a transferee admission body, or any participating employer acting as guarantor in the case of non-transferee admission bodies, implementation of an alternative funding basis or approach (including on termination) will be subject to agreement from the relevant guarantor body/scheme employer. Any special funding arrangements between the scheme employer and transferee admission body should be covered by the commercial arrangements, i.e. outside the Fund and not part of the admission agreement.
- Community admission bodies will be accepted for participation in the Fund, or otherwise, on a case by case consideration of the merits of admission and the associated risks to the Fund. In accordance, with regulatory requirements, a bond, indemnity, guarantee will be required for all community admission body cases, to the satisfaction of the administering authority.
- In the case where a contractor wishes to offer a broadly comparable scheme, rather than apply to become an admission body of the Fund, standardised bulk transfer terms will be offered via the Actuary’s Letter. The letter will be structured so as to target an asset transfer to the contractor’s Broadly Comparable scheme such that it is equivalent to 100% of the past service liabilities reserved for by the Fund in respect of the transferring members’ accrued service as at the date of transfer. The Fund will only agree to any variations in the standard in exceptional circumstances and with the prior agreement of the transferring scheme employer.

6. Link to investment policy

Funding and investment strategy are inextricably linked. The Investment Steering Committee (ISC) has been delegated with responsibility for investment strategy. The key investment objectives are “to ensure the investment strategy is consistent with the funding objectives” and “to maximise investment returns within reasonable risk parameters”. The ISC determines investment strategy after taking professional advice.

Investment Strategy

The investment strategy is set out in the Fund’s Statement of Investment Principles. This is available from www.essexpensionfund.org.uk.

In setting the investment strategy the ISC takes account of both the current funding level and the relative maturity profile of the Fund (the relative proportion of liabilities in respect of active, deferred and pensioner members). The asset allocation determined by the ISC sets the proportion of assets to be invested in equities, bonds and alternative assets. The resulting structure reflects the ISC’s views on the appropriate balance between maximising the long term return on investments and minimising risk. The strategy is set for the long term, but reviewed regularly.

The Fund’s current investment strategy is as follows.

Equities			Bonds			Alternatives		
	Manager	Target %		Manager	Target %		Manager	Target %
UK	LGIM	5.0	Index-linked gilts	LGIM	2.0	Property	Aviva	12.0
Regional	LGIM	15.0	Active Cash plus	GSAM	5.5	Private equity	Hamilton Lane	4.0
Global	Marathon	35.0		M&G	5.5		M&G	
	M&G		-	-	-	Infrastructure	Partners Group	6.0
	Longview		-	-	-	Timber	Stafford	2.0
	Baillie Gifford		-	-	-	Loans	M&G	0.5
	RAFI					Direct Lending	Alcentra	2.5
Emerging	First State	5.0	-	-	-	-	-	-
Total		60.0	Total		13.0	Total		27.0

As part of the review of the Statement of Investment Principles, Investment Consultants Hymans Robertson conducted a review of the Fund’s investment structure using their Asset Model (HRAM), the stochastic scenario generator developed by Hymans Robertson LLP, calibrated using market data as at 31 October 2014. The result was an expectation of a 6.4% p.a. return which rose to 7.2% with the inclusion of investment managers’ outperformance.

Asset Split

The Fund does not account for each employer's assets separately. The Fund's Actuary is required to apportion the assets of the Fund between the employers at each valuation.

Consistency with Funding Basis

In the opinion of the Actuary, the current funding policy is consistent with the both investment strategy of the Fund, and the requirement to take a "prudent longer term view" of the funding of liabilities.

As at 31 March 2016 the discount rate used, in order to calculate the current value of future pension benefits payable is 5.1%.

7. Identification of risks and counter-measures

Awareness of the risks that may impact on the funding strategy and expectations of future solvency is crucial to determining the appropriate measures to mitigate those risks.

The funding of defined benefits is by its nature uncertain. The funding strategy is based on both financial and demographic assumptions. These assumptions are specified in the actuarial valuation report. When actual experience is not in line with the assumptions adopted a surplus or shortfall will emerge at the next actuarial valuation and beyond. This may require a subsequent contribution adjustment to bring the funding back into line with the target.

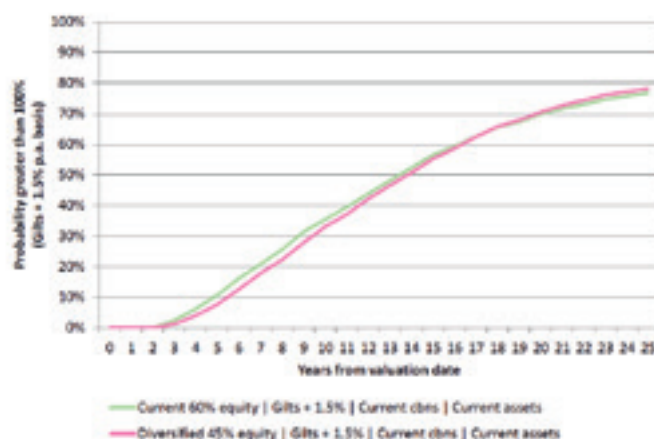
Impact of investment strategy

In autumn 2017 the Investment Steering Committee considered an Asset Liability Study (ALS).

In the chart below, the green line highlights the current investment strategy. The ALS indicates that there is a 50/50 chance that the Fund has recovered the current deficit by 2029. There is a c. 75% chance that the deficit will be eliminated by the end of 25 years under the current funding plan.

The pink line represents a revised strategy,

with which the ISC has agreed in principle and to which the ISC expects to migrate over the next two years. This strategy reduces equity allocation from 60% to 45% with the majority of assets being reinvested in alternatives. As can be seen, the probabilities of success remain broadly the same given alternatives are expected to generate broadly the same level of return as equity. However, this is expected to reduce risk through further diversification of the equity allocation.



The Administering Authority has itself undertaken an exercise to identify those risks that are specific to the Fund and the measures to be taken to counter those risks.

The resultant risk assessment is attached to this FSS as Schedule A.

8. Monitoring and Review

In preparing this statement, the Administering Authority and the Essex Pension Fund Board has taken advice from Barnett Waddingham, the Fund Actuary, and has also consulted with its institutional investment advisers Hymans Robertson, and its independent investment adviser Mark Stevens.

A full review of this Statement will occur no less frequently than every three years, to coincide with completion of a full actuarial valuation. Any review will take account of the then current economic conditions and will also reflect any legislative changes.

The Administering Authority will monitor the progress of the funding strategy between full actuarial valuations. If considered appropriate, the funding strategy will be reviewed (other than as part of the triennial valuation process), for example:

- if there has been a significant change in market conditions and/or deviation in the progress of the funding strategy;
- if there have been significant changes to Fund membership, or LGPS benefits;
- if there have been changes to the circumstances of any of the employing authorities to such an extent that they impact on or warrant a change in the funding strategy; and
- if there have been any significant special contributions paid into the Fund.

Schedule A – Essex Pension Fund Risk Register

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding Risks										
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F1	Investment markets perform below actuarial assumptions resulting in reduced assets, reduced solvency levels and increased employer contributions.	4	2	8	Use of a diversified portfolio which is regularly monitored against targets and reallocated appropriately. At each triennial valuation assess funding position and progress made to full funding. Full annual interim reviews to enable consideration of the position. A specific scorecard measure is in place on this matter.	2	2	4
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F2	Markets move at variance with actuarial assumptions resulting in increases in deficits, reduced solvency levels and increased employer contributions.	4	3	12	Annual interim reviews to enable consideration of the position and the continued appropriateness of the funding/investment strategies and to monitor the exposure to unrewarded risks.	3	3	9

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F3	Investment managers fail to achieve performance targets (i.e. ensure funding target assumptions are consistent with funding objectives) which reduces solvency levels and increases required in employers' contributions.	3	3	9	Diversified investment structure and frequent monitoring against targets with potential for a change of managers where considered appropriate.	2	2	4
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F4	Mortality rates continue to improve, in excess of the allowances built into the evidence based actuarial assumptions, resulting in increased liabilities, reduced solvency levels and increased employer contributions.	3	3	9	Monitoring of mortality experience factors being exhibited by the Fund members by Fund Actuary and consequent variation of the actuarial assumptions based on evidential analysis.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined by the Funding Strategy.	F5	Frequency of early retirements increases to levels in excess of the actuarial assumptions adopted resulting in increases required in employers' contributions.	3	3	9	Employers required to pay capital sums to fund costs for non-ill health cases. Regular monitoring of early retirement (including on the grounds of ill health) experience being exhibited by the Fund members by Fund Actuary and consequent variation of the actuarial assumptions based on evidential analysis. Ensure that employers are made aware of consequences of their decisions and that they are financially responsible.	2	2	4
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F6	Failure to apply and demonstrate fairness in the differentiated treatment of different fund employers by reference to their own circumstances and covenant.	4	3	12	At each triennial actuarial valuation an analysis is carried out to assess covenant and affordability on a proportional basis. On-going dialogue with employers.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F7	Mismatch in asset returns and liability movements result in increased employer contributions.	4	3	12	Diversified investment structure and frequent monitoring against targets to adjust funding plans accordingly through the FSS. Employers are kept informed as appropriate.	3	2	6
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F8	Pay and consumer price inflation significantly different from actuarial assumptions resulting in increases required in employers' contributions.	3	2	6	At each triennial actuarial valuation an analysis is carried to ensure that the assumptions adopted are appropriate and monitor actual experience. Discussions with employers over expected progression of pay in the short and long term.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F9	Potential for significant increases in contributions to levels which are unaffordable. Ultimate risk is the possibility of the employers defaulting on their contributions.	3	3	9	Risk profile analysis performed with a view on the strength of individual employer's covenant being formed when setting terms of admission agreement (including bonds) and in setting term of deficit recovery whilst attempting to keep employers' contributions as stable and affordable as possible. Pursue a policy of positive engagement with a view to strengthening employer covenants wherever possible.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F10	Adverse changes to LGPS regulations resulting in increases required in employers' contributions or Fund cash flow requirements.	4	2	8	Ensuring that Fund concerns are considered by the Officers/Board as appropriate and raised in consultation process with decision makers lobbied. Employers and interested parties to be kept informed. Monitor potential impact for employers in conjunction with Actuary.	3	1	3
Funding	To recognise when drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible.	F11	Adverse changes to other legislation, tax rules, etc. resulting in increases required in employers' contributions.	3	2	6	Ensuring that Fund concerns are considered by the Officers/Board as appropriate and raised in consultation process with decision makers lobbied. Employers and interested parties to be kept informed. Monitor potential impact for employers in conjunction with Actuary.	3	1	3

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.	F12	Administering authority unaware of structural changes in an employer's membership, or not being advised of an employer closing to new entrants, meaning that the individual employer's contribution level becomes inappropriate requiring review and increase.	3	3	9	Ensure that employers are reminded of their responsibilities, monitor and send reminders of employers responsibilities re this where appropriate, investigate the adoption of an administration strategy to clarify employer responsibilities. Employer analysis work and officer dialogue with employers concerned (including guarantors as appropriate).	2	2	4
Funding	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.	F13	Not recognising opportunities from changing market, economic or other circumstances (e.g. de-risking or strengthening of covenant).	3	3	9	At each triennial valuation pursue a policy of positive engagement with a view to strengthening employer covenants wherever possible.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.	F14	Adoption of either an inappropriately slow or rapid pace of funding in the specific circumstances for any particular employer.	3	4	12	At each triennial actuarial valuation an analysis is carried out to assess covenant and affordability on a proportional basis. On-going dialogue with employers.	2	2	4
Funding	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives.	F15	Failure to ensure appropriate transfer is paid to protect the solvency of the Fund and equivalent rights are acquired for transferring members in accordance with the regulations.	2	3	6	Follow the standardised approach to bulk transfers of liabilities as part of admission policy framework, complying with any statutory requirements and protecting the interests of the Fund's employers by measuring the solvency of the Fund and relevant employers before and after transfer.	2	1	2
Funding	To have consistency between the investment strategy and funding strategy.	F16	Over or under cautious determination of employer funding requirements due to the impact of the investment strategy on funding.	3	3	9	Measurement will look at expected return projections vs actuarial assumptions in order to test the continued appropriateness and consistency between the funding and investment strategy.	2	2	4

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	Maintain liquidity in order to meet projected net cash- flow outgoings.	F17	Illiquidity of certain markets and asset classes and difficulty in realising investments and paying benefits as they fall due.	3	3	9	Holding liquid assets and maintain positive cash flows. Reviews performed to monitor cash flow requirements.	2	1	2
Funding	Maintain liquidity in order to meet projected net cash- flow outgoings.	F18	Unanticipated onset of cash-flow negative position, potentially requiring ad hoc repositioning of assets.	3	3	9	Holding liquid assets and maintain positive cash flows. Reviews performed to monitor cash flow requirements. In Spring 2015 the ISC agreed to divert a portion of UK equity dividend income (L&G) & property rental income (AVIVA) to supplement contribution income in order to meet pension benefit expenditure.	2	1	2

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	Minimise unrecoverable debt on termination of employer participation.	F19	An employer ceasing to exist with insufficient funding, adequacy of bond or guarantee. In the absence of all of these, the shortfall will be attributed to the Fund as a whole with increases being required in all other employers' contributions.	4	3	12	Assess the strength of individual employer's covenant and/or require a guarantee when setting terms of admission agreement (including bonds) and in setting term of deficit recovery. Annual monitoring of risk profiles and officer dialogue with employers concerned (including guarantors as appropriate) through employer analysis. Positive dialogue with employers with a view to strengthening employer covenants wherever possible.	3	2	6

Essex Pension Fund Risk Register										
Risk Area: Essex Pension Fund			Date:05/09/2016							
Objectives Area at Risk	Objective at Risk	Risk Ref	Description of Risk of not Achieving the Objectives	Gross Impact	Gross Probability	Gross Risk score	Possible Actions	Residual Impact	Residual Probability	Residual Risk Score
Funding	Minimise unrecoverable debt on termination of employer participation.	F20	Failure to monitor leading to inappropriate funding strategy and unrecovered debt on cessation of participation in the fund.	4	3	12	Assess the strength of individual employer's covenant in conjunction with the Actuary and/or require a guarantee when setting terms of admission agreement (including bonds) and in setting term of deficit recovery. Annual monitoring of risk profiles and officer dialogue with employers concerned (including guarantors as appropriate) through employer analysis. Positive dialogue with employers with a view to strengthening employer covenants wherever possible.	3	2	6
Funding	Maintain liquidity in order to meet projected net cash-flow outgoings.	F21	Employee participation in the Essex LGPS reduces (possibly in response to changes in contribution rate / benefit structure or changes in patterns of service delivery).	4	3	12	Communications with both Employers and Employees over the benefits of the LGPS, both before and after any structural change. In July 2011, following discussion on liquidity and fund maturity, the ISC set a 27% limit on exposure to alternative assets.	3	2	6

Schedule B

Detailed assumptions used in calculating the funding target

The table below outlines the agreed financial and statistical assumptions as discussed at the meeting on 14 September 2016.

Financial assumptions		31 March 2016 % p.a.	31 March 2013 % p.a.
Discount rate		5.1%	5.8%
Pay increases	Long-term	3.9%	4.5%
	Short-term	CPI for period from 31 March 2016 to 31 March 2020	In line with CPI for period from 31 March 2013 to 31 March 2015
Retail Price Inflation (RPI)		3.3%	3.5%
Consumer Price Inflation (CPI)		2.4%	2.7%
Pension increases		2.4%	2.7%

Demographic assumptions	31 March 2016	31 March 2013
Pre-retirement mortality - base table	GAD tables (updated)	GAD tables
Post-retirement mortality (member) - base table	S2PA tables with a multiplier of 105% for males and 100 % for females	S1PA tables
Post-retirement mortality (dependant) - base table	S2PA tables with a multiplier of 100% for female dependants and 105% for male dependants	S1PA tables
Allowance for improvements in life expectancy	2015 CMI Model with a long-term rate of improvement of 1.5% p.a.	2012 CMI Model with a long-term rate of improvement of 1.5% p.a.
Promotional salary scale	GAD tables (updated)	GAD tables
Allowance for early retirements (ill health)	GAD tables (updated)	GAD tables
Allowance for withdrawals	GAD tables (updated)	GAD tables
Allowance for cash commutation	Members will commute pension at retirement to provide a lump sum of 50% of the additional maximum allowed under HMRC rules and this will beat a rate of £12 lump sum for £1 of pension	Members will commute pension at retirement to provide a lump sum of 60% of the additional maximum allowed under HMRC rules and this will be at a rate of £12 lump sum for £1 of pension
Allowance for 50:50 membership	Based on members' current section	10% of active members will opt to pay 50% of contributions for 50% of benefits under the new scheme

Demographic assumptions	31 March 2016	31 March 2013
Partner age difference	Males are three years older than their spouse and females are three years younger than their spouse	Males are three years older than their spouse and females are three years younger than their spouse
Proportion married	There is an 75%/70% chance that male/female members will, at retirement or earlier death, have a dependant who is eligible for death benefits	There is an 80%/70% chance that male/female members will, at retirement or earlier death, have a dependant who is eligible for death benefits
Retirement age	For each tranche of benefit, the “tranche retirement age” is the earliest age a member could retire with unreduced benefits. Each member is assumed to retire at the weighted average of these for all tranches of benefit.	For each tranche of benefit, the “tranche retirement age” is the earliest age a member could retire with unreduced benefits. Each member is assumed to retire at the weighted average of these for all tranches of benefit.

Using these assumptions the results of the valuation for the fund are as follows:

Past Service funding position	Final basis 31 March 2016 £m
Smoothed asset value	4,993
Past service liabilities	
Actives	1,855
Deferred pensioners	1,088
Pensioners	2,655
Total	5,598
Surplus (Deficit)	(605)
Funding level	89%

Essex Pension Fund

Governance and Compliance Statement

as at October 2018

Introduction

This Governance and Compliance Statement outlines the governance arrangements for the Essex Pension Fund, maintained by Essex County Council, as required by Regulation 55 of the Local Government Pension Scheme (LGPS) Regulations 2013 (“The Regulations”).

Under that provision all LGPS Funds in England and Wales are required to produce a Governance and Compliance Statement, keep it under review, revise it following any material change in its delegation arrangements and publish it, following such consultation as it considers appropriate. The statement is required to set out:

- a. whether the administering authority delegates their function or part of their function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the authority;
- b. if they do so
 - i. the terms, structure and operational procedures of the delegation;
 - ii. the frequency of any committee or sub-committee meetings;
 - iii. whether such a committee or sub-committee includes representatives of employing authorities (including authorities which are not Scheme

employers) or members, and if so, whether those representatives have voting rights;

- c. the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not comply, the reasons for not complying; and
- d. details of the terms, structure and operational procedures relating to the local pension board established under The Regulations.

Each administering authority is required to:

- a. keep the statement under review;
- b. make such revisions as are appropriate following a material change in respect of any of the matters mentioned in points a. to d. above; and
- c. if revisions are made, publish the statement as revised.

In reviewing and making revisions to the statement, the authority must consult such persons as it considers appropriate.

This Statement was made and approved by the Essex Pension Fund Strategy Board (PSB) on 7 March 2018. There have been some minor changes to the governance arrangements since the previous Statement. The Public Service Pensions Act 2013

requires that each public sector scheme establishes a Pension Board. The Regulations specify the role of the Board for LGPS funds. The Regulations require the creation of a Local Board to assist the scheme manager (in Essex Pension Fund's case, the PSB and the Essex Pension Fund Investment Steering Committee (ISC)):

- to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS;
- to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator;
- in such other matters as the LGPS regulations may specify;
- secure the effective and efficient governance and administration of the LGPS for the Essex Pension Fund; and
- provide the Scheme Manager with such information as it requires in order to ensure that any member of the Board or person to be appointed to the Board does not have a conflict of interest.

About The Essex Pension Fund

Under the The Regulations, Essex County Council is required to maintain a pension fund ("the Fund") for its employees and those of other Scheme Employers within its area.

Essex County Council therefore administers the Fund for its own employees and those of the 14 District/Borough/Unitary Councils and numerous other bodies. In total there are over 620 separate employing bodies in the Fund. The Fund excludes provision for teachers, fire-fighters and police officers, for whom separate arrangements exist but includes administrative and support staff for those organisations.

Benefits are prescribed by, and the Fund is invested in accordance with, the provisions of the following regulations under the Public Service Pensions Act 2013 (all as amended):

- LGPS Transitional Provisions, Savings and Amendment Regulations 2014;
- LGPS Regulations 2013 ("The Regulations");
- the LGPS (Management and Investment of Funds) Regulations 2016; and
- other saved provisions from previous sets of LGPS regulations.

With effect from 1 April 2014 employee contributions have been banded according to employees' annual pensionable pay. The rates payable vary from 5.5% to 12.5% of annual pensionable pay.

Membership Summary as 31 March 2018

Active Members	66,449
Pensioner/Dependants	40,528
Deferred Members	55,904
Total	162,881

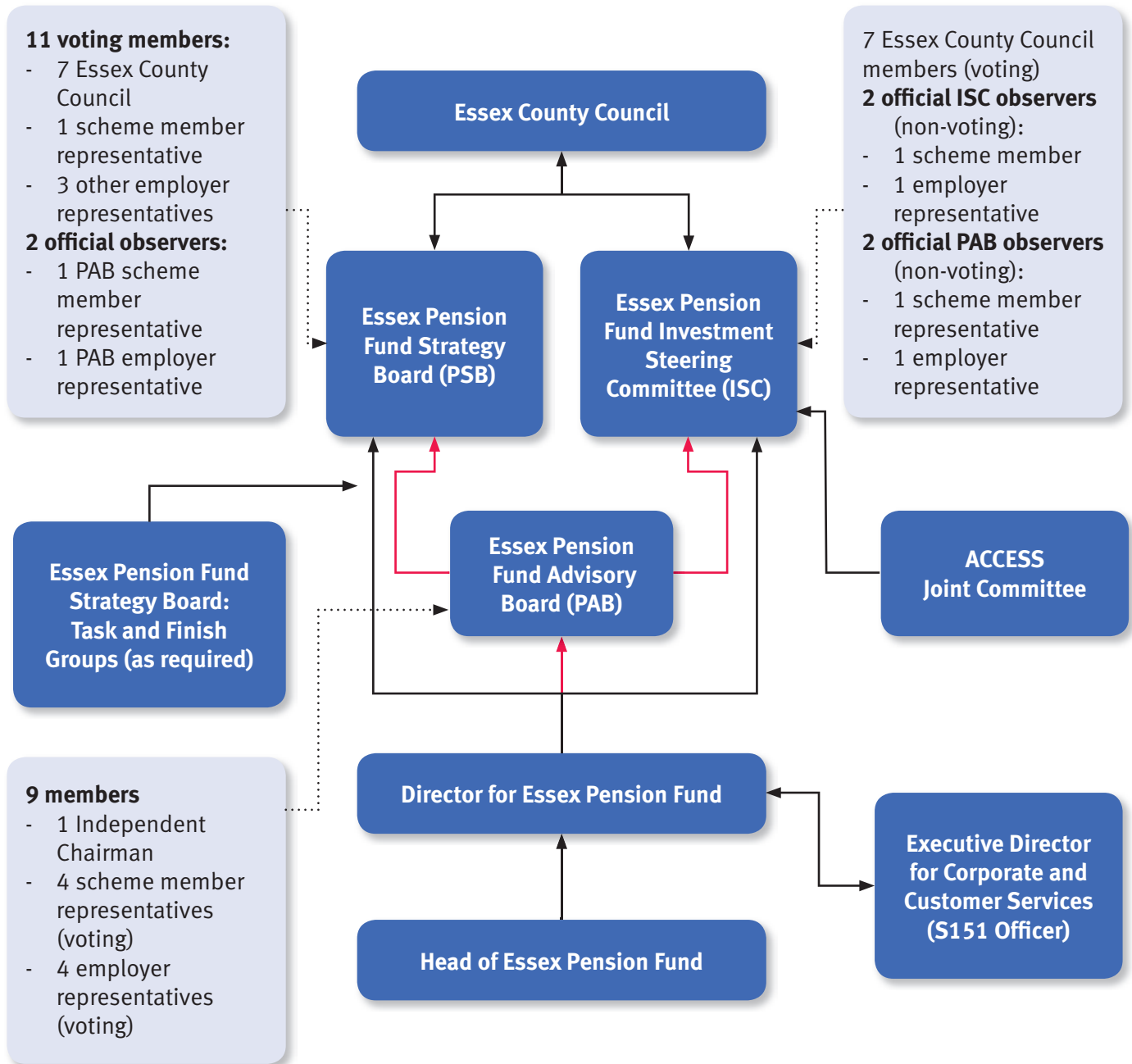
* Deferred pensioners are former active members who have chosen not to transfer their pension rights but retain their pension rights in the Fund until they are due for payment.

At the last triennial valuation of the Fund as at 31 March 2016 Fund assets were £4.993 billion (on a smoothed basis), which represented 89% of the Fund's liabilities. Employers are responsible for paying employer contributions at rates determined by the fund actuary at each triennial valuation.

At the last interim review, the Fund's assets as at 31 March 2018 were £6.361 billion (on a smoothed basis) which represented 94% of the Fund's liabilities. The next triennial valuation will take place as at 31 March 2019.

Governance Structure

The Essex Pension Fund governance structure is illustrated below. This structure relates to the administering authority responsibilities only. Essex County Council is also an employer within the Essex Pension Fund. A separate governance structure and Scheme of Delegation is in place in relation to Essex County Council's employer responsibilities:



Scheme of delegations for the Essex Pension Fund

Essex County Council (“the Council”) has delegated its functions in relation to the maintenance of the Fund as follows:

1. To the PSB (formerly known as the Essex Pension Fund Board):

Membership: eleven Members consisting of seven Members of the Council, one Member representing District and Borough Councils in Essex, one Member representing Unitary Councils in Essex, one Member representing other scheme members nominated by Unison and one Member representing Smaller Employing Bodies nominated by the Employer Forum.

- i To exercise on behalf of the Council all of the powers and duties of the Council in relation to its functions as Administering Authority of the Fund except where they have been specifically delegated by the Council to another Committee or to an officer; this will include the following specific functions:
 - a. to monitor and oversee the work of the ISC through its quarterly reports;
 - b. to monitor the administration of the Pension Scheme, including the benefit regulations and payment of pensions and their day-to-day administration including the Internal Disputes Resolution Procedures, and ensure that it delivers best value and complies with best practice guidance where considered appropriate;
 - c. to exercise the Fund discretions on behalf of the Administering Authority;
 - d. to determine the Fund policy in regard to employer admission arrangements;
 - e. to determine the Fund’s Funding Strategy and approve its Funding Strategy Statement;
 - f. to receive periodic actuarial

valuation reports from the Actuary;

- g. to coordinate Administering Authority responses to consultations by Central Government, professional and other bodies;
- h. to consider any views expressed by employing organisations and staff representatives.

2. To the ISC:

Membership: seven Members of the Council:

- i. to approve and annually review the content of the Investment Strategy Statement;
- ii. to monitor compliance of the investment arrangements with the Investment Strategy Statement;
- iii. to approve and review the asset allocation benchmark for the Fund;
- iv. to assess the risks assumed by the Fund at a global level as well as on a manager by manager basis;
- v. to appoint and review Investment Managers, Custodian and Advisors;
- vi. to set the investment parameters within which the Investment Managers can operate and review these annually;
- vii. to assess the quality and performance of each Investment Manager annually in conjunction with investment advisers and the Section 151 Officer;
- viii. to approve and to review annually the content of the Fund’s Treasury Management Strategy; and
- ix. to submit quarterly reports on its activities to the PSB.

The ISC Terms of Reference are pending Full Council approval.

3. To the Executive Director for Corporate and Customer Services (S151 Officer):

- i. To act as the Council’s officer appointed under section 151 of the Local Government Act 1972 and to make such decisions as are necessary for the proper administration of the Council’s financial

- affairs;
- ii. To be the Proper Officer under Section 151 of the Local Government Act 1972;
- iii. To be responsible for all the Council's powers and duties with respect to pensions including the Essex Pension Fund and the Council's involvement with other pension schemes.

Note 1: The Executive Director for Corporate and Customer Services is not empowered to change the managers of the Fund unless the Chief Executive agrees following a recommendation from the ISC.

Note 2: The operational procedures related to these functions are carried out by the Fund.

4. To the Director for Essex Legal Services:

To discharge the functions of the Council with respect to the pension's complaints procedure.

5. To the ACCESS Pension Fund Pool Joint Committee in respect of Pensions

Part 1: Functions in relation to the Operator:

- i. Specifying Operator services: Deciding, in consultation with the Councils, the specification of services and functions that the Operator will be required to deliver including the sub-funds and classes of investments required to enable each Council to execute its investment strategy;
- ii. Procuring the Operator: agreeing the method and process for the procurement and selection of the Operator;
- iii. Appointing the Operator: Making a recommendation to the Councils as to the identity of the Operator and the terms upon which the Operator is to be appointed;
- iv. Reviewing the Performance of the Operator: Keeping the performance of the Operator under constant review and making arrangements to ensure that the Joint Committee is provided with regular and sufficient reports from the Officer

Working Group to enable it to do so including but not limited to:

- a. the performance of the Operator against its contractual requirements and any other performance measures such as any Service Level Agreement (SLA) and key performance indicators (KPIs) and Officer Working Group recommendations on any remedial action;
 - b. sub-fund investment performance;
 - c. investment and operational costs including the annual review of investment manager costs; and
 - d. performance against the strategic business plan agreed by the Councils.
- v. Managing the Operator: The Joint Committee shall:
- a. make recommendations to the Councils on the termination or extension of the Operator Contract; and
 - b. make decisions about any other action to be taken to manage the Operator Contract including the giving of any instruction or the making of any recommendation to the Operator including but not restricted to recommendations on investment managers (within any regulatory constraints that may apply).
- vi. Appointment of Advisers:
- a. the Joint Committee may appoint such professional advisers on such terms as it thinks fit. Any procurement of advisers must comply with the constitution of the Authority designated to undertake the procurement and that Authority will enter into a contract with the appointed adviser on behalf of the Authorities; and
 - b. the Joint Committee shall decide which tasks shall be performed by the Client Unit and which

Council shall manage the Client Unit including the employment arrangements for employees in the Client Unit.

Part 2: Functions in relation to Management of Pool Assets:

- vii. The Joint Committee shall make recommendations to the Councils on the strategic plan for transition of assets that are to become Pool Assets.

Part 3: Functions Concerning Pool Aligned Assets:

- viii. Making recommendations to the Councils about Pool Aligned Assets (including proposals concerning the migration of investments-such as passive investments via life fund policies-to become Pool Aligned Assets) in accordance with this Agreement or any other delegation to the Joint Committee by the Councils.

Part 4: Functions concerning Business Planning and Budget:

- ix. Make recommendations to the Councils about the annual strategic business plan for the Pool;
- x. Determine the budget necessary to implement that plan and meet the expenses of undertaking the Specified Functions (insofar as they will not be met by individual transaction costs paid by Councils to the Operator) in accordance with Schedule 5 hereof;
- xi. Keep the structures created by the Agreement under review from time to time and make recommendations to the Councils about:
 - a. the future of the Pool;
 - b. any changes to the Agreement; and
 - c. as to the respective merits of continuing to procure operator services by means of a third party or by creation of an operator owned by the Councils.
- xii. The Joint Committee is required to commence the first review of the Agreement by the second anniversary of its first meeting;

- xiii. The Joint Committee is required to undertake a review of the Pool and the Agreement:

- a. to be completed 18 months before the expiry of each and every Operator Contract including as a result of the exercise of any option to terminate the Operator Contract;
- b. whenever a Council gives notice of withdrawal under clause 12 of the agreement.

6. The Essex Pension Fund Advisory Board (PAB)

Membership: nine Members consisting of one Independent Chairman (non-voting), one Member representing the Council, one Member representing District and Borough Councils in Essex, one Member representing Unitary Councils in Essex, one Member representing Smaller Employing Bodies nominated by the Employer Forum, three Members representing Scheme Members (one deferred, one pensioner and one active member) and one Member representing Scheme Members nominated by Unison.

The PAB has the following remit:

- i. To assist the Scheme Manager:
 - a. to secure compliance with The Regulations and any other legislation relating to the governance and administration of the LGPS;
 - b. to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator (tPR).
- ii. To secure the effective and efficient governance and administration of the LGPS for the Fund.
- iii. To help ensure that the Fund is managed and administered effectively and efficiently and complies with the Code of Practice (CoP).
- iv. To assist the Scheme Manager with such matters as the scheme regulations may specify.

- v. To be a “critical friend” to the PSB and the ISC:
 - a. to provide oversight of decisions made by the PSB to ensure that due process has been followed.
- vi. The PAB may review any decision made by or on behalf of the Scheme Manager.
- vii. The PAB will adopt a policy statement on reporting breaches identified under vi.
- viii. At the invitation of the PSB, the PAB may also undertake other tasks, including (but not limited to):
 - a. assisting the PSB by reviewing aspects of the performance of the Fund– for example by reviewing the risk management arrangements within the Fund (although the PSB will remain accountable for risk management);
 - b. reviewing administration standards or performance or review efficacy of scheme member and employer communications;
 - c. reviewing published policies to ensure they remain fit for purpose and are complete;
 - d. reviewing the Fund’s annual reports;
 - e. consider producing a PAB annual report in accordance with requirements, guidance and general accountability to stakeholders;
 - f. being part of any consultation process with the purpose of adding value to that process based on, for example, their representation of employers and scheme members; and
 - g. discussing strategic matters such as communications where requested by the PSB.
- ix. Appointing Observers to attend meetings of the PSB and the ISC.

Board/Committee Representation

The Essex Pension Fund Strategy Board (PSB)

The ISC is composed as follows:

Representing	No	Term of Office	Comments
Essex County Council	7	until 2021 County Council Elections	
District/Borough Councils in Essex	1	4 years (from May 2015 until 2019 District/Borough Council elections)	Nominated by Essex Borough and District Leaders /Chief Executives Meeting
Unitary Councils in Essex	1	4 years (from May 2015 until 2019 Unitary Authority elections)	One from either Southend-on-Sea and Thurrock Councils
Scheme Members	1	4 years from date of appointment	Nominated by UNISON
Smaller Employing Bodies	1	4 years, from Employer Forum 2015 until Employer Forum 2019	To be nominated following voting by either eligible employers attending the Employer Forum or election process
Total	11		
PAB Employer representative (observer)	1		PAB Nomination
PAB Employee representative (observer)	1		PAB Nomination

All members of the Board have equal voting rights.

The PSB is supported in the execution of its responsibilities by staff from the Fund function as well as an Independent Governance and Administration Adviser and other advisers as considered necessary (e.g. the Fund Actuary).

The PSB meets four times a year. Additional Task and Finish Groups can meet as necessary to consider and report to the PSB on matters that require further consideration.

The PSB also has a dedicated training plan which includes specific internal training sessions in order they may maintain an appropriate level of knowledge and skills to perform their role effectively.

The Essex Pension Fund Investment Steering Committee (ISC)

The Essex Pension Fund Investment Steering Committee is composed as follows:

Representing	No	Term of Office	Comments
Essex County Council (voting)	7	Until 2021 County Council Elections	
Total	7		
Employer representative (observer)	1	4 years (from May 2015 until 2019 District/Borough Council elections)	Nominated by Essex Borough and District Leaders/Chief Executives Meeting
Scheme Members (observer)	1	4 years from date of appointment	Nominated by UNISON,
PAB Employer representative (observer)	1		PAB Nomination
PAB Employee representative (observer)	1		PAB Nomination

The ISC is supported in the execution of its responsibilities by two investment advisers (one independent and one institutional) and staff from the Fund function.

The ISC meets routinely on six occasions each year. Four of those meetings are primarily to meet with investment managers in order to review the performance of the investment managers against their benchmarks but two meetings each year in February and July are set aside for the consideration of ongoing investment strategy.

In addition, special meetings of the ISC are held when required for the discharge of its functions in regard to such matters as the selection and appointment of investment managers.

The Essex Pension Fund Advisory Board (PAB)

The PAB is composed as follows:

Representing	No	Term of Office	Comments
Independent Chairman (non-voting)	1		
Essex County Council	1		
District/Borough Councils in Essex	1		Nominated by Essex Borough and District Leaders/Chief Executives Meeting
Unitary Councils in Essex	1		One from either Southend-on-Sea and Thurrock Councils
Smaller Employing Bodies	1		Essex Fire Authority
Scheme Members	3		1 deferred, 1 pensioner and 1 active member
Scheme Member	1		Nominated by UNISON
Total	9		

The PAB has no delegated decision-making ability, on behalf of the Council. With the exception of the Chairman, who has no vote, all members of the Board have equal voting rights.

The PAB has a Vice Chairman.
There are no substitute members.

The PAB is supported in the execution of its responsibilities by officers from the Fund function as well as advisers to the Fund such as the Independent Governance and Administration Adviser and other advisers as considered necessary (e.g. the Fund Actuary, institutional investment adviser).

The PAB meets three times per year.

The PAB will follow the dedicated Fund training plan which includes specific internal training sessions in order they maintain an appropriate level of knowledge and skills to perform their role effectively.

The PAB reports its activities at the end of each financial year to the Authority and is publicly disclosed

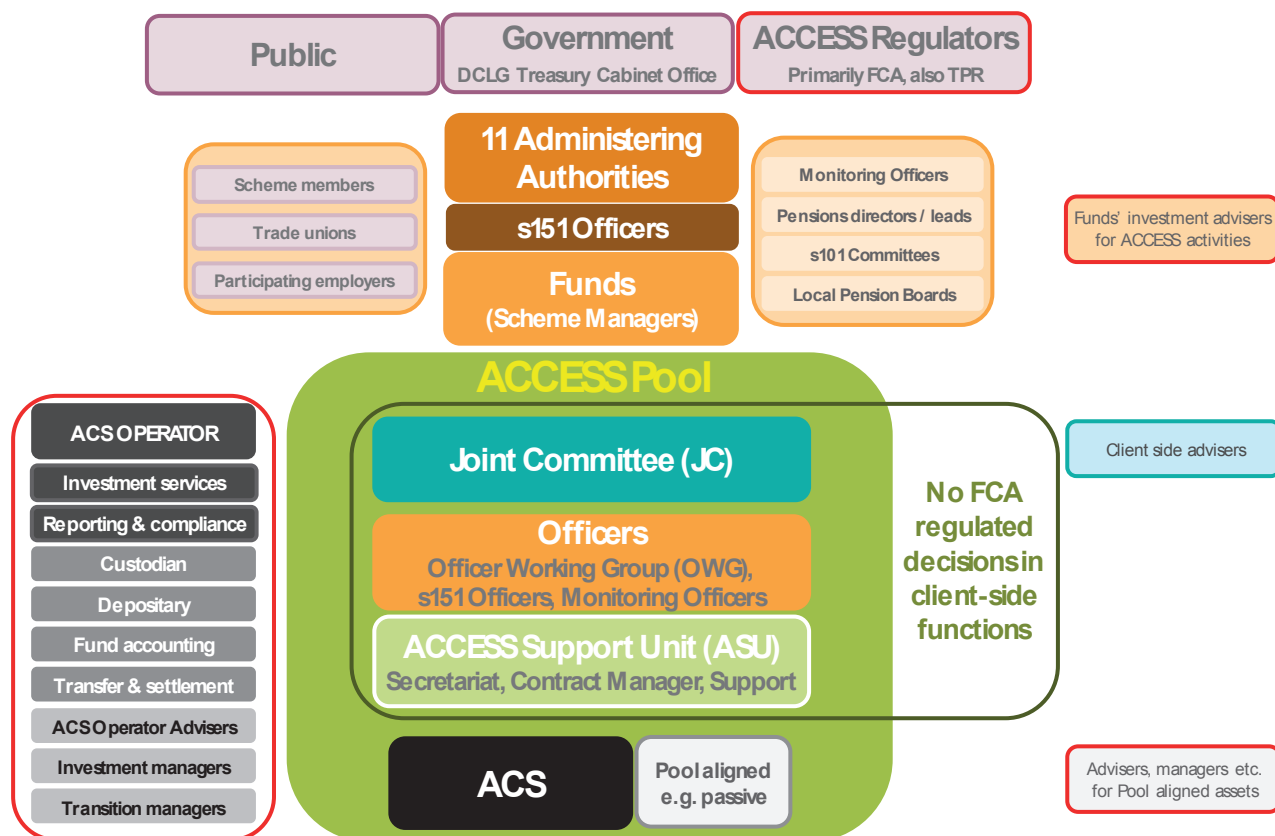
ACCESS Pension Fund Pool Joint Committee in respect of Pensions

The ACCESS Pension Fund Pool Joint Committee is composed as follows:

- Cambridgeshire County Council
- East Sussex County Council
- Essex County Council
- Hampshire County Council
- Hertfordshire County Council
- Isle of Wight Council
- Kent County Council
- Norfolk County Council
- Northamptonshire County Council
- Suffolk County Council
- West Sussex County Council

With the advent of investment pooling, the above LGPS funds participate in a new structure of investment governance. The Joint Committee within the ACCESS pool is made up of the 11 Heads of the pension committees of the 11 participating LGPS funds. There are two other bodies that are part of this structure; the Officer Working group comprised of officers advising the Joint Committee and the ACCESS support unit, providing business support functions.

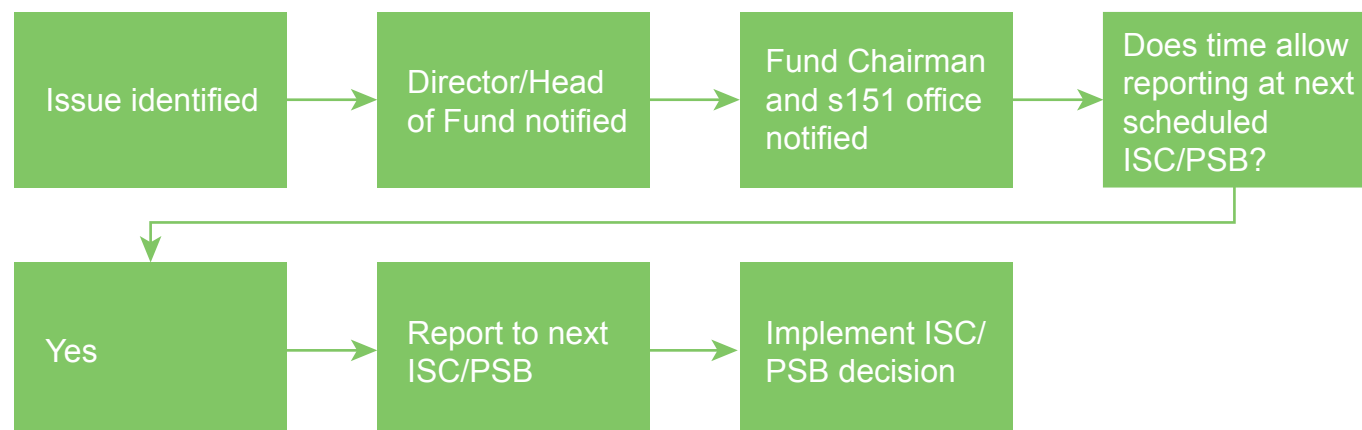
The following diagram details the structure:



The Fund's decision-making process

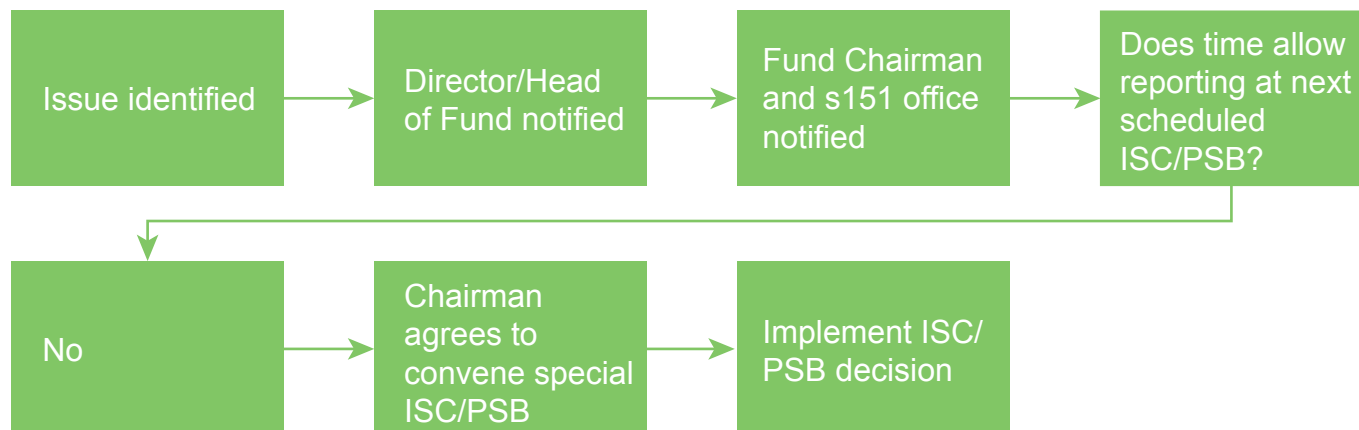
The overwhelming majority of decisions required to be made by the ISC or PSB are tabled sufficiently in advance to allow members to receive appropriate briefings and make the decision within the normal meeting cycle.

1. The process used when there is time to allow a decision to be made at the next scheduled ISC / PSB:

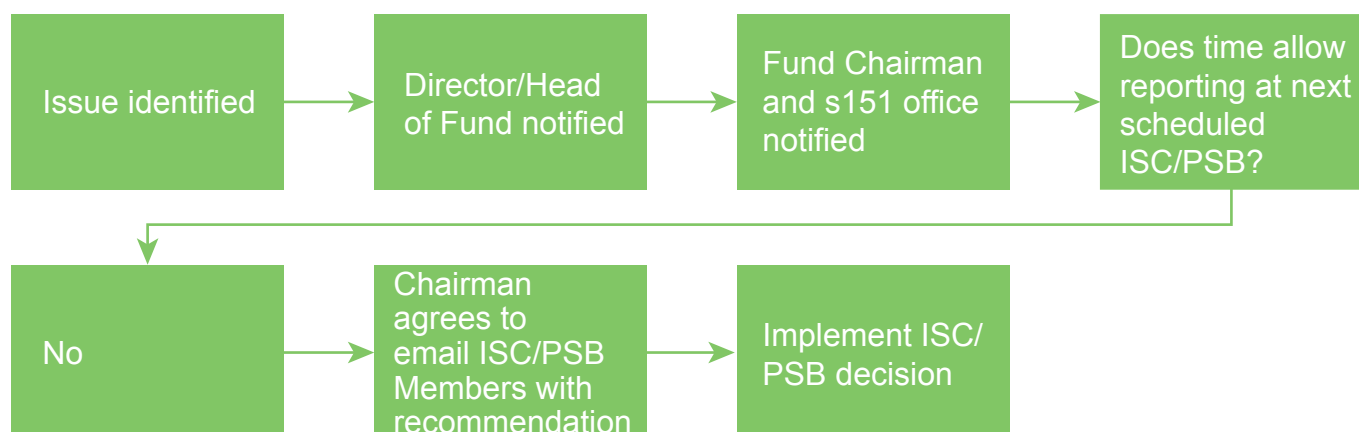


However, the Fund recognises that good governance requires that on occasion the ISC or PSB can respond to urgent matters by taking decisions promptly outside of the normal meeting cycle. On such occasions the following processes may be adopted.

2 The process to be used when the Chairman agrees to convene a special ISC / PSB meeting:



3. The process when there is neither the time for the next scheduled meeting or to convene a special ISC / PSB meeting and the Chairman agrees to email ISC / PSB members with the recommendation:



Governance Compliance Statement: Section 101 Committees

As can be seen, the Fund's governance arrangements in respect of the PSB and ISC are fully compliant with the most recent guidance issued by the Secretary of State for Housing, Communities and Local Government² (issued in 2008):

Description of Principle	Essex Pension Fund's Position	Future Action
A Structure (a) the Management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council (b) that representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee (c) that where a secondary committee or panel has been established, the structure ensures effective communication across both levels (d) that where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel	<p>The PSB was established as the Essex Pension Fund Board in 2008, changing its name on 01 April 2015 following the formation of the PAB. It is an overarching body to oversee the functions of the Council as Administering Authority of the Fund, except where they have been specifically delegated to another committee or officers.</p> <p>Its functions include monitoring the administration of the Pension Scheme, exercising the Fund discretions and determining Pension Fund policy towards employer admission arrangements. Membership of the PSB is drawn from the Council as well as other scheme employers and member representatives. All representatives have full voting rights and receive appropriate training and development.</p> <p>In addition to the PSB the Fund has also put in place an ISC. The role of the ISC is to oversee and approve all matters related to the Fund's investments. Their main role is to decide asset allocation, appoint investment managers and periodically review and monitor investment manager performance. All decisions of the ISC are ultimately ratified by the PSB.</p> <p>Membership of the ISC is drawn from the Council representatives of the PSB, all of which have full voting rights as well as employer and member representatives from the PSB (who have observer status only).</p>	<p>The Fund has developed a rolling three-year business plan, which includes the training, development and effectiveness of the PSB and ISC. This plan is reviewed quarterly.</p>

² At the time the guidance was issued the Ministry of Housing, Communities and Local Government was named the Department for Communities and Local Government.

Description of Principle	Essex Pension Fund's Position	Future Action
<p>B Representation</p> <p>(a) that all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:</p> <ul style="list-style-type: none"> (i) employing authorities (including non-scheme employers, e.g. admitted bodies); (ii) scheme members (including deferred and pensioner scheme members); (iii) independent professional observers; (iv) expert advisers (on an ad hoc basis). <p>(b) that where lay member sits on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.</p>	<p>The terms of reference of both the PSB and the ISC set out the term of office for individual members. The terms of reference of the PSB also sets out the mechanism by which representatives from different sectors of scheme employers are able to volunteer for membership of the PSB. For example:</p> <ul style="list-style-type: none"> • District and Borough Council representatives are nominated by the Leaders/Chief Executives of those organisations; • Member representatives are nominated by the individual unions; and • Small employing body representatives are nominated following voting by eligible employers attending the Pension Fund Employer Forum. <p>All members of the PSB and ISC are treated equally in terms of provision of meeting papers, opportunity to contribute (full voting rights on the PSB) and knowledge and skills training.</p> <p>In addition, the PSB has appointed an Independent Governance and Administration Adviser to assist the PSB and its officers.</p>	
<p>C Selection and Role of Lay Members</p> <p>(a) that committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.</p>	<p>This is clearly set out in the terms of reference of both the PSB and ISC.</p>	<p>Continually monitor and review to ensure that the functions of the PSB and ISC remain appropriate.</p>

Description of Principle	Essex Pension Fund's Position	Future Action
(b) that at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.		
D Voting (a) the policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	<p>All members of the PSB have full voting rights. While voting rights of the ISC is limited to the County Council members only, this reflects the fact that ultimately it is the County Council that has the legal responsibility to pay all benefits from the Fund.</p> <p>The observer members of the ISC will of course have full voting rights as members of the PSB, when considering any decisions taken by the ISC that are subsequently referred to the PSB.</p>	Continually monitor and review to ensure appropriate.
E Training/ Facility Time/ Expenses (a) that in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process. (b) that where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum. (c) that the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	<p>The Fund has put in place a comprehensive knowledge and skills training strategy in place, which covers all aspects of the CIPFA knowledge and skills framework and the Pension Regulator Modules.</p> <p>The document sets out the strategy agreed by the PSB concerning the training and development of: all the members of the PSB and the ISC; and the officers of the Fund responsible for its management.</p> <p>The training strategy was established to aid members of the PSB and the ISC in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the decision-making responsibility put upon them. In addition, the Fund has developed a full training strategy and plan, which ensures the Fund is managed, and its services delivered, by people who have the appropriate knowledge and expertise and that they act with integrity and accountability to all stakeholders and decisions, ensuring they are robust and well-based.</p>	The training plan timetable has been reviewed and will be implemented over a rolling two-year period.

Description of Principle	Essex Pension Fund's Position	Future Action
E Training/ Facility Time/ Expenses	<p>Member Allowance Scheme is set out in the ECC Constitution for the members carrying out their Board/Committee decision making responsibilities. Allowances are limited to the County Council members only.</p>	
	<p>All costs associated with the attendance of training/ conferences away from County Hall for all Board/ Committee members that are relevant and within the training strategy plan are met by the Fund. Participating employers are also encouraged to allow facilities' time where relevant.</p>	
F Meetings – Frequency (a) that an administering authority's main committee or committees meet at least quarterly (b) that an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits (c) that administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	<p>The PSB and ISC meet a minimum of four times a year.</p> <p>Meetings of both the PSB and ISC are arranged so that outputs from the ISC are available to the PSB in a timely manner.</p>	
G Access (a) that subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	<p>All members of the PSB and ISC are provided access to all committee papers and documentation via the Pension Fund's on-line portal info BOARD. ECC Members are also able to access all Committee/ Board papers via the Committee Management Information System (CMIS).</p>	

Description of Principle	Essex Pension Fund's Position	Future Action
H Scope (a) that administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	The role of the PSB is to consider all aspects of the management and administration of the Fund. While certain day-to-day responsibilities have been delegated to officers and investment decisions to the ISC, via the Council's scheme of delegation the PSB's remit includes monitoring the administration of the Fund, exercise of administering authority discretions and determining the Fund's policy in relation to the admission of new employers.	
I Publicity (a) that administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.	Full details of the governance arrangements of the Fund are contained within this Statement as well as additional detail being included within the Fund's Annual Report, which is available on the Fund's website www.essexpensionfund.co.uk .	

Governance and Compliance Statement: PAB

At present the latest guidance issued by the Secretary of State for Housing, Communities and Local Government does not extend to the governance arrangements of local pensions boards such as the PAB. The following table sets out how the PAB complies with the requirements applicable to local pension boards, as set out in the LGPS Regulations, Scheme Advisory Board Guidance and The Pensions Regulator's Code of Practice No.14.

Requirement	Essex Pension Fund's Position	Future Action
A - LGPS 2013 Regulations		
Where the Scheme manager is a committee of a local authority the local pension board may be the same committee if approval in writing has been obtained from the Secretary of State.	The PAB has been set up as a separate, stand-alone Board. Essex County Council has not taken steps to seek Secretary of State approval for the setting up of a joint arrangement with the PSB. An 18-month review was undertaken in October 2016 and although changes were implemented in May 2017, there was no move to combine the PSB and ISC.	The Council will monitor the appropriateness and effectiveness of the PAB periodically and will implement changes as and when required.

Requirement	Essex Pension Fund's Position	Future Action
Where the administration and management of a Scheme is wholly or mainly shared by two or more administering authorities, those administering authorities may establish a joint local pension board if approval in writing has been obtained from the Secretary of State.	The Essex Pension Fund is solely managed by Essex County Council.	
Only employer and scheme member representatives shall be entitled to vote.	Although the PAB has an independent Chair voting rights only extend to the employer and member representatives.	
The administering authority has established a fair and transparent process for the appointment of local pension board members.	<p>The terms of reference of the PAB set out the term of office for individual members. The terms of reference of the PAB also sets out the mechanism by which representatives from different sectors of scheme employers are able to volunteer for membership of the PAB. For example:</p> <p>Employers Representatives</p> <ul style="list-style-type: none"> • District and Borough Council representatives are nominated by the Leaders/Chief Executives of those organisations; and • Small employing body representatives are nominated following voting by eligible employers attending the Pension Fund Employer Forum. <p>Member Representatives</p> <ul style="list-style-type: none"> • Member representatives are nominated by the individual unions; and • by members individually. <p>All members of the PAB are treated equally in terms of provision of meeting papers, opportunity to contribute (full voting rights) and knowledge and skills training.</p> <p>In addition, the Pension Strategy Board has appointed an independent governance and administration adviser to assist the both the PSB and its officers.</p>	

Requirement	Essex Pension Fund's Position	Future Action
The local pension board consists of at least 4 members of whom 2 are employer representatives and 2 scheme member representatives .	<p>The PAB includes a membership of 4 employer and 4-member representatives and an independent Chairman. Each of the 4 employer and 4-member representatives has equal voting rights. The independent Chairman has no voting rights.</p> <p>The PAB has no delegated decision-making powers.</p>	
Employer and scheme member representatives have the capacity to represent their constituency.	<p>During the appointment process, all applicants are made aware that membership of the PAB is a significant undertaking and requires an ongoing commitment to attending training sessions and developing knowledge and understanding. Members must demonstrate the capacity to partake fully in developing their knowledge and understanding and to properly fulfil their role on the PAB.</p> <p>The Fund has put in place a comprehensive knowledge and skills training strategy, which covers all aspects of the CIPFA knowledge and skills framework.</p> <p>The document sets out the strategy agreed by the PAB concerning the training and development of its members.</p> <p>The training strategy was established to aid members of the PAB in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the responsibilities put upon them.</p> <p>In addition, the Fund has developed a full training strategy and plan, which ensures the Fund, is managed, and its services delivered, by people who have the appropriate knowledge and expertise and that they act with integrity and accountability to all stakeholders and decisions, ensuring they are robust and well-based.</p>	<p>The training timetable plan has been reviewed and will be rolled out over a rolling two-year period.</p>

Requirement	Essex Pension Fund's Position	Future Action
<p>Where the local pension board is not a joint body also exercising delegated decision making powers;</p> <p>a) no officer or elected member of the administering authority who is also responsible for the discharge of functions under LGPS 2013 may be a member of the local pension board, and</p> <p>b) any elected member of the administering authority who is a member of the pension board must be an employer or scheme member representative.</p>	No officer or elected member on the PAB has any responsibility for the discharge of function under the LGPS Regulations as part of their normal duties.	
No person to be appointed to the pension board may have a conflict of interest.	All members of the PAB are required to adopt and adhere to the Council's published conflict of interest policy. Where any conflict or potential conflict is identified it must be declared and any remedial action taken to resolve the conflict or potential conflict must be carried out in accordance with the Council's stated conflicts policy in place at that time.	
No member of a pension board may have a conflict of interest.	All members of the PAB are required to adopt and adhere to the Council's published conflict of interest policy. Where any conflict or potential conflict is identified it must be declared and any remedial action taken to resolve the conflict or potential conflict must be carried out in accordance with the Council's stated conflicts policy in place at that time.	
B – Training		
There is a clear policy on training which complies with the Pension Regulator's code of practice no. 14.	<p>The Fund has put in place a comprehensive knowledge and skills training strategy, which covers all aspects of the CIPFA knowledge and skills framework and the Pension Regulator modules.</p> <p>The document sets out the strategy agreed by the PAB concerning the training and development of its members.</p>	Training Strategy will be continually reviewed and updated on an annual basis.

Requirement	Essex Pension Fund's Position	Future Action
	<p>The training strategy was established to aid members of the PAB in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the responsibilities put upon them.</p> <p>In addition, the Fund has developed a full training strategy and plan, which ensures the Fund, is managed, and its services delivered, by people who have the appropriate knowledge and expertise and that they act with integrity and accountability to all stakeholders and decisions, ensuring they are robust and well-based.</p>	
C – Expenses and facility time		
There is a clear policy on the reimbursement of expenses and use of facility time.	<p>Provision has been made in the accounting procedures to identify the costs incurred in the establishment and operational costs of the PAB. Participating employers are also encouraged to allow facilities' time where relevant.</p> <p>All Employer and Scheme Member Representatives will be entitled to claim travel and subsistence allowances in accordance with the Essex County Council Members' Allowance Scheme as set out in the Council's constitution.</p> <p>Expenses will only be payable in connection with PAB business including attendance at PAB, PSB or ISC meetings, training courses or conferences. Any external training courses, seminars or conferences require prior approval by the Director for Essex Pension Fund.</p>	
D – Conduct of members		
The members of a Local Pension Board should have regard to the 'Seven Principles of Public Life' ("the Nolan Principles").	All members of the PAB will have been made aware of the Seven Principles of Public Life as part of their initial induction and as part of regular reminders in ongoing training and development.	
E – Reporting Breaches		
There should be a policy in place for the reporting of breaches of the law.	It is the responsibility of all members of the PAB to understand their individual and collective responsibilities in this area and to familiarise themselves with the steps they should follow in the event a breach of the law is suspected.	

Requirement	Essex Pension Fund's Position	Future Action
F – Internal reporting		
There should be a clear mechanism for the Pension Board to report its requests, recommendations or concerns.	This is covered within the PAB terms of reference.	

Glossary

Term	Description
ACCESS	A collaboration of central, eastern and southern shires, formed by 11 LGPS Funds, in response to the Government's investment reform criteria.
The 'Agreement'	The Agreement to cooperate in the pooling of LGPS Investments signed by 11 Councils of the JC July 2017.
Strategic Plan/Strategic Business Plan	A business plan is a formal statement of business goals, reasons they are attainable, and plans for reaching them.
Client Unit	Employees of any Council employed at the request of the JC wholly or mainly for the purposes of implementing the 'agreement' of the Pool.
Code of Practice (CoP)	A code of practice is a set of written rules which explains how people working in a particular profession should behave.
Deferred Members	Deferred members are former active members who have chosen not to transfer their pension rights but retain their pension rights in the Fund until they are due for payment.
Essex County Council (ECC)	Referred to within this statement as "the Council". The Council forms one level of local government within the county of Essex. The Council work with other local authorities, as well as regional, national and international authorities, to deliver services and represent the best interests of the people of the county.
The Essex Pension Fund (EPF)	Referred to within this statement as "the Fund". The Fund is one of 101 funds in the UK which together make up the LGPS. The LGPS is one of the largest pension schemes in the UK with over 5 million scheme members. To qualify to be a member of the LGPS you must work in local government and not be entitled to join another public sector pension scheme. The LGPS is a statutory defined benefit scheme.
Essex Pension Fund Advisory Board (PAB)	The PAB is appointed by the Council as its Local Pensions Board in accordance with section 5 of the Public Service Pensions Act 2013 (PSPA13) and Part 3 of The Regulations.
Essex Pension Fund Investment Steering Committee (ISC)	The role of the ISC is to oversee and approve all matters related to the Fund's investments. Their main role is to decide asset allocation, appoint investment managers and periodically review and monitor investment manager performance.
Essex Pension Fund Strategy Board (PSB)	Including representatives of fund scheme members, the Board ensures the administration and investments comply with regulations and legislation.

Term	Description
Joint Committee (JC)	The statutory JC of elected members from the Councils to be known as the LGPS ACCESS JC established for the purposes contained within the 'Agreement'.
Key Performance Indicators (KPIs)	A KPI is a measurable value that demonstrates how effectively an organisation is achieving key business objectives.
Local Government Pension Scheme (LGPS) Regulations	Referred to within this statement as "The Regulations". These regulations introduced a new local government pension scheme which came into existence on 01 April 2014 and replaced the local government pension scheme constituted by the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 and the Local Government Pension Scheme (Administration) Regulations 2008.
Officer Working Group (OWG)	The OWG is a working group of officers appointed by the Councils whose role is to provide a central resource for advice, assistance, guidance and support for the JC.
Operator	The person appointed by the Councils from time to time to provide the Services.
Passive Investments	Passive management (also called passive investing) is an investing strategy that tracks a market-weighted index or portfolio. The most popular method is to mimic the performance of an externally specified index by buying an index fund.
Pool	The arrangements made by the Councils to operate some investments using a joint investment vehicle.
Pool Aligned Assets	Any assets of the Councils not in vehicles run by the Operator but where the JC may recommend the Councils to use the same investment.
Pool Assets	Any assets of the councils which are managed by the Operator.
Service Level Agreement (SLA)	A (SLA) is a contract between a service provider (either internal or external) and the end user that defines the level of service expected from the service provider.

Essex Pension Fund Advisory Board

Annual Report 2018/19

Chairman's Report

This is the fourth Annual Report of the Essex Pension Fund Advisory Board, covering the period from 1 July 2018 until 31 March 2019.

Roles and Functions

The Essex Pension Fund Advisory Board (PAB) has been established as the Local Pension Board for Essex in accordance with section 5 of the Public Service Pension Act 2013 and Part 3 of the LGPS Regulations 2013

The remit of the PAB includes assisting the Administering Authority as Scheme Manager:

- to secure compliance with the LGPS regulations and any other legislation relating to governance and administration of the LGPS;
- to secure compliance with requirements imposed in relation to the LGPS by the Pension Regulator.

A web link to the papers detailing the establishment of the PAB (including the full Terms of Reference) can be found at the link below:

<http://cmis.essexcc.gov.uk/essexcmis5/CalendarofMeetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/3109/Committee/50/SelectedTab/Documents/Default.aspx>

The establishment of the PAB was approved by Essex County Council (ECC) in February 2015 with the following membership:

- 4 employer representatives made up of ECC (1), Borough/City District (1), Unitary (1), other employers (1);
- 4 scheme member representatives of which 1 has been nominated by the trade unions and the rest drawn from the total scheme membership;
- 1 independent non-voting chairman.

The PAB met in September 2018 and February 2019.

In addition to these meetings, PAB Members have attended as observers at:

- three of the four meetings of the Pension Strategy Board (PSB) (the Fund's s101 committee) which took place in July 2018, September 2018 and December 2018;
- five meetings of the Investment Steering Committee (ISC) (the Fund's s101 sub-committee) which took place in July 2018, October 2018, November 2018, February 2019, March 2019.

Membership of the PAB

The membership of the Board as at 1 July 2018 was as follows:

Independent Chairman	
Nicola Mark	Head of Norfolk Pension Fund
Scheme Member Representatives	
Paul Hewitt	Deferred Member, Southend Borough Council/ Harlow District Council
Debs Hurst	Active Member, Chelmsford College
Mark Paget (until December 2018)	Active Member, (Member in receipt of pension) Vacant since 1 January 2019
Andrew Coburn	UNISON (Member in receipt of pension – ex County Council)
Employer Representatives	
James Durrant	Essex Fire Authority
Cllr Terry Cutmore	Rochford District Council
Cllr Shane Hebb	Thurrock Borough Council
Cllr Simon Walsh	Essex County Council

Attendance at PAB meetings to date is 78%.

Conflicts of interest

The Public Service Pensions Act 2013 requires that a member of a pension board does not have a conflict of interest. A conflict as defined as “a financial or other interest which is likely to prejudice a person’s exercise of functions as a member of the pension board”. The Act is clear that actual membership of the LGPS is not in and of itself a conflict of interest, so would not preclude a scheme member from serving on the PAB.

The Essex Pension Fund uses the ECC Code of Conduct policy for the management of potential conflicts in order to ensure that they do not become actual conflicts and all members of the PAB are familiar with this policy. *Development of specific fund policy is planned for 2019/20.*

In addition, declarations of interest is a standing item on all PAB agendas and any interests noted by members are recorded so that action can be taken to exclude the conflicted individual from proceedings where necessary.

PAB Member Training

The Public Service Pensions Act 2013¹ requires that members of local pension boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a local pension board must be conversant with;

- The regulations of the Local Government Pension Scheme, including historical regulations and transitional provisions, to the extent that they still affect members; and
- any document recording policy about the administration of the scheme.

Local Pension Board members must also have knowledge and understanding of:

- the law relating to pensions; and
- such other matters as may be prescribed in other legislation.

The degree of knowledge and understanding required by local pension board members is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the Local Pension Board.

Degree of Knowledge and Understanding

Members of the local pension board are expected to be conversant with the rules of the LGPS and the policies of the Fund. “Being conversant with” implies a working knowledge of what is relevant to the subject under discussion. A Board member should have an understanding of what is relevant to their role and be able to identify and challenge a failure to comply with:

- the LGPS Regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by the Pensions Regulator; and
- any failure to meet the standards and expectations set out in any relevant code of practice issued by the Pensions Regulator.

Areas of Knowledge and Understanding

The areas in which the PAB would be expected to be conversant include, but are not limited to:

- Scheme approved policies (e.g. managing conflicts of interest, reporting breaches of the law or record keeping);
- Risk assessment and management;
- Scheme booklets and other members communications;
- The role of Local Pension Board Members and the scheme manager;
- Policies in relation to the exercise of discretions;
- Communications with scheme members and employers;
- Key policy documents on administration, funding, and investment.

¹ The Public Service Pensions Act 2013 made amendments to the Pensions Act 2004 (see s248A)

Training Strategy and Policy

The Members adhere to the Funds strategy on how members of the PSB, the ISC and the PAB will achieve full compliance with the CIPFA Knowledge and Skills Framework and Pensions Regulator's Code of Practice and acquires the knowledge and skills necessary to carry out their functions. Members of the PAB fully endorsed the strategy and re-iterated their commitment to knowledge and skills.

The approach of the training strategy is summarised below;

- Credits are awarded for attendance at formally arranged training sessions and other relevant events which increase knowledge of the LGPS;
- PAB members are expected to complete the Pension Regulator's on-line toolkit designed to provide a sound understanding of the roles and responsibilities of public service pension board members;
- Assessments of member's knowledge and skills are used to determine areas for further training. Officers will maintain a record of the credits obtained by each individual member;
- The approach to training will be flexible, in order to recognise the ever-changing landscape of LGPS;
- Training will be delivered in a way that complements the activities set out in the Fund's business plan.

This year the PAB have received the following training sessions which have taken place within formal PAB meetings;

Date of meeting	Topics Covered
26 September 2018	PAB Annual Report LGPS Governance Financial Statements and External Audit Report 2017/18 Internal Audit Report 2017/18 Training Plan Year End Returns Charging Policy update 2017/18 LGPS Pooling
05 February 2019	PAB Vacancy IGAA Appointment Risk Review Administration Strategy 2019/20 Charging Policy MHCLG Consultation on Technical Amendments Fair Deal Consultation Investment Steering Committee (ISC) Quarterly Report HMRC GMP Update National Confidence Survey MHCLG Pooling Consultation

In addition, the opportunity has been available for members of the PAB to attend training sessions outside of PAB meetings, including training sessions which have taken place within PSB or ISC meetings.

Details of observing at PSB and ISC meetings and training events (internal and external) are recorded throughout the year.

Outcomes and recommendations

Decisions about the running of the Pension Fund are made by the PSB and ISC which are delegated to carry out that function by Essex County Council in its capacity as the Administering Authority for the Essex Pension Fund.

The role of the PAB is to assist the Administering Authority to ensure compliance and to make recommendations to improve the efficient and effective administration and governance of the pensions function.

This year the PAB has fulfilled its role in the following ways:

Date	Area	Action
All meetings	Decisions of the PSB and the ISC	The PAB's meetings are based on the issues considered at meetings of the PSB and the ISC.
26 September 2018	Notes	Resolved: The Board noted the discussion and update.
26 September 2018	Appointment of Vice Chairman	Resolved: The Board noted the appointment of the Vice Chairman.
26 September 2018	PAB Annual Report	Resolved: The Board noted: <ul style="list-style-type: none">• the content of the report; and• endorsed the report for sign off.
26 September 2018	LGPS Governance	Resolved: The Board noted the update.
26 September 2018	Essex Pension Fund Financial Statements and Ernst & Young External Audit Report 2017/18	Resolved: The Board noted the content of the report.
26 September 2018	Internal Audit Report 2017/18	Resolved: The Board noted the content of the report.
26 September 2018	Training Plan	Action: The Head of Essex Pension Fund would investigate the issue raised in relation to the regulator training site and would report back to the PAB. Resolved: The Board noted the content of report and presentation.
26 September 2018	Urgent Business	Resolved: The Board noted the update.
26 September 2018	Year End Returns Charging Policy update 2017/18	Resolved: The Board noted the content of the report.

Date	Area	Action
26 September 2018	LGPS Pooling	Resolved: The Board noted the presentation and the update.
05 February 2019	Notes	Resolved: The Board noted the discussion and update.
05 February 2019	PAB Vacancy	Action: The Board agreed: <ul style="list-style-type: none"> that the Director for Essex Pension Fund would reach out to PAB Members to establish their views on their own intentions, the current structure and framework; the reciprocal chairing arrangements with Norfolk would be reviewed; PAB members would feed in their comments on the PAB review to the Chairman to allow onward transmission to the PSB; and the IGAA would consider timing of appointments and life-cycle to ensure continuity.
05 February 2019	Independent Governance and Administration Advisor (IGAA)	Resolved: The Board noted the report, presentation and update.
05 February 2019	Risk Review	Resolved: The Board noted the update.
05 February 2019	Administration Strategy	Resolved: The Board noted the revised Administration Strategy and that it was published week commencing 14 January 2019.
05 February 2019	Year-end data returns Charging Policy	Action: The Head of Essex Pension Fund will analyse data held to identify any trends and report back to a future meeting of the Board. Resolved: The Board noted the report.
05 February 2019	MHCLG Consultation on Technical Amendments to Benefits	Resolved: The Board noted the report and the Fund's response.
05 February 2019	Written Statement from the Treasury	Resolved: The Board noted that the review of Cost Cap had been paused.
05 February 2019	Fair Deal Consultation	Resolved: The Board noted the content of report.

Date	Area	Action
05 February 2019	Investment Steering Committee (ISC) Quarterly Report	Resolved: The Board noted the content of report.
05 February 2019	HMRC GMP Update	Resolved: The Board noted the report and presentation.
05 February 2019	National Confidence Survey	Resolved: The Board noted the positive responses.
05 February 2019	MHCLG Pooling Consultation	Action: The Board requested a copy of the slides containing the detail; and the Chairman's new contact details would be provided to the Board. Resolved: The Board noted to report and update.
05 February 2019	Urgent Business	Resolved: The above items will be on the agenda for the June 2019 meeting. Action: Officers undertook to circulate the ISC Chairman's statement to the PAB. Resolved: The Board noted the update.

Full agendas and minutes for all PAB meetings can be found on the Essex County Council website under the Committees section of Your Council, or by following the link below;

https://cmis-essex.gov.uk/essexcmis5/committees/tabid/94/CH/viewCMIS_CommitteeDetails/mid/483/id/148/Default.aspx

Review of the PAB

A review of the PAB is in the process of being carried out by the Fund's Independent Governance and Administration Advisor (IGAA) including a full review of the Board's Terms of Reference. Any revision to the Terms of Reference will be taken to Full Council in October 2019.

As part of the PAB Review, the Chairman's reciprocal arrangement is being reviewed and a recommendation on a future change if required will be brought to a future PSB. Also the Fund's Independent Governance and Administration Advisor (IGAA) will be reviewing the training approach of the PAB.

Future Dates of Meetings

The PAB agreed to the following meeting dates which would be kept under review:

- 5 June 2019
- 25 September 2019; and
- 15 January 2020.

Essex Pension Fund

ADMINISTRATION STRATEGY

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1 Introduction and Regulatory Context

- 1.1 This is the pension administration strategy of the Essex Pension Fund (“the Fund”) in relation to the Local Government Pension Scheme (LGPS) in Essex. The strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies. This document sets out a framework by way of outlining the policies and performance standards to be achieved to enable provision of a cost-effective and high quality pension administration service.
- 1.2 The Local Government Pension Scheme (LGPS) Regulations 2013 allow Pension Fund Administering Authorities to prepare a Pension Administration Strategy (“the Strategy”) for the sole purpose of improving the administrative processes within their LGPS Fund. In discharging their roles and responsibilities under these regulations, the Fund and Scheme employers (“employers” or “employer”) are also required to comply with any pertinent overriding legislation and take appropriate recognition of any regulatory guidance or Code of Practice issued by The Pension Regulator.
- 1.3 The 1st April 2015 represented a key milestone in the governance arrangements of the Local Government Pension Scheme. From this date the Pensions Regulator took responsibility for setting standards of administration and governance on all administrative aspects of the scheme, whilst recently established Local Pension Boards will play an independent scrutiny role to ‘assist’ the Fund with its ‘regulatory compliance, effective and efficient administration and governance’.
- 1.4 The Fund has revised its March 2013 strategy to ensure the Governance and administration requirements of The Pension Regulator (“TPR”) are properly addressed as they fall to the Fund and employers.

2 Aims and objectives

- 2.1 To ensure that we are administering the scheme correctly and we continue to

improve and enhance the service we offer, the Fund has set the following administration objectives:

- Deliver a high-quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need
- Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount
- Data is protected to ensure security and authorised use only

The Fund has also set the following communications objective:

- Aim for full appreciation of the pension scheme benefits and changes to the scheme by all scheme members, prospective scheme members and employers

- 2.2 The aims of this strategy are to:
 - Provide a high quality pension service to members
 - Set out the quality and performance standards expected of the Fund and its scheme employers; and
 - Promote good working relationships and improve efficiency between the Fund and its scheme employers.
- 2.3 The efficient delivery of the benefits of the scheme is reliant upon effective administrative procedures being in place between the Fund and scheme employers, most notably for the timely exchange of accurate information in relation to scheme members.
- 2.4 This strategy sets out the expected levels of performance of the Fund and the scheme employers and provides details about the monitoring of performance levels and the action(s) that might be taken where standards are not met by employers and/or when persistent non-compliance occurs.
- 2.5 The specific objectives of this strategy are to ensure that:
 - The Fund and employers are aware of, and understand, their respective roles and responsibilities under the LGPS Regulations.

- The Fund operates in accordance with LGPS Regulations and is aligned with The Pensions Regulator in demonstrating compliance and scheme governance.
- Communication processes are in place to enable both the Fund and Employers to proactively and responsively engage with each other and other partners.
- Accurate records are maintained for the purpose of calculating pensions entitlements and employer liabilities, ensuring all information and data is communicated accurately, on a timely basis and in a secure and compliant manner.
- The Fund and Scheme employers have appropriate skills, and that guidance/training is in place, to deliver a high-quality service and effectively contribute to the changing pensions agenda.
- Standards are set and monitored for the delivery of specified activities in accordance with Regulations and minimum standards as set out; and
- Administrative services are developed and delivered digitally where possible in order to streamline processes and maximise efficient use of resources.

3. Roles & responsibilities

3.1 Scheme Employer responsibilities

- 3.1.1 Each Scheme employer shall nominate a person who will act as the Fund's primary contact. There may be up to three further contacts for finance, contributions, payroll etc.
- 3.1.2 Authorised officers should sign all documents and/or instructions received from an employer. In signing a document the authorised officer is not merely certifying that the form comes from the employer stated, but also that the information being provided is correct. Consequently, if an authorised officer is certifying information that someone else has compiled, for

example leaving information including a final salary pay, career average pay, assumed pay, (s)he should satisfy him/herself that the information is correct. Nb. the authorised officer cannot sign a document/form which in respect of their own LGPS membership – these should be signed by a more senior authorised officer/ chair of the council etc.

- 3.1.3 It is the employer's responsibility to ensure that the authorised officer and contact details held by the Fund are correct, and to notify the Fund of changes to either immediately.
- 3.1.4 The employer must ensure the nominated primary contact (and other key staff) is aware of its Scheme employer duties and keeps up to date with guidance issued by the Fund.
- 3.1.5 The employer must ensure it retains a good level of LGPS knowledge and has a succession plan in place in case the nominated primary contacts leaves.
- 3.1.6 During the year the employer should provide the required data and notifications to the Fund, with 90% compliance or better. Persistent failure by an employer to meet the required performance standards could result in any additional costs to the Fund being recovered from the employer – see Section 5.6.
- 3.1.7 The employer must comply with its obligations under Data Protection Law (see the Fund's 'Memorandum of Understanding for Employers – compliance with Data Protection Law'), including the secure transfer of members' personal data.
- 3.1.8 **Summary of Scheme employer responsibilities**

This section outlines the key responsibilities of Scheme employers, what employers are required to do and by when. It is focussed on the key activities and should not be viewed as an exhaustive list; employers have a statutory duty to provide the Fund with all information necessary to enable the Fund to administer the scheme. Employers are expected to achieve at least 90% compliance with the expectations.

Function/task		Expectation
1)	General	
1.1	Confirm nominated representative(s) to receive information from the Fund via the submission of a completed contacts form	Within 30 days of change or becoming a Scheme employer
1.2	Appoint a person (the adjudicator) to consider disputes under stage 1 of the pension internal dispute process (IDRP) and provide full up to date contact details to the Fund	Within 30 days of becoming a scheme employer or following the resignation of the current adjudicator
1.3	Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within the LGPS	A copy of the policy document is to be submitted to the Fund within 30 days of the change in policy
1.4	Distribute any information provided by the Fund to scheme members/potential scheme members (e.g. scheme benefits or benefit statement production)	In a timely manner as required
2)	New Starters	
2.1	Decide who is eligible for LGPS membership (and the date from which membership of the LGPS starts).	On joining (or at point becomes eligible if later)
2.2	Determine rate of employee contributions	For the first pay period in which the employee joins the LGPS
2.3	Notify EPF of new joiner via spreadsheet or online portal	By end of month following the date joined (e.g. by the end of May if joined in April)
2.4	Provide new employees, who are eligible for the LGPS, with details about the LGPS This may be in the form of providing a copy of the Key Facts leaflet and/or directing them to the Fund's website	With 30 days of commencing eligible employment
3)	Contributions	
3.1	Remit employer and employee contributions to the Fund and Complete monthly remittance form containing detail of the contributions payment.	By 19th of the following month (both payment and form)
3.2	Implement changes to employer contribution rates as instructed by the Fund at the date specified by the Fund's actuary	In line with the Rates & Adjustment Certificate as per the valuation or on commencement as a scheme employer

Function/task		Expectation
3.3	Ensure and arrange for the correct deduction of employee contributions from a member's pensionable pay and throughout their membership in the scheme (including any periods of leave)	As required, typically monthly
3.4	Manage the deduction of all additional contributions or amend such deductions, as appropriate	As required
3.5	Arrange for the deduction of AVCs and payment over of contributions to the AVC provider(s) and inform the Fund as required	As required, typically monthly
3.6	Make additional fund payments in relation to early payment of benefits from flexible, redundancy or business efficiency retirement or where a member retires early with employer's consent, or the employer 'switches on' the 85 year rule, and a financial strain cost arises	Within 30 days of receipt of invoice from the Fund
3.7	Refund contributions through the payroll to any employee who opts out of the scheme with less than 3 months membership.	From the next pay period after receiving the employee's request to opt out
4)	During membership	
4.1	Move employees into the 50:50 section or Main section	From the next pay period after receiving the employee's election
4.2	Move employee back into the Main section	If the employee is in the 50/50 section and either goes onto no pay due to sickness or injury or passes the member's automatic re-enrolment date, the employee must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time.
4.3	Notify EPF of changes affecting pension entitlement via monthly spreadsheets or online portal	By end of month following the date of change (e.g. by the end of May if the change occurred in April).
5)	Early Leavers	
5.1	Early leavers (non-retirement) notify EPF via forms EPF1 + EPF68 or online portal	By end of month following the date of leaving or opting out of the scheme.

Function/task		Expectation
6)	Retirements	
6.1	Advance notification of retirement form EPF1a (or via online portal)	Form EPF1a should be sent to the Fund as soon as the retirement date is known
6.2	Notification of retirement forms EPF1 + EPF68 (or via online portal)	Forms EPF1 + EPF68 (& EPF142 for ECC if applicable) should be sent to the Fund as early as possible but, in any event, no later than 10 working days after the member's final payroll has run
6.3	Early Retirement at member's choice	If the Fund receives forms EPF1 + EPF68 for a member who has left their employment and is age 55+ we will process as a potential retirement and offer the member early payment of pension benefits. Therefore, leaver forms should be sent to the Fund as early as possible but no later than 10 working days after the member's final payroll has run
6.4	Ill Health Retirement notification notify EPF via forms EPF1 + EPF68 (or via online portal)	Form EPF1a should be sent to the Fund as soon as the retirement date is known. Forms EPF1 & EPF68 should be sent to the Fund as early as possible but no later than 10 working days after the member's final payroll has run
6.5	Flexible retirement notification	Forms EPF1 & EPF68 should be sent to the Fund as early as possible but no later than 10 working days after the member's final payroll has run accompanied by a covering letter confirming the number of hours p.w. to be worked in the continuing job
7)	Contracting out of services	
7.1	Contact the Fund to discuss the pension implications of the contracting out of services which will involve a TUPE transfer of staff to another organisation.	Immediately if contracting out of services is being considered as a possibility and certainly before making any decisions to contract out services
7.2	Notify the Fund of the intention to contract out of services which will involve a TUPE transfer of staff to another organisation by completing TUPE 1 form to instruct the actuary	At least 6 weeks before going out to tender
7.3	Work with the Fund to arrange for an admission agreement to be put in place when contracting out a service, and assist in ensuring it is complied with	In advance of the date of contract (admission agreement must be completed and signed before the contract signing)

Function/task		Expectation
7.4	Notify the Fund if the employer ceases to admit new scheme members or is considering terminating membership of the Fund	During exploratory discussions or as soon as the decision is made
8)	Year-end data return	
8.1	Provide the Fund with a year-end data return to 31 March each year. Because of the critical nature of this data for statutory reporting and annual benefit statement production, there is a separate charging policy for late and/or inaccurate returns – see Appendix 1	An accurate return to be submitted in the approved format no later than 30 April.

3.2 The Fund's responsibilities

This section outlines the key responsibilities of the Fund, what the Fund will do and by when. It is focussed on the key activities which scheme employers and scheme members are involved in and should not be viewed as an exhaustive list. See section 4.2 for a list of key tasks which are benchmarked annually against other LGPS Funds and are reported to the Essex Pension Fund Strategy Board ("Pension Strategy Board").

3.2.1 General duties & responsibilities

Function/task		Expectation
1)	General information	
1.1	Regularly review the Fund's pensions administration strategy and consult with all scheme employers	In advance of the policy being adopted
1.2	Regularly review the Fund's funding strategy statement at each triennial valuation, following consultation with scheme employers and the Fund's actuary	Publish by 31 March following the valuation date or as otherwise required
1.3	Regularly review the Fund's communication policy	Annual review and publish within 30 days of the policy being agreed by the Pensions Strategy Board
1.4	Regularly review the Fund's governance and compliance statement	Publish by 30 September, following the year-end or within 30 days of the policy being agreed by the Pensions Strategy Board
1.5	Publish the Fund's annual report and accounts	By 1 December, following the year-end
1.6	Publish the Fund's final audited and approved accounts	By 31 July following the year-end
2)	Contribution requirements	
2.1	Consult with employers on the outcomes of the triennial valuation	At least two months in advance of the signing of the final rates and adjustment certificate
2.2	Notify employers of contribution requirements for three years effective from the April following the actuarial valuation date	On or before 1st April following final issue of rates and adjustments certificate by the actuary
2.3	Notify new scheme employers of their contribution requirements	Within six weeks of receipt of the notification of admission application or commencement as a scheme employer
3)	Support for employers	
3.1	Provide support for employers through: <ul style="list-style-type: none"> a dedicated helpline written guidance and communications; and face to face meetings 	Dedicated helpline: Monday-Thursday 8.30am-5.00pm Friday 8.30am-4.30pm Written communication as per the Fund's communication policy Employer forum held at least annually

Function/task		Expectation
3.2	Organise and provide coaching sessions on the scheme employer role	in accordance with the Fund's communications policy
3.3	Notify scheme employers and scheme members of changes to the scheme rules	As per disclosure requirements
3.4	Provide a facility for employers to submit data via a web portal	Employers being on boarded regularly from 2017/18 onwards
3.5	Production and maintenance of an IDRP employer guide	On an ongoing basis
3.6	Issue postings queries to employers re year-end data return (validation stage)	Accepted or Rejected email sent to employer within 7 days
3.7	Query list sent to employer requesting information re year-end data return (processing stage)	Query list sent to employer within 20 working days of return being accepted at validation stage
4)	Member information and general administration	
4.1	Produce annual benefit statements for active members as at 31 March and deferred members as at pensions increase date in April	By 31 August following the year-end
4.2	Produce annual benefit statements for deferred members as at pensions increase date in April	By 30 June following pensions increase date
4.3	Produce and issue pension savings statements each year to members who have exceeded their standard annual allowance	By the end of the tax year, 6 October (provided receipt of all relevant information from the scheme employer)
4.4	Issue P60s to pensioners and beneficiaries	By 31 May following the year-end
4.5	Publish and keep up to date all forms required for completion by scheme members or employers	Within 30 days from any revision
4.6	Letters/e-mails from members (or member's representatives)	Answer or acknowledge within 5 working days

3.2.2 Performance measurement and key tasks

The Fund monitors its performance against the following tasks and a number of the key tasks are also benchmarked annually against industry standard performance indicators. The benchmarking also compares the Fund's performance against other LGPS Funds as part of the CIPFA benchmarking club. The Fund's performance against these key tasks, and its performance comparative to other Funds, is reported to the Pension Strategy Board and is included in the Fund's annual report & accounts. The table below set out the Fund's performance indicators in relation to processing scheme member records and benefits and the separate table on page 12 sets out the key performance indicators which are benchmarked annually. The Fund aims to maintain performance at 100% in respect of annual benefit statements, 95% in respect of key performance indicators and 90% in respect of other performance indicators.

Function/task		Expectation
1)	New joiners & changes	
1.1	Set up a new starter and provide statutory notification	<p>Portal submissions Within 5 working days of receipt of correct data file from employer</p> <p>Spreadsheet submissions By 15th working day of the month if correct data received by 7th working day of the month; or</p> <p>By 15th working day of the following month if correct data received after the 7th working day of the month</p>
1.2	Changes to a member's details	Within 20 working days of receipt of notification from employer
2)	Transfers	
2.1	Transfer-in quotations processed	Within 10 working days of receipt of all the required information
2.2	Transfer notification of transferred-in membership to be notified to the scheme member	Within 10 working days of receipt of payment
2.3	Transfer-out quotations processed	Within 10 working days of receipt of all the required information
2.4	Transfer-out payments processed	Within 20 working days of receipt of all the required information
2.5	Provision of estimate for divorce purposes	Within 15 working days of written request
3)	Additional contributions	
3.1	Notify the scheme employer of any scheme member's election to pay additional pension contributions (APCs), including all required information to enable deductions to commence	Within 10 working days of receipt of election from a scheme member
3.2	Process scheme member requests to pay/amend/ cease additional voluntary contributions (AVCs)	Within 5 working days of receipt of request from a scheme member
4)	Leavers	
4.1	Notify members of their deferred options	Within 10 working days of receipt of the leaver notification
4.2	Deferred benefits calculated	Within 10 working days of receipt of all necessary information
4.3	Deferred benefits processed for payment following receipt of election	Within 5 working days from receipt of all necessary information

Function/task		Expectation
4.4	Refund payments	Within 5 working days from receipt of all necessary information
5)	Retirements	
5)	Retirements	
5.1	Provision of retirement options to members	Within working 10 days of the later of (i) the member's leaving date or (ii) receipt of all necessary documentation
5.2	New retirement benefits processed for payment following receipt of election	Lump-sum payment within 5 working days of receipt of all necessary documentation First pension payment on next available payroll run
5.3	Changes to bank details made	By next payroll cut-off date
6)	Deaths	
6.1	Acknowledgement of a death	Within 5 working days of receiving the notification.
6.2	Notification of benefits payable to dependents will be issued	Within 5 working days of receiving the required information
6.3	Payment of death lump-sum will be made	Within 10 working days of receipt of all the required information
7)	Customer service	
7.1	Calls received to the customer helpline to be answered	85% of calls received to the customer helpline to be answered within 5 rings
7.2	Calls received to the employer helpline to be answered	85% of calls received to the employer helpline to be answered within 5 rings
7.3	Provide an answer or acknowledgement to scheme members/scheme employers/ personal representatives/dependents and other authorised persons	Within 10 working days from receipt of enquiry

Key tasks

The following key tasks are benchmarked annually against the performance other LGPS Funds as part of the CIPFA benchmarking club. The Fund's performance against these key tasks, and its performance comparative to other Funds, is reported to the Pension Strategy Board and is also included in the Fund's annual report & accounts.

Performance Area		Standard
1	Non-LGPS transfer in quotations processed	10 working days
2	Non-LGPS transfer out quotations processed	10 working days
3	Refund payments made	5 working days
4	Deferred benefits calculated	10 working days
5	Estimate of retirement benefits processed	10 working days
6	Actual retirement benefits processed	5 working days
7	Process and pay lump sum retirement grant	5 working days
8	Notification of a death processed	5 working days
9	Dependants' pensions processed for payment	5 working days

4. Achieving the Objectives

There are currently in excess of 700 employers in the Fund differing in size, structure and capability which represents a significant logistical challenge to the management of information, processes and services within the Fund. The number of employers in the Fund continues to grow as does the demand for more accurate and timely information. We need to comply with the expectations and demands of scheme members and the data requirements of ever increasing scrutiny both at a local and national level. Furthermore, the Pensions Regulator has introduced higher levels of compliance and the Fund will be required to demonstrate heightened governance and administrative efficiency.

There are four key elements necessary to achieving the Fund's administrative objectives:

(a) Communications

The Fund aims to provide clear, relevant, accurate, accessible and timely information to all stakeholders. To this end, the Funds' communications strategy is already well developed providing a wide range of solutions for all parties. However, with the increasing number of scheme employers and membership creating an increased need for information, the Fund is developing its communications strategy, embracing technology to enable both member and employer online access to the administration system.

(b) Training and Engagement

The objectives of the Fund have always been to keep stakeholders informed of new developments providing guidance, training and workshops for employers and the Fund's staff alike when new Regulations are implemented or are under consideration.

Additionally, guidance and training are offered on an ongoing basis to new scheme employers or relevant new HR/Payroll staff. With this in mind, it is important that both employers and the Fund ensure that their staff have the right level of skills and knowledge to support any changes, starting with a sound foundation of existing regulations and administrative processes.

Notwithstanding future changes, there is an ongoing need to continuously maintain the quality of member records and the administrative processes by improving the quality of information received from employers.

The Fund's guidance and training aims are therefore:

- To ensure that relevant staff within each employer have sufficient knowledge and skills to effectively discharge administrative processes by working with Employers' Human Resources, Payroll and other staff to identify relevant skills and knowledge gaps and provide appropriate guidance and training;
- To ensure that employers are fully aware of the risks involved in poor administration and maintenance of member pension records and if they fail to discharge their discretionary functions;
- To support the implementation of new technology within the Fund enabling greater self-service for the employer and streamlined administration;
- To continually develop the technical skills and competencies of the Fund's staff and retain knowledge in the application of historic regulations.

The Fund will provide guidance and training for employers' relevant staff, to build up and maintain a level of professional expertise which together with the employer's own systems and processes will enable employers to deliver information required by the Fund to efficiently administer the Scheme.

The primary contact at the employer has an important role to play in ensuring both they and other relevant staff (or their successor) build up and retain sufficient knowledge and skills to enable the employer to comply with its statutory LGPS duties.

(c) Information & Communications Technology

As part of its digital ambitions, the Fund has invested in upgraded software which has the facility to enable employers to submit data online, via a web portal enabling employers to review and update their staff's individual member records or notify the Fund of changes in their employment details.

This development allows employers to submit certain changes, notifications and requests online, including Joiners, 50/50 switches, Changes of Address, Changes of Personal Circumstances, Changes of Hours and Breaks in Service, Early Leaver Notifications, Estimate Requests, General Queries, Leaver Notifications, Maternity Commencement and Return and Opt outs within 3 months.

At the time of publication, over 200 employers have been successfully on boarded and on boarding continues on a monthly basis; the ambition is to eventually have all Fund employers submitting data electronically via the portal.

(d) Performance standards

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the scheme. The scheme itself sets out a number of requirements for the administering authority or scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies.

The locally agreed performance standards, covered in section 3 above, cover all aspects of the administration of the scheme and, where appropriate, go beyond the overriding legislative requirements.

The administering authority and scheme employers will ensure that all functions/ tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- work to be completed and submitted in the required format and/or on the appropriate forms;
- information to be legible and accurate;
- communications to be in a plain language style
- information provided to be checked for accuracy by an appropriately trained member of staff before submission;
- information submitted to be appropriately authorised; and
- actions carried out, or information provided, within the timescales set out in this strategy document.

For the avoidance of doubt “accuracy” in this Strategy is defined as when we have received a completed form/data with no gaps in mandatory areas and with no information which is either contradictory within the document or which we need to query.

The timeliness relates to a date of event being either the date the member started or left the Fund or any other material change that affects a scheme member’s pension record.

5. Procedures for ensuring compliance

- 5.1 Ensuring compliance is the responsibility of the administering authority and scheme employers. We will work closely with all scheme employers to ensure compliance with all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy.
- 5.2 We will also work with employers to ensure that overall quality and timeliness is continually improved. Various means will be employed, to ensure such compliance and service improvement, seeking views from as wide an audience as possible. These include:

Performance monitoring

- 5.3 The employer should monitor its own performance against its scheme employer duties & responsibilities and seek to improve its performance where it is not achieving the required level of performance.
- 5.4 The Fund will also monitor the employer’s performance against the agreed performance levels and will work closely with employers in identifying any areas of poor performance, provide the opportunity for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.
- 5.5 The Fund will also monitor its own performance against its administering authority duties and responsibilities. The Fund participates each year in the CIPFA Benchmarking Club to measure its performance against other LGPS Funds and performance against key performance indicators are reported to the Pension Strategy Board and included in the Fund’s annual report & accounts.

Unsatisfactory performance

5.6 Where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and /or unwillingness is shown by the employer to resolve the identified issue(s), the following sets out the steps we will take in dealing with the situation in the first instance;

- The Fund will contact and/or meet with the employer to discuss the area(s) of poor performance and how they can be addressed.
- An improvement plan will be agreed setting out the improvements required and a timescale for achieving those improvements.
- Where no improvement has been demonstrated by the employer within the agreed timescale, or where there has been a failure to take agreed action by the employer, the Fund will issue a formal written notice to the employer setting out the area(s) of poor performance that has been identified, the steps taken to resolve those area(s) and giving notice that the additional costs may now be reclaimed.
- The Fund will clearly set out the calculations of any loss or additional costs resulting to the Fund, taking account of time and resources in resolving the specific area of poor performance; and
- The Fund make a claim against the scheme employer, setting out the reasons for doing so, in accordance with the Regulations.

6. Work not included in the administration charge (and for which the Fund will make an additional charge)

The following table details work which the Fund may do for scheme employers, but which is not covered by the administration charge. This may be because there is no statutory requirement for the Fund to do the work or because not all employers require the work to be done. As such work is not included in the administration charge, the following additional charges will apply:

Description of Activity	Work done which is not covered by Admin Charge	Additional charge
IAS19/FRS17 production for accounts	All work relating to IAS19/ FRS17 production for accounts Nb. this is in addition to the Actuary's charges	£150-£600 depending on no. of members Additional officer time can be charged for additional auditor enquiries.
Late payment of contributions (Ees/ Ers/deficit) & late submission of return	Receipt of income late - regulations require within 19 days of end of the month.	£60 for late payment (includes part payment being paid late, e.g. deficit) £60 for late submission of return
Spreading of Pension Strain cost – category A employers only (major tax raising bodies)	All related accounting and reconciliation work	£225 per case Nb. if subsequently chooses to make capital payment to pay off strain, no further charge will apply
Working out average hours for a scheme member	Working out average hours for a scheme member (an employer duty)	£20 per member/per scheme year

Description of Activity	Work done which is not covered by Admin Charge	Additional charge
Coding changes for CAYs/ teachers compensation	Input new code on pension payroll	£100 < 100 members £150 100-250 members £200 > 250 members
Early Retirement Estimates (1st for that member in the calendar year)	Accelerated turnaround time	A charge will usually only be made if, in the Fund's view, excessive requests are being made by a scheme employer: 2 - 3 week turnaround – No charge 1 - 2 week turnaround – £25 per estimate < 1 week turnaround – £50 per estimate
Early Retirement Estimates (Additional requests in calendar year)	Provision of additional early retirement estimates	A charge will usually only be made if, in the Fund's view, excessive requests are being made by a scheme employer: 2 - 3 week turnaround – £25 per estimate 1 - 2 week turnaround – £50 per estimate < 1 week turnaround – £75 per estimate
Bulk early retirement estimates E.g. Running report to capture pension, lump sum, strain for everyone over age 55	Bulk early retirement estimates	3 week turnaround – £650
TUPE & Outsourcings - Admission body process (including re-lets)	Any work relating to a Fund employer tendering or outsourcing a service, TUPE transferring staff and contractor/community body entering into admission agreement with the Fund. Nb. this is in addition to the Actuary's report fee	Charge is 25% of the actuary's fee for the risk and contribution report. Charge includes: <ul style="list-style-type: none"> • Generic guidance of the process • Provision of standard draft agreements • Reasonable cleansing of records • Providing data to the Actuary • Liaising with the Actuary • 60 minutes of officer support & guidance by phone, e-mail or in person • Sealing of agreements by ECC • Provision of copy of sealed agreements to all parties • Amendment of UPM records Any additional work necessary, such as amendments to the standard draft admission agreement, will be chargeable at £50 - £100 per hour depending on which officer does the work

Description of Activity	Work done which is not covered by Admin Charge	Additional charge
Academy conversions/ free schools	Any work relating to the conversion of a school to Academy status or the setting up of a free school. Nb. this is in addition to the Actuary's report fee.	15% of the Actuary's fee
Bond Review	Any work in relation to reviewing a bond level Nb. this is in addition to the Actuary's report fee.	15% of the Actuary's fee
Internal fund transfers	Any work in relation to an internal transfer of members between employers in the Fund Nb. this is in addition to the Actuary's report fee.	15% of the Actuary's fee
Non- standard Actuarial work	Non-standard actuarial work instigated by, or because of the actions of, the Employer – e.g. bespoke requests Nb. this is in addition to the Actuary's report fee.	15% of the Actuary's fee
Cessation work when an employer exits the Fund	All work in relation to the cessation of an employer exiting the Fund Nb. this is in addition to the Actuary's report fee.	20% of the Actuary's fee
Accelerating work - Employer asking for work to be done quicker than normal agreed turnaround times	Prioritising work over other work	Charge will depend on how many cases to be accelerated and how quickly turnaround is required
Assistance with wording of the employer's communications or policies etc	Writing/Re-writing employer communication	Chargeable at £50 - £100 per hour depending on which officer does the work

Nb. Any charges shown as a cash amount will be reviewed periodically and any revised charges published in an updated version of this Strategy.

Appendix 1

YEAR-END DATA RETURNS

Policy on charging for late and/or inaccurate returns

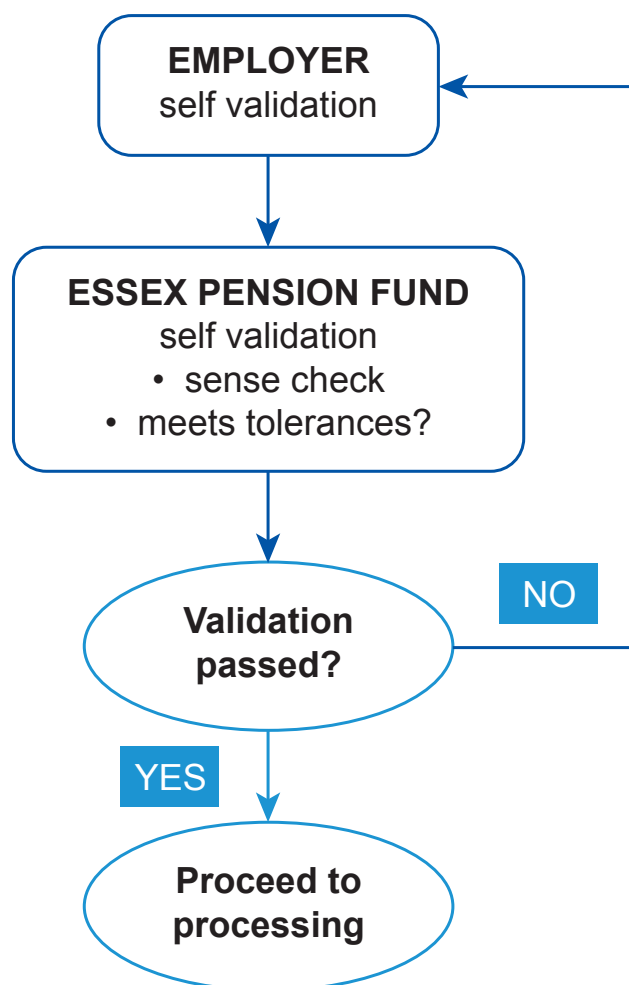
Effective date: 19/12/2018 Updated: 19/12/2018 to include September 2018 CPI

- If a return is late and/or contains errors, or data omissions are identified, then charges can be incurred by an employer at both the Validation stage and at the Processing stage.
- Any charges incurred by employers for either stage will be invoiced at the end of the year-end data return exercise.

Details of the two acceptance stages are outlined below;

Nb. all dates are following the year-end, e.g. 30 April means 30 April 2018 for the 2017/18 return, 30 April 2019 for the 2018/19 year-end and so on.

Validation Stage



- Employers will be expected to undertake many of the formatting and tolerance checks themselves, by using the self-validation facility built into the year-end data return spreadsheet, before they submit their return.
- Any return submitted with Red or Amber validation errors without explanatory comments, or not submitted on the correct layout provided for the year in question, will be rejected and returned to be corrected and resubmitted.
- Correctly submitted returns will then be subject to additional validation and tolerance checks by officers which must be passed before the return can be accepted and proceed to the Processing stage.

No charge if;

- the return is received by the deadline of 30 April and passes the validation and tolerance checks by 14 May.

Charge A if;

- the return is received by 30 April and passes the validation and tolerance checks after 14 May but by 31 May, or
- the return is received after 30 April but is received and passes the validation and tolerance checks by 31 May.

Charge B if;

- the return is received after 30 April but by 31 May and does not pass the validation and tolerance checks by 31 May, or
- the return is received after 31 May.

Validation Stage

Does a charge apply?

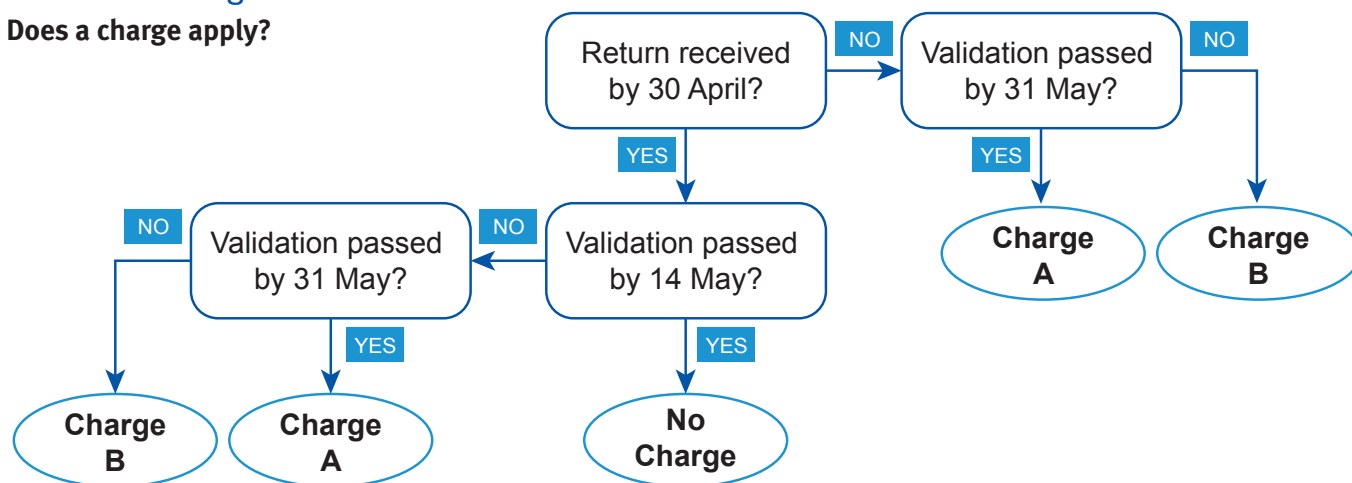


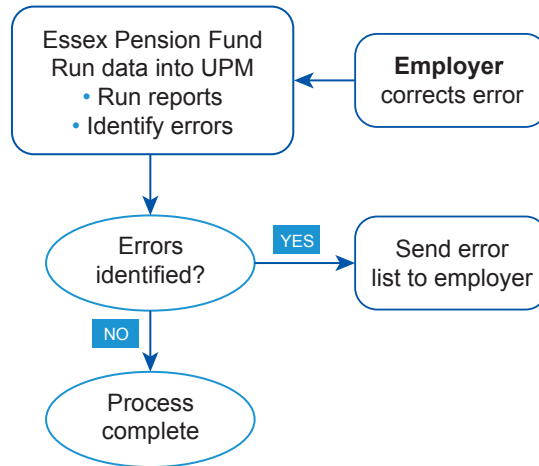
Table 1: Validation stage charges

Number of Active members at 31 March	Validation Charge A	Validation Charge B
1 to 25	£211	£422
26 to 50	£370	£738
51 to 75	£475	£949
76 to 100	£581	£1,160
101 to 250	£1,055	£2,109
251 to 500	£2,215	£4,430
501 to 1,000	£2,901	£5,801
1,001 to 5,000	£5,801	£11,602
5,001 to 10,000	£10,020	£20,040
10,001 to 15,000	£15,821	£31,642
15,001 to 20,000	£23,731	£47,462
20,000+	£31,642	£63,283

If a return is not submitted by 31 May then Charge B will apply

These charges will be increased each year by September's Consumer Prices Index (CPI) annual inflation figure

Processing Stage



- Data provided on the return is run into the administration system to identify any errors on the individual data lines (e.g. missing starter or leaver notifications).
- If any errors/omissions/queries are identified, a list of these will be sent to the employer and the employer will be given 14 calendar days to rectify the errors/omissions/queries.
- If the errors/omissions/queries are not rectified within 14 calendar days from notification by the Fund, there will be a Stage 2 charge.
- The Processing charge will be based on the number of errors, omissions and queries in the list sent to the employer and the level of charges is shown in Table 2.
- If completely correct data is not received within 28 calendar days from notification by the Fund, the charge will be doubled.

Processing Stage

Does a charge apply?

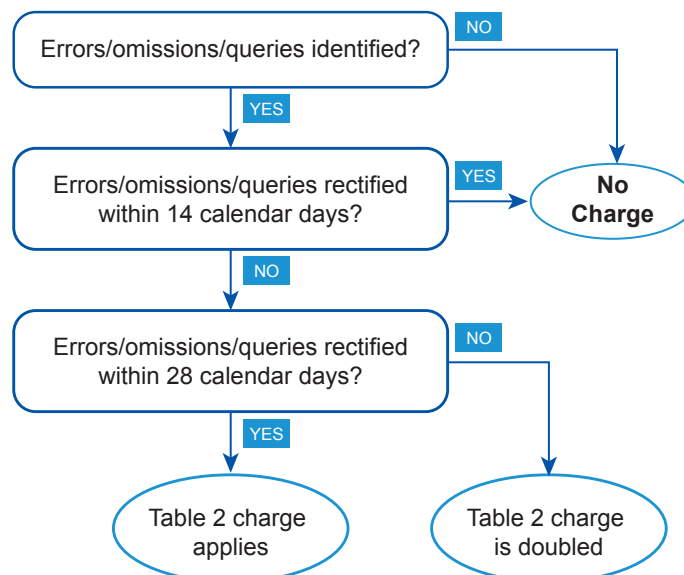


Table 2 – Processing stage charges

No. of errors, omissions & queries	Processing Charge	Double charge*
1 – 10	£105	£211
11 – 20	£211	£422
21 – 30	£316	£633
31 – 40	£422	£844
41 – 50	£527	£1,055
51 – 100	£844	£1,688
101 – 250	£2,109	£4,219
251 – 500	£4,219	£8,438
501 – 750	£6,328	£12,657
751 – 1000	£7,910	£15,821
1001 – 1500	£10,547	£21,094
1501 – 2000	£13,184	£26,368
2001+	£15,821	£31,642

*If correct data is not received, and any errors/omissions/queries rectified, within 28 calendar days from notification by the Fund then this charge will be doubled

If the data which gave rise to a particular query turns out to be correct then that query will be deducted from number of errors, omissions and queries used to determine the charge

These charges will be increased each year by September's Consumer Prices Index (CPI) annual inflation figure

Additional charges

Additional charges will be incurred by an employer if a correct return is submitted too late;

- to be included in the annual benefit statements (ABS) run, or
- for correct data to be included in the annual submission/return to the Actuary, Government Actuary's Department or the LGPS Scheme Advisory Board.

Also, if the Fund should incur a fine from the Pensions Regulator as a result of an employer action or inaction then the employer will be required to reimburse the Fund for the amount of the fine.

Essex Pension Fund

LGPS Knowledge & Skills Training Strategy

September 2015

1 Introduction

This is the Training Strategy for the Essex Pension Fund (“the EPF”).

It sets out the strategy to be considered by the EPF Strategy Board (“the PSB”), and subsequently put to the EPF Advisory Board (“the PAB”) for their consideration, concerning the training and development of the:

- members of the PSB;
- members of the PAB;
- officers of the EPF responsible for the management of the EPF (the “Officers”).

The training strategy is established to aid the PSB and the PAB members in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the decision making responsibility put upon them. A code of practice and a framework of knowledge and skills have been developed by CIPFA which Local Government Pension Scheme (LGPS) funds are expected to sign up to.

The objective of the CIPFA knowledge and skills framework is to determine and set out the knowledge and skills sufficient to enable the effective analysis and challenge of decisions made by officers and advisers to the s101 Pension Committee. In relation to the EPF, this is the PSB.

Essex County Council set up the PAB as its Local Pension Board as it was required to by the Public Service Pensions Act 2013. The same Act also amended The Pensions Act 2004 requiring the Pensions Regulator to issue a code of practice relating to the requirements of the knowledge and understanding of Board members i.e. members of the PAB. Guidance covering the knowledge and understanding of local pension boards in the LGPS has also been issued by the Shadow Scheme Advisory Board (SSAB) in January 2015. Although this has not been designated as statutory guidance it should be acknowledged as good guidance to which the PAB should refer to. The guidance for local pension boards issued by the SSAB is designed to assist the individual PAB members in undertaking their role to assist the Scheme Manager (the Essex County Council) in the effective governance and administration of the LGPS. The training necessary to achieve the additional knowledge and skills will be contained in the appropriate training plan(s); an example for the PAB is given in the appendix.

1.1 Strategy Objectives

The EPF objectives relating to knowledge and skills are to:

- Ensure the EPF is managed and its services delivered by people who have the appropriate knowledge and expertise;
- Ensure the EPF is effectively governed and administered;
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and are well based, and regulatory requirements or guidance of the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Communities and Local Government are met.

To achieve these objectives –

The PSB Members require an understanding of:

- Their responsibilities as delegated to them by Essex County Council as an administering authority of an LGPS fund;
- The fundamental requirements relating to pension fund investments;
- The operation and administration of the EPF;
- Controlling and monitoring the funding level; and
- Taking effective decisions on the management of the EPF.

PAB members must be conversant with:

- The relevant LGPS Regulations and any other regulations governing the LGPS;
- Any document recording policy about the administration of the EPF;

and have knowledge and understanding of:

- The law relating to pensions; and
- Such other matters as may be prescribed.

To assist in achieving these objectives, the EPF will aim for full compliance with the CIPFA Knowledge and Skills Framework and Code of Practice to

meet the skill set within that Framework. Attention will also be given to the guidance issued by the Scheme Advisory Board, the Pensions Regulator and guidance issued by the Secretary of State. So far as is possible, targeted training will also be provided that is timely and directly relevant to the PSB's and PAB's activities as set out in the EPF's 3-year business plan. For example, funding strategy training will be given at the PSB meeting that discusses the Funding Strategy Statement.

Existing PSB and PAB members will have received and new members will receive induction training to cover the role of a local pension board and to understand the duties and obligations of an LGPS administering authority, including funding and investment matters.

All those with decision making responsibility in relation to LGPS pension matters as well as PAB members will:

- have their knowledge measured and assessed;
- receive appropriate training to fill any knowledge gaps identified; and
- seek to maintain their knowledge.

1.2 Application of the training strategy

This training strategy will apply to all PSB Members and representatives with a role on the PSB and to all the PAB members. Other officers involved in the management and administration of the EPF will have their own personal training plans and career development objectives.

1.3 Purpose of training

The purpose of training is to:

- Equip people with the necessary skills and knowledge to be competent in their role and ensure that knowledge and skills are recorded, assessed and maintained;
- Provide those with responsibility for governing of the EPF to evaluate the information they receive and effectively challenge it where appropriate;
- Support effective and robust decision making;

- Allow members of the PSB and PAB to recognise and manage potential conflicts of interest;
- Meet the required needs in relation to the EPF's objectives.

1.4 Summary

This training strategy:

- Assists in meeting the EPF's objectives;
- Meets the business plan;
- Will assist in achieving delivery of effective governance and management;
- Will equip those responsible with appropriate knowledge and skills;
- Promote ongoing development of the decision makers;
- Lead to demonstrating compliance with the CIPFA Knowledge and Skills Framework;
- Lead to demonstrating compliance with statutory requirements and appropriate consideration of associated guidance.

2 Meeting the business plan

2.1 Timely and relevant

There will be times in the year when different circumstances will require specific training. For example, funding strategy training can be provided at the PSB meeting that discusses the Funding Strategy Statement.

It is vital that training is relevant to any skills gap or business need and training should be delivered in a manner that fits with the business plan.

The training plan will therefore be regularly reviewed to ensure that training will be delivered where necessary to meet immediate needs to fill knowledge gaps.

3 Delivery of Training

3.1 Training resources

Consideration will be given to various training resources available in delivering training to the PSB members, PAB members or officers in order to achieve efficiencies. These may include but are not restricted to:

For PSB and PAB members	For Officers
• In-house*	• Desktop / work based training
• Self-improvement and familiarisation with regulations and documents	• Attending courses, seminars and external events
• The Pension Regulator's e-learning programme	• Training for qualifications from recognised professional bodies (e.g. CIPFA, CIPP, PMI)
• Attending courses, seminars and external events	• Internally developed sessions
• Internally developed training days and pre/post PSB/PAB sessions*	• Shared training with other funds or frameworks
• Shared training with other funds or frameworks*	• Circulated reading material
• Regular updates from officers and/or advisers*	
• Circulated reading material	

*These may be shared training events for PSB and PAB members

3.2 Training Plans

To be effective, training must be recognised as a continual process and will be centred on 3 key points.

- The individual;
- The general pensions environment;
- Coping with change and hot topics.

Training plans will be developed at least on an annual basis. These will be updated as required taking account of the identification of any knowledge gaps, changes in legislation, EPF events (e.g. the triennial valuation) and receipt of updated guidance.

Induction training will be provided for all new officers with pension responsibilities, new members of the PSB and PAB. This will involve covering the requirements of the training strategy alongside guidance and information on the requirements of their roles.

3.3 External Events

A log of potential external events which may count towards credits will be maintained on an ongoing basis by the Head of EPF. This will be updated as information on events becomes available and will be provided at PSB and PAB meetings.

After attendance at an external event, PSB and PAB members will be expected to provide verbal feedback at their following PSB/PAB meeting either during the meeting or to an officer covering the following points:

- Their view on the value of the event and the merit, if any, of attendance;
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other PSB/PAB members.

Officers attending external events will be expected to report to their direct line manager with feedback

covering the following points:

- Their view on the value of the event and the merit, if any, of attendance;
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other officers.

4 On-going development

4.1 Maintaining knowledge

In addition to undertaking on-going assessment in order to measure knowledge and skills against the CIPFA requirements and identify knowledge gaps, Officers, PSB and PAB members are expected to maintain their knowledge of on-going developments and issues through attendance at external events and seminars.

Appropriate attendance at events for representatives of the PSB and PAB will be agreed by the appropriate chairman. Attendance at events for officers will be agreed via their relevant line manager.

A list of known future events and seminars will be presented at each PSB/PAB meeting.

The Head of EPF will decide an appropriate level of credits for attendance at an event depending on the type of event, its content and relevance to knowledge maintenance but based on the guide given in section 5 below. The level of credit may then be re-evaluated when receiving feedback (see 3.3 above).

In any event, attendance at events/seminars (which may include some internal training sessions) that are not direct training courses focussed on the CIPFA Knowledge Skills Framework or issued guidance but enhance and improve related on-going and emerging pension knowledge will count as one credit for each session of up to a half day.

Owing to the changing world of pensions, it will also be necessary to have ad hoc training on emerging

issues or on a specific subject on which a decision is to be made by the PSB in the near future or is subject to review by the PAB. These will also count as credits in maintaining knowledge.

5 Recording Training

5.1 Training credits

As a measure of training given or knowledge level, PSB and PAB members are expected to have a

minimum level of training credits. Credits will be awarded in recognition of attendance at training events, successful completion of recognised training assessment or for attendance at relevant industry events or seminars. This approach recognises that members of the PSB and PAB may have different learning styles, while at the same time requiring that an appropriate core level of knowledge is attained.

Credits will be awarded in accordance with the following guide:

Method of attaining credit	Number of credits awarded
Completion of a single module of the Pensions Regulators e-learning toolkit. There are 7 modules in total	1 credit per module passed and valid for 2 years
Attendance at a training event organised by the Essex Pension Fund. This would typically be held as part of a full PSB or PAB meeting.	1 credit per session
Successful completion of a knowledge assessment following a training event	1 credit per assessment passed and valid for 2 years (a pass being awarded for achieving at least 2/3rds of the available marks)
Attendance at an approved conference, seminar or external training event	2 credit for a full day's attendance 1 credit for a half day's attendance

5.2 Number of credits required

Members of the PSB and PAB will be expected to accumulate 21 credits over a rolling 2 year period. 21 credits can be obtained by, for example, completing the Pension Regulator's e-learning toolkit, attending 7 EPF training events and passing 4 knowledge assessments.

These will be measured and monitored by the Head of EPF over rolling 2-year periods ending at the relevant prior meeting and recorded. The number of credits is set at a level that encourages both attendance at training sessions and assessment.

It is acknowledged that where an individual is new to the role there will be a lead-in period before the member will be expected to demonstrate the full range of knowledge and skills. However, in any

event, the scoring of credits will be reset to zero as at 1 April 2015 following the introduction of the new governance arrangements.

5.3 Scorecard

For the purposes of disclosing the level of knowledge and understanding of the PSB and PAB through the scorecard mechanism at PSB meetings, the following will be recorded separately for the PSB and PAB:

- Total number of credits possible in the period in question i.e. the last 2 years starting at 1 April 2015 or later for a new member joining after that date, assuming one assessment takes place per meeting cycle;
- Total number of credits achieved in the same period.

The latter score will be flagged as green if this represents at least 90% of the potential target, amber for between 60% and 89% (inclusive) and red if below 60%.

Separately, the Head of EPF will hold a record of each individual's training credits split between attendance and assessment and will be shared with the chairman of the relevant PSB/PAB from time to time (see also section 8 below).

6 CIPFA Requirements

6.1 CIPFA Knowledge & Skills Framework

In January 2010 CIPFA launched technical guidance for Elected Representatives on s101 pension committees and non-executives in the public sector within a knowledge and skills framework. The framework covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context;
- Pension accounting and auditing standards;
- Financial services procurement and relationship development;
- Investment performance and risk management;
- Financial markets and products knowledge; and
- Actuarial methods, standards and practice.

The Knowledge and Skills Framework sets the skills required for those responsible for pension scheme financial management and decision making under each of the above areas in relation to understanding and awareness of regulations, workings and risk in managing LGPS funds.

6.2 Local Pension Boards: A Technical Knowledge and Skills Framework

In August 2015 CIPFA extended the Knowledge and Skills Framework to specifically include members of local pension boards, albeit there exists an overlap with the original framework. The framework identifies the following areas as being key to the understanding of local pension board members;

- Pensions Legislation;

- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;
- Investment Performance and Risk Management;
- Financial markets and product knowledge;
- Actuarial methods, standards and practices.

6.3 CIPFA's Code of Practice on Public Sector Pensions Finance, Knowledge and Skills (the "Code of Practice")

First published in October 2011 and redrafted in July 2013, CIPFA's Code of Practice embeds the requirements for the adequacy, acquisition, retention and maintenance of appropriate knowledge and skills required. It recommends (amongst other things) that LGPS administering authorities:

- formally adopt the CIPFA Knowledge and Skills Framework in its knowledge and skills statement;
- ensure the appropriate policies and procedures are put in place to meet the requirements of the Framework (or an alternative training programme);
- publicly report how these arrangements have been put into practice each year.

The PSB fully supports the intentions behind CIPFA's Code of Practice and has agreed to formally adopt its principles. This training strategy formally sets out the arrangements the EPF will take in order to comply with the principles of the CIPFA Knowledge and Skills Code of Practice.

7 Guidance from the Scheme Advisory Board

7.1 General Principles

The Scheme Advisory Board has taken note of the regulatory requirements and the principles of the Pension Regulator's code of practice and in January 2015 published Guidance for administering authorities to support them in establishing their

local pension board. The Guidance includes a section designed to help local pension board members to understand their knowledge and understanding obligations.

Knowledge and understanding must be considered in the light of the role of a local pension board and Essex County Council will make appropriate training available to assist and support PAB members in undertaking their role.

7.2 PSB members

Although the CIPFA knowledge and skills framework complements the code of practice that should be adopted by administering authorities there is no legal requirement for knowledge and understanding for members of a s101 pension committee. However, the view of the EPF is that members of the PSB should have no less a degree of knowledge and skills than those required in legislation by the PAB. Sections 7.3 to 7.5 below are therefore still relevant in the consideration of the training needs of PSB members.

7.3 Degree of Knowledge and Understanding

The role of the PAB is to assist the scheme manager i.e. the administering authority. To fulfil this role, PAB members should have sufficient knowledge and understanding to challenge failure to comply with regulations, any other legislation or professional advice relating to the governance and administration of the LGPS and/or statutory guidance or codes of practice.

PAB members should understand the regulatory structure of the LGPS and the documentary recording of policies around the administration of the EPF in enough detail to know where they are relevant and where it will apply.

7.4 Acquiring, Reviewing and Updating Knowledge and Understanding

PAB members should commit sufficient time in their learning and development and be aware of their responsibilities immediately they take up their position. The EPF will therefore provide induction training for all new PAB members [and this was carried out at their meeting held on 17 July 2015].

7.5 Flexibility

It is recognised that a rigid training plan can frustrate knowledge attainment when too inflexible to reflect a change in pension law or new responsibilities required of PAB members. Learning programmes will therefore be flexible to deliver the appropriate level of detail required.

8 The Pensions Regulator

8.1 E-learning toolkit

The Regulator has developed an on line tool designed to help those running public service schemes to understand the governance and administration requirements in the public service schemes code of practice. The toolkit is an easy to use resource and covers 7 short modules. These are:

- Conflicts of Interests;
- Managing Risk and Internal Controls;
- Maintaining Accurate Member Data;
- Maintaining Member Contributions;
- Providing Information to Members and Others;
- Resolving Internal Disputes;
- Reporting Breaches of the Law.

These modules are designed to apply to all public service schemes and are not LGPS specific. Completion of the toolkit will not in itself provide PAB members with all the information they require to fulfil their knowledge and skills obligations. It does however provide a good grounding in some general areas and all PAB members will be expected to complete the full 7 modules over time.

9 Training records and certification

9.1 Progress and achievement

Personalised training plans will be used to document and address any knowledge gaps and update areas of learning where required and assist in the acquisition of new areas of knowledge in the event of change.

Progress and achievement will be certificated at least on an annual basis individually to all PSB members, PAB members and officers.

These will detail:

- The current assessment of an individual's acquired knowledge;
- Their progress against achieving the credits from other internal/external training or events; and
- All training courses and events attended by them to date.

10 Risk

10.1 Risk Management

The compliance and delivery of this training strategy is at risk in the event of –

- Frequent changes in membership of the PSB or PAB;
- Poor individual commitment;
- Resources not being available;
- Poor standards of training;
- Inappropriate training plans.

These risks will be monitored by officers within the scope of this training strategy and be reported where appropriate.

Appendix

PAB Training Plan - example

Training plan –

General –

Due to the new nature of local pension boards it is unlikely that members will be experts in all areas for which they can assist the Scheme Manager. Training of PAB members must therefore be structured and relevant to ensure individuals have and maintain the necessary knowledge and understanding to effectively meet their legal obligations to assist the EPF.

In accordance with section 248A of the 2004 Act, every individual who is a member of a Local Pension Board must be conversant with:

- the rules of the LGPS, in other words the Regulations and other regulations governing the LGPS (including the Transitional Regulations, earlier regulations and the Investment Regulations); and
- any document recording policy about the administration of the Fund which is for the time being adopted in relation to the Fund, and

have knowledge and understanding of:

- the law relating to pensions; and
- such other matters as may be prescribed.

The legal requirement for knowledge and understanding for members of a Local Pension Board i.e. the PAB does not apply to members of a Pension Committee (i.e. PSB). However, the requirement serves as a useful benchmark for the knowledge and understanding that a member of the decision-making PSB should have.

Given the role of the PAB to assist the Administering Authority, members of the PAB should have sufficient knowledge and understanding to challenge any failure by the Administering Authority to comply with the Regulations and other legislation relating to the governance and administration of the LGPS (which should be interpreted as including the Regulations and other legislation relating to

investment and funding matters) and/or any failure to meet the standards and expectations set out the Pensions Regulator's Code of Practice No. 14.

Regulation 107(2) of the Local Government Pension Scheme Regulations 2013 only requires employer and scheme member representatives to have the capacity to represent their respective community. However regulation 109 of the Regulations requires the administering authority to have regard to guidance issued by the Secretary of State in relation to local pension boards. Whilst the guidance on the creation and operation of local pension boards issued by the SSAB is not (as yet) statutory, such guidance must be held up to be good practice. This training plan will therefore be in line with the guidance.

The Training Strategy

The EPF Knowledge and Skills Training Strategy sets out the fund's objectives and approach with regard to the knowledge and skills required by both the members of the PSB and the PAB.

The training plan

With the training strategy in place it is important to have an induction training event in place for all new PAB members. The purpose of this should be to advise them of their roles and responsibilities and how this is different from that of the PSB. It is the opportunity to familiarise them with the role ahead and where information can be obtained and perhaps importantly their terms of reference and remit.

The induction day should also be used to introduce them to the training strategy and their training plan for the tenure of their membership. It is suggested the induction takes no longer than a half day.

The training should then as far as is possible be structured along with the business they are conducting. This will not be known until the local pension board has met on a number of occasions so it is necessary to put something in place at an early stage but can be flexible enough to be able to change according to requirements.

The induction training event was in fact

carried out at the PAB's first meeting held on 17 July 2015.

The training plan was as follows:

Induction half day to cover:

Why are we here?

- The background to LPBs (the PAB)
- The Public Service Pensions Act
- The LGPS Regulations

Your role

- How it differs from the PSB
- Non decision making
- Conduct and conflicts
- Reporting of breaches
- Assist the scheme manager
- Data protection

Your responsibilities

- Terms of reference
- Policies
- Reporting

Your knowledge and skills

- Put a strategy/plan in place
- Maintaining records
- Knowledge gaps and maintaining knowledge

The induction half day will then followed by further training events to cover the following modules:

Module 1

Introduction to documents and recording policies of the administration of the LGPS in the EPF.

Advise attendees of (but not limited to)

- any scheme booklets and information and communication channels
- relevant policies of the EPF
- the policies and documents the EPF is required to have in place to satisfy LGPS regulations
- the risk register
- valuation reports
- annual report and accounts

Module 2

Background and understanding of the legislative framework of the LGPS and general pensions legislation applicable to the LGPS.

This will look at subjects like:

- the difference between the public sector (LGPS) and private sector pension arrangements
- local authority law and how administering authorities are constituted
- overview of the LGPS and the raft of regulations
- other legislation that impacts on the LGPS and its administration

Module 3

The role and responsibility of the administering authority (Administration, Funding and Investment) and the roles and responsibilities of employers in the EPF.

This module will cover:

- the membership and the benefit structure of the LGPS
- record keeping and internal controls
- IDRP
- statements and reports and accounts
- reporting breaches
- valuations and cessations
- permitted and restricted investments
- appointment and management of investment managers and custodians

Module 4

The role of advisers and key persons, key bodies connected to the LGPS.

Explaining the role of key advisers and bodies such as:

- The Pensions Regulator
- Financial Services Authority
- HMRC
- Pensions Ombudsman
- the fund actuary
- auditors

Essex Pension Fund

COMMUNICATIONS POLICY

Introduction

This Communication Policy has been prepared by the Essex Pension Fund (the Fund) and is effective from April 2016. The Communication Policy has been designed to meet the legislative requirements and in addition, meet the Funds objectives that are outlined within this Policy. This policy will be reviewed annually and updated as necessary following each review.

This Policy should be read in conjunction with the supporting 'Communication Calendar' which is detailed in Appendix 1 of this document.

Key Objectives

To ensure that we are communicating with our audiences and we enhance the service we currently offer, we have set the following objectives:

- Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally.
- Ensure our communications are simple, relevant and have impact.
- Deliver information in a way that suits all types of stakeholder.
- Aim for full appreciation of the pension scheme benefits and changes to the Scheme

by all scheme members, prospective scheme members and employers.

Measuring success

To monitor our success against our objectives we will aim to:

- Achieve a year on year increase in the response rate to our Satisfaction Surveys to each of our audiences.
- Achieve to 95% of positive responses in our Satisfaction Surveys to each of our audiences.
- Have a supporting communications calendar that is adapted where necessary, to each of our audiences.

Achieving success

Our principles when delivering our communication will be to:

1. **Improve member understanding and gain appreciation:**

To ensure that our communications support member understanding we will:

- Tailor our communication to the audience's needs.
- Make our messages clear, consistent and use the right language.

- Provide contact information for people to find out more information.
- Be consistent with our key messages throughout our communication.
- Use the most appropriate delivery methods to reach our audiences and make communications accessible to everyone.
- Provide good quality communications that meets the expectations of the audience.

2. Plan our communication and deliver by the most appropriate method:

- We will use the most appropriate communication channel for the audience.
- We will adapt our communication where possible following feedback from our audiences.
- We will consider how to make the service available to all audiences and be accessible to everyone.
- We will actively promote our service through our existing communication channels where appropriate. For example, employer roadshows and meetings.

3. Give our communication a clear purpose

- Each of the communications we send will have a clear purpose and fit into our overall communications plan. This will ensure each item is part of our overall policy and cost effective.
- We will continually review all of our communication to ensure that it is fit for purpose.

4. Give our communication impact through visual identity:

Pension schemes with their own style and brand result in communications that are instantly recognisable as pension related. A visual identity will be developed alongside the Councils existing brand.

Our key messages

There are a number of key messages to each of our audiences but through all of our communication the messages to the majority of audiences will be:

1. Your pension is a valuable benefit
2. It is important that you understand how the LGPS works now and in the future
3. Make sure that you are saving enough for retirement

A summary of the key messages to each audience is below:

Audience	Key message
Active members	<ul style="list-style-type: none">• It is important that you understand the impact of any changes in legislation: Pension Reform, Automatic enrolment, Lifetime allowance /Automatic enrolment.• Your employer pays in to help you save for your retirement.• Remember you have other benefits with your pension.
New / potential joiners and opt outs	<ul style="list-style-type: none">• It is important to understand the impact of any changes in legislation: Pension Reform and auto enrolment.• The LGPS pension is a good way to save for your retirement.• Remember you have other benefits with your pension.
Deferreds	<ul style="list-style-type: none">• Keep your details up to date.• You need to understand how the fund worked when you left.• It is important to understand the impact of any changes in legislation• The pension will be different if you come back into the Scheme.• Understand the implications of transferring out of the Scheme.• We will tell you if anything changes.
Pensioners	<ul style="list-style-type: none">• Keep your details up to date.• We are here to help with any questions you might have.• You will continue to get your pension no matter what changes happen.• Remember to phone the tax office with any tax queries you have.• Remember you have other benefits with your pension.
Employers	<ul style="list-style-type: none">• You have a responsibility to provide employees with information about the LGPS.• You need to understand how the Scheme works and the effect of any changes in legislation.• The LGPS is a valuable benefit for members and you need to help educate members to understand the changes and the impact.• You have a responsibility to inform the Fund of any changes to scheme members circumstances.

Communication deliverables

Media, tools and channels of our communication

The communication tools we will use will incorporate our existing communication channels for efficiency. The tools we use may adapt as we receive feedback from each of audiences. The tools we will use for each of our audiences are outlined below:

Scheme members – Active, deferred and pensioner members

- **Internet** – The Fund has established an extensive website essexpensionfund.co.uk containing Scheme details, leaflets, guides and forms etc. There are also news items and links to other organisations relevant to Scheme members.
- **‘Prime’ newsletter** – We will issue a newsletter to members of the Fund at least once a year, the contents of which will cover current pension topics within the LGPS and the pensions industry in general plus important repeated messages.
- **Deferred newsletter** – We may issue a newsletter to deferred members of the fund, where a current address is known. This will consist of the key messages, plus any topical issues such as changes affecting deferred members and will normally be sent with the annual benefit statement.
- **Benefit statements** – An annual benefit statement may be sent directly to the home address of all members who are contributing to the Fund at the previous financial year end. Benefit statements are sent direct to the home address of deferred members where a current address is known.
- **Scheme literature** – A range of Scheme literature is produced by the Fund and is supplied to employing bodies and Scheme members directly. Copies of the Scheme literature will be available on the Fund’s website essexpensionfund.co.uk
- **Pay advices** – The Fund issues pay advices to Scheme pensioners in April and May and if there is a change to the member’s net pension of more than £1.00. The pay advices are also

used to convey important generic messages to Scheme pensioners.

- **Correspondence** – The Fund uses both surface mail and e-mail to receive and send correspondence.
- **Telephone helpline** – A dedicated telephone helpline is provided for Scheme members and is widely publicised in Scheme literature.
- **Pensions roadshow** – The Fund stages a number of pension roadshows where it visits the buildings of main employers in the Fund. Additionally, satellite roadshows and surgeries are held at outlying sites, particularly when there may be organisational changes occurring which have pensions implications.
- **‘Your Time’** – The Fund issues an annual newsletter, ‘Your Time’ to its Pensioner members.

Scheme employers

To assist employers participating in the LGPS, the Fund has a range of communication materials and methods that aims to increase their understanding of pension issues and help them fulfil their responsibilities as Scheme Employers. By working together we are able to provide a better service to our members.

- **Employer website** – The Essex Pension Fund website has a section for Scheme Employers. This is used to distribute forms used by employers to notify the fund of certain material events and holds resources such as the Employers’ guide, Scheme Employer newsletters and links to LGE circulars and bulletins. Employers are requested to download the forms as and when required to ensure up-to-date documentation is always used.
- **Employer guide** – The Fund has produced and maintains an Employer guide to assist Scheme employers to understand their role. The guide is a key resource and explains the statutory requirements of the Employer with regards to the scheme. All Scheme employers have been sent a hard copy and electronic copy of the guide and the latest version is also made available on the Fund’s website.

- **Scheme employer newsletter** – The Fund produces a newsletter for Scheme employers covering current issues, scheme changes and administration issues. This is sent to employers electronically by email.
- **Email alerts** – The fund sends a number of e-mail alerts to employers throughout the year with important pension related news and information.
- **Report and Accounts** – The Report and Accounts are produced annually and an electronic copy is sent to all Scheme employers. It is also made available on the Fund's website.
- **Employer meetings or other ad hoc meetings** – The fund holds a number of employer meetings at the offices of main employers in the Fund to which all Fund Employers are invited. The Fund also attends meetings with employers either at the request of the employer or if it has identified a need. These are usually to keep Employers up-to-date with LGPS developments and to offer training and assistance to the employer to help them to carry out their pension obligations.
- **An employer forum** – The Fund hold an employer forum each year which focuses on administrative aspects of the fund and any developments in the scheme including identifying the likely impact of scheme changes. Workshops will be held on specific relevant pension topics at least once a year. The Fund invites all Scheme employers to the forum.
- **Employer Training** – The Fund offers training to all Scheme Employers on the LGPS and their role in administering the Scheme. Training covers the full range of administrative and Regulatory activities and is tailored to the needs of the particular employer.

Prospective Scheme members – Including opt-outs

- **Scheme information / guide** – All prospective Scheme Members must be given basic information about the LGPS. The Fund requires Employers to provide all employees information about the scheme and to provide

either a hard copy of the short scheme guide or direct them to an electronic version, when they become eligible to join the scheme. The Fund's website has a section 'I am thinking of joining' which summarises the main benefits provided by the LGPS

- **Internet** – The Fund has established an extensive website essexpensionfund.co.uk containing Scheme details, leaflets, guides and forms etc. There are also links to other organisations relevant to Scheme members
- **'Prime' newsletter** – We will issue a newsletter to members of the Fund at least once a year, the contents of which will cover current pension topics within the LGPS and the pensions industry in general. Employers are encouraged to make the newsletter available to all of their eligible staff regardless of whether they are currently contributing to the scheme
- **Pensions Roadshow** – The Fund stages a number of pension roadshows at the offices of main employers in the Fund to which the employees of all Fund employers are invited. These events are not just aimed at Scheme members but also at eligible employees who are not currently contributing to the scheme.

Prospective Scheme employers

The Fund provides information to prospective Employers to ensure they understand the LGPS Regulations, their implications and the role of a Scheme Employer. The Fund will provide information required to facilitate a smooth transition in respect of prospective Employers to which LGPS Members may TUPE transfer, such as contractors providing a service to a Scheme Employer.

APPENDIX 1

Communication calendar

The following communication calendar outlines the communication to each of the key audiences and will be implemented to ensure that communication is regular and efficient. Each communication will include the key messages for each audience. The communication calendar will be reviewed annually, and updated as necessary.

Act	Active members	Pen	Pensioners	Opt	Opt outs
Emp	Employers	Def	Deferreds		

Month		Activity	Media/purpose
April	Pen	Pay advices	
	Pen	Pensions Increase letters	
	Emp	Employer Presentation/Meeting	
May	Pen	Pay advices/P60s	
	Def	Annual Benefit Statements	
June	Emp	Employer Presentation/Meeting	
July	Emp	Employer Guide update	
	Emp	Report and Accounts	Electronic only
	Emp	Employer Presentations/Meetings	
August	Act	Annual Benefit Statements	
	Act	'Prime' newsletter	To be sent with Annual Benefit Statements
September	Opt		
	Act	Employee Roadshows	Drop-in session
	Opt		
	Emp	Employer Presentations/Meetings	
	Pen	Payslips (full payroll run)	For National Fraud Initiative (NFI)

Month	Activity	Media/purpose
October	Pen 'Your time' newsletter	E-newsletter
	Act	Drop-in session
	Opt Employee Roadshows	
	Emp Employer Presentations/Meetings	
	Emp 'Scheme Employer' newsletter	E-newsletter
	Emp Contributions newsletter	
	Emp Employer Forums	If valuation results out
	Def Deferred newsletter	
November	Act	Drop-in session
	Opt Employee Roadshows	
	Emp Employer Presentations/Meetings	
	Emp Employer Forums	If valuation results out
December	Emp Employer Forums	If valuation results out
January	Act Review Scheme literature	
	Act	Drop-in session
	Opt Employee Roadshows	
February	Act	Drop-in session
	Opt Employee Roadshows	
	Act Review Scheme Literature	
	Emp Employer Training EOY & Valuation	
March	Act	Drop-in session
	Opt Employee Roadshows	
	Emp Employer Presentations/Meetings	
	Emp 'Scheme Employer' newsletter	E-newsletter
	Emp Employer Forum	

Glossary

Accrued Interest – Interest earned on a bond since the last interest payment date. If the stock is sold, the accrued interest is paid (gross of tax) to the seller at the time of the transaction in addition to the clean price of the stock.

Active Management – A style of investment management where the fund manager aims to outperform a benchmark by superior asset allocation, market timing or stock selection (or a combination of these).

Actuary – An independent consultant who advises the County Council on the financial position of the fund. Every three years the actuary reviews the assets and liabilities, of the fund and produces the actuarial valuation which recommends the employers contribution rates.

Additional Voluntary Contributions (AVC) – An option available to individuals to secure additional pension benefits by making regular payments in addition to employee contributions already payable.

Admission Bodies – Bodies whose staff can become members of the Pension Fund by virtue of an admission agreement made between the Authority and relevant body.

Annualised Return – The rate of return for any given period expressed as the equivalent average return per year.

Asset Allocation – The apportionment of a fund's assets between asset classes and/or world markets. The long-term strategic asset allocation of a fund will reflect the fund's investment objectives. In the short term, the fund manager can aim to add value through tactical asset allocation decisions.

Benchmark – A yardstick against which the investment policy or performance of a fund manager can be compared.

Bond – A certificate of debt issued by a company, government, or other institutions. A bondholder is a creditor of the issuer and usually receives interest at a fixed rate. Also referred to as fixed interest securities.

Cash – Cash is defined as cash instruments (e.g. money market deposits) and cash in bank and at hand.

Convertible Stock – Stock which gives the holder the right, but not the obligation, to convert all or part of the holding into another stock or stocks on specified dates and on specified terms.

Corporate Governance – This is the system by which companies are run, and the means by which they are responsive to their shareholders, employees and society.

Custody – Safe-keeping of securities by a financial institution. The custodian keeps a record of a client's investments and may also collect income, process tax reclaims and provide other services, according to the clients instructions.

Currency Trading - Buying and Selling world currencies.

Deferred Pension – The pension benefit payable from normal retirement age to a member of the Fund who has ceased to contribute as a result of leaving employment or opting out of the pension scheme before the state retirement age.

Derivatives – Are financial instruments whose value derives from an underlying asset. Futures/Forwards are among the most common.

Dividend – The part of a company's after tax earning which is distributed to the shareholders in the form of cash or shares. The directors of the company decide how much dividend is to be paid and when. The dividend is neither automatic nor guaranteed for ordinary shareholders.

Emerging Equity Markets – There are about 80 stock markets around the world of which 22 markets are generally considered to be mature, the rest are classified under the heading of emerging markets.

Equities – Ordinary shares in UK and Overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

Exchange Traded – Contract traded on a regulated exchange where the contract terms are standardised by the exchange so that the underlying asset, quantity, expiration date and strike price are known in advance.

Fixed Interest Securities – Investments in mainly government stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date but which can be traded on a recognised stock exchange in the meantime.

Futures – Contracts to buy or sell specific quantities of a commodity or financial instrument at a specified price with delivery set at a specified time in the future.

Gilts, Gilt-edged Securities – The familiar name given to sterling, marketable, securities (or bonds) issued by the British Government.

Income Distribution – Usually referred to unit trusts, the distribution of income to unit holders in strict proportion to the number of units held at the ex-dividend date (units brought after this date will not generate a dividend).

Indexed Linked – Bonds on which the interest and ultimate capital repayment are recalculated on the basis of changes in the Retail Price Index.

Listing – For shares (or bonds) to be traded officially on a stockmarket they need to be listed. Essentially, this is an endorsement from the market authorities that the securities and their issuer meet certain criteria.

Margin Account – When a futures contract is first opened, an initial margin payment is made into an account held by the Clearing House. This is intended to represent the maximum gain or loss on the contract, based on current market volatility. Each subsequent day, every open contract is valued to reflect the market movements, the scheme may be required to make an additional payment or receive a repayment.

Mandate – The agreement between a client and investment manager laying down how the fund is to be managed. May include performance targets by reference to a benchmark.

Market Value – The price at which an investment can be bought or sold at a given date.

Mature Equity Markets – Countries which include the United Kingdom, United States and Japan are commonly referred to as having mature markets. These markets have an established economy and knowledge is freely available.

Maturity – End of the life of a fixed interest security at which point it is repaid.

Ordinary shares – Securities, which represent an ownership, interest in a company.

Over the Counter Contracts – Two parties agree to exchange two currencies on a specified future date at an agreed rate of exchange.

Passive Management – A style of investment management that seeks to attain performance equal to market or index returns.

Private Debt – An obligation that enables the issuing party to raise funds by promising to repay a lender in accordance with terms of a contract. These assets do not have an active secondary market in which they can be traded. Types of debt instruments include notes, bonds certificates, mortgages, leases or other agreements between a lender and a borrower.

Property unit trusts (PUTS) – Pooled investment vehicles that enable investors to hold a stake in a diversified portfolio of properties.

Resolution Bodies – Scheme employers with the power to decide if an employee or group of employees can belong to the scheme.

Retirement under the “Rule of 85” – Where an employer consents to the early payment of retirement benefits after age 50, the member’s age and pensionable service totalling at least 85, and where other reasons for retirement do not apply.

Return – The total gain from holding an investment over a given period, including income and increase (decrease) in market value.

Scheme Employers – Local Authorities and other similar bodies whose staff automatically qualify to become members of the pension fund.

Specialist Management – A fund management arrangement whereby a number of managers each concentrate on a different asset class. A specialist fund manager is concerned primarily with stock selection within the specialist asset class. Asset allocation decisions are taken by the trustees, their consultants or a specialist tactical asset allocation manager.

Transaction Costs – Those costs associated with managing a portfolio, notably brokerage costs and taxes.

Transferee Admission Bodies – An external body contracted to provide services or assets in connection with the exercise of a function of the Local Authority.

Transfers to/from other schemes – These are sums paid to or received from other pension schemes and relate to the current value of past contributions which transfer with a member when changing employment.

Unit Trust – A pooled fund in which investors can buy and sell units on an on-going basis.

Unquoted Securities – Shares which are dealt in the market but which are not subject to any listing requirements and are given no official status.

Unrealised Gains/(losses) – The increase/ (decrease) at year-end in the market value of investments held by the fund since the date of their purchase.

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formats, on request.

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